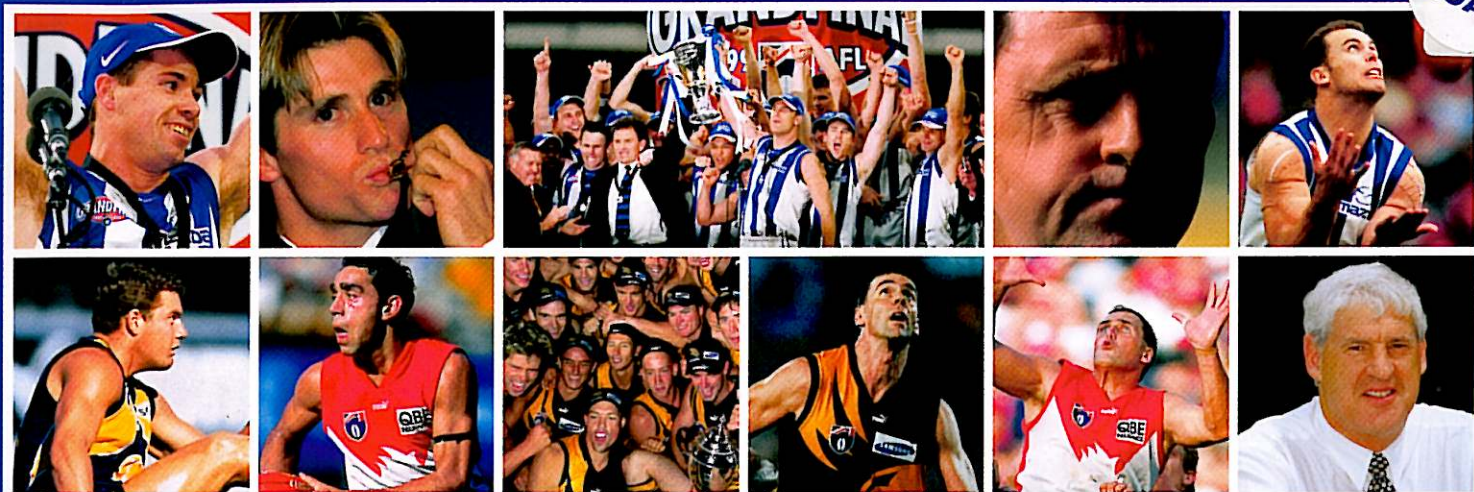


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103rd Annual Report 1999

Australian Football League

NATIONAL SPORT INFORMATION CENTRE
AUSTRALIAN SPORTS COMMISSION
LEVERNIER STREET
BRUCE A.C.T. 2617
AUSTRALIA

29 JUN 2000



Total 6.5 million
Attendances:

Club Memberships: 441,711

Ansett Australia Cup to Hawks

John Coleman Medal
Scott Cummings

AFL products:
\$120 million retail

Crawford's
Brownlow

447,579
play the
AFL game

Norm Smith Medal
Shannon Grant

1200
media accredited

Peter
Hudson
Legend

Ireland wins International Series

Number 1 sport on TV



Australian Football League

103rd Annual Report
1999

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Lockett:
1357
goals

\$13 million invested
in development

Kangaroos
Premiers

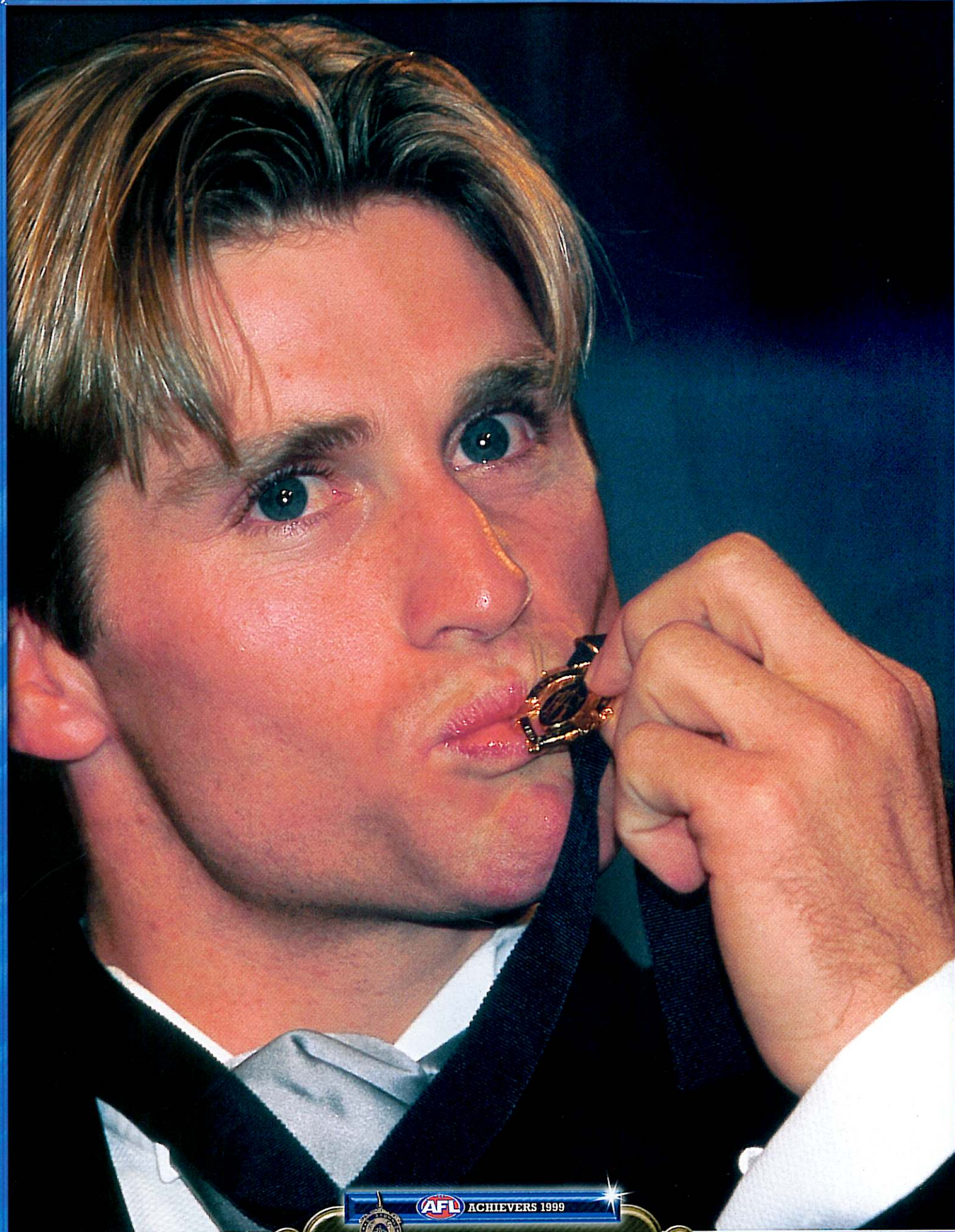






AFL ACHIEVERS 1999

1999 PREMIERS:
KANGAROOS



AFL ACHIEVERS 1999

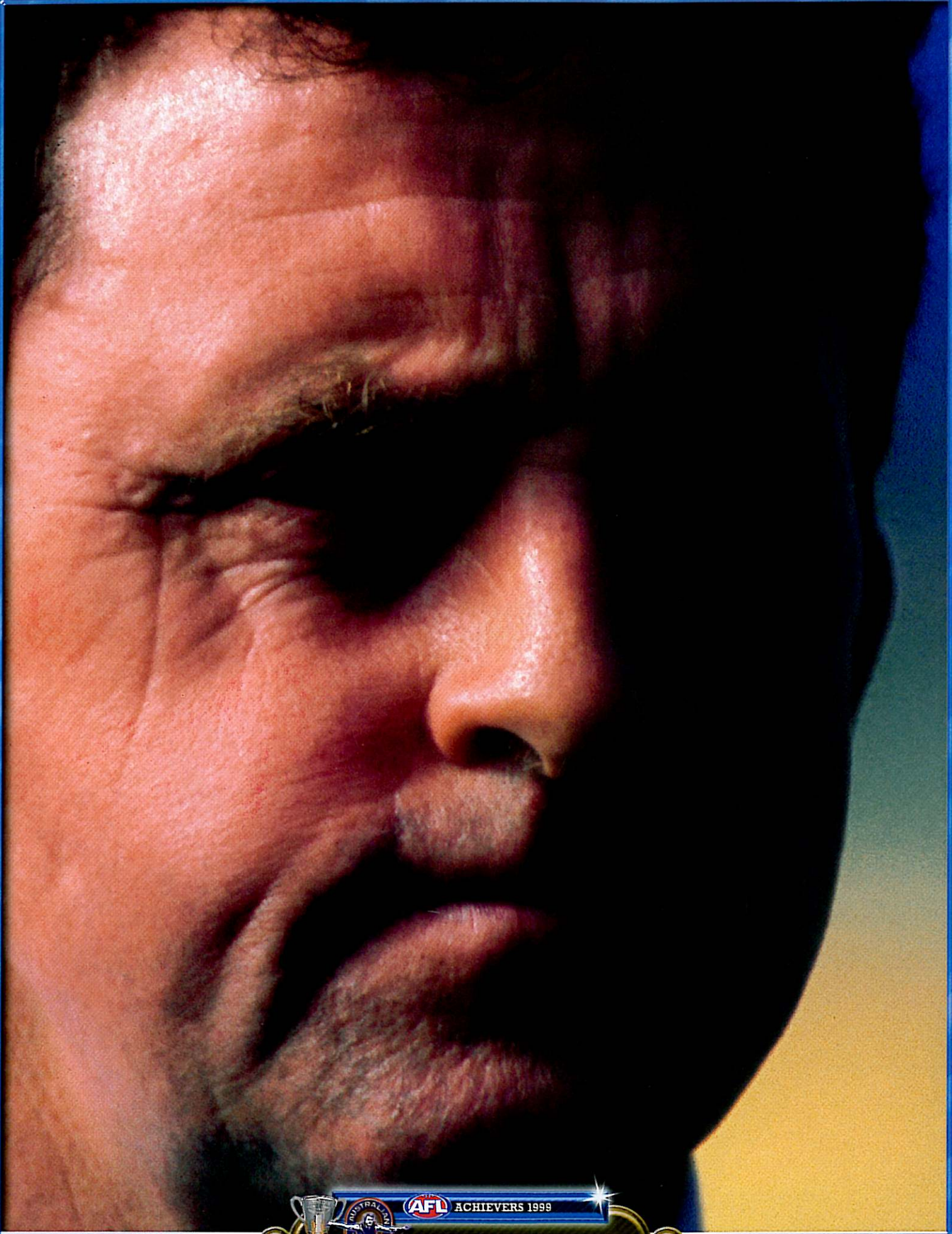
BROWNLOW MEDAL
Shane Crawford, HAWTHORN



COLEMAN MEDAL AFL ACHIEVERS 1999



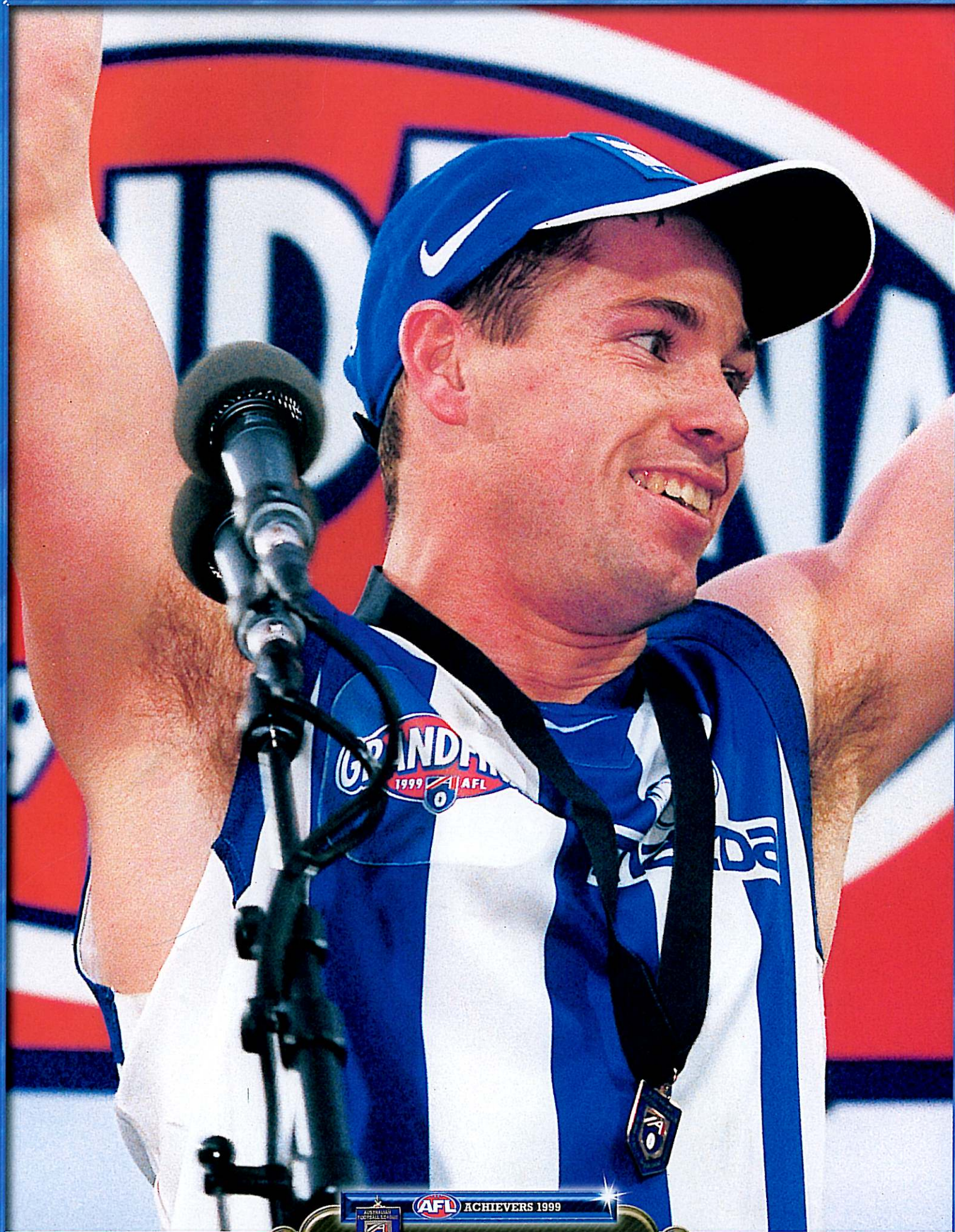
JOHN COLEMAN MEDAL
Scott Cummings, WEST COAST EAGLES



 **ACHIEVERS 1999**

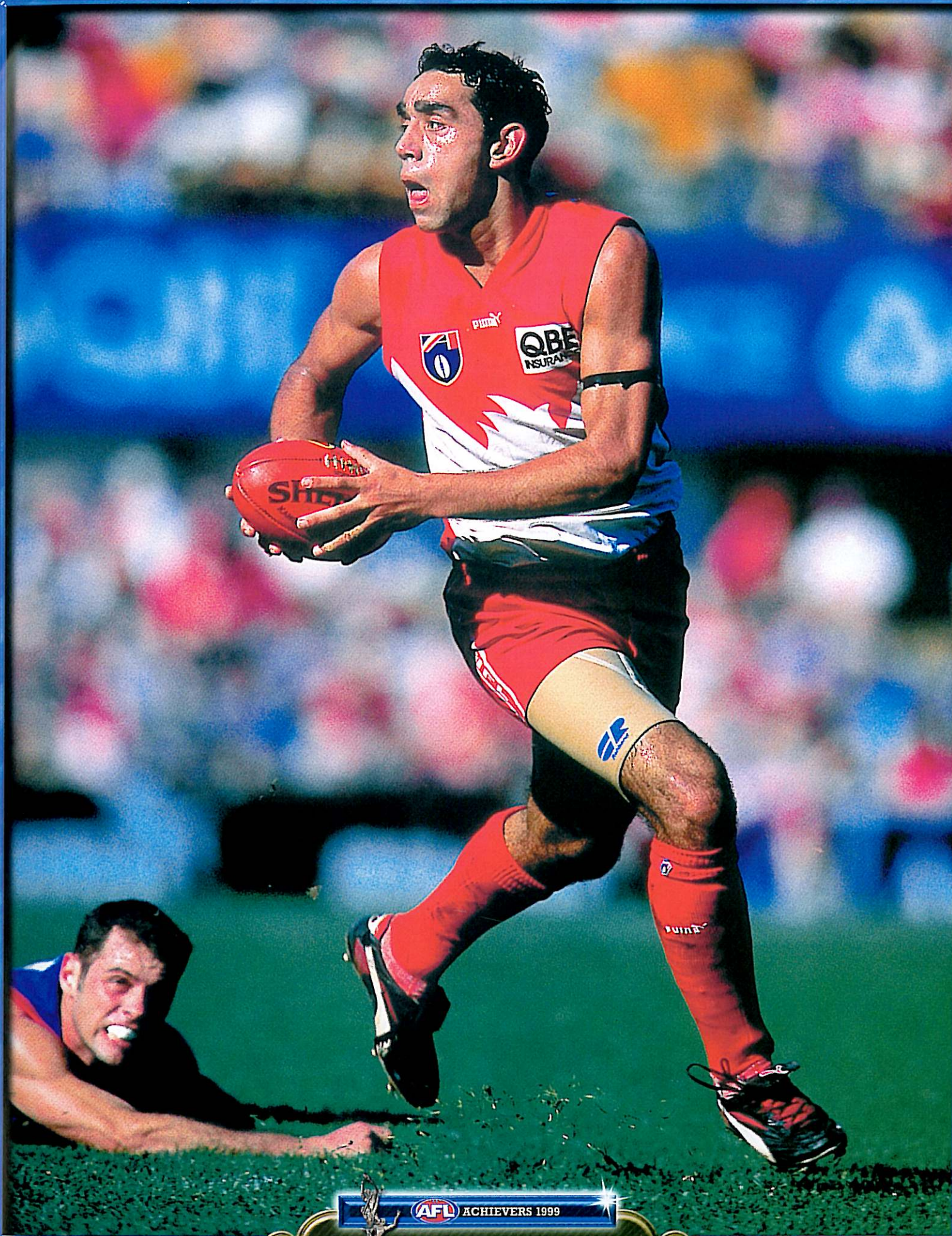
  **PREMIERSHIP COACH**
ALL-AUSTRALIAN COACH
Denis Pagan, KANGAROOS





AFL ACHIEVERS 1999

NORM SMITH MEDAL
Shannon Grant, KANGAROOS



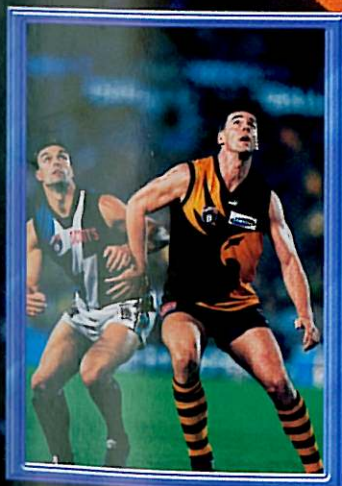
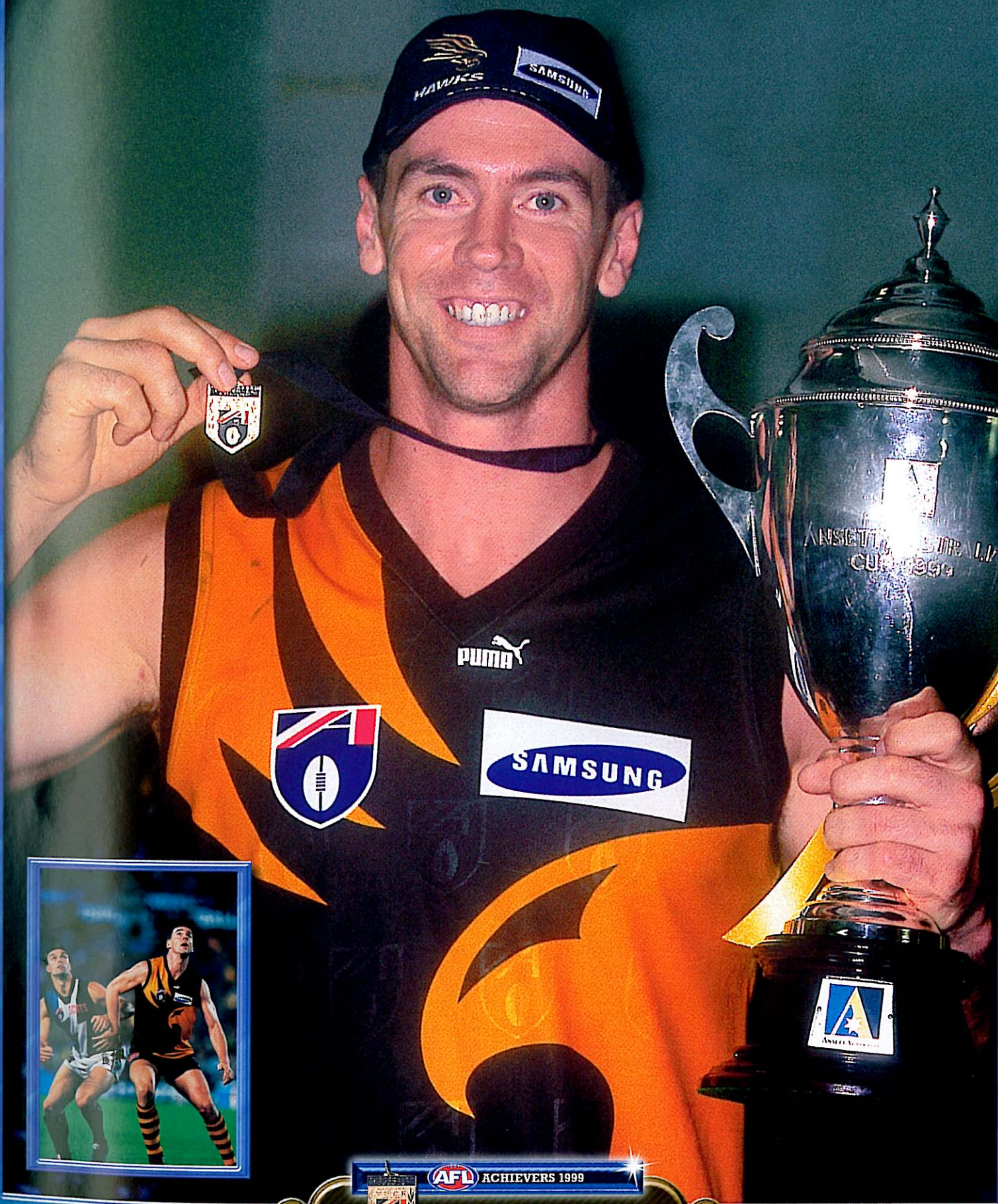
AFL ACHIEVERS 1999

**NORWICH UNION
AFL RISING STAR**
Adam Goodes, SYDNEY SWANS



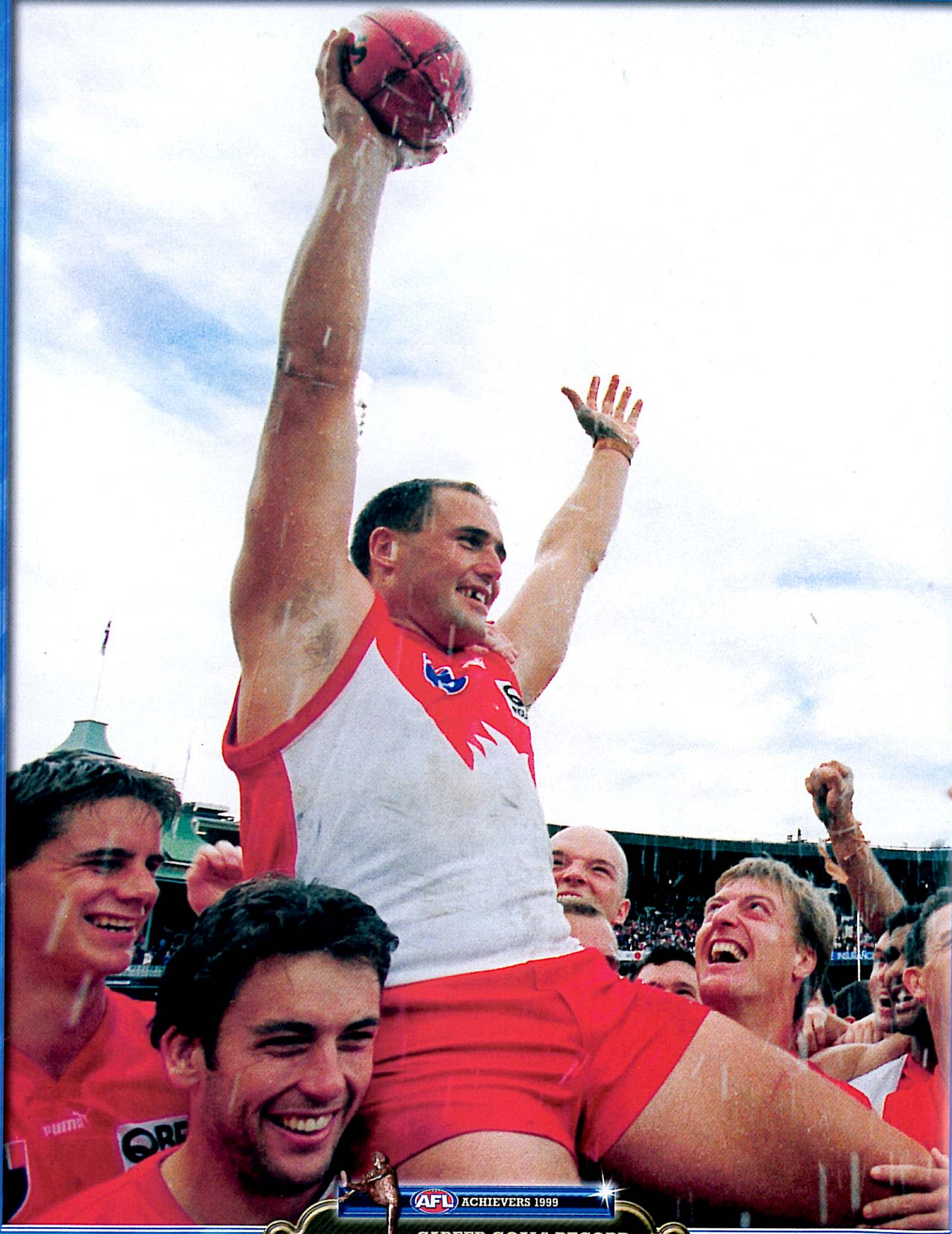
AFL ACHIEVERS 1999

ANSETT AUSTRALIA CUP
HAWTHORN



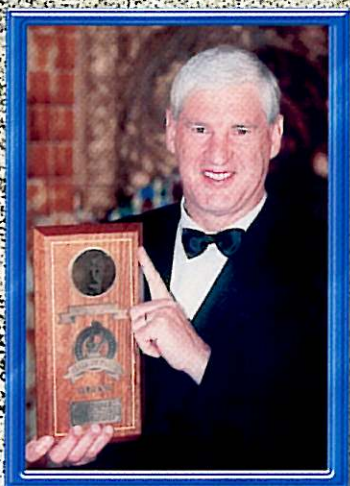
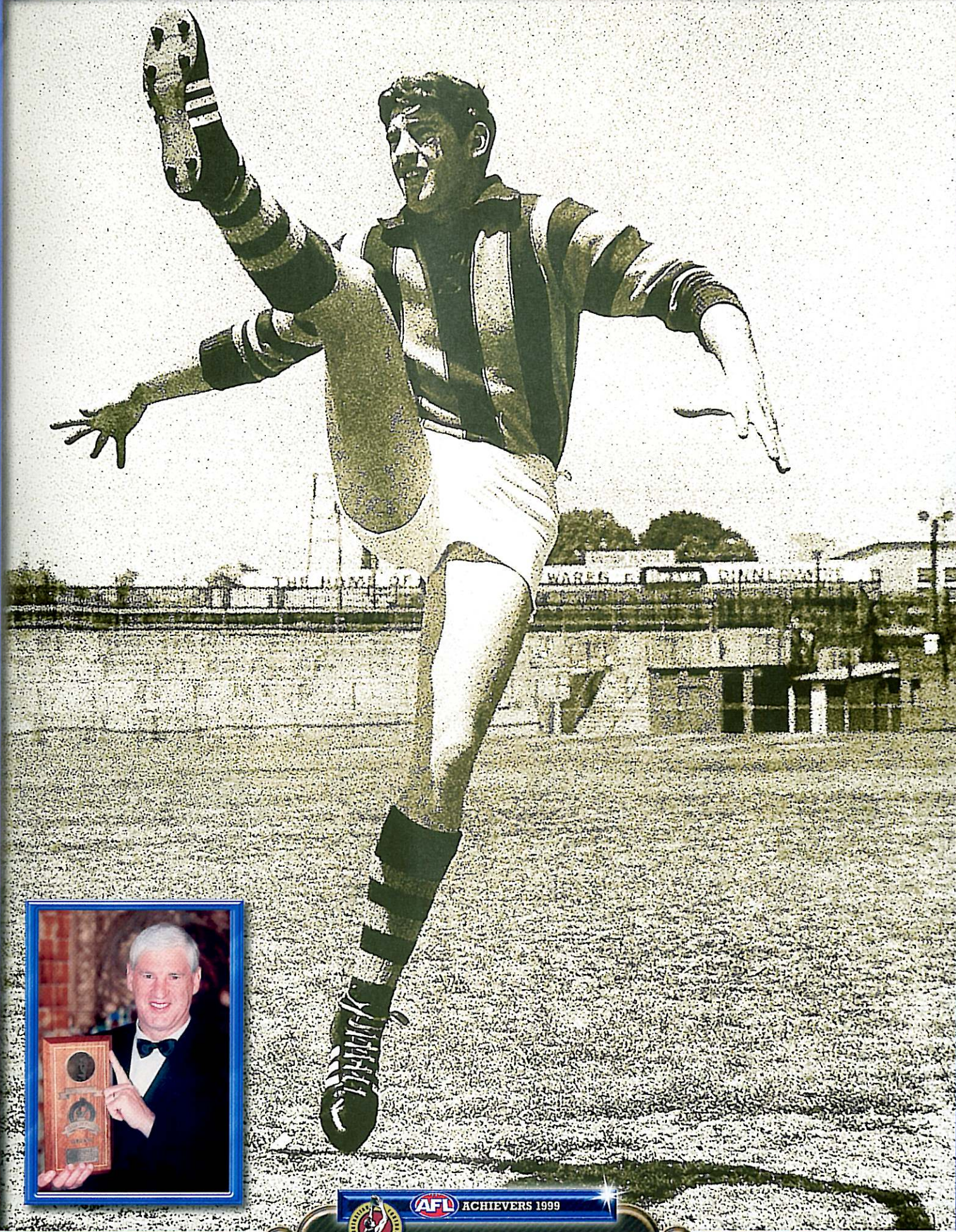
AFL ACHIEVERS 1999

