

SWANS SPIRIT
Luke Parker typified Sydney's resolve in 2014, helping take the club all the way to the Grand Final while winning his first Bob Skilton Medal as club best and fairest.

CHAIRMAN & CEO'S REPORTS

MIKE FITZPATRICK, CHAIRMAN
GILLON McLACHLAN, CHIEF EXECUTIVE OFFICER

CHAIRMAN'S REPORT

During a period of significant transition, the AFL has focused on revised revenue sharing to give every club an opportunity for on-field success.



MIKE FITZPATRICK
CHAIRMAN

I am pleased to report that in 2014 our game achieved steady growth, introduced a revised approach to revenue sharing that we believe will strengthen the on-field competition, and appointed a new leadership at the AFL Commission, at CEO and executive level.

These achievements took place during what has been a challenging time for our game, and we finished the year making key decisions with the interests of our supporters and fans at heart.

The 2014 Toyota AFL Premiership team, Hawthorn, delivered a virtuoso performance on Grand Final day and indeed during the whole season – great football, wonderful teamwork, a tough coach who battled a severe illness during the season to win his third premiership, and a captain who joined former Hawk Gary Ayres and Adelaide champion Andrew McLeod as two-time winners of the Norm Smith Medal as best afield in the Grand Final. Hawthorn is a great club on and off the field.

During 2014, the AFL Commission focused on a number of strategic items:

- A revised competitive balance policy designed to give each club a chance to compete strongly on-field regardless of its financial strength.
- Managing the issues related to the supplements program conducted by the Essendon Football Club in 2012. At the time of finalising this report, the Anti-Doping Tribunal was still considering the charges.

It was also a period of significant transition for our organisation, with the appointment of a new Chief Executive Officer, Gillon McLachlan, and three new AFL Commissioners, who bring significant business, football, community and leadership skills to the AFL Commission.

Former Foxtel and NewsCorp Australia Chief Executive Kim Williams joined the AFL Commission in March 2014 to replace Chris Lynch, while Major General Simone Wilkie and former West Coast Eagles and Sydney Swans ruckman and Macquarie Bank executive Jason Ball were appointed as AFL Commissioners-elect in December 2014 to replace Bill Kelty and Linda Dessau, who will retire from the AFL Commission at our Annual General Meeting in March 2015. →

> A revised competitive balance policy designed to give each club a chance to compete strongly on-field



CHANGING OF THE GUARD
AFL Commission Chairman Mike Fitzpatrick and the outgoing Andrew Demetriou welcome new CEO Gillon McLachlan. ←

APPOINTMENT OF GILLON McLACHLAN

The appointment of a Chief Executive Officer is arguably the most important decision a board of directors must make.

After Andrew Demetriou announced his resignation as Chief Executive Officer in March 2014, the focus of the AFL Commission was to identify the best person for what we think is the biggest job in Australian sport.

AFL Commissioners Linda Dessau and Bill Kelty joined me on a sub-committee to oversee the selection process which included identifying up to 100 potential candidates via an executive search.

The list was narrowed down to 20 and finally to three candidates who were interviewed by the AFL Commission.

In appointing Gillon McLachlan to the role, we were delighted to be able to select someone from within our game and in our view he was the outstanding candidate for the job.

While Gill has the experience and knowledge to lead the AFL, he also outlined to the AFL Commission a detailed view of the challenges and issues for the future of Australian Football and his plan to meet those challenges.

We were pleased with the strong support we received for Gill's appointment from all sections of the AFL industry.

In his previous roles with the AFL, including as Deputy Chief Executive Officer to Andrew Demetriou, he has built a reputation as a strong consensus leader who has been involved in some of the biggest decisions our game has made in recent years.

While he has had considerable experience in the business of the AFL, including commercial operations, broadcasting, the establishment of AFL Media and major stadium projects, he also has a good understanding of the game at a community level having played more than 200 games of amateur and country football, including three years as captain of the University Blues Football Club in the Victorian Amateur Football Association.

His service to University Blues was recognised with life membership of the club in 2003.

Gill joined the AFL as a strategic planner in May 2000 and was appointed General Manager, Commercial Operations in 2003 before assuming additional responsibilities for broadcasting and major projects in 2006.

In 2008, he was promoted to the role of Chief Operating Officer with responsibility for broadcasting and digital media, fixturing, venue agreements and stadia infrastructure.

He was appointed Deputy Chief Executive Officer in December 2012.

The AFL Commission looks forward to working with Gill, his executive team, the AFL clubs and our key partners and contributors to the game on the continued development and growth of Australian Football at all levels.

> In our view, he was the outstanding candidate for the job

SA FANS EMBRACE NEW ADELAIDE OVAL

> The acceptance of Adelaide Oval exceeded even our high expectations

On any measure, the opening of the redeveloped Adelaide Oval as the home ground of the Adelaide and Port Adelaide Football Clubs was an unqualified success.

The new venue was embraced by the members and supporters of both clubs, with 1,066,400 people attending the home games of Adelaide and Port Adelaide and the elimination final between Port Adelaide and Richmond.

- 528,808 people attended Adelaide home games at Adelaide Oval at an average of 48,046 people a game, up more than 42 per cent on the 369,740 people at an average of 30,264 a game at AAMI Stadium in 2013.
- 488,066 people attended Port Adelaide home games at Adelaide Oval at an average of 44,364 a game, up more than 64 per cent on the 296,068 people at an average of 26,915 a game at AAMI Stadium in 2013.

