

Central Coast Mariners

Overview

BCC's partners made a brave and innovative decision to sponsor [partner] the Central Coast Mariners [CCM] twelve months ago. As a relatively new product the CCM was competing in a market dominated by Australia's biggest cities. The decision, at the time, would have contained a large percentage of "hope" behind it and the number of unknown factors would have been significant. But I believe the CCM and BCC have achieved some very good results and outcomes since that historic decision was taken. Some aspects will be easily qualified and quantified, others will not. I am hopeful the following report will allow you to make an informed opinion on a product that is fast increasing in value. Our agreement with the CCM is effectively for an 18 month period ending February 2008, albeit that that was courtesy of CCM who added **Central Coast** earlier for what was basically a one year agreement.

CCM Administration

Whilst the performance of the athlete [or the team in this case], is the primary focus, it is the administration that will ultimately determine the progress and success of the franchise. Management, in an operational context, is not restricted to just administration but ALL facets of the business.

The CCM administration led by Executive Chairman Lyall Gorman and CEO John McKay is of a very high standard.

They have created a business model that is representative of both sport and business and it would work equally effective in isolation of each other.

Their achievements in such a short period can be described as nothing short of startling [as a start-up club just birthed 3 plus years ago] and their progress this year has been in stock-market jargon, bullish.

Commitment alone will not make a sporting club a success but combine it with passion, diligence and a clear objective of making the CCM "The Centre of Excellence for Football in Australia", will with those combined attributes lend itself to the best outcomes.

The recent signing of John Aloisi is testament to this objective. On his signing John had this to say "I would like to take this opportunity to thank the Central Coast Mariners for offering me the chance to play in the A-League and have been **impressed by their professionalism** during the past few days, in particular the efforts of Lyall Gorman and Peter Turnbull". Aloisi's manager, Paddy Dominguez of Inspire Sports Management added, "John is a much loved and respected bloke and a firm favourite with the Australian football supporters, and he will **add serious commercial value** to both the Mariners and the A-League in general. I think John's acquisition **speaks volumes for the Mariners ambition, and we recognise the efforts of Lyall Gorman and Peter Turnbull in making this a reality**".

Central Coast Mariners

The announcement of Socceroo and International John Aloisi [October 20th] shocked the football world who thought if Aloisi ever does return home it will be to his home town of Adelaide or to one of the two big clubs, Sydney or Melbourne.

It was taken as read – that a player of the stature of Aloisi - would have NO interest in playing for what many regard as a small bit player in Australian soccer. The fact that Aloisi did and that the CCM are near the top of the League ladder has seen many media pundits do a 360 degree turn and drop the minnows tagline for one more appropriate. "The CCM can no longer be referred to as the Leagues minnows they are a very well managed and resourced club".

Another key strength of the CCM has been their ability to "read the play". They have been very receptive and have made the necessary changes to correct or improve upon that facet of their business.

Finally, the CCM management team clearly understand the importance of maintaining excellent working relationships with their strategic partners and they uphold their own guiding principle *"in doing so, to be ever mindful of our humble beginnings and the need for commercial and financial integrity and practice that will produce benefits to the club, its investors, FFA, the Central Coast Region, our members and supporters and all other stakeholders involved with the club"*.

Team

The second part of the business model is the "team".

There is no doubt, Manager Lawrie McKinna [refer media article, addendum 1] with assistance from former Scottish legend Ian Ferguson and former Socceroo Alex Tobin superbly lead them.

The team is currently sitting second on the Hyundai A League competition and with good management [injuries etc] will play in the 2007/2008 final series.

Another endearing [to the community] or winning factor is the CCM's goal of promoting opportunities for local players. In most likely an A-League first, the CCM had seven [7] locally produced players in their play-on squad for a recent game. This is a deliberate action by the CCM administration and coaching staff that has now sent a clear message to local players – if you are good enough – you will earn the CCM playing strip. This attitude helps the CCM "claim" the Central Coast as "their area".

