



# Northern Territory AFL Club Licence Strategic Business Case

AFL Northern Territory

Report Prepared For:



Report Prepared By:



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## Acknowledgement of Country

We acknowledge and pay our respects to Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia, whose ancestral lands and waters we work, live and play on throughout Australia. We honour the wisdom of, and pay respect to, Elders past, present and future.

# Key Insights and Outcomes

## A Compelling Proposal That Goes Far Beyond the AFL Field

In 2021, AFLNT and the Northern Territory (NT or the Territory) Government formed the NT AFL Club Taskforce (the Taskforce) to advance the investigation of the feasibility of establishing an AFL Club in the Territory. Co-chaired by Hon Kate Worden (NT Minister for Sport) and Sean Bowden (Chairperson of the AFLNT), the Taskforce was a recommendation of an AFLNT commissioned feasibility study completed by Bastion EBA (Bastion) in 2019. This Strategic Business Case (SBC) builds upon the work undertaken by Bastion and provides a baseline for further development of the Project.

Importantly, this SBC finds that there are compelling reasons to continue to explore the Project concept that go beyond the sporting benefits. Furthermore, an NT AFL Club is a critical element of the justification for a multi-purpose Darwin city stadium, that has the potential to catalyse considerable social and economic benefits for the Territory and will elevate the profile of Darwin as a sought-after travel and lifestyle destination.

## The NT Context

Home to some of the most spectacular natural landscapes in the world, and with a diverse and culturally rich population, the NT is unique in whatever way it is viewed. Territorians have an enshrined sense of pride for the identity and the culture that exists within the region and are renowned for their unwavering resilience and determination.

**AFL is an integral part of both the culture and the social fabric of the NT. With over 13 leagues, 180 clubs and nearly 40,000 participations in 2022, there exists an unrivalled passion for the game that permeates the whole of the Territory. For decades, Territorians have represented the region at the highest level, and today, the NT produces more elite level players per capita than any other state or territory, adding to the Territory's sense of identity.**

However, the NT does face a range of socio-economic challenges that, if not addressed, have the potential to erode the unique culture and way of life cherished by all Territorians.

**The NT Government has an ambitious plan to grow the economy to \$40bn and population to 300,000 by 2030.**

Economy Size	Economy Growth	Employment	Population
<b>\$30.1bn</b> Size of the NT economy at the end of 2022-23.	<b>25%</b> Growth in the NT economy between 2012 and 2022.	<b>138,113</b> Number of local jobs across the NT as of 30 June 2023.	<b>251,654</b> Estimated NT population as of 31 March 2023.

**The NT experiences a higher degree of social challenges relative to other Australian States and Territories.**

Health	Education	Safety and Crime	Life Expectancy
<b>65%</b> Proportion of adults in the NT that are overweight or obese.	<b>48.3%</b> Attainment rate of a Year 12 certificate across the NT.	<b>1,026.6</b> Imprisonment rate per 100,000 adults.	<b>5 years</b> The life expectancy in the NT is 5 years lower than the Australian average

## A Socio-Economic Opportunity

The Project presents an opportunity to the NT that extends well beyond the sporting field and has the potential to catalyse real socio-economic change across the Territory. The key opportunities include:

A Larger and Stronger NT Economy	Progress Towards Addressing Social Challenges	Indigenous Participation and Employment	Growth of AFLW
Support for Multi-Purpose Sports and Events Infrastructure	Larger Population Base and Improved Liveability	Alignment With the AFL Purpose	Enhanced Travel Destination Profile

## The Project Options

The Project may be delivered through one of three options. The preferred option will be informed by the key stakeholder group and the desires of the AFL through the award of a 20th Club licence.

Stage 1 (0 to 3 Years)	Stage 2 (4 to 6 Years)	Stage 3 (7 to 10 Years)
Additional AFL Games	Club Partnership/s or Joint Venture/s	Club Relocation
		NT AFL Club Licence
		Northern Australia AFL Club Licence

## Economic Impacts

The SBC identified that the establishment of an AFL Club in the NT would generate considerable economic benefits through the operation and construction phase of the Project. Taken together, the SBC offers the prospect of enhancing liveability in Darwin and the broader NT that will support actions to address significant challenges faced regarding population retention and the desire to grow the NT in line with forecast projections.

*“Liveability also contributes to social capital and social cohesion that in turn contribute to a sense of trust and inclusion. There is also an acknowledged link between the characteristics of cities that enhance these social aspects and productivity outcomes.”*

Source: Commonwealth of Australia: State of Australian Cities, 2012.

The direct economic impacts of the Project are expected to include:

Operational Phase				
Player Employment	Organisational Employment	Indirect Employment	Economic Output	Gross Regional Product
<b>83</b> Roles	<b>82</b> Roles	<b>180</b> Roles	<b>\$116m</b> Per annum	<b>\$53m</b> Per annum
Construction Phase				
Capital Cost	Direct Employment	Indirect Employment	Economic Output	Gross Regional Product
<b>\$700m</b> Or \$233m per annum	<b>198</b> Roles	<b>396</b> Roles	<b>\$436m</b> Per annum	<b>\$139m</b> Per annum







## Social Benefits

In 2023, a Social Impact Evaluation (SIE) of the Project was completed by GHD Australia (GHD). The findings from this study concluded that a range of potential social benefits were expected to result from the establishment of an NT AFL Club.

The SBC suggests that the genuine engagement of communities across the Territory in the design and implementation of the Project will be critical to establishing a sustainable club and delivering the many proposed social benefits. Building on the nation leading participation rates in the game and working with Government to build national standard sports and municipal infrastructure in remote and regional towns will be integral to delivering the targeted social change. This will also ensure that there is a level playing field established across the Territory when it comes to the delivery of benefits arising from the Project, particularly for those aligned to the expansion of participation rates in community sport and recreation.

*“Positive role modelling can be promoted through sport to encourage positive social norms. Furthermore, sport and recreation can have benefits through the diversion of anti-social behaviours and through positive social connections within a sporting community.”*

The key social benefits identified as part of the GHD SIE extend across the following categories.

					
Indigenous Culture and Values	Health and Community Wellbeing	Education and Training	Population and Demography	Employment	Housing and Services

## Financial Considerations

The Bastion report identified a potential operational funding gap of approximately \$15m annually. This gap is primarily influenced by the level of variable distribution received from the AFL annually. The SBC explored this further and considered the gap to range from \$6.89m to \$18.89m annually under varying AFL distribution scenarios. The SBC identified Scenarios 1 and 2 as the preferred options, with Scenario 1 resulting in an equal contribution between the AFL and the gap funding requirement.

Scenario	Base	Scenario 1	Scenario 2	Scenario 3
Distribution Basis	Tasmanian AFL Club	Average of small AFL Clubs (STK, NM, WB, Bris)	Average of all AFL Clubs	Average of Expansion Clubs (GC and GWS)
AFL Contribution (per annum)	\$7.83m	\$13.33m	\$9.83m	\$19.83m
Operational Funding Gap (per annum)	\$18.89m	\$13.39m	\$16.89m	\$6.89m
<b>Preferred Scenarios</b>				

An AFL Club in the NT will need to look to Government at both a Territory and Federal level to provide financial support for operational requirements of the Club and for the development of the required stadium infrastructure. This will ensure a sustainable financial model is secured for the Club.

## Implementation Risks

Retention of players and key coaching and training staff will be a critical consideration for a future Club. Liveability of the NT, supply of suitable housing, connectivity to major cities via air and the available lifestyle offerings in the Territory will be important considerations for the development of a Club.

The establishment of effective governance arrangements will also ensure the long-term sustainability of the Club. In a small population such as the NT, early planning will need to be undertaken to attract suitably qualified resources and to implement an appropriate structure for managing the future Club operations.

## Next Steps

This SBC is designed to continue the discussion with the AFL, as well as other stakeholders in the NT, to advance the Project for further consideration and assessment. Critically, it will be at the discretion of the AFL and the AFL Club Presidents as to whether the NT is awarded the 20<sup>th</sup> Club licence for AFL and AFLW teams, and to deliver the AFL with a truly national competition.



# Executive Summary

## AFL in the NT

AFL is an integral part of the culture and social fabric of the Northern Territory (NT or Territory). For decades, Territorians have represented the NT at the highest level, and today, the NT produces more elite level players per capita than any other state or territory.

Beyond the game itself, AFL has a proven record of delivering many positive social outcomes for communities across Australia, and this is amplified in regional locations. A study completed by La Trobe University confirmed that for every dollar spent on community football, at least \$4.40 was returned in social value<sup>1</sup>. Specific benefits in relation to social cohesion and connectedness, physical and mental wellbeing, employment and personal development were identified through the study.

**With over 13 leagues, 180 clubs and nearly 40,000 participations in 2022, there exists an unrivalled passion for the game that permeates the whole of the Territory.**

Due to the high level of interest in the game, several AFL teams have visited and played in the Territory. Most recently, the NT has secured annual home games of the Gold Coast Suns Football Club (Gold Coast Suns) and Melbourne Football Club, with matches played in either Darwin (TIO Stadium) or Alice Springs (Traeger Park). Since the early AFL premiership matches played in Darwin in the early 2000's, crowd attendances have grown steadily. In 2020, the 'Dreamtime in Darwin' match between Essendon and Richmond saw 99% of available tickets being sold within 15 minutes of ticket sales commencing. In 2023, over 23,000 tickets were sold to the AFL matches held in the NT.

Beyond the match day revenue, these elite level matches also provide a direct injection into the region's economy and generate significant flow on economic impact through increased domestic tourism, retail and hospitality spending and transportation. More importantly however, hosting such events in the region draws wide reaching attention to the NT, and promotes the many attributes that exemplify the unique lifestyle and environment that defines the Territory.

Despite the significant social and economic benefits that AFL brings, and the level of interest and participation in the sport, the NT does not have an elite level, representative team in the national AFL competition.

## The Project

In 2019, AFL Northern Territory (AFLNT) commissioned Bastion EBA (Bastion) to complete a feasibility study to investigate the potential for creating a national AFL Club in the NT (the Project or NT AFL Club) (the Bastion Feasibility Study). The Bastion Feasibility Study identified significant potential social and economic benefits associated with the establishment of an NT AFL Club and provided a range of recommendations for the advancement of the proposal.

Following on from the work completed by Bastion in 2022, AFLNT engaged PricewaterhouseCoopers (PwC) to prepare this Strategic Business Case (SBC) to further investigate and advance the proposal for the Project. Specifically, the SBC focuses on determining the strategic need and likely support for an AFL club, and further develops the options to advance toward the establishment of an NT-based Club. This report provides the outcomes of the SBC and, importantly, develops recommendations for consideration, and the steps required to progress the proposal for an NT AFL Club.

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<sup>1</sup> La Trobe University: Centre for Sport and Social Impact (2014). *The Social Value of Football Clubs*.

## The NT Context

The NT is unique in many ways, no more so than the social and economic environment that exists in the region today. With a culturally rich population, a uniquely positioned landmass and a growing and diverse economy, Territorians have a strong sense of pride for the identity and culture that exists within the region. However, the NT does face a range of socio-economic challenges that, if not addressed, have the potential to erode the unique culture and way of life cherished by all Territorians. The Project presents an opportunity to the NT that extends well beyond the sporting field and has the potential to catalyse real socio-economic change across the Territory. Figure 1, illustrates several key socio-economic factors that define the NT today.

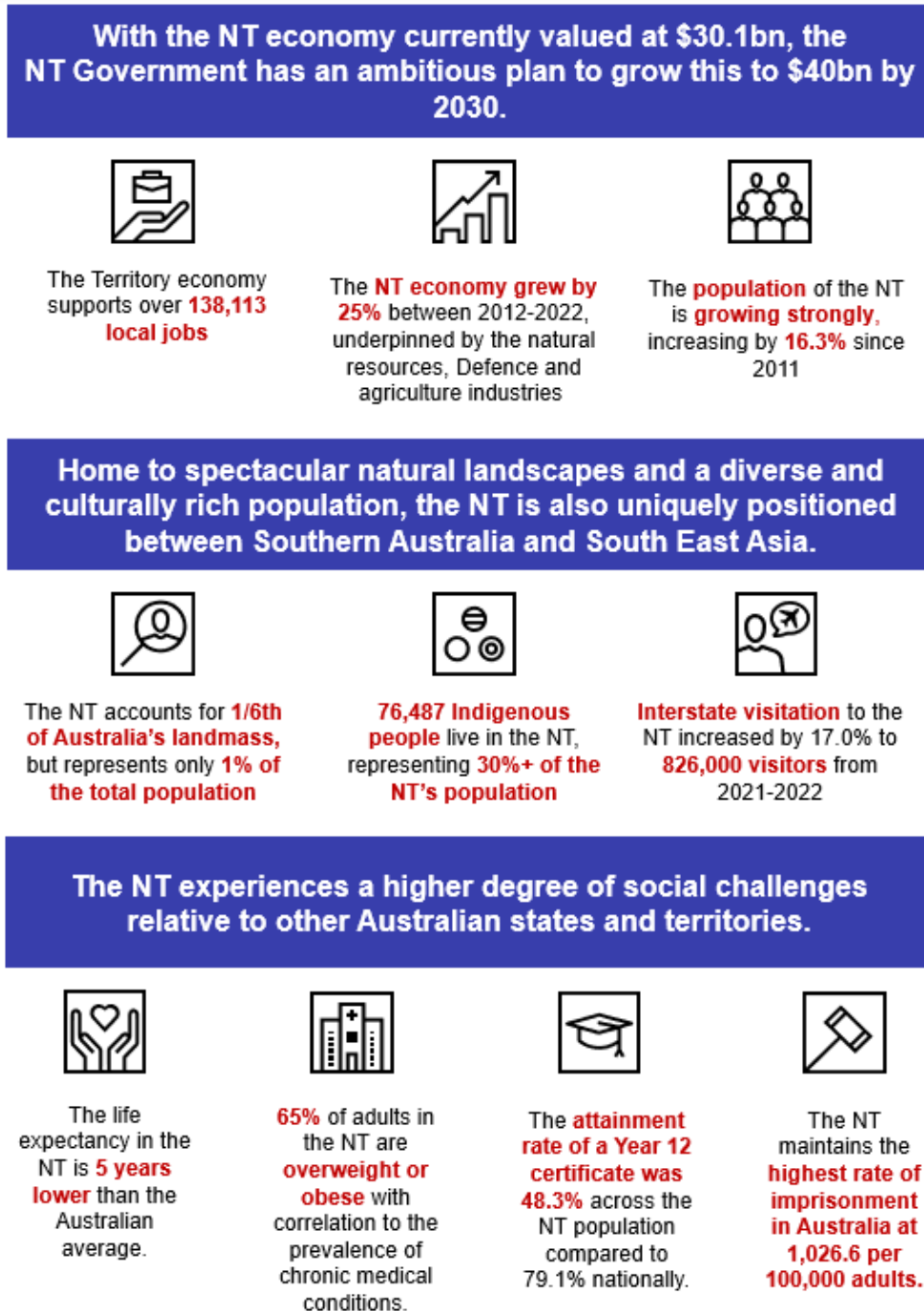


Figure 1: Socio-Economic Status of the Northern Territory



## The Opportunity

While the prospect of an AFL Club in the Territory has always been an aspiration for AFL supporters in the region, interest in establishing such a Club has grown significantly in recent years. The source of this interest has broadened beyond the fan base to also include the NT Government, the private sector and other key stakeholders in the region. The key opportunities underpinning the establishment of an NT AFL Club are outlined in Figure 2.



Figure 2: The Opportunity

## NT AFL Club Options

A range of continuum options, including progressive steps to grow AFL content in the region, and to deliver a more permanent 'top tier' AFL presence in the NT, were assessed through a Multi Criteria Assessment (MCA). Following on from a recommendation in the Bastion Report, an option for a 'Northern Australia' (NAU) Club was also included in the assessment.

Considering a range of priority objectives, and based on feedback from the AFL, AFLNT and other key stakeholders, a shortlist of three Club continuum options was developed (Figure 3).

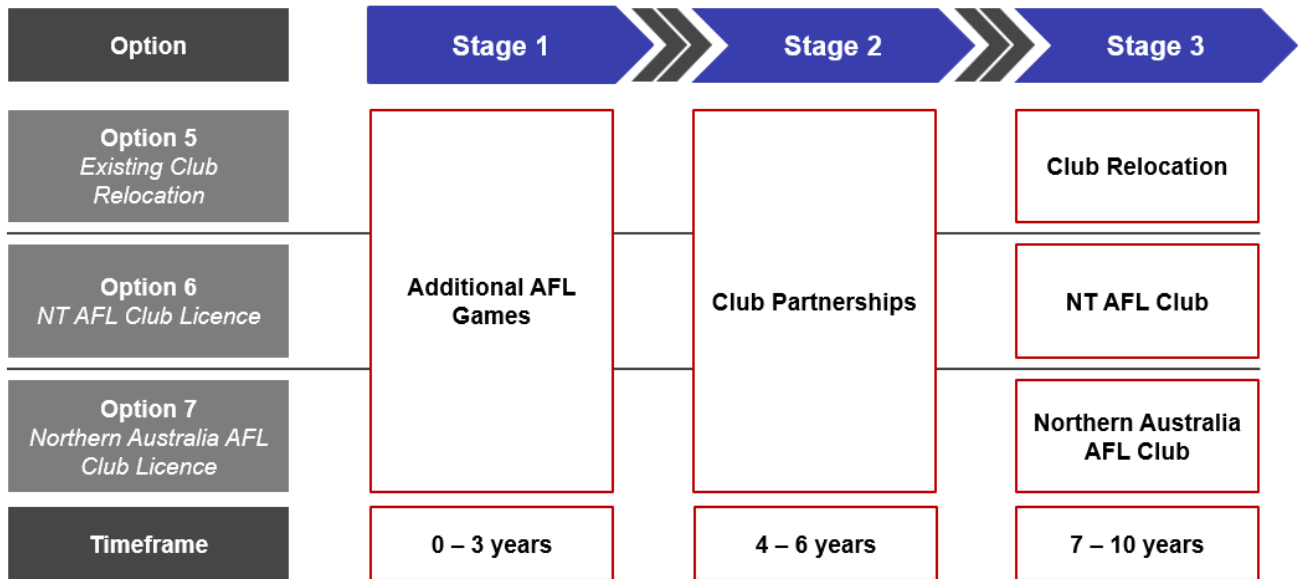


Figure 3: Shortlisted Continuum Options

The MCA process confirmed Option 6 as the highest ranked option. This option considered the progressive growth in AFL content through more locally played elite AFL and AFLW matches, with the view to entering into a more formal partnership with one or more AFL clubs in the medium term. The option culminates in the award of the 20th AFL Club licence for the NT over the long-term horizon. This option was deemed to result in the most significant benefits for the NT and was most likely to be attractive to the key Project stakeholders (AFL, the NT Government and the Australian Government).

Option 5 resulted in a similar pathway to Option 6, except for the final step of the continuum resulting in the relocation of an existing AFL club to the NT. This option ranked similarly to Option 7, which considered a NAU club with homes games split between Darwin, Alice Springs and Cairns as a potential ultimate outcome compared to a purely NT based club. Notwithstanding, while Option 6 prevailed as the preferred, all three continuum options presented a range of benefits and challenges that must be considered as the Project advances.

## Financial Analysis

A financial assessment was completed to determine the total financial impact of the Project during the construction and operations phases of each of the shortlisted continuum Options. The assessment identified the expected financial impact for a range of Project stakeholders including a future NT or NAU AFL Club, the operational and construction funding partners, AFLNT, the AFL and the respective partner AFL Clubs.

### *Construction Phase*

Progressive investment in infrastructure will be critical to enable the sustainable growth in AFL content within the NT or NAU. The capital costs (in FY23 \$) associated with the construction of the required stadium infrastructure and facilities for each continuum stage, is shown in Figure 4.

Capital upgrade	Stage 1	Stage 2	Stage 3
Expected capital cost (FY23 \$)	<b>\$80m</b>	<b>\$160m</b>	<b>\$700m - \$735m</b>
Capital upgrades to be completed	<ul style="list-style-type: none"> <li>Capital upgrades to enhance the amenity of Traeger Park (<i>all options</i>).</li> <li>Investment into community sporting facilities, particularly in Central Australia and the Barkly region (<i>all options</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Additional improvements to enhance the matchday experience at Traeger Park for players and spectators (<i>all options</i>).</li> <li>Refurbishment of TIO stadium (see Figure 5) including team training and player facilities, surface upgrades and expanded seating capacity (<i>all options</i>).</li> </ul>	<ul style="list-style-type: none"> <li>Construction of a new 20,000 seat Darwin City Stadium (<i>all options</i>).</li> <li>Upgrades to enhance the amenity and matchday experience at tier 2 stadia (<i>Option 7 only</i>).</li> </ul>
Timeframe	<b>0 – 3 years</b>	<b>4 – 6 years</b>	<b>7 – 10 years</b>

Figure 4: Infrastructure and Facility Upgrades



Figure 5: TIO Stadium in Darwin

### Operation Phase

The cash flows for each stage of the different continuum Options will impact each Project stakeholder differently. Importantly, the funding requirements will vary depending on the stage, Option and Project stakeholder. Under the Base Case Scenario for AFL distributions to a future club, the estimated funding cashflows per annum (p.a.), and net impact for each Project stakeholder, have been summarised in Figure 6.

	Stage 1	Stage 2	Stage 3		
	0 – 3 years	4 – 6 years	7 – 10 years		
	All Options	All Options	Option 5	Option 6	Option 7
<b>Total Cash Inflows</b>	\$5.79m	\$11.61m	\$31.89m	\$42.89m	\$42.89m
<b>Total Cash Outflows</b>	\$6.19m	(\$12.48m)	(\$51.78m)	(\$69.61m)	(\$69.61m)
<b>Net Cashflow Impact</b>	(\$0.40m)	(\$0.87m)	(\$19.89m)	(\$26.72m)	(\$26.72m)
<b>Net Cashflow by Project Stakeholder</b>					
<b>AFL</b>	(\$0.52m)	(\$1.03m)	(\$1.0m)	(\$7.83m)	(\$7.83m)
<b>Operational Funding Partners (e.g. NT Govt)</b>	(\$4.44m)	(\$8.88m)	(\$18.89m)	(\$18.89m)	(\$18.89m)
<b>AFLNT</b>	\$0.13m	\$0.16m	-	-	-
<b>Partner AFL Clubs</b>	\$4.44m	\$8.88m	-	-	-

Figure 6: Summary of Operational Funding Requirements p.a. – All stages

Under Stage 1 the NT Government will fund partner AFL clubs to attract additional AFL and AFLW games to the region (\$4.44m). The AFL is expected to pay increased travel costs (\$0.52m) and AFLNT will be responsible for managing the match days (\$0.13m).

Under Stage 2, the NT Government will seek to further increase the number of AFL and AFLW games in the region and will increase their funding commitment accordingly (8.88m). With the increased number of games in the region, the AFLs travel cost contribution (\$1.03m), and the AFLNTs return on managing match day requirements (0.16m), will increase.

Under all continuum options, the ultimate Club's expected annual revenues (\$31.89m) and expenses (\$49.78m) will be consistent. For all Options a resultant operational funding gap of \$18.89m will arise. However, due to differences in terms of arrangements underpinning each option, the funding requirements for different Project stakeholders will vary, with the AFL required to contribute additional funding under Options 6 and 7 to support the establishment of a 20<sup>th</sup> club. This is partly offset by additional broadcasting income received resulting from the inclusion of an extra game each competition round. Notwithstanding, the total funding gap for the AFL will be approximately \$7.83m annually.

### *Affordability*

The Bastion feasibility study identified a potential operational funding gap of approximately \$15m annually. This gap is primarily influenced by the level of variable distribution received from the AFL annually. This SBC explored this further and considered the gap to range from \$6.89m to \$18.89m annually under varying AFL distribution scenarios. The SBC identified Scenarios 1 and 2 as the preferred options, with Scenario 1 resulting in an equal contribution between the AFL and a future operational funding partner for the Project.

Scenario	Base	Scenario 1	Scenario 2	Scenario 3
Distribution Basis	Tasmanian AFL Club	Average of small AFL Clubs (STK, NM, WB, Bris)	Average of all AFL Clubs	Average of Expansion Clubs (GC and GWS)
AFL Contribution (per annum)	\$7.83m	\$13.33m	\$9.83m	\$19.83m
Operational Funding Gap (per annum)	\$18.89m	\$13.39m	\$16.89m	\$6.89m
		<b>Preferred Scenarios</b>		

Figure 7: Stage 3 Operating Funding Gap Scenario Analysis

### Funding Sources

A range of potential sources have been identified that may support the funding requirements for the construction and operational phases of the Project (see Figure 8). The proposals for funding will need to be tailored specifically to address the primary objectives of the respective funding partner. It will be important to draw links between the objectives of the funding partner and the expected financial, social and economic outcomes that have been outlined for the Project.

Potential Funding Partners			
AFL	NT Government	Australian Government	Indigenous Land Councils
Corporate Social Responsibility	Northern Australia Infrastructure Facility (NAIF)		Indigenous Owned Corporations

Figure 8: Potential Project Funding Sources

## Economic and Social Impact

To develop a holistic understanding of the anticipated social and economic benefits arising from the Project, a preliminary economic assessment was undertaken. The economic analysis confirms a strong rationale for the establishment of an NT AFL Club which is expected to generate employment, deliver improved social and community outcomes and result in direct and indirect expenditure which will stimulate the Territory economy. The economic assessment was undertaken across two key phases:

**Phase 1 – Direct and Flow on Economic Benefits:** Phase 1 estimates the direct and flow-on economic contribution of the Project in terms of employment generated, operational spend associated with the Project and the economic contribution of construction relating to the Project.

**Phase 2 – Strategic Socio-Economic Benefits:** Phase 2 presents the expected economic benefits related to improved social outcomes, which may be facilitated through the establishment of an NT AFL Club.

### *Phase 1 - Direct and Flow on Economic Impact*

The Project is expected to deliver direct and indirect economic benefits across the construction and operations stages in terms of employment generated, increased economic output and value-added to gross state product (GSP). For simplicity, the economic impacts have been assessed for Stage 3 of Option 6 (a new NT AFL Club) and are outlined in Figure 9 and Figure 10 below.

Construction Phase				
Capital Cost	Direct Employment	Indirect Employment	Economic Output	Gross Regional Product
<b>\$700m</b> Or \$233m per annum	<b>198</b> Roles	<b>396</b> Roles	<b>\$436m</b> Per annum	<b>\$139m</b> Per annum

Figure 9: Direct and Indirect Economic Impact of the Construction Phase

Operational Phase				
Player Employment	Organisational Employment	Indirect Employment	Economic Output	Gross Regional Product
<b>83</b> Roles	<b>82</b> Roles	<b>180</b> Roles	<b>\$116m</b> Per annum	<b>\$53m</b> Per annum

Figure 10: Direct and Indirect Economic Impact of the Operations Phase

### *Phase 2 – Strategic Socio-Economic Benefits*

In 2023, a Social Impact Evaluation (SIE) of the proposal for an AFL club was completed by GHD. The findings from this study concluded that a range of potential social impacts were expected to result from the establishment of an NT AFL Club. These impacts extend across the following areas:

- Indigenous culture and values.
- Health and community wellbeing.
- Education and training.
- Population and demography.
- Employment, industry and business.
- Housing infrastructure and services.

Figure 11 presents the expected economic benefits associated with an improvement to the current state of strategic and socio-economic outcomes in the Territory, which may be facilitated through the Project.








Socio-Economic Benefit	Current state	Improvement Benefit (\$/ p.a.)		
		1%	5%	10%
 Greater participation in sport driven by AFL engagement contributes to <b>positive physical health outcomes</b> , lowering the economic burden of physical inactivity.	Cost of physical inactivity to NT economy of \$93.6m p.a.	\$0.93m	\$4.68m	\$9.36m
 Positive impact on student engagement with regard to <b>schooling attendance, retention and achievement</b> , particularly in rural and remote communities.	Cost of early school leavers to NT economy of \$15.3m p.a.	\$0.15m	\$0.76m	\$1.5m
 Increased <b>attraction and retention of workers</b> in the Territory due to increased liveability and the establishment of an NT AFL Club.	Cost of interstate migration away from the NT to economy of \$217.8m p.a.	\$2.17m	\$10.89m	\$21.78m
 Attraction of <b>AFL related tourism and increase in visibility of the NT</b> as a tourist destination.	Value of tourism industry to NT economy of \$831.9m p.a.	\$8.39m	\$41.95m	\$83.91m
 Creation of <b>employment opportunities in sport-adjacent and supporting industries</b> , such as the food and beverage services sector.	Value of food and beverage service sector to NT economy of \$457.2m p.a.	\$4.57m	\$22.86m	\$45.72m

Figure 11: Summary of Potential Socio-Economic Benefits

Genuine engagement of communities across the Territory in the design and implementation of the Project will be critical to establishing a sustainable club and delivering the many proposed social benefits. Building on the nation leading participation rates in the game and working with Government to build national standard sports and municipal infrastructure in remote and regional towns will be integral to delivering the targeted social change. This will also ensure that there is a level playing field established across the Territory when it comes to the delivery of benefits arising from the Project, particularly for those aligned to the expansion of participation rates in community sport and recreation.

*“Positive role modelling can be promoted through sport to encourage positive social norms. Furthermore, sport and recreation can have benefits through the diversion of anti-social behaviours and through positive social connections within a sporting community.”*

## Club Governance Arrangements

The governance arrangements for a future AFL Club are important strategic considerations that will directly influence the long-term sustainability of the club. The proposed governance arrangements for the recently announced Tasmanian club, are expected to apply similarly for a future NT AFL Club. To the extent that the AFL and NT Government are foundational funding partners for the club, it is expected that both parties will retain equal membership stakes in the club. In the establishment phase of the Club, the AFL is expected to retain the sole voting rights in relation to the appointment of the Board, with the NT Government inheriting voting rights once the Club progresses to the competition phase. These rights, however, will only reside with the NT Government for the duration of their financial involvement in the club.

Due to the broad stakeholder group and the socially focused objectives of the club, it will be important to ensure that the Board composition adequately reflects the diversity of the community in the NT. Where the NAU Club Option is progressed, it will also be important for representatives from the different geographical locations to be considered in the governance arrangements.

## Project Risks

A preliminary risk assessment was completed to assess the key strategic risks facing the Project. The high priority risks that require specific attention as part of the ongoing definition and assessment of the Project are outlined in Figure 12.

<b>AFL Support</b>	Support of the AFL in the progression of the proposal for a NT Club, and the future operation of it, is critical. Failure to maintain support of the AFL may be catastrophic for the Project.
<b>Political Support</b>	Support of the Australian and NT Governments will be critical to secure the necessary funding commitments for the construction and operational stages of the Project. Where funding commitments are not made, this is likely to significantly delay or cease progress towards a club.
<b>Stadium Support</b>	The development of a fit for purpose stadium is an important step towards securing a Club licence. Failure to develop a fit for purpose stadium will delay or impede the effective delivery of the desired Project outcomes.
<b>Community Support</b>	A Club requires extensive community support to establish a strong supporter base. Failure to attract and retain community support is likely to impact the commercial viability of the Club.
<b>Commercial Viability</b>	The commercial viability of the Club is intrinsically linked to the ability to attract revenue from a diverse range of sources, including through Government or corporate social responsibility sources, and without this the commercial viability of a future Club may be compromised.
<b>Indigenous Community Support</b>	Confirming that Traditional Owners, Land Councils and the Indigenous communities within the NT are supportive of the proposal is critical. A consultative process guided by NT Land Councils is an important step in confirming this support.
<b>Team Performance</b>	Expansion teams in the AFL have experienced mixed successes in terms of performance. Sustained poor on and off field performance of a NT Club may have a detrimental impact on its long-term success and viability.

Figure 12: Project Risks

## Implementation

Upon finalisation of the SBC, it is necessary to re-engage with key stakeholder groups to outline the findings of the assessment and to highlight the recommendations arising from it. Communicating the significant social and economic benefits that are expected to arise from the investment in a Club and supporting infrastructure will assist in garnering the ongoing support of stakeholders.

Due to the importance of generating significant levels of community support for the Project, community forums or workshops, held in key centres of Darwin and Alice Springs, will also provide the platform for the AFLNT to openly communicate the key elements of the Project and the expected benefits that may arise from it.

Following completion and approval of an SBC, the Northern Territory Project Development Framework (NTPDF) suggests that Project proposals progress to a Detailed Business Case (DBC) for further assessment. A DBC will further analyse the proposal in terms of financial, economic and social impact, and will seek to further develop the governance arrangements, risk frameworks and implementation steps for the Project. A DBC is a standard requirement of many funding agencies when assessing investment decisions for major projects.

A robust governance structure is required to ensure the timely and effective delivery of the DBC. The DBC activities will be built around key discipline workstreams reporting to members of the Steering Committee. The DBC will be completed by the Project Delivery Team, which will include the Project Lead, Project Manager, DBC Delivery Consultant and various

specialist resources. It is envisaged that various sub-groups, as determined by the Project Lead and Project Manager, may be established to provide additional focus and/or further specific aspects of DBC development.

A high-level indicative program has been developed for the DBC phase which describes the key DBC activities. It is expected that the DBC could be completed over a 16-to-18-month timeframe.

## Recommendations and Next Steps

AFL has a proven record of delivering significant positive social benefits to communities through improved physical and mental health outcomes, educational engagement and general community cohesion. The establishment of an AFL Club in the NT is expected to yield significant returns for the region's economy and will support many of the NT Government's stated priorities and objectives.

**Based on the outcomes of the analyses performed in this SBC, it is recommended that the proposal to establish an AFL Club in the NT is progressed for further investigation and development.**

Based on the outcomes of the SBC, and the supporting analyses and consultations, the following recommended actions to advance the proposal are provided for consideration:

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<b>Recommendation 1</b>	<b>Community and Industry Engagement</b>	The ongoing support of the broader NT community is vital for the Project, therefore, it is critical that a prompt and extensive community and industry engagement process is undertaken following completion of this SBC. Communication of the socially driven objectives and desired economic benefits for the Territory will also be critical.
<b>Recommendation 2</b>	<b>Strategic Partner Engagement</b>	<p>It is recommended that a robust communication and engagement plan targeted at the key strategic partners for the Project, including the AFL, the NT Government and the Australian Government, is developed and executed promptly following finalisation of this SBC.</p> <p>Engagement may also extend to other sporting codes, such as Cricket Australia, the National Rugby League and the National Basketball League to encourage greater elite level sporting content in the NT and to further advocate for permanent premier grade clubs in the region.</p>
<b>Recommendation 3</b>	<b>Targeted Funding Partner Engagement</b>	The success of the Project is predicated on the ability to deliver a commercially viable Club, now and into the future. It is important that early and ongoing engagement is undertaken with a range of potential future funding partners including the NT and Australian Government, private sector organisations operating in the NT (to unlock CSR funding opportunities), Aboriginal Land Councils and the NAIF.

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Recommendation 4	<b>AFL Impact in the NT</b>	<p>It is recommended that the AFLNT develops a concise strategic advocacy document that seeks to inform and promote the social and economic impact of AFL in the NT. This document would be a key advocacy tool that would form the basis of securing greater investment in AFL programs and events and to continue to grow the game in the region.</p> <p>This document may also be used to illustrate the differential in Government funding provided to AFLNT compared to other peak sporting bodies (such as horse racing and V8 supercars) and to contrast the economic and social benefits from the funding contributed.</p>
Recommendation 5	<b>Talent Pathways and League Development</b>	<p>A critical success factor for the Project is the need to continue to develop high quality and larger talent pools from which local players can be selected to support a future Club. The following should be considered:</p> <ul style="list-style-type: none"><li>○ <b>NT League Development</b> - continued efforts and investment are put towards the growth and development of the NT leagues, including a review of the infrastructure and funding requirements needed to elevate the participation rates and progression of players into elite playing roles.</li><li>○ <b>NT Thunder</b> – review the current status of the NT Thunder and investigate opportunities to reinstate the Club (in its current form or changed form) to competition.</li><li>○ <b>Community Infrastructure</b> – undertake a comprehensive assessment of the community infrastructure supporting the many AFL competitions and training in the NT and assess the requirements to improve the standards of this infrastructure specifically to support further growth in the sport.</li></ul>
Recommendation 6	<b>NAU Concept</b>	<p>It is recommended that AFL Cairns is formally engaged to assess a future premier grade NAU AFL Club. The engagement should also consider the opportunity to reinvigorate a North East or NAU semi-professional AFL competition that may form an important part of the talent pathways for players in the region to enter the AFL.</p>
Recommendation 7	<b>AFL Tasmania Lessons Learned</b>	<p>The outcomes of the process to secure the 19th AFL Club licence brings many learnings that will be important for the NT to consider. It is recommended that AFLNT and the NT Government engage with the AFL, the Tasmania Government and the newly established AFL Tasmania Board to understand the learnings arising from the campaign to secure the 19th licence, and the status and approach to securing commitments for the requisite stadium infrastructure and facilities.</p>

**Recommendation 8**

**Detailed Business Case**

Following completion and approval of the SBC, the NTPDF recommends Project proposals progress to a Detailed Business Case (DBC) for further assessment. The DBC will further analyse the proposal (including the Club and supporting infrastructure and facilities) in terms of financial, economic and social impacts, and will seek to further develop the governance arrangements, risk frameworks and implementation steps for the Project.

To progress to a DBC, it will be critical for the NT AFL Club Taskforce (the Taskforce) to secure the requisite funding to deliver the DBC. Due to the scale of the budget involved, it is expected that funding may be required from various sources, and therefore consideration of this as part of the engagement next steps will be important.

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# Glossary

<b>Term</b>	<b>Definition</b>
ABS	Australian Bureau of Statistics
AEDA	Adelaide Economic Development Agency
AFL	Australian Rules Football
AFLNT	Australian Rules Football Northern Territory
AFLW	Australian Rules Football Woman's
AIHW	Australian Institute of Health and Welfare
Bastion	Bastion EBA
Bastion Feasibility Study	Bastion AFLNT Feasibility Study: The Unconventional Model
BBL	Big Bash League
CAFL	Central Australian Football League
Carter Review	Carter Review - A Licence for a Tasmanian Team? A Report to the AFL Commission
CPI	Consumer Price Index
CSR	Corporate Social Responsibility
COAG	Council of Australian Governments
DALY	Disability-adjusted life years
DBC	Detailed Business Case
DFHC	Northern Territory Department of Families, Housing and Communities
DFSV	Domestic, Family and Sexual Violence
DFV	Domestic Family Violence
DIPL	Northern Territory Department of Infrastructure, Planning and Logistics
DITRDCA	Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts
DITT	Northern Territory Department of Tourism and Trade
FTE	Full Time Equivalent
FY	Financial Year
GHD Social Impact Evaluation	Social Impact Evaluation for a potential NT AFL Club
GRP	Gross Regional Product
GSP	Gross State Product
GWS	Greater Western Sydney
IAP2	International Association for Public Participation
ILM	Investment Logic Mapping
LGA	Local Government Area
MCA	Multi-Criteria Assessment
MLLLC	Michael Long Learning and Leadership Centre
NAIF	Northern Australian Infrastructure Fund
NEAFL	North East Australian Football League
NAU	Northern Australia
NIAA	National Indigenous Australians Agency
NRL	National Rugby League

<b>Term</b>	<b>Definition</b>
NT	Northern Territory
NTAIC	Northern Territory Aboriginal Investment Corporation
NT Government	Northern Territory Government
NTFL	Northern Territory Football League
NTPDF	Northern Territory Government's Project Development Framework
p.a.	Per Annum
PBC	Preliminary Business Case
PwC	PricewaterhouseCoopers
RAP	Reconciliation Action Plan
RBA	Reserve Bank of Australia
RDH	Royal Darwin Hospital
RLB	Rider Levett Bucknell
SBC	Strategic Business Case
Tasmanian Taskforce Report	AFL Licence Taskforce Business Plan 2019
Tasmanian Taskforce Report	State Government of Tasmania (2019) AFL Licence Taskforce Business Plan 2019
TERC	Territory Economic Reconstruction Commission
TERC Report	Territory Economic Reconstruction Commission Final Report: A Step Change to Win Investment and Create Jobs
the Club	The proposed NT AFL Club
the Project	The proposed establishment of an NT AFL Club
the Taskforce	NT AFL Club Taskforce
The Territory	Northern Territory
Thunder	NT Thunder, NT Thunder academy
TIO Stadium	Territory Insurance Office Stadium
Traeger Park	TIO Traeger Park Oval
VFL	Victorian Football League
WA	Western Australia
WPI	Wage Price Index

# 1 Introduction

AFL forms an integral part of the culture and social fabric within the Northern Territory (NT or Territory). With over 13 leagues, 180 clubs and nearly 40,000 participations in 2022, there exists an unrivalled passion for the game that permeates the whole of the Territory. Notably, the NT maintains the highest per capita participation rate in AFL across the country, with almost one fifth of the population participating in the game either socially or competitively. Despite these impressive statistics and level of commitment to the sport, the NT does not have an elite level, representative team in the AFL competition.

Beyond the game itself, AFL has a proven record of delivering many positive social outcomes for communities across Australia, but in particular those in remote and rural locations. A study completed by La Trobe University confirmed that for every dollar spent on community football, at least \$4.40 was returned in social value<sup>2</sup>. Specific benefits in relation to social cohesion and connectedness, physical and mental wellbeing, employment and personal development were identified through the study.

Due to the unrivalled interest in the game, over the years, several AFL teams have visited and played in the Territory. Most recently, the NT has secured annual home games of the Gold Coast Suns Football Club (Gold Coast Suns) and Melbourne Football Club, with matches played in either Darwin or Alice Springs. Given the overwhelming level of community support, much interest has been expressed in the establishment of a permanent AFL Club in the Territory.

Arising from this interest, in 2019, AFL Northern Territory (AFLNT) commissioned Bastion EBA (Bastion) to complete a feasibility study to investigate the potential for creating a national AFL Club in the NT (the Project or NT AFL Club) (the Bastion Feasibility Study)<sup>3</sup>. The Bastion Feasibility Study identified significant potential social and economic benefits arising for the Territory from the establishment of an NT AFL Club and provided a range of recommendations for the advancement of the proposal for further investigation.

Following on from the work completed by Bastion in 2022, AFLNT engaged PricewaterhouseCoopers (PwC) to prepare a Strategic Business Case (SBC) to further investigate and advance the proposal for the Project. Specifically, the SBC was designed to focus on determining the strategic need and likely support for an AFL club, and to further refine the Options by which a Club may be established. This report provides the outcomes of the SBC and, importantly, provides a recommendation of whether further investigation and development of the Project is warranted, and the steps required to progress the proposal for an NT AFL Club.

## 1.1 Preliminary Studies

### **Bastion AFLNT Feasibility Study: The Unconventional Model**

The Bastion Feasibility Study, completed in 2019, emphasised the significant potential social and economic benefits that a NT-based Club might deliver in areas such as health, education and crime reduction. The report estimates this benefit to contribute approximately \$460 million per year to the NT. Notwithstanding, Bastion also identified that an NT AFL Club was likely to have a financial operating shortfall, of approximately \$15 million annually. This expected shortfall is partly driven by the NT's relatively small and dispersed population, resulting in challenges in attracting sufficient members and sponsors that are typically required to sustain a Club financially. To this end, Bastion proposed establishing an NT AFL Club through an "unconventional model" that emphasises social impact as the core objective of the club, as an enabler for seeking alternate socially motivated funding that might address the revenue shortfall.

Arising from the Bastion Feasibility Study, the NT AFL Club Taskforce (the Taskforce) was established in October 2021 to support the ongoing investigations into the feasibility of the Project. The Taskforce gives effect to, and progresses, key

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<sup>2</sup> La Trobe University: Centre for Sport and Social Impact (2014). *The Social Value of Football Clubs*.

<sup>3</sup> Bastion EBA (2019). *AFLNT Feasibility Study: The Unconventional Model. A Feasibility Study into an AFL Licence in the Northern Territory*.



priority tasks identified in the Bastion Feasibility Study, in particular to develop a business plan and a strategy to champion, lobby and drive the agenda for the Project.

### **Darwin City Stadium Strategic Advocacy Document**

In 2021, PwC assisted AFLNT to develop a Strategic Advocacy Document as a means of garnering stakeholder involvement and support for a new Darwin City Stadium and broader entertainment precinct<sup>4</sup>. Through stakeholder consultation and workshops, a collective vision and guiding principles for a potential stadium were developed, as well as a shared understanding of the potential benefits for the NT. The process identified that for a multi-purpose stadium to be commercially viable, it was critical for the facility to be underwritten by a long term “lease with an anchor tenant, such as an AFL club.

### **GHD Social Impact Evaluation – Northern Territory AFL Club**

In May 2022, the NT Government engaged GHD to undertake a Social Impact Evaluation for a potential NT AFL Club (GHD Social Impact Evaluation from hereon in).<sup>5</sup> The GHD Social Impact Evaluation was published in May 2023, and presents analysis of social impacts, determined through community consultations and social baselining exercises. The social impacts evaluated include health and wellbeing, Indigenous culture and values, education, and employment outcomes. The GHD Social Impact Evaluation also describes a set of potential actions to be taken to maximise the positive social impacts of the Project and minimise any adverse social risks.

## **1.2 Strategic Business Case Scope and Methodology**

Following on from these prior studies, PwC was engaged in 2022 by AFLNT to develop an SBC for the Project. The purpose of this SBC is to articulate the strategic direction for the proposed Project and to determine whether further investigation and development of the Project is warranted. This document provides a strategic assessment to AFLNT and the Taskforce on whether the proposal should progress to a Detailed Business Case (DBC).

### **1.2.1 Scope of Work**

This SBC has been prepared considering the terms of reference provided by AFLNT for the assessment. These terms align broadly to the Pillar 2 priority actions outlined in the Bastion Feasibility Study. The scope of work completed as part of this SBC includes:

- Consideration of the strategic need and alignment of the Project, specifically considering the objectives of key stakeholder groups such as the NT Government, Australian Government and the AFL.
- Assessment of the availability of a Club licence and definition of the requirements necessary to progress an application for a licence.
- Assessment of the potential Options available to establish an NT AFL Club, and outline of the key elements and requirements associated with each option. In conjunction, investigate the concept for a Northern Australia (NAU) Club to understand whether this presents as a viable Option for the NT.
- Completion of high-level scoping of the potential infrastructure and facilities required to support an AFL Club.
- Completion of a financial assessment, specifically considering the key revenue streams and operating cost requirements of an NT AFL Club. The assessment to also assess non-football revenues that may be available to bridge a potential revenue shortfall.
- Assessment of the potential economic and social impacts that may arise from an AFL Club in the region, and development of a framework for future assessment of these impacts.

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<sup>4</sup> PwC (2021). *Darwin City - Stadium Strategic Advocacy Document*.

<sup>5</sup> GHD (2023). *Social Impact Evaluation Northern Territory AFL Club*.

- Provision of recommendations regarding the development of an AFL Club including the governance and management structure.
- An outline of the steps required to advance the proposal, including any required further assessment of the Project and the governance arrangements required to deliver this work.
- Recommendations regarding whether the Project warrants further investigation and the key actions required to progress the proposal.

This SBC represents an important step towards understanding the strategy, Options and impacts associated with establishing an NT AFL Club. This understanding will not only underpin the approach to establishing an NT AFL Club in the future, but also provides context to the longer-term benefits and economic outcomes that may arise from the proposed club.

For the context of this report, a reference to an NT AFL Club collectively considers a national representative AFL men's (AFL team) and women's team (AFLW team) and supporting reserve grade teams. The detail supporting the composition of these teams has been explored and assessed in Chapters 6 and 7 of the Report.

### 1.2.2 Methodology

The methodology adopted by PwC in completing the assessment was developed considering the requirements of the NT Government's Project Development Framework (NTPDF) in addition to other national best practice guidelines and frameworks. Several defined steps were undertaken as part of the assessment, including:

**Stakeholder Engagement and Consultation:** A structured stakeholder consultation process formed the foundation for the assessment. Understanding the key considerations of the NT community, NT Government, Australian Government, peak bodies for tourism and sport, the AFL and industry representatives was critical to forming an appropriate range of Options that will meet stakeholder expectations and deliver the required outcomes. Support for a Club by the NT community and key stakeholders will be an important driver to the success of the Project.

**Strategic Rationale and Options Identification:** Facilitated consultations and workshops enabled the definition of the strategic rationale, and the development of a short list of Options for the Project. Infrastructure and facilities to support the short-listed Club Options were also considered.

**Value Assessment:** Underpinning the SBC was understanding the value proposition for the Project and the expected financial and economic rationale for a prospective AFL Club. This step included:

- Identification of the primary football and non-football revenue sources and expenditures.
- Determination of the operating model required to ensure efficient ongoing operation of the club.
- Completion of preliminary financial and economic analyses in relation to the identified options.

**Social Impact Assessment:** Understanding the social impact of an NT AFL Club on the broader community is critical. This assessment sought to identify the potential social benefits arising from the Club and to identify opportunities to create additional social value for the community. The assessment completed primarily focused on the outcomes of the GHD Social Impact Evaluation commissioned by the NT Government in relation to the Project.

**Governance, Risk and Implementation:** This step sought to define the key activities to enable advancement of the Project. Specifically, this included defining the governance and management structure and delivery models for the Club and consideration of the key strategic risks for the Project. This step also included consideration of the specific activities required to progress the proposal for further assessment and analysis.

## 1.3 Strategic Business Case Structure

The SBC is structured into the following chapters:

**Chapter 2 – Project Background and Context:** provides an overview of the background to the Project, including the profile of the AFL and AFLNT within the Territory. The chapter also outlines the underlying rationale for why the proposal for an AFL Club is being assessed.

**Chapter 3 – Stakeholder Engagement:** a structured stakeholder engagement process informed the SBC. Understanding the key objectives of the community was critical to forming an appropriate range of Options that will meet stakeholder expectations and deliver an outcome that the community will support.

**Chapter 4 – Strategic Rationale:** articulates the strategic need to be addressed, the benefits that could be achieved and various strategic Options available for progressing the Project and delivering upon the objectives of the key stakeholders.

**Chapter 5 – Strategic Alignment:** considers the Project's alignment with Government and key stakeholder priorities that are important to ensure support for the Project is successful.

**Chapter 6 – Options Assessment:** provides an overview of the Options assessment process. It outlines the process for assessing the long list of Options against a set of qualitative criteria to determine a short list of Options which are progressed for further consideration and assessment.

**Chapter 7 – Financial Assessment:** outlines the assessment completed to confirm the financial viability of the Project. The chapter considers the required capital investment as well as the proposed operating model, potential revenue sources and operating cost benchmarks that form the baseline for operational performance.

**Chapter 8 – Social Impact Assessment:** seeks to identify the potential social benefits arising from the Project, and to identify opportunities to create additional social value for the NT AFL Club. This chapter summarises the outcomes of the GHD Social Impact Evaluation completed in relation to the Project.

**Chapter 9 – Preliminary Economic Impact Assessment:** evaluates the economic impact of an NT AFL Club and considers the value of the benefits that may arise.

**Chapter 10 – Governance and Risk:** considers the elements of the governance and management structures for a future club. The chapter also outlines the potential risks that must be considered as part of the Project, including the suggested mitigations and actions required to manage the risks.

**Chapter 11 – Implementation:** outlines a roadmap for progressing the Project through further stages of investigation and assessment, including the requirements to align with funding agency guidelines and expectations.

**Chapter 12 – Conclusion and Recommendations:** summarises the key conclusions and provides recommendations for the next steps for the Project.

## 2 Project Background and Context

This Chapter seeks to outline the background and context of the Project, including the key considerations for why the Project has progressed for assessment through this SBC. This background and context is drawn upon frequently throughout the SBC assessment process and is integral in the formulation of the strategic rationale and key objectives for the Project. The Chapter covers:

- NT context.
- AFL in the NT.
- Role of AFLNT.
- Growing AFL in the NT.
- Tasmanian Club Licence.

### 2.1 NT Context

Home to some of the most spectacular natural landscapes in the world, and with a diverse and culturally rich population, the NT is unique in whatever way it is viewed. The residents have an enshrined sense of pride for the identity and the culture that exists within the Territory and are renowned for their unwavering resilience and determination. The NT context is further detailed in Chapter 8.

#### 2.1.1 Geography

The NT is Australia's third largest State or Territory by land area covering over 1.3 million square kilometres. While being one of the largest cities in NAU, Darwin is closer in proximity to the major South East Asian centres of Jakarta and Singapore than it is to other major Australia cities, Sydney and Melbourne. This geographical proximity has positioned Darwin and the broader NT as an access point into the significant South Pacific and South East Asian markets. Furthermore, it reinforces the strategic importance of the Territory as part of the Australian Government's defence and national security agenda.

Darwin and Alice Springs are the main regional centres within the NT and are home to almost 80% of the total population. The remainder of the NT population are located in Katherine, Arnhem Land, the Barkly region or in the many small remote communities throughout the NT. The region is also steeped in natural beauty, with the landscape adorned by many national parks, deserts, landmarks and waterways. The natural landscape is a significant driver for the tourism industry within the region.

#### 2.1.2 Economy

The economy is built upon the natural resources industries including significant onshore and offshore gas reserves and mineral resources present in the Territory. The economy is supported by its large public sector and a significant defence force presence across the region. While the economy is relatively small relative to the rest of Australia, it is buoyant and has the potential for significant expansion primarily through the utilisation of the world class mineral deposits and gas resources.

At 30 June 2022, the Territory economy was recorded to be valued at \$26.1 billion, an increase of 4.7% from the prior year<sup>6</sup>. In recent years, the NT economy has benefited from a pipeline of major Project investments, by both the public and private sectors. Following the fall out of the COVID-19 pandemic, the NT Government announced an ambitious plan to deliver a \$40 billion economy by 2030. This economic target has remained a driving force behind the strategic direction and policy initiatives being progressed by the NT Government.

In August 2023, the Territory economy supported over 138,113 jobs. While the mining industry made the greatest contribution to economic output in the region, it supported only 8,744 jobs (6% of total employment). The Government and

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<sup>6</sup> Northern Territory Government (2022): Economy: June 2022

Community Services sector was the region's largest employer, with over 57,936 jobs, and representing 41.2% of total employment.<sup>7</sup>

### 2.1.3 Demography and Culture

At the end of December 2022, the Territory was home to over 250,540 people, representing approximately 1% of the total population of Australia. Of the total population, almost 150,000 people (59.6%) lived in the Greater Darwin area with the remaining 40% of the population residing in regions considered rural, remote or very remote<sup>8</sup>.

The demography of the population is characterised by a younger age profile, reflective of the large number of persons aged 25 to 34 years. At 30 June 2021, there was an estimated 76,487 Indigenous people living in the NT, at the time representing approximately 30.8% of the NT's population and 7.8% of the national Indigenous population. Approximately 74.6% of the NT's Indigenous population lives in remote or very remote areas<sup>9</sup>.

Population growth in the NT is regarded to be significantly more volatile when compared to the broader Australian population. In recent years, natural increase and net overseas migration have been the primary drivers for population growth in the NT. As part of the economic target set by the NT Government, a population growth target of 300,000 people by 2030 was also announced, with the expansion of the population being intrinsically linked to the need for an increase of skilled and unskilled workers required to support the growth of the economy.

The culture of the NT is strongly influenced by its Indigenous heritage and is also reflective of the remoteness of the region, the harshness of the climate and the diversity of the population. With a large Indigenous population speaking 100 different Indigenous languages, the NT is also host to a culturally diverse migrant population primarily originating from South East Asian, European and Pacific regions. Outside of the natural landscapes, the culture and identity of the NT is what makes the region unique. It is this culture and identity that influences the strong sense of pride that many Territorians maintain for the region.

### 2.1.4 Social Conditions

While the NT is culturally rich and economically buoyant, the NT has social and societal challenges that extend beyond the ordinary levels experienced across the country. The prevalence of these challenges, particularly within Indigenous populations, has been clearly articulated previously, and again highlighted in the National Agreement on Closing the Gap, and subsequent progress reports. The primary social challenges experienced in the NT, are categorised across the following areas:

- Health and Welfare.
- Housing.
- Household Income.
- Education and Employment.
- Safety and Crime.

#### Health and Welfare

The pattern of health and wellbeing across the NT is primarily influenced by the demography of the population, geography of region and the harsh tropical climate. Rates of chronic disease are increasing in Australia, however, in 2022 the NT recorded lower rates of some chronic conditions including asthma, arthritis, heart, stroke and vascular disease, compared to

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<sup>7</sup> Northern Territory Government (2023): Labour Market: August 2023

<sup>8</sup> Northern Territory Government (2023) Population: December 2022

<sup>9</sup> Northern Territory Government (2023) Population: December 2022

national rates.<sup>10</sup> While the underlying reason for the variance was not clear, it is expected that the lower age demographic of the NT was a contributing factor.

Notwithstanding, in the same period, the NT recorded higher rates of health risk factors, such as daily smoking, risky alcohol consumption and obesity, compared to national averages. Specifically, it was identified that around 14% of Territorians were daily smokers, 49% were risky alcohol consumers and 65% of adults in the NT were overweight or obese. These health risk factors have been directly linked to increases in chronic conditions such as mental health concerns, diabetes, heart disease and cancer, and lower life expectancy.

In general, Indigenous Territorians experience high rates of social disadvantage, poverty and low levels of health literacy. These factors contribute to higher rates of poor health and mortality compared to non-Indigenous Territorians. In 2011 to 2015 Indigenous people made up nearly two-thirds of deaths in the NT from chronic diseases (including cancer, diabetes, and respiratory diseases)<sup>11</sup>. Hospitalisation rates and infant mortality rates among Indigenous people are also notably higher than for the non-Indigenous population. Infectious diseases are also prevalent within the Indigenous communities, partly due to poor sanitation and overcrowding.

The Closing the Gap campaign aims to close the health and life expectancy gap between Indigenous and non-Indigenous Australians. Progress against the key Closing the Gap targets has been made in recent years, however, much work is still required to achieve the targets set. The high levels of socio-economic disadvantage and the lack of social and health infrastructure found in many remote communities are structural factors increasing the risk of poor health outcomes, particularly for the more vulnerable members of the communities.

### Housing

Public housing represents a significant proportion of the housing market in the NT consisting of over 11,247 dwellings as of June 2019. In some remote areas, public housing accounts for almost all homes. Despite the relative size of the public housing system in the NT, there remains a critical undersupply as evidenced by high levels of homelessness, which is 12 times the national average<sup>12</sup>. Distance and remoteness are universal challenges for the NT that substantially affect the cost of delivering housing and housing related infrastructure. The combination of the NT's small and sparsely distributed population places significant cost pressures on the social and affordable housing system.

Securing appropriate housing is a target area of the Closing the Gap agenda, measured by a housing suitability target. In 2021, just under half (43.4%) of Indigenous people in the NT lived in appropriately sized (not overcrowded) dwellings, where no extra bedrooms were needed to adequately house the usual residents<sup>13</sup>. This statistic was significantly lower in remote areas of the NT.

### Household Income

Unemployment among Indigenous people is notably higher than it is for the rest of the population in the Territory. As a consequence, average household income for Indigenous households is substantially lower than for non-Indigenous households. In 2021, the median total household weekly income for Indigenous households in the NT was \$578. This was lower than the national average of \$830<sup>14</sup>.

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<sup>10</sup> ABS (2022). National Health Survey 2022. Lower Rates of Chronic Conditions in the NT

<sup>11</sup> Northern Territory Government (2018) NT Health: Aboriginal and Torres Strait Islander Health

<sup>12</sup> Northern Territory Government (2020) Northern Territory Housing Strategy 2020-2025

<sup>13</sup> ABS (2021) Northern Territory: Aboriginal and Torres Strait Islander Population Summary

<sup>14</sup> ABS (2021) Northern Territory: Aboriginal and Torres Strait Islander Population Summary

### Education and Employment

School attendance and retention rates in the NT were on average 74.3% across primary and secondary levels (Term 2 in 2023). Attendance rates were significantly lower among Indigenous populations (57.0%) compared to the non-Indigenous population (85.2%), and this was evident across all schooling levels. There also existed considerable variation between urban and rural areas, with Darwin recording an attendance rate of 83.6% across all levels, compared to the Barkly region recording only 46.2%<sup>15</sup>. In 2021, the attainment rate of a Year 12 certificate was 48.3% across the NT population with the Indigenous population recording only 33.6%<sup>16</sup>.

A total of 137,494 people are employed in the NT during, resulting in an unemployment rate of 3.7% which is equivalent to the Australian average<sup>17</sup>. Despite the low Territory-wide unemployment rate, unemployment rates varied significantly between remote areas such as West Arnhem (8.3%) and East Arnhem (6.7%) as compared to the more populous areas such as Greater Darwin (3.4%)<sup>18</sup>. Most notably, the disparity in participation rates and unemployment rates between Indigenous and non-Indigenous people, particularly in remote regions, is significant.

### Safety and Crime

Crime and safety are key concerns within the NT, particularly in areas such as Alice Springs. For the year end 31 July 2023, over 43,572 offences were recorded across the NT, being a 17% increase over the number of offences recorded in the prior year (37,227). The rates of violent assaults and property damage were the largest contributors to these outcomes, all increasing by over 20% year on year. While assault incidences in Darwin were elevated for the same period, increases in violent assaults in Alice Springs and the Kimberley region were the most significant increase in the NT<sup>19</sup>. The NT also maintains the highest imprisonment rate in Australia at 1,026.6 prisoners per 100,000 adults. This is substantially higher than other States and Territories, for example Western Australia maintains an imprisonment rate of 293.0 per 100,000 adults.

Domestic, Family and Sexual Violence (DFSV) is a serious and widespread issue across the NT, with the region having the highest rates of DFSV and sexual violence in Australia. The rate of Domestic and Family Violence (DFV) related homicide and DFV related assault were 7 times and 4 times higher in the NT than the national average, respectively. The rate of sexual assault in the NT was also 1.2 times the national average.

The impacts of crime on the Indigenous population in the NT are more significant than for the non-Indigenous population. In 2021–22, there were 5,021 Indigenous offenders proceeded against by police in the NT, representing 57.7% of the total offences recorded in the NT<sup>20</sup>. Indigenous people accounted for 88% of the DFV related assault victims in the NT in 2021, and 79% of these were women. Indigenous women living in the NT are also over eight times more likely to be assaulted than either non-Indigenous women or non-Indigenous men, and over three times more likely to be assaulted than Indigenous men.

Youth crime presents as another topical issue in the NT. Australian Bureau of Statistics (ABS) data confirmed that in the NT there were 754 youth offenders aged between 10 and 17 years in 2021–22, comprising 9% of total offenders proceeded against by police. The number of youth offenders increased by 14% (or 91 offenders) from the previous year, in contrast with the overall 5% decrease in total offenders in the NT. But the rate of recidivism by young offenders is more significant. A study completed by the NT Department of Attorney General and Justice in 2020 found that the rate of youth offenders

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<sup>15</sup> Northern Territory Government (2023) Enrolment and Attendance Data: Term 2 2023.

<sup>16</sup> Australian Bureau of Statistics (2021) Census of Population and Housing.

<sup>17</sup> Northern Territory Government (2023) Labour Market August 2023

<sup>18</sup> Northern Territory Government (2023) Labour Market March 2023

<sup>19</sup> Northern Territory Government (2023) NT Police, Fire & Emergency Services: Northern Territory Crime Statistics 2023.

<sup>20</sup> ABS (2022) Recorded Crime – Offenders 2021-22

reoffending was as high as 61%. The study attributed many social factors, as discussed through this section, as key influences to these outcomes.

The impacts of crime on victims, specifically violent and sexual crimes, can give rise to long term and profound outcomes, particularly related to health and wellbeing and mortality rates. It is recognized that participation in AFL and in sport generally plays a role in engaging school aged children and young adults and reducing risk associated behavior and offending. The high participation rates in AFL in the NT show that AFL is engaging large cohorts of school aged children and young adults with urban, regional and remote communities.

## 2.2 AFL in the NT

AFL forms an integral part of the culture and social fabric within the NT. Played across the Territory from Alice Springs to the Tiwi Islands and throughout Central Australia, the Barkly, and Arnhem Land, over 39,000 Territorians (16,000 female) participated in the sport in 2022, a growth of 2% since 2021<sup>21</sup>. The NT currently maintains the highest per capita participation rate in AFL across the country, with almost a fifth of the population participating in the game either socially or competitively<sup>22</sup>.

The premier competition, the Northern Territory Football League which is played in Darwin, has seen an increase of an extra 60 teams in the past three years.

Over the years, numerous Territorians have played at the highest level in the AFL. Today, the Territory produces more elite level players per capita than any other state or territory. Most significantly, the NT has seen to advancement of many elite Indigenous players such as Andrew McLeod, Michael McLean, Cyril, Daniel and Dean Rioli and Michael Long, who have undeniably shaped the course of Australian football and paved the way for other Indigenous players to succeed in the league. More recently, Territorians such as Zac Bailey, Lloyd Johnson, Jesse Motlop and Ashanti Bush have signed AFL contracts. A full list of NT AFL and AFLW players can be seen in Appendix A.

In recent times, the NT has hosted up to three AFL premiership matches annually. Currently select home games for the Gold Coast Suns and Melbourne Demons are played in Darwin (TIO Stadium) or Alice Springs (Traeger Park). Future AFLW matches are expected to be brought to the NT, further broadening the spectating opportunities for fans.

Since the early AFL premiership matches were played in the Darwin in the early 2000's, crowd attendances have grown steadily with an average of over 9,000 tickets sold per game. This demand was evidenced in 2020 through the Dreamtime in Darwin match between Essendon and Richmond, with 99% of available tickets being sold within 15 minutes of ticket sales commencing.

In 2023, over 23,000 tickets were sold to the AFL matches held in the NT. The matches generated over \$0.7 million in revenue through ticket sales, merchandise sales and sponsorships and resulted in a direct injection of \$0.5 million into the regional economy and significant indirect and induced economic impact arising from the games through increased domestic tourism, retail and hospitality spending and transportation, while not quantified, was expected to be significant.

Outside of the direct economic benefit, the broader value of AFL to the Territory comes in the form of the direct and indirect social impacts that the game brings at a community level. With over 40,000 social and competitive AFL participations in 2022, there exists an unrivalled passion for the game that permeates the whole of the Territory. Outside of direct Club and community football, the numerous community, educational and leadership programs that are supported through the AFL also yield a significant benefit for the region and importantly assist in addressing several of the social challenges experienced across the NT.

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<sup>21</sup> AFLNT (2022)

<sup>22</sup> AFLNT (2022)



## 2.3 Role of AFLNT

AFLNT is the peak body for AFL in the Territory. AFLNT governs all leagues, game development and talent programs from grassroots Auskick to senior football competitions. The organisation employs over 50 full time equivalent (FTE) staff members and is the only peak sporting body in the NT employing permanent staff in remote regions.

AFLNT sources its funding from a range of areas, primarily the AFL and the Australian Government. The remaining funding is sourced through the NT Government, program fees, sponsors and memberships. Between 2021 and 2023, AFLNT directly contributed over \$12.5 million to the NT economy. The Bastion Feasibility Study established an indicative benchmark suggesting that for every one dollar invested by the AFLNT, a \$320 economic impact is generated for the NT. Based on this benchmark, the annual economic impact of the AFLNT to the Territory would equate to over \$40 million between 2021 and 2023.

Outside of the direct economic investment, AFLNT generates significant benefit to the Territory, economically and socially, through the development of the game and administration of various community programs. The primary focus areas of the AFLNT include:

- Development of Club and community AFL.
- Talent pathway development.
- Community programs.

These areas are explored further in the following sections.

### 2.3.1 Development of Club and Community AFL

Club football in the Territory is thriving. There are 11 major AFL competitions established throughout the Territory, with the semi-professional Northern Territory Football League (NTFL) and the Central Australia Football League (CAFL) being the most significant. Other regional and remote Club competitions (Barkly, Gove, Tiwi Islands and Big Rivers) and inter school competitions have also been established and form part of the broader AFL system across the Territory.

Club football recorded over 12,800 participants in 2022, growing almost 8% from the prior year. The most notable part of this growth being junior and youth girls, with player numbers growing by over 48% from the prior year. The NT now holds the highest per capita participation rate for junior and youth girls in AFL across the country<sup>23</sup>.

Community football is built upon the Auskick and school-based programs. Auskick remains the number one pathway for entry into AFL and there were over 3,000 Auskick participants in the NT in 2022. Due to the growing demand for AFL in remote and rural areas, the Auskick program has been extended to include centres in remote Indigenous communities across the Territory. AFL also remains a fundamental part of the NT school curriculum with more than 14,000 school aged students participating in school-based AFL clinics, carnivals, festivals and education programs. Most notably, those school-based programs in Central Australia grew by over 41% in 2022.

### 2.3.2 Talent Pathway Development

Until 2019, the Northern Territory Football Club (also known as NT Thunder) was a key component of the talent pathway for elite and aspiring elite footballers in the NT. The NT Thunder played in a second-tier competition (the North East AFL (NEAFL)) which historically played a part in the pathway for participants into the AFL/ AFLW. Participants in the NT Thunder were provided with access to qualified coaches and player support staff; AFL standard facilities, infrastructure, staff and matches; and the opportunity to play in representative matches for the AFL Academy. The NT Thunder was fed players from a variety of sources, however, the NTFL and CAFL competitions were the main providers.

Talent academies for younger participants are also established in the NT. These academies are targeted at the U16 and U18 age groups for aspiring male and female participants and follow a curriculum that is consistent with other parts of the country. This is the traditional pathway for participants being selected in the AFL/ AFLW. Up until 2023, the Top End was

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<sup>23</sup> AFLNT (2022) Annual Report 2022

the only location to host an academy with regional areas serviced through alternate approaches. In 2023, an academy was established in Alice Springs in line with the Darwin academy program.

Players from each of the academies are selected to represent the NT in national competitions. From these competitions there are further opportunities for the 'Allies' as part of the national championships, into the Indigenous Flying Boomerangs and Woomearas programs and selection in the national academy. NT Academies are also supported and aligned with 'Next Generation Academies' that are operated by AFL clubs in the NT. Each AFL Club has a designated region to run their own Next Generation Academy Program, which includes activities such as clinics and skill sessions, 'come and try' days and leadership programs. In 2022, there were six clubs with established Next Generation Academies in the NT: Gold Coast, Melbourne, Collingwood, Essendon, Hawthorn and Geelong. These clubs also receive AFL draft concessions for selected players.

