

## AN ONGOING CHALLENGE

While 'victories' and achievements are to be acknowledged, all energies must focus on the next challenge, and the next.

The administration of the AFL has some similarities to the clubs' approach to Toyota AFL premiership season matches. The enjoyment of winning a game is shortlived as coaches and players start work immediately on their strategy to win the next match.

A similar observation could be made about the past year, a year that was very positive for everyone associated with the AFL competition and our game at a community level. However, there is no time for prolonged celebration or reflection. Our focus is on the next challenge.

While all stakeholders should be proud of their contribution to the health of the game, no one should think that the AFL is anything but aware of the challenges we continue to face as we strive to grow and enhance our standing as this country's premier sport.

The challenges are significant, and numerous, as all forms of sport and entertainment compete for the hearts and minds of Australians of all ages. Subscription television, online developments and mobile technology offer instant access to sport and entertainment – anywhere, any time.

For athletes capable of playing at AFL level, there is a host of other sporting career options available to them. We must promote more strongly the fact that the AFL competition provides 640 players with an average annual salary of \$200,000, plus significant opportunities for education and post-career development.

It is appropriate to record the key outcomes from 2005 in this Annual Report. But the task of enhancing our only indigenous game has no finish line as we continue to operate in an ever-changing and challenging environment.

### Strategic direction

During the past year, we have started to consider what the AFL competition and game might look like during the next decade. As a result, we have focused on five key pillars.

#### 1. Financial viability

We strive to continue to build a strong financial base for the AFL competition to maximise the economic benefits for AFL clubs, players, supporters, the football fraternity and the community at large.

#### 2. Competition and the game

We strive to have an even competition where any club is capable of beating any other on any day or night to produce uncertainty of outcomes and drive supporter interest – regardless of the relative financial strength of each club.

#### 3. Participation

Aggressively drive high levels of participation in well-managed community programs throughout Australia in partnership with AFL clubs, players and state and territory football bodies.

#### 4. Community and customer relations

We aim to promote high levels of public interest by building the strongest brand in Australian sport. Our supporters are our most important assets and we strive to build strong relationships with them. As an industry, we are committed to making a significant contribution back into our community.

#### 5. A collaborative industry

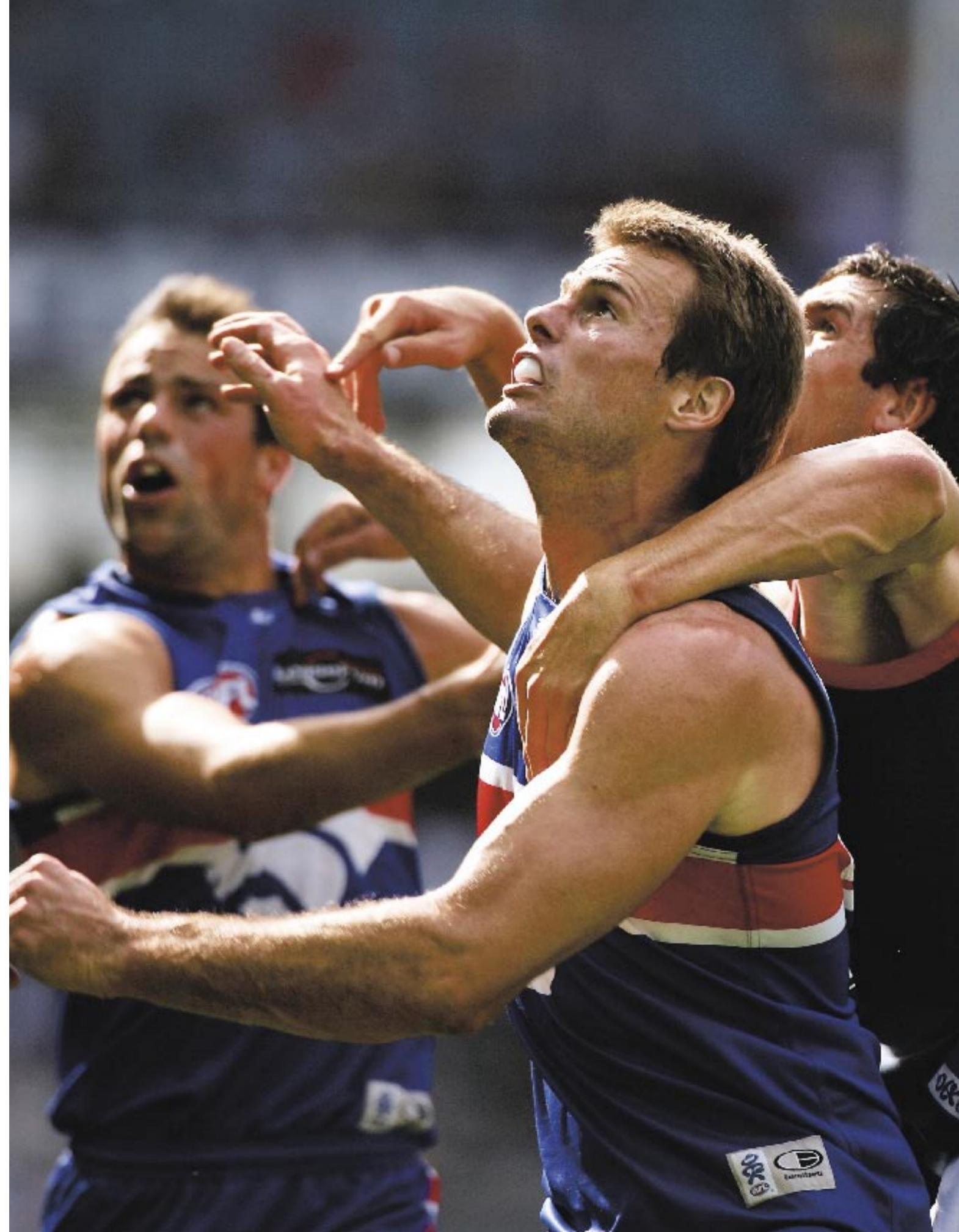
We aim to work together as a collective across the industry to maximise growth, realise efficiencies and present a united front on key opportunities.

These subjects are dealt with in greater detail in this report and will provide the broad framework for the AFL Commission, the executive and clubs to consider the longer-term future of the competition.

### Key outcomes for 2005

- An attendance record for the Toyota AFL premiership season of 6.28 million was set in 2005, up six per cent on 2004. The previous record of 6.12 million was set in 1998.
- Total attendances for the Wizard Home Loans Cup, Toyota AFL premiership season and Toyota AFL finals series passed seven million for the first time.
- Membership of the 16 AFL clubs reached a record 506,509, the first time the 500,000 mark has been surpassed.
- On average, 4.02 million people watched AFL matches on television in 2005, up 1.2 per cent on 2004.

**FRONT AND CENTRE:** Western Bulldogs captain Luke Darcy was on fire in his 200th game in round two, then suffered a season-ending knee injury in round six.



- The Toyota AFL Grand Final between the Sydney Swans and the West Coast Eagles was the most-watched television program in Australia in 2005, with an average audience in the five mainland capital cities of 3.386 million people.
- Network Ten's Grand Final post-game show was the second-most-watched program in Australia, with an average audience in the five mainland capital cities of 2.981 million. The network's coverage of the Grand Final pre-match program was the third-most-watched program of the year with an average audience of 2.593 million across the five mainland capital cities.
- More than 1.1 million people per week – up seven per cent on 2004 – listened to AFL matches on radio.
- An average of 1.23 million unique browsers per month visited the AFL Telstra online network – a combination of the AFL website and the 16 club websites. This represents growth of 36 per cent on 2004 figures and maintains the AFL-Telstra network position as the most popular sporting website in Australia.

## Financial result

The AFL achieved a net surplus of \$1.7 million, after transferring \$3 million to the facility development reserve and \$1.8 million to the strategic partnership reserve.

This result was achieved after allowing for \$3.8 million in legal fees related to litigation by the Seven Network against the AFL and more than 20 other parties concerning the awarding of the AFL's current broadcast rights.

- Revenue totalled \$203.7 million, up 9.3 per cent on the 2004 total of \$186.3 million. This was the first time that AFL revenue had exceeded \$200 million and was largely driven by a 14.6 per cent increase in non-broadcast rights revenue.
- Expenditure was \$69.4 million, an increase of 19.4 per cent on the 2004 total of \$58.1 million. This included the costs of the Seven Network litigation, \$2.2 million related to commercial operations revenue growth, \$1.1 million for the staging of the Foster's International Rules Series in Perth and Melbourne and \$159,000 for the World Vision tsunami appeal and the Troy Broadbridge Fund following the death of the Melbourne player in the tsunami that devastated regions across Asia in December 2004.
- Operating surplus before interest was \$130.4 million, up 5.2 per cent on the operating surplus (before interest) of \$124.1 million in 2004.
- Distributions to AFL clubs reached a record \$92 million, compared with the 2004 total of \$89.6 million.
- Development grants to state and territory football bodies totalled \$19 million, while the AFL game development department invested a further \$5 million in the AIS/AFL Academy, NAB AFL Under-18 and Under-16 Australian Championships and NAB AFL Draft Camp.

## Club support strategy

In September 2005, the AFL Commission endorsed a three-year financial strategy to support AFL clubs.

Three mechanisms were identified to provide \$34 million to clubs over the next three years.

- Annual Special Distribution. This replaced the Competitive Balance Fund and was designed to assist clubs with long-term structural revenue or cost disadvantages. From 2006 to 2008, the fund will make \$17.2 million available for distribution to clubs.
- Facility Development Reserve. This was established with \$10 million from the proceeds of the sale of Waverley Park to assist in the development of AFL stadiums, club training and administration facilities and grounds for local community clubs. In most instances, funds are allocated in partnership with state or local governments.
- Strategic Partnership Reserve. With \$7.2 million for the period 2006 to 2008, the fund will assist joint projects between the AFL and clubs to deliver significant growth or improved outcomes for the AFL and 16 clubs. Collaboration between clubs is encouraged with priorities including fan and game development in priority areas, new revenue growth and improved efficiency through shared services such as finance, membership and information technology.

## Seven Network litigation

The AFL continued to defend the legal action instituted by the Seven Network against the AFL and 22 other parties, including News Limited, Telstra, PBL, Foxtel and Network Ten, in the Federal Court. The claim by Seven alleged breaches of the Trade Practices Act and the relief by Seven sought, among other things, to restrict the ways in which the AFL can deal with its broadcast rights in the future.

In November 2005, agreement was reached by the AFL with the Seven Network Limited and C7 Pty Ltd ('Channel 7') for Channel Seven to discontinue the C7 legal proceedings against the AFL.

The AFL has spent more than \$7 million in defending this claim.

## Finals scheduling

After lengthy negotiations, we successfully concluded a new agreement with the Melbourne Cricket Club and the MCG Trust regarding the scheduling of finals at the MCG. The key elements were:

- Removing the requirement to play one preliminary final per year at the MCG in the event that two non-Victorian teams earn the right to host a preliminary final in their home states.
- Ensuring all preliminary finals in Victoria are played at the MCG.
- Allowing greater flexibility to bank finals in weeks one and two, with the clause amended to ensure that 10 matches are played over five years.
- Delivering an additional four premierships season games to the MCG each year, taking the number of matches played to 45.
- Delivering 14 Collingwood home and away games to the MCG.

# RESPECT AND RESPONSIBILITY POLICY

In August 2005, the AFL Commission adopted a policy, *Respect and Responsibility – Creating a safe and inclusive environment for women at all levels of Australian Football*.

The policy was recommended to the AFL Commission by a working group established by the AFL in 2004 after allegations of sexual assault against some AFL players.

We undertook an extensive consultation process with AFL clubs, the AFL Players' Association, relevant federal and state government departments and agencies as well as various community groups. The aim was to ensure a contemporary industry and community-based response to the problem of sexual harassment, sexual discrimination and violence towards women.

Traditionally, responsibility for addressing sexual assault has fallen largely to the criminal justice and social services systems, where intervention was understandably focused after violence had occurred.

More recently, women's groups and services have been successful in putting the prevention of sexual assault on the broader social policy agenda.

This has led to a growing recognition that responsibility for creating safe and supportive environments for women is shared between individuals, organisations, communities and governments.

As an organisation with a strong emphasis on community and social responsibility, the AFL wants to work with government and other groups to contribute to this broader social policy agenda in all states and territories.

The position of the AFL and the 16 clubs is quite clear. We find any form of violence towards women abhorrent and we support moves by government and other community-based organisations to eliminate violence or the potential for violence.

In this regard, one of our key roles, in conjunction with all stakeholders, is to make a significant impact in all areas under our direct or notional control.

For example, in conjunction with the AFL Players' Association, we have, and will continue to conduct, education programs aimed at promoting respectful relationships between all individuals and to assist individuals to make the right decisions within such relationships.

These programs extend beyond players to all involved at AFL level as executives, coaches, support staff and board members.

The Respect and Responsibility policy has been written into AFL rules to require compliance by everyone bound by the rules without diminishing the ultimate responsibility of every individual to behave in an appropriate manner and in accordance with the laws of the land.

The working group established by the AFL was convened by Professor Jenny Morgan (Deputy Dean, Law School, University of Melbourne) and included representatives from Centres Against Sexual Assault (Deb Bryant), VicHealth (Lyn Walker), Victoria Police (Acting Deputy Commissioner Leigh Gassner and Senior

Sergeant Sue Clark), the Victorian Institute for Forensic Medicine (Dr Angela Williams), the Adolescent Forensic Health Service (Patrick Tidmarsh) and the AFL (Andrew Dillon and Tony Peek).

The AFL Commission adopted a strategy comprising six key components, which were recommended by the working group, with the assistance of Victoria's Statewide Steering Committee to Reduce Sexual Assault.

1. Introduction of model anti-sexual harassment and anti-sexual discrimination procedures across the AFL and its 16 clubs.
2. Development of organisational policies and procedures to ensure a safe, supportive and inclusive environment for women.
3. Changes to AFL rules relating to conduct unbecoming to cover the specific context of allegations of sexual assault. The rules were also developed in consultation with AFL legal adviser Jeff Browne.
4. Education of AFL players and other club officials and an investigation of ways to disseminate the program in the community.
5. Dissemination of model policies and procedures at the community club level.
6. Development of a public education campaign.

Our approach to the development of this policy is similar to the steps associated with the implementation of our Racial and Religious Vilification policy in 1995. This highly successful policy, which won the National Corporate Anti-Racism Award in 2001 and was recognised by the United Nations Association in 1995, emphasised:

- A commitment to the continuing education of players to change behaviour and continuing media and promotional activity aimed at reinforcing the AFL's strong stance against racial and religious vilification.
- Rules for players and officials who vilified others based on race or religion.
- A process to assist state and territory football bodies to adapt AFL policy to address racial and religious vilification in local community football.

To implement the program, the AFL has established a partnership with VicHealth, which will focus on the AFL system and community-based clubs.



**THE FAITHFUL:** There was a sea of red and red at the MCG on Grand Final day – and they went home happy.

- The AFL making the MCG available for other major sporting events on a limited basis.
- Scheduling any representative football matches in Melbourne at the MCG.
- Provision to review the agreement every five years, but only to the mutual benefit of both parties.

The AFL also reconfirmed that the Grand Final would remain at the MCG until 2032, when the current contract expires.

The AFL and the MCG tenant clubs are looking forward to the completion of the \$450 million redevelopment of the MCG for the 2006 Commonwealth Games.

Work began in September 2002 and ground capacity was reduced over the past three seasons. When the MCG reopens for the 2006 Anzac Day match between Collingwood and Essendon, capacity will be 100,000.

The AFL contributes \$7.14 million per year to the MCG, excluding ground rental and hiring charges for finals matches, and similar charges are paid by AFL clubs for premiership season games at the stadium.

### Government partnerships

Establishing a strong partnership with all levels of government is an ongoing key objective and in the past year, a number of major projects and programs have benefitted from this approach.

- The Queensland Government's Major Sports Facility Authority completed the \$40 million sixth and final stage of the Gabba, bringing the capacity of the ground to 42,000. The authority invested an additional \$10 million to upgrade the Woolloongabba bus station and install a new public address system and new food courts in the upper tiers.
- A \$28 million redevelopment of Skilled Stadium was completed with funding from the Victorian and Federal Governments, the

City of Greater Geelong, the AFL and the Geelong Football Club. The project returned the capacity of the ground to 27,000 and provided a new grandstand, dressing rooms for visiting clubs and additional facilities for use by local community groups.

- The New South Wales Government and the City of Blacktown approved a joint football and cricket community facility, including two AFL-standard grounds, at Blacktown Olympic Park. The Government and the council will contribute \$16 million and the AFL and Cricket NSW \$2.5 million each over the next four years. This is the most significant project for community football in the history of our game in Sydney.
- The Victorian Government and the AFL will contribute \$2 million each during the next four years to support an upgrading of facilities at football and netball clubs in country Victoria.
- The Victorian Government and the AFL will also provide funding to assist Victorian-based AFL clubs to upgrade their administration and training facilities, which will be used by local communities. The amount to be allocated will be finalised during 2006.

Another Victorian Government-AFL program, Welcome To The AFL, was launched in 2005. Its aim is to introduce young people from culturally diverse backgrounds to the Australian way of life and to increase participation and support for Australian Football.

A pilot program to address the issue of childhood obesity was conducted at Campbelltown in Sydney in partnership with the New South Wales Government.

### Key relationships

As we have said many times, our most important relationship is with the supporters of our game – those who attend AFL matches and follow their clubs so keenly throughout each year. We thank each and every one of them for making 2005 such a memorable season.

Our other critical relationship is with the clubs and players who excite and attract millions of people each week with their athletic ability and capacity to play what is arguably the most physically demanding football code in the world.

The industrial harmony between the AFL and the clubs and players is the envy of many other sporting bodies. We not only have a commitment to provide appropriate financial rewards to our players, but also to ensure that their education, welfare and preparation for life after football is as good as we can possibly make it.

### Toyota AFL Grand Final

The Sydney Swans and the West Coast Eagles met in a memorable 2005 Toyota AFL Grand Final, which was decided only when Swans defender Leo Barry took one of the marks of the year to prevent the Eagles from potentially winning with a kick after the final siren.

The winning margin of four points was the lowest since Collingwood and North Melbourne tied in the 1977 Grand Final.

It was the third time during the 2005 finals series that a margin of less than a goal determined the outcome of a Sydney Swans match.

The Swans suffered a four-point loss to the Eagles in the first week of the finals at Subiaco and, in the following week, beat Geelong by three points at the SCG after Nick Davis kicked a goal with five seconds remaining.

The Swans-Eagles Grand Final showcased the very best qualities of our game: a fierce contest between players displaying great courage and controlled by umpiring of the highest calibre.

The win broke the longest premiership drought in our competition. The Swans' last premiership was in 1933 – 72 years ago – when, as South Melbourne, they defeated Richmond.

It was also an important milestone for the continued national development of the competition as it was the first time the premiership cup had resided in Sydney.

For the second successive year, two non-Victorian teams contested the Grand Final and, since 2003, clubs from each mainland capital city have contested our biggest game of the year.

Since the Swans moved to Sydney for the 1982 season, the club and the competition have faced many challenges. The club experienced a very difficult period in the early 1990s when there were doubts about its survival. Since 1994, however, it has been re-established with first-class training and administration facilities at the SCG.

Over the past 10 seasons, Sydney has reached the finals eight times, contesting three preliminary finals and two Grand Finals.

We congratulate Swans coach Paul Roos, his coaching and support staff and the players who made it all possible through one of the best examples of a team effort our game has seen.

We also wish to acknowledge the very significant role of the Sydney board, led by Chairman Richard Colless, and the administration, headed by Chief Executive Officer Myles Baron-Hay and General Manager, Football Operations, Andrew Ireland, who was also involved in the Brisbane Lions' first premiership as that club's chief executive officer.

An average audience of more than 991,000 people watched Network Ten's coverage of the Grand Final in Sydney and more than 100,000 people lined George Street on the Friday after the Grand Final as the Swans' players and coaching staff made their way to Sydney Town Hall to be greeted by NSW Premier Morris Iemma and Sydney Lord Mayor Clover Moore.

**Andrew Demetriou**  
Chief Executive Officer



**THE AFL COMMISSION:** From left: Colin Carter, Mike Fitzpatrick, Bill Kely, Chris Langford, Sam Mostyn, Chief Executive Officer Andrew Demetriou, Chairman Ron Evans, Graeme John and Bob Hammond.

## AN EXTRAORDINARY JOURNEY

Since the first recorded game of Australian Football was played in 1858, the growth of Australia's only indigenous game has been breathtaking.

In 2008, the AFL will celebrate the 150th anniversary of the first recorded game of Australian Football, played between Scotch College and Melbourne Grammar in the parklands surrounding what is now the MCG, in August 1858.

The growth and development of the game since then has been nothing short of extraordinary.

Today, we operate in an environment with no natural boundaries – where sport and other forms of entertainment anywhere in the world can be viewed live on television, computer or mobile phone. In this ever-changing world, the versatility and reach of radio remains as powerful as ever. Because of this technology, the AFL is a small part of a massive global market.

As the keeper of Australia's only indigenous game, our focus in recent times has been to strengthen the code in New South Wales and Queensland via significant strategic and financial investments. While

that aim is still very much work in progress and of the highest priority, our challenge is also to think more broadly about what the AFL might look like in another 10 or 15 years, and consider what presence our game could have globally.

While we are barely on the radar internationally, who would have dared to dream just decades ago that our game would be played at Sydney's Olympic stadium with two matches each attracting more than 70,000 people?

Or that two Irishmen could take up our game in their late teens and, in the case of Jim Stynes, win a Brownlow Medal with Melbourne, and that Tadhg Kennelly would be a key player in the Swans' first premierships since 1933?

Or that North West Province in South Africa would adopt Australian Football as an official sport, and that more than 2000 registered players would be playing our game in the province?

Or that the AFL would host its second Australian Football International Cup in Melbourne in 2005 with teams representing Japan, South Africa, Papua New Guinea, Ireland, the United States, Canada, Samoa, New Zealand, Spain and Great Britain.

Throughout its history, our game has had an extraordinary capacity to adapt and evolve – from a humble start in a paddock in Melbourne, to the 2005 version played by nearly 540,000 people in more than 2500 community clubs throughout Australia, with the national competition attracting a record seven million-plus people to its matches.

### Long-term planning

With that background, the AFL Commission in 2005 strongly endorsed the long-term and far-reaching strategic planning agenda developed by Chief Executive Officer Andrew Demetriou and our executive team. Key issues to be addressed in the next 12 months include:

### Financial viability

- How do we continue to grow revenue for the competition and the clubs and invest in the game's future?
- What opportunities are there for the AFL and the clubs to become more involved in business areas related to the game, via new arrangements with venue managers or areas including ticketing, venue signage, corporate hospitality and retail activity?

- Is there a business case for the AFL owning a radio station (or other medium) or taking a substantial interest in one, instead of licensing our radio broadcast rights as we have historically done?

### Competition and the game

- If we are to play games in Sydney and south-east Queensland during each week of the season, what market conditions are required to support such a plan, taking into account attendees, participants at community level, facilities, broad community interest, media coverage and potential corporate sponsorship support?
- Do we have to create new AFL clubs to achieve these outcomes, or are the current locations of clubs most appropriate in the long term?

### Participation

- What level of investment is required to continue developing the game in New South Wales and Queensland, while maintaining strong growth in other states and territories?
- What is required to give Australian Football a strong presence in all schools throughout Australia?
- How do we significantly increase the presence of our game in multicultural communities throughout Australia?
- What is the growth potential for Australian Football in other countries, particularly in South Africa?

The key is to ensure that the national competition and the game itself continue to develop and evolve. Our aim is not maintenance, but to continue to strengthen our current position, and foster the growth we have seen from those tentative first steps in 1858.

Australia is undergoing significant social and demographic change, with Queensland projected to become the second most populous state in Australia in the next 15 years, behind only New South Wales and ahead of Victoria, our game's traditional heartland.

