



# **A Genuine National Second Division of Football in Australia**

## **Final Report of the NSD Partner Group of Clubs**

**February 2022**

## Leaders in Football

There are many clubs across Australia which believe they are not able to operate at their full capacity within the National Premier Leagues (NPL). Over 30 of these clubs, all members of the Association of Australian Football Clubs (AAFC) have come together to form the AAFC Partner Group.

Together, they have made this report possible and more importantly, they have paved the way for life to be breathed into a genuine National Second Division. Our football community owes them a debt of gratitude for their dedicated commitment and contribution to the production of this report which is directed towards achieving the widely anticipated advance in our game – National Second Division.

They have come together to imagine what their collective capacities within a true National Second Division could do for the game. They invite you all to do the same.

**It's time!**



GREG GRIFFIN



NICK TASESKI



TONY RACITI



ANTHONY NUZZACO



ORIANO COLLI



RAY GEORGIU



DAVID DEL MONACO



DON LEOMBRUNO



TONY VIDOVIC



MARK SULTANA



WARREN MILLS



NEIL HARLOCK



STEVE TSALIKIDIS



RICK CEKIC



ROBERT CARNIATO



PAVE JUSUP



ROBBIE RENDE



AKI IONNAS



JOHN AULD



GARY MAROCCHI



ZAC GRUEVSKI



LOUIE BELEVSKI



VICTORIA MORTON



NICHOLAS MAIKOUSIS



MELVYN WILKES



JOHN BOULOUS



MARK IVANCIC



AMIN AYOUBI



TORY LAVALLE



RABIEH KRAYEM



NICK GALATAS



CHRISTO PATSAN

## Foreword



**Nick Galatas**  
Chairman

**Association of Australian  
Football Clubs Ltd**



### Since January 2021

A year ago, in January 2021, AAFC published its progress report on Reshaping the Second Tier of football in Australia. We received an overwhelmingly positive response from our football community. In the year since, we have tapped community sentiment, assessed responses we have received, engaged in detailed discussions with Football Australia, considered all comments and feedback and explored commercial and broadcast opportunities. We have now completed our report.

Mindful that there cannot be a Second Division or, indeed, a First Division if the divisions are not linked, we deliberately avoided referring to a “National Second Division” in our progress report. While the progress report foreshadowed the linking of all tiers of Australian Football, our report was not centred on establishing an immediate link between the A-League and the new National Second Tier. It is clear, however, from the overwhelming positive public response we received to our progress report that the vast majority of football fans consider the proposed new National Second Tier competition described in our report as the necessary precursor to linking the A-League to the rest of Australian football. The football public sees the new National Second Tier competition for what it will become – the National Second Division.

### Presently

The current second tier of men’s football in Australia is comprised of 222 clubs. It’s worth taking a moment to absorb that in print. Collectively, these clubs play in the eight separate National Premier Leagues (and equivalent state premier leagues) administered by eight separate Member Federations. Although they are licensed by their respective Member Federation to participate in their local competition, they do not enjoy a direct say in how they are governed as they are not members of their Member Federation.

The frustration of these clubs emanating from licensing obligations and competition-structure restrictions, forever limiting their role and aspirations, led them to seek a voice to demand change only a few years after this nominal second tier was rolled out nationally. That led to the formation of the Association of Australian Football Clubs (AAFC) in March 2017.

For the most part, these clubs remain intrinsically connected to community football through promotion and relegation within NPL divisions and state and regional premier leagues. In contrast, our top tier, is comprised of only 12 teams (14 in Australia) which are not linked to the NPL nor to the rest of the game through football competition and merit. Consequently, a yawning gap has emerged between our top tier and the rest of our game. This is evident in the football, but more importantly, in the connectedness and unity of our game.

Nobody seriously thinks 222 clubs (of which 89 are in the eight NPL1 competitions) sitting below and unconnected to our 12 top tier teams constitutes a genuine National Second Division. That is why, since October 2017, when AAFC publicly called for a National Second Division – a true second tier – support for it among fans, players, coaches, media, retired football stars and governing bodies has been overwhelming. Football Australia CEO, James Johnson, has repeatedly said it is no longer about “if” we will have a national second division but about “how” and “when” and, more recently, has flagged that next steps are imminent.

### This Report

Accordingly, this report does not seek to make the case for a genuine national second division. That case has well and truly been made and accepted. I outlined the steps leading to the case being accepted by Football Australia in my Foreword to the progress report.

This report is about the capability of our member clubs who will be primarily responsible for the success of the National Second Division. It is about identifying the best possible model. Our model is aspirational without being unrealistic. It is realistic without lacking ambition. This form of model is the most viable and financially responsible for a true national second division. It recognises that it is not about where you start but about where you finish. It also recognises that in order to finish you have to start. Such a model provides for a sustainable start and ongoing growth.



NPL Clubs haven't gone broke - not even during COVID-19. Many of our members have experienced massive external financial challenges during their decades of existence. They have navigated them all. They remain with us today - still healthy, still aspirational, despite having been prevented from achieving their potential by our current restrictive football model. They are self-funded through their members, supporters, sponsors and football activities.

In arriving at the National Second Division model described in this report, consideration was given to a more expansive or ambitious model, commencing with fully professional clubs, as well as to a less-ambitious model mooted by Football Australia over the last year in the style of a 'Champions League' involving leading NPL clubs throughout the country. The model set out in this report strikes a balance. It provides for football professionalism to be attained rather than unrealistically imposed. It rejects the 'Champions League' style model as being financially unviable, short on ambition and offering none of the benefits of a genuine national competition.

By concentrating our second-tier talent, our model offers hundreds of additional elite, national competition-level playing opportunities for our young players and thereby addressing the 'performance gap' recently identified by Football Australia. It also offers high-level coaching opportunities for our best local coaches, development of strong clubs across our country, nurturing of our future administrators unleashing funding and sponsorship opportunities and building more football-specific facilities. And it embeds within its DNA the ability to grow and develop to a higher level; to respond to the development of our game and its needs and challenges as they arise. Most importantly, it offers the game's supporters what they want. It's their game, after all.

## Women's Football

This report also addresses a national second tier for women. Currently, like the men's second tier, the women's second tier is comprised of the Women's National Premier Leagues run separately by each Member Federation. AAFC considers women's football vital to the overall health of our game. Hosting the FIFA Women's World Cup™ in 2023 presents us with a wonderful opportunity to grow women's football, including through the introduction of a true national second tier.

We have pressed for a NSD for women from the outset, but this measure has not received the same measure of support from our governing bodies and other stakeholders, so our report addresses it in that context.

## Promotion/Relegation with A-League

Finally, we would be avoiding the 'elephant in the room' if we didn't address promotion and relegation with the A-League Men's. It was a consideration in the *White Paper* and is foremost in any football person's mind. A National Second Division makes no sense to our football minds, nurtured in the dominant football traditions we have all followed since childhood, without being linked to the 'National First Division'. One cannot be second, or first for that matter, if there is only one participant in a race.

Our model provides for the competition's growth and the bridging of the gap between the A-League and the new National Second Division. That will enable the movement of teams between the two divisions while protecting and enhancing their financial integrity. That is why we now use the term 'National Second Division', in recognition that this new competition is expected to, and will, link the A-League to the rest of our game. It is for Football Australia to decide when that happens after this necessary building block is added and embedded. Many missing building blocks are belatedly being introduced to our game, such as, most recently, Football Australia's *Domestic Transfer System White Paper* for the introduction of a transfer system. Our model for a genuine national second tier should be seen in that context. It is necessary if we are to embed the foundations for the ongoing growth of our game and as a building block for the ultimate unification of our game and our adoption of global best practice in all aspects of our football, as Football Australia recently said it did with the unbundling of the A League. In the end, linkages unite and strengthen while isolation, in silos, weaken and divide. We hope this becomes the link enabling Football Australia to complete unification as it reforms the game in line with the *XI Principles*.

We look forward to engaging with Football Australia as it moves towards the introduction of our long-awaited genuine National Second Division.

***It's time.***



**Nick Galatas**

**22 February 2022**

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# 1 About this Report

## 1.1 A 5 year journey

On 27 October 2017, AAFC released a paper titled *A Preferred Model for a National Second Division Competition*.

That paper led to the resumption of a national discussion about the 'missing link' in our game – a true national second tier.

This initial report led Football Australia to seek to partner with AAFC, and our member clubs, in furthering the establishment of a NSD. A Working Group was formed which culminated in a *White Paper* in June 2019 which was adopted by Football Australia. Critically, this *White Paper* recommended that a NSD be introduced in Australia and that a Steering Committee be formed to oversee its formation.

By the latter stages of 2019, the work of the NSDSC was well-advanced towards conducting a 'market sounding' or 'preliminary expression of interest' among NPL clubs and any other interested party to be done in the first quarter of 2020.

As Football Australia, under the stewardship of its new CEO, James Johnson, moved to implement a number of structural reforms to the game, identified in its XI Principles, it announced that it was no longer a question of "IF" a National Second Division would be introduced but rather, it was about "How" and "When".

This report is about the "How" which, for the most part, is informed by the "Who".

Recognising that a NSD was now going to be a reality and that they would form its backbone, a cross section of NPL clubs from all parts of the country came together and formed the AAFC Partner Group. Comprising a diverse selection of aspirational clubs, they committed to the development of a financially viable and optimum model for the NSD.

The Partner Group funded and resourced the development of the model. Over a period of more than two years now, they have engaged in detailed capability surveys, numerous workshops, consideration of relevant issues and consultation with various parties, including Football Australia, both directly and through AAFC.

## 1.2 Purpose of this Report

In January 2021, a Progress Report was released intended to serve as a 'live document'. It did not represent a "fixed" position, although the model described in it was the result of detailed and careful consideration and analysis. The release of that report was met with overwhelming and widespread support throughout the football community, as well as extensive feedback.

This Final Report describes the most financially viable National Second Division identified by the Partner Group and one which the Partner Group clubs are confident they can deliver from the outset and grow in line with the development of the game as a whole. Its purpose is to inform Football Australia of the capability of the clubs which will form the backbone of Football Australia's proposed National Second Division, as well as the model which is best suited to them and the game as a whole at present while best placed to develop as a competition and within the context of the game as a whole in future.

The model described in the report remains a 'live' model, capable of being further adapted and refined as required.



## 1.3 Report Structure

This report is presented in four parts:







# Part A – Our Vision



## 2 Our Vision

**A new National Second Division is the 'missing link' in Australian Football.**

**It will redefine the second tier of football in Australia, by:**

*Creating a critical step in the career path for Australian playing and coaching talent.*

*A new elite competition offering up to 300 new football positions for players, a higher level for our top coaches and match officials.*

*Bridging the gap between the NPLs, and A-Leagues - Men and Women.*

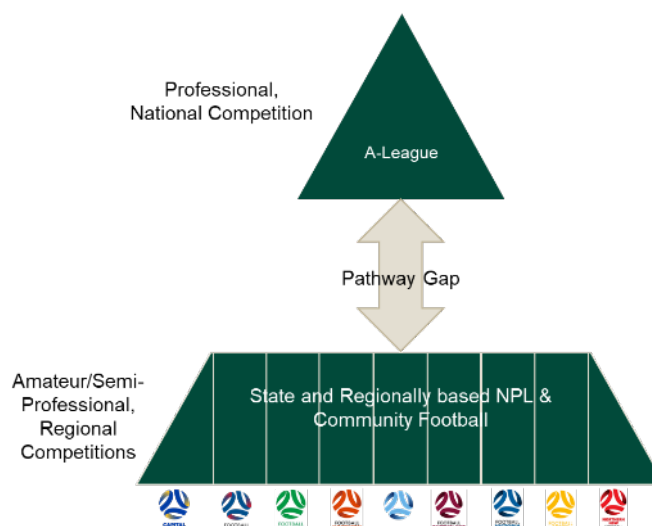
*Scaling up existing aspirational semi-professional clubs, by playing in a national competition, within a professional environment.*

*Offering the necessary peak competition of an open 'pyramid' for clubs within which they will find their level and best respond to their football community to satisfy their aspirations.*

*A 'free market' which empowers clubs as they live and survive within competition structures.*

*A true, streamlined second tier of clubs emerges from within the burgeoning number of notionally second tier state and regional NPLs.*

