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# Australian Football League

**102nd Annual Report**

**1998**

NATIONAL SPORT INFORMATION CENTRE  
AUSTRALIAN SPORTS COMMISSION  
LEVERRIER STREET  
BRISBANE ACT 2617

- 1 MAR 2000





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### AFL Mission Statement

The Australian Football League exists to:

- develop and manage the AFL competition to ensure it is Australia's most successful national sports competition in the entertainment industry.
- maximise the economic, cultural and social benefits of Australian football to its member clubs, the players, the football fraternity and the community at large.
- promote and develop participation and support for Australian football throughout Australia and overseas.
- foster good citizenship, both on and off the playing field.

**AFL ACHIEVERS:** THE OPENING PAGES OF THE 1998 AFL ANNUAL REPORT ARE DEDICATED TO THOSE PLAYERS AND COACHES WHOSE PERFORMANCES DURING THE YEAR WERE AT THE PINNACLE OF ACHIEVEMENT. THE REPORT PAYS TRIBUTE TO THE FOLLOWING: ANDREW MCLEOD, NORM SMITH MEDALLIST; ADELAIDE CROWS, PREMIERS 1998; ROBERT HARVEY, BROWNLOW MEDALLIST; WAYNE CAREY, ALL-AUSTRALIAN CAPTAIN & MICHAEL TUCK MEDALLIST; TONY LOCKETT, COLEMAN MEDALLIST; TERRY WALLACE, ALL-AUSTRALIAN COACH; KANGAROOS, ANSETT AUSTRALIA CUP WINNERS; BYRON PICKETT, AFL NORWICH RISING STAR; JIM STYNES, SUCCESSIVE GAMES RECORD; THE LATE GORDON COVENTRY, HALL OF FAME LEGEND.

**Annual Meeting: Tuesday 16 February, 1999**

**AUSTRALIAN FOOTBALL LEAGUE**

ACN 004 155 211

**102ND ANNUAL REPORT 1998**

Australian Football League

MCG, Brunton Ave, Jolimont, Victoria

PO Box 1449N, GPO Melbourne 3001

Telephone: (03) 9643 1999



**AFL ACHIEVERS 1998**

**NORM SMITH MEDAL**

**Andrew McLeod, Adelaide**





**AFL ACHIEVERS 1998**  
**PREMIERS: ADELAIDE CROWS**



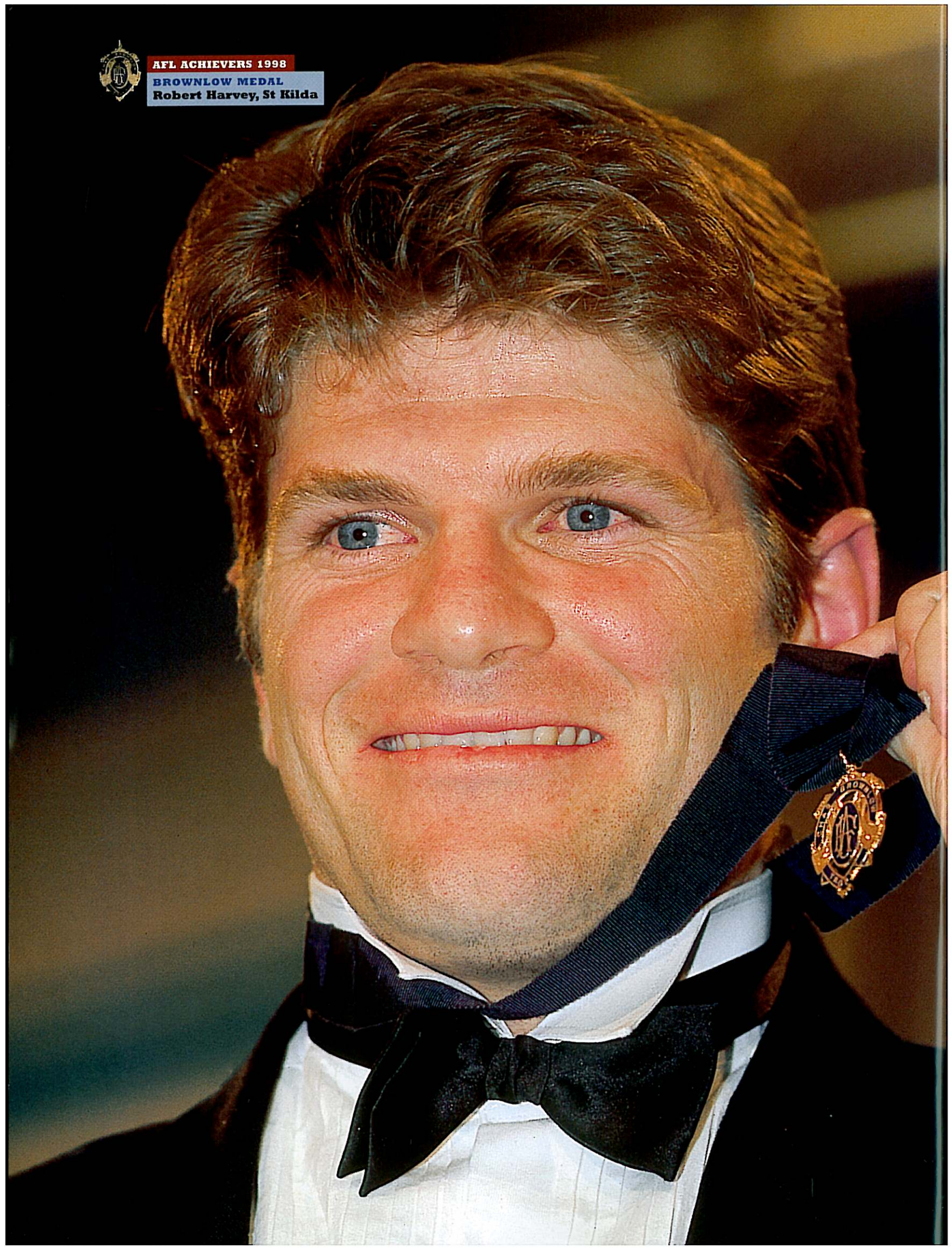




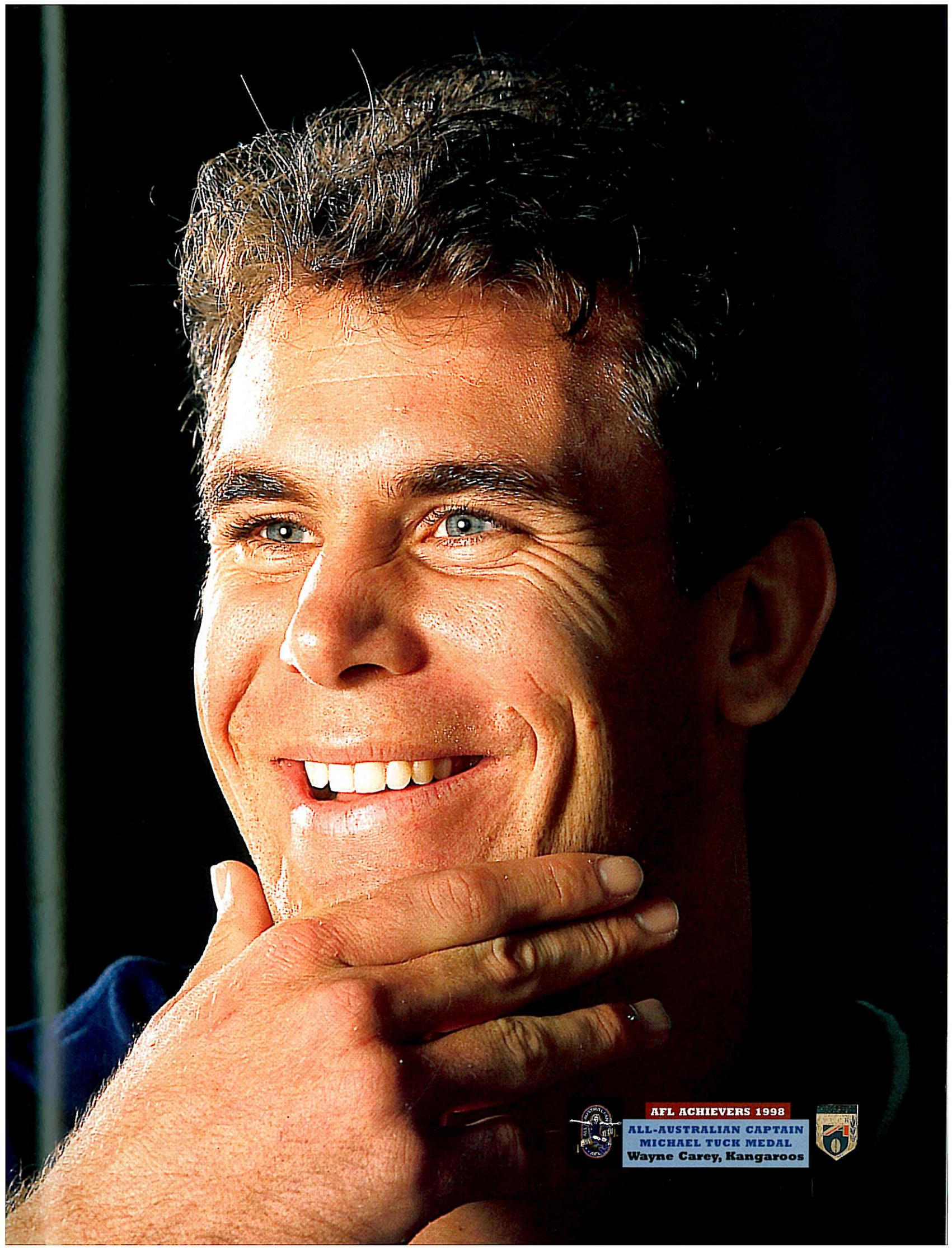
**AFL ACHIEVERS 1998**

**BROWNLOW MEDAL**

**Robert Harvey, St Kilda**







**AFL ACHIEVERS 1998**

**ALL-AUSTRALIAN CAPTAIN  
MICHAEL TUCK MEDAL  
Wayne Carey, Kangaroos**







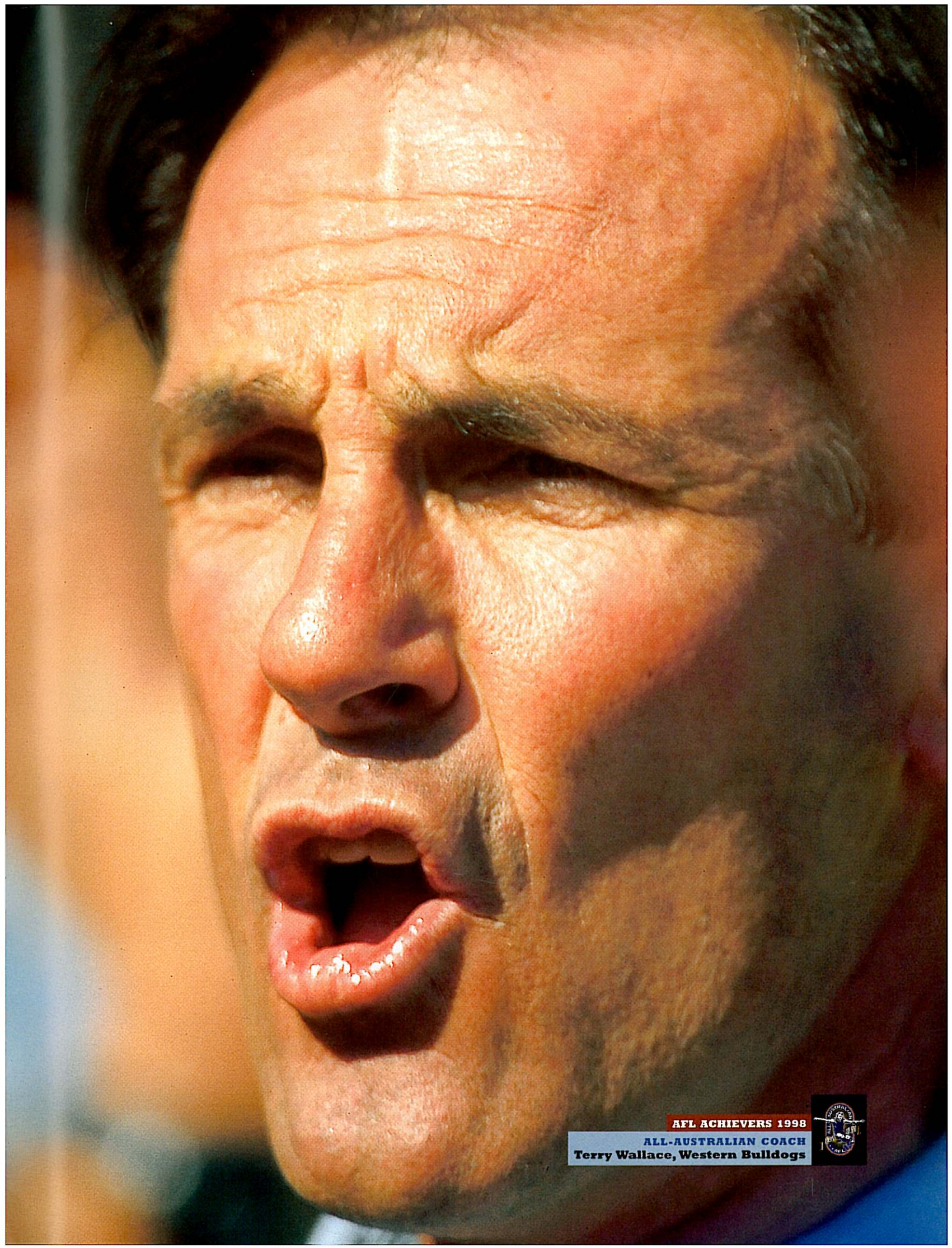
**AFL ACHIEVERS 1998**

**COLEMAN MEDAL**

**Tony Lockett, Sydney Swans**







**AFL ACHIEVERS 1998**

**ALL-AUSTRALIAN COACH**

**Terry Wallace, Western Bulldogs**







**AFL ACHIEVERS 1998**

**ANSETT AUSTRALIA CUP  
Kangaroos**





**AFL ACHIEVERS 1998**  
**AFL NORWICH RISING STAR**  
**Byron Pickett, Kangaroos**

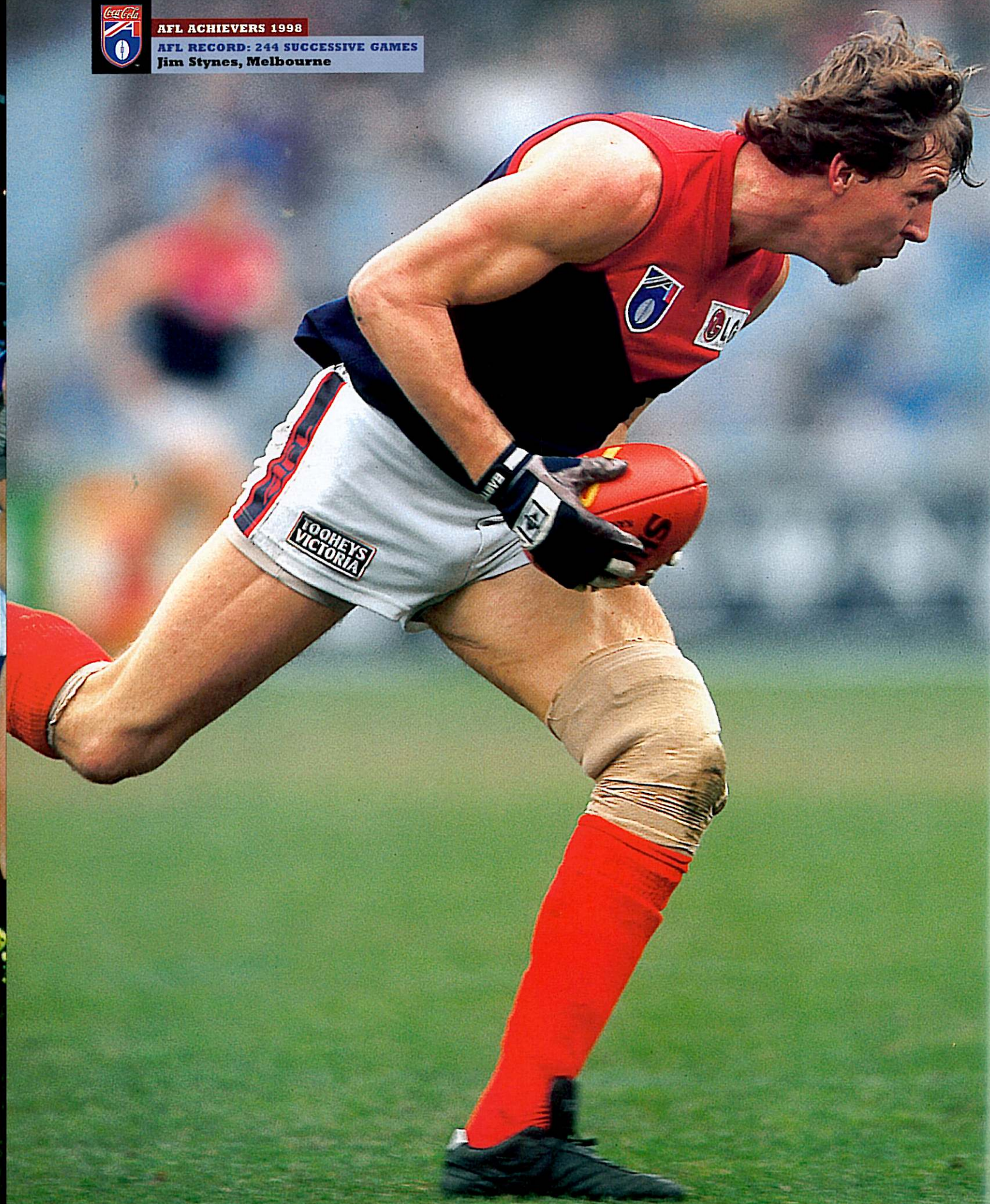




**AFL ACHIEVERS 1998**

**AFL RECORD: 244 SUCCESSIVE GAMES**

**Jim Stynes, Melbourne**







**AFL ACHIEVERS 1998**

**HALL OF FAME LEGEND**

**Gordon Coventry, Collingwood  
(with mascots)**







## **Corporate Report**

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WINNERS: ADELAIDE'S BACK-TO-BACK PREMIERSHIPS, 1997 AND 1998, MADE FOR AN OUTSTANDING ACHIEVEMENT, WELL REPRESENTED BY THE JOY AND PASSION OF KANE JOHNSON (FRONT), AND MATTHEW ROBRAN. THIS WAS THE FIRST CONSECUTIVE PREMIERSHIP IN THE '90S. HAWTHORN (1988-89) WAS THE LAST CLUB TO ACHIEVE THIS SUCCESS.







## AFL PEOPLE

### AFL Commission 1998

#### Ron Evans - Chairman

Bachelor of Science (Melbourne University). Master of Business Administration (Monash University). Managing Director, Spotless Services Limited. 61 games and 209 goals for Essendon, 1958-1962. Leading VFL goalkicker 1959, 1960. President of Essendon 1988-1992. Appointed to AFL Commission 1993.



#### Wayne Jackson Chief Executive Officer

Bachelor of Economics, (Adelaide University). Fellow of Australian Society of Certified Practising Accountants. Managing Director of The South Australian Brewing Company 1993-1996. General Manager, Thomas Hardy & Sons 1977-1981 when appointed Group Managing Director. Held that position until 1992. At that time, Thomas Hardy & Sons merged with Berri Renmano Ltd. to become BRL Hardy Limited and was publicly floated. Appointed Business Development Director of BRL Hardy in 1992 and to the main board. Former member of South Australian National Football League Commission. Played 160 games at senior and seconds level with West Torrens Football Club. Also coached the club at senior and seconds level. Chairman of West Torrens, 1975-1979. Trustee, MCG Trust. Appointed to AFL Commission, June, 1995. Appointed Chief Executive Officer, October, 1996.



#### Terry O'Connor

Bachelor of Laws (University of Western Australia). Appointed Queen's Counsel 1987. Chairman Ausdrill Limited and Environmental Solutions Limited. Chancellor University of Notre Dame, Australia. Played 300 games of amateur football in Western Australia. President West Coast Eagles 1989-1993. Chairman, Interim West Australian Football Commission. Chairman West Australian Anti Corruption Commission. Appointed to AFL Commission 1993.



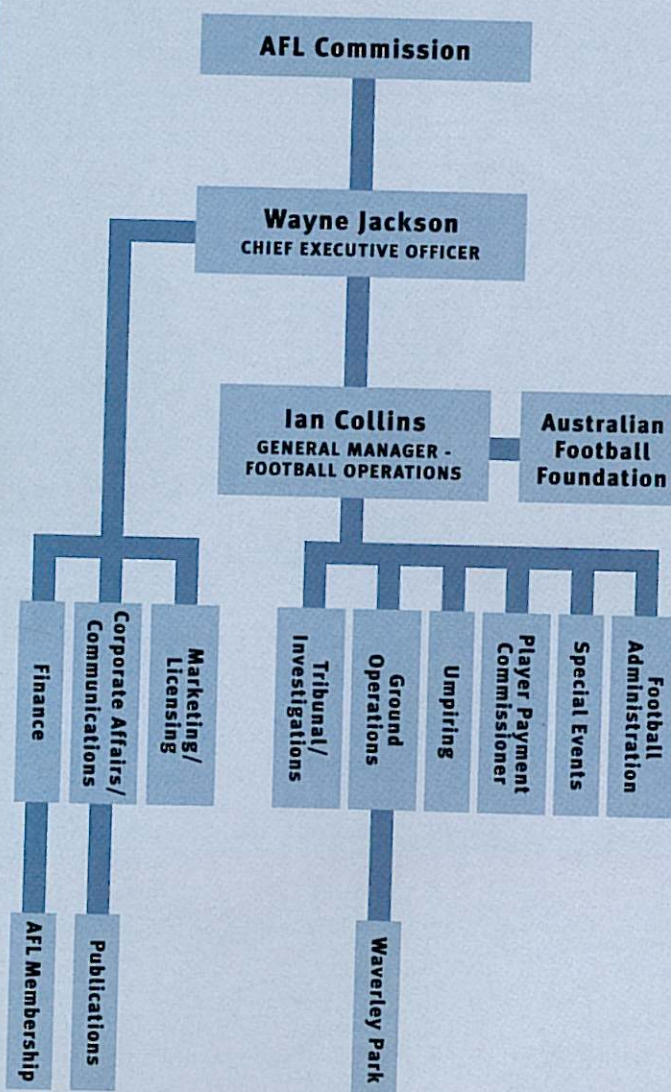
#### Craig Kimberley

Former president of the South Melbourne Football Club, 1976-1977. Former South Melbourne VFL director, 1975-1991. Sydney AFL director 1988-1991, 1993. Chairman of Just Jeans Holdings Limited and has worked in the clothing and textile industry for more than 30 years. Just Jeans Holdings consists of three operating groups - Just Jeans which has 303 stores in Australia and New Zealand; Jay Jays which has 93 stores in Australia and Jacqui E which has 95 stores in the group. Mr. Kimberley was appointed Chairman of the Woolmark Fashion Festival by the Victorian Government in 1997. Appointed to the AFL Commission in 1997.