We are also a multicultural society in which communities from Asia, the Middle East and Africa do not yet have an affinity with Australian Football.

## Outcomes

Others will judge whether 2005 was a good year for the AFL. I do, however, believe the AFL and the clubs should be satisfied with the outcomes that are covered in detail in this report.

### Achievements in 2005

- The near completion of a new five-year broadcast rights agreement for Network Ten and the Seven Network to telecast all games from 2007 to 2011.
- A new agreement with the Melbourne Cricket Club and the MCG Trust to allow the AFL to schedule preliminary finals based on the final ladder positions of clubs.
- The naming of the Qantas AFL Indigenous Team of the Century.
- The AFL Commission's adoption of the Respect and Responsibility policy.
- A full week of events leading up to the Toyota AFL Grand Final, with promotion and activity during the week taken to new levels.
- The Sydney Swans winning the Grand Final and ending the longest premiership drought – 72 years – in our competition.
- The AFL and our clubs taking a more active and influential role in supporting local communities.
- The continued reinforcement of the important role played by women in our game at all levels, and the introduction of our Respect and Responsibility policy.

While much was achieved, not everything went as smoothly as we would have wished:

- The Australian Sports Commission decided not to include organised sport in a plan to address the growing community health issue of childhood obesity by promoting exercise and a healthy lifestyle in schools throughout Australia. We were disappointed that the joint proposal from Cricket Australia, Netball Australia and the AFL was not accepted by the sports commission, but, with corporate support, we hope to launch a complementary program with Cricket Australia and Netball Australia in 2006.
- We took a different position to the Federal Government on the adoption of the World Anti-Doping Authority code to deal with illicit drugs. Our anti-doping code in relation to the use of performance-enhancing drugs (reflected in our agreement with

the AFL Players' Association) was WADA-compliant, but the government insisted that all sports also be compliant in relation to illicit drugs. As a general principle, we believe it is important that the AFL reaches consensus and works with governments at all levels. In resolving this issue, we had to balance the considerable importance of our Collective Bargaining Agreement with AFLPA with the government's policy that all sports should be WADA compliant. Ultimately, we complied with the WADA code.

## Financial returns

AFL clubs continued to improve their financial performances with 12 recording profits in 2005 and an improvement in profitability of \$14 million compared with 2004.

The clubs are to be commended for delivering such an outcome and we look forward to the day when all clubs report a profit.

The AFL achieved a net surplus of \$1.7 million after a transfer of \$3 million to its facility development reserve and \$1.8 million to the strategic partnership reserve.

This result was achieved after allowing for \$3.8 million in legal fees related to litigation by the Seven Network against the AFL and more than 20 other parties concerning the awarding of AFL broadcast rights at the end of 2000. In November 2005, the AFL and the Seven Network struck an agreement that saw the Seven Network discontinue its legal proceedings against the AFL.

- Revenue totalled a record \$203.7 million, up 9.3 per cent on the 2004 total of \$186.3 million.
- Expenditure was \$69.4 million, an increase of 19.4 per cent on the 2004 total of \$58.1 million. This included the costs of the Seven Network litigation, a \$2.2 million investment in commercial operations revenue growth, and \$1.1 million for the staging of the Foster's International Rules Series in Perth and Melbourne.
- Operating surplus was \$130.4 million, up 5.2 per cent on the 2004 operating surplus (before interest) of \$124 million.
- Payments to AFL clubs increased to \$92 million, compared with \$89.6 million in 2004.

The AFL Commission continues to place great emphasis on building a strong balance sheet and by the end of 2006, we should be close to being debt-free, with assets including AFL House and our interest in Telstra Dome, for which we will receive the unencumbered freehold title in 2025.

A strong financial position is fundamental to the AFL being able to:

- Assist clubs via bank redirection orders and the establishment of annual special distributions, the strategic partnership reserve and facility development reserve. Redirection orders allow clubs to establish a borrowing facility with banks, subject to the AFL redirecting the clubs' annual distribution to their bank. In turn, this helps clubs overcome short-term cash-flow problems.
- Assist venue managers develop stadiums for AFL clubs and their supporters. In recent years, we have contributed to the

redevelopment of the MCG, Skilled Stadium, the Gabba, AAMI Stadium, Subiaco Oval and Telstra Stadium and to the construction of Telstra Dome. We are committed to doing all we reasonably can to ensure supporters have access to the best possible facilities.

- Continue to invest in the development of the game, including facilities for community clubs, in conjunction with various levels of government.

## Collaboration with clubs

The nature of the AFL's relationship with the 16 clubs has changed substantially in recent years, with the AFL working more closely with, and becoming far more supportive of, the clubs in areas including strategic planning, finance, marketing and communications, shared services and facility development.

This is in line with the philosophy of maximum collaboration

between the AFL and clubs off-field, and maximum competition between clubs on-field.

This collaboration took a quantum leap forward in 2005 when the AFL provided an additional \$34 million to clubs to be distributed over the next three years via three funds:

- Annual special distribution fund – to assist clubs with long-term structural, revenue or cost disadvantages.
- Facility development reserve – to assist the development of AFL stadiums, club training and administration facilities, as well as community football facilities.
- Strategic partnership reserve – to finance joint projects between the AFL and the clubs aimed at delivering significant growth or improved outcomes for the competition.

The clubs had significant input in the establishment of the three funds, which are designed to strengthen the clubs, the competition and the game.

## BROADCASTING RIGHTS, 2007–2011

On December 23, 2005, the AFL Commission accepted an offer from Publishing and Broadcasting Limited on behalf of the Nine Network for the right to telecast all eight games per week during the premiership season for five years from 2007, subject to the rights of the Seven and Ten Networks under their first and last rights deed with the AFL.

The offer from PBL represented significant growth of almost 50 per cent compared with our current broadcast rights revenue.

For the past two years, the broadcasting sub-committee appointed by the AFL Commission has been considering our future television arrangements. The sub-committee comprised AFL Commissioner Mike Fitzpatrick; legal adviser Jeff Browne; Chief Executive Officer Andrew Demetriou; General Manager – Broadcasting, Strategy and Major Projects Ben Buckley, and General Manager – Commercial Operations Gillon McLachlan. The sub-committee was chaired by AFL Commission Chairman Ron Evans.

In March 2005, the Seven Network notified the AFL that Network Ten be included as a party to Seven's first and last rights deed for the broadcast rights. In May 2005, the AFL Commission approved the partial assignment of Seven's rights under the deed to Network Ten.

Under the terms of the Seven and Ten first and last rights agreement with the AFL, the AFL was required to offer the broadcast rights to Seven and Ten before unconditionally concluding a contract with any other party. The deed provided that the offer must be on the same terms as any proposed contract with a third party and Seven and Ten had 14 days to match the offer from PBL.

On January 5, 2006, the Seven and Ten Networks advised the AFL that they were prepared to match the offer from PBL to broadcast all eight games per round during the premiership season on free-to-air television for five years from 2007. The rights include the potential to license up to four games per week to pay television, subject to the consent of the AFL.

The agreement with the Seven and Ten Networks will provide the AFL competition with \$780 million in revenue from 2007 to 2011. This is made up of \$692.5 million in cash and advertising and promotional time valued at \$87.5 million.

The new broadcast rights agreement will deliver the best financial and national programming package in the history of the game.

Network Ten has been a first-class partner of the AFL's since 2001 under our current broadcasting arrangements and, in particular, has played a very important part in building prime-time Saturday night telecasts of Sydney Swans games in New South Wales and Brisbane Lions games in Queensland.

The Seven Network has a strong, historical link to Australian Football after having been the AFL's major television broadcast partner for 45 years and exclusive telecaster from 1988 to 2000.

The AFL Commission also wishes to acknowledge the outstanding contribution that PBL has made to Australian Football.

The extent of the commitment to the AFL competition of the PBL management team under the leadership of the late Kerry Packer was reinforced by the outstanding offer made to the AFL in December 2005.

### AFL Players' Association

One of the most important partnerships we have is with the AFL Players' Association led by President Peter Bell and Chief Executive Officer Brendon Gale. We continue to admire and respect the quality of leadership provided by Peter and Brendon.

While we have inevitable differences of opinion from time to time, the importance of having a stable and respected relationship should never be underestimated.

Our relationship goes way beyond agreeing to player payments scales. It includes having a shared approach to the education and development of players from the time they enter the system until they retire. When that time comes, our aim is to ensure that players are prepared for life after football and that they are better for their association with the AFL.

Such an approach is essential to our game being able to attract its share of quality athletes and being able to compete with other sports.

In 2006, our executive will review the Collective Bargaining Agreement in conjunction with the clubs, including the level of player payments beyond 2007. Those negotiations will take into account our recently completed broadcast rights agreement from 2007 to 2011.

Our role, working with the AFLPA, will be to ensure that the outcome of these negotiations is fair and reasonable for the players, while taking into account the need to continue financially supporting the 16 clubs, investing in facility development, supporting community football at all levels including programs (such as NAB AFL Auskick and Qantas AFL Kickstart for indigenous Australians) and establishing a strong presence for our game in multicultural communities.

### Government support

We have made progress in securing financial support from various state and local governments for facility development at AFL and community football clubs.

In 2005, the New South Wales Government and City of Blacktown agreed to contribute \$16 million for the development of a joint Australian Football and cricket facility at Blacktown Olympic Park. The AFL and Cricket New South Wales will each contribute \$2.5 million to the project over the next four years.

Another important project for community football in Sydney was a decision by the Baulkham Hills Shire Council to develop a new \$4.5 million facility for the East Coast Eagles, formerly the Baulkham Hills Football Club. The facility will also be used for cricket.

The Victorian Government agreed to contribute \$2 million over the next four years to upgrade facilities for football and netball at community clubs throughout country Victoria. The AFL will match the government's contribution.

Agreement was also reached by the AFL for the Victorian

Government to assist Victorian-based AFL clubs develop administration and training facilities that can also be used by local communities.

AFL Queensland secured \$24 million from the Federal, Queensland and various local governments for community facilities to meet the demand created by increased participation in our game. Facilities are being developed in Townsville, Maroochydore, Mackay, the Gold Coast and parts of metropolitan Brisbane.

### Broadcasters and corporate partners

A national competition such as ours requires many stakeholders to be successful, including media and corporate partners.

Network Ten, the Nine Network and Foxtel provided first-class television coverage in 2005 of every game played.

News Limited is also a significant AFL media partner and the group continues to provide extensive coverage of the game, our clubs and players.

The AFL Telstra website (*afl.com.au*) maintained its position as Australia's most popular sporting website, while our radio partners in Adelaide, Brisbane, Perth, Melbourne and Sydney broadcast our games throughout the country.

In its second year as our premier partner, Toyota again supported its sponsorship of the premiership season, finals, Brownlow Medal and mark and goal of the year with national advertising and promotional campaigns to leverage its association.

The National Australia Bank expanded its partnership with a substantial investment in the AFL and will be linked to our pre-season competition (the NAB Cup) and AFL Auskick from 2006, while continuing to support the Rising Star Award, the AFL Draft, the AFL Under-18 and Under-16 championships and the AIS-AFL Academy.

May I also acknowledge the ongoing support of our team of corporate partners: Foster's Australia, Coca-Cola, Tattersall's, Simpson, Wizard Home Loans, Qantas, InterContinental Hotels Group, Reebok and Sony.

### AFL Commission appointment

In 2005, the AFL Commission accepted a recommendation from a sub-committee to appoint Sam Mostyn. Sam has had extensive experience in broadcasting, community relations, government and corporate affairs and legal issues throughout her professional life, skills we believe will add significantly to the AFL Commission.

Boards such as the AFL Commission must comprise people with the broadest possible skills, experience, views and opinions, and Sam's inclusion will further enhance the quality of our decision-making.

AFL commissioner Graeme John, West Coast Eagles chairman Dalton Gooding, Collingwood president Eddie McGuire and I made up the sub-committee.

**GETTING DOWN TO BUSINESS:** Luke Hodge emerged as a star in 2005, winning Hawthorn's best and fairest award, gaining All-Australian selection and playing in the Foster's International Rules Series.



## REACHING OUT TO THE COMMUNITY

In 2005, the AFL and the 16 clubs did more than ever to reach out to the broader community. We are keenly aware that our game is respected and loved, and that it has the capacity to make an impact far beyond actual games.

An unforgettable event took place at the MCG in round seven (the Mother's Day weekend) when 11,500 women – the number of females diagnosed with breast cancer in Australia each year – dressed in pink ponchos and walked onto the ground.

They formed the pink lady logo of Breast Cancer Network Australia. It was a stunning display of solidarity, respect and generosity and highlighted the impact of breast cancer.

On that night, football became more relevant for many more women. It was a classic example of an institution – the Breast Cancer Network – recognising the capacity of Australian Football to take a message and broadcast it loud and clear.

It was also a great example of a club, Melbourne, and the AFL, working together to produce an extraordinary and moving moment.

Another memorable event in 2005 was the naming of the Qantas AFL Indigenous Team of the Century. We were honoured when Prime Minister John Howard accepted an invitation to be the keynote speaker at the function.

Mr Howard summed up the day perfectly when he said: "There is a special character about today. And that special character is that in a very symbolic and a very genuine fashion, the Australian nation salutes not only our great indigenous game, Australian Rules, but particularly salutes the contribution of the first citizens of Australia to our only indigenous football code."

It would also be remiss of me not to mention the influence that Essendon coach Kevin Sheedy has had on encouraging indigenous players to pursue AFL careers. Kevin's impact in this area has been profound.

I would also like to commend each club and every AFL player for the work they do in their local communities.

In 2005, players contributed more than 50,000 hours of community work for their clubs and the AFL in support of more than 80 charities and community organisations including the Royal Flying Doctor Service, Motor Neurone Disease Association, Peter MacCallum Cancer Institute, National Diabetes Week, children's and women's hospitals in various states, Starlight Children's Foundation, World Vision, Breast Cancer Network Australia, Very Special Kids, United Way, Australian Red Cross, Olivia Newton John Cancer Centre, MS Society and beyondblue, as well as a range of school-based programs.



**FIELD OF WOMEN:** A joint initiative between the AFL, Breast Cancer Australia Network and the Melbourne Football Club saw 11,500 women in pink ponchos and 110 men in blue create the network's logo on the MCG in round seven. Photo: Craig Borrow, Herald Sun

## Farewells

Three AFL club presidents announced their retirements in 2005.

Dr Allen Aylett retired after his second term as President of the Kangaroos, which began in 2001. Allen has made a lifelong contribution to the game, starting as a player in 220 games with North Melbourne from 1952 to 1964, before joining the club's board in 1965.

His first term as club President was from 1971 to 1977, during which the club won its first two premierships.

In 1977, Allen became president of the VFL, a position he held until 1985 when the first VFL Commission was established. During his term as President, he heavily promoted the concept of an expanded game and we acknowledge Allen as the 'father' of the national competition.

Ian Dicker became president of Hawthorn in late 1996 after a particularly tumultuous period in the club's history, which included rejecting a proposed merger with Melbourne.

Ian devoted a vast amount of time, energy and leadership to Hawthorn, allowing the club to establish a very sound financial foundation on which to build. This included the securing of a new administration and training headquarters at Waverley Park.

Clinton Casey displayed the same qualities during his term as President of Richmond, which began in 2000.

His leadership allowed the club to stabilise its administration and start the process of rebuilding its on-field performance.

In 2004, Richmond lost \$2.2 million, but through the initiatives implemented by Clinton and the Richmond board and executive, the club achieved a significant financial turnaround in just 12 months by reporting a profit of \$45,000 in 2005.

## Celebrating the role of women

One of the clear strengths of our game is the level of support and involvement we enjoy from women of all ages.

AFL research indicates that 44 per cent of adult women nationally claim to be regular followers of Australian Football.

Women make up 38 per cent of the television audience for AFL matches. Some 36 per cent of AFL club members are women, while 44 per cent of the Brisbane Lions' membership base and 40 per cent of the Sydney Swans' base are women.

At a community level, 35 per cent of the 60,000 volunteers who run local clubs are women.

In the mid-1980s, when our predecessors on the AFL Commission adopted a ground rationalisation strategy in Melbourne, research among supporters indicated that facilities at suburban venues were simply not up to the standard required to encourage women and children to attend games.

The need to provide safe and comfortable environments at AFL venues for all spectators – but particularly for women – has been a fundamental component of the re-development of all AFL venues.

Importantly, women are involved at all levels of our game – as board members of AFL clubs and as administrators, doctors, trainers, physiotherapists and umpires.

We also recognise that women have a significant influence over the sports their children play.

## Respect and responsibility

The AFL Commission adopted, as a key policy, *Respect and Responsibility: Creating a safe and inclusive environment for women at all levels of Australian Football*.

Andrew Demetriou explains the policy in detail in this report (page 27), but I would like to stress that it reflects a broader change in community attitudes to dealing with violence against women.

Through the policy, our organisation, the clubs and various state and territory bodies are prepared to support this broader community approach and do all we can to ensure safe, supportive and inclusive environments for women at all levels of Australian Football.

## AFL Commission

I would like to sincerely thank my colleagues on the AFL Commission for their continued commitment and capacity to address the many issues and challenges we face.

As is the case for those involved as board members or volunteers at local clubs, there is a significant time commitment required to be an AFL Commissioner.

It is a privilege for me to serve as chairman and I wish to place on record my sincere appreciation for the Commission's contribution to the continued growth and direction of our game.

I also take this opportunity to acknowledge our executive, led by Chief Executive Officer Andrew Demetriou, and each AFL staff member for the role he or she played in making 2005 such a positive year. I commend the leadership and enthusiasm of Andrew and his team.

Thank you, too, to the board members, administration and coaching staff and, most importantly, the players from the 16 clubs for their contributions.

We never lose sight of the fact that the AFL is what it is today because of the support of the people who attend games, become club members and watch games on television.

And we also understand that the foundation of the game at a community level relies on state, territory and community leagues, and the more than 50,000 volunteers who run 2500 clubs fielding 11,000 teams each week. We acknowledge and thank each one for his or her involvement.

**Ron Evans**  
Chairman

# OBJECTIVES & OUTCOMES

## 1 FINANCIAL VIABILITY

### OBJECTIVE

Continue to build a strong financial base for the AFL competition and maximise the economic benefits for all key stakeholders, including AFL clubs, players, supporters, the football fraternity and the community at large.

### KEY OUTCOMES

- Total AFL revenue of \$203.7 million – an increase of 9.3 per cent on 2004 and the first time revenue has exceeded \$200 million.
- Operating surplus of \$130.4 million – up 5.2 per cent on 2004.
- Club financial support strategy adopted by the AFL Commission to provide \$34 million during the next three years through the following funds: Annual Special Distribution, Strategic Partnership Reserve and Facility Development Reserve.
- Game development grants of \$19 million to states and territories.
- Payments to the 16 AFL clubs of \$92 million.

#### Corporate partners

- New agreement concluded with National Australia Bank to sponsor the NAB Cup, NAB AFL Auskick, NAB AFL Rising Star Medal, NAB AFL Talented Player Pathway, NAB AFL Draft Camp and NAB AFL Draft.

- New agreements concluded with Tabcorp and Betfair.

#### Government

- The New South Wales Government and the City of Blacktown commit \$16 million for the development of a joint AFL and cricket facility at Blacktown Olympic Park. AFL and Cricket New South Wales to each contribute \$2.5 million to the project during the next four years.
- Agreement reached with the Baulkham Hills Shire

Council for a new facility costing \$4.5 million to be developed for the East Coast Eagles (formerly the Baulkham Hills Football Club). The new ground will also host cricket.

- The Victorian Government and the AFL each to contribute \$2 million to upgrade facilities at football and netball clubs in country Victoria over the next four years. The first round of grants provided \$500,000 to 14 football and netball clubs.
- The Victorian Government and the AFL to provide funding to help Victorian-based AFL clubs upgrade administration and training facilities and to encourage greater local community use of such facilities.

**BATTLE OF THE BIG MEN:** Geelong captain Steven King (left) battled injury problems in 2005, but saw his club reach a record membership tally. In round two, he came up against in-form West Coast Eagle Dean Cox, who won All-Australian honours for the first time.

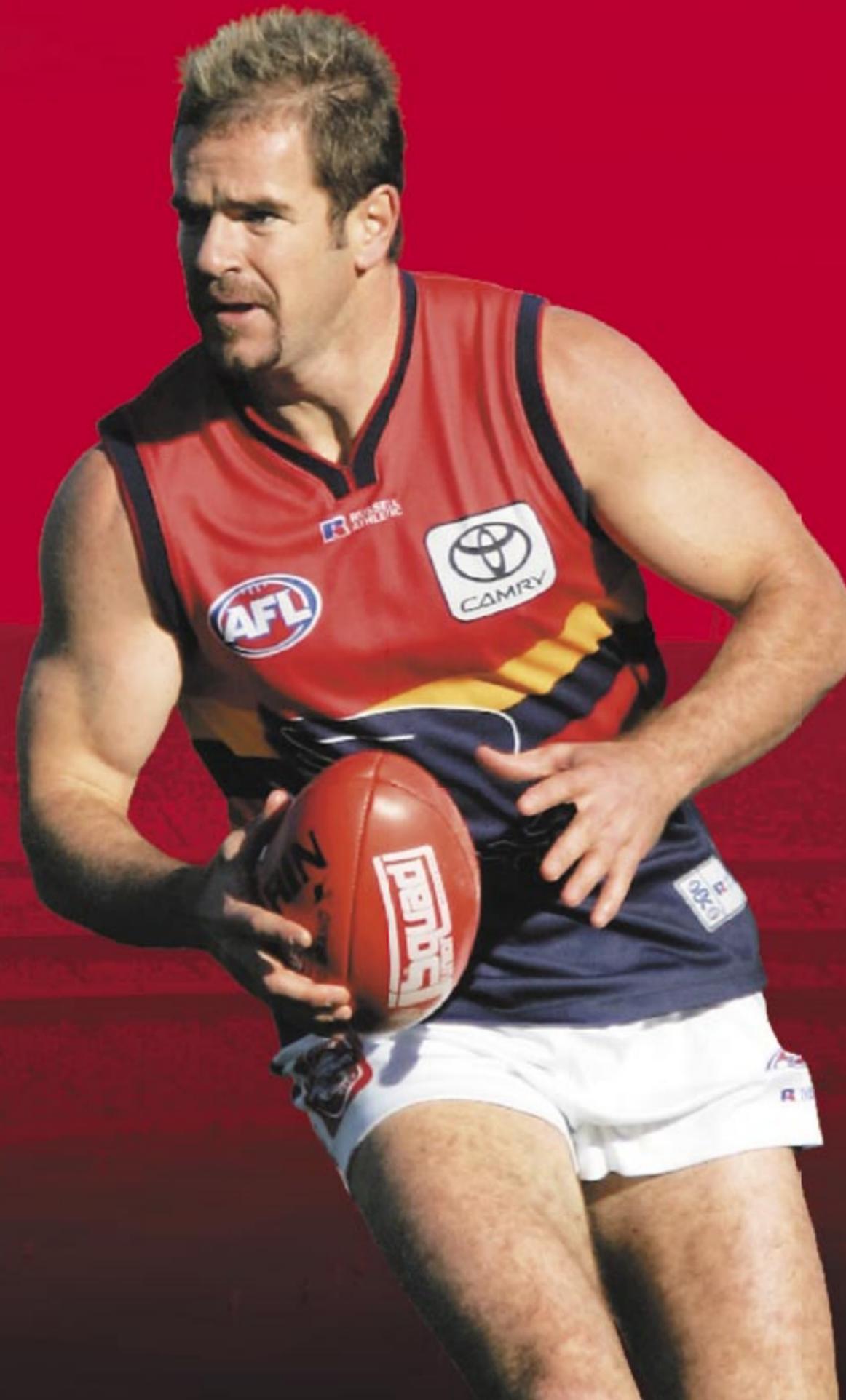
## 2 COMPETITION AND THE GAME

### OBJECTIVE

An even competition in which any club is capable of beating any other on any day or night to produce uncertainty of outcomes and drive supporter interest – regardless of the relative financial strength of each club.