MICHAEL TUCK MEDAL
Paul Salmon, HAWTHORN



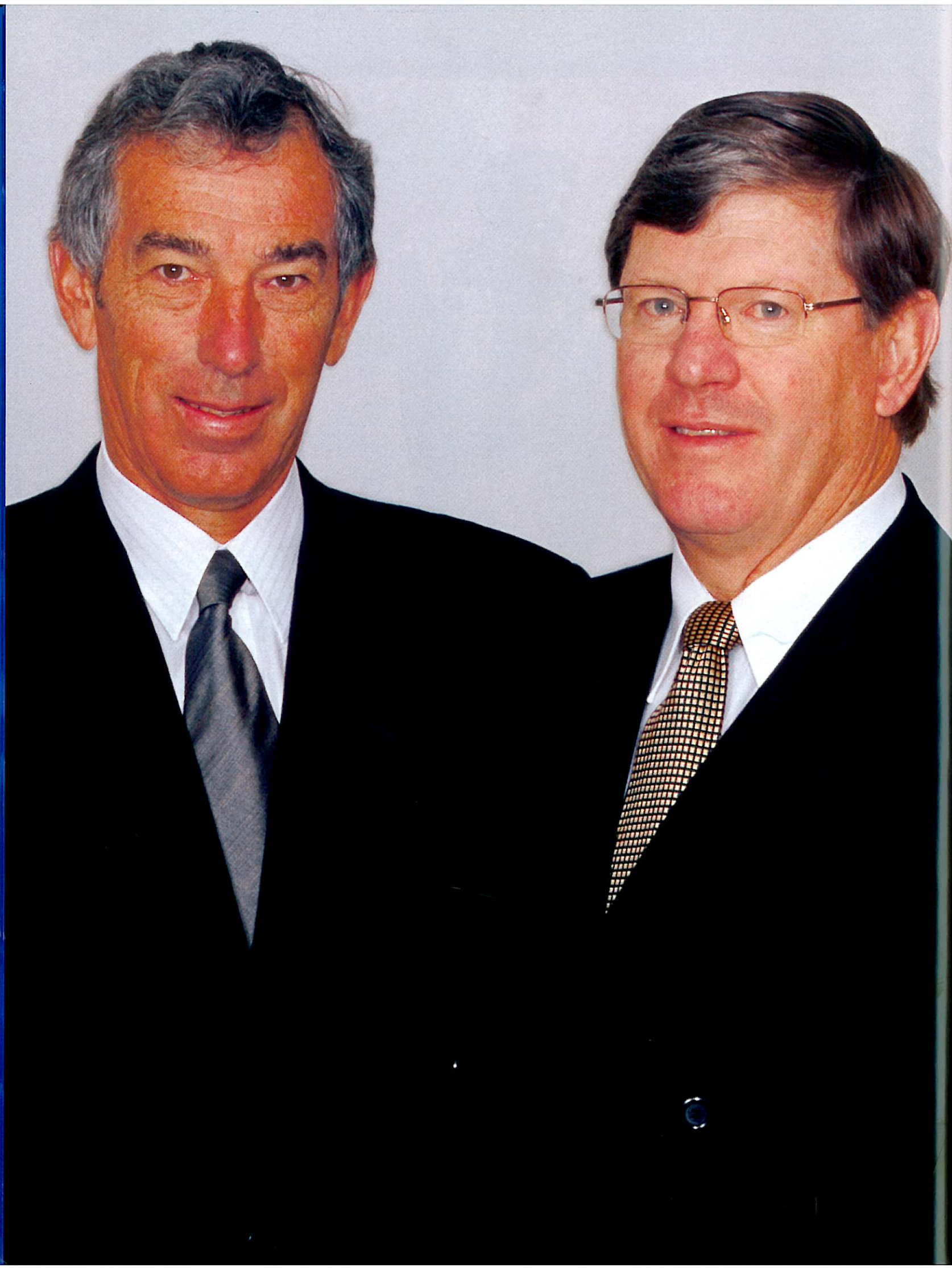
AFL ACHIEVERS 1999

CAREER GOALS RECORD
Tony Lockett, SYDNEY SWANS



AFL ACHIEVERS 1999

HALL OF FAME LEGEND
Peter Hudson, HAWTHORN



THE COMMISSION



1

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Executive Report





The AFL's Mission

The AFL has grown out of domestic state leagues with over 100 years of history. Today, as we enter the 21st Century, Australian football is a clear leader among sports in Australia.

The AFL's charter is:

- To manage the national competition
- To act as stewards to the game and ensure the future welfare of Australian football
- To maximise the economic and social benefits of Australian football to our member clubs, our players, the football fraternity and the community at large.

Looking back, it can be seen that the AFL has grown from a football club culture where the emphasis has been mostly on football issues at both club and competition management levels. However, the past decade has seen an appreciation by the AFL and AFL clubs that they compete in the wider entertainment industry and that the AFL's capacity to succeed - including paying players well - depends upon securing the support of the community at large. The next decade will see further challenges as rival codes and entertainment interests pursue AFL markets and as the AFL attempts to penetrate the northern half of Australia.

Furthermore, to maximise the economic and social benefits of football requires professional

excellence in sports and business administration as well as in consumer marketing. This requires attracting the best talent to manage the sport, and providing this talent with the appropriate resources and leadership.

The path to clear pre-eminence among Australian sports competitions requires success on four fronts. While each is a separate objective, success in each reinforces the prospects for success in the others.

1. To have the most successful elite level national competition
2. To ensure high levels of player participation down to grassroots levels
3. To ensure high levels of public interest and support - in other words to build a pre-eminent brand
4. To win our share of talent - to attract and develop talented athletes and sports administrators.

These overlap, but are not identical. Few sports appear successful in all four. National sports competitions can be successfully managed, but attract little public interest. Some have high levels of player participation but lack the public interest which generates television and attendance revenues. Consumer interest can be high even if participation rates are low.

The objectives for the AFL are not all strictly business. Australian football is a national pastime and part of the social fabric across all

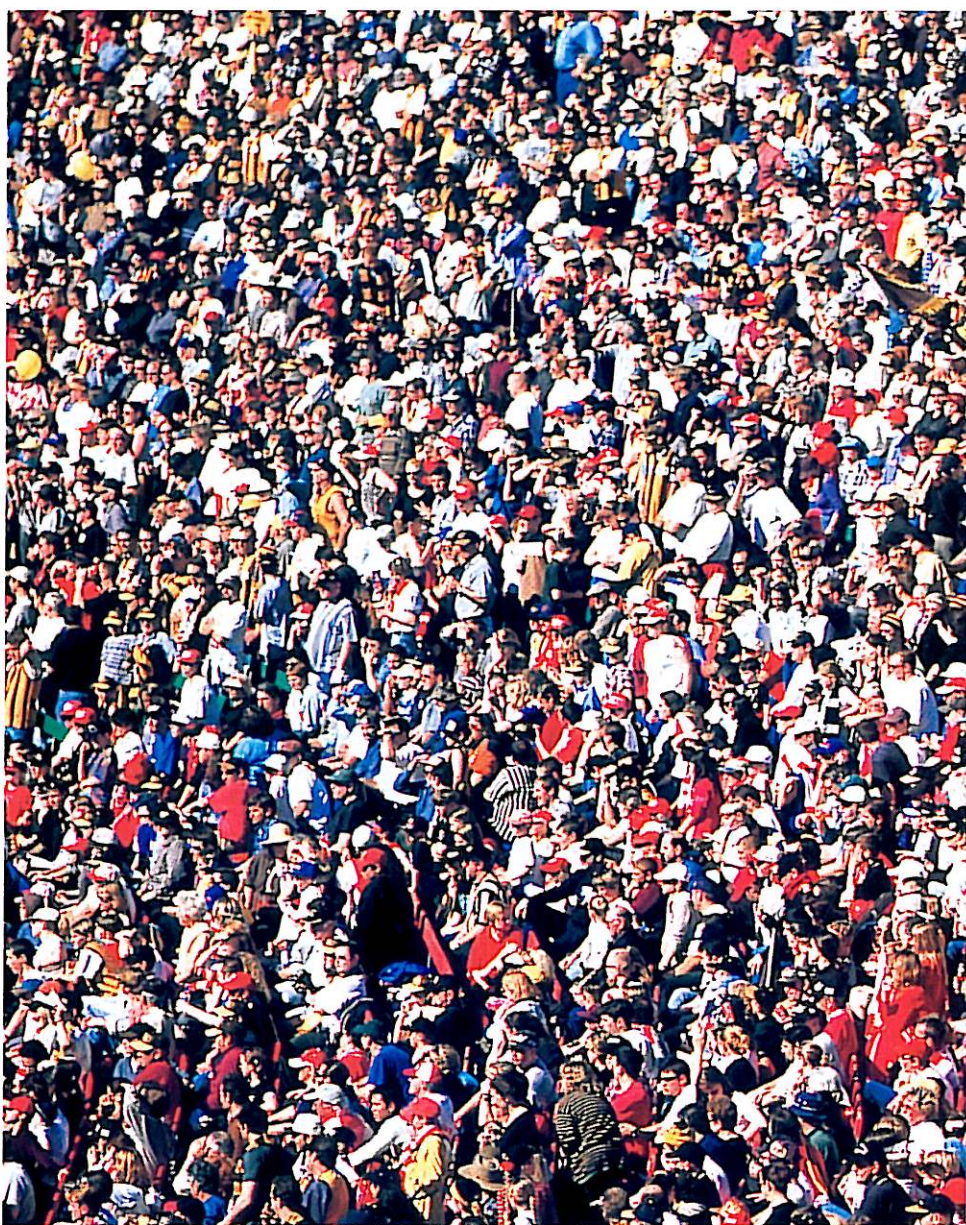
'Australian football is a national pastime and part of the social fabric across all levels of society'

levels of our society. The AFL's charter states that it aims to maximise the social benefits of Australian football and hence the AFL has a responsibility to the greater game and community. Accordingly, the AFL must foster good citizenship, both on and off the playing field.

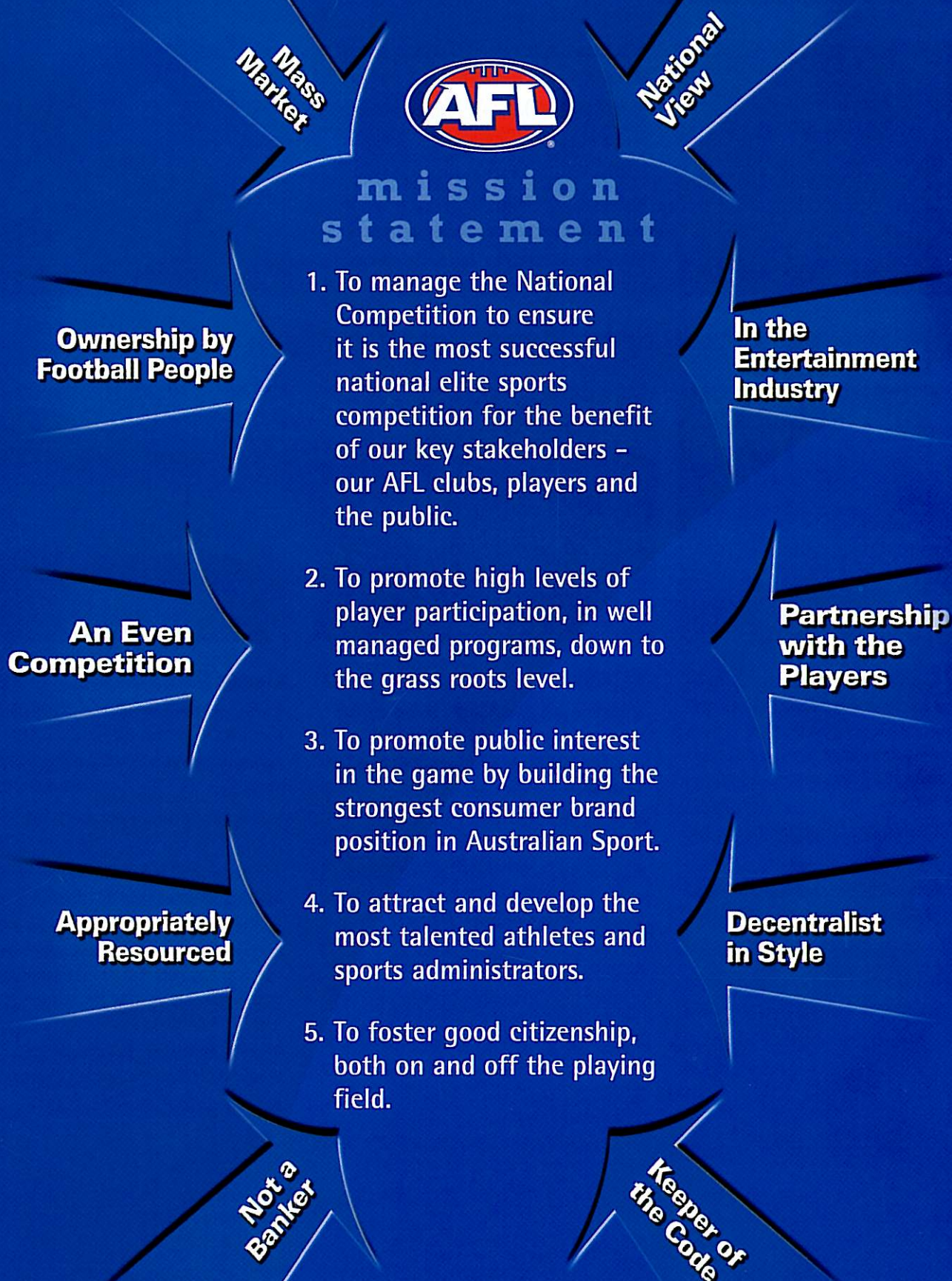
Thus, as a preamble to the AFL's review of its strategy, the AFL's Mission Statement is as follows:

AFL MISSION STATEMENT

1. To manage the National Competition to ensure it is the most successful national elite sports competition for the benefit of our key stakeholders – our AFL clubs, players and the public.
2. To promote high levels of player participation, in well managed programs, down to the grass roots level.
3. To promote public interest in the game by building the strongest consumer brand position in Australian Sport.
4. To attract and develop the most talented athletes and sports administrators.
5. To foster good citizenship, both on and off the playing field.



'TO PROMOTE PUBLIC INTEREST': The AFL's Mission Statement places great importance in promoting the game to its constituents – clubs, players and the general public.



AFL Commission



Chairman Ron Evans

President of Essendon Football Club 1988-1992.

Played 61 games and kicked 209 goals as a full-forward for Essendon from 1958-1962.

Leading VFL Goalkicker in 1959 and 1960.

Managing Director of Spotless Services Limited.

Bachelor of Science (Melbourne University).

Master of Business Administration (Monash University).

Appointed to AFL Commission 1993.



Colin Carter

Director of the Boston Consulting Group and played a key role in the development of the report adopted by the original VFL Commission in 1985 "Establishing the Basis of Future Success".

Director of Geelong Football Club 1987-1993.

Bachelor of Commerce (Melbourne University).

Master of Business Administration (Harvard University).

Appointed to AFL Commission 1993.



Bill Kelty

Graduated as a Bachelor of Economics from La Trobe University, 1969.

Appointed as an industrial officer, Federated Storeman & Packers Union, 1970.

Appointed research officer for Workers' Education Association, Adelaide, 1974.

Requested by ACTU to prepare and present minimum wage case on behalf of the Port Moresby Council of Trade Unions 1974.

Appointed research officer/advocate for ACTU, 1974.

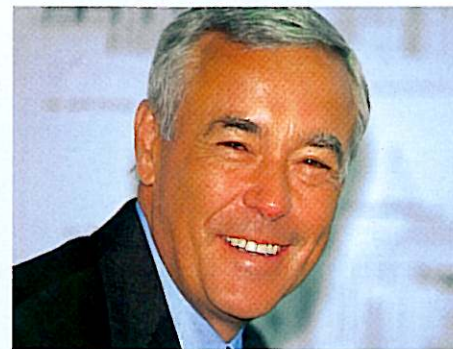
Elected assistant secretary of the ACTU, 1983.

Appointed to the Reserve Bank Board, 1987.

Appointed Chairman of the Commonwealth Government Regional Development Taskforce, 1993.

Other appointments - member of National Labour Consultative Council since 1977; Committee for Melbourne since 1980 and member of Netforce since 1994.

Appointed to AFL Commission 1998.



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 Limited consists of three operating groups - Just Jeans, which has 303 stores in Australia and New Zealand; Jays Jays which has 59 stores and the Jacqui E chain which has 62 stores.

Recently appointed chairman of the Woolmark Melbourne Fashion Festival.

Appointed to AFL Commission 1997.



Chief Executive Officer Wayne Jackson

Former member of the South Australian National Football League Commission, 1990-1995.

Life member, Woodville West Torrens F.C. Played 160 games, (senior & seconds) with West Torrens. Chairman, 1975-1979.

Managing director, S.A. Brewing Co., 1993-1996. General manager, Thomas Hardy & Sons 1977-1981. Managing director Thomas Hardy & Sons 1981-1992. Thomas Hardy & Sons merged with Berri Renmano Ltd. to become BRL Hardy Limited and the company was publicly floated.

Appointed business development director of BRL Hardy and to the main board in 1992.

Bachelor of Economics (Adelaide University). Fellow of Australian Society of Certified Practising Accountants.

Appointed to AFL Commission 1995. Appointed Chief Executive Officer, October 1996.



Terry O'Connor

Chairman of the West Coast Eagles, 1990-1993.

Played 300 games of amateur football in Western Australia.

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.

Chairman Interim West Australian Football Commission.

Chairman of the West Australian Anti Corruption Commission.

Appointed to AFL Commission 1993.



Chris Langford

Bachelor of Architecture, University of Melbourne, 1987

Architectural consultant, Insulboard Ltd, 1987-88.

Lend Lease Corporation, since 1988, working in a variety of group companies including Lend Lease Retail and Civil & Civic.

Development manager on such projects as the Greensborough Plaza in Victoria and Darling Park in Sydney and senior development manager for Fox Studios in Sydney.

Played 303 senior games - including 25 finals - and 32 pre-season/night series matches with Hawthorn Football Club.

Captain in 1994, vice-captain in 1993.

Member of Hawthorn's 1986, 1988, 1989 & 1991 premierships teams and the 1986, 1988, 1991 & 1992 pre-season/night premiership teams.

Represented Victoria in State of Origin matches 14 times and won the E.J. Whitten Medal as Victoria's best in 1987 and 1997.

All-Australian player in 1987 and 1997.

Director of the AFL (NSW-ACT) Commission since 1998.

Appointed to AFL Commission 1999.



Graeme Samuel

Left a career in law to become executive director of the Macquarie Bank before becoming a corporate adviser.

Chairman, Melbourne and Olympic Parks Trust (1992-1998).

Chairman of Opera Australia.

President of the Australian Chamber of Commerce and Industry (1995-1997).

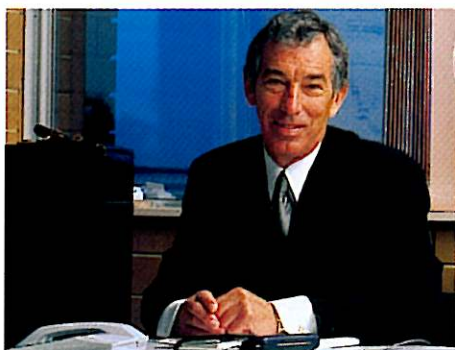
President, National Competition Council

Member, Docklands Authority

Bachelor of Laws (Melbourne University).

Master of Laws (Monash University).

Appointed to original VFL Commission in 1984.



CHAIRMAN: Ron Evans

Commission continues to manage the AFL Game for the greater good of the football community

As we begin the new millennium from a position of great sporting strength, we must remain attentive to the needs of the source of that great strength - the people who support the AFL game throughout Australia.

A key measure of the AFL's strength is the fact that more than 13 million people attend matches each year at all levels of the AFL game, including the hundreds of local community competitions. Added to that are our media viewers and listeners and, importantly, our players.

The needs of AFL people will change in many ways at different times. It is the AFL Commission's responsibility to anticipate these changes and to develop and to foster this outstanding sporting code. We have inherited a great game - we must improve and build on its fundamentals and satisfy the differing needs of all AFL people.

To this end the AFL Commission adopted a different approach to our strategic planning in the past year to that which applied to the release of the AFL Commission's strategic plan in 1994. This time, we have identified about 15 major issues and on most, we have or will circulate discussion papers to our AFL clubs, State and Territory bodies and the media for comment.

This will mean our strategic planning process will take longer but we are keen to get as much feedback and involvement as possible from our key stakeholders. In addition, by circulating key discussion papers to the media, we are also doing all we can to try to keep AFL supporters up to date with our thinking and hence give them an opportunity to comment.

This process does not move the responsibility for decision making from the AFL Commission - rather, it ensures all inputs are taken into account when the AFL Commission

hands down its decisions. The process will be a continuous one because we are operating in a very competitive sports and entertainment environment in particular and a rapidly changing world in general.

In the past year we have considered a range of issues including:

- An updated mission statement, and an expanded set of guiding principles for the management of the AFL competition and the development of the AFL Game. These are outlined in detail at the front of this report.
- Assessing the current and future structure of the AFL competition.
- The principle of equalisation by which we manage the AFL competition.
- Adopting a new formula for the distribution of gate receipts from matches played during the Coca-Cola AFL Premiership season.
- The successful staging of international rules matches between Australia and Ireland.
- The changing requirements of our senior administration to meet the increasing demands on our organisation and our industry.

During the past year and in the coming year, the accommodation of our football followers has been enhanced by a program to upgrade the quality and capacity of AFL sports stadia around Australia.

Works are being completed at all of our major stadia - Subiaco Oval, Perth, Colonial Stadium, Melbourne and the 'Gabba, Brisbane. In addition, a \$20 million expansion of Football Park, Adelaide is due for completion by 2002, and we now have an agreement to play games at Stadium Australia after the Sydney Olympic Games.

'We have inherited a great game - we must improve and build on its fundamentals and satisfy the differing needs of all AFL people'

These building programs have been completed at a combined cost of \$1.4 billion and will ensure accommodation of football games will be significantly improved in the next decade.

We have also considered the future of Waverley Park in Melbourne and after taken into account all the issues, the AFL Commission reaffirmed its intention to direct its resources - financial and game scheduling commitments - towards the development and maintenance of two world class facilities in Melbourne, the MCG and Colonial Stadium. This has led to the decision to sell the AFL-owned Waverley.

It also became clear during our deliberations Australian football does not require three substantial stadia in Melbourne. A long term commitment to a third stadium could jeopardise our ability to meet existing and future scheduling commitments to the MCG and Colonial Stadium.

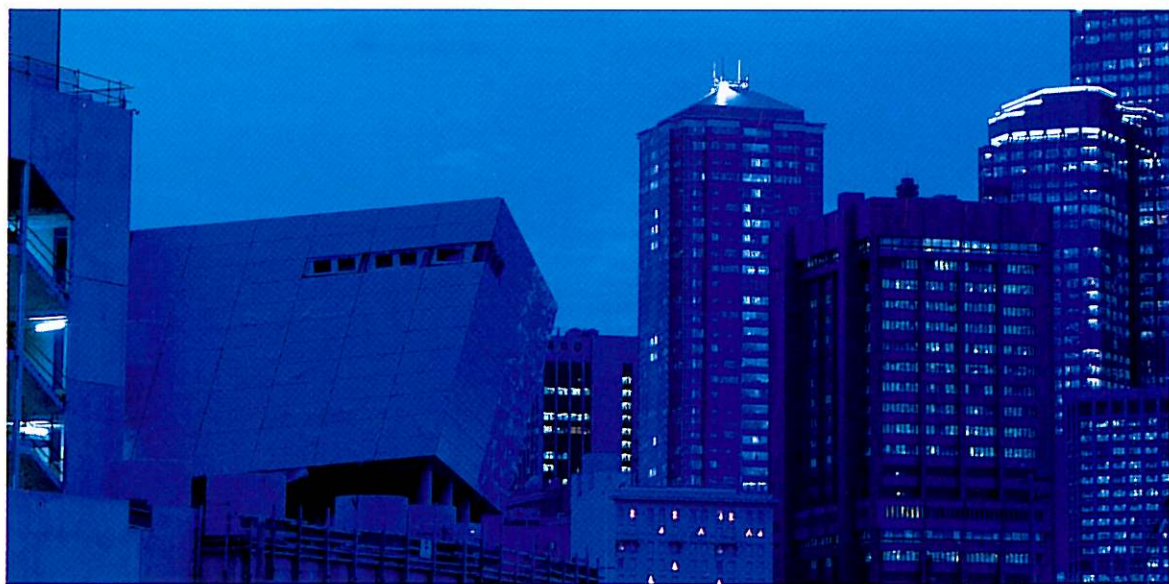
The AFL Commission acknowledges there are people in the south-eastern suburbs of Melbourne in particular who are

disappointed by our decision not to schedule AFL matches at Waverley Park after the 2000 Ansett Australia Cup. We understand and regret that AFL supporters feel that way but we are in no doubt that the sale of Waverley Park is in the long term best interests of our national game.

In this report last year, we indicated that the establishment of Australian football as a truly national code played at all levels throughout Australia remained a dream yet to be fulfilled.

While this is still the case, significant steps have been taken in the development of the AFL game in New South Wales and the Australian Capital Territory during the first 12 months of implementing the key recommendations of the NSW-ACT Task Force report which was accepted by the AFL Commission last year.

The AFL's development work in New South Wales and the Australian Capital Territory is not short term as our broad objective is to bring about a generational change in



NEW ERA FOR FOOTBALL WATCHING: Colonial Stadium, the lynchpin of the major development of Melbourne's Docklands, will provide superb facilities for AFL supporters, in all areas: closeness to the action, comfort, and ease of access from the CBD.

participation and support for Australian football throughout the region and in metropolitan Sydney in particular. Such work also requires long term investment.

During the past year, a committee appointed by the AFL Commission undertook an extensive review of all levels of the AFL game in Queensland. At the time of writing, that report had not been considered by the AFL Commission.

In line with the AFL's role as "keeper of the code", we will not be satisfied with major success in only some states of Australia. During 1999, the AFL Commission invested some \$13 million in national grass roots development programs. That is a very significant commitment and we are determined to ensure that the appropriate outcomes are achieved in terms of overall participation rates, boosting interest in various levels of community football and, most importantly, continuing to build broad national support for the AFL competition and our 16 clubs.

This development obligation not only embraces the northern states but also sees the program of strong support for the traditional AFL states of Victoria, South Australia, Western Australia and Tasmania. We must recognise our strengths as well as our weaknesses - the traditions and power of Australian football have come from these states and we must never relinquish this power to other codes in these key AFL-strong states.

The AFL's agenda for 2000 and beyond contains a number of major issues and challenges including future broadcasting arrangements for the AFL competition, game development in all states and territories, developing strategies for AFL growth in New South Wales including the playing of AFL matches at Stadium Australia from 2001 and the potential impact of e-commerce on the AFL and our clubs.

During the past 13 years of the national competition, the AFL Commission has managed a period of enormous change and we appreciate that some in our community may be alarmed by this rate of change and development. Our market research, however, indicates there is overwhelming support from the football public for the changes which have been implemented.

The growth of the AFL competition and all that has gone with it, our significant investment in Game Development and overall increased participation rates, our Collective Bargaining Agreement with the AFL Players' Association and our initiatives such as our rules and procedures to deal with

racial and religious vilification have put the AFL and our clubs at the forefront of Australian sport.

Like most Boards of Directors, the composition of the AFL Commission changes from time to time but our overall objective as trustees of our only indigenous game does not alter and that is to build and nurture the game for future generations.

During April, 1999, David Shaw resigned from the AFL Commission. He spent much of his life involved in VFL/AFL football as a player with the Essendon Football Club for 10 years and then as a committee member, vice-president and president before joining the AFL Commission in 1997.

The casual vacancy caused by David Shaw's resignation was filled by Chris Langford in August, 1999. Chris is a Senior Development Manager for Lend Lease and is based in Sydney. Apart from his obvious business expertise, he also has an outstanding football background having played 303 games, including four premierships, for Hawthorn from 1983 to 1997.

During October, 1999, Craig Kimberley announced his intention to retire at the end of his term as an AFL Commissioner in March, 2000. He was elected to the AFL Commission in 1997 and has been involved in our game as a club president, VFL/AFL director, sponsor and as part of the former Sydney Swans ownership group.

I would like to thank David and Craig for their contribution to our game over many years.

The game has been well served by former and also current Commissioners. I take this opportunity to thank the current Commission for their unselfish commitment to the game. We are, in my view, fortunate to have the combined capacities of this group of successful business and sporting people. In addition, I also pay tribute to the administrative capacities, astuteness and dedication of Wayne Jackson and his administration team.

Football is served well by both sets of leaders.



Ron Evans

Chairman, AFL Commission

NEXT GENERATION: In 1999, the AFL invested some \$13 million in national grassroots development programs, including McDonald's AFL Auskick.





CHIEF EXECUTIVE OFFICER: Wayne Jackson

Strategic initiatives ensure the AFL remains the leader in Australian sport

Pursuing a national agenda is unashamedly the broad goal of the AFL Commission and was fundamental to a number of major policies implemented in 1999.