AFL PEOPLE: AFL CHIEF EXECUTIVE WAYNE JACKSON, WITH AFL STAFF AT THE ANNUAL CHRISTMAS PARTY.

### AFL Organisational Chart







## AFL Administration 1998

### AFL EXECUTIVE

Wayne Jackson (Chairman),  
Grant Burgess, Ian Collins,  
Kevin Lehmann, Dean Moore,  
Tony Peek

### AFL FOOTBALL OPERATIONS SUB-COMMITTEE

Ian Collins (Chairman),  
Rod Austin, Roger Berryman,  
Ed Biggs, Jenny Cooke,  
Ken Gannon, Jill Lindsay, Jennie  
Loughnan, Dean Moore,  
Karen Phelan, Peter Schwab,  
Kevin Sheehan, Philip Wallbridge

### AFL ADVERTISING AGENCY

The Campaign Palace

### AFL APPEALS BOARD

Peter O'Callaghan, Q.C.  
(Chairman), Brian Bourke,  
Gavin Francis, Anthony Nolan,  
John Schultz, Graham Sherry

### AFL AUDITORS

KPMG

### AFL GRIEVANCE TRIBUNAL

Jack Rush Q.C. (Chairman),  
Darren Baxter, Michael  
Moncrieff, Kevin Power,  
Peter Sinn

### AFL LAWS COMMITTEE

Rod Austin, Kevin Bartlett, Ed  
Biggs, Ian Collins, Robert Flower,  
Wayne Jackson (Chairman),  
Dean Moore, Kevin Morris,  
Paul Salmon, Peter Schwab,  
Bob Skilton, Tim Watson

### AFL LEGAL ADVISOR

Jeff Browne, Browne & Co

### AFL MEDICAL COMMISSIONER

Prof. Ken Hardy  
Dr. Peter Harcourt, Deputy  
Medical Commissioner

### AFL PLAYER PAYMENTS COMMISSIONER

Ralph Lane

### AFL REPORTING OFFICERS

John Coburn, Rick Lewis,  
Paul O'Halloran

### AFL SPECIAL INVESTIGATOR

Michael Easy

### AFL TRIBUNAL

Brian Collis Q.C. (Chairman),  
Elaine Canty, Emmett Dunne,  
Michael Green, Brian Le Brocq,  
Shane Maguire (Deputy  
Chairman), Dr. David Shilbury

### PLAYERS' ADVOCATES

Gary Ayres, Iain Findlay, Bert  
Gaudion, Ray Lord, Bob Moore

### AFL UMPIRING SELECTION COMMITTEE

Peter Schwab (Chairman),  
Ian Robinson, Rowan Sawers

### AUSTRALIAN FOOTBALL HALL OF FAME SELECTION COMMITTEE

John Kennedy (Chairman), Max  
Basheer, Kevin Bartlett, Percy  
Beames, Geoff Christian (dec.),  
Harry Gordon, Joan Kirner,  
Michael Moncrieff, Peter Nixon,  
Tom Reynolds MP, Lou Richards,  
Mike Sheahan, Caroline Wilson.  
Secretary – Roger Berryman  
(AFL Administration)

### COCA-COLA AFL

### ALL-AUSTRALIAN TEAM SELECTION COMMITTEE

Wayne Jackson (non-voting  
Chairman), Rod Austin,  
Kevin Bartlett, Ian Collins,  
Ross Glendinning, Gerard Healy,  
Neil Kerley, Leigh Matthews

### AFL (NSW/ACT) COMMISSION

Richard Colless (Chairman),  
David Backler, Ross Howarth,  
Wayne Jackson, Chris Langford,  
John Livy, Jenny McAsey,  
Terry O'Connor QC, Brian Quade,  
Lynn Ralph, John Yates

## AFL Commission 1998

### Graeme Samuel

Bachelor of Laws (Melbourne University).  
Master of Laws (Monash University). Trustee  
Melbourne Cricket Ground Trust. Chairman,  
Melbourne and Olympic Parks Trust.  
Chairman of Opera Australia. Chairman of  
the Inner and Eastern Health Care Network.  
Chairman of the National Competition  
Council. Partner of Phillips Fox & Masel from  
1972 to 1980, Executive Director of Hill Samuel Australia Limited and  
subsequently Macquarie Bank Limited from 1981 to 1986 and co-  
founder of Grant Samuel & Associates, corporate strategic consultants  
in 1988. Appointed to the original VFL Commission in 1984.



### Colin Carter

Bachelor of Commerce (Melbourne  
University). Master of Business  
Administration (Harvard University).  
Director, The Boston Consulting Group.  
Played a key role in the development of the  
report adopted by the original VFL  
Commission in 1986 "Establishing the Basis  
for Future Success" which set out the frame  
work for the national competition. Also assisted in developing the  
concept of the AFL using the MCG as its headquarters which ultimately  
led to the development of the Great Southern Stand. Director of the  
Geelong Football Club, 1987-1993. Appointed to AFL Commission 1993.



### David Shaw

Bachelor of Laws (Melbourne University).  
Partner in Melbourne legal practice,  
Campbell and Shaw, since 1966. Former  
president of the Essendon Football Club.  
Played 177 games and kicked 55 goals for  
Essendon between 1959-1968. Member of  
1962 and 1965 Essendon premiership  
teams. Essendon board member 1971-1974.  
1984-1986. Essendon vice-president 1987-1992. Appointed president of  
Essendon in 1993, a position he held until his appointment to the AFL  
Commission in 1997. Essendon AFL director 1988-1994.



### Bill Kelty

Bachelor of Economics (La Trobe University).  
Secretary, Australian Council of Trade  
Unions. Appointed to the Reserve Bank  
Board, 1987. Appointed Chairman of the  
Commonwealth Government Regional  
Development Taskforce, 1993. Other  
appointments include member of National  
Labor Consultative Council since 1977;  
Committee for Melbourne since 1980 and member of Netforce since  
1994. Appointed to the AFL Commission 1998.





## CHAIRMAN'S REPORT

### A YEAR OF ACHIEVEMENT, AND NEW CHALLENGES

**T**he 1998 season has been successful from most viewpoints. The results which were achieved include record attendances, club memberships, participation rates, sales of licensed product and corporate and media support.

Success, however, must be viewed in a longer term context. Our endeavours must continue to be focused on the development of the game at all levels, in all regions throughout Australia.

In this context we have much to achieve. The establishment of Australian football as a truly national code being played at all levels throughout our country remains a dream yet to be fulfilled.

Success in some states of Australia and not others will not satisfy our national aspirations. In our role as "Keeper of the Code", the AFL commissioned a detailed report from the NSW/ACT Task Force (chaired by AFL Commissioner Terry O'Connor) into the development of the game in the region.

In accepting the report, the AFL Commission has recognised the challenge ahead to make the AFL game a mainstream sport in New South Wales and the Australian Capital Territory. The establishment of the AFL (NSW/ACT) Commission is a starting point of the AFL's goal to redevelop the game in NSW and the ACT.

The task is a large project requiring a long term investment in the region and we will closely monitor our progress. Queensland, too,

will require our detailed attention and consideration during 1999.

Another major issue of the late 1990s and beyond is the question of equalisation. Clearly, the Commission supports the club equalisation policy. Several present AFL policies are in keeping with this approach.

These include the draft and salary cap, equalising competition revenue from broadcast rights, corporate sponsorship and licensing.

One has to look no further than the evenness of our competition and the public interest which that creates to believe our policies are broadly correct.

However, in pursuing the favoured equalisation policies we must remain vigilant in rewarding clubs for individual effort and endeavor. There is a fine balance needed here.

Taking a national view of football is also fundamental to our decision to dispose of Waverley Park.

The Commission understands the views of people in the south-eastern suburbs of Melbourne who want to retain the stadium as an AFL venue, but when one considers the projected value of the property the fundamental question arises as to what long term benefits could flow to our game nationally if we could invest more substantially in its future?

The Commission has a wide range of challenges ahead. To this end the AFL Commission started to update its strategic plans with the work being headed by a team consisting of our CEO Wayne Jackson, AFL



1998 AFL COMMISSION: BACK ROW (L-R): DAVID SHAW, CRAIG KIMBERLEY, COLIN CARTER, TERRY O'CONNOR. FRONT ROW (L-R): BILL KELTY, WAYNE JACKSON (CEO), RON EVANS (CHAIRMAN), GRAEME SAMUEL.





**PASSION:** THE SYDNEY SWANS HAS DEVELOPED A PASSIONATE SUPPORTER BASE, AND A CLOSED MEMBERSHIP – JUST OVER 32,000 IN 1998, FROM 3000 IN 1992 – IN A VERY SHORT TIME IN SYDNEY. THE AFL STRATEGY IS TO EXTEND THAT RELATIONSHIP TO THE GRASS ROOTS, DEVELOPMENT LEVEL ACROSS NSW AND THE ACT.

Commissioner, Colin Carter, our Corporate Affairs and Communications Manager, Tony Peek and Finance Manager, Kevin Lehmann, and consultant Andrew Catterall.

Strategic papers are being considered by the AFL Commission on issues including gate sharing, State of Origin football, the potential for international development of our game and money in football, its sources and areas of expenditure.

A wide range of issues are on our agenda as this process continues in 1999 including broadcast rights, junior development, our vision for the AFL game and the principles by which we manage it.

We are reviewing our future from a position of great strength relative to the position our game found itself in ten years ago.

I was honored to become Chairman of the AFL Commission last year when one of the icons of our game, John Kennedy, retired from the position and I would like to take this opportunity to thank all Commissioners, for their support and commitment to Australian football. In particular I would acknowledge the role Wayne Jackson and his administration team have played throughout this year.

### **Ron Evans**

CHAIRMAN, AFL COMMISSION

### **THE COMMISSION'S BRIEF**

**F**ollowing are the five key principles by which the AFL Commission manages the game.

- Firstly, we take a national view of football, not simply an expanded VFL view. The AFL competition emerged from the VFL and a Victorian focus was inevitable given this beginning. However, the Commission is of the view that football followers throughout Australia are of equal importance.
- Secondly, we adopt equalisation rather than survival of the fittest for competition health. The evenness of the current competition results from the draft, salary cap and financial equalisation strategies being pursued by the AFL and the Commission is convinced these strategies are broadly correct.
- Thirdly, we see the AFL as both keeper of the code and manager of the national competition. Our obvious responsibility is to the national competition, but the AFL accepts responsibility for development of the game, feeder structures and the overall health of the code.
- Fourthly, we see the AFL as a generator of income but not a banker to the clubs. It is not appropriate to guarantee club debts – to do this would destroy financial disciplines at club level.
- Finally, we seek commercial sponsorships rather than adopt user pays admission prices. Sponsorships will often appear to be controversial, but the fact is that our low attendance prices are only possible because of sponsorships.





## CHIEF EXECUTIVE'S REPORT

### ATTENDANCES, MEMBERSHIPS, REVENUES GROW IN ANOTHER RECORD-BREAKING YEAR

**A**ll major stakeholders in the AFL game – our AFL clubs, players, administrators, the football public, the media and our corporate partners – should be well satisfied with our competition's health after another record-breaking year.

For everyone involved in the administration of the AFL game, there is little, if any, time to celebrate because a new season and a host of challenges and opportunities face us as we move towards the new millennium.

All of our key performance indicators remained strong and healthy during 1998 – in fact, they have never been more impressive.

Total attendances at official AFL matches reached 7,023,153 people, the first time we have passed the 7 million mark. That total was made up as follows:

- Coca-Cola AFL premiership season, 6,119,164 (the first time we have attracted more than 6 million spectators to the 22 rounds of premiership matches).
- Coca-Cola AFL finals series, 572,733.
- Coca-Cola AFL State of Origin, 32, 181.
- Ansett Australia Cup, 299,075 (a new record for that competition, beating the previous mark of 297,410 established in 1997).

AFL club memberships reached a new record total of 422,815 in 1998, the first time our clubs have signed up more than 400,000 members in a season. This total beat the previous record of 382,345 set in 1997 and was also the twelfth successive season in which club membership reached a new high.

Our television audiences on the Seven Network remained very strong as did our radio audiences and our game enjoyed extensive coverage from all sections of the media throughout Australia.

Retail sales of AFL licensed product reached \$110 million in 1998, re-inforcing

the AFL brand as the most popular licensed sports apparel in Australia.

Importantly, overall participation in grass roots football increased.

The long term strategies adopted by the AFL Commission during the 1980s – including the draft, salary cap and equalising key competition revenue streams (such as broadcast rights, AFL corporate sponsorship and licensing) – have helped create an environment in which all clubs can compete.

Most of the positions in the final eight were again not determined until the last round of matches and hence public interest was maintained throughout the 22 rounds.

A number of major strategic decisions by the AFL Commission were implemented during 1998.

**T**he AFL finalised a new five year Collective Bargaining Agreement with the AFL Players' Association during September. We believe this agreement sets a benchmark for other sporting codes when dealing with their athletes.

Importantly, we believe the final outcome represents a win for the AFL and AFLPA and largely came about because both organisations recognised the need to work together to grow the game so that the players and all other stakeholders continue to benefit from their involvement in AFL football.

In 1999, total player payments will be \$68 million, up from \$63 million in 1998 and representing an increase of \$310,000 per club on average. In 1990, total player payments were \$22 million.

While player payments were obviously a major item for discussion, the AFL and AFLPA also reached agreement on the important issue of player welfare. Fundamental to these welfare programs will be the establishment of a fund to cover the retirement, education and training of players.

During the term of the agreement, it is estimated that up to \$25 million will be available to the fund of which the AFL will contribute \$3 million in 1999.

An important step towards developing the AFL game as a truly national code came in May, 1998, when the New South Wales-Australian Capital Territory Task Force report into the development of the game in the region was released.

Progressing the AFL game as a national code or sport is one of the AFL Commission's key strategic objectives and we certainly share the Task Force's vision that our game can be a mainstream sport in the region within 10-20 years.

During 1999, we expect to appoint a Task Force to review the development of the AFL game in Queensland.

The reason our focus is on the northern states is because they represent the greatest potential for long term growth in participation in the AFL game.

That does not mean we will be developing the north at the expense of mature football markets such as Victoria, Western Australia and South Australia, states at the forefront of the national competition. Tasmania, too, is being strongly supported financially.

We will have to continue to invest in those areas but the importance of the northern states is highlighted by the fact that they represent more than half of Australia's population with growth rates which exceed the national average.

Our presence in the northern states through the Sydney Swans and Brisbane Lions is worth at least \$7 million to \$10 million per year to the AFL competition through broadcast rights, corporate sponsorship and individual club sponsorships. That value can only increase with further growth in the north which will ultimately benefit all AFL clubs.





IN THE CHAIR: AFL Chief Executive Wayne Jackson chairs most significant AFL events, including the Coca-Cola AFL National Draft. 1998 has been a year of growth in all areas of AFL business.

A further stage in the expansion of the AFL game in Sydney came when the AFL Commission accepted a proposal from the North Melbourne Football Club to play games in that city for the next five years including five in the 1999 and 2000 seasons and six games from 2001-2003.

The Kangaroos' games in Sydney at the SCG during 1999 will be as follows:

- April 17, Sydney v. Kangaroos
- April 24, Kangaroos v. St Kilda
- June 12, Kangaroos v. West Coast Eagles
- July 17, Kangaroos v. Geelong
- August 7, Kangaroos v. Sydney

The Kangaroos will play 13 games at the MCG, two at Waverley Park and play Fremantle at Subiaco Oval and Adelaide at Football Park to complete their 22 matches in 1999.

As part of our agreement with the Kangaroos to play matches in Sydney, the AFL Commission has agreed to underwrite those games to a maximum of \$500,000 in 1999 and 2000 and to a maximum of \$600,000 for

six games during the period 2001-2003 inclusive. The AFL will also provide \$150,000 to the Kangaroos to assist the club in the development of the AFL game in New South Wales.

We also believe it is important the matches are well marketed and promoted to continue the positive momentum of the AFL game in Sydney which has flourished in recent years as a result of the on and off field success of the Sydney Swans.

**A**nother important component of our game's future in Sydney is Stadium Australia, the \$625 million focal point for the Sydney Olympics at Homebush which will be officially opened in June this year.

We are negotiating a hiring agreement to play AFL matches at Homebush after the Sydney Olympics, from 2001. In 1997, the AFL Commission agreed to loan Stadium Australia \$500,000 in each of the 1997-98 and 1998-99 financial years so that the

stadium could be re-designed to allow AFL matches to be played at the venue.

In November, 1997, we also announced an agreement with Stadium Australia to play a minimum of six AFL matches per year for 10 years at Homebush from 2001, subject to a hiring agreement being negotiated.

While Stadium Australia is being built as the main stadium for the Sydney Olympics, substantial investment is being made at other AFL venues around Australia, including:

- \$425 million Docklands Stadium on the western fringe of Melbourne's central business district.
- \$40 million on upgrading the 'Gabba, home of the Brisbane Lions, which will bring the capacity of that stadium to 40,000 seats by the year 2000.
- \$35 million on the final stage of development of Subiaco Oval in Perth. This will also be completed in the year 2000, giving the stadium a capacity of 44,000 seats.



When you consider the \$625 million cost of Stadium Australia, AFL matches will be played at venues where more than \$1.1 billion is currently being invested by a combination of private enterprise and government.

Providing first class facilities for our spectators is fundamental to the AFL Commission's objective of maintaining and building the mass attendances which AFL matches enjoy and the investment which is

The unencumbered freehold title at Docklands will be purchased by the AFL for \$30 million, payable in December, 2000. The title to Docklands Stadium will become the AFL's after 25 years at which time the property and business will revert to the AFL. In effect, we are transferring the AFL's equity from Waverley Park to Docklands Stadium.

In August, 1998, the AFL Commission received a report it commissioned into

The AFL Commission believes such a decision is not about where AFL games are played during the next few years but is about the next 50 years or more and having the potential to invest substantially in our game's long term future is a once in a lifetime opportunity.

The Victorian Government and a number of local councils in the south-eastern suburbs of Melbourne have indicated they want Waverley Park retained. None of the councils is prepared to invest in Waverley Park to retain the stadium while the Victorian Government was prepared to contribute less than half the estimated value of the property.

We are also very conscious of the agreements we have with the St Kilda and Hawthorn Football Clubs to use Waverley Park as the venue for their home games. Agreements are also in place with other parties concerning the stadium but the AFL Commission is confident of resolving these matters satisfactorily during the next year or so.

St Kilda has subsequently decided to play its home games at Docklands and the MCG.

Importantly, there was overall growth in participation in grass roots football during 1998. The AFL Commission again made a substantial investment in grants for junior football of \$7.5 million compared to \$6.5 million in 1997.

Total expenditure on national junior development for the AFL game in 1998 was \$9 million after taking into account various forms of sponsorship for specific programs compared to \$8.2 million in 1997.

During 1998, the total number of participants in Australian football grew to 448,410 players compared to 428,870 in 1997, an increase of 4.6 per cent. We recognise and express appreciation to the many thousands of volunteers for their contribution to the running of grass roots football – without them the health of our game would be nowhere near what it is today.

Our corporate partners are also fundamental to our game and the AFL Commission's philosophy of keeping



THE GREATEST: A HIGHLIGHT OF THE ENTERTAINMENT BEFORE THE 1998 COCA-COLA AFL GRAND FINAL WAS THE APPEARANCE OF THE FORMER WORLD BOXING CHAMPION MUHAMMED ALI.

currently being made in stadia is an exciting step in our game's long term future.

It is also in line with the AFL Commission's policy of maximising the use and quality for fans of a limited number of stadia. The cost of building new stadia, or re-developing existing venues, is massive and can only be economically viable when the use of those grounds is shared.

Waverley Park has obviously been another item high on our agenda this past year.

The AFL Commission has confirmed its decision to sell the stadium, in line with its announcement in March, 1997, that agreement had been reached with the Melbourne Docklands Authority for the AFL to acquire in 25 years the unencumbered freehold title to Docklands Stadium. At the time of that announcement, we indicated AFL matches were unlikely to be played at Waverley Park after Docklands Stadium opened.

Waverley Park by Arthur Andersen Real Estate Services.

That report detailed 12 different options for the future use of Waverley Park, ranging from retaining the stadium in its current form and developing excess land to demolishing the stadium infrastructure, retaining the ground for community football and developing the entire site during a period of 5-8 years primarily for residential use, but also for some other commercial and community purposes.

The report concluded that this latter option could return the AFL up to \$85 million (net present value).

Given that value, the AFL Commission was faced with the fundamental question of keeping \$85 million tied up in a stadium for one club to use as a home ground or realising that asset and investing the proceeds in the long term future of the AFL game for the benefit of all clubs and fans Australia-wide.



admission prices among the lowest in the world for any major sporting competition.

