

THE SUCCESS AUSTRALIAN RUGBY ENJOYED IN 2003 STANDS AS A GATEWAY TO A NEW ERA OF OPPORTUNITY THAT HAS NO BOUNDARIES

BOB TUCKEY, ARU CHAIRMAN



The year 2003 created a platform that will launch Rugby into another exciting phase of development. It has been a watershed year for our game.

Not just for the overwhelming success of the Rugby World Cup but also the programs put into place that have been designed to maximise the opportunities created by that success. The legacies for Australian Rugby are numerous.

Apart from an excellent financial result, the game's profile has reached new heights, an enormous amount of goodwill has been generated with a variety of stakeholders including government.

Most importantly, the Rugby community itself was afforded the opportunity to demonstrate to the broader Australian community the great attributes of our game.

In the lead-up to the Tournament, Test matches were successfully staged in Perth, Melbourne, Sydney and Brisbane, with four of the five Tests being sellouts.

The Cook Cup clash against England at Telstra Dome was a magnificent occasion although not a successful night for the Wallabies on the scoreboard.

The other on-field disappointment was the Bledisloe Cup loss to New Zealand, but the profile of these Bundaberg Rum Rugby Series matches provided an important prelude to the Rugby feast that followed in October and November.

The performance of the Wallaby team during the Rugby World Cup was inspirational and a great testament to the self belief and determination of Eddie Jones as coach, captain George Gregan and each and every player.

The magnificent win over New Zealand in the Semi Final and the sheer courage of the Wallabies in the Final have quite rightly been the subject of praise and admiration from all quarters.

The reputation of this Union certainly has been considerably enhanced by the successful staging of the Rugby World Cup. It was an extraordinarily demanding and multi-faceted undertaking, particularly well executed and thoroughly deserving of the "best ever" tag.

High quality management and staff were brought to bear on the biggest sporting event in the world for 2003 and the results have been widely acclaimed.

The fact that Rugby was able to engage the entire nation, with matches in every State plus the ACT speaks volumes for what can be achieved.

Rugby has retained the corporate knowledge from the Tournament and along with the legacy projects, this organisation moves forward with confidence.

On behalf of the Board I would like to thank management and staff for such a superb effort. Their professionalism, together with the support and enthusiasm of Rugby officials and volunteers throughout Australia, underwrote the successful staging of the Tournament.

Financially, the Union has emerged from 2003 in a position of unprecedented strength with a one-off effect from RWC 2003 of \$42.6 million, \$3 million of which has already been used strategically for the implementation of the Rugby True Colours Tour and the EdRugby program, which were both designed to not only support the RWC, but as long term legacy projects of the Union.

Due to a change in balance date for financial reporting purposes, the financials for this year cover a fourteen-month period. The impact of the additional two months expenditure resulted in a deficit from "business as usual" of \$6.7million after allowing for RWC-related expenditure on the Rugby True Colours Tour and the EdRugby program of \$3 million. The overall surplus for the year is \$32.9 million.

A pleasing factor with the "business as usual" operations is that total revenue exceeded budget by \$3 million. Gate takings, corporate hospitality and licensing revenue streams exceeded expectations which is an outstanding result considering the consumer spend that had already taken place associated with RWC.

Whilst expenditure exceeded budget by some \$1.4 million, this excess was directly related to our participation in RWC and strategic initiatives approved during the year.



Under the Memorandum of Understanding with the Member Unions, distributions to the State bodies were in line with budget while the opportunity now exists for further funding to the States for strategic initiatives under the auspices of the ARU's rolling Five Year Plan.

For its part, the ARU has implemented a number of strategic initiatives during 2003 which will strengthen the game nationally, particularly off the back of the Rugby World Cup.

In Community Rugby, the EdRugby program moves into its second year after attracting more than 1,000 schools, many of them new to Rugby, while TryRugby has been expanded, delivering a "soft" introduction to the game at the community level.

These are ARU funded programs designed to compliment State based development activities. In that regard, the level of cooperation between member unions and the ARU has been outstanding.

The ARU has taken a major step forward laying the foundations of a Customer Relations Management (CRM) program involving the integration of the organisation's databases to form an integrated view of all Rugby customers.

The CRM program will give Rugby a major advantage in our capacity to market directly to existing customers and understanding their needs.

Other initiatives include the High Performance Unit's skills and physical testing program for school age elite players in conjunction with the Australian Institute of Sport (AIS).

This is the first time such a program has been extended to young Rugby players of school age and it marks a significant and very positive change in our relationship with the AIS.

Corporate governance remains a specific focus of the Board. It is an area that attracts significant community interest and the Board

is cognisant of the need to address corporate governance matters on a continuing basis.

Following on from the National Conference held in late 2002, much work has been done in relation to the ARU's rolling Five Year Plan. Consultations with State Unions at both Management and Board levels will have been undertaken prior to the presentation of the final plan to Council at the forthcoming Annual General Meeting.

The RWC has generated a one off financial legacy for Australian Rugby. A Capital Management Strategy has been put in place. Strategic initiatives have been formulated and the ARU looks forward to capitalising upon those initiatives in conjunction with the States.

With the overlay of RWC upon "business as usual", 2003 proved to be a very demanding year. I thank my fellow Directors for their considerable assistance and valued input during such an important year.

In closing, I wish to thank Matt Carroll for the significant part he played over the past two years as General Manager RWC and Tournament Director. His excellent project management skills were brought to bear on a very complex undertaking to great effect.

I would also like to farewell John O'Neill, our former Managing Director and Chief Executive Officer. John has moved on to another career challenge after eight years in the job. John's term coincided with the advent of the elite end of the game turning professional with the resultant growth of Rugby as a mass entertainment sport. It culminated with the massive success of the Rugby World Cup 2003 to which John made an enormous and most valuable contribution. On behalf of the ARU, I wish to congratulate John on his personal achievements and thank him for his contribution to the many positives achieved by the ARU.

Bob Tuckey
ARU Chairman