That national agenda, however, does not mean one region or market in Australia is favored over another or that one region or market is developed at the expense of another. Rather, it is a matter of considering major issues in the context of the national development or advancement of the AFL competition and game.

The past 12 months gave us a number of major challenges but we continued to hold, by a significant margin, our pre-eminent position in Australian sport based on our key performance indicators of attendances, AFL club memberships, television and radio audiences, sales of licensed AFL product and participation rates.

Attendances for the Coca-Cola AFL Premiership season fell by 5.8 per cent in 1999 to 5,761,176 compared to 6,119,164 in 1998. This outcome needs to be considered in the context of the past 13 years during which time we have set all-time attendance records in 11 of those seasons.

A number of factors contributed to this outcome in 1999 including reduced capacities at Subiaco Oval in Perth and the 'Gabba' in Brisbane while those venues underwent major re-building programs.

Collingwood's home crowds dropped by 113,000 people when compared to 1998 while Melbourne's home crowds were down by 89,000 people as both clubs struggled on-field.

The Kangaroos' home crowds were down by 112,000 people largely as a result of the club's decision to play four 'home' games in Sydney as part of a five year agreement with the AFL to expand their presence in New South Wales.

Interestingly, the Kangaroos' average attendance of 16,250 for their home games in Sydney was greater than the attendance average for any other sporting club in Sydney with the exception of the Sydney Swans.

Major policies implemented by the AFL Administration during 1999 included:

- The adoption of an updated mission statement and an expanded set of guiding principles by which the AFL Commission manages the national competition and AFL game development;
- Reinforcing the principle of equalisation by which the competition is managed;
- Adopting a new formula for the distribution of gate receipts from matches played during the Coca-Cola AFL Premiership season;
- Assessing the current and future structure of the AFL competition;
- Developing the concept of international matches between Australia and Ireland under international rules devised by merging the laws of our game and Gaelic football. The international matches are a priority;
- Revamping the AFL's administrative structure.

The issues we have dealt with to date as part of our strategic planning are outlined in greater detail in this report but the following are worth highlighting.

Equalisation

In broad terms, the AFL Commission's goal is to achieve competitiveness and evenness on the field and uncertainty of outcomes which in turn maximises public interest.

'We continue to hold, by a significant margin, our pre-eminent position in Australian sport'

After analysing the growth of the AFL since 1987 and other sporting competitions in Europe and the United States of America, our key findings included:

- The broad equalisation policies pursued by the AFL Commission - draft, total player payments cap and equalising key competition revenues such as corporate sponsorship, broadcast rights and finals income - have produced a more evenly balanced competition than would otherwise be the case.
- More teams make the finals. If we exclude the most recent arrivals to the AFL competition - Port Adelaide and Fremantle - 11 of 14 clubs have played in a Grand Final during the 1990s. Only seven of the original 12 VFL clubs played in a Grand Final in the previous 20 years. Seven different clubs have won a premiership during the 1990s while only five clubs won flags in the 20 years between 1970 and 1989 when the competition was less equalised.
- Competitions left to the market have self destructive forces which increase in intensity as the amounts of money involved grow. The natural order is for the revenue gap between a few strong teams and the majority of others to grow to such a point that success on the field becomes a foregone conclusion.
- In European soccer and US baseball, there are enormous revenue disparities between clubs and on-field success is highly concentrated on the wealthy clubs.
- Managed competitions like the NFL in America and the AFL have far smaller disparities in wealth and more even distribution of on-field success.
- Managed competitions deliver competitiveness on the field and uncertainty of outcomes which builds public interest because supporters understand their team has a chance of winning each week.

Gate sharing

In September, 1998, a discussion paper was circulated to our AFL clubs recommending that the then current

arrangement for sharing gate receipts between clubs during the Coca-Cola AFL premiership season be abolished.

Under the old formula, the two clubs in each premiership season game equally shared the gate receipts after all match costs - umpiring, police, security, cleaning, ground manager's fee etc. - were deducted.

Club membership and reserved seat income was not taken into account as part of the match receipts because they were retained exclusively by the home club.

As a result, a number of inequities had developed largely as a result of some clubs playing at smaller capacity stadia with a large number of reserved seats and other clubs playing at larger stadia with less reserved seats but larger numbers of cash payers on the day or night of each match.

For example, our analysis showed that an Essendon home game with a crowd of 53,000 and a relatively high percentage of cash payers gave the away club \$65,000 as its share of the gate.

An Adelaide home game with a crowd of 40,000 and a high percentage of club members with reserved seats gave the away club \$6000 as its share of the gate while a West Coast Eagles home game with a crowd of 32,000 and a high percentage of club members with reserved seats gave the away club \$2000 as its share of the gate.

It was also recommended that the equalisation levy of \$1.20 per cash payer and \$1.10 for home club members attending each game be doubled.

Eight clubs provided feedback with most supporting the abolition of gate sharing. Most clubs, however, did not support doubling the equalisation levy.

After taking into account the views of the clubs, the AFL Commission resolved to:

1. Abolish gate sharing as of the 2000 Coca-Cola AFL Premiership season. The home club will keep the proceeds of each match during the Premiership season but will be responsible for all match costs.

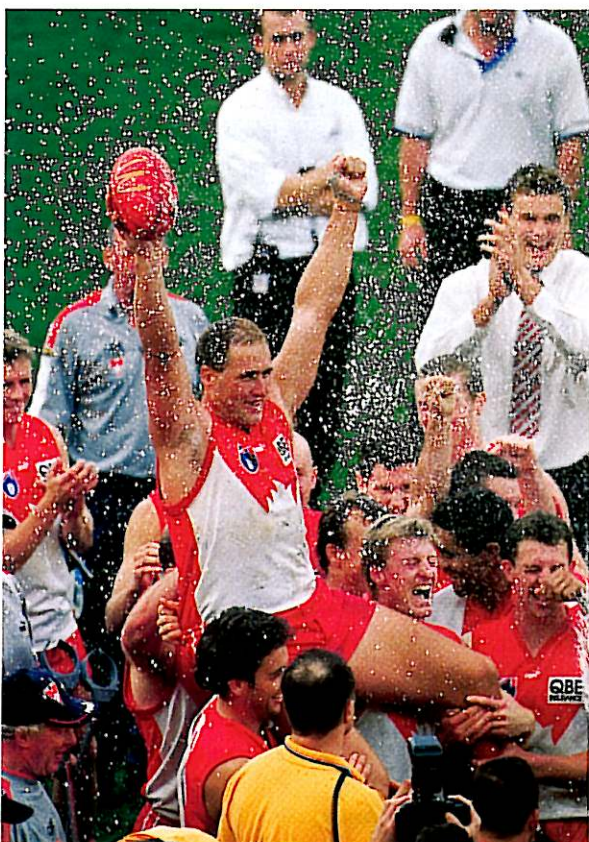
2. Increase the cash payer and home club member equalisation levies in line with football inflation to \$1.50.

It is estimated that the new levy will produce a total pool of some \$5.6 million in 2000 which will be distributed equally among all 16 clubs.

Competition structure

The number and location of teams in the AFL competition was another major issue addressed by the AFL Commission during 1999.

Since 1986, the VFL/AFL Commission had indicated publicly and consistently that it did not believe Victoria could sustain the current number of AFL clubs as the competition moved to full-time professionalism.



ON TOP: Tony Lockett eclipsed one of the game's oldest records when he passed Gordon Coventry's 1299 goal tally in the round 10 match against Collingwood at the SCG. Lockett retired at season's end with a career record of 1357 goals.

At various times since then, the AFL Commission promoted the concept of club mergers and in 1995 at the urging of AFL clubs developed a merger package for clubs to merge including a \$6 million incentive payment.

In hindsight, it is clear that questioning the capacity of Victoria to support a large number of increasingly professional clubs and promoting mergers proved to be unsettling as uncertainty was created in the minds of our key stakeholders - club members specifically and football supporters in general.

An unfortunate side effect of the AFL Commission's view about the ability of Victoria to sustain 10 AFL clubs is that it was interpreted as policy and the impression was falsely created that the AFL Commission was actively working to reduce the number of clubs in Victoria when in fact its broad policy of equalisation has led to the opposite outcome.

During 1999, some AFL clubs asked the AFL Commission to "come clean" on how many clubs we plan to have in Melbourne. In the absence of a definitive statement, conspiracy theories abounded and too many people were saying the AFL Commission had a "secret agenda".

No such agenda has ever existed as we have never set a target for the number of clubs in Victoria.

The AFL Commission's view about the structure of the competition can be summarised as follows:

- We have no fixed view about the number of teams but the current 16 club competition works well, despite some inequalities and difficulties such as fixturing 16 clubs into a 22 week season.
- No new markets are attractive in the foreseeable future.
- The potential for second teams, or playing extra games in Sydney and eventually Brisbane are prima facie attractive but require further detailed analysis before a final position could be reached.
- Our equalisation strategies are designed to create an environment in which less wealthy clubs have the opportunity to compete successfully.
- Ten clubs will struggle to survive long term in the Victorian market due to the revenue required to sustain an AFL club. These pressures have been evident since the early 1980s and have resulted in two fewer teams in Melbourne.

ASON 1999 AT A GLANCE AFL SEASON 1999 AT A GLANCE AFL SEASON

Attendances for the Coca-Cola AFL Premiership season fell by 5.8 per cent in 1999 to 5,761,176 compared to 6,119,164 in 1998. This total was the third highest attendance ever for a Coca-Cola AFL Premiership season. This occurred against a backdrop of the past 13 years during which time new all-time attendance

records were set in 11 of those seasons. Attendances at all official AFL matches - Coca-Cola AFL premiership season, Coca-Cola AFL finals series, Coca-Cola AFL State of Origin and Ansett Australia Cup totalled 6,543,609 reinforcing the AFL's status as Australia's leading spectator sport.



AFL Club memberships reached a record total of 441,711 compared to 422,815 in 1998. It was the 13th successive season that club memberships created a new record total and reflected the excellent work of AFL clubs in promoting membership to their supporters.



SWEET VICTORY: Hawthorn captain Shane Crawford capped off a great personal season with a convincing win in the AFL's highest personal award, the Brownlow Medal. Crawford polled 28 votes to win by six from Essendon's Mark Mercuri.

- Contrary to popular opinion, the AFL is not trying to reduce the number of teams in Victoria. In fact, our equalisation strategies promote their survival. Our views purely relate to the capacity of the Victorian economy in general and the football community in particular to provide the support to secure the long term future of 10 clubs.
- While we have a national focus, the AFL Commission recognises that Victoria is the cornerstone of the national competition.
- The AFL Commission will encourage and work with clubs to be creative to build their supporter bases, but will not act as a banker to the clubs.

The AFL Commission will continue to work closely with clubs to improve their viability. Examples include the Kangaroos playing home games in Sydney and Geelong

playing some home games in Melbourne to build their supporter bases in those cities. Colonial Stadium will be of substantial benefit to Essendon, St Kilda and the Western Bulldogs as the major tenants of the ground.

Colonial Stadium

This \$465 million project will provide world class facilities for AFL supporters starting with our 2000 season. The AFL Commission's decision to become the anchor tenant of the complex in March, 1997, has led to a great deal of public debate and scrutiny and is an example of the AFL taking a strategic and longer term view.

Our longer term challenge is how our game will prosper and continue its pre-eminent position in Australian sport against:

- The international pressures of soccer.

AT A GLANCE  SEASON 1999 AT A GLANCE  SEASON 1999 AT A

The Kangaroos appeared in their third Coca-Cola AFL Grand Final in four years and won their second premiership during that time, downing Carlton in the Grand Final. The club has played in a preliminary final in every year since 1994. The Kangaroos have earned the right to be regarded as the team of the 1990s.



Hawthorn won the Ansett Australia Cup for the first time since 1992, beating Port Adelaide in the Grand Final. Apart from regular AFL venues, Ansett Australia Cup matches were also played in Canberra, Darwin and Hobart to give AFL supporters in those regions the chance to see the AFL game live.

Hawthorn captain, Shane Crawford, won the Brownlow Medal, the count for which was held for the first time in Sydney. Crawford, born and raised in Finley, New South Wales, had an outstanding first season as the Hawks' captain and was also voted by his peers as the AFL Players' Association most valuable player.

- The determination of rugby in both of its forms to eat into our heartland, Victoria, and perhaps ultimately to establish or re-establish teams in Adelaide and Perth.
- The large number of major sporting events currently held in Australia and others planned for the future such as the 2006 Commonwealth Games.
- The internet, movies and all other forms of sport and entertainment.

In other words, it is not about Essendon's result against the West Coast Eagles, if Collingwood beats Carlton or the result of an Adelaide v. Sydney encounter. Our continued development is all about how we collectively work to build on our leadership position.

Our absolute priority is to grow our game around Australia and certainly in Victoria, the home of Colonial Stadium. We remain totally convinced the game's best interests are served by maximising attendances at our games and that AFL supporters deserve safe, attractive family type facilities at affordable prices.

We are totally confident that as AFL supporters use, enjoy and become familiar with Colonial Stadium, it will be embraced as it deserves to be - the very best stadium in which to watch and play AFL football.

Administration

In view of the increasing demands on our executive staff caused by our national growth, we changed our administrative structure during 1999. The changes were also in part due to our desire to give the AFL more of a marketing focus and to continue the strong growth of the game at grassroots level throughout the country.

The AFL structure has not altered in the past 15 years yet the demands and expectations of the organisation have grown quite substantially during that period, particularly in the last five years.

As part of our administrative review, we also considered the structure of various major sporting organisations in this country and overseas including the United States of America. The latter gave us a greater appreciation of the emphasis sporting bodies in the US place on marketing, promotion and game development.

When considering our re-organisation, the key driver for

me was that, simplistically, we must push strongly forward to ensure we remain clearly the most successful national sporting organisation in this country and also an organisation which clearly raises the bar for growing and promoting our game. We must also be noted for the service we provide, particularly to our clubs and to all with whom we come in contact.

Our senior executive structure now has five General Managers who report to me and who have responsibility for clearly defined areas of our organisation. They are as follows:

- Ian Collins - General Manager - AFL Football Operations.
- Ben Buckley - General Manager - AFL Commercial Operations.
- Kevin Lehmann - General Manager - AFL Finance and Administration.
- Tony Peek - General Manager - AFL Corporate Affairs and Communications.
- Ross Smith - General Manager, AFL Game Development.

Ben Buckley and Ross Smith are new appointments to the AFL.

Ben joins us after extensive experience with Nike as Director of Marketing in Australia and more recently for Nike Japan. He played 75 games for the Kangaroos between 1986 - 1993 and was vice-captain for three years before concentrating on his business career.

Ross Smith was Director of the Australian Institute of Sport for three years before being appointed in 1990 as Director of Sports Sciences for the AIS.

He played 234 games and kicked 231 goals for St Kilda between 1961 and 1972, was a member of the club's 1966 Premiership team and won the Brownlow Medal in 1967. He captained St Kilda from 1970 to 1972 before moving to Western Australia in 1973 where he was captain-coach of Subiaco.

Ben and Ross bring considerable experience to the AFL and we are looking forward to their contribution.

AFL Players' Association

While we outlined the detail of our current collective bargaining agreement with the AFL Players' Association in last year's Annual Report, the formal five year contract was signed in June, 1999.

ASON 1999 AT A GLANCE  SEASON 1999 AT A GLANCE  SEASON

Just on 110,000 people saw two Coca-Cola International Rules matches between Australia and Ireland in October, 1999. The first game at the MCG in Melbourne attracted a crowd of 64,326 while the second match at Football Park in Adelaide drew a near capacity crowd of 45,187. Ireland narrowly won the

series but the enormous spectator interest reinforced the AFL's belief in the international concept. Brisbane Lions' and ALL-Australian defender Jason Akermanis won the Jim Stynes medal for player of the series. Australia will tour Ireland again in 2000 under coach Dermott Brereton.

Former Hawthorn champion full forward, Peter Hudson, was elevated to the status of "Legend of the Game" in the Australian Football Hall of Fame. This is the highest honor which can be bestowed upon a player elected to the Australian Football Hall of Fame.



The major outcome from the agreement was that the AFL, the clubs and players were collectively committed to the fundamental planks on which the AFL competition is based - a total player payments cap, draft and equalisation of key revenue streams.

The AFL and AFLPA enjoy an excellent working relationship with extensive consultation on major issues as they arise from time to time.

Importantly, the Collective Bargaining Agreement gives the AFL competition a great deal of stability which we regard as essential for all of our key stakeholders - AFL clubs, players, AFL supporters and sponsors.

Under the agreement, the AFL and AFLPA have a strong commitment to implement welfare, education, training and post-retirement programs for players. To establish these welfare programs, the AFL is providing funding to the AFLPA of \$4 million in 2000 and \$5 million in 2001.

International rules

The AFL Commission's objective of establishing annual international rules matches between Australia and Ireland took a great step forward with the highly successful staging of two matches during October, 1999, between Australia and Ireland at the MCG in Melbourne and Football Park in Adelaide.

Some 110,000 people attended the two matches which were also watched by a national television audience of some 2 million people on the Seven Network.

The first two games under our four year agreement with the Gaelic Athletic Association were played at Croke Park in Dublin during October, 1998, before total crowds of more than 65,000.

Objectives of these international rules games include:

- To provide international opportunities for AFL players to represent their country.
- To provide an elite competition for our very best players.
- To provide an opportunity to travel and gain experience overseas for our players and administrators.

The third series of matches will be played at Croke Park during October, 2000.



WINNERS: The Kangaroos confirmed their position as the team of the nineties with a strong win over Carlton in the 1999 Coca-Cola AFL Grand Final at the MCG in September. Captain Wayne Carey, hugged by ruckman Corey McKernan, led the 'Roos to flags in 1996 and 1999, runners-up in 1998, and preliminary finals in 1994, 1995 and 1997.

AT A GLANCE AFL SEASON 1999 AT A GLANCE AFL SEASON 1999 AT A GLANCE

Tony Lockett broke the competition's 62 year old goalkicking record of 1299 goals when he kicked nine goals against Collingwood at the SCG on June 6, 1999, passing the 1300 goal barrier. The previous record of 1299 goals had been held by the late Gordon Coventry of Collingwood since 1937. Tony retired with a total

of 278 games and 1357 goals for St Kilda and Sydney in a career spreading from 1983 to 1999. His achievement was recognised at the Brownlow Medal count when he was awarded a trophy and he was part of a cavalcade of former champions and recently retired stars farewelled on Grand Final day.

Another eight former players were elected to the Australian Football Hall of Fame. They were dual Norm Smith Medallist, Gary Ayres, of Hawthorn; former South Melbourne Brownlow Medallist, Peter Bedford; five time Hawthorn premiership player, Dermott Brereton; Collingwood premiership player,

Peter Daicos; dual Magarey Medallist and former West Torrens captain, Bob Hank; former Collingwood leading goalkicker, Peter McKenna; dual Sandover Medallist and South Fremantle player, Stephen Michael and former Fitzroy rover, Garry Wilson.

MCG

The AFL Commission has continued discussions during 1999 with the MCG Trust and the Melbourne Cricket Club concerning the development of a business plan for the future development of the stadium.

We regard the MCG as our primary venue and the long term home of our major matches in general and the Coca-Cola AFL Grand Final in particular and are keen to do whatever we can to assist the further development of the MCG. The contribution of AFL football to the stadium is obvious to most and we look forward to working with the relevant bodies to ensure the aspirations of all are achieved.

Our discussions will continue during 2000 as we understand the MCG will be upgraded in the not too distant future in preparation for the 2006 Commonwealth Games which have been awarded to Melbourne.

On Field

While outlining some of the major decisions and policies in this report, our primary focus was again on the outstanding athletes who drive our competition and generate nationwide interest. They provided us with many moments to remember in 1999.

In an individual sense, nothing was more momentous than when Tony Lockett kicked nine goals against Collingwood at the SCG on Sunday, June 6, 1999 to break our competition's long-standing goalkicking record of 1299 goals held since 1937 by the late Gordon Coventry of Collingwood.

Tony Lockett's record-breaking feat was witnessed by a capacity crowd at the SCG and more than 1.56 million people on the Seven Network in the five mainland capital cities.

It was clearly the most extensively covered event of the AFL year by all sections of the media and featured on the front page of every metropolitan daily newspaper in the country. It is difficult to recall another event in the history of our competition which has attracted more national attention than the lead up and subsequent breaking of the goalkicking record by Tony Lockett.

The previous game between the Sydney Swans and West Coast Eagles, Tony needed six goals to break the record, was watched by an audience of 2.38 million people and set a new ratings record for a premiership season match in Sydney and Melbourne. In Sydney, the game attracted a peak rating

of 30 and an audience of 760,000 while in Melbourne the game had a peak rating of 42 and an audience of 944,000. This larger audience was a result of playing the game at a later time than the Collingwood match the following week.

Tony Lockett's contribution to the development of our game in New South Wales, in particular, is immeasurable. He subsequently announced his retirement at the end of the season to finish with career statistics of 278 games and 1357 goals made up of 183 games and 898 goals for St Kilda between 1983-1994 and 95 games and 459 goals for Sydney from 1995-1999.

The Kangaroos laid claim to the team of the 1990s by appearing in their third Coca-Cola AFL Grand Final in four years and winning their second Premiership during the same period.

They have an outstanding coach in Denis Pagan and captain in Wayne Carey who is generally regarded as the best player in the AFL competition. They were, respectively, named All Australian coach and captain in 1999. The Kangaroos were simply relentless in their drive towards the 1999 Premiership after finishing runners-up to Adelaide the year before. It would take a brave judge to discount them for the 2000 flag.

Another on-field highlight in 1999 was the resurgence of the Brisbane Lions under a new coaching staff headed by Leigh Matthews. The Lions leapt from last in 1998 to lose a hard fought preliminary final to the Kangaroos after playing some of the most exciting football of the year, particularly in the second half of the season.

Michael Malthouse retired as coach of the West Coast Eagles after a remarkable 10 years during which he led the club to two AFL premierships and the finals in each year of his term. Given that the Eagles only entered the competition in 1987, the club's record in just 13 years is outstanding and we are certain Michael will have a major impact on Collingwood which appointed him as coach at the end of the 1999 season.

We should also acknowledge the contribution of Malcolm Blight who retired as coach of the Adelaide Football Club in 1999 after taking the Crows to back to back premierships in 1997 and 1998. As a player with Woodville and North Melbourne and coach with Woodville, North Melbourne, Geelong and Adelaide, Malcolm has a record which is second to none and already has a rightful place in the Australian Football Hall of Fame.

SEASON 1999 AT A GLANCE AFL SEASON 1999 AT A GLANCE AFL SEASON

In his first season with the West Coast Eagles - he had previously played with Essendon and Port Adelaide - Scott Cummings won the Coleman Medal for the first time to be the competition's leading goalkicker with 88 goals.

The AFL competition continued its status as the most watched sport on television with cumulative audiences of between 4 million and 5 million people regularly watching Seven Network telecasts during the Coca-Cola AFL Premiership season.



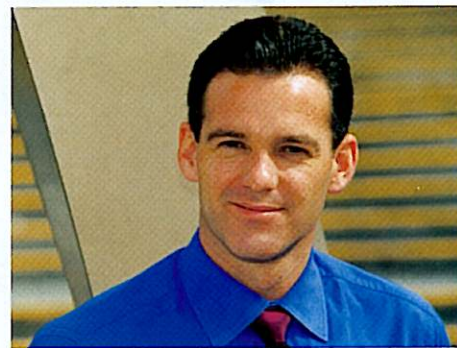
The AFL also enjoyed widespread coverage from all sections of the media - press, radio and television - throughout Australia with some 1200 media representatives accredited to cover the competition. This number of accredited media has increased six fold in the past 10 years.



CHIEF EXECUTIVE OFFICER:
Wayne Jackson



GENERAL MANAGER, FOOTBALL OPERATIONS:
Ian Collins



GENERAL MANAGER, COMMERCIAL OPERATIONS:
Ben Buckley

AFL re-structure provides foundation for strong growth in all areas of AFL business

The AFL undertook a substantial internal re-structure during 1999, aimed at giving the organisation and our game more of a marketing focus, with a high priority the growth of the AFL game throughout Australia.

The general structure of the AFL has not changed in the last 15 years, yet the demands and expectations of the organisation have grown substantially during the period. The last five years have been particularly dynamic.

The re-structure has been under consideration since the end of 1998, and has involved the review of the structure of various major sporting organisations in this country, and, as well, those based in the USA. The analysis of major bodies in America shows they place a great emphasis on marketing, promotion and game development. We have adapted what we have learnt to suit our needs, and rejected practices not suited to our game, organisation or country.

The re-structure - the final component is concluded in February 2000, when Ross Smith takes control of the new department of Game Development - will allow the AFL to develop a more co-ordinated approach throughout the organisation, including important areas like the AFL's relationship with its shareholders, the 16 AFL clubs, key corporate partners, media, and the general public.

The changes are based on the premise that the correct organisational structure will allow the AFL to grow traditional sources of

competition revenue, grow revenues from sponsorship, licensing, and new products, while maintaining a strong accountability to budgets.

The personnel and departmental changes in no way affect the emphasis on the AFL's core business - football - and will not reduce any priority or focus from the football operations of the AFL. Two new senior managers were appointed - Ben Buckley General Manager, AFL Commercial Operations, and Ross Smith General Manager, AFL Game Development - each reporting to the Chief Executive Officer.

Executives in charge of departments will have more time and support to ensure they are able to devote maximum energy and resources to their areas of responsibility.

The Commercial Operations Department has already undergone significant change to what was formerly known as the AFL Marketing Division. Commercial Operations is now comprised of six separate divisions - Corporate Partners, which deals with major sponsors and new business opportunities for the AFL, Consumer Products, which is an extension of the AFL Licensing Division, Marketing, which creates and manages the corporate image of the AFL, AFL Membership, AFL Events, and AFL Commercial Media, which manages all AFL Media, including the AFL Record, and AFL Films.

A key objective of the process is to increase the revenue available for distribution to clubs, and investment in game development.

A graphical representation of the AFL structure is displayed on the inside back cover of this report.



STRUCTURE

EXECUTIVE

*AFL Commission
Chief Executive Officer, Wayne Jackson*

DEPARTMENTS

*AFL Football Operations
General Manager, Ian Collins*

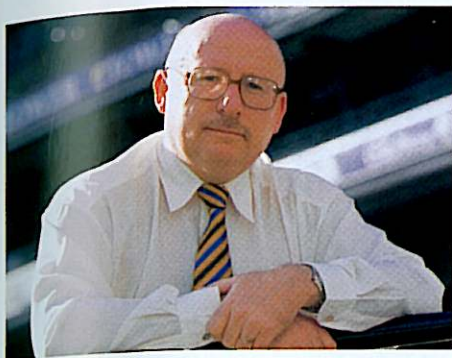
OVERALL ROLE: responsible for all things to do with the conduct of the national competition

DETAIL:

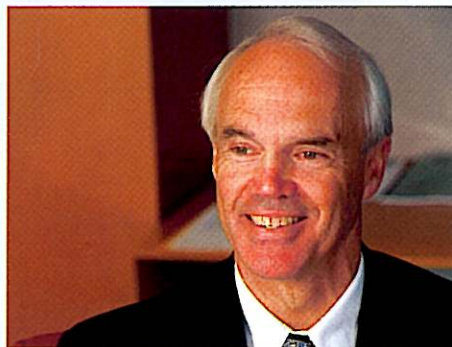
- Match Arrangements
- Fixturing (conduct of competition, liaison with relevant departments to maximise attendances and television audiences)
- AFL Player rules - draft, total player payments
- National Draft, Pre-Season Draft, Rookie Draft
- Umpiring
- Stadia operations, including Venue Standards
- AFL Rules & regulations, e.g. drug code, racial vilification, Tribunal, Appeals Board, Investigations

*AFL Commercial Operations
General Manager, Ben Buckley*

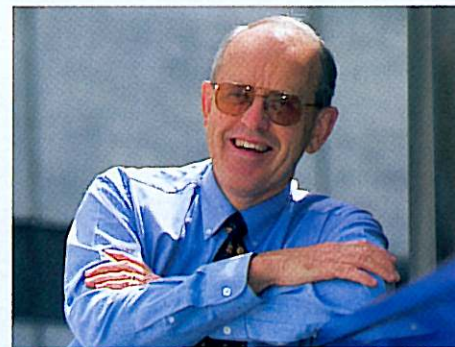
OVERALL ROLE: responsible for all commercial areas of the AFL which generate competition revenue, other than national



GENERAL MANAGER, CORPORATE AFFAIRS & COMMUNICATIONS:
Tony Peek



GENERAL MANAGER, GAME DEVELOPMENT:
Ross Smith



GENERAL MANAGER, FINANCE AND ADMINISTRATION:
Kevin Lehmann

broadcast rights, which remain the responsibility of the Chief Executive Officer. New Business Development. Expanded and re-structured department..

DETAIL:

- AFL Consumer Products – Licensing, Consumer Products, Consumer Promotions.
- AFL Corporate Partners – Sponsorship, Co-Operative Marketing, Partners' Services, including servicing AFL clubs in areas of marketing and licensing.
- AFL Membership – AFL Membership management and service, Direct Marketing.
- AFL Events – Major Events, including AFL Finals, Brownlow Medal, Ansett Australia Cup, State of Origin, Exhibition games, International Rules; Corporate Hospitality.
- AFL Commercial Media – AFL Record, AFL Films, afl.com.au, e-commerce, International Broadcasting
- Marketing Communications – Advertising, Publicity/Promotions of Commercial Business, Brand Management.
- Legal – Legal Services, Intellectual Property.

AFL Communications & Corporate Affairs General Manager, Tony Peek

OVERALL ROLE: Responsible for strategic planning. Develop and co-ordinate all communication of AFL matters to media.

DETAIL:

- Strategic planning in conjunction with other departments
- Publishing
- AFL statistics

- Media Relations, including primary contact for/with all media
- Public Relations, including working with sponsors and licensees to maximise their association with the AFL
- Corporate Communications
- Community Relations
- Broadcasting – strategy development, new business opportunities, co-ordination of broadcast agreement – television and radio, broadcasting input into fixturing.
- Media contracts/agreements.
- Advertising of match day arrangements.

