

Football Australia Circular

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TO THE MEMBERS OF FOOTBALL AUSTRALIA

Unlocking the Domestic Football Economy: Domestic Transfer System Reforms Update

The purpose of this circular is to provide an update regarding the process currently being undertaken by Football Australia, in concert with all stakeholders willing to engage in the process, to reform to the domestic transfer system to address some of Australian football's player production challenges and further unlock the Australian football economy.

A revitalised and transformed domestic transfer system is fundamental to the evolution of the Australian football and there is strong stakeholder support for this initiative. The development of the XI Principles for the Future of Australian Football (*XI Principles*) included an extensive consultation process, which identified a reinvigorated domestic football ecosystem as a key priority. The XI Principles elevate this to be a strategic imperative for the game. In particular, Principle III specifically addresses the establishment of a an integrated and thriving football ecosystem driven by a modern domestic transfer system. It is anticipated that any reforms to the domestic transfer system or the domestic football economy will be complemented with a concerted focus on education and knowledge sharing.

To realise the potential of the domestic football economy, Football Australia has been undertaking a comprehensive review of the current domestic transfer framework. This has prioritised collaborative and stakeholder-focused initiatives, which has included:

- 1. <u>a series of webinars and a seminar in November and December 2020 with a range of industry-leaders regarding various perspectives on, and to engage and share knowledge with football stakeholders regarding, the international and domestic transfer systems;</u>
- 2. the release of the <u>Domestic Transfer System Transformation White Paper</u> in January 2021 on reforming the domestic transfer system. The purpose of this White Paper was to provide the basis for an informed and structured discourse regarding the transformation of the domestic transfer system; and
- 3. a consultation process with stakeholders to provide an opportunity for feedback on the current domestic transfer system and training rewards mechanisms.

As the general consultation phase has now completed, with extensive input from all levels and groups within the game, the process will now transition to targeted feedback and consultation with stakeholders on the key issues and themes that have been identified during the initial consultation with stakeholders, including:

- training rewards reform;
- 2. specific regulation for the transfer of minor players;
- 3. transfer-related dispute resolution;



- role and regulation of agents;
- 5. mechanism for the calculation of, and the payment of, transfer fees;
- 6. clarity regarding the player pathway and club incentives;
- 7. mechanisms to address the cost of football (related to training rewards reform);
- 8. systems and resourcing to support the transformation of the domestic transfer system (e.g. domestic clearing house to distribute transfer fees and training rewards, support for stakeholders, knowledge libraries and resources to supplement and implement the regulatory reforms);
- 9. enhanced resources and education regarding the domestic transfer system and the relationship with the international transfer system; and
- cultural reform in respect of contracting, in particular the contractual duration, which tends to be short term.

We anticipate shortly releasing a survey and conducting further consultation sessions on the abovementioned issues as part of the next phase of the process. Simultaneously, Football Australia will commence the process of preparing proposed amendments to the regulatory framework based on this stakeholder feedback. These regulatory reforms are intended to address the best interests of the game as a whole and must include and be balanced against the mandatory requirements of the FIFA regulatory framework, and the FIFA principles that must be adopted at a national level. The stakeholder consultation and feedback will be invaluable in assist to shape these regulatory reforms, particularly in respect of matters that are unique to and significant for Australian football.

If you have any queries regarding the domestic transfer system reform process, please direct your query to at first instance to legal@footballaustralia.com.au.

Yours sincerely

Football Australia

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