On behalf of the AFL Commission, I would like to thank our major corporate partners for their continuing support of the AFL game:

- Coca-Cola, the AFL's major naming rights sponsor.
- Seven Network, exclusive TV rights holder.
- Ansett Australia.
- Carlton and United Breweries.
- McDonald's.
- Norwich Union Financial Services Group.

In the past year, we welcomed Cadbury as a corporate supporter through its sponsorship of the AFL Mark of the Year and News Limited as a national media partner. Both have been valuable additions to our game.

Of course, the focus of our attention was the great athletes who play at AFL level, and hearty congratulations are due to the Adelaide Football Club on winning its second successive AFL premiership and adding to the exceptional record of the club's coach, Malcolm Blight, as a player and coach in South Australia and Victoria.

Adelaide joined select company by winning back to back premierships because only four other clubs have achieved that feat since 1960 – Richmond, 1973-1974; Carlton, 1981-1982; Essendon, 1984-1985 and Hawthorn, 1988-1989.

In finishing as runners-up, North Melbourne reinforced its reputation as the most consistent on-field performer during the 1990s while the Western Bulldogs reached the preliminary final for the second successive year.

Under new coach Neale Daniher, Melbourne added a great deal of interest to the 1998 season by climbing from last position in 1997 to fourth in 1998 and will no doubt be aiming higher in 1999.

In closing, I would like to congratulate each AFL staff member and everyone associated with our AFL clubs for their contribution to what has been another record-breaking season.

## Wayne Jackson

CHIEF EXECUTIVE OFFICER

## 1998 AT A GLANCE

Attendances at official AFL matches totalled 7,023,153, reinforcing the AFL competition's status as Australia's most popular spectator sport.

The Ansett Australia Cup covered new ground in 1998, with matches in Cape Town (South Africa), and Wellington (New Zealand).

The AFL and AFLPA concluded a new five year Collective Bargaining Agreement, the result of both organisations recognising the need to work together to grow the game for the benefit of all stakeholders.

**A report by the New South Wales-Australian Capital Territory Task Force into the development of the game in the region was released. Subsequently, the AFL (NSW-ACT) Commission was appointed by the AFL Commission.**

North Melbourne reached agreement with the AFL Commission to play some of its



FACING THE PRESS: AFL CHIEF EXECUTIVE OFFICER, WAYNE JACKSON, AND THE LEADERSHIP OF THE AUSTRALIAN TEAM MEET THE PRESS IN DUBLIN BEFORE THE INTERNATIONAL RULES SERIES IN OCTOBER, 1998. (L-R, JACKSON, ROBERT HARVEY, LEIGH MATTHEWS (COACH), WAYNE CAREY (CAPTAIN), JIM STYNES.

games each year for the next five years in Sydney, starting in 1999.

**Adelaide became the fifth club since 1960 to win back to back flags by defeating North Melbourne in the Coca-Cola AFL Grand Final.**

St Kilda champion on-baller, Robert Harvey, became only the sixth player to win successive Brownlow Medals.

**Sydney champion full forward, Tony Lockett, won the Coleman Medal for the fourth time and also kicked more than 100 goals for the sixth time in his illustrious career.**

The late Gordon Coventry was inducted as a Legend of the Game.

**International Rules matches against Ireland were revived, with matches by the AIS-AFL Academy and All-Australian Squad against Ireland.**

New members of the Australian Football Hall of Fame were named. They are: Terry Daniher, South Melbourne and Essendon; former North Adelaide captain and premiership coach, the late Ken Farmer; dual Geelong premiership captain, Fred Flanagan; Fitzroy premiership player and 1950 Brownlow Medallist, Allan Ruthven; former East Fremantle ruckman, the late Jack Clarke and former Collingwood captain and 1972 Brownlow Medallist, Len Thompson.

**Work continued on schedule at the \$425 million Docklands Stadium in Melbourne. The stadium will be completed in time for the AFL season in the year 2000.**

AFL football remained Australia's leading sports television property with cumulative audiences each week of between 4 million and 5 million people in the mainland capital cities.

**All sections of the media provided a high level of coverage of the competition in all markets.**

Two Coca-Cola AFL finals were played in Sydney for the second time.

**Retail sales of AFL licensed product reached \$110 million, re-inforcing its position as Australia's leading licensed sports brand.**

Participation in grass roots football continued to grow as the AFL invested \$7.5 million in direct grants for junior football. After taking into account various forms of sponsorship for specific programs, total expenditure on national junior development was \$9 million.

**Revised rules covering racial and religious vilification, an anti-doping code and the establishment of an Appeal Board attached to the AFL Tribunal were adopted by the AFL Commission.**





## FINANCE

### RECORD BREAKING YEAR LIFTS DISTRIBUTION TO CLUBS

**I**n 1998, the AFL made payments totalling more than \$36 million to the 16 clubs; this compared to \$32.815 million in 1997. The 1997 season also saw each club receive a one-off payment from the AFL of \$500,000 from the sale to the Seven Network for the right to bid last for the AFL's free to air television rights after 2001. The right to bid last was sold by the AFL to the Seven Network for \$20 million.

Total AFL revenue in 1998 was \$92.420 million with major income sources being corporate sponsorship, broadcast rights, the Ansett Australia Cup, Football Record, licensing, AFL membership and the Coca-Cola AFL finals series.

Each club received a distribution of \$1.870 million from the AFL in 1998, \$50,000 per club higher than originally forecast due to the past season being a record breaking one for the competition.

In 1999, the AFL has budgeted for the distribution to increase by \$350,000 per club to a total of \$2.220 million largely as a result of increased broadcast rights revenue in 1999. The preliminary forecast for the year 2000 indicates that the AFL distribution per club will be \$2.420 million. See table 1

The distribution from the AFL is the major component of payments to AFL clubs with other elements being revenue from club support packages in AFL membership, match contributions and prizemoney.

In 1998, \$2.569 million was paid to AFL clubs from club support packages taken out by AFL members who nominate a specific club when they renew their membership. The AFL pays the club membership or season ticket component to each club. Some \$2.354 million was paid to AFL clubs in 1997 from club support packages.

Match contributions relate to money paid into the gate by the AFL each time an AFL member attends a match at the MCG, Waverley Park or Optus Oval. In 1998, match contributions totalled \$2.142 million compared to \$1.799 million in 1997.

Total payments by the AFL to clubs in 1998 are set out in table 2.

Since 1993, total AFL revenue has increased from \$48.879 to \$92.420 million in 1998, an annual average increase of 13.6 per cent.

For the same period, expenses have risen from \$21.760 million in 1993 to \$42.421 million in 1998 – an annual average increase of 15.3 per cent.

The operating surplus from the AFL has increased from \$27.116 million in 1993 to \$47.999 million in 1998 – an annual average increase of 12.1 per cent.

Total payments to AFL clubs have increased from \$21.467 million in 1993 to \$36.019 million in 1998 – an annual average increase of 10.9 per cent

Preliminary forecasts indicate that AFL revenue will grow to \$105.817 million in 2001 while the annual distribution is forecast to grow to a total of \$41.920 million in 2001.

This forecast would provide the AFL with revenue growth of an annual average increase of 10.1 per cent for the period 1993-2001 and growth in the distribution to AFL clubs of an annual average of 10.9 per cent for the same period. AFL operating expenses will increase by an annual average of 7 per cent.

**Table 1 Club Distribution History**





**Table 2 1998 Payments to Clubs \$**

	DISTRIBUTION	CLUB SUPPORT	MATCH CONTRIBUTION	PRIZEMONEY	TOTAL
Collingwood	1,870,000	515,259	251,988	12,500	2,649,747
Essendon	1,870,000	423,501	310,855	75,000	2,679,356
Carlton	1,870,000	364,608	200,640	12,500	2,447,748
Richmond	1,870,000	227,721	200,593	12,500	2,310,814
Geelong	1,870,000	217,128	134,546	12,500	2,234,174
North Melbourne	1,870,000	133,878	147,566	270,000	2,421,444
Hawthorn	1,870,000	145,257	130,637	12,500	2,158,394
St Kilda	1,870,000	177,537	184,502	170,000	2,402,039
Melbourne	1,870,000	126,393	160,542	175,000	2,331,935
Western Bulldogs	1,870,000	76,959	141,717	130,000	2,218,676
Brisbane Lions	1,870,000	52,218	47,398	45,000	2,014,616
Sydney	1,870,000	52,143	70,770	102,500	2,095,413
Adelaide	1,870,000	38,625	37,487	245,000	2,191,112
Port Adelaide	1,870,000	7,335	39,336	12,500	1,929,171
West Coast Eagles	1,870,000	8,832	43,780	75,000	1,997,612
Fremantle	1,870,000	1,218	39,823	12,500	1,923,541
<b>Total</b>	<b>29,920,000</b>	<b>2,568,612</b>	<b>2,142,180</b>	<b>1,375,000</b>	<b>36,005,792</b>

**Table 3 Actuals - Six Year Summary**

	1993 ACTUALS \$M	1994 ACTUALS \$M	1995 ACTUALS \$M	1996 ACTUALS \$M	1997 ACTUALS \$M	1998 ACTUALS \$M	ANNUAL AVERAGE INCREASE
<b>A. OPERATING SURPLUS</b>							
Revenue	48.879	57.519	68.058	74.246	82.941	92.420	13.6
Expenses	21.760	24.902	31.653	34.691	38.589	44.421	15.3
Operating Surplus (A)	27.116	32.617	36.405	39.555	44.352	47.999	12.1
<b>B. DISTRIBUTIONS/ALLOCATIONS TO CLUBS</b>							
Annual Distribution	18.325	21.024	22.426	23.680	27.200	29.920	10.3
Club Support Package	1.011	1.477	1.752	2.068	2.354	2.569	
Match Contribution	1.405	1.587	1.831	2.051	1.799	2.142	
Prizemoney	0.726	1.089	1.243	1.321	1.355	1.375	
Compensation Fremantle Players			0.093	0.107	0.107	0.013	
Total Distributions/Allocations (B)	21.467	25.177	27.345	29.227	32.815	36.019	10.9
<b>C. GRANTS &amp; GROUND IMPROVEMENTS</b>							
Development & Umpiring Grants	3.592	4.191	4.860	5.566	6.534	8.617	
Development/Promotional Grants	1.017	1.065	1.540	1.136	1.065	0.853	
Ground Improvements	1.011	0.710	0.805	0.143	2.039	0.388	
Total Grants & Ground Improvements (C)	5.620	5.966	7.205	6.845	9.638	9.858	
<b>D. Total Payments (B+C)</b>	<b>27.087</b>	<b>31.143</b>	<b>34.550</b>	<b>36.072</b>	<b>42.453</b>	<b>45.877</b>	
Unallocated Profit (A-D)	0.029	1.474	1.855	3.483	1.899	2.122	

For comparison purposes the above does not include: \* Licence fees for Fremantle and Port Adelaide \* Centenary season, nett \* Last rights TV revenue, nett

\*Merger expenses, Brisbane Lions/Fitzroy.





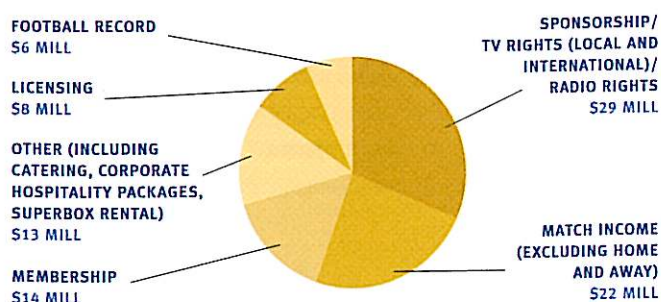
## Club Revenue Streams

Since 1991, club revenue streams which are directly influenced by AFL Commission strategies have risen substantially, from \$29 million in 1991 to more than \$75 million in 1998. Club revenue streams in this category are:

	\$M 1991	\$M 1998
AFL distributions	6.159	29.920
Club support package	0	2.569
Club membership	8.607	30.400
Net gate receipts	4.248	12.866
<b>TOTAL</b>	<b>29.014</b>	<b>75.755</b>

## AFL Revenue & Expenditure

Revenue 1998: \$92.420 mill



## Expenditure

Administration expenditure totalled \$44m in 1998 and key expenditure items included:

	\$M
Club/team travel	3.034
Club/team accommodation	0.597
Advertising and promotion:	
– Ansett Cup & Grand Final	1.265
– National Campaign	1.160
– Match day attendance	0.578
Bank Charges	0.211
Corporate hospitality packages (servicing costs)	1.100
Computer expenses	0.183
Consultants	0.378
Depreciation	1.812
Drug code operations	0.152
Finals - MCG ground rental	1.827
Finals - other MCG expenses	1.260
Finals match expenses (Ansett Cup and Final Series)	0.470
Football Record distribution/publication	1.717
General expenses	0.228
Insurance	
– General	0.240
– Player related	0.161
International T.V.	0.827
Legal fees	0.821

	\$M
Market Research/survey	0.236
Match day catering	0.378
Match expenses Ansett Cup and Final Series	0.166
Matrix Screen expenses	0.127
On field policy expenses	0.294
Players' Association licensing fees	0.750
Postage	0.222
Printing – AFL Membership	0.471
Printing – Football Record	2.267
Printing – other	0.610
Property expenses:	
▶ Rent, including use of Great Southern Stand by AFL Members	1.509
▶ Electricity, gas, rates, taxes, other	0.687
▶ Repairs and maintenance	0.395
Salaries	
▶ Staff	3.539
▶ Ground/match day	0.134
▶ Umpires (Ansett Cup and Final Series)	0.544
Payroll tax, workcover, FBT	1.018
Superannuation	0.349
Signage	0.320
Trade marks and patents	0.254
Travel and accommodation, general	0.586
Telephones	0.297
Tribunal	0.185
Uniforms and equipment	0.108

## Key Disbursements

Total central administration costs amounted to \$44 million leaving an operating surplus of \$48 million and from that surplus, the following payments were made:

	\$
Payments to Clubs:	
Annual distribution	29,920,000
Club support package	2,569,000
Match day contributions	2,142,000
Prizemoney	1,375,000
Compensation – Fremantle players	13,000
<b>TOTAL PAYMENTS TO CLUBS</b>	<b>36,019,000</b>
Other payments:	
Junior football & Umpire development grants	8,617,000
Media/marketing support Brisbane	253,000
Media/marketing support Sydney	600,000
Ground rationalisation	388,000
<b>TOTAL OTHER PAYMENTS</b>	<b>9,858,000</b>



## CORPORATE AFFAIRS & STRATEGIC PLANNING

### PROCESSES IN PLACE TO DEVELOP POLICIES FOR THE NEW MILLENNIUM

**D**uring the next 12 months, the AFL Commission will address a number of major issues as it prepares new strategic plans to take the game into the new millennium.

As outlined elsewhere in this Report, the AFL Commission has already considered papers on Gate Sharing, State of Origin football, Revenue Sources and Expenditure related to the AFL competition and International Development of the game.

Several of these reports have been referred to AFL clubs for comment and will be finally considered by the AFL Commission during the early months of 1999.

In the past year, the AFL promoted Communications Manager, Tony Peek, to the role of Corporate Affairs and Communications Manager with responsibilities to work with all levels of the AFL administration to develop and co-ordinate the AFL's strategic plans. Peek reports to AFL Chief Executive Officer, Wayne Jackson.

AFL Commissioner, Colin Carter is working with the AFL administration to develop our new strategy. Carter, a senior Vice President with The Boston Consulting Group, also played a major role in the development of the VFL's 1983 strategic plan and in the AFL's 1994 plan.



NEW JOB: AFL MEDIA AND COMMUNICATIONS MANAGER, TONY PEEK, TOOK ON NEW RESPONSIBILITIES IN 1998, AND IS NOW RESPONSIBLE FOR THE AFL'S CORPORATE PLANNING.

In addition, Andrew Catterall, a consultant with Boston Consulting, has been seconded to the AFL to be part of our administration's strategy planning team along with Finance and Administration Manager, Kevin Lehmann.

The AFL Commission believes the planning process is starting at a time when the game is in a position of great strength, unlike the early 1980's when several clubs were technically bankrupt and key indicators such as attendances, club memberships, corporate support and television audiences were in decline. Since 1987, the first year of the national competition, we have enjoyed:

- Growth in club membership and attendances.
- Increased quality of the AFL game.
- Growth in television audiences.
- Unity in the AFL game, particularly when compared to other sports.
- Growth in income for players.
- Establishment of the AFL game in Sydney and Brisbane.
- Introduction of the AFL sports traineeship program.

In moving forward, the AFL Commission also believes that:

- The AFL game should be affordable to families.
- The AFL game is a developing national code and should increasingly be so.
- Players should receive a fair share of the financial benefits from the AFL game.
- Professional standards must be adhered to in the administration of the AFL game.
- The AFL should adopt standards in areas such as racial and religious vilification, discrimination, equal opportunity and training which lead, and help shape, the community.

A number of challenges face us, including:

- Nurturing grass roots football throughout



NEXT GENERATION: A SIGNIFICANT PART OF THE AFL'S FORWARD PLANNING INCLUDES THE CONSTRUCTION OF A DETAILED PLAN TO ENSURE THE NEXT GENERATION IS WELL CATERED FOR, AND A POWERFUL JUNIOR DEVELOPMENT POLICY IS DEVELOPED.

New South Wales, the Australian Capital Territory and Queensland.

- Maintaining the AFL game in other parts of Australia, particularly Tasmania.
- Establishing a premier competition in Victoria.
- Continuing to build relationships with our key stakeholders – players, supporters, umpires, administrators, clubs and State bodies.

Some of the major strategic issues on the AFL Commission's agenda in 1999 include:

- Vision for the future.
- Reviewing the principles by which the AFL Commission manages the competition and the game.
- AFL code development in NSW, ACT and Queensland particularly.
- Junior Development
- Television - new technology, potential future rights agreements, assessing overseas trends.
- The equalisation issue for Club revenues.
- Strengthening the Victorian structure





OVERSEAS TOUR: THE ANSETT AUSTRALIA CUP WAS PLAYED INTERNATIONALLY FOR THE FIRST TIME IN 1998, WITH MATCHES BETWEEN BRISBANE LIONS AND FREMANTLE (CAPE TOWN, SOUTH AFRICA, ABOVE), AND MELBOURNE AND SYDNEY SWANS (WELLINGTON, NZ).

## AFL MARKETING

### RELATIONS WITH MAJOR SPONSORS ENHANCED WITH FAN-BASED MARKETING INITIATIVES

**T**he AFL's relationship with its major sponsors continued to grow during 1998 with major joint initiatives creating new exposures for sponsors and the AFL brand.

Coca-Cola, the AFL's corporate sponsor, was particularly active, with fan based promotions drawing large responses. Coca-Cola's major national AFL promotion – the Coca-Cola Ultimate End of Season AFL Tour, was a great success with more than 67,000 entries received for one of 20 trips to either Northern Europe, North America, South America, Asia or the UK.

As part of their naming rights sponsorship of the AFL Grand Final, Coca-Cola produced two giant fan walls (mobile billboards) to enable fans to commit personal messages of support to the 1998 Grand Finalists, North Melbourne and Adelaide. These billboards were taken all through Melbourne and Adelaide in Grand Final week, with the skins on the billboard replaced on three occasions – this equates to 216 square metres of signatures and messages!

These promotions were supported by press, radio and TV commercials, and are indicative of the value added relationships possible.

Ansett Australia renewed its travel contract and Ansett Australia Cup agreement until 2003. This has been a successful relationship for both parties, with attendances and profile growing in each year of the partnership. During 1999, this relationship will extend to include a major campaign driving club memberships.

Cadbury joined the AFL 'family' of sponsors in 1998, as the sponsor of the inaugural Cadbury AFL Mark of the Year award, won by Kangaroos' Winston Abraham. The Cadbury AFL Mark of the Year award was part of a series of connected marketing promotions initiated by Cadbury, in conjunction with the AFL. The first year of Cadbury's relationship proved an outstanding success for the chocolate maker and marketer:

- the 15 gm Cadbury Dairy Milk Bars with AFL team branding saw a 50 per cent increase in sales since AFL branding was included on the wrappers.
- All standard Cadbury products which included the Classic Grab Trading Cards (produced by AFL Licensee, Select Australia) have increased in sales by 15 per cent.



- The 250 gm Cadbury All Star Block, which included coaching tips on the reverse side of the outer wrapper, was the biggest selling product in terms of royalties to the AFL.

McDonald's Auskick continued to grow, with registrations increasing in all states but Queensland. McDonald's rights to branding on the AFL's game ball gave the company great exposure, and in 1998 McDonald's took its relationship further, with sales of a special edition of the AFL Football Record throughout its restaurants in Victoria, South Australia and Tasmania. McDonald's, the official Restaurant of the AFL, created several successful promotions around this connection, and has substantial plans to grow this relationship in 1999.

Foster's has renewed, for another two years, as naming rights sponsors of weekly AFL highlights shown on television around the world. As part of its promotion, Foster's conducted a \$1 million major bar promotion in the United States, in August–September featuring the AFL.