AFL Game Development General Manager, Ross Smith

OVERALL ROLE: Everything to do with the development of the AFL game below AFL national competition level, including the creation of new supporters for the AFL game, and thus increased supporter bases for AFL clubs. Expanded and restructured department.

DETAIL:

- Manage and develop all AFL participation brands and levels of football up to (approximately) drafting age.
- National Development Plan.
- McDonald's AFL Auskick.
- Liaison with States and Territories concerning junior community football programs.
- Liaison with States and Territories concerning schools programs, primary and secondary.
- Transfer fee agreements, based on players

drafted by AFL clubs each year.

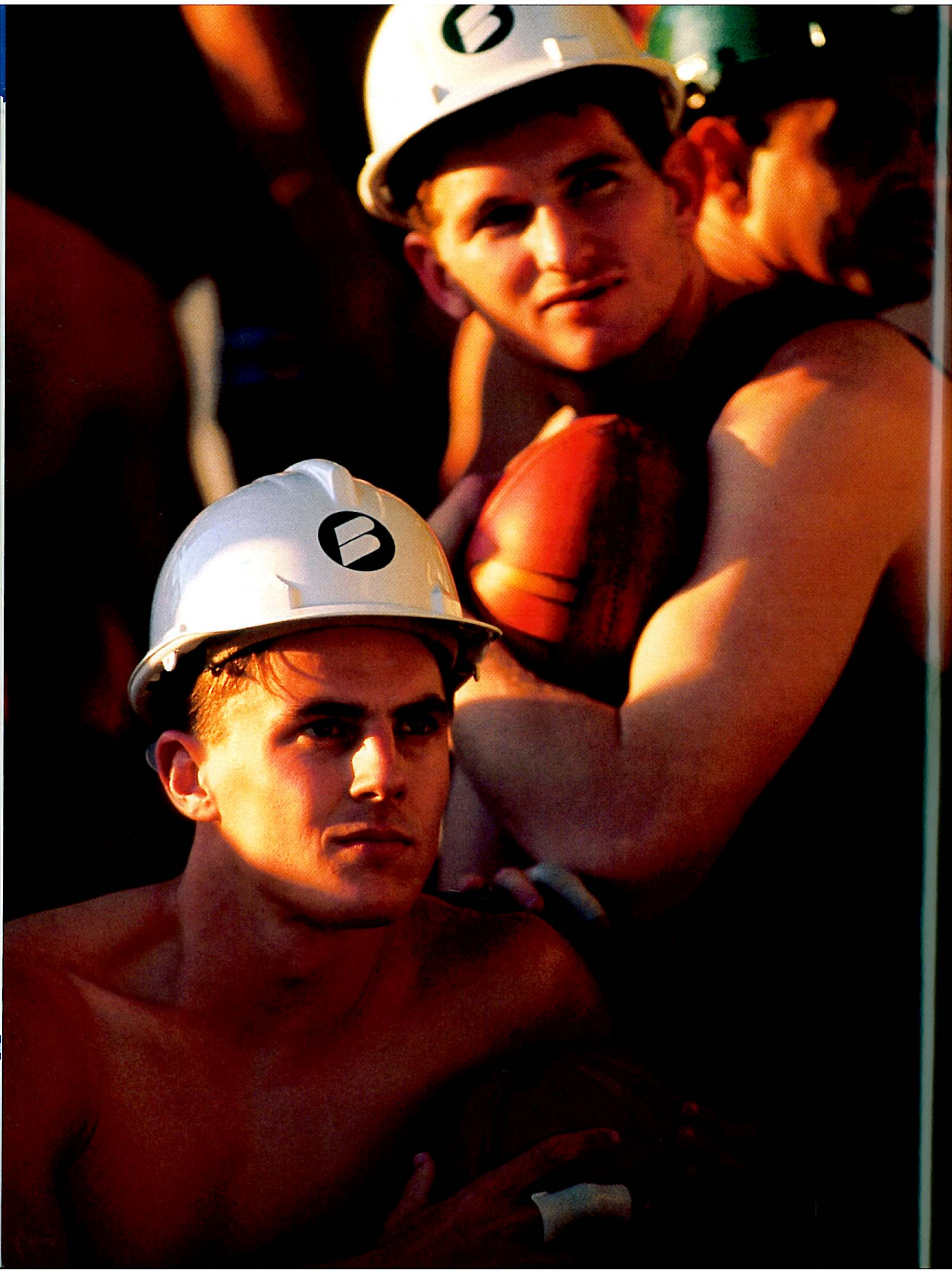
- Elite player pathway – AIS/AFL Academy, AFL National Under 16 and Under 18 Championships, AFL Draft Camp, AFL Recruiting.
- Umpiring Development – education, accreditation.
- Coach Accreditation, education.
- Club Administration/Education.
- States/Territories (all states and territories report to Game Development on development related issues, transfer fee arrangements and such.)

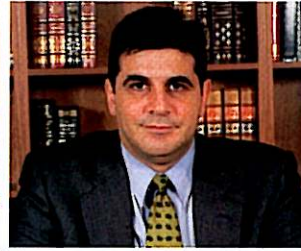
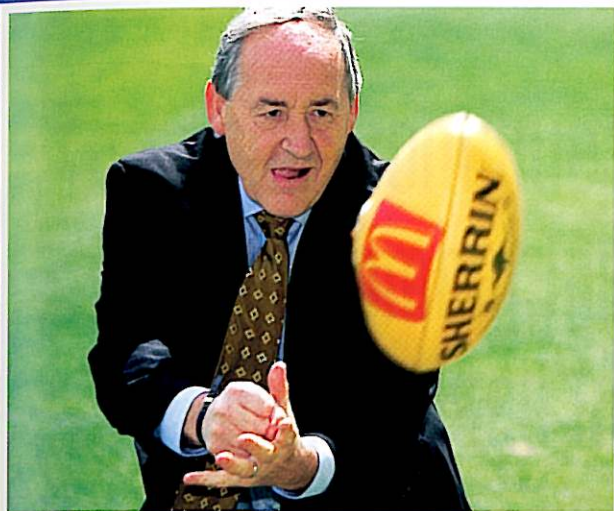
Finance and Administration, General Manager – Kevin Lehmann

OVERALL ROLE: Responsible for financial management of the AFL, human resources, information technology and general administration of the AFL Commission.

DETAIL:

- Financial reporting to AFL Commission and clubs including budgets and cash flows.
- Presentation of the AFL's annual accounts.
- Advise and assist AFL clubs on financial matters.
- Administer the AFL superannuation fund.
- Initiate and monitor financial reporting from AFL clubs.
- Develop and implement human resources policies.
- Supervise information technology.
- Maintain and administer all AFL commercial insurance requirements.
- Principal contact point for the AFL's auditors.





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ON THE JOB: Essendon stars James Hird and Matthew Lloyd decked out in safety helmets during a photo shoot at Colonial Stadium. The Bombers are one of three tenants of the Stadium - with the Western Bulldogs and St Kilda - and will play seven home games at the new venue in season 2000.



'The game continues to expand strongly in our key development markets while retaining its pre-eminent place in football's heartland'

New AFL Finals System

Of greatest importance to the average football supporter was the changes made to the AFL finals system and trial rules implemented for the 2000 Ansett Australia Cup.

At the conclusion of the 1999 season, the AFL reviewed the McIntyre Final Eight system over several months and decided to alter the system to one which incorporates two divisions, and allows the top four teams the best opportunity to make it through to the Grand Final. Each of the top four teams has a double chance. The AFL made the changes after it was believed the system in place from 1994-1999, while providing quality and worthy premiers in each of those seasons, could be seen to be confusing, and created occasional anomalies. The new system is demonstrated in Table 1.

The AFL is thankful for the contribution made to its finals systems, since 1931, by Ken McIntyre, who not only created the original final four (1931-1971), but also the final five (1972-1990), final six (1991, 1992-1993), and the final eight (1994-1999).

Under the system to be now used, the top four teams in the final eight will all be guaranteed a double chance in the first week of the finals and will need to win three matches to claim the premiership.

Teams finishing five to eight will not have a double-chance and will be required to win four successive sudden-death matches to claim the premiership.

The AFL examined the finals system because the former McIntyre Final Eight had proven difficult for some supporters to understand and had revealed some inequities on scheduling.

The AFL continues to seek discussions with the Melbourne Cricket Club (MCC) in regard to altering the contractual agreement that requires one final to be played in Melbourne over each week of the finals.

This agreement, which was struck in 1990 as part of the deal to build the Great Southern Stand, unfairly impacts on

non-Victorian clubs in that they can be required to give up home-state advantage to play a final in Melbourne.

This happened to the West Coast Eagles in its semi-final last season against Carlton when a final the Eagles had earned the right to play in Perth was contractually required to be played in Melbourne. This also happened to the Eagles in 1996.

Umpiring

After two years as umpires' coach, Peter Schwab took up the senior coaching position with the Hawthorn Football Club. He was replaced by former Richmond coach Jeff Gieschen.

It was decided a number of rule changes would be trialled during the 2000 Ansett Australia Cup to assess if they may eventually be written into the Laws of the Game.

- The Advantage Rule - No whistle to be blown for a free kick if it is a clear advantage to the side offended against.
- Officials Interfering with Play - A free kick to be awarded against any team whose runner or other official is standing inside the 50-metre zone at the kick-in.



FOOTBALL OPERATIONS TEAM: Roger Berryman, Rowan Sawers, Sue Malins, Andrew Hills, Jeff Gieschen, John Keagh, Scott Hillberg, Sandra Thomas, Jill Lindsay, Ian Collins, Adrian Panozzo, Raelene Dunlop, Rod Austin, Liz Hart and Megan Wallace.

- Time-on - Timekeepers shall stop adding time-on when the ball is bounced or leaves the umpire's hand in the act of throwing the ball up.
- Field Bounces - The ball will be thrown up in general play.
- Diving on the Ball - Not allow a player who is on the ground (not on his feet) to take possession of the ball.

These trial rules were considered on the basis that the AFL must continue to look at the game to ensure it retains its appeal to live spectators and television viewers as a spectacle.

Research and Development

The players are the stars of the game and much work continues to be done to ensure the AFL's technological and educational base continues to expand.

In 1999, the Medical Research and Development Program was established to research areas of specific interest to the 16 AFL clubs and development issues that affect the game overall. The program was funded by a grant of \$100,000 by the AFL Commission.

Chaired by David Hatt, chief executive officer of the Fremantle Dockers and former commissioner of the Australian Sports Commission, the research board was comprised of leading sports specialists and football figures, including Richmond player Duncan Kellaway.

In November last year, the board announced the first four projects it would fund for research:

- A sophisticated time and motion study of AFL player movements under match conditions.
- A study to improve goal-kicking accuracy.
- An investigation on injury rates in junior football.
- An examination of any recurring cause of anterior cruciate ligament injuries.

Each year, the Medical Research and Development Program will assess study proposals and allocate money for further research, dependent on its value to the AFL and its clubs.

Medical Report

The AFL continues to research player injuries and released its seventh comprehensive injury study in 1999.

Commissioned by the AFL, the report by Dr John Orchard, Dr Hugh Seward and Dr Tim Wood focussed on injuries which caused AFL-listed players to miss matches in 1998.

The figures showed that the number of players missing each week fell from 120 per week in 1997 (17.8 per cent of all players) to 107 per week (16.1 per cent of all players) in 1998.

Hamstring, groin and ankle injuries were the most common injuries but concussion rates continued to fall steadily during the 1990s.

National Draft

As the 2000 Coca-Cola AFL premiership season was forced to begin several weeks early because of the Sydney Olympics, both the Coca-Cola AFL National Draft and the Coca-Cola AFL Pre-season Draft were held before Christmas.

Once again Victoria dominated the process, with 45 of those drafted coming from Victorian-based clubs (up from 35 in 1998). 18 Players were chosen from Western Australia (up from 12 in 1998). The number one draft pick was 17 year old Josh Fraser, from the Murray Bushrangers, selected by Collingwood. Fraser was also captain of the AIS-AFL Academy team which competed against Ireland in a three test Under 17 International Rules series at Waverley Park, Shepparton in country Victoria, and Football Park in April. Australia won the series 3-0.

AFL Draftee Figures

	1999	1998	1997
Victoria	45	35	51
South Australia	14	14	13
Western Australia	18	12	11
NSW/ACT	2	7	2
Tasmania	5	4	2
Queensland	3	1	2
Northern Territory	4	2	1

Anti-Doping Code

All players in the Australian Football League now have access to the most comprehensive information regarding the AFL's anti-doping code following further steps taken during 1999.

In a joint project, the AFL and the Australian Football League Players' Association (AFLPA) produced a detailed booklet for distribution to all players covering the game's anti-doping code.

The AFL Commission remains committed to the game at the highest level having a central tenet that:

"Ensures the AFL competition is conducted on the basis of athletic prowess and natural levels of fitness and development and not pharmacologically enhanced performance."

THE NEW FINAL 8: HOW IT WORKS

Group 1 Qualifying Finals		Semi-Final	Preliminary Final	Grand Final
1st	1v4 QF1	Loser v QF1 SF1	Winner v QF1 PF1	Winner v PF1
2nd	2v3 QF2	Winner EF1	Winner SF2	Winner PF2
3rd				
4th	1 and 2 host "home" final. All have double chance.			
Group 2 Elimination Finals		Semi-Final	Preliminary Final	
5th	5x8 EF1	Loser v QF2 SF2	Winner v QF2 PF2	
6th	6x7 EF2	Winner EF2	Winner SF1	
7th				
8th	5 and 6 host "home" final. Losers eliminated.	Losers from Group 1 (i.e. QF1 and QF2) host "home" final.	Cross over so do not have repeats in preliminary finals of games played in qualifying and elimination finals 2 winners proceed to grand final, 2 losers eliminated Winners QF1 and QF2 host "home" final.	

TABLE 1: The Final Eight explained

A total of 278 tests in 1998 was raised to 400 tests in 1999. The vast majority of those tests (280 or 70 per cent) was conducted out of season, with 90 tests during the home and away season and 30 during the AFL finals series.

The AFL continues to take a strong lead against drugs in sport and its stance was congratulated by ASDA chief executive Natalie Howson during the 1999 season.

An infraction notice was issued against one AFL-listed player during 1999 in Fremantle's Steven Koops.

The case proceeded to the AFL Tribunal, as it must under the AFL's rules, but no sanction was imposed against Koops by the panel.

The Tribunal found, under section 12.10 of the code;

- (a) A positive test resulted from reasonable therapeutic activity at the prescription and direction of a duly qualified medical practitioner;
- (b) The player has established to the satisfaction of the tribunal that he did not know that he had taken or been administered the relevant substance;
- (c) The player has acted reasonably in all circumstances."

Following changes at the end of 1998 to AFL Tribunal Hearings involving Anti-Doping Code Infraction Notices, the hearing involving Koops was open to the media.

The AFL has been a leader in Australian domestic sports bodies with its development of drug policies and also led professional sport in this country with its Racial and Religious Vilification Code.

Racial & Religious Vilification

Former Melbourne player Jim Stynes delivered the AFL's Racial and Religious Vilification Code education sessions in 1999 to all 16 clubs.

In one high-profile case, St Kilda player Peter Everitt and Melbourne's Scott Chisholm reached a resolution after complaints arising from a match at Waverley early in the season.

Everitt acknowledged he was guilty of three complaints and publicly apologised at a media conference with Chisholm before standing down from football for four weeks. He also made a \$20,000 donation to an Aboriginal community scheme.

The AFL Tribunal was not required to sit in the Everitt-Chisholm case but heard more than 140 charges in all during the season.

Appeals Board

A number of verdicts were referred to the Appeals Board that was instituted in 1998 and, for the first time, verdicts were overturned in 1999.

Essendon's Dean Rioli was the first player to have a suspension overturned when his club produced new evidence in regard to a mid-season tripping charge while Carlton's Aaron Hamill appealed and was subsequently allowed to play the Grand Final against the Kangaroos after initially being found guilty of striking during the preliminary final.



AFL & The Players

The Collective Bargaining Agreement (CBA) struck during the latter months of 1998 between the Australian Football League (AFL) and the Australian Football League Players' Association (AFLPA) was formally signed by both parties on June 3, 1999.

The five-year agreement is a significant step forward, allowing the AFL to focus on major strategic issues in the upcoming years with a greater degree of certainty.

On the field, there were many highlights during the 1999 season provided by the game's superstars.

Sydney's Tony Lockett marked himself a place in history with his 1300th goal, breaking Gordon Coventry's long-standing record, ironically while playing against Coventry's old team Collingwood.

Lockett eventually retired at season's end with 1357 goals to his name and the game will be poorer for his absence.

The Kangaroos were the team of the year, winning their second Premiership in four years. The Norm Smith Medal was won by the 'Roos Shannon Grant.

Hawthorn's Shane Crawford was a runaway winner of the Brownlow Medal, deservedly being rewarded for a brilliant season in the brown and gold colors.



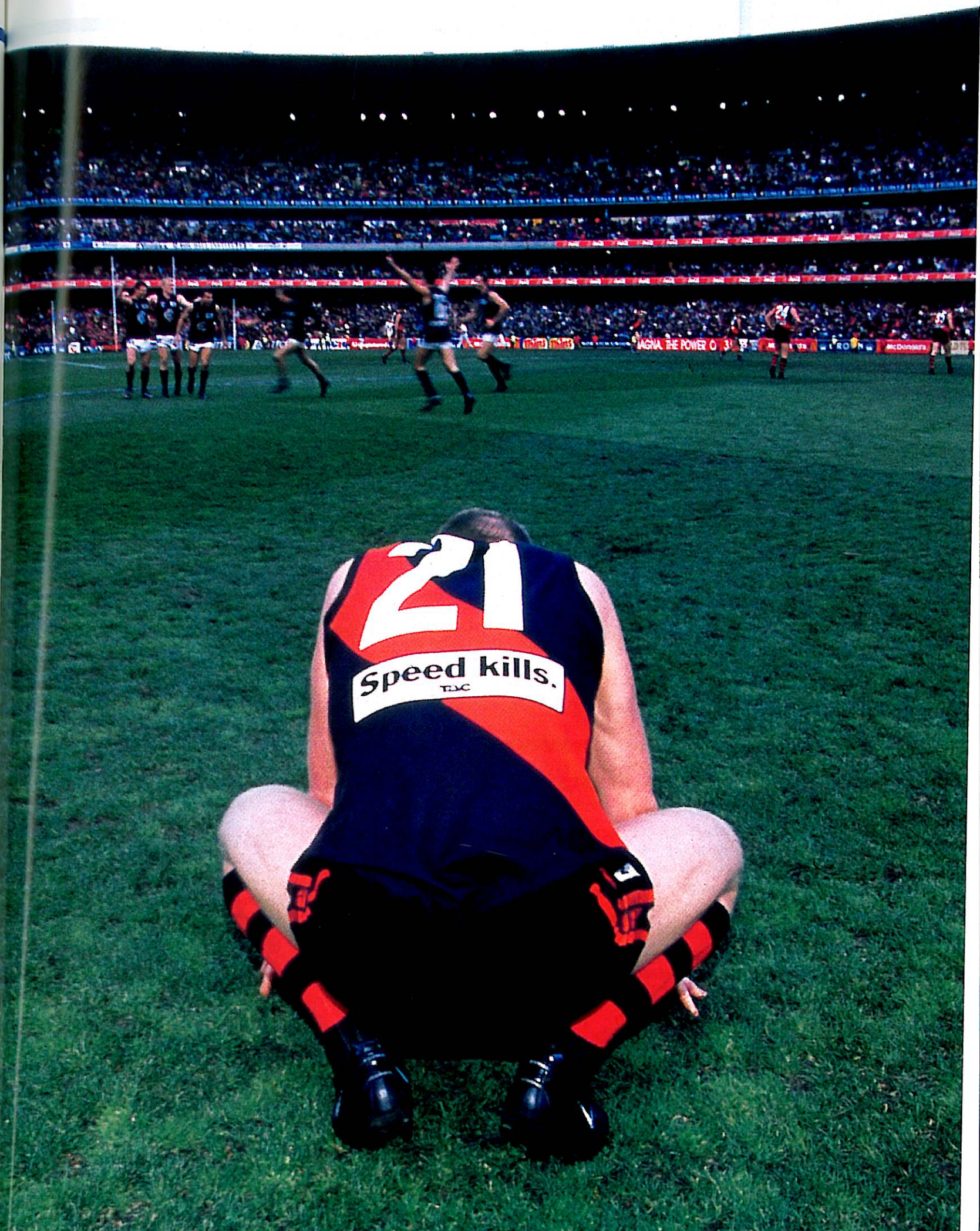
WINNER: Australian Under 17 Captain Josh Fraser with Ireland's Eamon Collins at Waverley Park at the launch of three Test Series for the Peter McDermott Trophy. McDermott was the first coach at senior level for Ireland in International Series matches. Australia won the trophy (presented inset by AFL CEO Wayne Jackson) 3-0. 1999 was a big year for Fraser - in October, he became the number one draft pick in the Coca-Cola Afl National Draft.

Last year also saw the second year of a four-year agreement with the Gaelic Athletic Association (GAA) for International Rules matches between Australia and Ireland. The two games in Melbourne and Adelaide were a huge success with more than 110,000 fans at the two venues witnessing Ireland retain the trophy by virtue of a narrow win in the first game and a draw in the second match at Football Park.

Ian Collins

General Manager, Football Operations

DESPAIR: The pressures of success and failure are well represented in this photo of disconsolate Essendon utility Dean Wallis following the Bombers' one point defeat by Carlton in the 1999 Preliminary Final. In the background, Carlton's joy is obvious. PICTURE: Stuart Milligan, Allsport.





A relationship formalised for the greater good of the AFL game

The Collective Bargaining Agreement (CBA) struck during the latter months of 1998 between the Australian Football League (AFL) and the Australian Football League Players' Association (AFLPA) was formally signed by both parties on June 3, 1999.

The five-year agreement is viewed by the AFL Commission as one of its most important achievements of recent years and a significant step forward for the AFL game.

A series of meetings were held during the 1998 season before the terms of the new agreement were announced on September 30, 1998, culminating in the signature of both organisations some eight months later.

A long-term agreement with the players allows the AFL to focus on major strategic issues in the upcoming years with a greater degree of certainty.

Through the agreement the AFL acknowledged the players' contribution to the game, and its capacity to grow. The AFL remains mindful of working with the AFLPA to ensure that the players are recognised for their role in expanding the sport, while ensuring that policy created leads to the overall benefit and security of the 16 clubs and the sport as a whole.

The major outcome from the agreement is that the AFL, the clubs and the players are collectively committed to the fundamental planks on which the competition is based - namely a salary cap, a draft system and equalisation of key revenue streams.

The AFL's objectives in establishing a Collective Bargaining Agreement with the AFLPA centred around the following key points:

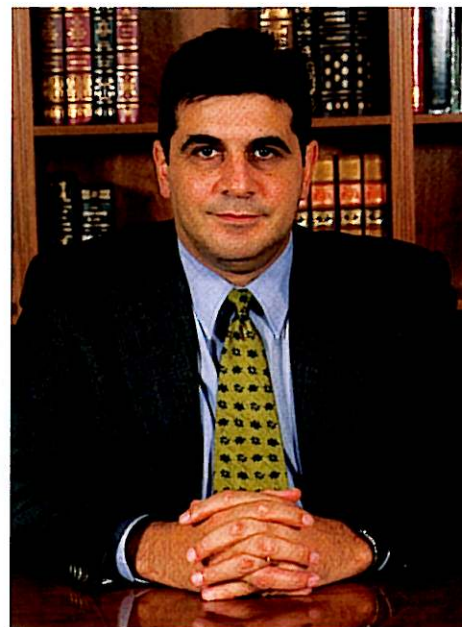
- To ensure the long-term financial viability of the competition and all member clubs.
- To maintain the evenness of the competition.
- To ensure the AFL provided an attractive career path for elite young athletes.

- To further develop the partnership with the AFLPA so that the game grows for the benefit of all stakeholders.
- To maintain and grow the key indicators of competition health - attendances, club memberships, TV and radio audiences, licensed merchandise sales and media interest.
- To establish a formula for setting total player payments at a level which the competition can afford.
- To acknowledge the increasing time required to pursue an AFL career by developing a set of player benefits other than compensation.
- To maintain a set of competition rules which, as much as possible, reflect the current mood of the courts.

Players identified education and training, welfare and retirement as the key areas of concern and can be reassured that this agreement provides for all future and current players, be they in their first or final playing year.

The AFLPA objectives were:

- To achieve and maintain an appropriate level of fair minimum terms and conditions for all AFL players commensurate with the professionalism of the AFL competition and the increasing demands placed upon players.
- To improve the terms and conditions to ensure the AFL continues to attract the top sports persons to the competition.
- To provide flexibility to enable elite AFL footballers the opportunity to maximise their earning capacity.
- To ensure an equitable share of the revenue generated by the AFL competition is directed to the benefit of past, present and future players.
- To ensure a role for players through the AFLPA in the development of policies,



ANDREW DEMETRIOU: Chief Executive of the AFLPA, and in constant contact with the AFL executive on issues to do with players.

procedures and arrangements to be directed at player safety and welfare issues.

- To establish a long-term program committed to providing on-going professional support and counselling in a wide range of matters such as personal, development, financial, legal, marital, grief etc.
- To provide an appropriate consultative mechanism for the AFL and the clubs to consult with the AFLPA, as the collective voice of the players, in the making and implementation of player rules and other matters, affecting an AFL player.
- To assist, participate and work with the AFL and the clubs to enhance the game nationally, and increase the gross revenue of the competition.

The AFL and the AFLPA, through AFL CEO Wayne Jackson and AFL general manager - football operations Ian Collins, and AFLPA CEO Andrew Demetriou - continue to meet regularly on all issues affecting the game as part of the consultation between the two bodies.

Total Player Payments

A key section in the Collective Bargaining Agreement (CBA) between the Australian Football League (AFL) and the Australian Football League Players' Association (AFLPA) should ensure that AFL players will continue to be rewarded financially while enabling the competition to strengthen overall.

In the space of a decade, average player payments in the AFL have risen from \$41,871 in 1990 to \$117,398, nearly tripling overall.

In 1999, a total of 249 players had salaries of more than \$100,000 for the season, compared to just eight players in 1990.

The AFL Commission acknowledges that the game's players are its stars and deserve to be rewarded accordingly but, equally, the

Commission is committed to ensuring the level of payments can be afforded by the 16 clubs.

Total player payments of \$68 million in 1999 will rise as follows:

2000 \$76 million, \$4.75 million per club.

2001 \$83 million, \$5.185 million per club.

Under the terms of the CBA, the AFL and the AFLPA have recognised that player payments will rise substantially over the next two years.

"The AFL and the AFLPA agree to negotiate the Total Player Payments for the years 2002 and 2003 having regard to the factors set out in sub-clause 24.3 and the recognition that Total Player Payments for 2000 and 2001 incorporate an amount of approximately \$11.6 million in excess of what Total Player Payments would have otherwise been for 2000

and 2001 but for this Agreement and which will be dealt with in the application of the smoothing formula," the Agreement states.

The negotiations for Total Player Payments for the seasons 2002 and 2003 are set to be completed by June 30, 2001.

The excess of \$11.6 million for 2000 and 2001 will be deducted from the total player payments for 2002 and beyond.

Under the Agreement reached in 1998, Total Player Payments now include other elements such as injury payments, Ansett Australia Cup payments and finals payments, rather than just the salary component only.

The number of players receiving more than \$100,000 per year and average payments to AFL players are as follows:

SUMMARY OF AFL PLAYER EARNINGS 1990 - 1999

YEAR	\$0 - \$60,000	\$60,001 - \$100,000	\$100,001 - \$200,000	200,001 - \$300,000	300,001 - \$400,000	\$400,000+	TOTAL
1990	442	88	8	0	0	0	538
1991	448	100	17	0	0	0	565
1992	409	125	19	1	0	0	554
1993	373	126	33	1	0	0	533
1994	337	147	45	1	0	0	530
1995	307	162	91	9	0	0	569
1996	260	173	126	12	2	0	573
1997	178	217	159	17	5	0	576
1998	152	191	209	26	5	0	583
1999	121	143	249	52	7	4	576
MOVEMENT	-31	-48	+40	+26	+2	+4	-

- Notes:**
- Earnings detailed above do not include Players who did not play in at least one Senior match during the season
 - Amounts include signing fees, base payments, senior match payments (including AFL Ansett Australia Cup & AFL finals), injury payments, travel, accommodation and some other allowances

SEASON 1999 - AFL TOTAL PLAYER PAYMENTS (Figures shown in '\$'000's)

FOOTBALL YEAR	Gross Player Payments	Finals/Ansett Cup/Relocation & Allowances	Development/Merger Allowances	Veteran's Allowance	Injury Allowance	Total Deductions	Player Payments Less Deductions	TPP Limit	Margin / (Excess)	Average Gross Player Earnings
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1998	\$62,186	\$1,093	\$991	N/A	\$8,176	\$10,260	\$51,926	\$52,400	\$474	\$101,957
1999	\$71,985	\$1,073	\$838	\$1,721	\$5,688	\$9,320	\$62,665	\$68,000	\$5,335	\$117,398
MOVEMENT (%)	15.76%					- 9.16%	20.68%	29.77%		15.14%

- Notes:**
- Amounts shown are for Football Payments only and exclude Marketing/Promotional Payments and Testimonial payments
 - Veteran's Allowance is 50% of Total Contract Value



Infrastructure investment provides great facilities for AFL supporters across the country

All around Australia the AFL landscape is changing – literally. Stadia development in five of the game's major cities – Melbourne, Sydney, Brisbane, Adelaide and Perth – will result in world-class, state-of-the art facilities for all fans.

Such development is part of the AFL's strategy of providing the best facilities for its supporters. Modern sports followers deserve and indeed demand first class facilities and since the early 1990s, more than \$1.4 billion has been invested in stadia where AFL games are held. They include:

- the \$150 million Great Southern Stand at the MCG
- a \$125 million upgrade of the Gabba in Brisbane
- a \$35 million upgrade of Subiaco Oval in Perth
- a \$20 million expansion/upgrade of Football Park in Adelaide to be completed by 2002.
- the \$625 million Stadium Australia in Sydney
- the \$460 million Colonial Stadium in Melbourne

And there is more to come, particularly at the MCG. For more than 12 months, the AFL has been working with the MCG Trust and the Melbourne Cricket Club to determine how the MCG can be further developed or upgraded.

