

The effort to bring the world's premier sporting event to Australia is a tenacious combination of economic might, logistical know-how, expert spin doctoring and the art of the high-stakes schmooze – that's just how the game is played



## BIDDING WARS

### The Nigerian capital of Abuja

was an unlikely setting for a meeting about Australia's bid for the 2018 and 2022 soccer World Cups. No tourist destination, the purpose-built city is considered relatively safe and boring in what is an otherwise chaotic country, though the contrast between rich and poor in Abuja is as sharp as it is in most of Africa's big cities. Last November, a small group of Football Federation Australia (FFA) officials travelled for more than 24 hours to wine and dine soccer officials for a few hours at the Australian High Commission in Abuja's exclusive Maitama district.

The meeting and subsequent trumpeting of a few well-chosen words by Fédération Internationale de Football Association (FIFA) vice-president Jack Warner, who lauded Australia's bid, was claimed a big success and a crucial step on the long path to convincing soccer's officials to bring a World Cup to Australia later this decade or early next – despite opposition from soccer heavyweights such as England, Spain, Portugal, Holland and others, including Japan and South Korea.

Warner is a member of the FIFA executive committee, whose members will vote in December 2010 to decide the next World Cup hosts. Committee members are considered the most powerful people in the world's most popular sport. Frank Lowy has met them all several times. The FFA chairman and Westfield supremo has entertained them onboard his luxury yacht in several parts of the world, including the Mediterranean and Caribbean. Along with the Abuja event, Lowy and his offsidiers have hosted functions in Kuala Lumpur, Cairo and the Angolan capital of Luanda in recent months. Federal sports minister Kate Ellis met them at the glittering Cape Town ceremony for the 2010 World Cup draw in December. Prime Minister Kevin Rudd personally wooed Warner in Port of Spain, Trinidad and Tobago, in late November.

Yet to say the 24 voting executive committee members are a collection of colourful identities may be somewhat of an understatement. They include former great players, long-time officials such as Warner, political figures and powerbrokers who have maintained a stronghold on soccer for decades. FIFA president Sepp Blatter is considered the most powerful person in soccer.

The fight to win the bids has been intense and there is still almost a year of jockeying and deal brokering to go until the December vote in Zurich. Most commentators believe a European country will win the 2018 vote, as it will have been 12 years, by then, since the continent that is home to the richest leagues and best players hosted the event. England is the favourite, though its effort has suffered several setbacks thanks to a string of gaffes by bid executives. If a European country wins the hosting rights for 2018, then the vote for 2022 becomes a battle between the United States and a country from the sport's Asian region, very likely Australia.

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Lowy and the FFA are promoting the Australian bid as a chance for soccer to capture the fast-growing Asian markets. Unlike Europe, South America and Africa, soccer is not the dominant sport in most Asian countries. "Now is the time for the game to gain dominance in Asia and we can offer that," Lowy says. "And, financially, we believe we can offer FIFA just as good as they can get anywhere else and, I think, even better."

He believes Australia's close proximity to Asia means all the matches will kick-off at appealing times for viewers and sponsors wanting greater exposure to the Asian market. Then there are the domestic benefits that arise from hosting a World Cup. A PricewaterhouseCoopers analysis for the federal government reported by *The AFR* in December puts the cost of new and upgraded stadiums at \$2.9 billion but predicts net benefits to the nation of \$345 million from hosting the tournament in 2018 or 2022. The assessment does warn, however, that benefits would not be shared across the board, as some states would be worse off as a result of their involvement.

Lowy readily admits the task is one of the most difficult he has ever undertaken. The murky world of global soccer politics is considered the most complex in the sporting world, even ahead of the Olympic movement. As Australian Rugby Union chief executive – and former FFA head – John O'Neill says: "The politics of soccer make those in rugby union look like a kindergarten." Lowy says he knows what he is dealing with.

"This is international sport and diplomacy mixed together," he says. "And to win votes from 13 members out of 24 is a horrendous task. All of these members are longstanding and they all have their alliances and likes and dislikes, so it is an uphill battle. There is not that much business orientation, although it requires business acumen, [deciding] where [the World Cup] should be held and how to produce the most profit from it and so on. While FIFA management have that uppermost in their mind, with respect to the executive committee, there are lots of other considerations; legitimate considerations but other considerations."