Port Adelaide, in particular, set a new standard for how an AFL match should be presented with a particular focus on involving its supporters and members in the lead-up to each game.

The acceptance of Adelaide Oval by the football public of South Australia exceeded even our high expectations and endorsed the South Australian Government's significant investment of more than $535 million in the project.

AFL matches at the new venue made an estimated net economic contribution to the local economy of $96.8 million, a 72 per cent increase on the net contribution of AFL matches at AAMI Stadium to the local economy in 2013 of $56.3 million.

EMBRACED BY ALL
The redeveloped Adelaide Oval has transformed football in South Australia. ↓



THE CONTRIBUTION OF

ANDREW DEMETRIOU

While the AFL has been fortunate to have had several outstanding administrators to lead our organisation throughout its history, I believe Andrew Demetriou has been one of our most influential Chief Executive Officers and delivered on our principle that it is the responsibility of those given the role of temporary custodians of the game to leave it in better shape than they found it when they began their role.

In some ways, it was fitting that Andrew announced his resignation in March 2014, about a month before the first Toyota AFL Premiership Season game was played at Adelaide Oval between Port Adelaide and Adelaide, because the stadium was one of his proudest achievements.

He was frequently told he would never get football and cricket in South Australia to agree to a joint project given the history between the two organisations after the SANFL left Adelaide Oval in the 1970s to develop its own ground at West Lakes.

That decision was taken because the SANFL could not improve the terms which cricket was prepared to give football to use Adelaide Oval as its major venue, including as home of the SANFL Grand Final.

Andrew was able to secure that agreement along with funding of more than $535 million from the South Australian Government.

The Demetriou era saw the competition grow from 16 clubs to 18, AFL involvement in other significant new stadium developments plus growth in membership, attendances, sponsorship, broadcast rights and digital media platforms.

Another real strength of Andrew's leadership was his determination to give our game an ethical underpinning by promoting the role of women at all levels of our game, embracing multicultural communities, expanding opportunities for Indigenous Australians to be involved in our game at all levels, protecting the integrity of the game and emphasising the health, safety and welfare of players.



PAST AND PRESENT
Andrew Demetriou with former AFL CEOs Ross Oakley (left) and Wayne Jackson (right) and new chief Gillon McLachlan. ←

The growth in the business of the game during Andrew's term as Chief Executive Officer was highlighted by four generational strategies:

- Competition expansion – the establishment of two new AFL clubs, the Gold Coast Suns and Greater Western Sydney Giants, in two key growth areas, south-east Queensland and western Sydney.
- Infrastructure – development of first-class stadium facilities for supporters and to encourage increased attendance by women and children in particular at AFL matches. About $3 billion has been invested since 2003 by various governments with contributions from the AFL for major projects in Adelaide, Canberra, Geelong, Gold Coast, Hobart, Melbourne and Sydney. Work has also started on a new stadium in Perth which will be the home game venue for the Fremantle and West Coast Eagles Football Clubs from 2018. Since 2007, more than $330 million has been invested by governments at all levels and with support from the AFL of $25 million to support the development of new or upgraded facilities for more than 500 community clubs throughout Australia.
- AFL Media – the establishment of the AFL's digital media business as a competition asset.
- Truly national code – premiership season matches played in every state capital city as well as regional centres including Alice Springs, Cairns, Canberra, Darwin and Launceston.

Andrew played 103 games for North Melbourne and three for Hawthorn after being recruited from the Pascoe Vale Football Club in 1981.

In 1998, he was appointed Chief Executive Officer of the AFL Players' Association before joining the AFL in May 2000 as our General Manager, Football Operations.

The AFL Commission appointed Andrew Chief Executive Officer in September 2003 to succeed Wayne Jackson.

On behalf of the AFL Commission and everyone involved in our game, I would like to sincerely thank and congratulate Andrew for his very significant contribution to the AFL and we wish him, his wife Symone and their family every success in the next phase of their life.



HIGH HOPES
Demon Jeremy Howe soars over Magpie Alex Fasolo in the Queen's Birthday blockbuster. →

COMPETITIVE BALANCE – EVERY TEAM, EVERY CHANCE

America's National Football League has a mantra that says "On Any Given Sunday", meaning the NFL is based on the principle of any club being able to win on any week of the season, regardless of any club's financial strength or size of its supporter base.

It was a philosophy adopted by our predecessors who were members of the first VFL Commission appointed in 1984.

Not long after that, the decision was taken to establish a national competition using the VFL clubs as the cornerstone of expansion.

Since the competition first expanded for the 1987 season, strategies such as the national draft, salary cap and the sharing of revenue generated through competition broadcast rights, sponsorship, the finals and licensing of consumer products have been employed to make the competition as even as possible.

Our competitive balance policy is based on the philosophy that every supporter and member of our 18 clubs should believe their club has a genuine chance of winning in each week of the season.

It has been a philosophy on which the competition has been based since the 1980s when the national draft, salary cap and revenue sharing were introduced as fundamental planks for the game, designed to give each club the opportunity to win.

This philosophy promotes a "managed" or equalised competition to deliver competiveness on-field and uncertainty of outcomes which in turn builds supporter interest because results are not foregone conclusions.

Since 1990, every AFL club except the Gold Coast Suns and Greater Western Sydney Giants has reached a preliminary final and 14 clubs have reached the Grand Final, with 11 different clubs winning premierships.

