

**Senate Finance and Public Administration Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Prime Minister and Cabinet Portfolio**

**Department of the Prime Minister and Cabinet**

Portfolio Additional Estimates 21-24 February 2011

**Question: PM35**

**Asked By: Senator RONALDSON**

**Topic: World Cup Bid**

**Type of Question: Hansard F&PA page, 77, 21 February 2011**

**Date set by the committee for the return of answer: 15 April 2011**

**Number of pages:**

**Senator RONALDSON—Yes, I know. Minister, will you give an undertaking that the full financials in relation to the government's \$45.86 million bid will be released publicly?**

**Senator Chris Evans—Of course. That is what estimates is here for. The office has given you what they have so far and at the next estimates, or on notice, they will give you any other information that is available.**

**Answer:**

Once the total amount of \$45.6 million allocated for the 2022 World Cup Bid has been fully acquitted, the final breakdown of expenditure will be provided to the Committee. In the meantime, a breakdown of expenditure acquitted to date is attached.

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**Acquitted Expenditure on 2022 World Cup Bid**

<b>Item</b>	<b>Total (\$m)</b>
<p><b>FFA Staff and Related Costs</b></p> <p>This expenditure relates to staff salaries and associated on-costs (eg, superannuation, payroll tax, annual leave loading, etc) for bid staff contracted by FFA to work on the FIFA World Cup and AFC Asian Cup bids.</p> <p>Staff numbers have fluctuated depending on the phase of the Bid, with staff numbers at the peak during the period leading up to the Bid Book submission and Inspection Visits, but on average have numbered between 12 and 14.</p> <p>Areas of Staff Employment:</p> <ul style="list-style-type: none"><li>• Executive/Management</li><li>• Strategic Planning</li><li>• Finance</li><li>• Legal</li><li>• Marketing (including social media)</li><li>• Events</li><li>• Logistics</li><li>• Media Relations</li><li>• Government Relations</li><li>• Public Relations</li><li>• Commercial</li><li>• Accommodation, Training Sites and Stadium Infrastructure Planning</li><li>• CSR</li></ul> <p>Several members of FFA staff contributed significant time and attention to the bids but were funded by FFA and not Government funding. This included the CEO, Head of Legal, Chief Financial Officer, Head of Corporate and International Affairs and finance and accounts teams.</p>	\$4.606

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<p><b>Consultants/Agencies</b></p> <p>This expenditure does not relate to all consultants and agencies engaged to work on the Bid. For example, marketing specialist agencies were engaged and recorded under the budget line item “Marketing and Advertising”.</p> <p>Expenditure on consultants and agencies which do not directly relate to other prescribed budget line items is recorded here. This included advocacy services provided by European Consultancy Network and Abold (through its sub-contractor Fedor Radmann) and strategic analysis performed by PwC and LEK on projects such as economic and financial modelling; cost benefit analyses; jurisdictional business cases; analysis of the impact to other sporting codes; budget preparation; analysis of the commercial value to FIFA of staging the World Cup in Australia; and an economic valuation of World-Cup associated and ancillary events and “assets” available to jurisdictions.</p>	<p><b>\$6.595</b></p>
<p><b>Business Operations</b></p> <p>Business operations expenditure includes expenditure primarily of an overhead nature, including pro-rated office rental, cleaning, security, postage, printing, IT services, phone calls, office supplies and other incidental costs.</p> <p>Please note that this figure also includes \$1.323 million of value-in-kind (VIK) from official bid partners:</p> <ul style="list-style-type: none"><li>• Cisco Systems</li><li>• Optus</li></ul> <p>Cisco provided telepresence hardware and support as well as audio visual equipment and Optus provided iPads and telepresence related cabling and IT services.</p>	<p><b>\$2.958</b></p>
<p><b>Events</b></p> <p>Events related expenditure includes service fees to FFA’s UK-based international events planner and coordinator, JKB International, as well as costs incurred in staging targeted events. Major events staged or participated in during the bidding process include the International Football Arena in Zurich, which was attended by several members of the FIFA Executive Committee; the Australia Lounge, which FFA established at the Sandton Convention Centre in Johannesburg during the 2010 FIFA World Cup and used as a key networking and lobbying hub; and the Sydney Festival Ferrython, which featured a bid-branded “Come Play Ferry” and received significant international coverage.</p> <p>The Bid also arranged more intimate events in connection with opportunities</p>	<p><b>\$0.781</b></p>