To convince the likes of Warner and other executive committee members to vote for Australia, FFA has enlisted the help of companies and individuals with experience of such bids and of events logistics, using \$45 million worth of federal government funding. Some are Australian companies that have become part of an industry that has sprung up around big events such as the Olympics (see box at right). Others are individuals who have reputations for having close connections with FIFA decision makers.

One international consultant is Swiss-Hungarian Peter Hargitay, a former special adviser to Blatter and a confidant to Asian Football Confederation president Mohamed Bin Hammam, also an executive committee member. Hargitay's company, European Consultancy Network (ECN), previously worked for England's bid for a short time before crossing to the Australian camp in the second half of last year. Before that his career included public relations work for Union Carbide after its 1984 factory disaster in Bhopal, India, an arrest on cocaine trafficking charges in Jamaica that he was later acquitted of and a stint working for US tax fraud criminal Marc Rich.

Hargitay is working with the FFA on international relations and advocacy matters, the organisation says. The federation believes it needs all the help it can get, as lobbying decision makers can play a vital part

## THE OLYMPIC CARAVAN

It all started at the 2000 Sydney Olympics. Such was the success of the Games that many involved in logistics and planning matters left their government or industry jobs and struck out on their own. "It was like the stars aligned," says Chris Stanley, director of project management company MI Associates, staffed by many ex-Sydney event managers, including chairman Jim Sloman, who was the chief operating officer for the Games. "The logistics and event planning and co-ordination was mostly done by Australian companies."

Since then, many have become regulars on the international sporting event circuit, winning big contracts and making plenty of money. Eric Winton from the Australian International Sporting Events Secretariat called it the "Olympic caravan". He estimates 400 Australian companies work in the major sporting events industry, ranging from large construction and engineering firms that have a division specialising in sport to small consultancies that make all their income from big events. "It's hard to put a figure on how

big the industry is, but more than 80 Australian companies worked on the 2008 Beijing Olympics, 30 will go to New Delhi [for the Commonwealth Games] this year and 15 companies worked in Vancouver for the Winter Olympics. I would say contracts across those three events were worth at least \$400 million."

An industry has also sprung up around preparing documents for prospective bidders. "When Sydney won the Games, the amount of information needed probably wasn't that much, but now the level of detail required is extremely rigorous," Winton says. Australian companies were involved in the winning bids for the 2012 London Olympics and the 2016 Rio De Janeiro Games.

The Australian soccer World Cup bid has employed 20 Australian companies, including MI and various architects, engineers and others. Notable names include Crosby Textor, which provided research, and Hawker Britton, which undertook state government relations work until last June. Former Qantas chief Geoff Dixon has now taken that role.

in winning bids. As the FFA's chief executive, Ben Buckley, says. "We would be naïve to think that we, as a relative newcomer on the international football stage, had all the expertise to deliver the best outcome. ECN [is close to the important] football corridors. So, yes, we have had to engage international organisations to assist with the bid. ... We have put together a team of companies that we believe will deliver the result."

Others who have successfully bid for large events say access to FIFA's inner sanctum is crucial. Says O'Neill, who oversaw the successful bid for the 2003 rugby union World Cup: "[Lowy] will need people positioned in all sorts of places who will need to be saying the right things to the right people." John Coates, president of the Australian Olympic Committee, says Lowy himself is the bid's biggest asset in terms of fostering relationships with the key decision makers. Coates was part of the successful bid for the 2000 Sydney Olympics and, as an IOC member, has a vote each time there is a decision needed on a future Olympic host city.

He says personal relationships with the bidders can be even more important than the technical aspects of a bid. "You can pretty much take it as given they have all the stadiums lined up and the necessary government support and so on," he says. "But you have to get the trust of [the FIFA executive committee]; it's no different to the Olympics in that regard. We all like to know the people we have to vote for and feel comfortable with them."