Although there are several existing talent pathways for AFL players to reach the professional league in the NT, it is understood that to be considered in the players draft, most aspiring players relocate to Western Australia, South Australia or Victoria to complete schooling at boarding school. It was reported that this not only increased exposure to more talent pathways in those areas, but indicated to prospective AFL clubs that players were prepared (and were able to) live away from home.

### **2.3.3 Community Programs**

While league management and game development are the primary tasks for AFLNT, the organisation also administers and funds a range of community engagement, education, mentoring and skills programs that are targeted at communities across the Territory but particularly those in the remote and rural regions. By harnessing the passion for AFL, these programs focus on inspiring, educating and empowering children, youth and adults and assist in uniting communities in the region. The key programs run by AFLNT, include:

- AFLNT Remote Projects.
- Carnivals and School Engagement.
- Michael Long Learning and Leadership Centre.

#### **AFLNT Remote Projects**

The Remote Projects provide regular and structured community-based football competitions programs and initiatives across remote communities of the NT, the remote projects are situated in locations across the NT including, Central Australia, Lajamanu, Wadeye, Tiwi Islands, Maningrida, Elcho Island, Gove and Groote Eylandt. Previously Ngukurr, Borroloola, Gapuwiyak and Gunbalanya. The program involves the delivery of football-based initiatives, focusing on the development of AFL skills while also promoting positive social, health, education and employment outcomes through the 'power of football'.

#### **Carnivals and School Engagement**

AFLNT also offer a range of community and school-based programs to promote the game and to enable the development of skills from a grassroots level. AFLNT offer single and multi-school coaching and umpiring programs, carnivals, Auskick programs and other community promotional events. The primary objective being to grow the game across the NT.

#### **The Michael Long Learning and Leadership Centre (MLLLC)**

Using AFL as the basis to engage students from remote and very remote communities, the MLLLC was established in 2015 to deliver education and leadership programs for Indigenous students. Since 2015, over 880 students have passed through the MLLLC, with student numbers growing annually.

## **2.4 Growing AFL in the NT**

To continue to grow AFL in the Territory, it is important to further develop the avenues for people to participate and compete in the game across the NT. Enhancing the talent pathways that exist for aspiring elite players to reach the AFL and AFLW is also crucial. Equally, developing opportunities for those who support the game through coaching, umpiring, player conditioning, mentoring and administration roles is important to ensure long term sustainability of the game. To effectively

deliver the desired growth and development of the game, there is evolving support for the establishment of a national AFL Club in the Territory.

In 2019, Bastion investigated the feasibility of establishing a Club in the NT. The report emphasised the significant potential social and economic benefits that a Club might deliver to the NT. However, due to the small population and lack of football related revenues, Bastion highlighted that adopting a “traditional” AFL model for a Club was not viable in the NT. Rather, Bastion proposed establishing an NT AFL Club through an “unconventional model” that linked the funding proposal to the extensive social impact that was expected to arise following the establishment of the club. Specifically, an NT AFL Club would seek to secure funding from those organisations with a vested interest in progressing initiatives towards addressing the unique social challenges faced by the NT and to deliver real change through the expansion of AFL. The agencies and organisations identified as potential funding partners and interested stakeholders included:

- NT Government.
- Australian Government.
- Aboriginal Land Councils.
- Corporate Organisations (Corporate Social Responsibility objectives).

While the specific rationale underpinning the support of each of these organisations varies, they do share a common purpose of addressing the social challenges faced in the NT.

## 2.5 Tasmanian AFL Club Licence

A further source of interest in an NT AFL Club has been sparked by the recent progress in relation to the establishment of the next franchise in the sport – a Tasmanian club. In May 2023, the AFL conditionally awarded the 19<sup>th</sup> AFL Club licence to the Tasmanian Government, with the newly established Club expected to put forward an AFL team to participate in the 2028 season, and an AFLW team to follow shortly thereafter. The issuance of this licence is the result of an extended lobbying effort following an earlier failed bid in 2008. As part of the agreement, the Tasmanian Government will partner with the Australian Government to construct a 23,000-seat stadium at Macquarie Point to host games and team support infrastructure.<sup>24</sup>

In 2019, the Tasmanian Government established a taskforce to progress the case for a Tasmanian Club licence (the Tasmanian Taskforce). The Tasmanian Taskforce developed a report that considered the strength of the case for a licence and provided recommendations to the Government (Tasmanian Taskforce Report).<sup>25</sup> The Tasmanian Taskforce Report concluded that future Tasmanian Club would be feasible and sustainable, however, relied upon the financial support of the State Government and “fair and reasonable” support from the AFL. Importantly, the report highlighted a range of critical success factors to be considered in progressing the proposal, being:

- A team must be additive to the AFL and enable progression of the game.
- The funding and commercial model underpinning the Club must be sustainable.
- Appropriate infrastructure (stadia) and supporting facilities, and the funding of them, must be considered.
- A phased approach to developing the Club presents the most sustainable long-term outcome.

In 2021, at the request of the AFL, an independent review of the Tasmanian team submission was subsequently completed by Colin Carter (the Carter Review).<sup>26</sup> The review assessed the case presented by the Tasmanian Government to provide a recommendation regarding whether it should be progressed for consideration by the 18 existing AFL clubs. The Carter

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<sup>24</sup> AFL (2023), *Full statement: Tasmania awarded 19th AFL licence*. Accessed at: <https://www.afl.com.au/news/917878/full-statement-tasmania-awarded-19th-afl-licence>

<sup>25</sup> State Government of Tasmania (2019) *AFL Licence Taskforce Business Plan 2019*

<sup>26</sup> Carter, C (2021). *A Licence for a Tasmanian Team? A Report to the AFL Commission*.

## Project Background and Context

Review concluded that the case for a Tasmanian team was strong, however, suggested that the relocation of, or a joint venture with, an existing Victorian team would likely be a more sustainable outcome.

The review considered that the Tasmanian Government would be required to support a Club financially for several years for an amount of up to \$11 million annually, and that player retention will be an ongoing challenge for the Club due to the potential low availability of local elite talent. Notwithstanding, the review does consider the impact, both socially and economically, to the state will be significant and establishing a team will further progress the game.

The successful Tasmanian bid is the result of years of effort, and the experience yields many lessons for the work currently being undertaken in the NT. Furthermore, having 19 clubs in the AFL, logically suggests the need for a 20<sup>th</sup> to optimise the playing schedule for the existing clubs. It is for these reasons that the Tasmanian licence process has been considered as part of this Project to provide guidance for a future NT club.

## 3 Stakeholder Engagement

Consultation with key Project stakeholders was paramount to identify key themes and focus areas of the Project, and to ensure consideration is given to desires and expectations of a wide range of Project stakeholders in relation to an increased presence of AFL in the NT. The findings and outcomes of the engagement provided the foundation for the development of this Project.

This chapter provides an overview of the stakeholder consultation that was carried out to inform the development of the SBC, summarising the information and feedback provided by key stakeholders consulted. This chapter includes:

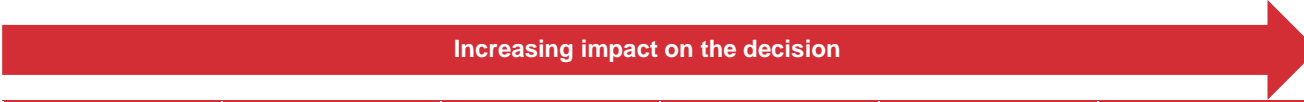
- Approach to stakeholder engagement.
- Engagement process.
- Overview of consultation findings.

### 3.1 Approach to Stakeholder Engagement

#### 3.1.1 International Association for Public Participation (IAP2) Spectrum

The approach to consultation varied between stakeholders as some only required information, while others formed an integral part of the decision making process for the Project. The consultation and communication approach was guided by the IAP2 Core Values and Spectrum of Engagement. The IAP2 spectrum is widely recognised as the standard for deciding appropriate levels of engagement with stakeholders, as detailed in Figure 13.

Figure 13: IAP2 Spectrum



	<b>Inform</b>	<b>Consult</b>	<b>Involve</b>	<b>Collaborate</b>	<b>Empower</b>
<b>Public Participation Goal</b>	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.

#### 3.1.2 Targeted Stakeholder Engagement

Targeted engagement with key government and industry stakeholders was undertaken as part of the development of the SBC to understand the opportunities and challenges for the Project. Stakeholder engagement was undertaken with the following groups:

## Stakeholder Engagement

- Football related bodies, including AFL House.
- Representatives of the Legislative Assembly of the NT.
- NT Government departments.
- Local Government Councils.
- NT tourism and investment attraction groups.
- Land Councils and Indigenous groups.
- Industry and business associations.

The outputs from the stakeholder engagement process have been used to inform the SBC and to ensure the Project outcomes align with the expectations and requirements of the broader stakeholder group. After the completion of the SBC, continual stakeholder consultation will be important to ensure the continued support of key groups.

### 3.1.3 Community Consultation

It is recognised that the wider community may have a significant level of interest in the establishment of an NT AFL Club. However, at this stage of Project development, consultation activities with the wider community have not been undertaken.

Future stages of the Project will require community consultation, providing community members with opportunities to offer feedback about the Project, and receive updates on the Project status. The timeframes for community consultation activities will be determined if the Project progresses to further stages of assessment. Engagement undertaken to date with government, local businesses owners, industry representatives and related organisations has helped to provide an initial view of the potential positive and negative impacts on the community and can be used to inform future consultation.

### 3.1.4 Issues Management

A key communication and consultation challenge for the Project is managing stakeholder expectations about the pathway to, and timeframes of, progressing the case for a Club. Clear communication of the purpose and timeframes of the process and outlining the role of government, industry, community and other stakeholders is critical in future consultation. This challenge has been proactively managed using agreed and consistent messaging around the rationale and potential timeframes for a club.

## 3.2 Engagement Process

### 3.2.1 Engagement Phases

Consultation to inform the SBC was conducted over various phases, which included different participants and desired outcomes. The main phases of engagement included:

- **Investment Logic Mapping (ILM) workshop:** The desired outcome of the ILM workshop was to define the logic that underpins the investment associated with the Project. The workshop helped to identify the major problems/opportunities that the investment will be required to address, the benefits that the investment will be required to deliver and the strategic responses and solution Options that will best respond to the problems and opportunities identified. The outcomes of the ILM workshop are detailed in Chapter 4.
- **Multi Criteria Assessment (MCA) workshop:** The desired outcome of the MCA workshop was to refine a long list of Project Options into a shortlist of Project Options through a multi criteria assessment. The workshop helped to identify the strengths, weaknesses and potential impacts of each Project Option against key criteria to determine the Project option/s that warrant further assessment as part of the SBC. The outcomes of the MCA workshop are detailed in Chapter 6.
- **Project Development and Implementation workshop:** The desired outcome of the Project Development and Implementation workshop was to discuss the assumptions related to the implementation of the Project, the risks associated with the Project and the financial and commercial implications of the Project. Key concepts that were discussed during the workshop included: playing schedule, infrastructure requirements, required Club employees, Club governance and operating models, player pathways, community programs and initiatives and financial and commercial outcomes. The outcomes of the Project Development and Implementation workshop are primarily detailed in Chapters 7 and 10.

- **Club Data Validation workshop:** The desired outcome of the Club Data Validation workshop was to socialise, refine and confirm the Club and financial assumptions developed as part of the Project Development and Implementation workshop with representatives from the AFL. The workshop was critical in seeking the views of the AFL in relation to the Project. The outcomes of the Project Development and Implementation workshop are primarily detailed in Chapters 7 and 8.

### 3.2.2 Consulted Stakeholders

Regular consultation was undertaken with the Taskforce throughout the development of the SBC. The Taskforce is comprised of Territory locals and industry experts, including:

- Ms Kate Worden, Minister for Police, Fire and Emergency Services; Minister for the Prevention of Domestic, Family and Sexual Violence; Minister for Sport; Minister for Territory Families.
- Mr Sean Bowden, Chairman AFLNT.
- Mr Nigel Browne, CEO, Larrakia Development Corporation.
- Mr Tony Edmondstone, CEO Airport Development Group.
- Mr Lewis Martin, Managing Director Seven Melbourne & Network Head of Sport.
- Mr Peter Jackson, CEO, Melbourne Football Club (2013-2018) and Essendon Football Club (1996 to 2009).
- Dr Josie Douglas, General Manager Health Services, Central Australian Aboriginal Congress.

A broader stakeholder engagement plan was developed which identifies key parties and their interests and has guided their involvement throughout the Project. Table 1 details the extent to which each stakeholder was involved in Project development, while Table 2 outlines stakeholders' interest in the Project and the key desired outcomes of engagement.



## Stakeholder Engagement

Table 1: Level of Engagement with Stakeholders

Stakeholder	IAP2 Engagement level	Involvement in ILM Workshop	Involvement in MCA workshop	Involvement in Project Development and Implementation workshop	Involvement in Club Data Validation workshop
<b>Football related bodies</b>					
NT AFL Team Taskforce representatives	Empower	✓	✓	✓	✓
AFL NT	Empower	✓	✓	✓	✓
AFL	Empower	✓*	✓		✓
<b>Representatives of the Legislative Assembly of the NT</b>					
Office of the Honourable Kate Worden – (Minister for Sport; Minister for Police, Fire and Emergency Services; Minister for the Prevention of Domestic, Family and Sexual Violence; Minister for Territory Families)	Empower	✓	✓	✓	
Office of the Honourable Natasha Fyles (Chief Minister; Minister for Alcohol Policy; Minister for Defence; Minister for Health; Minister for Major Projects)	Empower			✓	
<b>NT Government Departments</b>					
Northern Territory Department of Infrastructure, Planning and Logistics	Collaborate	✓			
Department of Industry, Tourism and Trade	Collaborate	✓			
Department of Territory Families, Housing and Communities	Collaborate	✓	✓	✓	
<b>Local Government Councils</b>					
Darwin City Council	Collaborate	✓*			
<b>NT tourism and investment attraction groups</b>					
Tourism Top End	Involve	✓*			
Darwin Waterfront Corporation	Involve	✓*			
Tourism NT	Involve		✓		
Investment Territory	Involve	✓			
<b>Land Councils and Indigenous groups</b>					
NT Indigenous Business Network	Involve	✓			
Northern Land Council	Collaborate	✓			
<b>Industry and business associations</b>					
NT Chamber of Commerce	Involve	✓			
Paspaley Group	Consult	✓			
Minerals Council of Australia	Consult	✓			
Cazalys	Consult	✓			

\*The stakeholder was unable to attend the ILM workshop. The stakeholder was briefed on the outcomes of the workshop and their feedback was incorporated.

## Stakeholder Engagement

Table 2: Project Interest and Desired Consultation Outcomes

Stakeholder	Primary interests in Project	Desired outcome of engagement
<b>Football related bodies</b>		
NT AFL Team Taskforce representatives	<ul style="list-style-type: none"> <li>Development of the underlying strategic rationale and justification for an increased presence of AFL within the NT.</li> </ul>	<ul style="list-style-type: none"> <li>Understanding of the current level of AFL presence in the NT and the ideal future state.</li> </ul>
AFL NT	<ul style="list-style-type: none"> <li>Options and potential timeline to increase the presence of AFL content within the NT.</li> </ul>	<ul style="list-style-type: none"> <li>Insight into AFL participation, talent pathways and community interest in the NT.</li> </ul>
AFL	<ul style="list-style-type: none"> <li>Financial and economic analysis outcomes and Club viability.</li> <li>Social impacts expected to be achieved through an increased presence of AFL within the NT.</li> <li>Information concerning governance, risks and implementation of a prospective NT AFL Club.</li> </ul>	<ul style="list-style-type: none"> <li>Identification of the current condition of TIO stadium, Traeger Park and other sporting facility infrastructure in the NT.</li> <li>Discussion and inputs to determine the feasibility and commerciality of an NT AFL Club.</li> <li>Information on the funding requirements and expected costs and revenues of an NT AFL Club.</li> <li>Understanding of the infrastructure requirements associated with the awarding of an AFL licence.</li> <li>Identification of potential operating model Options of an NT AFL Club.</li> <li>Identification of potential funding proponents for an NT AFL Club.</li> <li>Discussion concerning the availability of an additional AFL licence.</li> </ul>
<b>Representatives of the Legislative Assembly of the NT</b>		
Office of the Honourable Kate Worden – (Minister for Sport; Minister for Police, Fire and Emergency Services; Minister for the Prevention of Domestic, Family and Sexual Violence; Minister for Territory Families)	<ul style="list-style-type: none"> <li>Options and potential timeline to increase the presence of AFL content within the NT.</li> <li>Operational cost for maintaining greater AFL content in the NT.</li> <li>Cost of required infrastructure associated with the Project.</li> <li>Economic analysis outcomes and Club viability.</li> </ul>	<ul style="list-style-type: none"> <li>Identification of strategic rationale and Government appetite for an increased presence of AFL within the NT.</li> <li>Discussion of potential economic benefits (i.e., job creation, tourism, infrastructure development etc) of an NT AFL Club.</li> <li>Discussion of potential social benefits of an NT AFL Club.</li> </ul>
Office of the Honourable Natasha Fyles (Chief Minister; Minister for Alcohol Policy; Minister for Defence; Minister for Health; Minister for Major Projects)	<ul style="list-style-type: none"> <li>Social impacts expected to be achieved through an increased presence of AFL within the NT.</li> </ul>	<ul style="list-style-type: none"> <li>Insight into community sentiment and interest in a professional AFL club.</li> <li>Discussion of potential funding proponents for an NT AFL Club.</li> <li>Provide relevant population, economic and community data relating to the Project.</li> </ul>

## Stakeholder Engagement

Stakeholder	Primary interests in Project	Desired outcome of engagement
<b>NT Government Departments</b>		
NT Department of Infrastructure, Planning and Logistics	<ul style="list-style-type: none"> <li>• Identification and cost of required infrastructure associated with the Project.</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion of potential economic benefits (i.e., job creation, tourism, infrastructure development etc) of an NT AFL Club.</li> </ul>
Department of Industry, Tourism and Trade	<ul style="list-style-type: none"> <li>• Insights into the number of events and tourism demand that could be generated through the Project.</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion of potential social benefits of an NT AFL Club.</li> </ul>
Department of Territory Families, Housing and Communities	<ul style="list-style-type: none"> <li>• Social impacts expected to be achieved through an increased presence of AFL within the NT.</li> <li>• Alignment of the Project with NT Government department strategies, policies and action plans developed for the betterment of the NT.</li> </ul>	<ul style="list-style-type: none"> <li>• Understanding of existing sporting and community infrastructure in the NT.</li> <li>• Discussion on the alignment of the Project to NT Government Department strategies.</li> <li>• Provide relevant population, economic and community data relating to the Project.</li> </ul>
<b>Local Government Councils</b>		
Darwin City Council	<ul style="list-style-type: none"> <li>• Insights into the number of events that could be generated through the Project within Darwin City.</li> <li>• Social impacts expected to be achieved through an increased presence of AFL within Darwin City.</li> <li>• Alignment of the Project with Darwin City Council strategies, policies and action plans developed for the betterment of the local community and Darwin City region.</li> </ul>	<ul style="list-style-type: none"> <li>• Insight into community sentiment and interest in an NT AFL Club.</li> <li>• Discussion of potential economic and social benefits of an NT AFL Club.</li> <li>• Discussion on the alignment of the Project to Darwin City Council strategies.</li> </ul>
<b>NT tourism and investment attraction groups</b>		
Tourism Top End	<ul style="list-style-type: none"> <li>• Insights into the number of events and tourism demand that could be generated through the Project</li> </ul>	<ul style="list-style-type: none"> <li>• An understanding of the ability of the NT to host regular major events such as AFL games, and the logistical challenges and shortfalls of existing infrastructure.</li> </ul>
Darwin Waterfront Corporation	<ul style="list-style-type: none"> <li>• Identification of associated investment attraction opportunities related to the Project</li> </ul>	<ul style="list-style-type: none"> <li>• An understanding of the potential tourism impact associated with the establishment of an NT AFL Club and regular matches held within the NT.</li> </ul>
Tourism NT	<ul style="list-style-type: none"> <li>• Maximisation of opportunities to the local economy that are afforded by the Project</li> </ul>	<ul style="list-style-type: none"> <li>• Identification of potential funding proponents for an NT AFL Club.</li> </ul>
Investment Territory	<ul style="list-style-type: none"> <li>• Operational cost for maintaining greater AFL content in the NT</li> <li>• Cost of required infrastructure associated with the Project.</li> </ul>	<ul style="list-style-type: none"> <li>• Tourism and investment attraction data and information relevant to the Project.</li> <li>• Confirmation of potential funding sources for the main operational and capital costs associated with the Project.</li> </ul>

## Stakeholder Engagement

Stakeholder	Primary interests in Project	Desired outcome of engagement
<b>Land Councils and Indigenous groups</b>		
NT Indigenous Business Network	<ul style="list-style-type: none"> <li>Maximise Indigenous participation and benefits sharing.</li> </ul>	<ul style="list-style-type: none"> <li>Identification of key risks around land titles of the potential stadium and infrastructure sites.</li> </ul>
Northern Land Council	<ul style="list-style-type: none"> <li>Proper management of traditional land that may be within the Project area.</li> <li>Address the social and economic challenges faced by Indigenous people within the NT.</li> </ul>	<ul style="list-style-type: none"> <li>Discussion of the economic and social impact of an NT AFL Club on local Indigenous communities and businesses.</li> <li>Alignment of an NT AFL Club with Indigenous advancement strategies.</li> </ul>
<b>Industry and business associations</b>		
NT Chamber of Commerce	<ul style="list-style-type: none"> <li>Understanding of how the Project impacts on current and future needs, risks and opportunities for local business and commercial interests.</li> </ul>	<ul style="list-style-type: none"> <li>Discussion of support for a professional NT AFL Club among industry and local businesses.</li> </ul>
Paspaley Group		<ul style="list-style-type: none"> <li>Discussion of expected impact of gameday on local business.</li> </ul>
Minerals Council of Australia	<ul style="list-style-type: none"> <li>Potential to support and sponsor a prospective NT AFL Club.</li> </ul>	<ul style="list-style-type: none"> <li>Insight into current and future capacity of local businesses in the NT to accommodate increased activity on gameday.</li> </ul>
Cazalys	<ul style="list-style-type: none"> <li>Maximisation of opportunities to the local economy that are afforded by the Project.</li> </ul>	<ul style="list-style-type: none"> <li>Identification of potential funding proponents and sponsors for an NT AFL Club.</li> <li>Discussion of other commercial uses for multi-purpose community infrastructure (e.g. a stadium).</li> </ul>

### 3.3 Overview of Consultation Findings

This section provides a high-level overview of the key themes to emerge from the stakeholder engagement process. More detailed outcomes of the stakeholder consultation and workshops are incorporated into the relevant chapters of the SBC. An overview of the consultation findings have been grouped into:

- Rationale for an increased AFL presence in the NT.
- Challenges of an increased AFL presence in the NT.

#### 3.3.1 Rationale for an Increased AFL Presence in the NT

While the prospect of an AFL Club in the Territory has always been an aspiration for fans in the region, interest in establishing such a Club has grown significantly in recent years. The source of this interest has broadened beyond the fan base to also include the Australian and NT Governments and major organisations in the region. The key messages underpinning this support are outlined below:

- **Social progress** – the AFL has a proven track record of positively influencing community outcomes in relation to education attendance, mental and physical health, crime and anti-social behaviour and equality. It is for this reason that the expansion of AFL in the NT has the potential to be an important vehicle to address some of the Territory's most challenging social issues. Furthermore, the proposal has the potential to make real impact towards the key outcomes outlined in the Closing the Gap report, and to address the significant impact of disadvantage in the region.
- **Stronger NT economy** – investment in AFL programs, events and teams has a proven direct economic impact to the Territory. Further investment into a club, and the supporting infrastructure required to support a club, will have a much more significant impact to the NT economy in the short, medium and long term. More importantly, the economic impact that arises from greater employment, a larger population base and enhanced attraction of people to visit and stay in the Territory, through sectors such as education, health, tourism, hospitality and retail, will be substantial. An AFL Club in the Territory has clear alignment with many of the initiatives being pursued by the NT and Australian Government's to grow the economy and support the strategically important industries that exist in the Territory.
- **Larger population base and improved liveability** – expanding the public amenity and lifestyle offerings that the NT maintains will positively impact the lives of the local residents that live in the region and may be a catalyst for attracting new residents to the NT. Enhancement of liveability of the region as an attractive place to live, work and play has been identified as a key priority for the NT Government and is critical to achieving the 2030 population growth targets that have been set.
- **Indigenous participation and engagement** – the AFL maintains a clear strategy to enhance the participation and engagement of Indigenous Australians in the game. Not only are Indigenous people exceptional players with a high level of affinity for the game, but the sport itself plays an important role in fostering social connections within communities. The AFL's strategy focuses on increasing Indigenous participation across both playing and non-playing roles. Given the significance of AFL to the many Indigenous communities in the Territory, and the concentration of Indigenous people within its population base, the NT presents as the optimal location for the AFL to implement the key initiatives that will drive the strategy.
- **AFLW** – a priority for the AFL is to continue to expand and grow the AFLW. The AFL is pursuing this growth strategy rapidly and is actively progressing initiatives regarding increasing female participation in the game across the country. As the NT maintains one of the highest participation rates (per capita) of females in the sport, an expansion of the AFLW in the NT has significant merit and provides the AFL with a strong Option to execute upon its AFLW strategy.
- **AFL purpose** – the AFL's driving purpose "progress the game so everyone can share in its heritage and possibilities" would only be truly fulfilled through the development of an Australia-wide competition. A NT Club advances the AFL towards achieving this purpose and positions the AFL as the only truly Australia wide competition with peak sporting teams in Northern and Southern Australia.
- **New domestic territories** - the establishment of a Territory AFL Club would represent Australia's first domestic sporting league with a 'national' footprint. Broadening the future playing base and footprint of the AFL by expanding the competition to include a presence in the NT, has the potential to enhance talent pathways and talent pools that are available for existing clubs in the league. Furthermore, a Club in the North of Australia adds geographical diversity to the playing locations currently within the playing roster which is expected to also improve competitiveness of the league.

- **Support for multi-purpose infrastructure** – growing the participation rate in AFL across the Territory, supports the justification for further investment into multi-purpose sporting infrastructure. Such investment yields significant opportunities for communities to grow, and for the expansion of other sporting cultural participation across the Territory.
- **Corporate social responsibility** – historically there has been a significant amount of private investment into the NT, specifically in relation to mining and energy developments. These investments have brought considerable corporate social responsibility (CSR) contributions to the region. A social focused Club such as that is proposed for the NT, would provide a unique avenue for these major organisations to direct their CSR contributions towards.
- **International expansion** – due to its geographical proximity to South East Asia, the NT is considered to be a stepping stone for access into larger international markets in the region. Growing a more significant AFL presence across NAU increases the potential for access to an expanded playing community and viewership in Asia.

### 3.3.2 Challenges of an increased AFL presence in the NT

While the establishment of an AFL Club in the NT would be transformative for the region, stakeholders identified several challenges related to the Project. To overcome these challenges and continue to progress the Project, collaboration between all Project stakeholders is required in the future. The key challenges facing the Project are:

- **Financial viability** – newly established AFL clubs often require significant financial contributions to support continued operations. The Gold Coast Suns and Greater Western Sydney (GWS) Football Club ('GWS Giants' from hereon in) receive ~\$25 million p.a. (p.a.) from the AFL, while the Tasmanian Government has agreed to a funding commitment of \$12 million p.a. per year over 12 years as part of an in-principal agreement with the AFL for a 19<sup>th</sup> licence. Stakeholders raised concerns that a similar level of financial support may not be available for an AFL Club based in the NT.
- **Competitiveness of an NT AFL Club** – with a population of only 250,000 in the NT, stakeholders raised concerns that the region may not be able to consistently produce enough 'AFL ready' players to support an NT AFL Club. In addition to this, aspiring AFL players that are born within the NT often relocate to AFL home states of South Australia, Western Australia and Victoria to improve their proximity to established clubs and AFL feeder leagues. The ability to retain this talent in the NT and attract new talent from other states was identified as a key risk to the future competitiveness of a NT Club.
- **Inadequate existing sporting infrastructure** – While stand-alone AFL games are currently played at TIO Stadium and Traeger Park each year, these facilities are not adequate to serve as the home playing base of a permanent AFL club. Significant redevelopment of these venues, or construction of a new stadium, is likely to be required to receive an AFL licence. Such developments are expected to yield a significant capital cost that would be required to be funded in advance of a Club commencing in the league.
- **Insufficient supporting services and infrastructure** – the supporting services and regional infrastructure required to support an AFL Club is currently insufficient in the NT. As an example, stakeholders reported that flight schedules are infrequent and existing accommodation would not be suitable to cater for the short-term influx of people associated with hosting an AFL game. Furthermore, housing, medical, education and other community services were also identified as potential impediments to attracting and retaining visitors and residents in the region.
- **Liveability and player / staff retention** – safety, public amenity, access to public services and overall liveability remain key problems in the NT, relative to other Australian states and Territories. Stakeholders expressed a concern that an NT AFL Club may struggle to attract, and retain, players and staff that would be required to support the establishment and long term sustainability of a club.
- **Seasonality and climate** – The hot and humid climate of the NT, particularly in the pre-season and early season games between February and May, has been identified as a concern by the AFL and other southern Australian stakeholders. The conditions have been highlighted as a potential risk to player safety and an impediment to the attraction of spectators to games during these months.

These findings have been incorporated into the overall development of the SBC, from Strategic Rationale to Implementation. It is recommended that, given the complex nature of the establishment of an NT AFL Club, stakeholders should be continually engaged throughout further stages of the Project.

# 4 Strategic Rationale

This chapter serves to define a strategic rationale in advancement of AFLNT's investigation into the viability and support surrounding an NT AFL Club. The strategic rationale has been developed as a key component of the Project lifecycle to clearly articulate the apparent problems and opportunities that the Project will address, establishing the need for the Project to be progressed. Furthermore, a clearly defined strategic rationale is integral to determine the best and most appropriate Options available to AFLNT to deliver expected benefits to stakeholders and ultimately justify an investment decision.

This chapter clearly defines and articulates the strategic rationale of the Project through the following components:

- Investment Logic Mapping (ILM).
- Problems and opportunities.
- Benefits sought.
- Strategic responses.
- Solution options.

As the Project progresses, the strategic rationale will become a key input to future Project evaluation reports including a future detailed business case. The strategic rationale will also be a reference document for future stakeholder engagement potential and detailed market sounding for future Project stages.

## 4.1 Investment Logic Mapping

The need for the AFL Club was developed in consultation with key stakeholders through an ILM process. The ILM process is a mandatory part of the Project assessment frameworks that have been implemented by government across all Australian jurisdictions.

The ILM is a technique that requires robust discussion and thinking upfront to define the problems and opportunities and to determine the best solution for an investment decision. The output is a diagram that depicts the reason for an investment on one page.

An ILM was developed for the Project through a facilitated workshop with key stakeholders and confirmed the following:

- The problems and opportunities that the Club would address.
- The expected benefits to be derived from addressing the problems or realising the opportunities for the Club to be considered successful.
- The potential strategic responses to deliver those benefits.
- The solutions or Options which could be delivered to implement those strategic responses and deliver the expected benefits.



#### 4.1.1 ILM Workshop

PwC facilitated an ILM workshop on 10 October 2022 with key stakeholders from Government, industry, Traditional Owner groups and the sport and tourism sectors within the NT. The purpose of the workshop was to assess the potential opportunities, benefits, responses and solution Options that may apply to a future AFL Club in the Territory.

Stakeholders from the following organisations participated in the ILM workshop, or were consulted subsequently:

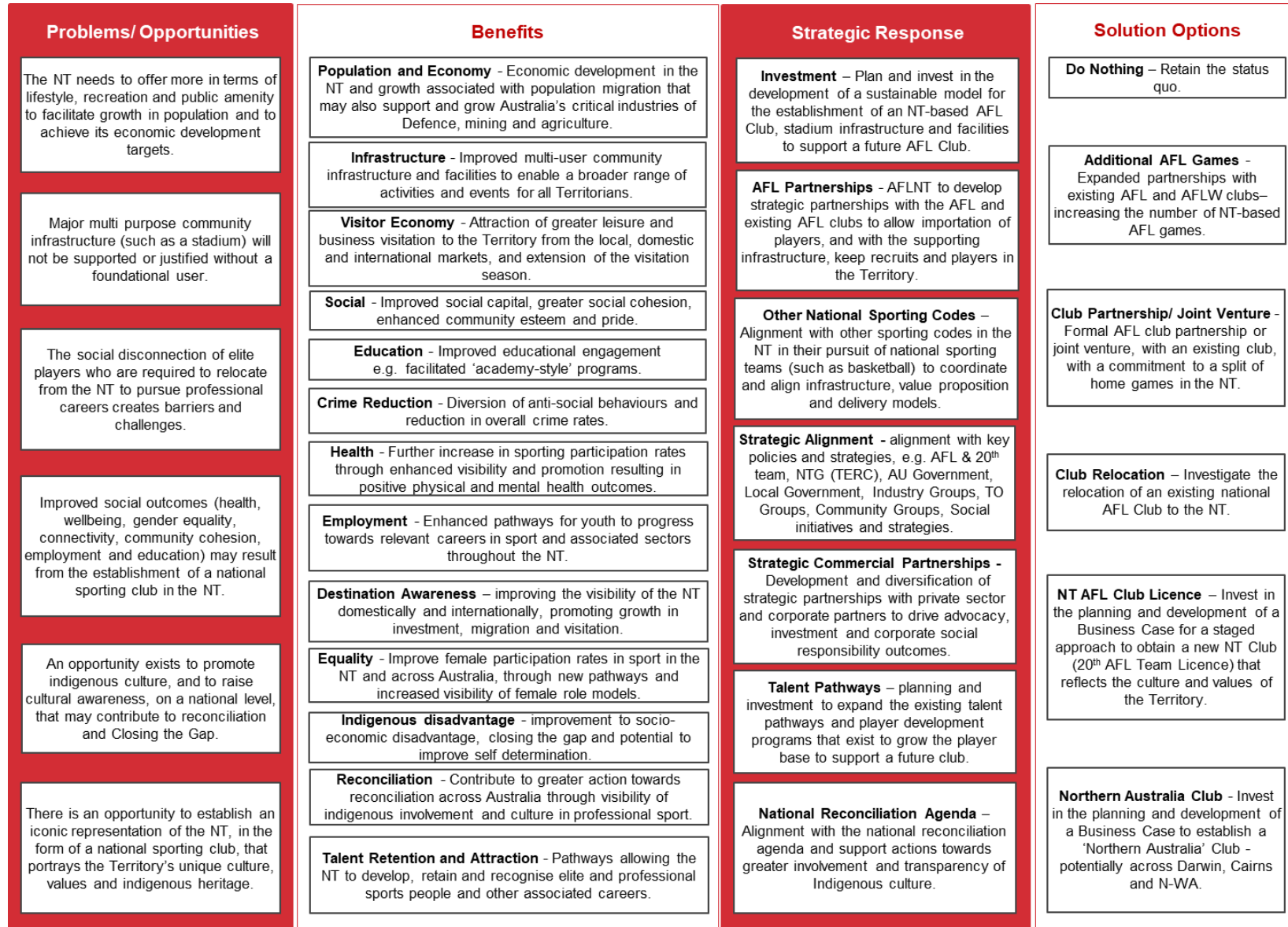
Table 3: ILM Workshop Participants

Name	Organisation/ Body
Sean Bowden, Sam Gibson	AFLNT
Nigel Browne, Tony Edmonstone	NT AFL Club Taskforce
Julian Kerr	Representative of the Office of Kate Worden
Evan Tyrell, Scott Lovett	Department of Tourism and Trade (NT)
Deborah Curry	Department of Infrastructure, Planning and Logistics (NT)
Sasha Dennis	Department of Territory Families, Housing and Communities (NT)
Mark Motlop	Northern Land Council
Simone Saunders	Darwin City Council
Daryl Hudson	Investment Territory
Jerome Cubilo	NT Indigenous Business Network
Nick Hannigan	Paspaley Pearls Group
Sam Burke	Darwin Waterfront Corporation
Ross Coburn	Cazalys (NT)
Glen Hingley	Tourism Top End
Greg Ireland	NT Chamber of Commerce
Cathryn Tillmouth	Minerals Council of Australia

#### 4.1.2 Investment Logic Map

The Investment Logic Map that was developed through the workshop and subsequent consultations is displayed in Figure 14 below.

Figure 14: Investment Logic Map



## 4.2 Problems and Opportunities

The need for the Project must be clearly defined when articulating the strategic rationale. The need arises as a result of problems and opportunities that require action. The ILM process has identified several key problems and opportunities that need to be addressed. This section provides further detail to these problems and opportunities and why they are important to the NT and the broader stakeholder group.

### 4.2.1 Problem Statement 1: Improve the Attractiveness and Liveability of the NT to Grow the Population and Economy

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**The NT needs to offer more in terms of lifestyle, recreation, and public amenity to facilitate growth in the population and to achieve its economic development targets.**

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The NT Government has set an ambitious target of growing its economy to \$40 billion by 2030.<sup>27</sup> To meet this target, it is key that the Territory population grows to over 300,000 people in that time. As part of the NT's economic growth strategy, the Territory Economic Reconstruction Final Report (the TERC Report) has recommended to Government that the Territory must invest in and develop industries which drive growth. A skilled and capable workforce of permanent residents of the Territory will be required develop and maintain economic growth ambitions. To attract professionals and their families, the Territory must offer more in relation to the liveability of the NT.

The NT's population, investment, residential construction and economic growth have slowed or ceased in the wake of the COVID-19 pandemic. If economic growth and investment are not facilitated with renewed fervour, the NT stands to fall short of its ambition of a \$40 billion Gross State Product (GSP).<sup>28</sup> According to the TERC Report, the role of Government must shift to facilitate substantial amounts of private investment, including by attracting and retaining the workforce required to drive that investment. Specifically, the TERC Report indicates a need to plan for industry upskilling in existing workers in the Territory and make substantial improvements to liveability to attract people to move and stay.

The NT must offer more in terms of lifestyle, recreation and public amenity offerings, thereby enhancing its perceived liveability and attracting more people to visit, stay, work and live. The term "liveability" is widely used as a general measure of the attractiveness of a city, region or location for encouraging people to visit or reside, whether temporarily or permanently. In general terms, a liveable community is one that is:

*'safe, attractive, socially cohesive and inclusive, and environmentally sustainable; with affordable and diverse housing linked by convenient public transport, walking and cycling infrastructure to employment, education, public open space, local shops, health and community services, and leisure and cultural opportunities.'*<sup>29</sup>

Liveability is intrinsically linked to economic growth and plays a key role in maximising the opportunities of population growth in Australia's cities and regions in the future.<sup>30</sup> Liveability also contributes to social capital and social cohesion that in turn contribute to a sense of trust and inclusion,<sup>31</sup> and there is an acknowledged link between the characteristics of cities that enhance these social aspects and productivity outcomes. Where a community is seen as more liveable, its residents are more likely to stay within that community and produce high-quality economic and social outcomes.

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<sup>27</sup> Territory Economic Reconstruction Commission (2020), *Final Report: A Step Change to Win Investment and Create Jobs*. Accessed at [https://ntrebound.nt.gov.au/\\_\\_data/assets/pdf\\_file/0020/952301/terc-final-report.pdf](https://ntrebound.nt.gov.au/__data/assets/pdf_file/0020/952301/terc-final-report.pdf)

<sup>28</sup> Ibid

<sup>29</sup> Lowe M, Whitzman C, Badland H, Davern M, Hes D, Aye L, et al. (2013) *Liveable, healthy, sustainable: What are the key indicators for Melbourne neighbourhoods? Melbourne: Place, Health and Liveability Research Program, University of Melbourne*

<sup>30</sup> Commonwealth of Australia (2018), *Planning Liveable Cities: A Place Based Approach to Sequencing Infrastructure and Growth*. Accessed at [https://www.infrastructureaustralia.gov.au/sites/default/files/2019-06/ifa\\_225232\\_planning\\_liveable\\_cities\\_report\\_2018\\_fa\\_web\\_lr.pdf](https://www.infrastructureaustralia.gov.au/sites/default/files/2019-06/ifa_225232_planning_liveable_cities_report_2018_fa_web_lr.pdf)

<sup>31</sup> Commonwealth of Australia (2012), *State of Australian Cities*. Accessed at [https://infrastructure.gov.au/infrastructure/pab/soac/files/2012\\_08\\_INFRA1360\\_MCU\\_SOAC\\_CHAPTER\\_5\\_WEB\\_FA.pdf](https://infrastructure.gov.au/infrastructure/pab/soac/files/2012_08_INFRA1360_MCU_SOAC_CHAPTER_5_WEB_FA.pdf)

An Ipsos survey conducted in 2021 as part of the Life in Australia Project investigated the liveability across metropolitan and regional Australia.<sup>32</sup> As part of the survey participants were asked to rate the attributes that positively contribute to liveability. For metropolitan areas, the top key attributes that contributed to liveability were feeling safe, high quality health services, affordable decent housing, access to the natural environment, reliable and efficient public transport. For regional Australians, a strong sense of community replaced public transport in their list of the top five liveability attributes.<sup>33</sup> Good job prospects and high-quality education opportunities were also important for regional Australians.

While Darwin and the broader NT ranked strongly in areas of the natural environment and ease of access, it fell short of other regions and cities in Australia in terms of overall liveability. The main challenges for the NT being linked to safety, public amenity and access to public services (such as healthcare).

Cities that support healthy living, social inclusion and civic engagement and offer good objective characteristics are more likely to develop, attract and retain talented and enterprising people, business and innovation. While liveability may be a subjective measure of a place, by developing a diverse and robust service offering within the cities and communities of the NT, both real and perceived liveability are likely to increase, encouraging population retention and prompting growth.

The TERC Report identifies that the NT is uniquely positioned to take advantage of the post-COVID global market trends as a means of growing its economy. To take advantage of this position, the NT Government has identified the need for sustainable population growth, particularly attracting skilled workers to support and grow many of the existing strategic industries within the Territory, such as Defence, mining, public services and agriculture. However, the small permanent population base in the NT, coupled with COVID-19 impacts to migration has been identified as a significant challenge.

A key recommendation arising from the TERC Report was to “maintain a focus on improving liveability for existing and new Territory residents” (PL3). Based on a May 2021 Progress Report, the NT Government has outlined a range of activities that are being undertaken to address this recommendation, with improvements to urban renewal, public amenity, environmental sustainability and sporting and cultural promotion being central to the Government’s goal.<sup>34</sup>

While liveability is often seen in context to metropolitan areas, the NT is predominantly made up of regional and remote communities. The NT Government has recognised the contribution of regional communities to key industries in the NT, as well as the opportunity for regional communities to attract and win private investment. The NT Government’s *Regional Development Framework* notes liveability as a key measure of success and a key driver of economic growth in the regions of the Territory.<sup>35</sup> It outlines frameworks to guide population, workforce and liveability programs and policies to maximise economic growth potential, specifically acknowledging liveability outcomes as intrinsically linked to the capacity for rural and regional communities to contribute positively to the Territory’s economy.

To grow and manage liveable places in a regional context is a vastly different undertaking to doing so in metropolitan areas. Population growth often occurs unevenly, and meeting workforce demands is a common problem for regional towns across the country.<sup>36</sup> The decision drivers to relocate to regional Australia are related to employability and liveability, with the liveability considerations often different to those of metropolitan areas. Connection to community (specifically education and sporting activities), amenity and cost of living are key liveability factors for regional Australians. The difference in what constitutes “liveability” for regional communities, alongside the existing trend indicating that people are moving out of small regional towns at an accelerating rate,<sup>37</sup> there are challenges to maintaining and growing the regional base that defines the

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<sup>32</sup> IPSOS (2022) *Life in Australia 2022: Understanding Liveability Across Metropolitan Australia*. Accessed at <https://www.ipsos.com/en-au/life-in-australia>

<sup>33</sup> Ibid

<sup>34</sup> Northern Territory Government (2021) *The Territory’s Economic Reconstruction: Progress Report 1*. Accessed at [https://ntrebound.nt.gov.au/\\_\\_data/assets/pdf\\_file/0010/1000342/territorys-economic-reconstruction-progress-report1.pdf](https://ntrebound.nt.gov.au/__data/assets/pdf_file/0010/1000342/territorys-economic-reconstruction-progress-report1.pdf)

<sup>35</sup> Northern Territory Government (2021) *Regional Development Framework*. Accessed at [https://cmc.nt.gov.au/\\_\\_data/assets/pdf\\_file/0011/1123778/regional-development-framework.pdf](https://cmc.nt.gov.au/__data/assets/pdf_file/0011/1123778/regional-development-framework.pdf)

<sup>36</sup> Regional Australia Institute (2019) *Understanding Regional Liveability Discussion Paper*. Accessed at [https://www.regionalaustralia.org.au/common/Uploaded%20files/Files/RAI\\_SIP2019-1-2-1\\_UnderstandingRegionalLiveabilityDiscussionPaper.pdf](https://www.regionalaustralia.org.au/common/Uploaded%20files/Files/RAI_SIP2019-1-2-1_UnderstandingRegionalLiveabilityDiscussionPaper.pdf)

<sup>37</sup> Ibid.

NT. By understanding what regional Australians consider relating to liveability, the NT can develop public amenity that aligns with communities and drives growth in population and workforce.

### Summary

- The NT Government has set the goal of growing its economy to \$40 billion by 2030. Without substantial population growth through attraction and retention, private investment and workforce growth, the Territory will fall short of this goal.
- The TERC Report has identified key areas for growth but makes clear that a substantially developed workforce will be required to meet the \$40 billion goal.
- Because economic growth cannot occur without a workforce, and the NT has historically struggled with workforce growth, it is imperative for the NT Government to develop public amenity to attract and retain professional talent in both regional and metropolitan contexts.
- Liveability developed through public amenity is subjective. Therefore, the NT must enhance a wide range of amenity to enhance liveability for as broad a demographic as possible. Sporting institutions, education, arts, small business, community activity, connection to nature, and employability are all areas contributing to liveability.
- Liveability is different in a regional context comparative to a metropolitan context. Given the Territory's reliance on regional communities, developing amenity in a way that is flexible, culturally aware, and cognisant of a community's wants and needs is critical.
- The Project would likely enhance liveability for Territorians in metropolitan and regional areas due to the fact that organised sport is a ubiquitous consideration for liveability. Attraction of sporting events to the metropolitan centres of the NT and the regional outreach that would likely stem from the AFL's presence in the Territory would impact a wide range of demographics not limited by geography.

#### 4.2.2 Problem Statement 2: Support for Multi-Purpose Community Infrastructure across the NT

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**Major multi-purpose community infrastructure (such as a stadium) will not be supported or justified without a foundational user.**

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Major sporting and entertainment events contribute significantly to a region's economy, both directly and indirectly. Directly, they promote visitation, local economic spend and employment support (through event administration, security, hospitality, etc.). Indirectly, large-scale events showcase a region on a domestic or international stage through marketing and incidental exposure, encouraging unrelated tourism or visitation. The incremental expenditure induced by hosting events of this kind is invaluable, not only to the venue, but to the surrounding regions and communities as a means of economic stimulation and expenditure.

In 2022, PwC, on behalf of the Tasmanian Department of State Growth, prepared an Economic Impact Assessment of the arts, entertainment and sports precinct in Hobart, which will include a stadium to support the newly licenced Tasmanian AFL Club. As part of this assessment, PwC determined key socio-economic benefits of large-scale venues, including regional iconography (which drives community pride, liveability and connection to community), land value uplift (noting that a stadium can increase the property value in the surrounding area by 3-4%), and a generation of high-value jobs to diversify and grow the regional labour market.<sup>38</sup> The development of a multi-purpose precinct also feeds directly into perceptions of liveability, and therefore into population attraction and retention.

In other stadium construction or redevelopment projects, these strategic drivers and benefits are reinforced. In its investigation into the redevelopment of Stadium Australia, Infrastructure NSW determined that there are a number of direct economic benefits as a result of new and existing business stimulation, as well as indirect benefits in the region of Stadium Australia that would be felt by residents.<sup>39</sup> Notably, this Project is on a substantially larger scale than any proposal for a new

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<sup>38</sup> PwC (2022), *Hobart Stadium: Estimating the economic impacts of a new arts, entertainment and sports precinct in Hobart*. Accessed at [https://www.stategrowth.tas.gov.au/\\_\\_data/assets/pdf\\_file/0006/379455/Hobart\\_Stadium\\_Economic\\_Impact\\_Assessment\\_PwC\\_1.0.pdf](https://www.stategrowth.tas.gov.au/__data/assets/pdf_file/0006/379455/Hobart_Stadium_Economic_Impact_Assessment_PwC_1.0.pdf)

<sup>39</sup> Infrastructure NSW (2019), *Final Business Case Summary: Stadium Australia*. Accessed at [https://www.infrastructure.nsw.gov.au/media/0cfjie2h/sa-fbc-summary\\_final.pdf](https://www.infrastructure.nsw.gov.au/media/0cfjie2h/sa-fbc-summary_final.pdf)

or redeveloped venue in the NT. In 2019, the economic impact of the Optus Stadium in Western Australia (WA) was assessed by Deloitte (engaged by VenuesWest), specifically noting flow-on economic impact driven by incidental visitation and direct or indirect employment in the precinct surrounding the stadium and Western Australia at large.<sup>40</sup> While also on a scale larger than that of any proposed NT stadium solution, the theme of material economic input provided by multi-purpose infrastructure is apparent.

While there are clear benefits to hosting large-scale sporting or entertainment events, there are key hurdles to their viability. To attract high-profile events, the NT must have large-scale venues with appropriate amenity fit out and supporting infrastructure to meet the capacity requirements of events. While the NT does maintain two sporting venues that regularly host AFL games at Traeger Park in Alice Springs and TIO Stadium in Darwin, these facilities do not generally meet the requisite capacity and amenity requirements to attract high-profile entertainers or sporting clubs.

Herein lies the identified problem. To justify investment in major multi-purpose infrastructure such as a stadium a foundational user must be identified, but to attract a foundational user or users, there must be investment in appropriately capable multi-purpose infrastructure. While this is broadly true of multi-use infrastructure, recent AFL history indicates a willingness to commit to infrastructure redevelopment or construction as either an element of the licence bid (in the case of the Tasmanian Club) or as a Project following the completion of licence issuance (shown by the GWS Giants and Gold Coast clubs).

In the case of the GWS Giants and the Gold Coast Suns, their home stadiums (Sydney Showground Stadium and Carrara or Heritage Bank Stadium, respectively) were substantially redeveloped following their licences being granted. The GWS Giants upgraded their facility to a capacity of roughly 25,000 in 2010 at a cost of \$200 million, \$10 million of which was contributed by the AFL.<sup>41</sup> The Gold Coast Suns similarly redeveloped their home stadium in 2010 following their licence acquisition, to a capacity of 25,000 (with capability to increase to 40,000 for major events) at a cost of \$144 million, of which the AFL contributed \$13.3 million.<sup>42</sup> Both of these redevelopments are multi-purpose at their core, with the venues being regularly used for events other than AFL games.

Darwin has been the subject of several proposals from various groups to develop new multi-purpose stadium infrastructure. In 2021, AFLNT presented a proposal to develop and construct the Darwin City Stadium.<sup>43</sup> The stadium would serve to host the proposed NT AFL Club, as well as attract professional sporting and entertainment to the NT as the keystone of a new community and entertainment precinct. A Darwin City Stadium would be expected to drive many of the benefits identified for projects of a similar nature and scale, especially alongside foundational use from the proposed Club. As with the Tasmanian Club, a substantially progressed strategy for the delivery of a multi-use stadium and precinct can positively impact the effectiveness of an AFL licence bid. Alternatively, the redevelopment of multi-use community infrastructure to accommodate a licenced Club has substantial historic precedent within the AFL.

In 2021, PwC prepared a Strategic Advocacy paper in relation to the proposed Darwin City Stadium. As part of this report, it was highlighted that the benefits arising from the Project are extensive and stretch well beyond the direct returns arising from the hosted events themselves. PwC outlined the potential benefits across four main categories as outlined in Table 4

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<sup>40</sup> Deloitte Access Economics (2019), *Economic impact of Optus Stadium*. Accessed at <https://www.deloitte.com/au/en/services/economics/perspectives/economic-impact-optus-stadium.html>

<sup>41</sup> Austadiums (2010), *GWS set for Sydney Showgrounds*. Accessed at <https://www.austadiums.com/news/435/gws-set-for-sydney-showgrounds>

<sup>42</sup> AFL (2010), *Gold Coast stadium gets green redevelopment*. Accessed at <https://www.afl.com.au/news/59827/gold-coast-stadium-gets-green-redevelopment>

<sup>43</sup> AFLNT (2021) *Updated Darwin City Stadium Designs Revealed*. Accessed at <https://www.aflnt.com.au/news/2021/updated-darwin-city-stadium-designs-revealed>

Table 4: Potential Benefits of Darwin City Stadium<sup>44</sup>

Economic	Social Impact	Events, Sports and Entertainment	Iconic Landmark
<ul style="list-style-type: none"> <li>• Catalyses economic and population growth in the Territory through job creation and increased visitation.</li> <li>• Supports key NT Government strategies including the TERC.</li> <li>• Provides new employment and business opportunities through the development and operations of the Stadium.</li> <li>• Generates broader economic benefits for related industries and local businesses.</li> <li>• Elevates the NT's position as a world-class business, education, sporting and tourism destination by broadcasting major events to billions of viewers across Australia and Southern Asia.</li> <li>• Generates up to \$559 million in economic impact and over 2,600 jobs during construction, according to the Bastion Feasibility Study.</li> </ul>	<ul style="list-style-type: none"> <li>• Enhances social cohesion through a connected precinct.</li> <li>• Fosters enhanced pride in the Territory's unique culture and lifestyle.</li> <li>• Provides a community hub for Darwin and for regional and remote communities across the Territory.</li> <li>• Encourages the health and wellbeing of community members.</li> <li>• Provides development pathways and opportunities for local and national emerging.</li> <li>• Inspires Territory residents and communities across a number of sporting genres by facilitating access to elite sporting competition.</li> </ul>	<ul style="list-style-type: none"> <li>• Enables the NT to cater for a broader range of sporting, entertainment and cultural events</li> <li>• Presents an opportunity to support the 2032 Olympic and Paralympic Games.</li> <li>• Leverages the Territory's proximity to Southern Asia.</li> <li>• Offers the long term potential to attract an AFL licence and develop a sporting legacy in the Territory.</li> <li>• Positions the Territory as an all-year, sporting, concert and music events and talent pathway destination.</li> <li>• Represents a commitment to investment in remote sporting facilities in parallel with the Stadium's development and ongoing operations.</li> <li>• Increases the Territory's participation in domestic and international sporting leagues, including T20 cricket, rugby, AFL and soccer amongst many other sporting codes.</li> <li>• Increases participation and involvement in 'grass-roots' sport across the Territory.</li> </ul>	<ul style="list-style-type: none"> <li>• Integrates with planned iconic infrastructure such as the National Aboriginal Art.</li> <li>• Gallery in Alice Springs and the Larrakia Cultural Centre to provide unmissable.</li> <li>• Territory experiences and generates increased visitation.</li> <li>• Transforms Darwin's CBD by attracting greater complementary private investment in infrastructure and development.</li> <li>• Drives enhanced civic pride and liveability for Territorians by providing a world-class and iconic venue.</li> <li>• Provides a precinct for social and community-use on event days.</li> <li>• Represents an iconic, must-visit venue that imprints the Territory on the consciousness of all Australians.</li> </ul>

<sup>44</sup> PwC (2021) *Darwin City Stadium Advocacy Document*



Notwithstanding the notable benefits that may flow from the development of such community infrastructure, the capital cost to do so is significant. While funding for the construction of such a Project would likely be sourced predominantly through public sector contributions, the investment must be justifiable and commercially sustainable to warrant such an investment.

Achieving commercial sustainability commonly requires long term, predictable and reliable sources of income that adequately cover the costs of operating, maintaining and renewal of the venue. In most instances, the stadium owner will seek to enter long term leases with anchor tenants or sell management rights to the venue. Sporting clubs or franchises, with extended playing schedules and several playing teams, are common proponents to secure such arrangements. For example, Queensland Country Bank Stadium in Townsville is leased to the North Queensland Cowboys and Metricon Stadium on the Gold Coast to the AFL and Gold Coast Suns. The management rights for Marvel Stadium in Melbourne were recently sold by the infrastructure owner to the AFL.

Such teams also present as a major drawcard, typically attracting significant numbers of spectators to fill the stadium, many of whom spend on accommodation, travel, food and entertainment in the areas surrounding the venue. It is for this reason, that investment decisions on stadium investments commonly hinge on the ability to secure anchor tenants such as sporting franchises or teams.

### Summary

- Multi-purpose community infrastructure such as a stadium are drivers of substantial economic benefit, both direct and indirect. They encourage tourism, greater spending within the community, and employment benefits deriving directly from venue management. The socio-economic benefits of multi-purpose infrastructure are observable and well-documented.
- To maximise positive impacts, high-quality facilities are required. The redevelopment or new construction of these facilities has a large upfront cost, which must often be justified through a foundational user or anchor tenant to ensure a degree of commercial viability.
- Large-scale infrastructure projects are often attached to AFL licences. The new Tasmanian Club is accompanied by substantial investment in a new sports, arts and community precinct in Hobart, and the two previously granted licences (GWS Giants and the Gold Coast Suns) were both followed by substantial stadium redevelopment.
- In the NT, AFLNT has proposed a potential Darwin City Stadium. Its construction would align with the strategic aims of the NT from an economic and population perspective, as well as drive direct impacts to employment and local economy.
- Commercial viability of a new stadium or upgrade to an existing venue requires long term, predictable sources of income. The proposed NT AFL Club would act as this foundational user to encourage investment in multi-purpose community infrastructure.

#### 4.2.3 Problem Statement 3: Need to Create New Local Career Options for Elite Players

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**While pathways to professional playing careers exist in the NT, the social disconnection of players who are required to relocate from the NT to pursue professional careers creates barriers and challenges.**

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The NT is historically overrepresented in the AFL, with 73.1 players per million people – this is the highest players per million of any jurisdiction in the country. There are 13 leagues and 180 clubs spanning the NT, as well as a number of outreach groups and academies that engage in the sport on a community level. The importance of AFL to communities in the Territory cannot be overstated, with a 20% per capita participation rate within the NT, compared to 10% nationally.<sup>45</sup> Despite the clearly high level of talent and interest, athletes in the NT face a comparative disadvantage in talent pathways and career development, in part driven by culture and geography.

Locally, the NT has a thriving competitive AFL landscape that aids in the development of talent across the region. Both Darwin and Alice Springs have strong local AFL competitions, including the semi-professional Northern Territory Football

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<sup>45</sup> Bastion EBA (2019) *AFLNT Feasibility Study: The Unconventional Model. A Feasibility Study into an AFL Licence in the Northern Territory.*

## Strategic Rationale

League (NTFL) and Central Australian Football League (CAFL). Other regional leagues exist in centres such as Katherine, Gove, Tennant Creek and on the Tiwi Islands.

The Northern Territory Football Club (NT Thunder) was formed in 2009 and competed in the second tier semi-national North East Australian Football League (NEAFL) competition between 2011 and 2019. It also competed in the VFL Women's in the 2018/19 season. As the most elite Club in the region, the NT Thunder had the core principle of "utilising the power of Australian Rules Football in tackling anti-social behaviour, delivering educational outcomes and providing employment opportunities for Territorians". The NT Thunder was also designed to provide pathways for aspiring or elite players to progress in the game. Having won two NEAFL premierships during its time in the competition, the NT Thunder ceased its involvement in the NEAFL and VFL Women's competitions in 2019.

Aside from the Thunder, the Territory is also home to several representative teams, most notably the Indigenous All-Stars and the Flying Boomerangs. The Indigenous All-Stars, a team composed of indigenous Australian players mostly from the AFL and all over the country, are based in Darwin. Darwin is also home of the Flying Boomerangs, the junior men's indigenous side, which has toured the world to play matches against other countries. While not based in the NT, the Woomeras is the equivalent junior female's indigenous side, that is designed to immerse participants into an elite training and playing environment.

The AFL has also established junior development academies (both girls and boys) in collaboration with AFL Clubs, known as 'Next Generation Academies', from which draft AFL concessions are also selected. The initiative has a focus on attracting players from Indigenous and multicultural backgrounds. The academies are designed to provide supported pathways for young players into the elite game. The current talent pathways offered to athletes in the NT are outlined in Figure 15 below.

Although there are several existing talent pathways for aspiring NT AFL players to progress in the sport, opportunities outside of the NT far exceed those locally. Currently, to pursue a professional career in AFL at the highest level, inevitably a player must leave the NT, and commonly this will be at a young age. To optimise their chances of a professional career, players are enticed to relocate to AFL home states of South Australia, Western Australia and Victoria to complete schooling or university, thereby improving their proximity to established clubs and AFL feeder leagues.

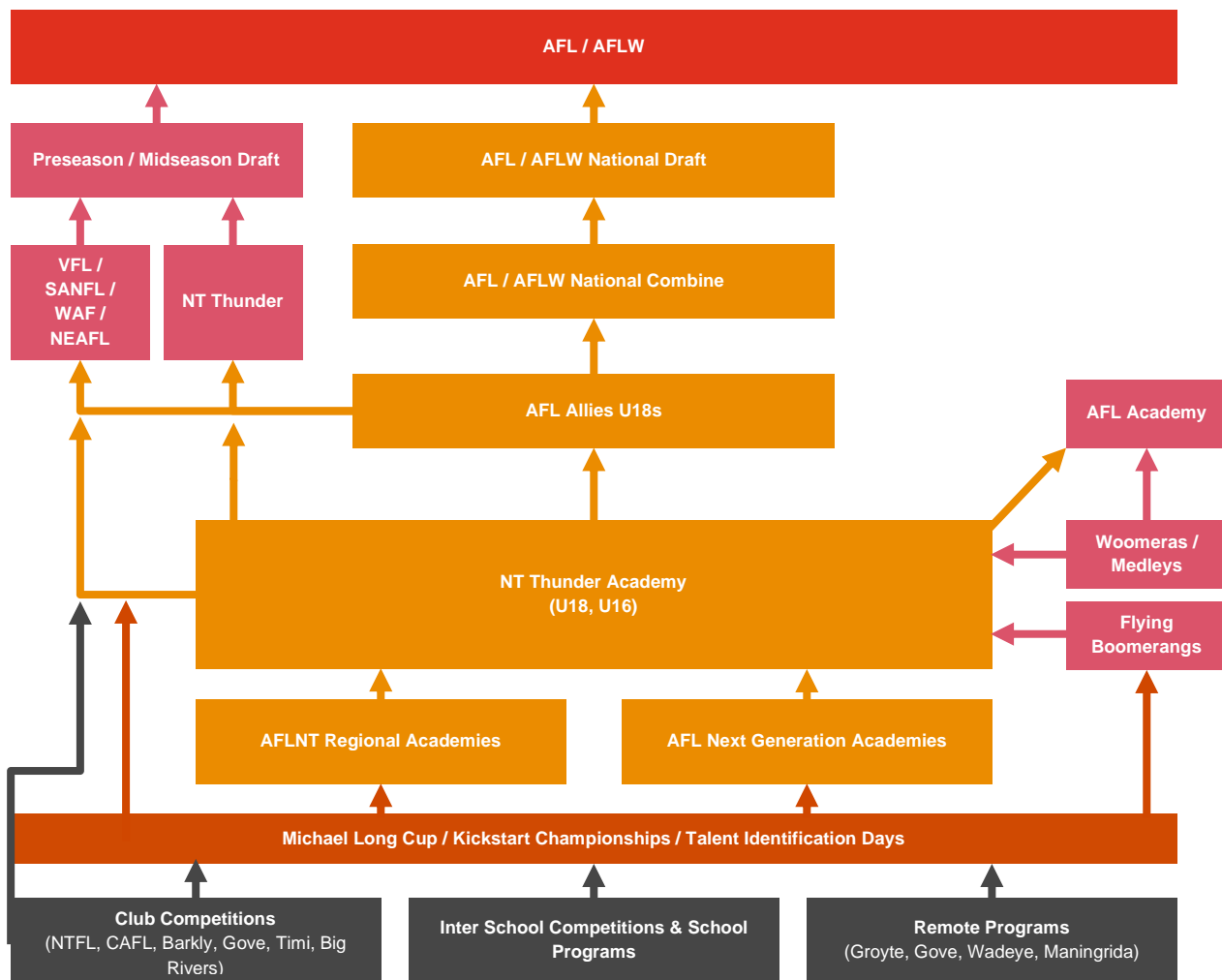
Both Indigenous and non-Indigenous athletes are likely to be required to relocate to pursue a professional career at the elite levels of the AFL. While there are challenges that both groups face, such as a social dislocation, anxiety, and socioeconomic disadvantage, Indigenous players experience a unique barrier in the form of disconnection from Country. Connection to Country is a key element of many Indigenous cultures, customs and laws, and by being effectively forced to limit that connection through relocation, Indigenous athletes face substantial disadvantage.<sup>46</sup> Furthermore, Indigenous athletes are more likely to experience feelings of culture shock, disconnection, and encounter racism than non-Indigenous athletes. The cumulative barriers to participating in AFL at an elite level are likely limiting expression of talent for Territorians.

By integrating the AFL into existing pathways, thereby removing the requirement to relocate, athletes in the NT can pursue a career more readily in professional sport. For those individuals, the removal of the relocation requirement means stronger physical and mental wellbeing outcomes, as well as enhanced opportunities for self-determination. It also would likely result in an increase in Indigenous representation in the AFL, which may have indirect social effects on communities across the territory.

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<sup>46</sup> GHD (2023) *Social Impact Evaluation – Northern Territory AFL Club*

Figure 15: NT AFL Talent Pathway<sup>47</sup>



**Summary**

- The NT has a proven history of producing elite Indigenous (and non-Indigenous) AFL players, however, without a national representative team located in the NT, the local opportunities to progress in the sport are limited.
- The requirement for players to leave the NT, and their support networks, to pursue a professional career creates barriers for many players to succeed, particularly those from remote or Indigenous communities. Furthermore, this creates social dislocation challenges for many who leave or return to the NT.
- By providing a pathway to the highest levels of professional AFL within the Territory, barriers to entry are reduced, and talented athletes are more likely to be able to participate and be represented in the sport on the whole.

**4.2.4 Opportunity Statement 4: Improved Social and Community Outcomes Through Participation in AFL**

**Improved social outcomes (health, wellbeing, community cohesion, employment, youth crime and education) may result from the establishment of an AFL Club in the NT.**

The expansion of AFL in the NT through the establishment of an AFL Club has the potential to generate significant social benefits for the region. Based on a study completed by the Centre for Sport and Social Impact and La Trobe University, for

<sup>47</sup> Bastion EBA (2019) *AFLNT Feasibility Study: The Unconventional Model. A Feasibility Study into an AFL Licence in the Northern Territory.*

every \$1 spent on a community football Club at least \$4.40 in social value is returned<sup>48</sup>. The social value arising from this investment is intrinsically linked to areas such as physical and mental wellbeing, enhanced employment outcomes, social and community cohesion and civic pride.

A further study prepared by La Trobe University considered the impact of such investment in Indigenous clubs was even more significant returning at least \$5.45 for every \$1 invested<sup>49</sup>. Many other studies, such as *After the Siren*<sup>50</sup>, provide further support to the widespread and tangible benefits that are associated with AFL and community sport in general. However, with its popular standing across the NT, AFL is in a unique position of influence to potentially generate significant social impact across the region and, most importantly, in the remote and rural communities.

While the direct and indirect social benefits that are likely to arise from the establishment of a Club, and consequential expansion of AFL at a community level, are likely to be widespread, the areas that a Club is expected to have the most influence on, include:

- Physical and mental health and wellbeing.
- Educational engagement.
- Youth engagement and diversion from anti-social behaviour.
- Employment.
- Community cohesion.

The potential benefits arising across these areas are expected to have the most significant impact in the remote and Indigenous communities, where the social disparity is most notable.

### AFL in the NT Community

The AFL has a long history in the NT, with the first recorded AFL game being played in Darwin in 1916. Since that time, the popularity and participation in the game has grown substantially. The AFL has in turn invested heavily in various game and community development programs with a focus on delivering against its driving purpose of “*progressing the game, so everyone can share in its heritage and possibilities*”.

Today, the AFL (through AFLNT) run several development programs targeted at improving engagement within the community. The programs focus on delivering positive social and economic value to local communities and to encourage greater participation and support for the game. The core programs include:

- **Remote Projects** – the Remote Projects are focused on delivering positive social, health, education and employment outcomes for the NT. The Remote Projects deliver regular and structured community competitions, programs and initiatives within eight remote communities across the NT. The projects are delivered by Remote Development Managers who are employed to live in the specific communities.
- **Michael Long Learning and Leadership Centre (MLLLC)** – the MLLLC was established to deliver educational programs for participants from remote NT communities. School attendance, engagement and behaviour, completion of secondary education, work readiness and awareness of opportunities are some of the many outcomes that the MLLLC is focused on improving.
- **National Game Development Programs** – AFLNT oversee the various AFL Game Development programs that are run in the NT such as Auskick and AFL school programs. These programs are focused on broadening the reach of AFL in the communities and developing the sport from the grass roots level.

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<sup>48</sup> Centre for Sport and Social Impact: La Trobe University (2014) *Value of a Community Football Club*.

<sup>49</sup> Centre for Sport and Social Impact: La Trobe University (2016) *The Social Value of an Aboriginal Run Sporting Club*.

<sup>50</sup> Dockery A M, Gorman S (2017), *After the Siren: The community benefits of Indigenous participation in Australian Rules Football*

The AFL has also established the junior development 'Next Generation Academies' as a means of attracting players from Indigenous and multicultural backgrounds to the game. The academies are designed to provide supported pathways for young players into the elite game.

### Physical and Mental Health and Well Being

The NT has the highest burden of disease rate (being the impact of diseases and injuries on a population) in Australia<sup>51</sup>. Data from the NT Burden of Disease Study<sup>52</sup> identifies unintentional injuries, cancer and cardiovascular disease as the biggest contributors to years of life lost (fatal burden of disease). Furthermore, the burden is not evenly distributed between the Indigenous and non-Indigenous populations, and most conditions have a much higher impact within the Indigenous population. The burden of disease is also higher in remote areas of the NT compared to other areas, largely due to the greater proportion of Indigenous persons living in those areas. Importantly, in 2018, it was identified that physical inactivity accounted for 2.4% of the total disease burden among Indigenous people<sup>53</sup>.