Current Situation



Proposed NSD

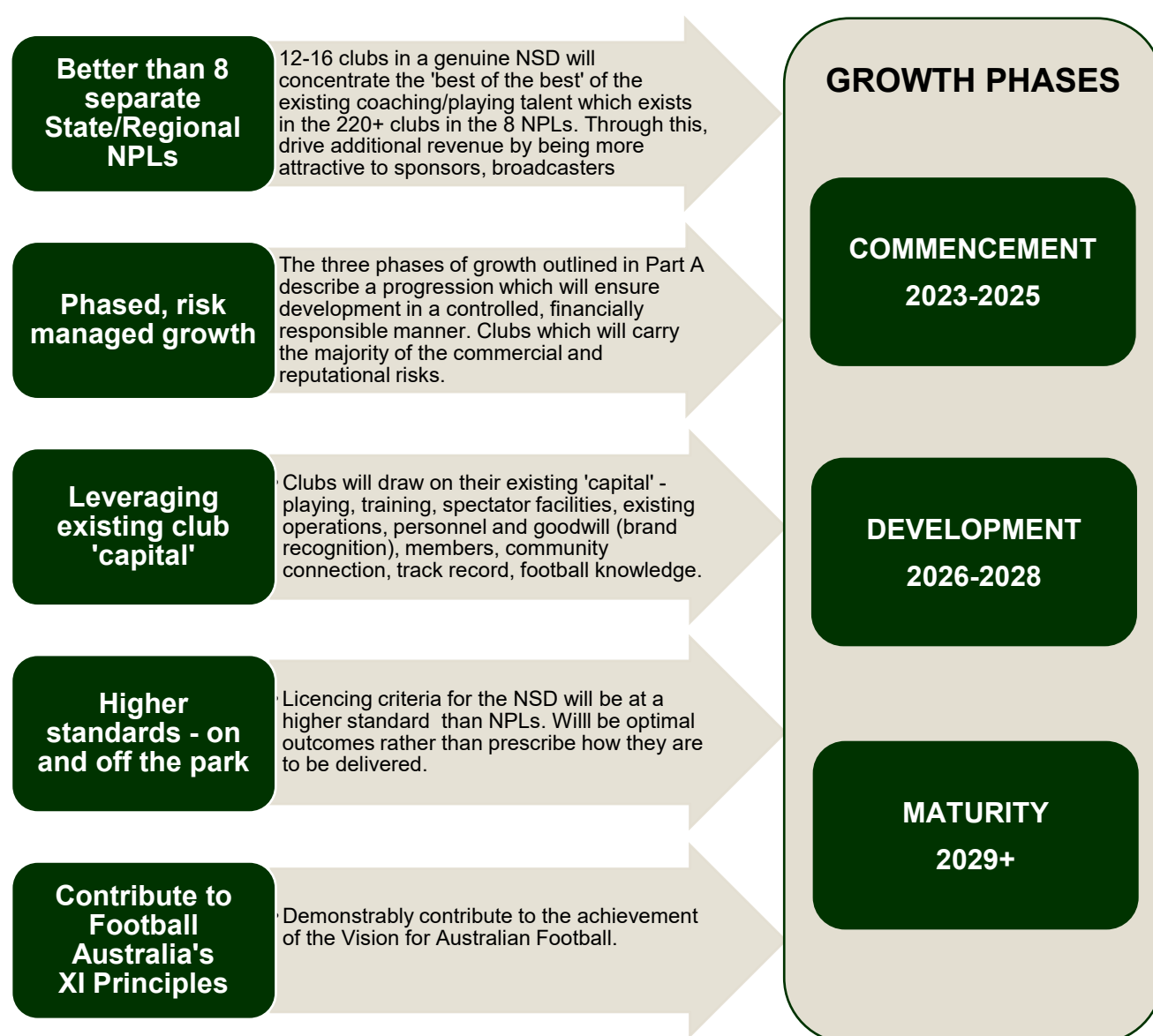


## 2.1 Responsible, Sustainable Growth

The model has been developed on the basis it is no longer a question of “if” but of “how” and “when”. It is therefore paramount that a new, reshaped and fit-for purpose second tier be developed and that it be the best possible. There is no ‘perfect’ time to start. Waiting longer is no longer an option – in the best interest of the game.

It is therefore necessary to be able to start as soon as possible while also building within the ‘DNA’ of the model the mechanism to grow sustainably and responsibly. In this way we have steady, stable development and demonstrable improvement to our game at the same time.

To this end, our proposed model is informed by these principles across 3 growth phases of the NSD:



## 2.2 Growth Phases

Commencement (2023-2025)	Development (2026-2028)	Maturity (2029+)
<p><i>It is not hard to envision the commencement of the NSD. The resources all exist today. Teams, supporters, players, administrators, sponsors, expertise, potential, and passion are all there.</i></p> <p><i>When it starts, the NSD will be a modest, financially responsible league. 12 teams bringing the best of the NPL1 clubs together with a national footprint.</i></p> <p><i>Importantly, it will be founded on elevating existing, semi-professional clubs into a professional environment.</i></p>	<p><i>Within a few years, the NSD will have been established as an integral part of our football environment. During these initial years, this new competition, sitting above the State and regional NPLs, and having brought together the best of the NPL into a peak competition, will have started to grow and develop towards its potential.</i></p> <p><i>Elite players developing together in a high-profile national competition, with more money, better facilities, and top coaching in a well-supported, professionally governed, super-competitive league.</i></p>	<p><i>The gap between the A-League Men and the State-based NPL competitions is steadily narrowing by a financially strong and sustainable national league.</i></p> <p><i>High quality in all its facets, it will offer the necessary link to the A-League Men to create a truly unified game across Australia. The era of the silo will have ended, ushering in the era of merit-based aspiration, while also offering strong clubs able to meet commercial and licensing-based entry into international competitions.</i></p>
<ul style="list-style-type: none"> <li>✓ 12 clubs are selected to form our new second tier, a genuine national second division (NSD), which kicks off in 2023. Broadcast nationally by a National Broadcaster and widely streamed.</li> </ul>	<ul style="list-style-type: none"> <li>✓ The participating clubs have had successful initial seasons with good crowds and growing interest from the football community. The competition grows to 16 teams. Promotion/relegation with NPL captivates interest from fans of NPL and NSD clubs, as competitive tension grips. The competition is well established, popular, and connected with the reformed, regional NPL competitions.</li> </ul>	<ul style="list-style-type: none"> <li>✓ The competition is entrenched. It is part of the football landscape and the psyche of the football public. There are 16 NSD clubs from across Australia and many more which have played in it, now back in the NPL, building for promotion, with many others getting ready for their first attempt at promotion. Unity and opportunity abound in a linked football eco-system.</li> </ul>
<ul style="list-style-type: none"> <li>✓ Women's football continues to grow as FIFA Women's World Cup™ fever hits and planning for the Women's NSD is completed. All NSD clubs are required to have a comprehensive women's football program in place.</li> </ul>	<ul style="list-style-type: none"> <li>✓ The Women's NSD kicks off in 2026.</li> </ul>	<ul style="list-style-type: none"> <li>✓ There has been great celebration around the success of the Women's National Second Division (WNSD). This now means that there is a fully structured 1st and 2nd tier for women's football including NPL, WNSD and A-League Women.</li> </ul>
<ul style="list-style-type: none"> <li>✓ 300 new elite semi-professional playing opportunities in a professional environment are created for our best young footballers which enhances their development, excites fans, and strengthens our national teams.</li> </ul>	<ul style="list-style-type: none"> <li>✓ An additional 100 new elite opportunities are created with a total of approx. 400 elite players concentrated into 16 teams. NSD clubs routinely bring through numerous elite young local players, generating great excitement among fans. Some are now established in full-time professional contracts.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Several NSD players have gone onto the A-League Men, and internationally, earning transfer fee revenue for NSD clubs. The money helps fund development of bespoke facilities and the growth of clubs, as they move towards full professionalism.</li> </ul>
<ul style="list-style-type: none"> <li>✓ Coaches and support staff are highly accredited and experienced so as to further the professional environment for players.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Planning is progressing for them to seek accreditation as 2-Star Academies.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Youth and coach development programmes are continuously being enhanced.</li> </ul>
<ul style="list-style-type: none"> <li>✓ Promotion and relegation between NPL to NSD from the outset with more teams promoted than relegated until the competition has 16 teams.</li> </ul>	<ul style="list-style-type: none"> <li>✓ The new pathway for clubs empowers aspiring NPL clubs to grow and develop. There are now more than 20 clubs nationally which meet the standards necessary to participate in the NSD.</li> </ul>	<ul style="list-style-type: none"> <li>✓ APL and Football Australia have developed a system of promotion and relegation between NSD and A-League Men. The football pyramid is complete. The game is united and prosperous.</li> <li>✓ More than 25 clubs have played in the NSD. There are now more than 40 clubs Australia-wide which meet the standards to participate in the NSD.</li> </ul>
<ul style="list-style-type: none"> <li>✓ NSD clubs continue to participate in NPL – both boys and girls.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Remaining NPL clubs are relieved of many 'second-tier' related obligations, enabling them to find their level, be adaptable and focused on meeting the football needs of their community and/or build towards a NSD – capable club.</li> </ul>	<ul style="list-style-type: none"> <li>✓ The NPL has been streamlined to reflect the establishment and growth of the NSD leading to the cost of football for most young players being greatly reduced.</li> </ul>
<ul style="list-style-type: none"> <li>✓ Facilities which substantively meet FFA Cup requirements for matches between NPL clubs in his Commencement and then the Development phase. Clubs will demonstrate a viable and supported plan to upgrade facilities.</li> </ul>	<ul style="list-style-type: none"> <li>✓ State and federal governments commit funding to upgrade multiple club facilities as the game is unified, popularity grows and developing young male and female players enhance our prospects of competing strongly in international tournaments.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Clubs continue to upgrade their facilities assisted by government grants and their growing revenue streams. Most clubs now play out of boutique stadiums, some with 5,000+ ground capacity. Many are used for community and commercial events, helping raise revenue and enhance grassroots connection.</li> </ul>
<ul style="list-style-type: none"> <li>✓ The Active Governance model is established with a a lean, experienced central administration by Football Australia together with a Supervisory Board and committees – Women's, Youth &amp; Coach Development, Marketing and Standards.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Collaboration continues between Football Australia, AAFC, and clubs which underpins the Active Governance model.</li> </ul>	<ul style="list-style-type: none"> <li>✓ The Active Governance model is maturing evidenced by: strong commercial support from new and existing club sponsors; Broadcast/streaming arrangements for all fixtures which embed fan engagement, with revenue at least meeting its cost; and a clear strategy for commercial growth.</li> </ul>



## 3 NSD Contribution to XI Principles

The *XI Principles for the future of Australian Football* released by Football Australia in October 2020 responded to what it considered an “overwhelming acknowledgment of the need for transformation in Australian Football”.

In the “Where to Next” section of the Executive Summary to the *XI Principles*, Football Australia proposes to begin their implementation in consultation and collaboration with the game’s stakeholders. Measures are proposed in connection with *Principle IV*, which directly relate to the reform of the game’s second tier and the development of the proposed NSD.

AAFC considers that our working model will make a meaningful and important contribution to the achievement of each of the *XI Principles* in this way:

Principle	The NSD Contribution
<b>I</b> <i>Build a consistent and strong identity for Australian football which inspires all Australians</i>	Football Australia identifies the role of multiculturalism, migrants, volunteers, indigenous and other communities to the development of our game to what it is and what it can become. It also recognises the crucial role and contribution of women’s football to our game’s overall identity and it inspires all Australians. Enabling all Australians, and all their clubs, to aspire to be the best they can be, will be aided by a robust and connected national second tier, which connects our football pyramid. A strong, flexible, evolving and connected true national second tier will help unite the Australian football community and help develop a clear understanding of what success looks like, as Principle I envisages.
<b>II</b> <i>Develop a new narrative for football which signifies a fresh start for the game in Australia, successfully ties together all new initiatives and distinguishes it from other sporting codes in the country</i>	This Principle is aligned with a fresh new national second tier. It directly speaks to the proposed measures to implement this Principle, including resetting football’s narrative based upon ‘values’, among which AAFC would include inclusion, opportunity and aspiration as unarguably central. Including many existing clubs formed by our migrants and within our multicultural communities, the NSD will directly assist the proposed measure for Principle II to “ <i>Create a narrative which is contemporary, genuine, and acknowledges Australian football’s multicultural origins, its rich history and diverse football community today</i> ”. It must foster unity, be football-focused and capitalise on football’s global nature for the benefit of the Australian game.
<b>III</b> <i>Establish an integrated and thriving football ecosystem driven by a modern domestic transfer system</i>	The model AAFC proposes for a new national second tier will enhance the Australian football ecosystem, by creating more opportunities at the domestic level for transfers and loans providing greater job security and more playing time for players, and financial stability for clubs. It will add a layer of elite competition, creating better players and bridging the tiers of football competition thereby helping “ <i>evolve and grow an integrated and thriving football ecosystem driven by a modern domestic transfer system</i> ”.
<b>IV</b> <i>Create a dynamic and engaging football product by optimising competition structures to connect Australian football; promote competitive balance and tension; promotes uncertainty of outcome; incentivise sporting achievement; and prioritise the fan experience</i>	This Principle directly contemplates the enhancement of our current second tier of football and the establishment of a true national second division. The NSD is the missing link in the Australian football competition pyramid. The introduction of AAFC’s proposed model will do exactly everything Principle IV says. Nothing better encapsulates it.

Principle	The NSD Contribution
<b>V</b> <i>Create a world class environment for youth development / production by increasing match minutes for youth players and streamlining the player pathway</i>	<p>The sentiment underpinning Principle V is one of the principal drivers for the introduction of a true national second tier. By providing an elite national competition bridging the A-League Men/A-League Women and the NPLs across the country, our young player production and development will be enhanced by increasing their elite level, competitive match minutes and streamlining their pathway.</p>
<b>VI</b> <i>Create a strong culture around coach development by emphasising the importance of the role as a skilled position and a vital link in player development</i>	<p>What better way to achieve this aim than to create more high-level, elite national positions and well-governed, professional club environments which are imbued in football history, tradition, and culture. AAFC's model will deliver a culture of opportunity and advancement for the benefit of players, coaches, referees and football administrators alike.</p>
<b>VII</b> <i>Transition towards a modern, fit-for-purpose governance framework for football in Australia in line with global standards and best -practice sports governance in Australia</i>	<p>AAFC considers this a fundamental principle for the improvement of our game. While AAFC intends to play its part in the ongoing reform of the governance of the game and reform of the Congress of Football Australia to reflect this Principle of a modern, fit-for-purpose governance framework, it also points to the immediate tangible benefits to better governance a true national second tier will bring. Well-governed clubs, to recognised high-level sports governance standards, will spawn our next young football administrators to maintain the momentum of reform and improvement of the game while taking governance of our second-tier clubs to the next level.</p>
<b>VIII</b> <i>Create an operating and governance model for the A-League Men, A-League Women and Y-League which is for the current circumstances</i>	<p>This Principle is not directly relevant to our proposed new competition but the increased popularity and national footprint of football which will follow the introduction of a true national second tier, and the unification of the game it will bring, will enhance the value and popularity of the A-League Men and A-League Women.</p>
<b>IX</b> <i>Ensure that football becomes more open and accessible to the Australian community and that cost does not remain a barrier to participation</i>	<p>The aim underpinning this Principle was a key reason AAFC was formed by our member NPL clubs. By introducing the true national second tier we propose, NPL clubs which are not truly second tier but are burdened by the compliance cost and obligations associated with adhering to 'second-tier' licensing requirements will be freed to better meet the needs of their local communities and provide high-level football opportunities at a much-reduced cost thereby removing barriers to participation and also burdens upon volunteers, who help keep costs down, so they are not lost to the game.</p>
<b>X</b> <i>Continue the growth of the game by driving participation of women and girls by enhancing existing competition structures to promote player development</i>	<p>AAFC proposes a national second division be introduced for women as a matter of priority. AAFC considers this will significantly contribute to the development and retention of women and girls. The NSD will unblock the pathway for talented young female footballers, providing them with ongoing high-level opportunities to reach their potential. By comprising a key segment of each club in a true national second tier, investment by clubs in the women's game will be encouraged.</p>
<b>XI</b> <i>Position the Matildas and the Socceroos as the unifying symbols of the game and heroes who epitomise the Australian football identity to inspire every young Australian regardless of their ability or background</i>	<p>This Principle speaks to the pinnacle of the game and unification. A true national second tier will complement this aim by completing the pyramid, at the apex of which sit our Matildas and Socceroos. An ordered, balanced pyramid below, completed by a true national second division, reflecting global best practice, will distinguish our game in the Australian sporting landscape by highlighting its global reach and the connection of all levels of the game to the world, like no other sport can do, it will unify our sport, create identity and narrative, as well as growth and success.</p>



A dynamic action shot from a soccer match. In the center, a player in a white jersey is being tackled by two players in red and yellow striped jerseys. The player in white is leaning forward, and the two players in striped jerseys are reaching out to tackle him. The background is a blurred green field with some spectators visible in the distance. A dark green banner with white text is overlaid on the middle of the image.

