

'It's disappointing from [Telstra's] perspective ... that they decided to play the games they did. The shareholders should be asking the board, "What were you doing?"'

STEPHEN CONROY, the Communications Minister, gives an insight into Telstra's exclusion from the Government's tender to build a national broadband network.



# 7 Days

## Bulldogs are for hire, but will sponsors bite?



**Roy Masters**  
SHOW ME THE MONEY

Early in his career the tennis player Andre Agassi proclaimed that "image is everything". When he said that, he was enjoying money and fame before he had done much to deserve either.

He was spruiking for Nike, a company that then sponsored the kind of athletes who embarrassed grown-ups. But Agassi underwent a serious makeover and proceeded to collect a string of grand slam titles.

Similarly, the Canterbury Bulldogs are seeking to reposition themselves, following a season in which they won the wooden spoon and six years of embarrassing an entire community of grown-ups.

They remain the only NRL club without a major sponsor, despite kicking off their season on Saturday night with an impressive 34-12 win over the premiers, Manly.

The Bulldogs are paying in the marketplace for an administration that cheated on the salary cap, a player group that defied accusations of sexual assault—subsequently dropped—and fans who started mini riots at the team's home ground, ANZ Stadium at Homebush Bay.

The Bulldogs's marketing and

commercial operations manager, Dirk Melton, says: "Admittedly, the Bulldog brand has become tarnished, but the club has focused on rectifying this, and in the past 10 months has made steady progress in beginning the slow process of turning around public perception."

However, just when the Bulldogs believed they were about to land a \$1 million naming rights sponsor, a week of bad headlines about drunken behaviour and a sexual assault allegation at Manly derailed the deal.

Melton insists the club's image makeover is genuine and based on market research.

"We can give potential sponsors very specific, fact-based information that shows our supporters to be disproportionate to the rest of the population—Holden/Ford-driving, Coke and Tooheys New-drinking, NRMA-insured, Qantas-flying and CBA-banking. Sponsors are missing out on reaching a large and quintessentially Australian market."

Melton speculates whether the executives responsible for sports sponsorship budgets have become too conservative, ignoring the potential of displaying their logo on the front of football jumpers.

"When the 'live billboard' concept in sport may be more successful than other media vehicles, are marketers scared to move away from traditional media for fear of losing their jobs?" Melton asks.

Not surprisingly, the Bulldogs are keen to reposition themselves as the "family club", the image they enjoyed when three Mortimer brothers and three Hughes brothers played for Canterbury, as did two sons-in-law of the club's then chief executive, Peter Moore.

"We can actually lay claim to being the family club," Melton says.

"A standard ticketing split across codes is 60 per cent adult, 20 per cent concession, 20 per cent family. For the Bulldogs the



Up for grabs ... the Bulldog Hazem El Masri is held aloft after breaking the NRL points-scoring record on Saturday. Photo: Dallas Kilponen

split is 40 per cent adult, 10 per cent concession and 50 per cent family. This makes sense when you look at the demographic details and notice that 78 per cent of Bulldogs fans are between the age of 18 and 54."

Melton also argues that the club's demographics demonstrate that its supporters represent "modern day Australia", although the club's Canterbury-Bankstown base is multicultural, creating the perception of an "ethnic club".

"Our fan base is 25 per cent bush, 55 per cent Sydney and 10 per cent Queensland, with those in regional NSW and

Queensland predominantly of Anglo origin," Melton said.

"The birthplace statistics in the Canterbury-Bankstown area are 68 per cent Australian, 9 per cent Lebanese and 6 per cent Chinese. The primary language in this area is English 47 per cent, Arabic 22 per cent, Chinese 10 per cent and Greek 8 per cent.

"Having originated 74 years ago in a predominantly Anglo-Saxon area ensures that we have, like most clubs, a close to normal distribution of fans from all ethnic backgrounds, which is a reflection of modern day Australia."

Over the past two seasons the

Bulldogs have released most of their match-winning big players of Polynesian heritage, such as Willie Mason, Sonny Bill Williams, Rene Matua, Roy Asotasi and Willie Tonga.

They have replaced them with players of Anglo-Saxon origin, led by the halfback Brett Kimmorley from Cronulla, Josh Morris from St George Illawarra and half the Broncos pack.

In other words, most of the present team is representative of white Australia, although their goal-kicking winger Hazem El Masri—who set Australian rugby league's points-scoring record on

Saturday night—is a Lebanon-born devout Muslim.

The Bulldogs have been rugby league's most successful club over the past 30 years but have no sponsor.

They are the reverse of Agassi who, by the age of 22, had used his Nike money to buy at least 25 cars including a Lamborghini, a Ferrari and a handful of Cadillacs, but was not winning big matches.

The 2009 NRL season will answer many questions, including whether the Bulldogs' image makeover results in them winning both games and sponsorship dollars.

## Bang for the mining executives' buck



**Jamie Freed**  
THE DRUM

companies controlled by the Towner family, or \$254,000 in capital raising fees paid to a company controlled by the family.

In return, New Guinea has not produced a much-vaunted farm-out deal of its oil and gas exploration prospects, and Ord Rivers's Copper Flats project—once deemed "one of the most significant discoveries in Australian copper mining history"—has no resource statement.

They have a combined market value of \$21 million.

### Working the Perth triangle

Another family team that has banked a lot of cash from its interest in exploration companies is Perth's Solomon brothers, Greg and Doug.

They are involved in three listed companies, to which they provide legal and administrative services in addition to their roles as executive (Greg) and non-executive (Doug) directors.

Between 2005 and 2008 Greg earned \$1.2 million through his executive roles at **Tasman Resources** and its listed spin-offs, **Eden Energy** and **Fission Energy**. Those companies have a combined market value of \$18 million.

Meanwhile, Doug earned more than \$200,000 from his role as a non-executive director

### Many of the options packages are no longer anywhere near in the money

at the same companies.

But his law firm, Solomon Brothers, received an extra \$279,000 in fees, and another company linked to the Solomons received a combined \$1.39 million in administrative fees over that period.

EXECUTIVE pay has become a prominent issue during the downturn, but apart from the controversial \$8.4 million ex-gratia payment to the former **Oxiana** managing director, Owen Hegarty, the debate has not hit the mining industry as hard as the banking sector or other industries.

In boom times there was some discussion in exploration companies about the generosity of options granted to directors.

About the time nickel hit a record \$US50,000 a tonne in 2007, Andrew "Twiggy" Forrest was granted an options package in **Poseidon Nickel** that was more than \$200 million in the money.

Of course, during the downturn, many of the excessive options packages granted during the boom are no longer anywhere near in the money. That means that for the short and perhaps medium term, the only real form of compensation for executives and directors is their cash salaries and any perks available from the company.

At the peak of the mining boom few shareholders were complaining about executives' salaries, since investors were also receiving fantastic returns as share prices rose.

But now it may be worth taking another look at just what all