There also remains a notable discrepancy in life expectancy between Indigenous and non-Indigenous populations. The estimated gap in life expectancy between these populations in the NT is 14.4 years for both males and females, this is greater than the national gap<sup>54</sup>. This statistic is accentuated as the life expectancy in the NT is close to five years less than the national average.<sup>55</sup> The adverse health consequences of socio-economic disadvantage, tobacco smoking, high body mass, physical inactivity and alcohol underpin the excess burden of disease in the NT population<sup>56</sup> and the disparity in life expectancy between Indigenous and non-Indigenous populations.

It is well established that sport and physical activity can have a positive impact on an individual's physical and mental health and wellbeing. Physical activity is proven to improve the immune system and mental and musculoskeletal health and reduce other risk factors such as overweight and obesity, high blood pressure and high blood cholesterol. Physical activity can also improve symptoms and/or delay or halt the progression of several conditions or the onset of associated diseases and complications<sup>57</sup>. While physical activity alone will not address the complex challenges associated with the health and wellbeing of Territorians, it may present potential opportunities to advance towards improvements in this area.

The establishment of an AFL Club in the NT is expected to result in greater participation in the sport and associated physical activities. Exposure to elite sport places emphasis on healthy behaviours and the importance of improved nutrition, and will be a means of communicating these messages to the community, particularly within the more vulnerable communities. Educational programs which will be associated with the expansion of the game are likely to also assist in progressing these initiatives and values.

### Educational Engagement

School enrolment and attendance in the NT averaged 76.5% in Term 1 of 2022, with these rates varying dramatically between non-Indigenous students (86.7%) as compared to Indigenous students (60.1%)<sup>58</sup>. Furthermore, the data indicated that there was notable disparity in enrolment and attendance numbers across the different regions within the NT. Of note, the Darwin region had a total enrolment and attendance of 86.2% compared to the Barkly region at 45.6%, East Arnhem

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<sup>51</sup> Australian Institute of Health and Welfare (2018). *Australian Burden of Disease Study 2015: fatal burden preliminary estimates.*

<sup>52</sup> Zhao Y, Zhang X, M F, Guthridge S., (2016) *Northern Territory burden of disease study: Fatal burden of disease and injury, 2004–2013.*

<sup>53</sup> Australian Institute of Health and Welfare (2018). *Australian Burden of Disease Study 2018: Interactive data on risk factor burden among Aboriginal and Torres Strait Islander people.*

<sup>54</sup> Australian Institute of Health and Welfare (2017). *Aboriginal and Torres Strait Islander Health Performance Framework (HPF) report 2017.*

<sup>55</sup> Australia Bureau of Statistics (2022). Life Expectancy. [https://www.abs.gov.au/statistics/people/population/life-expectancy/latest-release#:~:text=reverse\\_axis%22%3Afalse%7D%5D-,States%20and%20territories,for%20Australian%20males%20and%20females.](https://www.abs.gov.au/statistics/people/population/life-expectancy/latest-release#:~:text=reverse_axis%22%3Afalse%7D%5D-,States%20and%20territories,for%20Australian%20males%20and%20females.)

<sup>56</sup> Zhao Y, Zhang X, M F, Guthridge S., (2016) *Northern Territory burden of disease study: Fatal burden of disease and injury, 2004–2013.*

<sup>57</sup> Pedersen BK and Saltin B (2015), *Exercise as medicine – evidence for prescribing exercise as therapy in 26 different chronic diseases*, Scandinavian Journal of Medicine & Science in Sports, 25(S3):1–72

<sup>58</sup> Northern Territory Government, Department of Education (2022) *Average Enrolment and Attendance by year level, Term 1 2022*

region at 56.6% and Central region at 68.9%. The disparity in educational engagement across the NT is a complex problem, with many factors influencing enrolment and attendance outcomes.

The AFL has a history of establishing, partnering and running programs focussed on improving educational and other social outcomes for the community. An example is the MLLLC in Darwin. The MLLLC has a focus beyond football, delivering education programs for indigenous students from remote areas. The MLLLC was established following the success of the AFLNT's remote projects, which commenced in 2008. These projects seek to inspire and engage communities to promote education, health, wellbeing and employment outcomes through the power of football.

The Clontarf Foundation is another successful example of the interaction of sport to enhance educational engagement. The Clontarf Foundation exists to improve the education, discipline, self-esteem and employment prospects of young Indigenous men. The foundation partners with schools and communities to create 'Clontarf academies' which are embedded within the school grounds and education program. The academy uses the existing passion that Indigenous boys have for AFL to attract them into school and keep them there.

While the solution for addressing educational enrolment and attendance is likely to be influenced by many factors, the potential benefits of sport in this area should not be dismissed. The establishment of an AFL Club in the NT has the potential to broaden the reach of existing community engagement programs and may present opportunities to establish additional academy style programs and to link participation in AFL to school attendance.

### Youth Crime and Anti-Social Behaviours

The number of young people apprehended in the NT each year has grown substantially in recent years, increasing by 29% from 2006 (587) to 2020 (755). Indigenous males make up the greatest share of that growth<sup>59</sup>. Furthermore, the rate of detention of young people in the NT resulting from criminal offences is substantially higher than any other state or territory in Australia<sup>60</sup>.

Indigenous Australians experience contact with the criminal justice system, as both offenders and victims, at much higher rates than non-Indigenous Australians<sup>61</sup>. In 2015/16, Indigenous children and young people aged 10–17 in the NT were approximately 26 times more likely than non-Indigenous children and young people to be in detention or under community-based supervision<sup>62</sup>. To address this disparity, in July 2020, the National Agreement on Closing the Gap identified the importance of addressing the over-representation of Indigenous people (young people and adults) in the criminal justice system.

The underlying motivators for youth crime are complex and the causes for crime are difficult to define. It is argued however, that a range of factors, including lack of maturity, boredom, propensity to take risks and susceptibility to peer influence, as well as mental illness and victimisation, do increase the risk for young people encountering the criminal justice system<sup>63</sup>.

In 2011, the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs found that positive role modelling can be promoted through sport to encourage positive social norms<sup>64</sup>. Furthermore, sport and recreation can have benefits in minimising the potential for offending for young Indigenous people through the diversion of anti-social behaviours and through positive social connections within a sporting community.

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<sup>59</sup> *Royal Commission into the Protection and Detention of Children in the Northern Territory, 2017.*

<sup>60</sup> Deloitte (2017), *Northern Territory Youth Justice Models: Fixing a Broken System*

<sup>61</sup> Productivity Commission (2016), *Overcoming Indigenous Disadvantage: Key Indicators report 2016*

<sup>62</sup> Australian Institute of Health and Welfare, 2017, Northern Territory: youth justice supervision in 2015-16, Youth justice fact sheet no.77, Canberra, p. 2.

<sup>63</sup> Richards K 2011. *What makes juvenile offenders different from adult offenders?. Trends & issues in crime and criminal justice no. 409. Canberra: Australian Institute of Criminology.*

<sup>64</sup> *House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs (2011). Doing Time – Time for Doing: Indigenous Youth in the Criminal Justice System.*

## Strategic Rationale

Employment has also been identified as an important tool to reduce youth engagement with the justice system. Employment promotes positive social interactions and provides routine for young people. Strong relationships have been found to exist between unemployment and crime<sup>65</sup>.

The establishment of an NT AFL Club has the potential to positively contribute to reduced crime rates through a range of measures, particularly by enhancing children and young adults. These measures may include the diversion of anti-social behaviours, provision of role models to encourage engagement in productive activities, clubs acting as support networks, and the provision of new direct and indirect employment opportunities associated with the sport. See also: Community Cohesion.

### Employment Opportunities

The establishment of an AFL Club will result in the expansion of the sports industry in the NT. This growth will yield new and diverse career opportunities and pathways for people in the region.

Direct job opportunities will arise through the construction of infrastructure (such as a stadium and supporting facilities in Darwin and Alice Springs) and the establishment and ongoing operation of the club. Outside the direct playing roles (approximately 80 players across men's, women's and reserve grade teams), a Club will require staff for player support (coaching, performance and rehabilitation), Club governance and administration, media and promotion and gameday operations and broadcasting.

Indirect employment opportunities will arise from the added demand for services through the increase in permanent migration and temporary visitation to the NT. Demand in areas such as housing, education, health, transport, public services, food, retail and hospitality will naturally grow thereby necessitating enhancement of the workforce.

An expansion of the sports industry in the NT will also yield a diversification of career opportunities in the region. In 2022, the main contributors to total employment in the NT were the government and community services, construction, and retail and wholesale trade industries. Government and community services contributing almost 44% of the total employment figures<sup>66</sup>, and almost 55% for the Indigenous population<sup>67</sup>. Furthermore, the NT's economic output is predominantly concentrated around a few industries, including construction, government and community services, and the mining sectors<sup>68</sup>. Demand for skills in high performance sports, sports medicine, broadcast and media, team management and administration will inevitably grow following the expansion of the sports industry in the NT providing new career pathways in the region.

Importantly, the growth of the sports industry will lead to greater opportunities for young and Indigenous people. The AFL has a proven record of investing in community development programs to support employment and training. An example is the AFL Sports Ready Education and Employment program. The program was developed in partnership with the AFL to provide meaningful employment and education opportunities to prepare young people for the future. The organisation also offers a dedicated Aboriginal and Torres Strait Islander Employment program, Warumilang, to assist First Nations peoples with tailored employment and training support. It is programs such as these that will expand upon the existing career pathways and opportunities for young and Indigenous people.

### Community Cohesion

Sport plays an important role in creating 'social capital' and is a valuable tool for enabling communities to foster trust and respect. In turn, this may result in enhanced cooperation, unity and social cohesion within those communities. The role that sporting clubs and associations play in connecting communities is widely regarded as leading benefit associated with sport. For rural communities this is of particular relevance. Sporting clubs and associations encourage social interaction, they

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<sup>65</sup> D Weatherburn, L Snowball, & B Hunter, 'The economic and social factors underpinning Indigenous contact with the justice system: Results from the 2002 NATSISS survey', *Crime and Justice Bulletin*, no. 24.

<sup>66</sup> Department of Treasury and Finance; ABS, Australian National Accounts: *State Accounts*, Cat. No. 5220.0

<sup>67</sup> Northern Territory Government (2022) *NT Economy: Labour Market*. Accessed at [nteconomy.nt.gov.au/labour-market](http://nteconomy.nt.gov.au/labour-market)

<sup>68</sup> Department of Treasury and Finance; ABS, Australian National Accounts: *State Accounts*, Cat. No. 5220.0



provide a sense of place and community that extends beyond players, and includes the many people in support, administrative and social roles<sup>69</sup>.

For Indigenous people sport is a fundamental part of community. For sports organisations, engaging with Indigenous communities has the potential to yield significant mutual benefits. On one hand, sport may deliver important social, education, health and employment outcomes. On the other hand, the communities may provide a more diverse participation and fan base.

The growth of sport often yields improvements to community infrastructure and facilities. In many cases, particularly in rural and remote communities, such infrastructure offers multi purposes and enhances the attractiveness for travelling entertainment acts and side shows. Such venues improve the amenity of the community and provide a place for individuals and groups to meet and engage.

A core premise of the many programs run by the AFL is to genuinely engage with, and to provide tangible benefits to, the community in terms of the improvement of the socio-economic value. The AFL successfully utilises players as community role models promoting unity, respect and trust and to encourage involvement in the game. Many of the organisations and programs already discussed in this paper, such as the AFLNT Remote Projects, Auskick, MLLLC and the Clontarf foundation, are real examples of the impact that AFL offers for communities.

An AFL Club in the NT would reflect the unique culture and lifestyle that the Territory has to offer. In doing so, a Club would facilitate connections across the NT as the community comes together to support their team. Offering a platform to celebrate cultural diversity and providing avenues to engage in the experience of a professional sporting team are just some of the many other direct benefits that a Club may bring to enhance cohesion across the region. This includes the fact that an AFL Club in the NT places the Territory squarely within the networks and nation-wide focus that falls on our national game, AFL football, including where engagement with a national team carries with it a sense of pride and purpose.

### Summary

- The expansion of the sport industry in the NT through the establishment of an AFL Club, and growth of the game, has the potential to generate significant social benefits for the region and across a range of areas.
- Most frequently sport is identified as being an important vehicle in developing community and cultural connectedness. Improvements in education, health, social and emotional wellbeing, and general life skills are many of the cited benefits that are associated with sport.
- The potential benefits arising across these areas are seen to have the most significant impact in the rural, remote and Indigenous communities, where the social challenges are most prevalent.
- The AFL has a long history in the NT and during this time has invested heavily in various game and community development programs. The success of these programs and the sport has been confirmed many times through studies and is evidenced by the ongoing engagement within the communities. With a focus on delivering against its driving purpose of “*progressing the game, so everyone can share in its heritage and possibilities*”, the AFL, through a NT based Club, presents a significant opportunity to deliver real social impact across the Territory and enhance pride and purpose in the Territory community.

#### 4.2.5 Opportunity Statement 5: Advancement of Indigenous Australians

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**An opportunity exists to enable the advancement of Indigenous Australians through the promotion of Indigenous culture, and contribution to delivering opportunities focused on Closing the Gap.**

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For more than 60,000 years, Indigenous people have had a deep connection with this land. Colonisation of Australia resulted in a significant upheaval of the culture, community and life that Indigenous people had enjoyed.

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<sup>69</sup> Dockery A M, Gorman S (2017), *After the Siren: The community benefits of Indigenous participation in Australian Rules Football*, Bankwest Curtin Economics Centre, September 2017.



## Strategic Rationale

For Indigenous people, the impact of colonisation included, amongst other things, the introduction of infectious and chronic diseases and social dislocation (loss of connection to family, community, and land). These in turn have contributed significantly to negative quality of life outcomes when compared to the broader non-Indigenous population. Indigenous Australians experience disadvantage in almost all measures of health and welfare when compared with non-Indigenous Australians. This disparity has become known commonly as 'the Gap'.

The campaign to Close the "Gap" and address the systemic inequality between Indigenous and non-Indigenous people across the country, began in 2006. In 2007, the Council of Australian Governments (COAG) pledged support for the campaign, resulting in the National Indigenous Reform Agreement being established in 2008 with Closing the Gap targets established. However, a report prepared in 2019 in relation to the performance against the Closing the Gap targets identified that of the seven targets, only two had been met.

In response to this, in July 2020, the National Agreement on Closing the Gap was endorsed by the Australian governments and the Coalition of Aboriginal and Torres Strait Islander Peak Organisations. The agreement provided a revised framework for the Closing the Gap strategy and 16 new targets were outlined relating to families, children and youth, health, education, economic development, housing, justice (including youth justice), land and water. Cross-system priorities, to address racism, discrimination and social inclusion, healing and trauma, and the promotion of culture were also identified. A 17<sup>th</sup> target, related to digital inclusion was added after 2020.

A fundamental change in the revised Closing the Gap agreement was the integration of self-determination, with all Australian Governments now sharing the decision making in relation to the responses with Indigenous people. Importantly, the views and expertise of Indigenous people will provide central guidance to the implementation, monitoring and evaluation of the agreement.

At a national level, physical activity and sport in Indigenous communities has been identified as a potential lever for improving the outcomes for Indigenous people and to progress towards Closing the Gap<sup>70</sup>. In 2020, the Australian Government commissioned the Overcoming Indigenous Disadvantage report to measure the wellbeing of Indigenous people in Australia. This report also identified that the involvement in community activities, such as sport and recreation, can lead to long term physical and mental health and well-being benefits<sup>71</sup>.

Importantly, sport and active recreation programs incorporate some of the fundamental building blocks that will enable progression towards the Closing the Gap targets, including:

- health - encouraging a healthier lifestyle that includes physical activity.
- economic participation – promotion of employment opportunities within sport.
- safe communities – diversion of anti-social behaviours.
- governance and leadership – enabling Indigenous communities to deliver programs independently<sup>72</sup>.

The AFL has made significant progress towards Indigenous reconciliation and advancement of Indigenous people. Through its unwavering approach to expelling racism from the game, through to its investment into Indigenous player development and leadership programs, AFL is widely regarded as the most progressive national sport in relation to the Closing the Gap agenda. Critically, the effectiveness of the many of the AFL programs is underpinned by the notion of improving self-determination for program participants, through arming them with the confidence, skills and motivation to seek a better future.

Using this platform, the AFL, through an NT AFL Club, has the potential to positively impact the outcomes of Indigenous people in the NT. Through establishing pathways for talent progression, employment and education, a Club may yield improved social outcomes for those involved within the club, as well as new opportunities to participate and support the

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<sup>70</sup> Commonwealth of Australia (2013) *Closing the Gap: Prime Ministers Report, 2013*.

<sup>71</sup> Commonwealth of Australia (2020). *Overcoming Indigenous Disadvantage report March 2020*

<sup>72</sup> House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs (2013). *Sport – More Than Just a Game*.

game for those in the broader community. In all, the Club would align with many of the building blocks identified as important elements in progression towards Closing the Gap.

Using the Club as a conduit for the promotion of Indigenous culture, presents another opportunity to improve the awareness and recognition of Indigenous people as a means of progressing towards reconciliation and healing.

### Summary

- Australia is maturing as a nation and currently undergoing a process involving greater recognition of Indigenous culture, healing of Indigenous and non-Indigenous persons and looking to improve engagement into the future. This process is complex.
- The National Agreement on Closing the Gap is a positive step towards achieving this recognition and healing. The objective of the agenda is to enable Indigenous people and governments to work together to overcome the inequality experienced by Indigenous people and achieve life outcomes equal to all Australians.
- Leveraging the inherent passion for sport, and AFL in particular, that exists within the Indigenous communities on the NT, there is an opportunity to build capacity and capability for many of these communities to enable them to improve and thrive independently.
- Using an NT AFL Club as a conduit for the promotion of Indigenous culture, will assist in raising awareness and will enable progression towards greater social cohesion and reconciliation of Indigenous and non-Indigenous people.

#### 4.2.6 Opportunity Statement 6: Raising Awareness of the NT's Unique Culture, Values and Heritage

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**There is an opportunity to establish an iconic representation of the NT, in the form of a national sporting club, that portrays the Territory's unique culture, values and indigenous heritage.**

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The AFL may leverage its historical and contemporary popularity and foundational standing in the NT, to establish an iconic AFL Club that represents the unique culture, heritage and community values of the region.

Surrounded by some of Australia's most iconic natural wonders, the NT enjoys an enviable laidback lifestyle and embraces a unique two season climate – the wet and the dry. The NT makes up one sixth of the Australian continent by land area, but with an estimated population of 252,030<sup>73</sup> (26% of whom identify as Indigenous), the NT is the least densely populated state or territory in Australia at only 0.16 people per square kilometre<sup>74</sup>.

The NTs population is culturally diverse with a lively mix of more than 100 nationalities. Immigrants have contributed enormously to the NT's economy and culture, in particular Greek and Asian immigrants, and in turn have shaped the identity of the Territory. Due to its geographical characteristics, the NT is regarded as Australia's gateway to Southeast Asia, with flight times from Darwin to Singapore and Manila similar to those for Sydney and Melbourne.

It is through this diversity in geography, climate, population and ethnicity that the NT promotes a culture and set of values that are distinctive to other places in Australia, and abroad. This distinctiveness is a characteristic that many Territorians are proud of and regard as a crucial factor for the attractiveness of the NT as a place to live and visit.

Indigenous people in Australia make up one of the oldest continuous cultures in the world with their connection to Country dating back over 60,000 years. The NT acknowledges the traditional owners and celebrates Indigenous culture as an intrinsic part of the Territory's identity. This connection to Country being embraced by Indigenous and non-Indigenous people alike.

The NT, through Government policy and community commitment, is also regarded as a leader in advancing efforts towards achieving better outcomes for Indigenous people. While there is still much work to do, the early progress of these efforts presents an opportunity for the NT community to contribute to advancing reconciliation and Closing the Gap for Indigenous

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<sup>73</sup> Australian Bureau of Statistics (2022).

<sup>74</sup> Population Australia. *Population of Northern Territory 2022*. Accessed at: [population.net.au/population-of-northern-territory](http://population.net.au/population-of-northern-territory)

people across the country. Generating greater recognition of Indigenous peoples and cultures will aid healing across the country and will begin the propagation of cross-cultural engagement, beyond traditional and current efforts.

Sport, and in particular, AFL is an integral part of life across the NT and forms part of the unique culture that exists. For Indigenous people sport is an important part of the fabric of the community. As a vehicle through which socio-economic value may be delivered, sport, and in particular AFL, offers the opportunity to improve social cohesion and connection.

During the social impact evaluation of the GHD Social Impact Evaluation, community consultations revealed an almost universal view that and NT AFL Club would be representative of Indigenous culture.<sup>75</sup> The opportunity presented by the national stage of the AFL to celebrate Indigenous culture through the performance, art, and music that accompanies games, uniforms and advertising is material, and incredibly valuable to the numerous Indigenous cultures within the NT and across Australia. The cultural awareness enabled by this platform will likely enhance opportunities for reconciliation on an individual and institutional level. Importantly, the GHD Social Impact Evaluation noted that attaching the identity of the Club to Indigenous cultures may also put stress on players and communities, and make the Club vulnerable to racist incidents, especially in cases where the Club does not perform well.

This basis provides a rare opportunity to establish an iconic national sporting club, that is a true representation of the Territory’s culture, values and heritage, which all Territorians can come together to support. As a highly visible sport that is televised to millions across Australia and abroad each year, there exists an opportunity to leverage this visibility to promote those characteristics widely.

### Summary

- The AFL may leverage its historical and contemporary popularity and foundational standing in the NT as a platform to establish a Club that is reflective of the unique culture and heritage of the region. In turn, the Club may assist in promoting the NT as an attractive place to visit and live.
- Through the promotion of the integral Indigenous culture within the Territory, which is thought to be a requirement of the Club by communities consulted within the GHD Social Impact Evaluation, the Project encourages further progress towards Closing the Gap between Indigenous and non-Indigenous people across the country.
- Greater recognition of Indigenous culture will engender cultural empathy through understanding and will enable Australia to continue along its path to maturity. This may result in more frequent and more effective opportunities for reconciliation.

## 4.3 Benefits Sought

There were several benefits determined through the ILM process which would result from addressing the needs outlined. These benefits are outlined in Table 5

Table 5: Expected Project Benefits

Category	Expected Benefits
<b>Economy</b>	<ul style="list-style-type: none"> <li>• <b>Benefit 1:</b> Economic development in the NT and growth associated with population migration that may also support and grow Australia’s critical industries of Defence, tourism, mining and agriculture.</li> <li>• <b>Benefit 2:</b> Talent retention and attraction through talent pathways which enable the NT to develop, retain and recognise elite and professional sportspeople and associated careers.</li> </ul>
<b>Health, education and social</b>	<ul style="list-style-type: none"> <li>• <b>Benefit 3:</b> Improvements to social capital, social cohesion, community esteem and pride.</li> <li>• <b>Benefit 4:</b> Improved educational engagement (e.g., facilitated “academy-style” programs).</li> <li>• <b>Benefit 5:</b> Diversion of anti-social behaviours and reduction in overall crime rates.</li> <li>• <b>Benefit 6:</b> Increased participation in sporting as a result of enhanced visibility, promotion and accessibility resulting in positive physical and mental health outcomes.</li> </ul>

<sup>75</sup> GHD (2023), *Social Impact Evaluation: Northern Territory AFL Club*

Category	Expected Benefits
	<ul style="list-style-type: none"> <li>• <b>Benefit 7:</b> Enhanced pathways for youth to progress towards relevant careers in sport and adjacent sectors throughout the NT.</li> </ul>
<b>Territory Development</b>	<ul style="list-style-type: none"> <li>• <b>Benefit 8:</b> Improved multi-purpose community infrastructure and facilities to enable a broader range of activities and events for all Territorians.</li> </ul>
<b>Tourism</b>	<ul style="list-style-type: none"> <li>• <b>Benefit 9:</b> Greater attraction of leisure and business visitation to the NT from both domestic and international markets, and extension of visitation across the year.</li> <li>• <b>Benefit 10:</b> Improved visibility of the NT domestically and internationally, promoting growth in investment, migration and visitation.</li> </ul>
<b>Equity and Equality</b>	<ul style="list-style-type: none"> <li>• <b>Benefit 11:</b> Improved participation rates among women in sport in the NT and across Australia, through new pathways and increased visibility of female role models.</li> <li>• <b>Benefit 12:</b> Improvement of socio-economic outcomes, especially for Indigenous communities, as well as contributions to Closing the Gap and self-determination (expressed in more detail in 8.1).</li> <li>• <b>Benefit 13:</b> Greater contribution towards reconciliation across Australia through visibility of Indigenous involvement and culture in professional sport.</li> </ul>

## 4.4 Strategic Responses

Strategic responses are actions that, if implemented, could drive change and achieve the benefits outlined. As part of the ILM a range of strategic responses were developed to address the challenges and opportunities identified. The strategic responses identified are outlined in Table 6

Table 6: Strategic Responses

Strategic Response	Description
Plan comprehensively for a sustainable Project proposal in line with stakeholder groups and potential funding bodies.	Plan and invest in the development of a sustainable model for the establishment of a NT or NAU based AFL Club, including supporting stadium infrastructure and facilities. A robust and rigorous process, addressing the requirements of potential funding bodies and key stakeholder groups, will be important to ensure broad support and buy in for the proposal.
Initiate, develop and maintain strategic partnerships with the AFL and its clubs.	AFLNT to develop strategic partnerships with the AFL and existing AFL clubs to continue to promote and grow the game. These partnerships may also facilitate pathways for the importation of players from other States and Territories and, with the supporting infrastructure, further grow the game and retain recruits and players in the NT.
Engage and align with other sporting institutions in the NT to coordinate infrastructure, value proposition and delivery of future investments.	The Project must ensure alignment with other sporting codes in the NT in their pursuit of national sporting teams (such as basketball) to coordinate and align infrastructure, value proposition and delivery models. Collective promotion of the NT and the opportunities that exist in terms of lifestyle, employment and investment is expected to facilitate greater awareness and migration of people to the region.
Develop a proposal in line with key strategies and policies of relevant decision-making stakeholders.	The Project must be aligned with key policies and strategies of Government and other stakeholders, such as the NT Government, Australian Government, Darwin City Council and the AFL. A detailed outline of the key policies, strategies and initiatives that support the proposal for an NT AFL Club has been provided in Chapter 3 – Strategic Alignment.
Develop and maintain strategic private sector partnerships to drive advocacy, investment and corporate responsibility	Development and diversification of strategic partnerships with private sector and corporate partners to drive advocacy, investment and corporate social responsibility outcomes will be required to facilitate a successful Project. Partnerships with a diverse range of stakeholder groups will be a critical foundation to facilitate the requisite level of support and financial investment needed to sustainably develop a Territory based AFL club.
Planning and investing in new and existing talent pathways in a way that aligns with community and individual social benefit	The Project must consider planning and investment to expand the existing talent pathways and player development programs that exist to grow the player base to support a future club. An AFL Club requires an extensive player pool from which to fill playing rosters now and into the future. Developing healthy talent pathways from the grassroots through to the elite player level is imperative to ensure the sustainability of a club.
Ensure alignment with national strategies and policies related to the wellbeing and self-	Alignment with the national reconciliation agenda and Closing the Gap initiatives to facilitate greater involvement of Indigenous Australians within the Club and the game and to improve the transparency of Indigenous culture as it exists within the NT and throughout Australia.

Strategic Response	Description
determination of Indigenous people and communities.	

## 4.5 Solution Options

A range of solution Options were identified through the ILM process which are expected to address the needs outlined and to achieve the benefits sought. These Options align with, and evolved from, the identified strategic responses outlined in the previous section.

The solution Options that were identified have been detailed in Table 7 and have been supported with commentary regarding the indicative activities that would be required to progress to solution option. An estimated lead time to complete the requisite activities has also been provided.

Table 7: Solution Options

Option	Description	Indicative Preliminary Activities	Estimated Lead Time
<b>Do Nothing</b>	No formal actions to progress the proposal. The status quo would be retained.	N/A	N/A
<b>Additional AFL Games</b>	Expanded partnerships with existing AFL and AFLW clubs– increasing the number of NT-based AFL games annually.  Some stadium and facility upgrades may be required in Darwin and Alice Springs to support the additional games being played.	<ul style="list-style-type: none"> <li>Establishment of commercial partnerships to support the financial requirements of hosting the games and to facilitate promotion and marketing.</li> <li>Assessment and negotiation of extended games arrangement with target AFL and AFLW clubs.</li> <li>Assessment and negotiation of any infrastructure or facility upgrades required to support additional games.</li> </ul>	0 to 3 Years
<b>Club Partnership/ Joint Venture</b>	Formal AFL Club partnership or joint venture, with an existing club, with a commitment to a split of home games in the NT.  Some infrastructure upgrades and new facilities may be required to support the partnership in Darwin and Alice Springs.	<ul style="list-style-type: none"> <li>Completion of a social and economic assessment (preliminary business case) of the proposal.</li> <li>Investment and development of talent pathways to support the Club with local players.</li> <li>Establishment of commercial partnerships to support the financial requirements of the operation of the Club and to facilitate promotion and marketing of the Club and home games.</li> <li>Assessment and negotiation of any infrastructure or facility upgrades required to support additional games.</li> <li>Securing funding commitments for the operational requirements of the Club partnership and to deliver the requisite infrastructure and facility upgrades.</li> <li>Assessment, negotiation and implementation of the Club partnership.</li> </ul>	4 to 6 Years

Option	Description	Indicative Preliminary Activities	Estimated Lead Time
<b>Club Relocation</b>	<p>Relocation of an existing national AFL Club to the NT.</p> <p>Relocated Club will require new stadium and supporting training facilities.</p> <p>The Club will encompass a men's and women's team in addition to reserve grade teams.</p>	<ul style="list-style-type: none"> <li>• Completion of a social and economic assessment (preliminary business case) of the proposal.</li> <li>• Investment and development of talent pathways to support the Club with local players.</li> <li>• Establishment of commercial partnerships to support the financial requirements of the operation of the Club and to facilitate promotion and marketing of the Club and home games.</li> <li>• Assessment and negotiation of required infrastructure or facility upgrades required to support additional games.</li> <li>• Securing funding commitments for the operational requirements of the Club and to deliver the requisite infrastructure and facility upgrades.</li> <li>• Detailed assessment and negotiation of the relocation of the existing AFL club, the stadium and facilities (detailed business case).</li> <li>• Development, planning and implementation of stadium, facilities and relocated Club operations.</li> </ul>	7 to 10 years
<b>NT AFL Club Licence</b>	<p>Establish a new NT Club (20th AFL Team Licence) that reflects the culture and values of the Territory.</p> <p>NT Club will require new stadium and supporting training facilities in Darwin and Alice Springs.</p> <p>The Club will encompass a men's and women's team in addition to reserve grade teams.</p>	<ul style="list-style-type: none"> <li>• Completion of a social and economic assessment (preliminary business case) of the proposal.</li> <li>• Investment and development of talent pathways to support the Club with local players.</li> <li>• Establishment of commercial partnerships to support the financial requirements of the operation of the Club and to facilitate promotion and marketing of the Club and home games.</li> <li>• Assessment and negotiation of required infrastructure or facility upgrades required to support additional games.</li> <li>• Securing funding commitments for the operational requirements of the Club and to deliver the requisite infrastructure and facility upgrades.</li> <li>• Detailed assessment and negotiation of the AFL Club licence, the stadium and facilities (detailed business case).</li> <li>• Development, planning and implementation of stadium, facilities and new Club operations.</li> </ul>	7 to 10 years

Option	Description	Indicative Preliminary Activities	Estimated Lead Time
<b>NAU Club Licence</b>	<p>Establish a 'NAU' Club (20th AFL Team Licence) - potentially across Darwin, Cairns and Northern Western Australia.</p> <p>NAU Club will require new stadium and supporting training facilities in multiple locations (Darwin, Alice Springs and Cairns).</p> <p>The Club will encompass a men's and women's team in addition to reserve grade teams.</p>	<ul style="list-style-type: none"> <li>• Completion of a social and economic assessment (preliminary business case) of the proposal.</li> <li>• Investment and development of talent pathways to support the Club with local players.</li> <li>• Establishment of commercial partnerships to support the financial requirements of the operation of the Club and to facilitate promotion and marketing of the Club and home games.</li> <li>• Assessment and negotiation of required infrastructure or facility upgrades required to support additional games.</li> <li>• Securing funding commitments for the operational requirements of the Club and to deliver the requisite infrastructure and facility upgrades.</li> <li>• Detailed assessment and negotiation of the AFL Club licence, the stadium and facilities (detailed business case).</li> <li>• Development, planning and implementation of stadium, facilities and new Club operations.</li> </ul>	7 to 10 years

#### 4.5.1 Continuum Solution

Based on experience in other proposals, such as Tasmania's application for a 19<sup>th</sup> Club licence, it has been identified that a single, standalone Option to progress to a permanent AFL Club is not optimal. Rather, considering the progression to a licence through a range of steps, or a continuum, each building upon the prior, presents a more sustainable and supportable outcome. The continuum approach was confirmed by AFL House as optimal.

To this end, certain Options identified through the ILM may be grouped together in a continuum that allows sustainable progression from the current state to a future AFL Club. A range of potential continuum Options have been presented in Chapter 6 – Options Assessment.

## 4.6 Summary

This Chapter has demonstrated that there is a strategic need for the establishment of an AFL Club (in some form) in the NT. The strategic assessment and the ILM process confirmed the need to develop a solution that leverages the existing support for AFL, and addresses a range of social and economic opportunities and challenges that exist in the NT. In turn, the growth of AFL in the Territory has the potential to deliver a diverse range of benefits to the region and will importantly facilitate action towards improving the lives and outcomes for Indigenous Australians.

Through the ILM process several strategic responses and potential solution Options were identified. These solution Options cover a broad spectrum of structures and models that would expand the presence of AFL in the NT and may be progressed in conjunction with some of the strategic responses. Based on the learnings from the recent application by Tasmania for the 19<sup>th</sup> AFL Club licence, grouping of one or more of these options, and presenting them as a continuum of progressive steps to an AFL Club is expected to present the most sustainable outcome.

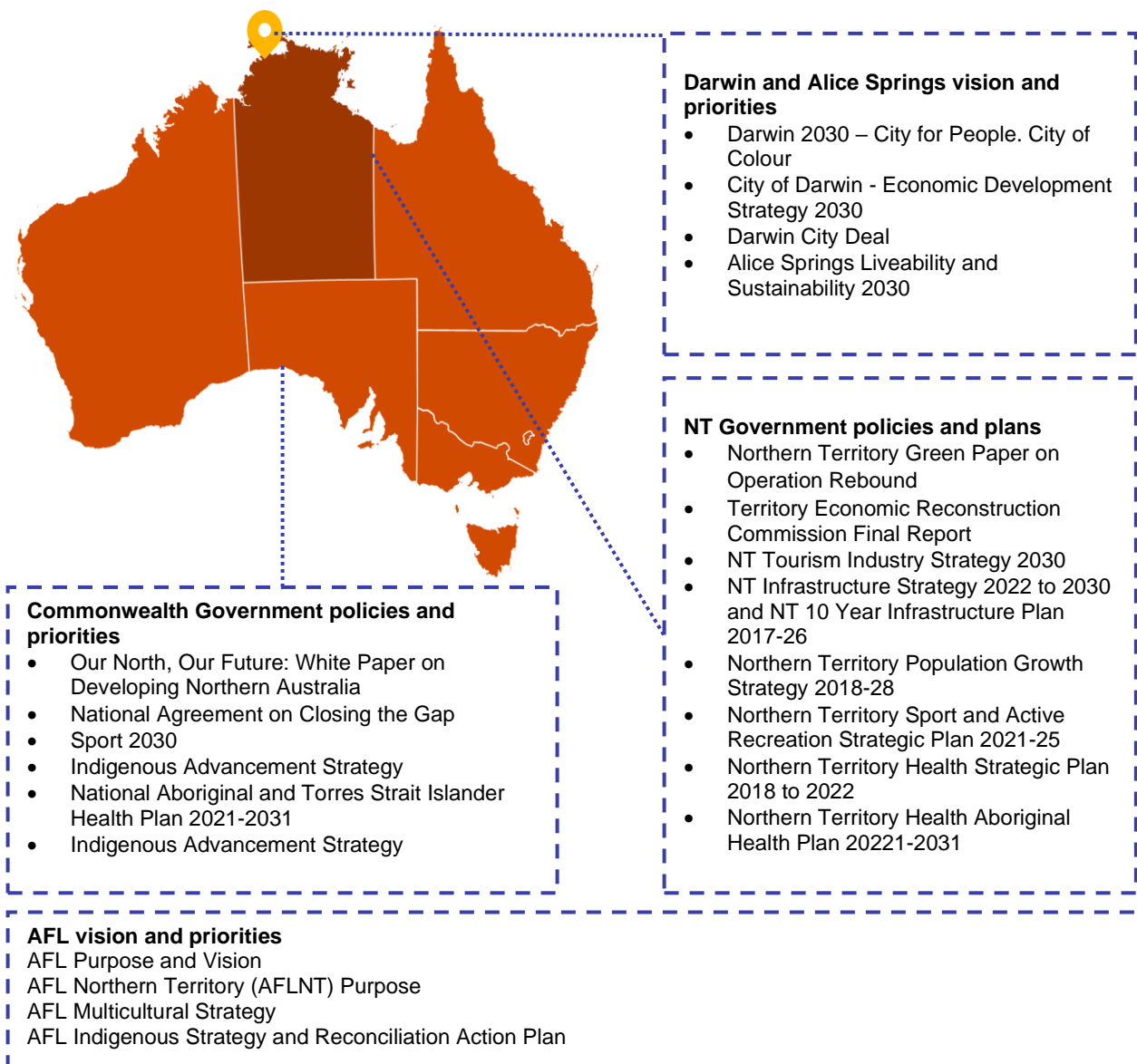
# 5 Strategic Alignment

## 5.1 Introduction

The Project aligns with Local, Territory and Australian Government priorities linking to economic development, population growth, tourism, health and wellbeing and reconciliation strategies and initiatives. In addition, the proposal aligns with similar strategies established by the AFL and AFLNT. This section outlines the key strategies and policy initiatives that support the establishment of an NT AFL Club.

An overview of the priorities and policies is illustrated in Figure 16.

Figure 16: Jurisdictional Strategic Priorities





## 5.2 Australian Government

Table 8: Strategic Alignment - Australian Government

Policy/ Strategy/ Plan	Description	Strategic Alignment
<b>Our North, Our Future: White Paper on Developing NAU<sup>76</sup> and Our North, Our Future: 2021- 2026 Targeted Growth Plan<sup>77</sup></b>	<p>The purpose of the Our North, Our Future: White Paper on Developing NAU was to provide a policy framework that can assist in overcoming barriers that hinder economic growth and development in NAU. To unlock the north’s full potential, the Commonwealth Government proposes to address challenges to development by:</p> <ul style="list-style-type: none"> <li>• Making it easier to use natural assets, in close consultation with, and the support of, Indigenous communities.</li> <li>• Providing a more welcoming investment environment.</li> <li>• Investing in infrastructure to lower business and household costs.</li> <li>• Reducing barriers to employing people.</li> <li>• Improving governance.</li> </ul> <p>Our North, Our Future: 2021-2026 Targeted Growth builds on the white paper and focuses on job creation and industry development. The plan directly supports national recovery efforts from the impacts of the COVID-19 pandemic.</p>	<p>The development and operation of the proposed NT AFL Club presents an opportunity to grow the economic prosperity of the NT and to generate greater employment and skills development opportunities. A Club is also expected to attract greater investment to the Territory, presenting an opportunity to catalyse further economic development across the region.</p> <p>The supporting growth plan identifies the actions required to invest in transformation and enabling projects through a whole of government approach. The plan outlines a range of priority areas including Indigenous economic growth, supply chain infrastructure, tourism recovery, workforce training and education, and social services.</p>
<b>National Agreement on Closing the Gap<sup>78</sup></b>	<p>The National Agreement on Closing the Gap acknowledges the ongoing strength and resilience of Indigenous people in sustaining the world’s oldest living culture.</p> <p>The objective of the National Agreement on Closing the Gap is to enable Indigenous people and governments to work together to overcome the inequality experienced by Indigenous people and achieve life outcomes equal to all Australians.</p> <p>The National Agreement has 19 socio-economic targets across education, employment, health and wellbeing, justice, safety, housing,</p>	<p>The AFL, through an NT AFL Club, has the potential to positively impact the outcomes of Indigenous people in the NT and across Australia. Through establishing pathways for talent progression, employment and education, a Club may yield improved social outcomes for those involved within the club, as well as new opportunities to participate and support the game for those in the broader community.</p> <p>In all, the Club would align with many of the building blocks identified as important elements in progression towards Closing the Gap. Using the Club as a conduit for the promotion of Indigenous culture, presents another opportunity to improve the awareness and recognition of</p>

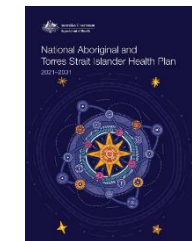


<sup>76</sup> Commonwealth of Australia (2015). *Our North, Our Future: White Paper on Developing Northern Australia*. Accessed at <https://www.infrastructure.gov.au/sites/default/files/documents/nawp-fullreport.pdf>

<sup>77</sup> Commonwealth of Australia (2021). *Our North, Our Future: 2021-2026 Target Growth*. Accessed at <https://www.infrastructure.gov.au/sites/default/files/documents/Our-North-Our-Future-2021-2026-Targeted-Growth.pdf>

<sup>78</sup> Commonwealth of Australia (2020). *National Agreement on Closing the Gap*. Accessed at [https://www.closingthegap.gov.au/sites/default/files/2022-09/ctg-national-agreement\\_apr-21-comm-infra-targets-updated-24-august-2022\\_0.pdf](https://www.closingthegap.gov.au/sites/default/files/2022-09/ctg-national-agreement_apr-21-comm-infra-targets-updated-24-august-2022_0.pdf)

Policy/ Strategy/ Plan	Description	Strategic Alignment
<b>Sport 2030<sup>79</sup></b>	<p>land and waters and languages. Progress is monitored by the Productivity Commission.</p> <p>The Australian Government’s vision for sport in Australia is to ensure the nation is the world’s most active and healthy nation, known for integrity and sporting success. Australia has long enjoyed the social and health benefits of participating in sport, with sporting teams often the centre of local and regional communities. Australia’s national sport plan has four key priority areas, which, when fully implemented, create a platform for sporting success through to 2030 and beyond. The Sport 2030 report published by Sport Australia (formerly Australian Sports Commission), believes community sports infrastructure is a sound investment, with more than eight million Australians using community sporting infrastructure every year. Community sport directly employs 57,000 people, contributing \$5.5 billion in increased economic activity, \$4.9 billion in personal health benefits and \$4.2 billion in social capital uplift.</p>	<p>Indigenous people as a means of progressing towards reconciliation and healing.</p> <p>Sport is a significant contributor to the broader Australian economy. The direct impact that investment in infrastructure and community facilities may bring is significant. An AFL Club in the NT will bring the need for enhanced stadium and team facilities in Darwin and in regional NT.</p> <p>In addition, an AFL Club will assist to strengthen the sporting industry in the NT through new employment opportunities within and supporting the game. It will elevate the importance of AFL and sport more generally in the region and promote the flow on social and health benefits that come from sport and recreation.</p>
<b>National Aboriginal and Torres Strait Islander Health Plan 2021-2031<sup>80</sup></b>	<p>The National Aboriginal and Torres Strait Islander Health Plan sets a vision that see <i>“Aboriginal and Torres Strait Islander people to enjoy long, healthy lives centred in culture, with access to services that are prevention-focused, culturally safe and responsive, equitable and free of racism”</i>.</p> <p>To achieve this vision, the Health Plan reinforces the importance of the cultural determinants and social determinants in providing health and wellbeing approaches. This approach requires shared action across areas such as education and youth, employment and income, racism, environment and infrastructure, interactions with government systems and services, food security and access to nutritious food, and experiences with alcohol, tobacco and other drugs.</p> <p>The National Agreement on Closing the Gap (National Agreement) is the overarching policy context for the Health Plan.</p>	<p>The Health Plan seeks to address the key social and cultural determinants of health issues and acknowledges that addressing these is key to achieving health equity. In particular, the plan promotes a holistic approach to health and wellbeing that considers the mental, physical, cultural, environmental and spiritual health of the communities.</p> <p>Coupled with the direct and known health benefits associated with sport and physical activity, an AFL Club has the potential to strengthen community ties, particularly in those regional areas of the NT where sport forms an important part of the social fabric on the community. The proposal offers a potential platform to address many of the social and cultural determinants of health challenges.</p>

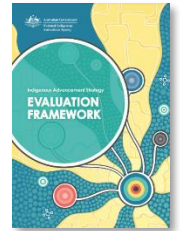


<sup>79</sup> Commonwealth of Australia. (2018). *Sport 2030*. Accessed at: [https://www.sportaus.gov.au/\\_\\_data/assets/pdf\\_file/0005/677894/Sport\\_2030\\_-\\_National\\_Sport\\_Plan\\_-\\_2018.pdf](https://www.sportaus.gov.au/__data/assets/pdf_file/0005/677894/Sport_2030_-_National_Sport_Plan_-_2018.pdf)

<sup>80</sup> Commonwealth of Australia (2021) *National Aboriginal and Torres Strait Islander Health Plan 2021-2031*. Accessed at <https://www.health.gov.au/resources/publications/national-aboriginal-and-torres-strait-islander-health-plan-2021-2031>

## Strategic Alignment

Policy/ Strategy/ Plan	Description	Strategic Alignment
<b>Indigenous Advancement Strategy<sup>81</sup></b>	<p>The Australian Government's Indigenous Advancement Strategy is focused on creating better results for Indigenous people, the strategy has three priority areas: getting children to school, adults into work and building safe communities.</p> <p>The strategy consolidates several existing programs and initiatives into six overarching programs. The program streams are:</p> <ul style="list-style-type: none"> <li>• Jobs, Land and Economy.</li> <li>• Children and Schooling.</li> <li>• Safety and Wellbeing.</li> <li>• Culture and Capability.</li> <li>• Remote Australia Strategies.</li> <li>• Research and Evaluation.</li> </ul> <p>The strategy is targeted at delivering results to Close the Gap on disadvantage and ensure all Australians have the same opportunities in life.</p>	<p>Central to the proposal for an AFL Club in the NT is the objective of progressing the lives of all Territorians. This is achieved directly through new employment and business opportunities and greater investment in infrastructure and community facilities. Indirectly, benefits associated with economic growth, diversity in career paths, greater access to public services (such as health care) and improved social and community cohesion are all expected to flow.</p> <p>Advancing indigenous communities, and alignment with the Closing the Gap initiatives and priorities, is integral to the proposal.</p>

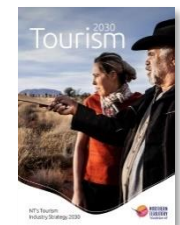
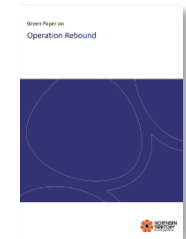


<sup>81</sup> Commonwealth of Australia. *Indigenous Advancement Strategy*. Accessed at: [https://business.gov.au/grants-and-programs/Indigenous-Advancement-Strategy#:~:text=The%20Indigenous%20Advancement%20Strategy%20\(IAS,safety%20and%20wellbeing](https://business.gov.au/grants-and-programs/Indigenous-Advancement-Strategy#:~:text=The%20Indigenous%20Advancement%20Strategy%20(IAS,safety%20and%20wellbeing)

### 5.3 Northern Territory Government

Table 9: Strategic Alignment – Northern Territory Government

Policy/Strategy/Plan	Description	Strategic Alignment
<b>Northern Territory Green Paper on Operation Rebound</b> <sup>82</sup>	The Operation Rebound paper is a plan to recover and rebuild the NT economy after the impacts of the COVID-19 pandemic. The paper outlines the economic response as three phases: survive, adapt and rebound. The paper outlines 27 immediate 'Rebound Initiatives' to progress the NT economy to recovery. The initiatives focus on marketing, fast tracking approvals, strategic investment in new infrastructure and enabling infrastructure, supporting existing and emerging industries and skills development.	To achieve the objectives outlined in Operation Rebound, the region needs to grow the population to over 300,000 people within the decade. An AFL Club will offer more in terms of lifestyle for the Territory, and will improve the liveability of the region, thereby contributing to the attraction of new people and talent to the NT.
<b>Territory Economic Reconstruction Commission Report</b> <sup>83</sup>	The TERC Final Report was published in 2020 and outlines recommendations to accelerate the Territory's economic growth in line with the targets outlined as part of Operation Rebound.	A proposal to establish an AFL Club in the NT is strongly aligned with the TERC Report priorities. The establishment and operation of an AFL Club, and potential construction of required infrastructure and facilities, will create jobs in the short, medium and long term and will deliver sustainable economic returns. Further, an AFL Club will assist in increase tourism and visitation to the Territory, which is critical to the economic growth of the region.
<b>Northern Territory Tourism Industry Strategy 2030</b> <sup>84</sup>	The Northern Territory Tourism Industry Strategy 2030 was developed to unite efforts across the public and private sectors and to shift performance of the tourism sector in the NT to one of sustainable growth. The strategy identifies six priority objectives that, if delivered, will make a real impact on the trajectory of tourism in the NT.	The establishment of an NT AFL Club would help the tourism sector to continue to deliver increasingly diverse and high-quality tourism experiences. Delivering on several strategic priorities, an AFL Club would present as a major attraction for domestic and international tourists and would enable the progression towards greater visitation and uniqueness of the region.



<sup>82</sup> Northern Territory Government (2020). *Green paper on Operation Rebound*. Accessed at [https://business.nt.gov.au/\\_\\_data/assets/pdf\\_file/0010/885358/operation-rebound-green-paper.pdf](https://business.nt.gov.au/__data/assets/pdf_file/0010/885358/operation-rebound-green-paper.pdf)

<sup>83</sup> Northern Territory Government (2020): *Territory Economic Reconstruction Commission Final Report*. Accessed at [https://ntrebound.nt.gov.au/\\_\\_data/assets/pdf\\_file/0020/952301/terc-final-report.pdf](https://ntrebound.nt.gov.au/__data/assets/pdf_file/0020/952301/terc-final-report.pdf)

<sup>84</sup> Northern Territory Government (2022) *Northern Territory Industry Strategy 2030*. Accessed at <https://www.tourismnt.com.au/research-strategies/strategies/northern-territory-industry-strategy-2030>

Policy/Strategy/Plan	Description	Strategic Alignment
<b>NT Infrastructure Strategy 2022 to 2030<sup>85</sup> and Northern Territory 10 Year Infrastructure Plan 2017-26<sup>86</sup></b>	<p>Drawing from the NT Government’s vision outlined in the Economic Development Framework, the Infrastructure Strategy sets the NT’s long-term infrastructure agenda, providing a clear framework for government to plan, assess, select prioritise and invest in infrastructure. Government investment in infrastructure will create jobs, provide critical enablers for new business investment and long-term economic growth. The Strategy is underpinned by objectives of investing in the right infrastructure that will support growth and productivity and enhances the liveability of the region. The 10 Year Infrastructure Plan is informed by the Infrastructure Strategy and provides an assessment of planned infrastructure projects over a 10 year horizon. The document identifies objectives for infrastructure delivery, the impact of infrastructure spend on the economy and provides assessments of proposed infrastructure projects for growth.</p>	<p>An AFL Club aligns with many of the objectives outlined in the strategy and fundamentally contributes to improving the liveability of the region, thereby facilitating growth in population and ultimately the economy. Critical to the expansion of AFL is the development of suitable stadium infrastructure and facilities that will support a more permanent AFL Club in the region.</p> <p>The plan identifies investment in improving current stadium and sporting infrastructure. Importantly the plan considers upgrades to TIO Stadium in Darwin and sporting infrastructure in Alice Springs, both fundamental to the expansion of AFL in the region.</p>
<b>Northern Territory Population Growth Strategy 2018-28<sup>87</sup></b>	<p>The NT Government has a vision to sustainably grow the population to support the economy, encourage growth and provide better services for Territorians. The Population Growth Strategy provides the framework for attracting people to the Territory and encouraging them to stay for the long term.</p> <p>Industry growth, diversification and delivery of quality services like healthcare and education rely on the availability of skilled workers. The Population Growth Strategy details how, with cooperation from the private sector, non-government organisations and all levels of government, the NT Government will attract people and retain them.</p> <p>Stimulating the population growth rate will support business and investor confidence in future economic conditions, which will subsequently support stronger population growth.</p>	<p>The Population Growth Strategy aligns with many other initiatives that the NT Government has put in place as a means of growing the economy of the Territory.</p> <p>Significant investment and financial commitments have been made under the Population Growth strategy to enhance the perceived liveability of the NT, with a fundamental part of this being the enhancement of sporting, recreational and cultural experiences. In conjunction with planned infrastructure upgrades, the attraction of a more permanently based AFL Club to the NT will contribute significantly to delivering upon these desired liveability outcomes.</p>



<sup>85</sup> Northern Territory Government (2022). *NT Infrastructure Strategy 2022-2030*. Accessed at [https://dipl.nt.gov.au/\\_\\_data/assets/pdf\\_file/0006/1115583/nt-infrastructure-strategy2022.PDF](https://dipl.nt.gov.au/__data/assets/pdf_file/0006/1115583/nt-infrastructure-strategy2022.PDF)

<sup>86</sup> Northern Territory Government (2017). *10 Year Infrastructure Plan 2017-2026*. Accessed at [https://dipl.nt.gov.au/\\_\\_data/assets/pdf\\_file/0004/428854/ntg-10-year-infrastructure-plan-web.pdf](https://dipl.nt.gov.au/__data/assets/pdf_file/0004/428854/ntg-10-year-infrastructure-plan-web.pdf)

<sup>87</sup> Northern Territory Government (2018), *Northern Territory Population Growth Strategy 2018-28*. Accessed at [https://population.nt.gov.au/\\_\\_data/assets/pdf\\_file/0007/559384/Population-Strategy.pdf](https://population.nt.gov.au/__data/assets/pdf_file/0007/559384/Population-Strategy.pdf)

Policy/Strategy/Plan	Description	Strategic Alignment
<b>NT Sport and Active Recreation Strategic Plan 2021-25</b> <sup>88</sup>	The NT Sport and Active Recreation Strategic Plan 2021-25 provides a road map for enhancing the level of participation in sport across the Territory, improving community sporting facilities, celebrating sporting achievements to inspire communities and facilitating partnerships focused on optimising access to sport and recreation.	The plan focuses on enhancing sport and recreation across the Territory and encouraging those not currently involved in sport to participate. In doing so, the plan seeks to promote benefits around health and well being and enhance the overall liveability of the region.  Integral to the expansion of AFL in the region is through increasing participation rates, and community involvement in the game. The AFL has a long and established history of effectively building community engagement with the game through the many programs from the grassroots to elite playing levels.
<b>NT Health Strategic Plan 2023-2028</b> <sup>89</sup>	The NT Health Strategic Plan 2023-2028 outlines the framework for health care and support in the NT. The Plan guides activities for stakeholders to work towards the improved health and wellbeing of all Territorians.	With a core focus on improving health and wellbeing, ensuring equality of health care and prevention of disease, the plan presents a path to service delivery that enables these outcomes. Furthermore, the plan commits attention towards closing the gap in health outcomes between Indigenous and non-Indigenous Australians. Overall, the plan has clear alignment with the benefits sought through NT AFL Club proposal, with both seeking to improve health outcomes for all Territorians.
<b>NT Health Aboriginal Health Plan 2021-2031</b> <sup>90</sup>	The NT Health Aboriginal Health Plan is a long-term policy framework that outlines the strategy that will guide actions to improve the health and wellbeing of Indigenous Territorians. Building on the previous framework, the plan incorporates a new vision of 'working together for a healthier future for all Indigenous Territorians'. The plan provides the following strategic directions: <ul style="list-style-type: none"> <li>• Enhanced health service delivery to Indigenous people and communities.</li> <li>• Create effective partnerships.</li> <li>• Culturally secure and safe services.</li> <li>• Strengthening the workforce.</li> <li>• Improving Indigenous population health and well being.</li> </ul>	With a shared vision of providing a healthier future for all Indigenous Territorians, both the health plan and the proposal for an AFL Club in the NT are aligned in their strategic direction.  The plan identifies the need to establish effective and sustainable partnerships and strengthen the workforce. These are both initiatives that the growth in AFL in the region may also indirectly contribute to.



<sup>88</sup> Northern Territory Government (2021). *Northern Territory Sport and Active Recreation Strategic Plan 2021-25*. Accessed at [https://tfhc.nt.gov.au/\\_\\_data/assets/pdf\\_file/0015/1041270/nt-sport-active-recreation-strategic-plan2021-25.pdf](https://tfhc.nt.gov.au/__data/assets/pdf_file/0015/1041270/nt-sport-active-recreation-strategic-plan2021-25.pdf)

<sup>89</sup> Northern Territory Government (2023). *NT Health Strategic Plan 2023-2028*. Accessed at [https://health.nt.gov.au/\\_\\_data/assets/pdf\\_file/0015/1206510/nt-health-strategic-plan-2023-2028.pdf](https://health.nt.gov.au/__data/assets/pdf_file/0015/1206510/nt-health-strategic-plan-2023-2028.pdf)

<sup>90</sup> Northern Territory Government (2021). *NT Health Aboriginal Health Plan 2021-2031*. Accessed at [https://health.nt.gov.au/\\_\\_data/assets/pdf\\_file/0015/1035501/nt-aboriginal-health-plan-2021-2031.pdf](https://health.nt.gov.au/__data/assets/pdf_file/0015/1035501/nt-aboriginal-health-plan-2021-2031.pdf)



## 5.4 Local Government

Table 10: Strategic Alignment - Local Government

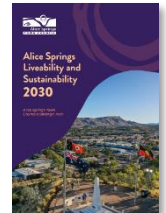
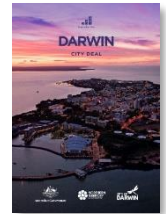
Policy/ Strategy/ Plan	Description	Strategic Alignment
<b>Darwin 2030: City for People. City of Colour<sup>91</sup></b>	<p>Darwin 2030 provides a vision for the City of Darwin through this decade. It draws on community views, existing Council strategies and plans, commitments to key stakeholders and states the strategic direction for Darwin by 2030.</p> <p>One of the five key strategic directions for Darwin is to be 'a smart and prosperous city'. By 2030, Darwin will attract and retain more residents and offer sustainable investment opportunities. This will be achieved through initiatives that aim to grow the economy and attract and retain people and jobs in Darwin.</p>	<p>The proposal for the establishment of an AFL Club has clear alignment with many of the objectives outlined in the Darwin 2030 strategy.</p> <p>Amongst the many social and community benefits that are offered through the establishment of an AFL Club, the proposal has a strong connection to growing the population and delivering a more sustainable economy. Through offering more lifestyle offerings in Darwin, the city becomes more attractive for people to visit, work and stay. This in turn has a flow on impact to the growth of the local economy.</p>
<b>City of Darwin - Economic Development Strategy 2030<sup>92</sup></b>	<p>The City of Darwin Economic Development Strategy 2030 aligns to the Darwin 2030 - City for People. City of Colour and the NT Economic Development Framework. The City of Darwin Economic Development Strategy 2030 sets out the context, systems and processes and actions that will be undertaken by Council to achieve the strategic actions, targets and direction outlined in the strategy.</p> <p>The strategy aims to drive prosperity for Darwin, with a clear outcome of becoming 'A Smart and Prosperous City'. The strategy commits Council to continuing to work with the Australian and NT Governments, business and industry, and other partners to advance the local economy. Specifically, the following actions are provided under the strategy:</p> <ul style="list-style-type: none"> <li>• Support initiatives to grow the population and retain jobs through Government and private sector engagement.</li> <li>• Improve the promotion of Darwin's liveability.</li> <li>• Leverage opportunities through growing international relations.</li> <li>• Seek private investment in major projects across the region.</li> </ul>	<p>Consistent with its strategic alignment with the Darwin 2030 Strategy, the NT AFL Club proposal has strong alignment with the economic development strategy for the city.</p> <p>With an underpinning objective of developing a smart and prosperous city, an AFL Club in the NT (being primarily based in Darwin), would directly contribute to the economic development of the city through enhancing its attractiveness for migration and investment.</p> <p>Furthermore, the proposal necessitates a collaborative engagement between all levels of Government and the private sector to deliver the necessary infrastructure and funding to support the ongoing sustainability of the club.</p>



<sup>91</sup> City of Darwin (2019). *Darwin 2030 – City for People. City of Colour*. Accessed at [https://www.darwin.nt.gov.au/sites/default/files/publications/attachments/strategic\\_plan\\_2019\\_web\\_new.pdf](https://www.darwin.nt.gov.au/sites/default/files/publications/attachments/strategic_plan_2019_web_new.pdf)

<sup>92</sup> City of Darwin (2019) *City of Darwin Economic Development Strategy*. Accessed at [https://www.darwin.nt.gov.au/sites/default/files/uploads/files/1091251\\_cod\\_economicstrategy\\_web\\_final.pdf](https://www.darwin.nt.gov.au/sites/default/files/uploads/files/1091251_cod_economicstrategy_web_final.pdf)

Policy/ Strategy/ Plan	Description	Strategic Alignment
<b>Darwin City Deal</b> <sup>93</sup>	<p>The Darwin City Deal is a ten-year plan to position Darwin as a vibrant and liveable tropical capital city, supported by a growing population and diverse economy. As part of the deal, the City of Darwin is partnering with the NT and Australian governments to identify and deliver catalytic projects key to unlocking investment, growing the population, boosting the visitor economy and supporting greater business activity.</p>	<p>Aligned with the Darwin 2030 strategy, the focus of the City Deal is to improve the attractiveness of Darwin and the broader NT as a place for people to visit, work and live. Outside of the direct employment opportunities and economic impacts of an AFL Club, the broader contribution to the amenity of Darwin aligns with many of the objectives sought to be delivered as part of the City Deal.</p>
<b>Alice Springs Liveability and Sustainability 2030</b> <sup>94</sup>	<p>Alice Springs Liveability and Sustainability 2030 showcases vision for Alice Springs, illustrating the different projects that Alice Springs Town Council will fund, champion, facilitate, provide and advocate for, to enhance the liveability of the region.</p> <p>The strategy focuses on the core needs of Alice Springs and provides direction across the following five pillars:</p> <ul style="list-style-type: none"> <li>• Liveability.</li> <li>• Safety.</li> <li>• Environment.</li> <li>• Economy.</li> <li>• Governance and Civic.</li> </ul>	<p>Alice Springs forms an integral part of any proposal for the expansion of the AFL within the NT. Importantly, a proposal for an AFL Club in the NT includes additional elite level games in Alice Springs and supports the development of infrastructure and community programs within the region. An AFL Club in the NT will directly contribute to improving the overall liveability of Alice Springs and in turn supports the growth of the local economy and delivery of many social and community benefits.</p>



<sup>93</sup> Commonwealth of Australia (2018) *Darwin City Deal*. Accessed at [https://www.darwin.nt.gov.au/sites/default/files/uploads/files/darwin\\_city\\_deal.pdf](https://www.darwin.nt.gov.au/sites/default/files/uploads/files/darwin_city_deal.pdf)

<sup>94</sup> Alice Springs Town Council (2020) *Alice Springs Liveability and Sustainability 2030: Alice Springs Town Council Strategic Plan*. Accessed at [https://assets-astc.s3-ap-southeast-2.amazonaws.com/files/ASPTC\\_Strategic-Plan-2030-FINAL.pdf](https://assets-astc.s3-ap-southeast-2.amazonaws.com/files/ASPTC_Strategic-Plan-2030-FINAL.pdf)



## 5.5 AFL

Table 11: Strategic Alignment - AFL

Policy/ Strategy/ Plan	Description	Strategic Alignment
<b>AFL Purpose and Vision<sup>95</sup></b>	<p>Dating back to the 1800's, Australian rules football has played a long and fundamental part of Australian culture. In the early 1900's, Australian rules football started on its path to becoming a truly national game as it grew in popularity across the country. In 1990, the premier Australian rules football league in the country, the Victorian Football League (VFL) officially changed its name to the AFL.</p> <p>With this context, the AFL developed its purpose to “<i>progress the game, so everyone can share in its heritage and possibilities</i>”. From grassroots and community Club football to the elite competition, the AFL works to grow the involvement in the game at all levels and across the whole of Australia and abroad.</p>	<p>The AFL is strategically focused on sustainable growth of the league, underpinned by its commitment to ensuring a quality experience for all. With a focus on becoming the first truly national game, with representation across the country, the AFL considers Asia as a long-term expansion option.</p> <p>The NT and broader NAU is regarded as a strategic region of growth for the AFL and a geographical link into the Asian markets. In parallel, the AFL is seeking to strengthen the delivery of community programs to foster strong community engagement, which will enable more people to play and enjoy football.</p>
<b>AFL Northern Territory (AFLNT) Purpose<sup>96</sup></b>	<p>AFL NT is the peak body for Australian Rules Football in the NT. Governing all leagues, development and talent programs from grassroots Auskick to senior football competitions.</p> <p>With a mission of promoting AFL throughout the NT, the organisation strives to unlock and promote the many social, lifestyle and cultural benefits that come with participating in and supporting the game.</p> <p>In particular, AFLNT seek to achieve the following objectives:</p> <ul style="list-style-type: none"> <li>• Grow participation rates in the game.</li> <li>• Development on and off field infrastructure that supports the growth of the game</li> <li>• Administer and develop financially sustainable AFL competitions.</li> <li>• Expand player talent pathways to enhance opportunities for players to participate at the elite levels.</li> <li>• Be effective and efficient in governing and managing the competitions and organisation.</li> </ul>	<p>Through the platform of a national AFL representative team in the NT, AFLNT will be able to deliver upon the many objectives underpinning its purpose and mission.</p> <p>The proposal for an AFL Club in the NT strongly aligns with the aspirations of AFLNT to establish Australian rules football as the premier sport within the region.</p> <p>Using such a platform, AFLNT may further promote the game and grow participation rates. Development of new infrastructure and facilities required to support an AFL Club, would have direct benefits to the existing AFL competitions and to enable sustainability of those competitions.</p>



<sup>95</sup> Australian Football League (2022) *Our Purpose and Values*. Accessed at <https://www.afl.com.au/careers/our-organisation/our-purpose-and-values>

<sup>96</sup> AFLNT. Accessed at: <https://www.aflnt.com.au/about>

Policy/ Strategy/ Plan	Description	Strategic Alignment
<b>AFL Multicultural Strategy<sup>97</sup></b>	<p>The AFL's multicultural strategy focuses on developing programs to increase engagement, participation, talent and social outcomes. The objectives of these programs are providing opportunities and pathways for diverse communities to be engaged in all areas of AFL football.</p>	<p>Australian Football is becoming the sport of choice for diverse communities and has been promoted as a vehicle that encourages community strengthening and inclusion within the wider Australian community.</p> <p>The NT is one of Australia's most culturally diverse places with over 100 nationalities. Furthermore, the NT is founded on its long Indigenous history and embedded Indigenous culture. The establishment of an AFL Club in the NT has the potential to further drive this strategy and to attract more people, of diverse backgrounds to the game.</p>
<b>AFL Indigenous Programs<sup>98</sup> and Reconciliation Action Plan (RAP)<sup>99</sup></b>	<p>The AFL has a strong commitment to Indigenous communities and delivers several targeted programs to engage Indigenous people. The AFL's Indigenous programs focus on engagement, talent and education outcomes.</p> <p>Underpinning the AFL's commitment to Indigenous Australian's is the Reconciliation Action Plan (RAP). The AFL RAP sets out a vision of <i>"the AFL community will be known as a place where Aboriginal and Torres Strait Islander peoples are respected and celebrated and that they have pathways to successfully and equitably participate at all levels, not only in our game, but in a reconciled Australia."</i></p> <p>The AFL's strategic intent for the RAP is to grow and improve outcomes for Indigenous peoples across all areas of the game. Importantly this will be achieved by:</p> <ul style="list-style-type: none"> <li>• Promoting a message of reconciliation through the AFL community.</li> <li>• Drive equality and respect on and off the field.</li> <li>• Utilise partnerships to growth the industries supporting the AFL.</li> <li>• Shift the human perspective towards Indigenous peoples and eliminate discrimination from the game.</li> <li>• Create opportunities for Indigenous Australians in the game and industry.</li> </ul>	<p>Indigenous people continue to make a significant contribution to how Australian football is played, and more importantly, to its role in modern Australia's cultural and social life. Sport, and in particular AFL, has the potential to positively influence many social and community outcomes, such as health, education and community cohesion, and promotes unity and equality within society. As such, AFL has the potential to be a beacon for what Australia could be.</p> <p>An AFL Club in the NT has the potential to play an important role in driving many of these outcomes and progressing reconciliation across the country.</p> <p>Furthermore, the establishment of a Club in the Territory has the opportunity to build greater access to the game and may be used to create more opportunities for Indigenous Australians to participate in the industry.</p>



<sup>97</sup> Australian Football League (2022) *Multicultural Strategy*. Accessed at <http://community.afl/multicultural>

<sup>98</sup> Australian Football League (2022) *Indigenous Programs*. Accessed at <http://community.afl/indigenous>

<sup>99</sup> Australian Football League (2021) *Reconciliation Action Plan*. Accessed at [https://resources.afl.com.au/afl/document/2021/05/20/ddc0f759-98ba-40ae-b789-356bf3765bb4/7593-AFL-RAP-Plan-2021\\_Digital-15mb.pdf](https://resources.afl.com.au/afl/document/2021/05/20/ddc0f759-98ba-40ae-b789-356bf3765bb4/7593-AFL-RAP-Plan-2021_Digital-15mb.pdf)

## **5.6 Summary**

The chapter presents several key government and AFL strategies and priorities that an NT AFL Club aligns with. They cover a range of policy issues linking to Indigenous engagement and reconciliation, economic progression of the NT, development of sport and recreation and strengthening regional Australia. The proposals alignment with these policies, strategies and protocols is important to strengthen and justify the need and priority to progress the Project to a DBC with the support of primary stakeholders.

