

**BOATS AGAINST THE CURRENT?
The past, present and future of football in Australia**

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Introduction

When I told a friend who is an international journalist known to many of you that I had been invited to give this presentation on football in Australia, he advised me to immediately throw to vaudeville – in other words, tell you jokes.

“For heaven’s sake, Bonita, no one is interested in Australian football other than you. So say something funny and mention Peter Hargitay.”



Well, sorry to say I don’t have a joke – other than to tell you that.

But what I can tell you is this. I was born and grew up in Australia of migrant stock; like many of my compatriots, I enjoy nearly all sport; but football is in my DNA and, for me, it is as much a political cause as a sporting cause. But it can also be exhausting to love football as an Australian. It appears always to be, as the title of this presentation suggests, and borrowing from F Scott Fitzgerald, “boats against the current”.

Garlic eaters

Despite gains in the past decade, professional football in Australia struggles for financial sustainability, because it struggles in the battle for ‘hearts and minds’.

There are many reasons why – and I expand on some of them a little later - but the one that underpins everything, including the frustration of supporters of the game, is that football is not part of the mainstream national sporting culture, a culture that sees sport as an intrinsic part of the Australian character. Considering we are nation of convicts, refugees and migrants anyway, this is a fragile concept as the true Australians are the first Australians. But while sport generally has long played an important social and cultural role in Australia, when it comes to football, it has historically related to communities which have just ‘arrived’. Nowhere is this more apparent than in how football is viewed by some sections of the Australian media.

One of the key legacies of qualification for the World Cup for the first time in 1974 was to be the formation of the National Soccer League. The NSL was seen as being the key to improved international performance, player development, increased participation at junior levels and

capturing the hearts and minds of middle Australia. It would be the first and only national professional football competition in Australia.



It was a really good idea poorly conceived and undercapitalised. Fundamental to the NSL was the predominance of ethnically based teams that played into the mainstream negative image of football as a game for volatile foreigners. Corporate Australia was not prepared to support a bunch of 'garlic eaters', some of whom still harboured ethnic rivalries which played out both on and off the field. Ironically, these same ethnically based clubs helped produce most of what we call the 'golden generation' of players who are nearing retirement today, as well as some great talent before them. But by the time the poor old NSL ground to a halt in 2004, the crowd at its final and deciding match of the season was 9,600.

In terms of sporting culture, the fact that teams were based around migrant communities and the NSL survived on the smell of an oily rag for 27 years, gave the other football codes time and opportunity to mitigate against the potential gains football may have made from World Cup participation in 1974 by broadening their national footprint.

As a result, in the competitive environment for hearts and minds, professional football in Australia does not yet 'belong'.

The question is: can it ever 'belong'?

Sport as culture

I want to show you two films.

Some key dates

- 1974: Australia makes the World Cup for the first time
- 1977: National Soccer League established
- 1979: this film <http://youtu.be/ad9hBMNrg3U>
- 1982: Victorian Football League starts expanding
- 1988: Rugby League starts expanding
- 1990: Australian Football League established
- 1990: this next film

The first one is from 1979.

This is two years after the establishment of the National Soccer League in 1977, the first national football competition. At the time of its formation, then Soccer Australia was unable to successfully negotiate a national television deal.

Instead, a major national broadcaster went to the variant of football depicted in this film. This became not only the most popular advertisement on TV in 1979, but also the biggest selling song and was an important stepping stone in the sport becoming the commercial behemoth it is today.

<http://youtu.be/ad9hBMNrg3U>

The sport is our home grown football code, known as Australian or 'Aussie' Rules. Back then, it was the plain old Victorian Football League, in the state of Victoria, but it was the spring board for developing a national reach, which saw a team transferred north to Sydney three years later, and cemented with the establishment of the Australian Football League in 1990. I'm sure you noticed the aggression on the field and the appeal to the Australian identity.

The second is from 1990. By this time, Aussie Rules had just gone national and the National Soccer League had been going for 14 years and had moved its season to summer.