# Part B – Critical Success Factors

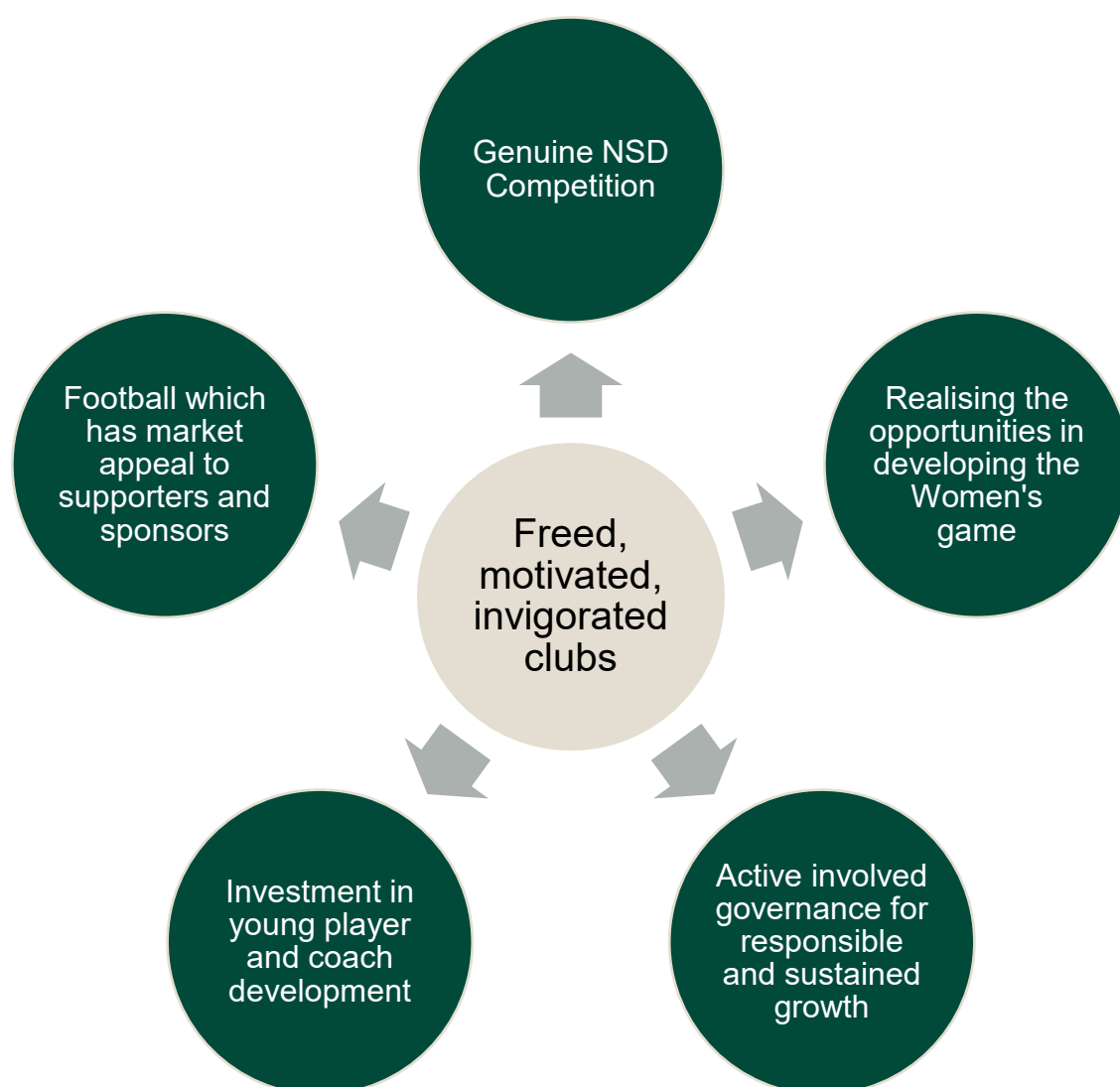


## 4 A Vibrant and Successful NSD

Part A of this report outlined a clear Vision for a National Second Division (NSD) for football in Australia. A Vision which demonstrably contributes to the future of football and the achievement of Football Australia's XI Principles for the Future of Australia Football.

Part B covers the five elements necessary to deliver the Vision and to ensure the success of the redefined second tier.

Crucially though, it centres around a foundation for success – freed, motivated, invigorated clubs. Clubs which will then be able and willing to deliver the five elements for success.



## 5 Foundation for Success – Motivated Clubs

The foundation for the success of domestic football in any country is made up of **motivated, invigorated, aspirational clubs**. As many as possible.

Any league is defined by and is only as good as its clubs. What is the EPL without clubs like Liverpool, Manchester United, Arsenal and so many more? Serie A without Juventus, AC Milan, Inter Milan, Roma, Napoli and so many more? La Liga without Real Madrid, Barcelona, Atletico Madrid and so many more? It is great clubs which come to mind; always. These and other great clubs around the world have developed over time. They all started small. They built upwards, from their local communities, before they became what we see today. They were not constrained, consigned or conscripted to a purpose.

In Australia we have numerous strong, locally grown clubs. They include AAFC's member clubs which were built and sustained by volunteers. Most such volunteers were newly arrived migrants, beginning with the British factory workers and coalminers in the 1880s and continuing with people who arrived from all parts of the world, who have all culturally enriched our country.

As well as being a 'home' for the supporters who built them, they have provided opportunities for their local boys – and increasingly now, local girls, to reach their football potential and endless entertainment, as well as solace and support, for their communities.

In his introduction to the *XI Principles for Australian Football*, Football Australia CEO James Johnson reflected on his own junior club in Rockhampton, which is emblematic of most clubs in that they became pillars of their communities - a shared Australian experience and identity. In short, these clubs were and remain, cultural institutions.

AAFC's guiding principle is that the central building block of the game is the club. From strong, vibrant, inclusive clubs emerge players of all abilities and achievement. From Matildas and Socceroos to committed club footballers - all with an abiding and enduring love for the game. It is from such clubs that supporters are nurtured and inculcated for life, and then the lives of their children. Embedded generational support is the result. That is the

*"What you need to build is club loyalty. Homegrown is still the most exciting thing ... the holy grail is the local boy made good because they are your best asset."*

*Richard Scudamore, former EPL Executive Chairman (quoted in the Sydney Morning Herald, 15 November 2019)*

hallmark of the strongest clubs around the world, whatever the football code or sport.

We therefore need as many strong clubs as we can accommodate. Lots of them is the defining feature of strong football nations. They provide competitive tension and homes for football people wherever they may be. We should not be afraid of their development, nor inhibit it. Let sporting merit decide their place in our linked hierarchy. Let it be fluid. Let it reward ambition, aspiration, merit. Let as many clubs rise to the highest level they can to raise and broaden the level of interest in the game across Australia. A rising tide lifts all ships

So, the continuation of our clubs as strong, vital and ambitious football clubs is critical to the development and organic growth of our game. It is now time to remove all shackles, burdens and restrictions imposed upon these clubs to allow them to reach their potential. They are our game's most precious resource. Freed from their constraints, enabled, and empowered, they can form a true national second tier. Something which football people instinctively understand as a national second division.

AAFC therefore seeks the introduction of a genuine national second tier, to be drawn from NPL clubs.

A further benefit of reforming the national second tier in this way is that the rest of the NPL clubs will be simultaneously freed from carrying unnecessary burdens so they can retain their hard-working volunteers and better serve their local communities. It will also ensure the reduction in the cost of participation for our young players and lay the foundation for the long-awaited and necessary linking of our game, from top to bottom.

## 6 A Genuine National Second Division

### 6.1 Developing the Model

In developing its preferred position regarding the format for a NSD competition, the Partner Group has assessed and evaluated the Australian and international markets, options for competition structures and the location and geographic spread of teams.

#### 6.1.1 Men and Women

The AAFC *Preferred Model for a National Second Division* (October 2017) sought the establishment of both a Women's and Men's NSD.

In consultations with Football Australia, PFA, and some Member Federations since 2017, a number have expressed concerns about the viability of a Women's NSD at this time. Similarly, Football Australia's *White Paper* (June 2019) included it amongst its factors for consideration. Notwithstanding, AAFC remains committed to the establishment of a Women's NSD – a topic expanded upon later in this report.

In the meantime, the discussion below focuses on a NSD for Men.

#### 6.1.2 Current Second Tier in Australia – the 8 regional NPLs

Currently, this is deemed to be the National Premier Leagues (NPLs) which comprise 8 separately administered state and regional competitions which have grown to over 250 clubs across Australia.

Significantly, these clubs are far from a homogeneous group. Their facilities, resources, financial budgets, and ambition differ markedly. For instance, there are clubs which play in developed boutique stadiums through to open community parkland.

The Partner Group supports the opinion of the PFA<sup>1</sup>, that:

1. *“Current NPL model is likely to be characterised as a “Third Tier” competition;*
2. *State based second division is regional and therefore does not allow for top teams and talent to compete regularly;*
3. *NPL performance model is insufficient to achieve the objective of a proper [NSD].”*



<sup>1</sup> PFA, Club business plan for second tier competition, 2018 (quoted in FFA White Paper, 2019)



### 6.1.2.1 Overview of the 8 regional NPLs

The NPLs were formed as a result of the National Competitions Review (NCR) which was completed in 2012. One of the key objectives for the NPLs was to strengthen elite player development. The fundamental model was the “Player Pathway” where “the Elite” players would be developed for national teams though “the Best” players participating in the NPLs, leading to “the Best of the Best” in A-League Men/A-League Women and other academies.

Critically, a 2018 study by AAFC found that many of the objectives for the NPLs have not been met, and that there is a significant disconnect between the objectives of Football Australia, Member Federations, and the clubs. The objective of the NPLs being “the Best” has been significantly diluted by the large number of clubs and academies involved with the NPLs and equivalent premier leagues in each State/Region. In 2018, there were 172 clubs. In 2021, this was over 250 clubs involving approximately 28,000 players from the ages of 13 and up.

	MENS/BOYS (2021)						WOMENS/GIRLS (2021)			
	Total <sup>[1]</sup>	NPL1	NPL2 <sup>[3]</sup>	NPL3 <sup>[3]</sup>	NPL4	Youth <sup>[2]</sup>	Total <sup>[1]</sup>	NPL1 <sup>[3]</sup>	NPL2	Youth <sup>[2]</sup>
Queensland	34	13	11	8	-	26	17	15	-	17
Northern NSW	24	10	11	-	-	24	8	8	-	8
New South Wales	48	12	12	12	12	48	24	12	11	24
Capital (ACT)	20	8	8	-	-	15	9	8	-	8
Victoria	52	14	12	12	-	47	10	10	-	10
South Australia	24	12	12	-	-	24	8	8	-	8
Tasmania	8	8	-	-	-	-	7	7	-	-
Western Australia	23	12	-	-	-	22	8	8	-	-
<b>Total Clubs and Academies</b>	<b>233</b>	<b>89</b>	<b>66</b>	<b>32</b>	<b>12</b>	<b>206</b>	<b>91</b>	<b>76</b>	<b>11</b>	<b>75</b>
A/A-League Women Academies	10	4	2	3	1	9	3	2	1	3
Other Academies	1	-	-	-	-	1	5	5	-	3
<b>Total Clubs</b>	<b>222</b>	<b>85</b>	<b>64</b>	<b>29</b>	<b>11</b>	<b>196</b>	<b>83</b>	<b>69</b>	<b>10</b>	<b>69</b>
<b>Estimated players</b>	<b>23,068</b>	<b>3,060</b>	<b>2,376</b>	<b>1,152</b>	<b>432</b>	<b>16,048</b>	<b>5,760</b>	<b>1,972</b>	<b>396</b>	<b>3,392</b>

Notes:

1. Totals across each State/Region do not necessarily equal the sum of each division as some clubs are only involved with Youth and others are only involved with Senior teams.
2. Youth includes U13s to U18s age groups.
3. Includes clubs involved with state and regional premier leagues where participation criteria are largely equivalent to NPL and/or there is promotion and relegation to/from NPL.

