

Submission to the Legislative Council Select Committee
inquiry into:

AFL in Tasmania

Tourism Industry Council Tasmania

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Contact:

Luke Martin, CEO
Tourism Industry Council Tasmania

P: 0434 307 838

E: luke.martin@tict.com.au

Tourism Industry Council Tasmania (TICT) welcomes the opportunity to contribute to the Legislative Council Select Committee inquiry into the future of AFL football in Tasmania.

TICT greatly respects and values the Legislative Council's select committee process and the rigour it has always applied in reviewing and analysing often challenging issues for the Tasmanian tourism industry. TICT has always found the process of contributing to these inquiries worthwhile, and we encourage Legislative Councillors to continue to consider opportunities to inquire into issues impacting on our industry and the broader Tasmanian visitor economy.

Tourism Industry Council Tasmania

Tourism Industry Council Tasmania (TICT) is the peak body that represents and acts for the Tasmanian tourism industry. The Council is a not-for-profit and non-partisan organisation that promotes the value of tourism in the Tasmanian community. TICT provides a strategic direction and united voice for the sustainable development and growth of the Tasmanian tourism industry and in advocating policy on behalf of the industry.

TICT has a large, representative based board, bringing together various industry sectors. This includes representatives of accommodation and hospitality operators; visitor attractions, experiences and tour operators; transport operators, ports, and tourism-related industry associations.

TICT partners with the Tasmanian Government on the dual industry-government strategies guiding the growth of tourism and the visitor economy in Tasmania;

- *T21 – The Tasmanian Visitor Economy Strategy 2015-20*
- *Parks 21: Joint Action Plan for Tourism in Protected Areas in Tasmania 2015-20*

AFL in Tasmania

Despite the undeniable and quantified value of AFL content to the Tasmanian visitor economy, TICT has not traditionally taken a lead-role in the public debate around the future of AFL content in the State. As an organisation we have seen AFL content in Tasmania as an issue of considerable Statewide economic and cultural significance measured on many difference economic and social outcomes, not just as a visitor demand-driver.

We also respect and greatly value the significant investment made by the Tasmanian Government and other important stakeholders within our own industry in securing AFL content to the State and the need to maximise the return on this investment to all parties, including our own industry. Unconstructive commentary about hypothetical future models only undermines the success of the current structure, and the considerable investments of energy and resources made by many Tasmanian organisations.

In this context we note the changing messages from the AFL and the Tasmanian Government which suggests change is coming and the very real potential for a Tasmanian AFL license is emerging.

For this reason, we see this Legislative Council process as a timely and important opportunity to state our organisation's position on behalf of the Tasmanian tourism industry.

In response to the Terms of Reference:

- 1.) **The likely benefits to the broader Tasmanian economy and community from having a Tasmanian team in the AFL;**

TICT is very confident a Tasmanian AFL Team will have significant benefits to the Tasmanian visitor economy. This is based on our experience with the current structure of AFL content in Tasmania, and examples interstate.

The current structure of AFL content in Tasmania generates a substantial economic return to the whole State through direct economic activity and indirect marketing and branding.

AFL content in Northern Tasmania has been a catalyst for the growth and development of that region's visitor economy over the past two-decades, through the promotion and branding generated for the region and direct 'AFL tourism' generated by game days.

In 2017 Pricewaterhouse Coopers found the Hawthorn Football Club's four AFL home and away games, along with one preseason game, directly contributed \$28.5 million into the Tasmanian economy and supported an additional 137 jobs.

The contribution of AFL weekends in sustaining visitor activity across the tourism, hospitality and retail sectors in Launceston over the winter months has been critical in supporting investment in new accommodation in the city. AFL in Launceston is an exceptional example of effective Major Event based tourism to stimulate visitor activity during otherwise quiet visitor periods.

While not recently quantified the value of the Tasmanian branding on the Hawks during a period of tremendous on-field success for that club has been significant for the State and is a taste of the potential a genuine Tasmanian AFL team could have in further elevating Tasmania's brand and profile on the national landscape.