During 1999 work continued at the 'Gabba and Subiaco Oval which meant temporary reduced capacities for both venues; Stadium Australia, the Olympic Stadium, was completed and is now being used by other codes prior to the Olympics, while Colonial Stadium was close to completion at the end of the year and will be used extensively as an AFL venue in 2000. Work will start this year on an upgrade of Adelaide's Football Park.

Colonial Stadium Melbourne

More than three years ago, the AFL decided to take a leading role in Colonial Stadium by entering into the key usage contract which underwrites the stadium and, in 25 years, provides the AFL with ownership and control of the complex.

Located in the western end of Melbourne's CBD, Colonial Stadium will cost the AFL \$30 million, payable by December 31, 2000.

By assuming ownership in 25 years, the AFL has secured for the AFL and the AFL clubs Australia's best venue usage agreement.

It will contribute significantly to the financial viability of the clubs that will be playing home games at Colonial Stadium and have entered into arrangements with the stadium owner – Stadium Operations Limited. Those clubs are Essendon, the Western Bulldogs, St Kilda, Geelong and Collingwood – all of whom will have the chance to grow their membership base by playing home games at Colonial.

Late last year, the AFL conducted an information day and tour of Colonial Stadium for the media and distributed a media kit, including a special publication *The AFL at Colonial Stadium* which detailed everything from ticketing arrangements to the AFL's policy on closing the roof.

Representatives and executives from all partners and stakeholders in Colonial Stadium

– SOL, Baulderstone Hornibrook (builders and designers), Nationwide Venue Management (stadium managers), the Seven Network and the AFL – were available to the media on the day. Wayne Jackson, the AFL's chief executive officer and Kerry Stokes, executive chairman of the Seven Network and chairman of SOL delivered the key addresses to the media, and were available for questions.

The 'Gabba Brisbane

Capacity was reduced to about 18,000 during the 1999 season but with most work now completed, the new-look 'Gabba will seat 37,000 people in 2000. Negotiations are still continuing over the development of the Brisbane Lions' social club.

New dressing rooms for both the Brisbane Lions and visiting clubs have also been finished but won't be used until 2001 (this will allow them to be fitted out for the Olympic soccer tournament) while new offices for the Brisbane Lions were also completed as part of the Gabba re-development.

The first four rounds of the 2000 home and away season were scheduled away from the 'Gabba to allow resurfacing work to take place. The work means the cricket wickets will be removed and the entire playing surface replaced for the Olympic soccer tournament at a cost of \$3.5 million.

'The development of stadia - total \$1.4 billion in capital expenditure - is part of the AFL's strategy of providing the best facilities for its supporters'



LAYING THE TURF: In January, 2000, the first sods of grass were put down on the custom built arena at Colonial Stadium. This exciting venue is part of a massive capital expenditure to improve AFL accommodation across Australia.

Football Park Adelaide

Work will start on a new 7000-seat grandstand at Football Park in August, 2000, boosting stadium capacity to 54,000 by season 2002. The South Australian Government and the SANFL will jointly fund the \$12.5 million construction after the AFL agreed to provide a \$1.5 million grant towards the project. The AFL's commitment is conditional on the SANFL increasing the number of Football Park daily general seating tickets from 3500 to 5000 for each match.

The SANFL will also purchase surplus land owned by the Department of Administrative and Information Services on the eastern edge of the existing Football Park property to create additional car parking spaces at the stadium.

The SANFL will pay the SA Government \$2 million for the land over two years.

Last year the SANFL opened a new \$1.1 million media facility funded jointly by the AFL, at Football Park as well as a new \$250,000 undercover facility for disabled supporters.

Stadium Australia Sydney

Next season (2001), the AFL will have access to a new playing venue in Sydney when Stadium Australia becomes available after the 2000 Olympic Games.

Stadium Australia is the largest sporting stadium in Australia and will have a capacity of 110,000 for the Olympics where it will be the major venue for the Games, hosting the opening and closing ceremonies and track and field. Stadium Australia has already been used by other football codes but will need to be reconfigured for AFL football to accommodate the different playing requirements.

The capacity should be about 77,000 for six games involving the Kangaroos in 2001, while the Sydney Swans will play at least one Ansett Australia Cup game as well as some Coca-Cola AFL Premiership Season games.

The AFL has committed \$6 million to Stadium Australia so that the venue can be reconfigured for AFL football.

Subiaco Oval Perth

A \$35 million re-development of Subiaco Oval will be completed in 2000 and from season 2001, all AFL matches in Perth will be scheduled at Subiaco. Work started on the project in October, 1998, and during the 1999 season capacity at the ground was reduced.

The West Australian Football Commission borrowed \$30 million for the work, with support from the WA Government while the West Coast Eagles will contribute \$5 million for new offices and training facilities. The WA Government will repay the capital on the \$30 million loan while the AFL will support the development by providing \$1.6 million over five years to meet interest on the loan.

Communication, professionalism, and camaraderie continue to grow

1999 was a season of consolidation for the AFL Umpiring Department. Many agenda items areas prioritised in 1998 were executed with a pleasing level of success. The strong push for a "football feel" over the department was maintained.

AFL umpires continued football training drills to enhance their appreciation of the skills of the players. They were also encouraged to closely monitor each club's style of game and set plays. This helped give the umpires a better understanding of how the game may be played at the highest level.

There was a continued emphasis on developing a more open line of communication between the clubs and the umpiring department, a process which helped build stronger relationships between umpires, clubs and players.

Umpires were encouraged to attend club training sessions, go on weekend training camps, attend club rehabilitation sessions then answer questions or give explanations and/or interpretations of certain rules.

AFL coaches were more than welcome to phone or call in to the Umpiring Department offices to talk through issues with the umpires' coaching group.

Through the availability and willingness to communicate, slowly but surely the barriers between the clubs and the umpiring group working together are breaking down. Continued effort in this area can only give each group a greater understanding of each other's roles, which will create even better relationships in the future.

In what can so often be a negative environment the coaching and training sessions were conducted in a positive fashion. AFL Umpires' Coach Rowan Sawers continued to stress the importance of following the umpires' game plan, which helped develop a more consistent approach within the group.

Training sessions were designed to be challenging and stimulating but also to provide

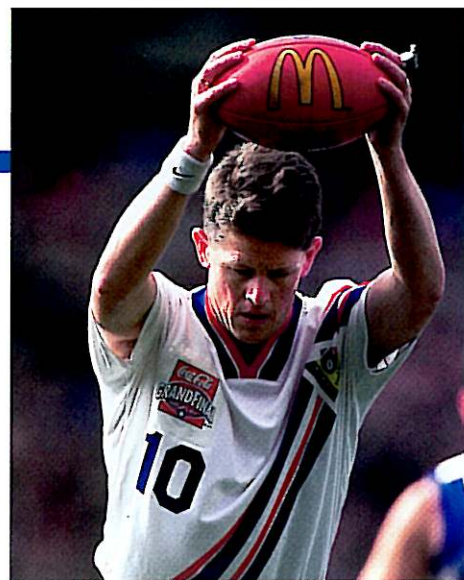
an element of fun. Feedback and analysis sessions were excellent learning situations. As well as the normal one on one coaching, the umpires group review of games allowed umpires to give feedback, ask questions and share experiences and ideas from the weekend games. These sessions became very informative with umpires learning a lot from each other. The ongoing pursuit of excellence continued to be the main focus of review sessions.

The umpires continued to work in teams throughout 1999, a process which had many positive side effects:

- It created continuity, which helped develop camaraderie within the team.
- It developed a sense of team unity and helping each other.
- It strengthened leadership of the experienced umpires who were made captain.
- It created stronger role models.
- The teams developed excellent chemistry and became familiar with each other's styles.
- It helped create a better balance of teams across the board with a blend of experience and youth.

All 32 AFL umpires were given the opportunity to umpire at AFL senior level, based on performance. It was a priority that the experienced and better-performed umpires officiate each week but it was also necessary to give the lesser-experienced umpires as much exposure to AFL football as part of their education and development process.

As in 1998, umpires were informed well in advance their schedule of games coming up. This allowed the umpires to plan ahead familiarising themselves with the teams they were to umpire, which generally helped with match preparation. Early scheduling also eased the pressure on work and family commitments as umpires were able to plan ahead.



ALL-AUSTRALIAN: Brett Allen had a great 1999, umpiring at the Victoria-South Australia State Of Origin and the Grand Final. His season was capped off with his appointment as All-Australian umpire for 1999.

The completion of season 1999 signalled the end of the career of one of umpiring's all time greats. Peter Carey, who retired from umpiring after 301 games, made an outstanding contribution to umpiring over many years. His career included four AFL Grand Final appearances from 24 finals matches. Only serious injuries prevented Carey from adding to his illustrious career. Carey won't be lost entirely to umpiring as he has accepted a position as 'Specialist Coach' reporting to Rowan Sawers.

Greg Scroop also retired from umpiring at the end of the season (129 career games) and has taken on the role of coach of the WA umpires.

A major loss to the umpiring department was that of Peter Schwab who has been AFL Director of Umpiring for the past two years. In his time at the helm of the AFL umpiring department, Schwab helped to implement a fresh, new approach to many areas of umpiring and although he will be a big loss he will be a wonderful acquisition as the senior coach of the Hawthorn FC.

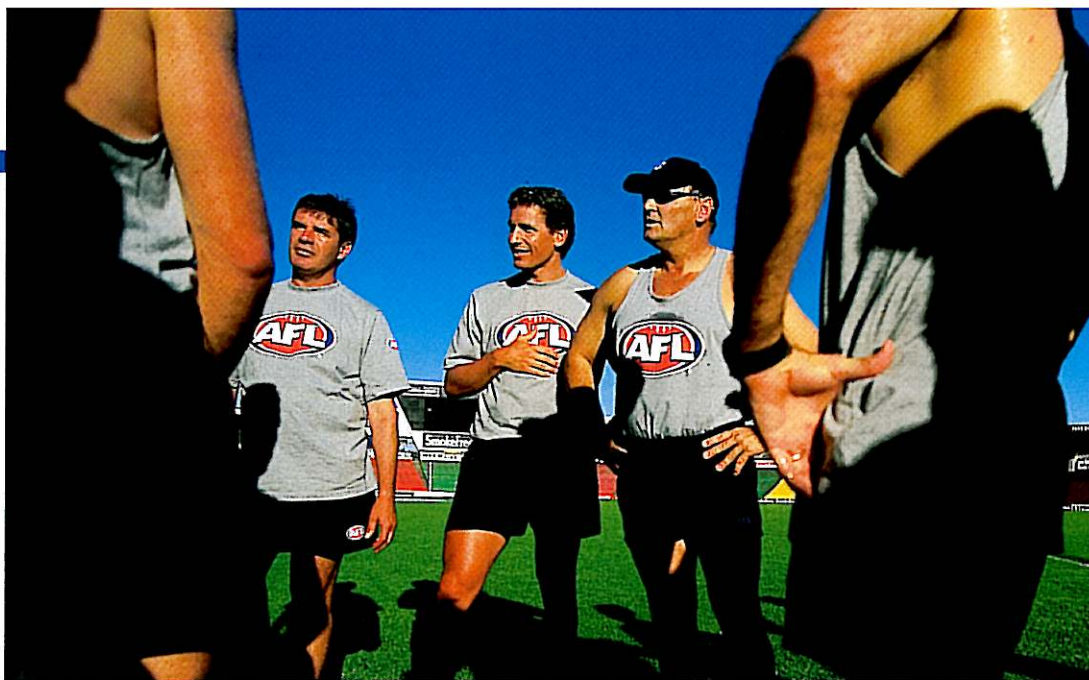
Season 1999 produced many positive highlights. There is however a strong need to keep improving. As the game moves into the new millenium it continues to evolve at a rapid rate. The players are bigger, faster, stronger and more skillful. The coaching of teams has become more scientific and professional. The speed of the game has reached an all-time high. The AFL Umpiring Department must rise to face the many challenges that the game presents, and, while mindful of the intense scrutiny umpires will always be under, must produce a standard of umpiring which compliments the professionalism and elitism of the AFL game.

1999 Umpires and Games

	1999 GAMES	TOTAL
Brett Allen	24	150
Troy Burton	15	36
Peter Carey	23	307
Andrew Coates	24	185
Gavin Dore	23	222
Martin Ellis	15	58
Darren Goldspink	22	201
Steven Hanley	21	56
John Harvey	23	125
David Howlett	22	271
Derek Humphery-Smith	14	40
Mathew James	12	12
Ramon Kelsey	11	11
Hayden Kennedy	22	233
Jamie Love	14	52
Stephen McBurney	16	78
Darren McCauley	13	54
Shane McInerney	14	73
Mark McKenzie	20	81
Scott McLaren	26	100
Chris Mitchell	23	276
Darren Morris	13	13
Mark Nash	16	127
Matthew Norden	15	62
Corin Rowe	13	13
Justin Schmitt	15	15
Greg Scroop	18	129
Vince Sercia	12	44
Bryan Sheehan	21	282
Michael Vozzo	13	13
Stuart Wenn	17	57
Richard Williams	12	56

1999 Finals Umpires and Total Finals Games

	ELIM.	QUAL.	1ST	2ND	PREL.	G.F.	TOTAL
Bryan Sheehan	4	7	6	2	7	6	32
Peter Carey	3	7	1	5	4	4	24
Hayden Kennedy	-	7	1	3	4	3	18
Darren Goldspink	-	7	1	-	6	3	17
Andrew Coates	-	6	2	1	5	2	16
Gavin Dore	1	6	-	3	3	1	14
David Howlett	1	5	1	3	3	1	14
Chris Mitchell	2	5	4	-	2	-	13
Mark Nash	-	4	2	1	1	2	10
Brett Allen	-	3	1	1	3	1	9
Greg Scroop	-	4	-	1	2	-	7
John Harvey	-	3	-	1	1	-	5
Scott McLaren	-	1	1	1	1	1	5
Steven Hanley	-	2	-	-	-	-	2
Mark McKenzie	-	1	-	1	-	-	2
Stephen McBurney	-	1	-	-	-	-	1
Martin Ellis	-	1	-	-	-	-	1



IN CHARGE: The new coaching team of Rowan Sawers (Umpires' Coach), his assistant Adrian Pannozzo, and Director of Umpiring Jeff Gieschen during summer training at Waverley Park. The fourth member of the team is Peter Carey who retired as an AFL umpire at the end of 1999.

AFL Director of Umpiring

Former Richmond coach Jeff Gieschen replaced Peter Schwab as director of umpiring at the end of the 1999 season. Schwab resigned from the AFL to accept the Hawthorn senior coaching position. Gieschen has an extensive and highly successful playing and coaching background in country Victoria, Western Australia.

AFL Umpires' Coach

Rowan Sawers umpired a record 410 VFL/AFL games and has been umpires' coach since he retired from umpiring at the end of the 1997 season. In December, 1999, another former umpire Adrian Pannozzo was appointed assistant AFL umpires' coach.

1999 Highlights and Honors

ANSETT AUSTRALIA CUP GRAND FINAL

FIELD: Gavin Dore, Hayden Kennedy, Mark Nash. BOUNDARY: Darren Fletcher, Adam Hargreaves-McDonald, Sam Leslie. GOAL: Mark Canning, Frank Raiti.

STATE OF ORIGIN - VICTORIA vs SOUTH AUSTRALIA

FIELD: Brett Allen, John Harvey, Scott McLaren. BOUNDARY: Peter McDonald, Glenn Sinclair, Darren Wilson. GOAL: Craig Clark, Michael Heinrichs.

ALL-AUSTRALIAN UMPIRE Brett Allen.

AFL GRAND FINAL

FIELD: Brett Allen, Andrew Coates, Scott McLaren. BOUNDARY: Michael Hane, Glenn Sinclair, Darren Wilson. GOAL: Anthony Black, Michael Heinrichs.

MILESTONES ACHIEVED IN 1999

100 matches

FIELD: Scott McLaren;
BOUNDARY: Chris MacDonald, Sam Leslie, Matthew Vitiritti. GOAL: Anthony Black, Paul Smith.

200 matches

FIELD: Gavin Dore, Darren Goldspink.
BOUNDARY: Peter McDonald.
GOAL: Doug Gourlay.

300 matches

FIELD: Peter Carey.



Tribunal, Appeals Board provide proper analysis of rules violations

The Australian Football League was closely examining the game's 'charging' rules in the lead-up to the 2000 Coca-Cola AFL premiership season, following a number of high-profile cases that appeared before the AFL Tribunal in 1999.

The AFL directed its laws committee to review the wording of the charging laws after a number of cases were brought before the AFL Tribunal in which players were met heavily away from the ball.

Late in the 1999 season, Tribunal chairman Brian Collis QC and vice-chairman Shane Maguire issued a statement saying the panel would find a player guilty of charging if the criteria set out in the umpires' guidelines was properly established.

Charging was laid out as violently meeting a player who:

- Is not within five metres of the ball;
- Is not in the act of taking possession or attempting to take possession of the ball and, although within five metres of the ball, is not in the immediate contest and would not reasonably expect such contact;

- Has marked the ball;
- Is attempting to mark the ball;
- Has disposed of the ball;
- Is shepherding a teammate.

The review was continuing in the lead-up to the 2000 season.

The Tribunal heard more than 140 charges during the year while the AFL Appeals Board also sat several times.

More than 70 per cent of all cases brought before the Tribunal in 1999 resulted in guilty verdicts with suspensions totalling 91 matches in all.

For the first time in 1999, the Appeals Board overturned the verdict of the Tribunal after new evidence was presented by the Essendon Football Club in its defence of a tripping charge laid against Dean Rioli.

The Appeals Board also sat during Grand Final week and again overturned an earlier decision by the Tribunal, this time allowing Aaron Hamill to play for Carlton against the Kangaroos after he had been initially suspended following the Preliminary Final against Essendon.



IN THE CHAIR: Tribunal chairman Brian Collis presided over the AFL tribunal for the second season. In 1999, the tribunal heard 142 charges, down from 154 in 1998.

The Appeals Board was also required to sit in judgment when the Essendon Football Club appealed against a decision made by the AFL Commission in relation to penalties for salary cap breaches.

Essendon was fined and given several draft penalties in February 1999 but appealed in October 1999 after penalties against the Melbourne Football Club were handed down for its breaches of the salary cap rules.

The original decision of the AFL Commission was upheld by the Appeals Board.

The Tribunal chairman in 1999 was again Brian Collis QC, who began his appointment at the start of the 1998 season.

Other Tribunal members were Shane Maguire (deputy chairman), Elaine Canty, Emmett Dunne, Michael Green, Brian Le Brocq and Dr David Shilbury.

The Appeals Board in 1999 was Peter O'Callaghan QC (chairman), Brian Bourke, Gavin Francis, Anthony Nolan, John Schultz and Graham Sherry.

Tribunal Results 1986-1999

SEASON	NUMBER OF REPORTS	SUSTAINED	SUSTAINED & REPRIMANDED	NOT SUSTAINED (WITHDRAWN)	% SUSTAINED
1986	105	40	13	52	50
1987	135	56	14	65	52
1988	95	56	3	36	62
1989	92	52	-	40	57
1990	108	60	1	47	56
1991	94	58	1	35	63
1992	66	38	-	28	58
1993	102	57	-	45	56
1994	99	46	-	33	46
1995	82	52	-	30	63
1996	126	80	-	46	63
1997	164	110	-	54	67
1998	154	100	-	37 (17)	73
1999	142	103	-	38 (11)	72

* 1999 figures are out because of the hearing involving Fremantle's Steven Koops (see page 40-41)

1999 Tribunal Summary

(SENIOR GRADE) TEAM	PLAYERS CHARGED SUSTAINED	NO. OF CHARGES	SUSPENDED	FINED	NOT WITHDRAWN	
Adelaide	5	5	1 (1 match)	1 (\$1,200)	1	2
Brisbane	9	10	3 (3 matches)	6 (\$9,700)	-	1
Carlton	10	13	5 (7 matches)	6 (\$10,400)	1	1
Collingwood	11	12	2 (4 matches)	7 (\$15,500)	3	-
Essendon	14	21	11 (23 mtchs)	5 (\$10,000)	5	-
Fremantle *	13	14*	6 (8 matches)	4 (\$12,000)	3	-
Geelong	4	6	3 (8 matches)	-	3	-
Hawthorn	6	7	-	6 (\$12,000)	1	-
Kangaroos	3	3	2 (5 matches)	1 (\$1,500)	-	-
Melbourne	14	15	3 (8 matches)	8 (\$11,000)	2	2
Port Adelaide	4	5	4 (7 matches)	-	1	-
Richmond	6	6	2 (3 matches)	1 (\$2,500)	1	2
St. Kilda	2	2	-	-	-	2
Sydney	5	6	2 (3 matches)	2 (\$6,000)	2	-
West Coast Eagles	6	7	1 (2 matches)	4 (\$10,000)	1	1
Western Bulldogs	8	10	4 (9 matches)	3 (\$4,200)	3	-
TOTALS	120	142	49 (91 mtchs)	54 (\$106,000)	27	11

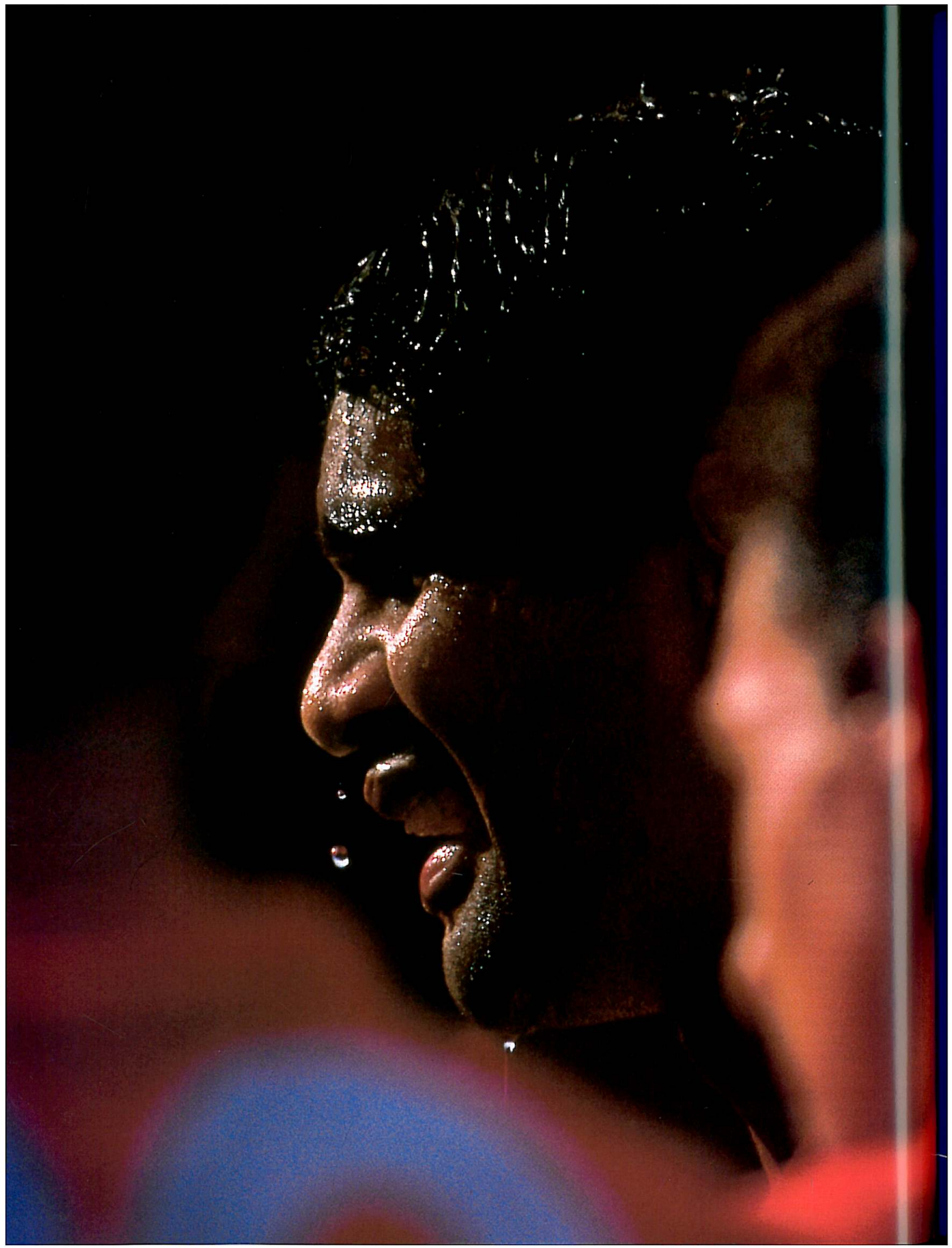
NB: Includes video reports, investigations and melee charges.

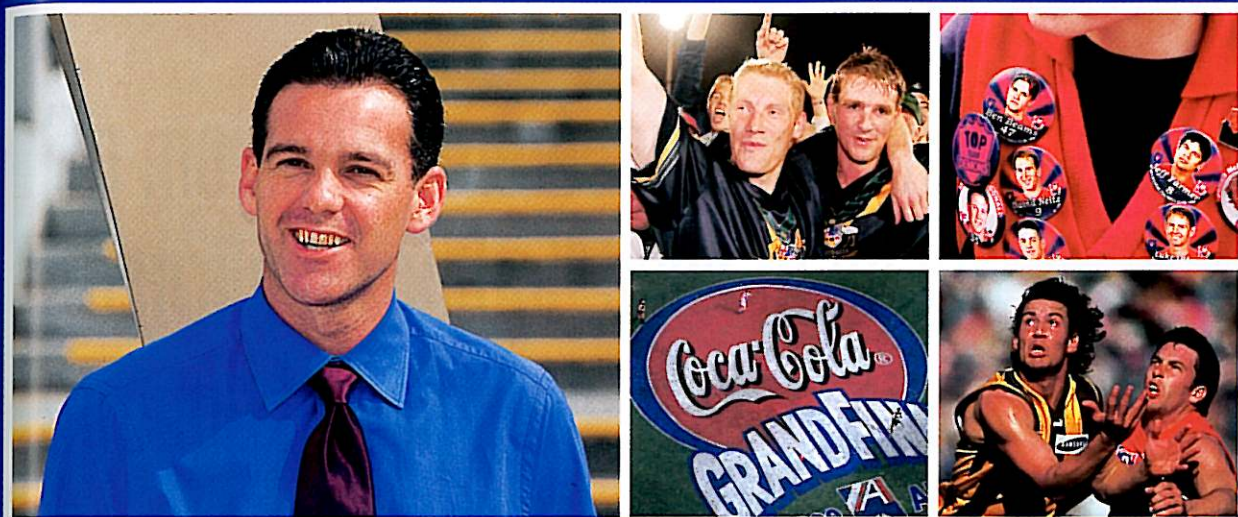
* Steven Koops (Fremantle) - guilty, but no penalty imposed.

1999 Video Report Summary

(SENIOR GRADE) TEAM	PLAYERS CHARGED SUSTAINED	NO. OF CHARGES	SUSPENDED	FINED	NOT WITHDRAWN	
Adelaide	2	2	-	-	1	1
Brisbane	1	1	1 (1 match)	-	-	-
Carlton	5	6	3 (4 matches)	3 (\$5,700)	-	-
Collingwood	3	3	1 (2 matches)	-	2	-
Essendon	10	12	6 (17 matches)	3 (\$6,000)	3	-
Fremantle	3	4	1 (1 match)	1 (\$1,500)	2	-
Geelong	1	3	1 (2 matches)	-	2	-
Hawthorn	1	1	-	-	1	-
Kangaroos						
Melbourne	4	4	2 (4 matches)	-	2	-
Port Adelaide	2	2	1 (2 matches)	-	1	-
Richmond						
St. Kilda						
Sydney	1	1	-	-	1	-
West Coast Eagles	2	2	1 (2 matches)	-	1	-
Western Bulldogs	4	5	1 (3 matches)	2 (\$3,000)	2	-
TOTALS	39	46	18 (38 mtchs)	9 (\$16,200)	18	1

NB: Does not include investigations.





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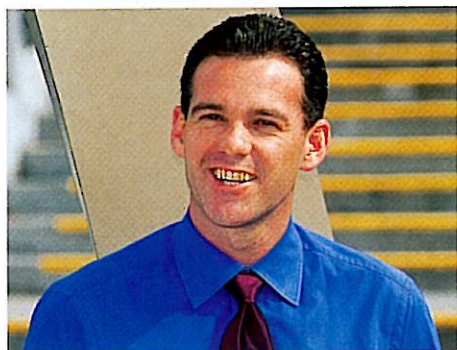
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HOT STUFF: Sydney's brilliant forward Michael O'Loughlin is showing the strain from the rigors of AFL football during the early part of the 1999 season.





GENERAL MANAGER - COMMERCIAL OPERATIONS: Ben Buckley

Restructure creates new department devoted to growing AFL Business

As part of the AFL's administrative re-organisation and restructure in 1999, a new department - Commercial Operations - was created to oversee and run all commercial areas of the AFL, other than the national television rights which will remain the responsibility of the Chief Executive Officer.

The essence of the Mission Statement of Commercial Operations is drawn from the AFL's Mission Statement and Guidelines: "To maximise the economic return from Australian Football back to its key stakeholders through building the strongest consumer brand in Australian sport."

In short, Commercial Operations is an expanded and re-structured department taking in the former marketing and licensing departments but also encompassing other areas such as events, membership, pricing and commercial media.

Ben Buckley, who joined the AFL last November, heads the Commercial Operations department. Buckley, who held marketing/executive positions with Nike and EA Sports, played 75 games for North Melbourne and was club vice-captain from 1990 to 1992.

Buckley is in charge of a department that will continue to develop commercial opportunities for the AFL, as well as maximising economic returns for the key stakeholders in the AFL.

By building a strong consumer brand, Commercial Operations will continue the rapid growth of certain areas within the AFL. Commercial Operations will oversee the following areas:

Consumer Products

This is an important area of Commercial Operations and is headed by Consumer Products Manager Andrew McKenzie.

Consumer products encompass all consumer promotions, particularly the Licensing of AFL Intellectual Property, and the selling of AFL advertising and promotional rights to companies. Last year, the AFL enjoyed record retail sales and profits for its Licensed Products and the prospects for future growth are very positive.

