

The AFL's 20th Team

Introduction

On the 3rd of May 2023, the Australian Football League (AFL) declared its intention to grant a 19th AFL license to Tasmania, which will enter the competition in 2028. The announcement was made by AFL CEO, Gillon McLachlan, who indicated that the league would strive to achieve an even number of teams in the competition. Consequently, there are three options to be considered; either one of the existing 18 teams would be disbanded, two of the existing 18 teams would merge to form a single club, or a 20th team would be added to the league.

However, allowing a team to fold would prove difficult for the AFL, considering that the league has invested millions of dollars to support the Gold Coast Suns and Greater Western Sydney Giants in development zones, with the aim of increasing TV ratings and broadcasting rights. Furthermore, after the attempted mergers of Fitzroy and Footscray in 1989, and Hawthorn and Melbourne in 1996, history has shown that attempts to merge clubs is met with fierce opposition from supporters and administrators alike.

Thus, it is highly probable that the AFL would opt to establish a new team to expand the competition to 20 teams. The question then arises as to the location and identity of this 20th franchise.

Discussion

The professional football landscape in Australia comprises four distinct codes: Australian Football (AFL), Rugby League (League), Rugby Union (Union), and Association Football (Soccer). Geographically, the popularity of these codes varies across the country, with AFL being the preferred choice in the southern and western regions, while the northern and eastern regions tend to favour the two rugby codes. Soccer, on the other hand, is the second most widely followed code across most parts of the nation and boasts the highest participation rate of all four codes.

In 1978, Ian Turner, an academic and historian, introduced the term "Barassi Line" to define the geographical boundary that separates regions where AFL and League are the predominant football codes. The Barassi Line is approximately a demarcation that extends from the point where the New South Wales/Victoria border meets the Pacific Ocean to the junction of the Northern Territory/Queensland border and the Gulf of Carpentaria. This proposition is supported by internet search data obtained from Google Trends.

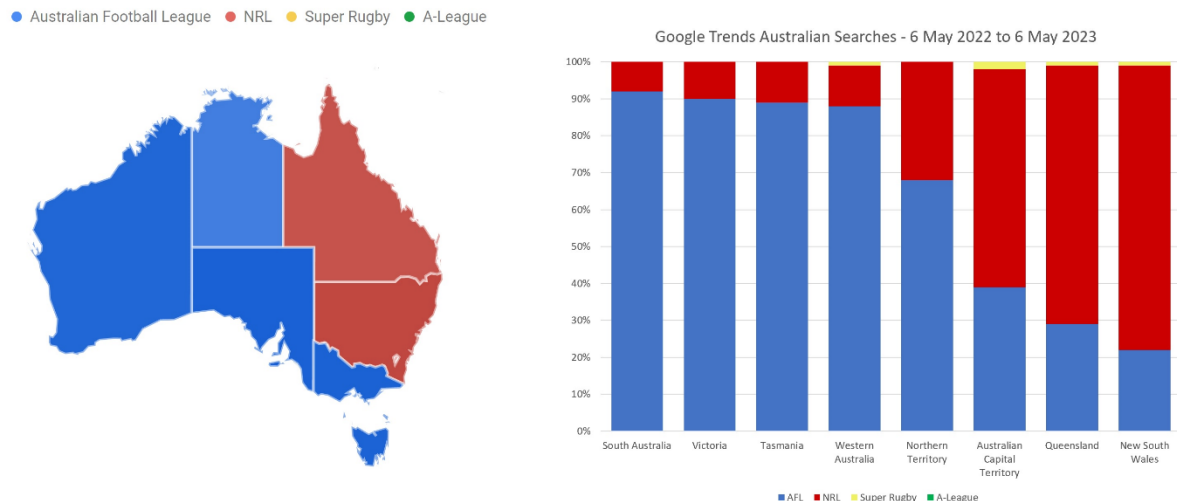


Figure 1. Search trends for the four national football competitions over a period of twelve months on the Google search engine.

Despite efforts by both codes to expand their reach beyond the Barassi Line, significant challenges have arisen, including the costly support of teams that have struggled both financially and on the field. History seems to have established specific criteria for determining the viability of new franchises based on their location in relation to the Barassi Line. For locations situated southwest of the Barassi Line, a minimum urban population of 500,000 is required, as well as an established supporter base if there is an existing franchise in the area. On the other hand, for locations located northeast of the Barassi Line, a minimum urban population of 1.5 to 2 million and millions of dollars in lifeline funds for a period of 20 to 25 years are necessary to maintain a new franchise.