# 6 Options Assessment

Chapter 3 developed the strategic rationale for an AFL Club in the NT, and the ILM process identified a range of solution Options that may be adopted to establish such a club. The purpose of this Chapter is to leverage the key findings and outcomes from Chapter 3 and to assess a range of Club and supporting infrastructure and facility options. The intent of the assessment is to identify a shortlist of preferred Options that will progress for further analysis and investigation. In completing the assessment, the following steps were undertaken:

- Present the AFL Club continuum options.
- Complete an MCA.
- Conclude on MCA outcomes.
- Outline key implementation considerations for the shortlisted options.
- Summarise the findings of the overall assessment.

## 6.1 AFL Club Options

Chapter 3 outlined a range of standalone Options that would deliver a more permanent, ‘top tier’ AFL presence in the NT. These Options were identified by Project stakeholders through the ILM process. While some of the defined Options may be implemented on a standalone basis, based on lessons learnt from other proposals such as Tasmania’s application for a 19<sup>th</sup> AFL Club licence, it was identified that a single, standalone Option to progress to a permanent AFL Club may not be optimal. Rather, considering the advancement to a licence through a range of progressive steps, or through a continuum, will likely result in a more sustainable and supportable outcome.

To this end, certain standalone Options were grouped together into continuums. These continuum Options were developed based on feedback from the AFL, AFLNT and other key stakeholders. In the following sections, an Option long list, comprising of several standalone and continuum options, have been presented for consideration. For each option, commentary has been provided regarding the expected preliminary activities, staging and timing that would be required to deliver the option. Figure 17 presents a visual representation of the long list of Options considered, noting that timing is indicative only.

Figure 17: Continuum Options Overview

	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10+
<b>Option 1</b>	Detailed assessment and negotiation of existing AFL club relocation, stadium and facilities			Development, planning and implementation of stadium, facilities and relocated club operations			Existing AFL Club Relocation			
<b>Option 2</b>	Detailed assessment and negotiation of NT AFL club licence, stadium and facilities			Development, planning and implementation of stadium, facilities and NT AFL Club			NT AFL Club Licence			
<b>Option 3</b>	Detailed assessment and negotiation of Northern Australia AFL Club licence, stadium and facilities			Development, planning and implementation of stadium, facilities and Northern Aust AFL Club			Northern Australia AFL Club Licence			
<b>Option 4</b>	Assessment and negotiation of extended games arrangement	Extended Arrangement - Additional AFL Games		Assessment, negotiation and implementation of expanded club partnership		Club Partnership – Equal Split of Games				

## Options Assessment

	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10+
<b>Option 5</b>	Assessment and negotiation of extended games arrangement		Extended Arrangement - Additional AFL Games							
			Assessment, negotiation and implementation of expanded club partnership			Club Partnership – Equal Split of Games				
						Detailed assessment and negotiation of existing AFL club relocation, stadium and facilities		Development, planning and implementation of stadium, facilities and relocated club operations		Existing Club Relocation
	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10+
<b>Option 6</b>	Assessment and negotiation of extended games arrangement		Extended Arrangement - Additional AFL Games							
			Assessment, negotiation and implementation of expanded club partnership			Club Partnership – Equal Split of Games				
						Detailed assessment and negotiation of NT AFL club licence, stadium and facilities		Development, planning and implementation of stadium, facilities and NT AFL Club		NT AFL Club Licence
	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10+
<b>Option 7</b>	Assessment and negotiation of extended games arrangement		Extended Arrangement - Additional AFL Games							
			Assessment, negotiation and implementation of expanded club partnership			Club Partnership – Equal Split of Games				
						Detailed assessment and negotiation of Northern Australia AFL Club licence, stadium and facilities		Development, planning and implementation of stadium, facilities and Northern Aust AFL Club		NAU AFL Club Licence

Table 12 to Table 18 provides an overview of each Option, the indicative preliminary activities and Option timing.

### 6.1.1 Option 1

Table 12: Overview of Option 1

Option Step	Stage 1 - Club Relocation
<b>Description</b>	<ul style="list-style-type: none"> <li>Relocation of an existing national AFL Club to the NT.</li> <li>Relocated Club will require new or upgraded stadium infrastructure and supporting training facilities in Darwin and Alice Springs.</li> <li>The Club will encompass a men's and women's team in addition to reserve grade teams.</li> </ul>
<b>Indicative Preliminary Activities</b>	<ul style="list-style-type: none"> <li>Completion of a social and economic assessment (preliminary business case) of the proposal.</li> <li>Investment and development of talent pathways to support the Club with local players.</li> <li>Establishment of commercial partnerships to support the financial requirements of the operation of the Club and to facilitate promotion and marketing of the Club and home games.</li> <li>Assessment and negotiation of required infrastructure or facility upgrades required to support additional games.</li> <li>Securing funding commitments for the operational requirements of the Club and to deliver the requisite infrastructure and facility upgrades.</li> <li>Detailed assessment and negotiation of the relocation of the existing AFL Club, the stadium and facilities (Detailed Business Case).</li> <li>Development, planning and implementation of stadium, facilities and relocated Club operations.</li> </ul>
<b>Expected Stage Timing</b>	0 to 10+ years

### 6.1.2 Option 2

Table 13: Overview of Option 2

Option Step	Stage 1 – NT AFL Club Licence
<b>Description</b>	<ul style="list-style-type: none"> <li>Establish a new NT Club (20th AFL Club Licence) that reflects the culture and values of the Territory.</li> <li>NT Club will require new or upgraded stadium infrastructure and supporting training facilities in Darwin and Alice Springs.</li> <li>The Club will encompass a men's and women's team in addition to reserve grade teams</li> </ul>
<b>Indicative Preliminary Activities</b>	<ul style="list-style-type: none"> <li>Completion of a social and economic assessment (preliminary business case) of the proposal.</li> <li>Investment and development of talent pathways to support the Club with local players.</li> <li>Establishment of commercial partnerships to support the financial requirements of the operation of the Club and to facilitate promotion and marketing of the Club and home games.</li> <li>Assessment and negotiation of required infrastructure or facility upgrades required to support additional games.</li> <li>Securing funding commitments for the operational requirements of the Club and to deliver the requisite infrastructure and facility upgrades.</li> <li>Detailed assessment and negotiation of the AFL Club licence, the stadium and facilities (detailed business case).</li> <li>Development, planning and implementation of stadium, facilities and new Club operations.</li> </ul>
<b>Expected Stage Timing</b>	0 to 10+ years

### 6.1.3 Option 3

Table 14: Overview of Option 3

Option Step	Stage 1 – NAU AFL Club Licence
<b>Description</b>	<ul style="list-style-type: none"> <li>Establish a 'NAU' Club (20th AFL Club Licence) - potentially across Darwin, Cairns and Northern Western Australia.</li> <li>NAU Club will require new or upgraded stadium infrastructure and supporting training facilities in multiple locations (Darwin, Alice Springs and Cairns)</li> <li>The Club will encompass a men's and women's team in addition to reserve grade teams</li> </ul>
<b>Indicative Preliminary Activities</b>	<ul style="list-style-type: none"> <li>Completion of a social and economic assessment (preliminary business case) of the proposal.</li> <li>Investment and development of talent pathways to support the Club with local players.</li> <li>Establishment of commercial partnerships to support the financial requirements of the operation of the Club and to facilitate promotion and marketing of the Club and home games.</li> <li>Assessment and negotiation of required infrastructure or facility upgrades required to support additional games.</li> <li>Securing funding commitments for the operational requirements of the Club and to deliver the requisite infrastructure and facility upgrades.</li> <li>Detailed assessment and negotiation of the AFL Club licence, the stadium and facilities (detailed business case).</li> <li>Development, planning and implementation of stadium, facilities and new Club operations.</li> </ul>
<b>Expected Stage Timing</b>	0 to 10+ years

## 6.1.4 Option 4

Table 15: Overview of Option 4

Option Step	Stage 1 – Additional AFL Games	Stage 2 – Club Partnership/ Joint Venture
<b>Description</b>	<ul style="list-style-type: none"> <li>Expanded partnerships with existing AFL and AFLW clubs- increasing the number of NT-based AFL games annually.</li> <li>Some stadium and facility upgrades may be required in Alice Springs to support the additional games being played.</li> </ul>	<ul style="list-style-type: none"> <li>Formal AFL Club partnership or joint venture, with an existing club, with a commitment to a split of home games in the NT.</li> <li>Some stadium infrastructure upgrades and new facilities may be required to support the partnership in Darwin and Alice Springs.</li> </ul>
<b>Indicative Preliminary Activities</b>	<ul style="list-style-type: none"> <li>Establishment of commercial partnerships to support the financial requirements of hosting the games and to facilitate promotion and marketing.</li> <li>Assessment and negotiation of extended games arrangement with target AFL and AFLW clubs.</li> <li>Assessment and negotiation of any infrastructure or facility upgrades required to support additional games.</li> </ul>	<ul style="list-style-type: none"> <li>Completion of a social and economic assessment (PBC) of the proposal.</li> <li>Investment and development of talent pathways to support the Club with local players.</li> <li>Establishment of commercial partnerships to support the financial requirements of the operation of the Club and to facilitate promotion and marketing of the Club and home games.</li> <li>Assessment and negotiation of any infrastructure or facility upgrades required to support additional games.</li> <li>Securing funding commitments for the operational requirements of the Club partnership and to deliver the requisite infrastructure and facility upgrades.</li> <li>Assessment, negotiation and implementation of the Club partnership.</li> </ul>
<b>Expected Stage Timing</b>	0 to 3 years	4 to 10+ Years

## 6.1.5 Option 5

Table 16: Overview of Option 5

Option Step	Stage 1 – Additional AFL Games	Stage 2 – Club Partnership/ Joint Venture	Stage 3 – Club Relocation
<b>Description</b>	<ul style="list-style-type: none"> <li>Expanded partnerships with existing AFL and AFLW clubs- increasing the number of NT-based AFL games annually.</li> <li>Some stadium and facility upgrades may be required in Alice Springs to support the additional games being played.</li> </ul>	<ul style="list-style-type: none"> <li>Formal AFL Club partnership or joint venture, with an existing club, with a commitment to a split of home games in the NT.</li> <li>Some stadium infrastructure upgrades and new facilities may be required to support the partnership in Darwin and Alice Springs.</li> </ul>	<ul style="list-style-type: none"> <li>Relocation of an existing national AFL Club to the NT.</li> <li>Relocated Club will require new or upgraded stadium infrastructure and supporting training facilities in Darwin and Alice Springs.</li> <li>The Club will encompass a men's and women's team in addition to reserve grade teams.</li> </ul>
<b>Indicative Preliminary Activities</b>	<ul style="list-style-type: none"> <li>Establishment of commercial partnerships to support the financial requirements of hosting the games and to facilitate promotion and marketing.</li> <li>Assessment and negotiation of extended games arrangement with target AFL and AFLW clubs.</li> <li>Assessment and negotiation of any infrastructure or facility upgrades required to support additional games.</li> </ul>	<ul style="list-style-type: none"> <li>Completion of a social and economic assessment (preliminary business case) of the proposal.</li> <li>Investment and development of talent pathways to support the Club with local players.</li> <li>Establishment of commercial partnerships to support the financial requirements of the operation of the Club and to facilitate promotion and marketing of the Club and home games.</li> <li>Assessment and negotiation of any infrastructure or facility upgrades required to support additional games.</li> <li>Securing funding commitments for the operational requirements of the Club partnership and to deliver the requisite infrastructure and facility upgrades.</li> <li>Assessment, negotiation and implementation of the Club partnership.</li> </ul>	<ul style="list-style-type: none"> <li>Completion of a social and economic assessment (preliminary business case) of the proposal.</li> <li>Investment and development of talent pathways to support the Club with local players.</li> <li>Establishment of commercial partnerships to support the financial requirements of the operation of the Club and to facilitate promotion and marketing of the Club and home games.</li> <li>Assessment and negotiation of required infrastructure or facility upgrades required to support additional games.</li> <li>Securing funding commitments for the operational requirements of the Club and to deliver the requisite infrastructure and facility upgrades.</li> <li>Detailed assessment and negotiation of the relocation of the existing AFL club, the stadium and facilities (detailed business case).</li> <li>Development, planning and implementation of stadium, facilities and relocated Club operations.</li> </ul>
<b>Expected Stage Timing</b>	0 to 3 years	4 to 6 Years	7 to 10+ Years



## 6.1.6 Option 6

Table 17: Overview of Option 6

Option Step	Stage 1 – Additional AFL Games	Stage 2 – Club Partnership/ Joint Venture	Stage 3 – NT AFL Club Licence
<b>Description</b>	<ul style="list-style-type: none"> <li>Expanded partnerships with existing AFL and AFLW clubs- increasing the number of NT-based AFL games annually.</li> <li>Some stadium and facility upgrades may be required in Alice Springs to support the additional games being played.</li> </ul>	<ul style="list-style-type: none"> <li>Formal AFL Club partnership or joint venture, with an existing club, with a commitment to a split of home games in the NT.</li> <li>Some stadium infrastructure upgrades and new facilities may be required to support the partnership in Darwin and Alice Springs.</li> </ul>	<ul style="list-style-type: none"> <li>Establish a new NT Club (20th AFL Club Licence) that reflects the culture and values of the Territory.</li> <li>NT Club will require new or upgraded stadium infrastructure and supporting training facilities in Darwin and Alice Springs.</li> <li>The Club will encompass a men's and women's team in addition to reserve grade teams.</li> </ul>
<b>Indicative Preliminary Activities</b>	<ul style="list-style-type: none"> <li>Establishment of commercial partnerships to support the financial requirements of hosting the games and to facilitate promotion and marketing.</li> <li>Assessment and negotiation of extended games arrangement with target AFL and AFLW clubs.</li> <li>Assessment and negotiation of any infrastructure or facility upgrades required to support additional games.</li> </ul>	<ul style="list-style-type: none"> <li>Completion of a social and economic assessment (preliminary business case) of the proposal.</li> <li>Investment and development of talent pathways to support the Club with local players.</li> <li>Establishment of commercial partnerships to support the financial requirements of the operation of the Club and to facilitate promotion and marketing of the Club and home games.</li> <li>Assessment and negotiation of any infrastructure or facility upgrades required to support additional games.</li> <li>Securing funding commitments for the operational requirements of the Club partnership and to deliver the requisite infrastructure and facility upgrades.</li> <li>Assessment, negotiation and implementation of the Club partnership.</li> </ul>	<ul style="list-style-type: none"> <li>Completion of a social and economic assessment (preliminary business case) of the proposal.</li> <li>Investment and development of talent pathways to support the Club with local players.</li> <li>Establishment of commercial partnerships to support the financial requirements of the operation of the Club and to facilitate promotion and marketing of the Club and home games.</li> <li>Assessment and negotiation of required infrastructure or facility upgrades required to support additional games.</li> <li>Securing funding commitments for the operational requirements of the Club and to deliver the requisite infrastructure and facility upgrades.</li> <li>Detailed assessment and negotiation of the AFL Club licence, the stadium and facilities (detailed business case).</li> <li>Development, planning and implementation of stadium, facilities and new Club operations.</li> </ul>
<b>Expected Stage Timing</b>	0 to 3 years	4 to 6 Years	7 to 10+ Years

## 6.1.7 Option 7

Table 18: Overview of Option 7

Option Step	Stage 1 – Additional AFL Games	Stage 2 – Club Partnership/ Joint Venture	Stage 3 – NAU AFL Club Licence
<b>Description</b>	<ul style="list-style-type: none"> <li>Expanded partnerships with existing AFL and AFLW clubs- increasing the number of NT-based AFL games annually.</li> <li>Some stadium and facility upgrades may be required in Alice Springs to support the additional games being played.</li> </ul>	<ul style="list-style-type: none"> <li>Formal AFL Club partnership or joint venture, with an existing club, with a commitment to a split of home games in the NT.</li> <li>Some stadium infrastructure upgrades and new facilities may be required to support the partnership in Darwin and Alice Springs.</li> </ul>	<ul style="list-style-type: none"> <li>Establish a 'NAU' Club (20th AFL Club Licence) - potentially across Darwin, Cairns and Northern Western Australia.</li> <li>NAU Club will require new or upgraded stadium infrastructure and supporting training facilities in multiple locations (Darwin, Alice Springs and Cairns).</li> <li>The Club will encompass a men's and women's team in addition to reserve grade teams.</li> </ul>
<b>Indicative Preliminary Activities</b>	<ul style="list-style-type: none"> <li>Establishment of commercial partnerships to support the financial requirements of hosting the games and to facilitate promotion and marketing.</li> <li>Assessment and negotiation of extended games arrangement with target AFL and AFLW clubs.</li> <li>Assessment and negotiation of any infrastructure or facility upgrades required to support additional games.</li> </ul>	<ul style="list-style-type: none"> <li>Completion of a social and economic assessment (preliminary business case) of the proposal.</li> <li>Investment and development of talent pathways to support the Club with local players.</li> <li>Establishment of commercial partnerships to support the financial requirements of the operation of the Club and to facilitate promotion and marketing of the Club and home games.</li> <li>Assessment and negotiation of any infrastructure or facility upgrades required to support additional games.</li> <li>Securing funding commitments for the operational requirements of the Club partnership and to deliver the requisite infrastructure and facility upgrades.</li> <li>Assessment, negotiation and implementation of the Club partnership.</li> </ul>	<ul style="list-style-type: none"> <li>Completion of a social and economic assessment (preliminary business case) of the proposal.</li> <li>Investment and development of talent pathways to support the Club with local players.</li> <li>Establishment of commercial partnerships to support the financial requirements of the operation of the Club and to facilitate promotion and marketing of the Club and home games.</li> <li>Assessment and negotiation of required infrastructure or facility upgrades required to support additional games.</li> <li>Securing funding commitments for the operational requirements of the Club and to deliver the requisite infrastructure and facility upgrades.</li> <li>Detailed assessment and negotiation of the AFL Club licence, the stadium and facilities (detailed business case).</li> <li>Development, planning and implementation of stadium, facilities and new Club operations.</li> </ul>
<b>Expected Stage Timing</b>	0 to 3 years	4 to 6 Years	7 to 10+ Years

## 6.2 Multi Criteria Assessment

Following confirmation of the long list of potential Options for the advancement towards a future AFL Club, a MCA as undertaken to determine the preferred option(s) that should be progressed for further analysis in the SBC. The following section outlines the approach undertaken in the MCA process, followed by the MCA scoring and outcomes of the options.

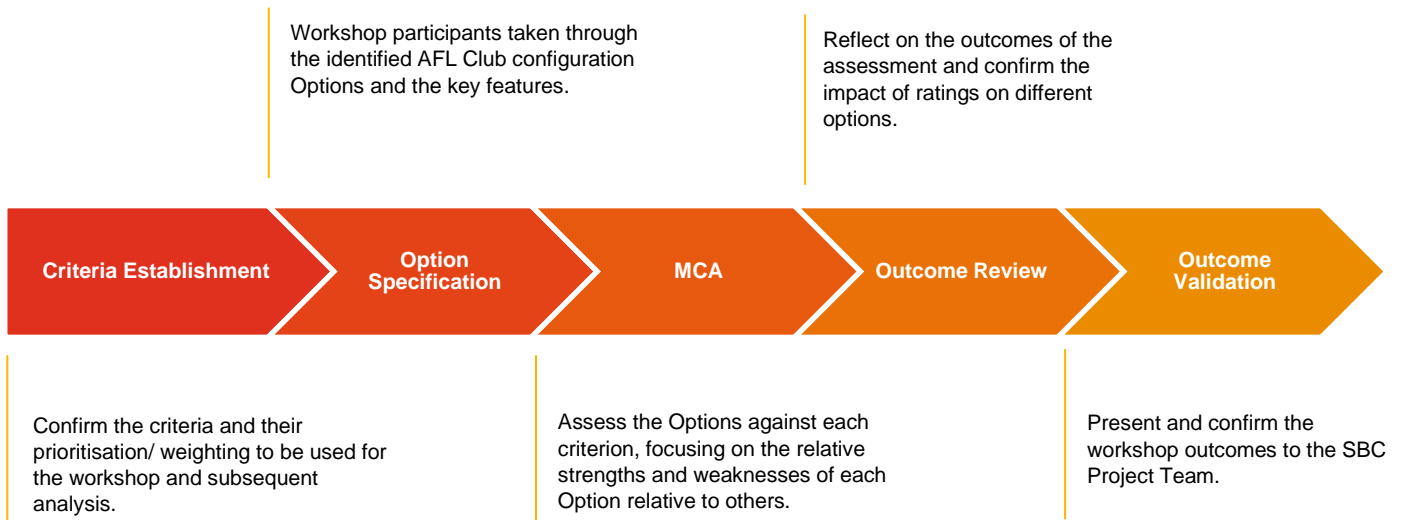
### 6.2.1 MCA Context

An MCA is a structured quantitative assessment tool used to shortlist or select preferred option(s) from a long list of potential options. The long list of Options is assessed against a range of criteria to determine the preferred option(s) that will be progressed for further assessment. Ordinarily, MCAs are completed in a workshop context, attended by key stakeholders of whom have a detailed knowledge and understanding of the Project, and the desired outcomes for the broader community or stakeholder group.

### 6.2.2 Approach

Figure 18 outlines the MCA process that was applied to assess the identified Options for the Project and to determine the preferred option(s) that should be progressed for further assessment in the SBC.

Figure 18: Approach to the MCA Process



To support this process, an MCA workshop was held on 23 November 2022 with key stakeholders of the Project, including:

Table 19: MCA Workshop Participants

Name	Organisation/ Body
Sam Graham	AFL
Marija Simich	AFL
Nick Hulett	AFL
Sean Bowden	AFLNT
Sam Gibson	AFLNT
Thomas Wilcox	AFLNT
Tony Edmonstone	AFLNT Taskforce
Nigel Browne	AFLNT Taskforce
Lewis Martin	AFLNT Taskforce
Peter Jackson	AFLNT Taskforce
Julian Kerr	Representative of Office of the Honourable Kate Worden
Ian Ford	Northern Territory Department of Families, Housing and Communities
Nicole Hurwood	Northern Territory Department of Families, Housing and Communities
Michael Bridge	Tourism NT

Following completion of the MCA workshop, the final assessment presentation, workshop outcomes and preferred AFL Club Options were circulated to all attendees for final review and consideration. Following feedback from attendees, the final workshop outcomes were presented to the Taskforce for consideration and an outline of the next steps regarding the SBC was discussed.

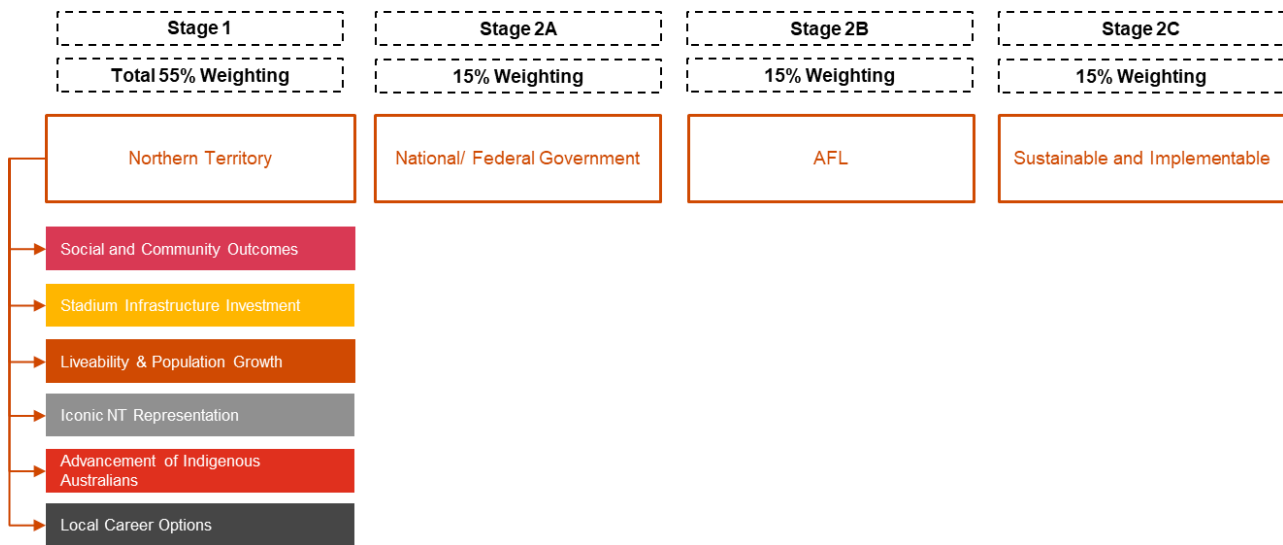
### 6.2.3 Criteria and Weightings

Following feedback from workshop participants, a two staged approach to the MCA was determined to appropriately reflect the influence of the key stakeholder groups. The stages were developed on the following basis:

- **Stage 1** includes those criteria specific to the NT, with criteria defined considering the problems and opportunities identified as part of the ILM.
- **Stage 2** includes those factors that will be important for the future funding, implementation and sustainability of an AFL Club. Stage 2 considers the priorities and objectives specific to the Australian Government and the AFL. This stage also considers the commercial viability and the ability to implement the option.

The structure of the assessment and overall criteria weightings is outlined in Figure 19.

Figure 19: MCA Staging and Overall Weightings



Criteria were developed by drawing upon the outcomes of the ILM, the strategic rationale for the Project and the analysis completed to date. Through feedback received from workshop participants, the weightings were developed and refined to reflect the relative importance of the criteria.

### Stage 1 Criteria

Criterion for Stage 1 of the Assessment are outlined in Table 20. The total weighting for Stage 1 was 55%, equating to an equal 9.67% weighting for each criterion in the stage.

Table 20: Stage 1 Criteria

Criterion	Definition	Considerations
<b>Social and Community Outcomes</b>	The degree to which the Option can positively impact social outcomes within the community in terms of health, wellbeing, gender equality, connectivity, community cohesion and education.	<ul style="list-style-type: none"> <li>Will the Option promote greater engagement in AFL and sport in general?</li> <li>Does the Option address gender inequality?</li> <li>Does the Option address inequality that is experienced by population groups across the NT?</li> <li>Will the Option improve education engagement?</li> <li>Will the Option contribute to improved community health and wellbeing outcomes?</li> </ul>
<b>Stadium Infrastructure Investment</b>	The degree to which the Option can support a case for new stadium infrastructure and facilities across the NT.	<ul style="list-style-type: none"> <li>Does the Option enable a new multi-purpose stadium and potential community and entertainment precinct in Darwin?</li> <li>Does the Option support a new or upgraded stadium in Alice Springs?</li> <li>Does the Option support upgraded facilities in other areas of the NT?</li> </ul>

Criterion	Definition	Considerations
<b>Liveability and Population Growth</b>	The degree to which the Option can improve the liveability, as a means of facilitating population and economic growth in the NT.	<ul style="list-style-type: none"> <li>Does the Option promote and support population growth in the NT?</li> <li>Will the Option support the attraction and retention of skilled people to the NT?</li> <li>Does the Option promote economic growth across the NT?</li> <li>Does the Option increase lifestyle and recreation offerings?</li> <li>Will the Option attract more local, domestic and international tourists?</li> </ul>
<b>Iconic NT Representation</b>	The degree to which the Option portrays the Territory's unique culture, values and Indigenous heritage.	<ul style="list-style-type: none"> <li>Does the Option reflect the unique heritage of the NT?</li> <li>Does the Option raise awareness and recognition of Indigenous culture?</li> <li>Does the Option present a true representation of the culture and values of the NT?</li> <li>Will the Option present a representation that Territorians will be proud to support?</li> <li>Will the Option attract supporters from outside of the NT?</li> </ul>
<b>Advancement of Indigenous Australians</b>	The degree to which the Option contributes to improving the outcomes and opportunities for Indigenous Australians in the Territory.	<ul style="list-style-type: none"> <li>Does the Option provide opportunities for partnerships between Indigenous and non-Indigenous people/businesses?</li> <li>Does the Option provide employment and business opportunities for Indigenous people?</li> <li>Does the Option contribute to improved social and health outcomes for Indigenous communities?</li> <li>Does the Option present opportunities for more Indigenous leaders in the community?</li> <li>Does the Option present opportunities for more Indigenous Australians to take up role in the sport?</li> </ul>
<b>Local Career Options</b>	The degree to which the Option can provide more local career Options for players and support staff.	<ul style="list-style-type: none"> <li>Does the Option provide opportunities for elite players to remain in the NT to play?</li> <li>Does the Option result in additional talent pathway Options for aspiring players?</li> <li>Does the Option result in more employment opportunities for Club support staff?</li> <li>Does the Option result in new or diversified careers Options e.g. high performance sports, event management, marketing and gameday support?</li> </ul>

### Stage 2 Criteria

Stage 2 considers those factors that will be important for the future funding, implementation and sustainability of the option. There are three separate elements to Stage 2:

- Stage 2A – Australian Government** – the degree to which the Option aligns with Australian Government priorities, and to which it may provide benefits on a national level.
- Stage 2B – AFL** – the degree to which the Option aligns with the priorities of the AFL and the critical requirements for expanding to a more permanent, top tier AFL presence in the region.
- Stage 2C – Sustainable and Implementable** - The degree to which the Option is expected to be commercially viable and presents a realistic and sustainable path to implementation.

Each element of Stage 2 has an individual weighting of 15%. Table 21 outlines each criterion for Stage 2 of the assessment.

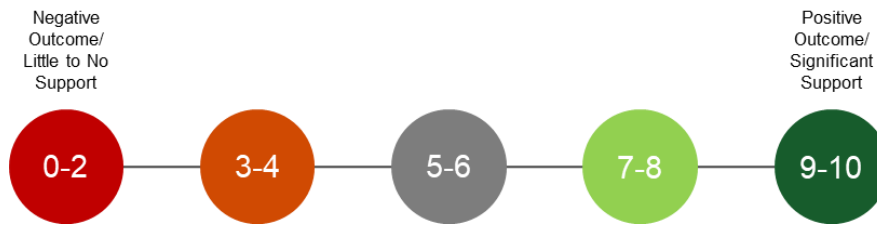
Table 21: Stage 2 Criteria

Criterion	Definition	Considerations
<b>Stage 2A – Australian Government</b>	The degree to which the Option aligns with Australian Government priorities, and to which it may provide benefits on a national level.	<ul style="list-style-type: none"> <li>• Will the Option assist in attracting skilled workers to the NT to support nationally significant industries such as Defence, Energy and Agriculture?</li> <li>• Does the Option make advancement towards achieving the national Closing the Gap agenda for improving the lives of Indigenous Australians across the country?</li> <li>• Does the Option contribute to establishing and sustaining Australia's strategic links to SE Asian neighbouring countries?</li> <li>• Does the Option present progress the NT to a more self-sustainable position, thereby reducing reliance on Australian Government funding?</li> <li>• Does the Option contribute to the development of a stronger and more resilient NAU (as envisioned in the White Paper)?</li> </ul>
<b>Stage 2B - AFL</b>	The degree to which the Option aligns with the priorities of the AFL and the critical requirements for expanding to a more permanent presence in the NT.	<ul style="list-style-type: none"> <li>• Will the Option present a solution that is attractive to the AFL and AFL clubs in terms of: <ul style="list-style-type: none"> <li>○ Competitiveness – will Option result in the Club being competitive on the playing field?</li> <li>○ Viewership and Support – will the Option facilitate appropriate member support and viewership?</li> <li>○ Talent Pathways – are feeder leagues and talent pathways adequate to meet the requirements of a club?</li> <li>○ Finances – will the Option give rise to a financially viable Club that is not reliant on significant AFL support?</li> <li>○ Infrastructure - will the Option permit the development of required infrastructure prior to a team commencing?</li> </ul> </li> </ul>
<b>Stage 2C – Sustainable and Implementable</b>	The degree to which the Option is expected to be commercially viable and presents a realistic and sustainable path to implementation.	<ul style="list-style-type: none"> <li>• Will the Option require significant upfront and/or recurrent investment?</li> <li>• Will the Option generate sufficient returns during assessment and implementation stages?</li> <li>• Does the Option present a proposal that is attractive to multiple and diverse funding sources?</li> <li>• Does the Option have a high likelihood of attracting commercial partners and sponsors?</li> <li>• Is the path to implementation realistic and will it achieve a sustainable outcome?</li> <li>• Does the Option present a high level of risk for stakeholders?</li> <li>• Will the Option garner a high level of community acceptance and buy in?</li> </ul>

### Scoring Scale

A simplified rating system was used to score the individual criteria. This rating system, presented in Figure 20, focuses on the relative performance of each Option against the agreed criteria with consideration of the key questions. This culminated in a weighted score for each option.

Figure 20: MCA Scoring Scale



#### 6.2.4 Stage 1 Assessment

##### Criterion 1 – Social and Community Outcomes

Criterion 1 assesses the degree to which the Option can positively impact social outcomes within the NT community in terms of improved health, wellbeing, gender equality, connectivity, community cohesion and education. The outcomes sought are intrinsically linked to the expansion of the game throughout the community, facilitated by the development of a premier grade Club representing the region. Table 22 presents the scores for this criterion.

Table 22: Criterion 1 Scores

Option	Score
1 – Club Relocation	6
2 – NT Club Licence	7
3 – NAU Club Licence	7
4 – Additional AFL Games, Club Partnership	7
5 – Additional AFL Games, Club Partnership, Club Relocation	9
6 – Additional AFL Games, Club Partnership, NT AFL Club Licence	9
7 – Additional AFL Games, Club Partnership, NAU AFL Club Licence	8

Options 5 and 6 were identified as the preferred Options for generating the most optimal social and community outcomes in the NT. These Options were most likely to promote the staged and sustainably developed community engagement programs centred around a more significant AFL presence in the region. It was expected that similar programs may be developed under other options, however, the assessment considered the impact of these programs to be less extensive and less sustainable or would not provide the same level of benefits to the NT (as was the case for Option 7).



### Criterion 2 – Stadium Infrastructure Investment

Criterion 2 assesses the degree to which the Option can support a case for the development of new and upgraded stadium infrastructure and facilities across the NT. Table 23 outlines the scores for this criterion.

Table 23: Criterion 2 Scores

Option	Score
1 – Club Relocation	9
2 – NT Club Licence	9
3 – NAU Club Licence	7
4 – Additional AFL Games, Club Partnership	6
5 – Additional AFL Games, Club Partnership, Club Relocation	9
6 – Additional AFL Games, Club Partnership, NT AFL Club Licence	9
7 – Additional AFL Games, Club Partnership, NAU AFL Club Licence	7

Options 1,2,5 and 6 rated highest against this criterion as all Options would require significant investment in infrastructure and facilities to support NT based clubs. In practice, it is expected that a permanent and dedicated NT Club would require investment in a new stadium in Darwin and significant upgrades to Traeger Park in Alice Springs to cater for the number of home games played during the season. While Option 3 and 7 would also result in significant investment in stadium infrastructure, this was likely to be split across multiple jurisdictions across NAU and may not result in the same level of stadium infrastructure development in the NT.

### Criterion 3 – Liveability and Population Growth

Criterion 3 assess the degree to which the Option can improve the liveability of the NT and in turn contribute to the growth in the local population and economic development in the region. Criterion 3 intrinsically considers how the Option would contribute to the NT Government's strategies towards growing the NT population and achieving target growth of the economy. Table 24 outlines the scores for this criterion.

Table 24: Criterion 3 Scores

Option	Score
1 – Club Relocation	7
2 – NT Club Licence	7
3 – NAU Club Licence	6
4 – Additional AFL Games, Club Partnership	6
5 – Additional AFL Games, Club Partnership, Club Relocation	9
6 – Additional AFL Games, Club Partnership, NT AFL Club Licence	9
7 – Additional AFL Games, Club Partnership, NAU AFL Club Licence	7

Options 5 and 6 were identified as the highest rating Options on the basis that they would most significantly improve the liveability of the NT, and attracting people to visit, stay and live in the region. These Options presented a steady growth in the number of games in the NT, that was expected to have a flow on impact to the growth in the appeal of the region for migrants. These Options were also likely to result in steady growth in demand for local tourism, hospitality and retail business offerings, that would result in greater economic impact for the region.

Without the progressive build up in games in the region in the lead up to a permanent club, or without the permanent Club itself, it is unlikely that the same level of population growth or economic impact will result. Similarly, the NAU Options (Options 3 and 7) were unlikely to result in the same level of impact for the NT.

#### Criterion 4 – Iconic NT Representation

Criterion 4 assesses the degree to which the Option portrays the NT's unique culture, values and Indigenous heritage. Table 25 outlines the scores for this criterion.

Table 25: Criterion 4 Scores

Option	Score
1 – Club Relocation	6
2 – NT Club Licence	9
3 – NAU Club Licence	7
4 – Additional AFL Games, Club Partnership	6
5 – Additional AFL Games, Club Partnership, Club Relocation	6
6 – Additional AFL Games, Club Partnership, NT AFL Club Licence	9
7 – Additional AFL Games, Club Partnership, NAU AFL Club Licence	7

Options 2 and 6, as the only two Options that include the genesis of truly NT clubs, returned the highest scores for the criterion. These Options are expected to be established specifically to reflect the unique values of the NT and to integrate and promote the Indigenous heritage of the region. The other Options for NAU, Club relocations or partnerships are expected to require an amalgamation of the identity of the NT and the other jurisdictions, and therefore potentially diluting the influence of the NT in the final representation.

#### Criterion 5 – Advancement of Indigenous Australians

Criterion 5 assesses the degree to which the Option contributes to improving the outcomes and opportunities for Indigenous Australians in the NT, through presenting new partnership, business, employment and other opportunities for Indigenous Australians to become involved within, and to support, the game. Table 26 outlines the scores for this criterion.

Table 26: Criterion 5 Scores

Option	Score
1 – Club Relocation	6
2 – NT Club Licence	7
3 – NAU Club Licence	7
4 – Additional AFL Games, Club Partnership	6
5 – Additional AFL Games, Club Partnership, Club Relocation	8
6 – Additional AFL Games, Club Partnership, NT AFL Club Licence	9
7 – Additional AFL Games, Club Partnership, NAU AFL Club Licence	9

Options 6 and 7 were identified as having the most significant impact against this criterion on the basis that they are likely to offer more partnership, business and employment opportunities over an extended period compared to other options. Furthermore, as these Options will be developed from the grassroots level, it is expected that the establishment of the Club will seek to engage with and involve Indigenous people and Traditional Owners in the planning and development of the club. For other Options that include Club relocations, while these will likely generate new opportunities for partnerships, business and employment opportunities in the long term, it is expected that many of these arrangements will transition from the original home location.

### Criterion 6 – Local Career Options

Criterion 6 assesses the degree to which the Option can support the creation of more NT based playing and non-playing employment opportunities within the game, and indirect employment opportunities in industries outside of the game. Table 27 outlines the scores arising for this criterion.

Table 27: Criterion 6 Scores

Option	Score
1 – Club Relocation	6
2 – NT Club Licence	6
3 – NAU Club Licence	6
4 – Additional AFL Games, Club Partnership	6
5 – Additional AFL Games, Club Partnership, Club Relocation	8
6 – Additional AFL Games, Club Partnership, NT AFL Club Licence	9
7 – Additional AFL Games, Club Partnership, NAU AFL Club Licence	8

Option 6 scored the highest against this criterion. Ultimately, a new NT based club, supported by structured pathways for the development of a Club and expansion of the game in region, is likely to offer more in terms of direct and indirect employment opportunities. Furthermore, this Option is expected to include the establishment of progressively developed community-based programs that will present additional playing and non-playing roles. The indirect flow on benefits to supporting businesses is likely to also result in an increase in employment opportunities in industries such as tourism, hospitality and retail.

#### 6.2.5 Stage 2 Assessment

##### Stage 2A – Australian Government

Stage 2A considers the impact the Option has on nationally relevant initiatives and strategies. Importantly, Stage 2A considers the overall impact on the development of NAU, growth in population to support nationally significant industries (Defence, Energy and Agriculture) and contribution towards the Closing the Gap agenda. In turn, Stage 2A considers how the Option may contribute towards a more prosperous, resilient and progressive NAU. Table 28 outlines the score against this criterion.

Table 28: Criterion 2A Scores

Option	Score
1 – Club Relocation	6
2 – NT Club Licence	6
3 – NAU Club Licence	6
4 – Additional AFL Games, Club Partnership	5
5 – Additional AFL Games, Club Partnership, Club Relocation	8
6 – Additional AFL Games, Club Partnership, NT AFL Club Licence	9
7 – Additional AFL Games, Club Partnership, NAU AFL Club Licence	9

Options 6 and 7 were identified as having the greatest impact on achieving the national priorities for the region, with these Options expected to offer a structured and sustainable platform for creating employment opportunities, improving liveability, advancing the lives of Indigenous Australians, and enhancing the economic stability of the region.

## Stage 2B – AFL

Stage 2B assesses the degree to which the Option aligns with the priorities of the AFL and the critical requirements for expanding to a more permanent presence in the NT. Importantly, this includes consideration of the competitiveness of the club, the ability to attract members, sufficiency of talent pathways, financial viability and the ability to develop the required infrastructure to support the club. Table 29 outlines the scores against this criterion.

Table 29: Criterion 2B Scores

Option	Score
1 – Club Relocation	7
2 – NT Club Licence	4
3 – NAU Club Licence	4
4 – Additional AFL Games, Club Partnership	8
5 – Additional AFL Games, Club Partnership, Club Relocation	8
6 – Additional AFL Games, Club Partnership, NT AFL Club Licence	9
7 – Additional AFL Games, Club Partnership, NAU AFL Club Licence	8

Option 6 was returned as the preferred Option against the presented criteria and priorities for the AFL on the basis that it offers a structured and sustainable approach to establishing a Club in the region. It is noted, however, that this Option was identified as the preferred on the basis that Tasmania proceeded with the 19<sup>th</sup> Club licence, thereby presenting an opportunity for a 20<sup>th</sup> Club licence (the NT option).

The Option for a continuum leading to a NAU Club was also viewed favourably, however, there were concerns regarding the potential risks that this presented with cross-jurisdictional facilities, member bases, talent pathways and sponsors.

## Stage 2C – Sustainable and Implementable

Stage 2C assesses the degree to which the Option is commercially viable and presents a realistic and sustainable path to implementation. Specifically, Stage 2C considers the level of upfront and recurring expenditure, the ability to generate sufficient returns throughout the Project lifecycle, ability to access diverse funding and to attract corporate partners/sponsors, the level of risk presented by the Project and the degree of community support for the option. Table 30 outlines the scores against this criterion.

Table 30: Criterion 2C Scores

Option	Score
1 – Club Relocation	5
2 – NT Club Licence	4
3 – NAU Club Licence	4
4 – Additional AFL Games, Club Partnership	9
5 – Additional AFL Games, Club Partnership, Club Relocation	7
6 – Additional AFL Games, Club Partnership, NT AFL Club Licence	6
7 – Additional AFL Games, Club Partnership, NAU AFL Club Licence	6

Option 4 rated as the preferred Option due to the lower level of upfront and ongoing capital investment required, therefore resulting in lower risk rating and higher chance of obtaining the requisite funding compared to other options. Furthermore, it was concluded that Option 4 was expected to generate sufficient returns over the lifecycle relative to the level of upfront and ongoing capital expenditure. Option 5 was the second preferred Option on the basis that a relocated Club was expected to have a higher likelihood of long-term financial sustainability due to transitioning an existing member base and corporate

partners. Challenges presented with a Club relocation were identified in terms of gaining local community support and potentially drawing on smaller pool of funding sources.

### 6.2.6 Combined and Weighted Assessment

Table 31 presents the core outcomes of the MCA process. These outcomes were determined by applying the respective stage weightings to the scores returned for the criteria for each option. The final outcomes were validated by the attendees of the MCA workshop and subsequently by the Taskforce.

Table 31: Final MCA Outcomes

Option	Score			Rank
	Stage 1 – Weighted Score	Stage 2A – Weighted Score	Overall Weighted Score	
1 – Club Relocation	3.7	2.5	6.2	5
2 – NT Club Licence	4.1	2.1	6.2	5
3 – NAU Club Licence	3.7	2.1	5.8	7
4 – Additional AFL Games, Club Partnership	3.4	3.3	6.7	4
5 – Additional AFL Games, Club Partnership, Club Relocation	4.5	3.4	7.9	2
6 – Additional AFL Games, Club Partnership, NT AFL Club Licence	5.0	3.6	8.6	1
7 – Additional AFL Games, Club Partnership, NAU AFL Club Licence	4.2	3.5	7.7	3
Stage Weightings	55%	45%		

Option 6 (the continuum including additional AFL games, progressing to a formal Club partnership and culminating in an NT AFL Club licence) was identified as the preferred option, based on the criteria provided in the MCA. This Option was deemed to result in the most significant benefits for the NT and presented an Option that was most likely to be attractive to the key stakeholders (AFL, NT Government and Australian Government). It is noted, however, that this Option was identified as the preferred on the basis that the Tasmanian Club would enter the competition in 2028 as the 19<sup>th</sup> team, thereby presenting an opportunity for a 20<sup>th</sup> Club licence (the NT option) to be awarded.

In the event that the Tasmanian conditional licence was revoked and the competition remained as an 18-Club competition, there may be a preference from the AFL and other stakeholders to consider the relocation of an existing AFL club, as opposed to a new licence for the establishment of a Club in the region. Option 5 (the continuum including additional AFL games, progressing to a formal Club partnership and culminating in an existing Club relocation) was therefore identified as the second preferred option.

Option 7 (the continuum including additional AFL games, progressing to a formal Club partnership and culminating in a NAU AFL Club licence) was ranked as the third preferred option. In practice, Option 7 presents a significant opportunity to attract a higher number of members and corporate partners to a future Club and would likely have a more significant impact on the advancement of Indigenous Australians because of its broader reach. However, the Option would result in potential infrastructure upgrades in multiple locations (impacting financial viability) and would not provide the same level of benefits directly to the NT as would come with a dedicated NT Club (as offered by Option 6 and 5).

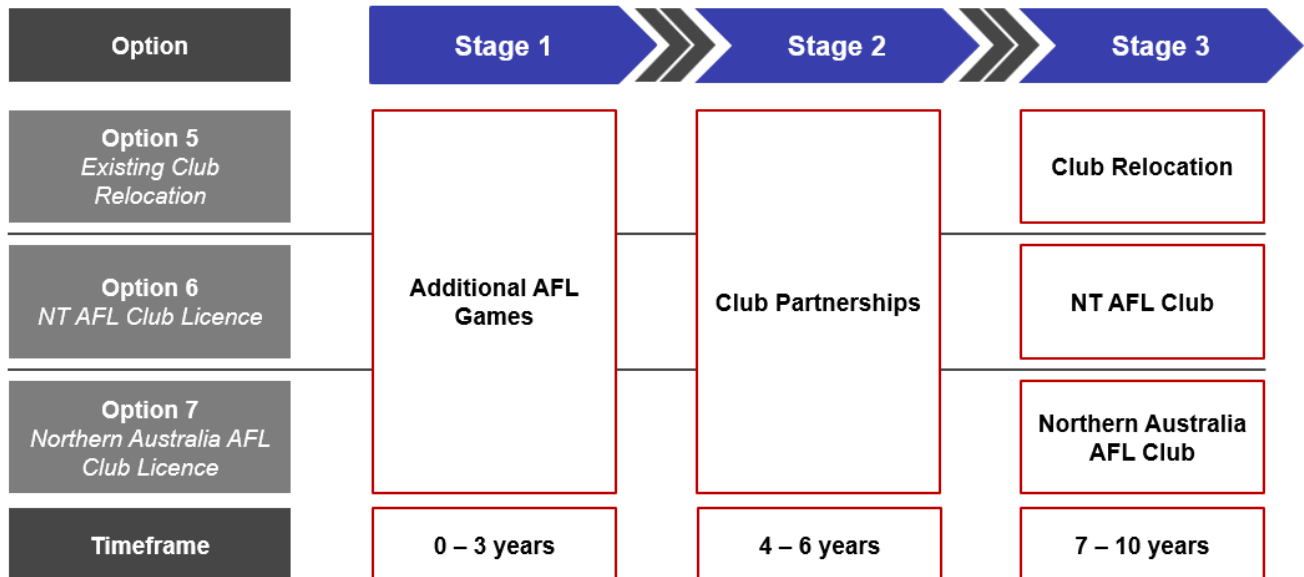
While the outcomes of the MCA did dictate an order of preference across the options, the scoring differential was relatively small, and the first three Options were clearly distinguishable from the remaining four options.

Option 1 to Option 4 were the least preferred due to them being considered unsustainable and commercially unattractive or not resulting in the same level of benefits to the NT as the preferred options.

### 6.2.7 Shortlisted Options

Based on the analysis completed, the following Options were shortlisted and will be progressed for further assessment as shown in Figure 21:

Figure 21: Shortlisted Continuum Options



The three shortlisted Options will be progressed for further assessment through the remaining Chapters of this Report to consider their respective financial, social and economic viability. As is evident, the three shortlisted Options contain the same Stage 1 and Stage 2 activities (additional AFL games progressing to a more formal Club partnership), with only Stage 3 of each Option varying. As such, to provide a basis for differentiating between the three options, the assessments will apply specific attention to the Stage 3 activities for these options.

### 6.3 Implementation Considerations for Preferred Options

Table 32 was developed to capture the key qualitative implementation considerations that gave rise to the scoring outcomes identified as part of the scoring process for each of the three final stage options. The considerations reflect the views of stakeholders that were engaged as part of the MCA process.

Table 32: Implementation Considerations for Preferred Options

	Operations & Infrastructure	Commercial & Funding	Social & Community	Talent Pathways
Description of Consideration Area	Operation of the Club option, considering team requirements, game day operations, travel and logistics and access to labour.  Scale of infrastructure requirements to support the Club Option and ability to fund and deliver stadia and supporting facilities.	Access to members, sponsors and corporate partners to support operational funding requirements. Consideration of governance structure associated with the Club option.	Level of community support for the Club Option and the expected overall social impact arising from the club.	Access to suitable local talent pathways and player development programs to support the player requirements of the club.
NT Club	<ul style="list-style-type: none"> <li>Headquartered in Darwin, the Club is expected to draw on existing expertise within AFLNT and related organisations to establish the Club operating structure and to fill key roles. Consideration would also be required to be given to establishing a physical presence, with staff in Alice Springs.</li> <li>The NT has a legacy challenge in attracting and retaining qualified personnel. This is expected to be key challenge for a future club.</li> <li>The playing roster would be required to be established, with a preference to recruit locally based players. Support through favourable draft allocations is expected to support the establishment of the club.</li> <li>A NT Club is expected to require a new Darwin City stadium or significant upgrades to the existing TIO Stadium to cater for corporate hospitality, extra seating, team facilities, surface upgrades and supporting transport and access infrastructure.</li> <li>Upgrades will also be required at Traeger Park to enhance the venue to cater for an increased volume of games.</li> <li>Additional Club training facilities in Darwin will also be required to be developed. Where a new Darwin City stadium is developed, TIO stadium may become the training facility for the club.</li> </ul>	<ul style="list-style-type: none"> <li>The NT maintains a low population base (&lt;300k people) to draw members and sponsors from and this will have a significant impact on Club funding requirements.</li> <li>Sponsorships and partnerships may be secured through CSR objectives and/or through large mining and energy organisations with projects in the NT.</li> <li>Operational funding expected to be sourced from the AFL, NT Government, Australian Government, particularly in early years of the club.</li> <li>Indigenous corporations (e.g. Land Councils) may be a potential source of funding, with linkages to social outcomes in the NT.</li> <li>AFL distribution expected to be benchmarked to Tasmanian contribution, lower than other expansion clubs, such as GWS Giants and Gold Coast Suns.</li> <li>Due to the unique funding model proposed for the club, a governance structure with representation of the AFL and key funding partners is expected to be developed.</li> <li>Commercial arrangements with key local service providers and suppliers will need to be established.</li> </ul>	<ul style="list-style-type: none"> <li>A NT Club is expected to generate a higher level of community engagement than other proposed Options due to the Club being unique to the NT and developed to reflect the NT heritage, culture and values. This is expected to be reflected in the naming and branding of the club.</li> <li>A NT Club presents a platform to rapidly, and significantly, expand the existing community programs run by AFLNT thereby having a substantial impact on educational engagement, health and wellbeing and community cohesion.</li> <li>Direct benefits are expected to result for remote and rural communities in the NT through greater participation rates, player development and community programs.</li> <li>Increased direct investment by the AFL into developing talent pools and pathways also expected to positively influence retention of elite sporting talent within the NT, that will benefit the region and the broader AFL community.</li> </ul>	<ul style="list-style-type: none"> <li>Currently the NT maintains limited suitable talent pathways to support a Club in the region. The scale of the NT population now and into the future presents similar challenges and is unlikely to be able to support a genuine second grade or reserve grade Club feeder competition that is equivalent to the VFL, WAFL or QAFL. As such, reserve grade teams are expected to have to participate in competitions outside of the NT, for example the NEAFL.</li> <li>The NT Thunder is an example of the challenges experienced in the NT for semi-elite teams.</li> <li>Notwithstanding, a future Club is expected to increase the level of participation, and the quality, of players in the region, thereby improving the number of players potentially progressing to semi elite and elite playing standards.</li> </ul>

	Operations & Infrastructure	Commercial & Funding	Social & Community	Talent Pathways
<b>Club Relocation</b>	<ul style="list-style-type: none"> <li>A relocated Club is expected to transfer the established operating structure upon transition to the NT. This would include personnel in key roles, with some local recruitment required to fill additional positions.</li> <li>The playing roster, and player support roles, are expected to be retained as part of the transition, meaning little disruption to the team structure. The roster is expected to be bolstered by local players sourced through NT based talent pathways.</li> <li>As with a new NT based club, a relocated Club is expected to require a new Darwin City stadium or significant upgrades to the existing TIO Stadium to cater for corporate hospitality, extra seating, team facilities, surface upgrades and supporting transport and access infrastructure.</li> <li>Upgrades will also be required at Traeger Park to enhance the venue to cater for an increased volume of games.</li> <li>Additional Club training facilities in Darwin will also be required to be developed. Where a new Darwin City stadium is developed, TIO stadium may become the training facility for the club.</li> </ul>	<ul style="list-style-type: none"> <li>A relocated Club is expected to transition an established member base and corporate sponsors to the NT. New local members, corporate sponsors and partners are expected to be sourced to supplement those transferring with the club.</li> <li>Similar NT funding partners to those proposed for an NT AFL Club are anticipated, however, as the relocated Club will transition with an established member base and corporate sponsors, the operational funding gap is not expected to be as significant as for a NT based club.</li> <li>A relocated club may also attract AFL financial concessions to support the transition, and to ensure longer term sustainability.</li> <li>The governance structure for the relocated Club is anticipated to be established to enable involvement of existing members, in addition to newly acquired NT members.</li> <li>Due to the unique operational funding model proposed for the club, the governance structure is also expected to include representation of the AFL and key funding partners.</li> <li>Commercial arrangements with key local service providers and suppliers will need to be established.</li> </ul>	<ul style="list-style-type: none"> <li>In the early years, a relocated Club is expected to attract a degree of support from the NT community, however, not to the same extent as a new NT club, due to the Club not being a unique representation of the Territory culture and values.</li> <li>Consideration will be required regarding the branding of the relocated Club and the design of the engagement program needed to maximise support within the community.</li> <li>Notwithstanding, a relocated Club will still present a platform to rapidly, and significantly, expand the existing community programs run by AFLNT, thereby having a substantial impact on educational engagement, health and wellbeing and community cohesion.</li> <li>Direct benefits to remote and rural communities in the NT will arise through greater participation rates, player development and community programs.</li> <li>Increased direct investment by the AFL into developing talent pools and pathways also expected to positively influence retention of elite sporting talent within the NT, that will benefit the region and the broader AFL community.</li> </ul>	<ul style="list-style-type: none"> <li>A relocated Club will transfer to the NT with an established playing roster, including reserve grade teams. Furthermore, the Club is expected to have established arrangements with feeder clubs across the country to support future player requirements.</li> <li>These talent pools and pathways are anticipated to be supplemented by locally developed pathways to enable the progression of local talent into the Club roster.</li> <li>Reserve grade teams are also expected to transfer to the NT, however, consideration will be required regarding the logistical requirements for the teams to continue competing in their respective competitions. As with a NT based club, it is unlikely that an appropriate NT reserve grade competition will be able to be sustained in the region, and these teams will be required to travel to alternate jurisdictions to compete.</li> <li>Notwithstanding, a future Club is expected to increase the level of participation, and the quality of players in the region, thereby improving the number of players potentially progressing to semi elite and elite playing standards.</li> </ul>



## Options Assessment

	Operations & Infrastructure	Commercial & Funding	Social & Community	Talent Pathways
<b>NAU Club</b>	<ul style="list-style-type: none"> <li>It is expected that a NAU Club would maintain its home bases in Darwin and Cairns. These bases would include permanent facilities and staff required to manage the operations of the club. The playing schedule for the Club is also anticipated to include games in Alice Springs.</li> <li>It will be important for the playing group, support staff and key corporate functions to be centralised in a single location, and consideration will be required as to whether this location is in Darwin or Cairns. Service requirements and staffing levels in the non-primary location will also require consideration. These services may include support for game day operations, facility management, community development and services and non-core corporate services.</li> <li>Maintaining facilities and personnel in different locations is expected to result in a higher cost base for the club, and some logistical and cultural challenges for the Club staff may arise.</li> <li>Notwithstanding, maintaining a playing location in Cairns will enable playing and scheduling challenges related to seasonal weather concerns and logistical challenges for teams accessing the NT to be mitigated.</li> <li>Multiple home locations is expected to mitigate some risks associated with the ability to attract and retain Club staff and players, due to the larger population base, and Cairns being in closer proximity to key AFL playing locations in Queensland, New South Wales and Victoria.</li> <li>Appropriate stadia and Club facilities will be required in Darwin and Cairns. In the short to medium term, upgrades to TIO Stadium (Darwin) and tier 2 stadia in Cairns (most likely Cazalys stadium) are expected to be required to cater for improvements to corporate hospitality, extra seating, team facilities, surface upgrades and supporting transport and access infrastructure.</li> <li>Upgrades will also be required at Traeger Park to enhance the venue to cater for an increased volume of games.</li> <li>Additional Club training facilities in Darwin and Cairns will also be required to be developed.</li> </ul>	<ul style="list-style-type: none"> <li>A NAU Club presents a more significant population base, upon which a Club may be established. With a combined population of more than 500,000 (considering geographical range of the NT, Cairns and Townsville) the Club has a more significant base from which to draw members, sponsors and partners.</li> <li>The larger population base, and geographical spread, also presents a more significant base for media and broadcast coverage, as compared to a purely NT based Club option.</li> <li>Sponsorships and partnerships may be secured through CSR objectives and/or through large mining and energy organisations with projects in the NT.</li> <li>Operational funding is expected to be sourced from the AFL, NT Government, Queensland Government, Australian Government, particularly in early years of the club.</li> <li>Indigenous corporations (e.g. Land Councils) may be a potential source of funding, with linkages to social outcomes in the NT and regional Queensland (e.g. Cape York).</li> <li>AFL distribution expected to be benchmarked to Tasmanian contribution, lower than other expansion clubs, such as GWS Giants and Gold Coast Suns.</li> <li>Due to the unique funding model proposed for the Club and the Club extending across multiple jurisdictions, a governance structure with representation of the AFL, NT and Queensland Governments and key funding partners is expected to be required.</li> <li>Commercial arrangements with key local service providers and suppliers will need to be established across key operating locations.</li> </ul>	<ul style="list-style-type: none"> <li>Community engagement and support for a uniquely NAU Club is expected to be significant considering the passion that exists for the game across both the NT and Cairns regions.</li> <li>Due to the larger and more diverse population bases in the different regions, the reach and impact of the Club is expected to far exceed that of a purely NT based club.</li> <li>A NAU Club presents a platform to rapidly, and significantly, expand the existing community programs run by AFLNT and QAFL thereby having a substantial impact on educational engagement, health and wellbeing and community cohesion of people, particularly Indigenous Australians, across NAU.</li> <li>Direct benefits are expected to result for remote and rural communities in the NT and Cape York through greater participation rates, player development and community programs.</li> <li>Increased direct investment by the AFL into developing talent pools and pathways also expected to positively influence retention of elite sporting talent within the NT and Cairns region, that will benefit the region and the broader AFL community.</li> </ul>	<ul style="list-style-type: none"> <li>The NT and Cairns regions both maintain strong semi-professional leagues that will play an important role in the development of local talent for a future NAU club. Notwithstanding, the existing leagues in both locations are not currently suitable Options for the development of genuine reserve grade teams for the club.</li> <li>It is expected that the reserve grade teams will be required to compete in an established feeder competition such as the VFL or QAFL.</li> <li>Notwithstanding, a future Club is expected to increase the level of participation, and the quality, of players in the region, thereby improving the number of players potentially progressing to semi elite and elite playing standards.</li> </ul>

## 6.4 Summary

This Chapter further explored the standalone Club Options that were developed in Chapter 3. Based on feedback from the AFL, AFLNT and other key stakeholders, an Options long list was developed, comprising of several standalone and “continuum” options. The long list of Options was assessed through the completion of an MCA, which identified a shortlist of three Club continuum Options that will be progressed for further assessment as part of the SBC. The shortlisted Options were as follows:

- **Option 6** - continuum including additional AFL games, progressing to a formal Club partnership and culminating in an NT AFL Club licence.
- **Option 5** - continuum including additional AFL games, progressing to a formal Club partnership and culminating in an existing Club relocation.
- **Option 7** - continuum including additional AFL games, progressing to a formal Club partnership and culminating in a NAU AFL Club licence.

The operational details and infrastructure requirements associated with each shortlisted Option has been further detailed in Chapter 7 – Financial Assessment. A range of implementation considerations for each of the shortlisted Options was also developed and outlined.

# 7 Financial Assessment

## 7.1 Purpose

The purpose of this Chapter is to outline the outcomes of the financial assessment completed in relation to the shortlisted AFL Club continuum options. The assessment considers the financial outcomes for each stage of the three continuum Options and the total financial impact that is expected to arise for the different Project stakeholders and funding partners involved in a prospective AFL Club. Commentary is also included on the financial sustainability of the Project and potential AFL Club funding parties. This Chapter also provides a detailed overview of a range of operational assumptions related to the Project, that have been relied upon in completing the financial assessments. This Chapter includes:

- Financial Assessment Methodology.
- Options Definition.
- Financial Assessment – Construction Phase.
- Financial Assessment – Operation Phase.
- Financial Assessment Summary.
- Affordability Considerations.
- Summary.

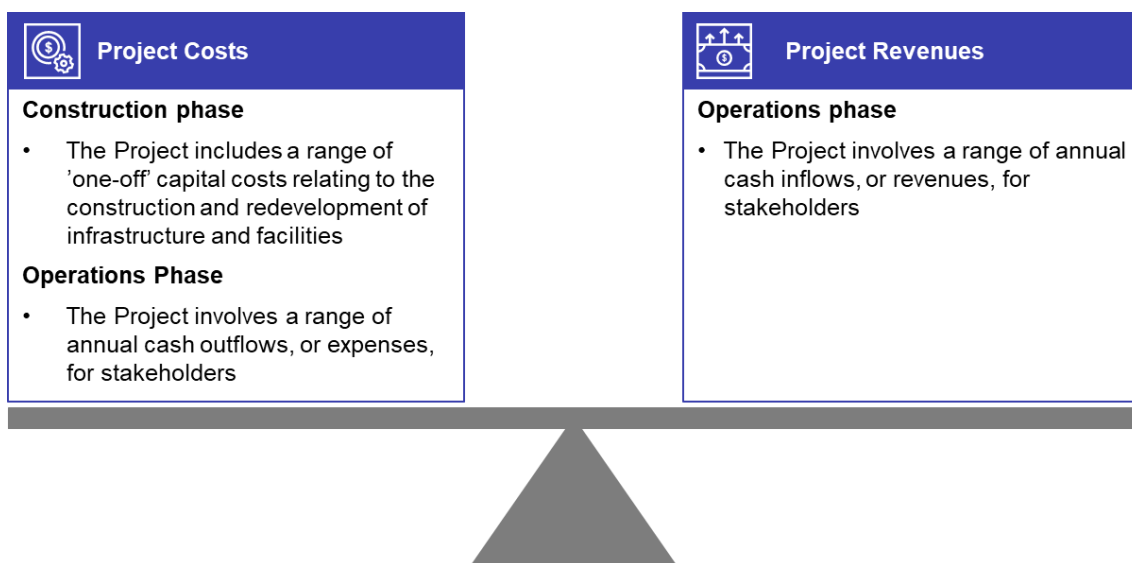
## 7.2 Financial Assessment Methodology

The financial assessment considers the total financial impact of each stage of the shortlisted continuum options. In the completing the assessment, the construction phase and the operations phase have been considered separately due to the distinct activities that occur in each phase. These phases have been defined as follows:

- **Construction Phase:** The expected capital cost for infrastructure and facilities that are required to be developed as part of each stage of the respective continuum option.
- **Operations Phase:** The expected operational cash flows associated with each stage of the respective continuum option.

Figure 22 provides a high-level overview of the categories of Project costs and Project revenues across both the construction and operations phase of the shortlisted continuum options.

Figure 22: Financial Analysis Approach



The assessment outlined in this Chapter considers the financial impact of the construction and operations phases of the different continuum Options using a point in time reference for each continuum stage. This methodology was adopted in favour of a more conventional long term cashflow analysis due to the inherent uncertainty regarding the timing and sequencing of continuum stages. Furthermore, this methodology enables greater transparency for potential funding partners to assess the “funding gap” that is likely to exist for each of the Options considered.

It is noted that a more traditional cashflow analysis will be completed as part of a future DBC. The traditional cashflow analysis will be possible once a preferred Club Option has been determined, and further definition regarding continuum stage sequencing and timing has been agreed.

### 7.2.1 Key Assumptions

The assumptions outlined in Table 33 have been relied upon in completing the financial assessment:

Table 33: Financial Assessment Assumptions

Phase of financial assessment	Assumptions
<b>General assumptions</b>	<ul style="list-style-type: none"> <li>• The financial assessment has been undertaken such that infrastructure and operations are assessed as if they were to be constructed/executed in today’s terms. As such, all dollar values expressed in this Chapter are presented in real terms in FY23 \$ (unless otherwise stated). This approach has been adopted to allow for ease of comparison across different stages of the continuum options. In practice, it is expected that facilities and infrastructure will be constructed at different points in time and the cash inflows and outflows from operations will occur across different years. As such, the true cost of capital and operating expenditures and revenues are likely to vary year on year due to factors such as inflation. No attempt has been made to present the cashflows in nominal terms (actual \$ value in year of future cashflow) due to the uncertainty regarding timing of continuum stages.</li> <li>• Several assumptions and point-in-time estimates, relied upon in completing this financial assessment, were collectively developed with Project stakeholders as part of the Project Development and Implementation and the Club Data Validation workshops. These assumptions and estimates are preliminary in nature and are subject to change over time as the Project concepts mature and evolve. These assumptions will be required to be revisited and retested as part of future DBC assessments in respect of the Project.</li> <li>• Tax, depreciation and amortisation have not been considered.</li> <li>• Given the early stage of this Project, the figures included in the financial assessment are approximate only and represent best estimates based on the available information.</li> </ul>
<b>Construction phase</b>	<ul style="list-style-type: none"> <li>• Capital costs included in this assessment have been benchmarked to similar stadium infrastructure projects recently completed in Australia. Capital cost estimates provided are indicative only and should not be relied upon as final. Given the early stage of the Project, detailed designs for the proposed infrastructure and facility upgrades have not been developed and site-specific assessments have not been undertaken. Once a final stadium infrastructure and supporting facility specification and design for a preferred Club continuum Option has been developed, a formal quantity survey and cost estimate will be required to be completed. In order to calculate the expected cost of construction in Darwin in FY23 \$’s for facilities that are of a similar scope to the benchmarked facilities, the following assumptions have been made: <ul style="list-style-type: none"> <li>○ The construction cost of benchmark facilities built in years preceding 2023 have been escalated to FY23 \$ using Rider Levett Bucknell’s (RLB) construction cost calculator<sup>100</sup>. This tool calculates the construction cost differential in specific Australian jurisdictions between two selected dates.</li> <li>○ Construction costs vary across geographic locations due to the difference in labour rates, materials prices, building activity, transport costs and other factors. A regional loading factor of 1.29 has been applied for construction undertaken in Darwin, 1.87 for construction undertaken in Alice Springs and 1.05 for construction undertaken in Cairns.<sup>101</sup> This is based</li> </ul> </li> </ul>

<sup>100</sup> RLB Intelligence. RLB TPI % Change. Accessed at: <https://www.rlb.com/ccc/#rlb-tpi-change>

<sup>101</sup> As a regional loading factor is not provided for Alice Springs specifically, the regional loading factor for the ‘Northern Territory – outback’ region has been adopted.

