

think we'll work very very hard towards achieving the dreams about the Middle East," he says. "Whether these questions stop or not I don't know, in all honesty. I do hope so. People can be cynical, fair enough. But we will dispel all cynicism on the ground when they see our actions: when people see that every promise we have made, every ambition we've put towards this World Cup, every dream that is hanging on this World Cup will be achieved - we'll put those cynical thoughts to rest."

London, May 2011

In a hotel suite in the west end of London, the Australian documentary maker Quentin McDermott from the Australian Broadcasting Corporation's *Four Corners* programme is interviewing the controversial football consultant, Peter Hargitay. It's for his latest film, about Australia's failed World Cup bid. Despite blowing Aus\$46.7 million of taxpayers' money on their bid, nobody from Football Federation Australia (FFA) has seen fit to give an account of what went wrong. Flanked by his lawyer and even his own camera crew, Hargitay, a 60-year-old Swiss-Hungarian, is doing what no other representative of the lavishly funded bid has been willing to do.

"So we lost," says Hargitay. "Now are we proud of it? Of course not. Could we have avoided it? Maybe not. In hindsight, maybe not. But hindsight doesn't help. To go on and on about it, you spent 0.00045% of your GDP on this bid but you would have earned 10 to 15% of your GDP [these figures are highly contentious;

most observers suggest even a best case scenario the boost to GDP would be no more than 2%] had you won. Isn't that a risk worth taking?"

Many in Australia say that it was.

Of the nine nations bidding for the World Cup, Australia's fared worst, gaining just one of 22 possible votes in the election for the 2022 finals, and being eliminated in the first round. In its final stages Australia's bid was toxic: flaccid, badly thought out, supremely arrogant, lacking empathy with grassroots football in its own country. It was epitomised by an atrocious final presentation: a film involving an animated kangaroo and a score of Australian celebrities; then the country's football idol, Tim Cahill, left silently to stand on stage in Zurich as a mere adornment while Elle Mcpherson and Australia's bid chairman, Frank Lowy, took charge of proceedings. It seemed indicative of the bid's lack of understanding of the game.

And yet Australia is important because it tells us much about Fifa and the way that many countries went about their bid business.

The Australian World Cup bid had its origins almost a decade ago, when state and federal governments identified it as an aspiration. It gathered momentum during the 2006 World Cup finals, which saw Australia's first appearance in a generation and the FFA chairman Frank Lowy deeply impressed by Germany's party atmosphere. Lowy announced in October the following year that Australia intended to bid and soon extracted from their new prime minister, Kevin Rudd, a pledge of government support.

When putting together a bid team, there was an acknowledgement that Australia was a minnow in the murky waters of football politics. It had no Fifa Exco representation and had only joined the AFC in 2006. Many in Asia still consider it an outsider. "We would be naive to think that we, as a relative newcomer on the international football stage, had all the expertise to deliver the best outcome," the FFA chief executive Ben Buckley admitted in an interview with the *Australian Financial Review* in 2010. He spoke of the need to engage "international organisations to assist with the bid." In Australia's case this meant a team of three controversial European consultants.

One of these was Fedor Radmann, an Austrian veteran of the collapsed sports marketing company ISL, who had gone on to play a key role in Germany's successful bid to host the 2006 World Cup. Germany arguably put on the greatest finals in the history of the tournament. But the decision to award the finals to Germany ahead of South Africa in 2000 was described to me by a Blatter aide as "the greatest scandal in the history of Fifa". A nexus of hidden payments, secret deals and alleged threats secured Germany's victory at the last — but only after Oceania's Charlie Dempsey mysteriously absconded from the vote, leaving Germany to win by 12 votes to 11. Germany's *Manager Magazin*, which in 2003 meticulously unravelled the German bid, described Radmann as Germany's "puppet master". Radmann, who subsequently worked for South Africa's successful World Cup bid and briefly served as chief executive of Salzburg's 2014 Olympic bid, was hired along with his long term associate, Andreas Abold.