The playing group, from what we know, have represented themselves exceptionally well in the community. Having been away with the team on two occasions I am highly impressed with their understanding of their responsibility to the CCM, the Central Coast Region and to themselves. I am equally impressed with their understanding of the importance of sponsors/partners and the need to avail themselves and to assist with cross-promotions and other activities.

Central Coast Mariners

Aside from Socceroo's most famous goal kicker John Aloisi, the CCM also have Australian Olympic Squad members Danny Vukovic, Nigel Boogeraard and Bradley Porter. All players have the Central Coast emblazoned on their chest and are fine ambassadors for their sport and the Central Coast.

Crowds

To date, the CCM have enjoyed a 4.8 per cent increase on average attendance over the previous year. It is expected to remain at this level or improve slightly again. The two most influential factors in continuing this trend are the announcement of John Aloisi and the teams continued good form and staying near or on top of the Hyundai A-League competition.

For an area that is often regarded as being a League zone, Mariners crowd attendances have to be described as excellent. Further, it is very much a family based entertainment package with all age groups and both sexes prominent at all matches.

A key component of the crowd is the CCM own Marinators. This enthusiastic, committed and loyal group represents the raw passion for OUR TEAM.



[Refer addendum 2 for crowd attendance levels]

Central Coast Mariners

Membership

In three seasons the CCM membership has risen from 600 to 1800 to what is now a very credible 3,000.



Once again, the CCM have designed a program that has fitted with the local community. The CCM administration didn't reinvent the wheel. They were aware the AFL has the best club membership system in Australia and from there they set the wheels in motion to secure a membership system that would deliver them an excellent membership program. The numbers tell us they are on the right track.

[Refer addendum 3 for Central Coast Mariners Membership & addendum 4 membership by Postcode]

Interaction

One area the CCM have excelled in is how they have embraced the community. They have introduced some excellent initiatives including the Youth Academy.



Senior players have been allocated a Central Coast town as "their local team" and they basically become that town [clubs] ambassador.

The CCM are also heavily involved with a number of Central Coast charities and to the surprise of many, are happy to support and assist other sporting organizations. The CCM make available executive management, coaches and players for speaking engagements, guest appearances and community events.

Central Coast Mariners

Branding & Marketing

A sea of **YELLOW** greets you at any home game indicating the uptake of official CCM merchandise has been hugely successful. Age is no barrier as it appears all age groups have their own piece/s of CCM clothing and accessories.

The banners, flying with pride on Brian McGowan Bridge are another example of spreading the word, cleverly as a low cost passive selling message.

The CCM are highly visible in the community and their chosen colours are reflected and known by the majority of residents.

CCM sponsor REBEL showcase the Mariners merchandise in key areas of their two main CC Stores located at Erina Fair and Westfield's Tuggerah. REBEL also display the Mariners playing and supporters kit at events like the Royal Easter Show, the pre-season game held at Orange and other promotional events.

Signage

BCC has two [2] double signs located in prime positions at Bluetongue Stadium for each home game. Each sign reads "Central Coast – is business and lifestyle" [refer photo attached].

CENTRAL COAST is Business & Lifestyle

Media

From the outset, the CCM have been on a winning schedule. Australia's leading football journal, Four Four Two, chose the new Central Coast playing strip as the one to highlight in their opening season edition.

Local media, including the Express Advocate, 2GO / Sea FM and NBN television guarantee the CCM plenty of dedicated space. [A sample of media is included with this summary]. BCC has also been able to demonstrate the value of the partnership with CCM through business magazine, Central Coast Business Review. This would not have happened if we were not seen as a joint cohesive partnership group with the express aim of promoting all things – Central Coast.

There are constant passive reminders of the "Central Coast". Like advertising for games in the Sydney Morning Herald or Daily Telegraph as in when we play Sydney FC.