Corporate Partners Program

The AFL has seven major corporate partners - Coca-Cola, the Seven Network, Carlton and United Breweries, Ansett Australia, McDonald's, News Limited and Norwich Union Australia - whose continued support has helped grow the game all over the country. It is important the AFL develops and maintains its relationship with its partners and Corporate Products Manager Robert Boyd is responsible for overseeing sponsorship growth.

Events and Entertainment

More than ever, Australian Football has become an event not to be missed. The thrill and spectacle of AFL football attracts millions of fans each year and they demand an entertainment package that will make their day at the game a memorable one. In particular, the AFL is keen to showcase its big events and over the years it has led the way with first-class events and entertainment.

These include the Coca-Cola AFL Finals, the Brownlow Medal, the Ansett Australia Cup, the Norwich Union AFL Rising Star and other special events such as the International Rules Series, State of Origin, overseas exhibition games or Ansett Australia Cup games scheduled overseas. Dean Moore (AFL Football Projects Manager) and Maris O'Sullivan (Events and Corporate Hospitality Manager) are responsible for overseeing AFL events and entertainment.

'To maximise the economic return from Australian Football back to its key stakeholders through building the strongest consumer brand in Australian sport.'

Membership

AFL membership is now part of Commercial Operations as the AFL continues to develop its relationship with its members. While AFL membership is at capacity (just over 52,000 members), the AFL's current members, both full and restricted, enjoy the benefits of being part of the biggest sporting organisation in the country. Tracey Henderson took over as AFL Membership Manager late last year, replacing Jennie Loughnan, who is working in the marketing and membership department for the Kangaroos.

Commercial Media

The sale and servicing of broadcast rights to markets outside Australia is another important area of Commercial Operations. The AFL game is seen in many countries and the AFL is continually exploring new markets.

Another component of Commercial Media is the AFL's film library - run by AFL Films on behalf of the AFL - a new entity that will have access to the film and television libraries of the AFL and the Seven Network. The Seven Network and Vuecast, operators and owners of a vast source of AFL film and video material, formed a joint venture agreement to become AFL Films. Ben Buckley will be overseeing this area of Commercial Operations.

Business Development

An important function of this expanded department will be to provide increased service to AFL clubs, assisting them in areas of marketing, merchandising and new business opportunities. Business development also covers all forms of pricing for which the AFL is responsible, but not physical pricing (ticketing) arrangements or stadia operations. New business development includes those businesses associated



THE COMMERCIAL OPERATIONS TEAM: Matthew Usher, Andrew McKenzie, Dean Moore, Ros Desmond, Robert Boyd, Ros Taylor, Amanda Thompson, Carly Griffen, Rebecca Hocking, Priscilla Smith-Bizzotto, Peta Edebone, Cheryl Francis, Susan Harper, Hamish Rogers-Wilson, Maris O'Sullivan, Carol Blake, Carolyn Kleiman, Ben Buckley, Robyn Balme, Frazer Hughes.

with Colonial Stadium and Stadium Australia. Ben Buckley will be overseeing this area of Commercial Operations.

Marketing, Communications

While Commercial Operations continually explores new business opportunities, it is vital that the department communicates with supporters, stakeholders and media the various promotions that are driving its expansion and, ultimately, its success. Robyn Balme, who worked for 18 months (1998-1999) as the AFL's public relations manager, has been appointed Marketing Communications Manager and she will drive all supporter promotions, publicity, advertising and brand management in this newly created position.



**CORPORATE
PARTNERS**

Corporate support underpins the game

The contribution of the AFL's corporate partners is not just reflected in the financial support they provide. Without their input, it would be impossible to keep admittance prices within reach of all football fans and it would be difficult to run many of our programs that reach the wider community.

The AFL Commission has been striving to ensure admittance prices are maintained at a level that will not make it difficult for all supporters to enjoy a day, or night, at the football. The AFL actively seeks corporate support to underpin that policy and we believe that creates a win-win situation for our sponsors and fans.

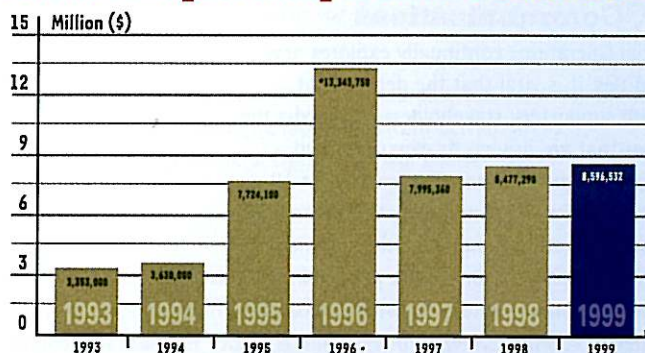
The very fact that high profile companies have invested their time and resources in the AFL reflects the popularity of the sport. It should be pointed out that the AFL has consistently maintained its sponsorship levels at a time when of intense competition from other codes and forms of entertainment.

One of the reasons we are able to attract corporate support can be attributed to the success of the competition. Attendances far outweigh any other football code in the country, television ratings have been maintained at a consistently high level and public and media interest in the game has never been higher.

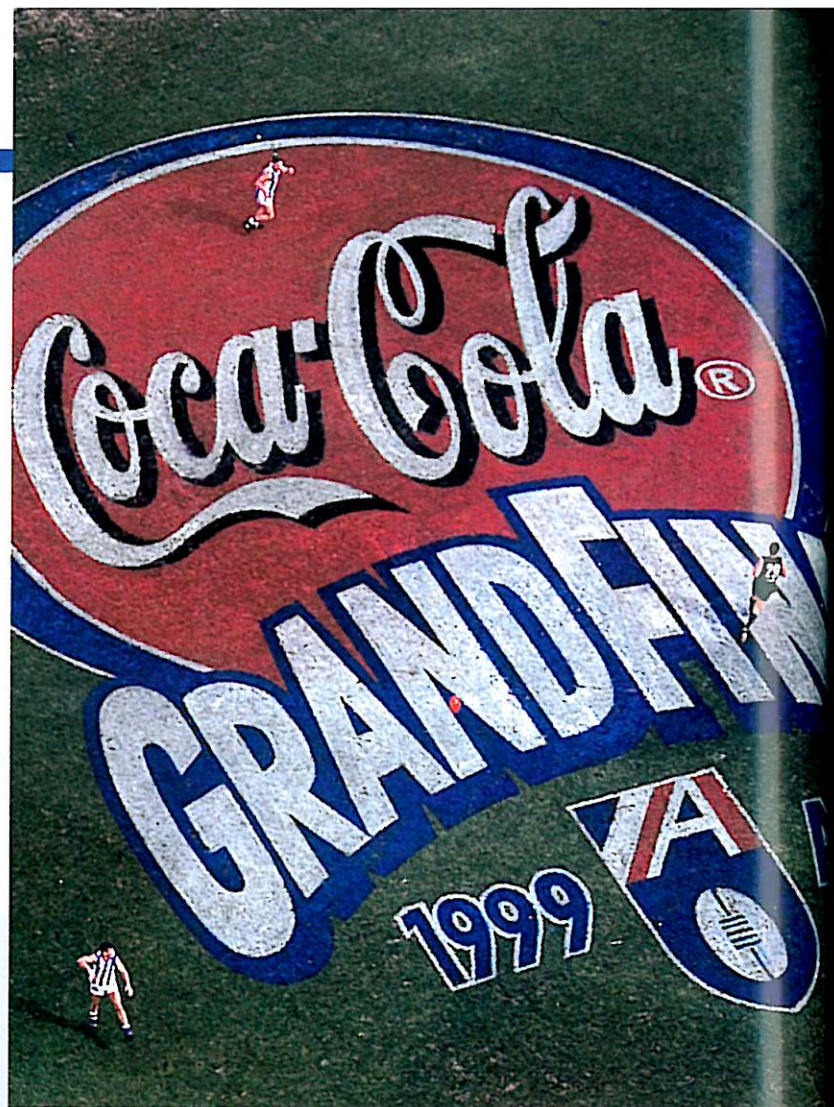
But the AFL does not see attracting this support as simply a means of raising revenue (\$8,596,532 in 1999, up from \$8,477,390 in 1998). Through our corporate partners, we have enhanced our involvement in the community - and there is no better example than the highly successful national junior development program, McDonald's AFL Auskick.

While the AFL makes every effort to seek and maximise corporate support, we are mindful of the fact that our major sponsors must be protected. There are rules that prevent clubs from entering sponsorship arrangements that could conflict with the AFL's major sponsors. This is also an important component of the Collective Bargaining Agreement between the AFL and the AFL Players' Association.

Growth in Sponsorship Revenue 1993-1999



* 1996 was the AFL's Centenary year



Coca-Cola

Coca-Cola has been the major corporate sponsor of the AFL since 1995 and is contracted until 2001.

In 1999, Coca-Cola's sponsorship included naming rights to the AFL premiership season, the State of Origin match between Victoria and South Australia, the AFL finals series, the Brownlow Medal, the AFL All-Australian team, the AFL National Draft and the International Rules Series.

Coca-Cola also conducts consumer promotions in various states and supplies product for games and clinics. It should also be noted that the Coca-Cola AFL Finals series was named winner of the Major Festivals and Special Events category at the Ansett Australia Tourism Industry awards.

Seven Network

The Seven Network holds the exclusive free-to-air and pay television rights until 2001. Seven has held the rights since 1988 and, apart from 1987, has broadcast AFL/VFL football every year since 1957.

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

Since 1998, Seven has been a partner in a joint venture with News Limited in the AFL's official website, afl.com.au.

AFL Corporate Partners



Carlton and United Breweries

Since 1995, CUB has been a major support sponsor of the AFL and previously was the AFL's major naming rights sponsor.

CUB has had a long and successful association with the AFL and the company has individual sponsorship arrangements with most clubs.

Through the AFL's international highlights program, 'Foster's Aussie Rules', CUB has maintained a high profile overseas. 'Foster's Aussie Rules' was watched in the United States, Canada, New Zealand, United Kingdom and many South American, Middle East, Pacific Island and European countries.

Ansett Australia

The AFL has enjoyed an excellent relationship with its official carrier, Ansett Australia, which has provided all team travel since late 1989.

This agreement is in place until 2003, inclusive, together with the company's involvement in the Ansett Australia Cup, the AFL's pre-season competition.

The 1999 Ansett Australia Cup was won by Hawthorn and again matches were played all around the country, including non-AFL venues in Darwin, Canberra and Hobart.

Last year, Ansett Australia also sponsored AFL club membership month - a successful media campaign communicating the benefits of club memberships.

McDonald's

McDonald's AFL Auskick is one of the most successful junior sporting programs in the country. It provides a wonderful introduction to Australian football for primary school-aged children and McDonald's has just finished its fourth year as major sponsor of the national program. In 1999, Auskick registrations were up by 12 per cent and a total of 75,774 children participated in all states and Territories. McDonald's sponsorship also includes McDonald's Little League and grid games played at half-time during all AFL matches. McDonald's also has naming rights to the AFL match day football.

Norwich Union Australia

One of the highlights of the season is the naming of the best young player in the AFL who receives the Norwich Union AFL Rising Star Award - a \$20,000 Norwich Union investment portfolio and a magnificent handcrafted trophy. The 1999 winner was Adam Goodes, of the Sydney Swans.

News Limited

News Limited has been a corporate partner of the AFL since 1998 when it entered into a joint venture with the Seven Network to launch afl.com.au the official AFL website.

In addition, News Limited is a shareholder in Colonial Stadium and has a promotional agreement with the AFL linked to its metropolitan daily newspapers throughout Australia.



Projections show continued growth into new season and beyond

Following another record year in which AFL Licensed Product retail revenue reached \$120 million, up from \$110 million in 1998, it is not surprising that future growth projections remain positive. The AFL considers its brands to be the AFL's most important long-term assets. While there has been a downturn in the fashion and sports business, the demand for AFL-branded product continues to grow.

One of the pleasing indicators last year was the growth of AFL licensed product sold out of the football season. Christmas sales, in particular, were high while combined activities all year round produced record retail sales and a record profit.

Sales of memorabilia, homewares and entertainment exceeded previous levels and showed greater strength when assessed by percentage. For example, apparel accounted for 51 per cent of licensing sales in the 1997-98 financial year but last financial year, it had dropped to 31 per cent. But areas such as entertainment increased from one per cent in 1997-98 to six per cent in 1998-99 while memorabilia, which had negligible sales impact in 1997-98, accounted for two per cent in 1998-99.

The euphoria surrounding Tony Lockett's AFL goalkicking record flowed through to memorabilia sales and there was a rush for a

variety of product commemorating the Sydney champion's 1300th goal. 'Plugger' collectables included a poster, a video, a cap, T-shirt and a framed and signed jumper. The latter was restricted to 1300 items at \$800 each and sold out in three days after Lockett broke the AFL's goalkicking record in Round 11, 1999.

Unfortunately, there has been some adverse publicity surrounding pirated memorabilia and goods over the past 12 months. To protect its own product, the AFL introduced an authentication program. Consumers wanting to buy a piece of AFL history, such as a framed and signed jumper by St Kilda star Robert Harvey, simply had to look for the AFL licensed memorabilia logo and a hand-signed AFL Certificate of Authenticity.

Last year was also the first year in which AFL players had rights to their image as part of the Collective Bargaining Agreement with the AFL Players' Association. In short, this agreement means that before anything featuring any AFL player image appears anywhere it has to be approved and licensed by the AFL. Under this process, more than \$1 million was returned to the AFLPA in 1999, creating a positive environment for the players who are now consulted over the use of their image and, once proper steps are put in place, the player (or players) is duly rewarded.

Several important and successful campaigns were conducted in 1999 including an AFL On-Field promotion offering a lucky fan the chance to watch his or her team play every game, spreading the "buy official" message via an advertising campaign in the AFL Record and "Put Your Money Where Your Mouth Is" which also continued the message of why consumers should only buy Official AFL branded product. Leading AFL players were also featured in the "Get Real" AFL On-Field co-operative marketing campaign.

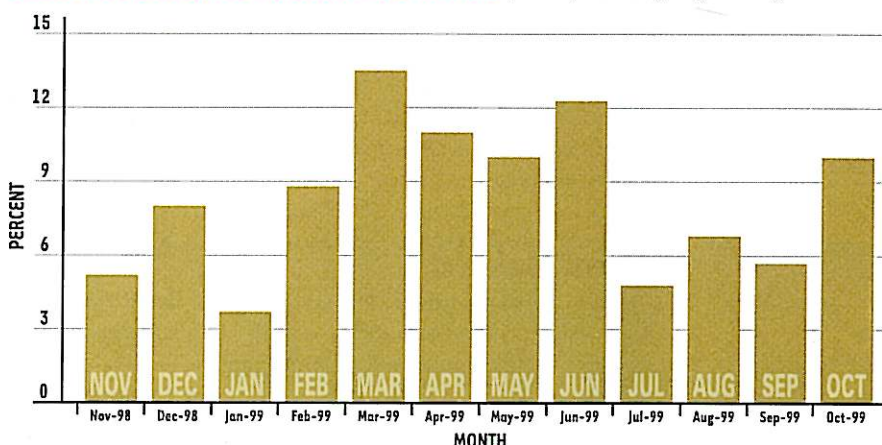
AFL Expo 2000 was held in August at the MCG and this successful event focused on AFL licensing activity for the 2000 season and a large number of licensees showcased their range of products. More than 250 key partners, retailers and sponsors attended the event. It was at this Expo, that the new AFL logo was showcased, and examples of its use when connected to AFL Licensed Product were shown. The AFL and FHA Image Design created an extensive Style Guide, distributed to AFL Licensees to assist in development of marketing and merchandising imagery. Strict disciplines were expected - and delivered - through the use of the Official Style Guide. AFL Licensed Product branding includes 'AFL official', 'AFL On-Field' 'AFL memorabilia', and the 'AFL Mascot'.

AFL licensing also took a stand at the Sydney Gift Fair at Sydney's Darling Harbour in September and the main emphasis was the range of products available for Christmas and the new AFL brand.

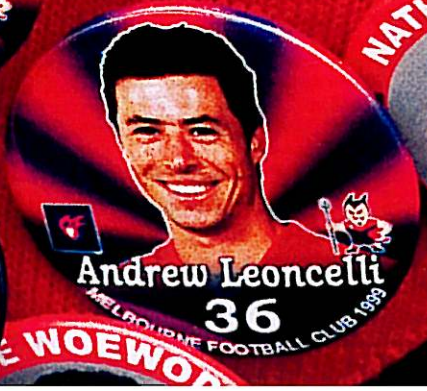
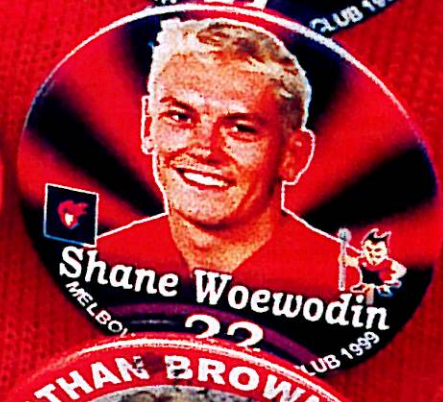
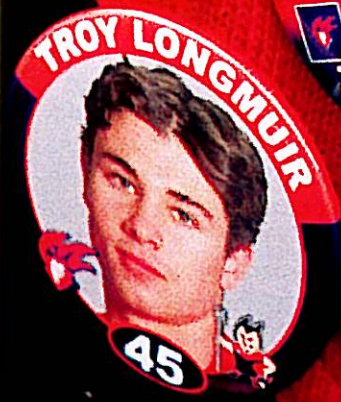
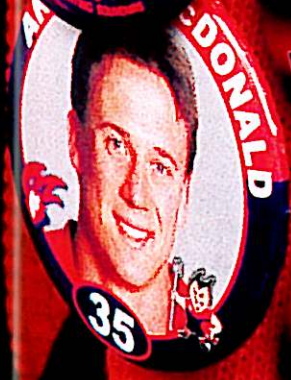
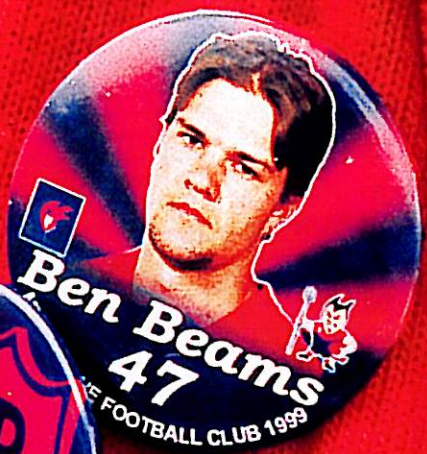
Another benefit to AFL licensees in 1999 was a double-page spread of product review in the AFL Record each week. This exposure proved a big winner with regular giveaways of product and special themes such as Mother's Day, the Tony Lockett collection and official Grand Final licensed product.

AFL licensing also enjoyed positive feedback from licensees after staging several sales and retail promotions.

AFL Licensed Product Revenue (Sales percentage by month)



WELL DRESSED: This Demon fan is not only a great supporter of the Melbourne Football Club, but also a great supporter of AFL Licensed Product!



A new logo just part of the AFL's new positioning strategy

As the AFL's already pre-eminent position in the Australian sporting market continues to grow so, too, does its commitment to excellence in marketing, branding and community relations. And, by staging events of the highest calibre all over the country, the AFL has reinforced its aim to make Australian Football the country's premier national sport.

This was highlighted in 1999 when the AFL unveiled its new corporate logo. The logo, developed in conjunction with FHA Image Design, was used officially after October 1, 1999. The new logo utilises the shape of an AFL football and boldly promotes the initials 'AFL'. Even the colors red (signifying a match-day AFL football), blue (the Australian blue) and silver (premiership cup), as well as white, are all associated with the AFL game and the Australian national identity.

One of the key objectives in developing a new logo was presenting something that actually said 'AFL' which was not the case with the old logo. This was seen as an important identifier for people vaguely familiar with the AFL game, but not to the extent of instant recognition.

The launch of the new logo was seen as timely, as the AFL enters not only a new millenium, but also has developed a new infrastructure, with a strong marketing and positioning ethos. The AFL logo, and all items delivered by the AFL, has to represent clearly the professionalism that is the AFL. The new logo is now displayed on all new product, merchandise, official documents and publications. The logo was designed by Trevor Flett, creative director of FHA Image Design, whose clients include the Sydney Olympics, Ansett Australia, Myer, Grace Bros. and Orica.

The first working models of the new logo were seen at AFL Expo 2000, a trade only show that presented to retailers the vast array of new AFL licensed product ideas that will be seen in 2000. A comprehensive style guide was developed by FHA and the AFL to illustrate all possibilities of branding for AFL Licensed



NEW LOOK:

A new corporate image was created for the AFL by FHA Image Design. The new logo was put into common use from October 1.

product. This Guide has been invaluable to licensees, and has seen new levels of expertise in all marketing and merchandising connected with AFL Licensed Product.

The AFL brand is now recognised Australia-wide and in 1999 there were several key indicators to the success the AFL has achieved all over the country.

A study of the 1998 Grand Final showed it had a significant impact on the Victorian economy, in revenue and employment. The study, conducted by Victoria University in conjunction with the AFL, Tourism Victoria, La Trobe University and the City of Melbourne, showed a high number of visitors to Melbourne (95 per cent) indicated they would recommend the Grand Final to others.

The impact the 1998 Grand Final had on the Victorian economy included:

- gross benefit of \$31.3 million
- \$33.9 million in private consumption expenditure
- \$10 million in business investment
- \$2.2 million in Victorian State Government tax receipts

- 840 full-time annual equivalent employment positions

It was estimated that total expenditure in Victoria for all interstate, overseas and Victorian corporate guests who otherwise not have been in the state was \$13.61 million. The total additional contribution to the Victorian economy from interstate visitors was estimated at \$12.46 million.

Last year the Brownlow Medal was held interstate for the first time and 1400 guests attended the dinner and count, held at the revamped Hordern Pavilion in Sydney. One of the reasons the dinner was moved from its traditional home in Melbourne was based on a recommendation in the NSW-ACT Task Force report that more major AFL events should be held in Sydney. The NSW Government supported the event by assisting with the extra costs associated in holding the Brownlow Medal in Sydney.

The game's marketing had its impact far and wide across Australia and one of the best initiatives of the year came at the suggestion of former West Coast Eagles coach, and now Collingwood coach, Michael Malthouse. At a coaches' forum earlier in the 1999 season,

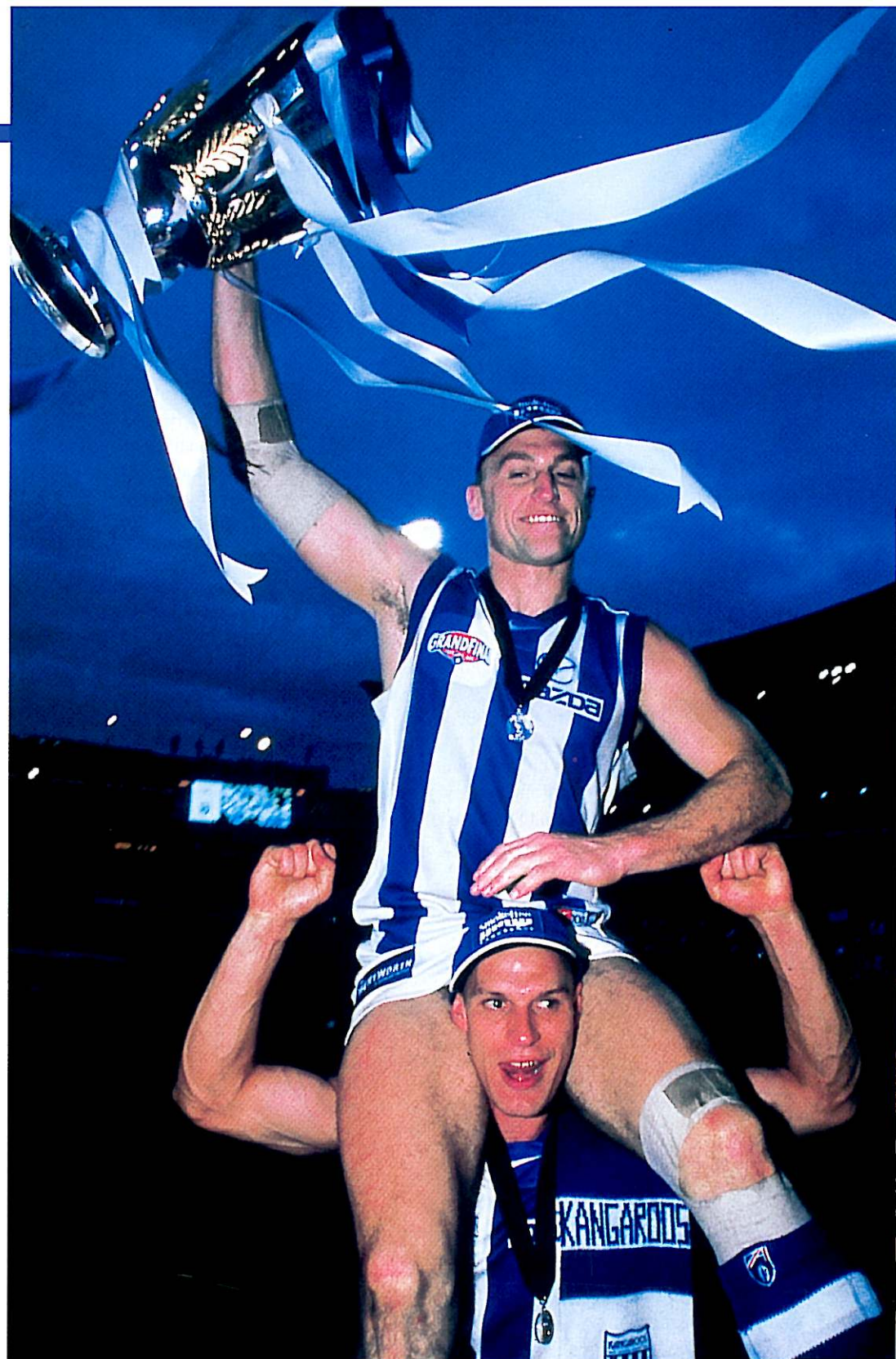
Malthouse suggested that each coach and captain of the 16 AFL clubs should sign 32 specially made Sherrin footballs. The footballs were donated by Spalding and one remained with the each club for its own purposes while the other was presented to a worthy cause nominated by each coach as a means of raising funds.

Each ball came with an official AFL certificate of authenticity and some of the charities that benefited included the Adelaide Women's and Children's Hospital, Challenge Cancer Support Network, the Royal Children's Hospital in Melbourne and the Parkerville Children's Home in Perth.

Another program designed to bring happiness and relief to children in major hospitals throughout Australia was launched in 1999. The Kmart AFL Pro Squad Hospital Visiting program saw players from the AFL Pro Squad visiting children at the Royal Children's Hospital in Melbourne, the Sydney Royal Children's Hospital, the Women's and Children's Hospital in Adelaide, the Royal Children's Hospital in Brisbane and the Charles Gardiner Hospital in Perth.

Two of the AFL's major corporate partners - Coca-Cola and McDonald's - joined forces to conduct the Coca-Cola Big Mac Challenge at specified AFL games in Melbourne and Perth. Coupons featuring scratch-off panels were distributed to fans as they arrived at the nominated games and if the home team won and the consumer correctly scratched one of the two panels, they collected a free Big Mac or large Coke from any McDonald's store in Victoria, Western Australia or New South Wales.

The AFL went into outer space - literally - to shoot a major component of its national television campaign which continued the theme 'I'd like to see that'. The advertisement featured cosmonaut Sergei Avdeev on the Mir Space Station uttering the line: "Australia launching men into space every few minutes ... I'd like to see that." The concept was



HAPPY DAY: John Longmire (on top of Martin Pike) shows the joy of playing in a winning Coca-Cola AFL Premiership team. The AFL finals series is a significant contributor to the AFL economy.

developed by the AFL's advertising agency, Campaign Palace, and is believed to be the first time any sporting organisation had used a space station to shoot a television commercial.

Meanwhile, back on earth the AFL was delighted with the response of a national television program pitched at a younger audience. Just Footy was hosted by Kangaroos

champion Wayne Carey and will return this year as Just AFL.

In 2000, AFL Marketing and Advertising strategy will be developed and managed by General Manager, Commercial Operations, Ben Buckley, with AFL Marketing and Advertising Executive Robyn Balme. Ms Balme was previously the AFL's Public Relations Manager.

Growth in events, entertainment and profitability

The 1999 season was another strong year for the AFL Events and Corporate Hospitality department. During the 1998 financial year, Corporate Hospitality income rose 11 per cent for the year with a profit rise of around 10 per cent.

This growth was achieved in a year when the Brownlow Medal Dinner was held in Sydney with associated costs being much higher than in normal years. Other Corporate Hospitality expenditure was reduced as we again became more efficient at running and increasing the profitability of our events. As always 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 came from the following packages:

The AFL Commission Club

Eight companies purchased season long packages in the Legends Room.

The Elite Suite, Legends Room, Brownlow Suite

Individual tables or the entire room was sold to companies during the home and away season.

Waverley Park Superboxes

Finals Series Packages

Four-week finals packages were sold in the Elite Suite, Brownlow Suite, Landy Room and Ryder Room and Grand Final only luncheons were sold at the Melbourne Park Function Centre.

The Brownlow Medal Dinner

600 corporate seats were sold at the 1999 Brownlow Medal dinner.

This was a most successful year with a series of high quality well attended functions.

The main non-football event was the 1999 Brownlow Medal dinner. Held for the first time outside Victoria, it was an unqualified success. More than 1350 guests attended what was a lavish and glamorous function at the newly renovated Hordern Pavilion at Fox Studios in Sydney.

The Australian Football Hall of Fame dinner, the other black tie function on our calendar, was again an 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 honored eight new players and a new Legend as they were inducted into the Australian Football Hall of Fame.

Other events held throughout the year included the Season Launch Media Dinner, the 200 Club Induction Dinner, the AFL and AFLPA awards dinner, the AFL Life Members' dinner and the Grand Final Umpires' Dinner.