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surrounding key FIFA meetings, tournaments and international fixtures.	
<p><b>Community Programs</b></p> <p>Community Programs includes expenditure incurred in respect of FFA’s Corporate Social Responsibility (CSR) and International Football Development (IFD) initiatives. These initiatives were a critical part of the bid process, mandated by the bidding documentation and providing strong opportunities to enhance the Bid’s credentials and reputation.</p> <p>CSR initiatives served to reinforce Australia’s commitment to CSR as part of its Bid Book submission to FIFA. For example, FFA provided support to Football United, a charity which through football assists refugees and other marginalized groups integrate into Australia society. Support was also provided to The Big Issue’s Street Soccer program.</p> <p>International Football Development initiatives were undertaken in Australia, Oceania, Asia, Africa and the Caribbean. These initiatives are intended to demonstrate Australia’s capacity and willingness to assist in the growth of participation or to improve the technical standard of football in a particular region. These initiatives have included the provision of equipment, technical advice and support and funding to develop football in these regions. FFA has funded significant contributions from its own resources (not using Government funding) in Australia, South Africa, East Timor, Thailand, Vietnam, Philippines, Israel and Palestine and the Caribbean.</p>	\$2.272
<p><b>Public Relations</b></p> <p>Public relations expenditure includes fees payable to Square 1 Consulting who were engaged to provide international exposure of and attention for Australia’s bid, as well as the production of promotional materials, merchandise and premiums for distribution at key events. FFA also utilised Inner Sanctum Media to produce video footage of key bid events for distribution to various media outlets and bid Partners.</p> <p>Other Public relations activities included the “Breakfast on the Bridge” held in Sydney in conjunction with the NSW State Government which achieved significant domestic and international exposure.</p>	\$1.482
<p><b>Marketing and Advertising</b></p> <p>This expenditure included fees to marketing and advertising agencies for the research</p>	\$6.003

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<p>and development of Australia's brand themes, the development of a bid logo, the production of a television commercial and the development of Australia's bid website.</p> <p>In addition, costs related to the promotion of the bid, including television advertising or media space at key events, are included in this description.</p> <p>Please note that this figure also includes \$1.161 million of value-in-kind (VIK) from official bid partner QANTAS for marketing and advertising they provided in the form of in-terminal advertising space.</p>	
<p><b>Infrastructure Planning</b></p> <p>FFA appointed an Australian based consortium of engineers, architects, cost planners, stadium security experts, transport experts, project management staff and environmental experts to develop detailed designs and plans with respect to stadiums and other key tournament sites and event related infrastructure (for example, Fan Fests, training sites, accommodation and airports). FFA contracted Populous, Australia's leading stadium architects, and Populous sub-contracted all other members of the consortium of companies, including ARUP, Aurecon, MI Associates, Davis Langdon, Intelligent Risk; Cox Architects and Ways and Means.</p> <p>The plans developed were necessary in order to provide a high level of detail on stadium and infrastructure plans when preparing the Bid Book and liaising with government and other stakeholders. Populous also provided similar services in respect of the Asian Cup bid.</p> <p>FFA also engaged ISFM to undertake a national facilities audit in relation to potential training sites for inclusion in the bid proposal.</p>	\$4.127
<p><b>Travel</b></p> <p>This includes flights, taxis, accommodation, subsistence meals and other incidental costs incurred whilst travelling in connection with the Bid.</p> <p>Domestic Travel expenditure was necessary to co-ordinate the various activities across all proposed Host Cities and was also used for FFA's preparation and participation in key events to support the bid. International travel was undertaken in relation to key FIFA workshops or observer tours, lobbying, International Football Development or other international events.</p>	\$2.689
<p><b>Bid Book, Presentation and Other Marketing</b></p> <p>This relates to the development, production and distribution of Australia's Official 760</p>	\$9.213

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<p>page Bid Book.</p> <p>The cost of Bid Book preparation included service fees to Abold and other local agencies specifically in relation to the Bid Book design and production, as well as other specialist consultants and subject-matter experts with experience in technical writing in Australia. Bid Book costs also included the cost of scanning of approximately 60,000 pages of contracts and other documentation as well as the shipment and logistical costs of transporting documentation from Australia to FIFA headquarters in Europe.</p> <p>These expenses also included costs related to the FIFA Inspection Visit (e.g. rehearsals, transport and accommodation, promotional videos, etc) and Final Presentation (e.g. film shooting and production, transport and accommodation, security, etc).</p> <p>Significant aspects of Bid Book expenditure include:</p> <ul style="list-style-type: none"><li>• Design, project management, content review, layout and production coordination for both World Cup and Asian Cup Bid Books;</li><li>• Staff secondments, economic impact analysis, financial modelling, and strategic consulting;</li><li>• Infrastructure analysis, auditing and research;</li><li>• Transport strategy development and planning;</li><li>• Security strategy development and planning;</li><li>• Environmental strategy development; and</li><li>• Design and production of slip cases and interactive Bid Book DVD.</li></ul>	
<b>TOTAL</b>	<b>\$40.726 (ex GST)</b>