THEY ARE UNEQUALLED WHEN IT COMES TO ACHIEVING STATE AND AUSTRALIA WIDE COVERAGE FOR THE CENTRAL COAST. It is not possible for Councils or DSRD to do this and Tourism can't do it [not without a huge budget at least].

Central Coast Mariners

A scale not seen or witnessed on the CC before – unless major catastrophe – like fires....

The CCM media unit copy BCC and its representatives in on all CCM media releases.

Television Coverage

Every Hyundai A-League game is shown on Fox Sports and repeated a number of times. The signing of John Aloisi took coverage to a whole new spectrum when every television, radio and print media covered the story. The Central Coast is named, viewed or seen in pictures.



Executive Chairman Lyall Gorman with star signing John Aloisi. Media backdrop highlighted as above.

Internet

We don't have data to support this statement but I believe we can safely take it as being fact that the amount of coverage the CCM has received via this medium would be greater than all other media combined. Samples of coverage are included in the media section. The benefits of this code of football being truly a "world game" is that it offers us unprecedented coverage – and it is world wide.

Partnerships

An integral component of our marketing and branding of the CCM is to promote the region. BCC formed a strong and workable alliance with Central Coast Tourism Inc and together both agencies worked extremely hard at maximizing business investment and tourism opportunities at places like Hong Kong and Orange. We have taken the quite deliberate view that we are not going to always convince business to consider re-locating to the Central Coast but we can encourage, cajole and convince people to visit the Coast.

Corporate Suite

At time of completing this document we have utilized our corporate suite on four occasions. The clear objective of the box was to maximize its use by extending invitations to companies/persons who were involved in any of the following;

- ✓ Considering re-locating their business to the CC

Central Coast Mariners

- ✓ Federal or State Minister or representative
- ✓ Consideration to making Investment in the CC
- ✓ Value – adding to what is currently here

This is not exclusive but it highlights the higher priorities of the corporate box. To date we have entertained guests who have made the move, are in the process of making the move and others who are evaluating such a move. We have also had the presence of the Minister for Roads Eric Roozendaal and local business who could gain from that meeting. In direct relation to this we have forged a very good working relationship with the Member for Wyong David Harris who is helping secure state ministers for this purpose. I should note here, that all prominent politicians have been contacted, state and federal for this purpose.

Central Coast

No other single entity on the CC embraces the Central Coast like the Mariners. Whilst there are other agencies and organizations that promote the words CC within their business name, none reach the audience or indeed are capable of reaching the majority of Australian capitals, sections of New Zealand and Hong Kong. It could be further argued, that due to football's popularity [world wide] it has an even greater reach than those areas the CCM play. It is not unreasonable to accept that the CCM are doing the very job a number of other agencies are charged with – promoting the Central Coast as a region.

<u>Team</u>	<u>Regional</u>	<u>Capital</u>	<u>State</u>
Adelaide		Capital City	
Central Coast Mariners	Regional Area		
Melbourne Victory		Capital City	
Newcastle Jets	Major Regional City		
Perth Glory		Capital City	
Queensland Roar			State
Sydney FC		Capital City	
Wellington, NZ		Capital City	

Just how good is it? The Central Coast Mariners are the ONLY team that is truly regional based. The eight team competition is dominated by capital cities [5] thus emphasizing the remarkable efforts of the Mariners administration just to have a team participating at this level. In their brief three year history they have won a pre-season cup and finished runners up once and are currently sitting on top of this years third season.

Scoring Goals – the Outcomes

- Fabulous off-field administration
- Fabulous on-field team

Central Coast Mariners

- Fabulous off-field player leadership
- CCM very generous with time
- The Central Coast has embraced the Mariners [1] – crowd size alone confirms this [refer chart]
- The Central Coast has embraced the Mariners [2] – young and old alike wear the colours of the Mariners with pride & passion
- Our brand – the Central Coast – is reaching our key markets. Sydney and Melbourne in particular as they are the most likely areas that business would consider a move based on costs alone
- We, BCC, have introduced 2 companies to the CCM and who have now become official sponsors
- Value of business considering locating to CC - \$10million
- All strategic partners receive CCM Media Releases

Leadership

The Central Coast must be doing something right! The South Australian government followed BCC's lead and sponsored Adelaide United in the Asian Cup. This "special" sponsorship was for just three games. Sydney FC was the next to follow. They secured a one off game deal with another government agency – NSW Tourism. BCC and its partners should recognise their original decision was the catalyst for other forms of government to offer financial assistance to football.