The department also assisted with the staging of the Grand Final parade where club mascots, officiating umpires, Brownlow Medallists, the Norwich Union AFL Rising Star winner, bands and entertainers joined the two competing Grand Final teams. Each year the department also sets up the venue for the Coca-Cola AFL National Draft and last year it was held at the Melbourne Park Function Centre and was attended by more than 300 people including club representatives, media, TAC Cup club officials, possible draftees and their families.

Special Events

As part of the AFL's commitment to providing the best entertainment for its fans, there were three special events in 1999 that enhanced the spectacle of watching AFL football.

Those who attended the Grand Final, the Ansett Australia Cup Grand Final and the Coca-Cola International Rules Series were treated to first-class entertainment before the real action started.

Once again, the AFL enlisted the services of Kerrie Hayes Productions to produce the entertainment.

Coca-Cola AFL Grand Final

Each year one of the highlights of Grand Final day is the pre-game entertainment and 1999 was no exception. Fans and television viewers all around the country and overseas saw a first-class production headed by Wendy Matthews, Mike Brady and Hayley White, Todd McKenney, The Ten Tenors while Human Nature performed a stirring rendition of the national anthem.

The entertainment was complemented by the appearance of RAAF Roulettes, FA-18 Hornet jets and a fitting tribute and farewell to the AFL's all-time leading goalkicker, Tony Lockett. The Australian Football Hall of Fame Legend, Peter Hudson, and seven Hall of Fame inductees, as well as several other retiring players, were also honored.

No amount of personnel-power was spared on the day ... there were 1863 cast members, supported by a technical crew of 250, while 97,000 Cazaly scarves were distributed so fans could 'Do the Cazaly'. In all, 81,000 rehearsal hours went into the entertainment.

The entertainment would not have been possible without substantial funding and assistance from Coca-Cola and the Seven Network.

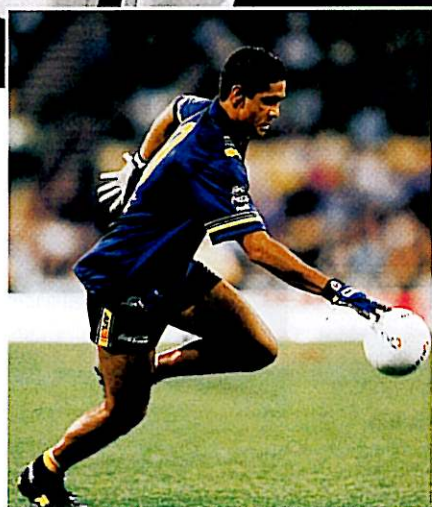
Coca-Cola AFL International Rules Series

For the first time in its new format, the Coca-Cola AFL International Rules Series was held in Australia and the overwhelming success of the 1999 series should ensure capacity crowds when it returns here in 2001.

Fans flocked to the two games at the MCG and Football Park and at both venues they were treated to a celebration of Australian-Irish culture. Irish dancers and singers and well as some of Australia's finest delighted the big crowds in Melbourne and Adelaide with some traditional entertainment.

Ansett Australia Cup Grand Final

Human Nature performed the national anthem while a stunning fireworks and lighting display that has become synonymous with the Ansett Australia Cup Grand Final again delighted fans before the Hawthorn-Port Adelaide clash at Waverley Park.



SMILING IRISH: The Australia-Ireland Coca-Cola AFL International Series was one of the significant new events created by the AFL during 1999. The two Tests, at the MCG and Football Park saw huge crowds entertained as AFL stars, such as Michael O'Loughlin (left), adapted to the International Rules game against Ireland. The Irish - celebrating above are Graham Geraghty and Darren Fay in swapped Australian guernseys - won the series 2-0, retaining the trophy won in Ireland in 1998.



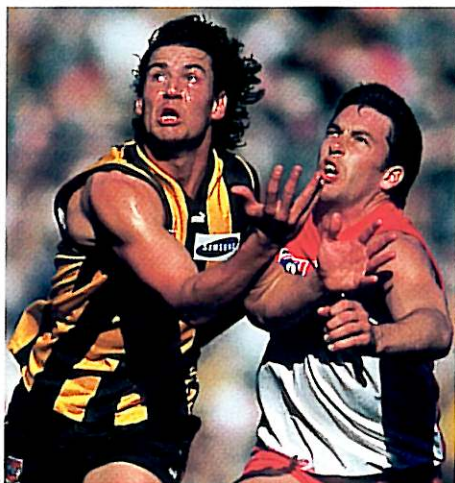
AFL SportsReady a great contributor to the community

Each year football followers contribute to the AFL something in the order of \$400,000 by way of a \$1 levy on Finals tickets. What becomes of this money? What use is made of it?

Finals levy money is placed in the hands of AFL SportsReady Limited who, on behalf of the AFL Commissioners, pass it on to AFL Clubs and indeed any football club by way of a subsidy to assist in the employment of players and others undertaking a traineeship under the Federal Government's New Apprenticeship scheme.

The young people who benefit from this fall into two categories. There are those who are footballers and then those young men or women who are employed within the football industry assisting with administration or marketing, providing service within the hospitality facilities of clubs, or preparing playing fields.

The traineeships undertaken by the footballers can be in any industry, and over the years individuals have undertaken traineeships in information technology, retail, graphic design, building, landscaping, general maintenance and small business as well as a range of traineeships which are more sports specific.



BUILDING A CAREER: Hawthorn's Nathan Thompson completed his building construction traineeship through the AFL Group Training Company during the 1999 season. It coincided with the young ruckman/forward's best season on the field.

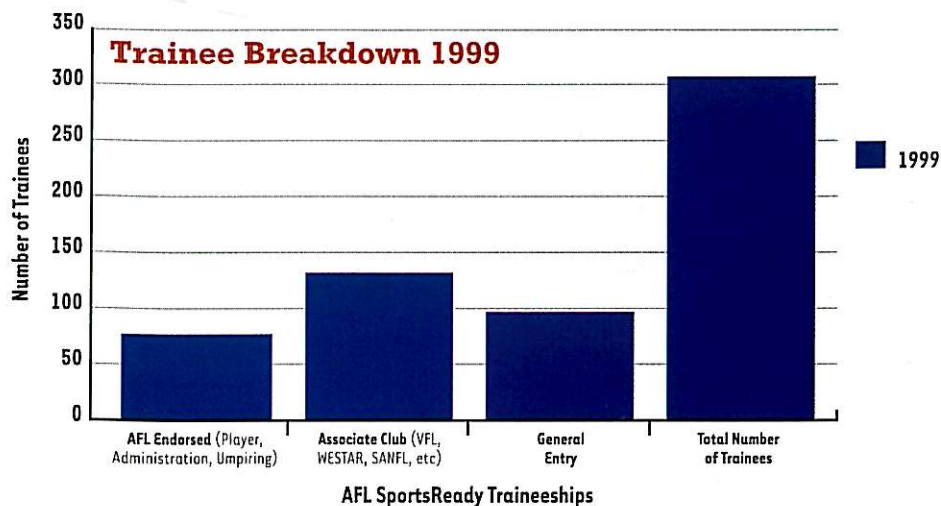
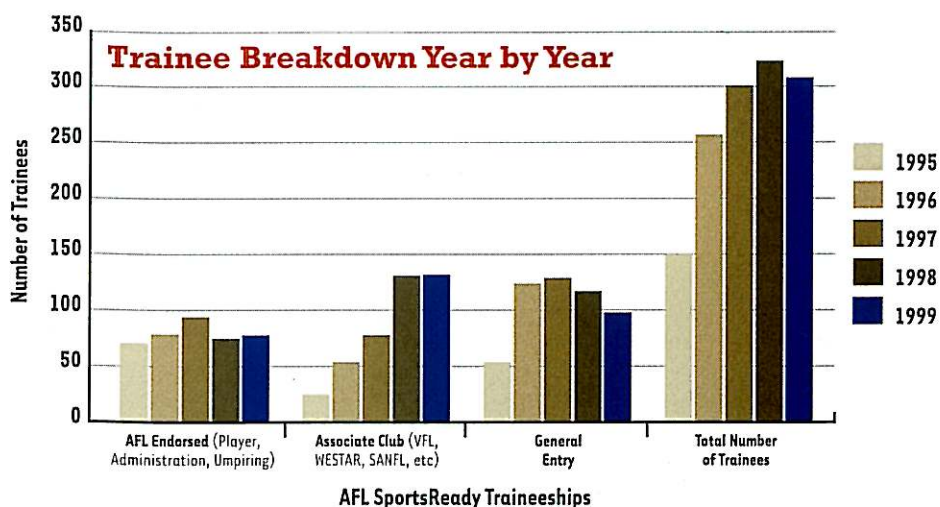
Fifteen of the sixteen AFL Clubs take advantage of this opportunity to provide workplace training for their players. They believe the player benefits in two ways. Firstly he is provided with opportunity to develop work skills in an environment which complements his life in football and which will be of assistance in his career post-football.

Secondly the Clubs recognise the wisdom of having players involved in a structured activity away from football where he must exercise responsibility to others, his employer, while at the same time having a mental break away from the demands of football. Between the AFL making use of the finals tickets levy, and

federal government subsidies, employers who take on AFL players as trainees receive incentives of as much as \$8,750.

In 1999 some 305 trainees took part in the program - including young stars like Hawthorn's Nathan Thompson who completed a building construction traineeship during 1999. Every State and Territory had trainees employed by AFL SportsReady. Since the program began in 1995, over 1300 young people have received training and employment through the scheme.

The tables below give an indication of how the program has been supported over these past 5 years.



Giving back to the wider community

The AFL accepts its relationship with the broad community as a mutually beneficial one. Its support of community programs, individual sportspeople, and specific charities has grown in an organic fashion in the past decade.

Apart from the AFL Foundation, the AFL constantly receives requests to support a variety of community initiatives and charities. The AFL facilitates initiatives, often inspired by AFL clubs, to raise money for individual charities or recognise specific events such as Anzac Day at AFL matches. It has historically allocated specific games to charities to collect money or launch fundraising programs.

Under its new administrative structure the AFL is examining ways to ensure community initiatives are developed in a co-ordinated manner.

AFL Foundation

The AFL Foundation earned approximately \$60,000 in 1999 through the Toss the Coin promotion to allocate to specific projects. Grants are allocated at the discretion of the Foundation Committee. The AFL Foundation committee consists of Mick Miller AO, Dame Phyllis Frost, and Philip Wallbridge. The objective of the foundation, which began in 1984 following work done by the AFL to raise money for the Ash Wednesday Bushfire Relief Fund, is to give an individual, family or organisation, the opportunity to increase skills, improve lifestyles or overcome social or educational disabilities.

Peter Mac Cup

In 1999 the Peter MacCallum Cancer Institute celebrated its 50th year as one of the leading specialist cancer hospitals. The AFL facilitates the raising of money for the Peter MacCallum Cancer Institute by allowing a Carlton v Collingwood game each season be used as a venue for collecting money. Navy recruits from HMAS Cerberus rattle tins, and the two clubs play off for the Peter Mac Cup. The AFL

promotes the day through AFL publications and its corporate partners such as the Seven Network.

The day raises an estimated \$35,000 directly for the Peter MacCallum institute.



BIG DAY: The Annual MCG clash between Carlton and Collingwood is made available as a fund-raiser for cancer research through the Peter MacCallum Institute. The day raises an estimated \$35,000 directly for the institute.

Anzac Day

The AFL works closely with the Department of Veterans' Affairs and the RSL to follow official protocol on Anzac Day. Ceremonies in 1999 took place before the traditional Anzac Day game Essendon v Collingwood at the MCG, Fremantle v Brisbane Lions at Subiaco, and Adelaide and Sydney at Football Park. The AFL also makes an annual contribution to the RSL.

In 1999 AFL captains tossed a special commemorative coin - the 'Last Anzacs' coin before the games on the Anzac day round.

Fremantle organised Len Hall day on Anzac day honoring a Gallipoli veteran from WA who died in 1999 aged 102. The day focused on Vietnam veterans. Fremantle invited 3000 WA Vietnam veterans to the game and local MHR Graham Edwards - a Vietnam veteran - tossed the coin.

Toss the Coin

The AFL Toss a Coin promotion is an initiative of Rotary International. The AFL raffles the opportunity to Toss the Coin on Coca-Cola AFL Grand Final day. Promoted by the AFL and Rotary International, the funds raised are administered and shared by Rotary International. The AFL Foundation receives most of its funding through this promotion.

Other Programs supported by the AFL in 1999

KMart AFL Pro Squad Hospital visiting program: AFL Pro Squad players visit patients at the Royal Children's Hospital Melbourne, Sydney Children's Hospital, the Women's and Children's Hospital in Adelaide, Royal Children's Hospital in Brisbane and the Charles Gardiner Hospital in Perth.

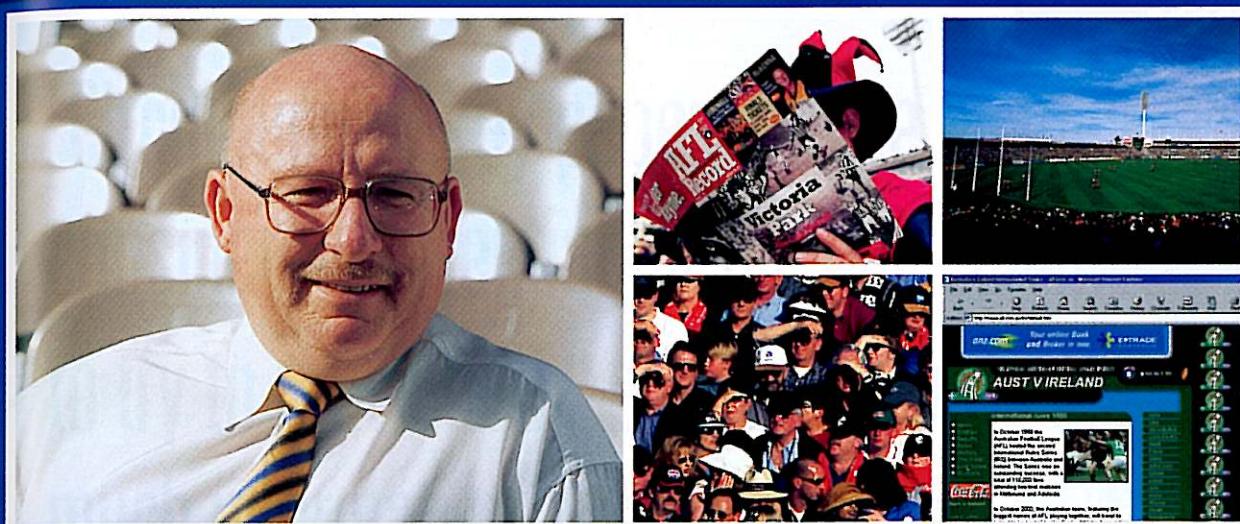
AFL Coaches and captains signed two commemorative footballs on the initiative of new Collingwood coach Mick Malthouse. Of the 32 footballs signed 16 were donated to an individual charity nominated by each AFL coach. The remaining 16 were allocated to the AFL clubs.

Major sponsor of Goals for Genes weekend. Every goal kicked raised money to assist genetic research.

The AFL allowed fundraising for the following organisations and appeals to be conducted at AFL venues in 1999:

Royal Flying Doctor Service, Legacy Foundation, Red Shield Appeal, Royal Children's Hospital, Kosovar Refugees, Anzac Day appeal, Red Nose appeal, Royal Women's Hospital Appeal, Asthma Foundation, Peter MacCallum Cancer Institute, Eye Research Foundation, Berry Street.





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VETERAN'S BIG DAY: Craig Bradley has been playing AFL since 1986, and was the game's oldest player in 1999. That didn't stop him winning more kicks than any other player in the competition, playing 26 matches, and leading Carlton into a Grand Final ... and celebrate his 300th game, leading his team through this massive banner/caricature.





GENERAL MANAGER - CORPORATE AFFAIRS & COMMUNICATIONS: Tony Peek

Detailed analysis, and communication, provides sound basis for future AFL policy

The role of the AFL corporate affairs and communications department is to manage a range of functions including strategic planning across all areas of the organisation, media relations, publishing including the AFL Record, afl.com.au and the growing area of AFL statistics.

Strategic planning is co-ordinated by a group including General Manager - AFL Corporate Affairs and Communications, Tony Peek, AFL Commissioner, Colin Carter, who is a senior vice-president with The Boston Consulting Group and played a major role in the development of the VFL's 1983 strategic plan which established the framework for a national competition, and the AFL's 1994 plan; General Manager - AFL Finance and Administration, Kevin Lehmann; and strategic planning consultant, Andrew Catterall.

About 12 months ago, the AFL Commission identified some 15 major issues to consider in our strategic planning and adopted a process of preparing a series of discussion papers on most issues for circulation to our AFL clubs, State and Territory bodies and the media for comment.

Circulation of key papers, some in draft form, to the media was considered essential for the AFL Commission to try to provide AFL supporters with as much information as possible. In this way, the AFL was able to receive feedback in part from interested media commentators but also from general AFL supporters. During the 2000 Coca-Cola AFL premiership season, reports on some of these major issues will be published in the AFL Record.

Policies adopted by the AFL Commission during 1999 included:

- new gate sharing arrangements;
- a re-statement of the AFL's commitment to equalisation in managing the national competition;
- a strategy for the development of international rules matches and the future of State of Origin;
- an updated mission statement and expanded set of guiding principles by which the AFL Commission manages the game;
- a revised administrative structure for the AFL.

Major areas of our planning process are outlined in detail in this Annual Report while key projects on our agenda for 2000 and beyond include:

- Growth of the AFL in New South Wales and the Australian Capital Territory including AFL game development, Kangaroos' matches in Sydney and AFL games at Stadium Australia from 2001.
- Assessment of the review committee's report into the future development of the AFL game in Queensland and implementation of key strategies following approval by the AFL Commission.
- The second stage of the AFL Commission's review of equalisation including revenue from licensing, AFL membership, funding of other levels of the game administered by state and territory bodies, blockbuster games, fixturing and the role of the draft in developing an even competition.
- AFL Game Development - review of current elements and preparation of a new strategic plan for national programs.
- AFL Commercial Operations - marketing communications, consumer products, sponsorship, community relations and the potential impact of e-commerce on the AFL and the 16 AFL clubs.

'Circulation of key papers, to the media was considered essential for the AFL Commission to try to provide AFL supporters with as much information as possible'

The planning team will work with department managers and staff to develop strategic plans in these areas. The process involves a rigorous analysis of current performance, assessing trends in other major sporting competitions around the world and applying key learnings where appropriate and assessing whether or not there are more efficient and effective ways for the AFL to carry out its key responsibilities.

The planning team's work is then reviewed before eventual consideration by the AFL Commission.

Media relations

A key indicator of interest in the AFL competition is the high level of media coverage devoted to the AFL and the 16 clubs. The extent of national media coverage is highlighted by the fact that in 1999 some 1200 journalists, broadcasters, photographers and production crews were accredited to cover the AFL competition compared to about 200 10 years ago.

Day to day contact between the AFL and all sections of the media is managed by Media Relations Manager, Patrick Keane, who, in 1999 joined the AFL from the Australian Cricket Board where he had a similar role, and Media Relations Co-ordinator, Eloise Stinear.

They are responsible for administering the AFL Commission's media relations policy which sets the framework for how our AFL clubs and players should deal with the media, arranging media conferences and releases, liaising with the Australian Football Media Association (which represents all sections of the media covering the competition) and the development of facilities for the media at venues including Football Park, Subiaco Oval and Colonial Stadium.

During 1999, a new media centre built at a cost of about \$1 million opened at Football Park in Adelaide. The AFL contributed \$500,000 to the project in partnership

with the South Australian National Football League which owns the stadium.

New facilities for working media in Perth will open this year with the completion of the upgrade of Subiaco Oval.

Another innovation in 1999 was the distribution of a booklet to AFL clubs and each player in the competition, which outlined the AFL Commission's media relations policy and emphasised the importance of dealing professionally with the media. The booklet was supported by a videotape produced by the Seven Network and hosted by leading commentator, Sandy Roberts.

A further indication of the growth in media coverage and the importance of communicating with members is the fact that 12 of the AFL clubs now have media and public relations managers on staff. Five years ago, only the Brisbane Lions and Sydney Swans had such roles in place.



CORPORATE AFFAIRS & COMMUNICATIONS TEAM: Ian Weeding (Internet and Statistics manager), Kate Blyth (Statistics), Patrick Keane (Media Relations), Andrew Catterall (Strategic Planning), Janelle Ward (Sub Editor), Jodi Collins (Personal Assistant), Eloise Stinear (Media Relations), Tony Peek (General Manager), Michael Lovett (Publications Manager), Colin Hutchinson (Statistician/Historian).

Publishing

The AFL Record is the primary focus of our publishing team with between 70,000 and 80,000 copies bought each week by supporters attending Coca-Cola AFL premiership season matches. Special editions are also produced for the Ansett Australia Cup, an AFL Record special edition for AFL members and each week of the Coca-Cola AFL finals series culminating in the souvenir AFL Record produced for the Coca-Cola AFL Grand Final.

'The extent of national media coverage is highlighted by the fact that in 1999 some 1200 journalists, broadcasters, photographers and production crews were accredited to cover the AFL competition'

This makes the AFL Record Australia's largest selling sports magazine.

AFL publishing is headed by Publications Manager, Michael Lovett and consulting publisher, Geoff Slattery with a support staff including senior writer, Greg Hobbs, journalist, Peter Ryan and sub-editor, Janelle Ward.

Photography for all AFL publications is supplied by Allsport.

AFL publishing also produces some 90 other publications for various departments including the Annual Report, McDonald's AFL Auskick, umpiring, coach education and training and AFL football operations. Booklets on the collective bargaining agreement and AFL

drug code were produced in 1999 in conjunction with the AFL Players' Association.

AFL '99, the AFL's annual statistical guide was another major publishing project. This book (470 pages in 1999) is distributed to all sections of the media covering the AFL competition and is sold at bookshops in all capital cities. AFL 2000 will consist of 640 pages of facts and figures on the AFL competition and every player and AFL club.

Public relations

Robyn Balme completed her first full year as the AFL's Public Relations Manager in 1999.

Her key responsibilities included developing advertising and promotional strategies for major AFL events including the Ansett Australia Cup and Coca-Cola International Rules matches, weekly promotion of the AFL Record and working with key AFL sponsors and licencees to maximise their association with the AFL.

Following the implementation of our new administrative structure in 1999, Balme will have a different role in 2000 as the AFL Marketing Communications Manager, reporting to General Manager - AFL Commercial Operations, Ben Buckley.

Internet and statistics

During 1999, the AFL appointed Ian Weeding as its Internet and Statistics Manager, replacing Karen Phelan who accepted the position of Business Manager for afl.com.au. He joined the AFL from the Sydney Swans where he was the club's statistics and information technology manager.

He is responsible for liaising with the AFL's official website, afl.com.au, which is operated as a joint venture between News Limited and the Seven Network, and maintaining the "Inside the AFL" section of the website.

The AFL website is the most popular sports website in Australia attracting more than 1.5 million page impressions per week during the season. In 1999, afl.com.au was judged to be the best sports site in Australia in the annual Telstra/Australian Financial Review internet awards.

In 1999, the AFL Commission agreed to invest some \$425,000 during the next three years to upgrade the AFL's current database and develop a complete statistical history of the AFL.

This project will also involve Weeding, AFL historian and statistician, Colin Hutchinson and AFL computer services manager, Adrian Perry.

ON TOP: In 1999, The AFL Record maintained its position as the biggest selling sports magazine in Australia, with weekly sales topping 80,000.



Commission Policy takes into account current, future trends

In August 1999, the AFL Commission released its position on the structure and number of clubs in the AFL National Competition, particularly clubs in Victoria.

Despite assertions to the contrary, the AFL has never set a target for the number of clubs in Victoria, and its position can be summarised as follows:

- **16 Teams works well**

The current 16 club competition structure works well, despite some inequalities and difficulties such as fixturing 16 teams into a 22 week season. There is no magic number as far as competition size is concerned. In theory a 12-team competition has advantages because two even rounds can be played, or 14 teams could play each other twice over 26 weeks.

If the number of clubs was reduced, in theory, AFL distributions per club would be higher, and the AFL players (albeit fewer in numbers) would be paid more.

However, these advantages would obviously come at great pain, with the loss of several clubs, and would also leave the AFL deficient in matches to be scheduled at various stadia across the country. There would also be an impact on overall public and supporter confidence as well as broadcast rights, gate receipts, club memberships, sponsorship and the sale of licensed product if a number of clubs could not remain financially viable.

- **No new markets are attractive in the foreseeable future.**

In the foreseeable future there is no likelihood of additional licences being made available in any completely new markets. There have been expressions of interest from Tasmania and the ACT, but the AFL does not believe that these markets – or others – can support AFL teams because of their population size (for supporters or members), the level of

investment required for AFL standard facilities, and the level of corporate support fundamental to the long term health of an AFL club.

Ansett Australia Cup matches and practice matches will continue to be scheduled in these areas to give AFL supporters the opportunity to watch a game live.

The addition of Port Adelaide (1997) was justified because it was a strong franchise outside the AFL, stronger in supporter base and financial resources than some existing AFL clubs.

In the quite long term – which could mean 20 years or more – new entrants could be justified from population centres with around 500,000 people and which have a strong commitment to AFL football. No regional centres come close to meeting those requirements at this stage.

- **The potential for second teams or playing extra games in Sydney, and eventually Brisbane, are, *prima facie*, attractive but require further detailed analysis before a final position could be reached.**

With over half of Australia's population living in NSW and Queensland – and with that percentage rising – the AFL is concerned about the imbalance of the competition.

In principle, the AFL Commission believes the AFL competition would be better balanced with either an additional team in Sydney and eventually in Brisbane (or South Queensland), or extra games in both markets. However a great deal of further research and planning is required before the AFL could come to more concrete conclusions.

The Commission's view is driven in large part by a strong conviction that the long-term success of the code is dependent on being clearly the number one winter sport throughout Australia and not just in the southern states. Maintaining the AFL's competitive position relative to global sports

will be much more difficult if the AFL fails to capture the support of a greater proportion of residents in northern states.

The AFL recognises that an overwhelming case cannot be made for two teams in one city. With some exceptions, it does not happen in overseas competitions. However, given the size of Sydney, the strategic role that city plays in Australia, and the current geographic imbalance of the AFL's 16 team structure, the AFL remains attracted to expanding its presence in Sydney by either a second team based there, or by playing extra games in Sydney.

- **The AFL's equalisation strategies (see page 78) are designed to create an environment in which less wealthy clubs have the opportunity to compete successfully.**

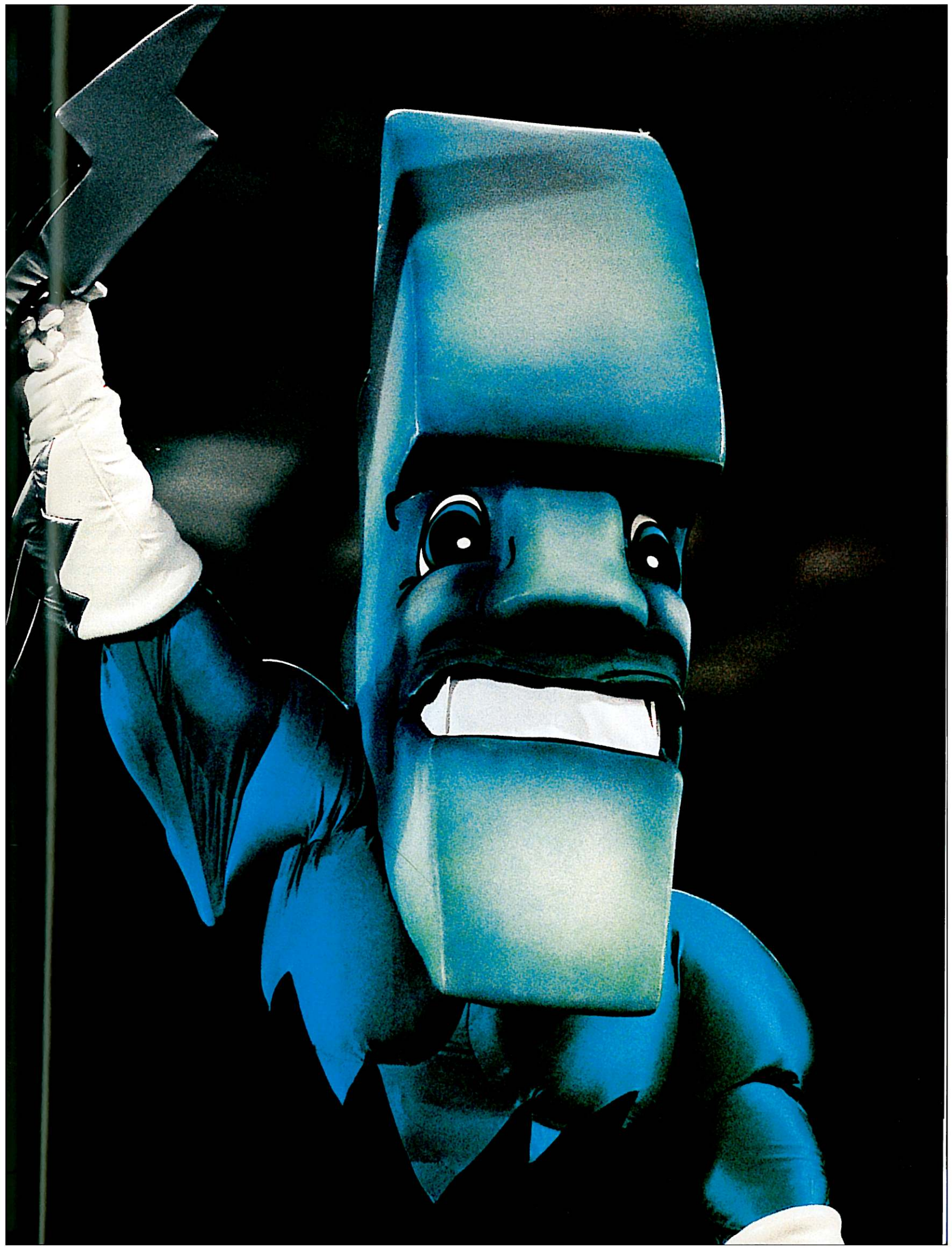
Every club now has a chance to compete. Excluding the most recent entrants, Fremantle and Port Adelaide, 10 of 14 clubs have played in a Grand Final in the 1990s. Only seven of the original 12 VFL teams played in a Grand Final during the previous 20 years. Seven clubs won a premiership in the '90s. Only five clubs succeeded in the 20 years between 1970 and 1989.