The other notable appointment was Hargitay, a man for whom the journalistic euphemism "colourful" seems to have been invented. In the 1980s he worked as a spin doctor for Union Carbide, the US chemicals company whose plant in Bhopal was responsible for a leak that Greenpeace estimates caused the deaths of 20,000 people. Hargitay was hired to gloss up the company's image; almost three decades later many of the disaster's victims await justice. He moved on to work for Marc Rich, America's greatest tax-dodger and an apartheid sanctions-buster who appears on the US's top 10 most wanted list. Later there were other business interests in film and, curiously, a Zurich-based private investigation agency.

There were also his own brushes with the law. In 1995 Jamaican detectives seized cocaine on a ship belonging to a Hargitay company. He was arrested, tried and cleared. Two years later he was arrested in Miami en route to Europe and detained on suspicion of cocaine trafficking. Again, he was cleared and freed, but only after serving seven months behind bars.

Despite this interesting past, Sepp Blatter saw fit to hire him as a special adviser around the time of the 2002 World Cup. The decision followed the collapse of ISL, a presidential challenge from Issa Hayatou and the rebellion of his general secretary, Michel Zen Ruffinen, along with several of his executive committee. Blatter was no Marc Rich, but his reputation had taken a beating. For the next five years Hargitay was frequently seen at the Fifa president's side. Such access purportedly made him one of the best connected operators in football. He briefly worked for England's nascent World Cup bid before taking on a well-

paid consultancy with the Australian bid. What could possibly go wrong?

Large aspects of the consultants' briefs were to engage with the members of the Fifa Executive Committee. This would mean meeting, presenting, persuading and, invariably, entertaining and using Australian taxpayers' money to partake in the lavish hospitality culture for which Fifa is renowned. "I happen to have the access so our team has the access," Hargitay bragged to the *Sydney Morning Herald* in June 2010. "I believe it is unparalleled access. Access means there is trust. I can say that Mr Blatter gives me his trust, so does the secretary-general [Valcke] who shapes opinions. All the key [executive committee] members who have been long-serving, I know them personally and there is a level of trust that I am proud to enjoy."

Even before the consultants came on board, the Exco had had a taste of Australian largesse. When the Fifa Congress was hosted in Sydney in May 2008, Frank Lowy held a private dinner at his residence for the Exco at which the men from Fifa received gifts of Paspaley pearl cufflinks. Their partners received pearl pendants. The jewellery, paid for by the FFA, was worth close to \$100,000. Australia was still to formally lodge its bid and thus was not bound by its rules. These stated that anything given during the World Cup bidding process should be no more than "occasional gifts that are generally regarded as having symbolic or incidental value".

Yet when the bid process started the stakes were raised even higher. At meetings held in April 2008 and March 2009 between Frank Lowy, Ben Buckley

and the OFC president and Fifa Exco member Reynald Temarii, the Australians were handed a shopping list. This included Hyundai vehicles for each of its associations apart from New Zealand and TV rights for the broadcast of A-League and Australia games in Oceania. Because they had no Exco member of their own, Temarii's vote was absolutely fundamental to their bid strategy. An internal bid team document resolved to "work with AusAID [Australia's international development agency] and commercial partners to deliver on OFC's request." The FFA went back to the Australian government and requested additional money for international football development in Oceania. Surprisingly they agreed. In August 2009, Temarii, Buckley and the Australian prime minister Kevin Rudd signed a partnership agreement with Oceania promising funding of "up to Aus \$4 million over three years".

Nor was Oceania alone in benefitting from Australian taxpayer-funded generosity. Five days after the agreement with Temarii, a memorandum of understanding was signed with the AFC president Mohamed Bin Hammam, pledging Aus \$5.1million to its Vision Asia football development programme. Bin Hammam was so grateful for this donation that he announced the following June that his confederation — of which Australia was, of course, a member — would be backing a European candidate for the 2018 finals.

