



## Transcript for Episode Three: Steven Drake

**Phil Latz:** Steven, thank you very much for coming on *influencers!*

**Steven Drake:** My pleasure.

**Phil:** Now, you could divide your career into three sections or at least I've chosen to. You've got a racing career, a corporate career, and then let's call it a sports administration career, perhaps. I'd like to mainly focus on the third of those, but let's lay some groundwork. Could you tell us about your racing career to start with?

**Steven:** Sure. I reckon I fell in love with cycling when I was about five, but I didn't start racing until I was maybe 15. My grandfather had raced in the thirties. He told me a few stories that got me interested, but it was harder to get involved in those days. There was no internet to find clubs or anything like that. I didn't eventually get involved until then. I was just an enthusiastic but fairly ordinary rider, and then invested a bit more time in when I was at uni.

Eventually, it got to the point where I got noticed by Dave Sanders in the Victorian Institute of Sport, and just continued to develop. Then probably the early '90s, I won a Victorian championship and then started placing in higher races. Then 1993, I won the Australian Championship, which was then an amateur championship. I won at Grafton-Inverell. Next year went to the Institute of Sport AIS and spent that year with them, including riding the 1994 Commonwealth Games.

Then at the end of the year, was trying to figure out where I went to next. I thought I was getting a bit long in the tooth, I was 25, but because I'd done a couple of Uni degrees and I was starting to think, "Don't know whether I'm going to get much further with cycling." Then I don't know whether fate stepped in, but I got glandular fever and that helped me make up my mind that it was time to move on to something else. I joined a firm that is now called UBS and was working in investment banking for them for a little over 20 years until the third stage of my career.

**Phil:** That second career took you all over the world, didn't it?

**Steven:** It did. I started in Melbourne, but we went and lived in London for nearly seven years at one point. Both my sons were born in London, and we came back here for mostly family reasons. It was getting a bit logistically difficult. Our kids

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were developing alarming English accents, [laughter] so we moved back in 2005, not with any real intention of going anywhere else, but in 2011, I was offered a role in Hong Kong, so we went up there for close to five years.

**Phil:** Modesty has prevented you perhaps from saying it, but you did rise to the position of Managing Director?

**Steven:** Yes. Managing Director in an investment bank is similar to a partner in a law firm. I was running a team of about 30 people in Hong Kong, covering the whole of Asia in the last years of my career with UBS. That was great fun, but work-life balance isn't always the best in those industries. I got to the period where I was looking for something a bit different, and then eventually stumbled across Cycling Australia.

**Phil:** Okay. You had to take a big pay cut to step in as the CEO of Cycling Austria?

**Steven:** Yes. I mean, when I initially got involved, I first joined the board, so I didn't join as CEO. I joined as non-executive director.

**Phil:** Even bigger pay cut.

**Steven:** Yes. That was in a period where I was taking some time off and trying to figure out what would come next. Eventually that led to me being offered the role of CEO, particularly with a view to try to achieve the change that led to AusCycling.

**Phil:** Okay. Let's talk about that change. You merged, ultimately cutting to the end of the story, stealing the thunder, 19 organisations into one?

**Steven:** We didn't get one. I think eventually there'll be 18 that went into one and then WestCycle is continuing in WA, but the racing parts of WestCycle have joined in with AusCycling. We got 18 and we're pretty happy to have been able to do that.

**Phil:** Now, I remember you talking to me at the bar of the Hilton Hotel, was that three years ago, I don't know, saying you had this idea. I was nodding politely and, "Ooh, that's good, Steven. Good luck." [laughter] thinking, "He's got a snowflake's chance in hell of achieving that." Firstly, what was the idea behind trying to do that, and what were the keys to successfully achieving that?

**Steven:** I think the main idea behind it was that, when you looked at all of these different cycling organisations and you can even include the participation ones as well if you wanted to, but let's stick with the racing ones for now. There's an enormous degree of commonality between all those organisations in terms of what they're trying to achieve. It might be the big three, they all want more people to ride bikes, they all want more places to ride, and they'll want to be able to ride more safely.