### 6.1.3 Comparison with Major International Leagues

Below is a comparison of the top tier and second tier competitions and formats across 11 major leagues around the world in 2020. Key findings:

- A men's second tier segmented into 8 separately administered competitions with over 250 clubs has no near comparison elsewhere in the world.
- 9 of the 11 nations studied have a single national second tier competition for men's football.
- 10 of the 11 nations have promotion and relegation across the top three tiers of men's football.
- 8 of the 11 nations studied currently have a Women's second tier.

COUNTRY	MENS (2020)							WOMENS (2020)				
	1 <sup>st</sup> tier	# clubs	2 <sup>nd</sup> tier	# clubs	2 <sup>nd</sup> tier format	Pro/Rel 1 <sup>st</sup> -2 <sup>nd</sup> tier	Pro/Rel 2 <sup>nd</sup> -3 <sup>rd</sup> tier	1 <sup>st</sup> tier	# clubs	2 <sup>nd</sup> tier	# clubs	Pro/Rel 1 <sup>st</sup> -2 <sup>nd</sup> tier
Argentina	Primera Division	24	Primera B Nacional	32	2 x 16 team zones	Yes	Yes	Primera A	17	Primera B	10	Yes
Brazil	Serie A	20	Serie B	20	National	Yes	Yes	Feminino A1	16	Feminino A2	36	Yes
Chile	Primera Division	18	Primera B	15	National	Yes	No	Primera Division	18	_[3]	_[3]	_[3]
China	Super League	16	League One	18	National	Yes	Yes	Super League Women	10	_[3]	_[3]	_[3]
England	Premier League	20	Championship	24	National	Yes	Yes	Women's Super League	12	FA Women's Championship	11	Yes
France	Ligue 1	20	Ligue 2	20	National	Yes	Yes	Division 1 Feminine	12	Division 2 Feminine	24	Yes
Germany	Bundesliga	18	2. Bundesliga	18	National	Yes	Yes	Frauen Bundesliga	12	2. Frauen Bundesliga	9	Yes
Italy	Serie A	20	Serie B	20	National	Yes	Yes	Femminile Serie A	12	Femminile Serie B	12	Yes
Japan	J1 League	18	J2 League	22	National	Yes	Yes	Nadeshiko League 1	10	Nadeshiko League 2	10	Yes
South Korea	K League 1	12	K League 2	10	National	Yes	No	WK League	8	_[3]	_[3]	_[3]
USA	Major League Soccer	26	USL Championship	35	2 x 17/18 team conferences	No	No	National Women's Soccer League	10	Women's Premier Soccer League United Women's Soccer	150+	No
Australia	A League Men	12	National Premier Leagues	233 <sup>[1]</sup>	8 x regional leagues	No	Some <sup>[2]</sup>	A League Women	9	8 x regional leagues	91 <sup>[1]</sup>	No

Notes:

1. Includes clubs in all NPL and equivalent Member Federation premier competitions which require clubs to substantially meet NPL club criteria.
2. NPLs are separately administered by separate state or regional Member Federations which set their own competition rules. In some regions there exists pro/rel within NPL and premier league competitions.
3. Research did not discover the existence of second tier competitions for women in these nations.

## 6.1.4 Potential Models Considered

On the following page there is a comparative analysis of three potential models for a Men's NSD in Australia:

- A. Singular NSD comprising 12-16 clubs.**
- B. NSD with 2 x 8 club conferences – Northern and Southern.**
- C. Concept model proposed by Football Australia (refer below).**

Options A and B above can be characterised as more 'traditional' style models involving:

- a. Complete home and away seasons where each club plays two matches against all other clubs;
- b. Finals series involving 4-5 clubs over a 3-4 week period in option A and 6-8 teams over a 4-6 period in option B;
- c. Except for the initial season (where clubs will be selected based upon an application process), participating clubs earn their place through:
  - i. prequalification where they demonstrate that they meet licencing criteria (refer Part D of this report); and
  - ii. successful team performance in the NSD avoiding relegation; or
  - iii. promotion from the regional NPLs.

## 6.1.5 Concept 'flagged' by Football Australia

Football Australia (and some MFs), have flagged an alternate model. While no written detail has been provided, it has been described as follows:

- a. All clubs continue to participate in their current regional NPL or other state/regional leagues which are separately administered by MFs.
- b. 20 clubs from around Australia will be selected on the basis of the position in their local NPL the previous year for a 'Champions League' style competition to be held in the following season.
- c. Competition structure:

<b>Round 1</b>	4 groups of 5 clubs playing each other twice - home and away on stand-alone Saturdays with NPL matches shifted to midweek. Top 3 clubs from each group progress
<b>Round 2</b>	3 groups of 4 clubs playing each other once on stand-alone Saturdays with NPL matches shifted to midweek. Top 2 clubs from each group progress
<b>Round 3</b>	2 groups of 3 clubs playing each other once on stand-alone Saturdays with NPL matches shifted to midweek. Top club from each group progresses
<b>Final</b>	Two-legged final – home and away

Analysis of indicative marginal (additional) costs which clubs are likely to incur under the concept proposal by Football Australia. Indicative costs are based on the following:

- a. Participation fee - \$11,200 per match payable by each club;
- b. Player payments – additional payments to players and/or expanded playing squads; and
- c. Other expenses – e.g. venue hire, match day expenses, coaches, medical personnel etc.

	Number of matches per club	Participation Fee per club	Additional Player Payments per club	Additional other expenses per club	Total Cost / per round / per club	Accumulated Costs per club	Total Participation Fees by all clubs
		\$000	\$000	\$000	\$000	\$000	\$000
Round 1	4	45	25-65	15-20	85-130	85-130	896
Round 2	3	34	18-50	10-15	62-99	146-228	403
Round 3	2	22	12-30	5-10	39-62	186-291	134
Final	2	22	12-30	15-20	49-72	235-363	45
	<b>11</b>	<b>123</b>	<b>67-175</b>	<b>45-65</b>	<b>235-363</b>		<b>1,478</b>

In preliminary discussions it has been indicated that participation fees charged to clubs may be reduced in the event FA earns other revenue from the competition (e.g. sponsorship, broadcast/streaming, data and wagering). Additionally, FA may consider a levy on fees paid by grassroots players across Australia to fund the administration of this limited competition.



### 6.1.5.1 Evaluation of Potential Models

National Competition 12-16 teams	2 Conferences 8 teams each (3 rounds)	FA Concept Model Existing Regional NPLs + 'Champions League'
<b>Full home and away season and finals.</b>	<b>Northern Conference</b> – Sydney, Wollongong, Newcastle, South-East Qld  <b>Southern Conference</b> – Melbourne, Canberra, Perth, Adelaide, Hobart  Full home and away season for each and combined finals	<b>8 State/Regional NPLs</b> administered separately by MFs.  Top teams from each of the NPLs qualify for 'Champions League' style competition in the following season
The best against the best – a focused group commencing with 12 clubs and expanding to 16 including improved squads for participating teams.	More clubs involved at commencement. Potential for more teams to be promoted each year. Greater risk of dilution of talent.	8 separately administered NPLs is far from 'best against the best'. No real change. Remains, as PFA found, a "Third Tier" competition with participating clubs substantially using their NPL squad.
Invigoration and motivation of volunteers, members, players and coaches in being part of a genuine national competition	Excitement remains in being part of a national competition. Somewhat tempered by lack of exposure to teams in alternate conference.	Opportunity for all clubs to be involved. However, limited added excitement or invigoration for clubs as they remain in regional competitions with only limited 'once off' opportunity beyond
Take a financially responsible approach in rate and extent of expansion of the league	Diminished flexibility and scalability as would need a higher minimum number of clubs.	Lower financial risk – even lower return. Cheaper than a genuine NSD, but marginal costs are still substantial with little or no revenue return. Overall, a conclusion that it has a negative financial impact on clubs.
Travel costs managed by commencing with 12 teams.	Limited reduction in travel costs as distances remain between teams, especially in Southern Conference. Any cost saving is offset by lower revenue expectations.	Much lower travel costs. However, additional costs in player payments, coach payments, incentives and associated football operations costs.
Greater commercial benefits for clubs in attracting sponsors, broadcasters, subscribers and members.	Somewhat lower commercial benefits as clubs are not participating in a truly national competition.	Additional football operating costs for teams with limited, if any, scope for any added commercial benefits as the competition is merely an extended knockout format.
Improved youth pathway with youth development on a national rather than a state only basis.	Improved youth pathway with youth development on a national rather than a state only basis.	No change to youth development pathway or commitment to women's football. Clubs remain in State or Regional competitions.
Alignment with the majority of the world in having a singular national competition.	Misalignment with majority of world leagues	Out of step with major world leagues.
Ability to build stronger rivalries, particularly between the larger NSW and Victorian clubs.	Separates teams from Sydney and Melbourne who have the largest supporter bases.	Only local rivalries to the extent they currently exist within State boundaries – possibly in later rounds.
A more even competition, rather than a number of strong teams dominating each conference	Major imbalance in travel burden between Northern and Southern conferences.	Young players in smaller centres continuing to relocate to Sydney or Melbourne for perceived greater opportunities.
Teams will play each other less often, reducing the risk of fan fatigue	Inherent competition unevenness in hosting home matches with a 3 <sup>rd</sup> round.	Player fatigue though having to play additional matches beyond a full NPL home and away season and 'Champions League'

## 6.2 Our Preferred Competition Model

### 6.2.1 Overview

After undertaking a detailed comparative analysis, and additional research, the conclusion of the Partner Group is for a singular, genuine NSD competition.

- **Best against the best** in a single national competition, initially for men:
  - commencing with 12 clubs, expanding to 16.
  - Genuine, complete home and away season and finals over 22 rounds plus finals series (for 12 team competition).
- **Women's NSD** by 2026.
- A clear **'step up'** from the current 8 separate State/Regional NPLs
- **Part-time professional** in a professional environment
- **Continuing connection with NPLs** through:
  - general alignment with timing of NPL competitions – with flexibility
  - ongoing participation in local NPL senior, youth, and SAP
  - participation/establishment of Women's programs
- **Pro/Rel and expansion** with NPLs via:
  - pre-qualification to meet overall licencing criteria
  - Pro/Rel to/from NPLs
- **Licencing Criteria** - a **'step up'** from NPLs – 'on and off the park'

***Delivering...***

- ✓ *300+ new football positions in 12 to 16 clubs*
- ✓ *Additional 20+ clubs who are prequalified*
- ✓ *Motivation for clubs to scale up to a professional environment*
- ✓ *Enhanced commitment to Women's Football*
- ✓ *Step up in development of Australian playing and coaching talent*
- ✓ *Excitement for sponsors, supporters and broadcasters*
- ✓ *Bridge growing pathway gap with A Leagues*
- ✓ *Open pyramid for clubs to find their level*
- ✓ *Unshackle smaller NPL clubs from unsustainable burdens - reduce cost of football*

## 6.2.2 Number and location of teams

Overriding most other considerations in the design of a new NSD is the imperative to do so in a financially responsible and sustainable manner. This principle is discussed in more detail in Part C.

With that principle in mind and with consideration of other factors mentioned in this report, the Partner Group preference at this stage is for:

- a. Commencement of the NSD with 12 teams in a national men's competition.
- b. Expansion to follow with two teams added per year (and one relegated) to reach 16 teams.
- c. The widest feasible geographic spread of team locations in capital cities and larger regional cities as is feasible.
- d. Teams to be selected on the basis of:
  - i. meeting the criteria for pre-qualification for promotion/initial selection (more detail in Part C); and
  - ii. qualification through a promotion/selection process involving competitive football matches.

A consideration which has been regularly raised is the need to ensure a geographic spread of clubs around most or all the capital cities and regional cities around Australia. Going further, the *White Paper* suggested a NSD "...could feasibly capture smaller cities that are not currently represented [in the A-League Men]."

While this consideration is superficially attractive, it ignores the reason clubs have developed in their current locations. Clubs grow and thrive where they are supported by strong, growing and interested populations. The table below illustrates this point and further analysis reveals the following facts related to the population of Australia in the larger Significant Urban Areas (SUA):

- a. 39% in Sydney and Melbourne.
- b. 64% across all capital cities.
- c. 24% in the Newcastle, Central Coast, Sydney, Wollongong region.
- d. 20% in the Melbourne, Geelong region.

Financial viability dictates A-League Men teams are understandably in cities representing approximately 67% of the population. The same imperative would apply to NSD clubs.



### 6.2.2.1 Geographic Spread of Australian Population and Clubs

	Significant Urban Areas <sup>[1]</sup> (SUA)	Est. pop'n (June 2019)	%	NPL1 Men (excl. ALM in 2020)	Football Teams		
					A-League Men	WNPL1 (excl. ALW in 2020)	A-League Women
1	Sydney	4,933,898	19.35%	8	4	10	2
2	Melbourne	4,893,870	19.19%	14	3	8	2
3	Brisbane	2,430,180	9.53%	9	1	13	1
4	Perth	2,045,479	8.02%	11	1	8	1
5	Adelaide	1,340,794	5.26%	11	1	8	1
6	Gold Coast–Tweed Heads	693,671	2.72%	2	-	1	-
7	Newcastle–Maitland	491,474	1.93%	10	1	7 <sup>[3]</sup>	1
8	Canberra–Queanbeyan	462,136	1.81%	6	-	6 <sup>[2]</sup>	1
9	Sunshine Coast	341,069	1.34%	1	-	1	-
10	Central Coast	335,470	1.32%	-	1	-	-
11	Wollongong	306,034	1.20%	1	-	1	-
12	Geelong	275,794	1.08%	1	-	-	-
13	Hobart	216,682	0.85%	6 <sup>[4]</sup>	-	5	-
14	Townsville	181,668	0.71%	-	-	-	-
15	Cairns	153,951	0.60%	-	-	-	-
16	Toowoomba	138,223	0.54%	-	-	1	-
17	Darwin	133,331	0.52%	-	-	-	-
18	Ballarat	107,652	0.42%	-	-	-	-
19	Bendigo	100,991	0.40%	-	-	-	-
20	Albury-Wodonga	94,837	0.37%	-	-	-	-
	Other SUAs			2 <sup>[4]</sup>	-	4 <sup>[2,3,4]</sup>	-

Notes:

1. Source: Source: . [www.abs.gov.au](http://www.abs.gov.au).

2. Teams in Northern NSW WPL excluding Mid Coast Football in 2020

3. Teams in Capital Football WNPL excluding Wagga City Wanderers in 2020

4. Teams in Tasmanian NPL or WPL excluding teams from Devonport and Launceston in 2020



## 6.3 Promotion & Relegation

The Partner Group believes promotion and relegation is critical to the long-term success of a NSD. As is well known from most major leagues around the world, a connected football pyramid with 'pro/rel' creates deeper interest and emotional connections from fans at all levels of the game as it enables clubs to aspire to play at a higher or lower level appropriate to their circumstances, and ensures the best teams are playing in the highest quality leagues. The pro/rel system would include:

- a. A hybrid model during the commencement and establishment phases to provide pro/rel and expansion of the NSD from 12 to 16 teams. Potentially a '2 up/1 down' model.
- b. Promotion be gained in two steps:
  - i. prequalification of clubs who can demonstrate compliance with the higher standards of NSD licencing criteria; and
  - ii. 'winning' promotion through a form of NPL Finals Series.
- c. Relegation be to the relevant NPL1 competition in the relegated club's home State/Region.