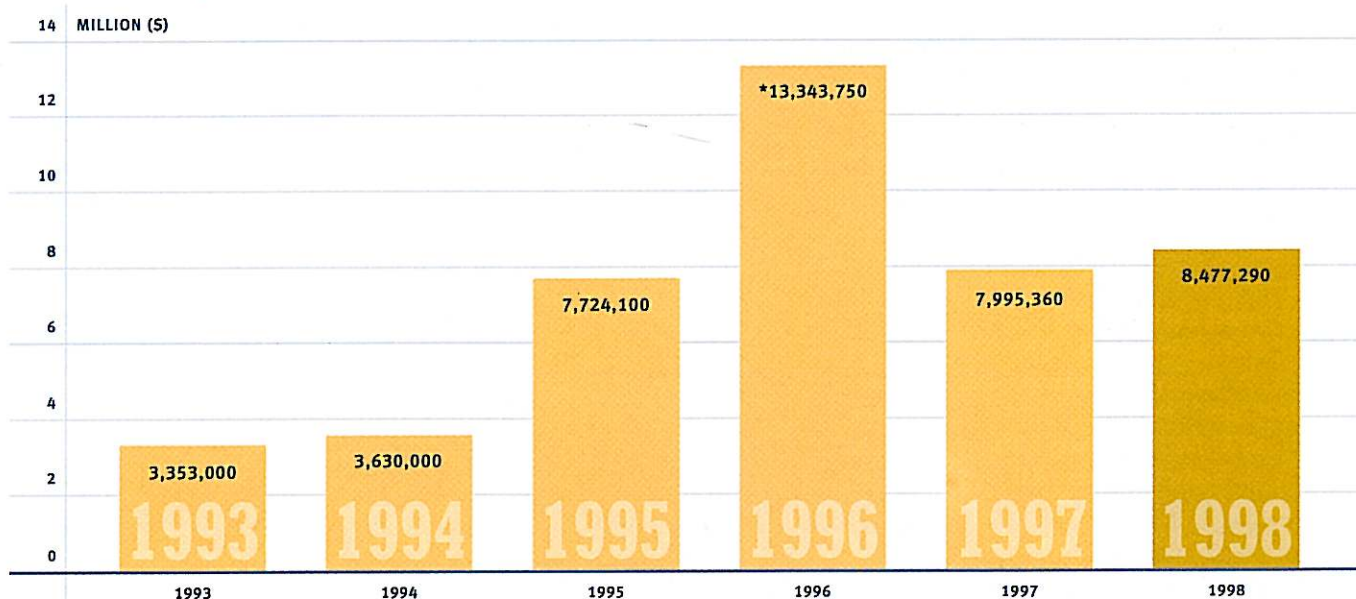
AFL returned to free to air TV in the UK in 1998 (channel 5), and on Gaelic language broadcaster TnaG throughout Ireland; distribution was made through the US on Fox, and live games were shown in New Zealand on new free to air network Prime TV during September.

The 1997 Coca-Cola AFL Finals Series was announced as the winner of the Major Festivals and Special Events category in the 1998 Ansett Australia Victorian Tourism Awards, the second time the AFL has been successful in this category. This success qualified the Finals Series for automatic entry into the National Tourism awards. Again the AFL was the winner, ahead of such events as the Sydney Gay and Lesbian Mardi Gras, The Australian Masters Games, the Darwin Cup Carnival, Agfest and others.



**SPONSORS INVOLVED:** STRONG LINKS HAVE BEEN FORGED BETWEEN THE AFL AND ITS MAJOR SPONSORS, AND THESE SPONSORS HAVE CREATED SEVERAL MARKETING CAMPAIGNS INVOLVING FANS, CLUBS AND THE AFL GAME. THE AFL'S CORPORATE SPONSOR, COCA-COLA CREATED SEVERAL HUGE SUCCESSFUL CONCEPTS IN 1998, INCLUDING GIANT BILLBOARDS IN MELBOURNE AND ADELAIDE IN GRAND FINAL WEEK.

### Growth in Sponsorship Revenue 1993-1998



\* Please note \$4,340,000 of this total was sponsorship specifically for AFL Centenary events.



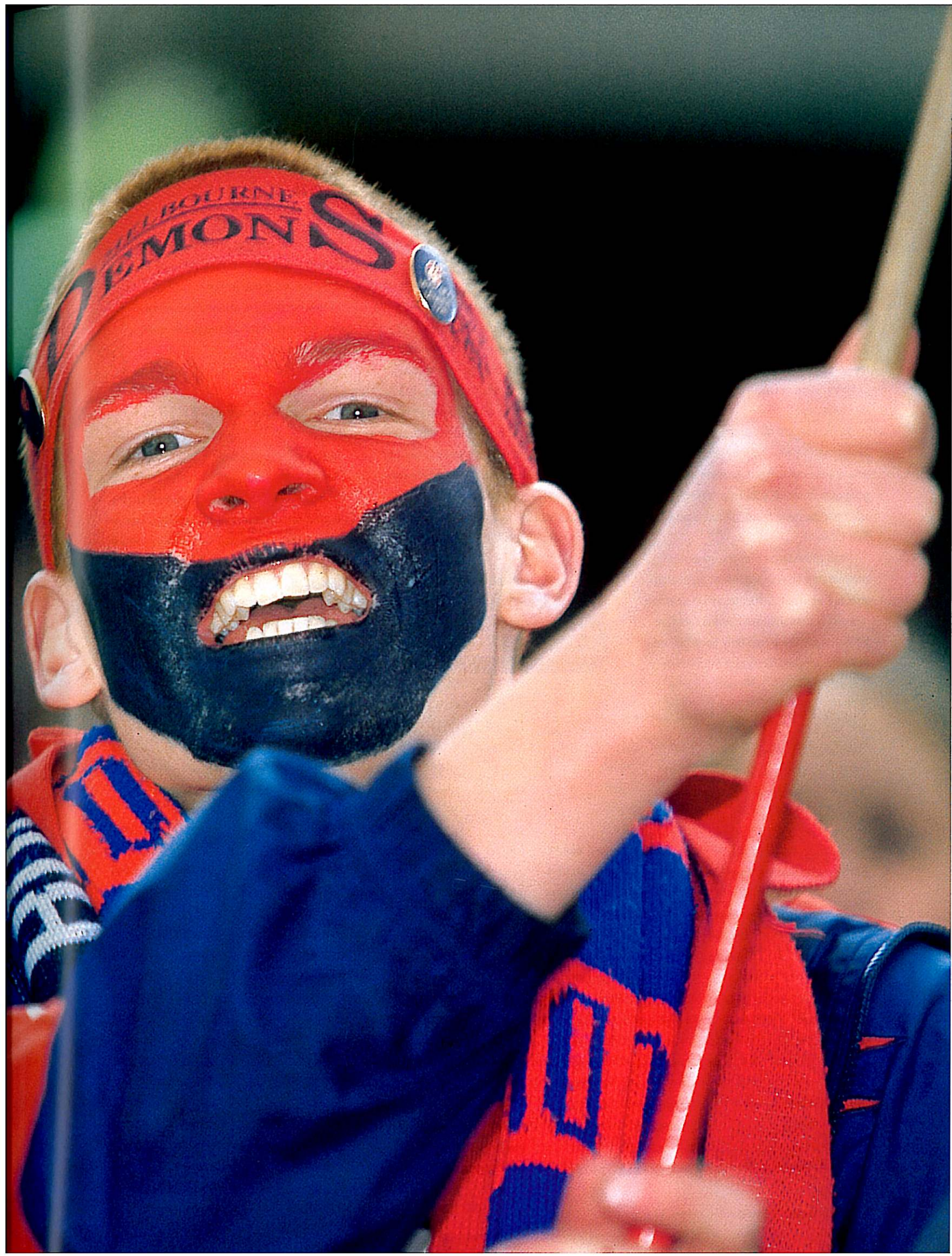


## **Indicators**

<b>Attendances</b>	<b>30</b>
<b>Club Membership</b>	<b>32</b>
<b>AFL Membership</b>	<b>34</b>
<b>Sponsors</b>	<b>36</b>
<b>AFL Licensing</b>	<b>38</b>
<b>AFL &amp; Television</b>	<b>40</b>
<b>Media</b>	<b>41</b>
<b>Market Research</b>	<b>42</b>
<b>Total Player Payments</b>	<b>44</b>
<b>Publications</b>	<b>46</b>
<b>Technology</b>	<b>47</b>

FAN-FARE: THE PASSION ENGENDERED BY THE AFL GAME IS WELL REPRESENTED BY THIS YOUNG MELBOURNE FAN. DEMONS' SUPPORTERS HAD PLENTY TO CHEER ABOUT IN 1998 AS THEIR CLUB CAME FROM LAST IN 1997, TO THE PRELIMINARY FINAL (LOSING TO THE EVENTUAL PREMIER, ADELAIDE).









## ATTENDANCES

### TOTAL ATTENDANCE BREAKS SEVEN MILLION BARRIER

**M**ore than 7 million people attended official AFL matches during 1998, the first time that mark has been passed. The total – 7,023,153 – covers Coca-Cola AFL premiership matches, Coca-Cola AFL finals series, Coca-Cola AFL State of Origin and the Ansett Australia Cup.

The Coca-Cola AFL premiership season also created a new all time record for total attendances of 6,119,164, beating the previous record of 5,842,591 established in 1997 and passing the 6 million mark for the first time.

Total attendances for the 1998 AFL premiership season represent an average of 278,144 per round. The growth in spectator interest is demonstrated by the fact that before 1992, there had only been six rounds in the history of the competition which

attracted an aggregate crowd of more than 200,000 people.

In 1997, 200,000 people or more attended each round of the premiership season for the first time and that continued during 1998.

A new attendance record for a single round was also established in 1998 when 366,509 people attended round 22. The previous record for a single round of 329,369 was set in the opening round of 1997.

In Victoria, the average attendance per game during the premiership season was 38,016. This is the highest average in the last four decades as the following average figures per game in Victoria indicate:

YEAR	AVERAGE CROWD PER GAME
1955	21,677
1965	23,616
1975	20,661
1998	38,016

The national average attendance per game in 1998 was 34,757 compared to an average of 33,197 per game in 1997.

New records for attendances were also set in 11 of the 22 rounds in 1998, as follows:

#### Round Records 1998

	1998	PREVIOUS
Round 2	268,647	259,424, (1996)
Round 5	295,426	278,707, (1997)
Round 8	287,611	276,671, (1996)
Round 11	332,294	296,857, (1997)
Round 12	258,720	245,334, (1996)
Round 15	278,697	267,913, (1997)
Round 16	295,079	265,949, (1997)
Round 18	278,685	275,685, (1997)
Round 20	262,061	245,515, (1997)
Round 21	321,869	313,444, (1996)
Round 22	366,509	283,188, (1996)

#### Total 1998 AFL Attendances

	1998	1997	MOVEMENT
Coca-Cola AFL premiership season	6,119,164	5,842,591	+4.73%
Coca-Cola AFL finals series	572,733	560,406	+2.20%
Ansett Australia Cup	299,075	297,410	+0.56%
Coca-Cola AFL State of Origin	32,181	57,390	-43.93%

#### Attendances by Venue

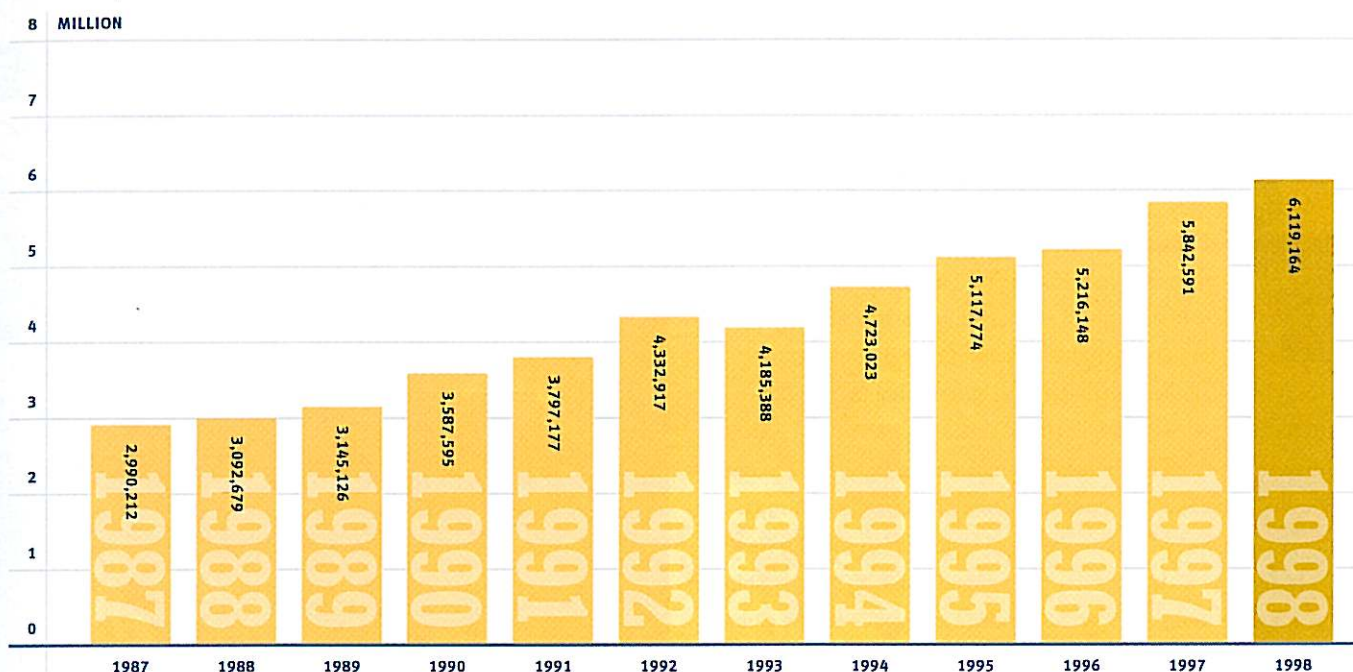
VENUE	1998 NO OF GAMES	ATTENDANCE	AVERAGE	1997 NO OF GAMES	ATTENDANCE	AVERAGE
Waverley Park	26	898,269	34,549	22	743,732	33,806
Kardinia Park	9	209,767	23,307	9	191,417	21,269
MCG	55	2,617,182	47,585	53	2,304,865	43,488
Optus Oval	17	371,859	21,874	22	457,182	20,781
Victoria Park	2	46,481	23,241	3	73,419	24,473
Whitten Oval	0	0	0	1	26,704	26,704
SCG	11	347,034	31,549	11	393,999	35,818
Gabba	11	183,424	16,675	11	215,051	19,550
WACA/Subiaco	22	630,337	28,652	22	600,202	27,282
Football Park	22	803,490	36,522	22	836,020	38,001
Manuka Oval	1	11,321	11,321	0	0	0
<b>TOTAL</b>	<b>176</b>	<b>6,119,164</b>	<b>34,757</b>	<b>176</b>	<b>5,842,591</b>	<b>33,197</b>

#### Home Game Attendance by Club

CLUB	1998	1997
Adelaide	453,696	441,905
Brisbane Lions	183,424	215,051
Carlton	358,971	369,972
Collingwood	543,391	535,789
Essendon	603,830	581,330
Fremantle	254,143	241,801
Geelong	312,078	311,657
Hawthorn	353,902	356,179
Kangaroos	393,703	357,725
Melbourne	440,931	304,853
Port Adelaide	349,794	394,115
Richmond	487,377	379,670
St Kilda	398,543	387,553
Sydney	347,034	393,999
West Coast Eagles	376,194	358,401
Western Bulldogs	262,153	212,681



## Premiership Season Attendance Comparison 1987-1998



## AFL Round by Round Attendances

ROUND	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
1	131,518	149,176	173,267	171,981	143,060	128,644	193,352	205,863	240,721	290,856	329,369	268,409
2	128,032	123,102	142,962	188,396	172,029	176,073	181,532	234,291	164,893	259,424	231,707	265,543
3	129,954	142,301	160,381	199,052	151,053	138,028	231,887	173,489	238,880	172,136	296,994	264,833
4	154,019	148,524	173,275	126,795	152,644	201,790	168,930	209,402	291,321	204,069	316,244	285,649
5	152,690	166,631	140,619	206,236	152,112	206,207	153,511	238,933	207,982	254,141	278,707	295,240
6	144,966	155,118	197,022	171,188	193,592	240,507	265,108	106,500	233,733	206,705	242,690	253,179
7	170,694	130,344	135,709	161,652	149,014	159,803	136,876	183,636	237,722	305,573	237,494	283,374
8	124,314	134,056	156,816	156,299	138,094	202,054	206,107	177,972	235,925	276,671	266,359	288,182
9	152,951	142,720	169,332	149,652	153,516	165,647	173,047	228,981	244,246	227,781	254,764	235,452
10	130,806	143,297	175,227	154,732	191,445	178,986	173,539	227,221	239,367	270,954	249,839	255,322
11	169,570	161,710	175,828	193,937	127,579	173,740	219,134	153,027	277,416	193,117	296,852	332,211
12	120,785	114,830	135,655	165,204	171,849	234,819	171,233	229,445	227,845	245,334	220,828	259,091
13	96,933	131,274	97,353	162,876	156,486	136,843	176,505	167,885	185,376	225,012	261,336	241,730
14	119,729	143,481	120,447	136,613	171,774	207,199	179,935	175,572	281,450	268,432	282,401	265,255
15	142,015	123,752	134,657	182,245	159,178	166,958	227,083	195,778	223,742	203,636	267,913	280,958
16	97,893	174,640	137,229	124,375	169,713	155,325	216,730	179,142	213,076	227,895	265,949	294,974
17	148,806	119,445	120,065	161,988	118,606	162,461	206,355	236,038	203,656	223,686	252,738	245,701
18	123,643	119,597	119,720	143,675	155,806	165,724	207,336	212,308	229,548	174,148	275,685	277,889
19	136,119	116,357	111,094	172,319	162,432	232,385	137,422	158,792	241,206	156,604	276,689	268,029
20	123,225	159,946	122,808	167,115	155,211	154,507	177,100	188,855	220,230	233,342	245,514	262,308
21	133,074	133,722	106,661	115,282	162,861	179,226	191,894	206,644	214,314	313,444	223,400	327,861
22	158,476	158,656	138,999	175,983	163,318	174,585	190,772	213,046	265,125	283,188	269,119	367,974
23					154,794	204,780		191,810				
24					171,011	186,634		228,393				
TOTAL	2,990,212	3,092,679	3,145,126	3,587,595	3,797,177	4,332,925	4,185,388	4,723,023	5,117,774	5,216,148	5,842,591	6,119,164





## CLUB MEMBERSHIP

### MEMBERSHIP HAS GROWN 1000% SINCE NATIONAL COMPETITION BEGAN

**F**or the twelfth successive season, a new AFL club membership record was set in 1998.

Total AFL club membership reached 422,815 on June 15, 1998, the cut-off date by which club members are eligible to purchase finals tickets should their club reach the finals.

This is the first time club memberships have passed the 400,000 mark and compares to the previous record of 382,345 set in 1997.

In 1987, the first year of national expansion which saw the West Coast Eagles and Brisbane enter the competition, club membership stood at 71,238 and generated \$2.8 million in revenue for the clubs.

Club membership revenue reached \$30.4 million in 1998 compared to \$26.4 million in 1997 and \$18.934 million in 1996. The increase from 1987 to 1998 represents an increase in the order of 1000 per cent – 10.86 times. All such revenue is retained by the clubs.

Adelaide topped the club membership table for the seventh successive season with a total of 41,985, closely followed by Port Adelaide – 38,305 – and the West Coast Eagles – 37,496.

Sydney, which in 1992 had the lowest number of club members with a total of 3,020, was fourth on the club membership table for 1998 with a total of 31,089, the first time the club has passed the 30,000 mark. Such a response meant that the Swans had to close their membership, as the capacity of the SCG was reached.

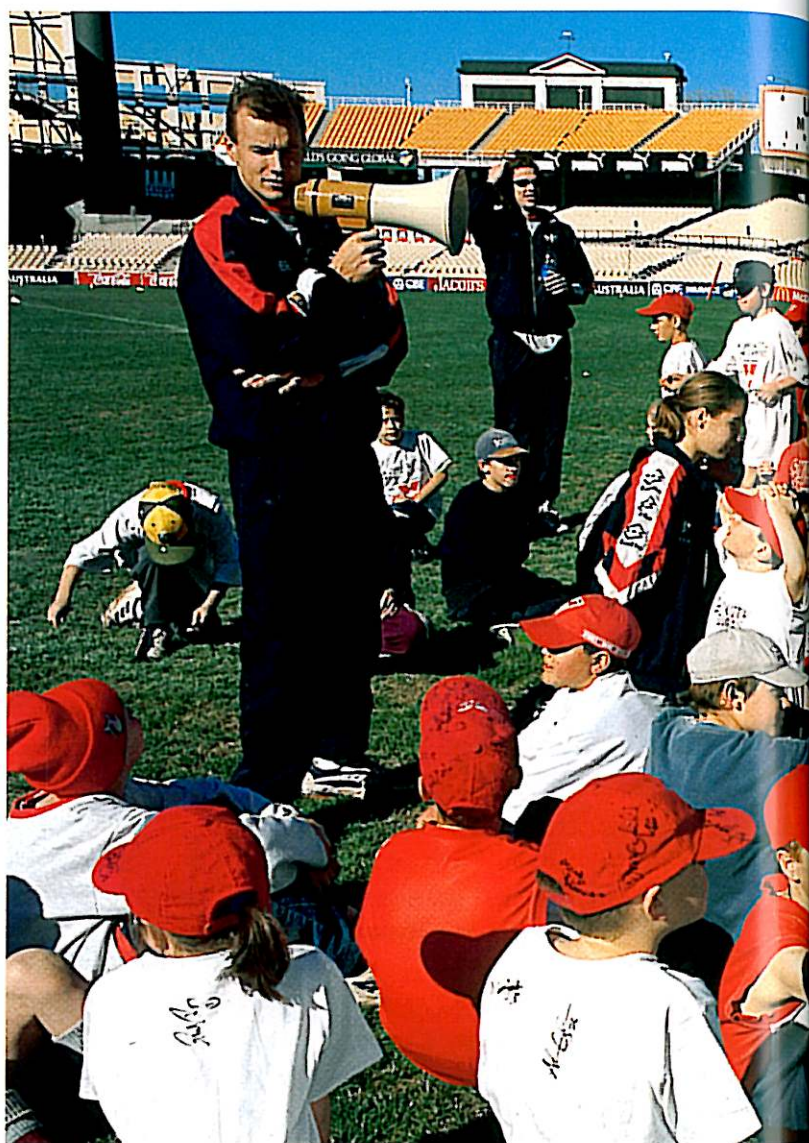
Of the Victorian based clubs, Hawthorn now has the largest membership base with 27,649 closely followed by Collingwood and Essendon which each had approximately 27,000 members. Hawthorn had a spectacular increase in membership in 1997, rising to 27,005 compared to 12,484 in 1996.