This also became the most popular advertisement on TV in that year; not only a significantly selling song in Australia but worldwide; drew a whole new audience to the game; and was also an important stepping stone for the success of the sport today.

<http://youtu.be/NTgWxveYFBU>

That's rugby league. Notice the appeal to action, nudging on violence in a man's game – mixed with sex. At this point, rugby league had a ten team, two city competition with nine of those teams in one city. The match to which they refer at the end – “Now the big game's even bigger” – is between the states of New South Wales and Queensland.

New South Where and What? you ask.



Australian snapshot

Let me take you briefly to Australia. We're a nation of about 23 million, which ranks us as the 52nd largest nation on earth between Taiwan at 51 and Syria at 53, and the 23rd largest in the Asian Football Confederation.

Our country is geographically large, and our people concentrated in confined to communities near beaches.

77% of people live in three states and, of those, just under two-thirds live in three cities: Sydney, Melbourne and Brisbane. The only other population areas with more than 500,000 are in Perth with 1.8 million people and Adelaide with 1.3 million.

From Sydney in the east to Perth in the west, it's just under 4,000 kilometres or a 5 hour direct flight. From Darwin in the north to Hobart in the south, it's 4,500 kilometres.

This makes running or being part of a national sporting competition expensive and time-consuming, all the more so if New Zealand teams are also included as they are for football and rugby league.

Sporting Australia



In respect of sport, we not only have a proud sporting tradition, but we are proud of the fact that we have a proud sporting tradition. We are one of only four nations to have participated in every modern summer Olympics. We have produced world or Olympic champions in a wide variety of sports over the years – swimming, tennis, squash, hurdles, running, golf, motor racing, motor GP, hockey, water polo, sailing, speed skating.



We even lay claim to the best – and perhaps cleverest - horse in the world, with her own biography and twitter account.

Part of this sporting tradition includes the fact that we play not one, not two, not three but four 'football' codes.

4 football codes

| | Aussie Rules | Football | Rugby League | Rugby |
|------------------------------------------|--------------|-------------------------------|--------------|---------------|
| Global ranking | 1/1 | 24/205 (men) 9/127 (women) | 2/38 | 2/96 |
| National teams | 0 | 11 | 1 | 1 |
| League cities | 7 | 8 | 7 | 15 * |
| League teams | 18 | 10 | 16 | 15 |
| Average attendance at games _‡ | 36,425 | 10,819 | 17,243 | not available |

* across three countries: South Africa, Australia, New Zealand

‡ 2011 seasons for Aussie Rules & Rugby League; 2011-12 for Football

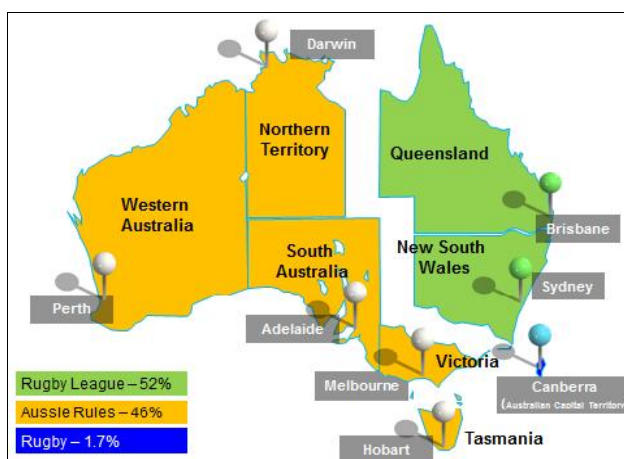
Aussie Rules, rugby league, rugby union and football which is most commonly referred to as 'soccer'. It's probably no surprise – but nonetheless many of my compatriots revel in the fact – that we are the best in the world at Aussie Rules. We're ranked 2nd out of 38 countries in rugby league; 2nd out of 96 in rugby; and 24th in men and 9th in women in football.

It is the other three football codes and another very popular, professional sport in Australia, cricket, that are football's key sports competitors in terms of participants, fans, media attention, commercial sponsorship and broadcasting rights.