A further cooperation agreement was signed with the Indonesian FA (PSSI), at a time when the archipelago was still a host candidate. Its federation president then, Nurdin Halid, is a fraudster who twice ran the PSSI from a prison cell, once while

...serving custodial sentences for stealing food aid from tsunami victims. He is reviled in his own country but this didn't stop Lowy from being photographed with him and describing their friendship as "strong". The Bakrie family, to whom Halid is closely associated, subsequently bought the Brisbane Lions A League franchise. Such are the prices you have to pay if hosting the World Cup.

Australia's money went far and wide and was spent in little ways and large. Everybody was desperate to court the nefarious Concacaf president Jack Warner and the bloc of three Exco votes he carried even though they were committed to the USA bid, which fell within his confederation and was favourite for the 2022 finals. No matter. When he complained, more than a year after the Sydney Fifa Congress, that his wife Maureen hadn't received her pearls, an FFA official was immediately dispatched to buy her a \$2000 necklace.

Far larger favours were spread to the Caribbean, despite the slim chances of a return. When, in September 2009, Trinidad and Tobago's under-20 team went to a training camp in Cyprus, the FFA picked up the tab. "As a developed nation within football, FFA has a responsibility to promote football and social development among less developed nations," Buckley explained when the news broke the following year. "Commitment to furthering international relations and football and social development is also a critical requirement within the bidding process." A further memorandum of understanding was signed with the Jamaican federation in October 2010 worth \$2.5million of funding. Hargitay, who has a home in

Jamaica, was photographed looking on as the document was signed.

Almost a year after the hosts were decided, I catch up with Bonita Mersiades, the former head of corporate affairs at the FFA. For years Mersiades has had a formidable reputation both within Australian football and beyond. She is someone simultaneously in tune with football's grassroots and its corridors of power, rare qualities that set her apart from most other administrators, particularly in Australia. For a long time she was a confidante of Frank Lowy and was part of the movement that cleaned up the cesspit of Australian football in the early 2000s. Mersiades left the bid and the FFA in January 2010 after falling foul of Hargitay. Some say that she was sacked for being too honest.

I asked her about life on the bid circuit and what it told her about Fifa. "The bid process in terms of them saying, 'We're going to send out this document on a certain date and you'll respond by this day, etc' worked like clockwork," she says. "But beyond the actual process and the bureaucracy of Fifa, it was very haphazard. There was too much focus put on those 24 individuals and there would sometimes be unwelcome demands from some of them. I think inserting the Fifa Exco into the bid process was part of a flawed environment."

Was the bid designed to appeal to the best interests of football, or the 24 men, or was it a two-tracked approach also aimed at the wider world? "I think that was probably one of the mistakes we made," she admits. "From my perspective it was always about

what was best for football and particularly what was best for Australian football because you have to have a legacy for football within your own country as well as more broadly for the game.

"I think there was a view within some in the bidding team that it was only the 24 individuals. There are many things that went wrong with the Australian bid. But certainly in 2010 we lost sight of what the actual World Cup was about — the football, fans and players. We lost a closeness with what we were trying to achieve by focusing on those 24 men to our detriment."

Indeed, it soon became clear that she was the glue that stuck together the public image of the Australian bid. Without her it quickly collapsed into acrimony. There was a bitter falling out with rival codes of domestic football that almost brought the bid crashing down. There were numerous PR gaffes and missed opportunities. There was unbridled paranoia towards the domestic media which even led to the public service broadcaster, SBS, dropping web-based articles critical of the bid. On the bidding circuit Australia's opponents described them as aloof, arrogant and unpleasant; qualities they carried into their daily conduct with the international media.

All the while astronomical amounts of taxpayers' money continued to be spent. According to the bid team's audited accounts, the bid book, technical inspection and final presentation cost a staggering Aus \$10.3 million. This was a sum roughly equivalent to the USA's entire bid budget. For the final bid presentation film they hired the Hollywood director Philip Noyce, an 80-man crew and 300

extras. The CGI kangaroo took 6,000 hours to animate. The bill was added to the taxpayers' tab.