- **The AFL retains a national focus, but recognises that Victoria is the cornerstone of the national competition. However, ten clubs will struggle to survive long term in the Victorian market due to the revenue required to sustain an AFL club. These pressures have been evident since the early 1980s, and have resulted in two fewer teams in Melbourne.**

The pressure on Victorian clubs has been moderated in recent years because of the AFL's equalisation policies, and more professional management capabilities at the clubs.

The pressures come from two areas. The first is that one city will always struggle to support

POWERFUL PORT: The addition of Port Adelaide (1997) was justified because the club was a strong franchise outside the AFL, stronger in supporter base and financial resources than some existing AFL clubs.



10 professional football teams. The structure in Victoria today is much the same as it was for most of the past 100 years as a near amateur competition in which economic issues played only a small role.

The greatest driver of competition expenditure has been the move to full-time professionalism. This has been an initiative of the AFL clubs, and not unreasonably, the players have asked to be paid more for going full-time and being unable to maintain employment outside football.

The infrastructure required to support the athletes - full-time coaches, doctors, physiotherapists, other support staff etc., - has also led to significant increases in football department expenditure for other than player salaries.

The second reason for the struggle is even more fundamental. Even though the level of revenues going into sport is rising at an almost exponential rate, it is clear that clubs go broke regardless. What drives this is competitive disparity. Notwithstanding equalisation, the gap between the AFL's financially strongest and weakest teams is about two-fold and slowly growing. Because these differentials are mostly based on history and long standing support levels, they are largely fixed. Even winning a flag does not change things. In this situation, wealthy clubs can make mistakes and survive. Less wealthy clubs cannot.

Without equalisation the gap in revenues would be much greater - up to 10-fold if overseas competitions are any guide. Should this happen, the financially weak clubs die or live humbly at the bottom of the ladder, gradually ebbing away. With equalisation, the AFL has largely avoided this extreme situation but competitive disparities still exist.

That said, the AFL's policies are designed to maximise the chances for all, but the final number of teams in Victoria is substantially outside the AFL's control. Ultimately, survival and growth will depend on whether clubs avoid serious mistakes in managing their affairs and whether the rich-poor financial gap grows to larger levels. The AFL believes that without equalisation, up to half the Victorian clubs would be in serious trouble.

If, say, five clubs in Victoria disappeared, the remaining five Victorian teams would be left with similar sized population bases that are currently available to AFL teams in the other traditional states (SA and WA). At least in theory around five teams in Melbourne might be the outcome in the absence of equalisation.

However, if this were to happen the damage to the social fabric of football in Victoria would be considerable if not devastating. In fact, the AFL's view is that if the number of matches in Melbourne each week drops below four, the fabric would be seriously at risk. This is a judgement call - and not provable - but it means that the AFL would be very concerned if the number of teams in Victoria looked like dropping below eight.

- The AFL will encourage and work with the clubs to be creative to build their supporter bases, but will not act as a banker to the clubs.

The AFL's role is not to fund all club cost increases. At present, clubs raise around \$150 million of football's revenues while the AFL itself raises \$100 million (much of which is subsequently distributed to the 16 clubs). Clubs have in the past, and will in the future, be most responsible for their own finances. They will be free to pursue their own opportunities. The AFL Commission could only guarantee the future of any club with handouts taken from the other clubs. This would erode any semblance of financial responsibility.

The same applies to any proceeds from the sale of Waverley Park. This is capital that should be invested for long term benefit, not to cover operating losses at club level. Giving every club an equal payout (as happened in 1998 with the TV contract payment) doesn't solve the problem either because the financial disparities remain unchanged and simply delays the inevitable. Making unequal payments - for example dividing the Waverley proceeds among six clubs - may not be enough in the long term. This would be an unacceptable outcome.

The AFL Commission is yet to consider how the proceeds from Waverley Park can be best invested in the long term interests of the competition and the game.



A second team in Sydney?

The AFL is undertaking work on the pre-conditions which should be in place before a second team could be resident in Sydney. Considerable analysis was made of the Kangaroos first season of playing a handful of home matches at the SCG during 1999.

The questions that need answering include:

- What can be learned from the Kangaroos' experience?
- Is a second AFL club based in Sydney the best option for growing the AFL in the Sydney market?
- What would be the circumstances under which an existing AFL club would relocate to Sydney?
- Can the Sydney market generate \$35 million to \$40 million (double the current revenue generated by the Sydney Swans) to sustain two locally based AFL clubs in an environment which includes a number of other national and international sporting franchises?
- If a second AFL club based in Sydney is not achievable, what are the alternative strategies for growing the AFL in Sydney/NSW/ACT?

Playing the game on level playing fields

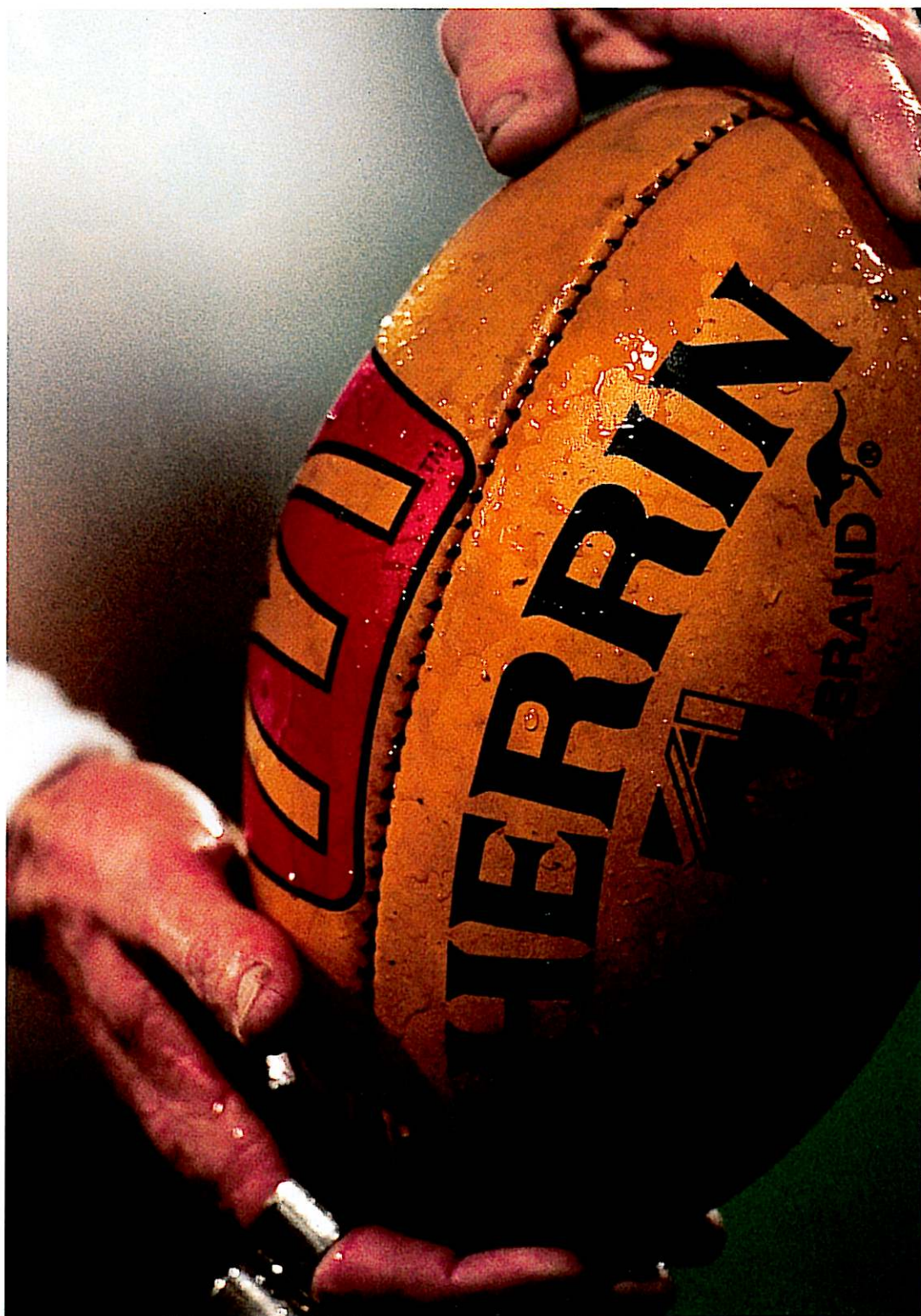
The AFL Commission conducted discussions with all AFL clubs on the broad philosophy of equalisation during the latter half of 1998 and the first half of 1999.

In broad terms, these discussions provided conclusions which were in line with the AFL Commission's goal - to achieve competitiveness and evenness on the field, and uncertainty of outcomes, which in turn maximise public interest.

After analysing the growth of the AFL since 1987, and a variety of other sporting competitions in Europe and the United States of America, the AFL Commission has resolved that equalisation remains fundamental to the long term health of the AFL Competition.

Key findings of that analysis included:

- Competitions left to the market have self destructive forces which increase in intensity as the amounts of money involved grow. The natural order is for the revenue gap between a few strong teams and the majority of others to grow to such a point that success on the field becomes a foregone conclusion.
- In European soccer and US baseball, there are enormous revenue disparities between teams and on-field success is highly concentrated on the wealthy teams.
- On the other hand, 'managed' competitions like the NFL and AFL have far smaller disparities in wealth and more even distribution of on-field success.
- 'Managed' competitions deliver competitiveness on the field and uncertainty of outcomes which builds public interest because supporters understand their team has a chance of winning each week.
- An equalised competition is based on the understanding that the real basis for competition is between AFL football and a host of other sporting, leisure and entertainment available to the public.

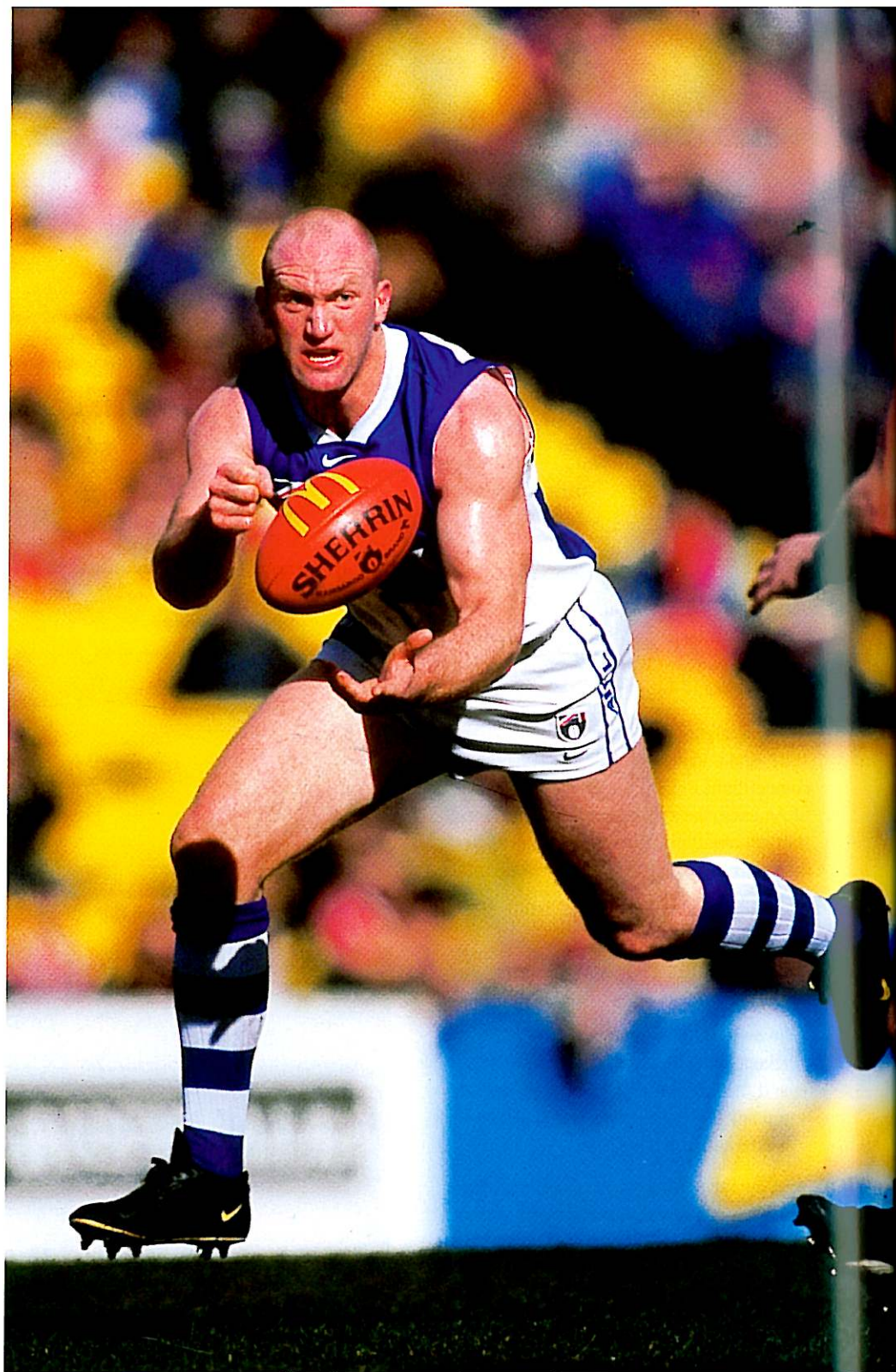


SHARING REVENUES: The AFL is committed to creating equalisation strategies for developing revenue sources for the greater benefit of all clubs in the competition. The sponsorship of McDonald's includes rights to branding on the game day football.

- The parallel between sport and business can only be taken so far. Sports teams need many competitors, businesses do not.
- The broad equalisation policies pursued by the AFL Commission – the draft, total player payments cap and equalising key competition revenues such as corporate sponsorship and broadcast rights – have produced a more evenly balanced competition than would otherwise be the case.
- More teams make the finals. If we exclude the most recent arrivals to the AFL competition – Port Adelaide and Fremantle – 11 of the 14 teams have played in a Grand Final during the 1990s. Only seven of the original 12 VFL teams played in a Grand Final in previous 20 years. Seven teams have a premiership in the past nine years while only five teams succeeded in the 20 years between 1970 and 1989 when the competition was less equalised.
- The gap between teams on the ladder has narrowed substantially which demonstrates the evenness through the season.
- The draft, limitations on list sizes and the total player payments cap are having a real impact and in turn, the key indicators or public interest – attendances, club memberships, corporate support, television and radio audiences, retail sales of licensed merchandise and participation rates – have never been healthier.
- Although the AFL receives complaints from time to time about equalisation, the AFL has found that the level of financial equalisation in the AFL is broadly appropriate with about 38 per cent of the competition revenue currently equalised. This is far less than the NFL in the USA where around 70 per cent of each club's total revenue comes from centralised sources, primarily broadcasting, sponsorship and licensing/merchandising.

The AFL Commission believes equalisation must continue to apply to the following competition revenues:

- All forms of broadcasting, including the internet, will be negotiated by the AFL, for the benefit of the competition as a whole.



NORTHERN KANGAROOS: The Kangaroos (full back Mick Martyn above) played four home matches in Sydney during 1999. The AFL is assessing whether Sydney has the potential to be home for a second AFL club.

AFL clubs will continue to have no right to negotiate broadcasting rights in any form. Given the sensitive nature of broadcast rights, and recent attempts by various parties to undermine the AFL's current agreement, the AFL Commission believes it inappropriate to consult with AFL clubs on details of ongoing negotiations. To do otherwise would almost certainly disadvantage the ability of the AFL to

maximise its leverage and revenue from those sources.

- Corporate Sponsorship;
- Finals;
- Ansett Australia Cup;
- Corporate Hospitality;
- AFL Record.

The AFL has changed its policy on gate sharing, and has resolved to:

- Eliminate the current gate sharing policy;
- Increase the equalisation levy on all attendees to \$1.50

The effect of this change in policy is that the 'home' team will keep all proceeds from the gate and be responsible for all match costs during the Coca-Cola AFL premiership season.

The Commission also believes the draft, limited list sizes, and a system of a total player payments cap - with increased resources to manage the relevant rules - are fundamental to the conduct of an even competition.

Having addressed the philosophy of equalisation, the AFL Commission will now consider what adjustments, if any, could be made to various sources of competition revenue.

Other revenue streams which require further analysis as part of the second component of the equalisation discussion, include:

- Licensing and merchandising - some adjustment has taken place;
- AFL Membership;
- Reserved seat income - large disparities in revenue between AFL clubs are caused by reserved seat sales;
- Blockbuster games/Fixturing;
- Size of the total player payments cap;
- The relationship between equalisation and the competition structure;
- Funding of football below AFL level.

Why a 'managed' or equalised competition is right for the AFL

There are three main reasons for equalisation:
First, an equalised competition delivers more on-field surprised and greater financial stability.

The uncertainty of outcomes on the field promotes public interest. The narrower gap between the wealthy and less wealthy team dampens cost escalations and the less wealthy teams are less likely to be in financial trouble. In very unequal competitions, the less wealthy teams are more likely to be bankrupted as they struggle to keep up with the expenditures of more wealthy clubs.

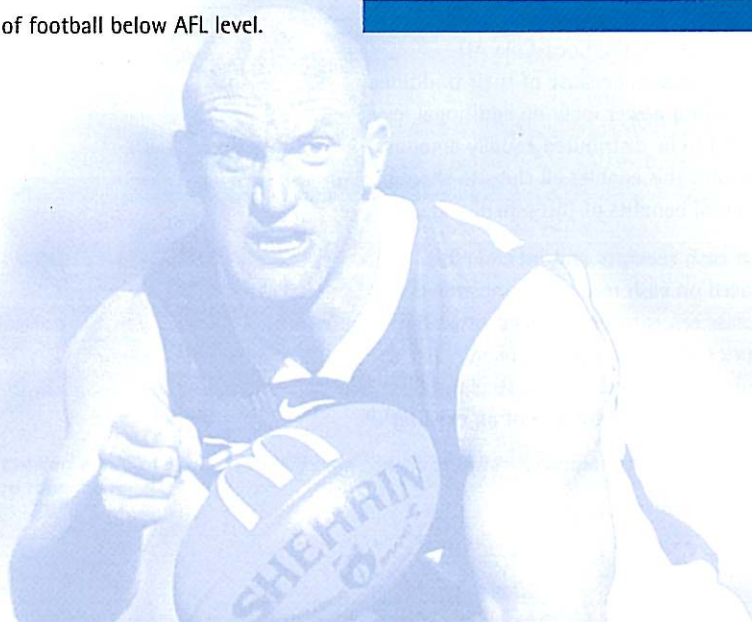
Second, in a very basic sense a sports competition cannot be argued to be 'like any other business'. An objective of business is to drive competition out of the market. In sport, a team cannot be a monopoly. Competitors are needed or there is no game to be played.

Thus the 'equalised' competition is based on a different perception of what is the real competition. The real competition is between football and other interests, that public interest in football is heightened by close competition, and one-sided contests erode public interest. Because the economics of the industry are highly dependent on public

interest, it follows that an even competition is in the long-term interest of players as well as other stakeholders.

Third, there is something of great value in the competition itself which justifies it being managed as a collective. The AFL competition is an entity of value, with its own brand position and market power. It is not simply the sum of the clubs. The whole is greater than the individual parts.

There is recent evidence to uphold this view. Port Adelaide, a recent arrival to the AFL competition (1997), saw its revenues rise, virtually immediately, from less than \$1 million to over \$10 million per year when it moved from the SANFL to the AFL competition. The club's supporter base and franchise was pretty much the same - but it was worth much more as part of the AFL competition. We can presume the opposite is also true - that strong clubs like Carlton or the West Coast Eagles would be worth much less if they left the AFL to play in another competition. Therefore the revenue raising potential of AFL clubs is only partly a function of their own franchise strength, but also substantially dependent on their participation in a combined entity of great value - the competition itself.





More equitable policy introduced for season 2000

The AFL concluded a review on the subject of gate sharing in May 1999 after presenting preliminary recommendations to AFL clubs in September 1998. The review was initiated because inequities were becoming obvious and a number of clubs, dissatisfied with current gate sharing practices, requested that a review be carried out.

The AFL Commission believed it was important to continue to deal with gate sharing and the accompanying levy* together as they are related mechanisms, and felt it was important to have a solution for both gate sharing and the levy in place for 2000. The need for a decision was based on historical evidence that showed the policy was not providing directionally sensible outcomes.

Gate sharing originally saw both competing clubs share the cash paying receipts, while the home club kept home membership and reserved seat income from premiership season games. This was designed to assist the equalisation strategy but was not working in the intended fashion.

As holders of membership tickets and reserved seats began to fill grounds – particularly venues such as Football Park, Subiaco, the 'Gabba and the SCG – reducing cash paying patrons it was clear the gate sharing formula produced an inequitable outcome.

A visiting club could play at these smaller venues, and share in a very small pool of cash paying receipts. By contrast a club with a home game at the MCG would attract a large number of cash paying patrons, and fewer reserved seat holders. They would, therefore, be entitled to less 'guaranteed' revenue and have to share in a larger pool of cash receipts with visiting clubs.

The AFL Commission decided that from season 2000 the following measures would be in place:

- gate sharing to be abolished from season 2000. All home clubs will keep the entire gate and be responsible for all associated match costs.

- the levy would be maintained but adjusted for football inflation*. In season 2000, the existing cash payer and home club levies would be increased in line with football inflation to \$1.50. The current cash payer and home member levies were introduced in 1994 and set at \$1.20 and \$1.10 respectively. These cash payer and home member levies have not increased since 1994, during which time attendance and club membership prices have risen by an average rate of 5 percent per annum. This revenue provides the pool of funds to be shared.
- the 'Blockbuster levy*' is to be retained and also increased in line with football inflation.
- the levy policy and all other equalisation issues would continue to be reviewed as part of a wider equalisation discussion.

These decisions lower the total pool of shared funds but the outcomes are more directionally sensible as all funds are shared through the levy mechanism.

***Definition of terms - funding of football**

Football inflation: Refers to the fact that the rate of inflation in football is higher than that which may occur across the economy. This fact is primarily related to increases in player payments.

Blockbuster levy: 'Blockbuster' games scheduled twice in the Coca-Cola AFL Premiership Season because of their traditional crowd drawing power incur an additional levy of \$25,000 to be distributed equally amongst the 16 clubs. This enables all clubs to share in the financial benefits of this scheduling.

Levy on cash receipts and memberships: A levy placed on cash receipts and memberships in this case refers to the segment of an AFL ticket price that is consolidated and distributed equally among the 16 clubs. It is not a 'levy' placed on the top of an existing pricing structure.



MEMBERS ONLY: Inequities in gate sharing were well displayed at grounds like Adelaide's Football Park. With so many reserved seats sold, little excess revenue was available for competing clubs. In 1998, the season on which the AFL's analysis was made, Adelaide FC contributed only \$59,000 to visiting clubs, while Port Adelaide's contribution was only \$5000. At the other end of the scale, Essendon contributed \$859,000 to visiting clubs, and Collingwood \$735,000.



1998 Gate sharing Outcome (\$000s)

The following table shows the outcomes of gate sharing where not directionally sensible:

Home club	Contributed to other 'visiting' teams	Received as the 'away' team	Net result, contributor ()	Net Result Recipient
Melbourne	(554)	115	(439)	
Kangaroos	(485)	163	(322)	
Collingwood	(735)	557	(178)	
Hawthorn	(283)	181	(102)	
St Kilda	(366)	275	(92)	
Essendon	(859)	787	(73)	
Fremantle	(129)	83	(46)	
Adelaide	(59)	94		35
Brisbane Lions	(15)	74		59
Port Adelaide	(5)	73		68
Richmond	(564)	657		93
Geelong	(225)	330		106
Carlton	(360)	490		130
West Coast	(12)	200		189
Bulldogs	(144)	413		269
Sydney	(10)	313		302
Total	(4806)	4,806	(1389)	1,389

Gate sharing created a gap of about \$740,000 between clubs in 1998, compared to \$550,000 in 1997. (Figure rounded)



New media, new technology to provide new opportunities to view the AFL game

Rapid and complex changes in the way information is communicated – through all forms of media – is likely to have a major impact on the AFL and the way it communicates with supporters of the game in the future.

A significant part of that change will be how AFL matches are broadcast on television in the years ahead.

About five years ago, free to air television was the only form of broadcast service providing moving pictures in real time. Since then, pay television using cable and satellite as a method of delivery has been introduced to Australia, while further developments in technology including digital television could lead to a variety of other subscription services being available such as video on demand, pay per view, datacasting and interactive broadcasting via the Internet.

In light of these developments in broadcast technology, the AFL Commission lodged a submission in December, 1999, with the Productivity Commission's inquiry into broadcasting on behalf of the Federal Government. The Productivity Commission is due to present its final report to the government during March, 2000.

Key points of the submission to the Productivity Commission included:

- Broadcast rights revenue was the largest single source of funding for the AFL
- Being able to grow this revenue source by improving the ability to deal in existing rights and developing new rights would in turn allow the AFL to:
- Maintain and increase distributions to AFL clubs which have high levels of community support.
- Increase investment in game development programs in all states and territories.

- Maintain relatively low admission prices for attendees at AFL matches.
- Continue to support stadia development for the benefit of all sports fans.
- Continue and increase support for important community relations programs such as AFL Sportsready which, with the assistance of the Federal and State Governments, has created more than 1000 job and training opportunities for young Australians.
- Recommending that the Federal Government's anti-siphoning provisions of the Broadcasting Services Act be abolished. The provisions have not operated as originally intended to protect the public interest. Instead, the provisions have effectively given free to air broadcasters control over all sports rights.
- Removing the anti-siphoning provisions would allow an increase in the number of AFL matches, many of which are played concurrently, to be broadcast live from out of state thereby giving AFL supporters greater choice.
- The mass market objectives of the AFL, and the imperatives which drive it, will ensure that AFL matches will be viewed by as many people as possible. The AFL believes these forces will be more effective than the anti-siphoning provisions in ensuring that the maximum numbers of AFL supporters will have the opportunity to watch the game they prefer.
- Supporting the view of the Productivity Commission that the market should determine the allocation of television coverage and regulatory provisions should do nothing more than ensure that there is a level playing field for all rights bidders.

The current anti-siphoning provisions do not provide such a playing field.

- Supporting the Productivity Commission's view that datacasting (broadcasting moving pictures with data) should be defined liberally. This would lead to greater competition in the market for delivery of images of AFL matches and events including traditional free to air and pay television broadcasts and new digital services.
- Accepting there was a need to differentiate between a television broadcast and a service provided by a datacaster. Access for datacasters to provide broadcast-like services should be distinguished on the basis that the datacast service be available only by subscription.
- Overall, having more broadcast options available would give AFL supporters throughout Australia and the world far greater choice.

The AFL's current broadcast rights agreement with the Seven Network runs through to the end of the 2001 Coca-Cola AFL premiership season.

During 1999, the AFL's broadcast working group chaired by Chief Executive Officer, Wayne Jackson and including AFL Commissioners Colin Carter and Graeme Samuel, AFL legal advisor, Jeff Browne and General Manager – AFL Corporate Affairs and Communications, Tony Peek, has been considering these and a range of other issues relating to future broadcasting arrangements. This work will continue during the 2000 season.



AGREEMENT: The AFL's agreement with the Seven Network to broadcast its matches concludes at the end of the 2001 season. During 1999, the AFL made a significant submission to the Productivity Commission's inquiry into Broadcasting. The Seven Network covered most AFL events during 1999, including special events like the Coca-Cola AFL National Draft (left), with commentator Sandy Roberts assisted by AFL National Talent Manager, Kevin Sheehan. In the hot seat is David Spriggs from Prahran Dragons, picked up by Geelong at Number 15.

Report shows AFL contributes to all levels of the Australian economy

A study into the socio-economic impact of Australian football completed during 1999 as part of the AFL's strategic planning, revealed that all levels of the game generated \$1.7 billion in financial contribution to the Australian economy.

The report was the second undertaken by Street Ryan and Associates on behalf of the AFL, the first occurring in 1992. This second study analysed data from a range of leagues and clubs throughout Australia for the 1998 season and was released in early 1999.

A key objective of the study was to give the AFL a broad picture of Australia's only indigenous game at all levels - including participation rates, attendances, employment and overall financial contribution to the Australian economy.

This information can then be used to illustrate to governments, sponsors and the media the extent of interest, support and participation in all levels of the AFL.

The study found that Australian football is one of the major sports in Australia and is among the largest individual sectors within the sports and recreation industry.

It is:

- Australia's premier spectator sport, attracting more than 13.9 million spectators to matches at all levels in communities throughout the country. Some 50.4 per cent of the total attended AFL matches.
- Australia's third sport (in 1998) in terms of registered participants with 438,098 players (1999: 447,579) consisting of 249,589 male club players (1999: 251,908); 114,781 school players (1999: 113,992); 67,803 McDonald's AFL Auskick players (1999: 76,212) and 5925 players in girls/women's, 9-a-side and veterans' football (1999: 5467).
- Victoria, South Australia and Western Australia are the homes of 77 per cent of participants, compared to 82 per cent in 1992.
- Country Victoria, South Australia and Western Australia are the strongest regions in terms of participation. These areas contribute 37 per cent of registered players but only make up 12 per cent of Australia's resident population.

- The game is supported by 636,000 non-playing members with 54 per cent of these members living in Victoria. 66 per cent are members of AFL clubs.
- An industry sector which employs about 5000 people directly, excluding players, coaches and umpires. Of this total, 24 per cent were employed full time, 25 per cent part time and 51 per cent casually by peak bodies, leagues, associations and clubs. This represented about 2000 full time equivalent jobs.

Main occupations of people employed in the game were:

	%
Catering/hospitality	32
Managers/executives	9
Ticket sales	9
Cleaners	8
Security staff	8
Secretaries/receptionists	7
Accountants/finance	6
Grounds/building maintenance	6
Development officers	6