In the 20 years before 1990, only seven clubs played in the Grand Final and five won premierships.

The philosophy is also based on the understanding that the real basis for competition is not between the AFL clubs but between our game and the host of other sports, leisure and entertainment options available to the public – maintaining and building interest in our game is maximised when the on-field competition is fierce and close.



WINNING SMILE
Fans need to know their team has a fighting chance every game. ←

In 2014, the AFL Commission introduced a revised competitive balance policy designed to ensure we continue to give the supporters and members of each AFL club the belief their club is a genuine chance to win each week.

We acknowledge that our generational decision to expand the AFL competition by establishing new clubs the Gold Coast Suns and Greater Western Sydney Giants has skewed results in recent seasons and also impacted on the distribution of young talented players via the national draft.

The revised competitive balance policy is detailed in the strategy and club services section of this report but I would like to compliment the 18 AFL clubs for their contribution to the development and implementation of the policy.

This outcome was a good example of maximum competition between AFL clubs on-field and maximum co-operation between AFL clubs and the AFL off-field.

It was at times a hotly debated issue – as it should be – but I would like to thank and acknowledge the contribution of all clubs and for the consensus which was reached and based on the following set of principles endorsed by the AFL clubs in March 2014:

- All clubs to have the capacity to pay 100 per cent of TPP and ASA limits.
- All clubs to have the capacity to fund a level of non-player expenditure to be competitive on-field while maintaining overall profitability.
- To deliver financial viability and on-field competitiveness, an enhanced revenue-sharing system including both central and local revenue was required.
- A mechanism to control growth in non-player football spend was required.
- An aspiration to move towards a pure draft and salary cap.
- An aspiration to pay the players more, if affordable for the industry.
- Supplementary funds were required in addition to increased revenue sharing to address structural inequities, e.g. fixture cycle, stadia deal, supporter base size, non-football businesses.
- Revenue-sharing recipients must remain incentivised to grow and actively address causes of disadvantage.
- AFL to provide more central support and enforce stronger penalties for non-compliance.
- No club to be unfairly disadvantaged by the new competitive balance policy.

I would also like to thank the following AFL club representatives who formed a working party with AFL Commissioner Paul Bassat, Andrew Demetriou, Gillon McLachlan and our General Manager, Strategy and Club Services, Sam Graham, to develop the competitive balance policy:

- AFL club Presidents – Peter Gordon (Western Bulldogs), Eddie McGuire (Collingwood) and Andrew Newbold (Hawthorn).
- AFL club Chief Executive Officers – Brendon Gale (Richmond), Trevor Nisbett (West Coast Eagles) and Keith Thomas (Port Adelaide).

> Every supporter and member of our 18 clubs should believe their club has a genuine chance of winning

COMPETITION INTEGRITY

The investigation commenced by the Australian Sports Anti-Doping Authority in 2013 into the 2012 supplements program conducted by the Essendon Football Club continued in 2014.

The investigation culminated in ASADA issuing show cause notices to 34 current and former players of Essendon on June 13, 2014.

A summary and update of the issues is contained in the integrity section of this report.

As this report was being finalised, an application by James Hird challenging the AFL and ASADA's investigation was denied. Two Federal Court cases and four Federal Court judges have now found that the AFL and ASADA joint investigation was properly and lawfully conducted, within the rules of our game, and within the legislative powers of the anti-doping authority.

Like all football fans, the Commission is very keen for this process to be finalised.

We have many lessons to learn from the past few years. All sports must be vigilant in protecting the purity of elite competition. Ensuring that our competition and athletes can strive for the best, but are safe from questionable practices and poor governance will remain a key focus of the AFL as we see through this process.

New measures were introduced by the AFL Commission in 2014 to protect and enhance the integrity of the game:

- Our standalone integrity unit with increased resources and responsibilities completed its first full year of operation.
- An amended Anti-Doping Code was approved by the AFL Commission.
- The amended code included the concept of "controlled treatments" to give club doctors the final approval of all treatments provided to players and to record such treatments in a register to be monitored by the AFL.
- Access on match-days to club dressing rooms and coach's boxes was restricted to people accredited by the AFL. The use of mobile phones in restricted areas was banned on match-days except for specified officials.

Nothing is more important to the AFL Commission than the health and welfare of our players and the integrity of the game and we will continue to do everything within our power to reinforce both positions.



FINANCIAL RESULT

AFL revenue increased by $12 million in 2014 to $458 million, an increase of three per cent on the total 2013 revenue of $446 million.

Before grants and distributions, our operating surplus was $316 million.

The key financial highlights were as follows:

- Revenue increased by $12 million or three per cent to $458 million.
- Expenditure increased to $142 million or four per cent due to revenue-related increases.
- The operating surplus before grants and distributions increased by two per cent to $316 million.
- The AFL provided $216 million to AFL clubs compared with $209 million in 2013.
- The AFL allocated $26.8 million to the Gold Coast Suns and Greater Western Sydney Giants consistent with our competition expansion plans.
- After grants and distributions, the AFL's net profit decreased by $4 million in 2014 to $12.5 million which will be reinvested in the AFL's Future Fund.

BROADCAST AND CORPORATE PARTNERS

Our game is fortunate to enjoy substantial support from our broadcast and corporate partners who make it possible for us to continue to invest in and develop our game at all levels.

During our 2014 Toyota AFL Premiership Season launch in Adelaide in March, we were delighted when Toyota announced it would extend its partnership with the AFL until the end of the 2016 season.