The proposed 20th AFL teams include a third team in Perth, a third team in Adelaide, Darwin, Canberra, Newcastle, Sunshine Coast and Cairns.



Figure 2. Prospective new teams and their relative population sizes. The Barassi Line delineates traditional AFL areas from Rugby areas.

Analysis of Previous New Franchises/Relocations

To gain a deeper understanding of the challenges faced by a new franchise, it is important to analyse the experiences of previous new franchises.

Sydney – In 1982, the South Melbourne Swans relocated to Sydney, a region traditionally known for its passion for rugby. Although fitting the criteria of being in a city of over two million people within ten years they were on the brink of receivership and the AFL provided a financial lifeline. The Swans required substantial investments, including draft and salary cap concessions, as well as several million dollars over 15 years to become viable.

West Coast – In 1987, the AFL introduced two new clubs, West Coast and Brisbane. Being established in AFL heartland, West Coast quickly made a mark in the league, winning two premierships in their sixth and eighth years.

Brisbane – As the first completely new club north of the Barassi Line, Brisbane encountered significant financial and on-field challenges, compounded by a lack of community support. The entrance of the Brisbane Broncos into the NRL in 1988 further added to their difficulties. Following their tenth season, the Australian

Football League deemed Brisbane to be a hindrance and encouraged a merger with Fitzroy, a Victorian-based team. It was not until at least 16 years after their establishment that the club became financially sustainable.

Fremantle – Following the initial triumph of the Brisbane Broncos, the NRL endeavoured to launch a second team in Brisbane named the South Queensland Crushers in 1995. Unfortunately, the Crushers were unsuccessful in their endeavour as the majority of Brisbane's population were supporters of the Broncos, and the Crushers could not establish a loyal fanbase. Previous research conducted by the AFL had shown that the introduction of a second team in a city, even in AFL stronghold regions, required a pre-established supporter base. In 1995, the Fremantle Dockers were introduced in Western Australia, with the aim of luring fans of West Australian Football League (WAFL) teams South Fremantle and East Fremantle. The Dockers initially struggled in their first decade before finally gaining a foothold as a sustainable club.

Port Adelaide – In pursuit of increasing television ratings and reducing the competitiveness of the Adelaide Crows, the second AFL license in South Australia was granted to the South Australian National Football League (SANFL) club Port Adelaide. To gain access to the SANFL-owned stadium, the AFL license was jointly owned by Port Adelaide and the SANFL. However, despite winning a premiership in their eighth season, divergent interests between Port Adelaide and the SANFL resulted in a loss of identity and waning support. Fifteen years after joining the AFL, Port Adelaide found itself in a position requiring financial assistance, despite being situated in a robust AFL region. It was not until the club was granted sole ownership of the license in its seventeenth year that it became financially viable.

Gold Coast – In 2011, the introduction of the Gold Coast Suns into a rugby-dominated market was aimed at enhancing TV ratings and increasing the value of broadcast rights. As a result of the club being based in an urban area with a population of under 600,000, the club has faced challenges in gaining sufficient support and achieving competitiveness on the field. Since inception, the club has incurred ongoing financial losses, being a strain on the resources of the AFL.

Greater Western Sydney – For the same reasons as the establishment of the Gold Coast, in 2012 the AFL sought to expand its reach into the Western Sydney and Canberra markets by introducing another club. Despite being situated in a populous region of over two million residents and achieving a Grand Final appearance within its eighth season, the club has faced challenges in garnering adequate support. Consequently, the club's financial performance has continued to be a burden on the AFL's resources.

The amount of support and prosperity of a club can be assessed by examining its average home attendance. All relocated or new clubs north of the Barassi Line have struggled to attract spectators in the first 13 years.