### KEY OUTCOMES

- Premiership season games staged in all states and territories in a fixture designed to maximise crowds.
- The capacity of the MCG increased for the Toyota AFL Grand Final and almost 92,000 people attended the Sydney Swans-West Coast Eagles decider. The Swans won by four points in the closest Grand Final since the tie between Collingwood and North Melbourne in 1977.
- A new agreement reached with the Melbourne Cricket Club and the MCG Trust to allow clubs to host preliminary finals in their home states, based on their performance during the premiership season.
- The Queensland Government's Major Sports Facility Authority completed the sixth and final stage of the Gabba redevelopment at a cost of \$50 million.
- Special assistance provisions of the NAB AFL National Draft amended by the AFL Commission. A priority pick to be given after the first round of the draft for a club winning 16 points or fewer in one season; priority picks before and after the first round for a club winning 16 points or fewer in each of two consecutive seasons.
- New AFL Tribunal system introduced in the most significant overhaul of the judicial process in the history of the competition. Eighty-three per cent of players accepted sanctions offered to them by the Match Review Panel without having to appear before the Tribunal.
- Agreement reached with the AFL Players' Association for the introduction of an illicit drugs policy.
- New rules for the 2005 Wizard Home Loans Cup.
- New centre circle rule successfully introduced for the 2005 AFL premiership season.
- Trends in the game analysed and rule changes approved for 2006.



**STELLAR SEASON:** Adelaide captain Mark Ricciuto was a standout player again in 2005, gaining All-Australian selection for the eighth time and being named All-Australian captain for the second straight year.

# 3 PARTICIPATION

## OBJECTIVE

Aggressively drive high levels of participation in well-managed community programs for all people throughout Australia. Operate programs in partnership with AFL clubs, players and state and territory football bodies.

## KEY OUTCOMES

- Participation in the game increased by 4.5 per cent to 539,526 (516,043 in 2004). Since 2000, participation in Australian Football has increased by 102,594 or 23.5 per cent.
- Tasmania (24.5 per cent) and Queensland (8.5 per cent) experienced the fastest growth rates in 2005.
- AFL Auskick again showed strong national growth of five per cent to 139,507 registered participants (133,363 in 2004).
- AFL players were more active in the community than ever before due to the joint planning undertaken by AFL clubs and their players with state and regional development staff. In 2005, AFL players devoted more than 15,000 hours to community visits.
- The Qantas AFL Kickstart program provided opportunities for indigenous children to participate in Australian Football programs, while promoting the lifelong value of education, health and safety. More than 60,000 indigenous participants took part in Australian Football programs in 2005.
- A multicultural project (Welcome To The AFL) was launched in conjunction with the Victorian Government to introduce young people from diverse cultural and linguistic backgrounds to the Australian way of life and to increase support for Australian Football.
- The program is to be implemented in three Melbourne regions and then developed nationally.
- The Talented Player Pathway was expanded in Sydney and Brisbane through the introduction of the AFL Swans and AFL Lions Academies. More than 250 talented players were selected to receive personal coaching and tuition from Swans and Lions players.
- A scholarship scheme was approved for Greater Sydney in 2006 to more actively promote the career opportunities in AFL football to young athletes.
- The second Australian Football International Cup involving teams from 10 countries was staged in Melbourne.

**THRILL OF THE CHASE:** More than 60,000 indigenous children participated in Australian Football programs in 2005.

# 4 COMMUNITY & CUSTOMER RELATIONS

## OBJECTIVE

Promote high levels of public interest by building the strongest brand in Australian sport. Our supporters are our most important asset and we strive to build strong relationships with them. As an industry, we are committed to making a significant contribution back into our community.

## KEY OUTCOMES

- The Toyota AFL premierships season produced an attendance record of 6.28 million – up six per cent on 2004 and about 160,000 more than the 6.12 million set in 1998.
- Total attendances across the Wizard Home Loans Cup, premierships season and Toyota AFL finals series passed seven million for the first time.
- Club membership reached a record 506,509 – breaking the 500,000 barrier for the first time.
- An average of 4.02 million people per week – up 1.2 per cent on 2004 – watched AFL matches on television in 2005. In the past three years, national TV audiences have grown by 11 per cent.
- The Toyota AFL Grand Final between the Sydney Swans and West Coast Eagles was the most-watched television program in Australia, with an average audience of 3.386 million in the five mainland capital cities.
- The next two most-watched TV programs in Australia were Network Ten's post-match and pre-match coverage of the Grand Final, which attracted average audiences of 2.981 million and 2.593 million respectively in the five mainland capital cities.
- More than 1.1 million people per week listened to AFL matches on radio – up seven per cent on 2004.
- An average of 1.23 million unique browsers per month – up 36 per cent on 2004 visited the AFL-Telstra network (AFL and club sites).
- A full week of activities was organised to celebrate the 2005 AFL Grand Final.
- AFL club community training camps were successfully staged in 16 regions around Australia, reaching more than 100,000 people through visits to schools, clubs, hospitals, clinics, community forums and fundraising events.
- The AFL Commission adopted a policy, Respect and Responsibility – Creating a safe and inclusive environment for women at all levels of Australian Football.

**IT TAKES TWO:** The AFL's connection with its key stakeholders – the clubs, the players, the fans and its corporate partners – is behind all strategies and these youngsters show their approval.



# 5 A COLLABORATIVE INDUSTRY

## OBJECTIVE

Work together, as a collective, across the industry to maximise growth, realise efficiencies and present a united front.

## KEY OUTCOMES

- A new management position (Manager – People and Culture) was created to develop a human resource strategy for the AFL and the 16 clubs.
- Shared services:  
Payroll – the AFL processed payrolls for six AFL clubs and three state bodies.  
Accounting services – the AFL provided accounting services for one AFL club and three state bodies.  
Membership – processing and fulfilment for one AFL club.
- Significant improvement in risk management achieved across all areas of the game.
- Consolidated 16 AFL clubs into one insurance program, with savings of more than \$1 million to clubs in the past three years.
- Consolidated all other levels of the game throughout Australia into one insurance program, with savings of more than \$2 million to community leagues and clubs in the past two years.
- Information technology – joint review of industry requirements in conjunction with representatives of Collingwood, Essendon, St Kilda and the Kangaroos.
- A wide range of other services was delivered by the AFL to clubs, including financial, strategic planning, draft and list management reviews, marketing, research, promotions, communications, media management and commercial operations.

**HOT PIE:** Experienced Collingwood defender James Clement again rose above the Magpie pack, winning his club's best and fairest in 2005. He was also named an All-Australian, replicating his 2004 season.

[ SECTION 2 ]

BROADCASTING, STRATEGY  
& MAJOR PROJECTS

**SPREADING  
THE  
WORD**



**HIGH VOLTAGE:** Brisbane Lions players of the calibre of Luke Power helped make the Lions-Saints season-opener the most-watched premiership season game of 2005.

# TV VIEWERS AT RECORD LEVELS

The ratings power of AFL football was reaffirmed in 2005 across all states and territories, television networks and radio stations.

The Toyota AFL Grand Final confirmed its standing as Australia's most popular annual sporting event after being the most-watched television program of any type in Australia in 2005.

An average audience of 3.387 million people in the five mainland capital cities watched the clash between the Sydney Swans and the West Coast Eagles. When viewers from regional Australia were added in, the national AFL Grand Final audience was 4.8 million.

The second and third most-watched television programs for the year were Network Ten's post-match and pre-match coverage of the Grand Final, which attracted average audiences of 2.981 million and 2.593 million people respectively in the five mainland capital cities.

Free-to-air telecasts on the Nine Network and Network Ten, and subscription television via Foxtel's FOX Footy Channel, attracted the largest TV viewership on record for the 2005 Toyota AFL premiership season and the Toyota AFL finals series – an increase of 1.2 per cent compared with 2004.

The Sydney, Adelaide and Perth TV markets all showed big increases in TV viewership, with rises of 14.4 per cent, 4.6 per cent and 6.4 per cent respectively.

Since 2002, when the AFL's current broadcast arrangements began, national television audiences have increased by 11 per cent.

FOX Footy Channel had a remarkable year with a 30 per cent increase in viewership compared with 2004. It also broadcast the 2005 Australian Football International Cup Grand Final as the curtain-raiser to the Collingwood-Carlton clash in round 20 and produced a program that covered the entire tournament.

Other events broadcast by the FOX Footy Channel included the NAB AFL Rising Star Medal and the Coca-Cola AFL All-Australian dinner.

## Finals viewers

National television audiences for the 2005 Toyota AFL finals series increased by 14 per cent compared with 2004, largely influenced by the participation of the Sydney Swans.

In Sydney, the AFL Grand Final attracted an average audience of more than 991,000 people compared with an average of 329,000 in 2004.

The Eagles' participation drove a 35 per cent increase in the average audience in Perth with 511,000 viewers compared with 350,000 in 2004.



The St Kilda-Sydney Swans preliminary final at the MCG was the most-watched preliminary final in history with an average audience of 1.9 million in the five mainland capital cities.

The six most-watched AFL matches of 2005 were:

- AFL Grand Final, Sydney Swans v West Coast Eagles, 3.38 million viewers.
- Preliminary final, St Kilda v Sydney Swans, 1.9 million.
- Preliminary final, West Coast Eagles v Adelaide, 1.59 million.
- Qualifying final, West Coast Eagles v Sydney Swans, 1.52 million.
- Semi-final, Adelaide v Port Adelaide, 1.29 million.
- Qualifying final, Adelaide v St Kilda, 1.23 million.

## Premiership season highlights

Eight teams from five states featured in the top six most nationally watched premiership season matches in 2005, all of which were Nine Network broadcasts. They were:

- Brisbane Lions v St Kilda (round one), average 1.14 million viewers.
- Essendon v Collingwood (round five), average 1.13 million viewers.
- Collingwood v Port Adelaide (round 14), average 981,000 viewers.
- West Coast Eagles v Essendon (round 12), average 980,000 viewers.
- Sydney Swans v West Coast Eagles (round 17), average 922,000 viewers.
- Fremantle v St Kilda (round 21), average of 917,000 viewers.

Several premiership season matches that were sell-outs were broadcast live into home markets. These included the Brisbane Lions-St Kilda match in round one, Adelaide-Port Adelaide in round three and the Anzac Day clash between Essendon and Collingwood.

The Anzac Day game was the second most-watched premiership season match of the year, achieving an average national audience of 1.13 million viewers – slightly up on last year's 966,310 viewers for the same match. The 611,000 viewers in Melbourne made it the most-watched premiership season game in the Melbourne market.

## 2005 Wizard Home Loans Cup

For the first time in 2005, the AFL, FOX Footy Channel and the Nine Network reached agreement for the FOX Footy Channel to broadcast Wizard Home Loans Cup Friday night matches in Sydney and Brisbane either live or on a short delay.

Almost 800,000 people viewed the 2005 Wizard Home Loans Cup Grand Final between Carlton and the West Coast Eagles.

**DRAWING POWER:** Essendon captain James Hird leads the side out for the annual blockbuster – the Anzac Day clash with Collingwood.



## Indigenous All-Stars match

In February 2005, ABC TV broadcast the Indigenous All-Stars v Western Bulldogs game into the Northern Territory. The match was also shown live nationally on FOX Footy Channel.

## International broadcasters

All of the AFL's key international television broadcasters – BSkyB (UK), Fox Sports Middle East, Sky Network TV (NZ), ABC Asia Pacific, TG4 (Ireland), Fox Soccer Channel (US) and Fox Sports World (Canada) – provided live coverage of the 2005 Toyota AFL Grand Final.

During the premiership season, AFL Films produced a range of programs for these international distributors, including a 50-minute highlights program for worldwide distribution, a 98-minute extended highlights program and a 104-minute match-of-the-week program.

## Radio audiences

National radio audiences increased by seven per cent in 2005 compared with 2004 to a record weekly average of more than 1.1 million.

Nine stations broadcast the 2005 Toyota AFL Grand Final throughout Australia and 5AA broadcast the match live via relay from 3AW.

The 2005 Wizard Home Loans Cup was broadcast live in Melbourne, Adelaide and Perth throughout the competition. The Wizard Home Loans Cup Grand Final was broadcast around Australia by 3AW, K-Rock, ABC, 3MMM, 5AA, 6PR and NIRS (National Indigenous Radio Services).

In a further development in Sydney and Brisbane, Austereo, via its Triple M network, broadcast all Sydney Swans and Brisbane Lions premiership season matches into their respective home markets. Along with Radio2's coverage of Swans and Lions matches, this was a further boost for the development and promotion of our game in these key markets.

QBNFM, a community radio station, again broadcast all Kangaroos games at Manuka Oval into the Canberra region. Triple S Sport (88.5FM) broadcast all York Park matches into the Launceston region.

The announcement of the Qantas AFL Indigenous Team of the Century was broadcast by NIRS from the Palladium at Crown and was well received. NIRS continues to provide the AFL with broad coverage of our game to Brisbane, Darwin and remote areas throughout Queensland, Western Australia, South Australia, the Northern Territory, New South Wales and Victoria.

Coverage of the 2005 NAB AFL Draft was strong, with live broadcasts on *afl.com.au* and SEN. SEN also broadcast the Australian Football International Cup Grand Final and the Brownlow Medal count.

Radio coverage for the Foster's International Rules Series between Australia and Ireland was solid with 6PR Perth and 3AW Melbourne both covering the series.

## Strategic planning

The Broadcasting, Strategy and Major Projects Department has responsibility for managing the strategic planning agenda across the AFL industry.

Sam Graham was a welcome addition to the team in mid-2005 to support Andrew Catterall in meeting an increasingly challenging agenda of major projects.

The strategic planning process is built around forums involving club chief executive officers and the AFL Commission. The forums are designed to stimulate debate and reach consensus on key issues.

## Achievements in 2005

- **Strategic Roadmap to 2015.** We have identified the key objectives, strategies and investments required to achieve long-term success over the coming decade.
- **Club Financial Support Strategy.** After consultation with the clubs, the AFL Commission adopted a club support strategy worth \$34 million for the period 2006-2008 involving three core funds: Annual Special Distributions – \$5.4 million per year to compensate clubs for proven revenue and cost disadvantages related to entrenched structural factors across the competition. Strategic Partnership Reserve – \$1.8 million per year to fund joint initiatives between the AFL and clubs to grow industry revenue, improve efficiency and support community and fan development. Facility Development Reserve – more than \$10 million to be invested in improving AFL club facilities, state venues and community football facilities.
- **Media strategy.** Working with LEK Consulting, we developed the valuation for free-to-air and pay-television broadcasting rights for 2007-2011 to support the negotiation process completed in early 2006. We have also been developing the strategy for new media (internet, mobile, etc.) and radio rights to be renegotiated in 2006.
- **Growing the game.** We have begun designing options for increasing the reach of AFL fixtures into priority new markets, and have been working with AFL bodies in New South Wales and Queensland to develop the next generation of fan and participation growth strategies in these markets.
- **Growing the pie.** We have been working with the AFL Commercial Operations Department to identify and pursue major new growth opportunities for the industry, by reducing leakage to third parties, changing business models and tapping new revenue opportunities.
- **Support for AFL departments.** We have worked with every line manager to construct a detailed operating plan for 2006. We have also worked across the Executive on key competition issues such as the laws of the game, priority picks/special assistance rule, Sydney cost-of-living allowance, transfer fees and international strategy.
- **Club and other support.** We have continued to provide support to clubs, state bodies, AFL SportsReady and the AFL Hall of Fame and Sensation on business strategy issues.

An aggressive agenda of projects has been established for 2006. A priority will be determining the strategy for investing the new revenue growth anticipated over 2007-11 to ensure the industry secures long-term success.

## Major projects

### Gold Coast market

In 2005, the AFL announced that premiership season matches would return to Carrara Stadium on the Gold Coast in Queensland after a 14-year absence. (Carrara was the original home ground of the Brisbane Bears when they entered the competition in 1987 before relocating to the Gabba in Brisbane for the 1993 season.)

Agreements were reached with the Hawthorn and Melbourne Football Clubs to play home matches at Carrara in 2006.

This means that 14 premiership season matches – the most in any AFL season – will be played in south-east Queensland in 2006. In addition, the AFL has scheduled one NAB Cup match and one NAB Challenge match at Carrara.

As one of the fastest-growing population centres in Australia, the AFL Commission has identified south-east Queensland as a key long-term growth opportunity.

The Gold Coast City Council agreed to invest in the redevelopment of Carrara and the AFL contributed \$1 million to the project so the ground could host AFL premiership season matches. The playing surface needed to be refurbished and player and coaching facilities renovated before the round-three premiership season match between Melbourne and Adelaide on Easter Sunday in 2006.

The support of the Gold Coast City Council has been fundamental to AFL matches returning to Carrara.

The AFL has signed an agreement with the Southport Australian Football Club to manage the revenue generation at these matches, while AFL Queensland will be responsible for match-day operations.

### Community facilities

In 2005, the AFL announced it would contribute \$2 million over four years in a joint initiative with the Victorian Government to support the development of football and netball facilities in country Victoria.

The Victorian Government also agreed to provide \$2 million to the program. The Victorian Government subsequently announced a further \$6 million contribution, bringing funding for the program to \$10 million.

The aim is to assist country football and netball clubs to develop sports facilities in rural, regional and outer metropolitan councils to ensure the sustainability of country football and netball. Improvements may include football, netball and umpires' facilities, shared community, club and social facilities and lighting.

The development and implementation of the program is managed by a committee with representatives from the state government, the AFL, Football Victoria and the Victorian Country Football League.

In 2005, the AFL and Victorian Government accepted recommendations from the steering committee to fund projects totalling \$850,000 for facilities at the Swan Hill, Tallygaroopna, Stratford, Camperdown, Horsham, Stawell, Inglewood, Warracknabeal Eagles and Yarrowonga Football/Netball Clubs, Myrtleford Saints and Apollo Bay Netball Clubs, Inverleigh Sporting Complex, Emerald Oval (Wodonga City Council) and the Research Football Club.

### AFL club facilities

In 2005, the AFL finalised a plan to assist Victorian-based AFL clubs seeking financial support to redevelop their training and administrative facilities. The program was developed after detailed consultation with the Victorian Government, which agreed to jointly fund facilities with the AFL.

Seven AFL clubs – Carlton, St Kilda, Richmond, the Kangaroos, Hawthorn, Essendon and Collingwood – applied for funding.

In December 2005, the AFL Commission agreed to provide \$10.3 million in funding from the Facilities Development Reserve subject to clubs receiving funding from sources including club foundations, the Victorian Government and local governments.

The Victorian Government has indicated it is prepared to contribute funding to the projects subject to the facilities also being available for community use. This funding arrangement is expected to be confirmed during 2006.

The total cost of the developments is more than \$70 million.

### AFL fixture

The development of each year's AFL premiership season fixture is a very challenging process that takes more than four months to complete.

Our first priority for the 2006 fixture remained to maximise attendances and television audiences while delivering outcomes that were fair to our game's key stakeholders – players, clubs, supporters and venues.

It was, however, a particularly challenging process for season 2006, with the MCG (home to four AFL clubs) unavailable for the first four weeks of the season while the athletics track and related facilities for the 2006 Melbourne Commonwealth Games were dismantled.

The first round of the 2006 premiership season also had to be juggled around the Australian Grand Prix, which was moved from its traditional date because of the Commonwealth Games.

Key features of the 2006 AFL fixture include:

- A staggered opening to the premiership season, with matches in four cities over five days, due to the unavailability of the MCG and the rescheduling of the Australian Grand Prix in Melbourne.
- The premiership season-opener in Western Australia for the first time, with the West Coast Eagles hosting St Kilda at Subiaco Oval on March 30.
- The return of Monday night football, with a round-one match at Telstra Dome (Collingwood v Adelaide) and a round-four match at AAMI Stadium (Port Adelaide v St Kilda) the night before Anzac Day.
- The reopening of the MCG for football on Anzac Day with the traditional Collingwood-Essendon clash in round four, followed by home games for the three other MCG tenant clubs (Richmond, Melbourne and Hawthorn) in round five.
- Matches in all Australian states and territories.
- Every club except the Sydney Swans and the Brisbane Lions to play a home match on a Thursday or Friday night. This schedule ensures free-to-air television coverage of Sydney and Brisbane in their home markets.

## A YEAR OF CHANGE

A major overhaul of the AFL Tribunal system, amendments to the NAB AFL Draft and a new centre-circle rule combined to make 2005 a year of change and progress.

The Football Operations Department introduced the biggest change to the game's judicial system in more than a century when a new AFL Tribunal system, which offered a prescribed table of penalties, was put in place for season 2005.

This more transparent and efficient system resulted in 83 per cent of penalties offered to players by the newly created Match Review Panel being accepted. As a result, Tribunal hearings were reduced substantially – from 123 in 2004 to just 26 in 2005.

Other major initiatives included the introduction of the new centre-circle ruck rule, a review of the special assistance provisions of the NAB AFL Draft (and a subsequent recommendation to amend the rule that was adopted by the AFL Commission) and a detailed analysis of trends relating to the evolution of the game at AFL level during the past 40 years.

The department's responsibilities continued to include overseeing the Wizard Home Loans Cup, Wizard Regional Challenge matches, the Toyota AFL premiership season and Toyota AFL finals series, management of all AFL venues, AFL umpiring, the competition's draft and salary cap rules and AFL policies and regulations, including the Anti-Doping Code.

### AFL Tribunal reforms

The AFL unveiled a new judicial system in early 2005, after a comprehensive six-month review by a panel comprising AFL General Manager – Football Operations Adrian Anderson, AFL Commissioner Mike Fitzpatrick, AFL legal adviser Jeff Browne, football administration manager Rod Austin and football administration officers Roger Berryman and Scott Taylor.

AFL clubs and the AFL Players' Association provided significant input to the review group and its recommendations were subsequently approved by the AFL Commission.

The reforms were based on the following principles:

- To improve the efficiency of the Tribunal process by introducing a system where players could accept penalties without having to appear before the Tribunal.
- To promote transparency and certainty of the process by introducing a publicly available table of offences.
- To achieve greater consistency in the reporting process by introducing a Match Review Panel through which all reports could be processed.

- To increase the number of respected former AFL players, coaches and umpires involved in the Tribunal and reporting processes.
- To reduce the damage done to the credibility of the Tribunal process by limiting the evidence from 'victim players'.
- To increase the range of representation available to players and to the AFL by permitting legal representation.
- To increase the efficiency of dealing with melee and wrestling reports.
- To update and improve the technology available to the Match Review Panel and the Tribunal to support the professionalism of all processes.
- To lessen the financial barrier for appeals.

The revised AFL Tribunal now comprises a chairman (to oversee the conduct of the hearing) and a three-person jury of former players to decide on a player's guilt or innocence, and any subsequent penalty. A key aspect of the new system was that players would face a jury of their peers if they chose not to accept the penalty offered by the Match Review Panel.

Former Hawthorn premiership player and coach Peter Schwab was named chairman of the Match Review Panel, assisted by Carlton premiership player Andrew McKay and 300-game umpire Peter Carey. Retired County Court judge David Jones was appointed Tribunal chairman with John Hassett, also a retired County Court judge, his deputy.

Former players enlisted to hear evidence at Tribunal hearings included Emmett Dunne, Richard Loveridge, Stewart Loewe, Wayne Schimmelbusch, Michael Sexton and Barry Stoneham.

Allan Roberts, a former Assistant Commissioner of Police in Victoria and Queensland, was appointed as AFL investigator. Will Houghton QC and Andrew Tinney were appointed AFL legal counsel.

Central to the new system was the introduction of a Table of Offences to guide the AFL's Match Review Panel in determining penalties for reported players.

The Table of Offences was designed to provide greater certainty and transparency within the reporting process and reports are now graded according to:

- Whether the offence was intentional, reckless or negligent.
- Whether the impact was severe, high, medium or low.
- Whether the incident was in play or behind play.
- Whether the contact was high or to the body.