Kangaroos, St Kilda and the Western Bulldogs all saw their membership exceed 20,000 for the first time in their history. The Kangaroos have steadily increased their base from 6,083 in 1992 to 20,196 in 1998, while the Western Bulldogs saw their membership grow from 15,054 in 1997 to 20,064 this year. In 1992, the Bulldogs had a total of 9,311 members.

#### 1998 AFL CLUB MEMBERSHIP (By City)

Melbourne	235,646
Adelaide	80,290
Perth	59,682
Sydney	31,089
Brisbane	16,108
<b>TOTAL</b>	<b>422,815</b>

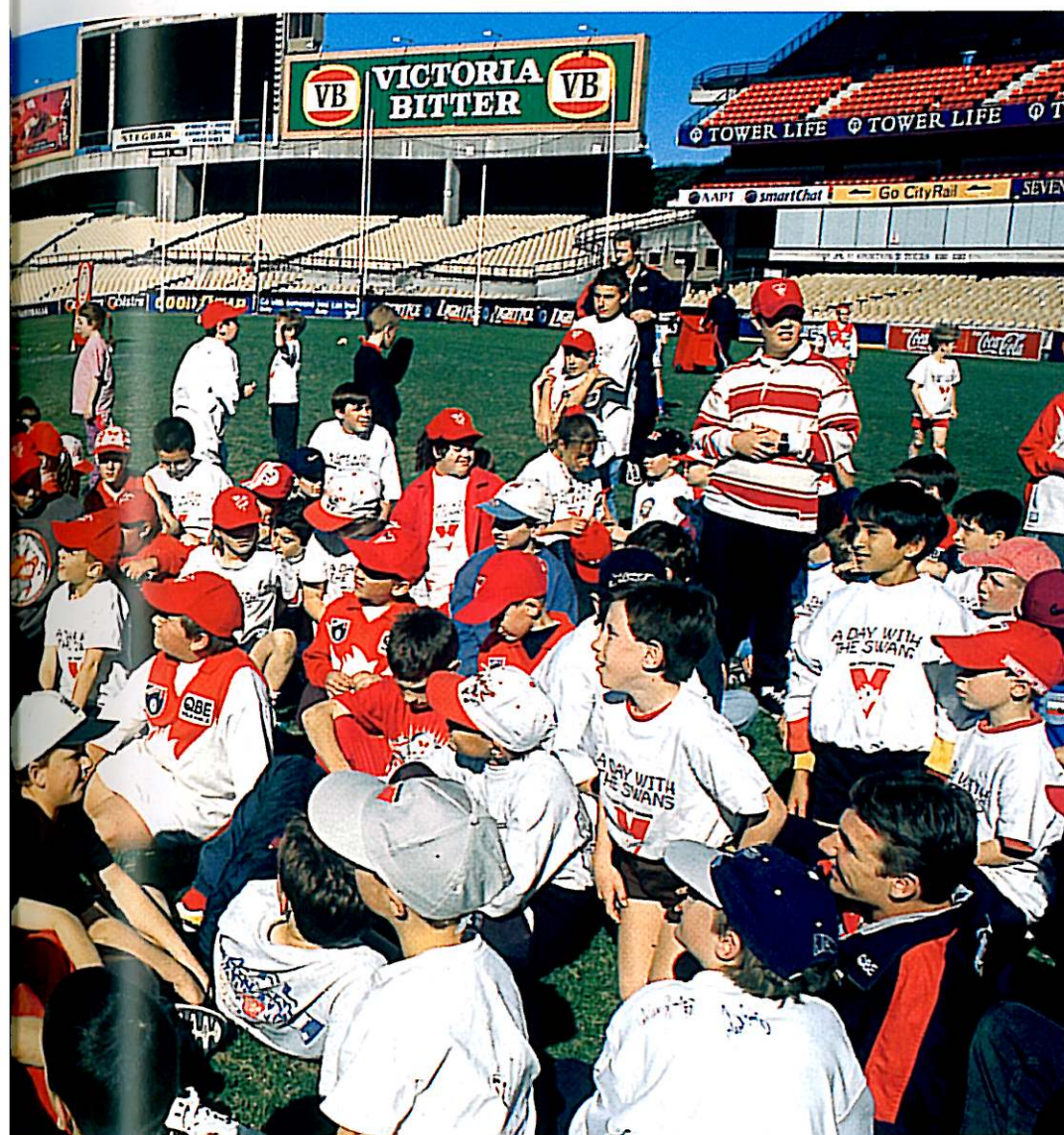
In 1995, St Kilda's membership totalled 8,870 but improved on-field performance since then has seen the club's tally climb to 23,204 in 1998.



#### 1998 AFL Club Membership (As at 15th June, 1998)

CLUB	ADULTS	CONCESSIONS	JUNIORS	TOTAL MEMBERS
Adelaide	36,671	3,032	2,282	41,985
Brisbane Lions	12,964	1,457	1,687	16,108
Carlton	16,458	3,961	4,983	25,402
Collingwood	17,712	3,084	6,303	27,099
Essendon	17,627	3,425	6,047	27,099
Fremantle	16,099	1,211	4,876	22,186
Geelong	13,151	3,244	3,576	19,971
Hawthorn	18,224	3,106	6,319	27,649
Kangaroos	14,496	2,379	3,321	20,196
Melbourne	12,582	1,750	3,538	17,870
Port Adelaide	33,593	2,162	2,550	38,305
Richmond	19,127	2,555	5,410	27,092
St Kilda	16,180	2,202	4,822	23,204
Sydney	23,792	2,877	4,420	31,089
West Coast	29,179	3,658	4,659	37,496
Western Bulldogs	13,095	2,434	4,535	20,064
<b>TOTAL</b>	<b>310,950</b>	<b>42,537</b>	<b>69,328</b>	<b>422,815</b>





**SWANS ON A ROLL:** SYDNEY HAS SHOWN INCREDIBLE GROWTH IN MEMBERSHIP, RISING FROM JUST OVER 3000 IN 1992, TO JUST OVER 31,000 IN 1998. THE CLUB HAS MADE CONCERTED EFFORTS TO LINK WITH ALL PARTS OF ITS SUPPORTER BASE, AND REGULARLY CONDUCTS CLINICS WITH JUNIORS AT THE SCG.

### SCG CAPACITY LIMITS SWANS MEMBERSHIP

**W**hile most AFL clubs have enjoyed spectacular membership growth, the Sydney Swans position in 1998 could not be more of a contrast to the position the club held in 1992.

Back then, the Swans had just 3020 members but in 1998, club membership passed the 30,000 mark for the first time, forcing Sydney's to close its books for Sydney based members at a total of 26,000.

The club's decision to cap its Sydney based membership was due to the capacity of the SCG being 42,000 which includes an SCG members' reserve of 10,000 seats, reducing the SCG capacity for Swans members and general admission ticket purchasers to 32,000. While the Swans believed they could have sold the ground out exclusively to members, they wanted to keep at least 6000 general admission tickets available for each match to give as many people as possible the opportunity to see an AFL game live.

Apart from their Sydney-based membership, the Swans also have about 5000 members living in Melbourne and plan to build on that number during the next few seasons.

Other clubs who have enjoyed substantial membership growth since 1992 include Carlton, Hawthorn, St Kilda and the Western Bulldogs who have all doubled their membership in that period while Essendon, the Kangaroos and Richmond have more than trebled their membership.



### Club Membership Totals 1992-1998

1998 RANKING, CLUB	1992	1993	1994	1995	1996	1997	1998
1 Adelaide	38,673	40,100	40,611	41,645	42,283	41,395	41,985
16 Brisbane Lions	5,401	5,750	6,158	6,893	10,267	16,769	16,108
9 Carlton	12,354	14,445	18,308	18,032	23,276	24,984	25,402
7 Collingwood	18,921	21,882	20,843	22,543	20,752	22,761	27,099
8 Essendon	10,034	11,546	19,720	23,833	24,324	28,063	27,099
- Fitzroy	5,177	6,853	8,164	8,806	7,628	-	-
11 Fremantle	-	-	-	18,456	19,622	19,949	22,186
14 Geelong	13,535	15,500	14,312	15,922	17,346	18,858	19,971
5 Hawthorn	12,368	11,388	11,245	12,728	12,484	27,005	27,649
15 Melbourne	8,681	10,097	10,648	9,544	12,964	15,336	17,870
12 North Melbourne	6,083	6,851	10,296	14,027	14,438	19,368	20,196
2 Port Adelaide	-	-	-	-	-	35,809	38,305
6 Richmond	8,158	9,918	8,229	14,647	20,308	24,975	27,092
10 St Kilda	11,650	12,956	12,009	8,870	14,375	16,610	23,204
4 Sydney	3,020	3,097	3,327	6,088	9,525	22,109	31,089
3 West Coast	23,902	25,779	24,265	26,821	26,663	33,286	37,496
13 Western Bulldogs	9,311	11,478	9,339	12,212	10,650	15,054	20,064





## AFL MEMBERSHIP

### CAPACITY IS REACHED, BUT STILL THE WAITING LIST GROWS

**A**FL Membership is currently at capacity and a waiting list exists. People joining the waiting list after 30th September 1998 should be offered Restricted Membership in the year 2000. Members purchasing a Restricted Membership package for the first time in 1999 have a wait of approximately 15-20 years until an offer of Full Membership will be made.

The number of babies placed on the AFL Membership waiting list at birth continues to increase. People now realise that these children have the benefit of being six years closer to Full Membership in the year that they turn seven years and are offered Restricted Membership for the first time.

In 1998 there were 52,034 members comprising 34,505 Full Members and 17,442 Restricted Members. From these figures 35,808 purchased a Club Support Package, 10,839 a Competition package, 5,300 Absentee and 87 Tom Wills Coterie.

Diagram 1 shows the increase in AFL Membership numbers from 1970 through to 1998.

#### Club Support v Competition Package

The Club Support Package continues to grow in popularity. Club Support Packages increased from 34,535 in 1997 to 35,808 in 1998 a 3.7% increase. AFL Members progressively understand the benefits that Club Support offers to them and their nominated club. For each AFL Member in the adult and concession category who purchases a club support package the nominated club receives the equivalent season ticket money. This package allows members to support their chosen team while also reaping the benefits offered by AFL membership.

Diagram 2 provides a breakdown of Club Support Packages by club.

#### Grand Final Reserved Seats

The 1998 Coca-Cola AFL Grand Final was a totally reserved seated event in the AFL Members Reserve. In previous years AFL Members were not required to reserve a seat – this was considered inconsistent with the wish to maximise attendance at the game.

All AFL Members were advised that a compulsory reserved seating system would be introduced for the Grand Final from 1998 onwards. Reserved seats were on sale for three days to AFL Full Members and the remaining seats were sold to Restricted Members with a Club Support Package for Adelaide or North Melbourne.

The outcome of the reserved seat system was extremely positive. Not only did the reserved seating system ensure that the seating was managed efficiently but members also had the assurance of a seat without the need to queue overnight or from the early hours of Grand Final morning.

#### Tom Wills Coterie

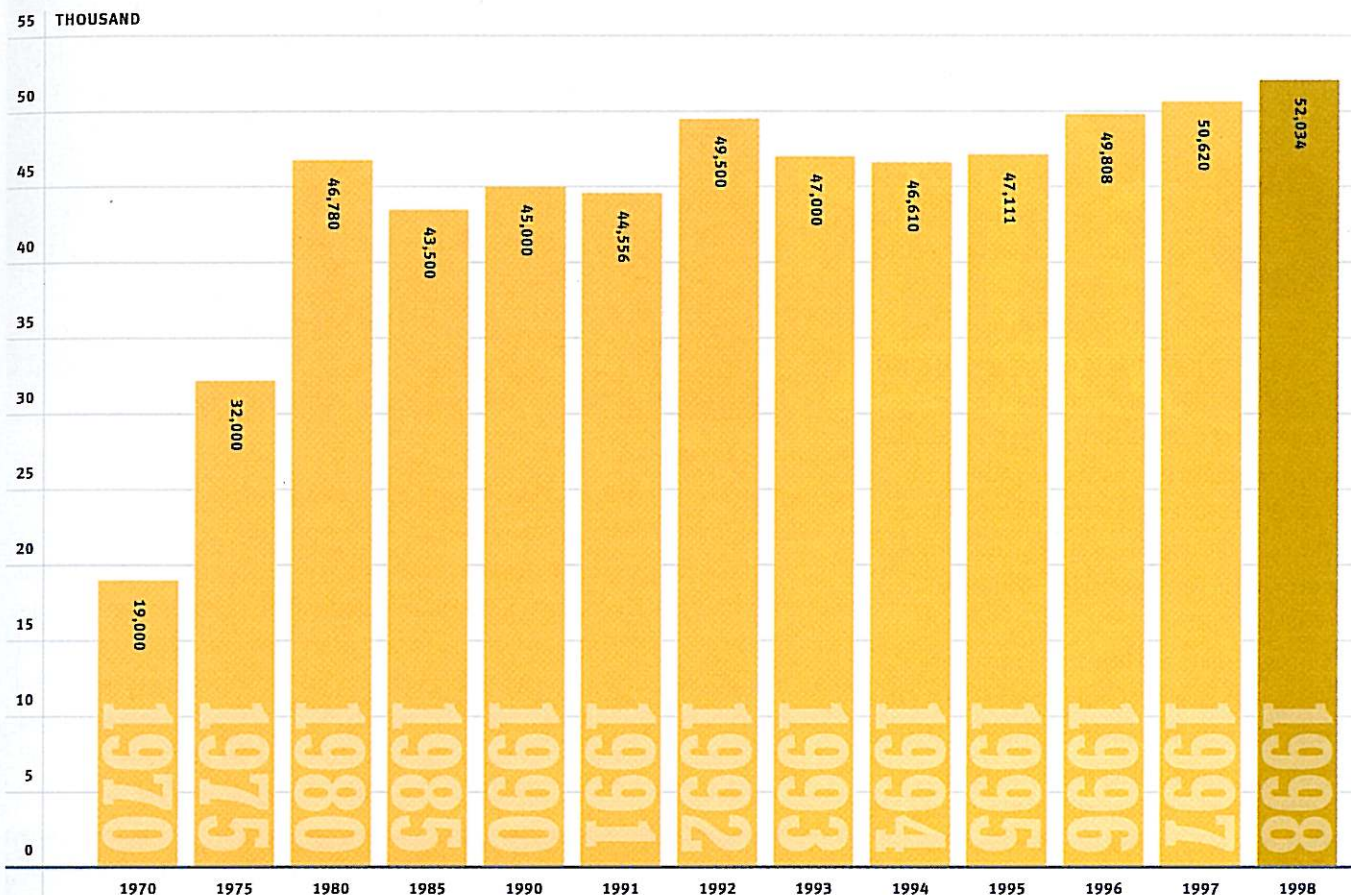
The Tom Wills Coterie was established before the commencement of the 1998 season. The Coterie is strictly limited to 90 packages. Members of this coterie have access to all games played at the MCG and Waverley Park, including finals, dining facilities in the Tom Wills Dining Room, prime reserved seating on level 2 of the Southern Stand plus other additional benefits.



BEST SEATS: AFL MEMBERS HAVE THE BEST VIEW OF THE COCA-COLA AFL GRAND FINAL IN PRIME POSITIONS IN THE GREAT SOUTHERN STAND.



**Diagram 1 - AFL Membership Numbers 1970 - 1998**



**Diagram 2 - 1998 Club Support Table**

The Club Support package continued to grow in popularity with many members opting to nominate a club as opposed to the Competition package. Full and Restricted Members in 1998:

CLUB	FULL MEMBERSHIP	RESTRICTED MEMBERSHIP	MEMBERS	INCOME	% OF TOTAL CLUB SUPPORT MEMBERS
Adelaide	167	393	560	\$38,625.00	1.5%
Brisbane Lions	265	465	730	\$52,218.00	2.1%
Carlton	2843	2196	5,039	\$364,608.00	14.2%
Collingwood	4655	2407	7,062	\$515,298.00	20.1%
Essendon	3965	2196	6,161	\$423,627.00	16.5%
Fremantle	5	9	14	\$1,218.00	0.1%
Geelong	1599	1434	3,033	\$217,128.00	8.5%
Hawthorn	1483	573	2,056	\$145,335.00	5.6%
Kangaroos	855	944	1,799	\$133,917.00	5.2%
Melbourne	1406	487	1,893	\$126,393.00	5.0%
Port Adelaide	37	64	101	\$7,335.00	0.3%
Richmond	1655	1403	3,058	\$227,799.00	8.9%
St Kilda	1660	801	2,461	\$177,489.00	6.9%
Sydney	409	271	680	\$52,143.00	2.0%
West Coast Eagles	60	68	128	\$8,832.00	0.3%
Western Bulldogs	627	406	1,033	\$76,959.00	3.0%
<b>TOTAL</b>			<b>35,808</b>	<b>\$2,568,924.00</b>	

### 1998 Membership Figures

PACKAGES		% OF TOTAL MEMBERSHIP
<b>CLUB SUPPORT PACKAGE</b>		
Full Members	21,668	41.6%
Restricted Members	14,140	27.2%
<b>COMPETITION PACKAGE</b>		
Full Members	8,962	17.2%
Restricted Members -	1,877	3.6%
<b>ABSENTEE</b>		
Full Members	3,875	7.4%
Restricted Members	1,425	2.7%
Tom Wills Coterie	87	0.2%
<b>TOTAL</b>	<b>52,034</b>	





## SPONSORS

### SPONSORSHIPS KEEP PRICES LOW

**G**rowth in popularity of the AFL game would not be possible without the considerable support of our major corporate partners.

Apart from the direct contribution to the AFL, corporate support extends to each of our AFL clubs and has also been a major component in the development of facilities such as the Great Southern Stand, new venues such as Stadium Australia at Homebush in Sydney and Melbourne's Docklands Stadium and the upgrade of other stadia such as Subiaco Oval in Perth, Adelaide's Football Park and the Gabba in Brisbane.

Corporate suites and boxes, while occupying a relatively small number of seats compared to the total capacity of the stadia at which we play, are a significant revenue source for all major venue managers.

Such outcomes are very much in line with the AFL Commission's policy of seeking corporate sponsorships rather than having user pays admission prices.

In 1998, the general admission price for an adult to attend an AFL match was \$13, (concession \$7) while children under 15 paid \$2 for entry. Adult club membership cost \$87 for entry to 11 games; children could purchase a squadron 11 game ticket for \$13 (11 games) or a squadron 22 game ticket for \$25 (22 games). These are among the lowest prices in the world for any major sports competition.

Recognising the contribution of our major corporate partners in which all AFL clubs ultimately share through the AFL's annual distribution, the AFL Commission has rules in place which prevent clubs from entering into any major sponsorship agreements involving exposure on the playing uniform and/or ground signage which might conflict with the AFL's major sponsors.

Protection of corporate sponsors is also an important component in the collective bargaining agreement between the AFL and AFL Players' Association.

Through the successful marketing conducted by our clubs, many of Australia's leading companies, including several international brands, are major sponsors at club level.

## AFL CORPORATE PARTNERS



### Coca-Cola

Coca-Cola joined the AFL in 1995 as its major corporate sponsor and is contracted until the year 2001.

Coca-Cola's sponsorship includes naming rights to the Coca-Cola AFL premiership season, Coca-Cola AFL State of Origin, Coca-Cola AFL finals series, Brownlow Medal, Coca-Cola AFL All-Australian team and the AFL national recruit draft.

Each year, Coca-Cola supports its sponsorship with a major consumer sales promotion and via its state-based bottler system, also supports most AFL clubs. The consumer promotions have included the Coca-Cola AFL auction in 1997 and in 1998, the chance for fans to win the world's biggest footy trip.



### Seven Network

Seven has held the exclusive television rights to the AFL since 1988 and the current agreement, which covers free to air and pay television, runs until the year 2001.

Seven has broadcast AFL/VFL football every year except one since the first telecasts of the game started in 1957. In 1987, when the rights were held by Broadcom, Seven did not broadcast the competition.

In September, 1997, Seven secured the right to bid last for the AFL's free to air television rights for 2002 for a fee and associated sponsorship package of \$20 million and also agreed to underpin the amount the AFL will receive for its free to air rights from 2002.

For the 1998 season, Seven was a partner in a joint venture with News Limited to provide the AFL's official web site, afl.com.au. This highly professional site was among the top five most visited in Australia during the year.





### **Carlton and United Breweries**

CUB has been a major support sponsor of the AFL since 1995 and before that was the AFL's major naming rights sponsor.

The 1998 season saw CUB take an increased role through sponsorship of the AFL's international television program in the United States of America through its Foster's brand, an agreement which has been extended by another two years.

CUB also has individual sponsorship arrangements with most clubs, and is the joint major sponsor of the Brisbane Lions.



### **McDonald's**

McDonald's has completed its third year as the major sponsor of the national junior development program, McDonald's Auskick. This program is administered on behalf of the AFL by the Australian Football Foundation.

The sponsorship includes McDonald's Little League and Grid games played at half time during all AFL matches as well as rights to the match day football. McDonald's is contracted to the AFL until the year 2000.



### **Ansett Australia**

As the AFL's official carrier since November 1989, Ansett Australia provides all team travel for AFL matches. In 1998, this agreement was renewed until 2003 inclusive.

The company has also sponsored the Ansett Australia Cup since 1995, an agreement which runs until 2003 inclusive.



### **Norwich Union Financial Services Group**

In just six seasons, the Norwich Union AFL Rising Star Award, which recognises the best young player in the competition, has become a feature of the AFL calendar. Winners have been Nathan Buckley, Chris Scott, Nick Holland, Ben Cousins, Michael Wilson and in 1998, Byron Pickett from the Kangaroos.

Norwich Union is contracted until the year 2000 inclusive.





## AFL LICENSING

### GROWTH IN SALES, EXPOSURE, PENETRATION AND BRAND AWARENESS ALL REACH NEW HIGHS

**T**he Licensing Department's objective is to become the number two revenue and profit source (behind television income) for the AFL in future years. This is important as it reflects the health of not only the competition, but the AFL as a business. If the AFL is able to generate significant revenue streams from its core assets (i.e. our intellectual property) it will ensure we are able to own and leverage the key elements of the game for generations to come. This will underpin our financial stability, return to clubs, and enhance development of the game.