The 2014 season was the 11th in which Toyota has been our Premier Partner, covering the Toyota AFL Premiership Season, Toyota AFL Finals Series, Toyota AFL Grand Final Parade and Toyota AFL Grand Final.

Toyota supports its partnership with the AFL through its 'Legendary Moments' campaign and also invests in community football through the 'Good for Footy' program, which has contributed more than $2.6 million to community football.

I also wish to acknowledge the significant support we receive from many of Australia and the world's leading companies, including Carlton and United Breweries, Coca-Cola, National Australia Bank and our official domestic airline Virgin Australia.

The supporters and members of our 18 AFL clubs are very well served by our broadcast partners, the Seven Network, Foxtel and Fox Sports, digital media partner Telstra as well as our radio broadcasters.

Any supporter of our game can watch every match live on television or their mobile device or listen to a radio broadcast wherever they are located.

Via our digital media network in partnership with Telstra, AFL Media continued to provide a high level of coverage of our game to supporters and members while enhancing its position as Australia's most popular sports digital media network.

From January to October 2014, aggregate unique monthly visitors to *AFL.com.au*, the club websites (mobile and desktop), the AFL Live app and the 18 official club apps grew by more than 29 per cent on 2013 to 89 million.

GOVERNMENT

Major projects such as the redevelopment of Adelaide Oval are not possible without the support of government.

We think it is appropriate for the AFL to also contribute financially to infrastructure development ranging from a major stadium such as Adelaide Oval to new or upgraded facilities for local community clubs.

To the best of our knowledge, we continue to be the only national sporting body which contributes financially to stadium and community facility projects.

Working with government at all levels continues to be a major priority for the AFL Commission, not just through facility projects but other programs which support Indigenous and multicultural communities, encourage healthy lifestyles and participation in sport.

> We have many lessons to learn from the past few years. All sports must be vigilant in protecting the purity of elite competition

AFL CLUBS

The AFL Commission greatly appreciates the support it receives from the 18 AFL clubs.

We – the AFL Commission and clubs – do not necessarily agree all the time on the various issues we deal with nor do we – the AFL Commission and clubs – necessarily get everything right.

But our governance structure of an independent AFL Commission appointed by the AFL clubs continues to serve our game very well in my view.

In 2015, it will be 31 years since the first VFL Commission was appointed in December 1984 for an initial period of 12 months.

A year later, in December 1985, the clubs confirmed the appointment of the Commission to manage the game.

Until then, the game was managed by a board of directors consisting of a representative of each club.

The success and popularity of our game is driven by the AFL competition and I would like to thank each board member, staff member, player, coach, support staff and volunteer from the 18 AFL clubs for their contribution to Australia's only indigenous game.

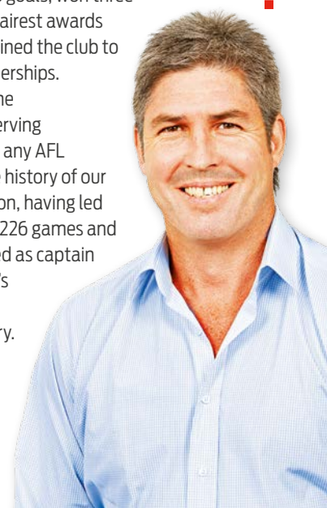
In particular, I would like to acknowledge the extraordinary contribution to the game by Carlton Football Club's premiership captain Stephen Kernahan, who resigned in 2014 as President of Carlton, a position he had held since 2008.

Stephen played a total of 403 senior games and kicked 1133 goals for the Glenelg Football Club in the SANFL, Carlton and in State of Origin for South Australia.

He is a member of the Australian Football Hall of Fame, SANFL Hall of Fame and is a Life Member of the AFL.

For Carlton, he played 251 games, kicked 738 goals, won three best and fairest awards and captained the club to two premierships.

He is the longest-serving captain of any AFL club in the history of our competition, having led Carlton in 226 games and was named as captain of Carlton's Team of the Century.





AFL COMMISSION 2014
(from left) The Hon Linda Dessau AM, Paul Bassat, Sam Mostyn, Mike Fitzpatrick, Gillon McLachlan, Chris Langford, Richard Goyder, Kim Williams and Bill Kelty. ↖

AFL COMMISSION, EXECUTIVE

As I indicated earlier in this report, the past year was one of transition for the AFL Commission following the retirements of Chris Lynch, Bill Kelty and The Hon Linda Dessau AM.

CHRIS LYNCH

Chris Lynch announced his resignation from the AFL Commission in February 2014 after serving on the Commission for 12 months while based in London following his appointment as Chief Financial Officer of Rio Tinto.

His final meeting as an AFL Commissioner was in Sydney on February 17.

He was appointed to the AFL Commission in 2008 and chaired the Audit Committee and was a member of our broadcasting sub-committee.

He played for Geelong in the VFL in the 1970s and also played in his home town of Broken Hill, for Werribee and in the Geelong District Football League before his retirement as a player.

Chris held a number of senior positions during his business career, including Chief Financial Officer for Alcoa Europe, Chief Financial Officer for BHP Billiton, Executive Director and Group President Carbon Steel Materials and Chief Executive Officer of Transurban before accepting his London-based appointment with Rio Tinto.

Through his financial and business acumen, Chris made a significant contribution to the AFL Commission during a period of change for the AFL led by the establishment of two new clubs – the Gold Coast Suns and Greater Western Sydney Giants.