Lowy, a relentless networker in Australia, has been working hard on his relationships with key FIFA delegates ever since he became chairman in late 2003. Soon after his appointment, Coates introduced Lowy to Blatter. "When he became chairman, I arranged for them to meet and they just hit it off," Coates says. "Frank then bought [his super yacht] *Ilona* to Greece for the 2004 Olympics and put on a lunch for all the FIFA delegates. So they certainly know who he is and that helps." *Ilona* was also in the Caribbean a year ago when Lowy took the time to visit Warner after a business trip to the United States.

Coates says this year's World Cup, which begins in Johannesburg on June 11, looms as a critical time for Australia's bid. "The real

action will be there. It's an opportunity to get to know the 24 people who are going to vote and for them to get to know you. Lowy says with a grin and a laugh: "There will be a lot of talking, other than the kicking of the ball."

There will also be many deals negotiated and promises made, if previous World Cup and Olympic bids are used as a yardstick. Buckley is keen to stress the FFA's bid will be completely above board. "The bid is governed by a set of rules and regulations and is overseen by a very specific set of guidelines as to how a bidding nation can interact with those that vote," he says. "If you breach them they will be referred to the FIFA ethics committee. Everybody has signed up to play by those rules. We are very aware of our obligations and responsibilities to the Australian taxpayers and federal government. And we are absolutely working within the rules set down by FIFA."

Nevertheless, a helping hand is often extended to the countries of those with key votes. Large nations such as England and Brazil have previously played international matches with the likes of Malta and Trinidad and Tobago to win favour with key people. Coates organised a last-minute deal with several African countries that helped win the 2000 Olympics for Sydney, organising for \$2 million to be provided to fund training and travel for athletes and officials



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# WHAT THE WORLD CUP IN AUSTRALIA COULD LOOK LIKE

Four-week competition featuring 32 nations

States have to indemnify FIFA for all costs associated with hosting matches

Rugby union test matches to be delayed until after World Cup. Super 15 matches to be played in South Africa and New Zealand

12 stadiums in Sydney, Melbourne, Brisbane, Perth, Adelaide, Gold Coast, Townsville, Newcastle, Canberra

New stadiums built for \$200 million in Perth, Adelaide and Canberra

NRL matches suspended or played in venues not used for World Cup

Temporary seating installed at Melbourne Cricket Ground to bring spectators closer to the pitch

FFA receives ticketing income while FIFA keeps broadcasting and sponsorship income

Stadiums not to be used for any other sports for at least four weeks before World Cup and two weeks after

Extensive refurbishing of existing stadiums in Canberra, Townsville and Newcastle

AFL matches suspended or played in venues not used for World Cup, or in cities such as Geelong, Launceston and Darwin

FIFA President Sepp Blatter (right), with Australian Football Federation president Frank Lowy, leaving the pitch before the 2010 World Cup soccer qualifying match between Australia and Iraq in Brisbane in June 2008.

from 11 nations. The AOC was also alleged by the BBC's *Panorama* program to have paid an agent to secure votes from Kenya and Uganda, which Coates denied. Several business deals were said to have shored up several votes for Germany when it was awarded the 2006 World Cup. Bid sponsors such as DaimlerChrysler, Bayer and Siemens announced \$US2 billion worth of investments and joint ventures in South Korea and Thailand, home to key voters, just before the bid was decided.

Australia has already won public backing from key executive members. German legend Franz Beckenbauer has said a European country should be awarded the 2018 tournament and Australia should host the 2022 edition. His fellow executive committee member Warner has been even more effusive in his praise, saying in October: "If there is a country that truly deserves to host the FIFA World Cup, then it is the island continent of Australia.

"Australia has an excellent chance of succeeding with its bid. I am impressed with what I see and I know many of my colleagues are as well." FFA could hardly contain its delight upon hearing Warner's words, distributing a press release to ensure maximum coverage. Will this help Australia get across the line in December? "It can't hurt," Lowy says. Yet Warner – who some consider to be a FIFA powerbroker and others say has little influence outside North America – said last November the United States bid had his "full backing" and then went on to praise England's bid.

WHILE THE benefits to soccer in Australia will be immense should the bid be successful, it would also transform the country's sporting landscape. The governing bodies of rivals – the AFL, NRL and rugby union – are watching nervously and have launched a series of attacks on Lowy and the code in the media; they are angry the competition will virtually halt their seasons for about two months. Their entrenched status as Australia's most popular sports – and the billions of dollars that broadcast rights, sponsorships and ticket sales bring in – would be threatened if the FFA won a bid.