**BIG MEN FLY:** Fremantle's Michael Johnson (left) and Carlton's Adrian Deluca come to grips with the ruck rule change early in the season.



Under the former system, field umpires could make a report on the day of a match or after reviewing video, and the AFL Investigations Officer could report players after a video review. These reports went straight to the AFL Tribunal without reference to any panel.

In 2005, players accepted 83 per cent of penalties offered and the number of AFL Tribunal hearings fell from 123 in 2004 to just 26.

No melee charges were referred to the AFL Tribunal in 2005 compared with 41 in 2004, while only one wrestling charge was contested (by Sydney's Paul Williams in 2005, with the AFL Tribunal returning a not guilty finding). In 2004, the AFL Tribunal heard 27 wrestling charges.

Under the former system, the cost of lodging an appeal against an AFL Tribunal decision was \$15,000, of which \$7500 was non-refundable. In 2005, the cost of an appeal was reduced to \$5000, of which \$2500 was non-refundable.

<b>AFL Tribunal summary comparison, 2004–2005</b>		
	<b>2005</b>	<b>2004</b>
Tribunal cases	26	123
Appeals	5	12
Investigations	10	44
Charges	150	173
Total demerit points under 100 points (1 match)	22	N/A
Players suspended	46	57
Matches lost through suspension	77	117
Players fined	76	76
<b>Total fines</b>	<b>\$108,600</b>	<b>\$223,100</b>
<b>Reports not sustained</b>	<b>6</b>	<b>40</b>

<b>Breakdown of AFL Tribunal results, 2005</b>	
Total number of Tribunal hearings	26
Direct referrals	3
Charges sustained but downgraded	10
Charges not sustained by jury	6
Charges sustained as classified by the MRP	7
Umpires called to give evidence	14
Victim players called to give evidence	9
Cases using legal representation	10
Cases using player advocates	16

<b>Breakdown of AFL Tribunal charges, 2004–2005</b>		
Type of charge	<b>2005</b>	<b>2004</b>
Striking	39	53
Wrestling	39	27
Engaging in melee	26	41
Engaging in rough play	20	16
Making contact with umpire	8	6
Charging	5	5
Tripping	4	8
Headbutting	2	3
Obscene gesture	2	-
Misconduct (contact to face)	2	-
Kneeing	1	2
Insulting language towards umpire	1	-
Abusive language towards umpire	1	-
Attempting to strike		5
Kicking		2
Misconduct (contact with leg)		1
Misconduct (contact with runner)		1
Misconduct (contact with doctor)		1
Misconduct (contact with foot)		1
Misconduct (contact with knee)		1
<b>Total</b>	<b>150</b>	<b>173</b>

### Special assistance – NAB AFL Draft

The AFL Commission approved changes to the special assistance provisions of the NAB AFL Draft. Previously, a club that won 20 points or fewer in a season received a priority selection before the first round of the draft in that year. For the 2006 NAB AFL Draft and beyond:

- Any club that finishes with 16 points or fewer in a single season will receive a priority selection before round two of that year's national draft. If a club finishes on the bottom of the ladder with 16 points or fewer after one season, it will receive pick one (round one selection), pick 17 (priority pick selection) and pick 18 (round two selection).
- Any club that finishes with 16 points or fewer in consecutive years will receive a priority selection before round one of that

year's national draft. If a particular club won 16 points or fewer in successive seasons, it would receive pick one (priority pick selection), pick two (round one selection) and pick 18 (round two selection).

All 16 clubs lodged submissions on the special assistance provisions. Three clubs wanted the existing rule retained, three sought its abolition, nine wanted qualification over two or three years before a club became eligible for special assistance and one proposed that a review group be established to consider the rule and other aspects of the draft.

The four main reasons for the revised rule (adopted by the AFL Commission) were:

**1. Timeframe.** The original special assistance provision (introduced in 1993) was to assist clubs with poor long-term performance and was based on club results over four years. The rule was amended in 1997 to allow a club to receive a priority draft selection before round one of the draft after winning 20 points or fewer in one season.

The review found that clubs which performed badly in one year might have been severely affected by injuries and off-field events – issues that did not necessarily reflect the quality of a club's list. It was also possible under the rule for a club to play in the finals in one season and receive a priority draft selection after the following season.

**2. Impact on other clubs.** With the most talented players concentrated in the top few draft selections, mid-ranked clubs were potentially disadvantaged. This was particularly evident when several clubs qualified for priority selections before round one of the draft.

**3. Over-compensation.** An extra selection before the first round of the draft was deemed to be overcompensating a club for one year's poor performance.

**4. Public perception.** The AFL had not discovered any evidence of so-called 'tanking', but speculation on the subject was often intense. There may well be continued comment from supporters late in a season that they want their club to finish last in order to get the first pick in the national draft, but we expect this speculation to at least reduce under the revised rule.

### Injury survey

The AFL's 13th successive annual injury survey revealed the 2004 season was the second lowest on record for injuries, behind only 2003. Again, the incidence of injury was lower than the long-term average since the survey began.

The number of players requiring knee reconstructions for anterior cruciate ligament injuries continued to drop and the rate of recurrent hamstring injuries was the lowest ever.

In 2005, the AFL altered its centre-circle ruck rule after the annual injury survey had tracked an increase in posterior cruciate ligament injuries in ruckmen over the early part of the decade.

While the 2005 injury survey will not be released until after the start of the 2006 premiership season, only one minor PCL injury involving a ruckman was reported.

### Illicit drug code/WADA

The AFL met with the Federal Government in July and announced it would be compliant with the World Anti-Doping Agency by the end of 2005.

The government had previously directed that all peak Australian sports bodies be signatories to the WADA code in relation to illicit drugs or lose all federal funding.

The AFL has always been fully committed to the eradication of performance-enhancing drugs, but its stance differed from WADA on two fronts: the WADA code does not provide for out-of-competition testing for illicit drugs, whereas the AFL tested throughout the year, and WADA imposed different penalties for marijuana use, whereas the AFL emphasised education and rehabilitation before sanctions for marijuana use.

AFL Medical Officers Dr Harry Unglik and Dr Peter Harcourt – and others experienced in the treatment of illicit drug-users in the broader community – had recommended the approach adopted by the AFL.

The annual budget for drug-testing and education programs is more than \$500,000. The AFL Commission remains committed to the competition being decided on the basis of athletic prowess and not as a result of performance-enhancing or illicit drugs.

### London Derby

An AFL game returned to the Brit Oval (formerly The Oval) in London in 2005 when Fremantle defeated the West Coast Eagles by 15 points to win the AFL Challenge Trophy.

Just over a month after the conclusion of the Ashes series, the first-ever Derby outside Perth was played in front of a capacity crowd of more than 19,000, an attendance record for a football match at Brit Oval, beating the previous mark by 6000.

### Australian Football Hall of Fame

The AFL Commission altered the eligibility provision for elevation to Legend status within the Australian Football Hall of Fame after a recommendation from the Australian Football Hall of Fame selection committee and the AFL executive.

The selection committee unanimously supported a recommendation that coaches be considered for Legend status and Collingwood's Jock McHale (the longest-serving coach in the game's history with a record eight premierships to his name) was elevated to Legend status at the 2005 induction ceremony.

The AFL Commission also endorsed a recommendation that the selection committee may elect up to eight inductees in a year. Three must have retired within 10 years of that year's induction ceremony.

## TRENDS IN THE GAME

During 2005, the Football Operations Department commissioned a study of trends in the game at AFL level over the past four decades and the effect of trial rules in the Wizard Home Loans Cup from 2003 to 2005.

Dr Kevin Norton, of Trakperformance, found that the game was being played at a significantly higher speed but in a more stop-start fashion.

The study was based on analysis of the 1961, 1971, 1981 and 1997 AFL Grand Finals with additional statistical analysis by Champion Data, historical research by AFL historian and statistician Col Hutchinson, input from the AFL's medical officers and various university and other research projects.

Key findings included:

- An increase in the number of stoppages and the amount of stoppage time.
- A drop in the total time the ball is in play.
- An increase in the number of individual plays.
- A decrease in the average time per individual play, so that when in play, the players and the ball moved faster.

The study concluded that these factors combined to produce a more stop-start style of play with shorter but more intense bursts of play. It found that fitter and stronger players were capable of making more contests and that collisions were more likely to be severe.

Several factors were found to have increased the number of stoppages and stoppage time. They included:

- A significantly higher number of bounces around the ground and much more time taken to bounce: a 172 per cent increase in the number of bounces, from 11 in 1961 to 30 in 1997; and a 67 per cent increase in the time taken to bounce, from 8.5 seconds in 1961 to 14.2 seconds in 1997.
- Significantly more time taken to bring the ball back to the centre after a goal: a 49 per cent increase in time, from 26.6 seconds in 1961 to 39.6 seconds in 1997.
- A reduction in the number of out-of-bounds but more time taken by umpires

to throw the ball back into play: a 25 per cent increase in the time taken for throw-ins, from 10.1 seconds in 1961 to 12.6 seconds in 1997.

- More marks per game: a 47 per cent increase, from 79 in 1961 to 116 in 1997.
- Significantly fewer free kicks paid: a 66 per cent reduction, from 74 in 1961 to 25 in 1997.
- More set shots at goal and significantly more time taken to have a shot: a 54 per cent increase in time to take a set shot, from 17.6 seconds in 1961 to 27.1 seconds in 1997.

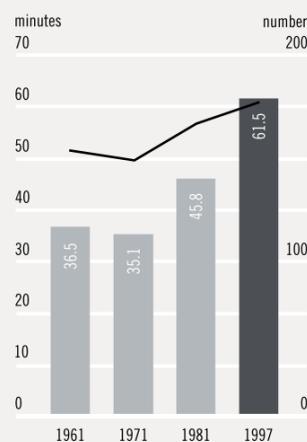
Champion Data statistics from AFL matches played during the past six AFL seasons (2000-2005) revealed:

- The average number of long kicks per game had declined by 23 per cent, from 184 in 2000 to 141 in 2005.
- The average number of short kicks per game had increased by 22 per cent, from 126 in 2000 to 154 in 2005.
- The average number of contested marks per game had declined by 27 per cent, from 26 in 2000 to 19 in 2005.
- The number of uncontested marks had increased by 17 per cent, from 140 in 2000 to 164 in 2005.
- Use of the interchange bench had increased 100 per cent, from an average 18 interchanges per club per game in 2000 to an average 36 per club per game in 2005.

- In 2000, 66 per cent of all midfielders spent the entire game on the ground; data from 2004 and 2005 showed that fewer than 20 per cent of all midfielders spent the entire game on the ground.
- In 2001, leading midfielders covered an average of 18 kilometres per game; in 2005, they covered an average of 14 kilometres per game.

The analysis was used by the AFL's Laws of the Game committee as it considered potential rule changes for 2006, as well as variations in interpretations of rules, with the primary focus being on encouraging a more continuous style of play.

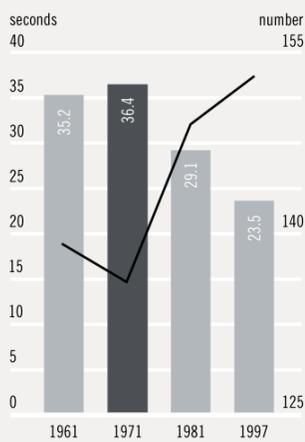
### Stoppages: total number and total stoppage time has increased



Total stoppage time has increased 68 per cent, while the total number of stoppages has increased 18 per cent.

Total stoppage time has increased 68 per cent, while the total number of stoppages has increased 18 per cent due to a significantly higher number of bounces around the ground and increased time taken to bounce the ball.

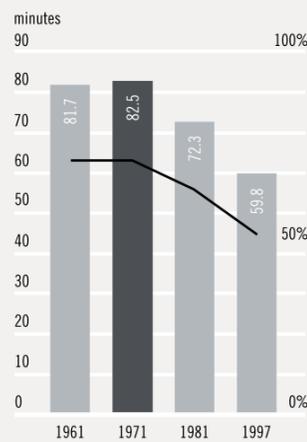
### Plays: each play is of shorter duration and there are more individual play periods



Time per play period has decreased 33 per cent, while the number of individual plays has increased 10 per cent.

The time taken for each passage of play has reduced 33 per cent, while the number of individual passages of play has increased 10 per cent. This has produced a more stop-start style of play with shorter, more intense bursts of play.

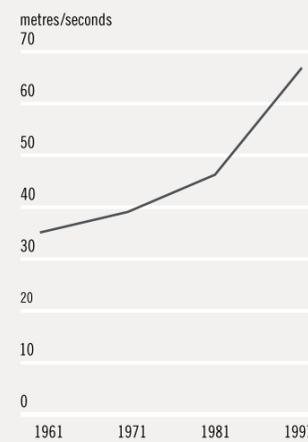
### Time: total time in play (mins) and the % of time the ball is in play has decreased



Total time in play has decreased 27 per cent to the point where the ball is now in play for only 50 per cent of total game time.

The total time in play has decreased by 27 per cent to the point where the ball is now in play for 50 per cent of the game time. Total game time has remained relatively static at about 120 minutes.

### Speed: when the ball is in play, the players and the ball move faster



Play speed has increased by 86 per cent.

When the ball is in play, the players and the ball move 86 per cent faster when compared with a game played in 1961.

Source: Norton analysis including 4 Grand Finals - 1961, 1971, 1981 and 1997



**A NUMBERS GAME:** An increase in the number of stoppages was one of the findings in a Football Operations Department survey to pinpoint trends in the game.

### 2005 rule changes and interpretations

The AFL Commission approved a key change to the laws of the game for the 2005 season. All ruckmen were required to begin their run-up within a 10-metre circle, with the ball to be bounced inside a smaller circle.

A ruckman could not cross the centre line into the other half of the ground (the attacking half) until the ball had been bounced, and the three other centre-square players had to begin outside the larger circle.

The rule change came about after AFL Medical Officers' Association President Hugh Seward analysed the rate of posterior cruciate injuries among ruckmen.

He found that the number of ruckmen suffering PCL injuries from centre-bounce contests had risen from four in the six-year period from 1992 to 1997 to 18 in the following six years. This meant that 25 per cent of current AFL ruckmen had suffered the knee injury.

Dr Seward concluded that key factors in the injury rate included the length of the run-up and the subsequent impact, the raised knee striking an opponent, direct front-on impact, and a change in ruck technique where the emphasis shifted from tapping the ball to negating the opposing ruckman.

Further input on rule change options was sought from senior AFL coaches, ruck coaches and ruckmen. Trials were conducted to test the new rule before the AFL Commission endorsed a final recommendation.

Initial indications are that the rule will significantly reduce the incidence of debilitating PCL injuries to ruckmen in centre-bounce contests.

The Laws Committee also adopted the following interpretations:

- Identify deliberate interference with the arms in marking contests to protect the player aiming to mark the ball.
- Allow more time and opportunity for players to release the ball from packs or congested situations before calling for a ball-up.
- More strictly interpret holding the ball.
- Limit the time for players to dispose of the ball in set-kick situations.
- Award a 50-metre penalty against a player not involved in a marking contest but who had subsequently retarded an opponent who had marked the ball.
- Award a 50-metre penalty against a player who retarded an opponent after having a free kick awarded against him or a teammate.

These changes saw a significant reduction in field bounces – from 28 to 19 per game – and significantly increased clearance rates from stoppages.

#### Average stoppages and non-clearance rates per game (premiership season), 2000–2005

Year	Centre bounces		Bounces around ground		Boundary throw-ins		All stoppages	
	Average number	Non-clearance rate	Average number	Non-clearance rate	Average number	Non-clearance rate	Average number	Non-clearance rate
2000	34	9.5%	18	15.8%	36	14.2%	87	12.7%
2001	32	12.8%	21	21.7%	37	21.5%	90	18.5%
2002	31	17.7%	27	25.7%	36	26.5%	94	23.4%
2003	31	18.8%	29	24.7%	31	25.2%	91	22.8%
2004	30	19.3%	28	25.2%	29	25.8%	88	23.4%
<b>2005</b>	<b>31</b>	<b>14.3%</b>	<b>19</b>	<b>19.4%</b>	<b>30</b>	<b>21.8%</b>	<b>79</b>	<b>18.3%</b>

#### Umpires' key areas of focus in 2005

Area	Change	Effect
1. Ruck contests	→ Centre circle to control length of run-up together with stricter policing of use of knees in ruck contests.	→ Reduction in average of three PCL injuries in centre-bounce ruck contests per annum to only one minor injury in 2005. Improvement in centre-bounce clearance rates.
2. Holding the ball	→ Allow time for ball to spill free through interpretation of "prior opportunity" and of "reasonable time". (Diving on ball/dragging in remains the same.)	→ A 36 per cent reduction in ball-ups around the ground. Non-clearance rates have reduced from 23.4 per cent to 18.4 per cent. More continuous play.
3. Time allowed after marks and free kicks	→ Reduce time allowed for players to dispose of ball after mark and free kicks.	→ More continuous play. Reduce player density.
4. Chopping arms	→ Offence of chopping arms written into law book.	→ Protection of marking player.
5. Holding up a player after a mark	→ 50m penalty against opponent not involved in the contest who holds player up after mark/free kick.	→ More continuous play. Reduce opportunity for defensive flooding.

The number of centres bounces not cleared dropped to 14 per cent of total centre bounces compared with 19 per cent in 2004.

The number of bounces around the ground not cleared dropped to 19 per cent of the total compared with more than 25 per cent in 2004. These decreases produced a more continuous style of play.

Players were also less inclined to deliberately hold up play when an opponent was awarded a mark or free kick, thus opening up play.

The average number of free kicks per game rose from 31.5 in 2004 to 36.6 in 2005. Of the 6798 free kicks awarded in 2005, 79 per cent were paid in the process of protecting the ball player.

### Foster's International Rules Series

Australia completed its first clean sweep on home soil and regained the Cormac McAnallen trophy in the 2005 Foster's International Rules Series.

After a review of the 2004 series and feedback from the clubs, the AFL appointed Essendon's Kevin Sheedy to coach Australia. Using its superior pace, Australia won the first test at Subiaco 100-64 and sealed the series with a 63-42 victory at Telstra Dome.

The overall series tally stands at four wins apiece since the competition resumed in 1998.

A review by the AFL's Football Operations Department and International Rules selectors into Australia's performance in the 2004 series, when soundly beaten in both matches, led to a new selection policy. Whereas players had been largely drawn from the All-Australian team, Sheedy and his selectors were able to assemble a squad dominated by younger players with pace and an ability to adapt to the round ball.

Adelaide's Andrew McLeod, who was co-captain with Brisbane Lion Chris Johnson, added to his career honours in winning the Jim Stynes Medal as Australia's best player.

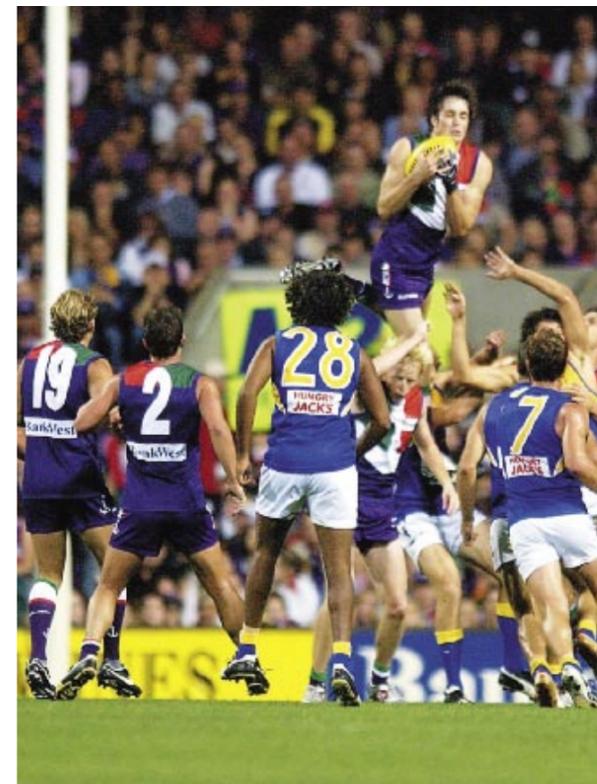
Sheedy, who took over from Garry Lyon, will coach the Australian team in Ireland in 2006.

### Research

The AFL funds research annually to expand the knowledge base for all levels of the game.

Headed by former AFL General Manager (Game Development) and 1967 Brownlow Medallist Dr Ross Smith, the research board sought applications for four areas for its next group of studies.

- Shoulder injuries – gleno-humeral instability: incidence, recurrence, treatment and rehabilitation.
- Hamstring injuries – diagnosis and prediction of recurrence.
- Coaches – strategies for the retention of community coaches.
- Alcohol – strategies to ensure the responsible use of alcohol. In 2005, the following studies were delivered:
- Getting the balance right: professionalism, performance, prudentialism and playstations in the life of AFL footballers – Dr Peter Kelly (Monash University) and Dr Chris Hickey (Deakin University, Geelong).



**HEAD AND SHOULDERS:** Fremantle's Luke McPharlin wraps up the Toyota AFL Mark of the Year in round three. *Photo: Jackson Flindell, The Sunday Times.*

- Sleep quality and athletic performance: the effect of interstate air travel – Dr Peter Eastwood (University of Western Australia).
- Junior Australian Football Safety Study – Professor Caroline Finch (University of NSW) and Dr Belinda Gabbe (Monash University).
- Quantifying the gap between under-18 and senior football and relationship between under-18 game characteristics and early career success in AFL – Darren Burgess (Port Adelaide Football Club).
- Attacking ACL Injuries in AFL: The Intelligent Knee Sleeve – Bridget Munro, Julie Steele and Gordon Wallace (University of Wollongong).
- Masculine behaviour and social networks in team structures – Dr Garry Robins, Dean Lusher (University of Melbourne) and Dr Peter Kremer (Deakin University).
- Performance testing of Australian Football League turfgrass surfaces – Dr David Aldous (University of Melbourne) and Ian Chivers (Native Seeds Pty Ltd).
- Various research projects into trends in how the game is being played – Dr Kevin Norton.

The research board comprises Dr Ross Smith (chairman), Brian Cook, Dr Peter Harcourt, Professor Mark Hargreaves, Paul Lew, David Parkin, Dr Hugh Seward, Lawrie Woodman and Roger Berryman (secretary).

### Total Player Payment rules

The Football Operations Department enforces the Total Player Payment rules as a key plank of the equalisation policy.

In 2005, St Kilda received a \$40,000 sanction for failing to lodge with the AFL agreements with players within the required timeframes. The club voluntarily disclosed the breaches as soon as they were discovered and its full cooperation was taken into account in determining the sanction.

### Player earnings

In June, the AFL reached agreement with the AFL Players' Association to increase Total Player Payments by three per cent for 2006, with the increase to be fully funded by the AFL.

The Collective Bargaining Agreement between the AFL and the AFLPA had set down no increase for 2006, but allowed for an increase in 2007 based on the AFL's 2004-2006 results.

The strong financial performance of the AFL during that period had allowed for an increase and this was brought forward to reflect the players' role in the success of the competition. The TPP amount for each club for 2006 will rise from \$6.3 million to \$6.47 million.

AFL players in each wage bracket, 1996-2005										
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
\$0-\$60,000	260	178	152	121	87	71	51	51	35	47
\$60,001-\$100,000	173	217	191	143	132	102	116	102	111	119
\$100,001-\$200,000	126	159	209	249	237	219	194	184	188	183
\$200,001-\$300,000	12	17	26	52	80	92	100	102	107	101
\$300,001-\$400,000	2	5	5	7	22	34	36	47	57	47
\$400,001-\$500,000	-	-	-	4	8	14	20	31	24	21
\$500,001-\$600,000	-	-	-	-	-	4	9	8	12	18
\$600,001-\$700,000	-	-	-	-	2	3	3	4	4	7
\$700,001-\$800,000	-	-	-	-	-	-	-	-	-	1
\$800,001+	-	-	-	-	-	-	-	1	4	3
<b>Total</b>	<b>573</b>	<b>576</b>	<b>583</b>	<b>576</b>	<b>568</b>	<b>539</b>	<b>529</b>	<b>530</b>	<b>542</b>	<b>547</b>

NB: Details listed relate only to players who participated in at least one senior match during the season. Schedule above shows total player earnings including ASAs.