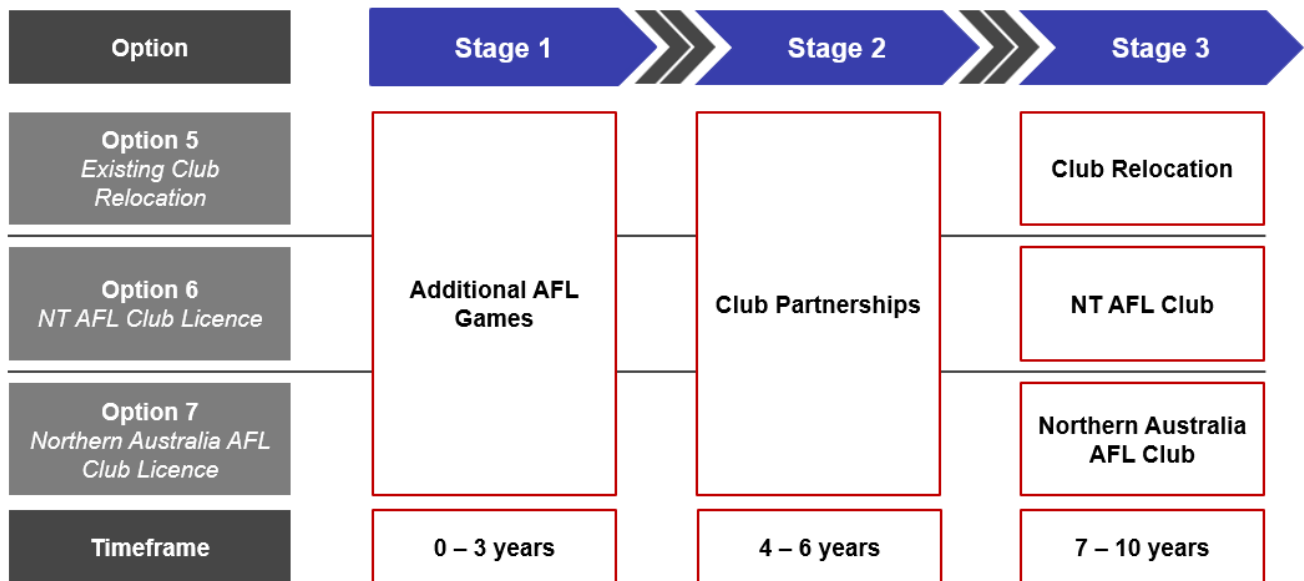
Phase of financial assessment	Assumptions
Operations phase	<p>on the Quantity Surveyor's MBMpl PTY LTD's ('MBM') cost database<sup>102</sup> which is informed by actual build costs from both government and private sector projects to assess a reasonable location multiplier.</p> <ul style="list-style-type: none"> <li>The capital costs associated with each stage of the continuum are incremental and will increase as further upgrades or redevelopments are required through each stage of the continuum options. For example, at the execution of stage 3, the capital costs associated with Stage 1 and Stage 2 will have already been incurred.</li> <li>The scope of works required to progress through the continuum Options may change as the AFL and contemporary sporting infrastructure requirements evolve. The suggested infrastructure and facility upgrades are based on an understanding of current requirements at the date of developing this Report.</li> </ul> <p>The following additional assumptions have been made specifically for the financial assessment relating to Stage 3:</p> <ul style="list-style-type: none"> <li>Revenues and expenses of a NT/NAU AFL Club are representative of the Club once it is sufficiently established. It is expected that the financial position of a newly established Club may vary in initial years.</li> <li>Following advice from the AFL, it has been assumed that a NT/NAU AFL Club will be required to operate with a profit margin of \$1.0m p.a.</li> <li>It has been assumed that the Government (either the NT or Australian Government, or a combination of both) will meet the shortfall between Club revenues and costs each year in order for the Club to operate with a profit margin of \$1.0m</li> <li>A NT/NAU Club is likely to have unique costs and revenue streams compared to existing clubs in different geographies. This has been accounted for in the financial analysis.</li> <li>The potential revenue and expenses of a NT/NAU Club team under Stage 3 has been determined through benchmarking to the financials of other clubs and has been further refined during the Project Development and Implementation workshop and Club Data Validation workshop. A detailed overview of the Club revenue and expense benchmarking process has been provided in Appendix B.</li> </ul>

### 7.3 Options Definition

The financial assessment has been completed in relation to the three shortlisted Club continuum options, as summarised in Figure 23. In Chapter 6, it was demonstrated that the first two stages for each Option would be the same, with only the final stage in each continuum varying. This is important for the financial assessment, as the outcomes for Stage 1 and 2 will be consistent as well and only the outcomes related to Stage 3 will vary between the different options.

<sup>102</sup> MBM Quantity Surveyors, 2023. MBMpl cost database. Accessed at: <https://mbmpl.com.au/services/quantity-surveying/>

Figure 23: Shortlisted Continuum Options Assessed within Financial Assessment



A range of detailed assumptions for the different elements of each stage of the three shortlisted Options were developed. These detailed assumptions have been outlined in Appendix C. The assumptions, which underpin the financial assessment, were developed across the following areas:

- Stage structure and playing schedule.
- Infrastructure and facilities requirements.
- Home game match attendance forecasts.
- Club membership forecasts.
- Employment generation – players and organisational
- Community programs.

While we have not sought to replicate the detail underpinning each of these assumptions in the body of the Report, we have provided further context to some of the material assumptions considered in the financial assessment. The following sections provide a high level overview of the structure assumed for each of the continuum stages.

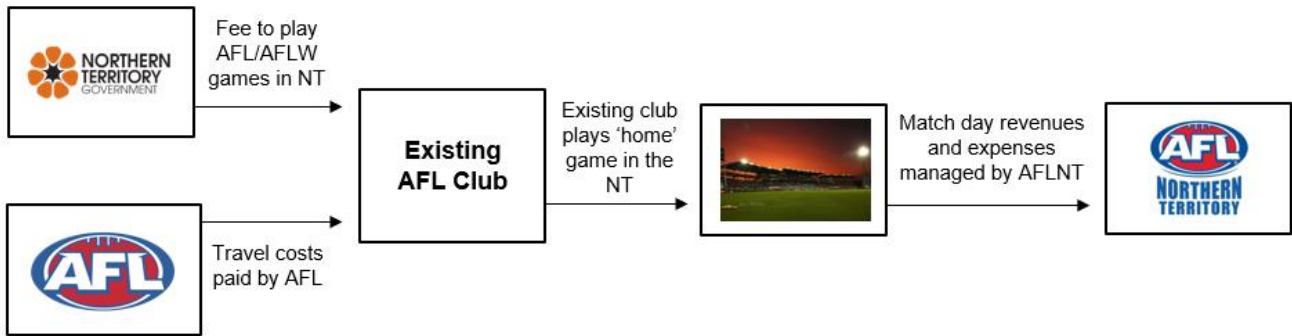
### 7.3.1 Stage 1 – Additional AFL Games (Options 5, 6 and 7)

Under Stage 1, it is assumed that the NT would host three AFL games and two AFLW games each year. To host these games, the NT Government would pay a fee to a current AFL/AFLW club. In exchange, the AFL/AFLW Club would play one or more of their scheduled ‘home games’ to the NT.

AFLNT currently manage the match day requirements for AFL and AFLW games held in the NT, in collaboration with the respective club. AFLNT pays match day expenses and is also entitled to the receipt of match day revenues. AFLNT would hire one additional staff member to support the increased AFL/AFLW content in the NT.

Under current arrangements, the AFL reimburses clubs for their travel costs and would pay the increased travel fees associated with AFL/AFLW clubs playing in the NT. Figure 24 provides an illustrative example of the cashflows between different entities under Stage 1. The detailed assumptions used to inform financial modelling of Stage 1 are outlined in Appendix D.

Figure 24: Stage 1 - Additional AFL Games Cashflows (Options 5, 6 and 7)



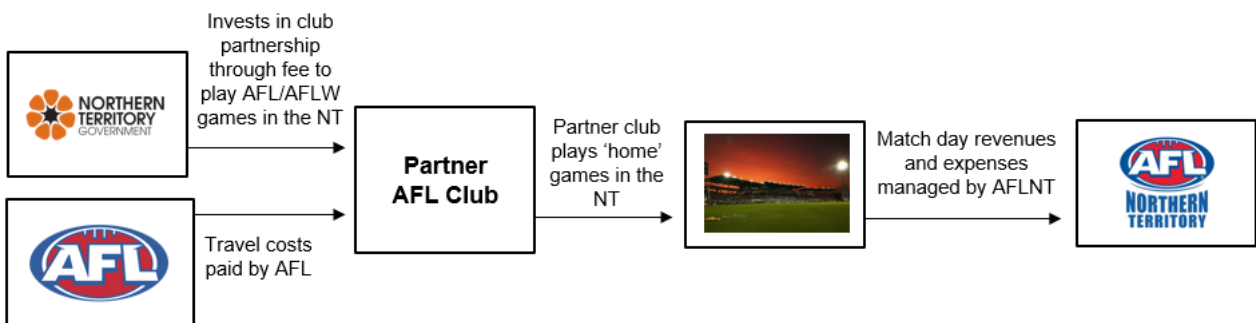
**7.3.2 Stage 2 – Club Partnership (Options 5, 6 and 7)**

Under Stage 2, a formal Club partnership with an existing Club would be formed, through which half of the partner club’s ‘home games’ will be played in the NT. The NT would host six AFL games and four AFLW games. The NT Government would pay a fee to the partner Club to host the games in the NT.

Consultation with the AFL revealed that the expected ‘per game’ fee under Stage 2 would be commensurate to ‘buying’ a standalone game (refer to Stage 1 – Additional AFL Games). Furthermore, it was confirmed that clubs may be hesitant to increase the number of games they ‘transfer’ away from their home state due to the impact on sponsors and members. As such, the NT Government may need to partner with multiple clubs to be achieve the level of AFL content considered as part of this Stage. An example of this arrangement would be the partnership that the Tasmanian Government holds with the Hawthorn and North Melbourne clubs, whereby each Club has committed to transfer four home games each to Tasmania annually.

Similar to Stage 1, the AFLNT would manage match day arrangements, including the revenues and expenses related to these. AFLNT would hire three additional staff members to support the Club partnership arrangements. The AFL would also reimburse clubs for their travel costs associated with games in the NT. Figure 25 provides an illustrative example of the cashflows between different entities under Stage 2. The detailed assumptions used to inform financial modelling of Stage 2 are outlined in Appendix D.

Figure 25: Stage 2 – Club Partnership Cashflows (Options 5, 6 and 7)



**7.3.3 Stage 3 – Existing Club Relocation (Option 5)**

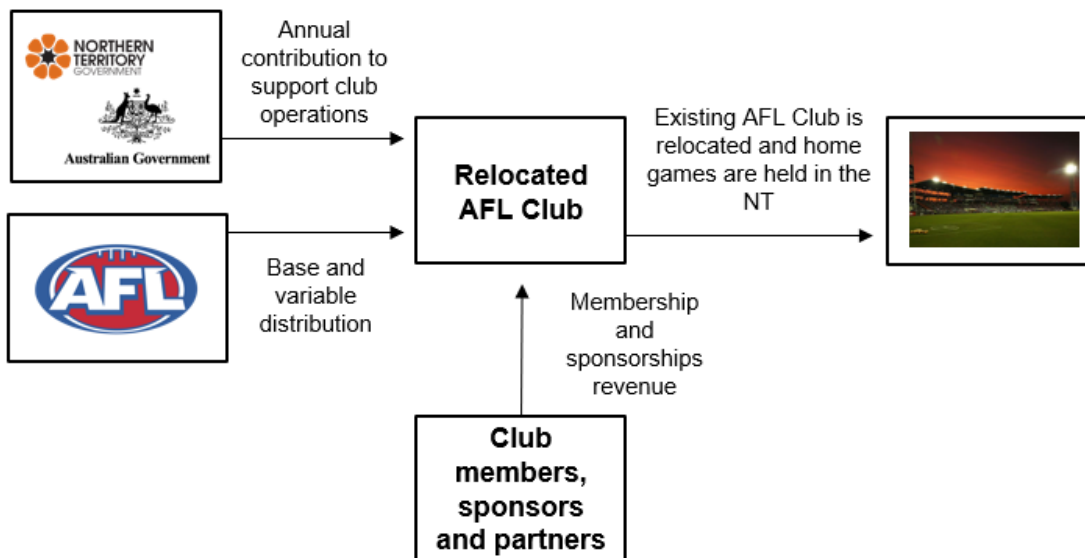
Under Stage 3 – Existing Club Relocation (Option 5), a current AFL Club would relocate to the NT permanently. The NT would host twelve AFL games and nine AFLW games each year and the Club would create approximately 83 player jobs and 82 organisational jobs in the Territory.

Financially, the operations of the Club would be supported through a base and variable funding distribution from the AFL, supplemented by revenues generated through Club memberships, corporate sponsors and partners, match day profits, merchandise sales and related returns. In addition to this, it has been assumed that the NT Government (or other funding

partners) would be required to provide funding to bridge any operational funding gap. The AFL would reimburse clubs for their travel costs.

Figure 26 provides an illustrative example of the cashflows between different entities under Stage 3 – Existing Club Relocation (Option 5). The detailed assumptions used to inform the financial modelling are outlined in Appendix D. These assumptions should also be considered in conjunction with the Club revenue and expense benchmarking analysis outlined in Appendix B.

Figure 26: Stage 3 – Existing Club Relocation Cashflows (Option 5)



### 7.3.4 Stage 3 – NT AFL Club Licence (Option 6)

Under Stage 3 – NT AFL Club Licence (Option 6), a new AFL Club would be established in the NT. The NT would host twelve AFL games and nine AFLW games each year, and the Club would create approximately 83 player jobs and 82 organisational jobs in the Territory.

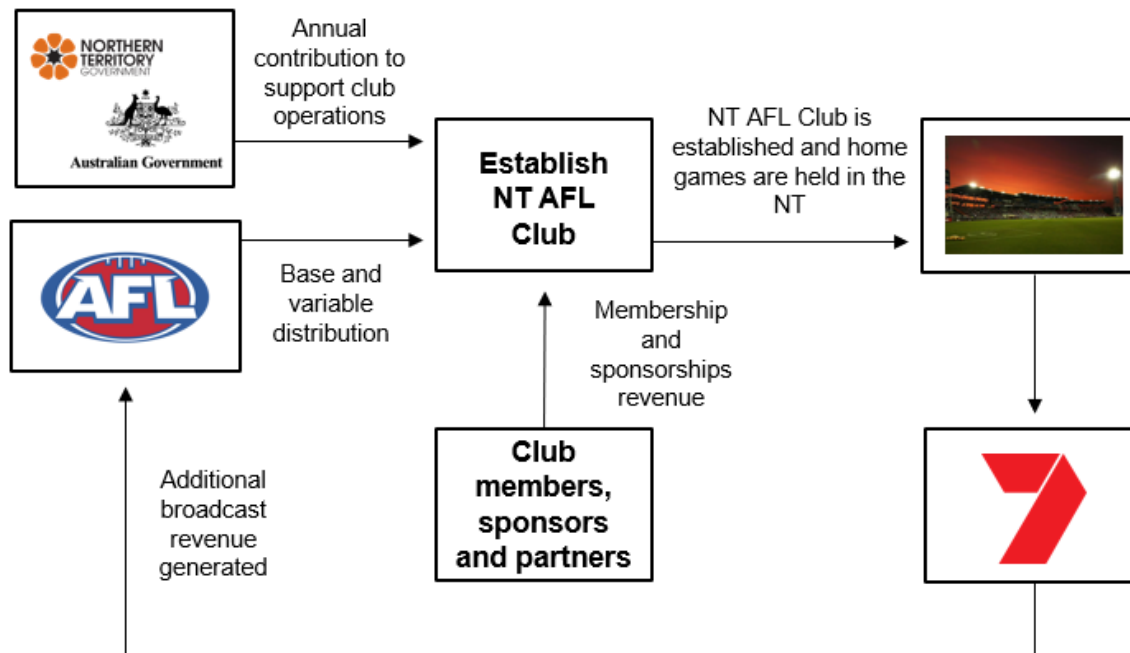
The awarding of a 20<sup>th</sup> AFL Club Licence would result in an expanded AFL competition in which an extra game is played each competition round. As a result, it is assumed that additional broadcast revenue will be generated, resulting in an increased level of income for the AFL.

The operations of the newly established Club would be supported through a base and variable funding distribution from the AFL and supplemented by revenues generated through Club memberships, corporate sponsors and partners, match day profits, merchandise sales and related returns. In addition to this, it has been assumed that the NT Government (or other funding partners) would be required to provide funding to bridge any operational funding gap. The AFL would reimburse clubs for their travel costs.

Figure 27 provides an illustrative example of the cashflows between different entities under Stage 3 – NT AFL Club Licence (Option 6), while the assumptions used to inform the financial modelling of are outlined in Appendix D. These assumptions should also be considered in conjunction with the Club revenue and expense benchmarking analysis outlined in Appendix B.



Figure 27: Stage 3 – NT AFL Club Licence Cashflows (Option 6)



**7.3.5 Stage 3 – NAU AFL Club Licence (Option 7)**

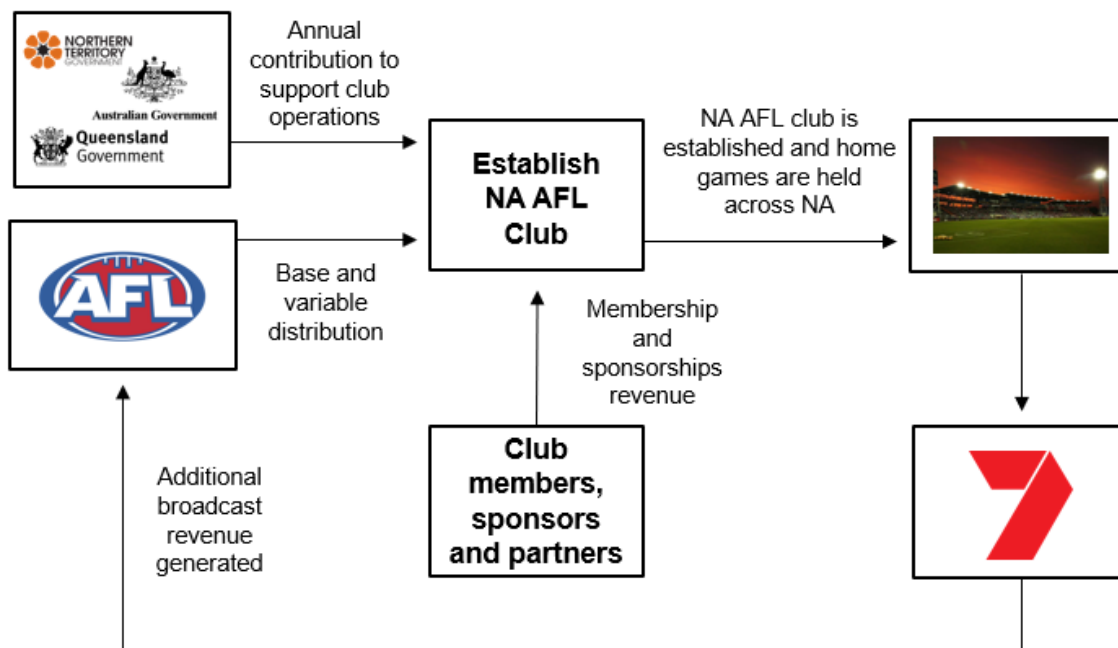
Under Stage 3 – NAU AFL Club Licence (Option 7), a new AFL Club would be established in NAU. NAU would host twelve AFL games (10x game in the NT and 2 x games in Cairns) and nine AFLW games (7 x games in the NT and 2 x games in Cairns) each year and the Club would create approximately 83 player jobs and 82 organisational jobs across NAU.

The awarding of a 20<sup>th</sup> AFL Club Licence would result in an expanded AFL competition in which an extra game is played each competition round. As a result, it is assumed that additional broadcast revenue will be generated, resulting in an increased level of income for the AFL.

The operations of the newly established Club would be supported through a base and variable funding distribution from the AFL and supplemented by revenues generated through Club memberships, corporate sponsors and partners, match day profits, merchandise sales and related returns. In addition to this, it has been assumed that the NT Government and Queensland Government (or other funding partners) would provide funding to bridge any operational funding gap. The AFL would reimburse clubs for their travel costs.

Figure 28 provides an illustrative example of the cashflows between different entities under Stage 3 – NAU AFL Club Licence (Option 6), while the assumptions used to inform the financial modelling of are outlined in Appendix D. These assumptions should also be considered in conjunction with the Club revenue and expense benchmarking analysis outlined in Appendix B.

Figure 28: Stage 3 – NAU AFL Club Licence Cashflows (Option 7)



### 7.4 Financial Assessment – Construction Phase

New infrastructure and facility upgrades are expected to be required under each of the three shortlisted continuum options, to meet the standards expected by the AFL and AFL clubs. This section provides an overview of the current state of existing stadium and supporting facilities in the NT and NAU and provides an indicative cost to complete the capital upgrades required as part of each of the options.

The two principal venues supporting AFL in the NT are TIO Stadium in Darwin and Traeger Park in Alice Springs. The primary venue supporting AFL in Cairns is Cazaly’s Stadium. Table 34 provides an overview of the current state of the stadium infrastructure and facilities in these locations.

Table 34: Existing NT and NAU Stadium Infrastructure and Facilities

Facility	Description of Stadium Infrastructure
<b>TIO Stadium</b>	<p>TIO Stadium is the main outdoor stadium in the NT and primarily caters for AFL competitions. The stadium currently hosts two AFL home and away games per year, AFLW games, the NTFL competition, the NT Thunder Academy and is home to the AFLNT administration team. The AFL currently hold a 15-year lease for the use of TIO Stadium from the NT Government. Land and training facilities immediately adjacent to the TIO stadium are owned by the Wanderers Football Club and St Mary’s Football Club, who use this area and stadium facility for training and games.</p> <p>Aside from AFL, TIO Stadium occasionally hosts concerts and other major events such as annual National Rugby League (NRL) home and away fixtures. The stadium has also hosted outdoor entertainment shows including Elton John and ACDC.</p> <p>TIO Stadium is located in Marrara, about 12 km from Darwin City and is accessible by limited public transport services. Free bus services are provided from the stadium to Darwin City for major events, including AFL games. There is some parking available on-site at TIO Stadium and at neighbouring sporting facilities. However, traffic congestion is a prevailing issue in Marrara, particularly when AFL games are hosted. Pedestrian access is also limited around the site.</p> <p>TIO Stadium features a 4,500-seat grandstand, with recent AFL and NRL games attracting up to 10,000 people. For these events, additional seating and grandstands are ‘bumped in’ to cater for additional patronage. The facility requires major modernisation upgrades, such as corporate catering, broadcast facilities, team change rooms and additional permanent seating, to comply with AFL and NRL requirements and to improve visitor and game day experiences.</p>

Facility	Description of Stadium Infrastructure
<b>Traeger Park</b>	Traeger Park is the main playing field in Alice Springs and includes a 225-seat grandstand and corporate and media boxes. Traeger Park hosts one AFL game per year. It is also the base of the CAFL, the second home to the NT Thunder Academy and is the base of the CAFL administration team. Aside from AFL, Traeger Park occasionally hosts NRL games as well as national and international cricket fixtures. Other sporting facilities are located adjacent to Traeger Park, including hockey and tennis courts. Significant upgrades are required to improve the amenity of Traeger Park. Construction of new team and training facilities are required to ensure minimum AFL requirements are satisfied.
<b>Cazaly's Stadium</b>	Cazaly's Stadium is located in Cairns, Far North Queensland, and hosts a range of sporting fixtures including AFL, Big Bash League (BBL) cricket and international cricket matches. The venue features a main and secondary grandstand and a grassy hill that surrounds the playing arena. The stadium maintains a total seating capacity of 15,000. In 2011 a stadium redevelopment was completed which included a new grandstand and player facilities, media box and lighting upgrades. Further upgrades to the stadium to improve corporate catering, access gates, broadcast infrastructure and additional seating will be required to cater for any increase to the number of AFL games hosted at the stadium.

The following analysis provides indicative cost estimates of capital upgrades that are expected to be required to progress through each stage of the continuum for the shortlisted options.

#### 7.4.1 Stage 1 – Additional AFL Games (Options 5, 6 and 7)

The proposed game schedule under Stage 1 is similar to the current AFL playing arrangements within the NT. As such, only minimal capital upgrades are expected to be required to TIO Stadium. Notwithstanding, the AFL has identified that certain upgrades are currently required at Traeger Park to enhance the amenity and facilities of the stadium and to ensure the facility satisfies the minimum stadium standards set by the AFL.

Investment in community sport and AFL hubs will also be made through the various regions of the NT, with a particular focus in Central Australia and the Barkly region, as the volume of AFL content in the Territory increases.

Table 35 provides an overview of the expected capital costs associated with Stage 1.

Table 35: Stage 1 – Additional AFL Games Capital Costs (Options 5, 6 and 7)

Construction Description	Relevant Options	Capital Cost	Source
Minor upgrades to enhance the amenity of Traeger Park. While the scope of upgrades is not fully defined, upgrades to include player facilities, amenities and venue facility accessibility (e.g. more carparking).	Options 5, 6 and 7	\$20m	AFLNT (previous works completed)
Capital investment into community sporting facilities throughout the regions of the Territory. Upgrades will vary to meet the need of the specific region but is expected to include clubhouses, playing ovals or gyms. Investment in Central Australia and the Barkly region is expected to be prioritised.	Options 5, 6 and 7	\$60m	AFLNT
<b>Total Capital Cost – Stage 1</b>		<b>\$80m</b>	

#### 7.4.2 Stage 2 – Club Partnership (Options 5, 6 and 7)

The proposed game schedule under Stage 2 represents a significant increase in the number of AFL and AFLW games to be played in the NT each year. As such, significant stadium and facility upgrades would be required at both Traeger Park and TIO Stadium. A Club partnership arrangement is expected to directly precede the establishment of a standalone AFL Club in the NT. Significant capital expenditure and investment into AFL facilities in the NT will help to demonstrate the region's willingness to invest in the game ahead of an AFL licence application.

In addition to the proposed upgrades to Traeger Park under Stage 1, the playing surface and other match day facilities will likely require capital improvements. Consideration should also be given to the installation of a 2,000 to 3,000 seat

grandstand to cater for larger spectator numbers at each game. Table 36 provides an indication of the cost of a similarly scoped upgrade at Ballymore Stadium in Brisbane.

Upgrades at TIO Stadium are expected to be more significant given the increased volume of AFL and AFLW content to be hosted at the stadium through a Club partnership arrangement. High quality training facilities and player areas will be required by partner and travelling clubs. Stadium amenity and seating capacity will require improvement to align TIO stadium to more contemporary AFL and stadium standards. Table 36 provides an indication of the cost of similarly scoped upgrades at Brighton Homes Arena in Brisbane and the Kennedy Community Centre in Melbourne.

Table 36: Stage 2 – Club Partnerships Capital Upgrade Benchmark Projects

<b>Ballymore Stadium Upgrade<sup>103</sup></b>	
	<p><b>Facility description:</b> Upgrades to the existing Ballymore Stadium include surface upgrades, training facilities and a low-medium specification 3,000 people grandstand.</p> <p><b>Location:</b> Queensland .</p> <p><b>Expected capital cost:</b> \$31.5 million (FY23 \$)</p> <p><b>Expected capital cost in Alice Springs in FY23 \$:</b> \$58.9 million</p>
<b>Brighton Homes Arena<sup>104</sup></b>	
	<p><b>Facility description:</b> Brighton Homes Arena is the training facility for the Brisbane Lions men’s team and the home ground for the AFLW team. The facility includes an elite indoor training facility, high quality playing surface and has capacity for 10,000 spectators.</p> <p><b>Location:</b> Queensland.</p> <p><b>Expected capital cost:</b> \$70 million (FY21 \$)</p> <p><b>Expected capital cost in Darwin in FY23 \$:</b> \$107.5 million</p>
<b>Kennedy Community Centre<sup>105</sup></b>	
	<p><b>Facility description:</b> Kennedy Community Centre is proposed to include an MCG-sized training oval and elite aquatic and gym facilities for the Hawthorn Football Club’s men’s and woman’s team. The main oval hosts AFLW games as well as VFL and community matches.</p> <p><b>Location:</b> Victoria</p> <p><b>Expected capital cost:</b> \$100 million (FY22 \$)</p> <p><b>Expected capital cost in Darwin in FY23 \$:</b> \$139.3 million</p>

<sup>103</sup> Reds Rugby. Ballymore Buzz Sets World-Class Standard for Bigger Plans. Accessed at: <https://reds.rugby/news/ballymore-buzz-sets-worldclass-standard-for-bigger-plans-2023823>

<sup>104</sup> Brighton Homes. Brighton Homes Arena. Accessed at: <https://www.brightonhomes.net.au/blogs/brighton-homes-arena#:~:text=The%20%2470%20million%20arena%20will,regional%20sports%20and%20events%20precinct.>

<sup>105</sup> AFL. Gamechanger: Haws to Begin Construction of \$100m Facility. Accessed at: <https://www.afl.com.au/news/866406/this-is-a-gamechanger-hawthorn-hawks-to-commence-construction-of-100m-facility>

Table 37 provides an overview of the indicative capital costs associated with Stage 2.

Table 37: Stage 2 – Club Partnership Capital Costs (Options 5, 6 and 7)

Construction Description	Relevant Options	Capital cost	Source
Upgrades to enhance AFL matchday experience at Traeger Park. While the scope of upgrades is not fully defined, upgrades to include enhanced surface and player facilities as well as the installation of a small low-medium specification grandstand.	Options 5, 6 and 7	\$55m	Facility benchmarking (see Table 36) <i>Capital cost is approximately equivalent to the construction cost of the Ballymore Stadium upgrade with escalation and regional loading factors applied.</i>
Upgrades will be required to TIO Stadium to align facilities with contemporary AFL standards. While the scope of upgrades is not fully defined, upgrades expected to include development of team training facilities, player changerooms and amenities, playing surface upgrades and lighting and an additional grandstand capacity of 5,000 seats.	Options 5, 6 and 7	\$105m	Facility benchmarking (see Table 36) <i>Capital cost is approximately equivalent to the average construction cost of the Brighton Homes Arena and Kennedy Community Centre upgrades with escalation and regional loading factors applied.</i>
<b>Total Capital Cost – Stage 2</b>		<b>\$160m</b>	

#### 7.4.3 Stage 3 – Existing Club Relocation (Option 5), NT AFL Club Licence (Option 6) or NAU AFL Club Licence (Option 7)






A prerequisite of the AFL’s award of licences for recent expansion teams included the development of new or fully upgraded stadiums, prior to entry in the AFL competition. The most recent example being the requirement for Tasmania to construct a 23,000 seat stadium in Hobart prior to the new Tasmanian Club commencing in the league.

Based on consultation with key Project stakeholders, it is considered that a new Darwin City stadium will be a prerequisite to the NT receiving a Club licence for the AFL. Assuming a new stadium is constructed under Stage 3 of Options 5, 6 or 7, the enhancements made to TIO stadium as part of Stage 2 will enable TIO Stadium to become the primary training facility for the AFL and AFLW teams. Similarly, the enhancements made to Traeger Park as part of Stage 1 and Stage 2 will likely be sufficient to host the allocated number of games assumed under Stage 3 in Alice Springs without further capital upgrades.

Table 38 provides an overview of various publicly available stadium construction costs for similar stadium construction projects completed around Australia. An indicative cost per seat estimate has also been provided.



Table 38: Stage 3 Capital Upgrade Benchmark Projects

<b>Queensland Country Bank Stadium</b>	
	<p><b>Facility description:</b> Queensland Country Bank Stadium is a multi-purpose stadium primarily used for rugby league.</p> <p><b>Number of seats:</b> 25,000</p> <p><b>Location:</b> Queensland</p> <p><b>Capital cost in FY23 \$ / cost per seat:</b> \$381.0 million or \$15.2k/ seat.</p> <p><b>Expected capital cost in Darwin in FY23 \$ / cost per seat:</b> \$491.4 million / 19.7k per seat</p>
<b>Optus Stadium</b>	
	<p><b>Facility description:</b> Optus Stadium is a multi-purpose stadium primarily used for AFL and cricket.</p> <p><b>Number of seats:</b> 60,000</p> <p><b>Location:</b> Western Australia</p> <p><b>Capital cost in FY23 \$ / cost per seat:</b> \$2,114 million or \$35.2k/ seat.</p> <p><b>Expected capital cost in Darwin in FY23 \$ / cost per seat:</b> \$2,727 million or \$45.4k per seat</p>
<b>AAMI Park</b>	
	<p><b>Facility description:</b> AAMI Park is a multi-purpose stadium primarily used for Rugby league and football.</p> <p><b>Number of seats:</b> 30,050</p> <p><b>Location:</b> Victoria</p> <p><b>Capital cost in FY23 \$ / cost per seat:</b> \$424.5 million or \$14.1k/ seat.</p> <p><b>Expected capital cost in Darwin in FY23 \$ / cost per seat:</b> \$547.6 million or \$18.2k/ seat</p>
<b>Allianz Stadium</b>	
	<p><b>Facility description:</b> Allianz Stadium is a multi-purpose stadium primarily used for rugby league, rugby union and football.</p> <p><b>Number of seats:</b> 45,500</p> <p><b>Location:</b> New South Wales</p> <p><b>Capital cost in FY23 \$ / cost per seat:</b> \$925.6 million or \$20.3k/ seat.</p> <p><b>Expected capital cost in Darwin in FY23 \$ / cost per seat:</b> \$1,194 million or \$26.2k/ seat</p>
<b>Macquarie Point Stadium</b>	
	<p><b>Facility description:</b> Macquarie Point Stadium is a multi-purpose stadium which will be primarily used for the soon to be established Tasmanian AFL club.</p> <p><b>Number of seats:</b> 23,000</p> <p><b>Location:</b> Tasmania</p> <p><b>Expected capital cost in FY23 \$ / cost per seat:</b> \$800.3 million or \$34.8k/ seat.</p> <p><b>Expected capital cost in Darwin in FY23 \$ / cost per seat:</b> \$1,032 million or \$44.9k/ seat</p>

The cost of construction for stadium infrastructure will vary depending on the scope of upgrade or development to be completed, including (but not limited to) the size and shape of the facility (e.g. oval versus rectangular), site specifications or the level of technology used within the stadium.

The two most recent examples of AFL stadiums that have been built or proposed include Optus Stadium (Perth) and the proposed Macquarie Point Stadium (Hobart). Applying a regional cost escalation factor for Darwin, the expected cost per seat for these venues in Darwin is estimated to be approximately \$45,000. While these stadiums are fit-for-purpose AFL venues, the specifications of both may exceed those for which would be required for a future Darwin City stadium. As such, following consultation with Project stakeholders, it has been agreed that a lower capital cost of \$35,000 per seat for a new 20,000 seat stadium in Darwin is appropriate for the current analysis.

Under a NAU Club Option (Option 7), additional capital investments are expected to be required to upgrade tier 2 stadia (most likely Cazaly’s Stadium). These upgrades are focused on enhancing corporate catering, playing surface, broadcast infrastructure and improved spectator access and seating. The updates are expected to be of a similar cost to the Ballymore Stadium upgrades as seen in Table 36.

Table 39 provides an overview of the approximate capital costs associated with Stage 3 for Options 5, 6 and 7.

Table 39: Stage 3 – Establishment of a NT Club (Options 5 and 6) or NAU Club (Option 7) Capital Costs

Construction Description	Relevant Options	Capital Cost	Source
As detailed in this chapter, it is assumed that the cost per seat for a new 20,000 seat stadium in Darwin is \$35,000, equating to a total capital cost of \$700.0 million. This stadium will be purpose built to host a newly established NT/NAU based AFL Club.	Options 5, 6 and 7	\$700m	Facility benchmarking (see Table 38)
Upgrades to 2 tier stadia (most likely Cazaly’s Stadium) to enhance the facility amenity and AFL matchday experience. While the scope of upgrades is not fully defined, upgrades could include enhanced corporate catering, playing surface, broadcast infrastructure and improved spectator access and seating.	Option 7 only	\$35.0m	Facility benchmarking (see Table 36)  <i>Capital cost is approximately equivalent to the construction cost of the Ballymore Stadium upgrade with escalation and regional loading factors applied</i>
<b>Total capital cost – Stage 3 – Existing Club Relocation (Option 5)</b>		<b>\$700m</b>	
<b>Total capital cost – Stage 3 – NT AFL Club Licence (Option 6)</b>		<b>\$700m</b>	
<b>Total capital cost – Stage 3 – NAU AFL Club Licence (Option 7)</b>		<b>\$735m</b>	

#### 7.4.4 Summary of Construction Phase Capital Costs

A summary of the construction phase cashflows for all Stages and for all continuum Options has been outlined in Table 40.

Table 40: All Stages – Summary Capital Cashflows

Construction Description	Capital Cost
Stage 1 – All Options	\$80.0m
Stage 2 – All Options	\$160.0m
Stage 3 – Options 5 and 6	\$700.0m
Stage 3 – Option 7	\$735.0m
<b>Total – Options 5 and 6</b>	<b>\$940.0m</b>
<b>Total – Option 7</b>	<b>\$975.0m</b>

## 7.5 Financial Assessment – Operation Phase

As highlighted in Section 7.3, the implementation of each continuum stage will result in a range of cash inflows and cash outflows for Project stakeholders. The expected cashflows for the following Project stakeholders have been considered at a high level, and specifically identified, in the Chapter:

- Prospective NT or NAU AFL Club.
- Operational Funding Partner for example NT Government, Queensland Government and/or Australian Government.
- AFL.
- AFLNT.
- Partner Club.

The assumptions used to inform the financial modelling are outlined in Appendix B and Appendix D.

### 7.5.1 Stage 1 – Additional AFL Games (Options 5, 6 and 7)

At a cost of \$1.28m and \$0.30m for each AFL and AFLW game respectively, it is expected **the NT Government will fund a total of \$4.44m p.a. to attract the proposed AFL content under Stage 1 to the Territory each year.**

The AFLNT is expected to generate a net matchday profit of \$0.25m p.a. from these games, with this profit partly offset by increased wages totaling \$0.12m p.a.

The travel cost of clubs will be paid by the AFL through reimbursements. It is expected that the total travel costs for the clubs to travel to the NT will total \$0.52m p.a.<sup>106</sup> The travel costs are a combination of flight and accommodation costs for players and support staff for the travelling clubs.<sup>107</sup>

Table 41 provides an overview of the expected financial inflows and outflows under Stage 1 for various Project stakeholders.

Table 41: Stage 1 – Additional AFL Games (Options 5, 6 and 7) Cashflows p.a.

	Operational Funding Partner (e.g. NT Government)	AFL	AFLNT	Existing AFL Club
<b>Revenues</b>				
Payment - 3 AFL Games	-	-	-	\$3.84m
Payment - 2 AFLW Games	-	-	-	\$0.60m
Matchday Revenue - 3 AFL Games	-	-	\$0.73m	-
Matchday Revenue - 2 AFLW Games	-	-	\$0.10m	-
Reimbursement - Club Travel Expenses	-	-	-	\$0.52m
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>\$0.83m</b>	<b>\$4.96m</b>
<b>Expenses</b>				

<sup>106</sup> Increased travel costs were calculated by finding the cost of two teams travelling to the NT for three AFL and two AFLW games (\$0.079m per team). Less the average cost of one team undertaking non-NT travel (\$0.055m per team).

<sup>107</sup> For the purposes of financial modelling, it is assumed that one team is required to travel for non-NT games. This may not always be the case if clubs from the state play one another.



	Operational Funding Partner (e.g. NT Government)	AFL	AFLNT	Existing AFL Club
Payment - 3 AFL Games	(\$3.84m)	-	-	-
Payment - 2 AFLW Games	(\$0.60m)	-	-	-
Matchday Expenses - 3 AFL Games	-	-	(\$0.51m)	-
Matchday Expenses - 2 AFLW Games	-	-	(\$0.08m)	-
Additional Wage Expenses - 1 FTE	-	-	(\$0.12m)	-
Additional Club Travel Expenses	-	(\$0.52m)	-	(\$0.52m)
<b>Total Expenses</b>	<b>(\$4.44m)</b>	<b>(\$0.52m)</b>	<b>(\$0.71m)</b>	<b>(\$0.52m)</b>
<b>Total Profit / Loss p.a.</b>	<b>(\$4.44m)</b>	<b>(\$0.52m)</b>	<b>\$0.13m</b>	<b>\$4.44m</b>

### 7.5.2 Stage 2 – Club Partnership (Options 5, 6 and 7)

At a cost of \$1.28m and \$0.30m for each AFL and AFLW game respectively, it is expected **the NT Government will fund a total of \$8.88m p.a. to attract the proposed AFL content under Stage 2 to the Territory.**

The AFLNT is expected to generate a net matchday profit of \$0.52m p.a. from these games, with this profit partly offset by increased wages totaling \$0.36m p.a.

The travel cost of clubs will be paid by the AFL through reimbursements. It is expected that the total travel costs for the clubs to travel to the NT will total \$1.03m p.a.<sup>108</sup> The travel costs are a combination of flight and accommodation costs for players and support staff for the travelling clubs.<sup>109</sup>

Table 42 provides an overview of the expected financial inflows and outflows under Stage 2 for various Project stakeholders.

Table 42: Stage 2 – Club Partnership (Options 5, 6 and 7) Cashflows p.a.

	Operational Funding Partner (e.g. NT Government)	AFL	AFLNT	Partner AFL Club
<b>Revenues</b>				
Payment - 6 AFL Games	-	-	-	\$7.68m
Payment – 4 AFLW Games	-	-	-	\$1.20m
Matchday Revenue - 6 AFL Games	-	-	\$1.46m	-
Matchday Revenue - 4 AFLW Games	-	-	\$0.24m	-
Reimbursement - Club Travel Expenses	-	-	-	\$1.03m
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>\$1.70m</b>	<b>\$9.91m</b>
<b>Expenses</b>				

<sup>108</sup> Increased travel costs were calculated by finding the cost of two teams travelling to the NT for three AFL and two AFLW games (\$0.079m per team). Less the average cost of one team undertaking non-NT travel (\$0.055m per team).

<sup>109</sup> For the purposes of financial modelling, it is assumed that one team is required to travel for non-NT games. This may not always be the case if clubs from the state play one another.

	Operational Funding Partner (e.g. NT Government)	AFL	AFLNT	Partner AFL Club
Payment - 6 AFL Games	(\$7.68m)	-	-	-
Payment - 4 AFLW Games	(\$1.20m)	-	-	-
Matchday Expenses - 6 AFL Games	-	-	(\$1.02m)	-
Matchday Expenses - 4 AFLW Games	-	-	(\$0.16m)	-
Additional Wage Expenses - 3 FTE	-	-	(\$0.36m)	-
Additional Club Travel Expenses	-	(\$1.03m)	-	(\$1.03m)
<b>Total Expenses</b>	<b>(\$8.88m)</b>	<b>(\$1.03m)</b>	<b>(\$1.54m)</b>	<b>(\$1.03m)</b>
<b>Total Profit / Loss p.a.</b>	<b>(\$8.88m)</b>	<b>(\$1.03m)</b>	<b>\$0.16m</b>	<b>\$8.88m</b>

### 7.5.3 Stage 3 – Existing Club Relocation (Option 5)

The relocation of an existing AFL Club to the NT is expected to be supported by the AFL and to receive distributions totaling \$15.50m p.a. This distribution will comprise of the AFL base distribution, AFL variable distribution and AFLW distribution.<sup>110</sup> The Club is expected to generate an additional \$16.39m p.a. through other revenue streams including (but not limited to) memberships, sponsorships, game day profits, merchandise sales and related returns.

The revenue of the Club, exclusive of other operational funding support, is forecast to be \$31.89m p.a. The operating expenses of the Club are expected to be \$49.78m p.a. For the Club to achieve an annual net surplus of \$1.0m p.a., **the operational funding gap to be bridged is estimated to be \$18.89m p.a.**

The travel cost of clubs will be paid by the AFL through reimbursements. It is expected that the total travel costs for the clubs to travel to the NT will total \$1.00m p.a.<sup>111</sup> The travel costs include flights and accommodation for teams to travel to the NT.<sup>112</sup> **The total funding gap for the AFL will be approximately \$1.0m annually.**

Table 43 provides an overview of the expected financial inflows and outflows under Stage 3 – Existing Club Relocation (Option 5) for various Project stakeholders.

Table 43: Stage 3 – Existing Club Relocation (Option 5) Cashflows p.a.

	NT AFL Club	AFL
<b>Revenues</b>		
AFL Base Distribution	\$11.5m	-
AFL Variable Distribution	\$2.5m	-
AFLW Distribution	\$1.5m	-
Club Memberships	\$1.32m	-

<sup>110</sup> For the purposes of the financial assessment, it has been assumed that the Club that is relocating receives an identical base and variable AFL and AFLW distribution as is proposed for a new NT or NAU AFL Club.

<sup>111</sup> Increased travel costs were calculated by finding the cost of one team travelling to or from the NT (\$0.079m per team) each week of the AFL (24 weeks) and AFLW (18 weeks) season. Less the average cost of one team undertaking non-NT travel (\$0.055m per team) each week of the AFL (24 weeks) and AFLW (18 weeks) season.

<sup>112</sup> For the purposes of financial modelling, it is assumed that only one team is required to travel for each game, rather than two teams assumed as part of Stage 2 calculations.

	NT AFL Club	AFL
Matchday Ticket Sales	\$2.83m	-
Merchandise Revenue	\$0.39m	-
Commercial Partnerships and Fundraising, Hospitality and Events	\$10.47m	-
Community Programs	\$1.38m	-
<b>Total Revenues</b>	<b>\$31.89m</b>	-
<b>Expenses</b>		
Administration	(\$3.37m)	-
Football Department	(\$32.63m)	-
Merchandise Expenses	(\$0.32m)	-
Commercial Partnerships, Marketing, Hospitality and Events Expenses	(\$0.94m)	-
Community Program Expenses	(\$6.59m)	-
Ground/Facilities Expenses	(\$2.0m)	-
Additional NT Club Expenses	(\$2.5m)	-
Additional Club Travel Expenses	-	(\$1.0m)
<b>Total Expenses</b>	<b>(\$49.78m)</b>	<b>(\$1.0m)</b>
<b>Total Profit/ Loss (Before Target Operating Surplus) p.a.</b>	<b>(\$17.89m)</b>	<b>(\$1.0m)</b>
<i>Less: Target Operating Surplus p.a.</i>	<b>(\$1.0m)</b>	-
<b>Total Operational Funding Gap p.a.</b>	<b>(\$18.89m)</b>	<b>(\$1.0m)</b>

#### 7.5.4 Stage 3 – NT AFL Club Licence (Option 6)

A newly established NT AFL Club is expected to be supported by the AFL and receive distributions totaling \$15.50m p.a. This distribution will comprise of the AFL base distribution, AFL variable distribution and AFLW distribution. The Club is expected to generate an additional \$16.39m p.a. through other revenue streams including (but not limited to) memberships, sponsorships, game day profits, merchandise sales and related returns.

The revenue of the Club, exclusive of operational funding support, is forecast to be \$31.89m p.a. The operating expenses of the Club are expected to be \$49.78m p.a. For the Club to achieve an annual net surplus of \$1.0m p.a., **the operational funding gap to be bridged is estimated to be \$18.89m annually.**

The travel cost of clubs will be paid by the AFL through reimbursements. It is expected that the total travel costs for the clubs to travel to the NT will total \$3.33 million.<sup>113</sup> The travel costs are higher compared to Option 5 (relocated club) due to the creation of an additional game each round in which either a team is required to travel to the NT (home game for NT Club) or travel from the NT (away game for NT Club).

Additionally, as Option 6 represents the establishment of a new Club (i.e. 20<sup>th</sup> club), it is expected that the AFL will be paying an additional \$15.5m p.a. in distributions annually. This is partly offset by the estimated additional \$11.00m of broadcasting income received annually resulting from the inclusion of an extra game each competition round. Notwithstanding, **the total funding gap for the AFL will be approximately \$7.83m annually.**

<sup>113</sup> Increased travel costs were calculated by finding the cost of one team travelling to or from the NT (\$0.079m per team) each week of the AFL (24 weeks) and AFLW (18 weeks) season.

Table 44 provides an overview of the expected financial inflows and outflows under Stage 3 – NT AFL Club Licence (Option 6) for various Project stakeholders.

Table 44: Stage 3 – NT AFL Club Licence (Option 6) Cashflows p.a.

	NT AFL Club	AFL
<b>Revenues</b>		
AFL Base Distribution	\$11.5m	-
AFL Variable Distribution	\$2.5m	-
AFLW Distribution	\$1.5m	-
Club Memberships	\$1.32m	-
Matchday Ticket Sales	\$2.83m	-
Merchandise Revenue	\$0.39m	-
Commercial Partnerships, Fundraising, Hospitality and Events	\$10.47m	-
Community Programs	\$1.38m	-
Additional Broadcasting Revenue	-	\$11.0m
<b>Total Revenues</b>	<b>\$31.89m</b>	<b>\$11.0m</b>
<b>Expenses</b>		
Administration	(\$3.37m)	-
Football Department	(\$32.63m)	-
Merchandise Expenses	(\$0.32m)	-
Commercial Partnerships, Marketing, Hospitality and Events Expenses	(\$0.94m)	-
Community Program Expenses	(\$6.59m)	-
Ground/Facilities Expenses	(\$2.0m)	-
Additional NT Club Expenses	(\$2.5m)	-
Additional Club Travel Expenses	-	(\$3.33m)
Additional AFL Base Distribution	-	(\$11.5m)
Additional AFL Variable Distribution	-	(\$2.5m)
Additional AFLW Distribution	-	(\$1.5m)
<b>Total Expenses</b>	<b>(\$49.78m)</b>	<b>(\$18.83m)</b>
<b>Total Profit/ Loss (Before Target Operating Surplus) p.a.</b>	<b>\$1.0m</b>	<b>(\$7.83m)</b>
<b>Less: Target Operating Surplus p.a.</b>	<b>(\$1.0m)</b>	<b>-</b>
<b>Total Operational Funding Gap p.a.</b>	<b>(\$18.89m)</b>	<b>(\$7.83m)</b>

### 7.5.5 Stage 3 – NAU AFL Club Licence (Option 7)

A newly established NAU AFL Club is expected to be supported by the AFL and to receive distributions totaling \$15.50m annually. This distribution will comprise of the AFL base distribution, AFL variable distribution and AFLW distribution. The Club is expected to generate an additional \$16.39m annually through other revenue streams including (but not limited to) memberships, sponsorships, game day profits, merchandise sales and related returns.

The revenue of the Club, exclusive of operational funding support, is forecast to be \$31.89m annually. The operating expenses of the Club are expected to be \$49.78m annually. For the Club to achieve a target net operating surplus of \$1.0m p.a., **the total operational funding gap to be bridged is estimated to be \$18.89m annually.**

The travel cost of clubs will be paid by the AFL through reimbursements. The total travel costs associated with clubs travelling to the NT and Cairns is expected to be \$3.33 million.<sup>114</sup> The travel costs are higher compared to Option 5 (relocated club) due to the creation of an additional game each round in which either a team is required to travel to the NT or Cairns (home game for NAU Club) or travel from the NT or Cairns (away game for NAU Club).

Additionally, as Option 7 represents the establishment of a new Club (i.e. 20<sup>th</sup> club), it is expected that the AFL will be paying an additional \$15.5m p.a. in distributions annually. This is partly offset by the estimated additional \$11.00m of broadcasting income received annually resulting from the inclusion of an extra game each competition round. Notwithstanding, **the total funding gap for the AFL will be approximately \$7.83m annually.**

Table 45 provides an overview of the expected financial inflows and outflows under Stage 3 – NAU AFL Club Licence (Option 7) for various Project stakeholders.

Table 45: Stage 3 – NAU AFL Club Licence (Option 7) Cashflows p.a.

	NAU AFL Club	AFL
<b>Revenues</b>		
AFL Base Distribution	\$11.5m	-
AFL Variable Distribution	\$2.5m	-
AFLW Distribution	\$1.5m	-
Club Memberships	\$1.32m	-
Matchday Ticket Sales	\$2.83m	-
Merchandise Revenue	\$0.39m	-
Commercial Partnerships, Fundraising, Hospitality and Events	\$10.47m	-
Community Programs	\$1.38m	-
Additional Broadcasting Revenue	-	\$11.0m
<b>Total Revenues</b>	<b>\$31.89m</b>	<b>\$11.0m</b>
<b>Expenses</b>		
Administration	(\$3.37m)	-
Football Department	(\$32.63m)	-
Merchandise Expenses	(\$0.32m)	-
Commercial Partnerships, Marketing, Hospitality and Events Expenses	(\$0.94m)	-
Community Program Expenses	(\$6.59m)	-
Ground/Facilities Expenses	(\$2.0m)	-
Additional NT Club Expenses	(\$2.5m)	-
Additional Club Travel Expenses	-	(\$3.33m)
Additional AFL Base Distribution	-	(\$11.5m)

<sup>114</sup> Increased travel costs were calculated by finding the cost of one team travelling to or from the NT (\$0.079m per team) each week of the AFL (24 weeks) and AFLW (18 weeks) season. Variance in the travel costs between a NT AFL Club and a NAU AFL Club Option have not been considered.

	NAU AFL Club	AFL
Additional AFL Variable Distribution	-	(\$2.5m)
Additional AFLW Distribution	-	(\$1.5m)
<b>Total Expenses</b>	<b>(\$49.78m)</b>	<b>(\$18.83m)</b>
<b>Total Profit/ Loss (Before Target Operating Surplus) p.a.</b>	<b>\$1.0m</b>	<b>(\$7.83m)</b>
<i>Less: Target Operating Surplus p.a.</i>	<i>(\$1.0m)</i>	<i>-</i>
<b>Total Operational Funding Gap p.a.</b>	<b>(\$18.89m)</b>	<b>(\$7.83m)</b>

## 7.6 Financial Assessment Summary

As has been demonstrated through the financial assessment outlined in this Chapter, the shortlisted Options for an AFL Club have a set of unique financial impacts that extend across a range of Project stakeholders. These impacts also vary across the construction and operations phases of the Project. Due to the non-traditional approach that is proposed for the establishment of an AFL Club in the region, a because of the diverse stakeholder group, it is important that the financial impact on these stakeholders is known and considered through the advancement of the Options for further assessment.

### 7.6.1 Construction Phase

A summary of the construction phase cashflows for all Stages and for all continuum Options has been outlined in Table 46.

Table 46: All Stages – Summary Capital Cashflows

Construction Description	Capital Cost
Stage 1 – All Options	\$80.0m
Stage 2 – All Options	\$160.0m
Stage 3 – Options 5 and 6	\$700.0m
Stage 3 – Option 7	\$735.0m
<b>Total – Options 5 and 6</b>	<b>\$940.0m</b>
<b>Total – Option 7</b>	<b>\$975.0m</b>

### 7.6.2 Operational Phase

#### Stage 1 and 2 Cashflow Summary

A summary of the operational cashflows under Stage 1 for all continuum Options has been outlined in Table 47.

Table 47: Stage 1 and 2 – Summary Operational Cashflows p.a.

	Funding Partner (e.g. NT Government)	AFL	AFLNT	Partner AFL Club/s
Stage 1 – Total Profit/ Loss p.a.	(\$4.44m)	(\$0.52m)	\$0.13m	\$4.44m
Stage 2 – Total Profit/ Loss p.a.	(\$8.88m)	(\$1.03m)	\$0.16m	\$8.88m

#### Stage 3

A summary of the operational cashflows under Stage 1 for all continuum Options has been outlined in Table 48. Under all scenarios there will be a significant funding commitment from funding partners.

Table 48: Stage 3 – Summary Operational Cashflows p.a.

	Option 5 Relocated AFL Club		Option 6 New NT AFL Club		Option 7 New NAU AFL Club	
	NT AFL Club	AFL	NT AFL Club	AFL	NAU AFL Club	AFL
Total Revenues	\$31.89m	-	\$31.89m	\$11.0m	\$31.89m	\$11.0m
Total Expenses	(\$49.78m)	(\$1.0m)	(\$49.78m)	(\$18.83m)	(\$49.78m)	(\$18.83m)
<b>Total Profit/ Loss (Before Target Operating Surplus)</b>	<b>(\$17.89m)</b>	<b>(\$1.0m)</b>	<b>(\$17.89m)</b>	<b>(\$7.83m)</b>	<b>(\$17.89m)</b>	<b>(\$7.83m)</b>
<i>Less: Target Operating Surplus</i>	(\$1.0m)	-	(\$1.0m)	-	(\$1.0m)	-
<b>Total Operational Funding Gap</b>	<b>(\$18.89m)</b>	<b>(\$1.0m)</b>	<b>(\$18.89m)</b>	<b>(\$7.83m)</b>	<b>(\$18.89m)</b>	<b>(\$7.83m)</b>

## 7.7 Affordability Considerations

Using the key findings from the financial assessment, this section presents all relevant information to allow decision makers to assess the net funding requirement and affordability of the Project by considering the magnitude and timing of relevant construction and operational costs.

The approach to considering the affordability of the Project is focused on the following two primary areas:

- Construction funding requirements for Stages 1, 2 and 3.
- Operational funding requirements for Stage 1, 2 and 3.
- Variable AFL distribution funding sensitivity.
- Funding options.

### 7.7.1 Construction Funding Requirements

As previously outlined in Section 7.4, **the expected capital requirement for the Project will total approximately \$940.0m for Options 5 and 6 and approximately \$975.0m for Option 7**. These totals will be comprised of incremental stages of construction, including \$80.0m for Stage 1, \$160.0m for Stage 2 and \$700.0m (Option 5 and 6) or \$735.0m (Option 7) for Stage 3.

Although the significant gap in construction funding requirements between Stages should be considered in the Project's affordability, the staged implementation approach is expected to provide cost efficiencies to stakeholders and, importantly, generate momentum for each respective Stage. This will play a critical role in generating support for the Project's progression to each sequent Stage and demonstrating the socio-economic benefits that can be provided to Territorians through the Project.

### 7.7.2 Operational Funding Requirements

#### Stages 1 and 2

The expected annual operational funding requirements for Stages 1 and 2, are summarised in Table 49. This analysis has been undertaken using the detailed assumptions outlined in Appendix C, which may change based on further analysis and consultation with stakeholders in subsequent Project assessment phases.

Table 49: Summary of Operational Funding Requirements – Stage 1 and 2 p.a.

Project Stakeholder	Stage 1	Stage 2
AFLNT	\$0.13m	\$0.16m
Operational Funding Partner (e.g. NT Government)	(\$4.4m)	(\$8.8m)
Partner AFL Clubs	\$4.4m	\$8.8m

Project Stakeholder	Stage 1	Stage 2
AFL	(\$0.52m)	(\$1.03m)

For Stage 1, operational cash requirements will be required from:

- **Operational Funding Partner (e.g. NT Government) - \$4.4m** to secure the additional AFL content in the NT.
- **AFL - \$0.52m** to fund additional Club travel costs.

For Stage 2, operational cash requirements will be required from:

- **Operational Funding Partner (e.g. NT Government) - \$8.8m** to secure the additional AFL content in the NT.
- **AFL - \$1.03m** to fund additional Club travel costs.

### Stage 3

The expected annual operational funding requirements for Stage 3, are summarised in Table 50. This analysis has been undertaken using the detailed assumptions outlined in Appendix C, which may change based on further analysis and consultation with stakeholders in subsequent Project assessment phases.

Table 50: Summary of Operational Funding Requirements – Stage 3 p.a.

Project Stakeholder	Option 5 Relocated NT Club	Option 6 New NT Club	Option 7 New NAU Club
AFL	(\$1.0m)	(\$7.83m)	(\$7.83m)
Operational Funding Partner (e.g. NT Government)	(\$18.89m)	(\$18.89m)	(\$18.89m)

**Under Stage 3, the forecast operational funding gap for a prospective NT or NAU AFL Club is \$18.89m annually.**

#### 7.7.3 AFL Variable Distribution Sensitivity Assessment

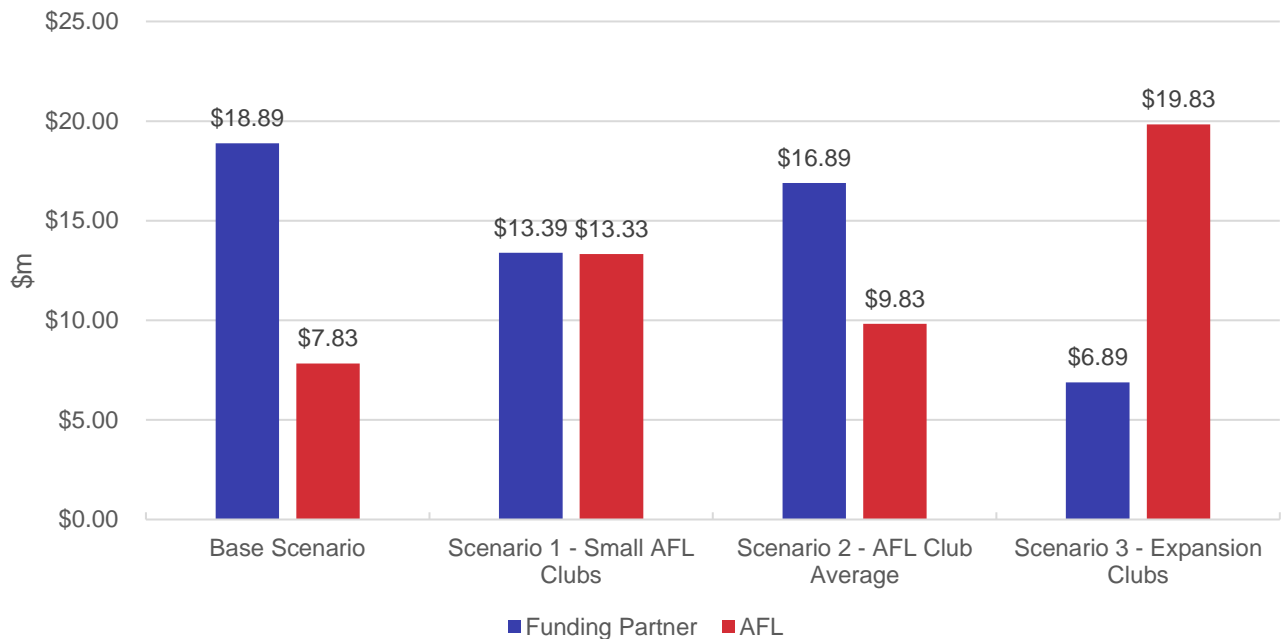
A sensitivity analysis conducted in relation to the financial performance of an AFL Club indicates that the level of variable distribution received from the AFL can have a material impact on the funding gap of a prospective Club. Under the current modelling, it has been assumed that the prospective AFL Clubs will receive a variable distribution from the AFL for an amount of \$2.5m annually, resulting in a total AFL distribution equal to \$15.5m annually (including base distribution and AFLW distribution).

A scenario was assessed in which the Club received a variable distribution of \$8.0m annually. This amount being equal to the distribution received by smaller equivalent AFL Clubs in the competition such as North Melbourne, St Kilda and the Brisbane Lions. Another scenario was assessed whereby the Club received a variable distribution equivalent to the average amount paid to all AFL Clubs, totalling \$4.5m. Under an alternate scenario, the impact of an annual variable distribution of \$14.5m was assessed. This distribution is equivalent to the amount received by expansion clubs, the Gold Coast Suns and Greater Western Sydney Giants.

Under these three scenarios the annual operational funding gap reduced to \$13.39m, \$16.89m and \$6.89m, respectively. Each outcomes being significantly lower than the current \$18.89m annual funding requirement. Under scenario 1, where the variable AFL distribution was benchmarked to equivalent small AFL Clubs (e.g. North Melbourne), the AFL's net position in relation to the establishment of the club is equal to the annual financial contribution of the funding partner. The outcomes of these scenarios have been reflected in Figure 29.



Figure 29: Stage 3 Operating Funding Gap Scenario Analysis



#### 7.7.4 Funding Options

There are a variety of potential sources that may support the funding requirements for the construction and operations of the Project. The primary funding Options have been outlined below:

- AFL.
- NT Government and Queensland Government.
- Australian Government.
- Indigenous Land Councils and Indigenous Owned Corporations.
- NAU Infrastructure Facility (NAIF).
- Corporate Social Responsibility.

The proposals for funding will be required to be tailored specifically to address the driving objectives of the respective funding source or organisation. It will be important to draw links between the objectives of the funding source and the expected financial, social and economic outcomes that have been outlined for the Project. Further detail to the potential opportunities and rationale behind each funding source has been provided below.

#### AFL

The AFL operates a Club funding model which provides a base distribution and, subject to meeting certain qualifying criteria, a variable distribution. Variable distributions are designed to provide support to clubs that require additional financial support to fund and maintain their football program (playing and non-playing resources) to a competitive level. Variable funding distributions are determined based on an estimation of revenue-generating capacity that may arise for a club, due to member bases, commercial arrangements with stadiums, financial impact of the fixture and access to income from non-football related streams.

Importantly, the AFL has previously provided a higher level of financial support to expansion clubs that were viewed as ‘strategic investments’. As has been demonstrated throughout this SBC, there exists strategic significance of the establishment of a NT or NAU AFL Club for the AFL. The key messages that should be clearly communicated as supporting the need for a Club include:

- Proactive action to achieve the AFLs purpose of “*progressing the game, so everyone can share in its heritage and possibilities*”.
- The establishment of the first elite sporting team in the NT, helping to progress towards a truly national AFL competition with premier grade representation in NAU.
- The advancement of Indigenous participation and engagement in AFL, from grassroots through to the elite level
- Action towards addressing some of the Territory’s most challenging social issues including education attendance, mental and physical health, crime and anti-social behaviour and equality (as detailed in Chapters 8 and 9).

### NT Government

The NT Government has been a strong supporter of the AFL in the NT. The NT Government has contributed towards the match fees required to attract current AFL and AFLW clubs to play in the Territory. Furthermore, the NT Government has provided ongoing funding commitments to the AFLNT to support the execution of a range of community programs. It is because of this past support that the NT Government may be approached to provide a level of funding to support the construction and operational requirements of the Project.

Under the construction phase of the Project, a range of stadium and facility infrastructure will be delivered. This infrastructure is expected to be multi-purpose, and therefore would service sports and events beyond just AFL, thereby resulting in a benefit widely across the NT community. Furthermore, there will be direct and indirect social and economic benefits that are expected to flow to the NT from the construction and operational activities associated with the infrastructure. It is for this reason that there exists much benefit for the NT Government to progress these developments and support through funding commitments.

Importantly, it has been clear evidenced through this SBC that the Project will deliver significant benefits to the NT through the stages of operation of a Club. These benefits extend beyond those direct economic returns associated with the establishment of a club and are expected to include potential social outcomes such as improved educational engagement, health outcomes, community cohesion, employment opportunities and diversion of anti-social behaviours. These outcomes will have a direct impact for the NT Government, and therefore give rise to a strong rationale to provide funding support for the Project.

For Stage 3 of the Project, where a NAU Club is assessed, opportunities for funding may also be identified with the Queensland Government for similar reasons to those outlined for the NT Government.

### Australian Government

Australian Government funding for the establishment and operation of a national sporting team is largely unprecedented, however, opportunities do exist for financial support for sporting infrastructure, such as stadium and facility upgrades. Various government policies exist to support the progression of sport across the country, particularly where this support translates to tangible actions addressing the identified social and community challenges experienced in the NT.

Industries such as Defence, Resources, Energy and Agriculture are of strategic importance in the NT. Sustainment and advancement of these industries is a priority for the Australian Government. Opportunities to improve the attractiveness of the NT, through new lifestyle offerings, as a means of attracting people with the requisite skills and capabilities, will strengthen the rationale for funding support.

### Indigenous Land Councils and Indigenous Owned Corporations

Four Indigenous land councils and various Indigenous owned community corporations exist within the Territory. These organisations are commonly chartered with delivering projects that benefit Indigenous people in the region. The Aboriginal Benefit Account (ABA) is a special account that benefits Indigenous people living in the NT. The ABA receives monies from the Australian Government on an annual basis. The Northern Territory Aboriginal Investment Corporation (NTAIC) was established in 2022 to invest funding from the ABA and manage the grant process for funding allocations.

Where a linkage between the Project and the tangible benefits to Indigenous Australians in the Territory can be proven, there may be potential to consider this as an Option for funding support.

## NAIF

The NAIF is a development financier for infrastructure projects located in NAU. NAIF's mission is to be an innovative financing partner in the growth of the region. A key focus of any financing provided by NAIF is to drive public benefit, economic and population growth and Indigenous involvement in NAU. These objectives are strongly aligned with the Project's rationale and purpose.

Projects that are provided finance through the NAIF are subject to a rigorous assessment process, which analyses whether the Project meets the eligibility criteria of the NAIF. Engaging early with NAIF to ascertain potential eligibility and confirmation the Project aligns with the NAIF's remit is advisable.

Interest rates, payback periods and repayment profiles are determined on a case-by-case basis for each individual project. NAIF can provide concessions limited to the minimum necessary for a Project to proceed, noting that any concessional interest rate cannot be below the combined cost of Commonwealth borrowing and administration costs.

While the funding provided by the NAIF is typically in the form of debt finance, this may be a consideration for some of the larger scale, multi purpose infrastructure or facility developments, such as the Darwin City Stadium. This is on the basis that the stadium may have a standalone commercial model that may support this type of financial arrangement.

## Corporate Social Responsibility

There may be an opportunity to seek investment from private sector proponents or other related not for profit organisations that have an interest in the expansion of AFL in the NT or who maintain commitments to social responsibility in the region. This interest would be predicated on respective proponent's investment objectives and required return on investment (considering both economic and social outcomes).

Corporate sponsorships for sporting teams are not uncommon, however, typically these arrangements are transactional by nature and do not cater for the changing operational circumstances of a team or club. The nature of the funding commitments sought for this Project will involve the funding partner taking on a role as a foundational member of the Club and allowing flexibility in the level of funding commitment to cater for the changing financial performance of the club. The commitment is also expected to extend for a longer timeframe compared to typical Club sponsorships, that may only apply for a number of years.

Overall, the proposal for funding through CSR channels is expected to hinge closely to the social benefits that are anticipated to arise from the Project. As such, it will be important to clearly articulate those benefits, and where possible quantify the value of the impact that the Project may have.

## 7.8 Summary

This Chapter has demonstrated the total financial impact during the construction and operations phases of each shortlisted continuum options, and the various stages that comprise these options. Furthermore, the assessment has identified the expected financial impact for a range of Project stakeholders including a future NT or NAU AFL Club, the operational and construction funding partners, AFLNT, the AFL and the respective partner AFL Clubs.

### Construction Phase

- **Stage 1 - \$80m (all Options)** - it is proposed that capital upgrades are required to enhance the amenity of Traeger Park; as well as investment into community sporting facilities, particularly in Central Australia and the Barkly region.
- **Stage 2 - \$160m (all Options)** - additional improvements are required to enhance the matchday experience at Traeger Park for players and spectators; and the refurbishment of TIO Stadium including team training and player facilities, surface upgrades and expanded seating capacity.
- **Stage 3 – \$700m (Options 5 and 6) and \$735m (Option 7)** - the final Stage of each continuum represents the most significant level of capital investment and includes the construction of a new 20,000 seat Darwin City Stadium for ~\$700m (all Options) and upgrades to enhance the amenity and matchday experience at tier to stadia (most likely Cazaly's Stadium) costing ~\$35m (Option 7 only).

The sizeable and progressive investment in infrastructure will be critical to signal the region’s willingness to invest in the game ahead of an AFL licence application.

### Operation Phase

The cash flows for each Stage of the different continuum Options will impact Project stakeholder differently.

Under Stage 1 the NT Government will fund partner AFL clubs to attract additional AFL and AFLW games to the region. The AFL is expected to pay increased travel costs and AFLNT will be responsible for managing the match days.