You look at that and you go, "If we've all got the same objectives, why have we got 19 different organisations with 19 separate boards and no real underlying, aligned strategic plan? Doesn't make sense." Then when you look at across that system, you could see that there were a bunch of things that virtually none of those organisations had the resources to fund but were areas that they thought were really important.

The best one there on the racing side was there was basically no advocacy. In spite of the fact that they're looking for more places to ride and they're wanting to do it more safely, they've got no ability to have that discussion with government and others because they've carved themselves selves up into small pieces that can't agree on how we would fund, for instance, an advocacy team.

Boiling it back to first principles was like, "Okay, if we were going to build a business from scratch, there's no way that we would have drawn 19 separate boxes. Just for background, the boxes are the three national organisations. You've got, you already know, there was Cycling Australia, BMX Australia, and Mountain Bike Australia. Mountain Bike Australia at that time was the only sensible one. They were unitary. They had just one organisation nationally. Then both Cycling Australia and BMX Australia were federated. Eight separate state and territory organisations with their own boards, and most had staff.

Two times eight plus three is 19. There's the organisations, and there's just no way you would've gotten out a piece of paper and said, "I can't have 19 separate legal entities." Was just having that conversation with people about trying to get away from that. It was a tough conversation and I agree with you, three years ago when we talked, I'm not surprised that you doubted whether we would get there because it was a hard road.

**Phil:** I hate to admit that. Hey, confession time.

**Steven:** You look across Australian sport and most sports are like that. There's very few unitary ones, probably close to none. One of the difficulties, when we were talking to people about this change, is a lot of the costs of that structure are actually invisible to members. They actually don't see the dysfunction and the inherent waste that results from that structure. They might see, or they might complain about or how come it takes so long to do this, or why don't you do that?

Ultimately when you boil it down, it's got to do with small bits of waste which can accumulate. Ultimately, I think you've got some quite weird incentives for staff in a federated model and particularly a fragmented federated model like we had in competitive cycling that are just not good. Those people who are against unifying, the main thing that they wanted to keep with the right to say, no, so effectively a veto right, which is ultimately that, that piece of power that exists in that federated model and that doesn't lead you to finding solutions. It tends to lead to conflict because people know that they can just say no at the end.



I think the unified structure will force us to find answers. The other thing from a customer perspective, the federated model allowed you to say, "Well, that's not my problem." If I use a local example, if there was something going wrong in Victoria, was that a Cycling Australia problem or a Cycling Victoria problem? To use a footy analogy, if both players call yours, no one marks the ball.

**Phil:** Some of these organisations you're talking about, we're more than a hundred years old and nothing more than an amateur sport breeds fiefdoms if you like, or kingdoms, and attract certain people to those natural monopolies. Just on a psychological or strategic level, how did you possibly persuade these people? You don't normally get a king giving up their kingdom.

**Steven:** I think where we had to go back to was that underlying commonality that was there. Even the most resistant people, if you asked them those three questions, "Do you want to get more people on bikes? Do you want to have more places to ride? Do you want to be able to ride more safely?" I go, "Yes, of course."

There is that commonality there, and it was a question of trying-- we weren't trying to erase the past or trying to say that what worked in the past was wrong. We were just trying to say, "Look as we try to position the activity of cycling, and I think it's important to talk about activity rather than just sport because our cycling needs to be more than that." It was set up to be like that, but there's a hell of a lot that's changed in the last 30 years. I think if you look at most of the Olympic sports compared to the commercial sports, the playing field has changed so massively.

Without having precise figures, if you thought 30 years ago, I don't know how maybe the AFL was 10 times bigger than the biggest Olympic sport. Now it might be a hundred times bigger because they've got a billion-dollar TV deal and they can use that money not only to attract players and staff and all that sort of thing but to promote their sport and to get kids playing, parents watching, all that sort of theme.

You look across the different Olympic sports, including cycling, nothing much has changed in our economy. There are no big TV deals for cycling, or I don't know, I don't want to talk about other sports, because they'll probably get those wrong. Certainly, for cycling, there's no big TV deals that are driving, helping us run that advocacy business or whatever. That's why cycling needs to be as efficient as it can be. One to use what money it has well.