AFL total player earnings, 1998-2005									
	1998	1999	2000	2001	2002	2003	2004	2005	Movement %
	\$	\$	\$	\$	\$	\$	\$	\$	2004-2005
<b>Gross player payments</b>	<b>62,186,000</b>	<b>71,985,000</b>	<b>80,951,208</b>	<b>88,957,912</b>	<b>97,701,770</b>	<b>101,843,018</b>	<b>108,645,462</b>	<b>110,960,485</b>	<b>2.13%</b>
Finals/relocation, living and other allowances	1,093,000	1,073,000	844,209	812,883	1,478,536	1,657,728	1,660,839	2,096,184	26.21%
Development allowances	991,000	838,000	1,112,500	1,178,125	1,390,625	1,484,375	1,406,450	1,291,500	-8.17%
Veterans' allowance 50% deduction	N/A	1,721,000	2,549,017	2,595,883	2,542,428	2,553,503	4,870,772	5,326,653	9.36%
Other deductions	-	-	646,799	703,427	837,984	237,500	1,098,720	338,705	-69.17%
<b>Total deductions</b>	<b>2,084,000</b>	<b>3,632,000</b>	<b>5,152,525</b>	<b>5,290,318</b>	<b>6,249,573</b>	<b>5,933,106</b>	<b>9,036,781</b>	<b>9,053,042</b>	<b>0.18%</b>
<b>Player payments less deductions</b>	<b>60,102,000</b>	<b>68,353,000</b>	<b>75,798,683</b>	<b>83,667,594</b>	<b>91,452,197</b>	<b>95,909,912</b>	<b>99,608,681</b>	<b>101,907,443</b>	<b>2.31%</b>
<b>Injury allowance</b>	<b>8,176,000</b>	<b>5,688,000</b>	<b>3,500,608</b>	<b>4,266,984</b>	<b>3,850,200</b>	<b>3,531,000</b>	<b>4,314,200</b>	<b>4,708,517</b>	<b>9.14%</b>
<b>Gross player payments less injury allowance</b>	<b>51,926,000</b>	<b>62,665,000</b>	<b>72,298,075</b>	<b>79,400,610</b>	<b>87,601,997</b>	<b>92,378,912</b>	<b>95,294,481</b>	<b>97,198,926</b>	<b>2.00%</b>
<b>TPP LIMIT</b>	<b>52,400,000</b>	<b>68,000,000</b>	<b>76,000,000</b>	<b>83,000,000</b>	<b>89,000,000</b>	<b>95,000,000</b>	<b>97,840,000</b>	<b>100,800,000</b>	<b>3.03%</b>
Gross player payments less injury allowance	51,926,000	62,665,000	72,298,075	79,400,610	87,601,997	92,378,912	95,294,481	97,198,926	2.00%
<b>Margin/(excess)</b>	<b>474,000</b>	<b>5,335,000</b>	<b>3,701,925</b>	<b>3,599,390</b>	<b>1,398,003</b>	<b>2,621,088</b>	<b>2,545,519</b>	<b>3,601,074</b>	<b>41.47%</b>
Additional Services Agreements (ASAs)	N/A	N/A	3,413,383	4,186,233	5,311,316	5,176,700	5,840,950	6,071,450	3.95%
<b>Average gross player earnings (including ASAs)</b>	<b>\$101,957</b>	<b>\$117,398</b>	<b>Listed \$126,996 Played \$140,295</b>	<b>Listed \$149,749 Played \$165,062</b>	<b>Listed \$167,229 Played \$194,732</b>	<b>Listed \$176,019 Played \$201,924</b>	<b>Listed \$184,656 Played \$211,230</b>	<b>Listed \$187,251 Played \$213,952</b>	

## UMPIRES' FOCUS ON EDUCATION

The AFL umpires again performed to a high standard during the 2005 season with a continued strong emphasis on protecting the ball player and ensuring games were played in a fair and safe manner.

The AFL Umpiring Department continued its strong commitment to education with visits to clubs and major football media organisations.

It circulated DVDs to every AFL club, every AFL player, all community-based umpiring bodies and media in each state.

For the first time in early 2005, AFL umpires, their coaches, observers and staff attended a seminar in Melbourne aimed at achieving consistency in decision-making.

Other highlights included:  
 • The 2005 AFL Grand Final field umpires were Brett Allen, Darren Goldspink and Scott McLaren. Boundary umpires were Gordon Muir, Glenn Sinclair and Darren Wilson and goal umpires Anthony Black and David Dixon. A review of their

performance found they had contributed positively to an enthralling contest.

- Darren Goldspink was named the All-Australian umpire.
- Mathew James was appointed to umpire the 2005 Foster's International Rules Series.
- Long-serving field umpire Brett Allen and goal umpire Craig Clark reached their 300-game milestones.
- Steve McBurney and boundary umpires Michael Bell and Chris McDonald officiated in their 200th games.
- Michael Avon, Darren Morris and Kieron Nicholls reached 100 games.
- Former Collingwood and Essendon player Mark Fraser was elevated to the AFL field umpires' list in 2005 and officiated in five matches. Chris Donlon, Troy Pannell and Chris Kamolins also made their AFL debuts.
- Corin Rowe and Darren Morris retired after umpiring 122 and 100 matches respectively.

### AFL field umpires' senior panel, 2005

Name	2005 matches	Total finals	Total matches
Brett Allen	23	32	301
Michael Avon	14	1	101
Ray Chamberlain	16	0	21
Chris Donlon	18	0	32
Adam Davis	10	0	10
Martin Ellis	18	6	182
Mark Fraser	5	0	5
Darren Goldspink	25	33	334
Stefan Grun	16	0	24
Matthew Head	21	0	87
Craig Hendrie	13	0	27
Mathew James	17	15	137
Scott Jeffery	18	0	85
Chris Kamolins	8	0	8
Hayden Kennedy	22	30	366
Dean Margetts	15	0	57
Stephen McBurney	24	13	213
Shane McInerney	23	7	197
Scott McLaren	26	24	253
Simon Meredith	16	0	31
Darren Morris	12	0	100
Kieron Nicholls	11	1	109
Mathew Nicholls	8	0	40
Troy Pannell	13	0	13
Jason Quigley	17	0	33
Brett Rosebury	1	2	77
Corin Rowe	13	5	122
Shaun Ryan	24	4	63
Justin Schmitt	22	2	131
Matt Stevic	18	0	32
Michael Vozzo	25	8	141
Stuart Wenn	23	4	173
Derek Woodcock	21	2	93



**THE MEN IN YELLOW:** 2005 AFL Grand Final umpire Scott McLaren (left), Simon Meredith and Matt Stevic were in charge of the final AFL game at Optus Oval in round nine.

## THE GROWTH CHALLENGE

With participation in Australian Football growing at a rapid rate, the AFL and the states and territories are investing strongly in the game at community level.

The AFL and state and territory football bodies invested more than \$30 million in the development of Australian Football in 2005 through strategies and programs designed to grow the game at community level.

This level of investment has seen the number of players increase by 102,000 in the past five years, creating a major challenge for Australian Football to cater for this level of growth.

Considerable additional infrastructure has been required to support such growth in terms of facilities, uniforms, volunteers, coaches and umpires even in football's heartlands. In Victoria, for example, participation has grown by more than 20,000 players since 2000.

Participation growth is most clearly evident in New South Wales and the ACT, where numbers have risen from 38,497 in 2000 to 61,201 in 2005, and in Queensland, where numbers have more than doubled – from 30,120 in 2000 to 62,599 in 2005.

Australian Football's expansion across Australia is increasingly reflected in the source of talent taken in the NAB AFL Draft and the NAB Rookie Draft. Of the 110 players selected in both drafts late last year, 14 were from Queensland and NSW/ACT.

Further, we have 55,000 indigenous participants from a total population of 450,000. In last year's NAB AFL Draft, 10 per cent of players were indigenous.

In 2005, 539,526 people played Australian Football. We saw healthy numbers at club and AFL Auskick levels, as well as a significant increase in school football participants and school teams.

School football numbers increased by 6.2 per cent with an extra 293 teams in 2005 taking the total to 5024. With two curriculum resource development projects now completed and available to schools in 2006, those figures are expected to continue to increase.

AFL Auskick numbers increased by five per cent, with 139,549 registered participants in 2005.

Community club football, the cornerstone of Australian Football, had 272,976 participants in 2005, a two per cent increase on 2004.

Other highlights in 2005 included:

- The continued success of the AFL's Community Camps program, which sees all 16 AFL clubs visit local communities across Australia.
- The appointment of the AFL's first multicultural coordinator (Nick Hatzoglou) and the launch of the Welcome To The AFL project, which seeks to introduce people from different multicultural backgrounds to Australian Football.

- The introduction of the AFL Kids First program to address the 'ugly parent' syndrome at junior matches.
- The NAB AFL Rising Stars Program saw more talent identified and developed through a pathway that assists players working their way from junior football through to the AFL. This has become particularly evident in Queensland and NSW/ACT.
- Continued improvement in coaching and umpire development and accreditation.
- A \$4 million regional funding project between the Victorian Government and the AFL to build new facilities for country football and netball. The Victorian Government also provided \$215,000, which was matched by the AFL, to support umpire development in country Victoria during the next three years.
- A second successful Australian Football International Cup, which saw 10 countries competing in Melbourne. More than 10,000 people in 12 countries now play in structured Australian Football competitions.
- Australian Football tapping into the South African market, with sponsorship support from Tattersall's, with good growth expected.

### Participation

Club football still accounts for more than half the total participation rate in Australian Football. In percentage terms, club football makes up 54 per cent of the total participation rate, followed by AFL Auskick (28 per cent), school (15 per cent), women's (two per cent) and veterans' football (one per cent).

Total participation in Australian Football in 2005 was 539,526 – a 4.6 per cent increase on 2004. (This number comprises those who were involved in Australian Football programs and competitions for a minimum of six weeks.)

### AFL Auskick

AFL Auskick continued to grow off a large base with 139,549 participants, an increase of five per cent on 2004.

The AFL acknowledges the many volunteers and parents who are the driving force behind the 2426 centres. It is due to their dedication and commitment that AFL Auskick has grown by a massive 74 per cent since 2000.

**TOP TEACHER:** Melbourne high-flyer Russell Robertson puts a young fan through his paces at one of the AFL's 2005 community camps – in Echuca in country Victoria.



## GROWTH STRATEGIES IN NSW AND THE ACT

The AFL continues to take a generational approach to its push into New South Wales and the Australian Capital Territory with an ongoing focus on accelerating the growth of the game at all levels and embedding Australian Football in schools and community clubs.

Successfully growing the game in these regions is critically important for all parties: the AFL, AFL clubs, local clubs and supporters generally. Being the most populated market, a prosperous AFL in NSW and the ACT will help underwrite the long-term future and commercial value of the Australian Football industry.

### Defining success

In 2005, we paid increasing attention to defining what success might look like for the AFL in Sydney, regional NSW and the ACT.

Our objectives for the game in the medium term to 2010 are quantifiable and measurable and should underwrite the AFL's vision of playing an AFL game every week in NSW/ACT by 2015. In its simplest form, we are focused on:

- Participants. Growing the number and quality of players at schools and clubs across the state/territory to 100,000 by 2010 – an increase of 40,000 on 2005.
- Talent. Developing talented young players to progress through to the AFL competition.
- Fans. Increasing the number of AFL fans who follow the game – be they viewers, attendees and/or members.

### The marketplace

The NSW/ACT market, in Australian Football terms, is extremely diverse. The southern communities from Albury to Wagga Wagga are predominantly Australian Football, while Wagga Wagga and the Riverina area are shared between AFL football and rugby league.

The ACT is increasingly supportive of the two rugby codes due to the marketing impact of the elite clubs, the Raiders and the Brumbies. The South Coast/Sapphire Coast of NSW is traditionally rugby league territory and Greater Sydney and the region from Wollongong to Newcastle is arguably the toughest sporting market of all with significant rugby league, soccer and rugby union support. Australian Football in the area north of Newcastle up to the Queensland border is in its infancy.

AFL football is still an emerging sport in many of these communities and it will take generational change to significantly increase the game's presence.

The opportunity for growth is enormous, but the reality is that this region should never be compared to a so-called traditional AFL state.

### Change and consolidation

In the past year, the focus of the management team of AFL (NSW/ACT) has been to create a system that will support the aggressive growth of Australian Football during the next five years.

The "system" consists of the right structure, people and underlying strategies, including the AFL offer to schools and our approach to working with local community clubs.

Our game development team has been divided into nine regions across NSW and the ACT. The nine regional managers oversee a team of support staff responsible for delivering results according to our plan.

In 2005, a regional management model was implemented, a new executive team established, our Sydney offices were consolidated to create a central office environment and 12 new people were employed to complete the organisational structure.

## Our strategies

### Participation

Our game plan is to capitalise on the work done in primary schools over the past five years and create two key participation pathways – from primary to secondary school and from school to club.

The key to this is opening up secondary schools across both the public and private systems. Our focus is to broaden and deepen our activity in years seven and eight and extend to the next year level in subsequent years. For example, in 2007, we would have strong coverage across years seven, eight and nine, and, by 2010, coverage would extend from years seven to 12.

In 2005, we developed a school program, PEER (participation, entertainment, education and resources) that we believe will lead to many more children electing to play AFL football in structured inter and intra-school competitions. The PEER program is designed to attract students, parents and teachers to our game and we believe it has all the elements to create a compelling AFL experience.

### Talent

The competition for elite athletes and sportspeople in NSW and the ACT requires us to become more innovative as we look to attract more players to an AFL career. Initiatives in 2006 include the addition of the Kangaroos' academy to our 12-to-14 years Swans academy program, the April 5 development camp at St Ignatius' College, Riverview, for 15 to 17-year-old boys and the introduction of the scholarship-listed player initiative. The talent program has been restructured to create six representative regions across NSW/ACT for 12 to 18-year-olds.

### Fans

The Sydney Swans are pivotal to fan development, in NSW in particular, and their premiership success in 2005 should accelerate growth. Our challenge is to grow passive support for the game into more active support, for example, encourage viewers to become attendees and attendees to become members.

From the AFL perspective, our endeavour is to ensure participant information is shared with clubs to create a greater connection between club and fans. Other initiatives to increase fan levels include Welcome To The AFL experiences and AFL Recreational Football.

### Infrastructure/environment

One of the key ingredients for success in developing players, talent and fans is the quality of the experience the AFL provides – whether that be in local club environments, school programs or at AFL games.

The quality of our people, staff and volunteers, our coaches, clubs and schools, and our playing and spectator facilities all contribute to attracting and keeping supporters.

In 2005, we were successful in working with the NSW and local governments and clubs to accelerate some key facility initiatives in Greater Sydney, particularly in the developing north-western regions.

The first stage of the Blacktown Olympic Park development will cost \$21 million and include two first-class playing venues for AFL football, along with accommodation, licensed club and indoor training facilities. The \$4.5 million Rouse Hill AFL development will proceed in partnership with local senior and junior clubs (East Coast Eagles and Kellyville Junior Football Club) and Cricket New South Wales.

We have a strategic facilities plan that we believe will underwrite the growth of the game in Greater Sydney and, more broadly, NSW and the ACT through to our 2010 objective.

## Highlights in 2005

### School football

- Growth of a primary inter-school zone competition from 36 teams to 126 teams.
- Pilot of the Secondary Combined Independent Schools (CIS) spring competition (16 teams).
- Launch of the CIS representative teams match at Telstra Stadium.
- Admission of the primary CIS into the 2006 state carnival.
- Commitment by all the Greater Public Schools (GPS) to an abbreviated spring program in 2006, subject to AAGPS approval.
- Commitment by the Metropolitan Catholic Schools (MCS) for 12 secondary schools to participate in a spring AFL program.

### Club football

- Establishment of the Greater Sydney Juniors through the consolidation of eight junior associations back to one association in Greater Sydney.
- Establishment of a pilot for phase one of the Senior Tri-Series between Sydney AFL, AFL Canberra and AFLQ in 2006.

### Talent

- Launch of a new talent program, including a state carnival structure involving six zones.
- Introduction of the scholarship program.
- Swans Academy implemented and agreement to launch the Kangaroos Academy in 2006.
- Three boys drafted and six rookies taken from the NSW and ACT state and territory boundaries (includes AFLQ and TAC Cup areas).

### Fans

- Introduction of the customer data management project involving all school and club participants in Greater Sydney.
- Recreational Football launched across NSW/ACT.



**MORE FACILITIES:** The Blacktown Olympic Park development will provide two first-class playing venues for Australian Football in the area at the top of the existing baseball fields.

## FACILITIES THE FOCUS IN QUEENSLAND

Since 2000, AFL Queensland has experienced growth of nearly 108 per cent in participation rates from 30,120 in 2000 to 62,599 in 2005.

In particular, there has been growth in the NAB AFL Auskick program, primary school football competitions and junior club structures. More than 62,000 participants across all AFL programs have been placing a massive strain on existing AFL facilities around the state prompting the need to upgrade existing grounds and, in partnership with state and local governments, build new ones.

Facility development is a key plank of the AFL Queensland Strategic Plan and, already, there have been significant gains in the development of new facilities costing \$24.4 million.

### Thuringowa City Council Riverway project

The Thuringowa City Council Riverway Project in Townsville involves the development of 11 kilometres of river habitat. Four park areas will be developed, including the city's most central parkland area, Pioneer Park, which is home to local AFL club, the Bulldogs.

The new facility, shown in the drawing below, will deliver an international-standard, multi-sport facility for AFL, cricket and hockey.

The total cost will exceed \$6 million with the Federal Government committing \$3 million and the Thuringowa City Council contributing a further \$3 million.

The sports centre will comprise an AFL-standard playing field, cricket oval, 1000-seat grandstand, 500-lux lighting and supporting facilities.

Pioneer Park is expected to be completed by February 2007.



**PIONEER PARK:** The redeveloped facility will cater for AFL football, cricket and hockey.

### Harrup Park Country Club

AFL Queensland and the Mackay Cricket Association have entered into an agreement for the Harrup Park Country Club to become the headquarters for AFL football in the region. This agreement will see a \$4.4 million upgrade of the cricket field and licensed facility.

AFL Queensland will contribute \$100,000 to the facility over the next three years.

The playing field will be extended to accommodate AFL-standard matches and \$1.4 million of field lighting will be erected for night games. AFL Queensland development staff will be housed at the venue and the AFL Mackay League will use the facility for home and away and finals matches. The Brisbane Lions used the facility in February 2006 as part of the NAB AFL Community Camp in Mackay.

### Maroochydore multi-sport complex

Situated in the heart of the Sunshine Coast and central to an immediate population of 100,000 and a Sunshine Coast population of 270,000, the Maroochydore Multi-Sport Complex is entering stage two of its construction on 26 hectares of land owned by the Maroochydore Shire Council.

Stage one of the project was completed in February 2004 with two Australian Football fields along with 26 netball courts. AFL Queensland and the Sunshine Coast junior league were the first tenants of the facility with additional stakeholders the Maroochydore Junior Football Club, the Maroochy-Roos Football Club and the Sunshine Coast Umpires' Association also being based at the facility.

The larger of the two Australian Football ovals is more than 173 metres from fence to fence, making it longer than the Gabba and the MCG. Both playing fields have state-of-the-art lighting (200 lux) with the capacity to upgrade.

Total project costs are expected to exceed \$3.5 million, which includes a \$900,000 grant from the Queensland Government. The facility was officially opened by the former Deputy Premier, Treasurer and Minister for Sport and Recreation, Terry Mackenroth, in March 2005.

On completion of stage two, it is envisaged the facility will be able to host AFL NAB Regional Challenge games.

### Quad Park – Kawana Waters

Quad Park Corporation was appointed by the Caloundra City Council on the Sunshine Coast to manage the Quad Park precinct on its behalf. The facility caters for a number of community sporting organisations, including rugby union, rugby league, cricket and touch football.

The Queensland Government and the Caloundra City Council will contribute more than \$5 million for new facilities within the centre. The playing field will be of an international standard catering for cricket and AFL football. There will be 12,000 seats, including 3700 fully covered seats, corporate boxes and a restaurant area.

### O'Callaghan Park Zillmere development

O'Callaghan Park in Brisbane's north houses one of AFL Queensland's powerhouse clubs, the Zillmere Eagles, currently coached by former Carlton coach Wayne Brittain. In recent years, the Eagles have produced AFL players Jamie Charman, Mitch Hahn and Josh Drummond.

The redevelopment started in November 2005 and will result in an upgraded surface, 600-lux lighting and new umpires' changerooms, gymnasium, coaches' boxes and a licensed club.

The redevelopment is being completed in partnership with the Queensland Government, the Brisbane City Council, Shawsporz and the Kedron Wavell Services Club. The redevelopment of the AFL facility will cost more than \$5.5 million with Sport and Recreation Queensland committing \$1.248 million and the Brisbane City Council \$1.5 million. Kedron Wavell Services Club will contribute \$2.7 million.



**IN GOOD HANDS:** The challenge in Queensland is to provide the facilities to cater for the growing legion of Australian Football fans, from the youngest devotees upwards.

### Community facilities upgraded

Through the generous support of the Queensland Government, with support from the Brisbane, Redcliffe, Caloundra and Gold Coast City Councils, many additional initiatives to upgrade facilities at 12 community clubs were undertaken in 2005 via the Minor Facilities Funding Program. The emphasis was on improving lighting to permit night matches and more than \$1 million was outlaid.

### Conversion to junior clubs

In 2000, AFL Queensland had 6119 registered AFL Auskick participants; in 2005, it had almost 23,000 – a result of the significant investment made by the AFL in the program. The challenge is to ensure a healthy flow-on effect into the junior clubs.

With 80 per cent of Queensland AFL Auskick programs conducted at schools after school hours, club-based volunteers have been finding it difficult to recruit participants into junior clubs. As a result, AFL Queensland employed five regional services officers in south-east Queensland in 2005 to act as a conduit between NAB AFL Auskick centres and junior clubs. Essentially, their role is to act as "recruiting officers" for junior clubs.

Further data is required, but a comparison of the number of teams and participants from under-eight to under-12 level from 2000 to 2005 suggests the appointments have had a significant impact.

In 2000, 4320 children participated in 240 junior AFL teams (under-eights to under-12s) across south-east Queensland. In 2005, that figure had jumped 71 per cent to 7416 participants and 505 teams (under-eights to under-12s).

### Boost to state league

The AFL Queensland state league took a quantum leap forward in 2005, due to significant investment from the AFL and the Brisbane Lions, with the employment of full-time club development managers.

The new positions have significantly enhanced the administration of the clubs and have assisted in generating new revenue streams to ensure their long-term viability.

Together with a \$75,000 cash injection from the Southport Football Club towards a player retention scheme and a comprehensive representative program, the AFL Queensland competition is rapidly gaining much-needed respect in the Queensland sporting community.

**Richard Griffiths, Chief Executive Officer, AFL Queensland**

## LEADING THE WAY

With sponsorships, licensed product, publishing, new media, events and other business arms all showing strong growth in 2005, the AFL's Commercial Operations division again delivered double-digit growth.

In 2005, the AFL Commercial Operations Department maintained the strong growth path of 2004, growing revenues by about 15 per cent.

This growth was driven on the back of three strategic planks:

1. Continued innovation and entrepreneurship – doing things better and constantly seeking new ways to provide benefits to our business partners.
2. Continuing to challenge the traditional licensing-based approach to all areas of the division and taking on operating risk – where appropriate – to grow margins.
3. Continuing to explore areas of industry revenue leakage, looking for areas of horizontal or vertical integration.

The following are highlights in a successful delivery of this agenda.