Promotion and relegation with A-League Men is not expected before the Maturity phase of the NSD (described earlier in this report).



## 6.4 Playing squads

In determining the composition and any potential requirements or limitations for playing squads has a number of considerations which will need to be balanced. These include:

- a. Financial considerations in terms of:
  - i. maximising club revenues from the best 'product' they can deliver;
  - ii. player remuneration in a semi-professional league; and
  - iii. capitalising on the planned domestic transfer system and international transfers.
- b. Maximising the performance and position of the club in the NSD competition table to avoid relegation.
- c. Development of, and opportunities for, younger Australian players,
- d. Learning from and aligning with other world leagues.
- e. Ensuring all players are on registered contracts with clear terms and expectations by both players and their club employer for the benefit of both.

Given the above considerations, the composition of playing squads will be:

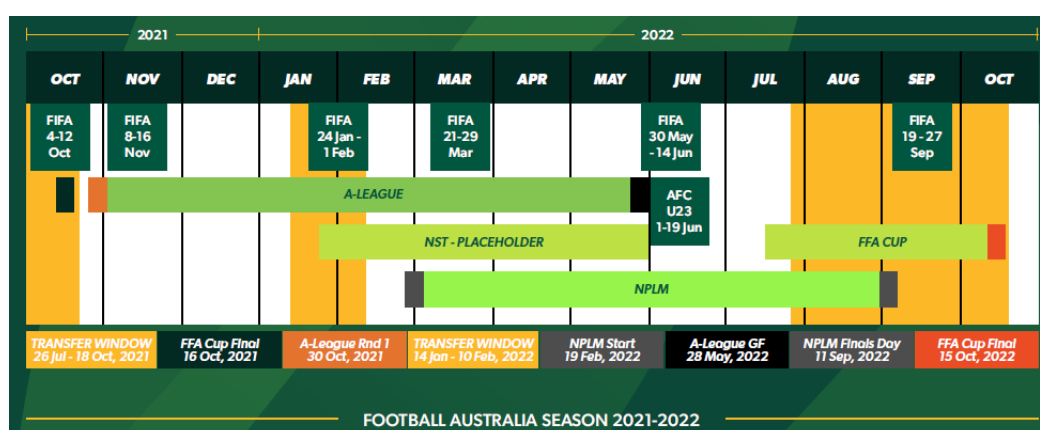
1. Predominantly part-time professional in the Commencement phase and progressively full-time professional during the Development and maturity phases;
2. governed by the principle of the 'best of the best' that NSD clubs can recruit and retain. Accordingly, only limited restrictions upon playing squads with regard to age and nationality. Ultimately, the NSD must not be perceived by supporters and other observers as a 'de facto' youth league; and
3. not be burdened or restricted by a Player Points System (PPS) which currently exists in the regional NPLs. From Football Australia's own analysis in 2018, the PPS has failed to deliver on any of its desired objectives since introduction in 2013.

## 6.5 Playing Season

### 6.5.1 Domestic Match Calendar (DMC)

Since the release of the January 2021 Progress Report, Football Australia has issued its DMC for 2021/22 with the overarching objective of delivering an integrated and aligned domestic football pyramid.

AAFC notes a placeholder for a “NST” for a period of approximately 18 weeks from late January to end May, which would ostensibly include finals series. While this does not allow for the preferred NSD competition proposed by the Partner Group which would run for approximately 28 weeks (including spare weekends and finals series), we note FA has flagged it will make room in either direction of the DMC for the expected length of the NSD when its final model is identified.



### 6.5.2 Winter v Summer Considerations

In the 2017 Preferred Model for a National Second Division, the AAFC proposed the NSD be held over the summer months. This was principally to align with the A-League Men and A-League Women seasons.

The Partner Group has undertaken a comparative analysis of both options. In summary, there are benefits of playing in either the winter or summer season. However, alignment with the above DMC is likely to become a driving consideration for the timing of the playing season.

The season alignment with the A-League Men will ensure scheduling and player mobility is optimised, creating greater football following across multiple levels of football.

For the purposes of this report, the benefits of summer and winter are as follows:

Benefits of a Summer Competition	Benefits of a Winter Competition
Will not compete with other major codes such as the AFL and NRL which may allow for clearer air and greater commercial opportunities (although this has not been the case for A-League Men noting the increasing prevalence of other summer sports).	Aligned with the 8 NPLs and potentially to align with A-League Men/A-League Women. The benefits of this alignment include allowing for promotion & relegation and an efficient domestic transfer system
Potentially attract additional supporters to NSD drawn from local clubs in their off season.	Will not compete with other popular summer sports or the summer holiday season and offers a more stable and regular time of year for embedding football as part of support routine.
Greater flexibility with match scheduling by exploiting the opportunities arising from 'longer' days/evenings, and the extended summer holiday period.	Clubs are already in football mode and therefore operating an additional team within their football calendar will allow for more efficiencies at club level.

Managing the challenges of playing in the relative extremes of the summer heat or winter cold, including the impact on the quality of football and attraction for supporters. This recognises the fact that clubs are located in many different locations and therefore the extent of the impact of weather will differ.

## 7 Developing a Women's NSD

AAFC supports Football Australia's XI Principles. Specifically, Principle X - *Australia Becoming the Centre of Women's Football in the Asia-Pacific Region*.

The establishment of a Women's NSD, together with other avenues of involvement by NSD and NPL clubs in the development of the women's game will make an important contribution to the delivery of the above Principle X.

This will include seeking to align with the 10-year business case which Football Australia and its Women's Football Council have developed.

### 7.1 Impetus from 2023 FIFA Women's World Cup™

As is stated in the abovementioned *Principle X*, the awarding of co-hosting rights between Australia and New Zealand for the 2023 FIFA Women's World Cup™ provides additional impetus for the development of women's football in Australia.

This event will drive unprecedented demand for participation in women's football and the NSD and its clubs will be strategically and actively committing to ensuring the opportunity is not missed.

This commitment by AAFC and the Partner Group is discussed in this section of the report.

### 7.2 Plan to develop a Women's NSD

As mentioned earlier in this report, the AAFC's 2017 *Preferred Model for a National Second Division* had as a fundamental principle, the establishment of both a Women's and Men's NSD. This remains the position of the Partner Group.

AAFC is committed to the establishment of a Women's NSD. Indeed, it is critical to the long-term success of the second tier of football in Australia as a WNSD will deliver new fans, sponsors, and participants to the game.

However, in consultations with Football Australia, PFA, and some Member Federations since 2017, concern has been expressed to us that the development of player depth and the quality of players required for a WNSD is not yet available at an elite level for a WNSD to be added to the existing A-League Women and state and regional Women's NPLs.



This was confirmed in Football Australia's *White Paper* (June 2019) which stated a NSD "...for the women's game to not be a viable economic proposition in the short to medium term."

We remain mindful of the popularity of Women's football both at the participation and supporter levels. It appeals to broadcasters and its development conforms with government policy. Our clubs are committed to the principle of equality. They are keen to develop facilities for women and to access available government grants for the promotion of women sport to equality with men.

## 7.3 Women's Football Committee

Importantly, the White Paper also "*strongly recommended that...the issue of the timing for a [NSD] for women's football be a standing/policy agenda item for periodic review in the first three years of the [NSD's] life*".

We propose more definitive action. In the first instance, that a Women's Football Committee be an integral part of the overall governance model for the NSD. AAFC will consult with Football Australia on seeking to bring together a range of stakeholders – Women's Football Council, PFA, Member Federations - to be members of the Committee who will have as one of its key objectives the establishment of a Women's NSD by 2025.

The Partner Group is encouraged in this aspiration by some important statistics, such as:

1. Over 80% of Partner Group clubs have a women's programme ranging from younger girls involved in SAP, NPL Youth and NPL Seniors.
2. More broadly across the 8 State/Regional NPLs, the involvement in the women's game includes:
  - 83 clubs with a Women's NPL programme;
  - over 3,300 girls (from 13 and 18 years) in NPL alone. Many more in SAP and community MiniRoos; and
  - over 2,000 women in NPL senior teams.
3. Eight of the eleven major world leagues researched already have a NSD for women.

## 7.4 Build the Foundations

We note that FIFA's Women's Strategy has three overarching objectives:

1. *Grow Participation*
2. *Enhance the Commercial Value*
3. *Build the Foundations*

While much of the focus in women's football has been on the Matildas, our clubs operate at the 'coalface'. And that is where clubs can make a difference – in building the foundations.

While much of the focus in women's football has been on the Matildas, our clubs operate at the 'coalface'. And that is where clubs can make a difference – in building the foundations.

So, while plans are being developed for a Women's NSD, NPL clubs, including the members of the Partner Group, will continue their increasing commitment to Women's football.

From the outset, it is proposed that it will be a requirement for any club seeking entry into the men's NSD to have a comprehensive women's programme – even before a WNSD is in place.

This commitment will build on the decades-long history of clubs in youth development. Clubs have always been involved in 'building the foundation' of Australian players and coaches. This will continue and evolve with the NSD to also include ways in which we can extend the retention of women and girls in football.

This will include girl's youth development being one of the terms of reference for the proposed Women's Football and Player & Coach Development Committees (refer to commentary later in this report).

## 7.5 Additional Initiatives

In addition to the abovementioned measures, it is considered there are further ways in which women's football can be developed in Australia.

These are intended to be part of the terms of reference for the proposed Women's Football Steering Committee and include:

- a. Increasing the involvement of women in governance roles in clubs.
- b. Improving its facilities to ensure they are more female-friendly and improve the experience of women footballers.
- c. Establishment of the Women's Australia Cup.
- d. Commencement of a Women's NPL finals series.



## 8 Market Appeal

### 8.1 Marketing Steering Committee

Critical to the success of a NSD is market appeal. Being attractive to the football market will make or break any new competition.

An inherent advantage for the NSD will be the involvement of existing clubs with existing market appeal, which markedly reduces the risk of failure.

Nevertheless, the marketing of the NSD – in all its respects – is going to need effective and ongoing collaboration amongst each of the NSD clubs, Football Australia and other key partners.

Accordingly, this report proposes that a Marketing Steering Committee be an integral part of the governance model for the NSD.

The primary objective will be to generate revenue growth so that the NSD can responsibly transition through the three phases of growth and development outlined in Part A of this report.

### 8.2 A Story

The average age of the clubs in the Partner Group is 58 years. A maturity which is indicative of clubs in the state and regional NPLs around Australia.

From the 1880s, they were, and continue to be borne from a need for a focal point and a source of positive contribution to their local communities. This includes:

- British factory workers and coal miners in the Sydney, Hunter and Illawarra regions in the early expansion of the sport in the 1880s and 1890s.
- Clubs formed by post WWII migrants to Australia from the late 1940s and through into the 50s and 60s.
- University and school-based clubs.
- Regional/district zones seeking to create a positive environment for local youth e.g. Western Pride FC based in the Ipswich area of Queensland.

In all, there is a story – and one with meaning – behind every club. And the older the club, the more the story has transformed into a tradition – a culture for that club which reflects the values of their local community.

Communicating this story – these many stories – will be a key element of the marketing mix for the NSD. For every club has such a rich story.

### 8.3 Invigorated Supporters

Supporters, members, subscribers and sponsors already exist and in many cases are ‘rusted on’, passionate supporters of clubs.

Clubs need supporters for crowds, for atmosphere, for passion, for income and inspiration. The existing NPL clubs that may enter a NSD have long histories of loyal and passionate supporters.

As an illustration of existing social media presence below are the number of followers from amongst the 32 Partner Group clubs alone:

Social Media Followers 32 NSD Partner Group Clubs (2020)	
Facebook	276,517
Twitter	82,850
Instagram	83,185
<b>Total</b>	<b>442,552</b>

These fans are existing and engaged with the social media figures of the Partner Group survey indicating that a typical club has approximately 8,000 views on Facebook, 2,400 views on Instagram, 2,300 posts on Twitter and 1,700 views of YouTube. Average website traffic over a 12-month period was 42,000 views (ranging from 2,000 to 140,000).

There is a reasonable expectation that these numbers will significantly increase when their clubs are involved in a genuine NSD rather than merely a State/Regional competition.

## 8.4 Members and Volunteers

Members and volunteers are a critical sub-group of supporters but with the important distinction that they are prepared to pay to belong. Members will invest time, skills and money in their club as it is part of their chosen leisure activities.

