

MEMORANDUM OF UNDERSTANDING

BETWEEN:
AFL PNG LIMITED (PNG)

AND:
AFL QUEENSLAND (QLD)

AND:
THE AUSTRALIAN FOOTBALL LEAGUE (AFL)

ALSO
AFL CAIRNS (CAIRNS)

AND
THE AFL PNG RULES COUNCIL (COUNCIL)

Dated this _____ day of _____ 2004.

WHEREAS:

- a. All parties acknowledge the AFL as the ultimate controlling body of the game and of each of the respective organisations party to this document; and
- b. AFL PNG Limited has entered an Affiliation and Development Agreement with the AFL dated 12th January 2004; and
- c. AFL PNG has entered into a cooperative arrangement with AFL Queensland; and
- d. The cooperative arrangement between PNG and QLD involves Cairns and the Council; and
- e. The cooperative arrangement between PNG and QLD has the support and approval of the AFL; and
- f. The parties wish to record their intentions for the cooperative arrangement through this document; and
- g. The parties acknowledge the cooperative arrangement reflected herein may need to be varied and amended from time to time and can be so varied by agreement.
- h. This document is not intended to be a legally binding agreement, but rather reflects the spirit and intention of the cooperative arrangement being undertaken between the parties; and
- i. This document and the cooperative arrangement it reflects is a private matter between the parties and is subject to commercial confidentiality.

AND THE PARTIES RECORD THE COOPERATIVE ARRANGEMENT BETWEEN THEM:

1. Each of the parties wishes to see AFL football grow and develop in Papua New Guinea. In particular they wish to see junior development programs designed and implemented with the overall aim of producing PNG players capable of participating in AFL football at the elite level in Australia.
2. Each of the parties agrees that it is appropriate for PNG and QLD to work closely together to facilitate and foster development of AFL football in PNG. QLD recognises its primary responsibilities in its own

region, but is prepared to support PNG in its development efforts. The AFL approves that intention.

3. QLD and PNG will remain independent and distinct legal entities operated by their respective Board and Managements, however, pursuant to this cooperative arrangement both organizations will work closely together supported by the other parties to this document.
4. It is intended that the PNG and QLD cooperation shall develop and progress in four distinct phases. Timing is not to be fixed, but indicative dates are set out:

4.1. STAGE 1: PATHWAY INTEGRATION

- a. From 2004 PNG teams and players shall be eligible and encouraged to enter the QLD player pathway.
- b. PNG teams and/or players at Under 14, 16 and 18 levels shall compete in the Queensland Country Championships.
- c. PNG players shall be eligible for selection into the QLD Country Representative teams and QLD State teams.
- d. Selections shall be based solely on merit and performance.
- e. PNG teams and players will abide and accept all QLD rules, regulations, directions, requirements etc in taking an involvement in the QLD pathway.
- f. PNG will provide all necessary support, resources, finances etc for their teams and players participation in the QLD pathway.
- g. PNG will remain legally responsible for all teams and players participating in the QLD pathway competitors. PNG will obtain all requisite insurances etc for its teams and players.

4.2. STAGE 2: DEVELOPMENTAL INTEGRATION

- a. From 2004 QLD will make available staff and resources to the extent possible to assist and promote AFL in PNG.
- b. QLD will send staff to PNG on request by PNG at PNG's expense.
- c. QLD will host PNG staff for training and exchange at PNG's expense.

- d. QLD will assist PNG to order and obtain all necessary resources, materials, equipment etc at PNG's expense.
- e. The exchange and support required each year will be discussed between QLD and PNG and arrangements will be made to support PNG from QLD wherever and whenever possible subject to QLD's first priorities in its own region.
- f. QLD will make key personnel available to support and assist PNG through normal means of communication and will consider time spent on such matters as recognised work for QLD. This application of QLD resources is acknowledged and approved by the AFL and is encouraged.

4.3. STAGE 3: ADMINISTRATIVE INTEGRATION

- a. It may be that with the growth and expansion of PNG, that a review of the Administrative structure is warranted.
- b. It may be that in future the AFL, QLD and PNG may consider that the PNG program is of such, size, value and importance to the AFL that it is worthy of consideration as to whether QLD should take more administrative control of PNG.
- c. These are matters that will be discussed with all stakeholders at the appropriate time and any decision would ultimately rest with the AFL as both PNG and QLD's controlling body. Nonetheless, parties are encouraged to consider the possibility as PNG grows and develops.

4.4. STAGE 4: FINANCIAL AND CORPORATE INTEGRATION

- a. If a decision were made by the parties that QLD should take on more Administrative control of PNG it may also be appropriate to consider the situation of PNG's Financial control.
- b. It is acknowledged by all that PNG obtains a significant portion of its funding from its annual AFL Grant.
- c. It is also acknowledged that through this arrangement it is likely that a substantive parties of QLD's staff resources will be devoted to PNG.

- d. Given the interest of the AFL and QLD in the success of AFL in PNG it is acknowledged that they are key stakeholders in the financial performance of PNG and at some point the parties may wish to consider how to control over finances should be managed.
- e. Similarly, the AFL as sole shareholder (beneficial interest) in PNG and as the approving body for appointment of Directors, may wish to assert control over the corporate structure of PNG.
- f. These are matters which the parties will consider in due course but are recorded here to note the parties considerations, intentions and future plans.

5. CONCLUSION

- 5.1. This document is intended to evidence the significant level of cooperation now in place between PNG, QLD, AFL, Cairns and the Council.
- 5.2. The document also records the intention, objectives and plans of each of the parties particularly in respect of AFL in PNG.
- 5.3. The document is not intended to bind any party, but it does reflect their clear, stated intentions for AFL in PNG.
- 5.4. All parties are hereby committed to the future growth and development of the AFL game in PNG. All hope to see communities across PNG enjoying AFL and all hope to see real, measurable opportunities being given to PNG players to reach the elite level.

And the duly authorised representatives of the parties affix their signatures hereto as evidence of their acknowledgement and intent and their commitment to the matters set out above.

For and on behalf of:

AFL PNG LIMITED

AFL QUEENSLAND

AUSTRALIAN FOOTBALL LEAGUE

AFL CAIRNS

AFL PNG RULES COUNCIL

Witnessed by:

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