### NAB agreement

The National Australia Bank signed a new agreement in 2005 to become the AFL's second-largest corporate partner. Since 2003, the NAB has been a great supporter of the AFL's talent program through its sponsorship of the NAB AFL Rising Stars program.

The NAB has extended its relationship with the AFL by securing the naming rights to the pre-season cup competition, which will be known from 2006 as the NAB Cup. The competition has grown strongly through the period of our partnership with Wizard Home Loans, and we thank them for their support. We are very pleased that Wizard is not lost to the AFL as it takes up a naming rights relationship with Collingwood.

Showing its confidence in the strength of its relationship with the AFL game at all levels, NAB has also purchased naming rights to the AFL Auskick program, replacing another wonderful partner of the AFL in Simpson. Thanks to Simpson for its four-year support of AFL Auskick during which registrations grew at an unprecedented rate.

### Betfair and Tabcorp

One of the most significant achievements of 2005 was the landmark agreement signed in October between the AFL, Betfair and Tabcorp. Before this agreement, millions of dollars had been wagered on AFL football without the AFL receiving any share of the revenue.

The new agreement means that, for the first time, the AFL will receive a product fee for money wagered on AFL football. This represents a new and significant revenue stream for the competition.

### Push into manufacturing

Following on from its initial steps into contract manufacturing last year, the AFL Licensing Department has developed a sustainable contract-manufacturing model. Together with its new manufacturing partner, Overland, the AFL is seeking to capture an increased yield through a share of the wholesale margin.

The AFL's Grand Final Merchandise Program also saw the AFL generate a retail margin for the first time. The AFL Consumer Products Division is no longer just a licensor, but, where appropriate, a wholesaler and/or a retailer.

### Ticketing bonus

A new ticketing agreement with Ticketmaster led to a 50 per cent reduction in some booking fees relating to ticketing. This is a benefit to the game as a whole and, specifically, to our supporters.

### Shared services

The Western Bulldogs completed their first year using the AFL's shared services model in which the AFL Membership Department provides the customer service and administrative infrastructure support for the Bulldogs' membership campaign.

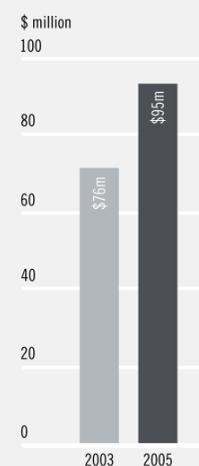
### On the net, in print

The AFL-Telstra network remains the No. 1 sports website in the country, with record traffic levels, and the *AFL Record* remains the highest-circulating sports magazine in Australia.

Commercial Operations expanded its publishing activity with the launch of a new title, *AFL JSquad Magazine*. St Kilda captain Nick Riewoldt was the inaugural *JSquad* ambassador and helped grow sales throughout the year to 18,000 per issue, creating an exciting new masthead. The future for the magazine is strong, driven off an annual 'seeding' edition provided as part of the AFL Auskick benefits pack given to registered participants.

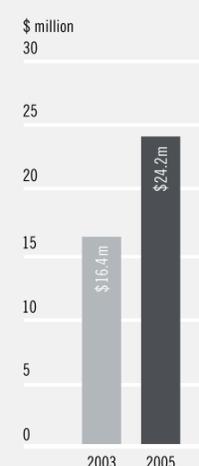
## COMMERCIAL OPERATIONS REVENUES, 2003–2005

### Gross revenues



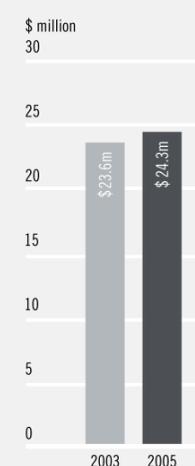
Total Commercial Operations revenue has grown by \$19 million at an annual average of 12 per cent since 2003.

### Corporate Partners



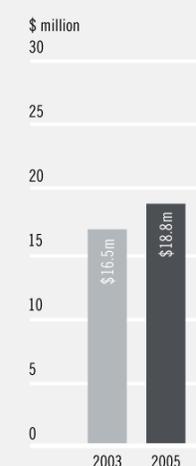
Sponsorship revenue rose 47.5 per cent since 2003 to almost \$25 million due to new partnerships with Toyota, NAB, Qantas, Sony, Rebel Sport and Reebok.

### Ticketing (finals, H&A)



Ticketing revenue from the finals and the premiership season increased by 3.3 per cent from 2003 to 2005.

### AFL Memberships



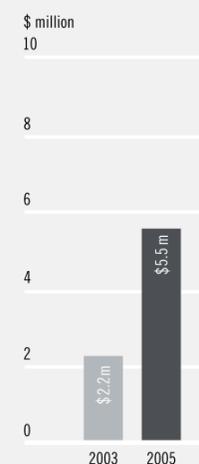
AFL membership revenue increased by 13.7 per cent from 2003 to 2005, largely as a result of adding new membership categories.

### Consumer products



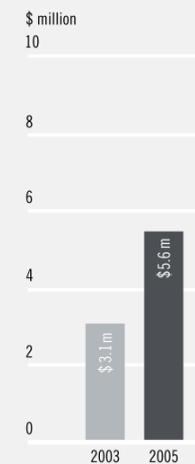
Consumer products revenue increased by 14.9 per cent from 2003 to 2005 as a result of increased sales, new product categories, including the First 18 range, and a move away from the licensing model in some areas to contract manufacturing.

### Corporate hospitality/events



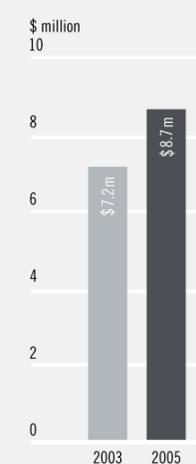
Revenue from corporate hospitality increased by 150 per cent from 2003 to 2005 due to increased sales at existing events and the introduction of new events during Grand Final week, including the September Club.

### Internet and statistics



Revenue relating to the AFL and club website network and statistics increased 78.8 per cent from 2003 to 2005.

### Publications



Revenue from publications, including the *AFL Record* and *AFL JSquad Magazine*, which was launched in 2005, increased by 19.8 per cent from 2003 to 2005 through sales and strong growth in advertising.

### Corporate partners

The AFL is delighted to be associated with such leaders in Australian industry as:

- Toyota
- Foster's Australia
- Coca-Cola
- Tattersall's
- National Australia Bank
- Simpson
- Wizard Home Loans
- Qantas
- InterContinental Hotels Group
- Reebok
- Sony Computer Entertainment
- Rebel Sport

### Toyota

Toyota has now concluded its second year as title sponsor of the AFL premiership season, the AFL finals series and Grand Final, the Toyota Mark and Goal of the Year, the Brownlow Medal function and key events in support of Grand Final week. Toyota also provided Hilux vehicles that were used in the Grand Final parade and in the motorcade around the MCG on Grand Final day.

The top 45 moments in more than 100 years of Australian Football were voted for by the public in the Toyota AFL Memorable Moments competition. The Brisbane Lions triple-premiership feat was judged the narrow winner from the late Ted Whitten's emotional farewell to football at the MCG in 1995.

Toyota continued its popular Great Moments in Football advertising campaign with two new commercials in 2005, featuring retired greats of the game Dermott Brereton and Peter Daicos.

Once again, Toyota helped to foster even stronger connections between people in regional areas and football through its Premiership Cup tour and its Good for Footy program, which provided more than \$250,000 for grassroots clubs in country Victoria and southern NSW.

### Foster's Australia

2005 marked a significant change for the AFL's oldest corporate partner, CUB, which changed its name to Foster's Australia. The partnership between the AFL and Foster's Australia is the longest in the AFL, with Foster's products continuing to be recognised as the official beer and wines of the AFL.

The association of Foster's with the code extended even further in 2005 with 15 of the 16 AFL clubs benefitting from its support. Once again, Foster's was the Australian team's official sponsor and series naming rights partner for the Foster's International Rules Series

against Ireland. Key AFL marketing activity took place throughout September under the banner, "Finals Fever". Crown Lager hosted the Brownlow After Party for more than 1000 guests and the launch of the Carlton Draught "Big Ad" proved to be very popular at AFL venues.

### Coca-Cola

A major consumer promotion that gave winners the chance to sponsor an AFL club was one of the new initiatives that Coca-Cola introduced during the first year of its new four-year deal with the AFL. Coca-Cola remains a strong supporter of football at all levels and it continues to support a range of activities from grassroots through to the elite level.

In 2005, Coca-Cola supported 15 of the 16 AFL clubs. 2005 also heralded two firsts for Coca-Cola when the company assumed naming rights sponsorship for September's All-Australian awards and the AFL Grand Final after-match concert held at Punt Road Oval and attended by more than 10,000 people.

### Tatts TipStar

Once again, Tatts TipStar was the official footy tipping competition of the AFL. The tipping competition is governed by Tattersall's and Footy Consortium Pty Ltd with weekly and end-of-season football tipping options available to participants.

The end-of-season cash prize of \$150,000 attracted more than 21,807 registered players during 2005.

### National Australia Bank

Identifying and developing the next generation of AFL players is a fundamental plank of the AFL's mission. This mission has been greatly supported by the National Australia Bank, which has just completed its third year as the principal partner of the hugely successful NAB AFL Rising Stars program.

The program provides recognition and a pathway for young players aspiring to reach the elite level. The NAB AFL Rising Stars program comprises the following elements: NAB AFL Rising Star, NAB AFL Draft, NAB AFL Draft Camp, NAB AFL Under-18 Championships, NAB AFL Under-16 Championships and the NAB AIS/AFL Academy.

In 2005, the NAB continued to recognise the contribution local football clubs make to the development of young footballers by distributing more than \$100,000 in equipment and cash through its NAB AFL Rising Stars Club Recognition Awards.

From 2006, the NAB is significantly increasing its association with the AFL. In addition to the NAB AFL Rising Stars program, the NAB will become the naming rights sponsor of AFL Auskick and the pre-season competition, to be known as the NAB Cup.



**RIDING HIGH:** Melbourne captain David Neitz celebrates 250 games and a win in round three.

**Simpson**

In 2005, Simpson concluded its four-year partnership with the AFL as the naming rights sponsor of the AFL Auskick program. During this time, Simpson helped grow the program by 40 per cent. Simpson also partnered the AFL in the AFL Auskick Grand Final competition, which brought 92 AFL Auskick participants and their parents from around Australia to Melbourne for the Grand Final. Participants represented the 92 game development regions in Australia. The AFL would like to acknowledge and thank Simpson for its wonderful support during the past four years.

**Wizard Home Loans**

Wizard Home Loans was an integral part of another successful pre-season competition in 2005. Record pre-season crowds of more than 300,000 attended games and witnessed the innovative characteristics, such as 'super goals', and the trial rules. As a result of the super goals kicked during the competition, Wizard donated \$100,000 to the World Vision Tsunami Appeal. Wizard Home Loans has been a highly valuable and efficient partner of the AFL during the four years of its sponsorship. The AFL thanks Wizard for its support and congratulates it on its relationship with the Collingwood Football Club.

**Qantas**

Qantas is the official airline of the AFL and in 2005 it also began a new two-year agreement as principal partner of the AFL's indigenous programs, including the Qantas AFL Indigenous All Stars Game, the Qantas AFLPA Marn Grook Award and the Qantas AFL Kickstart program. AFL Kickstart brought together 46 indigenous footballers from around Australia to Melbourne in September to participate in a week-long training camp. The camp culminated in a curtain-raiser game before the first elimination final between Geelong and Melbourne at the MCG. Qantas also supported the highly successful Qantas Australian Football Indigenous Team of the Century.

**InterContinental Hotels Group**

The InterContinental Hotels Group has been the official hotel of the AFL since 2003. The group provides accommodation for AFL clubs, officials and staff at InterContinental Hotels, Holiday Inns and Crowne Plazas around Australia.

**Reebok**

Reebok has just completed its first year as the official apparel and footwear supplier to the AFL. As part of this agreement, Reebok supplies apparel and footwear to AFL umpires, the AFL Auskick

program and the NAB AFL Rising Stars program. This agreement will continue in 2006.

**Sony Computer Entertainment**

The AFL welcomed Sony Computer Entertainment as a new corporate partner in 2005. As a part of Sony's relationship with the AFL, Sony PlayStation 2 branding was worn by AFL umpires during all matches this season. The next stage in Sony's partnership with the AFL came in September when Sony Computer Entertainment, along with IR Gurus, launched a new video game, AFL Premiership 2005. The game has several new features, including one that allows users to load digital images of themselves into the game.

**Rebel Sport**

The AFL also welcomed Rebel Sport as a new corporate partner in 2005. Rebel Sport has the exclusive branding for all AFL club runners' uniforms and extended this awareness partnership through the introduction of Rebel Direct, a program that rewarded local and community sports clubs with significant discounts on all items in store, plus a loyalty program that delivered equipment back to clubs.

**AFL Publishing**

In November 2005, the AFL announced a new five-year agreement with AFL Publishing to produce all the AFL's publications, including the *AFL Record*, the AFL Annual Report, the *AFL Record* official statistical history guide, as well as manuals and publications for all AFL departments.



**NEW QUARTERLY FOR YOUNGSTERS:** *AFL JSquad Magazine* joined the ranks of regular AFL Publishing products in 2005.

The *AFL Record* maintained its position as the highest-circulating sports magazine in Australia. Figures from the January-to-June 2005 Roy Morgan survey put weekly readership of the *AFL Record* at 207,000.

*AFL Record* sales increased to as much as 22 per cent of people attending AFL games and advertising sales revenue increased by eight per cent to a record high.

The *2005 AFL Grand Final Record*, which was sold at the ground and at newsagents across the country, was the biggest seller for the year with sales increasing by 12 per cent on 2004 figures.

In April, AFL Publishing, on behalf of the AFL, launched *AFL JSquad Magazine*, a quarterly publication targeting the 'twens' market (seven to 13-year-olds). *AFL JSquad* is sold at AFL venues, newsagents and supermarkets across the country and sales have already reached 18,000 per issue.

In June, the AFL announced it was commissioning a complete written history of the Australian Football League, to be published by the AFL during Australian Football's sesquicentenary in 2008. Expressions of interest have been called for, with work on the manuscript expected to begin in 2006.

**Internet**

The AFL-Telstra network continued to set new benchmarks for sporting websites in Australia this year (as recorded by Nielsen NetRatings).

Underlying the success of the partnership between the AFL and Telstra BigPond, which together manage the online network, traffic figures for the past year have again reached record levels.

On average, more than 1.2 million unique browsers per month accessed the online network – an increase of more than 30 per cent compared with 2004.

Several new features, highlighted by an increase in rich content production, were introduced to the network in 2005 and contributed to the increase in audience share while providing additional revenue opportunities. Some of the new features included:

- Integrated broadband content, improved navigation, a dedicated eCommerce section and – a first for an Australian sports site – a rotating news and feature articles section on the homepage.
- A new live scores and statistics application, which proved exceptionally popular in 2005 with the 150,000-plus fans using it each weekend. The live scores and stats application allowed fans to see exactly what AFL coaches can see live in their coaches' box – how goals were scored, by whom and when, key match-ups of various players, the top five players for each club (in a number of statistical sectors) during a match and all the main stats for every player during a game.
- The AFL-Telstra BigPond agreement with Ticketek, which allowed supporters to buy tickets online at all major AFL venues except AAMI Stadium.

The AFL-Telstra network continued to be the leading online source for breaking AFL news and analysis in 2005. *afl.com.au* also had special features and provided in-depth coverage for major events such as the Australian Football Hall of Fame, All-Australian team, Brownlow Medal, NAB AFL Rising Star, trade week and NAB AFL Draft.

The Nutri-Grain Dream Team reached a record level of participants with more than 150,000 fans making their selections each week in the hope of creating their very own dream team and winning the grand prize of \$10,000. This was Australia's largest online fantasy-based sports competition in 2005.

Monthly unique visitors to AFL/Telstra Network		
Month	2005	2004
January	402,972	321,621
February	417,737	504,515
March	977,956	793,961
April	1,404,676	1,052,411
May	1,674,443	1,159,546
June	1,498,964	1,062,407
July	1,567,580	1,080,155
August	1,686,508	1,168,033
September	1,484,000	984,403
October	804,478	585,137
November	611,084	459,838
December	534,387	393,225

Source: Nielsen NetRatings 2005

**Shared services**

The AFL's shared services membership model completed its first full year of operation in 2005, with the Western Bulldogs being the first club to use the service.

In a significant endorsement of the model, the Bulldogs recorded a record membership in 2005 of 21,936 – an increase of 13.68 per cent on 2004.

Equally telling was the increased levels of satisfaction of Western Bulldogs members with administrative processes, the improved membership data integrity and much improved customer service outcomes.

Now that shared services has demonstrated it can add value, a comprehensive business model has been developed with the aim of including more clubs in 2006.



## Membership

The AFL Membership Department again strived to deliver a membership that provides access to the best games on the AFL calendar.

In 2005, there were 44,670 AFL Members with 28,213 taking full membership and 16,457 taking silver membership. In all, 85 per cent of those members chose 'club of support', a package that provides a significant financial benefit to each of the 16 AFL clubs.

The breakdown of AFL Membership in 2005 was: 24,433 Full Members, 3780 Full Country Members, 14,504 Silver Members and 1953 Absentee Members.

For the first time, club membership exceeded 500,000 with 506,509 members recorded among the 16 clubs – a 2.5 per cent increase on the previous record set in 2004.

Two non-Victorian Grand Final teams ensured that every AFL member who wanted to attend the AFL Grand Final was able to do so.

The AFL Membership Department has implemented several new initiatives designed to improve service, efficiency and communication

with its members. A weekly information bulletin is emailed to 17,000 members, but even more significant will be the installation of Archtics, a new database.

The database will provide greater integration with the Ticketmaster ticketing system and allow members to manage their own account details through MyAFLAccount. More than 3000 members are expected to use this online facility to renew for the 2006 season.

The AFL Membership Department was restructured with the appointment of five AFL SportsReady trainees to assist in the delivery of AFL membership services and in the expansion of the AFL Membership shared services model.

A membership relationship coordinator was appointed to enhance the service provision and relationship between members and the AFL.

This role seeks to ensure that the connection between the AFL and both club and AFL members is maintained and strengthened through various communication channels, additional activities and promotions, and the development of a number of added-value initiatives.

### AFL Club Support Membership, 2005

Club	Adults	Concessions	Juniors	Total members	% of total
Adelaide	339	46	41	426	1.1%
Brisbane Lions	574	88	71	733	1.9%
Carlton	4,057	662	699	5,418	14.2%
Collingwood	6,668	882	1,352	8,902	23.3%
Essendon	4,842	745	943	6,530	17.1%
Fremantle	20	2	4	26	0.1%
Geelong	2,099	358	319	2,776	7.3%
Hawthorn	1,666	254	220	2,140	5.6%
Kangaroos	1,299	171	212	1,682	4.4%
Melbourne	1,324	230	196	1,750	4.6%
Port Adelaide	130	15	17	162	0.4%
Richmond	2,772	334	556	3,662	9.6%
St Kilda	1,702	241	334	2,277	6.0%
Sydney Swans	440	82	59	581	1.5%
West Coast Eagles	91	12	11	114	0.3%
Western Bulldogs	835	114	124	1,073	2.8%
<b>Totals</b>	<b>28,858</b>	<b>4,236</b>	<b>5,158</b>	<b>38,252</b>	<b>100.00%</b>

### AFL Club Membership, 2005

Club	Adults	Concessions	Juniors	Total members	% of variance
Adelaide	37,728	3,475	2,053	43,256	-5.2%
Brisbane Lions	22,342	2,863	3,708	28,913	-4.3%
Carlton	22,445	3,215	7,874	33,534	4.5%
Collingwood	27,061	3,561	7,990	38,612	-6.1%
Essendon	24,126	3,736	4,872	32,734	-2.2%
Fremantle	24,814	2,949	6,415	34,178	4.3%
Geelong	19,735	4,341	6,745	30,821	23.2%
Hawthorn	19,797	2,797	6,667	29,261	-6.4%
Kangaroos	15,292	2,057	6,805	24,154	3.1%
Melbourne	16,866	2,445	5,494	24,805	20.1%
Port Adelaide	28,889	2,515	5,430	36,834	1.4%
Richmond	18,428	2,823	6,778	28,029	3.3%
St Kilda	22,067	3,159	6,817	32,043	4.9%
Sydney Swans	17,582	3,005	4,368	24,955	-0.2%
West Coast Eagles	32,242	5,482	4,682	42,406	4.0%
Western Bulldogs	14,342	2,744	4,888	21,974	13.9%
<b>Totals</b>	<b>363,756</b>	<b>51,167</b>	<b>91,586</b>	<b>506,509</b>	<b>2.37%</b>

Notes: Figures include AFL Club Support Members

**PIE ON THE FLY:** 2003 All-Australian Chris Tarrant battled a knee injury at times during 2005, but he was sitting pretty for the Magpies with this mark.



## Attendances

The popularity of AFL football reached an all-time high in 2005 with 6,283,788 spectators attending the 176 matches in the premiership season, easily surpassing the previous record of 6,119,164 set in 1998. This represented an increase of 6.33 per cent on 2004 figures.

The AFL recorded higher average crowds in five out of eight states and territories, with Victoria showing the biggest increase (nine per cent). Combined with attendances during the Wizard Home Loans Cup (307,181 spectators – an 18.5 per cent increase) and the Toyota AFL finals series (480,064 spectators – a 4.7 per cent increase), 7.07 million spectators attended games in 2005 – the first time that AFL attendances have passed seven million in a season.

This achievement was even more significant given that the capacity of the MCG was reduced to 70,000 as a result of the stadium's redevelopment ahead of the Commonwealth Games in March 2006.

The Kangaroos recorded the biggest increase in home game attendances compared with 2004, attracting 338,748 fans – a 26.02 per cent increase. The second-highest increase was recorded by Hawthorn, with 20.48 per cent more than in 2004, and the third-highest was Melbourne with a 16.17 per cent jump.

## Ticketing

A key objective of the AFL Ticketing Department is to make AFL matches affordable for everyone in the community and, in 2005, price increases were kept to a minimum.

The cost of an adult ticket increased from \$16.50 to \$17.50, concession tickets were raised from \$10 to \$10.50, and junior prices remained at \$2.20 (all including GST).

One of the biggest challenges the AFL Ticketing Department faced in 2005 was setting up ticketing arrangements for the redeveloped MCG.