We are moving into the next phase of the AFL's history. AFL Licensing remains focused on developing the AFL as the number one brand in the sports entertainment business in this country. This next phase of growth will be notable for the emphasis placed on the AFL brands and controlling and managing those brands as would any other successful organisation.

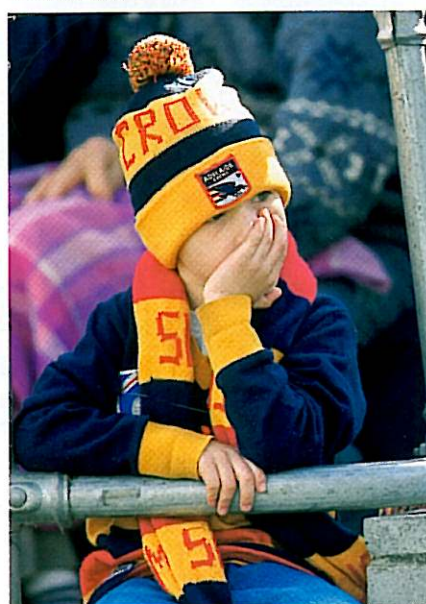
The elements of the AFL Licensing Department's five year plan will develop both our core business as well as seeking expanded business opportunities. Ten areas have been identified for us to focus on within this time frame. They are:

- New South Wales & Queensland
- Children aged 0-9
- Retail
- Synergies across all AFL commercial areas
- Events
- Christmas & Summer
- Women
- Sales Promotions
- Training & Education
- International

The AFL Licensing Department again saw its licensees record significant sales growth in 1998, despite adverse retail and commercial



'HEAD TO TOE IN AFL': THE AFL BRAND HAS GROWN ITS PRESENCE IN ALL MARKETS, REPRESENTING THE PASSIONATE INVOLVEMENT OF ITS FANS IN CLUBS, AND THE AFL GAME.



factors. The range, promotional activity, and retail presence were all indicative of the acceptance of the AFL brand as a sales advantage in the marketplace.

For the last decade, in particular the last 5 years, AFL Licensing has continued to set records year after year in revenue and profitability. This year AFL Licensing will

return a combined revenue directly and indirectly in excess of \$1 million to certain AFL clubs. The figure of over \$110 million (estimated) worth of combined retail sales positions the AFL as a leader in the licensing business in this country.

This success will lead the AFL to develop new strategies to grow business and exposure opportunities for its partners. The AFL will become more active in these areas, as it continues to seek double digit growth figures.

#### Consumer Products

This season for the first time AFL Licensing was proud to say that we could outfit every member of the family from head to toe – including underwear! Our core business grew significantly. 140,000 scarves sold compared to 90,000 in 1997; 10 per cent more childrens' guernseys sold in 1998 than 1997.

New product development has been focused into the core areas as well as new business opportunities. New product has provided strong revenues. New computer games ('AFL '98' was the number one selling PC game for Christmas), and a tasty range of chocolate confectionery from Cadbury in conjunction with their AFL 'Mark of the Year' sponsorship (setting sales records for existing Cadbury chocolate ranges) have been outstanding performers.

#### Sales Promotions

This area remains an opportunity for success for the AFL. During the year a Sales Promotions Executive was appointed to enhance this category.

The ANZ Visa Footy Card is an excellent example of providing rewards for supporters using their credit card to return value to themselves and their club. Other successful sales promotions included Tattersalls 'scratchies' (first licensed sports promotion).



## Intellectual Property

A number of clubs changed their playing uniform, corporate shield logo and caricature logos during the year. This continues to be an important driver of the overall business.

National spending trends have decreased in sporting goods by up to 35 per cent\*. As retailers condense their licensed character and licensed sport offerings, the AFL remains a much sought after licensed product brand. Significant in the growth in AFL retail revenues was the development of AFL Stores (Licensed to What's New Management Pty Ltd), and the space and display devoted to AFL at stores like Kmart, Myer, and Hanna's.

Other successful initiatives driving retail sales included the 'Relive the spirit of the Season at Christmas' promotion; season launch fashion shows; a range of catalogues showcasing the product offering; a number of AFL media tie-ins in the *AFL Record* and other football publications; the launch of the AFL 'at Home' brand; and the first ever release of a publishing program that covered both music (with Sony) and books (with Harper Collins).

We also saw the first insight into some potential future success with AFL Collector pins; the AFL pie; and event initiatives undertaken by AFL Licensing including the ANZ Visa Footy Card, 'AFL Road to the Finals' and AFL Trade Expo. Additional resources were also put towards developing AFL club retail stores.

*\* George Patterson Bates/KPMG centre for consumer behavior report 1998.*

## AFL & Players

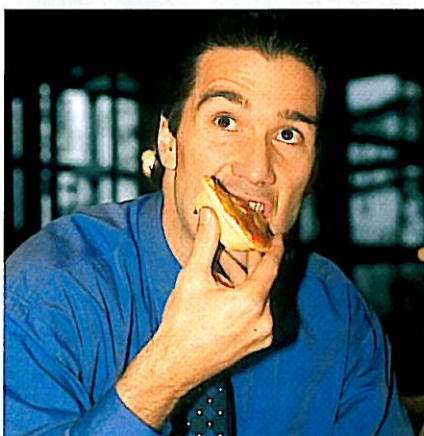
The AFL On Field program launched successfully this year for its first full season, heavily involved players. This program will continue to grow in years to come.

As sales promotions involving players and player images grow, the AFL will have paid in excess of \$1 million to players through the centralised AFL Licensing program in 1998.

The negotiation of a new Collective Bargaining Agreement with the AFL Players Association will see an enhanced return to players with the expansion and creation of new product ranges for the future.



**BREAKING DOWN THE BARRIERS:** THE AFL AND THE ANZ BANK JOINED FORCES TO CREATE FOOTYCARD, THE CLUB/AFL BRANDED CREDIT CARD. THE CONCEPT WAS LAUNCHED, FLAMBOYANTLY, BY AFL CHIEF EXECUTIVE WAYNE JACKSON, AND ANZ MANAGING DIRECTOR - GLOBAL CARDS DIVISION, CHARLES CARBONARO BURSTING THROUGH A 'FOOTY' BANNER.



**GOOD FEED:** THE GREAT SOUTHERN PIE CO. LAUNCHED THE AFL PIE IN 1998, AND RECEIVED THE THUMBS UP FROM CARLTON STAR STEPHEN SILVAGNI.

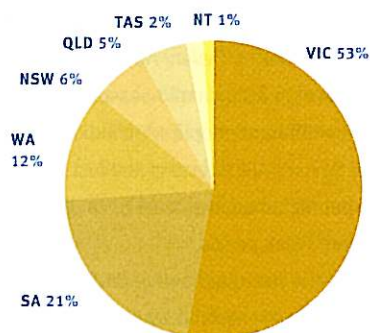
## Consumer Marketing

Before the 1998 Coca-Cola AFL Finals Series, the Licensing Department conducted four focus groups on Women's clothing. The feedback obtained from this project has been passed on to our Clothing Licensees, and the information will assist in the development of women's ranges for Season 1999 and beyond.

## Community Relations

This year we have continued to support a wide range of community activities ranging from charities, to education, to junior sports.

## AFL Licensing Sales by State



Sales period January to July - Season 1998

## AFL Licensing Sales (Month by Month) 1998

November	3.9
December	7.7
January	4.8
February	8.4
March	13.4
April	12.2
May	12.4
June	12.8
July	10.6
August	7.0
September	11.4
October	5.0

**TOTAL: (estimated \$110 million)**



## THE AFL AND TELEVISION

### HUGE AUDIENCE REACH AS AFL DOMINATES TELEVISION IN MOST MARKETS

**M**aintaining and building mass attendances at AFL matches has, and always will be, one of the AFL Commission's key objectives.

Another vital area of 'critical mass' is the television audiences which watch AFL matches on the Seven Network around Australia each week and from 1999, on Cable 7, a 24 hour sports channel produced by the Seven Network for Optus Vision. Seven holds the free to air and cable TV rights to the AFL until 2001.

During 1998, an average of about 278,000 people attended each of the 22 rounds of the Coca-Cola AFL premiership season.

On the other hand, a cumulative audience of between 3 and 4 million people watch each round of matches on Seven. Audience data indicates that in a single mid-season week, 4.7 million different people watched one or more of Seven's AFL telecasts and just on 7.5 million people tuned in at least once during a typical four week period.

Across the five mainland capital cities, AFL matches were viewed by 10.2 million people in their own homes. They each watched an average of 30 different AFL telecasts during the season.

The Coca-Cola AFL Grand Final continued to be the most watched annual sporting event in Australia, reaching 49 per cent of homes and 4.6 million people in the five mainland capital cities in 1998. Seven's four hour coverage of the Grand Final averaged a network homes rating of 29 and an 83 per cent share, that is, 83 per cent of all television sets turned on in metropolitan Australia were tuned into the Grand Final.

In Melbourne, the Grand Final was the most watched of all television programs in 1998, attracting a larger audience than the Commonwealth Games, while the Brownlow Medal was the twelfth highest.



TV CONNECTION: THE AFL'S TV REACH IS MASSIVE, WITH BETWEEN THREE AND FOUR MILLION PEOPLE WATCHING EACH ROUND OF MATCHES ON THE SEVEN NETWORK.

The eight highest rating programs on television in Adelaide were all AFL telecasts and 16 of the top 20 rating programs were AFL broadcasts.

In Perth, the local derby between the West Coast Eagles and Fremantle – broadcast live against the gate – was the highest rating television program for 1998 and 11 of the top 20 rating programs in Perth were AFL broadcasts.

The Grand Final averaged a 54 rating in Adelaide, 41 in Melbourne, 35 in Perth and 15 in each of Sydney and Brisbane. Given the size of the market a 15 in Sydney is equivalent to a 36 in Perth.

The 1998 Ansett Australia Cup was watched by 5.3 million viewers across the Seven Network.

During 1998, the Seven Network presented viewers with approximately 392 hours of match coverage. Some 91 per cent of homes tuned into AFL coverage at some time during the season, 94 per cent across the southern states and 87 per cent in the north which gives the AFL triple the audience of its nearest television competitor.

The AFL TV audience spans the range of age groups – young, middle-aged and older with 57 per cent of the audience made up of males and 43 per cent female across the social scale.

The AFL had a new media partner in 1998 as part of the agreement with the Seven Network for the right to bid last for the AFL's free to air television rights beyond 2001.

As part of this agreement, News Limited agreed to provide considerable editorial and promotional support via its group of newspapers including the Courier Mail and Sunday Mail in Brisbane, Sydney's Daily Telegraph and Sunday Telegraph, Melbourne's Herald Sun and Sunday Herald Sun, Adelaide's The Advertiser and Sunday Mail and the Sunday Times in Perth.

Major editorial support included a four color, 56 page season preview magazine published nationally for the first time. This was the largest publishing undertaking by News Limited in Australia and saw some 2.1 million copies distributed nationally with a readership of 4.5 million people.



## MEDIA

# AS COVERAGE GROWS, THE AFL CREATES NEW MEDIA RELATIONS POLICY FOR PLAYERS, COACHES, ADMINISTRATORS

**O**ne of the strengths of the AFL competition continues to be the amount of media coverage it enjoys around Australia.

During 1998, some 1200 press, radio and television journalists, television and radio broadcasters, photographers and television and radio production staff were accredited to cover the AFL competition.

The AFL Commission's media relations policy provides guidelines to clubs, players and coaches to assist in their dealings with the media which for players, coaches and administrators is now part of their respective job descriptions.

With considerable assistance from the Seven Network, the AFL and AFL Players' Association produced a videotape titled 'The AFL and the Media' to be used by AFL clubs to assist players and coaches with media management.

Copies of the videotape were also made available to TAC Cup Under 18 clubs and state football bodies to help prepare young players in dealing with the media should they ultimately follow a career in the AFL. The AFL and AFLPA also produced a booklet for players, coaches and administrators to support the message of the videotape.

Eight AFL clubs – Adelaide, Brisbane Lions, Carlton, Collingwood, the Kangaroos, Melbourne, Port Adelaide and Sydney – now have full-time staff dedicated to media management and communications. The AFL will continue to encourage all clubs to make these appointments during the next few years to improve media management throughout the competition.

The AFL Commission agreed to assist the funding of new media facilities at Football Park for press, radio and television; these will be completed for the 1999 Coca-Cola AFL premiership season.

New media facilities are also being planned as part of the re-development of Subiaco Oval and will be on the agenda when and if further development of the MCG occurs.

The SCG also needs upgraded media facilities.

In the past year, the AFL promoted Jenny Cooke to the role of Media Relations Manager from the position of Media Co-ordinator after Communications Manager, Tony Peek, was given additional responsibilities as Corporate Affairs Manager, primarily in the area of strategic planning.

Among other things, Cooke is responsible for day to day contact between the AFL and the media, accreditation, media releases and conferences.

The AFL also appointed Robyn Balme as Public Relations Manager during 1998. Balme works with the AFL's major corporate and licensing partners to maximise their exposure from the AFL game and to also promote the wide variety of AFL programs to the media and community at large.

New radio rights agreements for the broadcasting of AFL matches during the 1999, 2000 and 2001 seasons were concluded.

Triple M, which has grown the radio market for football since broadcasting in Melbourne in 1997 and 1998, has expanded its network's coverage to Triple M in Adelaide and PMFM in Perth and will also broadcast finals involving the Sydney Swans on Triple M Sydney and finals in which the Brisbane Lions participate on Triple M Brisbane.

Given the young profile of the Triple M audience, the AFL believes the increase in broadcasts via the network is a important promotional link for our game.

Importantly, Sydney station 2GB, agreed to broadcast all Sydney Swans games in 1999 for the first time, substantially increasing competition radio exposure in the city. Other radio broadcasters from 1999 will include 3AW and K Rock in Victoria, Adelaide's 5AA and Perth's 6PR while the ABC will be a national broadcaster. Via ABC Newsradio, the ABC has provided the only broadcast service in Sydney and Brisbane.

3AW and 5AA will also play an important role in relaying their broadcasts to a number of stations in regional New South Wales and Queensland including Albury, Wagga Wagga, Griffith, Orange, Broken Hill, Cairns and Mackay.



**MEDIA DAY:** BEFORE EACH WEEKEND'S ROUND, THE AFL MEDIA DEPARTMENT ORGANISES A PRESS CONFERENCE FEATURING PLAYERS AND COACHES FROM THE MATCH OF THE ROUND. THIS INITIATIVE HAS BEEN EXTREMELY WELL ATTENDED BY MEDIA, AND HAS SEEN A SIGNIFICANT LIFT IN COVERAGE THROUGH ALL SECTIONS OF THE MEDIA.





## MARKET RESEARCH

### FANS SUPPORT AFL INITIATIVES

**A**s part of its strategic planning, the AFL Commission undertook a major market research study during 1998.

The study was undertaken on behalf of the AFL by leading market researcher, AMR: Quantum Harris and involved distributing questionnaires at three rounds of premiership season matches.

A total of 4000 questionnaires were distributed with 2276 returned, a response rate of 57 per cent. It was clear from the survey that the average football fan loves the game, and several programming initiatives taken by the AFL in recent

years were overwhelmingly supported (see box below). Other key findings of the research included:

#### Supporters

- Of note, 49% of fans follow a second team
- State parochialism is apparent with greater 'within-State' support of second teams.

#### Membership

- 62% of the sample were club members.
- Strong growth in New South Wales members (41% first timers)
- Lapsed members tend to become

AFL members or move; cost is also an issue

- Opportunity to introduce low cost interstate memberships (for supporters who have teams in other States).

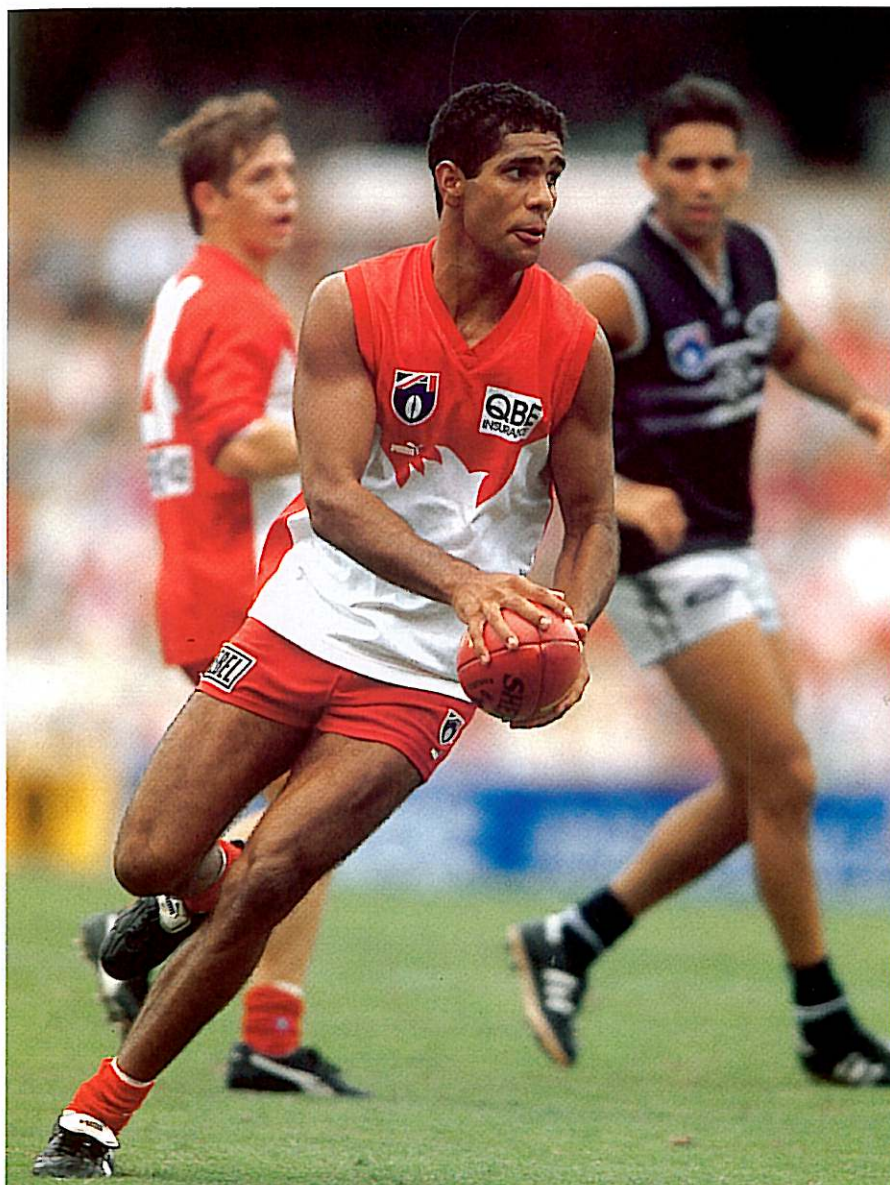
#### Game Attendance

- On average patrons attend 12 games a season. Members attend 14 games on average whilst non-members attend 8 games.
- 40% go to games not involving their own team, highlighting significant generic interest in football.
- 25% had been to two or more games in a weekend over the past two seasons.

#### THE COMPETITION / THE GAME

- The key aspects liked about Australian Rules Football as played in the AFL were (unprompted):
  - ▶ Pace of game (48%)
  - ▶ Skills (34%)
  - ▶ Marking/high marking (16%).
- The key dislikes of AFL football were (unprompted):
  - ▶ Inconsistent umpiring (23%)
  - ▶ 3 umpires (19%)
  - ▶ Poor standard of umpiring (19%)
  - ▶ Time wasting by players near end of game (8%).
- Amongst the ideas received positively by fans are (unprompted):
  - ▶ Friday night games (87% support)
  - ▶ Saturday night games (82%)
  - ▶ Finals in States other than Victoria (64%)
  - ▶ Twilight games (60%).
- Less supported are (unprompted):
  - ▶ Night Grand Final (16% support)
  - ▶ Monday night games (22% support)
- Clearly there have been some very positive outcomes from experimenting with the format for games.
- Half the audience believes the AFL season is about the right length (50%). More believe it to be too long (38%) than too short (10%), suggesting some concern over length of season.
- The national competition receives overwhelming endorsement from fans with 82% believing it to be good for football. Victorians (78%) are a little less enthused by the move compared to other States (95-96%)
- Key developments for structure of the competition are seen as (unprompted):
  - ▶ Retain 16 team structure as is (16%)
  - ▶ Fewer Melbourne based teams (16%).
  - ▶ A Tasmanian team (16%)
- Of note, 18% believe the structure is fine as it is.
- As far as development to increase the popularity of AFL football goes, the key suggestions (without any prompting) are:
  - ▶ Keep doing what is being done (9%)
  - ▶ Support junior football in all States (9%)
  - ▶ Promote more in New South Wales and Queensland (4%)
  - ▶ Make it more affordable generally (4%) and for families (4%).
- The large proportion offered no suggestions, indicating they are broadly happy with the way things are at present.
- The popularity of Australian Rules Football is expected to remain steady in Victoria, Western Australia and South Australia and increase in other States, particularly in New South Wales (63% expect it to increase in future). It would seem the impression of development in the northern states is being detected and welcomed by patrons.
- Fans believe the financial support by the AFL for the development of football in the States should increase rather than remain steady in all States except South Australia and Western Australia (where steady is the expectation). Clearly, there is an expectation that the AFL will return some of the funds it generates into development.





EXCITEMENT: A SURVEY OF FANS CONDUCTED FOR THE AFL DURING THE 1998 SEASON CONFIRMED THAT THE PACE AND EXCITEMENT OF THE GAME AND ITS PLAYERS – EXEMPLIFIED ABOVE BY SYDNEY SWANS FORWARD MICHAEL O'LOUGHLIN, MADE IT GREAT VIEWING AT THE GAME, AND ON TV. THE SURVEY WAS A RINGING ENDORSEMENT OF THE AFL GAME.

