



## Interview with Mr Peter Bartels

by Geoffrey R Widmer of the Palliser Group- August 2003

**I have had the pleasure and opportunity to discuss the important issues related to sport and business with Mr Peter Bartels a successful & renowned business leader with an enviable reputation both in Australia and internationally. Here are the contents of the discussion on the topic of "Australian Business leadership and sporting success at international level - How they relate to the each other in staging successful Global Sporting Events such as the 2006 Commonwealth Games ("2006CG")"**

**Q- Palliser:** How do you see sport and business integrating in the future?

**Answer Peter Bartels:** Well I think they are very much intertwined in as much as the Sports Commission has been moving sport off the "kitchen table" and to the Boardroom. Each of the sporting organisations have become larger by catering for people who want recreational sport at the top end of major sport and by catering to people, many of whom, want to make a life long career out of their sport. So it has been important to make sure they have strategic plans and budgets. The larger sporting bodies such as cycling, athletics, rowing, soccer and football all need properly organised groups of people. We have been looking to see if we can re-organise the Boards of the majors, so instead of being made up of

people on a State basis or from interested parents, they really start to cater for people with proper commercial skills. In the main, the larger sports all have permanent executive directors, most of them have permanent offices and many of these sports receive upwards of \$ 4 to \$5 million dollars per annum from the Australian Sports Commission. As well, many of them and I am talking of the major sports such as athletics, swimming, rowing, cycling and basketball also have multi million dollar sports sponsorship programmes. So they are absolutely integrated.

**Q-Palliser:** Given your position as Chairman of the Australian Sports Commission ("ASC"), does this signal an acceptance by the leading sporting bodies and associations that sport needs to be treated more like a business?

**Answer Peter Bartels-** Yes, for the reasons that I have just stated and also because it is very complicated now with selecting teams even to go to the smallest events means now you have to be extremely careful in selecting teams. For instance, in selecting teams for the Olympics and the Commonwealth Games or major world championships if you don't have fair rules, then you are likely to be in litigation about whether people should get in. As a result litigation has crept

into sport and there has not been an Olympic Team in the last 3 Olympics that has gone away where there has not been a very extensive case of selection review and arbitration.

For example, there has been one in cycling for Kathy Watts and several in gymnastics and athletics, so people are aware of their rights. As well, the top participants in each of the major sports since they are commercial properties in their own right, go to very large lengths to make sure that those commercial properties are protected. So more and more, for what we once considered as amateur sport, really are business enterprises.

As you are aware, it starts in most of the major sports, with the kids playing at school getting interested in it, then joining a club, joining a state association and then going onto a national federation. If you are in the major sports and in the national federation, you are now likely to be participating overseas, so you have very extensive travel arrangements to enter into and quite complicated sponsorship agreements.

**Q-Palliser** How important is the ASC role to the success of the 2006CG in Melbourne? What is your role in that process?

**Answer Peter Bartels** Reversing the answer, I am a director of the company to run CG 2006. I also actually

represent the Prime Minister on that Committee. The Commissions role is to prepare the athletes to make sure there is proper process available to the sporting federations to ensure that we will field the best possible team for CG 2006. It is a very important event as the Commonwealth Games are a very important for Australia as a whole. We do particularly well in it and we will leave no stone unturned in relation to it. What is important is that we get proper funding arrangements in place to allow athletes to concentrate very early in their preparation, almost commencing now. Therefore, we are asking sports federations to give us their sports plans that we can fund, so we can see athletes going overseas for competition. Of course, it is important that Australia fields a total team and has athletes in all events. There will be disabled sports represented in these games and we want to make sure that there is maximum participation.

**Q-Palliser** What are your views on cheats in sport, particularly drugs and how is the ASC countering that effect?

**Answer Peter Bartels** Well we are very concerned about it as they do exist. There are probably as many of them as before, as the prizes are so high as people will take risks in sport just as businessmen take risks in business against regulations. We have a very strict protocol as our scholarship

holders are subject to significant out of competition testing and we require that all of the sports that we fund have an outer competition testing policy which we follow very carefully. We are leaving no stones unturned in support of the Federal Government's policy of being tough on cheats in sports. I suspect that the Australians are less contaminated by drugs than most other countries, particularly the European countries, but of course that is very hard to prove. To date we have had pretty good success as we certainly have a lot of discussion groups, lectures and information to the athletes of the problems associated with doping and the products that are banned. So, you can see, we have a very extensive education programme. We are doing our best, but even so I think that there is still a way to go for everybody in sport to rule out drugs. The thing about drugs is that it is cheating and most people say that they don't understand about drugs but they certainly understand about cheating. Finally, nobody likes to see an athlete win by cheating.

**Q-Palliser** As a very successful business leader, what have been your career achievements and highlights that you are most proud of and why?

**Answer Peter Bartels** Well if I look back on my career and the notable jobs that I have had, were the CEO of the

Fosters Brewing Group, previously Elders IXL and then Coles Myer. My track record has been finding good young people that work part of a team, getting good cooperation and really promoting people. So as I look around the business community of Australia I see a lot of people in senior jobs that work for me that I was able the mentor and take to a higher level. I think that people often get confused between management and leadership and I can explain it really very easily, ..."Managers push, Leaders pull. Managers command, Leaders inspire" and so there are plenty of people pushing and demanding but there are not many leading and inspiring - its such an unusual talent, then if you have it, people flock to you and you achieve great things. So I just repeat them, **my issues are managers push, leaders pull, managers command, leaders inspire**. In my career, I got these words of wisdom from an old mentor I had and it's worked pretty well for me.