Of the Aus \$42.7million spent by Australia, the bid consultants were paid a total of Aus \$5.1million — a sum that would have risen considerably with win bonuses. Hargitay's company received Aus \$1.45m of this. In most eyes this is not bad going for 18 months work. Hargitay, however, described it as a "pittance".

"Our objectives are understood very well in Concacaf despite the fact that the US are a competitor," he had boasted in June 2010. "We are even better understood in South America. Eventually, one, two or three will drop by the wayside and that's when phase two will kick in. I am absolutely confident that if there is only one Asian bidder left then all four votes from Asia will go to them. That I am sure of."

And yet Australia's consultants brought them just a single vote, apparently from Franz Beckenbauer — a close friend of Radmann, but a vote the FFA had been confident of securing even before the consultants' engagement. Even that had a heavy price. A 2007 cooperation agreement between the FFA and the German football federation saw Australia stand aside in the race to host the Women's World Cup. Surely that prize wasn't given up to win a measly vote towards the men's tournament?

"The evidence suggests the consultants were not value for money," says Mersiades. "If we had won, it is unlikely that anyone would have raised questions about the value for money of the consultants or how the bid was won. There was — and still is — a view from

many that winning the bid was such a valuable end in itself for football in Australia that the means was irrelevant. While some people involved in the bid held their collective breaths at the engagement of Australia's international consultants, they were also tolerated because it was understood they would put us in the milieu of whatever it is that goes on behind closed doors with Fifa Executive Committee members and they could win it for us.

"Funnily enough, the same people who accepted the international consultants unquestioningly, and all that they brought to the Australian bid team, also cried foul about Qatar's win. They made the somewhat hypocritical assumption that, if we had won, it would have been okay; but for Qatar to win, there must be corruption as a Qatar win in their view — to quote Les Murray — was '...so absurd, it was just about unthinkable.'"

There is no shame in losing a World Cup bid but Australia's abjection was no less than they deserved. Ultimately the FFA betrayed their countrymen who paid for this vainglorious ego trip but weren't in any way represented by its sales pitch. Australia is, in many respects, the greatest sporting nation on earth. Seldom did the world get to see that reality meaningfully articulated.

I ask Mersiades whether she thinks that, like England, Australia was never going to win, no matter how good a bid proposal it came up with. "The funny thing," she says, "is that while the process was flawed, maybe the outcome is actually right in terms of what is best for the game — taking the game to different parts of the world, such as Russia and the

Middle East. Maybe it's not a bad decision in the end."

Yaroslavl, September 2011

Even hours after crashing, the fuselage of the medium-range Yak-42 jet smoulders in the Volga River as rescuers look forlornly amidst the floating wreckage for survivors. They find only dead bodies. The Lokomotiv Yaroslavl ice hockey team which had been travelling for a match in the Belarusian capital Minsk has been wiped out almost in its entirety. Seven crew and 36 members of the team and coaching staff of the three-times Russian champions are dead.

In its technical reports prior to the vote, Fifa had highlighted the transport situation in the Russia as a "high-risk" factor. The size of the country and inadequacy of its roads make air travel a necessity. No matter for the Fifa Exco. Only two days after they vote the Russian bid the winner, a Dagestan Airlines jet was forced to crash land at Moscow's Domodedovo airport whereupon it broke up on the runway, somehow only killing two of the 169 people on board. As well as the Yaroslavl crash, there were major air accidents in Russia in January and June and a suicide bomb attack at Domodedovo that killed 35 people.

During the bid race, Russia's infrastructural shortcomings were a constant line of attack from England's bid team. So too was the state of Russian football which is beset by crowd violence, racism and match fixing. Little has improved with the greatest show on earth now guaranteed. In the past year, Roberto Carlos and