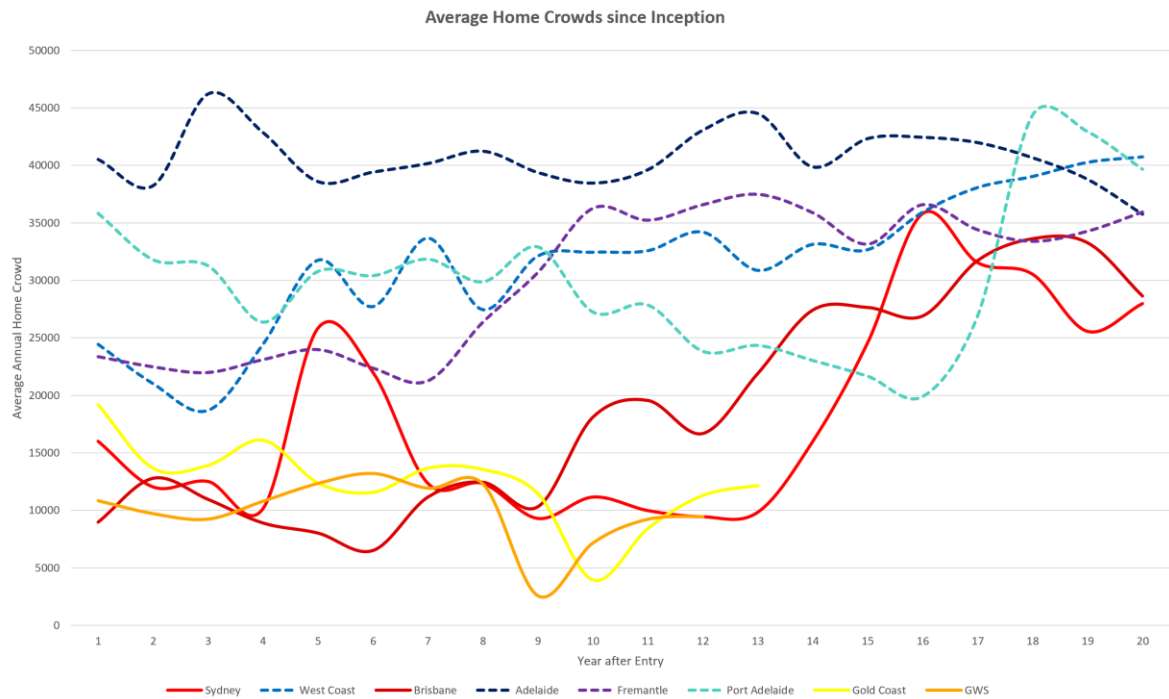


Figure 3. The average home crowds of introduced clubs during their first 20 years. Clubs based in traditional AFL areas south and west of the Barassi Line are dashed.

Prospective 20th Franchises

Prior to evaluating the advantages and disadvantages of the potential options for a 20th team, it is important to first assess the demographic factors of the various candidate cities. Cities with a younger and rapidly growing population should be prioritized over those with older, slower growing populations. Based on this criterion, Canberra would be a more favourable option compared to direct competitors Newcastle or Darwin, while the Sunshine Coast would be a more advantageous Queensland option than Cairns.

Location	State	Population (Urban)	Population (Regional)	2021-22 Pop. Growth (%)	2012-22 Pop. Growth (%)
Darwin	Northern Territory	149,582	250,702	0.5	11.8
Canberra	Australian Capital Territory	456,692	764,577	0.7	17.9
Perth	Western Australia	2,224,475	2,378,873	1.5	14.6
Adelaide	South Australia	1,418,455	1,536,280	1.1	9.9
Newcastle	New South Wales	395,875	1,043,979	1.2	8.8
Sunshine Coast	Queensland	413,456	464,925	2.4	21.5
Cairns	Queensland	261,079	501,837	2.4	9.4

Table 1. The population and growth rates of the 20th franchise options.

Darwin – The prospect of a team in Darwin is a sentimental favourite among those who want a truly national competition. While the region has a strong tradition of AFL and has produced many top-tier players, there are significant challenges that must be taken into account. Foremost among these is the small and decentralized population, which has resulted in average attendances to promotional games of fewer than 9,000 over the past decade. Although the Northern Territory currently enjoys robust AFL television viewership, the addition of a new team in this region would not significantly increase the overall viewership figures, given the area's modest population size. As a

result, the value of broadcast rights would not be expected to increase sufficiently to justify the creation of a new team.

It has been proposed that a Northern Territory team plays three or four games in Alice Springs. While there may be Tasmanians who are willing to travel the two-hour distance between Launceston and Hobart, it is unlikely that many residents of the Northern Territory would be willing to drive the 1,494 kilometres between Marrara Oval in Darwin and Traeger Park in Alice Springs. To put this distance into perspective, it exceeds the distance between Adelaide Oval and the SCG by 100 kilometres.

