

CONCLUSIONS AND RECOMMENDATIONS ARISING FROM THE COMMITTEE'S INQUIRY

2.1 While drawing on the information contained in the submissions, the Committee takes a prospective view and attempts to make recommendations for the better administration of soccer in the future.

2.2 As the standard of Australian soccer players improved, and the demand for Australian players by overseas clubs rapidly expanded, the transfer fees being transacted increased in size.

2.3 Soccer administration in Australia failed to deal adequately or effectively with this situation.

2.4 Negotiations in relation to player transfers overseas were conducted in a non-professional manner, often by people who should not have been involved or by people who were not the best or most qualified people to look after the interests of either the player, the Australian club, or Australian soccer in general.

2.5 In this situation, some coaches and officials became involved in player transfers in ways which were inappropriate.

2.6 Details of The Football Association's findings against three British clubs in relation to transfers of Australian players did not involve any suggestion of impropriety by the Australian clubs from which the players were released. However, the ridiculously small "transfer fee" received by the clubs (resulting from the players themselves "buying out" their contracts and putting themselves in the hands of overseas agents) compared with the very substantial payments to the agents concerned, is further evidence of the need for a more effective transfer system.

2.7 In several cases, there were large differences between the amount shown as paid by a foreign club and the amount paid to an Australian club. Some of the difference was sometimes paid to individuals as cash, but often left a large amount for which there had been no satisfactory accounting.

2.8 One witness who had looked at one overseas transfer in considerable detail suggested that the explanation might lie in an attempt to avoid tax and while there is no proof of this, the Committee has been unable to establish where the extra money finally lodged. There was some corroboration that the agent handling this, and at least one other transfer, may have been the instrument by

which the large, but unaccounted for, sums of money found their way to their final resting place. Whatever the outcome, it is evident that the Australian club and at least one official conspired with an official of a foreign club and an agent to present a grossly misleading view of the real transfer cost.

Committee Recommendation 1

The Committee **recommends** that the whole process of player transfers must be handled in future in a much more rigorous and transparent manner. Australia's soccer interests must be paramount and the financial aspects of the transfer must be conducted in such a way that no hint of impropriety is possible. There should be no cash payments. All payments must be made in such a manner as to leave a clear audit trail.

Committee Recommendation 2

The Committee **recommends** that the Australian Soccer Federation (ASF) should accredit an agent or agents who would act for the ASF in relation to overseas player transfers so as to ensure that Australia's soccer and financial interests are fully protected. These agent(s) must be experienced in the area of player transfers in the international scene, and must be people of integrity.

Committee Recommendation 3

The Committee **recommends** that the Australian Soccer Federation should establish a panel of experienced people who can provide advice to players and clubs with respect to a player who had been approached by an overseas club or who wished to seek a transfer to an overseas club. This panel should contain the National Coach, but the National Coach should not provide independent advice to players, and his advice through the panel should relate to football matters and not to other aspects of the potential transfer.

2.9 The Committee received evidence from one National Soccer League (NSL) coach that he had been offered a bribe in relation to facilitating an overseas transfer. The offer was refused. The Committee finds it hard to believe that other coaches and officials have not been similarly approached, given the large sums involved and the lack of vigilance and openness in the conduct of the

transactions. Nevertheless, despite close questioning on this point, every other coach denied being offered financial inducements, and the Committee, like Mr Stewart, found no persuasive evidence that any coach had received any money in relation to overseas transfers.

2.10 The Committee notes the extremely powerful position held by coaches in relation to player selection, and the influence this may have over a player's future in the game; and therefore draws particular attention to the responsibility which this confers on the coach and those superiors who are responsible for the coach's behaviour.

2.11 The Committee finds that the failure of the ASF to conclude a signed contract with the National Coach and his Assistant is both remarkable and indicative of a low level of administrative care and efficiency.

Committee Recommendation 4

The Committee **recommends** that formal contracts must be concluded between the Australian Soccer Federation and the National Coach and Assistant National Coach and that these contracts must include the matters mentioned in Recommendation 3 and paragraphs 2.5, 2.9 and 2.10. The contracts must include a clause to the effect that it is inappropriate for them to become involved with overseas transfers in any other way, and must include a clause insisting that coaches use the power conferred by their position in strict accordance with an accepted code of conduct, such as that adopted by the Australian Soccer Federation on 31 October 1992.

2.12 The Committee is of the view that the domestic player transfer fee should be abolished immediately as the period between now and the end of 1996, when the Australian Industrial Relations Commission has recommended that fees be dropped, will be one of difficulty for both players and clubs. We note that the dropping of this fee will not disadvantage clubs overall within Australia.

2.13 While this would result in free transfers at the conclusion of player contracts, it would nevertheless allow such contracts to contain financial penalties for early release, including under agreed transfer arrangements.

2.14 Because of the continuing overseas transfer payments system, the removal of internal transfer payments would require the introduction of equitable compensation arrangements for clubs and other organisations [such as the Australian Institute of Sport (AIS)] which have contributed to the player's

football development. The Committee is concerned that the present system fails to take account of the significant contribution the taxpayer-funded AIS has made to player development, the benefits of which are claimed entirely by the transferring club.

Committee Recommendation 5

The Committee **recommends** that the domestic player transfer fee be abolished immediately.

Committee Recommendation 6

The Committee **recommends** that player contracts, including contracts with juniors and players with language or other such difficulties, must be reviewed to ensure they are fair and equitable. Players are not chattels to be bought and sold without proper consideration of their interests.

2.15 There was conflicting evidence in relation to the involvement of Mr Anthony Labbozzetta in relation to negotiating player transfers. Mr Labbozzetta was present during the sale of the player, Paul Okon, yet he denies that he knew the gross amount of the transfer fee. Other evidence from Mr Mariani, the Marconi Club Coach and Manager at the time, conflicts with this and says that Mr Labbozzetta did know the gross amount of the transfer fee. The Committee finds Mr Mariani's evidence much more credible. Mr Labbozzetta must therefore have known that a vast difference existed between the amount paid by Club Brugge and that received by Club Marconi, on whose behalf he was acting. It was misleading of Mr Labbozzetta not to advise the Committee of this difference. The Committee is unable to explain how or why it is that Mr Labbozzetta did not provide a believable account of this transaction.