

## FINDINGS AND RECOMMENDATIONS

### PREAMBLE

1.1 The First Report on the Soccer Inquiry was tabled in the Senate on 26 June 1995.

1.2 This Second and final Report deals with progress in implementing the recommendations of the First Report; findings of the inquiry since the First Report, and parliamentary procedures followed by the Committee in relation to adverse comment on persons contained in evidence taken during the inquiry.

1.3 Additional evidence was presented to the Committee following the tabling of the First Report, and hearings were held on 27 September and 21 November 1995 further to investigate apparent conflicts of interest.

1.4 In reaffirming the findings of its First Report, the Committee notes:

- (a) the significant changes in the conduct and administration of soccer football in Australia following the Committee's inquiry;
- (b) the recent decisions taken by the Australian Soccer Federation (ASF) to implement many of the recommendations made in the Committee's First Report and in the Stewart report; this demolishes the tendentious remark in the Government Senators' minority report that the Committee's First Report "makes generalised recommendations of little use to the code";
- (c) most of these changes were facilitated by the public release of the Stewart report, the Senate's own inquiry and its First Report; until these, the desire for reform within the ASF did not appear strong enough to overcome the entrenched difficulties that appeared to dominate the administration of the sport; and
- (d) the process of reform is still far from complete.

1.5 The Committee's First Report received a mixed response. Those, particularly in the media, who believed the Senate failed to uncover evidence of corruption of which they claimed to be aware, were disappointed that there were no sensational outcomes; those who believed the process had allowed damaging allegations to be retailed under parliamentary privilege were outraged, despite the fact that "in camera" hearings prevented the great bulk of unsubstantiated allegations made to the Committee going on the public record;

those who looked for a report that would, on the basis of conclusive evidence, resolve all the public and private allegations made over almost two years about impropriety in the sport, were not satisfied, as many potential witnesses who may have been of assistance to the inquiry chose not to appear.

1.6 In the main, however, the objects of the Committee were met; the recommendations of Mr Stewart were comprehensively dealt with, all the available evidence (except for that taken "in camera") relating to these matters of proper public concern was published, so enabling the public to make their own judgements on it, and responses by those subject to public allegations were put on the record. The Committee's primary concern was with the public interest; not particular vested interests.

1.7 The great majority of witnesses welcomed the opportunity to participate and did so without specific invitation. Many of them looked to positive outcomes from the inquiry, particularly by way of reform of Soccer's administration policy objectives and regulatory mechanisms. Mr Neville Wran AC QC, President of the Australian Soccer Federation, emphasised at a public hearing on 24 March 1995 that the ASF would be behind any player who came to the Committee to give evidence:

As the President, I would like to use this opportunity to emphasise that my weight and the weight of the Board would be put behind any player who came to this Committee to give evidence of any malpractice or breach of ethics in relation to the conduct of the code.<sup>1</sup>

The Chief Executive of the Australian Unity Soccer Players' Association (now the President of the Australian Soccer Players' Association), Mr Kimon Taliadoros, commented on the significance of the Committee's inquiry for the future of Australian soccer:

I thank the Senate for the opportunity to appear before you. We regard the matters before us as critical and of absolute fundamental importance to the future of Australian soccer. We cannot overestimate the significance and the role the Senate committee does play and will play in the future of Australian soccer.<sup>2</sup>

---

1 Mr Neville Wran, *Transcript of Evidence*, p 206

2 Mr Kimon Taliadoros, *Transcript of Evidence*, p 86

Mr Ron Smith, Head Coach (Soccer) at the Australian Institute of Sport was reported in the press on 24 November 1995 as describing the Senate inquiry into soccer administration as "a worthwhile exercise"<sup>3</sup>.

1.8 Press coverage of the inquiry, subsequent to the tabling of the First Report, included an article in *Inside Sport* titled, "Why Eddie Thomson has to go", which was critical of the Committee inquiry and its decision not to subpoena witnesses<sup>4</sup>. Senator Coulter replied as Chair of the Committee, defending the conduct of the inquiry and outlining why witnesses were not subpoenaed<sup>5</sup>. The Deputy Editor of *Inside Sport* responded to Senator Coulter's letter, reiterating doubts about Mr Thomson's truthfulness<sup>6</sup>. The credibility of the article may be measured by its finding significance in the fact that there is "no evidence that Mr Thomson did not receive remuneration" from the transfers. Its concern at Mr Thomson's evidence that he did not know Mr Van Dalen was an agent while he was also the Dutch Football Association's liaison officer at Papendaal during the Olyroo's training camp, may have greater weight, as Mr Thomson's evidence on the point conflicts with evidence given by others to the Stewart inquiry.