Under Stage 2, the NT Government will seek to further increase the number of AFL and AFLW games in the region and will increase their funding commitment accordingly. With the increased number of games in the region, the AFLs travel cost contribution, and the AFLNTs return on managing match day requirements, will increase.

Under all continuum options, the ultimate Club’s expected annual revenues (\$31.89m) and expenses (\$49.78m) will be consistent. For all Options a resultant operational funding gap of \$18.89m will arise. However, due to differences in terms of arrangements underpinning each option, the funding requirements for different Project stakeholders will vary, with the AFL required to contribute additional funding under Options 6 and 7.

Table 51: Summary of Operational Cashflows – All Stages p.a.

Project Stakeholder	Stage 1	Stage 2	Stage 3		
	All Options	All Options	Option 5	Option 6	Option 7
AFL	(\$0.52m)	(\$1.03m)	(\$1.0m)	(\$7.83m)	(\$7.83m)
Operational Funding Partner (e.g. NT Government)	(\$4.4m)	(\$8.8m)	(\$18.89m)	(\$18.89m)	(\$18.89m)
AFLNT	\$0.13m	\$0.16m	-	-	-
Partner AFL Clubs	\$4.4m	\$8.8m	-	-	-

### Affordability

A sensitivity analysis conducted in relation to the financial performance of a future AFL Club indicated that the level of variable distribution received from the AFL can have a material impact on the funding gap of a prospective Club. Under the base scenario an annual operational funding gap of \$18.89m would result and require commitments from a funding partner. However, where the variable AFL distribution was benchmarked to an equivalent small AFL Club (e.g. North Melbourne) currently in the league, and to an expansion Club (e.g. Gold Coast Suns), the annual funding gap reduces to \$13.39m and \$6.89m, respectively.

### Funding Options

A variety of potential sources have been identified that may support the funding requirements for the construction and operations of the Project. Proposals for funding will be required to be tailored specifically to address the key objectives of the respective funding source or organisation. It will be important to draw links between the objectives of the funding source and the expected financial, social and economic outcomes that have been outlined for the Project. The primary funding Options include:

- AFL.
- NT Government and Queensland Government.
- Australian Government.
- Indigenous Land Councils and Indigenous Owned Corporations.
- NAU Infrastructure Facility (NAIF).
- Corporate Social Responsibility.

# 8 Social Impact Evaluation

AFL forms an integral part of the social fabric of the NT. In 2022, almost 40,000 people participated socially or competitively in AFL, representing a significant part of the Territory's population. This participation rate represents the highest per capita rate of any state or territory in Australia.

In 2023, GHD were commissioned by the Department of Territory Families, Housing and Communities (DTFHC) to complete a Social Impact Evaluation in relation to the Project. The Social Impact Evaluation process included four key steps:

- Definition of the scope of potential impact of the Project.
- Establishment of a "social baseline" for the NT.
- Data collation through stakeholder consultations and desktop assessments.
- Evaluation of the social impacts and benefits of the Project.

A final Social Impact Evaluation report was presented by GHD to DTFHC and the Taskforce in September 2023. This report forms the basis of the outcomes of this Chapter, with the findings provided in a summarised form for consideration as part of the broader SBC assessment. Specifically, this Chapter includes commentary across the following areas, as outlined in GHD's Social Impact Evaluation:

- Indigenous culture and values.
- Health and community wellbeing.
- Education and training.
- Population and demography.
- Employment, industry and business.
- Housing infrastructure and services.

The following Social Impact Evaluation is focused on the impact of an increased AFL presence in the NT, cumulating in the establishment of an NT AFL Club.

## 8.1 Indigenous Culture and Values

Representation of Indigenous values and culture in football predates colonisation and the AFL. Some historians argue that the modern-day AFL originated as *Marngrook*, which was played by Indigenous communities in Western Victoria. Today, Indigenous people maintain a high level of representation in the AFL, with 10% of elite level AFL players being of Indigenous heritage. This is significant noting that Indigenous Australian's comprise of only 3.2% of the Australian population. To recognise the contribution that Indigenous Australians have made to the game, the AFL hosts an annual 'Dreamtime' match. It is because of these factors, that it is widely held, that there exists a strong and continuing cultural connection to AFL for many Indigenous people and communities.

### 8.1.1 Current state – Indigenous culture and values

Connection to Country is an important element of the culture for many Indigenous people in Australia, and this remains a key policy and social issue nationally. Connection to Country reinforces the identity and sense of belonging for Indigenous people, both to the land and their ancestors – it is a deeply symbolic concept.<sup>115</sup>

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<sup>115</sup> Australian Indigenous HealthInfoNet. Accessed at: <https://healthinonet.ecu.edu.au/learn/health-topics/social-and-emotional-wellbeing/country-culture-spirituality>

In the NT, Indigenous land accounts for 45% of the total land areas in the region (including 80% of the coastline), and of the roughly 61,000 Indigenous people in the NT, approximately 70% live on Indigenous titled land. This represents a significant proportion of the Indigenous population in the NT who still maintain a significant Connection to Country through ongoing residence on their traditional lands.

Indigenous people experience greater socioeconomic disadvantage and health inequality compared to non-Indigenous Australians. This inherent social disadvantage impacts Indigenous peoples' ability to preserve and promote their culture and values and can result in a disconnection from the land when individuals are required to leave their community. This is particularly relevant for remote NT communities, where the level of socio-economic disadvantage is high compared to other regions in Australia.

A further challenge faced for the preservation of culture, particularly for those promising Indigenous athletes, is the requirement to relocate from community and Country to advance in their chosen sport. In an AFL context, while some opportunities exist to begin training within the NT (e.g. at institutions such as the NT Thunder Academy), often these players are advised to relocate to Victoria, South Australia or Western Australia to increase their chances of professional success. This decision typically resulting is a consideration of the trade-off between retaining their connection to Country and the chance at professional sporting success. As a result, relocation of younger athletes has been documented to invoke feelings of homesickness and culture shock for Indigenous people, as well as an increased frequency and severity in experiences of racism.

Organised sport and associated programs, such as remote AFL clubs, have shown some success in addressing some of the many social challenges experienced in remote communities. These programs maintain a strong emphasis on the promotion and awareness of culture that in turns assists in enhancing the strength of community bonds and the preservation of traditional culture and values. These programs are also designed to support and prepare aspiring athletes for the world outside of their communities and to lessen the impact of the challenges faced when relocating for career advancement.

### **8.1.2 Project Impact – Indigenous Culture and Values**

Consultations undertaken during the development of GHD's Social Impact Evaluation revealed a resounding belief that an NT AFL Club must reflect the Indigenous culture of the region. This would be reflected primarily through the strategic framework that would underpin the development of the Club. The strategic framework of the Club would reflect the importance of Indigenous people to the sport and the region, and specific policies and initiatives would be established to ensure this significance was fostered through the Club environment. This would also extend to the community programs and talent pathways that would be required to be developed, with a specific focus on ensuring that the remote and rural communities, where Indigenous populations are highest, were integral to these initiatives. Visually, this commitment would be displayed through uniform and logo designs and through advertising and entertainment during games.

An NT AFL Club will provide a pathway for more Indigenous players to maintain their connection to Country and to their community by providing local elite level training and playing opportunities in the NT. Furthermore, Indigenous people participating as part of an NT AFL Club may use this as a platform to promote their heritage, and to build recognition for their culture. Beyond this, Indigenous communities would benefit from the promotion of sporting role models who would reinforce positive individual and community values and behaviours.

Self-determination is a fundamental step in enabling Indigenous people to maintain and promote their culture, and this also represents a key in the process of reconciliation. While Indigenous representation among players in the AFL is high, there is limited representation among non-athlete AFL roles including management or coaching positions. An NT AFL Club would present opportunities for Indigenous people to be actively involved in the Club and the game more broadly. Opportunities for new and diverse career opportunities would eventuate and these opportunities would arise at all levels of the sport, in the community, across the Territory and at a national level.

## **8.2 Health and Community Wellbeing**

In general, Indigenous Territorians experience high rates of social disadvantage, poverty and low levels of health literacy. These factors contribute to higher rates of poor health and mortality compared to non-Indigenous Territorians. Much work is being done to close the health and life expectancy gap between Indigenous and non-Indigenous Australians. The high levels of socio-economic disadvantage and the lack of social and health infrastructure found in many remote communities

are structural factors increasing the risk of poor health outcomes, particularly for the more vulnerable members of the communities. Notwithstanding, through the existing AFL programs run in many of the remote communities across the NT, progress is being made towards improving the participation rates of community members in sport, and this is having a positive impact on health outcomes.

### 8.2.1 Current State – Health and Community Wellbeing

A significant portion of the NT's population (14.5%) identify as having 'fair' or 'poor' health. While these results largely align with national trends, it is evident that Indigenous Australians often face greater health inequality than non-Indigenous Australians. Given the population of Indigenous people in the NT, it is often the case that communities – particularly rural and remote communities with limited access to social services – face greater health inequality.

In 2018, physical inactivity accounted for 2.5% of the total disease burden<sup>116</sup>, however, for Indigenous people, the prevalence of health issues linked to physical inactivity is significantly higher.<sup>117</sup> In addition to poor physical health, there are several heightened social issues effecting the health of Territorians, including some of the highest rates of gambling and alcohol consumption in the country. Participation in sport and physical activity is evidenced to have a notable positive impact on the prevalence and severity of many health and wellbeing outcomes.

As it stands, there are several barriers preventing Territorians to participate in the sport of AFL at a community level. Most notably, limited access to sporting clubs, a high cost to participate relative to income and the lack of resources to enable structured sporting competitions. Where organised sport is available in the NT, participants reported a stronger community connection, which in turn also had influence on the rates of antisocial behaviour. An enhanced sense of community pride, generated through sport, is also an important contributor to the overall wellbeing of Territory communities, which in turn promotes greater community cohesion.

### 8.2.2 Project Impact – Health and Community Wellbeing

The establishment of an NT AFL Club is expected to encourage a greater level of participation in sport, particularly in the remote communities across the NT. During consultation undertaken by GHD, stakeholders noted that the presence of an NT AFL Club would likely motivate and inspire more people to participate in AFL, participate in general physical activity and engage in healthier behaviours. Studies have shown the positive contribution that participation in sport has to physical health, including through:<sup>118</sup>

- improved brain health and cognitive functioning.
- sustained weight management.
- lower risk of heart disease and stroke.
- reduced risk of developing type 2 diabetes.
- lower risk of developing some cancers – stronger bones and better muscle health.
- overall improved life expectancy.

Studies have also shown the links between sport participation and mental health benefits, including:<sup>119</sup>

- improved resilience and ability to cope with stress and reduced symptoms of anxiety and depression.
- promoted feeling of belonging.
- improved quality and quantity of social interactions.

An increase in sport participation, is expected to have a positive correlation with physical and mental health outcomes for people across the NT. This would be particularly beneficial for Indigenous communities in remote areas, where health indicators are usually worse.

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<sup>116</sup> Disease burden is a measure of the years of healthy life lost from living with ill health or dying prematurely from disease and injury

<sup>117</sup> Australian Institute of Health and Welfare (2023), *Physical activity*. Accessed at <https://www.aihw.gov.au/reports/australias-health/insufficient-physical-activity>

<sup>118</sup> CDC, 2022, Benefits of Physical Activity, viewed 6 May 2023, <https://www.cdc.gov/physicalactivity/basics/pahealth/index.htm>

<sup>119</sup> Raw, K., 2018, Sport for Social Cohesion: Exploring Management and Impacts, PhD thesis, Swinburne University of Technology, viewed 10 November 2022, [https://researchbank.swinburne.edu.au/file/e210cf39-f135-4740-8dc3-ac7f2e7c9560/1/katherine\\_raw\\_thesis.pdf](https://researchbank.swinburne.edu.au/file/e210cf39-f135-4740-8dc3-ac7f2e7c9560/1/katherine_raw_thesis.pdf)

The Project may result in an increase in young people, with aspirations to become elite AFL players, prioritising healthy behaviours such as fitness, strength, nutrition, and sleep, and this flowing onto other peers and community members. The economic benefit of improved levels of community physical activity, and the value of the associated health benefits is further discussed in Section 9.5.1.

Elite level AFL players are important role models particularly for aspiring youth. This status facilitates a platform for positive messaging about the importance of sport and the connection to improved health outcomes. Televised AFL games would also provide an opportunity for positive health campaigns, such as gambling or problem drinking support, smoking or domestic violence awareness. This could have widespread positive impacts on perception towards healthy behaviours, particularly for more vulnerable groups such as Indigenous communities.

### 8.3 Education and Training

The establishment of an NT AFL Club is expected to contribute to improved education and training outcomes, and these would be particularly significant for remote Indigenous communities in the NT. An NT AFL Club would provide more visible career pathways for young people, which may attract and incentivise participation in school-based programs. The Project is also expected to improve overall attendance and retention for students in primary and secondary education.

#### 8.3.1 Current State – Education and Training

In the NT, school enrolment and engagement are key areas of focus for the NT Government, with both areas having been shown to lead to stronger health and wellbeing outcomes across lower socio-economic cohorts. Participation and meaningful engagement in education is a crucial factor in developing key life skills and is also believed to reduce Indigenous inequality both in the Territory and nationally.

Currently, non-Indigenous students in the NT have higher attendance rates than Indigenous students across all schooling levels. This inequality also spans geographies as enrolment and attendance in schools varies across different regions in the NT, with regional and rural communities recording a substantially lower rates of attendance than schools in Darwin. In addition to lower schooling participation rates, significantly less Indigenous students attain a Bachelor’s degree compared to non-Indigenous students in the NT, as shown in Table 52.

Table 52 : Non-School Qualifications, 2016<sup>120</sup>

Level of Attainment	Darwin		Alice Springs		NT	
	Indigenous	Non-Indigenous	Indigenous	Non-Indigenous	Indigenous	Non-Indigenous
Postgraduate, Graduate Diploma and Graduate Level	3.1%	12.2%	1.8%	11.3%	1.6%	12.3%
Bachelor’s degree Level	8.2%	26.0%	3.9%	21.2%	4.5%	26.0%
Advanced Diploma and Diploma Level	10.7%	15.2%	7.3%	15.3%	6.1%	15.3%
Certificate III & IV	31.9%	34.3%	36.7%	42.0%	20.5%	33.8%
Certificate I & II	5.4%	2.1%	4.1%	1.5%	7.2%	2.1%
Certificate	4.1%	3.1%	3.5%	2.5%	4.8%	3.0%
Level of education not stated	36.5%	7.2%	42.2%	6.2%	55.4%	7.4%
<b>Total individuals</b>	<b>4,185</b>	<b>56,808</b>	<b>509</b>	<b>4,655</b>	<b>15,719</b>	<b>77,164</b>

<sup>120</sup> GHD (2023) *Social Impact Evaluation – Northern Territory AFL Club*; Australian Bureau of Statistics



Beyond attendance, educational retention<sup>121</sup> is also a key issue faced by Territory communities. The national apparent retention rate<sup>122</sup> for Indigenous students from Year 7/8 to Year 12 was 59%. By comparison, the apparent retention rate of Indigenous students in the NT for the same period was 33%. This was compared to the apparent retention rate for non-Indigenous students at 84.5%.<sup>123</sup>

To support improved education outcomes in the NT, the Australian and NT Government fund several 'academy-styled programs', which commonly feature AFL participation as an incentive to improve attendance. Many of these programs use high-profile Indigenous athletes as spokespeople to appeal specifically to Indigenous youth and communities. These programs encourage meaningful engagement within schools as well as retention of students as education progresses. These programs also focus on employment outcomes for participants beyond schooling.

### 8.3.2 Project Impact – Education and Training

Stakeholders consulted by GHD indicated that an NT AFL Club would have a positive impact on student engagement in education, particularly in remote Indigenous communities. Interviews with representatives of the education sector highlighted the success of existing sport academies and programs in attracting more Indigenous students to school, and more importantly, ensuring they stay in education. This is also reflected in data collected by AFLNT, which suggests a 41% increase in engagement of students in Alice Springs because of school-based AFL programs. The economic benefit of improved educational outcomes, and the value of the impact this has throughout the lives of individuals is discussed in Section 9.5.2.

An NT AFL Club also presents the opportunity for career options, beyond just for elite athletes, and involves a whole range of supporting roles such as coaches, umpires, physiotherapists, nutritionists, sports psychologists, management, marketing and administration. An NT AFL Club offers an important platform for exposure of younger and experienced job seekers to these wide variety of roles, which could positively impact career aspirations for youth in the NT, particularly Indigenous youth in remote areas.

An NT AFL Club may also contribute to existing academy programs by using local players as role models as an incentive to attract Indigenous students to participate in programs. Further to this, attendance at AFL games may be used as an incentive for school attendance, where schools or academy programs organise trips to Darwin and Alice Springs on match weekends.

## 8.4 Population and Demography

From a population standpoint, the establishment of an AFL Club has the potential to result in incentives for more people to visit, work and live in the NT. The primary growth in population is expected to arise through jobs generated through the construction associated with the establishment of an NT AFL Club, as well as the employment generated through player and Club organisational roles. Temporary increased in population will also result from visitors travelling to the NT to attend matches. In the long term, an AFL Club is expected to improve the overall liveability of the region, and in turn, be an incentive for greater permanent migration. These outcomes were confirmed as part of the GHD Social Impact Evaluation.

### 8.4.1 Current State – Population and Demography

At the end of December 2022, the Territory was home to over 250,540 people. Of the total population, almost 150,000 people (59.6%) lived in the Greater Darwin area with the remaining 40% of the population residing in regions considered

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<sup>121</sup> Educational retention is the proportion of students who continue their studies.

<sup>122</sup> Apparent retention rates provide an indicative measure of the number of full-time school students who have stayed in school, as at a designated year and grade.

<sup>123</sup> 2022a, Tier 2 - Determinants of health 2.05 Education outcomes for young people, viewed 15 August 2022, <https://www.indigenoushpf.gov.au/measures/2-05-education-outcomes-young-people>

rural, remote or very remote<sup>124</sup>. The demography of the population is characterised by a younger age profile, reflective of the large number of persons aged 25 to 34 years.

At 30 June 2021, there was an estimated 76,487 Indigenous people living in the NT, at the time representing approximately 30.8% of the NT’s population and 7.8% of the national Indigenous population. 74.6% of the NT’s Indigenous population lived in remote or very remote areas<sup>125</sup>.

The NT is unique in that it accounts for 1/6<sup>th</sup> of Australia’s landmass but represents only 1% of the total population. Due to its geographical separation from the rest of Australia, the harsh climate and poor accessibility, the NT has struggled to attract and retain residents. In particular, the retention of young people has long been identified as a key challenge in the NT for communities and Government. In the period from 2013-2022, the NT has faced consistent net negative interstate migration<sup>126</sup>, as described in Table 53.<sup>127</sup>

Table 53: Net Interstate migration, NT, 2013-2022<sup>128</sup>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net Interstate Migration	-1,536	-2,439	-2,081	-2,069	-2,115	-3,109	-2,154	109	-2,410	-2,124

In recent years, with the growth of the oil and gas and mining sectors, the burgeoning trade opportunities in South East Asia and the focus on border security and Defence, the NT has seen an uptick in population numbers. However, the rate of growth is volatile and does not currently support the worker requirements for the region. As part of the economic growth target set by the NT Government (\$40 billion economy by 2030), a population growth target of 300,000 people by 2030 was also announced. Sustainable growth in the NT’s population and economy will be achieved through continued improvements to the liveability of the Territory.

#### 8.4.2 Project Impact – Population and Demography

An NT AFL Club presents opportunities for the NT to attract temporary workers and visitors and to encourage migration of permanent residents to the region. Furthermore, the prospect of a Club presents an opportunity to bolster the retention rate of current and future residents.

Establishing an NT AFL Club would involve significant infrastructure upgrades to bring facilities in line with AFL standards (See Section 7.4). Upgrades to sporting infrastructure and the surrounding precincts will generate a need for a considerable short-term construction workforce. This workforce would likely utilise temporary, non-resident workers given the ongoing employment shortages in the construction sector, resulting in a temporary increase in population for the duration of the works. The potential number of construction jobs generated is forecast in Section 9.4.1

Once operational, a Club would generate new player roles, Club organisational roles and other jobs across the economy (taxi/bus drivers, matchday security etc). The number of roles associated with the operation of an NT AFL Club is further detailed in Section 9.4.2. A portion of these roles would be filled by locals, while others may be filled by non-residents who may migrate to the NT with their families, further increasing the size of the population.

The establishment of an NT AFL Club will also see an increase to the number of tourists to the region. Firstly, games held in the NT are expected to directly generate intrastate, interstate and potentially even international visitation to the Territory; secondly, the Project is likely to further generate incidental tourism to the Territory through the ‘marketing’ of the NT as a

<sup>124</sup> Northern Territory Government (2023) Population: December 2022

<sup>125</sup> Northern Territory Government (2023) Population: December 2022

<sup>126</sup> Net interstate migration is the number of arrivals minus the number of departures to a region. In the case of net interstate migration, more people leave than arrive.

<sup>127</sup> COVID-19 may have impacted migration patterns since 2020 given restrictions on interstate and overseas travel.

<sup>128</sup> GHD (2023) *Social Impact Evaluation – Northern Territory AFL Club*; Australian Bureau of Statistics

destination on TV around the country each week of the AFL season. The benefit of visitors to the region is further explored in Section 9.5.3

In the long term there is an expected increase in the liveability of the Territory relating to the establishment of an NT AFL Club. This would help to improve the attractiveness of the Territory as a place to live and raise a family, in turn, helping to grow the population and economy of the NT.

## 8.5 Employment, Industry and Business

With the introduction of any large sporting enterprise, there are direct and indirect impacts to local employment outcomes, industries and businesses. The establishment of an NT AFL Club is expected to create direct employment associated with the construction of Club facilities as well as the ongoing operation of the club. Adjacent industries such as the tourism industry, accommodation industry and hospitality industry would all likely experience growth because of the Project.

### 8.5.1 Current State – Employment, Industry and Business

The economy of the NT has demonstrated nearly 20 years of sustained economic growth. Gross Regional Product (GRP) for the Territory nearly doubled from \$13.5 billion in 2001 to \$26.2 billion in 2021. Recommendations made in the TERC Report aimed at fast tracking economic development in the Territory that emphasised the importance of improving liveability of the region to achieve continued growth.

Economic output in the NT is predominantly concentrated around a few industries. These include construction, government and community services and the mining sectors. Of relevance to the NT AFL Club proposal, in 2020-21, the sports and recreation industry, which falls within the 'arts and recreation services' sector accounted for 0.5% of total economic output in the NT, 0.7% of total economic output in Darwin and 0.8% of total economic output in Alice Springs.<sup>129</sup> An analysis of the size and potential of the sports industry in Australia found that in terms of labour force, the NT has the lowest proportion of sports-related employees in its workforce compared to any Australia state. However, when using value add per worker as an indicator of productivity, the study suggested sports-related workers in the NT are one of the most productive.<sup>130</sup> The establishment of an NT AFL Club would help stimulate growth in a highly productive and efficient sector of the NT economy.

Many other sectors are expected to experience growth because of the Project. One such sector of direct relevance to the proposal is the tourism industry, which is an important economic driver for the Territory and a significant industry in regional areas. The tourism industry's contribution to the NT economy is captured in a range of sectors, including accommodation and food services, retail trade, arts and recreation, and transport. The NT Government reports that in 2019-20, the tourism industry in the NT is estimated to have directly contributed 3.3% to GSP.<sup>131</sup> The establishment of an NT AFL Club would likely result increased rates of tourism to the Territory, as outline in Section 9.5.3.

### 8.5.2 Project Impact – Employment, Industry and Business

The establishment and operation of an NT AFL Club would enhance industry growth in the NT through employment, the procurement of goods and services by the Club during its establishment and operations, and increased demand in tourism and hospitality-related sectors, particularly during AFL game weekends. The direct economic impact of the NT AFL Club would be focused within Darwin and Alice Springs but would result in indirect benefits to regions outside of these centres. The specific impacts within key industries are discussed below:

- **Tourism industry:** Regular AFL games on weekends has the potential to improve the levels of visitation and tourism expenditure within both Darwin and Alice Springs, and in turn, promote new economic spend in the NT. GHD's Social Impact Evaluation indicates that the establishment of an NT AFL Club would also have positive flow on benefits to

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<sup>129</sup> National Institute of Economic and Industry Research (NIEIR), 2021, Economic Profile – Darwin and Northern Territory, compiled and presented in Economy.id., <https://economy.id.com.au/>

<sup>130</sup> KPMG, 2020, Exploring the size and growth potential of the Sport Industry in Australia, March 2020, prepared for the Office for Sport –Department of Health, viewed 20 July 2022, <https://www.health.gov.au/sites/default/files/documents/2020/05/sports-industry-economic-analysis.pdf>

<sup>131</sup> 2020b, Department of Tourism, Sport and Culture Annual Report 2019-2020, [https://industry.nt.gov.au/\\_\\_data/assets/pdf\\_file/0009/943974/dtsc-annual-report-2020.pdf](https://industry.nt.gov.au/__data/assets/pdf_file/0009/943974/dtsc-annual-report-2020.pdf)

tourism visitation numbers through the exposure gained from weekly television and media coverage of AFL games held in the NT. The economic benefit of an expanding tourism industry is further explored in Section 9.5.3.

- **Accommodation industry:** The hosting of regular AFL games in both Darwin and Alice Springs could benefit the accommodation industry, with an increase in demand for hotels potentially leading to industry growth. However, this would need to be carefully managed given the already high level of existing demand, cost and maximum occupancy rates experienced during the peak tourism period.
- **Food and beverages services industry:** Similarly, representatives of the food and beverages services industry consulted in the development of GHD's Social Impact Evaluation were supportive of the potential increase in expenditure and visitation generated by AFL games but cited current challenges around sourcing hospitality workers as a barrier to achieving this growth. The economic benefit of a growing food and beverages services industry is further explored in Section 9.5.4.

As outlined in Section 8.4.2 above, the establishment of an NT AFL Club will result in a range of both short and long-term employment outcomes for Territorians through the construction required to establish the Club as well as its ongoing operations (i.e. player and Club organisational roles). Employment supporting the Project would also be created in Darwin and Alice Springs, where matches are proposed to be held. These include roles such as vendors, ticket takers, ushers or facility management. Professional sports teams may also impact employment and economic activity in ancillary sporting industry sectors such as training, equipment and apparel, media, marketing, supplements and sports technology.

Further to this, flow on employment opportunities will be created across the economy as individuals and their families relocate to work and live in the NT. In particular, jobs will be created in sectors that service communities such as schools and education industries, housing and health related sectors.

## 8.6 Housing, Infrastructure and Services

The workforce required to support an NT AFL Club, and the expected short-term influx of visitors to the Territory to watch AFL matches, will require an increase in housing, infrastructure and related services across the Territory. Currently, 87.2% of permanent housing is occupied while short term accommodation providers in Darwin and Alice Springs are reportedly unable to meet demand.

The primary sporting venues in Darwin and Alice Springs are currently at capacity and require significant upgrades to ensure they continue to meet AFL and contemporary Australian sporting infrastructure standards in the future. Furthermore, improved transport infrastructure will be important to ensure the efficient movement of people, both into and around the NT, on matchday weekend. Improvements to housing, infrastructure and services will be important considerations in the assessment and progression of the Project.

### 8.6.1 Current State – Housing, Infrastructure and Services

The analysis below provides an overview of the current state of relevant housing, infrastructure and services in the NT that will be directly impacted by the heightened demand arising from the Project.

- **Housing – Permanent:** At the time of the 2021 Census there were 81,067 private dwellings in the NT, of which 87.2% were occupied and 12.8% were vacant. Across both Darwin and Alice Springs, median house prices and median rents are relatively high and unaffordable for many low to moderate income households.<sup>132</sup> As of July 2022, the rental vacancy rate in Darwin was 0.6%, declining from a peak of 4.3% in December 2018. Ensuring permanent housing availability will be important to accommodate the number of players and Club staff expected to move to the Territory with their families following the establishment of an NT AFL Club.
- **Housing – Short Term Accommodation:** Short term accommodation such as hotels, motels and holiday rentals are required to support travel for residents and non-residents across the NT. A summary of the number and capacity of short-term accommodation across the NT is provided in Table 54. Despite an increase in the number of available hotel rooms between July 2021 and July 2022 across the NT, accommodation providers in Darwin and Alice Springs have been unable to meet demand.<sup>133</sup> Although Table 54 shows that there was availability in hotel accommodation in

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<sup>132</sup> 2020c, Northern Territory Housing Strategy 2020-2025, viewed 20 November 2022, [https://tfhc.nt.gov.au/\\_\\_data/assets/pdf\\_file/0010/765433/nt-housing-strategy-2020-2025.pdf](https://tfhc.nt.gov.au/__data/assets/pdf_file/0010/765433/nt-housing-strategy-2020-2025.pdf)

<sup>133</sup> Tourism Northern Territory, 2022, Accommodation, viewed 29 August 2022, <https://www.tourismnt.com.au/research-strategies/research/accommodation>

Darwin and Alice Springs in July 2022, consultation undertaken by GHD indicated that many hotels in these regions are currently unable to operate at full capacity. This was reportedly due to a lack of available workforce. The capacity and availability of short-term accommodation was identified as a key challenge for the NT in GHD's Social Impact Evaluation. Ensuring sufficient short term accommodation Options will be critical in accommodating the influx of tourists and intrastate travel associated with AFL matchday weekends.

Table 54: Short Term Accommodation Data

Area	Number of hotel rooms	Holiday rentals	Occupancy rate	Room rate
Darwin	159,000	613	83%	\$293
Alice Springs	31,000	79	76%	\$210
NT	264,000	849	81%	\$286

- Infrastructure – Sporting Facilities:** The two principal venues supporting AFL in the NT are the TIO Stadium in Darwin and Traeger Park Oval in Alice Springs. The venues are currently at capacity and require significant upgrades to ensure they continue to meet AFL and contemporary Australian sporting infrastructure standards in the future. A detailed overview of the current state of these facilities was provided in Table 34.
- Infrastructure – Transportation:** Darwin is a car dependant city with 73.3% of the population in Darwin in 2016 travelling to work with a car, as either the driver or the passenger, and 7.8% of the population utilising public transport.<sup>134</sup> Darwin and Alice Springs are connected through the Stuart Highway as well as a north-south passenger rail service. Darwin is also home to the Darwin Airport, which is an international airport facilitating domestic routes to several capital cities in Australia as well as several regional locations in NAU. The airport also facilitates several international flights, predominantly to south-east Asia. Alice Springs Airport is a regional airport predominately facilitating a number of domestic routes from capital cities and other regional centres. Improved transport infrastructure will be important to ensure the efficient movement of people, both into and around the NT, on matchday weekend.
- Emergency Services – Police:** In 2022, the NT had the highest police officer ratios in Australia with 745 operational staff per 100,000 people.<sup>135</sup> This ratio of police officers is more than double compared to other states and territories in Australia. There are seven police stations in Darwin, and one police station in Alice Springs that services the whole of the Alice Springs Local Government Area (LGA). A strong security and policing presence at matchdays will help to reduce the risk of incidents.
- Emergency Services – Hospital:** The Royal Darwin Hospital (RDH) is a 360-bed public hospital that has a large range of services in all specialty areas. RDH's emergency department is open 24 hours. RDH services the Top End region of the NT (north of Katherine), northern parts of WA, and parts of Queensland. Alice Springs Hospital is a public hospital that serves the Central Australia region, providing a 24-hour emergency services department and a range of specialist services. An appropriate emergency response department will be important to ensure an adequate response in the event of serious sporting injuries both at the community or elite level.

### 8.6.2 Project Impact – Housing, Infrastructure and Services

The analysis below provides an overview of the expected impact of the Project in relation to the current state of housing, infrastructure and services in the NT.

- Housing – Permanent:** The Project would attract skilled workers and AFL players to the area, which is expected to result in an increase in residential population in Darwin. This may increase the demand for houses to rent and purchase in the area. The current state analysis indicates that there is limited availability in the housing market in Darwin (see section 8.6.1). However, given the increase in permanent population in Darwin is likely to be small, this is not likely to affect the availability of housing for other residents in the area looking to buy or rent. Housing supply,

<sup>134</sup> 2017b, General Community Profile - Greater Darwin (7GDAR), 2016 Census of Population and Housing.

<sup>135</sup> 2022, Report on Government Services: Police Services, viewed 10 November 2022, <https://www.pc.gov.au/ongoing/report-on-government-services/2022/justice/police-services>

however, will remain as an ongoing consideration for the NT Government given the general forecast growth in population in the NT, and Darwin.

- **Housing – Short Term:** The attraction of visitors temporarily to Darwin and Alice Springs over game weekends would benefit short term accommodation providers. However, as identified in the current state analysis (see Section 8.6.118.6.1), there is limited availability of short-term accommodation in Alice Springs and Darwin to meet current demands, particularly during the peak tourism season. Without additional supply of short-term accommodation, the Project is expected further reduce the availability of accommodation, which may deter some people from travelling to Darwin and Alice Springs for tourism or business.
- **Infrastructure – Sporting Facilities:** The Project would require upgrades to both TIO Stadium in Darwin and Traeger Park in Alice Springs. Upgrades would ensure that the facilities meet contemporary sporting standards and AFL requirements. A detailed overview of the upgrades associated with the Project can be seen in Section 7.4.
- **Infrastructure – Transportation:** The Project is expected to attract visitors from intrastate and interstate for AFL games. This would require travel by air, rail, or road. Given the distance between Darwin, Alice Springs and other towns and major cities, most visitors are expected to travel by air. The operation of the NT AFL Club would also require some skilled workers and team members to fly to and from away games as required. At present, the current schedules for air travel are infrequent and not optimised for transporting sporting teams in and out of Darwin due to the low number of air travel operators in the NT. The Project would increase the demand on flights, particularly from Darwin. The increase in demand may also reduce affordability of some flights, particularly those on game weekends. Some people would travel to Darwin and Alice Springs by road to attend games, particularly if travelling from remote areas of the NT. Consultation undertaken by GHD indicated that residents of remote communities would be prepared to travel long distances by car to watch a NT AFL team play.
- **Emergency Services – Police:** The Project would lead to an increase in both permanent and temporary population in the NT. This may lead to an increase in demand for emergency services including medical, police and emergency response. This would be most noticeable over game weekends, when there is a significant short-term increase in population in Darwin or Alice Springs. Although it is expected that security would be employed at each facility during AFL games, a larger presence of police may still be required in Darwin and Alice Springs over game weekends. Further to this, the concentration of policing resources at sporting venues during games may detract from policing activities in other areas away from the venue.
- **Emergency Services – Medical:** An increase in demand for emergency medical services and infrastructure (such as hospitals) may reduce access to these services for local residents. Capacity at Royal Darwin Hospital is currently limited, and the facility would likely struggle to meet additional demand. While not directly related to the Project, this will be a key ongoing consideration for the NT Government as the population of Darwin and the NT grows.

## 8.7 Summary

This Chapter summarises the outcomes of GHD's Social Impact Evaluation report and identifies a range of potential social impacts that may arise from the establishment of an NT AFL Club. These impacts are discussed across the following key areas:

- Indigenous culture and values.
- Health and community wellbeing.
- Education and training.
- Population and demography.
- Employment, industry and business.
- Housing, infrastructure and services.

GHD's Social Impact Evaluation found that the Project would present communities across the NT with a range of positive social benefits, particularly for remote Indigenous communities. The primary benefits outlined in the GHD Social Impact Evaluation are summarised in Table 55.

Table 55: Key Social Benefits Arising from an NT AFL Club

<b>Benefit Area</b>	<b>Benefit description</b>
<b>Health and community wellbeing</b>	Greater participation in sport driven by AFL engagement contributes to positive physical health outcomes, lowering the economic burden of physical inactivity
	Improved social inclusion and cohesion is facilitated through community sporting engagement and leads to enhanced social benefits
<b>Education and training</b>	Positive impact on student engagement with regard to schooling attendance, retention and achievement, particularly in rural and remote communities
	Increased interest in higher education due to higher visibility of sport industry career pathways
<b>Population and demography</b>	Increased attraction and retention of workers in the Territory due to increased liveability and the establishment of an NT AFL Club
	Attraction of AFL related tourism and increase in visibility of the NT as a tourist destination
<b>Employment, industry and business</b>	Creation of employment opportunities in sport-adjacent and supporting industries

The expected economic impact of realising several the social benefits identified within this Chapter have been further discussed and monetised in Chapter 9 – Preliminary Economic Impact Assessment.

# 9 Preliminary Economic Impact Assessment

## 9.1 Purpose and Overview

The purpose of this Chapter is to outline the outcomes of a preliminary economic assessment in respect of the potential benefits associated with the Project, and to provide information to stakeholders on areas where additional information is required to understand the full impact of the Project. This Chapter outlines the economic methodology used to assess the Project, and has been structured to discuss the approach, framework employed and anticipated economic impact. It also explains the key assumptions and parameters that underpin the analysis. This Chapter includes:

- Purpose and overview.
- Preliminary economic impact assessment methodology.
- Scenario definition.
- Phase 1 economic analysis – direct and flow on benefits.
- Phase 2 economic analysis – strategic socio-economic benefits.
- Detailed economic assessment requirements.
- Summary.

## 9.2 Preliminary Economic Impact Assessment Methodology

**This preliminary economic impact assessment is solely focused on the impact resulting from Stage 3 of Option 6 (establishment of a new NT AFL Club). For the remainder of this Chapter, Stage 3 of Option 6 is referred to as ‘the Project’.**

The economic impact of Stage 3 of both Options 5 (Existing Club Relocation) and Option 7 (NAU AFL Club) is expected to be similar to those for Option 6, and therefore at this early stage in the assessment of the broader Project, the outputs of this assessment may be considered as applicable for both of those Options. Once a final AFL Club Option is determined (as part of a DBC assessment), a single comprehensive economic impact assessment will be completed for the whole reference Project.

Throughout the development of the Project a range of direct and ‘flow on’ economic benefits will be generated. Beyond this, there are several longer-term region defining ‘strategic benefits’ that the Project aims to achieve. To develop a holistic understanding of the anticipated economic benefits associated with the Project, the preliminary economic assessment has been undertaken in two key phases:

- **Phase 1 – Direct and Flow On Benefits:** Phase 1 estimates the direct and flow on economic contribution of the Project in terms of employment generated, operational spend associated with the Project and the economic contribution of construction relating to the Project.
- **Phase 2 – Strategic Socio-Economic Benefits:** Phase 2 includes an ‘order of magnitude’ style economic assessment which aims to present indicative monetisation of an improvement on the current state of strategic and social outcomes in the Territory, which may be facilitated through the Project.

A more detailed overview of the methodology underpinning Phase 1 and Phase 2 of the preliminary economic assessment is outlined below:

### 9.2.1 Phase 1 – Direct and Flow On Benefits

The Phase 1 economic assessment estimates the direct and flow on economic contribution of the establishment of a new AFL Club in the NT. This assessment was completed using a REMPLAN input-output model to estimate the economic contribution to the NT region represented in terms of employment, output and value-added. These three key measures are defined below:

- **Output:** The gross measure of the total sales from each industry sector situated within the NT.



- **Value-added:** The marginal economic value that is added by each industry sector within the NT. Value-added is a proxy for GRP change.
- **Employment:** The total number of employed individuals within the NT.

The economic contribution of two key stages of the Project (as previously established in Chapter 7 of this Report) were evaluated:

- **Construction contribution:** The contribution of the direct capital investment of the Project to the NT. This relates to the jobs supported and value added during the construction stage and occurs only over the short to medium term – it does not represent a permanent increase to the outputs of the NT economy.
- **Operational contribution:** The ongoing contribution of the Project in terms of the creation of FTE employee roles within the NT region and the operational spend associated with the Club (exclusive of salaries and wages). This represents the permanent creation of FTEs and Club expenditure and is an ongoing contribution to the NT economy.

The economic contribution of the Project has been assessed through ‘Direct’, ‘Supply-Chain’ and ‘Consumption’ effects, allowing for flow-on economic impacts to be captured. These effects are defined below:

- **Direct:** Impacts related to the construction of infrastructure and the ongoing operations of the Club. At a high level, this represents construction spend and the direct employment and Club expenditure generated by the Project.
- **Supply-Chain:** The subsequent flow on effects related to servicing sectors which increase its own output and demand for local goods and services due to the construction spend and establishment of an NT AFL Club.
- **Consumption:** The increased expenditure derived from the change in salaries and wages because of direct and supply chain effects.

### 9.2.2 Phase 2 – Strategic Socio-Economic Benefits:

The Phase 2 economic analysis aims to provide an indication of the economic impact that improvements on the current socio-economic state may have in the NT. These longer-term strategic and socio-economic improvements are expected to be realised through the delivery of the Project. The socio-economic benefits discussed in this Chapter have been identified as Project impacts in Chapter 8 – Social Impact Evaluation.

The nature of the Project presents implicit limitations to appropriately defining and measuring the economic impact of the Project to key social and strategic benefit areas, including time horizon uncertainty and an undetermined detailed understanding of the incremental impact expected to be delivered through the Project. Given these limitations, an “order of magnitude” style economic assessment has been undertaken, which aims to present long-term, indicative monetisation across areas that may be impacted by the Project.<sup>136</sup> These estimates are intended only to provide an indication of the potential value of various societal and economic benefit streams, based on a 1%, 5% and 10% improvement on current state outcomes. Estimates are not additive and do not represent the expected magnitude of socio-economic benefits that can be directly attributed to the Project. The Phase 2 economic assessment requires:

- Uniformly expressed benefit values to allow for consistent comparison. To achieve this, all dollar values expressed in this Chapter are presented in real terms as FY23\$ (unless otherwise stated), determined using Reserve Bank of Australia (RBA) Consumer Price Index (CPI) calculation methodology and ABS CPI data;<sup>137</sup>
- Benefit valuation to be limited to expected benefits within the NT community; and
- Benefit valuation to be based on the impacts on the NT community, rather than considering the Project at a specific point in time as it relates to a single stakeholder.

The Phase 2 economic analysis takes a wide societal view in considering and valuing socio-economic benefits. By understanding how the Project may impact communities across a range of socioeconomic factors, Project stakeholders are able to understand the societal value delivered through the Project. These impacts are in addition to the direct and flow on

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<sup>136</sup> Monetisation of Project benefits was undertaken where feasible. The monetisation of social benefits expected to be delivered by the Project in this chapter is not exhaustive.

<sup>137</sup> Reserve Bank of Australia, *CPI Calculations – Financial Year*. Accessed at: <https://www.rba.gov.au/>

economic benefits calculated in Phase 1 of the economic assessment. The key steps in undertaking the Phase 2 economic assessment are:

**1 Define base case and Project case**

- a Clarify what would occur in the absence of the Project (the “base case”).
- b Clarify what would occur if the Project is implemented (the “Project case”).

**2 Identify impact areas in the Project case**

- a Identify areas of improvement in the Project case, relevant to the base case. This could include socio-economic benefits or a reduction in negative socio-economic outcomes as a result of the Project. Impact areas associated with the Project has been informed by findings in Chapter 8 – Social Impact Evaluation.

**3 Quantify Project benefits**

- a Quantify the economic value of positive socio-economic outcomes in the current state (e.g. economic contribution of the tourism sector), or alternatively, the current cost to the economy of negative socio-economic outcomes in the NT (e.g. health cost of physical inactivity).
- b Calculate the total economic impact of enhancing positive socio-economic outcomes, or reducing the impact of negative socio-economic outcomes in the NT by 1%, 5% and 10%, as a result of the Project.
- c Where monetisation of improved socio-economic outcomes can not be monetised with reasonable justification, qualitatively acknowledge the benefit area to inform the economically assessment holistically.

This Chapter is intended to present a high-level and indicative economic assessment. Inputs used as part of the assessment are representative of the best available information at the time of authoring and are likely to change as the Project definition and timeline evolve.

**9.3 Scenario Definition**

Economic benefits are calculated and expressed as the incremental change between two assessed scenarios, the base case and the Project case. Table 56 defines both cases and is informed by findings in Chapter 7 (Financial Assessment). As outlined previously, this preliminary economic impact assessment focuses on the outcomes of executing Stage 3 of Option 6 (establishment of a new NT AFL Club) – in isolation of other Stages. The incremental benefits that arise in the Project case are analysed in detail in this Chapter.

Table 56: Definition of Base Case and Project Case

<b>Base Case – Stage 2 of Option 6</b>	<b>Project Case – Stage 3 of Option 6</b>
<p>A formal Club partnership has been established in the NT with an existing club(s). While AFL and AFLW games are played within the NT, a NT based AFL and AFLW Club has been established.</p>	<p>An AFL and AFLW Club is established in the NT, resulting in the following:</p> <ul style="list-style-type: none"> <li>• Capital upgrades totalling \$700.0m for the construction of a new 20,000 seat Darwin City Stadium (see Table 39). Construction of the stadium is expected to take 3 years.</li> <li>• 83 player roles and 82 organisational roles are generated through the establishment of an NT AFL Club (see Appendix C).</li> <li>• Operational spend (exclusive of salaries and wages) by the NT AFL Club totalling \$17.2m p.a. (see Appendix B)</li> </ul>

## 9.4 Phase 1 Economic Analysis – Direct and Flow On Benefits

### 9.4.1 Construction Contribution<sup>138</sup>

The economic contribution of the construction phase can be viewed in terms of economic output, value-added and employment created p.a. (p.a.). As detailed in Table 56, spend during the construction phase is expected to total \$700.0m, or \$233.3m p.a. across each year of the three-year construction phase.

A summary of the expected direct and flow on economic impact of the construction phase is provided at the end of this section.

#### **Economic Output – Construction Contribution:**

From a direct increase in output of \$233.3m p.a. it is estimated that the demand for intermediate goods and services (e.g. manufacturing of metal beams used during construction) would rise by \$150.2m p.a. This represents the direct effect plus supply-chain effects (i.e. 'type 1' effects) – for every direct one dollar increase in output there would be an extra \$0.64 of 'type 1' activity generated within the region due to the supply-chain effects. These supply-chain effects include multiple rounds of flow-on effects, as servicing sectors increase its own output and demand for local goods and services in response to the direct change to the economy.

The increases in direct and indirect output would typically correspond to the creation of jobs in the economy. Corresponding to this change in employment would be an increase in the total of wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated at \$53.0m p.a.

**Total output, including all direct, supply-chain and consumption effects (i.e. 'type 2' effects) is estimated to increase by up to \$436.4m p.a. as a result of capital spend during each year of the three year construction stage.**

This includes the direct effect plus supply-chain effects as above, plus induced consumption effects – for every direct one dollar increase in output there would be an extra \$0.87 of 'type 2' economic activity within the region.

#### **Value Added – Construction Contribution:**

From a direct increase in output of \$233.3m p.a. the corresponding increase in direct value-added is estimated to be \$54.5m p.a. From this direct expansion in the economy, flow-on supply-chain effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in a further increase to value-added of \$54.4m p.a.

The increase in direct and indirect output and the corresponding boost to jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to further boost value-added by \$30.6m p.a.

**Total value-added, including all direct, supply-chain and consumption effects is estimated to increase by up to \$139.4m p.a. as a result of capital spend each year of the three-year construction stage.**

#### **Employment Generated – Construction Contribution:**

From a direct increase in output of \$233.3m p.a. the corresponding creation of direct jobs is estimated at 198 jobs. From this direct expansion in the economy, flow-on supply-chain effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in the gain of a further 271 jobs (corresponding to a 'type 1' employment multiplier of 2.4).

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated to further boost employment by 125 jobs.

**Total employment, including all direct, supply-chain and consumption effects is estimated to increase by up to 594 jobs during each year of the three-year construction phase** (corresponding to a 'type 2' Employment multiplier of 3.00).

Figure 30 provides an overview of the expected direct and flow on economic contribution of the construction phase relating to the implementation of Stage 3 of Option 6 – the establishment of a new NT AFL Club.

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<sup>138</sup> Results in this section were informed through the use of REMPLAN's input-output model to estimate economic contribution.

Figure 30: Direct and Flow on Economic Impact of Construction Phase

Construction Phase				
Capital Cost	Total Economic Output	Gross Regional Product	Direct Employment	Indirect Employment
<p><b>\$700m</b></p> <p>Or \$233m per annum across each year of the three-year construction phase.</p>	<p><b>\$436m</b></p> <p>Per annum across the economy for the three-year construction phase.</p>	<p><b>\$139m</b></p> <p>Per annum across each year of the three-year construction phase.</p>	<p><b>198</b></p> <p>Roles will be created for the three-year construction phase.</p>	<p><b>396</b></p> <p>Roles will be created for the three-year construction phase.</p>

#### 9.4.2 Operational Contribution<sup>139</sup>

The economic contribution of the operations phase can be viewed in terms of economic output, value-added and employment created. As detailed in Table 56, the following operational jobs are created in the Project case:

- Men’s AFL team – 49 playing roles.
- Women’s AFLW team – 34 playing roles.

**Total player jobs created: 83**

- The board: 8
- Administration: 10
- Commercial, business development and events: 10
- Media, communications and digital: 8
- Stadium, facilities and events: 11
- Consumer, community and marketing: 15
- Coaches, physiotherapists, doctors and sports science staff: 20

**Total organisational jobs created: 82**

In addition to this, the annual operational spend of an NT AFL Club above and beyond wages and salaries is expected to be \$17.2m p.a.

A summary of the expected direct and flow on economic impact of the operations phase is provided at the end of this section.

**Economic Output – Operational Contribution:**

Based on the forecast direct increase of 165 jobs and operational spend of \$17.2m p.a., the corresponding direct increase in output is estimated at \$65.4m p.a.

From a direct increase in output of \$65.4m p.a. it is estimated that the demand for intermediate goods and services would rise by \$25.5m p.a. This represents the direct effect plus supply-chain effects – for every direct one dollar increase in output there would be an extra \$0.39 of ‘type 1’ activity generated within the region due to the supply-chain effects. These supply-chain effects include multiple rounds of flow-on effects, as servicing sectors increase its own output and demand for local goods and services in response to the direct change to the economy.

The increases in direct and indirect output would typically correspond to the creation of jobs in the economy. Corresponding to this change in employment would be an increase in the total of wages and salaries paid to employees. A proportion of

<sup>139</sup> Results in this section were informed through the use of REMPLAN’s input-output model to estimate economic contribution.

these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated at \$25.8m p.a.

**Total output, including all direct, supply-chain and consumption effects is estimated to increase by up to \$116.8m p.a. during operation of the Club.** This includes the direct effect plus supply-chain effects as above, plus induced consumption effects – for every direct one dollar increase in output there would be an extra \$0.79 of ‘type 2’ economic activity within the region.

**Value Added – Operational Contribution:**

Based on the forecast direct increase of 165 jobs and operational spend of \$17.2m p.a., the corresponding direct increase in output is estimated at \$65.4m p.a.

From a direct increase in output of \$65.4m p.a. the corresponding increase in direct value-added is estimated to be \$27.0m p.a. From this direct expansion in the economy, flow-on supply-chain effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in a further increase to value-added of \$11.6m p.a.

The increase in direct and indirect output and the corresponding boost to jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are expected to further boost value-added by \$14.9m p.a.

**Total value-added, including all direct, supply-chain and consumption effects is estimated to increase by up to \$53.6m p.a. as a result of the Club’s operation.**

**Employment – Operational Contribution:**

Based on the forecast direct increase of 165 jobs and operational spend of \$17.2m p.a., the corresponding direct increase in output is estimated at \$65.4m p.a.

From a direct increase in output of \$65.4m p.a. the corresponding creation of direct jobs is estimated at 222 jobs. From this direct expansion in the economy, flow-on supply-chain effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect impacts would result in the gain of a further 62 jobs. This represents a Type 1 Employment multiplier of 1.28.

The increase in direct and indirect output and the corresponding creation of jobs in the economy are expected to result in an increase in the wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated to further boost employment by 61 jobs.

**Total employment, including all direct, supply-chain and consumption effects is estimated to increase by up to 345 jobs** owing to the club’s operation (corresponding to a ‘type 2’ Employment multiplier of 1.56).

Figure 31 provides an overview of the expected direct and flow on economic contribution of the operations phase relating to the implementation of Stage 3 of Option 6 – the establishment of a new NT AFL Club.

Figure 31: Direct and Flow On Economic Impact of Operations Phase

Operational Phase				
Player Employment	Organisational Employment	Indirect Employment	Economic Output	Gross Regional Product
<b>83</b> Roles	<b>82</b> Roles	<b>180</b> Roles across different sectors of the economy.	<b>\$116m</b> Per annum during the Club’s operational years.	<b>\$53m</b> Per annum during the Club’s operation years.

## 9.5 Phase 2 Economic Analysis – Strategic Socio-Economic Benefits

Table 57 provides a summary of the longer term strategic socio-economic benefits that are expected to be delivered to Territory communities in the Project case. An “order of magnitude” style economic assessment has been undertaken, which aims to present long-term, indicative monetisation across areas that may be impacted by the Project based on a 1%, 5% and 10% improvement on current state outcomes.

Detailed discussion of why each outcome is expected to occur in the Project case, the assumptions and methodology underpinning the monetisation of the current state of the problem in the Territory and the economic benefit of improving each outcome is provided in Sections 9.5.1 to 9.5.4

Monetisation of Project benefits was undertaken where feasible. The monetisation of social benefits expected to be delivered by the Project in this Chapter is not exhaustive. Where social benefits have not been monetised, a qualitative description of the benefit the Project is expected to deliver has been provided.

Table 57: Benefit Areas

<b>Benefit area – Aligned to Chapter 8 – Social Impact Evaluation</b>	<b>Benefit description</b>	<b>Monetised or qualitative benefit</b>
<b>Health and community wellbeing</b>	Greater participation in sport driven by AFL engagement contributes to positive physical health outcomes, lowering the economic burden of physical inactivity.	<b>Monetised</b>
	Improved social inclusion and cohesion is facilitated through community sporting engagement and leads to enhanced social benefits.	Qualitative
<b>Education and training</b>	Positive impact on student engagement with regard to schooling attendance, retention and achievement, particularly in rural and remote communities.	<b>Monetised</b>
	Increased interest in higher education due to higher visibility of sport industry career pathways.	Qualitative
<b>Population and demography</b>	Increased attraction and retention of workers in the Territory due to increased liveability and the establishment of an NT AFL Club.	<b>Monetised</b>
	Attraction of AFL related tourism and increase in visibility of the NT as a tourist destination.	<b>Monetised</b>
<b>Employment, industry and business</b>	Creation of employment opportunities in sport-adjacent and supporting industries.	<b>Monetised</b>

A summary of the expected benefits associated with improvements against current socio-economic outcomes that could be facilitated by the Project is provided at the end of this section.

### 9.5.1 Health and Community Wellbeing Benefits

#### **Greater participation in sport driven by AFL engagement contributes to positive physical health outcomes, lowering the economic burden of physical inactivity.**

Participation in sport is an effective driver of improved physical activity outcomes. The Australian Institute of Health and Welfare (AIHW) estimates that 75% of Australian adults aged 18-64 do not meet physical activity guidelines.<sup>140</sup> As a result, physical inactivity is responsible for approximately 2.5% of Australia’s total disease burden.<sup>141</sup> In the NT, this disease burden is even greater. Physical inactivity is seen as one of the leading risk factors, contributing as much as 6.6% of the

<sup>140</sup> Australian Institute of Health and Welfare (2023), *Physical activity*. Accessed at <https://www.aihw.gov.au/reports/australias-health/insufficient-physical-activity>

<sup>141</sup> Australian Institute of Health and Welfare (2023), *Physical activity*. Accessed at <https://www.aihw.gov.au/reports/australias-health/insufficient-physical-activity>

disability-adjusted life years (DALYs)<sup>142</sup> of all Territorians.<sup>143</sup> Only socioeconomic disadvantage, tobacco smoking and high body mass account for a larger portion of the NT disease burden.

Each year, physical inactivity is estimated to cost the Australian economy \$2.4b (FY2019 \$).<sup>144</sup> This estimate was calculated using total spending on disease, and the estimated proportion of disease burden that is attributable to the risk factor of physical inactivity. Further to this, spending on public health per capita in the NT tends to be higher than in other Australian jurisdictions as outlined in Case Study 1.

#### **Case Study 1: Public health spending in the NT per capita**

In 2021, the AIHW reported substantially higher per capita public health spend in the NT than the national average - \$11,136 per capita in the NT compared to \$8,617 per capita nationally.<sup>145</sup>

High per capita public healthcare cost can be attributed to a greater prevalence of disease in the NT, and the relative remoteness of many NT communities which require healthcare professionals to be transported to and from remote locations to provide care. The cost is compounded by the seriousness of health issues in remote communities, where lack of access to healthcare results in the progression of otherwise minor issues into major health concerns.

The cost burden of disease in the NT is also disproportionately accounted for by Indigenous health inequalities, which comprise roughly 40% of direct health costs in the NT.<sup>146</sup> Indigenous communities also commonly face more severe cases of disease when it occurs as a result of limited access to preventative and primary healthcare.

When variables such as the 'seriousness' of the condition have been controlled, the cost of providing health services in the NT will remain higher. 'Recurrent cost per weighted separation' represents the average cost of providing care for patients adjusted for case mix. Case mix adjustment takes account of variation in the relative complexity of a patient's clinical condition and of the hospital services provided. The average cost per admitted patient in the NT (adjusted for case mix) in 2021 was \$6,716 (FY21 \$), compared to a national average of \$5,153 (FY21 \$).<sup>147</sup>

A key element of the NT Government's current strategic framework for encouraging active communities in the NT is by enabling the use of active spaces and supporting sporting pathways. As detailed in section 8.2.2, the Project will increase participation in sport in local and remote communities across the NT, in turn, reducing the rates of physical inactivity across the Territory.

#### **Monetisation of Benefit**

The economic benefit of reducing rates of physical inactivity in the NT is based on an understanding of the total annual spend on all diseases, and the estimated proportion of disease burden that is attributable to physical inactivity in Australia. This includes spend on diseases linked directly with physical inactivity (e.g. Type 2 Diabetes) and also additional spend on diseases indirectly associated with physical inactivity (e.g. high blood pressure). The resulting value, indicative of the total economic cost of inactivity in Australia can be apportioned to the population of the NT. Escalation factors should then be applied to reflect the higher prevalence of diseases linked to physical inactivity in the NT and the higher average health costs per patient in the Territory (adjusted for case mix), relative to the rest of Australia. The methodology and inputs used

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<sup>142</sup> DALYs are a measure of healthy life lost as a result of premature death or living with disability due to injury or illness.

<sup>143</sup> Zhang, Zhao & Guthridge (2018), *Burden of Disease and Injury Study: impact and causes of illness, injury and death in the Northern Territory, 2004-2013*. Accessed at: <https://digitallibrary.health.nt.gov.au/prodjspsui/bitstream/10137/7072/3/NT%20Burden%20of%20Disease%20and%20Injury%20Study%20-%20revised.pdf>

<sup>144</sup> Australian Institute of Health and Welfare, (2023) *Economics of sport and physical activity participation and injury*. Accessed at: <https://www.aihw.gov.au/reports/sports-injury/economics-of-sport-and-physical-activity/contents/total-cost-of-physical-inactivity-and-related-risk>

<sup>145</sup> Australian Institute of Health and Welfare (2023), *Health expenditure Australia 2020-21*. Accessed at: <https://www.aihw.gov.au/reports/health-welfare-expenditure/health-expenditure-australia-2020-21/contents/overview/health-spending-in-each-state-and-territory>

<sup>146</sup> Zhao, Vemuri & Arya (2016) *The economic benefits of eliminating Indigenous health inequality in the Northern Territory*. Accessed at: <https://www.mja.com.au/journal/2016/205/6/economic-benefits-eliminating-indigenous-health-inequality-northern-territory>

<sup>147</sup> Productivity Commission. Report on Government services 2023. Accessed at: <https://www.pc.gov.au/ongoing/report-on-government-services/2023/health/rogs-2023-part-1-overview-and-sections.pdf>

to calculate the economic cost of physical inactivity in the NT, and the benefit associated with reducing levels of physical inactivity is outlined below:

$$\text{Cost of physical inactivity in the NT p.a.} = (\text{Direct and indirect total cost of physical inactivity in Australia p.a.} * \text{NT population share \%}) * \text{Escalation factor 1} - \text{higher prevalence of disease linked to physical inactivity} * \text{Escalation factor 2} - \text{higher health costs per patient in the NT adjusted for casemix}$$

Table 58 outlines the assumptions used to calculate the cost of physical inactivity in the NT p.a.

Table 58: Reduced Cost of Physical Inactivity Benefit Calculation Assumptions

Data/assumption	Data / input	Source*
CPI change between FY19 and FY23	15.12%	RBA
NT population share of Australia	0.96%	ABS
Total cost of physical inactivity in Australia – direct (FY2019 \$)	\$1.70 billion (FY2019 \$) \$1.96 billion (FY2023 \$)	Australian Institute of Health and Welfare
Total cost of physical inactivity in Australia – indirect (FY2019 \$)	\$763 million (FY2019 \$) \$878 million (FY2023 \$)	Australian Institute of Health and Welfare
Escalation factor 1 – higher prevalence of disease linked to physical inactivity	2.64 – calculated through a comparison of the proportion of total diseases burden that is attributable to physical inactivity in the NT (6.6%) versus Australia (2.5%)	Australian Institute of Health and Welfare and Zhang, Zhao & Guthridge
Escalation factor 2 – higher health costs per patient in the NT adjusted for case mix	1.30 – calculated through a comparison of the health costs per patient in the NT (\$6,716) versus Australia (\$5,135) when adjusted for case mix	Australian Productivity Commission

\*See footnotes within text for source reference

It is estimated that physical inactivity costs the NT \$93.6m each year. If the Project were to contribute to the reduction of the prevalence of physical inactivity within the NT by 1%, 5% or 10% the expected economic benefit p.a. would be:

- 1% reduction in physical inactivity within the NT - \$0.94m economic benefit p.a.
- 5% reduction in physical inactivity within the NT - \$4.68m economic benefit p.a.
- 10% reduction in physical inactivity within the NT - \$9.36m economic benefit p.a.

### Improved social inclusion and cohesion is facilitated through community sporting engagement and leads to enhanced social benefits.

Sport is an opportune setting to create opportunities for diverse community members to come together, break down social and cultural barriers and form more robust community connections.<sup>148</sup> Furthermore, sport plays an important role in developing children’s social skills, including how to work cooperatively as part of a team and be sensitive to the needs of others.

Participation in sport allows children to diversify their social circles and make new friends outside of school,<sup>149</sup> with research published by the Australian Sport Foundation finding that people who play sport are 40% more likely to have mixed-ethnic friendship groups than non-participants.<sup>150</sup>

<sup>148</sup> Australian Sports Commission, (2023). Benefits of inclusion in sport [https://www.sportaus.gov.au/integrity\\_in\\_sport/inclusive-sport/benefits-of-inclusion-in-sport#:~:text=Being%20part%20of%20an%20inclusive,and%20strengthen%20overall%20community%20connections](https://www.sportaus.gov.au/integrity_in_sport/inclusive-sport/benefits-of-inclusion-in-sport#:~:text=Being%20part%20of%20an%20inclusive,and%20strengthen%20overall%20community%20connections)

<sup>149</sup> Health Direct, (2022). Developing life skills through sport. <https://www.healthdirect.gov.au/developing-life-skills-through-sports#social>

<sup>150</sup> Australian Sports Foundation, (2023). <https://asf.org.au/the-benefits-of-sport><https://asf.org.au/the-benefits-of-sport>



Community benefits can also be realised through enabling adaptive participation in sport for people who need assistance or those with a disability, which in 2021 represented 11.6% (more than 1 in 9) of people in the NT.<sup>151</sup> Supporting this notion, survey research conducted with parents of children with a disability found that participation in sports activity led to improvement in their child's wellbeing, mood, comfort and sleep.<sup>152</sup>

These findings suggest that enhanced community sport programs and the provision of sports infrastructure expected to be delivered in the Project case, act as a vehicle to break down social and cultural stigmas and increase the sense of community by providing the opportunity for diverse groups of people to come together when they otherwise might not have. In doing so, it is expected to contribute to the inclusivity and general wellbeing of the wider NT community.

### 9.5.2 Education and Training Benefits

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#### Positive impact on student engagement with regard to schooling attendance, retention and achievement, particularly in rural and remote communities.

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Sport plays a positive role in children's educational achievement. Children who play sport have improved cognitive development, are more attentive at school and achieve better academic results.<sup>153</sup> Playing sport as a child is also highly correlated with staying at school longer, especially for boys.<sup>154</sup> This is reflected in data collected by AFLNT, which suggests a 41% increase in engagement of students in Alice Springs as a result of school-based AFL programs. Sport also teaches children critical life skills such as teamwork, fair play and resilience, which are important drivers of success as an adult. Together, this results in a high correlation between playing sport regularly as a child and higher lifetime earnings.

The economic cost of an individual 'early school leaver' (defined as a student who fails to complete Year 12 or equivalent by age 19) has an associated fiscal cost to the economy of \$334,600 (FY2014 \$) and social cost of \$616,200 (FY2014 \$) over their lifetime.<sup>155</sup> Fiscal costs of an early school leaver, on average, include lower income tax payments, higher criminal justice expenditure, higher health expenditure and higher use of welfare support programs and payments. Whereas social costs of an early school leaver, on average, include lower personnel earnings, higher likelihood of criminal activity and worse personnel health status.<sup>156</sup>

As detailed in section 8.3.2, the Project will have a positive impact on student engagement in education and improve achievement prospects. Case Study 2 provides a further example of the strong ties between engagement in education and AFL that are unique to the Territory.

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<sup>151</sup> Northern territory Government, (2023). Our territory Context. <https://tfhc.nt.gov.au/social-inclusion-and-interpreting-services/office-of-disability/disability-strategy/territory-context#:~:text=Estimated%20disability%20prevalence%20of%2011.6,population%20covered%20by%20the%20SDAC>.

<sup>152</sup> Marion and Newman, (2021). Parents' Perspectives on Adaptive Sports in Children with Profound Intellectual and Multiple Disabilities. [https://www.google.com/search?q=Parents%E2%80%99+Perspectives+on+Adaptive+Sports+in+Children+with+Profound+Intellectual+and+Multiple+Disabilities&rlz=1C1GCEA\\_enAU943AU944&oq=Parents%E2%80%99+Perspectives+on+Adaptive+Sports+in+Children+with+Profound+Intellectual+and+Multiple+Disabilities&aqs=chrome..69i57.617j0j4&sourceid=chrome&ie=UTF-8](https://www.google.com/search?q=Parents%E2%80%99+Perspectives+on+Adaptive+Sports+in+Children+with+Profound+Intellectual+and+Multiple+Disabilities&rlz=1C1GCEA_enAU943AU944&oq=Parents%E2%80%99+Perspectives+on+Adaptive+Sports+in+Children+with+Profound+Intellectual+and+Multiple+Disabilities&aqs=chrome..69i57.617j0j4&sourceid=chrome&ie=UTF-8)

<sup>153</sup> Ann Rosewater, 2009. Learning to play and playing to learn: Organised sports and educational outcomes

<sup>154</sup> Boston Consulting Group. Intergenerational Review of Australian Sport 2017. Accessed at: [https://www.sportaus.gov.au/\\_\\_data/assets/pdf\\_file/0011/660395/Intergenerational\\_Review\\_of\\_Australian\\_Sport\\_2017.pdf](https://www.sportaus.gov.au/__data/assets/pdf_file/0011/660395/Intergenerational_Review_of_Australian_Sport_2017.pdf)

<sup>155</sup> Lamb & Huo (2017), *Counting the costs of lost opportunity in Australian education*. Accessed at: <https://vuir.vu.edu.au/33523/1/Counting-the-costs-of-lost-opportunity-in-Australian-education.pdf>

<sup>156</sup> Lamb & Huo (2017), *Counting the costs of lost opportunity in Australian education*. Accessed at: <https://vuir.vu.edu.au/33523/1/Counting-the-costs-of-lost-opportunity-in-Australian-education.pdf>

### Case Study 2: The Clontarf Foundation

In the NT, where schooling retention rates are historically lower than the national average, “academy-style” institutions that link education with participation in AFL have been shown to increase retention rates, especially in rural or remote communities.<sup>157</sup> These programs commonly use AFL as an incentive for engagement by partnering with schools and aim to improve school attendance by engaging students in learning through providing attractive, culturally safe and supportive learning spaces. They also use ‘high profile’ Indigenous athletes as role models to promote positive health and lifestyle messages and attract children to attend school.

The Clontarf Foundation, in 2021, had 731 participants complete Year 12 while 88% of Year 12 graduates in the program remained engaged in employment or further education after 12 months of graduating.<sup>158</sup> Comparatively, the NT Year 8 to 12 retention rate is the lowest in the country at 54.2%, compared to a nation-wide Year 10 to 12 retention rate of 80.5%.<sup>159</sup>

### Monetisation of Benefit

The economic benefit of reducing early school leavers through the Project is based on an understanding of the fiscal (‘taxpayer’) and social (‘community’) costs to the economy of the existing cohort of early school leavers in Australia. This resulting value, indicative of the total economic cost of early school leavers in Australia p.a., can be apportioned to the population of the NT. An escalation factor should then be applied to reflect the known higher prevalence of early school leavers in the NT, relative to the rest of Australia. The methodology and inputs used to calculate the economic cost of early school leavers in the NT, and the benefit associated with reducing the number of early school leavers is outlined below:

$$\text{Cost of early school leavers in the NT p.a.} = (\text{Fiscal and social cost of early leaver cohort in Australia p.a.} * \text{NT population share \%}) * \text{Escalation factor} - \text{higher rate of early school leavers}$$

Table 59 outlines the assumptions used to calculate the cost of early school leavers in the NT p.a.

