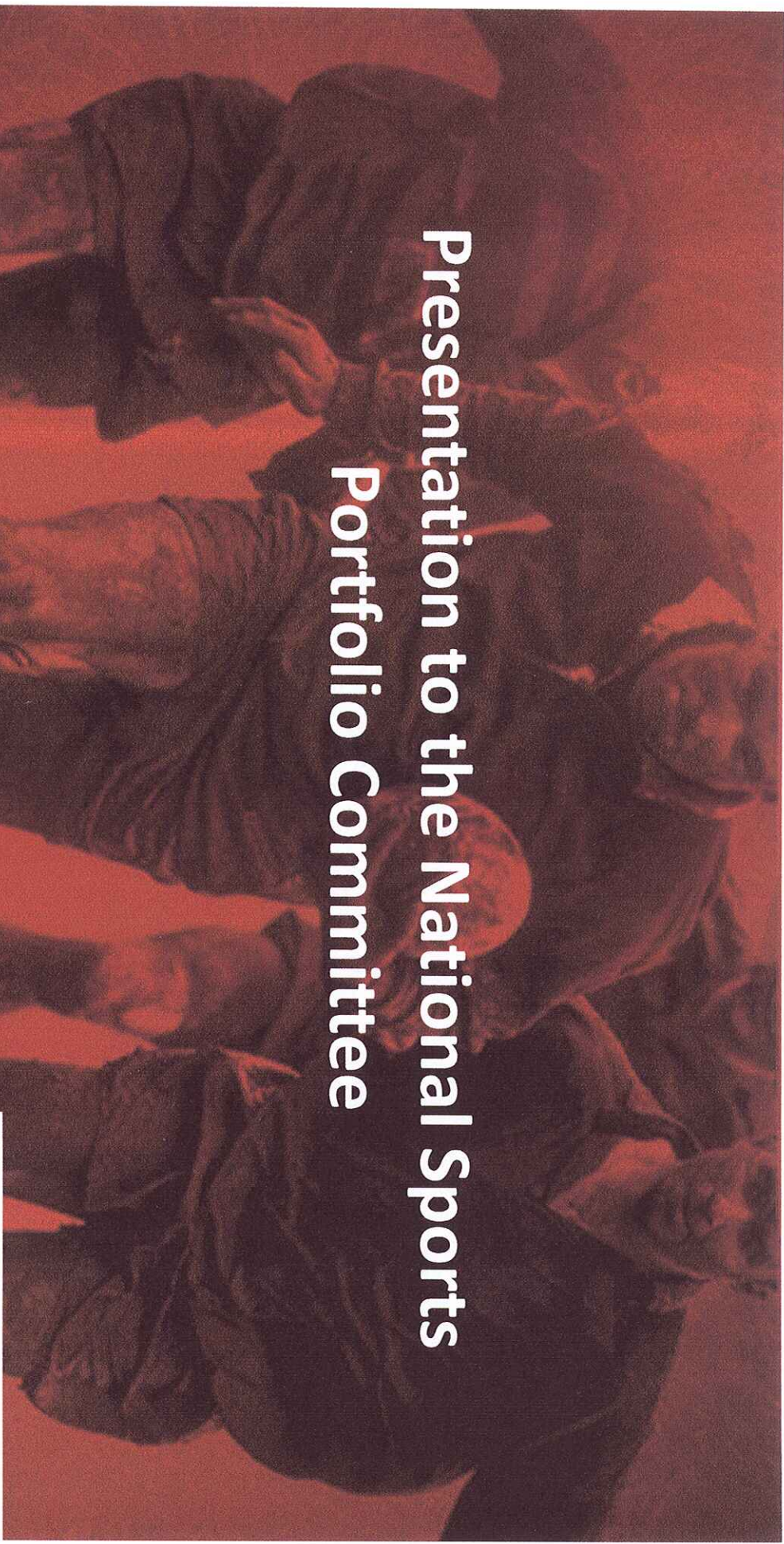


Presentation to the National Sports Portfolio Committee



190203/Esport





PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

COMMITTEES SECTION

PO Box 15 Cape Town 8000 Republic of South Africa
Tel: 27 (21) 403 2597 Fax: 27 (21) 403 3205
www.parliament.gov.za

05 February 2013

Chief Executive Officer
EP Rugby Union
P O Box 1049
8045

Dear Mr Cheeky Watson

**RE: BRIEFING ON THE TRANSFORMATION AND DEVELOPMENT OF BLACK PLAYERS
THROUGH EP KINGS FRANCHISE FOR THE EASTERN CAPE PROVINCE**

As Chairperson of the Portfolio Committee on Sport and Recreation I have the honour to cordially invite your franchise to brief us on the abovementioned matter.