I mention cricket because it is a direct competitor with professional football as it is played at the same time of the year in summer. As I mentioned earlier, the former national soccer league left the crowded winter football season to the other codes in 1989 and moved to a summer competition, which also had the benefit of aligning with the international football calendar.

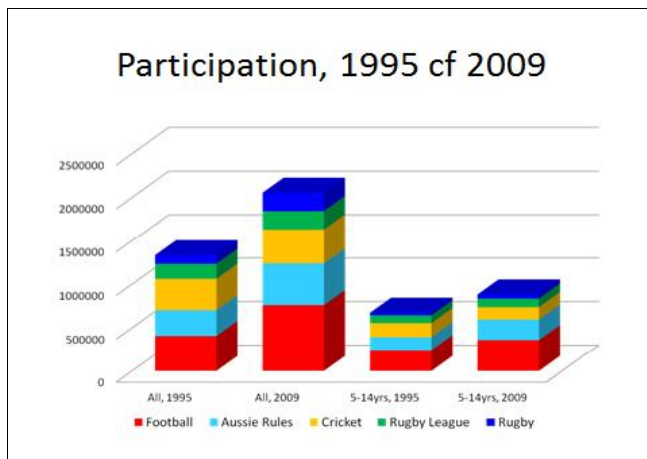
The geography of football support

Reflecting the geographic spread of our country, and historic barriers to communications, where you live has everything to do with which football code is in your DNA.



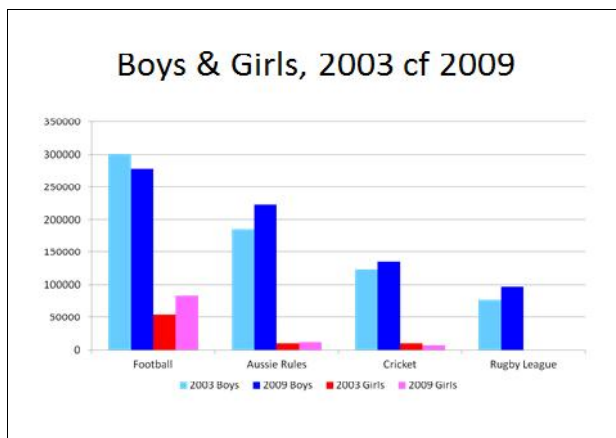
Based on **attendance** data, the number 1 football code in Victoria, Tasmania, South Australia, Western Australia and the Northern Territory is Aussie Rules; while in New South Wales and Queensland, it is rugby league. Football ranks second in New South Wales and third in the other states.

However, based on **participation**, it's a very different story.



Football is the biggest participation sport of the five for both adults and children, with 62% more people playing football than the second placed Aussie Rules. This has historically been the case.

In the six years from 2003 to 2009, the growth in football numbers at junior level has increased by 1.3%. The growth has been off the back of the number of girls playing which improved by a spectacular 51% while boys' participation dropped by 8%.



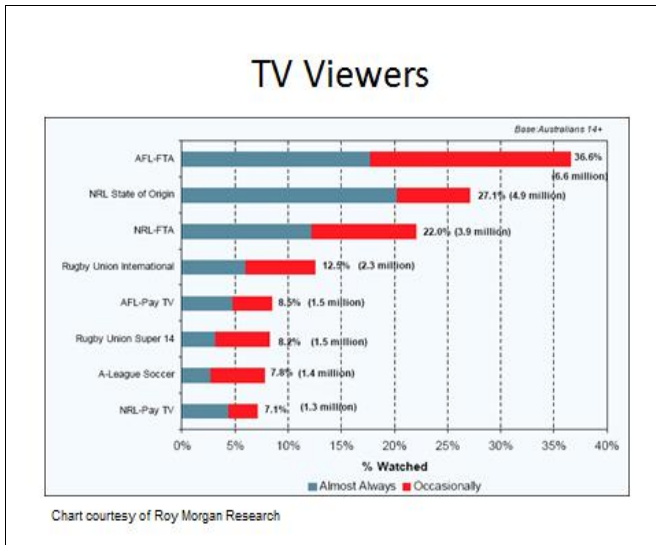
The fact that boys' participation in football has declined in the past decade says much about the pulling power of the other sports. In my view, it is not by chance that the other sports responded to the threat of a national football competition introduced in 1977, with a long term strategy that included:

- embracing the opportunity offered to them in the late 1970s and 1980s for national television coverage
- investing in their sport to increase participation, to increase the pool of talented players and to improve elite player pathways, and
- expanding to a national or near national competition, or international club competition in the case of rugby.