1.9 While regretting that so many players and officials chose not to give evidence, despite several of them giving indirect advice (generally via the media) that they had information of relevance to the Committee's inquiries, the Committee expresses its appreciation of those players who did answer its invitation to appear before it to give evidence. This is particularly so for players like Mr Michael Petersen and Mr Kimon Taliadoros who may have risked their playing careers by coming forward.

1.10 Mr David Hill, the Chairman of the Australian Soccer Federation (Soccer Australia) elected on 1 April 1995, gave assurance of support to the Committee in public evidence on 7 April 1995:

We want to address the issues that are of concern to you and to other soccer stakeholders and constituents. We want to do that as soon as possible. I know that scheduling meetings and

---

3 Mr Matt Taylor. "Sermanni's chasing a magic recipe". Soccer World. *The Canberra Times*. 24 November 1995, p 29

4 Mr Graem Sims. "Why Eddie Thomson has to go". *Inside Sport*. No 45 September 1995, pp 20-29

5 Senator John Coulter. Letters. *Inside Sport*. No 47 November 1995, pp 6-7

6 Mr Graem Sims. Reply *Inside Sport*. No 47 November 1995, p 7

writing the report will take time, but it will help us in getting on with the job of a fresh start for soccer.<sup>7</sup>

The Committee was therefore disappointed that, despite this early assurance of support, Mr Hill and others brought pressure to bear for a speedy conclusion to its inquiry rather than a properly considered one. Mr Hill also gave scant practical assistance to the progress of the Committee's inquiry in its early stages. He went so far as to make it known before the Committee brought down its First Report that he proposed to offer contract renewals to the National Coach and the National Youth Coach, regardless of the outcome of the inquiry.

1.11 It is a matter of serious concern that, after more than four years, and despite critical comments in both the Stewart and Senate reports, neither the Australian Soccer Federation nor Club Marconi has been able to take any action against whoever was responsible for the grossly improper actions by the Club in conspiring on at least two occasions, with an official of the Belgian Club Brugge, Mr Jacques De Nolf and an agent, Mr Israel Maoz, to provide false receipts for hundreds of thousands of dollars which the Club did not receive. Until this matter is resolved (protracted legal actions are continuing) the Club's reputation will remain tainted and the ASF's disciplinary powers will be demonstrated to be inadequate. The Committee stands by its position in relation to Club Marconi president, Mr Anthony Labbozzetta, as expressed in its First Report.

1.12 The Committee's calls for reform have been deflected by some ill-informed criticism of its inquiry, which has served to reinforce the view, among some leading soccer administrators, that improper and/or inappropriate behaviour is seen as acceptable, and not subject to sanction. It is particularly unfortunate that the Committee's search for the truth about widespread allegations of impropriety that began in early 1993 was falsely described as "creating" these allegations by Government members of the Committee.

1.13 Misrepresentations of the findings by the Committee, in relation to the National Coach, Mr Eddie Thomson, have resulted in a regrettable lack of action by the ASF. It is worth noting that the Committee in its First Report found that, while it heard no evidence that Mr Thomson had received any financial benefit from overseas transfers of Australian players, the actions for which he was criticised in the Stewart report were inappropriate.

---

7 Mr David Hill, *Transcript of Evidence*, p 678

1.14 The ASF's decision to implement appropriate procedures to protect national coaches from similar situations in the future is welcome, but it is regrettable that the ASF does not consider a finding of "inappropriate behaviour" by its National Coach to merit any action whatsoever - not even an admission that the ASF's own failure to state the role and responsibilities of coaches was a significant element in the problem. The lack of a public statement acknowledging that such inappropriate behaviour will not be tolerated in the future, and the protracted failure to complete contracts with coaches including such prohibitions, are matters the ASF should address.

1.15 The lack of co-operation from some European clubs, particularly Club Brugge, with attempts by the ASF and Mr Stewart to establish the facts about improprieties relating to transfers of Australian players overseas, is a matter the ASF should take up with FIFA in the strongest terms. The behaviour of at least one Club Brugge official in these matters appears, on the evidence, to have been grossly improper.

### **Committee Recommendation 12**

The Committee **recommends** that the Australian Soccer Federation (ASF) should urgently discuss with the Fédération Internationale de Football Association (FIFA) the need for genuine and effective cooperation from overseas clubs in dealing with allegations of improprieties relating to transfers of Australian players overseas.

## **WOMEN IN SOCCER**

1.16 The Committee heard evidence outlining current issues in women's soccer, particularly in relation to women's soccer becoming an Olympic sport. Witnesses included the Australian Sports Commission (ASC), the Australian Women's Soccer Association (AWSA) and two women players who had held positions as State and local officials<sup>8</sup>.