The humidity factor must also be taken into consideration. Promotional games held in Darwin and North Queensland have a tendency to result in low scoring events, and poor spectacles due to the ball becoming slippery from player sweat. As a result, the average scores observed at Marrara Oval in Darwin and Cazaly Stadium in Cairns are lower than those observed at venues located in southern regions.

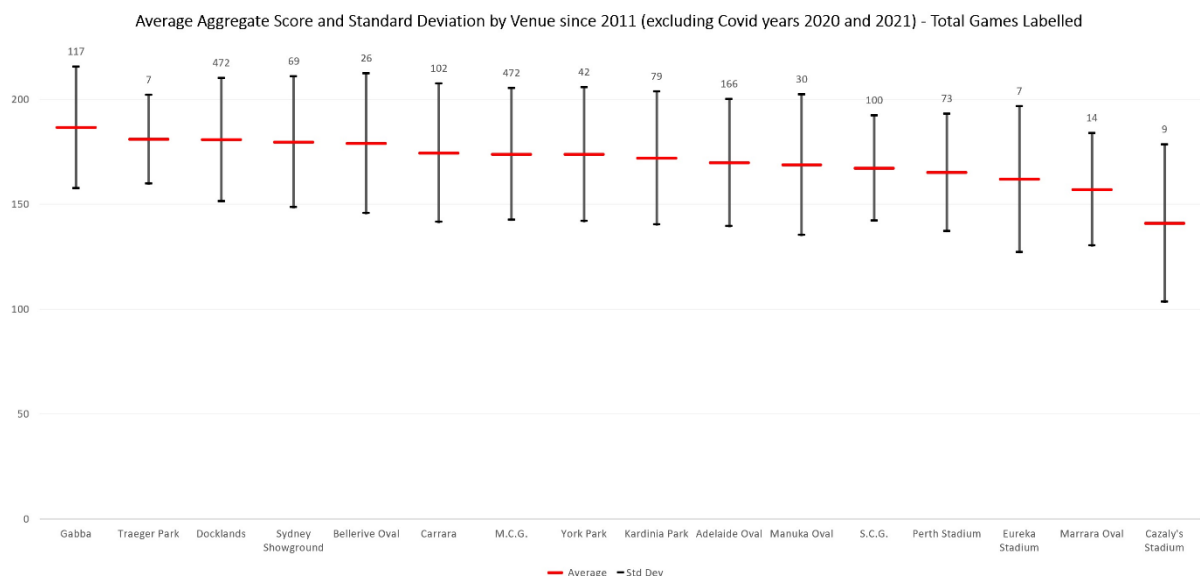


Figure 4. The average aggregate scores for each venue since 2011 (excluding Covid years 2020 and 2021) bracketed by one standard deviation. The number of games used is labelled above.

A roofed stadium with air-conditioning has been proposed for Darwin but with some games played in Alice Springs it would be difficult to justify the expense of building such a stadium for only 8 to 10 games a year.

Canberra – It has been proposed that the national competition requires a team in the national capital. Historically, up until the 1980s, Canberra was primarily an AFL area rather than a Rugby city, with its location lying on the Barassi Line. In 1981, with the impending relocation of the Swans to Sydney in 1982, the NRL strategically placed a team in Canberra as a symbolic demarcation. Since then, Canberra has established a Super Rugby team and will receive a A-League soccer team next year. This has resulted in the small population of Canberra becoming a saturated mixed market.

In terms of population size, Canberra would possess a suitable population to sustain an AFL team if it were situated well within AFL territory. Nevertheless, owing to its position within a mixed-market zone, it is likely the city falls short of the required population by approximately half a million individuals, rendering it non-viable.

Moreover, Canberra presently hosts a pseudo-team as the AFL has secured a long-term contract for Greater Western Sydney to play games in the city until the year 2032. Consequently, the AFL currently maintains a presence in the ACT and may potentially shift its focus to larger growth markets.

Perth – The Western Australian capital boasts two formidable clubs, a state-of-the-art stadium, a rapidly expanding populace, and resides in the heartland of the AFL territory. In light of the fact that memberships for both West Coast and Fremantle have reached their maximum capacity, there has been a proposition to introduce a third AFL team based in Western Australia. However, as sports administrators have learned from the collapse of the South Queensland Crushers, introducing a new team in a market that already has an established club poses significant challenges, unless the new team already has an established supporter base. Presently, no WAFL clubs have a sufficiently large supporter base to justify entry into the AFL. The introduction of a third team in Perth is also unlikely to increase TV broadcast rights and would ultimately be cannibalising the market share of the two existing teams.