His position on the AFL Commission was taken by former Foxtel and NewsCorp Australia Chief Executive Officer Kim Williams.

Kim has brought significant experience and knowledge of broadcasting, digital and print media to the AFL Commission as well as a broad lifelong interest in the arts.

His appointment was recommended by a sub-committee which I chaired and included fellow AFL Commissioner Linda Dessau, Collingwood Football Club President Eddie McGuire and West Coast Eagles Football Club Chairman Alan Cransberg.

BILL KELTY

Bill Kelty is our longest-serving AFL Commissioner, having been in the role since 1998.

His contribution to the game has been immense with a strong commitment to community football, the role of women in the game and the contribution of Indigenous players to the game.

He has brought clear thinking to our decision-making and always reminded us of our broader responsibilities to the clubs, players, coaches, supporters and members.

With former Essendon and GWS Giants coach Kevin Sheedy, former AFL Commission Chairman the late Ron Evans and former Federal Government Minister Simon Crean, Bill also played a leading role in the establishment of AFL SportsReady, which celebrated its 20th anniversary in 2014 and has provided education and job training opportunities for some 12,000 people since 1994.

> (Kelty's) contribution to the game has been immense with a strong commitment to community football

THE HON LINDA DESSAU AM

On February 11, 2015, Victorian Premier Daniel Andrews announced that The Hon Linda Dessau AM had been appointed the next Governor of Victoria.

Linda has been an AFL Commissioner since 2008 and will take up her appointment as Governor of Victoria on July 1, 2015.

She will retire from the AFL Commission at the Annual General Meeting on March 25, 2015.

Her appointment as Governor of Victoria recognises her outstanding contribution to the community in a range of roles including her legal career and a lifetime of support for the arts community.

Linda has been a very strong contributor to the AFL Commission and I have no doubt she will be a great success in her new role as Governor of Victoria. →

While Chris Langford announced his retirement from the AFL Commission in December 2014, after the announcement of Linda's appointment and given the changes to the AFL Commission in the past 12 months, I asked Chris to remain on the AFL Commission for a further 12 months.Chris kindly agreed to delay his retirement for another year.

We announced in December 2014 that Major General Simone Wilkie AM and Jason Ball had been appointed AFL Commissioners-elect.

Major General Wilkie is Australia's most senior female Army officer and has served in Iraq and Afghanistan.

She is a member of the Australian Defence Force Board of Management and chairs the ADF Sports Council. She was educated in Ballarat and is the daughter of Ian Burt, who played four games for Essendon in 1959 before coaching in the Bendigo and Ballarat districts.

Jason Ball was a premiership player for the West Coast Eagles in 1994 and the Sydney Swans in 2005.

He was a board member of the Sydney Swans until this year when he resigned to take up his appointment to the AFL Commission.

He is a senior executive with the Macquarie Bank in Sydney.

Major General Wilkie and Jason are people of exceptional quality and will bring new strategic insights to our game.



HUGE HONOUR
The Hon Linda Dessau AM, pictured with AFL Commission Chairman Mike Fitzpatrick, has been appointed the new Governor of Victoria. ↖

Their appointments were recommended by a sub-committee which I chaired and included AFL Commissioner Linda Dessau along with Fremantle Football Club President Steve Harris and Western Bulldogs Football Club President Peter Gordon.

I would also like to place on record my sincere appreciation of AFL Commissioners Linda Dessau, Sam Mostyn, Paul Bassat, Richard Goyder, Bill Kelty, Chris Langford and Kim Williams and their respective partners for their continued contribution to our game in the past year.

The demands on their time are substantial, particularly in the context of some of the more challenging and complex issues we have been dealing with in the past 12-24 months.

A sincere thank you also to our executive team led by Andrew Demetriou and Gillon McLachlan for their role in a year in which all of our key measures were at the forefront of Australian sport.

In closing, I wish to thank all AFL staff for their contribution to all areas of our game – your efforts are greatly appreciated, as are our clubs, supporters and members.



Mike Fitzpatrick
Chairman
AFL Commission

CEO'S REPORT

Answerable to the fans, the community, the clubs and the players, the AFL's objective is to see the game continue to grow and prosper.

GILLON McLACHLAN
CHIEF EXECUTIVE OFFICER



Like many millions of Australians, our game has been big a part of my life for as long as I can remember.