The Committee would also like to receive a briefing on what interventions were being made to ensure transformation of the EP Kings to reflect the country's demographics. You are welcome to come along with any of the office-bearers conversant with your brief to the Committee.

The Committee would like to understand the extent of the challenges pertaining to development, transformation and engage the leadership of rugby in an effort to find solutions collectively. I am looking forward to this critical engagement for the benefit of all rugby loving South Africans.

Date : 19 February 2013
Time : 09:00 – 12:30
Venue: M315-Third Floor -Marks Building, Parliament

All enquiries should be directed to Mr. Lichakane Phori at (021) 403 8072/ 083 707 2185/ 073 632 8319 or lp hori@parliament.gov.za.

Yours sincerely

Hon RM Mdakane
Chairperson: PC Sport and Recreation
(Copy not signed as send electronically)



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04 February 2013

The President
South African Rugby Union
P O Box 1049
Newlands Stadium
7788

Dear Mr O Hoskins

**RE: BRIEFING ON THE STATE OF TRANSFORMATION IN RUGBY AND EP KINGS
RUGBY FRANCHISE**

As Chairperson of the Portfolio Committee on Sport and Recreation I have the honour to cordially invite your federation to brief us on the aforesaid important matter.

The Committee would also like to receive a briefing on what interventions could be made to ensure compliance with targets set for transformation following the "Rugby Indaba" held in 2012.

The leadership of EP Kings franchise has been invited to brief Committee on their transformation plans and targets. You are welcome to come along with any of the office-bearers conversant with your brief to the Committee.

The meeting is scheduled for **Tuesday, 19 February 2013 at 09h00 in Committee Room 315, Third Floor, Marks Building**. For any enquiries prior to the meeting, please contact the Committee Secretary Mr. Lichakane Phori at (021)403-3761/0837072185, lphori@parliament.gov.za

Yours sincerely

Hon. M R Mdakane

Chairperson: PC Sport & Recreation
(Copy not signed as send electronically)

Our Vision

To revitalise rugby in the Eastern Cape, impact positively on rugby in South Africa and the African continent , and become a standard bearer for world rugby by effectively harnessing the deep well of talent which springs from the region.