Adelaide – Due to reasons similar to Perth, a proposal has been put forward for the addition of a third team in Adelaide. While Adelaide's market size is smaller than that of Perth and its population growth is slower, there is substantial evidence suggesting that Adelaide is a more devoted AFL town than even Melbourne (refer to Figure 1). When it comes to introducing a new team Adelaide faces all the same challenges as Perth and the South Queensland Crushers, however Adelaide does have one SANFL club, Norwood, which still has a large and loyal supporter based. Nevertheless, the Adelaide Crows' 33-year tenure in the AFL has eroded a significant portion of Norwood's youth supporters. The feasibility of adding Norwood as a new team would require considerable time and resources, with little benefit in terms of broadcast rights.

Newcastle – To enhance the growth of the sport and amplify the value of its broadcast rights, the AFL may contemplate establishing a team in the Rugby League stronghold of Newcastle. Australia's largest regional city boasts a larger population than Hobart and the Newcastle/Hunter region prides itself on having the largest regional economy in Australia. Its annual output surpasses that of Tasmania, the Northern Territory, and the Australian Capital Territory combined, amounting to over \$55 billion. The region, in conjunction with the Central Coast, boasts a long established and strong local Australian football league.

The primary challenges facing the establishment of an AFL franchise in Newcastle relate to the potential for substantial opposition from Rugby league supporters and the requirement for a higher level of financial investment and extended timeframe for the franchise to establish itself compared to other northern expansions. Further complicating matters is the presence of an NRL team, the Newcastle Knights, that is

highly revered in the region, along with two A-League teams, the Newcastle Jets and the Central Coast Mariners.

A new stadium would be necessary, and it may be possible to negotiate a politically motivated urban renewal project that incorporates a centralized sports area to accommodate all four codes.

Sunshine Coast – Possessing similar characteristics to both Newcastle and the Gold Coast this would be another project club for the AFL. The Sunshine Coast has one of the fastest growing populations in Australia albeit in a region traditionally loyal to Rugby League. Its population size surpasses that of Geelong, Hobart, Cairns, and Darwin, and is further complemented by a considerable ex-pat southern state demographic. Notably, the only other professional football team in the area is the recently introduced NRL franchise, the Redcliffe Dolphins, some 60 kilometres away.

As with other expansion clubs into rugby territory a team on the Sunshine Coast would require a new stadium and decades of financial support.

Cairns – The proposed location of Cairns for the AFL is motivated by the desire to increase the league's geographic presence. However, given the region's relatively small population in tropical Rugby League territory, it is unlikely to receive significant consideration.

Similar to Darwin, the development of a roofed stadium with air-conditioning would likely be necessary, along with long-term financial support.

Conclusion

To evaluate the strengths and weaknesses of each candidate, a summary of their attributes has been compiled in the table below.








	Barassi Line	Meets Population Requirements	Will be only local team	Likely to increase TV ratings	Will Require a new stadium
 Darwin	South-West	No	Yes	No	Yes
 Canberra	On	No	Yes	No	Yes
 Perth	South-West	Yes	No	No	No
 Adelaide	South-West	Yes	No	No	No
 Newcastle	North-East	No	Yes	Yes	Yes
 Sunshine Coast	North-East	No	Yes	Yes	Yes
 Cairns	North-East	No	Yes	Yes	Yes

Table 2. The pros and cons of each franchise option.

Among comparable candidates, one can be deemed more favourable than the others. For instance, Cairns is unlikely to be chosen over Darwin or the Sunshine Coast. Additionally, Perth has the potential to accommodate a third team more effectively than Adelaide. Furthermore, Canberra represents a better option than Newcastle.

For each of the proposed options the disadvantages outweigh the advantages, and there is no obvious location to base a 20th AFL team.

Sources

Australia Bureau of Statistics (<https://www.abs.gov.au/statistics/people/population/regional-population/latest-release#key-statistics>)

AFL Tables (https://afltables.com/afl/afl_index.html)

Data Wrapper (<https://app.datawrapper.de/>)

Clearing House for Sport (<https://www.clearinghouseforsport.gov.au/>)