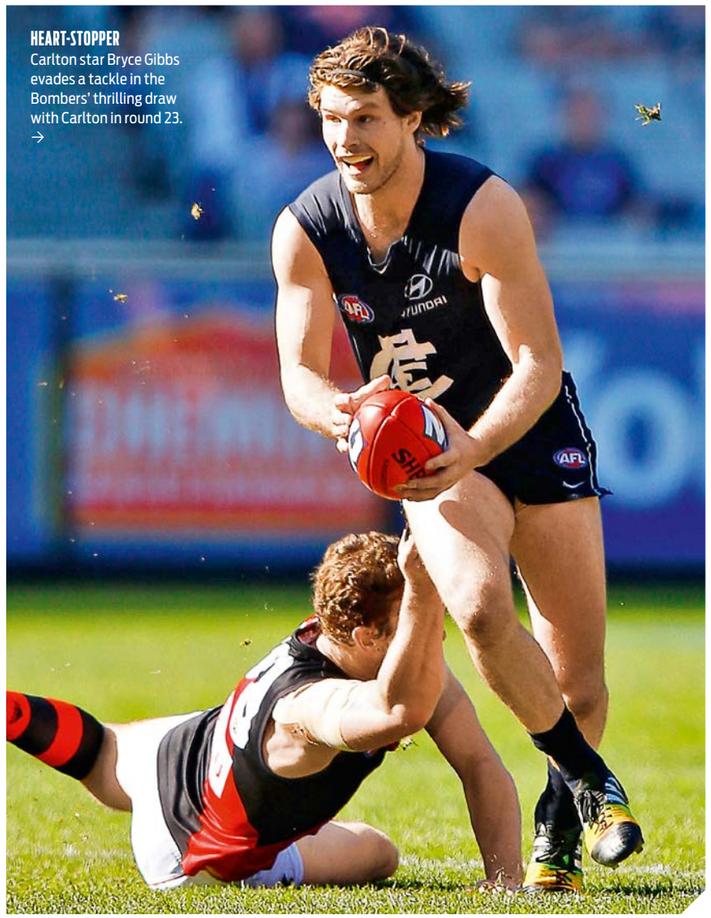
I grew up in South Australia, supporting the Sturt Football Club as a kid. I played at school and was fortunate to play more than 200 games of country and amateur football.

When I was appointed CEO by the AFL Commission on April 30, I made the commitment that I would be accountable to the four masters of our game:

1. The fans
2. The community
3. The clubs
4. The players

It is a great privilege to be stepping up to manage Australia's only indigenous football code and I want to thank my predecessor Andrew Demetriou for leaving the game in a very strong position. The game is certainly in a better place for his leadership, and during his 13 years as CEO, we grew our national footprint and articulated a strong social vision for our game. →

> We must not lose sight of what matters – making as many people as possible love our game as much as we do



HEART-STOPPER
Carlton star Bryce Gibbs evades a tackle in the Bombers' thrilling draw with Carlton in round 23. →

THE BIG CHALLENGES

The support of so many Australians for the AFL competition makes our game stand out – the membership numbers, the turnout in our stadiums, the huge tribes that support our clubs, the numbers who participate – and we proudly compete with the great national competitions around the world across all sports.

And my key job as AFL CEO is to manage the game so that the competition prospers and grows.

We cannot be complacent. We cannot take our success for granted.

Our code competes not only with the other football codes, but with all the entertainment options that the next generation have on offer. We live in a time of extraordinary change, where technology is driving changes in business, the media, social and cultural institutions and in sport and entertainment.

For the good of our game, we must continue to be at the forefront of these changes. We must continue to reach out to new supporters and new communities, while celebrating our traditions and heritage. We must protect our links to community and our history, but not be frightened to make changes that ensure our clubs and competition prosper.

And we must not lose sight of what matters – making as many people love our game as much as we do – either because they start at Auskick and grow up with us, or because they inherit the passion from their parents, or simply because our code is the most exciting, explosive and fast-paced game to follow.

If we can do two core things – grow the game across Australia and across all platforms and ensure our clubs are strong and competitive – we have a very positive future.

I am confident that what we have to do is achievable – the execution will require industry collaboration at all levels and hard work.

For the AFL competition, that will mean:

- Strong, sustainable clubs playing a spectacular contest.
- The best athletes playing in a fair, transparent and highly competitive competition.
- Matches which are very well officiated.
- A great experience for our supporters however they choose to participate – at the game, as a passionate club member, as a TV spectator, as a volunteer.
- Investment in the community level of football.

And of course, at the heart of our game is competitive balance – the idea that every club is given every chance to succeed and win.

The hope of victory is the lifeblood of sport – and it gets our fans back at the start of every season. It is critical for the AFL to strengthen all our clubs and to give all our supporters that hope of success.

This topic is covered in detail in the report by our Chairman Mike Fitzpatrick and the strategy section.

During 2014, there were signs the competition was getting tighter.

The season was only the third since 1990 when our name changed to the AFL that all clubs had both won at least four games and lost four games by round 18, the others being the 1998 and 2010 seasons.

It was also only the 20th time it had happened since 1897 when the competition was established.

The make-up of the finals was also not determined until the final round of the season.



EXPLOSIVE
Classy Cat Steven Motlop celebrates a team-lifting goal. →

KEY MEASURES

The passionate support for the 18 AFL clubs and players was reinforced by the following key measures for the AFL competition in 2014:

- Attendances – total attendance for the 2014 Toyota AFL Premiership Season was 6,402,010 – more than double the next most popular sports competition in Australia. Including crowds which attended NAB Challenge games (135,564) and the Toyota AFL Finals Series (569,848), attendances at all AFL matches in 2014 totalled 7,108,155 people.
- Club membership – for the 14th consecutive season, AFL clubs set a record for total club membership of 804,377, more than treble the number of club members in the next most popular sports competition in Australia.
- Television audiences – the premiership season continued to be the most watched national sports competition in 2014, with a total average aggregate audience of 4,727,623 people each week throughout the season.
- AFL Media – in partnership with Telstra, our digital media network retained its position as Australia's most popular sporting digital destination. From January to October 2014 inclusive, aggregate unique visitors to *AFL.com.au*, club websites, both mobile and desktop, the AFL Live application and the 18 club applications grew by more than 29 per cent on 2013 to more than 89 million. Downloads of the AFL live app, club apps and Fantasy app totalled 3.8 million compared with 2.9 million in 2013.
- Participation – total domestic participation in our game exceeded one million for the first time with a total of 1,017,835 participants in 2014.