The AFL is faced with having to shift matches away from its home at the MCG, its largest venue, while the NRL could lose its three Queensland venues in Brisbane, Gold Coast and Townsville for up to six weeks. Rugby's expanded Super 15 is scheduled at the same time as the World Cup, though it can shift matches to South Africa and New Zealand. FFA's O'Neill is supportive of the bid and says he can see the benefits for the country and all sports, but NRL chief executive David Gallop says any stoppage is "unworkable".

## GAME ON

Who the competition is:  
Australia's rivals for the  
2018 and 2022 soccer  
World Cups



The AFL has begun planning to move matches to other grounds in Melbourne, Perth and Adelaide and will use stadiums in Tasmania, Canberra and Darwin more frequently than the handful of matches it plays at both each year now. It would lose access to the Melbourne Cricket Ground, for up to three months and is pressing hard to receive millions of dollars of compensation from the FFA or federal government if the bid is successful. The NRL, the AFL and stadium officials complain they have not received many details from the FFA as to how their seasons will be affected. Buckley

says he has met with them several times and says each code already has arrangements in place in terms of scheduling (most share stadiums in several cities).

Lowy is dismissive of the complaints, describing them as "posturing". Like O'Neill, he believes the World Cup would be beneficial to all local sports. "The World Cup is about nation-building and it is like the Olympics but 10 times bigger. The infrastructure that will be built around the country will favour all the codes and they are looking for some sort of financial compensation [for interrupting their competitions] and they will get some." The FFA argues the venues that will be built or refurbished for the World Cup will be used for soccer and other sports for up to 50 years after the event.

There is also the issue as to who pays for the stadiums. There was frantic lobbying between state and federal governments prior to December's Council of Australian Government's meeting, when the stadiums issue was resolved. The Western Australian and ACT governments in particular balked at first at the cost of contributing to the bid – which entails building new \$200 million stadiums and fully indemnifying FIFA against all costs associated with holding matches in the host cities.

Lowy remains unconcerned. "There are five states and one territory we are dealing with and they were each looking at each other. Somebody needed to jump and then the rest will follow. We need to accept this is a legitimate type of posturing – you want to get a better deal so you wait and you don't jump in too quickly. Such is life."

He is, of course, determined to have his way and for the bid to be won. He will spend much of the rest of this year networking around the globe and is extremely confident his efforts will pay off. "I don't want to underestimate the task, it is enormous," Lowy says. "But if I didn't believe we could win, then I would not be doing this. I know the scene and I know the people and I think we have a more than reasonable chance. We will get one of them." ■



## STRONG PLAY, STRONGER BID

Mark Schwarzer knows how important the performance of the national team, the Socceroos, will be in the upcoming World Cup in South Africa in June, in terms of the bid for the 2018 and 2022 tournaments. Because many international commentators still see Australia as a relative backwater in global soccer terms, Schwarzer says a good performance in June will help the bid. "Collectively, the Socceroos

need to perform well in South Africa and also in the future major tournaments to show the world that Australia is a country that can compete regularly at World Cups."

Australia is competing for the rights to host the cup with international heavyweights such as England and Spain, where soccer is well and truly established and where many commentators say the world's biggest sporting

event deserves to be held. But Schwarzer, the goalkeeper of what has been a rapidly improving Socceroos squad in recent years, says respect for Australia as a soccer nation is growing.

"[Hosting the World Cup] would show that Australia has matured as a [soccer] nation and who knows, by then we might even be strong enough to win," he says. "It would not only help with the economy but

would help improve sporting facilities and increase the profile of the sport within Australia itself."

Schwarzer will be an integral member of the Socceroos squad in June in South Africa, having enjoyed a marked improvement in form since moving to English Premier League side Fulham in mid-2008 from rival Middlesbrough.

By the time a World Cup tournament would come to Australia, the 37-year-old would be well and truly retired. Not that being an ex-player would detract from his enjoyment. "I would love to be able to go to a World Cup as a supporter and enjoy the whole event. Where better than in Australia?"