AFL content in Hobart, while a more recent addition, has been strategically important in stimulating visitor activity into the city over the winter months. It has rounded out a winter season of events in Southern Tasmania.

What has been tangible is the significant positive impact of the *Spirit of Tasmania's* partnership with the North Melbourne Football Club in elevating the brand and profile of the *Spirit of Tasmania* service in the key Victorian and regional New South Wales market, and in-turn drive visitation to the State.

This has been a highly effective marketing initiative by TT-Line that has a direct impact on their social media traffic, inquiries and sales, underscoring the marketing and branding power of partnering with AFL football.

We believe the direct return on investment from the current AFL content in Tasmania can only grow with a team of our own.

We note the entire basis and rationale for the substantial investments undertaken by many Governments across Australia in supporting the establishment of new AFL teams on the Gold Coast and Western Sydney, attracting AFL games into regional Australia, and developing new Stadiums, has been to generate "AFL Tourism".

Tasmania has in many ways pioneered this model through Launceston's long-term partnership with the Hawthorn Football Club and the investments in York Park, and there is no reason why AFL will not continue to be a major visitor driver for destinations like Tasmania.

We see the economic return to our industry from an AFL team through the following outcomes:

- Visitation generated from 11 Home Games (plus pre-season and finals) hosted within the State each year, including the major Victorian clubs who are not currently rostered to play in Tasmania;
- Intrastate travel with Tasmanians traversing the State to follow their team
- Branding and promotion for the State through an AFL club playing and identified across Australia
- Opportunity for Tasmanian businesses and corporations to leverage the marketing power of the AFL through partnering with a team of our own
- Encouraging an AFL match day event culture within the State stimulating economic activity at hospitality venues throughout the State.
- Tasmanian resources currently invested into AFL content generated by interstate clubs, redirected back into the State.

2.) **Whether or not the Tasmanian Taxpayer, or the AFL, should subsidise Melbourne based AFL Clubs playing in Tasmania.**

The financial model for a Tasmanian AFL club will be dependent on the same conventional revenue streams generated by all AFL clubs including corporate support and sponsorship, club membership, stadium revenue, government support, and dispersals from the AFL.

The cliched argument that Tasmania cannot financially support a team seems inconstant with the findings of past business cases, the advice of credible voices such as Saul Eslake, and indeed the experience of financially sustainable AFL clubs in comparable smaller markets.

In terms of the AFL we note all AFL clubs receive a share of national league revenue, including media rights and national sponsorships. The annual dispersal from the AFL to each club ranges from \$10 - \$25 million per club, depending on the relative size and financial strength of the club. In a national competition a Tasmanian AFL team should expect a similar level of financial support from the AFL as all other clubs receive.

The suggestion the Tasmanian Government will continue to invest heavily in supporting AFL content in Tasmania with our own team, (either directly, or through its government businesses) seems entirely reasonable when you consider the far-reaching economic and social impact an AFL team will have on the State.

As a small State, the Tasmanian Government has a critical leadership role within the Tasmanian community in achieving major outcomes of Statewide significance, such as the establishment of an AFL team. The State Government is also one of the key economic drivers of the State through its own activities and investments, along with its ownership of major Government Businesses that drive much of the corporate activity within the economy.

State Government supporting AFL clubs is not a unique Tasmanian thing. All State Governments across Australia invest heavily in AFL and other elite sporting teams based within their State, and all support major events held within their State. The Queensland Government, for example, invested over \$40 million in the establishment of the Gold Coast Suns specifically to drive AFL tourism to the Gold Coast.

Even in Victoria the State Government is a direct financial supporter of major AFL events, such as showcase games like the Grand Final, Anzac Day Game and 'Dreamtime at the G', while making substantial capital investments in several AFL club's stadiums and training facilities.

In a Tasmanian context, every AFL game held in the State is a major event generating direct and demonstratable returns to the State through visitor activity, branding and economy activity. It is prudent and sensible for the Tasmanian Government to pursue opportunities to expand AFL content within the State through our own full-time team. This shouldn't be looked upon as a 'subsidy'.

