

# SANZAAR PRESENTATION



INQUIRY INTO SUBSCRIPTION  
TELEVISION BROADCASTING SERVICES -  
JANUARY 2021

# AGENDA



- ❑ Introducing SANZAR and CEO
- ❑ SANZAAR Unions Obligations
- ❑ Commercial Significance of Broadcast Rights
- ❑ Rights Sales Process and Obligations
  - ❑ Managing Rights in new Digital Era
  - ❑ Importance of Exclusivity
  - ❑ Minimum Production Standards
  - ❑ Contractual Obligations on Broadcasters
  - ❑ Aggregated v Disaggregated Rights Offering
  - ❑ Term



## 1. Who we are

- Joint Venture between Australia, Argentina, New Zealand and South Africa since 1996
- Delivered and continue to deliver two of the worlds most prestigious flagship competitions in Super Rugby and Rugby Championship
- Our success is best illustrated with our dominance of the quadrennial Rugby World Cup with SANZAAR Nations having won 8 of the past 9 and SA Rugby the 2019 edition
- Vision – ‘to deliver the most competitive, innovative and engaged rugby competitions in the World’
- Purpose – ‘ to grow the strength of the partners by developing the game on and off the field’





# 1. What we do

## SANZAR delivers:

- Commercially successful rugby matches and tournaments that are exciting for fans, participants, sponsors and broadcasters
- Aggregation, co ordination and sale of global broadcast rights for the JV
- Development of world class match officials for RWC, Super Rugby, Lions Tours and Rugby Championship
- Logistics and Competition Management integrated with SANZAAR Unions development plans for the delivery of the best players in the world to compete in our Competitions.





# SANZAR CEO



- Former International Rugby player
- Former MD of SA Rugby , Springbok Team Manager, Commercial and Broadcasting Director and High - Performance Director
- Over 20 yrs. experience in business of rugby and delivered all Rights Sales processes since 2004
- SANZAR CEO from 2016 onwards and responsible for the Global Rights Sales process and commercial sustainability of the SANZAAR Unions.