Table 59: Reduced Early School Leavers Benefit Calculation Assumptions

Data/assumption	Data / input	Source*
CPI change between FY14 and FY23	25.09%	RBA
Total cost of early school leaver cohort in Australia – fiscal (FY2014 \$)	\$315.3 million (FY2014 \$) \$394.4 million (FY2023 \$)	Centre for International Research on Education Systems
Total cost of early school leaver cohort in Australia – social (FY2014 \$)	\$580.7 million (FY2014 \$) \$726.4 million (FY2023 \$)	Centre for International Research on Education Systems
NT population share of Australia	0.96%	ABS
Escalation factor – higher rate of early school leavers	1.42 – calculated through a comparison of the year 12 certification rate in the NT (55.7%) versus Australia (79.1%)	Australian Curriculum Assessment and Reporting Authority

\*See footnotes within text for source reference

<sup>157</sup> GHD (2023), *Social Impact Evaluation – Northern Territory AFL Club*

<sup>158</sup> Clontarf Foundation (2022), *Annual Report 2022*. Accessed at: <https://clontarf.org.au/wp-content/uploads/2022/04/Clontarf-Foundation-2022-Annual-Report.pdf>

<sup>159</sup> Australian Curriculum Assessment and Reporting Authority, 2022. Accessed at: <https://www.acara.edu.au/reporting/national-report-on-schooling-in-australia/apparent-retention>

It is estimated that the early school leaver cohort costs the NT \$15.3m each year. If the Project were to contribute to a reduction in the prevalence of early school leavers within the NT by 1%, 5% or 10% the expected economic benefit p.a. would be:

- 1% reduction in number of early school leavers within the NT - \$0.15m economic benefit p.a.
- 5% reduction in number of early school leavers within the NT - \$0.76m economic benefit p.a.
- 10% reduction in number of early school leavers within the NT - \$1.53m economic benefit p.a.

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### **Increased interest in higher education due to higher visibility of sport industry career pathways.**

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By increasing outreach to communities and showcasing sporting career pathways, the Project presents an opportunity to drive interest and participation in tertiary education across the Territory. Jobs associated with AFL and AFLW clubs are varied and often require an education qualification beyond a grade 12 certificate. Roles include commercial and administration, digital and marketing, sports and exercise science and management roles, among others. As shown in Case Study 3, partnerships between universities and AFL clubs exist and are often symbiotic relationships. As the NT has the lowest number of people per capita with a bachelor's degree or higher of any state or territory in Australia (21.5%)<sup>160</sup>, the Project is uniquely positioned to encourage higher educational attainment in the NT for people who aspire to work for an NT AFL Club. This is beneficial to individuals, as those with bachelor's degrees can expect to earn between 40-50% higher lifetime earnings than their counterparts whose highest level of educational attainment is a year 12 certificate.<sup>161</sup> Further to this, greater participation in tertiary education will, in turn, help to strengthen and diversify the NT economy overtime.

#### **Case Study 3: Victorian University and Western Bulldogs partnership**

Victoria University's association with the Western Bulldogs Football Club began in the 1980s and has grown to include all four teams (AFL, AFLW, VFL and VFLW) at a shared campus at Victorian University Whitten Oval.

As the partnership continues to grow, so do the opportunities for students and researchers at Victoria University. Each year, the Western Bulldogs host around 100 Victoria University student placements through the Club and the Community Foundation. The joint-funded sports-science team supervises students undertaking research in sport science, data analytics, strength and conditioning and psychology.

Victoria University has also become the preferred place for Bulldogs players to study. The tailored learning model enables players to train, play and complete their studies without missing too many subjects during the season. Currently there are 21 Bulldogs players (across all teams) enrolled at Victoria University.

Top statistics showcasing the strength of the partnership between Victoria University and the Western Bulldogs, include:

- 100 Victoria University students work with the Bulldogs every year.
- The entire Bulldogs' all-female sport-science team is from Victorian University.
- Victoria Universities polytechnic massage students treat Bulldogs players.
- 70 Western Bulldog elite athletes have attended Victorian University.
- Over 50 Bulldogs staff are Victorian University alumni.

### **9.5.3 Population and Demography Benefits**

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#### **Increased attraction and retention of workers in the Territory due to increased liveability and the establishment of an NT AFL Club.**

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<sup>160</sup> Economy ID (2021). Community Profile. <https://profile.id.com.au/australia/qualifications?WebID=160>

<sup>161</sup> University of Queensland, 2014. How much is it worth? New estimates of private returns to university education in Australia. [https://www.aph.gov.au/~media/Committees/eet\\_ctte/estimates/add\\_1415/Education/Answers/SQ15-000059AttachmentB.pdf](https://www.aph.gov.au/~media/Committees/eet_ctte/estimates/add_1415/Education/Answers/SQ15-000059AttachmentB.pdf)

The NT regularly faces net negative interstate migration, meaning more people leave the Territory per year than enter it from other states. Where individuals migrate interstate, they no longer contribute to the gross state product (GSP) of the NT, and therefore present an economic opportunity cost. It is estimated that each employed person within the NT (inclusive of part time and full time employment) contributes \$195,935 (FY2023 \$) to GSP.<sup>162</sup> However, only 137,494 people of the 246,500 living in the NT are employed (55.8%)<sup>163</sup> Importantly, the NT suffers from a regular shortage of skilled labour, and retention and attraction of residents is key to developing the economy.

In the period of December 2013 to December 2022, the NT faced an average net interstate migration of -1,993 people per year.<sup>164</sup> Given the size of the labour force in the Territory, and its relatively small population, the difficulty in retention of residents presents a significant economic opportunity cost.

As detailed in section 8.4.2, the Project is well positioned to increase attraction and retention of workers in the NT. First, by increasing liveability through investment in sporting infrastructure and entertainment services, the NT encourages inward migration and retention of current residents.<sup>165</sup> In line with the TERC Report, investment in sporting infrastructure is a key component of actions required to increase liveability and to attract and retain people to live in the Territory.<sup>166</sup> Second, there is a workforce requirement to develop and maintain the NT AFL Club and supporting infrastructure and industries into the future.

### Monetisation of Benefit

The economic benefit of reducing net interstate migration away from the NT is based on an understanding of the incremental number of people leaving the NT each year above and beyond the number of people arriving in the NT from other states. This figure is then used in combination with an understanding of the extent to which the Territory's GSP is impacted by each person that moves away from the NT. The resulting value is indicative of the total economic cost of net interstate migration away from the NT. The methodology and inputs used to calculate the economic cost of net interstate migration away from the NT, and the benefit associated with reducing the number of people leaving the NT is outlined below:

Cost of net interstate migration away from the NT p.a. = Net number of people migrating interstate away from the NT \* per person contribution to NT GSP

Table 60 outlines the assumptions used to calculate the cost of net interstate migration away from the NT p.a.

Table 60: Reduced Net Interstate Migration Away from the NT Benefit Calculation Assumptions

Data/assumption	Data / input	Source*
Average annual net number of people migrating interstate away from the NT p.a. (annual average between 2013 and 2022)	-1,993 people	ABS
Per person contribution to NT GSP	\$109,290.3 (FY23 \$) – calculated through an understand that each employed person in the NT contributes \$195,936 to GSP, but only 55.8% of Territorians are employed. As a result, the 'typical	REMPPLAN and NT Government

<sup>162</sup> This figure has been calculated through REMPLAN in conjunction with the use of NTG datasets

<sup>163</sup> Northern Territory Government. Accessed at: <https://nteconomy.nt.gov.au/labour-market#employment>

<sup>164</sup> ABS, (2022). Employment Data - Interstate Migration and Departures. Accessed at: <https://www.abs.gov.au/statistics/people/population/national-state-and-territory-population/latest-release>

<sup>165</sup> Infrastructure Australia (2018) *Planning Liveable Cities – A place-based approach to sequencing and infrastructure growth*. Accessed at: [https://www.infrastructureaustralia.gov.au/sites/default/files/2019-06/ifa\\_225232\\_planning\\_liveable\\_cities\\_report\\_2018\\_fa\\_web\\_hr.pdf](https://www.infrastructureaustralia.gov.au/sites/default/files/2019-06/ifa_225232_planning_liveable_cities_report_2018_fa_web_hr.pdf)

<sup>166</sup> Territory Economic Reconstruction Commission (2020), *Final Report: A Step Change to Win Investment and Create Jobs*. Accessed at [https://ntrebound.nt.gov.au/\\_\\_data/assets/pdf\\_file/0020/952301/terc-final-report.pdf](https://ntrebound.nt.gov.au/__data/assets/pdf_file/0020/952301/terc-final-report.pdf)

Data/assumption	Data / input	Source*
	person <sup>167</sup> in the NT contributes \$109,290.3 to GSP.	

\*See footnotes within text for source reference

It is estimated that the cost of net interstate migration away from the NT to the economy is \$217.8m each year. If the Project were to contribute to the reduction of net interstate migration away from the NT by 1%, 5% or 10% the expected economic benefit p.a. would be:

- 1% reduction in net interstate migration away from the NT - \$2.18m economic benefit p.a.
- 5% reduction in net interstate migration away from the NT - \$10.89m economic benefit p.a.
- 10% reduction in net interstate migration away from the NT - \$21.78m economic benefit p.a.

### Attraction of AFL related tourism and increase in visibility of the NT as a tourist destination.

Tourism is a significant economic contributor in the NT, especially for regional areas. The industry directly employs nearly 7,000 people (4.7% of the NT Workforce) and contributes \$784m (FY22 \$) to the NT economy.<sup>168</sup> Tourism's contribution to the NT economy is captured in a range of industries including accommodation, food and drink hospitality services, retail trade, culture and recreation and transport. The establishment of an NT AFL Club and the associated hosting of regular AFL games will enhance the Territory's 'major events' offering, in turn, extending the shoulders of the peak tourism season and improving visitation rates to Darwin, Alice Springs and the regions. As noted in Section 8.5.2, it is expected that an NT AFL Club could help to attract intrastate, interstate and international tourists to the Territory on game day weekends, in turn, providing a significant economic injection to a range of NT industries:

- **Intrastate tourism:** On match-day weekends, 'intra-territory' travel from the regions to matches in Darwin and Alice Springs is likely to occur as fans travel from around the Territory to support their club.
- **Interstate tourism:** A number of 'travelling fans' of inter-state teams would likely visit the Territory to watch their home team play in Darwin or Alice Springs, with tourism industry representatives noting that the likelihood of attracting interstate tourists could greatly be increased through the promotion of targeted Territory tourism package offerings.
- **International tourism:** The Social Impact Evaluation report prepared by GHD indicates that there may be interest from Australian 'expats' and international AFL fans based in South-East Asia to attend games in the Territory, which is more geographically accessible than Australia's southern states. The popularity of the sport is continuing to grow overseas, with AFL's international streaming service generating 1.68 million hours of AFL streamed in 191 countries outside of Australia each year.<sup>169</sup>

Case Study 4 provides an overview of the economic contribution of the AFL's inaugural 'Gather Round' and highlights the willingness of people to travel for sporting entertainment and to support their AFL club.

<sup>167</sup> The contribution to GSP of the 'typical person' is calculated through an understanding of the contribution to GSP of an employed individual in combination with the likelihood of a person being employed in the NT.

<sup>168</sup> NT Government, Department of Treasury and Finance (2023). *Tourism*. Accessed at: <https://nteconomy.nt.gov.au/industry-analysis/tourism>

<sup>169</sup> Fox Sports. More International Fans Watching AFL. Accessed at: <https://www.foxsports.com.au/media-centre/media-alerts/more-international-fans-watching-afl/news-story/065e55aefddc89a70f459e6d1b4cb5eb>

#### Case Study 4: AFL Gather Round 2023

In April 2023, South Australia hosted the first inaugural AFL Gather Round, a 4-day event in which all home-and-away matches in a round are played in a single city.

- The overall economic contribution to South Australia was \$83.5 million, \$55.7 million of which came from interstate visitation.
- 41,262 interstate visitors attended gather round matches, resulting in a total of 151,487 visitor nights. – 16.6% of which were spent outside of Adelaide.<sup>170</sup>

The success of Gather Round is representative of the demonstrated economic and tourism impact that AFL events are able to create.

In addition to attracting supporters on match days, the introduction of an NT AFL Club would enable the widespread ‘marketing’ of the NT as a tourism destination on televisions around Australia every week of the AFL season, with flow on economic tourism benefits.

#### Monetisation of Benefit

The Project’s contribution to the NT’s tourism economy is twofold. First, games held in the NT are expected to directly generate intrastate, interstate and potentially even international visitation to the Territory; second, the Project is likely to further generate incidental tourism to the Territory through the ‘marketing’ of the NT as a destination on TV around the country each week of the AFL season.

The methodology and inputs used to calculate the economic benefit of growing the size of the NT’s tourism economy can be measured by:

$$\text{Benefit of growing the size of the NT tourism economy p.a.} = \text{Economic value of the NT tourism economy} * x\% \text{ growth}$$

Table 61 outlines the assumptions used to calculate the benefit of growing the size of the tourism economy p.a.

Table 61: Economic Growth of the Tourism Industry Benefit Calculation Assumptions

Data/assumption	Data / input	Source*
CPI change between FY22 and FY23	7.03%	RBA
Economic value of the NT Tourism industry p.a.	\$784.0 million (FY2022 \$) \$839.1 million (FY2023 \$)	NT Government

\*See footnotes within text for source reference

It is estimated that the economic value of the NT tourism industry is \$839.1m each year. If the Project were to contribute to the growth of the NT tourism sector by 1%, 5% or 10% the expected economic benefit p.a. would be:

- 1% growth in value of the NT tourism sector - \$8.39m economic benefit p.a.
- 5% growth in value of the NT tourism sector - \$41.96m economic benefit p.a.
- 10% growth in value of the NT tourism sector - \$83.91m economic benefit p.a.

In future works, a tourism demand assessment should be developed detailing the expected increase in visitor nights resulting from the Project. This would allow for a more refined assessment of the expected tourism impact of the Project.

<sup>170</sup> South Australia Government (2023), *AFL Gather Round scores big economic win*. Accessed at: <https://www.premier.sa.gov.au/media-releases/news-items/afl-gather-round-scores-big-economic-win>

#### 9.5.4 Employment, Industry and Business Benefits

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##### Creation of employment and industry growth in sport-adjacent and supporting industries.

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While the Project is expected to directly create both player and organisational jobs (see Section 9.5), the establishment and operation of an NT AFL Club is likely to have flow on effects to related sport and event industries. As an example, the hosting of regular AFL games in both Darwin and Alice Springs could result in benefit for the NT food and beverage services industry<sup>171</sup> (noting that a portion of this spend is attributable to tourists and has already been captured in Section 9.5.3).

Consultation undertaken by GHD revealed that representatives of the NT hospitality industry were supportive of the potential increase in expenditure generated by AFL games. It is well-documented that the AFL is a significant contributor to economic injection into host cities. In 2018, the estimated net-economic contribution of AFL matches to host cities across the season was \$700 million.<sup>172</sup> Case study 5, provides an overview of the hospitality and entertainment industry spend in Adelaide on AFL game days.

##### Case Study 5: Adelaide Economic Development Agency (AEDA) AFL Analysis<sup>173</sup>

In early 2023, AEDA conducted analysis on hospitality and entertainment industry spend in Adelaide throughout the AFL season, finding that hospitality and entertainment spending increased by as much as 122% on match days. Impacts are also across multiple benefit areas – increased spend is key and benefits may also extend to the ability of AFL matches to increase accommodation bookings and hospitality spend in winter, which is traditionally the slower season for these industries.

AEDA specifically notes a highest daily spend on hospitality and entertainment at \$10.4 million, compared to an average daily spend of \$4.7 million in the same month.

In the 2022 season, \$176 million was spent in hospitality and dining across the 22 game days in Adelaide.

Other supporting industries identified as potentially benefiting from an NT AFL Club due to increased expenditure and demand are as follows:

- retail and merchandise
- transport (including taxis, rideshare companies, hire cars, buses) during game weekends and
- Hospitality and gambling industry.

##### Monetisation of Benefit

The Project is expected to provide a significant injection to the hospitality and entertainment industry of the NT, and more specifically, the food and beverage services industry. The economic contribution to the food and beverages sector will not only be generated through traveling fans (as discussed in Section 9.5.3), but also through locals who may choose to watch their Club play on televisions at venues around the NT. The methodology and inputs used to calculate the economic benefit of growing the size of the NT's food and beverage services industry can be measured by:

$$\text{Benefit of growing the size of the NT food and beverage industry p.a.} = \text{Economic value of the NT food and beverage services industry} * x\% \text{ growth}$$

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<sup>171</sup> The food and beverage services industry includes the following: cafes, restaurants and takeaway food services; pubs, taverns and bars; and clubs (hospitality)

<sup>172</sup> UNSW Business School (2019), *Economic windfall thanks to AFL*. Accessed at: <https://newsroom.unsw.edu.au/news/business-law/economic-windfall-thanks-afl>

<sup>173</sup> Adelaide Economic Development Agency (2023), *AFL season making its mark on hospitality and entertainment industry*. Accessed at: <https://www.aedasa.com.au/blog/afl-home-game-big-spenders/>



Table 62 outlines the assumptions used to calculate the benefit of growing the size of the NT’s food and beverage services industry p.a.

Table 62: Economic Growth of the F&B Services Industry Benefit Calculation Assumptions

Data/assumption	Data / input	Source*
CPI change between FY22 and FY23	7.03%	RBA
Economic value of the NT food and beverage services industry p.a. <sup>174</sup>	\$427.2 million (FY2022 \$) \$457.2 million (FY2023 \$)	Economy ID

\*See footnotes within text for source reference

It is estimated that the economic value of the NT food and beverages services industry is \$457.2 million each year. If the Project were to contribute to the growth of the NT food and beverages services sector by 1%, 5% or 10% the expected economic benefit p.a. would be:

- 1% growth in value of the food and beverages services sector - \$4.57m economic benefit p.a.\*
- 5% growth in value of the food and beverages services sector - \$22.86m economic benefit p.a.\*
- 10% growth in value of the food and beverages services sector - \$45.72m economic benefit p.a.<sup>175\*</sup>

*\*A portion of this benefit is attributable to increased rates of tourism, which has already been captured in Section 9.5.3*

Figure 32 provides an overview of the economic impact of a 1%, 5% and 10% improvement in current state outcomes of each of the key socio-economic indicators and strategic objectives that may be impacted by the project. It is important to note that the benefits identified in Figure 32 are stand-alone in a pure sense, and therefore should not be aggregated to a cumulative total. Notwithstanding, in the NT context the potential socio-economic benefits are significant on a p.a. basis.

<sup>174</sup> Economy ID, (2023). Northern Territory Economic Profile. Accessed at: <https://economy.id.com.au/rda-northern-territory/value-add-by-industry>

<sup>175</sup> Note that a portion of the economic contribution attributed to the food and beverages industry is generated by tourists and is captured in Section 9.5.3. Given the datasets available, there is no way to disaggregate the data to determine the local spend within the food and beverages industry.



Figure 32: Summary of Strategic Socio-Economic Benefits Per Annum

	Level of improvement p.a.		
	1%	5%	10%
<p><b>Increasing rates of physical activity</b> The economic burden to the NT of physical inactivity each year is \$93.6m</p> <p>If the Project contributes to a sustained 1% decrease in the level of physical inactivity in the Territory, the expected economic benefit is ...</p>	<b>\$0.93m</b>	<b>\$4.68m</b>	<b>\$9.36m</b>
<p><b>Reduced rate of early school leavers</b> The economic cost to the NT early school leavers each year is \$15.3m</p> <p>If the Project contributes to a sustained 1% decrease in the level of early school leavers in the Territory, the expected economic benefit is ...</p>	<b>\$0.15m</b>	<b>\$0.76m</b>	<b>\$1.50m</b>
<p><b>Reduced interstate migration away from the Territory</b> The economic cost of net interstate migration away from the NT each year is \$217.8m</p> <p>If the Project contributes to a sustained 1% decrease in the level of net interstate migration away the Territory, the expected economic benefit is ...</p>	<b>\$2.17m</b>	<b>\$10.89m</b>	<b>\$21.78m</b>
<p><b>Growth of the tourism sector</b> The economic value of the NT tourism industry is \$839.1m each year</p> <p>If the Project contributes to a sustained 1% growth in economic value of the Territory tourism sector, the expected economic benefit is ...</p>	<b>\$8.39m</b>	<b>\$41.95m</b>	<b>\$83.91m</b>
<p><b>Growth of the food and beverages services industry</b> The economic value of the NT food and beverage services sector is \$457.2m each year</p> <p>If the Project contributes to a sustained 1% growth in economic value of the Territory food and beverages services sector, the expected economic benefit is...</p>	<b>\$4.57m</b>	<b>\$22.86m</b>	<b>\$45.72m</b>

## 9.6 Detailed Economic Assessment Requirements

To further quantify the benefits assessed as part of the economic analysis completed in this Chapter, it is necessary to progress the Project to a more detailed cost-benefit analysis. However, to do this it is necessary to further define the key elements and specifications of the Project, including operating model, financial outcomes, infrastructure designs and qualitative benefits. Consideration should also be given to the expected time profile of benefits and costs associated with the Project.

To this end, the specific work to be undertaken in the future to inform a more detailed economic assessment will include:

- Definition of the Club operating and governance arrangements following completion of further assessment of the Project through a DBC.
- Development of more detailed construction cost estimates following the completion of scoping and design work for the proposed infrastructure and facilities.
- Completion of a more comprehensive social impact analysis to determine the incremental impact that can be attributed to the Project. For example, identification of the number of Territorians that are expected to increase their level of physical activity as a direct result of the Project, or the extent to which the Project could improve educational outcomes such as school attendance and retention rates.
- Completion of a tourism demand assessment detailing the expected increase in visitor nights and forecast spend per tourist resulting directly from the Project. This would allow for a more refined assessment of the expected tourism impact of the Project.
- Completion of a business impact analysis assessing the isolated economic impact on businesses and industries as a result of AFL games being held in the Territory.

## 9.7 Summary

This Chapter has demonstrated the significant economic contribution resulting from the establishment of an NT AFL Club. The Project is expected to deliver direct and indirect economic benefits across the construction and operations phases in terms of employment generated, increased economic output and value-added to GSP. The Project is also expected to positively impact several social-economic outcomes in the Territory, with the indicative economic impacts for each identified.

### Direct Economic Impact

For simplicity, the economic impacts have been assessed for Stage 3 of Option 6 (a new NT AFL Club), and these are outlined below.

#### Construction Phase - \$700m, or \$233m p.a. Expenditure

- Total **economic output will rise by \$436m p.a.**, and **GRP to increase by \$139m p.a.** across each year of the construction phase.
- **198 direct construction jobs** and an **additional 396 indirect jobs** will be created across the economy in each year of the construction phase.

#### Operations Phase

- The establishment of an NT AFL Club will create **83 player roles** and **82 organisational roles** and generate **expenditure of \$17.2m p.a.** (exclusive of wages).
- Total **economic output will rise by \$116m p.a.**, and **GRP to increase by \$53m p.a.** each year the Club is in operation.
- The operation of an NT AFL Club is expected to create an **additional 180 ongoing indirect jobs** across different sectors of the economy.

### Socio-Economic Benefits

Table 63 presents the expected economic benefits of an improvement on the current state of strategic and socio-economic outcomes in the Territory, which may be facilitated through the Project.

Table 63: Summary of Potential Socio-Economic Benefits p.a.

Socio-economic benefit	Current state	1% improvement	5% improvement	10% improvement
Greater participation in sport driven by AFL engagement contributes to positive physical health outcomes, lowering the economic burden of physical inactivity	Cost of physical inactivity to NT economy of \$93.6m p.a.	\$0.93m	\$4.68m	\$9.36m
Positive impact on student engagement with regard to schooling attendance, retention and achievement, particularly in rural and remote communities	Cost of early school leavers to NT economy of \$15.3m p.a.	\$0.15m	\$0.76m	\$1.50m
Increased attraction and retention of workers in the Territory due to increased liveability and the establishment of an NT AFL Club	Cost of interstate migration away from the NT to economy of \$217.8m p.a.	\$2.17m	\$10.89m	\$21.78m
Attraction of AFL related tourism and increase in visibility of the NT as a tourist destination.	Value of tourism industry to NT economy of \$831.9m p.a.	\$8.39m	\$41.95m	\$83.91m
Creation of employment opportunities in sport-adjacent and supporting industries, such as the food and beverage services sector.	Value of food and beverage service sector to NT economy of \$457.2m p.a.	\$4.57m.	\$22.86m	\$45.72m

# 10 Governance and Risks

This Chapter outlines the outcomes of the risk and governance assessment that was completed for the Project. Specifically, the chapter discusses the governance and ownership arrangements that may apply to progress the Project and provides an overview of a risk assessment that was undertaken.

It is important to note that the governance arrangements and the risk considerations that may apply to the advancement of a future Darwin City stadium or similar infrastructure was not included in this assessment. It is understood that the future stadium infrastructure requirements for an AFL Club will be separately considered by AFLNT and related stakeholders. It is expected that the governance arrangements and ownership structure for such infrastructure will vary from those adopted for an AFL club.

This chapter considers the following elements in respect of the Project:

- Governance arrangements.
- Risk assessment.

## 10.1 Governance Arrangements

The ownership and governance arrangements for a future AFL Club are important strategic considerations that will directly influence the long term sustainability of the club. The key elements of the governance arrangements as they may apply to a future Club are detailed in Table 64.

Table 64: Governance Arrangements

Structure Element	Description of Element and Activities
<b>Owners/ Members</b>	<p>AFL Clubs are typically incorporated as public companies limited by guarantee, with the maximum liability per member being \$2. As such the Club ownership model is determined by memberships. Typically, clubs will retain different membership classes, with each class retaining a unique set of voting rights. Voting rights that enable influence over the overall governance arrangements for the Club may only ascribe to select classes of memberships.</p> <p>As owners, the Club members maintain accountability for securing the necessary funding to establish the Club and for its ongoing financial viability. These roles are commonly bestowed upon the elected board of directors.</p> <p>The three primary ownership models that are currently employed within the AFL are:</p> <ul style="list-style-type: none"> <li>• <b>Member Owned</b> – currently used by all Victorian clubs and Brisbane. Members have certain voting rights as stipulated by the constitution. Voting rights pertain to items such as board member appointment.</li> <li>• <b>Semi-Member Owned</b> – these clubs maintain the AFL as the sole member, with the AFL also retaining sole right to appoint and remove directors. The Club also permits ordinary Club members (match day members), however, no voting rights are attached to these memberships. Sydney, GWS Giants, Gold Coast Suns, Port Adelaide and Adelaide operate under this structure.</li> <li>• <b>W AFC Owned</b> - The W AFC owns the licences to West Coast and Fremantle and sub-licences the licences to the respective clubs.</li> </ul>

Structure Element	Description of Element and Activities
<b>Board of Directors</b>	<p>For AFL clubs, the primary governance structure will be in the form of a board of directors (between five and nine directors), including a single elected chairperson. The board of directors will provide strategic guidance and oversight to the club. The key responsibilities include:</p> <ul style="list-style-type: none"> <li>• strategic guidance, oversight and control of the club.</li> <li>• decision making that meets the owner’s objectives.</li> <li>• maximisation of financial, economic and social returns.</li> <li>• focusing on the risk management of the club.</li> </ul> <p>The board will be determined by the owner or members of the club, based on allocated voting rights. The board will be required to ensure that the objectives for the Club are achieved and that a clear vision for the future is established and implemented.</p> <p>For the semi-member owned clubs, typically where the AFL has a vested financial interest, the AFL retains sole voting rights. As such, the board appointed to these clubs will be specifically tasked with ensuring the AFLs interests are suitably managed.</p>
<b>Management</b>	<p>The management structure will oversee the day-to-day operations of the club. Importantly the management team will be required to oversee the following key tasks:</p> <ul style="list-style-type: none"> <li>• Team operations and management.</li> <li>• Game-day planning and management.</li> <li>• Membership attraction and management.</li> <li>• Sponsorships attraction and management.</li> <li>• Promotion and advertising.</li> <li>• Negotiation of commercial arrangements.</li> <li>• Corporate affairs and administration.</li> <li>• Commercialisation and risk management of the club.</li> </ul> <p>The management structure for the Club will be appointed by the owners and board.</p> <p>A management structure that delivers strong leadership, attracts, develops and retains talent, builds continuity and fosters a culture of pride is critical to the success of the club.</p> <p>The management structure will be important in the delivery of the desired economic and social outcomes sought of the club, particularly driven through the development and delivery of community programs and working with partners, such as AFLNT.</p> <p>Key management positions are expected to include:</p> <ul style="list-style-type: none"> <li>• Chief Executive Officer</li> <li>• Chief Financial Officer</li> <li>• Chief Operations Officer</li> <li>• Manager level staff</li> <li>• Officer level staff.</li> </ul>

The governance arrangements for AFL clubs are designed to enable the Club to be operated to a standard that is reflective of the objectives of the members of the club. This may include ensuring optimal team on field performance, maximising social and economic outcomes and revenue generating potential, management of risks and delivery of high-quality Club development programs and match day services.

As all AFL clubs service different stakeholder objectives, there is not one model that is appropriate for all. The recent expansion clubs, and those that the AFL maintains a material financial interest in, typically adopt a structure that enables the AFL to retain the overriding voting interest. This enables the AFL to appoint the board of directors, and ultimately influence the management structure.

### 10.1.1 Tasmanian AFL Club Governance Arrangements

The governance arrangements for the future Tasmanian AFL Club are outlined in the Constitution for the Club and have been developed to apply across two distinct phases: Phase 1 – Establishment Phase and Phase 2 – Competition Phase. These have been discussed in Table 65.

Table 65: Tasmanian AFL Club Governance Arrangements

Phase	Description of Governance Arrangements
<b>Phase 1 – Establishment Phase</b>	<p>In the Establishment Phase, both the AFL and the Tasmanian Government will hold equal membership interests in the club, reflective of their respective financial interests in the club. Supplementary (lower level) memberships will also be offered to supporters in the form of Foundational Memberships.</p> <p>During this phase, only the AFL will retain voting rights in relation to the appointment of the Board of the club. Once commissioned, the Board will determine the rights of Foundation Members.</p> <p>The Constitution for the Club allows for the appointment of nine directors, comprising of four Tasmanian Government nominated appointees and four AFL nominated appointees. A chairperson will also be appointed by AFL. The current Board for the Tasmania AFL Club is as follows:</p> <p><b>Chairperson</b></p> <p>Grant O'Brien — Tourism Tasmania chairman and AFL taskforce member.</p> <p><b>Directors</b></p> <p>Kath McCann — Beacon Foundation chief operating officer.</p> <p>James Henderson — Talent manager and AFL taskforce member.</p> <p>Alastair Lynch — Former AFL player and media presenter.</p> <p>Alicia Leis — Accountancy firm partner and UTAS audit and risk committee chairwoman.</p> <p>Roger Curtis — Law firm managing director.</p> <p>Laura McBain — Former Bellamy's Australia managing director.</p> <p>Graeme Gardner — Tasmanian Aboriginal Centre chairman.</p> <p>Kathy Schaefer — Former Central Coast Council general manager.</p> <p>The Board will oversee the formation of the club, the development of an official business case, and eventually the appointment of the team's first CEO. Other executive roles within the Club will be established following the appointment of the CEO.</p>
<b>Phase 2 – Competition Phase</b>	<p>The Competition Phase commences once the Club officially enters the AFL competition in 2028. During this phase both the AFL and Tasmania Government will be allocated rights to vote in relation to the appointment of the Board.</p> <p>During this phase, the Board may create new classes of "match day" memberships and will be responsible for determining the rights and privileges attaching to these memberships. General Club members are expected to be able to participate in and vote at Club meetings on business issues arising, however, voting rights for the election and removal of directors will not be allocated to these membership categories.</p> <p>The phase will also include a change to the composition of the Board, with the number of Board members reducing to seven persons, including two Tasmania Government appointees, four appointees nominated by the AFL (that includes the Chairperson) and the CEO may be appointed as an executive director.</p>

Other considerations related to the governance arrangements for the Tasmanian Club include:

- Directors have three-year terms but there is no limit at this stage on the number of terms for each director.
- Tasmania Government funding for the Club has been contracted for twelve years. If it is withdrawn, the Tasmania Government forfeits the right to appoint directors and all rights revert to the AFL. The AFL also has the right to manage the licence including extending, revoking or relocating the licence for the club.
- The governance arrangements for the Tasmanian Club is conceptually the same as for the Gold Coast Suns and Greater Western Sydney Giants, except for the Club chairperson being appointed by the Board rather than the AFL directly.
- Particularly in the early years of the Establishment Phase, certain Rules of Engagement will apply to dictate operational and reporting requirements for the club. These rules typically apply when any Club in the AFL is the recipient of a "variable" distribution from the AFL. Broadly, the Rules of Engagement for the Tasmanian Club include:

- Regular reporting regarding finance, business operations, planning and performance of the club. The AFL is able to comment on, and where necessary may step in to manage, certain strategic or operational activities related to the club. This ensures that the club's Board and management team are prioritising issues that will ensure the establishment of the Club is successful and sustainable. For the Tasmanian Club and example establishment phase priority is the approval and construction of the Macquarie Point stadium.
- The AFL may support the Club through the provision of certain shared services, such as payroll.
- The Club will be required to consult with the AFL in relation to the appointment of any key staff members and prior to entering into major contracts or incurring any liabilities (where these are above certain thresholds).
- Regular meetings will be required at various levels of AFL and the club, with minimum quarterly meetings in relation to operational and financial performance and six-monthly milestone meetings with the AFL Commission.

### 10.1.2 NT AFL Club Governance Considerations

The governance arrangements as outlined for the Tasmanian club, and expansion clubs, the Gold Coast Suns and Greater Western Sydney Giants, are expected to apply similarly for a future NT AFL Club. To the extent that the AFL and NT Government are foundational funding partners for the club, it is expected that both parties will retain equal membership stakes in the club.

Consistent with Tasmania, in the establishment phase of the club, the AFL is expected to retain the sole voting rights in relation to the appointment of the Board, with the NT Government inheriting voting rights once the Club progresses to the competition phase. These rights, however, will only reside with the NT Government for the duration of their financial involvement in the club.

The Board of a future NT AFL Club may include nine directors, including a chairperson, with this transitioning to seven once the Club commences in the competition. Due to the broad stakeholder group and the socially focused objectives of the club, it will be important to ensure that the Board composition adequately reflects the diversity of the community in the NT. Where the NAU Club Option is progressed, it will also be important for representatives from the different geographical locations to be considered in the governance arrangements.

Importantly, the adopted structure must be reflective of the value of the Club to the NT and/or NAU and must prioritise and protect the unique culture that exists within the region. Fundamentally, as the proposal for the Club is founded on the generation of significant social and economic benefits to the region, it is critical that the structure adopted for the Club facilitates the effective delivery of these outcomes.

## 10.2 Risk Assessment

A high-level risk assessment was completed to assess the anticipated strategic risks that currently apply, or may apply in the future, to the Project. The strategic objectives and expected benefits, identified in the ILM, were used as the basis for the risk assessment. Specifically, these objectives were considered in the identification of risks, establishment of risk severity ratings and the development of risk mitigation strategies. As the Project progresses, reassessment and review of each risk and the mitigation strategy will be crucial. Similarly, allocation of responsibility and accountability for certain risks, and the management of these, will be important for the long term sustainability of the Project.

### 10.2.1 Key Risks

A risk register has been developed assessing the preliminary strategic risks of the Project and this is presented in Appendix E. Table 66 outlines those high priority risks that require specific attention as part of the ongoing definition and assessment of the Project.

Table 66: Key Risks

Risk Item	Risk Description
<b>AFL Support</b>	The AFL (via the individual AFL Club presidents) will determine whether a new licence may be awarded for a NT club. Furthermore, a significant portion of the annual revenue for the Club will be derived through AFL contributions. Support of the AFL in the progression of the proposal for a NT Club, and the future operation of it, is critical. Failure to maintain support of the AFL may be catastrophic for the Project.
<b>Political Support</b>	A future Club is expected to request NT and/or Australian Government support to fund capital and operating expenses. Funding commitments are expected to be linked to targeted social and economic outcomes of establishing an AFL Club in the region. Where funding commitments are not made, this is likely to significantly delay or cease progress towards a club.
<b>Stadium Support</b>	The development of a fit for purpose stadium is an important step towards securing a Club licence. Investment in such infrastructure will likely affect investment contributions towards other infrastructure or services in the region, and therefore resulting in opposition to the proposal. Failure to develop a fit for purpose stadium will delay or impede the effective delivery of the desired Project outcomes.
<b>Community Support</b>	A Club requires extensive community support to establish a strong supporter base that may translate into corporate sponsorships and memberships. To the extent that the community does not support the club, or are unwilling to shift allegiances from other AFL teams or other sporting codes, the desired member and corporate partner base may not be achieved. This will impact on the commercial viability of the club.
<b>Commercial Viability</b>	The commercial viability of the Club is intrinsically linked to the ability to attract revenue from a diverse range of sources. A significant element of the value proposition links to the social and economic outcomes, as a means of unlocking revenue through Government or corporate social responsibility sources. The inability to attract funding through these channels will adversely impact the ability to establish and sustainably operate the club,
<b>Indigenous Community Support</b>	Given the unique characteristics and demographics of the Territory, ensuring that Traditional Owners and the Indigenous communities within the NT are supportive of the proposal is critical. To the extent that this support is not established, there exists a risk that many of the targeted social outcomes may not be achieved.
<b>Team Performance</b>	Expansion teams in the AFL have experienced mixed successes in terms of performance. With on ground performance having a strong correlation to the ability to attract and retain talent, and sustain a membership and corporate partner base, sustained poor performance of a NT Club may have a detrimental impact on the long term success and viability of the club.

### 10.3 Summary

The governance arrangements for a future AFL Club are important strategic considerations that will directly influence the long-term sustainability of the club. For newer expansion clubs, such as Tasmania, Gold Coast Suns and Greater Western Sydney, the adopted membership structure includes the AFL solely or in conjunction with the respective State Government, retaining the voting membership interests in the club. Under this structure, during the establishment phase, the AFL retains the sole right to appoint the Board of Directors, with these rights transitioning to include the relevant Government party as the Club enters the competition phase. The appointed Board retains responsibility for appointing the management team and for determining any additional membership classes and the voting rights that may attach to these.

Due to the broad stakeholder group and the socially focused objectives of a future NT AFL club, it will be important to ensure that the Board composition adequately reflects the diversity of the community in the NT. Where the NAU Club Option is progressed, it will also be important for representatives from the different geographical locations to be considered in the governance arrangements.

## Governance and Risks

Certain strategic risks related to the Project have been identified. For the Project to be successful now and into the future, these risks need to be appropriately considered and managed through the development, delivery and operations phases of the Project. Early identification of risks will ensure that prevailing challenges may be mitigated early, and with a lower impact on the Project outcomes.



# 11 Implementation

Following completion and approval of an SBC, the Northern Territory Project Development Framework (NTPDF) suggests that Project proposals progress to a DBC for further assessment. The DBC will further analyse the proposal in terms of financial, economic and social impact, and will seek to further develop the governance arrangements, risk frameworks and implementation steps for the Project. A DBC is a standard requirement of many funding agencies when assessing investment decisions for major projects.

This chapter details how the AFLNT may seek to progress the Project and outlines the steps necessary to deliver a DBC. The recommendations follow the requirements of the NTPDF and other best practice assessment frameworks, and include those additional steps identified through the SBC that are considered necessary for the successful delivery of the Project.

This chapter provides a plan for progression of the Project through the development of the DBC, including:

- Stakeholder engagement.
- Detailed Business Case.
- Governance structures.
- Resource requirements.
- Project timeframe.

## 11.1 Stakeholder Engagement

Consistent and targeted stakeholder engagement is an essential component of progressing the Project towards the next level of assessment through a DBC. Communication of the outcomes of the SBC and the expected benefits arising from the Project will be an important element in retaining and growing support for a future AFL club.

### 11.1.1 Communication of SBC Outcomes

Upon finalisation of the SBC, it is necessary to engage with key stakeholder groups to outline the findings of the assessment and to highlight the recommendations arising from it. Communicating the significant social and economic benefits that are expected to arise from the investment in a Club and supporting infrastructure will assist in garnering the ongoing support of stakeholders. Importantly, identifying the need for the Project to progress through further assessment and refinement, will be crucial to obtaining support from potential funding partners.

Furthermore, it is recommended that engagement occurs with other peak sporting bodies, such as Cricket Australia, to discuss options for advancing efforts towards increasing the level of elite level sporting content in the NT more generally. This is expected to provide further support for the need for broader Government support in relation to growing sport in the region, in addition to potentially supporting the business case for contributions to multipurpose sporting and entertainment facilities.

Table 67 below identifies those key stakeholders that are recommended to be engaged following finalisation of the SBC:

Table 67: Key Project Stakeholders

<b>Stakeholder Category</b>	<b>Organisation</b>
<b>AFL Related Bodies</b>	AFLNT Board
	AFLNT Taskforce
	AFL
<b>Land Councils and Indigenous Groups</b>	Northern Land Council
	Central Land Council
	Tiwi Land Council
	Larrakia Development Corporation
<b>Local, Territory and Australian Government</b>	Darwin City Council
	Alice Springs Town Council
	Northern Territory Legislative Assembly
	Northern Territory Department of Tourism and Trade (DITT)
	Northern Territory Department of Infrastructure, Planning and Logistics (DIPL)
	Northern Territory Department of Territory Families, Housing and Communities (DFHC)
	Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA)
	Australian Government Department of the Prime Minister and Cabinet (DPMC)
	National Indigenous Australians Agency (NIAA)
	NAU Infrastructure Facility (NAIF)
Northern Territory Aboriginal Investment Corporation (NTAIC)	
<b>Advocacy Bodies</b>	Tourism Top End
	Tourism NT
	NT Chamber of Commerce
	Investment Territory
	Northern Territory Indigenous Business Network
	Minerals Council of Australia
<b>Industry and Local Business Associations</b>	Paspaley Pearls Group
	Darwin Waterfront Corporation
	Cazaly's
	Channel 7
	Airport Development Group
<b>Other Peak Sporting Bodies</b>	Cricket Australia
	National Rugby League
	National Basketball League
	Football Australia

### 11.1.2 Community Consultation

Due to the importance of garnering significant levels of community support for the Project, it is recommended that targeted community engagement processes are undertaken as part of the broader communication and consultation process following on from the SBC. Community forums or workshops, held in key centres of Darwin and Alice Springs, will provide the platform for the AFLNT to openly communicate the key elements of the Project and the expected benefits that may arise from it. Importantly, using these forums as a means of obtaining community feedback in relation to the Project will be critical to informing work streams for the DBC, and to enable the refinement of elements of the Project.

## 11.2 Detailed Business Case

The purpose of the DBC phase is to provide sufficient information to allow funding agencies or Project partners to make a fully informed investment decision for the Project. The DBC will undertake a more detailed analysis of the Project's economic benefits, costs, design, financial considerations and other impacts identified during the SBC, to determine overall feasibility and viability of the Project. The DBC will also consider what stadium infrastructure requirements may be needed to support the proposal for a club.

The DBC phase will be informed by further stakeholder consultation and market sounding processes. The DBC development process is guided by the best practice assessment frameworks from the NT Government and other Australian jurisdictions. The DBC recommendations, if accepted, will form the basis of the Project and will guide the Project's development and implementation parameters.

The key activities that will be undertaken during the DBC phase include, but are not limited to:

- Re-confirming the strategic rationale, alignment and outcomes sought.
- Confirming, and then conducting, a detailed analysis of the preferred options, including any associated regulatory or related assessments.
- Detailed designs and investigations related to the required stadium and facility infrastructure.
- Developing risk adjusted cost estimates for the Club and stadium infrastructure.
- Investigating in detail the delivery models for the Project and providing recommendations.
- Financial and economic analyses to provide an indication of the economic impacts, commercial viability and affordability of the preferred Option and Project funding strategy.
- Social and environmental impact outcomes.
- Developing a Project implementation plan, based on the recommendations.
- Assurance processes aligning with the applicable assessment frameworks and approvals pathway.

The DBC requires the case for investment to be revisited, updated and expanded. During the DBC phase, the preferred Option will be further developed to provide a high level of confidence in the Project deliverability, cost and expected benefits. It is expected that the identified preferred Option developed through the DBC will build on the work developed as part of this SBC, to further define Club and infrastructure requirements.

A greater level of analysis across financial, technical, risk, economic, regulatory, governance and delivery aspects of the Project is required in the DBC to demonstrate its economic merits, its value for money outcomes and to ensure the proposed delivery model and team have the capability and capacity to implement all the components of the Project.

The DBC is intended to be a comprehensive document with full and complete descriptions of all Project elements to support a robust investment decision. Key activities for the DBC phase have been categorised by work stream and are outlined in sections below.

## 11.3 Governance Arrangements

### 11.3.1 Governance Overview

The DBC will be prepared considering the requirements of the NTPDF. Other relevant interstate guidance materials will also be used to guide the assessment process. These assessment guidelines and frameworks form the primary guidance material for the process and content requirements associated with DBC development.

The intent of the governance arrangements for the DBC is to ensure that the DBC is developed in a manner which:

- Is consistent with stakeholder objectives and recommendations arising from this SBC.
- Satisfies process and content requirements of the applicable Project assessment frameworks.
- Clearly outlines schedule, resourcing and budget parameters.
- Recognises and responds to broader stakeholder interests.

### 11.3.2 Governance Structure

A robust governance structure is required to ensure the timely and effective delivery of the DBC. Table 68 below describes the key elements of the governance structure that is expected to be applied for the DBC development phase of the Project.

Table 68: Governance Structure

Governance Group	Function	Recommendation
<b>Steering Committee</b>	<ul style="list-style-type: none"> <li>• The steering committee is a body within the Project governance structure which provides strategic guidance and oversight for the Project. Steering committee members monitor Project activity and provide direction and guidance to the Project Delivery Team and other stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>• It is recommended that the AFLNT Taskforce or a subset of this group is utilised as the steering committee for the DBC process. The Taskforce is comprised of representatives from key stakeholder organisations for the Project.</li> <li>• To ensure that appropriate capability exists within the steering committee, additional representatives with technical engineering and Project delivery and commercial expertise may be required support the existing Taskforce structure.</li> </ul>
<b>Project Delivery Team</b> Project Lead Project Manager	<ul style="list-style-type: none"> <li>• The Project Delivery Team will retain overarching responsibility for day-to-day management of the DBC delivery process.</li> <li>• The Project Delivery Team will procure and appoint the DBC Delivery Consultant (subject to steering committee endorsement) and will engage other specialist advisors required to support the DBC development.</li> <li>• The Project Delivery Team will be tasked with delivery of the DBC, aiming to ensure Project information is available to the Taskforce stakeholders, interface/operational/related issues can be resolved in a timely manner and maintain positive working relationships.</li> </ul>	<ul style="list-style-type: none"> <li>• It is recommended that the Project Delivery Team is comprised of representatives from the AFLNT who have an interest in progressing the Project and maintain a detailed understanding of the requirements for establishing and progressing a club.</li> <li>• It is critical that the Project Delivery Lead and Project Delivery Manager are suitably qualified with Project management experience and have a thorough understanding of the Project context, objectives and critical success factors. Due to the integration of work associated with the design of stadium infrastructure, some degree of technical engineering experience is also recommended.</li> </ul>
<b>DBC Delivery Team</b> DBC Delivery Consultant DBC Technical Resources (e.g. engineering design, quantity surveying, stakeholder engagement)	<ul style="list-style-type: none"> <li>• The DBC Delivery Team will comprise of a lead delivery consultant and will be supported by technical or specialist resources (as required). The DBC Delivery Team will be accountable for the delivery of the scope of works associated with the DBC and managing the various workstreams associated with the DBC.</li> </ul>	<ul style="list-style-type: none"> <li>• It is recommended that a robust process is undertaken to appoint a suitably qualified consultant to deliver the agreed DBC scope of works.</li> <li>• Following appointment of the DBC Delivery Consultant, additional technical consultants to be appointed to deliver specific scopes of work as part of the broader DBC process.</li> </ul>

### 11.3.3 Discipline Workstreams

The DBC activities and associated management and resourcing structure will be built around key discipline workstreams reporting to members of the Steering Committee. These are groupings of DBC activities that align with specialisations for projects of this nature.

It is envisaged that various sub-groups, as determined by the Project Lead and Project Manager, may be established to provide additional focus and/or further specific aspects of DBC development. The proposed work streams and key responsibilities are described in Table 69.

Table 69: DBC Discipline Workstreams

DBC Workstream	Description of Key Responsibilities	DBC Workstream Lead
<b>Strategic Direction</b>	<ul style="list-style-type: none"> <li>Definition of the Terms of Reference and key objectives of the DBC.</li> </ul>	Steering Committee
	<ul style="list-style-type: none"> <li>Providing strategic guidance in the development of DBC, associated priorities.</li> </ul>	
	<ul style="list-style-type: none"> <li>Approval of DBC consultant appointment.</li> </ul>	
<b>Project Management</b>	<ul style="list-style-type: none"> <li>Overarching responsibility for day-to-day management of the DBC process.</li> </ul>	Project Delivery Team
	<ul style="list-style-type: none"> <li>Procurement and appointment of DBC consultant.</li> </ul>	
	<ul style="list-style-type: none"> <li>Oversight of external advisory engagements, probity environment (in consultation with probity advisor).</li> </ul>	
	<ul style="list-style-type: none"> <li>Liaising with key stakeholders.</li> </ul>	
	<ul style="list-style-type: none"> <li>Coordinating DBC governance arrangements (and associated reporting), stakeholder review processes and assurance arrangements.</li> </ul>	
	<ul style="list-style-type: none"> <li>Developing briefing documents and reports required for governance and Project / reporting purposes.</li> </ul>	
<b>Business Case Management</b>	<ul style="list-style-type: none"> <li>Developing DBC structure and agreeing analysis methodology to ensure alignment with applicable assessment frameworks / agency stakeholder requirements.</li> </ul>	DBC Delivery Team
	<ul style="list-style-type: none"> <li>Reviewing and quality control of DBC deliverables.</li> </ul>	
	<ul style="list-style-type: none"> <li>Coordinating the compilation, quality control and publishing of DBC chapters and appendices into a final DBC document.</li> </ul>	
<b>Risk and Project Controls</b>	<ul style="list-style-type: none"> <li>Managing expenditure against budget</li> </ul>	Project Delivery Team
	<ul style="list-style-type: none"> <li>Preparing an overarching schedule for the Project in consultation with the Project team and agency stakeholders, including reviews and updates to the schedule as required</li> </ul>	
	<ul style="list-style-type: none"> <li>Establishing reporting arrangements to monitor and control the performance of activities, including reporting as required by agency stakeholders and in relation to key performance indicators.</li> </ul>	
<b>Strategic Alignment and Context</b>	<p>This workstream will reconfirm the strategic objectives of the Project and will rearticulate the basis upon which the Project is intended to be delivered.</p>	
	<ul style="list-style-type: none"> <li>Revisit the strategic alignment and Project context that was developed as part of the SBC and reconfirm the objectives identified.</li> </ul>	
	<ul style="list-style-type: none"> <li>Review overarching policies and strategies and confirm alignment of the Project with these.</li> </ul>	

DBC Workstream	Description of Key Responsibilities	DBC Workstream Lead
<b>Market Sounding and Stakeholder Engagement</b>	<ul style="list-style-type: none"> <li>• Implementing the stakeholder engagement plan that includes:               <ul style="list-style-type: none"> <li>– detailed market sounding process that will inform delivery, economics and financial workstreams.</li> <li>– targeted engagement with key stakeholders and funding partners.</li> <li>– protocols to ensure a collaborative approach is taken to information sharing and engagement activities to align with key government strategic frameworks.</li> </ul> </li> <li>• Informing and engaging /stakeholders on the activities of Project delivery as required.</li> <li>• Completing a Public Interest Assessment that identifies the potential impacts and benefits to the public of proceeding with the project.</li> </ul>	DBC Delivery Team
<b>Option Assessment and Refinement</b>	<p>This work stream will undertake the technical analysis of preferred option/s for the Project, covering investigations, Option assessment and Option definition. Key tasks will include:</p> <ul style="list-style-type: none"> <li>• Undertaking, evaluating and agreeing issues, constraints and actions, associated with the Project, identifying critical investigations and decisions required to progress the design of the Project.</li> <li>• Reassessing Options developed as part of the SBC and further refinement of these to determine a preferred option.</li> <li>• Development of a reference Project design and definition of key elements of the governance, management and operating structures, resourcing requirements, facilities and related elements of the Project.</li> <li>• Developing a detailed delivery program to reflect anticipated timing and any potential staging of the Project delivery.</li> <li>• Preparing a cost estimate for inclusion in the DBC including cash flow forecasts and escalation assumptions.</li> <li>• Engaging with key stakeholders that are likely to influence the outcome of the DBC to understand specific technical requirements and to ensure integration of the proposed solution.</li> </ul>	DBC Delivery Team
<b>Legal and regulatory</b>	<ul style="list-style-type: none"> <li>• Identifying relevant regulatory frameworks, approvals and licences required</li> <li>• Reviewing all aspects of relevant planning and strategic frameworks to assess legal impacts.</li> </ul>	DBC Delivery Team

DBC Workstream	Description of Key Responsibilities	DBC Workstream Lead
<b>Engineering, design, constructability and cost</b>	<p>This work stream will undertake the technical analysis of all stadium and facility infrastructure required for the Project, covering investigations, calculations, modelling, analysis, drawing production and review. It will cover engineering, constructability and cost estimating activities, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Undertaking, evaluating and agreeing issues, constraints and actions, associated with the project, identifying critical investigations and decisions required to progress the design of the Project.</li> <li>• Providing advice on Project design.</li> <li>• Developing a program of studies and physical investigation works relating to the preferred Option (including survey, GIS services, utilities investigations, geotechnical investigations) to support reference design development and construction planning.</li> <li>• Developing a detailed construction program to reflect anticipated construction timing and any potential staging of the works.</li> <li>• Preparing cost estimates for inclusion in the DBC including capital cash flow forecasts, escalation assumptions and quantitative risk assessment and value engineering/value management activities.</li> <li>• Identifying property and tenure requirements required to facilitate the project, updated as appropriate with design development.</li> <li>• Engaging with key stakeholders that are likely to influence the outcome of the DBC to understand specific technical requirements and to ensure integration of the proposed solution.</li> </ul>	DBC Delivery Team
<b>Environmental and sustainability</b>	<ul style="list-style-type: none"> <li>• Describing the base environmental case.</li> <li>• Identifying approvals required for the project, associated regulatory requirements and program implications.</li> <li>• Developing an environmental impact register to consider base environmental case and potential environmental impacts during construction and operation.</li> <li>• Undertaking a risk assessment to examine the impact register and determine significance of impacts and potential management or mitigation strategies, including costs.</li> </ul>	DBC Delivery Team
<b>Economic and Social Impact Assessment</b>	<ul style="list-style-type: none"> <li>• Designing and agreeing the overall appraisal framework and identifying the required inputs for the social and economic impact.</li> <li>• Developing a benefit estimation process/framework.</li> <li>• Undertaking a comprehensive evaluation of all the relevant financial, environmental and social costs and benefits associated with the Project, and calculation of the net present economic value.</li> <li>• Developing of a social impact register to consider base case and potential impacts during delivery period.</li> <li>• Undertaking a risk assessment to examine the impact register and determine significance of impacts and potential management or mitigation strategies, including costs.</li> </ul>	DBC Delivery Team

DBC Workstream	Description of Key Responsibilities	DBC Workstream Lead
<b>Financial and commercial</b>	<ul style="list-style-type: none"> <li>Developing a detailed financial model which will be used to assess the financial impact of the Project including capital and operational cash flow implications, and funding/affordability considerations.</li> <li>Developing a Project funding strategy.</li> <li>Considering delivery Options and recommended Project delivery strategy.</li> <li>Facilitating the non-technical/quantitative risk assessment process.</li> <li>Testing Project options/sensitivity analysis.</li> </ul>	DBC Delivery Team

## 11.4 Resource Requirements

The DBC will be completed by the Project Delivery Team, which will include the Project Lead, Project Manager, DBC Delivery Consultant and various specialist resources. The Project Lead and Project Manager are expected to be AFLNT resources committed to the Project. The DBC Delivery Consultant and other specialist DBC resources will be required to be procured through a suitable process to deliver the roles and responsibilities outlined.

The scope of deliverables will be re-confirmed at the commencement of the DBC process and will be described in the agreed DBC document outline and advisory engagement scope.

## 11.5 DBC Delivery Timeframes

A high-level indicative program has been developed for the DBC phase which describes the key DBC activities. It is expected that the DBC will be completed over a 16 to 18 month timeframe. It is envisaged that this program will be expanded to include additional detail (in consultation with key stakeholders and advisors) prior to commencement of the DBC phase. The indicative strategic program for the DBC phase is shown in Table 70.

Table 70: DBC Delivery Timeframes

Detailed Business Case	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	M13	M14	M15	M16
Strategic Alignment and Context	█	█														
Legal and Regulatory		█														
Market Sounding and Engagement		█	█	█												
Option Definition				█	█	█										
Engineering Design and Costing				█	█	█	█	█	█	█	█	█				
Environmental and Sustainability										█	█	█	█			
Social and Economic Assessment										█	█	█	█	█		
Financial and Commercial Assessment										█	█	█	█	█	█	
Conclusions and Recommendations													█	█		
Review and Consultation of Draft DBC															█	
Finalisation and Issue of Final DBC																█

## 11.6 DBC Budget

The budget for the DBC phase will be determined based on the options to be progressed for further development, the timeframes and workstreams that form part of the scope. Furthermore, the budget will vary depending on the level of consultation involved and stadium infrastructure and facility requirements adopted for the Club options.



## **11.7 Summary**

Upon completion of the SBC, it is important that a targeted stakeholder engagement process is undertaken by AFLNT and the Taskforce to communicate the outcomes of the SBC. This process will include engagement with potential DBC funding partners to communicate the outcomes of the SBC and to highlight the key benefits arising from the Project.

A governance structure for the DBC phase of the Project has been proposed which reflects a similar structure to the one established for the SBC. The structure recognises the importance of effective and clearly articulated DBC leadership, and close liaison with key stakeholder groups through various governance forums. The governance arrangements will be implemented throughout the establishment and delivery phases of the DBC for the Project.

Initial resource requirements and associated arrangements have been identified. Current timeframes anticipate the DBC to be delivered over an estimated 16-month period, subject to funding commitments and scope of the DBC.

# 12 Conclusions and Recommendations

Australian Rules Football has a proven record of delivering significant positive social benefits to communities through improved physical and mental health outcomes, educational engagement and general community cohesion. Establishment of a Club in the NT is expected to yield significant returns for the region's economy and will support many of the NT Government's stated priorities and objectives.

The purpose of this Chapter is to summarise the key findings and conclusion arising from this SBC assessment, and to provide a range of recommendations to support AFLNT and the Taskforce to progress the Project. The chapter includes:

- Conclusions.
- Recommendations.

## 12.1 Conclusions

### 12.1.1 Rationale for the Project

Arising from the consultations and analyses completed as part of the SBC, a range of common themes were identified that have influenced the rationale for the Project. These themes built upon the core problems, opportunities and benefits, that were identified as part of the ILM. The themes underpinning the rationale for the Project were as follows:

- **AFL Purpose Statement** – An AFL Club in the NT will advance AFL across Australia through progressing towards a truly national competition with premier grade representation in NAU. The proposal also directly supports the AFL to achieve its purpose of *“progressing the game, so everyone can share in its heritage and possibilities”*.
- **Stadium Infrastructure** – An AFL Club in the NT would forge a path to the justification and delivery of major multi-purpose sporting and cultural infrastructure (such as a Darwin City Stadium) and associated team high performance training facilities through the positioning of a potential cornerstone tenant and investor. The proposal would also provide support to further investment in community sporting infrastructure required to cater to increases in participation rates.
- **Stronger NT economy** - investment in AFL programs, events and teams has a proven direct economic impact to the Territory. Further investment into a club, and the supporting infrastructure required to support a club, will have a much more significant impact to the NT economy in the short, medium and long term. More importantly, the economic impact that arises from greater employment, a larger population base and enhanced attraction of people to visit and stay in the Territory, through sectors such as education, health, tourism, hospitality and retail, will be substantial. An AFL Club in the Territory has clear alignment with many of the initiatives being pursued by the NT and Australian Government's to grow the economy and support the strategically important industries that exist in the Territory.
- **Larger population base and improved liveability** – expanding the public amenity and lifestyle offerings that the NT maintains will positively impact the lives of the local residents that live in the region and may be a catalyst for attracting new residents to the NT. Enhancement of liveability of the region as an attractive place to live, work and play has been identified as a key priority for the NT Government and is critical to achieving the 2030 population growth targets that have been set.
- **Social progress** – the AFL has a proven track record of positively influencing community outcomes in relation to education attendance, mental and physical health, crime and anti-social behaviour and equality. It is for this reason that the expansion of AFL in the NT has the potential to be an important vehicle to address some of the Territory's most challenging social issues. Furthermore, the proposal has the potential to make real impact towards the key outcomes outlined in the Closing the Gap report, and to address the significant impact of disadvantage in the region.

- **Advancement of Indigenous Australians** – the AFL maintains a clear strategy to enhance the participation and engagement of Indigenous Australians in the game. Not only are Indigenous people exceptional players with a high level of affinity for the game, but the sport itself plays an important role in fostering social connections within communities. Expansion of the offerings associated with an AFL Club will deliver new playing, employment and business opportunities that may increase Indigenous participation rates. Furthermore, given the significance of AFL to the many Indigenous communities in the Territory, the game plays an important role in addressing many of the social challenges experienced by Indigenous Australians, and will support in initiatives targeted at Closing the Gap.
- **Advancement of the AFLW** – a priority for the AFL is to continue to expand and grow the AFLW. The AFL is pursuing this growth strategy rapidly and is actively progressing initiatives regarding increasing female participation in the game across the country. As the NT maintains one of the highest participation rates (per capita) of females in the sport, an expansion of the AFLW in the NT has significant merit and provides the AFL with a strong Option to execute upon its AFLW strategy.
- **Support for Strategic NAU Industries and Priorities** – through the growth in population, strengthening of the economy and ongoing development of infrastructure, a stronger NT supports the Australian Government and the NT Government to sustain the strategic NAU industries, such as Defence, Agriculture and Energy, and priorities particularly regarding National and regional security and sovereignty.

### 12.1.2 Project Considerations

In addition to the key rationale findings outlined above, a range of important considerations were identified as requiring further attention as the Project progresses through the next phase of assessment. These considerations are as follows:

- **Licence Availability** – the 19<sup>th</sup> AFL Club licence was conditionally awarded to Tasmania in 2023. While the AFL has not confirmed whether or when a 20<sup>th</sup> licence will be awarded, the expectation is that a 20<sup>th</sup> licence will optimise the playing schedule for clubs in the competition and will result in maximised broadcast revenues. As such, it is widely believed that the award of the 19<sup>th</sup> licence will result in a prompt award of the 20<sup>th</sup> licence, with a new Club starting in the league shortly after Tasmania in 2028.
- **NT Community Support** – Due to high participation, engagement and passion for the game, one of the primary underlying assumptions behind the proposal for an NT AFL Club is that it would be heavily supported by Territorians. Research indicates that people who participate in the game across the country are six times more likely to consume the AFL product. To ensure a Club in the NT is successful, securing and fostering support of the community, now and into the future, is critical. A NT Club must leverage the special importance of AFL in the NT and build a team culture that emphasises the pride and honour of pulling on a guernsey of a Territory AFL team. This will be achieved through a community led Club design and a playing cohort that has been grown from local talent and is relatable to the NT community.
- **AFL Club Support** – The responsibility for deciding on the award of future Club licences in the AFL will reside with the AFL Club presidents. To make this decision, the proposal must reflect a strong commercial and social value proposition, and importantly must demonstrate long term viability. To ensure a Club remains competitive, it is important that it maintains revenues that are comparable to other more established clubs. To achieve this, the AFL “equalises” or redistributes funding. New clubs typically receive a higher distribution from the AFL, which ultimately detracts from those funds distributed to other AFL clubs, as such new Club Options that result in the least financial demand are viewed more favourably. However, balancing the non-financial and social outcomes is also important, but only to the extent these outcomes deliver real value and are sustainable.
- **Operational Funding Support** – An annual operational funding gap of approximately \$18.89m is expected to arise following the establishment of an NT AFL Club (or alternate NAU AFL Club) (under the base scenario). Outside of the traditional revenue streams, memberships, corporate sponsorships, merchandise sales, game day revenues and AFL contributions, funding commitments will be required to secure an AFL licence. Potential operating funding partners may include the NT Government and Australian Government, with commitments linked to the delivery of important social and economic outcomes for the Territory. Alternate funding may also include corporate social responsibility sources and Indigenous land and benevolent funds, such as Indigenous land councils.
- **Stadium Infrastructure** – As was evidenced with the Tasmanian licence, the commitment to develop a new Darwin City Stadium or major upgrade to TIO Stadium will be critical to securing a future licence. While the specifications, ownership or approach to securing a new stadium were not considered in this assessment, it is clear that any new stadium in the Territory needs to be multipurpose and must cater for a range of sporting and cultural offerings. The match day and visitor experience must be prioritised, and to secure the maximum benefit for the local economy, consideration regarding the location and functionality will be crucial.

- **Talent Development, Attraction and Retention** – Due to the relatively small population in the NT, players will be imported to support the establishment of a new club. Concerns regarding player talent pool dilution will be an important consideration for the existing Club presidents and must be addressed by the NT. Development of sustainable and high performing feeder leagues and talent programs will be critical to increase the availability of local talent to support a club. Player and staff attraction and retention must also be an important part of the new club's strategy. Experience suggests that if the Club is not very successful, or if the prospects of success are poor, the 'go home' threat becomes real. This will be a particular challenge in the first five or more years of the new club's existence as it builds from the ground up, as have our most recent expansion teams. A focused effort on enhancing the liveability and attractiveness of the NT will be an important activity for key Project stakeholders, particularly the NT Government.
- **International Expansion of the AFL** – international expansion of the AFL has been a strategic priority for the league for several years. Chinese expansion is central to the AFL's future strategy with the recent creation of an AFL office in Shanghai and the commitment to play an annual game extended to 2021. The strategic proximity of the NT to South East Asia is a clear opportunity that the NT must leverage in developing the proposal for a Club licence. If nothing else, positioning a NT Club as the home Club for supporters located across South East Asia opens the door to a significant potential member base, that would substantially reinforce the financial viability of the club.
- **Governance Arrangements** – A governance and management structure that delivers strong leadership; attracts, develops and retains key talent; builds continuity; and provides a clear strategic vision, is critical. Due to the unique socially driven objectives of the club, there exists the potential to consider an alternate governance structure to those commonly adopted by expansion clubs. The Tasmanian AFL Club is an example of where funding partners (in this case the Tasmanian Government) may hold a higher degree of voting power in the design of the governance arrangements for the club. A similar arrangement may be appropriate for an NT AFL Club, where alternate public and private funding is sourced to bridge the funding gap.
- **NAU Hybrid Option** – outside of the three shortlisted Club options, a further Option that may be considered is a NAU hybrid Club that includes the strategic partnership between the NT, North Queensland (Cairns) and an existing (likely lower performing) AFL club. With an equal split of home games between the three home locations, such a Club would be underpinned by the same social objectives outlined but would retain an ongoing connection to the home location of the existing club, and importantly the member base for the club. The Club would prioritise the recruitment of local talent in the NT and NQ, and if done well, would result in the Club immediately sitting in the middle ranks of the AFL wealth ladder. This Option is also expected to reduce the level of funding support from the NT and Australian Governments and the AFL and may be an attractive Option for the existing Club to attract new members and ensure its longer term viability.

### 12.1.3 Key Findings

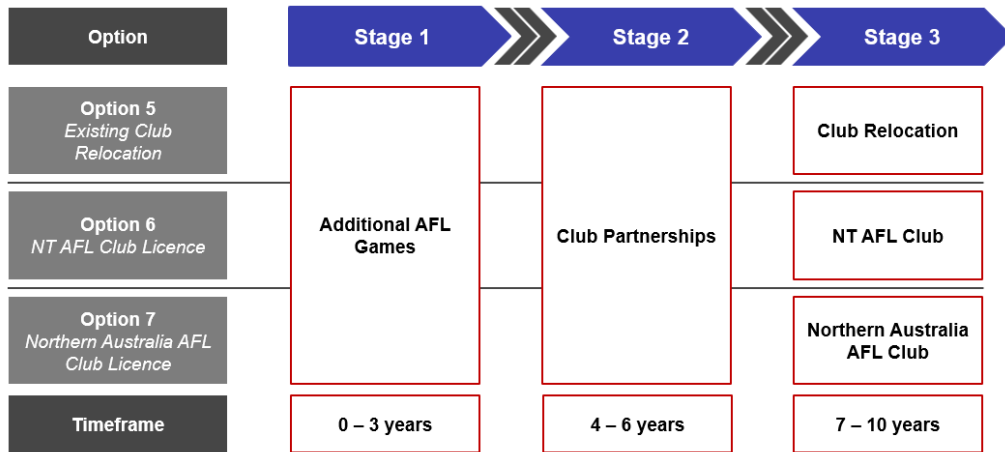
AFL forms an integral part of the culture and social fabric within the NT. With over 13 leagues, 180 clubs and nearly 40,000 participants in 2022, there exists an unrivalled passion for the game that permeates the whole of the Territory. In 2019, the Bastion Feasibility Study identified significant potential social and economic benefits arising for the Territory from the establishment of an NT AFL Club and provided a range of recommendations for the advancement of the proposal for further investigation.

Building upon the work completed by Bastion, this SBC considers the proposal for an NT AFL Club. Following an extensive consultation process, involving key stakeholders from a diverse group of organisations, a range of strategic social, economic and infrastructure opportunities and problems were identified. Through an ILM process these opportunity and problems were further defined, and a range of potential benefits associated with the rectification of these problems and opportunities were also developed. From this work, a longlist of potential AFL Club Options was established, that were subsequently grouped in "continuums" and were progressed for further assessment and refinement.

**Options Assessment**

A multi criteria assessment was undertaken with key Project stakeholders, to refine the long list of the potential AFL Club options, and through this process the following three Options were identified as the preferred:

Figure 33: Shortlisted Continuum Options



The three preferred Club continuum Options were progressed for further assessment through the SBC.

**Financial Assessment**

As part of this assessment, the total financial impact during the construction and operations phases of each shortlisted continuum options, and the various stages that comprise these Options was analysed. The assessment identified the expected financial impact for a range of Project stakeholders including a future NT or NAU AFL Club, the operational and construction funding partners, AFLNT, the AFL and the respective partner AFL Clubs.

**Construction Phase**

Progressive investment in infrastructure will be critical to enable the sustainable growth in AFL content within the NT. The capital costs associated with the construction of the required stadium infrastructure and facilities, is outlined in Figure 34.