### TV/Radio

- 95% of those who go to the football also watch on TV, 50% watch most or all of the games on TV.
- Friday night (83%) and Sunday afternoon (80%) are the most popular viewing times for TV coverage of football.
- Saturday afternoon (57%) and Sunday afternoon (54%) are most popular for radio listening.

### Interstate Games

- Most fans watch their team play interstate on TV (89%), whilst some watch on replay (36%) or listen on radio (34%). Only 4% don't follow the game on TV or radio. 14%

went to an interstate game last season (26% from South Australia).

### Entertainment Value

- The AFL competes well in terms of entertainment value with 87% enjoying watching AFL on TV and 97% enjoying watching it live.
- The majority believes AFL football is suitable for export (60%)
- The major positives are the game's excitement/action (46%) and the skills (24%). The detractors believe we should retain our national game (18%) and maintain tradition (14%) exclusively to Australia.

### Changes

- A number of positive changes to the game were noted unaided:
  - ▶ National competition (30%)
  - ▶ 4-man interchange (28%)
  - ▶ non-Victorian clubs (16%).
- A number of negative changes have been observed also (unprompted):
  - ▶ Third umpire/too many umpires (28%)
  - ▶ 50 metre penalty (6%)
  - ▶ Twilight games (6%)
  - ▶ Phasing out of the reserves competition (6%).
- Patrons believe the most positive changes for football are (prompted):
  - ▶ Live telecasts of interstate games (97% support)
  - ▶ Friday night football (89%)
  - ▶ Introduction of teams from other States (89%)
  - ▶ Introduction of a national competition (87%)
  - ▶ Sunday afternoon football (85%).
- Patrons believe the most negative changes for football are (prompted):
  - ▶ Monday night football (75% oppose)
  - ▶ Teams playing home games at two venues in the same city (73%)
  - ▶ Wearing different jumpers for home and away games (62%)
  - ▶ Playing Ansett Cup games in South Africa (52%).

### Satisfaction

- Amongst patrons, satisfaction is high in relation to club administration (72%) and the state of football generally (67%). Patrons are less satisfied with Umpiring and the Tribunal (55% and 51% respectively are dissatisfied).

### Development of the Game

- 65% believe money and time should be devoted to grass roots development in New South Wales. 62% felt this way in relation to Queensland. Supporting the national competition, increasing interest/awareness and taking advantage of bigger populations are the main reasons to invest in development.





## TOTAL PLAYER PAYMENTS

### NEW FORMULA TAKES INTO ACCOUNT ALL PAYMENTS TO PLAYERS

**A** formula which focuses on total player payments – rather than the salary component only – was adopted as part of the new collective bargaining agreement negotiated by the AFL with the AFL Players' Association in 1998 (see page 60 of this report).

The salary cap was only one part of the payments to players. Other elements included injury payments, Ansett Australia Cup payments and finals payments.

In 1998, total player payments for the 16 AFL clubs were \$62.189 million, compared to \$55.674 million in 1997. Under the terms of the new collective bargaining agreement, total player payments in 1999 will be \$68 million or \$4.25 million per club.

Since 1990, total player payments for the AFL competition have risen by more than 176 per cent, from \$22.527 million in 1990 to \$62.189 million in 1998.

When a CPI increase of 17.42 per cent is allowed for 1990-1998, the total player payments figure for 1990, in 1998 dollars is \$26.451 million. After allowing for CPI, total player payments from 1990-1998 have increased by 135.1%.

Excluding any CPI allowance, the year by year growth in total player payments from 1990-1998 is as follows:

YEAR	(\$ MILL)
1990	22.527
1991	26.110
1992	26.588
1993	28.277
1994	32.061
1995	39.830
1996	47.961
1997	55.674
1998	62.189

The growth in average salary for players has also substantially increased during the same period and for the first time in 1998,



CLIMBING, CLIMBING: LIKE GEELONG'S LEIGH COLBERT, IN THIS PHOTOGRAPH, TOTAL PLAYER PAYMENTS HAVE BEEN CLIMBING CONSISTENTLY IN THE LAST DECADE. TOTAL PLAYER PAYMENTS ARE A FUNDAMENTAL COMPONENT OF THE AFL'S NEW COLLECTIVE BARGAINING AGREEMENT, CONSTRUCTED BETWEEN THE AFL AND THE AFL PLAYERS' ASSOCIATION DURING 1998.

the average gross player salary passed \$100,000. The 583 players who played an AFL game in 1998 earned, on average, \$101,957, compared to the 1997 average of \$91,488.

In 1990, eight players (or 1.49 per cent of all players who played in an AFL match during that season) were paid \$100,000 or more. In 1998, 240 players (or 41 per cent of the players who played in an AFL match) were paid \$100,000 or more.

The percentage of players receiving \$30,000 or less has dropped from 46.28 per cent in 1990 to 3.4 per cent in 1998.

The number of players receiving more

than \$100,000 per season and average payments to players participating in AFL matches from 1990 to 1998 is as follows:

YEAR	OVER \$100,000	AVERAGE PAYMENTS
1990	8	\$41,871
1991	17	\$46,212
1992	20	\$47,940
1993	34	\$50,910
1994	46	\$58,609
1995	100	\$70,005
1996	140	\$77,698
1997	181	\$91,448
1998	240	\$101,957



### Summary of AFL Total Player Payments 1990-1998

YEAR	UNDER \$20,000	\$20,000 \$29,000	\$30,000 \$39,000	\$40,000 \$59,000	\$60,000 \$79,000	\$80,000 \$99,000	\$100,000 \$149,999	\$150,000 \$199,000	\$200,000 \$249,999	\$250,000 \$299,999	\$300,000 \$349,000	\$350,000 \$399,000
1990	153	96	82	111	72	16	8	-	-	-	-	-
1991	148	92	80	128	77	23	14	3	-	-	-	-
1992	132	69	91	117	93	32	18	1	1	-	-	-
1993	103	85	67	118	81	45	29	4	1	-	-	-
1994	57	84	80	116	89	58	36	9	1	-	-	-
1995	49	63	70	125	93	69	73	18	5	4	-	-
1996	6	64	59	131	102	71	96	30	11	1	2	-
1997	-	27	51	100	118	99	119	40	14	3	1	4
1998	20	39	93	98	93	105	48	56	15	11	2	3

### 1998 Total Player Football Payments by Category, by Club (\$'000's)

CLUB	GROSS PAYMENTS*	INJURIES	FINALS/ANSETT CUP ALLOWANCE	DEVELOPMENT/ MERGER/FBT ALLOWANCE	TOTAL DEDUCTIONS**	SALARY CAP PAYMENTS	SALARY CAP	MARGIN (EXCESS)
Adelaide	4,023	616	166	-	782	3,241	3,275	34
Brisbane Lions	4,374	804	-	1 100 2 200	1,104	3,270	3,275	5
Carlton	3,872	526	8	-	534	3,338	3,275	(63)
Collingwood	3,700	427	4		431	3,269	3,275	6
Essendon	3,882	562	77		639	3,243	3,275	32
Fremantle	3,892	694	13		707	3,185	3,275	90
Geelong	3,723	644	7		651	3,072	3,275	203
Hawthorn	3,677	432	4		436	3,241	3,275	34
Melbourne	4,005	541	205		746	3,259	3,275	16
Kangaroos	3,815	357	199		556	3,259	3,275	16
Port Adelaide	3,683	464	19		483	3,200	3,275	75
Richmond	3,734	456	10		466	3,268	3,275	7
St Kilda	3,723	319	130		449	3,274	3,275	1
Sydney	4,249	428	76	1 491	995	3,254	3,275	21
West Coast	4,100	548	79	3 200	827	3,273	3,275	2
West Bulldogs	3,734	358	96		454	3,280	3,275	(5)
<b>TOTAL</b>	<b>62,186</b>	<b>8,176</b>	<b>1,093</b>	<b>991</b>	<b>10,260</b>	<b>51,926</b>	<b>52,400</b>	<b>474</b>

\* Gross payments include payments for injuries, finals, Ansett Australia Cup, specific allowances for certain clubs and salary cap.

\*\* Total deductions include injury payments, finals and Ansett Cup allowances and any specific allowances for certain clubs. The FBT allowance for the West Coast Eagles applied for 1998 only and related to their tax status compared to other AFL clubs.

1 Development Allowance 2 Merger Allowance 3 FBT Allowance



## PUBLICATIONS

### STEADY AS SHE GOES FOR AFL RECORD

**S**ales of *The Football Record* remained steady for the 1998 season, despite growing competition in the sports magazine market. Advertising sales reached a new high, eclipsing the previous best set in 1996, the AFL's Centenary Season. *The Record* has now established itself as the magazine for marketers to speak directly to football people.

A new edition of *The Football Record* was tested during 1998; dubbed the TV edition, the ninth edition of *The Record* was sold through McDonald's restaurants in Victoria, South Australia and Tasmania, and included team lists for each of the eight matches. The TV edition was part of a process of building relations with McDonald's, one of the AFL's major sponsors. Sales were not as strong as expected, and this edition of *The Football Record* will not be published in 1999. The cover price remained at \$2, the price set at the start of the 1995 season. During that period, the average number of pages in the magazine has risen from 40 (1995) to 72 (1998). From 1997 to 1998, the page numbers increased from an average of 57 to 72. This increase in pages had seen a large increase in the cost of print – in the four seasons from 1995, this has risen by around 80 per cent. In that period, the cost per page printed has actually dropped due to tight management from both the AFL and the AFL's preferred printer, Progress Printers and Distributors.

The AFL has maintained what is, effectively, an uncommercial cover price, to ensure that the cost of going to the football – which includes *The Football Record* for at least 30 percent of the attendance – is kept to the lowest possible level. *The Records* produced for the Ansett Australia Cup matches in Cape Town (South Africa) and Wellington (New Zealand) were offered to fans free of charge, as part of the marketing of the game to potential followers.



RECORD SALES: IN 1998 THE AFL RECORD GREW IN SIZE, SALES AND ADVERTISING REVENUE.

1998 was the second year of a new contract with Progress which has seen the great bulk of AFL publishing directed through Progress. This has resulted in the highest service levels, better than competitive pricing, and new publishing opportunities through Progress's associated printing companies.

The AFL's publications division continued to create new products for AFL divisions during 1998, with catalogues produced for AFL Licensing, coaching manuals for Junior Development and McDonald's Auskick, and the first Annual Report of AFL Umpiring. AFL '98, the Official Statistical History of the AFL, grew in stature in 1998, and is considered one of the AFL's most important productions – the statistics included retain

links between players of different generations, and enhance the culture and strength of the AFL and its players. In 1999, this product will grow even more, reaching almost 500 pages. It has also been offered to AFL members as a component of AFL membership, and similar arrangements are expected to be offered to club members.

Several new publications are in planning for 1999 aimed to continue the AFL's information dissemination policy, including consistently updated AFL policy documents, an AFL Business newsletter, a player-based statistical guide, a handbook (for players) on the AFL's anti-doping code, and a similar product (in tandem with a video) on the AFL Media Relations policy, in conjunction with the AFL Players' Association.



## TECHNOLOGY

# THE AFL, SEVEN, NEWS, WEAVE A WONDERFUL WEB

**I**n March, 1998, the AFL, the Seven Network Limited and News Limited launched *afl.com.au* – the Official AFL Website – a partnership which has successfully created the best Australian sports site on the Internet.

The site boasts exclusive features including live match statistics, video highlights, editorial and commentary from Seven and News and customised weekly e-mails and chat rooms. It taps into News Limited's football coverage in more than 120 newspapers including 13 metropolitan journals including *The Australian*, *The Herald Sun*, *The Sunday Herald Sun*, *The Daily Telegraph*, *The Sunday Telegraph*, *The Advertiser*, *The Sunday Mail*, *The Courier-Mail*, *The Sunday Mail* and *The Sunday Times*.

*afl.com.au* also enjoys access to Seven's broadcast television coverage of more than 200 AFL games each season.

Fans flocked to the site throughout the year, with *afl.com.au* ranking consistently in the top five sites in Australia. The average number of 'hits' on the site each day throughout the season was an impressive 135,000, making it far and away the most visited sports site in the country. On Grand

Final day, more than 7000 Australians created Internet history when they logged on to hear the Channel Seven commentators' live call of the match. The audio broadcast was the biggest held in Australian by a factor of four and the largest audio event held by an Australian Internet Service Provider (ISP).

The AFL site offers a range of added services to the televised coverage including streaming audio, real-time chat, after-game interviews, photos and play-by-play statistics. In the week leading up to the game, the site featured celebrity tips and finals predictions from football experts. Another highlight on Grand Final day was the inclusion of IPIX images from the ground which allowed visitors to the site a 360 degree view of the MCG filled to capacity.

In appointing the Seven-News consortium, the AFL has ensured it can provide a wealth of information and features to Australian football fans throughout the world. The joint venture builds on the long-term partnership between the AFL, News Limited and The Seven Network in the development and marketing of Australian Football.

## WORDS FROM THE WEB

“I'm here in Sudbury, Ontario, on the other side of the world, getting continuous feedback while I'm working, and watching the scores update for my beloved Crows v Roos. Isn't technology a wonderful thing. Thanks a million!!”

– MIKE PIETOBON

“I just wanted to write and thank the AFL on doing a marvellous job putting the internet site up. I'm an avid Richmond fan who lived in Melbourne but now reside in Milwaukee, Wisconsin, USA. I miss watching the football so much and am glad to be able to keep up to date with all the information through the internet. I am attending college here in Milwaukee on a baseball scholarship and having a hard time trying to deal with the lack of football and other things we take for granted in Australia. All the guys want to learn how to play Aussie Rules and I have been trying to teach them to the best of my ability. Thanks again for a great website and keep up the good work. Much appreciated.”

– LINCOLN BATT

## Pages from *afl.com.au*

JOIN BRUCE... THE ATHLETES DO

THE OFFICIAL AUSTRALIAN FOOTBALL LEAGUE WEBSITE

**PLAYERS**

Customise by Team [AFL]

**player profile**

**Paul Kelly**  
Sydney Swans

A knee reconstruction after a round 16 collision with Port Adelaide's Donald Duke necessitated a year in which he had successfully battled stomach problems that would have sidelined most metals. His pace, ability to get and use the football and single-minded focus on lifting his team to victory are legendary. That injury should come when his side was having a serious lift at the flag seemed unfair. Up until then, his year had been very good. The still finished seventh in the club best and fairest, but he was benefiting from being able to share the workload with teammates. Croft and Swans. Underwent a knee operation last November as Sydney took the opportunity to address the problem while he was under wraps. began running in the new year and Kelly thinks he will be ready by round one. Sydney is cautiously optimistic but will not rush him under any circumstances.

Player honors: Brownlow Medal 1992; 3rd Brownlow Medal 1997; best and fairest 1992, 1993, 1994, 1997; 3rd best and fairest 1991, 1994; All-Australian 1995, 1994, 1997; All-Australian captain 1996, 1997; captain since 1992.

Brownlow Medal: 1998 votes (1); career votes (83).

ONLY ONE THING DISTRACTS HIM FROM HIS GAME

THE OFFICIAL AUSTRALIAN FOOTBALL LEAGUE WEBSITE

**TEAMS**

Customise by Team [AFL]

**this week @ the crows**

**latest news**  
Talking footy with the Adelaide Crows, December 11, 1998

**last game final**  
Adelaide (15.15.107) def. Richmond (8.22.70)

**next game**  
Adelaide v. Adelaide (15.15.107) def. Richmond (8.22.70)

**next game**  
Adelaide v. Adelaide (15.15.107) def. Richmond (8.22.70)

**in / out**

**Player profile and in/out list available**

THE OFFICIAL AUSTRALIAN FOOTBALL LEAGUE WEBSITE

**TIPPING COMP**

Customise by Team [AFL]

Your Ranking: 400 of 2540 Your Score: 700

Best Tipsters - Best Groups - Best Clubs  
Your Group - Follow Swans Fans - VIC  
Enter/View Your Tips

**Overall Standings**

Ranking	Team	Headline	Name	Location	Score
26	Crowther	David McRobbie	WA	1182	
27	Horn	Lee Lee	SA	1099	
28	Jack	Alan Harris	NSW	1096	
29	Riverport	Barry	SA	1094	
30	pathe	Ernst Paterson	SA	1088	
31	Decker	Bonnie Parker	SA	1089	





## **Policy**

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NEW BEGINNINGS: THE DOCKLANDS STADIUM REPRESENTS THE BEGINNING OF A NEW ERA FOR THE AFL, WITH TWO WORLD CLASS SPECTATOR FACILITIES RINGING MELBOURNE'S CBD - DOCKLANDS, AND THE MCG. THIS PHOTOGRAPH, TAKEN IN SEPTEMBER 1998, SHOWS HOW FAR THE CONSTRUCTION DEVELOPED IN THE PERIOD FROM THE CONFIRMATION OF THE AFL'S COMMITMENT TO THE PROJECT IN MARCH, 1997.









## WAVERLEY PARK

### ARTHUR ANDERSEN REPORT ASSESSES WAVERLEY PARK

**S**ince the AFL Commission announced in March 1997 that it had reached agreement with the Melbourne Docklands Authority to secure (in 25 years) the unencumbered freehold title to the Docklands Stadium, the future of Waverley Park has been high on the AFL Commission's agenda.

The ultimate decision to sell Waverley Park was made in the context of what was in the best long term interests of the AFL competition and the national development of the game with key factors including:

- Match commitments at the MCG – currently 41 premiership games per year and four finals. These commitments were fundamental to the development of the \$150 million Great Southern Stand.
- Match commitments at Docklands Stadium – currently 30 premiership season matches, one qualifying final if more than one is played in Melbourne and five Ansett Australia Cup matches. This makes the AFL the major user of



ON THE MARKET: THE AFL COMMISSION HAS DECIDED WAVERLEY PARK WILL BE OFFERED FOR SALE IN 1999.

what is a key Victorian Government project and component of the overall development of the Docklands precinct.

- Assessing the strengths and weaknesses of Waverley Park.
- Assessing what the likely outcomes would be if Waverley Park was sold and the amount realised by the sale invested in the future of the game.
- An expectation that in the next 1-5 years, a Melbourne based Club/s would seek to play some 'home games' in Sydney.

The AFL Commission's objectives are to maximise:

- Use of the MCG and Docklands Stadium.
- Attendances by keeping football at affordable prices.
- The financial return to the competition, that is, all 16 clubs, and to the game.

At the time of the initial Docklands Stadium announcement in March 1997, the AFL indicated it was unlikely AFL matches would be played at Waverley Park after the Docklands stadium was completed in time for the 2000 season.

#### WAVERLEY PROS/CONS

The AFL Commission also considered the following strengths and weaknesses of Waverley Park.

##### Strengths

- Owned by the AFL – Current book value \$38 million based on land \$27 million and buildings \$11.2 million
- AFL has total control and flexibility of use
- Services the south-eastern suburbs of Melbourne
- Close to the demographic centre of Melbourne (Ashburton) – about 12km west of Waverley Park
- Excellent parking for 20,000 cars
- Provides AFL with an alternative to the MCG in terms of attendance/capacity
- Excellent playing surface
- Current match venue for Hawthorn and St Kilda

- Ansett Cup venue option
- Practice match options
- Training venue – in 1998 for Bulldogs, Richmond, St Kilda, Hawthorn, Melbourne and North Melbourne
- Training venue for umpires 4-5 days per week
- Potential VFL home for Monday night football, head office

##### Weaknesses

- Not directly serviced by public transport (train/tram)
- Substantial maintenance is required
- Substantial capital expenditure required to upgrade stadium, including new scoreboard, which will return only a marginal increase in revenue

- Located in a rain belt
- Poor access/egress
- Poor design by today's stadium standards – saucer shaped instead of bowl
- Poor location for north, west and north-east regions of Melbourne
- Future annual income streams unlikely to improve significantly
- Poor financial investment for competition
- Not considered by the MCG as direct competition therefore may not provide the negotiating strength anticipated in 1970
- Impact on national development
- Will be 30 years old in year 2000 – 55+ years old when the AFL owns Docklands



## DISPOSAL OPTIONS FOR WAVERLEY PARK

**I**n 1998, the AFL Commission retained Arthur Andersen Real Estate Services to assess the future of Waverley Park.

The Arthur Andersen report considered the various disposal options available to the AFL in determining how best to maximise the return from Waverley Park having regard to:

- Risk
- Process
- Timing
- Management expertise required
- Financial obligations
- Maximising the financial results for the AFL clubs

### THE OPTIONS CONSIDERED INCLUDED:

- Total sale of the site, "as is," in one line
- Sale of the stadium and surplus land separately
- Sale of the site in "precincts", ie super lots
- AFL undertake subdivision and participate in development profit
- AFL enter into joint venture sharing development profit and risk
- AFL enter into project development agreement for the development of subdivision and retain profits

### SUMMARY OF DEVELOPMENT SCENARIOS

As part of this brief, Arthur Andersen considered various development options relating to the existing Waverley Park. The disposal/development options we have considered include the following:

- i) Disposal of Waverley Park on the basis that a purchaser retains the existing stadium for use "as is" and undertaking various upgrades of the stadium. This scenario derived an unrealistically low value due to the extent of underutilised vacant land, relatively low numbers of games being available due to existing

agreements, not having access to TV rights revenue, extent of capital upgrades required, general operating expenses and return required on such an investment.

- ii) Disposal of Waverley Park on the basis that the purchaser retains the existing stadium and completes a major upgrade of the stadium and subdivision of the surplus land. The report evaluated various options under this scenario, which principally vary as a result of differing upgrade costs for the stadium. The option that provides the highest return under this scenario involves a minor refurbishment of the Stadium and sale of surplus land.
- iii) Disposal of Waverley Park on the basis that a purchaser demolishes the stadium and facilitates the subdivision of the entire site. To determine the highest and best use of the land, the report considered a variety of development concepts including: Residential; Health and aged care; Retail; Industrial; Entertainment; Commercial; Hi-tech/Business Park; Education; Sports related; Parks; Cemetery/Crematoria; Gaming; Hotel/Motel; Mixed Use.