Existing NPL clubs have existing membership bases, with many having a licensed club or premises designed to support or underpin the football club and the Partner Group survey found that 55% of clubs had an affiliated club whose main purpose was to support the football club. A further 23% were affiliated with a licenced club whose main purpose was other than to support the football club.

## 8.5 Sponsors

The economic impacts of COVID-19 will be felt for some time. This has already resulted in some loss of sponsorship across most sports, not just football.

From a club perspective, sponsors are a critical source of income for clubs and for the League. Existing NPL clubs have readymade sponsorship arrangements and good market knowledge of the value or their commercial properties. It is expected that clubs in the NSD will be able to build their sponsorship base when their marketing offer is for exposure in a genuine national competition – with commensurate added exposure though streaming and broadcasting as well as social and mainstream media. Our clear feedback from interested broadcasters is that their interest lies in a national competition.

In addition, the establishment of a genuine NSD – with its corresponding national exposures – is an attractive offer to a potential naming sponsor for the NSD as a league.

## 8.6 Capitalising on Emerging Technologies

We are living in a period of rapidly emerging technologies for the broadcasting of sports. Preliminary research was conducted by AAFC in 2017 which has been updated more recently by the Partner Group. This has principally revolved around the emerging capability of OTT platforms to develop and deliver broadcasting of matches and related programmes that deliver revenue and supports the ability to commercialise rights.

Ongoing investigation of this area includes:

- Multi-Platform delivery to OTT including pre – and post-game shows & interviews.
- Automated advertising and sponsor integrations able to be readily customised.
- Automated graphics & match statistics.
- Centralised coaching analysis.

It is expected that streaming and subscriptions will be a vital component of the modern football market. Subscribers, like members, are willing to invest time and money to watch their team. Over time the streaming and subscription market will become a vital source of income for every club.



## 8.7 Broadcasters

We have had productive discussions with a national broadcaster, SBS, which give us confidence that the NSD will be broadcast free to air on a weekly basis thereby giving it significant exposure nationally and beyond. Broadcasters and broadcast rights deals have been a key source of income for all professional sports leagues. It is projected that in the Commencement phase, broadcast/streaming revenue will be modest.

## 8.8 Facilities

Clubs have a decades-long track record in the development of their facilities. Developments which have been funded by:

- Members' funds – as clubs are mostly not for profit organisations, they principally invest their surpluses into facilities – even when they may be Council owned.
- Volunteers and supporters – who support funding through both monetary and in-kind contributions.
- Government – grants offered by all 3 levels for facilities improvement which are available to not-for-profit sporting and community organisations.

The establishment of a NSD provides an added impetus to secure government support – Federal, State and Local – for the development of facilities.

A survey of Partner Group clubs revealed a range of data which is considered to be representative of many NPL clubs:

- Most either own or have a long-term lease on their home grounds and training facilities.
- Match day playing facilities are all year-round football dedicated facilities.
- Almost 90% have a home ground capacity in excess of 3,000 with 40% having a ground capacity in excess of 6,000.
- Over 80% have some form of corporate hospitality facilities with capacity ranging from 35 – 300 persons.
- Over 50% have made or are at an advanced stage in the approval process, for further facilities developments.

It is therefore proposed that the starting point for the facilities element of the NSD participation criteria for clubs be based upon facilities requirements which already exist for later rounds of FFA (now Australia) Cup matches. In the Commencement and Development phases, facilities should meet those required between NPL clubs. Moving into the Maturity phase and beyond, facilities requirements should be augmented to those required in FFA Cup broadcast matches.





## 9 Player & Coach Development

### 9.1 Opportunity for Players

Above all else, a 12 to 16 team NSD will create 280 to 350 new football semi-professional positions which will be mostly attractive to younger players.

Initially, players will be “the Best of the Best” of the over 3,000 senior players in the NPLs. In addition, the NSD will also open additional opportunities for young Australian players at NPL1 level to fill the ‘gap’ created by those moving up the NSD.

The opportunity will be for these players to train, develop and play at a higher standard than the current state and regional NPLs.

In all it is considered that both impacts will increase the number of minutes of football for those with the potential to play in the A-League Men or other professional leagues.

### 9.2 Opportunity for Football

As mentioned earlier in this report, one of the key objectives for the NPLs was to strengthen elite player development. However, the sprawl of the state and regional NPLs has diluted the capacity of the NPLs to be “the Best”. In 2021, there will be over 220 clubs involved with NPL Youth (boys and

girls) seeking to develop approximately 19,000 youth players from the ages of 13 to 18. There are thousands more involved in the state and regional Skill Acquisition Programmes for the ages of 9 through to 12.

The clubs who enter the NSD, and those aspiring to do so, will provide the resources and commitment to developing “the Best of the Best”.

### 9.3 Decades of Commitment

Providing opportunities for young players is nothing new for clubs.

Clubs in the Partner Group, as well as the over 240 NPL clubs across Australia, have amongst them a rich history in the development of youth players. Frankly, it is core to what clubs have done for the better part of the past 130 years.





This has included the development of dozens of international players and players who have had successful professional careers. The PFA's Player Pathways Study lists the top 50 Australian players based on the strength of their career. Nearly all the top 50 commenced their career in clubs – a number of whom are in the Partner Group.

This commitment continues.

In short, the clubs have demonstrated their commitment to developing and providing a pathway for young talented footballers – boys and increasingly now, girls.

Clubs in the NSD will not only continue to do so, they will also be expected to further enhance the quality of their youth and coach development programmes.

## 9.4 Governance of Youth & Coach Development

Such is the importance of player development it is proposed to establish a Youth & Coach Development Committee as an integral part of the overall governance structure for the NSD. Further details are contained later in this report.

In overall terms, this Committee will seek to build upon the existing and extensive youth and coach development programmes which clubs already have in place through shared learning and collaboration.

We propose that the committee will include as members technical directors from Football Australia and the NSD clubs.

## 9.5 Coaches as enablers

The term “youth development” is used widely in football. This report has deliberately added the word “coach” to that phrase to recognise the critical role coaches play as enablers for youth development.

The intention is to ensure that an appropriate level of focus is placed upon coach licencing, and that continuing coach education will be a key part of the work of the Steering Committee.



## 9.6 Elite youth academies

It is proposed that a key element of the criteria for clubs to enter the NSD is to continue to have a comprehensive youth and coach development programme for both boys and girls.

It is further proposed that clubs participating in the NSD will undertake the development process to attain the status of a 2-star accredited youth academy. This is important for underpinning player development and ensuring there is a stream of well trained and talented players coming through the player pathways.

## 9.7 Transfer fees & training compensation

As discussed in Part A of this report, the NSD will be a key link in the pathway between the current NPLs and the top tier. It will support the missing step from youth football and through to fully professional whether locally or overseas.

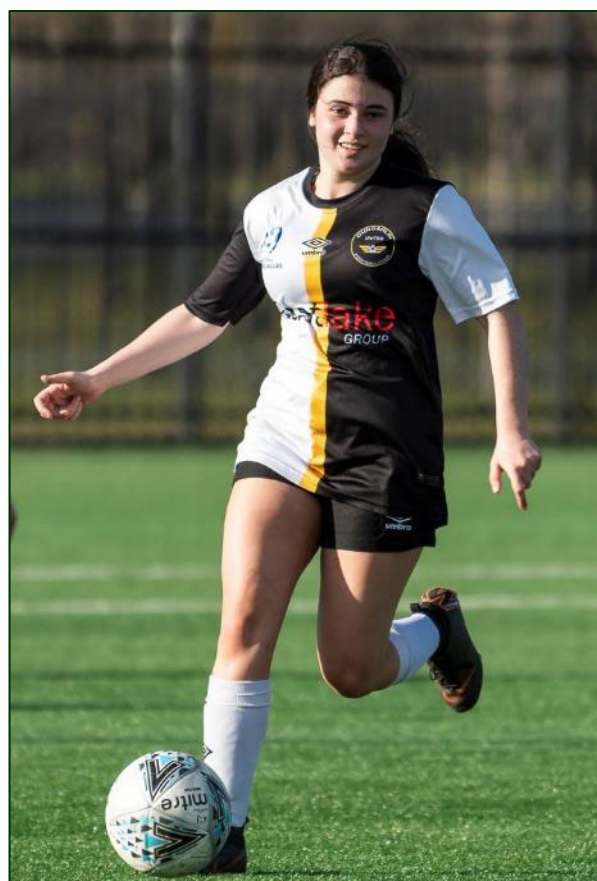
A domestic transfer system has been proposed by Football Australia, however, at the time of this report, it has not been implemented. This means the whole game is missing out on important injections of capital and reduces the incentive for clubs to focus on youth and maximising the development pathways.

The introduction of a domestic transfer system and enhancement of the training compensation scheme will incentivise NSD clubs to continue to invest and improve their promotion and development of young players.

## 9.8 Playing/training facilities

The establishment of the NSD will stipulate minimum requirements for playing and training facilities.

Existing clubs generally have high quality playing and training requirements but with minimum standards mandated, the NSD will be a catalyst for upgrades to many club's facilities.







# Part C – Governance and Commercial Considerations



# 10 Introduction

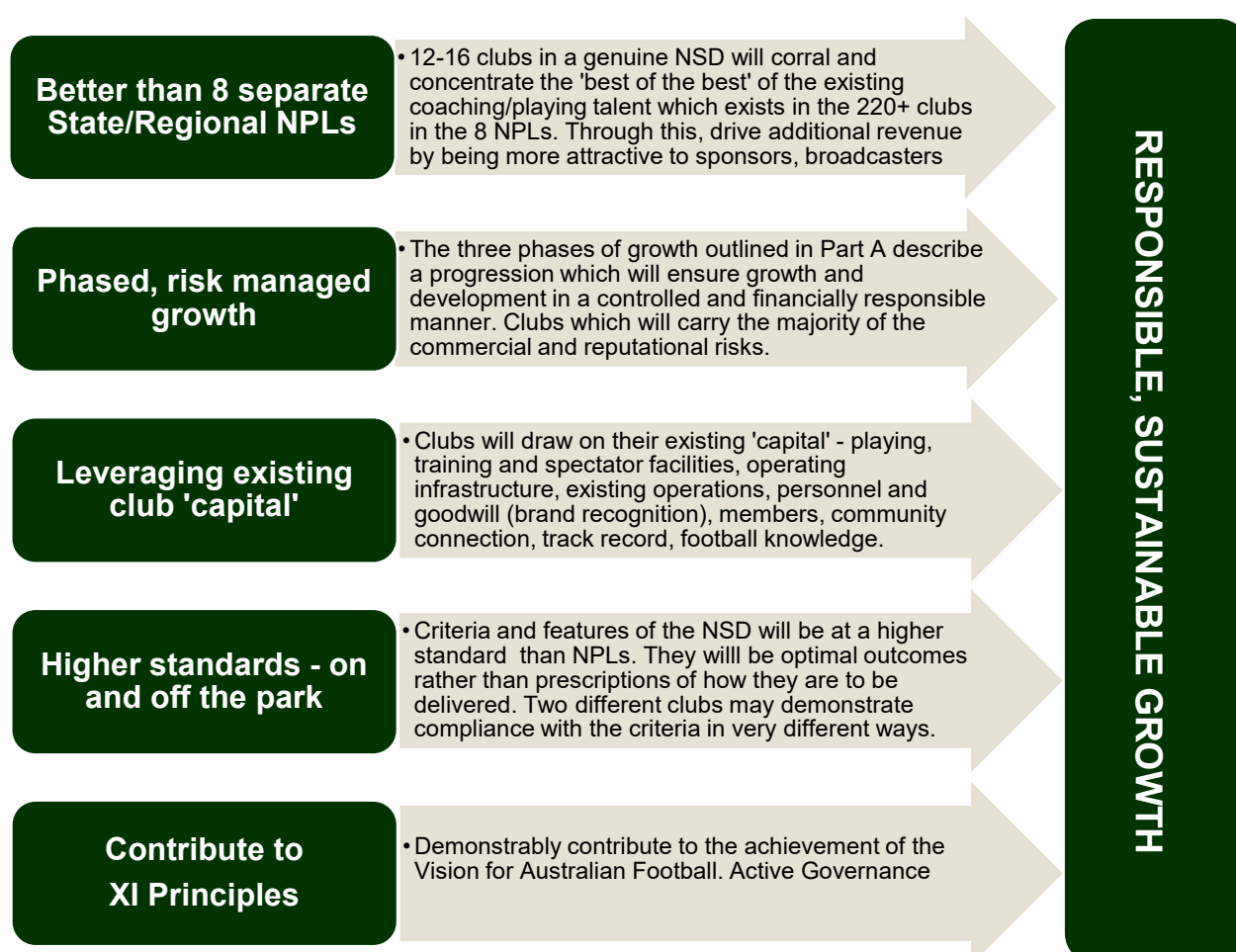
## 10.1 About Part C

This section sets out the updated position of the Partner Group related to club capability requirements and commercial aspects for the Commencement phase of the NSD. These are based on:

- the capability and resources of the Partner Group in the recognition that these clubs are representative of the majority of clubs who may seek to compete in the NSD;
- the working of the Partner Group in examining the capability and commercial aspects of the NSD and the clubs which participate in it;
- lessons learned within the sport, including the former NSL, current A-Leagues, and NPLs;
- external research and analysis seeking best practices which are relevant for the NSD; and
- consultations with Football Australia following release of our Progress Report in January 2021.

## 10.2 Guiding Principles

The phased approach to reaching its optimal level ensures the sustainability of the NSD - for the long-term benefit of all who participate in it – clubs, players, coaches, supporters, sponsors, match officials and administrators. In doing so, a number of fundamental factors have informed the Partner Group:





# 11 Active Governance

## 11.1 Rationale

Critical to the success of the NSD will be having robust governance structures. Governance of the league and clubs must be held to high standards so as to seek:

- to meet the principles outlined in this part of the report;
- monitored progress in the growth and development of NSD through the three phases described in Part A of this report;
- provide continued focus on the critical success factors discussed in Part B of this report;
- assurance that the league and clubs are meeting standards;
- continuous improvement; and
- long term sustainability of the league and participating clubs.