1.17 The Committee supports the suggestion of the AWSA that "gender equity" be adopted by the ASF in its management structure, for example, in ensuring that there is adequate female representation on the proposed

---

8 Mr James Ferguson, *Transcript of Evidence*, pp 356-378

Mr Denis O'Brien, *Submission No 49, Transcript of Evidence*, pp 1005-1027

Ms Tracey McKnight, *Submission No 43, Transcript of Evidence*, pp 334-355

Ms Mary O'Connor, *Submission No 33, Transcript of Evidence*, pp 760-773

Australian Soccer Agents Accreditation Committee and the Players' Commission<sup>9</sup>. As Mr Dennis O'Brien explained to the Committee on 23 May 1995:

The only way to move women and girls forward in this game is for the Australian Soccer Federation to accept that responsibility that they claim they have for all of football in Australia and provide some assistance to women's football in this emerging time.

1.18 The relationship between the women's state associations and the state Federations varies from State to State. The Committee advocates a coherent administrative structure in women's soccer throughout Australia at State and national level<sup>10</sup>.

### **Committee Recommendation 13**

The Committee **recommends** that discussions should continue between women's soccer representatives and the Australian Soccer Federation (ASF) to ensure that women's soccer interests are adequately represented at national level and are effectively incorporated within the new administrative arrangements.

### **ADVERSE COMMENT**

1.19 The Committee was conscious of the sensitivity of the evidence received during the course of the inquiry and undertook to ensure that, in accordance with the Senate's privilege resolutions of 25 February 1988, all named parties, where possible, were given the opportunity to reply to such comment within a reasonable timeframe. This greatly added to the workload of the Committee during the course of the inquiry, and required that this Second Report comment on the final results of the adverse comment process.

1.20 The inquiry attracted four types of evidence containing adverse comment:

- (a) the Stewart Report (242 pages)
- (b) Oral evidence at public hearings (1447 pages)

9 Mr Dennis O'Brien, *Transcript of Evidence*, p 1020

10 Senator Michael Baume, *Transcript of Evidence*, pp 1012- 1013

- (c) *In camera* evidence at public hearings (177 pages)
- (d) Submissions (58 including 11 confidential)

1.21 Adverse comment was dealt with in four ways:

- (a) Adverse comment letters were sent on 16 January 1995 to 58 people named in the Stewart report. A total of 14 replies were received and these were treated as submissions to the inquiry. A complete list of submissions is provided at Appendix 1.
- (b) Submissions that were not confidential were distributed on request to witnesses, the media and other interested parties, again with the opportunity for comment. A complete list of public hearings and witnesses is at Appendix 2.
- (c) Copies of the draft Hansard transcripts of each of the 18 public hearings were sent to all witnesses and any interested parties, who were provided with an opportunity to comment.
- (d) Copies of extracts from the *in camera* evidence given at nine hearings (listed in Appendix 2) were provided to individuals named adversely. Priority was given to individuals who were named in the Recommendations of the Stewart Report, and whose adverse comment directly related to the Committee's terms of reference. This resulted in letters being sent to 21 individuals over the period 9 June to 24 November 1995. A total of six replies was received to these letters.

### POWER OF SUBPOENA

1.22 A distinction between the inquiry conducted by the Hon D G Stewart and that conducted by this Committee was that, unlike Mr Stewart, this Committee had the power to subpoena persons and papers. During its inquiry, the Committee did not exercise its power to subpoena witnesses (although certain documents were obtained under subpoena, in particular, the Stewart Report itself).

1.23 There were several reasons why the Committee did not subpoena witnesses:

- (a) first, none of the persons against whom allegations had been made in the Stewart report refused to appear before the Committee when invited;
- (b) secondly, although it was suggested to the Committee by Mr Stewart and others that certain persons should be subpoenaed to appear before the Committee if they did not do so voluntarily, none of them were persons against whom allegations had been made in the Stewart report;
- (c) thirdly, the Committee was conscious of the fact that witnesses subpoenaed to appear before it could not, in practice, be compelled against their will to answer questions (and there were indications that that would have happened in some instances);
- (d) fourthly, several persons whose names had been suggested as witnesses were not in Australia during the course of the Committee's inquiry, and so were beyond reach of subpoena; and
- (e) finally, the Committee was aware of the important distinction between a Senate inquiry and judicial proceedings.

1.24 The purpose of the Committee's inquiry was not prosecutory, but to provide an opportunity for information to be provided to the Parliament in relation to the public policy matters raised in the terms of reference. Allegations relating to possible commission of criminal offences fall to the appropriate criminal investigatory bodies (such as the police or the Commissioner for Taxation) to pursue.

1.25 The power of Senate committees to subpoena witnesses should be used only as a final resort and, in the present inquiry, it was judged that any attempt to enforce attendance at a hearing or compel a recalcitrant witness to answer questions by threat of fine or imprisonment would have been generally regarded as extreme and unacceptable. The Committee was able to gather sufficient evidence to complete its inquiry by relying on witnesses who submitted information to it voluntarily.