3.) The on-going support required to sustain a Tasmanian AFL team;

A Tasmanian AFL team will require ongoing support and commitment from all levels of government, the AFL, industry and the community.

From government's perspective, this is likely to require ongoing and substantial investment in two aspects; recurrent revenue to support the team's operations, along with ongoing capital investment in team facilities and venues. As outlined, this is not an unreasonable expectation on the State Government given the experience in other States, and the direct economic and social return of AFL content to the State.

The AFL should be expected to make an ongoing investment comparable to what it has committed to the establishment and ongoing operations of other start-up AFL clubs, in Western Sydney and the Gold Coast.

Tasmanian industry will inevitably be drawn to an AFL team as the premier professional sporting organisation in the State, with considerable public following and support. It is highly likely a Tasmanian AFL team will also attract ongoing national corporate support comparable to all other AFL clubs, debunking the myth a Tasmanian side will only be supported by Tasmanian corporations.

We are highly confident local and national stakeholders in our own industry will embrace a Tasmanian AFL team. Many are already significant investors in the current AFL content in Tasmania, and there is no logical reason why a full-time team of our own will not be as attractive, if not more attractive, to these sponsors.

Clearly, a Tasmanian AFL team will need to galvanise community support across the State, in terms of membership and public support. It is critical the club is established and structured in a way that reflects and embraces Tasmania's dispersed and decentralised population. From a tourism perspective, we see this as a positive thing, as the visitor activity of intrastate travel from Tasmanians travelling within the State to support the team will be central to the economic benefits of the initiative.

4.) The possible solutions to the AFL's perception of Tasmania being geographically and politically divided;

This term of reference is entering areas beyond our tourism interest, but we do stress the importance of ensuring the team fully embraces Tasmania's decentralisation, and the significant of AFL content in both the north and south of the State.

TICT believes a Tasmanian AFL team will play out of both the North and South of the State, with a relatively even number of games in both Hobart and Launceston each year. We believe

this principle must be accepted as fundamental to further discussion about an AFL team in Tasmania to completely destruct any perceptions of a 'Southern' or 'Northern' team.

Rather than seeing this as a challenge in the formation of the team, we see it as one of its strengths in being a unifying force within the State and maximising the resources of all regions. It is also most likely the best outcome from a visitation perspective as it would encourage intrastate travel across Tasmania and maintain the relative economies of scale of having five or six homes games across the season at each end of the State.

The possibility of a Tasmania v Collingwood match, for example, at a packed University of Stadium in Launceston is an exciting vision that will draw football fans from across Tasmania, along with interstate supporters.

5.) The impact on the future participation rates in AFL in Tasmania of not having a Tasmanian team in the AFL;

TICT does not have an opinion on this.

6.) If Tasmania were to establish an AFL team, when would it be the optimal time for it to commence; and

We believe the time has come for the AFL and Tasmanian Government to commit to a clear pathway and timeline on the introduction of a Tasmanian AFL team. The sooner the better as the sense of inevitably now forming around this question can only distract from the current structure and investment in AFL content within the State.

What the State must avoid is a situation where there is a reduction of AFL content in the State while we transition to a full-time team. The contractual arrangements and commitment of existing AFL partnerships must be respected and not taken for granted. The worst possible outcome would be a reduction of content or ending successful partnerships without a clear alternative pathway in place.

7.) Any other matter incidental thereto.

The business case for a Tasmanian AFL team should include visitation and tourism outcomes as an indicator (including intrastate travel, AFL tourism and branding/marketing outcomes) but this must not be the only driver.

In our view, it is critically important the value of investing in additional AFL content in Tasmania and our own side is not hinged solely on tourism, but around key social and cultural indicators for Tasmanians (including social inclusion, population growth, employment and pathways to professional sport).

Tourism will certainly be a key factor in the business case, but the value of an AFL team to Tasmania extends far more visitation outcomes. In this context, public funding for an AFL team should not be directed from other pressing tourism priorities such as destination marketing, visitor infrastructure and workforce training.