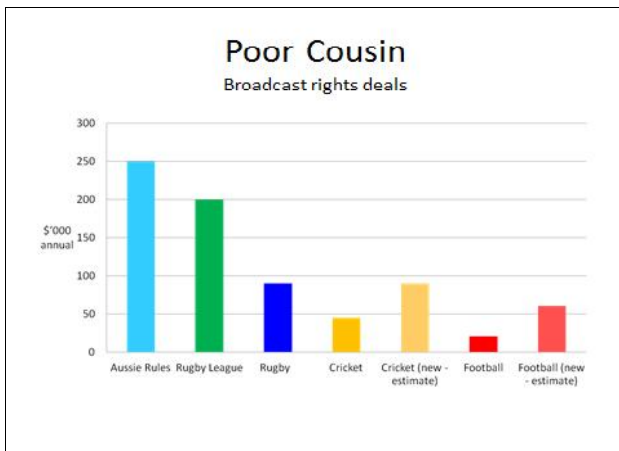
From one perspective, the participation data also emphasises the importance to the game overall that it can be enjoyed and played by girls and women as much as boys and men. But this also fits the community attitude that football is safe and for children, and more recently women, and not for real

men – as you may recall from the two film clips I showed. These data are expected to be updated later this year.

Show me the money



But in Australia, participation is not what drives lucrative broadcasting deals which allow a sport both to devise and implement long term growth strategies: it is attendance and viewers of professional competition. Therefore, when it comes to the revenue that drives further growth and success, football is the poor cousin of the five.



Last year, the AFL announced a five year \$1.25 billion deal; last month, the rugby league announced a \$1.0 billion deal for five years; rugby rights are currently around \$90 million a year; and cricket is currently around \$45 million a year and set to double under new arrangements yet to be confirmed. Football, on the other hand, which includes the A-League and Socceroos matches other than World Cup matches, is \$20 million a year in a deal that expires in June next year, and is currently under negotiation and expected to reach between \$40-60 million.

I must add that the current level of \$20 million a year is a vast improvement from the position approximately 12 years ago when the rights were \$0.5 million a year. To give you another perspective, in 1997, total revenues for the governing body were \$15 million; in 2011, they were \$80 million.

Football's progress

| | 1997 * | 2011 |
|--------------------------|--------------|----------------------------|
| Revenue | \$23 million | \$80 million |
| Broadcast rights | \$750,000 | \$22 million (inc digital) |
| Teams in national league | 14 | 11 |
| Members of clubs | 16,000 | 65,000 |
| National league crowds | 650,000 | 1.2 million |
| Average player wages | \$37,000 | \$110,000 |

* 1997 \$ converted to 2011 equivalent

Dependence on taxpayer support

Nonetheless, in recent years football could not have survived without the support of the Australian Government. Approximately \$150 million has been granted to Football Federation Australia (FFA) for operating costs in the past eight years, excluding the World Cup Bid, which is a testament to the clout within Australia of the President of FFA, Frank Lowy. If he calls, anyone from the Prime Minister down will listen immediately. As one former politician said to me earlier this year, "The Prime Minister would take Frank's call in the shower if she had to." This applies across the political divide.



Why else would she have been seen with this cartoon surfing kangaroo?

More broadly, the capacity of the sport to increase its revenues so significantly has been due to four factors:

1. Frank Lowy – and the fact that, particularly when he came into power in 2003, he picked up the phone to corporates in Australia.
2. The creation of the A-League in 2005 based on regional, not ethnic teams, with increased match attendance and television viewers.
3. The relative success of the Socceroos, who have qualified for two consecutive World Cups and who account for 35-40% of total FFA revenues.
4. The high participation rate, who ironically do not benefit from the increased government subsidies in any way. In fact, as well as being stung as taxpayers, every player in Australia also pays a levy to FFA for the privilege of doing so. For an Under 6 player it is \$12 and can rise to several hundred dollars for semi-professional players. These national fees contribute around \$6 million to FFA revenue every year.