Then secondly, to target sources of financial support better. Again, crazy examples from the federated model, there's three or four separate organisations, all hitting up the same sponsors for similar deals at the same time. One that makes it harder to succeed because you've got small groups targeting other small groups. It also just makes you look frankly, like a shitshow if you're uncoordinated because somebody from the outside will go, surely, they talk to each other.



The real answer was probably, "No they didn't for a whole range of reasons." Aligning those incentives, super important. I think as we went around the country and talk to people about this, most people get it because again, you show them the 19 boxes and you go, "Do you reckon that's a sensible way to run a business in an efficient way?" They don't know. You're right, we did have to convince a lot of people that stepping back and no longer being a board member of a state-based organisation was the right thing to have the sport of cycling progress.

**Phil:** I'll ask you two questions now, firstly, now that you've achieved this incredible achievement and really unprecedented to the best of my knowledge in Australian sport, what is the vision for that going forward and why at this crowning glory moment, have you decided to step down? I'm sure you weren't asked to, I'm sure it would have been your job to keep if you chose to.

**Steven:** Again, one of the difficulties of trying to achieve that unification was getting over the trust gaps between the different organisations. Historically, I think Cycling Australia probably regarded itself as the senior organisation or whatever you want to call it. I don't think they dealt fairly with other organisations, particularly with Mountain Biking and BMX Australia.

One of the key elements of getting over that was to say, "AusCycling, is not going to be a rebranded Cycling Australia." To do that effectively, we needed to be able to say, "Well, the CEO is going to be different. Because if I had continued, even though I didn't have a long history with Cycling Australia, but if I had continued on it's much easier for people to say, "Well, that's just CA rebranded." That's definitely not what we wanted.

I think also in having those conversations with people, through the couple of years that we were talking, it certainly avoided the accusation from people. You just want to create an empire for yourself and because that was the same with the CEOs of Mountain Bike and BMX, we never faced any of that criticism.

Now that created its own problems because the proposal was always, okay, we get this up and then we'll go to market and find a new CEO. That prompts people to go, "I don't know whether I want to do this because I don't know who the CEO is going to be," but that's next to impossible because you're never going to get a great CEO as Marnie Fechner is, to step away from an existing role until there's a real job to go to. So, it's a bit of chicken and egg there. That's really the basis of why I moved away because it was a prerequisite to get it done to help with that trust gap.

Now to come back to the first part of your question because I answered the second bit first is, what do we want AusCycling to be. Ultimately, I'd like to see AusCycling act as a center of gravity for Australian cycling. There's no doubt that it comes from a racing background because most of the organisation, all of the organisations that formed it had a racing background, but I think if we limited ourselves to racing, then we're really looking at what is a very small cohort.

Again, I don't know what the exact figures are. It's somewhere between two and four million people, depending on which survey you look at, who ride a bike at least once a month. The numbers of people that are actually members of cycling organisations, even if you define that broadly to include the participation organisations and so forth, it's probably something like 150,000.

You've got millions of people who ride a bike and who love riding bikes, but only a small subset of those who want to race. AusCycling should be trying to be more than just a racing organisation and should be one that's fighting for those three things that we talked about, getting more people on bikes, having more places to ride and being able to do it more safely.

**Phil:** Okay. Therefore, do you think that you should try to go further, whether no longer yourself, but the organisation of AusCycling and try to merge the advocacy groups of which there's also, if you like, a sort of a federated body?

**Steven:** Oh, look, definitely. Again, my, my view is that, firstly, I come from a "I love cycling" background. I think if cycling's going to be effective in lobbying even to maintain the right for people to ride around in cities and so forth, it needs the strongest, loudest voice that can get. I think that's probably going to be achieved ultimately by being as unified as possible and being able to share resources. I don't know enough on the advocacy side. I don't know whether, for instance, Bicycle Network and Bicycle New South Wales are talking all the time and sharing resources on how to run their organisation more efficiently. I suspect they're probably not.

**Phil:** I know that your suspicions are well-founded. What about concerns advocacy groups might have? "Are we just got going to be taken over by the racing organisation? If money gets tight, our goals are actually slightly different, and we might just be basically usurped." What would you say to those concerns?