The History of Eastern Province Rugby

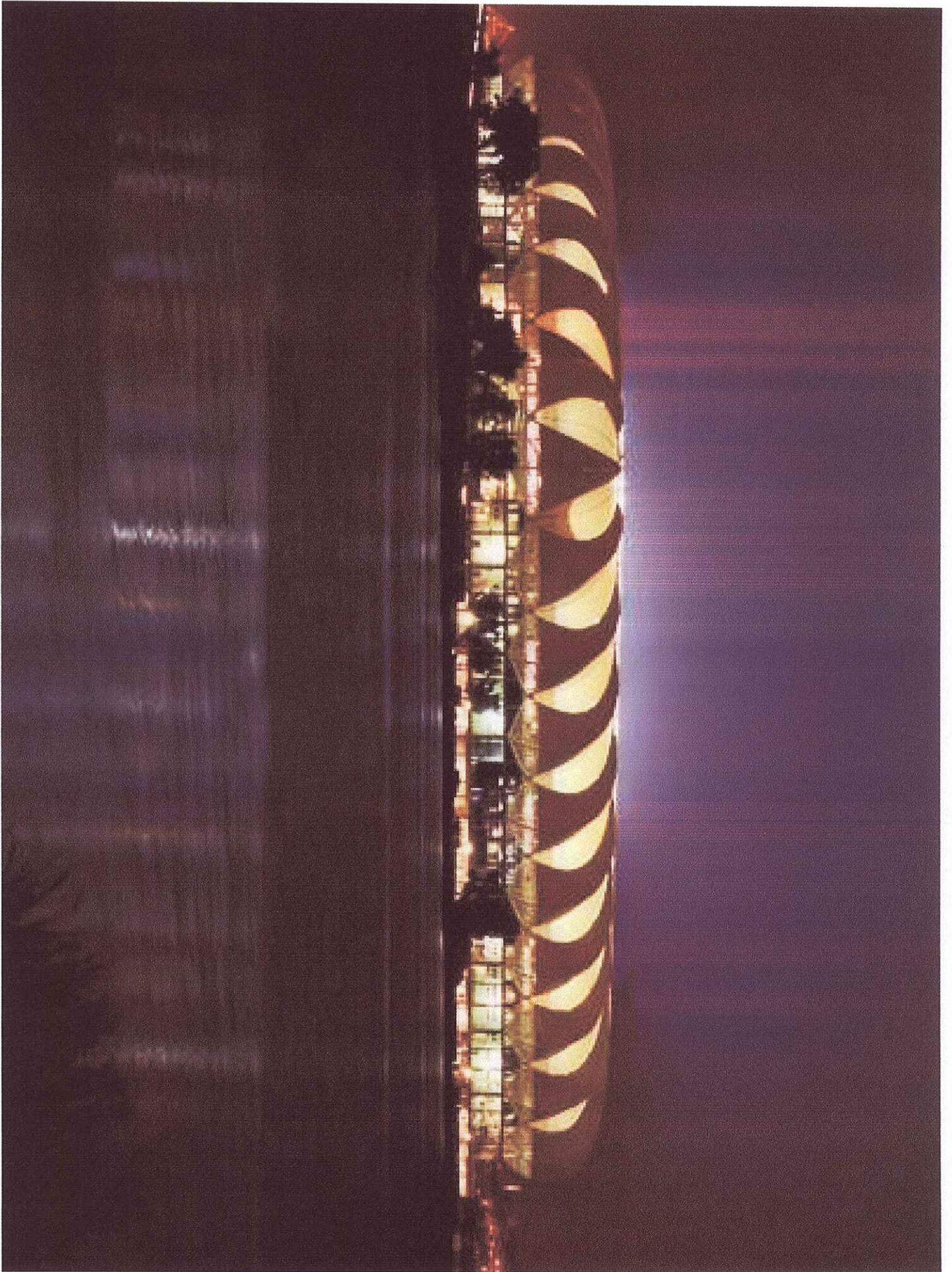
- Founded in 1888
- Home Ground: Nelson Mandela Bay Stadium
- Regarded as one of the six Test unions a decade or two ago, Eastern Province used to be one of the most difficult opponents within South African rugby structures.
- Playing at the then-called Boet Erasmus Stadium, many provincial and touring international sides left Port Elizabeth with their reputations shattered by the men in red and black hoops.



The History of Eastern Province Rugby

- EP Rugby has a rich rugby tradition. Rugby is played and supported across all communities within the region, which, it is important to note, is considered to be the cradle of black rugby in South Africa.
- The Eastern Cape is a production line of talented young rugby players, emanating from the many proud rugby playing schools.
- With the region hither to being denied a place at the top table of South African rugby (no Premier Division Currie Cup or Super Rugby is played in the region) the vast bulk of this talent has been poached by South Africa's five Super Rugby franchises.
- Despite this talent drain and the lack of local rugby role models, the schools in the region continue to perform strongly and produce quality rugby players, many of whom graduate to the professional ranks.