Hard won gains

- Participation overall
- Girls & women
- New fans through World Cup & Asian Cup
- Performance of Matildas
- A-League
- Culturally diversity
- Gender diversity
- Best national footprint
 - also includes New Zealand
- Most international of all sports
- Supporter base younger
- Quality of A-League at all-time high

But what the gap between Aussie Rules \$250 million per annum and football's current level of \$20 million per annum underscores is that, despite some hard won gains the sport continues to struggle. Football is not central to Australia's sporting culture.

In the past 21 years, football has had two internal inquiries, a Senate inquiry and two government reviews and there have been eight Presidents and seven CEOs. Notwithstanding this, FFA has received significantly increased financial support for their day-to-day operations from the Australian Government since 2003 - yet the issues with which the game struggles, and about which there continues to be discontent, have stayed much the same. These are:

- lack of progress in key areas such as player and game development
- A-League issues including the independence of the League from FFA, the level of support for the A-League and its lack of community engagement
- the lack of accountability despite the poor financial management
- transparency and governance of the sport overall
- our relationship with FIFA
- and, as I have shown, while football forever tries to play 'catch-up', the other codes have cemented themselves further as the dominant football codes.

I am going to talk about the four governance issues which have a direct impact on the cultural perception of football.

Governance issues

- A-League
 - Crawford Report
 - separate entity
- Accountability
 - World Cup Bid
- Nomination, voting structure, succession
 - 'closed shop'
- FIFA relationship

A-League

A separate entity operating under license from FFA was also one of the key recommendations of the Crawford Report in 2003 that was confirmed by an internal taskforce commissioned by Frank Lowy in 2004.

To this day, it hasn't happened. The A-League clubs combined lose between \$25-\$40 million a year in their operations – yet the owners of the clubs, all of whom are successful business people, do not have a substantive say in how the competition is run.

The move has been resisted by FFA on the basis that the competition is not mature enough to stand alone and there would be no television deal for the A-League without the Socceroos games to prop it up. Yet historically, the A-League has accounted for between 25-27% of costs and about the same in revenues; and, other than friendlies, the Socceroos games are not FFA's to sell – but AFC's.

Ironically, in 1987 when Frank Lowy was the owner of one of the most successful clubs in the national soccer league, he withdrew his team from the competition one game into the season. He declared that the future was “bleak ... until there are radical changes to the control and administration of the game”. He had long advocated for separate management of the NSL by club owners, and was disappointed that his vision for the game was not shared by the leaders of the game.

Yet, fast forward 25 years with the shoe on the other foot and Lowy has stalwartly and, most would say, stubbornly, refused to budge from central control and management of the A-League.

The establishment of a separate entity to run the A-League, with the billionaire and millionaire owners of the clubs having a direct say in how the competition is structured and run, and without a more direct representation of the professional game in their own competition, is now the highest profile, most pressing and long overdue issue in the sport today.

It is certainly not the only one.

Accountability

It was the quest for a short cut to financial sustainability and achieving a high profile in Australia's sporting culture which motivated and led to Australia bidding for the 2018/2022 World Cup. Putting aside the psychic rewards to a nation of hosting a mega sporting event, hosting the World Cup was seen as a panacea for all of football's shortcomings:

- it would help drive media support and attention
- it would help drive sponsorships, commercial and government support
- it would help drive a better broadcast deal, and
- it would boost participation further.

In short, it would turbo-charge football into the future, heralding automatic success and community acceptance, and would have meant we finally 'belonged' – rather than being a game just for 'foreigners'.

Once again, it was a good idea.