Although not part of the brief, the consultants believed a theme park development concept could warrant further investigation. The revenues generated from a theme park, as a business capitalised, rather than a real estate development, could result in a higher residual land value as a function of the capitalised business value. As such, the consultants recommended further detailed analysis be undertaken. The market value for the site, based on this usage, would be determined on the probable nett returns to the business over a given period. It should be noted that the development of the theme park at the Docklands may preclude a second similar

development in Victoria.

The discounted net return to the AFL, assuming that Waverley Park is redeveloped on an alternate use basis, is dependent upon the realisation period and extent of participation in development.

On a financial basis, the greatest return is achieved where the AFL redevelops Waverley Park on an alternate use basis, as defined in Option 3 and includes demolition of the stadium and engaging a project developer to facilitate development primarily on a residential basis with complimentary uses, including retirement village, school site, office park, local retail development and mixed use sites.

The AFL can participate in the redevelopment of Waverley Park in a variety of development structures. The extent of participation will vary the return to the AFL as compared to Option 3. These variations are detailed as follows:

### DEVELOPMENT STRUCTURE

#### RETURN VERSUS OPTION 3

- AFL undertakes development in own right and receives all profits.
- AFL enters into a joint venture with guarantee land payment and shares in profit.
- AFL enters into a joint venture agreement with no guaranteed land payment whereby both parties participate in cost, profit and risk.

After considering the Arthur Andersen report in detail, the fundamental question facing the AFL Commission was: "Should the \$40m-\$85 million of competition assets remain invested in Waverley Park to allow 8-11 games to be scheduled at the venue?"

When addressing this question, the AFL Commission also considered how the proceeds realised from the sale of Waverley could be invested and the benefits flowing





to the competition and the game from such a decision. These included:

- Meet Docklands commitment \$30m in December, 2000 and remain debt free
- Maintain/increase distributions to AFL clubs
- One off grant to AFL clubs
- Funding for new Victorian structure
- National Development plans: NSW/ACT, QLD, VIC/SA/TAS/NT

- Secure AFL position at Stadium Australia (Homebush)
- Australian Football Hall of Fame/ Museum
- International Development: Papua New Guinea, New Zealand, South Africa
- Further strengthen financial position of AFL
- Opportunity to maximise scheduling opportunities at Docklands

- Opportunity to support entry prices for fans

## Conclusion

Having considered all the issues, the AFL Commission in 1998 reinforced its decision to sell Waverley Park. The property is expected to go on the market in 1999.

## WAVERLEY PARK OPTIONS

The consultants detailed 12 options to the AFL Commission in their original report with the four main options summarised as follows:

	DEVELOPMENT PERIOD COMPLETION	DEVELOPMENT COST ON STADIUM (\$M) N.P.V.	VARIATION IN SALE VALUES TO EQUATE TO THE VALUE OF \$40 MILLION	GROSS RETURN NON DISCOUNTED (\$M)	DISCOUNTED 8% PA (\$M)
<b>Option 1</b> <b>Sale of Stadium for Continual Use and Sale of Surplus Land</b> <p>This option relates to retaining the stadium in its existing condition with minor expenditure on upgrading, seating, etc (allowed \$1,000,000). Certain stadium areas would be closed reducing the capacity to approximately 50,000 people and the surplus land sold. The value components of this concept comprise:</p> <p>a) the main stadium complex: \$2,200,000 to \$10,800,000</p> <p>b) additional surplus land: \$16,000,000 to \$18,000,000</p>	1-2 years	\$1.0	-	\$18.2 to \$28.8*	\$18.2 to \$28.8*
<b>Option 2</b> <b>Sale of Total Site 'As Is'</b> <p>This option relates to selling the site 'as is' to the open market. The purchaser market would therefore evaluate the highest and best use of the site and be prepared to pay a dollar amount reflective of their required returns and development options. This would most likely be on a redevelopment of the site for residential/mixed use purposes.</p>	1-2 years	-	-	\$35 to \$40	\$35 to \$40
<b>Option 3</b> <b>Sale for Redevelopment as Residential and Mixed Uses</b> <p>This option relates to demolishing the stadium and developing mainly for residential uses with other uses including school site, retirement village site, open space office park site and partial retention of portion of the playing surface as a community park.</p>	5-6 years	-	45%	\$100 to \$105	\$80 to \$85
<b>Option 4</b> <b>Subdivision of the Site and Sale as 12 Precincts</b> <p>This strategy involves the progressive subdivision of the land into 'super lots' and a sale of those precincts to one or more purchasers. The AFL would demolish the stadium and provide road access and services to each of these 12 superlots. The AFL would then facilitate the sale of the 12 superlots to developers who will develop each area individually.</p>	2-3 years	-	20%	\$50 to \$55	\$45 to \$50

\* Discounted at 20% reflecting the return required by a stadium operator.





DOCKLANDS DOMINATING: THE DOCKLANDS STADIUM IS STARTING TO MAKE ITS MARK ON THE RESURGING WESTERN END OF MELBOURNE'S CBD, AND FOLLOWING ITS COMPLETION IN THE YEAR 2000, WILL DOMINATE THIS EXCITING PRECINCT.

## STADIA

### NATIONAL CAPITAL WORKS PROGRAM TO PROVIDE GREAT SPECTATOR FACILITIES IN ALL STATES

**A**s the AFL competition moves into the next millenium, AFL clubs, players, supporters, corporate partners and the media will all benefit from capital expenditure – on major stadia in most states – of more than \$1.1 billion.

That expenditure is largely occurring at the Docklands Stadium (which will cost \$420 million), now under construction on the western fringe of Melbourne's central business district. Stadium Australia, the main venue for the Sydney Olympics is now in the final stages of development at Homebush Bay – this is expected to cost \$625 million.

Significant re-development of the 'Gabba' in Brisbane and Perth's Subiaco Oval started during 1998 and will be completed by the year 2000.

#### Docklands

Due for completion in February, 2000, this stadium will be a focal point of one of Australia's largest re-development projects. In the next 10-12 years, 5000 people are expected to be living in the precinct with another 15,000 people working there.

For \$30 million, payable in December, 2000, the AFL has secured the unencumbered freehold title to Docklands Stadium after 25 years, at which time the property and business will revert to AFL ownership.

During 1998, the Essendon, Western Bulldogs and St Kilda Football Clubs announced they had reached agreement to become anchor tenants at Docklands.

#### Stadium Australia

Subject to a hiring agreement being completed, AFL matches will be played at Stadium Australia in 2001, after the Sydney

Olympics. No AFL matches can be scheduled before that date because the stadium includes an athletic track and the inside grass surface is not large enough to accommodate the AFL game.

During 1997, the AFL Commission announced it would provide a loan of \$500,000 to Stadium Australia in the 1997-98 and 1998-99 financial years so that the



HOME BUSH RISING: THE SYDNEY OLYMPIC STADIUM AT HOME BUSH WILL BE RECONFIGURED FOR AFL MATCHES, STARTING IN 2001, SUBJECT TO CONFIRMATION OF A HIRING AGREEMENT BETWEEN THE AFL AND STADIUM AUSTRALIA.





venue could be re-designed for AFL football from 2001.

Stadium Australia is the showpiece among venues for Olympic sports at Homebush Bay and will have a capacity of 110,000 for the Sydney Olympics. After that, its capacity will be reduced by removing seating at the northern and southern ends of the arena. For AFL matches, Stadium Australia will seat about 72,000.

Homebush Bay is located close to the western population centre of Sydney and is serviced by a new train line which will be able to transport 55,000 people an hour to the venues during the Olympics and 35,000 people an hour for major events post 2000.

A major public transport project to service Sydney's western suburbs, including Parramatta, was announced during 1998 by the New South Wales Government. This initiative should further improve access to Stadium Australia.

All football codes will be played at the venue and the re-design work which has taken place will strengthen the lower tier bowl structures to allow a rail system on which the stands will move to accommodate the AFL game and codes played on a rectangular pitch.

Subject to the AFL negotiating a hiring agreement, six games involving the Kangaroos will be played at Stadium Australia from 2001. An Ansett Australia Cup match involving the Sydney Swans (and a final if Sydney qualifies to stage such a game in its home city), will also be played at Homebush from 2001 as well as a number of other Swans matches.



'GABBA: GREAT VENUE

### The 'Gabba

When completed in December, 1999, the



SUBIACO SURGING: THE WESTERN AUSTRALIAN FOOTBALL COMMISSION, IN CONCERT WITH THE AFL AND THE WA GOVERNMENT HAS CONFIRMED PLANS FOR A RE-DEVELOPMENT OF THE SUBIACO OVAL. THE PERSPECTIVE, ABOVE, WILL BE COMPLETED BY MAY 2000, AND ALL AFL MATCHES WILL BE PLAYED AT THE OVAL FROM 2001.

new-look 'Gabba will seat 40,000 people, concluding a construction program which started in June, 1998.

The work, being done at a cost of \$40 million, will extend the Northern Stand around the full circumference of the 'Gabba. This will bring to \$126 million the amount spent on upgrading the ground since 1993.

New dressing rooms for the Brisbane Lions and visiting clubs, and offices for the Lions, are also part of the current re-development. The upgrade has been backed by the Queensland Government after early rounds of the Olympic soccer tournament were secured for Brisbane.

In January, 2000, the cricket wickets will be removed and the entire playing surface will be replaced because Olympic soccer does not permit wickets on the surface. This will necessarily cause some disruption to the AFL's 2000 season.

### Subiaco Oval

Work started in October 1998, on a \$35 million re-development of Subiaco Oval which will make the stadium fully seated, with a capacity of 43,500, up from its current limit of 40,500, a figure which includes standing room.

The West Australian Football Commission has borrowed \$30 million for the work with support from the West Australian Government. The WA Government will repay the capital on the loan. The AFL has agreed to support the development by providing

\$1.6 million over five years to meet interest on the borrowings.

In addition, the West Coast Eagles will contribute \$5 million to the project for new offices and a training facility on the south eastern corner of the ground. The state of the art training facilities will include a gymnasium, swimming pool and medical rooms.

Work is expected to be completed in May, 2000. It is likely matches for the Eagles and Fremantle Dockers in the early part of the 2000 season will be scheduled at the WACA until work has finished at Subiaco.

From 2001, all AFL matches played in Perth will be scheduled at Subiaco. In recent years, the AFL has also provided \$250,000 for the resurfacing of Subiaco Oval and \$1.16 million over four years to assist with the installation of lights.



FOOTBALL PARK: FULL HOUSES WEEKLY

### Football Park Adelaide

In 1998, a \$3 million video scoreboard was commissioned at Football Park and \$1 million is being invested this year in new facilities for television, press and radio at the stadium. The AFL is contributing half the cost of the media facilities.



## MELBOURNE CRICKET GROUND

### BROADCAST RIGHTS AT THE HEART OF DISPUTE

**B**roadcast rights remain the cornerstone of the AFL competition's finances and thus the ability of the AFL to maintain its total payments to AFL clubs which in 1998 were more than \$36 million.

That is why the AFL Commission vigorously opposed an attempt by the Melbourne Cricket Club during 1998 to undermine the AFL's exclusive broadcast agreement with the Seven Network.

The dispute surfaced during a Bledisloe Cup match at the MCG when the MCC objected to the use of virtual imaging by Seven Network and New Zealand's Sky TV. The use of virtual imaging was not the issue, however, because the Australian Rugby Union had a contract with the MCC for a stadium free of signage.

The MCC asserted that it had the right to dictate which broadcasters, and on what terms, could enter the MCG, regardless of arrangements between the broadcaster and the relevant sporting organisation.

During the very public debate on this issue, the MCC was also quoted widely saying that it did not recognise the AFL's exclusive broadcast agreement with the Seven Network and subsequently advised the AFL that it (the MCC) intended to deal in our broadcast rights from 2001.

This assertion flew in the face of the legal rights of the AFL established through more than 40 years at the MCG and represented an unprecedented attack on the rights of sport to develop strong, healthy and well supported national competitions.

The AFL's advice is that the actions of the MCC were not only commercially absurd but without legal foundation, given the AFL's occupancy rights at the MCG.

It is also worth emphasising that the AFL's decision to play the bulk of its matches in Victoria at the MCG – a minimum of 41 per year plus four finals including the Grand Final for 40 years from 1992 – was fundamental to the construction of the \$150 million Great Southern Stand, an amenity now enjoyed by cricket and other sports and entertainment.

The key elements upon which the financing of the Great Southern Stand were based were as follows:

- 41 premierships season matches.
- Four finals, including one Preliminary Final and the Grand Final.
- 1.7 million people per year attending AFL matches at the ground.

From 1992-1998, a total of 384 AFL matches have been played at the MCG at an average of 55 per season. A total of 17,858,438 people attended those matches at an average of 2.55 million per season.

Benefits far in excess of the AFL's contractual obligations have

#### MCG Attendances 1989-1998 Premiership Season

SEASON	ATTEND	MATCHES
1989	813,375	29
1990	1,012,688	34
1991	640,010	27
1992	1,435,414	43
1993	1,651,580	42
1994	2,029,477	46
1995	2,406,331	50
1996	2,351,808	51
1997	2,304,865	53
1998	2,617,182	55
<b>TOTAL</b>	<b>17,262,730</b>	<b>430</b>

therefore been delivered to the MCG which in turn has allowed the repayments on the financing of the Great Southern Stand to be up to eight years ahead of schedule. The AFL regards this as a terrific outcome because all parties win – the AFL, our clubs, the football public and the MCC.

The AFL estimates that between 70 and 80 per cent of the total revenue generated by the operation of the MCG is directly attributable to AFL fixtures at the ground. Total MCG revenue is about \$40 million and the AFL contribution is therefore between \$28 million and \$32 million per year.

This outcome is the result of a much broader relationship between the AFL game and the sporting public.

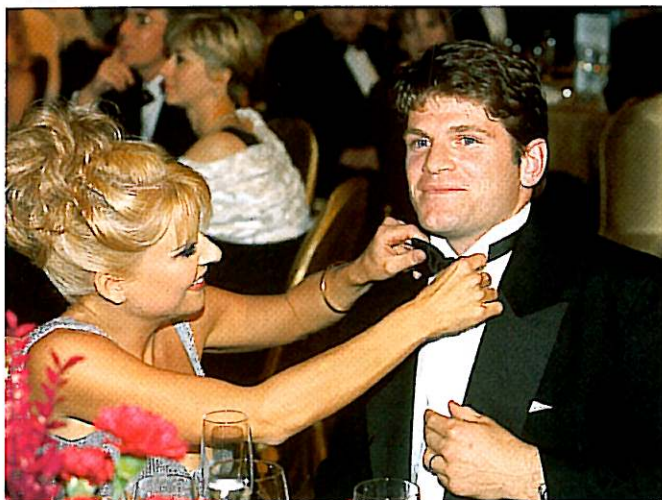
In addition, the AFL Commission has agreed to schedule games away from the MCG to allow major events to be scheduled there and has supported the playing of early matches in the Olympic soccer tournament at the MCG in particular, and the Sydney Olympics in general, by bringing our season forward by a month in the year 2000 and playing the Grand Final in that year on Saturday, September 2.

After lengthy negotiations during 1998, a working party headed by AFL Commissioner, Graeme Samuel, and MCC committee member, David Crawford, was appointed by the AFL, MCG Trust and MCC to prepare a business plan detailing methods of ensuring an adequate and stable income flow for the MCG to fund future development of the stadium.

At the time of completing the AFL's annual report, the plan for the future of the MCG was still being developed.

A significant step for the long term management of the MCG was also taken by the Victorian Government in 1998 which passed legislation to restructure the MCG Trust to an independent board.





**BROWNLOW GLORY:** 1998 BROWNLOW MEDALLIST ROBERT HARVEY IS ABOUT TO BE NAMED THE WINNER, AND WIFE DANIELLE IS MAKING SURE HE LOOKS HIS BEST FOR THE PRESENTATION! THE COCA-COLA AFL BROWNLOW MEDAL DINNER IS ONE OF THE HIGHLIGHTS OF THE AFL EVENTS DEPARTMENT.



**GRAND FINAL CELEBRATIONS:** THE COCA-COLA AFL GRAND FINAL IS A SIGNIFICANT PART OF THE REVENUES FOR AFL EVENTS EACH YEAR. LUNCHEONS, FUNCTIONS, AND CELEBRATIONS ARE HELD IN MANY FUNCTION ROOMS IN, AND AROUND THE MCG.

## EVENTS & CORPORATE HOSPITALITY

### EFFICIENCIES LEAD TO GREATER PROFITABILITY

**I**n August 1997 the AFL Events Department took on the responsibility of selling all the AFL's Corporate Hospitality.

Previously, corporate hospitality had been sold by the Marketing Department and the Events Department, set up for the Centenary Year, had been responsible for putting on the actual events and functions.

By combining the two areas it was hoped that cost and handling efficiencies would be achieved as well as an increase in profits. Now, just over a year later we can see the proof that these objectives have certainly been achieved. During the 1997 financial year the Corporate Hospitality sales turnover was \$1,826,978 realising a profit of \$830,271; for the 1998 financial year the turnover was \$2,160,773 achieving a profit of \$1,199,333. Net profit is up \$369,062 from 1997 to 1998. We have therefore increased our profitability while improving the quality and calibre of our events.

It is the AFL's aim to be leaders in showcasing all our functions and events and to ensure that our events are the

industry's benchmark in professionalism and presentation.

The main sources of income come from the following packages:

#### THE AFL COMMISSION CLUB

Eight companies purchase season long packages in the Legends Room in the Great Southern Stand at an average cost of \$55,000 per company.

#### THE ELITE AND BROWNLOW SUITES

Companies purchase a table of 8 in the corporate spaces at the MCG for individual games throughout the season at a cost of \$1450 per game.

#### FINALS SERIES PACKAGES

Four week Finals Packages are sold in the Elite Suite, Brownlow Suite, Landy Room and Ryder Room; Grand Final only luncheons are sold at the Melbourne Park Function Centre and the Tom Wills Room. Revenue from Finals packages exceeds one million dollars.

#### THE BROWNLOW MEDAL DINNER

57 companies each paid \$3850 for a table

of 10 guests to attend the 1998 Brownlow Medal, held at the Crown Entertainment Centre in Melbourne.

The year has also been a most successful one with a series of high quality well attended special events. The main non-football event is of course the Brownlow Medal Dinner. Held again this year at the Palladium Ballroom at Crown, over 1300 guests attended what was a lavish and glamorous function.

The Australian Football Hall of Fame Dinner is the other black tie function on our calendar and is quickly establishing itself as a very exclusive, elegant night for football's elite. Held at the Plaza Ballroom at the Regent Theatre with 400 guests, the Hall of Fame Induction Dinner honors all those 'greats' of the game – players, coaches, umpires, media and administrators as they are being inducted into the Australian Football Hall of Fame.

Other events held throughout the year include the 200 Club Induction Dinner, the AFL Life Members' Dinner, the Grand Final Umpires' Dinner and the AFL Season's Launch.



## INTERNATIONALS

### OPPORTUNITIES FOR ELITE PLAYERS

**D**evelopment of the AFL game internationally has been reviewed by the AFL Commission during the past year as part of our longer term planning. The review stemmed from the four year agreement with the Gaelic Athletic Association to play International Rules matches at senior and junior levels between Australia and Ireland.

Other official AFL matches were also played in 1998 with the Brisbane Lions playing Fremantle in Cape Town, South Africa, and Melbourne meeting Sydney in Wellington, New Zealand, in the first round of the Ansett Australia Cup.

At the end of the season, the Western Bulldogs played St Kilda in an exhibition match at the Foster's Oval in London.

The success of the two match International Rules series between Australia and Ireland at Croke Park, Dublin, in October, 1998, was an important first step in establishing the credibility of the concept which combines features of the AFL game and Gaelic football. About 70,000 people attended the two games in Ireland which followed a tour of Ireland by the AIS-AFL academy under 17 squad in April, 1998.

A key objective of the international rules series is to give our best senior and junior

players the opportunity to represent their country, a chance they would otherwise not have because of the indigenous nature of the AFL game. The same factors apply to Gaelic football.

At senior level, we see the international rules series as an opportunity to reward those players selected in the Coca-Cola AFL All-Australian team which, until this year, had never played a game.



RECOGNISED: THE VISIT OF AN AUSTRALIAN TEAM, LED BY WAYNE CAREY, TO IRELAND WAS THE FIRST TIME A SELECTED ALL-AUSTRALIAN TEAM HAD BEEN GIVEN THE OPPORTUNITY TO PLAY A GAME. THE SUCCESS OF THE SERIES MEANS THE CONCEPT WILL CONTINUE, UNDER A FOUR YEAR AGREEMENT WITH THE GAELIC ATHLETIC ASSOCIATION. A REVERSE VISIT - BY IRELAND TO AUSTRALIA - WILL TAKE PLACE IN 1999.

#### THE INTERNATIONAL GAME CONSIDERED

The major points arising from consideration of the AFL's international strategy included the following:

- Continue to develop the International Rules series between Australia and Ireland so that our elite players have an opportunity to represent their country, an important factor given that the AFL game is competing with a host of other sports, including those in the Olympics, which have international representation as part of their programs.
- Continue to encourage third party sponsored exhibition games because they give supporters overseas the

chance to see a game live and also support the AFL's weekly international television program.

- Continue to market an international television program to provide widespread exposure for the AFL game. It is recognised that international broadcast rights are not likely to be substantial in the foreseeable future and securing exposure will therefore be a priority.
- Continue with the three year pilot program to provide \$100,000 per year to support the development of the AFL game in New Zealand.
- Continue to support the development of

teams and/or leagues in overseas countries while recognising the priority for AFL game development is in Australia generally and the northern states in particular. Through the Australian Football Foundation, the AFL provides funding of about \$100,000 per year to assist overseas teams and leagues.

- Play another Ansett Australia Cup game in New Zealand in the future, subject to satisfactory financial arrangements being available.
- Do not stage a Coca-Cola AFL premiership season game overseas for the foreseeable future.