Figure 34: Infrastructure and Facility Upgrades

**Operation Phase**

The cash flows for each Stage of the different continuum Options will impact Project stakeholder differently. Importantly, the funding requirements will vary depending on the Stage, Option and Project stakeholder. The estimated funding cashflows have been summarised in Figure 35.






	Stage 1	Stage 2	Stage 3		
	0 – 3 Years	4 – 6 Years	7 – 10 Years		
	All Options	All Options	Option 5	Option 6	Option 7
<b>Total Cash Inflows</b>	\$5.79m	\$11.61m	\$31.89m	\$42.89m	\$42.89m
<b>Total Cash Outflows</b>	\$6.19m	(\$12.48m)	(\$51.78m)	(\$69.61m)	(\$69.61m)
<b>Net Cashflow Impact</b>	(\$0.40m)	(\$0.87m)	(\$19.89m)	(\$26.72m)	(\$26.72m)
Net Cashflow by Project Stakeholder					
<b>AFL</b>	(\$0.52m)	(\$1.03m)	(\$1.0m)	(\$7.83m)	(\$7.83m)
<b>Operational Funding Partners (e.g. NT Govt)</b>	(\$4.44m)	(\$8.88m)	(\$18.89m)	(\$18.89m)	(\$18.89m)
<b>AFLNT</b>	\$0.13m	\$0.16m	-	-	-
<b>Partner AFL Clubs</b>	\$4.44m	\$8.88m	-	-	-

Figure 35: Summary of Operational Funding Requirements p.a. – All stages

**Affordability**

A sensitivity analysis conducted in relation to the financial performance of a future AFL Club indicated that the level of variable distribution received from the AFL can have a material impact on the funding gap of a prospective Club. Under the **base scenario an annual operational funding gap of \$18.89m would result** and require commitments from a funding partner. However, where the variable AFL distribution of a prospective NT AFL Club was benchmarked to equivalent small AFL Clubs (e.g. North Melbourne) currently in the league an annual funding gap of \$13.39m would result. Under this scenario, the AFL’s net position in relation to the establishment of the club is equal to the annual financial contribution of the funding partner. When the variable AFL distribution was benchmarked to the average amount paid to all AFL Clubs the annual funding gap reduces to \$16.89m. Finally, where the variable AFL distribution was benchmarked to an expansion Club (e.g. Gold Coast Suns), the annual funding gap reduces to \$6.89m.

### Funding Options

A range of potential sources and Options have been identified that may support the funding requirements for the construction and operations phases of the Project. The primary funding sources and Options include:

- AFL.
- NT Government and Queensland Government.
- Australian Government.
- Indigenous Land Councils and Indigenous Owned Corporations.
- NAU Infrastructure Facility (NAIF).
- Corporate Social Responsibility.

### Social Impact

In 2023, GHD were engaged to complete a Social Impact Evaluation of the proposal for an AFL club. The findings from this study concluded that a range of potential social impacts would result from the establishment of an NT AFL Club. These impacts would extend across the following areas:

- Indigenous culture and values.
- Health and community wellbeing.
- Education and training.
- Population and demography.
- Employment.
- Industry and business.
- Housing, infrastructure and services.

GHD’s Social Impact Evaluation found that the Project would present communities across the NT with a range of positive social benefits, particularly for remote Indigenous communities. The primary benefits outlined in the GHD Social Impact Evaluation are summarised in Table 71.

Table 71: GHD Social Impact Evaluation Findings – Social Benefits

Benefit Area	Benefit description
<b>Health and community wellbeing</b>	Greater participation in sport driven by AFL engagement contributes to positive physical health outcomes, lowering the economic burden of physical inactivity.
	Improved social inclusion and cohesion is facilitated through community sporting engagement and leads to enhanced social benefits.
<b>Education and training</b>	Positive impact on student engagement with regard to schooling attendance, retention and achievement, particularly in rural and remote communities.
	Increased interest in higher education due to higher visibility of sport industry career pathways.
<b>Population and demography</b>	Increased attraction and retention of workers in the Territory due to increased liveability and the establishment of an NT AFL Club.
	Attraction of AFL related tourism and increase in visibility of the NT as a tourist destination.
<b>Employment, industry and business</b>	Creation of employment opportunities in sport-adjacent and supporting industries.

**Economic Impact**

An economic impact assessment was undertaken to demonstrate the significant economic contribution resulting from the establishment of an NT AFL Club. The Project is expected to deliver direct and indirect economic benefits across the construction and operations phases in terms of employment generated, increased economic output and value-added to GSP. The establishment of an NT AFL Club is also expected to positively impact several social-economic outcomes in the Territory, with the indicative economic impacts for each identified.

**Direct Economic Impact**

For simplicity, the economic impacts have been assessed for Stage 3 of Option 6 (a new NT AFL Club), and these are outlined in Figure 36 and Figure 37 below:

Construction Phase				
Capital Cost	Economic Output	Gross Regional Product	Direct Employment	Indirect Employment
<b>\$700m</b> Or \$233m per annum	<b>\$436m</b> Per annum	<b>\$139m</b> Per annum	<b>198</b> Roles	<b>396</b> Roles

Figure 36: Direct and Indirect Economic Impact of the Construction Phase

Operational Phase				
Player Employment	Organisational Employment	Indirect Employment	Economic Output	Gross Regional Product
<b>83</b> Roles	<b>82</b> Roles	<b>180</b> Roles	<b>\$116m</b> Per annum	<b>\$53m</b> Per annum

Figure 37: Direct and Indirect Economic Impact of the Operations Phase



**Socio-Economic Benefits**

Figure 38 presents the expected economic benefits of an improvement on the current state of strategic and socio-economic outcomes in the Territory, which may be facilitated through the Project.






Socio-Economic Benefit	Current state	Improvement Benefit (\$/ p.a.)		
		1%	5%	10%
 <p>Greater participation in sport driven by AFL engagement contributes to <b>positive physical health outcomes</b>, lowering the economic burden of physical inactivity.</p>	Cost of physical inactivity to NT economy of \$93.6m p.a.	\$0.93m	\$4.68m	\$9.36m
 <p>Positive impact on student engagement with regard to <b>schooling attendance, retention and achievement</b>, particularly in rural and remote communities.</p>	Cost of early school leavers to NT economy of \$15.3m p.a.	\$0.15m	\$0.76m	\$1.5m
 <p>Increased <b>attraction and retention of workers</b> in the Territory due to increased liveability and the establishment of an NT AFL Club.</p>	Cost of interstate migration away from the NT to economy of \$217.8m p.a.	\$2.17m	\$10.89m	\$21.78m
 <p>Attraction of <b>AFL related tourism and increase in visibility of the NT</b> as a tourist destination.</p>	Value of tourism industry to NT economy of \$831.9m p.a.	\$8.39m	\$41.95m	\$83.91m
 <p>Creation of <b>employment opportunities in sport-adjacent and supporting industries</b>, such as the food and beverage services sector.</p>	Value of food and beverage service sector to NT economy of \$457.2m p.a.	\$4.57m	\$22.86m	\$45.72m

Figure 38: Summary of Potential Socio-Economic Benefits

**Governance**

The governance arrangements for a future NT Club are expected to align with those for similar expansion clubs such as the Gold Coast Suns and Greater Western Sydney. These structures involve the AFL retaining the voting membership interests in the Club to appoint the Board of Directors, and indirectly the management structure for the club. Due to the unique value proposition and potential funding structure for a NT Club, a governance structure that permits a greater influence of the funding partners, such as the NT Government, may be possible. Such a structure has been evidenced in Tasmanian whereby the Tasmanian Government will inherit voting interests to appoint certain board members for the club. Where a NAU Club Option is progressed, it will be important for representatives from the different geographical locations to be considered in the governance arrangements.

**Risk**

A preliminary risk assessment was completed for the Project. Key risks associated with the sustainment of support of the AFL, NT and Australian Government, and the broader NT community were identified as priorities for the Project in the early stages. Other risks associated with the future commercial viability of the club, and commitments for the construction of a new or upgrade Darwin stadium were also identified as requiring early consideration. For the Project to be successful, these risks need to be appropriately considered and managed through the development, delivery and operations phases of the Project.

### Implementation

To progress the proposal, it is recommended that the Project is advanced to a DBC assessment. A DBC will further analyse the proposal in terms of financial, economic and social impact, and will seek to further develop the governance arrangements, risk frameworks and implementation steps for the Project. A DBC is a standard requirement of many funding agencies when assessing financing proposals for major projects and is an important step outlined in the NTPDF.

## 12.2 Recommendations

Based on the outcomes of the SBC, and the supporting analyses and engagements, the following recommended actions are provided for consideration by AFLNT and the Taskforce:

**Recommendation 1 - Community and Industry Engagement** – due to the importance to the proposal of the ongoing support of the broader NT community, it is critical that a prompt and extensive community and industry engagement process is undertaken following completion of this SBC. Underpinned by a robust communication and engagement plan, the campaign will reinforce the narrative that a future Club is feasible and is intended to be for the whole of the NT and not just Darwin. Communication of the socially driven objectives and desired economic benefits for the Territory will also be important.

**Recommendation 2 - Strategic Partner Engagement** – it is recommended that a robust communication and engagement plan targeted at the key strategic partners for the Project (the AFL, NT Government, Australian Government) is developed. It is critical that lessons from the Tasmanian path to engagement are considered in developing the approach, to ensure that this is collaborative and productive. The rationale for each strategic partner group is as follows:

- **AFL:** The AFL will be the primary decision maker (via the AFL clubs) regarding whether or not a licence is awarded to the NT. As such, regular and collaborative engagement with the AFL will be critical to optimising the chances to secure a future Club licence. Importantly, demonstration of the commercial and social value proposition, and reinforcing the commitment to developing talent pathways and growing the quality community programs, will be important elements of the engagement process. Due to the unique proposition, a co-design approach, with the AFL, for a future Club is likely to result in the optimal outcome for the NT.
- **NT Government:** The NT Government will be a key Project stakeholder for the duration of the Project. The NT Government currently funds game fees required to attract the current AFL and AFLW clubs to play matches in the region. This support is expected to continue through the early stages of the proposed Club Options and culminating in a more substantial funding partner arrangement for the future operation of a NT (or NAU) AFL Club. Similarly to the AFL, regular and collaborative engagement with the NT Government will be critical to the success of the Project.
- **Australian Government:** It is expected that the Australian Government will be requested to support the delivery of the key stadium and other infrastructure required for a Club, in Darwin and Alice Springs. This request is expected to be intrinsically linked to the alignment with initiatives associated with attracting and retaining residents in the NT, that will be critically important to achieving the strategic priorities of the Australian Government, and supporting the key industries in the region, Defence, energy and agriculture.

Engagement may also extend to other sporting codes, such as Cricket Australia, the National Rugby League and the National Basketball League to encourage greater elite level sporting content in the NT and to further advocate for permanent premier grade clubs in the region.

**Recommendation 3 - Targeted Funding Partner Engagement:** The assessment completed through this SBC has identified that success of the Project is predicated on the ability to deliver a socially and commercially viable Club, now and into the future. While there will be a significant role for the NT and Australian Government's to play in achieving these objectives, longer term it will be important that funding support is obtained through other channels. In Chapter 7, a range of potential funding sources were identified. It is important that early and ongoing engagement is undertaken with a range of potential future funding partners. Key partners may include larger corporate organisations operating in the NT (to unlock CSR funding opportunities), Aboriginal Land Councils and the NAIF.

**Recommendation 4 - AFL Impact in the NT** – to clearly demonstrate the value the AFL brings to the NT now, and into the future, it is recommended that the AFLNT develops a concise strategic advocacy document that seeks to inform and promote the social and economic impact of AFL in the NT. This document would be a key advocacy tool that would form the basis of securing greater investment in AFL programs and events and to continue to grow the game in the region.

This document may also be used to illustrate the differential in Government funding provided to AFLNT compared to other peak sporting bodies (such as horse racing and V8 supercars) and to contrast the economic and social benefits from the funding contributed.

**Recommendation 5 - Talent Pathways and League Development** – a critical success factor for the Project, that has been emphasised through discussions with stakeholders, is the needed to continue to develop high quality and larger talent pools from which local players can be selected to support a future Club. A key objective for the Project involves the sourcing of local players for playing rosters to enable the growth pathways for elite players to remain in the NT, and to develop role models to drive aspiration within the NT community. This objective has a direct flow on impact to many of the social benefits linked to the proposal. To achieve this, it is recommended that:

- **NT League Development** - continued efforts and investment are put towards the growth and development of the NT leagues, including a review of the infrastructure and funding requirements needed to elevate the participation rates and progression of players into elite playing roles.
- **NT Thunder** – review the current status of the NT Thunder and investigate opportunities to reinstate the Club (in its current form or changed form) to competition.
- **Community Infrastructure** – undertake a comprehensive assessment of the community infrastructure supporting the many AFL competitions and training in the NT and assess the requirements to improve the standards of this infrastructure specifically to support further growth in the sport.

**Recommendation 6 - NAU Concept** – a NAU Club concept has been identified as a preferred Option for the Project. A potential NAU hybrid Option (including a NAU partnership with a Southern AFL club) was also discussed earlier in this Chapter.

As part of this engagement, AFL Cairns were engaged to assess their appetite for involvement in a broader NAU premier grade Club and a semi-professional league. Both Options were viewed favourably by AFL Cairns, and ongoing engagement regarding these Options was encouraged. A stronger AFL NAU competition and landscape, with or without a premier grade club, would bring many benefits to the region.

It is recommended that AFL Cairns is formally engaged to assess the Option around a future premier grade NAU AFL Club. The engagement should also consider the opportunity to reinvigorate a North East or NAU semi-professional AFL competition that may form an important part of the talent pathways for players in the region to enter the AFL.

**Recommendation 7 - AFL Tasmania Lessons Learnt** – The outcomes of the process to secure the 19<sup>th</sup> AFL Club licence brings many learnings that will be important for the NT to consider. It is recommended that AFLNT and the NT Government engage with the AFL, the Tasmania Government and the newly established AFL Tasmania Board to understand the learnings arising from the campaign to secure the 19<sup>th</sup> licence, and their status towards justifying and securing commitments for the requisite stadium infrastructure and facilities.

**Recommendation 8 - Detailed Business Case** – Following completion of an SBC, the NTPDF recommends Project proposals progress to a DBC for further assessment. The DBC will further analyse the proposal (including the Club and supporting infrastructure and facilities) in terms of financial, economic and social impact, and will seek to further develop the governance arrangements, risk frameworks and implementation steps for the Project.

A DBC is a standard requirement of many funding agencies when assessing financing proposals for major projects. The DBC is intended to be a comprehensive document with full and complete descriptions of all Project elements to support a robust investment decision. Key activities for the DBC phase, including governance arrangements, timeframes, scope and budget have been outlined in Chapter 11.

To progress to a DBC, it will be critical for the Taskforce to secure the requisite funding to deliver the scope outlined in Chapter 11. Due to the scale of the budget involved, it is expected that funding may be required from various sources, and therefore consideration of this as part of the engagement steps outlined in earlier recommendations will be important.

# Appendices

**Appendix A** – NT AFL Players

**Appendix B** – AFL Club Financial Benchmarking Analysis

**Appendix C** – Project Option Assumptions

**Appendix D** – Financial Assessment Modelling Assumptions

**Appendix E** – Project Risk Register

# Appendix A – NT AFL and AFLW Players

Table 72: List of NT AFL Players

Name	AFL Career Start Date	AFL Career End Date	Local NT AFL Club or NT association
Reuben Cooper	1969	1969	Darwin
Maurice Rioli	1982	1987	St Mary's
Michael McLean	1983	1997	Nightcliff
Greg McAdam	1985	1985	South Alice
Russell Jeffrey	1987	1992	Wanderers
Kevin Caton	1988	1990	Darwin
Michael Long	1989	2001	St Mary's
Brian Stanislaus	1991	1991	St Mary's
Fabian Francis	1991	2000	Southern Districts
Matthew Ahmat	1991	1994	Darwin
Gilbert McAdam	1991	1996	South Alice
Adam Kerinaiaua	1992	1992	North Darwin
Darryl White	1992	2005	Pioneers
Nathan Buckley	1993	2007	Southern Districts
Adrian McAdam	1993	1995	South Alice
Lachlan Ross	1994	1994	Pioneers
Warren Campbell	1994	1995	St Mary's
Shaun Lewfatt	1995	1995	Southern Districts
Robbie AhMat	1995	2001	Darwin
Andrew McLeod	1995	2010	Darwin
Scott Chisholm	1995	1999	St Mary's
Gary Dhurrkay	1995	1999	Wanderers
Ronnie Burns	1996	2004	St Mary's
Steven Koops	1996	2005	Southern Districts
Joel Bowden	1996	2009	West Alice
Mark West	1996	1998	Darwin
Peter Burgoyne	1997	2009	St Mary's
Brad Ottens	1998	2011	Born in Katherine
Fred Campbell	1998	1999	Pioneers
Shannon Motlop	1999	2006	Wanderers
Dean Rioli	1999	2006	Waratahs
Shannon Rusca	2000	2000	Southern Districts
Aaron Shattock	2000	2006	Southern Districts

Appendix A – NT AFL and AFLW Players

<b>Name</b>	<b>AFL Career Start Date</b>	<b>AFL Career End Date</b>	<b>Local NT AFL Club or NT association</b>
Matthew Whelan	2000	2009	Darwin
Patrick Bowden	2001	2007	Rovers
Daniel Motlop	2001	2011	Wanderers
Shaun Burgoyne	2002	2021	Born in NT
Richard Cole	2002	2007	Pioneers
Xavier Clarke	2002	2011	St Mary's
Trent Hentschel	2003	2010	Palmerston
Jared Brennan	2003	2013	Southern Districts
Anthony Corrie	2004	2008	Nightcliff
Raphael Clarke	2004	2012	St Mary's
Aaron Davey	2004	2013	Palmerston
Richard Tambling	2005	2013	Southern Districts
Tom Logan	2005	2015	Waratahs
Jason Roe	2006	2009	Nightcliff
Mathew Stokes	2006	2015	Palmerston
Joe Anderson	2007	2010	Darwin
Matt Campbell	2007	2012	Pioneers
Malcolm Lynch	2007	2012	Southern Districts
Alwyn Davey	2007	2013	Palmerston
Cyril Rioli	2008	2018	St Mary's
Cameron Stokes	2008	2010	Darwin
Marlon Motlop	2008	2011	Wanderers
Austin Wonaeamirri	2008	2011	St Mary's
Nathan Djerrkura	2009	2012	Wanderers
Liam Jurrah	2009	2012	Yuendumu
Relton Roberts	2010	2010	Wanderers
Troy Taylor	2010	2010	South Alice
Steven Motlop	2010	2022	Wanderers
Steven May	2011	Current player	Southern Districts
Liam Patrick	2011	2013	Wanderers
Shaun Edwards	2012	2017	St Mary's
Curtly Hampton	2012	2018	Pioneers
Jed Anderson	2013	Current player	Darwin
Jake Neade	2013	2018	West Alice
Dominic Barry	2014	2018	Federals
Nakia Cockatoo	2014	2023	Southern Districts
Jake Long	2016	2019	St Mary's
Anthony McDonald-Tipungwuti	2015	2023	Born in NT
Ryan Nyhuis	2015	2019	Nightcliff

Name	AFL Career Start Date	AFL Career End Date	Local NT AFL Club or NT association
Daniel Rioli	2015	Current player	St Mary's
Ben Long	2016	Current player	St Mary's
Brandon Parfitt	2016	Current player	Nightcliff
Wilie Rioli	2016	Current player	St Mary's
Zac Bailey	2017	Current player	Southern Districts
Malcolm Rosas	2019	Current player	Darwin Buffaloes
Joel Jeffrey	2020	Current player	Wanderers
Maurice Rioli Jnr	2020	Current player	St Mary's
Lloyd Johnston	2022	Current player	Wanderers
Anthony Munkara	2022	Current player	Tiwi Bombers
Patrick Snell	2023	Current player	Southern Districts
William Rowlands	2023	Current player	Southern Districts

Table 73: List of NT AFLW Players

Name	AFLW Career Start Date	AFLW Career End Date	Local NT AFL Club or NT association
Bronwyn Davey	2013	-	Palmerston
Sissy Dunn	2014	-	Pioneers
Jasmine Anderson	2017	-	Darwin
Calista Boyd	2017	-	Wanderers
Stevie-Lee Thompson	2017	Current player	Wanderers
Angela Foley	2017	Current player	Waratah
Abbey Holmes	2017	2018	Waratah
Alicia Janz	2017	2021	Katherine
Sally Riley	2017	2021	Tracy Village
Tayla Thorn	2017	2020	Southern Districts
Sophie Armistead	2017	2018	Wanderers
Heather Anderson	2017	2017	Waratah
Jasmyn Hewett	2018	Current player	St Mary's
Michaelia Roberts	2019	-	Darwin
Danielle Ponter	2019	Current player	St Mary's
Jordann Hickey	2019	2021	Rovers
Janet Baird	2021	Current player	Palmerston
Stephanie Williams	2021	Current player	Darwin
Ashanti Bush	2022	Current player	Darwin / Beswick
Dominique Carbone	2022	Current player	Darwin
J'Noemi Anderson	2022	Current player	St Mary's
Mattea Breed	2023	Current player	Darwin

Appendix A – NT AFL and AFLW Players

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<b>Name</b>	<b>AFLW Career Start Date</b>	<b>AFLW Career End Date</b>	<b>Local NT AFL Club or NT association</b>
Annabel Kievit	2023	Current player	Waratah

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# Appendix B – AFL Club Financial Benchmarking Analysis

Benchmarking analysis was undertaken to determine the likely revenues and costs associated with the establishment of a NT/NAU Club under Stage 3 of the continuum. The financials of the example expansion clubs (Gold Coast Suns and Greater Western Sydney) were considered the most appropriate benchmark as recent expansion clubs playing in their first AFL season in 2011 and 2012, respectively. Other relatively small AFL clubs (in terms of the financial size of the clubs operations) were considered during financial benchmarking including: North Melbourne Football Club, Western Bulldogs Football Club, St Kilda Football Club and the Brisbane Lions Football Club (referred to as 'other benchmarked clubs' from hereon in).

While it is noted that the revenues and expenses of each AFL Club vary, particularly for a prospective Club in the NT/NA, the following core revenue and expense categories have been assumed for a NT/NAU Club based on the findings of the benchmarking exercise:

**Revenues:** AFL Base Distribution; AFL Variable Distribution; ALFW distribution; Government Funding; Club Memberships; Matchday Ticket Sales; Merchandise Sales; Commercial Partnerships and Fundraising, Hospitality and Events; and Community Programs.

**Expenses:** Administration; Football Department; Merchandise Expenses; Membership Expenses; Commercial Partnerships and Marketing, Hospitality and Events; Community Programs; Ground and Facilities; and Geographic Specific Expenses.

Table 74 and Table 75 provide an overview of the forecast revenues and expenses of a NT/NAU AFL Club, respectively. At this stage of assessment, it has been assumed that the revenues and expenses of a NT and NAU Club are the same. Further to this, it has also been assumed that the revenues and expenses of a Club relocated to the NT and a new team established in the NT are the same.

Table 74: NT/NAU Club Revenues

Revenue Stream	Value (FY23 \$) p.a.	Description and Rationale
<b>AFL base distribution</b>	\$11.50m	<p>The AFL provides an identical base distribution to each of the AFL Clubs to support their continued operation. This amount varies each year and is dependent on the strength of the AFL's financial position. The AFL paid base distributions of \$188.0m (\$10.5m per club)<sup>176</sup> and \$181.0m (\$10.05m per club)<sup>177</sup> in 2021 and 2022, respectively.</p> <p>Following consultation with the AFL, a base distribution of \$11.50m p.a. has been assumed for a NT/NAU AFL Club. The assumed increase to the base distribution paid to all clubs is justified through the newly signed \$4.5 billion dollar broadcast rights deal which runs from 2025-2031 and is the largest sports broadcast rights deal in Australia history.<sup>178</sup></p> <p>A base distribution of \$11.50m p.a. is in line with the financial forecast modelling in relation to the establishment of a Tasmanian AFL club.</p>

<sup>176</sup> AFL. AFL Annual Report 2021. Accessed at: [https://resources.afl.com.au/afl/document/2022/03/10/76a16be1-6439-4020-af33-1cac86639f7e/2021-AFL-Annual-Report.pdf?\\_ga=2.257708555.1410009763.1692606401-1048389460.1692606401](https://resources.afl.com.au/afl/document/2022/03/10/76a16be1-6439-4020-af33-1cac86639f7e/2021-AFL-Annual-Report.pdf?_ga=2.257708555.1410009763.1692606401-1048389460.1692606401)

<sup>177</sup> AFL. AFL Annual Report 2022. Accessed at: [https://resources.afl.com.au/afl/document/2023/03/03/a2ac5fc4-1ce6-4a12-85e6-9d398a960142/2022-AFL\\_AR\\_Digital-Doc\\_150dpi\\_Low.pdf?\\_ga=2.257708555.1410009763.1692606401-1048389460.1692606401](https://resources.afl.com.au/afl/document/2023/03/03/a2ac5fc4-1ce6-4a12-85e6-9d398a960142/2022-AFL_AR_Digital-Doc_150dpi_Low.pdf?_ga=2.257708555.1410009763.1692606401-1048389460.1692606401)

<sup>178</sup> AFL. Seven Year Broadcast Deal. Accessed at: <https://www.afl.com.au/news/837244/afl-reveals-new-broadcast-rights-deal-from-2025>

Revenue Stream	Value (FY23 \$) p.a.	Description and Rationale
<b>AFL variable distribution</b>	\$2.50m	<p>The AFL operates a Club funding model which provides a base distribution (as outlined above) and, subject to meeting certain qualifying criteria, a variable distribution. Variable distributions are designed to provide support to clubs that require additional financial support to fund and maintain their football program (playing and non-playing resources) to a competitive level. Variable funding distributions are determined based on an estimation of revenue-generating disadvantages that may be caused by, among other things, different supporter base sizes, differing commercial arrangements with stadiums, the financial impact of the fixture and access to income from non-football related businesses. The forecast AFL variable distribution paid to each of the benchmarked Clubs in 2023 was:<sup>179</sup></p> <ul style="list-style-type: none"> <li>• Gold Coast Suns - \$14.5m p.a.</li> <li>• GWS Giants - \$14.5m p.a.</li> <li>• North Melbourne - \$8.0m p.a.</li> <li>• St Kilda - \$8.0m p.a.</li> <li>• Brisbane Lions - \$8.0m p.a.</li> <li>• Western Bulldogs - \$5.5m p.a.</li> </ul> <p>Financial modelling undertaken in relation to the establishment of a Tasmanian AFL Club assumed a variable distribution of \$2.5m p.a. This is reflective of the historical average variable distribution paid to AFL clubs (exclusive of the Gold Coast Suns and GWS Giants). The Gold Coast Suns and GWS Giants receive significantly more variable funding than other AFL clubs as they are viewed by the AFL as 'strategic and commercial investments' in relatively untapped QLD and NSW AFL supporter and television viewership markets. Consultation with the AFL revealed that demonstrating financial sustainability when assuming a variable distribution in line with the league average is critical to gaining the approval of Club CEOs to grant new licences. As such, a variable distribution of \$2.5m p.a. has been assumed for a NT/NAU AFL Club.</p>
<b>AFLW distribution</b>	\$1.50m	<p>The AFLW is currently undergoing rapid expansion. Clubs with an AFLW team receive a single contribution to support the team's operations. Following consultation with the AFL, an AFLW distribution of \$1.5m p.a. has been assumed for a NT/NAU AFL Club. This is in line with the financial forecast modelling in relation to the establishment of a Tasmanian AFL club.</p>
<b>Club memberships</b>	\$1.32m	<p>Club membership revenue is dependent on the price of memberships, which differs from Club to club, and the number of paying Club members. As the structure and cost of memberships for a NT/NAU Club is yet to be determined, Club membership revenue has been calculated based on the gross yield per member of expansion clubs (\$52.78 in FY23 \$) and an assumed 25,000 Club members (See Appendix C). The result expected Club membership revenue of a NT/NAU AFL Club is \$1.32m p.a.</p> <p>It is worth noting that the gross yield per member of the other benchmarked clubs is \$148.89. The per member yield of these clubs is significantly higher as these clubs can attract paying Club members. On the other hand, expansion clubs are often forced to give away free or heavily discounted memberships to Club stakeholders.</p>

<sup>179</sup> The Age. Winners and losers: The 2023 AFL Club Funding Ladder Revealed. Accessed at: <https://www.theage.com.au/sport/afl/winners-and-losers-the-2023-afl-club-funding-ladder-revealed-20230202-p5chix.html>

Revenue Stream	Value (FY23 \$) p.a.	Description and Rationale
<b>Matchday ticket sales</b>	\$2.83m	Matchday ticket sale revenue represents the income from casual fans that purchase tickets to individual matches (i.e. 'daily ticket holders'). This income is separate from Club membership revenue. In 2022, the average home game attendance at expansion Club games was 10,258, of which, 7,828 attendees were daily tickets holders (76.3%). Assuming a NT/NAU AFL Club is able to attract 15,000 attendees to home games (See Appendix C) and a similar portion of daily ticket holders as other expansion clubs, a NT/NAU AFL Club could expect to sell 11,445 daily tickets to each home game or 137,340 daily tickets across the season. Assuming the same gross yield per daily ticket sold of expansion clubs (\$20.62 in FY23 \$ per ticket), the expected matchday ticket sales revenue of a NT/NAU AFL Club is \$2.83m p.a.
<b>Merchandise sales</b>	\$0.39m	A club's merchandise revenue is linked to the support a Club is able to generate and the size of its fanbase. One proxy for the interest a specific Club is able to generate is the number of members a Club has. Assuming 25,000 members (See Appendix C) and the average merchandise revenue per member of expansion clubs (\$15.50 in FY23 \$ per member), the expected merchandise revenue of a NT/NAU AFL Club is \$0.39m p.a.
<b>Commercial partnerships and fundraising, hospitality and events</b>	\$10.47m	<p>Revenue from commercial partnerships and fundraising, hospitality and events is critical to offset the operational costs of an AFL club. While it is noted that a NT based team may record lower viewership numbers given the relative population size of the NT, commercial entities have a history of providing financial support to initiatives which have expected social impacts in the NT. For example, INPEX (a Japanese petroleum and exploration company) has been active in the NT and has signed a 40-year, \$24 million agreement with the Larrakia people to support education initiatives and the elderly. Given the expected social impact of a NT/NAU AFL Club (as outlined in Chapter 8), it is assumed that a NT/NAU AFL Club will be able to generate commercial partnerships and fundraising, hospitality and events revenue in line with the average commercial partnerships and fundraising, hospitality and events revenue of the Gold Coast Suns and GWS Giants.</p> <ul style="list-style-type: none"> <li>• Gold Coast Suns - \$9.03m p.a. (FY22 figures converted to FY23 \$).</li> <li>• GWS Giants - \$11.91m p.a. (FY22 figures converted to FY23 \$).</li> <li>• <b>Average - \$10.47m p.a.</b></li> </ul> <p>Comparatively, the commercial partnerships and fundraising, hospitality and events revenue of other benchmarked clubs is:</p> <ul style="list-style-type: none"> <li>• North Melbourne - \$16.38m p.a. (FY22 figures converted to FY23 \$).</li> <li>• Western Bulldogs - \$12.69m p.a. (FY22 figures converted to FY23 \$).</li> <li>• St Kilda - \$12.24m p.a. (FY22 figures converted to FY23 \$).</li> </ul>
<b>Community programs</b>	\$1.38m	<p>Advancing social initiatives will be a focal point of an AFL Club in the NT. However, it was noted during consultation that facilitating community programs can not be at the expense of on-field performance. As such, it has been assumed that the size of the NT/NAU AFL club's community program revenue will be aligned to other benchmarked clubs:</p> <ul style="list-style-type: none"> <li>• GWS Giants - \$1.20m p.a. (FY22 figures converted to FY23 \$).</li> <li>• Western Bulldogs - \$1.62m p.a. (FY22 figures converted to FY23 \$).</li> <li>• St Kilda - \$1.33m p.a. (FY22 figures converted to FY23 \$).</li> <li>• <b>Average - \$1.38m p.a.</b></li> </ul>

Table 75: NT/NAU Club Expenses

Expense stream	Value p.a. (FY23 \$)	Description and rationale
<b>Administration</b>	\$3.37m	<p>A club's administration expense is often proportionate to the size of the club's operations. It is assumed that a NT/NAU AFL club's operation would be similar to that of recent expansion clubs, which have the following administration expenses:</p> <ul style="list-style-type: none"> <li>• Gold Coast Suns - \$2.99m p.a. (FY22 figures converted to FY23 \$).</li> <li>• GWS Giants - \$3.75m p.a. (FY22 figures converted to FY23 \$).</li> <li>• <b>Average - \$3.37m p.a.</b></li> </ul> <p>The forecast administration expense for a NT/NAU AFL Club is in approximately line with the financial forecast modelling in relation to the establishment of a Tasmanian AFL club.</p>
<b>Football department</b>	\$32.63m	<p>In order to be competitive on the field, a Club must spend within their football department. The football department expense is inclusive of spending on football operations as well as player and football staff wages and salaries. It is assumed that spending on the football department of a NT/NAU AFL Club would be aligned to that of recent expansion clubs (with some exclusions which are outlined below), which have the following football department expenses:</p> <ul style="list-style-type: none"> <li>• Gold Coast Suns - \$36.06m p.a. (FY22 figures converted to FY23 \$).</li> <li>• GWS Giants - \$33.19m p.a. (FY22 figures converted to FY23 \$).</li> <li>• <b>Average - \$34.63m p.a.</b></li> </ul> <p>The football department spend of a NT/NAU AFL Club is expected to be approximately \$2.0m less p.a. than the spend of expansion clubs outlined above. This is due to costs included in the quoted football department spend which are unique to the Gold Coast Suns and GWS Giants such as the Northern Academy program (a large scale under-age talent identification program), as well as costs that are captured in this analysis in a separate line item titled 'geographic specific expenses', such as relocation allowances.</p> <p>The resulting forecast Football Department expense of \$32.63m p.a. for a NT/NAU Club has been informed through consultation with the AFL and is expected to be only marginally higher than other benchmarked clubs due to Football Department and player spending floors and ceilings imposed on all clubs by the AFL. The Football Department expenses of other benchmarked clubs are:</p> <ul style="list-style-type: none"> <li>• North Melbourne - \$28.65m p.a. (FY22 figures converted to FY23 \$).</li> <li>• Western Bulldogs - \$28.53m p.a. (FY22 figures converted to FY23 \$).</li> <li>• St Kilda - \$28.87m p.a. (FY22 figures converted to FY23 \$).</li> <li>• Brisbane Lions - \$30.83m p.a. (FY22 figures converted to FY23 \$).</li> </ul>
<b>Membership expense</b>	\$0.94m	<p>Membership expenses have been calculated based on the expense per member of expansion clubs (\$37.78 in FY23 \$) and an assumed 25,000 Club members (See Appendix C). The expected Club membership expense of a NT/NAU AFL Club is \$0.94m p.a.</p> <p>The forecast membership expense for a NT/NAU AFL Club is in approximately line with the financial forecast modelling in relation to the establishment of a Tasmanian AFL club.</p>

Expense stream	Value p.a. (FY23 \$)	Description and rationale
<b>Merchandise expense</b>	\$0.32m	<p>A club's merchandise expense is linked the size of its fanbase. Clubs with more supporters tend to sell more merchandise, and as a result, have to manufacture and distribute larger quantities of merchandise. One proxy for the interest a specific Club is able to generate is the number of members a Club has. Assuming 25,000 members (See Appendix C) and the average merchandise expense per member of expansion clubs (\$12.62 in FY23 \$ per member), the expected merchandise expense of a NT/NAU AFL Club is \$0.32m p.a.</p>
<b>Commercial partnerships and marketing, hospitality and events</b>	\$6.59m	<p>A Club incurs expenses given its commercial partnerships and marketing, hospitality and events held. The projected commercial partnerships and marketing, hospitality and events expense of a NT/NAU Club is assumed to be similar to that of recent expansion clubs, which have the following commercial partnerships and marketing, hospitality and events expenses:</p> <ul style="list-style-type: none"> <li>• Gold Coast Suns - \$6.06m p.a. (FY22 figures converted to FY23 \$).</li> <li>• GWS Giants - \$7.12m p.a. (FY22 figures converted to FY23 \$).</li> <li>• <b>Average - \$6.59m p.a.</b></li> </ul>
<b>Community programs</b>	\$1.43m	<p>Advancing social initiatives will be a focal point of an AFL Club in the NT. However, it was noted during consultation that facilitating community programs can not be at the expense of on-field performance. As such, it has been assumed that the size of the NT/NAU AFL club's community program expense will be aligned to other benchmarked clubs:</p> <ul style="list-style-type: none"> <li>• GWS Giants - \$0.83m p.a. (FY22 figures converted to FY23 \$).</li> <li>• Western Bulldogs - \$1.75m p.a. (FY22 figures converted to FY23 \$).</li> <li>• St Kilda - \$1.73m p.a. (FY22 figures converted to FY23 \$).</li> <li>• <b>Average - \$1.43m p.a.</b></li> </ul>
<b>Ground and facilities</b>	\$2.0m	<p>A club's ground and facilities expense can vary significantly depending on if the Club is required to rent field space, pay venue occupancy fees or make capital upgrades to facilities in a given year. The ground and facility expenses of benchmarked clubs are listed below:</p> <ul style="list-style-type: none"> <li>• Gold Coast Suns - \$0.94m p.a. (FY22 figures converted to FY23 \$) for 'maintenance expense'.</li> <li>• GWS Giants - \$3.23m p.a. (FY22 figures converted to FY23 \$) for 'occupancy expenses' and 'venue expenses'.</li> <li>• St Kilda - \$3.21m p.a. (FY22 figures converted to FY23 \$) for 'ground and facilities'.</li> </ul> <p>Given the uncertainty around ground and facility arrangements and uses at this point in time, a ground and facility expense of \$2.0m p.a. has been assumed for a NT/NAU AFL club.</p>

Expense stream	Value p.a. (FY23 \$)	Description and rationale
<b>Geographic specific expenses</b>	\$2.5m	<p>A NT/NAU AFL Club would likely have additional operational costs that are specific to operating in the NT. These include, but are not limited to, higher travel costs, inflated football department staff costs and player relocation expenses. While the magnitude of these ongoing operational costs is not fully known, consultation with the AFL revealed that the additional geographic specific expenses of a NT/NAU AFL Club are likely to total a minimum of \$2.50m p.a.</p> <ul style="list-style-type: none"> <li>• <b>Additional travel costs:</b> Travel costs are majority funded by the AFL via a subsidy, and as a result, are 'netted off'. However, teams may chose to spend above the subsidy amount (e.g. taking a larger travelling party) which would carry additional cost for a NT/NAU based club.</li> <li>• <b>Player relocation costs:</b> It is likely that a NT/NAU AFL Club would have the capacity to provide rental/housing allowances to players to recognize the elevated cost of living relative to other geographic regions.</li> <li>• <b>Additional Football Department staff costs:</b> Average annual wages in the NT are approximately 12% higher compared to Victoria and New South Wales. As a result, it is expected that the football department staff costs of a NT/NAU AFL Club will be higher than other benchmarked clubs</li> </ul>

# Appendix C – Project Option Assumptions

Table 76: Stage Structure and Playing Schedule Considerations

	<b>Stage 1 - Additional AFL Games (Option 5, 6 and 7)</b>	<b>Stage 2 - Club Partnership (Option 5, 6 and 7)</b>	<b>Stage 3 - Club Relocation (Option 5)</b>	<b>Stage 3 - NT AFL Club (Option 6)</b>	<b>Stage 3 – NAU AFL Club (Option 7)</b>
<b>Stage Description</b>	Expanded partnerships with existing AFL and AFLW clubs – increasing the number of 'standalone' NT-based AFL games.	Formal AFL Club partnership or joint venture, with an existing club, with a commitment to a split of home games in the NT.	Relocation of an existing national AFL Club to the NT.	Establish a new NT Club (20th AFL Team Licence) that reflects the culture and values of the Territory.	Establish a 'NAU' Club (20th AFL Team Licence) - potentially across Darwin, Alice Springs and Cairns.
<b>Assumption / Description</b>	<p>The AFL Club would host 5 games for AFL and AFLW teams in the NT each season. Playing schedule to include:</p> <ul style="list-style-type: none"> <li>• 3 x AFL games and 2 x AFLW games would be played in the NT each season.</li> <li>• 2 x AFL and 1 x AFLW games per season would be played in Darwin.</li> <li>• 1 x AFL and 1 x AFLW game per season would be played in Alice Springs.</li> </ul>	<p>The AFL Club would comprise of a men's and women's senior team from an existing club. The partnership would involve an equal split of home games between the NT and the home location of the partner club.</p> <p>Playing schedule to include:</p> <ul style="list-style-type: none"> <li>• 6 x AFL games and 4 x AFLW games would be played in the NT each season.</li> <li>• 4 x AFL and 3 x AFLW games per season would be played in Darwin.</li> <li>• 2 x AFL and 1 x AFLW games per season would be played in Alice Springs.</li> </ul>	<p>The AFL Club would include a minimum of three teams:</p> <ul style="list-style-type: none"> <li>• Two senior teams (men's and women's)</li> <li>• One reserve grade teams (men's).</li> </ul> <p>For the AFL - 24 home-away games would be played each season. This would include 12 games played in the NT, with approximately 9 x games played in Darwin and 3 x games played in Alice Springs.</p> <p>For the AFLW - 18 home-away games (based on 2026 season target) would be played each season (plus finals series). This would include 9 games played in the NT, with approximately 7 x games in Darwin and 2 x games in Alice Springs.</p> <p>Reserve grade league teams would form part of the VFL, SANFL or WAFL.</p>	<p>The AFL Club would include a minimum of three teams:</p> <ul style="list-style-type: none"> <li>• Two senior teams (men's and women's)</li> <li>• One reserve grade teams (men's).</li> </ul> <p>For the AFL - 24 home-away games would be played each season. This would include 12 games played in the NT, with approximately 9 x games played in Darwin and 3 x games played in Alice Springs.</p> <p>For the AFLW - 18 home-away games (based on 2026 season target) would be played each season (plus finals series). This would include 9 games played in the NT, with approximately 7 x games in Darwin and 2 x games in Alice Springs.</p> <p>Reserve grade league teams would form part of the VFL, SANFL or WAFL.</p>	<p>The AFL Club would include a minimum of three teams:</p> <ul style="list-style-type: none"> <li>• Two senior teams (men's and women's)</li> <li>• One reserve grade teams (men's).</li> </ul> <p>For the AFL - 24 home-away games would be played each season. This would include 8 x games played in Darwin, 2 x games played in Cairns and 2 x games played in Alice Springs.</p> <p>For the AFLW - 18 home-away games (based on 2026 season target) would be played each season (plus finals series). This would include 5 x games in Darwin, 2 x games played in Cairns and 2 x games in Alice Springs</p> <p>Reserve grade league teams would form part of the VFL, SANFL or WAFL.</p>

Appendix C – Project Option Assumptions

	<b>Stage 1 - Additional AFL Games (Option 5, 6 and 7)</b>	<b>Stage 2 - Club Partnership (Option 5, 6 and 7)</b>	<b>Stage 3 - Club Relocation (Option 5)</b>	<b>Stage 3 - NT AFL Club (Option 6)</b>	<b>Stage 3 – NAU AFL Club (Option 7)</b>
<b>Justification</b>	<p><b>Source:</b> AFLNT</p> <p><b>Justification:</b> Expansion of the current arrangements for AFL games within the NT currently.</p>	<p><b>Source:</b> AFLNT</p> <p><b>Justification:</b> Necessary progression towards a more permanent presence within the NT.</p>	<p><b>Source:</b> AFLNT</p> <p><b>Justification:</b> Expected to be the preferred Option where an even number of teams exist within the AFL roster.</p>	<p><b>Source:</b> AFLNT</p> <p><b>Justification:</b> Expected to be the preferred Option of the AFL where an odd number of teams exist within the AFL roster.</p>	<p><b>Source:</b> AFLNT</p> <p><b>Justification:</b> Expected to be the preferred Option of the AFL where an odd number of teams exist within the AFL roster.</p>



Appendix C – Project Option Assumptions

Table 77: Infrastructure and Facilities Considerations

	<b>Stage 1 - Additional AFL Games (Option 5, 6 and 7)</b>	<b>Stage 2 - Club Partnerships (Option 5, 6 and 7)</b>	<b>Stage 3 - Club Relocation (Option 5)</b>	<b>Stage 3 - NT AFL Club (Option 6)</b>	<b>Stage 3 – NAU AFL Club (Option 7)</b>
<b>Stage Description</b>	Expanded partnerships with existing AFL and AFLW clubs – increasing the number of ‘standalone’ NT-based AFL games.	Formal AFL Club partnership or joint venture, with an existing club, with a commitment to a split of home games in the NT.	Relocation of an existing national AFL Club to the NT.	Establish a new NT Club (20th AFL Team Licence) that reflects the culture and values of the Territory.	Establish a ‘NAU’ Club (20th AFL Team Licence) - potentially across Darwin, Alice Springs and Cairns.
<b>Assumption / Description</b>	<p>The following upgrades are required:</p> <ul style="list-style-type: none"> <li>• Minor upgrades to Traeger Park</li> <li>• Regional community sporting facilities, particularly in Central Australia and the Barkley region.</li> </ul> <p>A more comprehensive analysis of required upgrades can be seen in Section 7.4.</p>	<p>The following upgrades are required:</p> <ul style="list-style-type: none"> <li>• More significant upgrades to Traeger Park</li> <li>• Upgrades to TIO stadium</li> </ul> <p>A more comprehensive analysis of required upgrades can be seen in Section 7.4.</p>	<p>The following upgrades are required:</p> <ul style="list-style-type: none"> <li>• More significant upgrades to Traeger Park</li> <li>• Upgrades to TIO stadium</li> <li>• Construction of a new 20,000 seat stadium in Darwin</li> </ul> <p>A more comprehensive analysis of required upgrades can be seen in Section 7.4.</p>	<p>The following upgrades are required:</p> <ul style="list-style-type: none"> <li>• More significant upgrades to Traeger Park</li> <li>• Upgrades to TIO stadium</li> <li>• Construction of a new 20,000 seat stadium in Darwin</li> </ul> <p>A more comprehensive analysis of required upgrades can be seen in Section 7.4.</p>	<p>The following upgrades are required:</p> <ul style="list-style-type: none"> <li>• More significant upgrades to Traeger Park</li> <li>• Upgrades to TIO stadium</li> <li>• Upgrades to tier 2 stadia (most likely Cazaly’s stadium)</li> <li>• Construction of a new 20,000 seat stadium in Darwin</li> </ul> <p>A more comprehensive analysis of required upgrades can be seen in Section 7.4.</p>
<b>Justification</b>	<p><b>Source:</b> AFLNT and PwC</p> <p><b>Justification:</b> Upgrades are required to ensure facilities and amenity at Traeger Park meet minimum AFL standards.</p>	<p><b>Source:</b> AFLNT and PwC</p> <p><b>Justification:</b> Upgrades are required to ensure facilities and amenity at Traeger Park and TIO Stadium meet contemporary AFL standards.</p>	<p><b>Source:</b> AFLNT and PwC</p> <p><b>Justification:</b> Upgrades are required to ensure facilities and amenity at Traeger Park and TIO Stadium meet contemporary AFL standards and that prerequisites to being awarded an AFL licence for a NT based Club are met.</p>	<p><b>Source:</b> AFLNT and PwC</p> <p><b>Justification:</b> Upgrades are required to ensure facilities and amenity at Traeger Park and TIO Stadium meet contemporary AFL standards and that prerequisites to being awarded an AFL licence for a NT based Club are met.</p>	<p><b>Source:</b> AFLNT and PwC</p> <p><b>Justification:</b> Upgrades are required to ensure facilities and amenity at Traeger Park, TIO Stadium and most likely Cazalys Stadium meet contemporary AFL standards and that prerequisites to being awarded an AFL licence for a NT based Club are met.</p>

Table 78: Home Game Match Attendance Forecasts Considerations

	<b>Stage 1 - Additional AFL Games (Option 5, 6 and 7)</b>	<b>Stage 2 - Club Partnerships (Option 5, 6 and 7)</b>	<b>Stage 3 - Club Relocation (Option 5)</b>	<b>Stage 3 - NT AFL Club (Option 6)</b>	<b>Stage 3 – NAU AFL Club (Option 7)</b>
<b>Stage Description</b>	Expanded partnerships with existing AFL and AFLW clubs – increasing the number of 'standalone' NT-based AFL games.	Formal AFL Club partnership or joint venture, with an existing club, with a commitment to a split of home games in the NT.	Relocation of an existing national AFL Club to the NT.	Establish a new NT Club (20th AFL Team Licence) that reflects the culture and values of the Territory.	Establish a 'NAU' Club (20th AFL Team Licence) - potentially across Darwin, Alice Springs and Cairns.
<b>Assumption / Description</b>	10,000 attendees at home game matches.	12,500 attendees at home game matches.	15,000 attendees at home game matches.	15,000 attendees at home game matches.	15,000 attendees at home game matches.
<b>Justification</b>	<p><b>Source:</b> PwC</p> <p><b>Justification:</b> The most recent standalone AFL games at TIO Stadium attracted ~10,000 attendees:</p> <ul style="list-style-type: none"> <li>• Gold Coast Suns versus Adelaide Crows at TIO Stadium (10,772 attendees)</li> <li>• Gold Coast Suns versus Western Bulldogs at TIO Stadium (9,316 attendees).</li> </ul>	<p><b>Source:</b> PwC</p> <p><b>Justification:</b> Given the associated upgrades to infrastructure resulting in an improved matchday experience, and a stronger local connection with the partner club, slightly higher crowds could be expected compared to Stage 1.</p>	<p><b>Source:</b> AFLNT and PwC</p> <p><b>Justification:</b> Given the associated upgrades to infrastructure resulting in an improved matchday experience, and the establishment of a NT based AFL club, slightly higher crowds could be expected compared to Stage 2.</p> <p>Comparatively, 15,000 home game match attendees is more than GWS Giants (9,219 attendees) and Gold Coast Suns Games (11,298 attendees), approximately the same as North Melbourne (14,353 attendees) games and significantly less than St Kilda (25,383 attendees), Western Bulldogs (24,655 attendees) and Brisbane Lions (25,818 attendees) average home game match attendees in 2022.</p>	<p><b>Source:</b> AFLNT and PwC</p> <p><b>Justification:</b> Given the associated upgrades to infrastructure resulting in an improved matchday experience, and the establishment of a NT based AFL club, slightly higher crowds could be expected compared to Stage 2.</p> <ul style="list-style-type: none"> <li>• Comparatively, 15,000 home game match attendees is more than GWS Giants (9,219 attendees) and Gold Coast Suns Games (11,298 attendees), approximately the same as North Melbourne (14,353 attendees) games and significantly less than St Kilda (25,383 attendees), Western Bulldogs (24,655 attendees) and Brisbane Lions (25,818 attendees) average home game match attendees in 2022.</li> </ul>	<p><b>Source:</b> AFLNT and PwC</p> <p><b>Justification:</b> Given the associated upgrades to infrastructure resulting in an improved matchday experience, and the establishment of a NAU based AFL club, slightly higher crowds could be expected compared to Stage 2.</p> <ul style="list-style-type: none"> <li>• Comparatively, 15,000 home game match attendees is more than GWS Giants (9,219 attendees) and Gold Coast Suns Games (11,298 attendees), approximately the same as North Melbourne (14,353 attendees) games and significantly less than St Kilda (25,383 attendees), Western Bulldogs (24,655 attendees) and Brisbane Lions (25,818 attendees) average home game match attendees in 2022.</li> </ul>

Table 79: Club Membership Forecasts Considerations

	<b>Stage 1 - Additional AFL Games (Option 5, 6 and 7)</b>	<b>Stage 2 - Club Partnerships (Option 5, 6 and 7)</b>	<b>Stage 3 - Club Relocation (Option 5)</b>	<b>Stage 3 - NT AFL Club (Option 6)</b>	<b>Stage 3 – NAU AFL Club (Option 7)</b>
<b>Stage Description</b>	Expanded partnerships with existing AFL and AFLW clubs – increasing the number of 'standalone' NT-based AFL games.	Formal AFL Club partnership or joint venture, with an existing club, with a commitment to a split of home games in the NT.	Relocation of an existing national AFL Club to the NT.	Establish a new NT Club (20th AFL Team Licence) that reflects the culture and values of the Territory.	Establish a 'NAU' Club (20th AFL Team Licence) - potentially across Darwin, Alice Springs and Cairns.
<b>Assumption / Description</b>	N/A - no formal membership structure.	N/A - membership structure will be adopted from partner club.	25,000 members	25,000 members	25,000 members
<b>Justification</b>	<b>Source:</b> N/A <b>Justification:</b> Extension of existing playing arrangements. Members would be part of AFLNT rather than a specific club.	<b>Source:</b> N/A <b>Justification:</b> The member base will be attributable to the partner club. NT residents will be encouraged to become members of the partner club.	<b>Source:</b> AFLNT and PwC <b>Justification:</b> The number of NT AFL Club members has been approximately benchmarked to recent expansion market clubs (i.e. Gold Coast Suns and GWS Giants): <ul style="list-style-type: none"><li>• GWS Giants 2022 members: 32,614.</li><li>• Gold Coast Suns 2022 members: 21,422.</li><li>• Average: 27,018.</li></ul>	<b>Source:</b> AFLNT and PwC <b>Justification:</b> The number of NT AFL Club members has been approximately benchmarked to recent expansion market clubs (i.e. Gold Coast Suns and GWS Giants): <ul style="list-style-type: none"><li>• GWS Giants 2022 members: 32,614.</li><li>• Gold Coast Suns 2022 members: 21,422.</li><li>• Average: 27,018.</li></ul>	<b>Source:</b> AFLNT and PwC <b>Justification:</b> The number of NT AFL Club members has been approximately benchmarked to recent expansion market clubs (i.e. Gold Coast Suns and GWS Giants): <ul style="list-style-type: none"><li>• GWS Giants 2022 members: 32,614.</li><li>• Gold Coast Suns 2022 members: 21,422.</li><li>• Average: 27,018.</li></ul>

Table 80: Employment Generation – Players Considerations

	<b>Stage 1 - Additional AFL Games (Option 5, 6 and 7)</b>	<b>Stage 2 - Club Partnerships (Option 5, 6 and 7)</b>	<b>Stage 3 - Club Relocation (Option 5)</b>	<b>Stage 3 - NT AFL Club (Option 6)</b>	<b>Stage 3 – NAU AFL Club (Option 7)</b>
<b>Stage Description</b>	Expanded partnerships with existing AFL and AFLW clubs – increasing the number of 'standalone' NT-based AFL games.	Formal AFL Club partnership or joint venture, with an existing club, with a commitment to a split of home games in the NT.	Relocation of an existing national AFL Club to the NT.	Establish a new NT Club (20th AFL Team Licence) that reflects the culture and values of the Territory.	Establish a 'NAU' Club (20th AFL Team Licence) - potentially across Darwin, Alice Springs and Cairns.
<b>Assumption / Description</b>	No new teams are created so there are no 'player jobs' created. <b>Player Jobs Created Total: 0</b>	No new teams are created so there are no 'player jobs' created. <b>Player Jobs Created Total: 0</b>	Men's AFL team - 49 playing roles Women's AFLW team - 34 playing roles <b>Player Jobs Created: 83</b> (further breakdown listed below).	Men's AFL team - 49 playing roles Women's AFLW team - 34 playing roles <b>Player Jobs Created: 83</b> (further breakdown listed below).	Men's AFL team - 49 playing roles Women's AFLW team - 34 playing roles <b>Player Jobs Created: 83</b> (further breakdown listed below).
<b>Justification</b>	<b>Source:</b> N/A <b>Justification:</b> Extension of existing game arrangements. Therefore, no new playing roles would be created in the NT.	<b>Source:</b> N/A <b>Justification:</b> The Club will be run out of the partner clubs home base, with half of their home games played in the NT. Therefore, no new playing roles would be created in the NT.	<b>Source:</b> AFLNT <b>Justification:</b> It is assumed that all paying roles will be "new" roles for the NT. Some players may transfer to the NT from the existing Club location, however, these would still be considered "new" roles for the NT. <b>Men's AFL Team:</b> <ul style="list-style-type: none"><li>• Maximum of 47 players who are either primary listed, Category A rookies or Category B rookies.</li><li>• 2 players that can be brought onto VFL list.</li></ul> <b>Women's AFL Team:</b> <ul style="list-style-type: none"><li>• Maximum 34 players on a women's list.</li></ul>	<b>Source:</b> AFLNT <b>Justification:</b> The creation of a new Club will result in the generation of "new" roles. <b>Men's AFL Team:</b> <ul style="list-style-type: none"><li>• Maximum of 47 players who are either primary listed, Category A rookies or Category B rookies.</li><li>• 2 players that can be brought onto VFL list.</li></ul> <b>Women's AFL Team:</b> <ul style="list-style-type: none"><li>• Maximum 34 players on a women's list.</li></ul>	<b>Source:</b> AFLNT <b>Justification:</b> The creation of a new Club will result in the generation of "new" roles. <b>Men's AFL Team:</b> <ul style="list-style-type: none"><li>• Maximum of 47 players who are either primary listed, Category A rookies or Category B rookies.</li><li>• 2 players that can be brought onto VFL list.</li></ul> <b>Women's AFL Team:</b> <ul style="list-style-type: none"><li>• Maximum 34 players on a women's list.</li></ul>

Appendix C – Project Option Assumptions

Table 81: Employment Generation – Organisational Considerations

	<b>Stage 1 - Additional AFL Games (Option 5, 6 and 7)</b>	<b>Stage 2 - Club Partnerships (Option 5, 6 and 7)</b>	<b>Stage 3 - Club Relocation (Option 5)</b>	<b>Stage 3 - NT AFL Club (Option 6)</b>	<b>Stage 3 – NAU AFL Club (Option 7)</b>
<b>Stage Description</b>	Expanded partnerships with existing AFL and AFLW clubs – increasing the number of 'standalone' NT-based AFL games.	Formal AFL Club partnership or joint venture, with an existing club, with a commitment to a split of home games in the NT.	Relocation of an existing national AFL Club to the NT.	Establish a new NT Club (20th AFL Team Licence) that reflects the culture and values of the Territory.	Establish a 'NAU' Club (20th AFL Team Licence) - potentially across Darwin, Alice Springs and Cairns.
<b>Assumption / Description</b>	Additional 1 x AFLNT role is created to support increased administrative and promotional functions. <b>Total Roles Created: 1</b>	Additional 3 x AFLNT roles are created to support administration, promotion, partnerships and management functions. <b>Total Roles Created: 3</b>	Approximately 82 FTE employees would be required to operate an NT AFL Club fielding both an AFL and AFLW team. These jobs are in addition to player roles. <b>Total Roles Created: 82</b>	Approximately 82 FTE employees would be required to operate an NT AFL Club fielding both an AFL and AFLW team. These jobs are in addition to player roles. <b>Total Roles Created: 82</b>	Approximately 82 FTE employees would be required to operate an NT AFL Club fielding both an AFL and AFLW team. These jobs are in addition to player roles. <b>Total Roles Created: 82</b>
<b>Justification</b>	<b>Source:</b> AFLNT and PwC <b>Justification:</b> 1 x AFLNT role is created to support increased AFL and AFLW content in the NT.	<b>Source:</b> AFLNT and PwC <b>Justification:</b> 3 x AFLNT roles are created to support increased AFL and AFLW content in the NT as well as the Club partnership.	<b>Source:</b> PwC <b>Justification:</b> In 2023 Gold Coast Suns employed the following 62 people within their organisation: <ul style="list-style-type: none"> <li>• The board: 8</li> <li>• Administration: 10</li> <li>• Commercial, business development and events: 10</li> <li>• Media, communications and digital: 8</li> <li>• Stadium, facilities and events: 11</li> <li>• Consumer, community and marketing: 15</li> </ul> An additional ~20 staff are likely to be employed as coaches, physiotherapists, doctors and sports science staff.	<b>Source:</b> PwC <b>Justification:</b> In 2023 Gold Coast Suns employed the following 62 people within their organisation: <ul style="list-style-type: none"> <li>• The board: 8</li> <li>• Administration: 10</li> <li>• Commercial, business development and events: 10</li> <li>• Media, communications and digital: 8</li> <li>• Stadium, facilities and events: 11</li> <li>• Consumer, community and marketing: 15</li> </ul> An additional ~20 staff are likely to be employed as coaches, physiotherapists, doctors and sports science staff.	<b>Source:</b> PwC <b>Justification:</b> In 2023 Gold Coast Suns employed the following 62 people within their organisation: <ul style="list-style-type: none"> <li>• The board: 8</li> <li>• Administration: 10</li> <li>• Commercial, business development and events: 10</li> <li>• Media, communications and digital: 8</li> <li>• Stadium, facilities and events: 11</li> <li>• Consumer, community and marketing: 15</li> </ul> An additional ~20 staff are likely to be employed as coaches, physiotherapists, doctors and sports science staff.

Appendix C – Project Option Assumptions

Table 82: Community Program Considerations

	<b>Stage 1 - Additional AFL Games (Option 5, 6 and 7)</b>	<b>Stage 2 - Club Partnerships (Option 5, 6 and 7)</b>	<b>Stage 3 - Club Relocation (Option 5)</b>	<b>Stage 3 - NT AFL Club (Option 6)</b>	<b>Stage 3 – NAU AFL Club (Option 7)</b>
<b>Stage Description</b>	Expanded partnerships with existing AFL and AFLW clubs – increasing the number of 'standalone' NT-based AFL games.	Formal AFL Club partnership or joint venture, with an existing club, with a commitment to a split of home games in the NT.	Relocation of an existing national AFL Club to the NT.	Establish a new NT Club (20th AFL Team Licence) that reflects the culture and values of the Territory.	Establish a 'NAU' Club (20th AFL Team Licence) - potentially across Darwin, Alice Springs and Cairns.
<b>Assumption / Description</b>	Enhancement of existing AFL and related community programs focused on developing AFL within the community. The scope of community programs associated with this stage has not yet been developed.	Enhancement of existing AFL and related community programs focused on developing AFL within the community. The scope of community programs associated with this stage has not yet been developed.	Enhancement of existing AFL and related community programs focused on developing AFL within the community. The scope of community programs associated with this stage has not yet been developed.	Enhancement of existing AFL and related community programs focused on developing AFL within the community. The scope of community programs associated with this stage has not yet been developed.	Enhancement of existing AFL and related community programs focused on developing AFL within the community. The scope of community programs associated with this stage has not yet been developed.
<b>Justification</b>	<b>Source:</b> PwC <b>Justification:</b> Further development of AFL programs are required to support growth in participation rates and interest in the sport.	<b>Source:</b> PwC <b>Justification:</b> Further development of AFL programs are required to support growth in participation rates and interest in the sport.	<b>Source:</b> PwC <b>Justification:</b> Further development of AFL programs are required to support growth in participation rates and interest in the sport.	<b>Source:</b> PwC <b>Justification:</b> Further development of AFL programs are required to support growth in participation rates and interest in the sport.	<b>Source:</b> PwC <b>Justification:</b> Further development of AFL programs are required to support growth in participation rates and interest in the sport.

# Appendix D – Financial Assessment Modelling Assumptions

Table 83: Financial Assessment Modelling Assumptions

Assumption	Value (FY23 \$)	Relevant Options	Source
Cost to buy one AFL game	\$1.28 million.	Stage 1 and 2	AFLNT/AFL
Cost to buy one AFLW game	\$0.30 million.	Stage 1 and 2	AFLNT/AFL
Matchday revenues and expenses of AFL games held in Darwin	Revenues: \$0.285 million. Expenses: \$0.175 million.	Stage 1 and 2	AFLNT
Matchday revenues and expenses of AFL games held in Alice Springs	Revenues: \$0.16 million. Expenses: \$0.16 million.	Stage 1 and 2	AFLNT
Matchday revenues and expenses of AFLW games held in Darwin	Revenues: \$0.067 million. Expenses: \$0.041 million.	Stage 1 and 2	PwC interpolation of data provided by AFLNT <sup>180</sup>
Matchday revenues and expenses of AFLW games held in Alice Springs	Revenues: \$0.038 million. Expenses: \$0.038 million.	Stage 1 and 2	PwC interpolation of data provided by AFLNT <sup>181</sup>
Average annual salary paid to one AFLNT staff member	\$0.120 million.	Stage 1 and 2	AFLNT
Travel cost of AFL/AFLW club <sup>182</sup> travelling to the NT, versus average Club travel cost	Cost per team travelling to the NT: \$0.079 million. <sup>183</sup>  Average cost of travel team per week: \$0.055 million.	Stage 1, 2 and 3 (options 5, 6 and 7)	AFL

<sup>180</sup> Matchday revenues and expenses of AFLW games in Darwin are assumed to be lower than AFL games. The approximate revenues and expenses of AFLW games, compared to AFL games, was calculated using the ratio of the cost to buy an AFLW game / cost to buy an AFL game.

<sup>181</sup> Matchday revenues and expenses of AFLW games in Alice Springs are assumed to be lower than AFL games. The approximate revenues and expenses of AFLW games, compared to AFL games, was calculated using the ratio of the cost to buy an AFLW game / cost to buy an AFL game.

<sup>182</sup> Travel costs are primarily a combination of flights, accommodation and meals.

<sup>183</sup> Travel costs are assumed to include a regular commercial flight, noting that in some cases the preferred mode of travel is via charter flights due to the lack of commercial flight availability to the NT. Charter flights are significantly more expensive.

## Appendix D – Financial Assessment Modelling Assumptions

<b>Assumption</b>	<b>Value (FY23 \$)</b>	<b>Relevant Options</b>	<b>Source</b>
Additional broadcast revenue received by the AFL as a result of expanding the competition to 20 clubs, in turn, creating one extra game per competition round	\$11.0 million.	Stage 3 (Options 6 and 7)	AFLNT



# Appendix E – Project Risk Register

Table 84: Project Risk Register

Risk ID	Risk Description	Consequence	Mitigation Strategy
<b>1.0 Community Support</b>			
1.1	Lack of community understanding of the social and economic benefits of the Project.	Impact on the community support for the Project and related investment decisions.	Establish a clear communication plan with proactive engagement.
1.2	Lack of community support for the club.	Strong messaging against the Project turns away the community, causing dissatisfaction with the investment decision.	Establish a clear communication plan with proactive engagement.  Design of the Club to clearly align with the culture and identity of the region.
1.3	Opposition to Government funding commitments for a fit for purpose stadium.	Failure to develop a fit for purpose stadium will delay or impede the effective delivery of the desired Project outcomes.	Completion of a robust detailed business case in relation to the stadium investment.  Communication campaign identifying the benefits, beyond AFL, that a stadium may bring to the region.
1.4	Failure to secure support of the Indigenous population in the region.	Impacted delivery of desired social and economic outcomes.	Establish a clear communication plan with proactive and meaningful engagement.  Adoption of co-design concepts in relation to Club design.
<b>2.0 Funding Risks</b>			
2.1	Inability to attract funding support for the detailed business case assessment for the Project.	Significant delays to DBC while alternate funding sourced, or potentially reduction in scope.  Potential for Project to be placed on hold or cancelled.	Establish a clear communication plan with proactive engagement with key Government stakeholders.  Identify alternative funding sources.  Proceed with a less expensive or staged DBC option.
2.2	Unable to attract funding for the operational "funding gap" for the delivery of the Club and facilities.	Project does not proceed or scope of Club delivery is limited to an extension of existing game arrangements or joint venture/ partnership arrangement.	Assess alternate Club delivery Options and reassess staging plan.

Risk ID	Risk Description	Consequence	Mitigation Strategy
2.3	Operational deficit is higher than expected due to lower revenues or higher costs.	Additional operational funding requirements will exist for key funding partners.  The Club may not be regarded as commercially viable.	Completion of a detailed business case including a robust financial assessment with engagement from key stakeholders including AFL, AFLNT, NT Government and Australian Government.  Clear understanding of value drivers and levers that will impact revenues and costs.
2.4	Capital cost of supporting facilities exceeds preliminary estimates.	Additional capital funding requirements will exist for key funding partners.	Completion of a detailed business case to assess the infrastructure requirements, design and costings.
<b>3.0 Commercial and Operational Risks</b>			
3.1	AFL withdraws support for the Project and are unable to support progression to a licence.	Project does not proceed or scope of Club delivery is limited to an extension of existing game arrangements or joint venture/ partnership arrangement.	Assess alternate Club delivery Options and reassess staging plan.
3.2	Unable to secure sufficient interest in public and corporate memberships.	Inability for the Club to achieve target membership and corporate sponsorship outcomes resulting in potentially catastrophic outcomes for Club viability.	Establish a clear communication plan with proactive community and corporate engagement.  Design of the Club to clearly align with the culture and identity of the region.
3.3	Inability to attract and retain talent	Inability to attract and retain talent within the Club (or within the NT), resulting in on field performance challenges.  Reduction in member and partner support, thereby impacting revenue streams.	Tailored plans to enhance the talent pathways within the region and secure local players.  Engagement with the AFL to secure long term talent arrangements in early years of the club.  Active focus by NT Government to enhancing the liveability of the NT to incentivise players to remain in the NT.
3.4	Club is not seen to be representative of the region.	Lower community and corporate support for the Club resulting in less memberships and sponsorship investment.	Design the Club to align with the culture and values of the region.  Focused engagement with community and Indigenous groups to design a representative club.

<b>Risk ID</b>	<b>Risk Description</b>	<b>Consequence</b>	<b>Mitigation Strategy</b>
3.5	Stadium facilities are not fit for purpose	Reduced attractiveness for people to attend games.	Clear definition of stadium and infrastructure requirements.
		Reservation of the AFL to grant a licence for a new club.	Engagement with Government stakeholders to progress further investigation into stadium infrastructure.
3.6	Insufficient accommodation and tourism services to cater for inbound spectators	Reduced attractiveness for people to travel to NT for games.	Establish a clear communication plan with industry leaders and tourism operators to inform of opportunities.
		Lower game patronage and reduced economic impact for NT.	
3.7	Weather impacts to pre-season and early season matches	Reduced attractiveness for teams and spectators to travel to NT for games.	Clear definition of stadium and infrastructure requirements to cater for all weather fixtures.
		Potential for match cancellations or impacts.	Engagement with AFL to coordinate suitable fixtures to cater for seasonal impacts in the NT.

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