Unlike the formation of the NSL 31 years beforehand, the World Cup Bid wasn't poorly conceived or underfunded; but it was poorly implemented. Not only did the reliance on the international consulting trio of Peter Hargitay, Fedor Radmann and Andreas Abold expose Australia to an unwelcome and unnecessary risk, but the Australian Bid lost its voice in 2010. For \$50 million and one vote, it was an abject embarrassment in the end: the Australian public doesn't know about – let alone remember – whether the bid was 'technically' very good; but they do remember the cringe worthy cartoon surfing kangaroo and supermodel Elle Macpherson draped all over Frank Lowy.

This did nothing for the game's image in mainstream Australia and gave the other football codes fertile grounds to rub our noses in the dirt.

However, the real tragedy of the World Cup Bid for Australian football was not just the Bid and the negative image it portrayed. Back home, professional football also suffered. The A-League was neglected and went into a rapid downwards spiral with crowds falling, TV viewers falling, confidence suffering and clubs feeling the heat and struggling without any support from FFA.

The focus on the 'turbo-charge' solution was so consuming that the long haul, long term strategy of getting the building blocks of the game right, was not just shelved temporarily, but completely forsaken.

Opportunistic decisions were behind A-League expansion in support of the Bid, rather than what was right for the A-League, and their inevitable demise further tarnished the image of the game.

The most obvious victim of this lack of attention is that the heartland of Australian football – the western suburbs of Sydney - with the highest level of cultural and linguistic diversity in the country, continued not to be represented in the A-League. It has taken two more years to finally get a team representing this important region into the competition, thanks to a \$4 million contribution from the Government. Critical issues were not addressed for months and months; there was little to no accountability for some major decisions; the FFA Board and administration became more remote from, and antagonistic towards, its broad stakeholder group; internally, the organisation lacked leadership and direction; and the hard won gains of the previous seven years were, at best, overlooked and, at worst, frittered away.

Although FFA was granted \$46 million of public money, and allocated a further \$4 million for funding to the Oceania Football Confederation, the fact that we only received one vote has barely raised an eyebrow at government level. The official reaction was to studiously ignore it ever happened – not least because of Frank Lowy's unassailably powerful position in the Australian community.

When some journalists attempted to raise questions about the conduct of the Bid, and especially the triumvirate of Hargitay, Radmann and Abold, FFA slapped a 'stop writ' on media domestically, that was withdrawn after the vote, and bullied and denigrated local and international journalists.

Belatedly, the CEO of FFA is moving on and is being replaced by the former CEO of the rugby league. There are some commentators who believe it's time for Frank Lowy to go also but his term as President does not expire until 2015.

'Closed shop'

Lowy and two other FFA Board members were up for election in November last year.

Despite a groundswell of public opinion that a challenge should be mounted, there was none. No one seriously thought Lowy or his two very close associates would be defeated, but many supported a challenge as an important principle of a democratic and transparent organisation.

Nominations for the Board can only be made by 10 individuals representing the nine state football federations and one person representing the 10 A-League clubs, despite the latter's accumulated losses and skin in the game. Each nomination requires the support of three of these 10 individuals. The forgotten stakeholders of the game – players and fans – do not have a say at all.

Just as the FIFA President has close relationships with many Member Associations who are grateful for the largesse thrown their way over the decades, the state federations have a symbiotic

relationship with the FFA Board and its management. None of the 10 was even willing to nominate a challenger, let alone vote for them, at last year's election.

Once the Board is in place, the members of the Board elect the Chairman – neither the members of FFA, nor any of the game's stakeholders, have a say.

The FFA governance model, which only partly and selectively reflects the recommendations of the Crawford Report from 2003, is held up by government as being acceptable. What they see is that FFA is an incorporated company under Australian corporations law; the Board is, on paper, skills-based; it has a modicum of gender diversity with one female director; there are time limits on serving on the Board. However, what they turn a blind eye to is that it doesn't reflect the diversity of the game's stakeholders; it is not transparent in its decision-making; it publishes annual financial statements because it has to but now provides the legally minimum information; and, while there is a giant of the Australian commercial sector as its head, it will always be seen – rightly or wrongly – as a 'one man band' rather than a truly collegiate Board.