For the 14th consecutive season, AFL clubs set a record for total club membership



THE THUMBS UP
Fans of all ages flocked to the football in 2014, with the total attendance of 6,402,010 more than double the next most popular sport. →

FIXTURING AND TICKETING

The fixture for the 2015 Toyota AFL Premiership Season will have a renewed focus on weekend afternoon football in Victoria with 47 day games made up of 20 on Saturdays and 27 on Sundays compared with a total of 34 weekend day games in 2014.

Holiday Monday afternoon games will also be played at Easter and for the Queen's Birthday.

The start time for Saturday night matches in Victoria, New South Wales and Queensland will come forward by 20 minutes from 7.40pm to 7.20pm. Start times on Saturday night in Adelaide (7.10pm) and Perth (5.40pm) will remain.

We trialled a number of different timeslots in 2014, including Sunday nights which were clearly not embraced by supporters despite a number of other sports scheduling matches on Sunday nights.

Sunday and Monday night games were eliminated from the fixture for 2015, but the trial of a limited number of Thursday night games during the past two seasons was accepted by supporters and members of the 18 clubs and they will continue in 2015.

We also listened to supporters and members when, in conjunction with AFL clubs, we reviewed the ticketing arrangements for 2015.

Clearly there were aspects of the ticketing system in 2014 which supporters did not like and made it more difficult for them to attend an AFL game. They have been eliminated.

The key changes for 2015 will include:

- No fully reserved seat matches will be played at the MCG or Etihad Stadium in Melbourne except for the Anzac Day game between Essendon and Collingwood. Club members will not have to upgrade to a reserved seat for selected matches in Melbourne.
- There will be no classification of matches at the MCG or Etihad Stadium.
- Transaction fees for the online purchase of tickets for Etihad Stadium have been reduced from $7 a transaction in 2014 to $2.50 in 2015.

Through the changes made in conjunction with AFL clubs, we will hopefully continue to provide as much choice as possible for club members and supporters and are confident we have reduced the complexity of the ticketing system to make it much simpler for supporters and members.

Our No. 1 priority continues to be to encourage as many people as possible to attend AFL matches in all markets and we are confident the changes which have been implemented for 2015 will have a positive impact on our attendances.

DIVERSITY

Our game has a history of being one where everyone is welcome, regardless of social, cultural or economic background, and that commitment to promoting diversity remains fundamental to the future of Australian Football at every level.

Various initiatives were implemented in 2014 to promote continued diversity in our game.

During the week of Indigenous Round, the AFL released its Reconciliation Action Plan to build on what has already been achieved by our game and to formalise our continuing commitment to Indigenous people and their communities.

One of the key recommendations of the plan was the appointment of an AFL National Indigenous Advisory Group. We expect to announce the make-up of the group before the start of the 2015 season.

The AFL's Reconciliation Action Plan has four key aims:

1. Improve participation – increase the overall level of Indigenous Australians who participate in our game as players, coaches and umpires.
2. Build partnerships – in partnership with the Recognise campaign, support the recognition of Aboriginal and Torres Strait Islander peoples in the Australian constitution.
3. Create employment opportunities – refresh the AFL Indigenous employment strategy to increase the number of Indigenous employees across the AFL industry.
4. Acknowledge and celebrate Indigenous culture – continue to build understanding and respect for Indigenous customs, values and traditions through education and the AFL's ongoing focus on the Indigenous Round celebrations.

Another feature of Indigenous Round was the partnership we developed with the Recognise campaign, which featured all 18 clubs wearing jumpers with an Indigenous design for the first time.

The round also celebrated the 10th anniversary of the Richmond v Essendon Dreamtime at the 'G match.

Promoting the Recognise campaign was also a key priority for 2014 Australian of the Year and two-time Sydney Swans premiership player and Brownlow medallist Adam Goodes.

Adam has had an extraordinary AFL career and became the first Australian footballer to be selected as Australian of the Year.



REMARKABLE CAREER
Australian of the Year and Sydney champion Adam Goodes, with his mother Lisa Sansbury, who designed the Swans' jumper for Indigenous Round. →

He was also an advocate for the anti-racism campaign, Racism. It Stops With Me and for the White Ribbon campaign which aims to eliminate violence against women.

If 2015 happens to be his final season with the Swans, we look forward to celebrating his remarkable contribution to our game on and off the field.

The three campaigns for which he is a strong advocate are strongly supported by the AFL.

Regrettably, Adam and Melbourne's Neville Jetta were subject to off-field racial abuse while playing against Essendon and the Western Bulldogs respectively in 2014.

The genuine positive to come out of the two incidents was that other supporters of Essendon and the Western Bulldogs objected to the behaviour and reported both instances to security staff at Etihad Stadium.

Both clubs are to be commended for how they responded to the incidents which, in the case of Essendon, included suspending the membership of the individual concerned. The Western Bulldogs were unable to identify the offender, but issued a letter to members condemning the behaviour.

Our 2014 Multicultural Round was played with the theme of 'Many Cultures, One Game' and featured nine-year-old footy stats whiz kid **Jerry Ng**, who hails from an East Timorese background, as the face of the campaign. →



COMPETITION EXPANSION

Our youngest clubs, the Gold Coast Suns and Greater Western Sydney Giants, continued to progress during 2014.

Both clubs will take time to build a substantial supporter base in their respective regions which are among the fastest growing in Australia. It was a generational decision to establish two new clubs which will be more fairly assessed during the next 10-20 years.