**Steven:** I don't think that they're valid. I think like running any business, you need to look after all of your customers and the vast majority of the customer base are non-racing. I think there are ways that the racing side of the cycling cohort can be used much more effectively to benefit the advocacy side. Like it or not, Cadell Evans is going to be more effective at influencing government than a hairy-legged tourist from Lilydale that nobody's ever heard of. That's sad but true.

If you can leverage those resources from the racing side, hopefully in a couple of months' time, we're going to have a new set of Olympic gold medal cyclists who are Australian. The politicians are going to listen to them more than others. Using that leverage to benefit all of the cyclists, again, that's something that a unified body can do.

**Phil:** I can't let that hairy legged comment go without immediately feeling self-conscious that I no longer shave my legs. Do you still shave your legs?



**Steven:** I do. I've had a few breaks over the years, but I'm back into it at the moment.

**Phil:** Okay. Now that we've got that important question out of the way, we might just roll back onto the topic at hand.

**Steven:** No problem.

**Phil:** What are the key things you think need to happen in Australia for cycling to become more prevalent? What should Cadell be asking for when he's speaking to the Prime Minister or whoever he's speaking to?

**Steven:** I think where cycling has struggled over the years is just being pigeon-holed as a sport. I think there's, and we've seen it during the COVID period cycling offers so much more. Aside from the competitive sporting side, you've got the physical health, mental health, pollution reduction, congestion reduction, all those sorts of benefits that cycling is probably unique in. Maybe walking comes close. Cycling has those benefits that can offer the community so much more than any other sport, but it's been quite severely impacted by the growth of our cities.

If you look at the response to the risks of cycling versus the risks of swimming. Swimming's been fantastic. I love swimming is great. Kids do occasionally drown in pools. What's the response to that been? It's been twofold. One, teach all the kids to swim, and two, let's make pool fences mandatory. Those things to encourage swimming. The general response from parents to risks around cycling had been to buy an SUV and drive the kids to school. What's the result that? Fat kid's on iPads.

Cycling can help to break that down, but it's going to take coordinated action over a period of time because I think the figures are over the last 30 years since I was a kid, let's say. There's twice a number of people and three times a number of cars, or three times a number of motorized vehicles in our cities and something like two-thirds of the Australian population live in the five major cities.

That huge growth and the resultant congestion has in many areas, led parents who are concerned about the low likelihood, but high impact risk of getting hit by a car or something to just discourage their kids from cycling. That's exactly the opposite from what we should be doing from mental health, physical health congestion, you name it. I'd be trying to get Cadell and others to push that message with government because I think it's not just about sport. We can save a lot of money in the long term from the health budget, it and the transport budget and all those sorts of things, rather than building another 50 freeways or something, let's get more people riding.

**Phil:** You mentioned family there and the low risk, but the high impact. Now you're a father yourself, so just talk about your own family, your wife and sons. Do you feel comfortable with them on the road? Do you ever ride with them? What's the situation in the Drake household?



**Steven:** We're probably not as much of a cycling family as I would like. My wife loves cycling, and she rides close to every day. The boys, one is now 19, he's actually come back to cycling a little bit mucking around with his mates. The younger one, who's 17 has been doing some school cycling, so I think we've had them on bikes since they were very little. I think they're sensible enough when they ride but you do need to be careful. Now I've been riding for 35 years, I still got to be careful.

**Phil:** For you what riding is ahead for you?

**Steven:** As I did say, I have been shaving the legs a bit. I've been doing a bit of racing in the last little while just trying to get a little bit fit. Doing some more masters and racing. Mostly, just have a bit of a laugh.

**Phil:** Career-wise, bigger picture-wise, a future role. You're between jobs now I gather and a future role in cycling, perhaps or what would you like to say?

**Steven:** Look, I don't think I would. I think I've done my tour of duty view, like, from the cycling side. It's not to say that I wouldn't help out if an opportunity arose, but I'm more thinking at spending some time and figuring out what the next interesting opportunity is. I like helping to solve complex problems if I can, I suppose that's part of what I did at UBS and definitely was the focus at Cycling Australia. I'll find something that's interesting and jump into that at some point.

**Phil:** Well, Steven, congratulations on pulling off the merger of the century, and thanks for being an *influencer!*

**Steven:** No worries, Phil, thank you.

**Phil:** Thank you.