In Australia, that is not a disadvantage when the organisation is led by Frank Lowy. He is truly a legend in his own lifetime. But it is an enormous risk when you consider he is 82 years of age and there is no obvious successor.

FIFA

Australians believe the serial allegations of corruption and mismanagement concerning FIFA are par for the course in international football, and add to the perception that football is something foreign and corruption prone.

That is not to say other sports in Australia do not have their scandals, but they are not anywhere near the scale of FIFA; they are not systemic; once discovered, they get cleaned up swiftly and decisively; and generally, someone takes responsibility for it.

Australia entered the World Cup Bid race knowing the environment in which we were operating and chose to be part of it. How else can you explain the engagement of Hargitay, Radmann and Abold?

But even though FIFA humiliated Australia at the 2022 vote, Australia says and does nothing about FIFA. So far FFA has been spectacularly unwilling to stand up for a better FIFA or renewed football governance. They declined the opportunity to nominate a third 'cleanskin' candidate for FIFA President last year; unlike countries such as England and others, they supported Blatter in last year's Presidential election, with the FFA CEO saying that to do otherwise would be an "empty gesture"; and they have declared confidence in the current reform processes instigated by Blatter and guided by one of his strategic advisors, Hargitay.

As Australia, and Australians, my view is that we should not compromise our integrity as a nation or as football association by continuing to support a man who has been in power for 32 years who admits to suppressing knowledge of bribe-taking. Blatter's claim that he couldn't have known about an offence because it wasn't one at the time is – for most fair-minded, honest and decent people including my compatriots - laughable, unconscionable and intolerable.

It would not only be in the long term best interests of football worldwide, but also for football in Australia, if we were to join others in global leadership position on this matter. The game will never achieve its full potential domestically while there is a constant narrative of corruption at the international level.

Boat against the current?

Right now – despite all the setbacks - Australia may well be in the strongest position possible in light of the moribund state football was in following the 2010 vote and at the end of the last A-League season in April this year.

As the Government’s Smith Report pointed out, the future financial viability depends on this next broadcast deal which is to be finalised imminently.

With the new CEO, David Gallop starting in November and the outgoing CEO who is from Aussie Rules and played a large part in their previous broadcast deal, the sport has two knowledgeable and experienced people playing a part and having a vested interest in the outcome of the broadcast deal. For the new man, his capacity to shape the future will depend on the outcome; and for the outgoing one, his own reputation, and the way he is remembered in the game, largely hinges on the outcome.

It may well be Frank Lowy’s smartest move: tying up talent and knowledge from two entrenched and commercially successful competitors as vested advisors.

However, regardless of the outcome, the broadcast rights deal will not be the ‘quick fix’.

It will not catapult us into the hearts and minds of the sporting mainstream. But it will be a critical factor in helping us build the culture of football, in helping us develop an informed understanding of the game and in helping us shape Australia’s sporting future several generations hence. Before we start on the path to the aspirational, we also need to get our structure and systems right so we have a more democratic, accountable and transparent governance which reflects all of football’s stakeholders.

As an aside, although Alessandro Del Piero joining Sydney FC is a very welcome fillip to the A-League, recruiting high profile and highly credentialed players is not the ‘silver bullet’ either.

Football does not want to displace other sports, but we do not want it to be forever a struggle.

So to answer the question I posted at the beginning – Can we ‘belong’? – I say ‘yes’; and in the medium term, we should aspire to be the number two sport in every part of Australia.

Importantly, we aspire for football to be at ‘home’ in 21st century Australia and also recognised as a football nation in the rest of the world. Or, as a good friend of mine and a former favourite Socceroo who played in Belgium, Italy and France and was also national team coach, said in his book written 14 years ago:

“I dream for, and work for, the day when all of Australia sees it that way too.”

“For me, the world is truly round. I dream for, and work for, the day when all of Australia sees it that way too.”

Frank Farina, ‘My World is Round’ (1998)

The alternative, for those of us who have lived the struggle for so long, is the full Fitzgerald quote:
“And so we beat on, boats against the current – borne back ceaselessly into the past.”