Financial [Affordability]

- \$105,000 [x3] **project funding** from Gosford, Wyong & DSRD = \$315,000
- Next project funding monies due 1 July 2008
- BCC would have sufficient funds to cover the additional \$15,000 for gst purposes and in addition to that we would have approximately \$80,000 collectively in our accounts.
- The amount outstanding for Premiers [\$105,000] will be paid in full prior to the next funding date.

Note: At time of preparing this report I had not been made aware of either funding partner [Gosford & Wyong Council] reconsidering their position regarding the withdrawal of core funding post 30th June 2008. The same applies to project funding which whilst not totally withdrawn is not identified as BCC's exclusively. Note, nothing has been received in writing at this point.

Benefits

A list of benefits against Agreement is attached – addendum 5

Central Coast Mariners

Recommendation

The stated objectives of BCC have all been qualified and in many instances surpassed. In any sponsorship/partnership a one year partnership is a donation not a sponsorship or partnership. BCC has attended two key events this year, namely, the Royal Easter Show and the Smart Supply Chain Technology Show. At both events, the resounding highlight was the natural pride of our own Central Coast residents that the Central Coast was represented at a Sydney Icon event. It was a clear indication that the CC was now maturing, that it was capable of delivering results that was expected of big cities. Promotion of the region was the undoubted winner. We are growing past the oft quoted "Central Coast is a weekender or holiday area". We are now promoting the Coast as the best of both – for business and lifestyle!

When announcing Council's involvement with the Mariners;

Wyong Shire Council's General Manager, Kerry Yates said that this was a unique opportunity to market the Central Coast as a desirable location in which to live, work and holiday. [Wyong Shire Media Release – 9th October 2006]

Since their beginnings in March 2005, the Mariners have generated significant exposure for the Central Coast region at a local, state, national and international level. [Wyong Shire Media Release – 9th October 2006]

The Mariners popularity and success over the past two years has provided a great platform to further promote tourism and economic development for the region, said Mr Moulard. [Gosford City Council Media Release – 12th March 2007]

Having Business Central Coast as the naming rights sponsor of the Mariners will allow the entire region to maximize the benefits from the increased exposure, he said. . [Gosford City Council Media Release – 12th March 2007]

I strongly recommend the Board endorse an extension of the agreement by one year.

We would be wrong in our assessment if we assumed just because the CCM are near or on top of the A-League ladder, that a new investor has joined them and that they have signed John Aloisi that BCC's partnership is no longer required or relevant. This is the ideal time, to strengthen OUR TEAM.

Contrast this with the CC Rays who despite winning the inaugural rugby competition failed miserably to gain community support.

CENTRAL COAST is Business & Lifestyle

Central Coast Mariners

The Future

Opportunity is limited only by one's own input. Put simply – you don't put in, you don't get out! The CCM give us a number of unique tools to help us reach our own objectives.

Those tools are;

- o The vehicle – known as the Central Coast Mariners
- o The media – guaranteed by virtue of being part of a National Competition
- o A free ride - The locations, we can target NZ, Hong Kong/China and virtually every state in Australia on the back of the CCM

Those objectives are;

- o Promoting the Region
- o Promoting Regional Growth
- o Promoting Regional Infrastructure & Investment
- o Promoting Good Governance & Leadership

We have been part of a very special journey – a journey I believe we should continue

ANYONE SEEN WHAT HAPPENED IN GEELONG? THAT COULD HAPPEN HERE!

Kerry Ruffels
General Manager