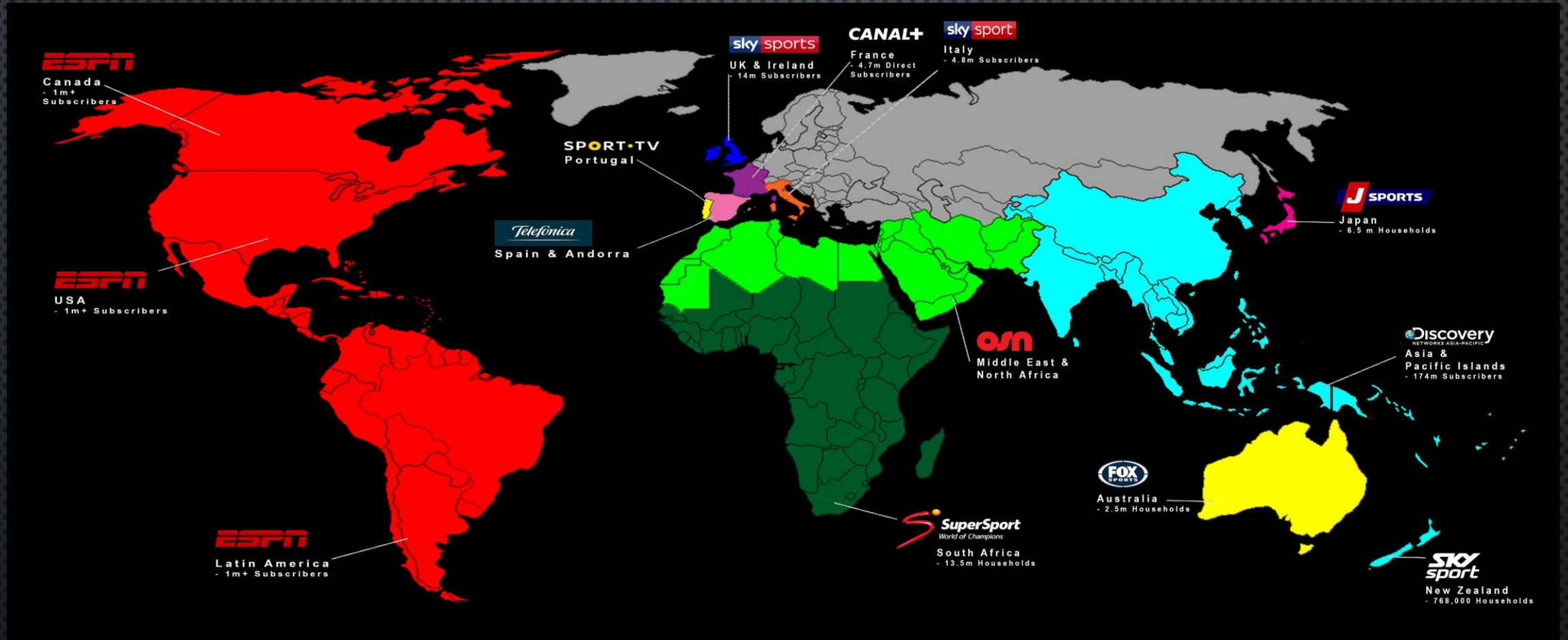
# SANZAR UNIONS OBLIGATIONS



- Continual investment into grass roots pathways and structures for the developing of new and emerging talent
- Provide and produce winning National Teams ( Men , Women and 7's)
- Participation in and delivery of domestic and international competition structures for rugby in their respective countries
- Funding of the game across all levels



# COMMERCIAL SIGNIFICANCE OF BROADCAST RIGHTS





# SANZAAR OFFERING



SANZAAR offers a unique and best of class aggregated rights offering providing an exclusive whole-of-rugby strategy for Rights Holders to invest in for the continual upliftment and development of the game in the Southern Hemisphere.

## International Tests



## International Competitions



## Domestic Competitions







- Close to 70% of the Unions revenue is derived from the sale of broadcast rights
- Rugby in Southern Hemisphere (SANZAR) is dependent on the financial strength and sustainability of each of its partners. Any potential erosion of value will have a significant and devastating impact on each of the Unions.( 2020 COVID implications are living testimony)
- A process that appears to determine on behalf of federations and significant sporting entities such as SANZAAR on what rights are premium or not not only raises questions of fully understanding the sporting landscape but also one around whether ICASA has any jurisdiction to regulate international bodies and how they conduct their businesses.
- SANZAAR's whole Broadcast model is driven off Core Territories ability to maximize rights and deliver to a world class standard a world feed for our international distribution





# RIGHTS SALES PROCESS AND OBLIGATIONS



- Since its inception SANZAR has always reached out to the FTA Broadcasters in SA offering them the rights. – either declined or not responded.
- SANZAR's primary focus has been on rights fee maximization with contractual obligations to provide content as per the Sports Broadcasting Services Regulations .
- Process is independent of Unions as run by SANZAR on behalf of all Unions through a thorough transparent process
- Sustainability of the Unions a priority along with comfort and assurance of Rights Holders ability to produce and deliver a feed that more than satisfies international broadcast standards.





# 1. Managing Rights in new Digital Era

- Proliferation of digital platforms has accelerated since these initial hearings were set.
- Traditional subscription platforms are no longer alone in market with the emergence of OTT, Social Platforms and VOD , thereby providing an already competitive model.
- Convergence from pure linear delivery to a mix of linear and digital has highlighted the need for exclusivity and importance of an aggregated rights offering



## 2. Importance of Exclusivity



- Exclusivity = maximum value for SANZAR and its Unions
- Exclusivity for Rights Holder – continual investment into broadcast innovation and enhancements thereby improving viewer experience and growing the attractiveness of the product
- Exclusivity enables the Unions to retain best players , win RWC's and invest money into grass roots and mass participation initiatives ( SARU's Development Programmes)
- Drive shoulder programming, mid week magazine programmes and retain and employ best of class talent and personalities to promote and grow the game