## 11.2 League Governance

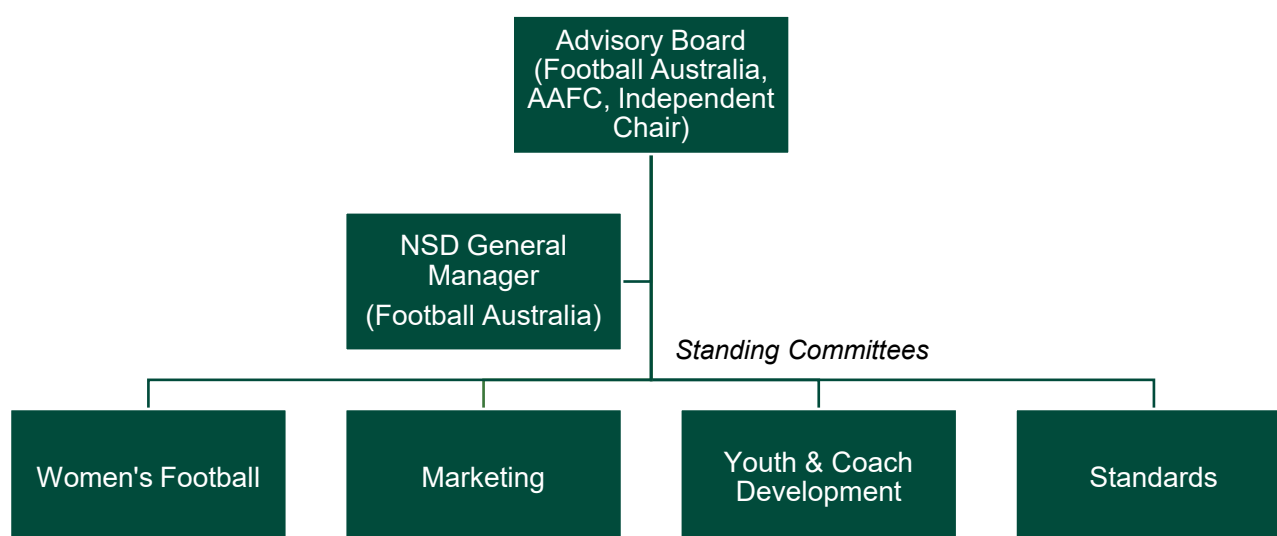
As will be described in this section, it is considered optimal to have a structured governance structure which drives collaboration amongst Football Australia, AAFC, NSD clubs and other stakeholders.

Below is an outline of a proposed model.

An advisory board will oversee the NSD, consisting of members from Football Australia, AAFC, Clubs and potentially an independent Chair.

Governance should also include the creation of standing committees from the associated stakeholders with responsibility for critical elements such as marketing, player/coach and youth development, women's football and standards.

This allows the clubs and subject matter experts to be involved in key decisions regarding the second tier which will ensure better outcomes for the league, clubs and Football Australia. It will also enhance the professionalism of the clubs, further improving the standard of the organisations involved.



## 11.3 League Administration

Football Australia should have the overarching stewardship of the NSD.

In keeping with the overall objectives of simplicity and financial responsibility in the Commencement and Expansion Phases, league administration needs to be lean and optimal. Recognising that in these phases of the development of the NSD, the competition will commence as part-time professional involving, in the first instance one division of 12 teams – fewer than 200 matches in a season.

Given this, an option which was first suggested in the 2017 AAFC *Preferred Model for a National Second Division Competition*, could be for a Member Federation to leverage their existing resources in competition administration to undertake that day-to-day role on a fee for service basis. They would be responsible to Football Australia for service delivery.

The NSD brand, marketing, commercial considerations be managed centrally by Football Australia.

## 11.4 Club Governance

### 11.4.1 Demonstrable track record

The Partner Group clubs have been established for an average of 60 years. They all have a range of commercial and administrative arrangements in place to manage a range of club operating functions.

In that time, they demonstrated their capability to effectively govern and administer their clubs through a number of phases which have involved significant change – from initial start-up as community clubs; development into top tier clubs in their respective states; some went into and out of the former NSL; transition to the NPLs; and most recently COVID-19. Some older clubs have even survived two world wars, the 1919 influenza pandemic, and the Great Depression.

With each challenge they have demonstrated a capability to adapt and respond to the changed circumstances and have survived.

### 11.4.2 Club Governance Standards

Notwithstanding the track record of clubs to adapt and respond so as to achieve sustainability, they, like all organisations can improve the effectiveness of corporate governance.

In doing so, it is expected that NSD clubs will adopt governance standards such as those set out in the *Australian Institute of Company Directors Not-for-Profit Governance Principles* (refer right). This may also include education for Club Directors and administrators.

#### **Purpose and strategy**

*The club has a clear purpose and a strategy which aligns its activities to its purpose.*

#### **Roles and responsibilities**

*There is clarity about the roles, responsibilities and relationships of the board.*

#### **Board composition**

*The board's structure and composition enable it to fulfil its role effectively.*

#### **Board effectiveness**

*The board is run effectively, and its performance is periodically evaluated.*

#### **Risk management**

*Board decision making is informed by an understanding of risk and how it is managed.*

#### **Performance**

*The club uses its resources appropriately and evaluates its performance.*

#### **Accountability and transparency**

*The board demonstrates accountability by providing information to stakeholders about the organisation and its performance.*

#### **Stakeholder engagement**

*There is meaningful engagement of stakeholders and their interests are understood and considered by the board.*

#### **Conduct and compliance**

*The expectations of behaviour for the people involved in the organisation are clear and understood.*

#### **Culture**

*The board models and works to instil a culture that supports the organisation's purpose and strategy.*

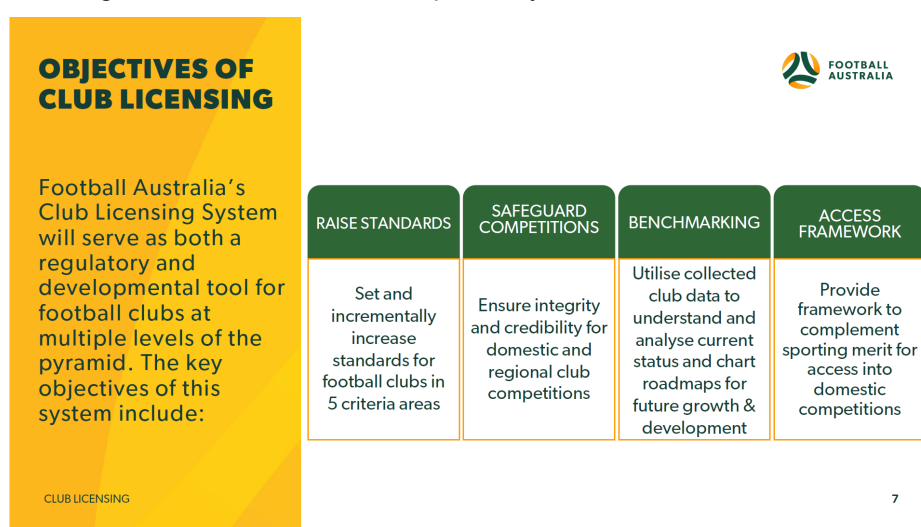
# 12 Club Selection Criteria & Capability

A key element in the progress towards commencing the NSD is to define the benchmark for entry to and ongoing participation in the NSD.

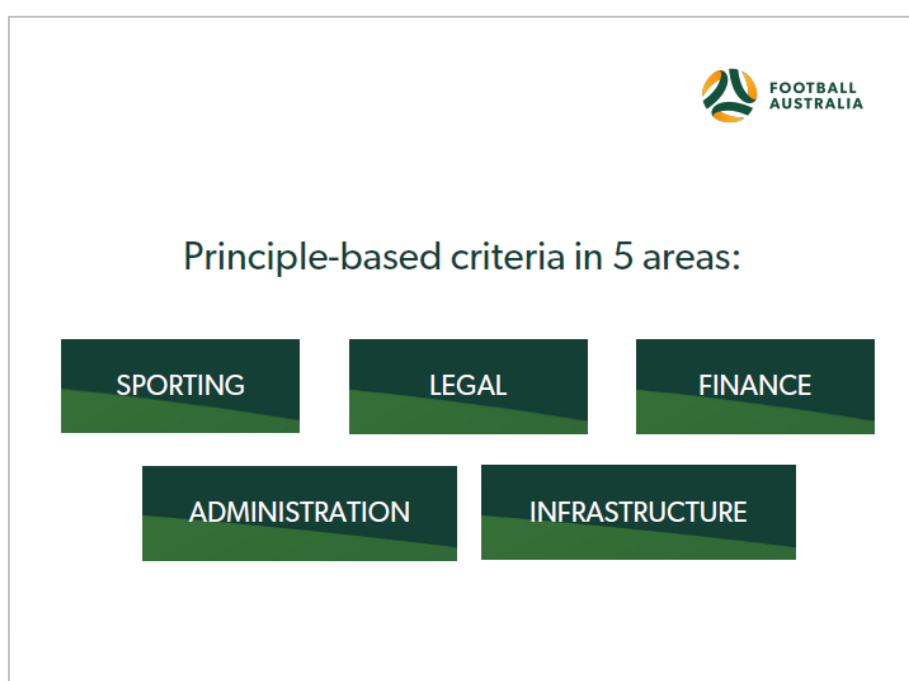
## 12.1 Club Licencing Framework

The January 2021 Progress Report suggested that given the continuing connection NSD clubs will have with the NPLs – including relegation - the most appropriate framework for the participation criteria be the 10-element model currently in use for licensing clubs into the state and regional NPLs.

Since that time, Football Australia announced a new club licencing framework to be gradually implemented from 2023. The licencing framework is still in development by Football Australia.



Notwithstanding this proposed change, it is expected the licencing criteria will be similar to those which apply to the eight (8) State/Regional NPLs:





Utilising the proposed new licencing framework, specific criteria will be developed for NSD clubs within each of the five (5) focus areas. These criteria will result in a demonstrable uplift to that which currently applies for the over 220 clubs involved with the state and regional NPLs.

Included within the guiding fundamentals for the governance of the NSD, is that it will be Standards Driven. They will be outcomes focussed rather than prescriptive and will be subject to assurance checks by the Standards Committee referred to in the Active Governance Model for the league.

As an indication, below is a summary of key criteria at the Commencement phase of the NSD.





# 13 Commercial Framework

## 13.1 Overview

Building upon, and recalibrating the detailed financial modelling first undertaken by AAFC in 2017, the Partner Group has identified and sought to reasonably estimate key revenue and cost considerations for both the league and for participating clubs for the Commencement phase of the NSD.

Outlined below is the identification of the key commercial elements for both NSD Clubs and Football Australia, as administrators of the league. Further details of these commercial elements are discussed in the ensuing sections of this report.

	NSD Clubs	Football Australia
Revenue	Gate, merchandise, membership, local club and jersey sponsorship, social media platforms and revenue generated through the domestic transfer system (and potentially, broadcast/streaming and overseas transfers with the development of the NSD).	Club participation fee, league sponsorship and any revenue that could be acquired via broadcast or streaming.
Expenses	Football operations, marketing, facilities, administration, NSD participation fee, youth and coach development.	Travel, administration, marketing, commercial and broadcast (streaming).
Capital	Playing, training and spectator facilities, operating infrastructure, existing operations, personnel and goodwill in the form of brand recognition, members, supporters, community connection, track record, football knowledge.	Leveraging existing knowledge, capability and resources (including those within MFs) to establish, operate and grow the NSD. Explore feasibility of external investment support which benefits NSD stakeholders
Assets/Rights	<p>In the detailed final design stage, consideration be given to the optimum mix of centralised and decentralised control of a range of assets and/or rights. This would include, but not be limited to: league ownership; club ownership; league naming and logos; club names and logos; rights pertaining to players, including transfers; international/domestic broadcasting; social media; playing kits and related merchandising etc.</p> <p>The primary determinant of the optimum mix would a model which maximises revenue for the collective i.e. both the league administrator (Football Australia) and clubs.</p>	

## 13.2 League Commercials

### 13.2.1 Indicative League Costs

Modelling undertaken for the purposes of this report shows that NSD may cost \$2.5m to \$3.3m to operate each year. This covers administration costs including additional Football Australia staff (or the cost of existing MF staff) travel, broadcast and marketing.

Indicative League Commercial Model 12 teams – National Competition	
<b>Estimated Costs:</b>	<b>\$000</b>
Administration	700-900
Travel	1,300-1,600
Streaming/Broadcast Production	300-500
Marketing	200-300
<b>Total Costs</b>	<b>2,500-3,300</b>

Considerations in the cost estimates for the league in the commencement phase include:

- small number of additional staff;
- costs for judiciary, and match officials;
- player, and other insurances;
- allowance for limited office space;
- marketing costs which complement marketing activity by clubs;
- production of product for streaming; and
- centralised control of travel for the 12 teams in the NSD.

This modelling has been prepared on the conservative assumption that there may not be any net income from streaming or broadcasting in the commencement phase.

### 13.2.2 Indicative League Revenue

Revenue is expected to be generated through centralised assets as well as the participation fee payable by each club.

As indicated on the previous page, the determination of which assets/rights are centralised will be finalised during detailed final design phase. The core principle will be to maximise revenue to the collective – Football Australia and clubs, which, in part, will be reflected in lower fees payable by clubs.

Indicative League Commercial Model 12 teams – National Competition	
<b>Estimated Revenue</b>	<b>\$000</b>
Participation Fees (Clubs)	2,000-2,400
Streaming/Broadcast Production	200-400
Sponsorship	200-300
<b>Data/Wagering</b>	<b>100-200</b>
<b>Estimated total</b>	<b>2,500-3,300</b>

Considerations in the revenue estimates for the league in the commencement phase include:

- no forecast expectation of net income from streaming or broadcasting;
- league sponsorship in the range of \$200,000 to \$300,000; and
- participation fees from the initial cohort of 12 clubs to fund lean administration costs.