Highlights from 2014 included:

GOLD COAST SUNS

- Average attendance each home game of 16,092, up 2185 or 15.7 per cent on 2013.
- Included a sellout crowd of 24,032 against Collingwood at Metricon Stadium.
- Membership up 7.8 per cent on 2013 to 13,478.
- Major sponsors contracted until the end of 2016.
- Won 10 games in 2014 compared with eight in 2013.
- Secured funding of $15 million from the Federal Government to establish a permanent administration and training facility at Metricon Stadium which will also be used for the Commonwealth Games in 2018.

GREATER WESTERN SYDNEY GIANTS

- Average attendance each home game of 9226, down 475 or 4.9 per cent primarily due to moving the local derby against the Sydney Swans to Spotless Stadium.
- Membership up 2.8 per cent on 2013 to 13,040.
- Won six games compared with one in 2013.
- Club moved to new administration and training facility at Sydney Olympic Park in 2014.

> It was a generational decision to establish two new clubs

READY TO SHINE
The AFL's youngest clubs the Gold Coast Suns and the GWS Giants have continued to progress. ←



SUCCESS STORY
The Swans have reached the finals 16 times in the past 19 seasons. ←

2014 TOYOTA AFL GRAND FINAL

Hawthorn won its third premiership under Alastair Clarkson as senior coach with an exceptional performance against the Sydney Swans in the 2014 Toyota AFL Grand Final.

Clarkson joined John Kennedy snr and the late Allan Jeans as coaches to have led Hawthorn to three premierships during an exceptional era which began in 1961 with the club's first flag and since then has seen it contest another 17 Grand Finals and win another 11 premierships.

Hawthorn's 12 premierships in 54 years is among the most successful periods of sustained success in the history of our competition, which also includes Melbourne winning 10 premierships in 25 years between 1939-64 and Collingwood winning 11 premierships in 34 years from 1902-36.

It was also the second time Hawthorn had won back-to-back premierships in its history, the last time being 1988-89.

Congratulations to Hawthorn President Andrew Newbold, Chief Executive Officer Stuart Fox, General Manager, Football Operations Chris Fagan, Alastair Clarkson, the board, the players led by captain and dual Norm Smith medallist Luke Hodge and staff for another outstanding season on and off the field.

Geelong, Hawthorn and Sydney have won eight premierships between them since 2005.

I would also like to acknowledge the Sydney Swans for their continued excellence.

In the past 19 seasons, the Swans have reached the finals 16 times, played in five Grand Finals and won two premierships.

In 2014, the Swans won the Dr Wm. C. McClelland Trophy for the second time in their history after finishing on top of the ladder at the end of the Toyota AFL Premiership Season.

Off the field, the club continues to build its supporter base and this year passed the 40,000 mark in membership for the first time and, like Hawthorn, is a wonderful ambassador for our game.

I would like to congratulate Swans Chairman Andrew Pridham, Chief Executive Officer Andrew Ireland, senior coach John Longmire, General Manager, Football Dean Moore, the board, co-captains Jarrad McVeigh and Kieren Jack and their fellow players and staff for what they achieved in 2014.

Moore, who served the AFL for almost 25 years, before returning to the Swans after the 2009 season, retired from his role with the club at the end of 2014. He originally worked with the club from 1979, including the period it moved to Sydney in 1982, before joining the then VFL in the 1980s.

His service to the Swans was appropriately recognised with life membership.



IN GOOD HANDS
AFL CEO Gillon McLachlan greets young fans at the Indigenous Round launch in Sydney.

APPOINTMENT OF TRAVIS AULD



In July, I was pleased to announce the appointment of Travis Auld to a new executive role with our organisation as General Manager, Clubs and AFL Operations.

Travis was appointed as the inaugural Chief Executive Officer of the Gold Coast Suns in 2009 and, before that, worked for more than a decade with the Essendon Football Club in various areas, including the role of Chief Operating Officer.

He has a very good understanding of the issues facing clubs across the competition and, particularly through his time with the Suns, of the work required around building a supporter base for an AFL club.

His key responsibilities include:

- Working with all clubs to improve strategy, structures, staff development, profitability and performance.
- Leading the execution of the competitive balance strategy to ensure the key principles are effectively implemented.
- Overseeing the financial and commercial management and performance of clubs to ensure financial viability.
- Working with venues to drive a first-class match-day experience for supporters, driving attendance growth.
- Working with venues on cost and accessibility issues.
- Being the key point of contact on fan-related issues.

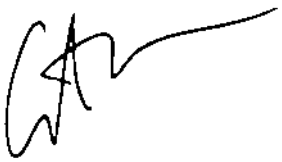
COMMUNITY FOOTBALL

We are very aware of the fact our game is built on a network of community-based leagues and clubs throughout metropolitan and regional Australia which in 2014 consisted of:

- More than 2690 clubs fielding some 13,300 teams each week of the season.
- More than 331,000 players.
- 160,000 volunteers.
- 2800 NAB AFL Auskick community centres.

The level of support for community clubs was highlighted by the fact that in 2014, the total attendance at all Australian Football matches was more than 15.32 million, of which 46.6 per cent or 7.09 million were at AFL matches, with the balance of more than eight million attending community club games.

In 2015, I am looking forward to being part of the team that oversees the management of this great game, played by the most extraordinary athletes with the most tribal of clubs and the most passionate fans.



Gillon McLachlan
Chief Executive Officer