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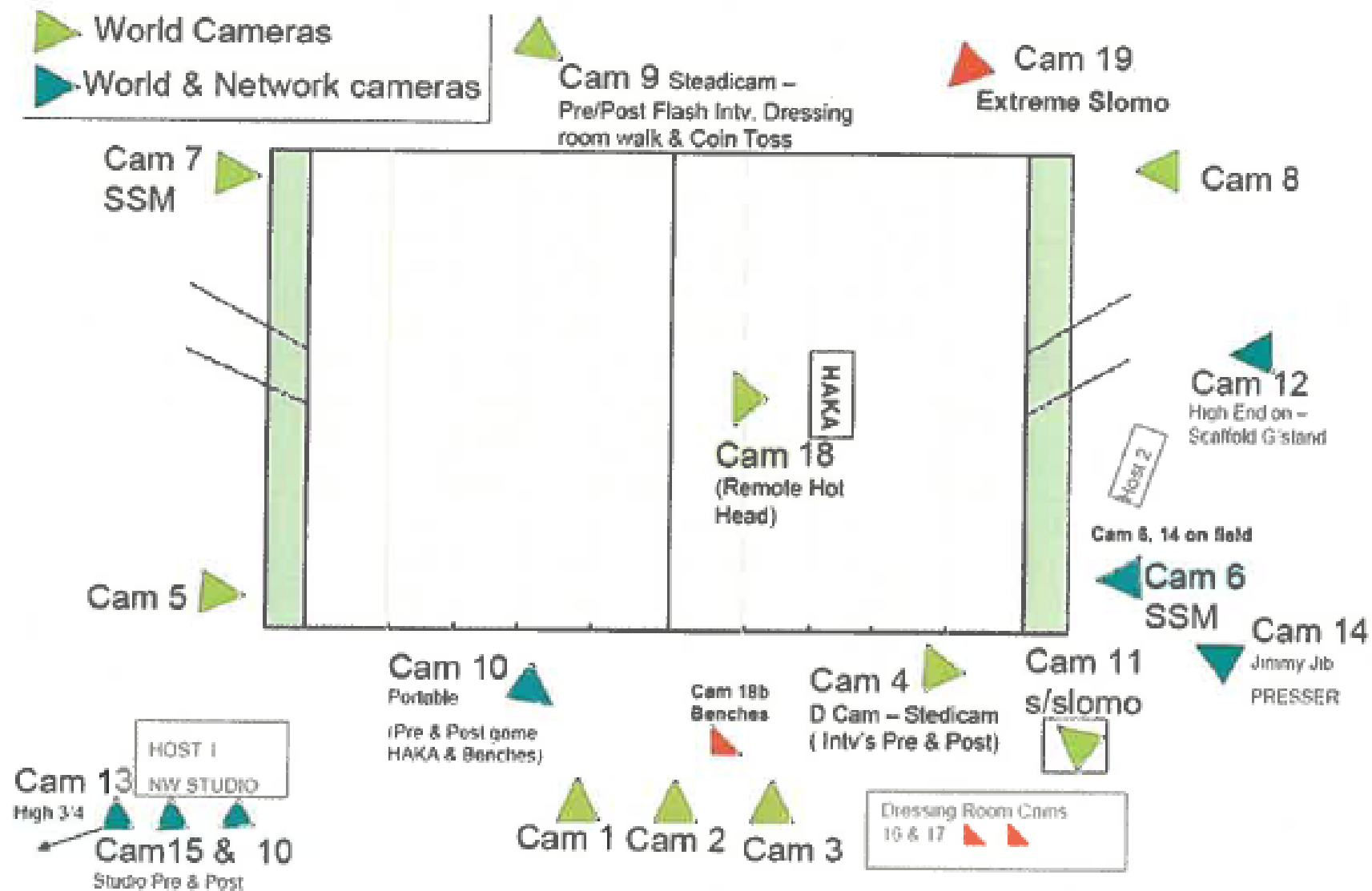