The majority of the redeveloped Olympic Stand was utilised for the first time on Grand Final day and, with the project to be completed before the start of the 2006 season, a full audit

<b>Attendances summary, 2004–2005</b>				
	<b>2005</b>	<b>2004</b>	<b>Variance</b>	<b>Variance %</b>
Wizard Home Loans Cup	307,181	259,128	48,053	<b>18.54%</b>
Toyota AFL premiership season	6,283,788	5,909,826	373,962	<b>6.33%</b>
Toyota AFL final series	480,064	458,461	21,603	<b>4.71%</b>
<b>Total attendances</b>	<b>7,071,033</b>	<b>6,627,415</b>	<b>443,618</b>	<b>6.69%</b>

<b>Attendances by venue, 2004–2005</b>						
<b>Venue</b>	<b>2005 games</b>	<b>Attendance</b>	<b>Average</b>	<b>2004 games</b>	<b>Attendance</b>	<b>Average</b>
Telstra Dome	49	1,817,910	<b>37,100</b>	44	1,630,266	37,052
AAMI Stadium	22	827,768	<b>37,626</b>	22	767,311	34,878
Gabba	12	397,193	<b>33,099</b>	12	402,713	33,559
Manuka Oval	3	36,538	<b>12,179</b>	3	30,655	10,218
Marrara Oval	1	13,037	<b>13,037</b>	1	13,271	13,271
MCG	42	1,714,157	<b>40,813</b>	41	1,486,760	36,262
Optus Oval	1	30,052	<b>30,052</b>	7	155,346	22,192
SCG	9	258,599	<b>28,733</b>	9	241,923	26,880
Skilled Stadium	8	175,474	<b>21,934</b>	8	157,230	19,654
Subiaco	22	830,406	<b>37,746</b>	22	828,244	37,647
Aurora Stadium	4	63,087	<b>15,772</b>	4	66,459	16,615
Telstra Stadium	3	119,567	<b>39,856</b>	3	129,658	43,219
<b>Total</b>	<b>176</b>	<b>6,283,788</b>	<b>35,703</b>	<b>176</b>	<b>5,909,836</b>	<b>33,579</b>

<b>Home game attendances by club, 2004–2005</b>					
<b>Club</b>	<b>2005 attendance</b>	<b>Average</b>	<b>2004 attendance</b>	<b>Average</b>	<b>Variance</b>
Adelaide	465,751	42,341	438,664	39,879	<b>6.17%</b>
Brisbane Lions	365,934	33,267	369,811	33,619	<b>-1.05%</b>
Carlton	406,732	36,976	357,265	32,479	<b>13.85%</b>
Collingwood	459,352	41,759	471,375	42,852	<b>-2.55%</b>
Essendon	508,182	46,198	475,835	43,258	<b>6.80%</b>
Fremantle	387,466	35,224	398,833	36,258	<b>-2.85%</b>
Geelong	305,608	27,783	283,215	25,747	<b>7.91%</b>
Hawthorn	335,951	30,541	278,834	25,349	<b>20.48%</b>
Kangaroos	338,748	30,795	268,795	24,436	<b>26.02%</b>
Melbourne	438,556	39,869	377,523	34,320	<b>16.17%</b>
Port Adelaide	362,017	32,911	328,647	29,877	<b>10.15%</b>
Richmond	393,802	35,800	389,161	35,378	<b>1.19%</b>
St Kilda	405,415	36,856	407,291	37,026	<b>-0.46%</b>
Sydney Swans	355,808	32,346	348,102	31,646	<b>2.21%</b>
West Coast Eagles	442,940	40,267	429,411	39,037	<b>3.15%</b>
Western Bulldogs	311,526	28,321	287,074	26,098	<b>8.52%</b>
<b>Total</b>	<b>6,283,788</b>	<b>35,703</b>	<b>5,909,836</b>	<b>33,597</b>	<b>6.33%</b>

of seating at the MCG will be conducted to ensure that all seat categories meet our patrons' expectations.

The AFL continued to work with ticketing agents in an effort to streamline the purchasing process for patrons, with Ticketmaster's online Ticketfast home ticket-printing service becoming more popular.

The bi-annual 'home' International Rules Series against Ireland again proved popular, with more than 39,000 people attending the game at Subiaco Oval in Perth and more than 45,000 people at the second Test at Melbourne's Telstra Dome.

Going forward, the AFL and the 16 clubs will continue to strive for a balance between patrons who wish to reserve a seat in advance and those who prefer to 'walk up' to the venue.

Significantly, the AFL reached an agreement with Ticketmaster that will see a number of booking fees and transaction charges for AFL ticketing being reduced in 2006, some by up to 50 per cent.

## Consumer products

The AFL Consumer Products Division is the largest sports licensed business in Australia with more than 40 per cent growth in the past three years, including nine per cent growth in 2005.

AFL licensed apparel has been a major driver of this growth with an increase in royalty income of more than 90 per cent for this category over the same three-year period.

Other initiatives that have contributed to this growth include the expansion of an apparel range, AFL First 18, targeting the youth market, and the development of a female range of apparel, AFL For Her. Both ranges were supported this season during AFL Heritage Round (round 20) and during round seven when the Breast Cancer Network Australia's Field of Women event took place at the MCG.

Mascot Manor, a sub-brand targeting the under-12 market, featured in the *AFL Record*, *AFL JSquad Magazine* and *The Sunday Age* newspaper in Melbourne.

Contract manufacturing for three AFL clubs achieved an aggregate turnover in excess of \$1.3 million and, in 2006, this initiative will be extended further. In 2005, Consumer Products also entered into a joint venture that included the publishing of the AFL fixture, the AFL interactive game and the Grand Final merchandise range. This allowed the AFL to retain a greater share of the available margin.

The Grand Final merchandise range was sold into our corporate partners and third-party retail outlets, as well as our own concession sales at Punt Road Oval and Federation Square. In the past year, AFL Stores have consolidated their performance and are now achieving consistent growth. The 2005 figures showed a six per cent increase on 2004.

The AFL online store has recently been taken in-house and an online range will be released in 2006.

## Events and hospitality

The AFL's Events and Hospitality Department doubled net revenues for the year, compared with 2004, and has great expectations.

It is already looking forward to 2008, the 150th anniversary of the game's beginnings, with significant and substantial events in the planning process.

The department is divided into four categories: Match Day, Major Events, Grand Final Week and the Premiership Club.

Match-day functions were held throughout Australia during the 2005 Wizard Home Loans Cup, Toyota AFL premiership season, Toyota AFL finals series and Foster's International Rules Series. In all areas, growth in AFL corporate sales led to increased attendances and suite occupancy.

Corporate sales growth also resulted in increased patronage at all AFL major events, including the Toyota AFL premiership season launch dinner, the Australian Football Hall of Fame induction dinner, the Qantas Australian Football Indigenous Team of the Century lunch, the NAB AFL Rising Star Medal presentation, the Coca-Cola AFL All-Australian dinner and the Brownlow Medal dinner, which again attracted a huge television audience.

The Australian Football Hall of Fame induction dinner, in the Palladium at Crown, re-established itself as one of the highlights on the football calendar. Another highlight was the luncheon to announce the Qantas Australian Football Indigenous Team of the Century. The event celebrated the naming of the greatest indigenous players of the past 100 years and was attended by the Prime Minister, John Howard.

Grand Final week incorporated a series of functions across Melbourne, including the Seriously – One Night in September party, held in partnership with Network Ten at the GPO roof-top terrace; the *Australian Idol* concert at Federation Square attended by 15,000 people; the introduction of the Toyota AFL Grand Final eve race meeting in partnership with Moonee Valley Race Club; the September Club corporate hospitality marquee enclosure in Yarra Park and the Coca-Cola Grand Final after-match concert at the Punt Road Oval.

The September Club was an overwhelming success. Positioned outside the Great Southern Stand in Yarra Park, the September Club provided AFL corporate partners with an exclusive area to entertain their guests before taking up reserved seating inside the ground.

In 2005, the Premiership Club was rebranded in line with the exclusive and premium nature of the product. The club is the AFL's most prestigious membership category and in 2005 the membership base grew from 120 to 250.

Members were able to enjoy exclusive access to the recently refurbished dining area and bar in the Tom Wills Room at the MCG.

[ SECTION 6 ]

MARKETING & COMMUNICATIONS

**FORGING  
CLOSER  
TIES**



**ON THE RISE:** The Kangaroos' Troy Makepeace got his season off to a flyer in round one, 2005, with help from teammate Leigh Brown, despite close attention from Carlton's Brendan Fevola.

# CONNECTING WITH THE COMMUNITY

The AFL's Marketing and Communications Department forged closer ties in 2005 with all key stakeholders at various levels of the game.

The AFL's Marketing and Communications Department is responsible for the management and delivery of the AFL's branding, advertising, promotions, media relations, public relations and community relations activities, while also supporting the major projects undertaken by each AFL department.

Within these roles and responsibilities, Marketing and Communications works closely with the clubs, the AFL's corporate partners, media and broadcast partners, the AFL Hall of Fame and Sensation and the AFL's philanthropic arm, the AFL Foundation.

## Brand tracking

2005 has been another successful year for Marketing and Communications in defining and driving brand equity and value for supporters and stakeholders, as well as supporting the financial outcomes of attendance and growth of television viewers.

The 2005 Colmar Brunton AFL tracking study returned the following results and conclusions.

### Community spirit

- Perception of the AFL and the AFL clubs as being active and connected to the community increased in 2005, with the key measurements of community interest, affordability and community spirit towards football all showing improvement.
- Seventy-five per cent of supporters agree that the AFL takes an active role in the community. This is a four per cent increase compared with 2004.

### Accessibility

- More supporters believe that the game is accessible, with 60 per cent of supporters strongly agreeing that the average Australian can attend a game of football. This is an increase of six per cent on 2004.
- Seventy-three per cent of supporters strongly agree that their enthusiasm for the game is as strong as ever. This is a three per cent increase compared with 2004.

### Brand health

The AFL judges brand health among supporters on the following key values:

- Overall excitement and spectacle of the code.
- Supporters' passion for the game.
- Egalitarian nature of the game where all are equal and accepted.

- Inclusiveness of the football community.
- Strength and relevance of the game's tradition.
- Innovative approach to governance.

Feedback from supporters in 2005 showed that:

- 90 per cent agree that the AFL is a spectacular sport.
- 95 per cent agree it is a code where people can feel passionate.
- 77 per cent agree that AFL football is a class-free sport.
- 81 per cent agree it is an inclusive sport.
- 82 per cent agree the AFL has a tradition that makes today's competition richer.
- 75 per cent believe the AFL is an innovative organisation.

## Key marketing programs

In 2005, brand marketing programs were developed and delivered on the following key strategic objectives:

- Growth in interest in the code nationally.
- Connecting to supporters at the community level.
- Growing levels of involvement from supporters of the game.
- Strengthening key brand health objectives.

### Themed rounds

Since their inception in 2003, themed rounds have been a highly successful attendance driver, in addition to showcasing the AFL's key brand values. In 2005, a combination of advertising, public relations activity and promotion was used to market themed rounds and their associated communication platforms. The themed rounds and slogans were:

- Toyota AFL Season Launch – “The excitement starts again”.
- Rivalry Round (new) – “The biggest games of the year”.
- Community Weekend – “The grassroots of football are the communities”.
- Family Round – “Football is a family affair”.
- Heritage Round – “The best games of all time”.

On a like-for-like basis, crowd attendances during the five themed rounds in 2005 increased by 13 per cent compared with 2004. The overall increase in attendances in the home and away season was 7.8 per cent.

Rivalry Round (round three) recorded the second-highest aggregate attendance in AFL/VFL history of 346,177 spectators, while the marketing of the Anzac Day round resulted in a 25 per cent increase in attendances compared with 2004.

### AFL finals

The Toyota AFL finals series is the showcase event on the AFL calendar and the “One day in September” theme was again used to position the series as a premium event.

In 2005, an added highlight of the marketing campaign was the final instalment in the “Pledge” television commercial. At different times during the season, the campaign featured players and captains from each AFL club, as well as families and community football club heroes from around Australia.

During the finals series, the Pledge stars were the coaches of the eight finalists. In the spirit of the season-long campaign, each coach was shown making a pledge as to why his club was going to win the premiership.

Federation Square was the focus of Grand Final week activity with more than 120,000 visitors witnessing, among many things, a concert by *Australian Idol* contestants plus daily player appearances and promotions.

Other key events during Grand Final week were also well attended. More than 70,000 people attended the Grand Final Parade and 10,000 people filled Punt Road Oval after the AFL Grand Final.

Attendances during the finals series increased by five per cent and culminated in the Toyota AFL Grand Final, which drew 91,828 spectators.

The pre-game Grand Final entertainment attracted some of the world’s best-known entertainers, including Michael Bubl , Dame Edna Everage (Barry Humphries), Delta Goodrem and Silvie Paladino.

### Sydney initiatives

The development of Australian Football in Sydney remains a strategic priority. The AFL uses a range of advertising and public relations activities to generate greater interest in our code in Sydney, with Sydney Swans games being the centrepiece of marketing activities.

The Big Event was one of the main features of the AFL’s Sydney marketing program in 2005. The AFL provides marketing support for each Swans game at Telstra Stadium, but during the annual AFL week in New South Wales, the round 13 Swans-Collingwood match was specifically branded the Big Event.

Initiatives included a joint media conference involving Swans and Magpies players; a cocktail party, which was attended by local celebrities and featured in the social pages of Sydney’s weekend newspapers; a Swans training session in the grounds of Saint Ignatius’ College, Riverview; a Big Event ticket offer to local AFL junior and senior clubs; an AFL-Sydney Transport promotion, which produced

posters promoting free transport for game ticket-holders, and pre-match entertainment involving the Department of Education.

A crowd of 44,387 people attended the Big Event, an increase on the average crowd attendances at Telstra Stadium in 2004.

Sydney-specific advertising was used to promote the Swans’ matches played during the themed rounds and leading Swans players, including Barry Hall, Adam Goodes and Jude Bolton, featured in the Pledge television commercial that was used to launch the season.

The sell-out crowd of 39,079 at the 2005 second semi-final between Sydney and Geelong at the SCG was another highlight for the code in NSW.

### AFL Foundation

Through the support and cooperation of all stakeholders, including the clubs and players, the AFL continues to demonstrate that its relationship with the community extends well beyond the playing field.

The AFL’s philanthropic arm, the AFL Foundation, in conjunction with Tattersall’s, provided \$10,000 to the AFL player deemed to have contributed most to the community.

The 2005 winner of the AFL Community Leadership Award was St Kilda’s Xavier Clarke, who distributed the prizemoney among his nominated charities – the Indigenous Lighthouse Foundation and Sacred Heart Mission.

The three runners-up – Hawthorn’s Angelo Lekkas, Geelong’s Kent Kingsley and Richmond’s Joel Bowden – will each distribute \$2000 among their respective charities.

These players’ outstanding contributions to the community are just some examples of the voluntary community work regularly undertaken by hundreds of AFL players.

A dedicated Community Weekend was played in round nine. It is estimated that more than 50,000 volunteers provide support to local football teams weekly, and the AFL wanted to recognise this generous contribution.

A highlight of the weekend was the curtain-raiser played between two Murray Football League teams before the Collingwood-West Coast Eagles clash at the MCG.

The AFL Foundation introduced Fair Go awards for students regarded as being disadvantaged in terms of playing sport due to distance, socio-economic profile or a strong indigenous or multicultural profile. More than 40 Fair Go awards were distributed to schools and students throughout Australia.



**THEIR ‘PLEDGE’:** A highlight of the AFL’s marketing campaign in 2005 was the ‘Pledge’ series of advertisements featuring fans, players, coaches and local heroes.

The AFL maintained its links with education by assisting Deakin University, Monash University, the Melbourne Business School and Victoria University in various research projects.

Such projects not only make a significant contribution to academic research in Australia, but also allow the AFL to gain feedback from up to 70,000 supporters each year.

## AFL SportsReady

Since its establishment in November 1995 as a joint initiative between the AFL and the Federal Government, AFL SportsReady has provided more than 3500 traineeships to young people seeking employment in the sports industry.

AFL SportsReady is a not-for-profit employment-and-training organisation and provides young people with meaningful workplace opportunities. It is the leading group-training organisation for trainee recruitment, placement, skills training and education in the sports industry and covers controlling bodies, clubs and the retail sector.

Employment and training is provided across three categories:

- School-based apprenticeships for final-year students hoping to secure employment in a sports-related industry.
- AFL SportsReady traineeships for male and female school-leavers wishing to work in sports and sports-related industries. Fields for traineeships include administration, information technology, marketing, retail, fitness, sport and recreation including event management and horticulture.
- Indigenous Employment Program, designed to create employment opportunities for young indigenous Australians through traineeships.

The AFL SportsReady program was initially conceived by Essendon coach Kevin Sheedy and funded by the AFL to provide listed players with an opportunity to enter the workforce, primarily in the sports industry.

With offices in Melbourne, Darwin, Brisbane, Perth and Adelaide, AFL SportsReady had 430 young men and women in 2005 – including 75 indigenous Australians or 17 per cent of participants – enrolled in traineeships at the end of 2004. The establishment of the Indigenous Employment Program plus the support of the Department for Victorian Communities, the West Australian Football Commission and AFL Queensland helped make this outcome possible.

In conjunction with the AFL Players' Association, AFL SportsReady also manages the Next Goal program. It seeks to assist senior players approaching the end of their careers by providing them with structured workplace training.

The AFL SportsReady Board has established the Kevin Sheedy Scholarship, a discretionary fund used to assist those who might otherwise have difficulty finding employment.

## Media relations

In 2005, media interest in the AFL hit an all-time high with a record tally of almost 750 accredited journalists. Add in on-air broadcasters and production staff at three television networks plus staff at radio stations and internet providers, and the number of people either reporting,

filming or photographing AFL football exceeds 1500 and ensures it is the most heavily reported sport in Australia.

The AFL places great importance on its relationship with the media and the high demand for information and interview requests that are received.

The AFL Media Relations Department manages the distribution of information to the media and facilitates interview requests.

In 2005, the re-organised AFL Tribunal placed an increased responsibility on the media department with the findings of the Match Review Panel distributed nationally to the media each Monday afternoon.

The department also supports the NAB AFL Rising Stars Program, the AFL Auskick program, themed rounds and other community relations programs such as the highly successful International Cup held in 2005.

Other media events, such as the AFL season launch and the Grand Final eve media conference with the competing captains and coaches, drew an unprecedented level of media interest.

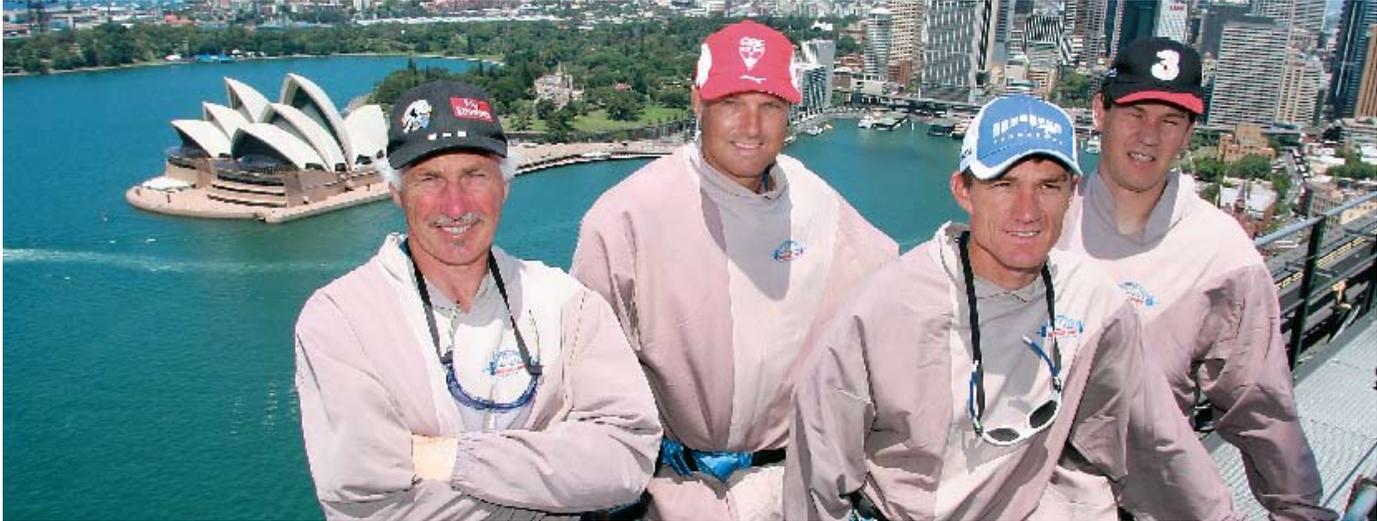
The demand on the AFL Media Relations Department is similar to that experienced by the 16 clubs. Thirteen clubs have at least two full-time staff in their media or communications departments, underlining the importance placed on effective media relations.

## Publicity and promotions

Among the host of promotional activities organised around Australia in 2005, some deserve special mention.

### New South Wales/ACT and the Northern Territory

- Manuka Oval in Canberra recorded its highest average attendance of 12,179 (84 per cent of the ground's capacity) for the three Kangaroos games at the venue in 2005.
- Manuka Oval hosted a historic match, underwritten by Foxtel, at which supporters had free entry.
- Darwin hosted a Community Camp, the bi-annual Qantas Indigenous All-Stars match, a Wizard Cup match and a premiership season match between the Western Bulldogs and Carlton.
- For the first time, four AFL Community Camps were conducted in NSW: in western Sydney (by Collingwood), northern Sydney (Essendon), Wagga Wagga (Kangaroos) and Wollongong (Sydney Swans). The Essendon camp concluded with the annual North Sydney Oval exhibition match between Essendon and the Swans.
- Four senior AFL coaches took part in a Sydney Harbour Bridge climb to promote the NSW Community Camps.
- Players and coaches visited community clubs to promote the AFL's themed rounds.
- A marketing support program, Play AFL, was launched in NSW and Queensland and targeted children still too young to join AFL Auskick programs.
- Wizard Regional Challenge matches were played in Lavington and Newcastle.



**A BRIDGE TOO FAR:** AFL coaches cross Sydney Harbour Bridge – the hard way – as part of a Community Camps promotion in Sydney early in 2005. They are (from left) Michael Malthouse, Collingwood; Paul Roos, Sydney Swans; Dean Laidley, Kangaroos, and Mark Harvey, then Essendon assistant coach.

- Two themed matches, Marn Grook and Victory in the Pacific, were played at Telstra Stadium.
- More than 80,000 people attended the Sydney Swans premiership victory parade from Circular Quay to the Sydney Town Hall. The event was jointly managed by the AFL and the City of Sydney.

### Southern markets

- Support for major events including the Toyota AFL season launch, themed rounds and the Toyota AFL finals series.
- Community Camps and the AFL's association with the Federal Government's Harmony Day reinforced the AFL's commitment to the community.
- Team jumpers signed by the 100 newly listed AFL players were distributed to their grassroots clubs.
- The NAB Rising Stars Program continued to gain widespread media coverage at metropolitan and local level.
- A crowd of more than 60,000 people attended the first NAIDOC match between Richmond and Essendon at the MCG in round 15.
- The Australian Football International Cup was contested by 10 teams from around the world. The grand final, between New Zealand and Papua New Guinea, was played at the MCG as a curtain-raiser to the Melbourne-Bulldogs clash in round 21. The cup attracted widespread media interest.
- The Grand Final Parade was attended by more than 70,000 people.
- The Foster's International Rules Series between Australia and Ireland attracted 39,000 fans to Subiaco Oval and 45,000 to Telstra Dome.

### Club involvement

The AFL and 16 club brands are the industry's most important long-term assets. The AFL and the clubs have worked closely in executing the AFL's marketing program with a particularly pleasing aspect being the clubs' greater involvement in marketing the themed rounds.

Increasingly, clubs are implementing their own marketing strategies to leverage the themes planned for the upcoming season.

In 2005, there was also an increase in the resources the clubs were devoting to researching and identifying their own brand. The AFL brand marketing team has worked closely with several clubs (Port Adelaide, the Kangaroos, Geelong and Carlton), which are developing their own brand identities and structures.

As an example, the inaugural NAIDOC game played between Richmond and Essendon celebrated indigenous history and culture and the role the competing clubs have played in fostering indigenous football talent. It was the culmination of several weeks of planning by the AFL and those clubs and attracted a 50,000-strong crowd to the MCG. Another NAIDOC game will be played in 2006.

### AFL Hall of Fame and Sensation

In 2005, the AFL joined with the Grocon Group to take over the management of the AFL Hall of Fame and Sensation, with Peter Rowland Catering taking over the day-to-day operation of the venue.

The change in management structure had a very positive effect and the AFL Hall of Fame and Sensation has shown a significant improvement in all aspects of its operations. Patronage at the venue has increased significantly with almost 10,000 visitors attending during the finals series alone.

The AFL Hall of Fame and Sensation is also becoming an increasingly popular conference and function venue, with a noticeable growth in function bookings – many from grassroots football clubs – outside the football season.

School attendances also increased, thanks to the AFL Hall of Fame and Sensation's programs relating to obesity, drug, race and religious education, and core learning areas such as mathematics and English.

[ SECTION 7 ]

FINANCE & ADMINISTRATION  
LEGAL & BUSINESS AFFAIRS

**BUILDING  
FINANCIAL  
STRENGTH**



**READY AND WAITING:**  
Essendon's 2006 captain,  
Matthew Lloyd, played his  
200th game in 2005 and  
kicked his 750th goal.