**Q-Palliser** How important have your Olympic cycling participation and other world cycling successes been in formulating your success in business? Has it taught you the importance of having options or different "game plans" to beat competition?

**Answer Peter Bartels** There is a small correction as it turns out I actually never rode in the Olympics. I had an

accident before the Rome Olympics and missed participating. I am a Commonwealth Gold medalist and obviously I spent a lot of time in the European market. I had a fairly short career, as I started when I was sixteen and I stopped when I was twenty one, being a world record holder and a Commonwealth Gold medalist. I had won all of the major international events other than the Olympics. The reason I did this was it became obvious to me at twenty one, back in the sixties, that people were not really making a lot of money out of sport. There weren't many millionaires in sport but there were heaps of them in business, so I decided I would retire the day after I won my gold medal and I decided I would assume an active business career and I don't regret it! I think they are the same attributes ( ie sport as for business), as you have got **to be able to focus, you have got to be able to identify competition, you have got to have goals, you have to be particularly well organised** and if you can do those things in sport and apply them in business, then generally you will be miles ahead of your competitors.

Most business people unfortunately fumble along and if they are small business people, they find it hard to find mentors and they find it hard to discover good people from whom they can learn. **Hence, I encourage small**

**to medium enterprises to make sure that they join either industry associations or Rotary or they join community groups** in order to just brush past other people, listen to other people and get first hand experience. It is always a temptation when you are in your own business doing everything, not to have time to go to a networking lunch or dinner or something like that. Really the solution to most of your problems, if you are small or medium sized business, won't be where you are looking for it, as it will not be in your office and it will be outside your office somewhere, so you have to widen your circle of your opportunity.

**Q-Palliser** With your past leadership roles at Fosters and Coles Myer, how has that formulated your approach to Corporate Governance ("GP") in chairing the ASC and ensuring the success of the 2006 CG?

**Answer Peter Bartels.** Well I think people are "barking -up " the wrong tree on CG I must say as I think CG is about behaviour and not about rules! Everybody is trying to write documents that say "what you can do and what you cannot do" so they are rules driven by the advice from the legal fraternity whereas what I think what people really need is better behaviour. Therefore you just need to decide what acceptable behaviour in the Board room is and what is not and

then to progressively change poor behaviour over time consistent with the community standards. For example, people turning up late to meetings are unacceptable behaviour and you have to stamp it out it hard by having a rule that says "you will lock the door at 9am". So I think that corporate governance is all about changing behaviour of people rather than writing rules to try and catch people who are errant.

**Q-Palliser** Do you have any passions left to achieve in business, ASC?

**Answer Peter Bartels** Oh Yes I am very unsatisfied with my objectives and I have really split my life three ways- I had a really good drink from the "well" having had senior positions where I have been exceedingly well paid. So I decided really at 60, I am 62 now, that I wanted to split my life in three directions. One third of time is looking after my own investments which is principally in the stock market, some small companies which I have a direct investment in. Another third of my time is in sport as Chairman of the Australian Sports Commission, Chairman of the AIS, I am on the 2006 CG Board, Gran Prix Corporation Board in Melbourne and Chairman of the Marketing Commission of the International Cycling Federation and finally I am on the organising Committee of the Tour

de France. The third part of my life I have devoted to what I would call Philanthropic activities, I have recently retired as Chairman of the Royal Children's and Royal Women's Hospitals, the Murdoch Children's Research Institute and I am on the Board of Melbourne University and I am about to work with another couple of groups which will be announced shortly.

So I am trying to spread myself as widely as I can through the community to give back some of the skills that I have been taught by others. **I believe very strongly in Mentors** in the whole of my career right from when my early cycling days right through in business. I have had one or two mentors so I am trying to fill that role myself in my public life and people seem to respond to that quite nicely with the benefit that you can use your own experience with them. This helps with networking and there is much to be done as the path keeps changing a little especially when you go over a hill and you see some attractive things that get your attention. For example, when I came to chair of the Royal Women's Hospital it had a deficit of \$26 million and I left with a deficit of less than \$10 million and it will be heading to-wards a much smaller deficit than that. So even in the most difficult circumstances with good applied science you can make a difference!

**Palliser** Mentoring is very important and it is ageless activity as even my grand mother 50 years ago said "you always need a friend in court"! It is the same concept.

**Answer Peter Bartels** Yes I think you need to have somebody out there that can ask you the hard question "Why are you doing that? Have you thought about this or that or what is the problem?" When you look at businessmen that go "off the rails" then they generally have not had a mentor over time to ask them the hard questions to keep their perspective. When I started at Elders IXL, the Chairman, Sir Ian McClellan always encouraged us to go about 3 time a week and network with somebody over lunch- brush past other people and hear from them what is going on. He remarked "that you will not meet people with ideas and networks by eating your lunch at the desk!" This practice develops your network and keeps you in touch with the developments in the market place. It is a practice I still do to-day and I try to have lunch several times per week at the Melbourne Club for that purpose!

#### **End of Interview**

I wish to express my sincere thanks to Peter Bartels for providing his insight to his current activities and his business successes and how they have

benefited from past sporting experiences learnt "from the cycling track". His highlights on leaders, knowing your competition, networking and using a mentor to keep abreast of current trends and "asking the hard question" of yourself, are important insights to leadership in business. Benchmarking yourself to the performance of competitors is crucial. These things give direction in times of constant business uncertainty.