### 3. Minimum Production Standards

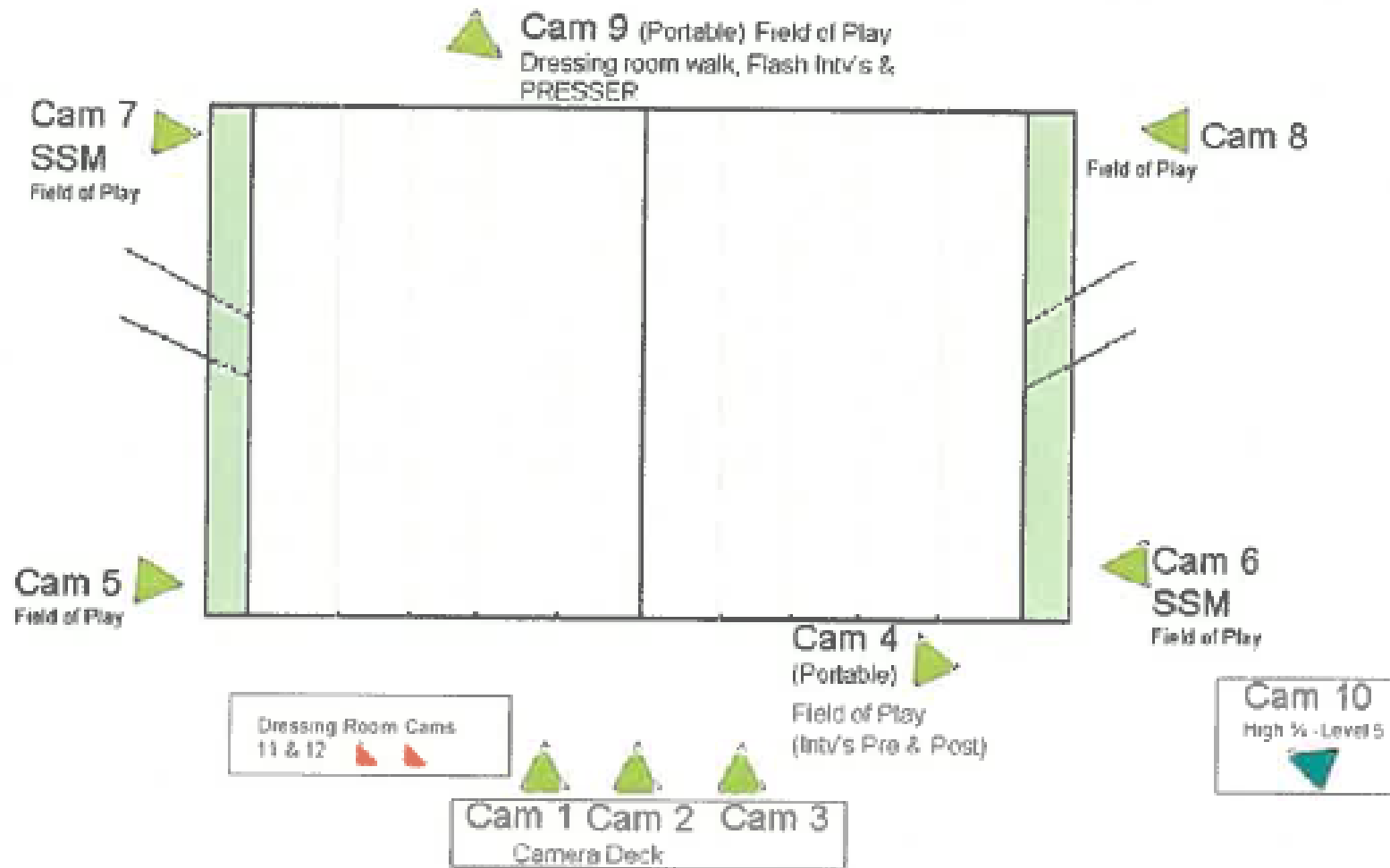
- Ground Access Rights
- Minimum Standards as per next two slides
- Integration of Virtual and delivery in HD as a minimum requirement
- Skilled and experienced talent
- Leading innovation with Hawk Eye , roaming cameras and compatibility for HIA testing, TMO and team analysis

# INTERNATIONAL MATCHES





# DOMESTIC AND SUPER RUGBY



## 4. Contractual Obligations

- Must make content available to FTA as per the required country lists
- Continual investment into innovations and enhancements of product
- Dependent on Rights Holder delivering world class standard International feed for all non - core rights holders
- Release back after applicable hold back periods all footage for Unions exploitation on a non - exclusive basis across all platforms
- All core market deals to run concurrent thereby providing financial guarantee to Unions and assurance in world feed and core market feed delivery



## 5. Aggregated vs Disaggregated Rights Offering

- Disaggregation dilutes value
- Aggregation Provides Unions with certainty and enhances stakeholder relationship
- SANZAR/ Unions understand their product and value better than any 3<sup>rd</sup> party or regulatory authority.
- Allows Unions / SANZAR to control content delivery , reach and alignment with each Unions in market requirements around promotion , growth and funding of the game across all levels



## 6. Term

- SANZAR and Unions budget in minimum 5 - year cycles
- Need to factor in Lions Tours and RWC
- 5 years minimum requirement to build a credible High performance programme to both retain and compete in international market .
- Do not believe that it is the role of a regulatory authority to dictate to an International federation what term they can have a rights agreement for especially if fulfillment of requirements as per Broadcasting Regulatory Lists have been delivered.





# CONCLUSION



- Proposed changes would have a devastating effect on Rugby in SA and across the Southern Hemisphere
- Impact of COVID is still very real and any disruption that could see a devaluation in rights will see all four Unions doors close.
- Sport, and Rugby especially in SA has played a significant role in unification, providing hope and transferring people out of less fortunate circumstances into more fortunate circumstances.
- Sports Federations are best placed to determine the duration of contracts, rather than Regulators.





**THANK YOU**

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