# RECORD OPERATING SURPLUS

**A strong operating surplus with increased distributions to AFL clubs and growth in reserves were the key outcomes of 2005.**

The key financial highlights for 2005 were:

- AFL revenue exceeded \$200 million for the first time.
- A record operating surplus of \$130.4 million was achieved.
- An operating profit of \$6.6 million before transfers to reserves was achieved.
- Borrowings reduced by \$10 million to \$40 million.
- A stronger financial position was recorded with net assets totalling \$52.7 million.

In 2005, the AFL recorded a net surplus after all distributions and transfers to reserves – of \$1.7 million – exceeding the budget set at the start of the AFL's financial year.

This result included the following three significant payments and transfers:

1. The payment of \$3.8 million in legal fees related to the legal action taken by the Seven Network against various parties in relation to the awarding of the AFL broadcasting rights from 2002.
2. The transfer of \$3 million to the Facilities Development Reserve. On top of the \$1.5 million which was transferred to this reserve in 2004, there is now \$4.5 million available for investment in a range of new facilities for AFL clubs and community football.
3. A transfer of \$1.8 million to the Strategic Partnership Reserve, which was established in 2005 and is available for investment in a number of projects that can be applied industry-wide and will develop revenue streams for clubs.

## AFL payments to clubs

AFL payments and financial support to clubs in 2005 included:

- A base distribution to all clubs totalling \$68.3 million – an increase of \$3 million (4.6 per cent).



**FLYING THE FLAG:** In a shared services initiative, the AFL processed the Western Bulldogs' membership applications again in 2005.

- A further payment to clubs totalling \$4.8 million from the proceeds of the sale of Waverley Park. The payment of \$0.3 million per club brought the total paid to date over the past four years to \$1.2 million per club. A further \$0.8 million per club is due to be paid during the next three years.
- A total of \$5 million was paid from the AFL's Annual Special Distribution Fund.
- Other payments to clubs totalling \$13.9 million. These payments included amounts paid from the AFL's internet rights agreement, ground buy-out agreements and distribution of AFL signage rights at Telstra Dome.

## Financial performance of AFL clubs

AFL clubs have showed positive signs of improved financial management in recent years and this trend continued in 2005. Overall, club profitability was in line with 2004, with 12 of the 16 clubs recording a profitable result.

## National Insurance and Risk Protection Program

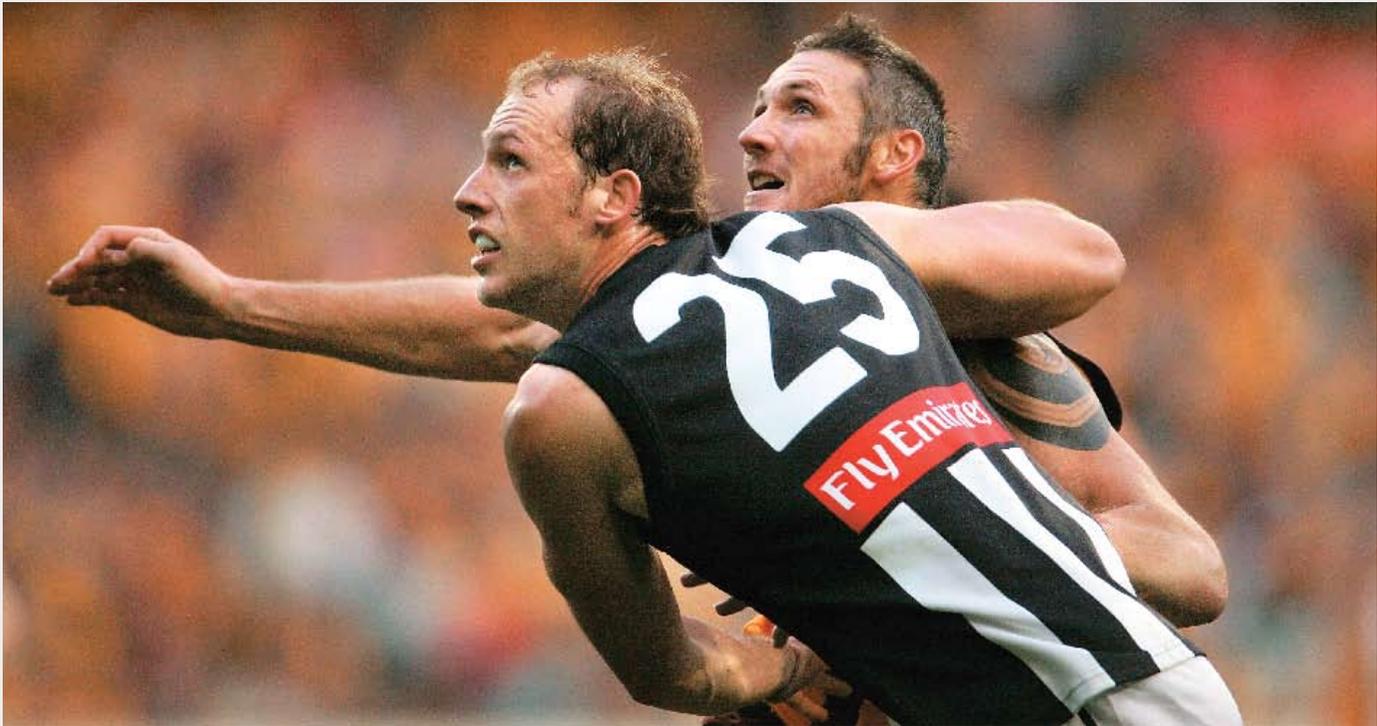
In 2004, the AFL successfully implemented a National Insurance and Risk Protection Program. The program covers players and clubs in most communities throughout Australia. It has resulted in cost reductions of about \$2 million.

In 2005, the program was further improved and resulted in the state football bodies supporting its continuation into 2006.

## Shared Services Initiatives

The AFL continues to work on a number of initiatives to improve the efficiency and effectiveness of the AFL industry. Some notable achievements include:

- Payroll processing – the AFL now handles the processing of six clubs' payrolls.
- Insurance – the AFL's consolidation of the insurance and risk management program of all 16 clubs has saved more than \$1 million in the past three years.
- Financial processing – the AFL continues to handle the accounting responsibilities for Football Victoria, AFL NSW/ACT and AFL Northern Territory. In 2005, it also took on the accounting responsibilities for Melbourne Football Club.
- Membership processing – the AFL continued to process the Western Bulldogs' membership applications in 2005.



**THE BIG MEN DUEL:** The Magpies' Josh Fraser (front) and Hawk Peter Everitt both seek the upper hand in one of many ruck duels for the season.

## OPERATING SURPLUS

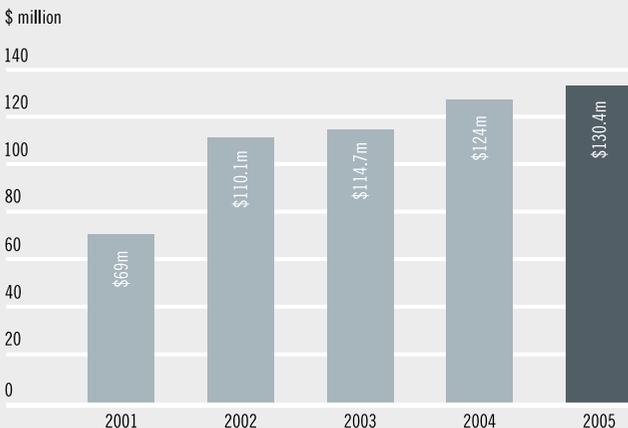
The AFL's operating surplus for the year ended October 31, 2005, was \$130.4 million – a \$6.4 million (5.2 per cent) increase on the previous year. This result was driven by a \$17.4 million increase in revenue, while keeping the increase in operating expenses (excluding interest) to \$11.3 million.

After all distributions, the AFL recorded a net surplus for the year ending October 31, 2005, of \$1.7 million. This figure exceeded the budgeted figure set at the start of the year by \$1.5 million and was the AFL's fourth consecutive net surplus.

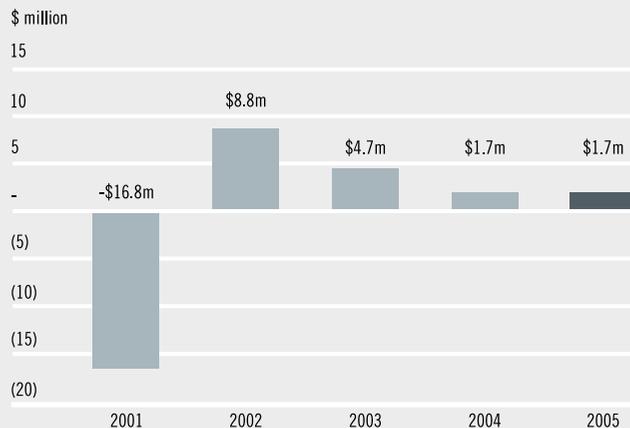
In 2000 and 2001, the AFL recorded net deficits totalling \$24 million. These deficits were planned for, given the AFL's funding of the prepayment of the increase in player payments ahead of the new television broadcasting arrangements that started in 2002.

From 2002 to 2005, the AFL has recorded a total net surplus of \$16.9 million. The AFL plans to record sufficient net surpluses in the coming years to ensure the AFL's net asset base returns to the levels existing in 1999.

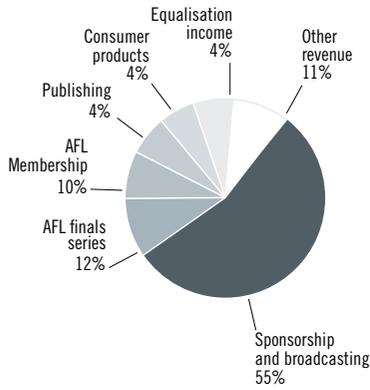
### Operating surplus – five-year history



### Net surplus – five-year history



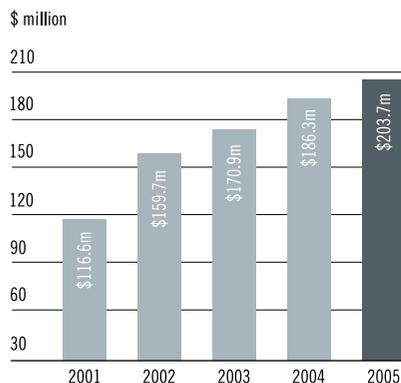
**Revenues**



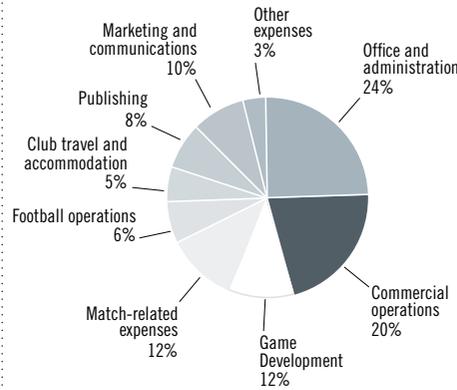
The AFL's revenue grew by \$17.4 million to \$203.7 million, an increase of 9.3 per cent. A large proportion of this increase can be attributed to increases in sponsorship revenue and the contracted CPI rise in broadcasting rights.

The AFL's major income areas included:

- Sponsorship and broadcasting – \$113.3 million (up \$6.8 million)
- AFL finals series – \$24.8 million (up \$2.5 million)
- AFL Membership Department – \$19.5 million (up \$2.4 million)
- Publications – \$8.8 million (up \$1.4 million)
- Equalisation income – \$7.8 million (up \$2.2 million)
- Consumer products – \$7.7 million (up \$0.4 million)

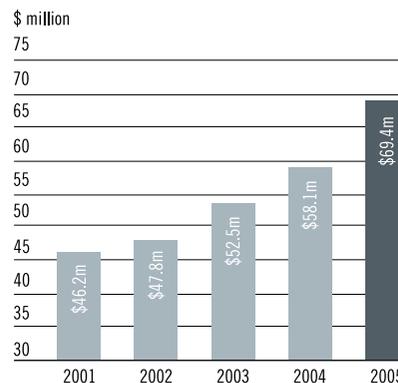


**Expenses**

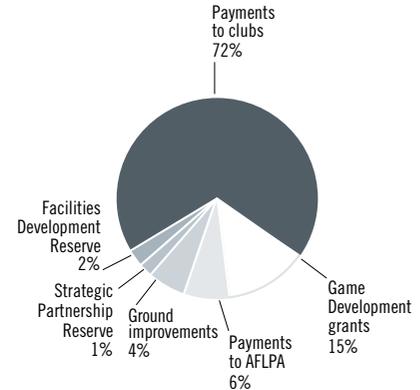


The AFL's operating expenses (excluding interest) grew by \$11.3 million to \$69.4 million, an increase of 19.4 per cent. Legal fees associated with the Channel Seven litigation and expenses associated with growing revenue through the Commercial Operations Department comprised a majority of the increase in expenditure in 2005.

The cost of running the AFL competition (i.e. the cost of playing and promoting AFL matches) comprised 41 per cent of the AFL's operating expenditure (excluding interest) in 2005.



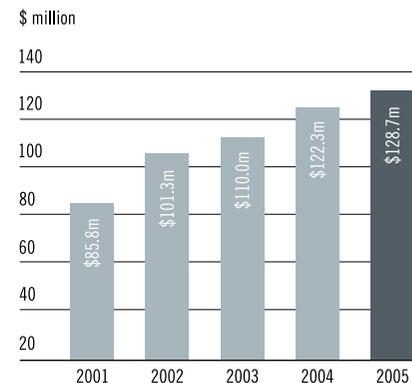
**Distributions**



The AFL's distributions grew by \$6.4 million to \$128.7 million, an increase of 5.2 per cent.

In 2005, AFL distributions comprised:

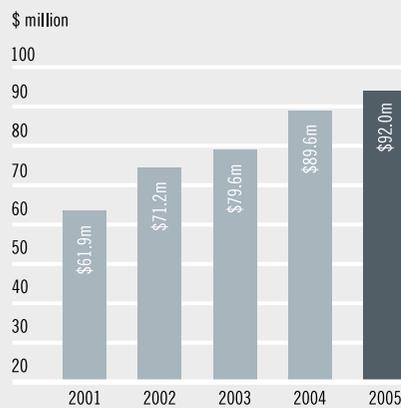
- Payments to clubs – \$92 million (up \$2.4 million)
- Payments to AFLPA – \$7.8 million (up \$0.1 million)
- Game development grants – \$19 million (up \$0.5 million)
- Ground Improvements – \$5.1 million (no change)
- Facilities Development Reserve – \$3 million (up \$1.5 million)
- Strategic Partnership Reserve – \$1.8 million (up \$1.8 million)



## PAYMENTS TO CLUBS

Payments to clubs grew by \$2.4 million to \$92 million, an increase of 2.7 per cent, and have more than doubled since 1999. In 2005, they comprised:

- Base distribution – \$68.3 million
  - Other payments – \$23.7 million
- (Other payments include prizemoney, finals allowances, ground buy-out agreements, annual special distributions, AFL club membership support packages.)

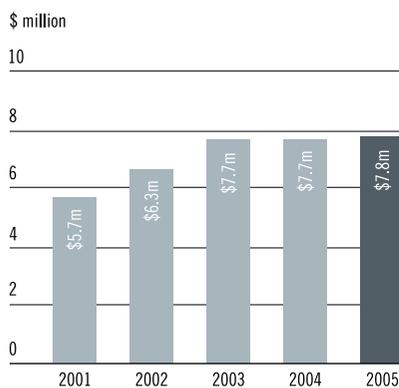


### 2005 payments

Club	Base	Other	Total
Adelaide	\$4,269,504	\$681,901	<b>\$4,951,405</b>
Brisbane Lions	\$4,269,504	\$514,533	<b>\$4,784,037</b>
Carlton	\$4,269,504	\$2,762,604	<b>\$7,032,108</b>
Collingwood	\$4,269,504	\$1,742,673	<b>\$6,012,177</b>
Essendon	\$4,269,504	\$1,421,458	<b>\$5,690,962</b>
Fremantle	\$4,269,504	\$469,686	<b>\$4,739,190</b>
Geelong	\$4,269,504	\$966,485	<b>\$5,235,989</b>
Hawthorn	\$4,269,504	\$1,225,201	<b>\$5,494,705</b>
Kangaroos	\$4,269,504	\$2,399,169	<b>\$6,668,673</b>
Melbourne	\$4,269,504	\$2,624,271	<b>\$6,893,775</b>
Port Adelaide	\$4,269,504	\$606,380	<b>\$4,875,884</b>
Richmond	\$4,269,504	\$1,221,719	<b>\$5,491,223</b>
St Kilda	\$4,269,504	\$1,794,191	<b>\$6,063,695</b>
Sydney Swans	\$4,269,504	\$1,666,144	<b>\$5,935,648</b>
West Coast Eagles	\$4,269,504	\$911,074	<b>\$5,180,578</b>
Western Bulldogs	\$4,269,504	\$2,644,883	<b>\$6,914,387</b>
<b>Total</b>	<b>\$68,312,064</b>	<b>\$23,652,372</b>	<b>\$91,964,436</b>

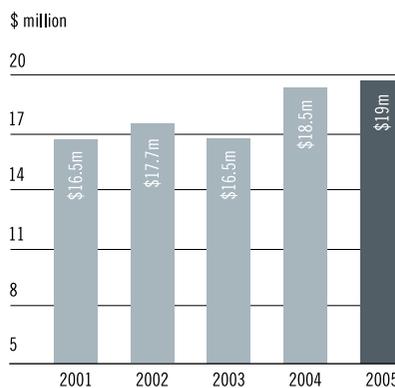
### Payments to AFLPA

As part of the Collective Bargaining Agreement between the AFL and the AFL Players' Association, the AFL was committed to paying AFLPA \$7.2 million in 2005 to help fund its activities, which include the AFL Players' Retirement Fund and various player welfare programs. The AFLPA also received royalties linked to player-related licensed products totalling \$0.6 million.



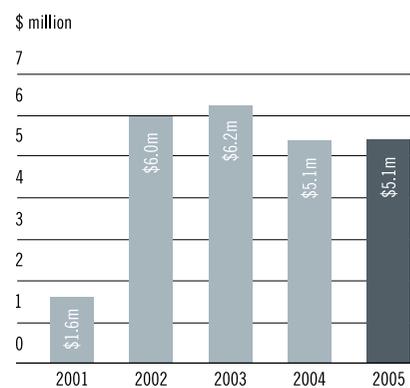
### Game development grants

Game Development grants paid to state football associations increased to \$19 million (up \$0.5 million) in 2005. This excludes the operation costs of the AFL's Game Development Department. Grants were equal to almost 10 per cent of AFL revenue with the largest grants going to Victoria, New South Wales and Queensland.



### Ground improvements

In 2005, the AFL spent \$5.1 million on ground improvements, the majority of which was its annual contribution to the funding of the redevelopment of the Northern Stand at the MCG and ongoing payments for the Great Southern Stand. Other venues supported financially included Skilled Stadium, AAMI Stadium, Aurora Stadium and Telstra Stadium.



# SUPPORTING AND ADVISING

With many tasks to fulfil across all areas of AFL operations, Legal and Business Affairs provided a wide range of services in 2005.

The AFL's Legal and Business Affairs Department had a busy and constructive year in 2005.

Major projects have included:

- New and renewed sponsorship agreements.
- Continued Federal Court litigation instituted by the Seven Network in relation to the sale of the AFL broadcast rights for the 2002-2006 period.
- General provision of services and support to all departments across the AFL, plus close liaison on various projects with the AFL's external legal advisors, Browne & Co., and the AFL's state-affiliated bodies.

In its role within the structure of the AFL, the department provides legal support and advice to the AFL Commercial Operations Department.

This includes, among other things, negotiating and monitoring the AFL's suite of licensing agreements, actively protecting the intellectual property and brand of the AFL, which includes all AFL club logos and registered guernsey designs, and ensuring the AFL, clubs and players comply with contractual obligations to our broad range of sponsors and sponsored categories.

The past year saw extensions to long-term relationships with Foster's Australia Group (formerly Carlton & United Beverages), Qantas and Coca-Cola, as well as the negotiation of sponsorship agreements with Sony, Reebok, City of Melbourne and Rebel Sport, and new agreements within the wagering industry with Betfair and Tabcorp.

The department worked closely with AFL Game Development across the AFL Auskick program and in formulating the new AFL Scholarship Scheme to attract talented young athletes to the game from Greater Sydney.

The department was also involved in a number of major projects with AFL NSW/ACT, including establishing the new AFL Greater Sydney Juniors program.

Work with the AFL Broadcasting, Strategy and Major Projects Department included venue arrangements for Aurora Stadium, Carrara Oval and Manuka Oval.

The department advised the AFL Football Operations Department on the many issues associated with the World Anti-Doping Agency

Drug Code and the AFL's position and compliance in relation to its own Anti-Doping and Illicit Drug Codes, and amendments required to those codes in order for them to be considered WADA compliant.

Another current football operations task involves formulating a new AFL Players' Code of Conduct to be introduced in 2006 in conjunction with the AFL Players' Association.

The introduction of AFL administered shared services (payroll, finance and membership services) to a number of AFL clubs has resulted in the establishment of appropriate agreements between the AFL and clubs in relation to the provisions of those services.

Extensive work was also undertaken to formalise the AFL's new role as one of the joint owners of the AFL Hall of Fame and Sensation.

The department performed its usual support role within the AFL Marketing and Communications Department, providing assistance with protection of the brand and use of AFL intellectual property in marketing initiatives by the AFL, AFL clubs and sponsors, and in advising on terms and conditions for the AFL's wide range of competitions, promotions and other brand initiatives.

Other major issues dealt with by Legal and Business Affairs in 2005 were:

1. Management of the Federal Court litigation instituted by Seven Network/C7.
2. New and expanded sponsorship agreement with National Australia Bank.
3. Assisting the AFL's Corporate Hospitality and Events Department in establishing successful Grand Final week activities such as the September Club, the Federation Square events and the Seriously – One Night in September Party.
4. Successful implementation and compliance with the 2005 AFL Grand Final ticketing scheme in conjunction with the Victorian Government.
5. Successful negotiation and variation to the AFL's long-standing agreement with the MCC in relation to the AFL's obligations during the finals series.
6. Involvement with the working party in establishing the AFL's new Respect and Responsibility Policy.

**A WAITING GAME:** Legal and Business Affairs supports the AFL's Events Department with major projects such as Grand Final week activities, including the Grand Final Parade.

One Day in September



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The introduction of AFL administered shared services (payroll, finance and membership services) to a number of AFL clubs has resulted in the establishment of appropriate agreements between the AFL and clubs in relation to the provisions of those services.

Extensive work was also undertaken to formalise the AFL's new role as one of the joint owners of the AFL Hall of Fame and Sensation.

The department performed its usual support role within the AFL Marketing and Communications Department, providing assistance with protection of the brand and use of AFL intellectual property in marketing initiatives by the AFL, AFL clubs and sponsors, and in advising on terms and conditions for the AFL's wide range of competitions, promotions and other brand initiatives.

Other major issues dealt with by Legal and Business Affairs in 2005 were:

1. Management of the Federal Court litigation instituted by Seven Network/C7.
2. New and expanded sponsorship agreement with National Australia Bank.
3. Assisting the AFL's Corporate Hospitality and Events Department in establishing successful Grand Final week activities such as the September Club, the Federation Square events and the Seriously – One Night in September Party.
4. Successful implementation and compliance with the 2005 AFL Grand Final ticketing scheme in conjunction with the Victorian Government.
5. Successful negotiation and variation to the AFL's long-standing agreement with the MCC in relation to the AFL's obligations during the finals series.
6. Involvement with the working party in establishing the AFL's new Respect and Responsibility Policy.

**A WAITING GAME:** Legal and Business Affairs supports the AFL's Events Department with major projects such as Grand Final week activities, including the Grand Final Parade.