## 13.3 Travel Costs

Clearly the most significant cost for a national football competition in a nation as geographically vast as Australia relates to travel. Tempering that to a degree is the fact that almost two-thirds of the Australian population resides in the so-called “boomerang coast” area from Brisbane to Adelaide.

The Partner Group have consulted with Corporate Travel Management Limited to assist with the initial travel cost estimates. Based on estimated charges sourced from travel providers, comparative models across a number of different potential competition models were considered.

The model considers each travelling team has a party of 23 people and the geographic spread of the competition. Some matches will involve coach transport for local intra state matches, some will involve day trip air travel, and others will involve overnight travel inclusive of 1-night's accommodation. The modelling also considers the finals series and preseason matches.

	16 Team National	14 Team National	12 Team National	2 x 8 Team Conferences
Number of Rounds	30 + finals / preseason	26 + finals / preseason	22 + finals / preseason	21 + finals / preseason
Estimated total matches	310	243	184	240
Team locations	An objective for the NSD is to have as wide a geographic spread of clubs from as many capital and regional cities as is feasible. For modelling purposes, this included Sydney, Melbourne, Brisbane, Perth, Adelaide, Hobart, Canberra, Gold Coast, Newcastle, Sunshine Coast, and Wollongong.			
Total Flights	208	151	117	132
Total flight seats	4,784	3,473	2,691	3,036
Coach trips	21	23	9	13
Accommodation nights				
- due to distance (required)	86	48	42	44
- additional night matches (discretionary)	20	16	12	20
Total Accommodation nights	106	64	54	64
Total bed-night rooms	1,272	768	648	1,472
<b>Total Estimated Cost</b>	<b>\$2,626,026</b>	<b>\$1,846,510</b>	<b>\$1,456,021</b>	<b>\$1,551,951</b>
Estimated matches with air/coach travel	229	174	126	143
Average cost/match involving air/coach travel	\$11,467	\$10,612	\$11,556	\$10,853
<b>Est. Average cost/club</b>	<b>\$164,127</b>	<b>\$131,894</b>	<b>\$121,335</b>	<b>\$96,997</b>

Consistent with the comparative analysis of different models in Part B, a NSD competition model based around two conferences is the cheapest from a travel cost perspective. However, as disclosed by the analysis, any savings in travel costs are more than off-set by the expected reduced revenue from such a model. Further, the wider benefits a truly national second division will bring to the game will not be achieved by a localised conference model.

## 13.4 Club Commercial Model

Outlined below is a potential cost model for a NPL club seeking to enter the NSD.

Factors to consider in the model and the cost impact upon clubs:

1. Clubs operate in different markets which have quite varied cost implications.
2. Clubs already have significant football operations with numerous teams in NPLs, WNPLs, SAP, and community football.
3. Clubs already have a range of revenue sources, including:
  - ✓ Sponsorship
  - ✓ Match Day – gate and food/beverage
  - ✓ Fundraising events
  - ✓ Membership – corporate/personal
  - ✓ Licensed Club grants
  - ✓ Player registration fees
  - ✓ Merchandising
  - ✓ Government grants
4. The Clubs have identified they can generate additional revenue from clearly defined sources, especially for the Commencement and Establishment phases. Principally, this is from being able to offer to sponsors, supporters, and members a new, more exciting product – a true NSD.
5. The model does not factor in potential revenue from Broadcasting / Streaming or domestic transfer fees in the Commencement phase.
6. As outlined earlier in this report, much of the capital required is already in place. The extent of new capital injection is minimised by not commencing with a NSD model which creates operating losses for clubs.
7. The participation fee includes contribution to the centrally controlled travel costs for the league.
8. A key principle in the governance of the league will be that the expected standards are outcomes driven. How clubs deliver on these standards is for clubs to determine.

### Indicative additional club expenses

	Current Operations	Indicative additional costs related to NSD	Total indicative costs for NPL Clubs in NSD
Expenses	\$000	\$000	\$000
Football Operations	300-550	150-250	450-800
Marketing	20-40	80-140	100-180
Match Day	10-30	30-60	40-90
Administration	30-120	60-120	90-240
Participation Fees (incl. travel)	50-60	160-200	210-260
Facilities	60-100	20-30	80-130
Other Expenses	30-50	50	80-100
<b>Total Potential Expenses</b>	<b>500-950</b>	<b>550-850</b>	<b>1,050-1,800</b>

Clubs will not be directly judged on how much they spend. They will simply be judged on two factors:

1. meeting and maintaining compliance with the expectations in the NSD licencing criteria; and
2. performance 'on the park' through promotion and relegation.





# Part D

## About the NSD Partner Group of Clubs

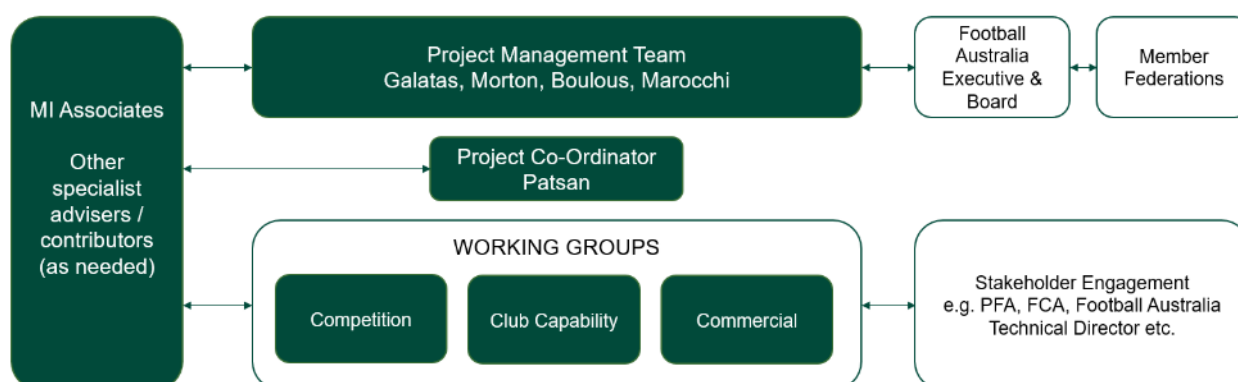
# 14 About the Partner Group

## 14.1 Terms of Reference






<b>Objectives</b>	<p>The National Second Division Partner Group (the Partner Group), guide and contribute to the design and model for the establishment of an NSD which:</p> <ul style="list-style-type: none"> <li>aligns with, and contributes to, the Vision outlined in the FFA's XI Principles for the Future of Australian Football;</li> <li>is financially viable;</li> <li>provides an environment for clubs, their members, and supporters to achieve their aspirations in football;</li> <li>contributes to the development of young footballers – women and men; and</li> <li>generally, contributes to the betterment of the football in Australia</li> </ul>
<b>Deliverables</b>	<p>Report(s), studies and supporting documentation which identify and describe a NSD model which responds to and reflects the characteristics and strengths of the Partner Group (and any other viable participant identified by the Partner Group), is financially viable and best aligns with the Vision identified in the XI Principles. It will incorporate provision for the ongoing ability of the NSD to adapt to the changing characteristics of football in Australia (the Model).</p> <p>The overarching purpose is to present a compelling case for Football Australia to resolve to adopt the Model for the commencement of the NSD.</p>
<b>Timing</b>	September 2020 to February 2022

## 14.2 Project Structure












The project structure and organisation is illustrated below.











# 15 AAFC Partner Group Club Profiles

ADELAIDE CITY	ALTON MAGIC	APIA LEICHHARDT	AVONDALE	BAYSWATER CITY	BENTLEIGH GREENS
					
1946	1968	1954	1984	1961	1986
SA	VIC	NSW	VIC	WA	VIC
Home ground: Adelaide City Park, Oaken	Home ground: Paisley Park Soccer Complex, Altona North	Home ground: Lambert Park, Leichhardt	Home ground: Avenger Park, Parkville	Home ground: Frank Drago Reserve, Bayswater	Home ground: Kingston Heath Regional Soccer Complex
Teams: NPL Men, Res + U18, NPL Women and Res Junior boys/girls-U6-U17	Teams: NPL 1 Men State League Women's JBNPL (Boys Youth) MiniRoos - boys and girls	Teams: NPL 1 Men, Women, Boys + Girls SAP Boys and Girls. Soccer Sixes	Teams: NPL Men + Boys 13-20 Women State League 3 MiniRoos Boys and Girls Community leagues	Teams: NPL Men's + Boy's 13-20 MiniRoos Boys/Girls 6-12; Masters 45's	Teams: NPL Men and Boys, Community Girls, MiniRoos
BULLEEN LIONS	CAMPBELLTOWN CITY	CANBERRA CROATIA	CAROLINE SPRINGS GEORGE CROSS	EDGEWORTH EAGLES	GOLD COAST UNITED
					
1974	1963	1958	1947	1892	1966
VIC	SA	ACT	VIC	NORTHERN NSW	QLD
Home ground: David Barro Stadium, Veneto Club, Bulleen	Home ground: Steve Woodcock Sports Centre, Newton	Home ground: Deakin Stadium	Home ground: City Vista Sports Pavilion and Sports Field	Home ground: Jack McLaughlan Oval, Edgeworth	Home ground: Coplicks Family Sports Park, Tallebudgera
Teams: NPL2 Men, NPLW Women's Community Leagues MiniRoos (Girls & Boys)	Teams: NPL + NPLW – Seniors Junior Boys Community leagues	Teams: NPL + NPLW–Seniors + Youth Community leagues- MiniRoos to over 45s	Teams: Men State League 1, Women State League, NPL-Junior boys + girls; Community-Girls + Boys Men's Metro	Teams: NPL Men + Youth SAP - boys	Teams: NPL Men + Women NPL Youth – Boys + Girls SAP - Boys + Girls



GUNGAHLIN UNITED	HEIDELBERG UNITED	HUME CITY	MARCONI STALLIONS	MELBOURNE KNIGHTS	NORTH EASTERN METROSTARS
					
1997	1958	1979	1958	1953	1994
ACT	VIC	VIC	NSW	VIC	SA
Home ground: Gungahlin Enclosed Oval & Harrison Playing Fields	Home ground: Olympic Park, Heidelberg West	Home ground: ABD Stadium	Home ground: Marconi Stadium, Bossley Park	Home ground: Knights Stadium, Sunshine North	Home ground: TK Shutter Reserve, Klemzig
Teams: NPL 1 Men, NPL Women + Youth, MiniRoos + ACT Junior League, SSL, Masters Men + Women	Teams: NPL Men's + Women NPL Youth – Boys + Girls MiniRoos	Teams: NPL - Men + Boys, SL2 – Women Metro - Girls	Teams: NPL Men + Boys Youth NPL Women + Girls Youth SAP – Boys + Girls Community MiniRoos	Teams: NPL Men + Boys State League 2 – Women's	Teams: NPL Men, Res + U18, NPL Women's and Res Community junior boys + girls U7 to U17; Futsal
OAKLEIGH CANNONS	PENINSULA POWER	PERTH SC	PRESTON LIONS	ROCKDALE ILINDEN	SOUTH HOBART
					
1972	1948	1948	1947	1969	1910
VIC	QLD	WA	VIC	NSW	TAS
Home ground: Jack Edwards Reserve, Oakleigh	Home ground: A.J. Kelly Park Redcliffe Dolphin Oval.	Home ground: Dorrien Gardens West Perth	Home ground: Genis Steel Stadium @ BT Connor Reserve, Reservoir	Home ground: Ilinden Sports centre Rockdale	Home ground: South Hobart Sports Ground
Teams: NPL Men + Boys NPL MiniRoos	Teams: NPL – Men + Boys Women-Brisbane PL SAP - Boys + Girls MiniRoos, Over 45s Masters Walking Football	Teams: NPL Men & Women NPL Juniors 13-16's Community Juniors 13- 16's SAP + MiniRoos -boys Community girl's teams	Teams: NPL3 - Men + Women VIC Women Premier League Community football - youth	Teams: Men NPL 1 Youth NPL1 SAP Community football	Teams: NPL Men; Women's Super League; Champ Men's; Champ One Men's + Women's; Youth – boys + girls; SAP; Community MiniRoos

SOUTH MELBOURNE	SUNSHINE COAST	SYDNEY OLYMPIC	SYDNEY UNITED 58	WEST ADELAIDE	WEST TORRENS BIRKALLA
					
1959	2007	1957	1958	1962	1923
VIC	QLD	NSW	NSW	SA	SA
Home ground: Lakeside Stadium, Albert Park, Melbourne	Home ground: Sunshine Coast Stadium, Bokarina	Home ground: Belmore Sports Ground, Belmore	Home ground: Sydney United Sports Centre, Edensor Park	Home ground: Kilburn Sportsplex	Home ground: Camden Sports Complex, Novar Gardens
Teams: NPL Men & Women NPL Juniors (boys + girls) MiniRoos Community teams Powerchair team	Teams: FQPL Men NPL Academy League – Boys SAP Silver League	Teams: Men's and Women's Senior and Youth NPL 1 and Boys and Girls SAP – all competitions	Teams: NPL 1 Men + Boys SAP U9-U12 Community teams - U6 to O35s	Teams: NPL Men + Women Junior boys & girls, Amateur League Men	Teams: State League 1 - Men Junior Boys + Girls MiniRoos
WOLLONGONG WOLVES	WYNNUM WOLVES				
					
1980	1921				
NSW	QLD				
Home ground: WIN Stadium / Albert Butler Oval	Home ground: Carmichael Park, Tingalpa				
Teams: NPL Men + Youth SAP	Teams: QPL Men + boys, SAP Community football				