Nelson Mandela Bay Stadium

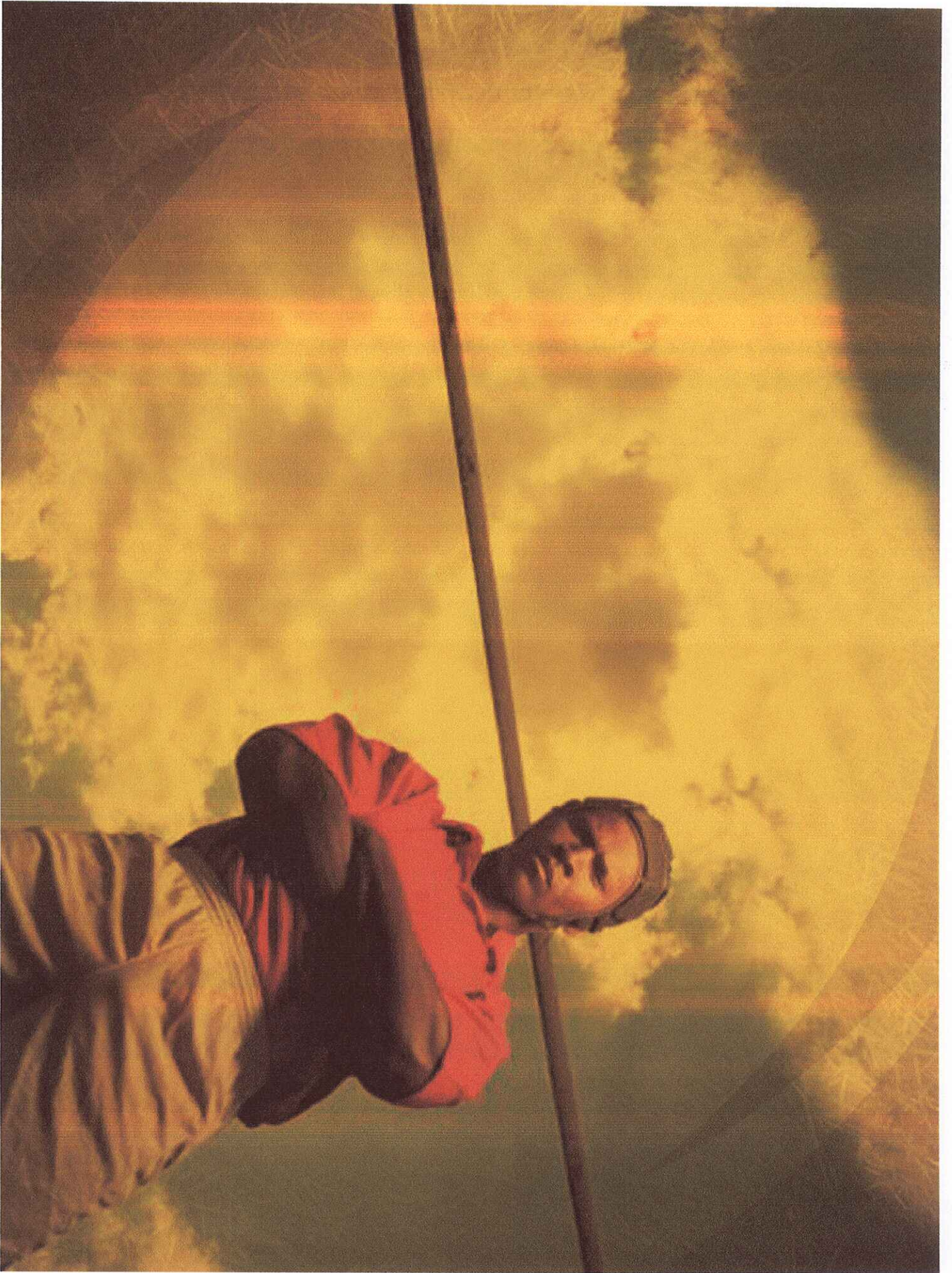
- Home of Eastern Province Rugby since 2010, following the decision to relocate from the Boet Erasmus Stadium, at great personal cost to the Union, in support of nation building and
- British & Irish Lions tour – R98 million generated, 619 jobs created
- New Zealand vs South Africa – R117 million generated, 732 jobs created
- IRB Sevens World Series 2011 – R111 million generated, 690 jobs created
- England vs South Africa 2012 – R125 million generated, 732 jobs created



Eastern Province Club Rugby

- 117 registered clubs for 2013
- Six sub unions
 - Nelson Mandela Bay
 - Kouga
 - Koukamma
 - SEDRU Midlands
 - Karoo
- Over 8,500 registered rugby players
- 95 percent of these players are players of colour
- 270 plus coaches





Eastern Province Club Rugby

- Grand Challenge: Premier amateur competition featuring 16 of the Union's top clubs
- Adams Cup: Amateur competition featuring 23 clubs
- Three Sub Union Days a year, used for talent identification in rural areas
- Players from the sub-unions are identified for the U19 and U21 teams
- Players also chosen for EP Rural and EP Country and Districts teams, which then take part in the respective national tournaments
- Last year EP Rugby provided each registered club with 23 player jerseys
- EP Rugby have also provided each club with five rugby balls as part of our ongoing commitment to development of these clubs



Woman's rugby

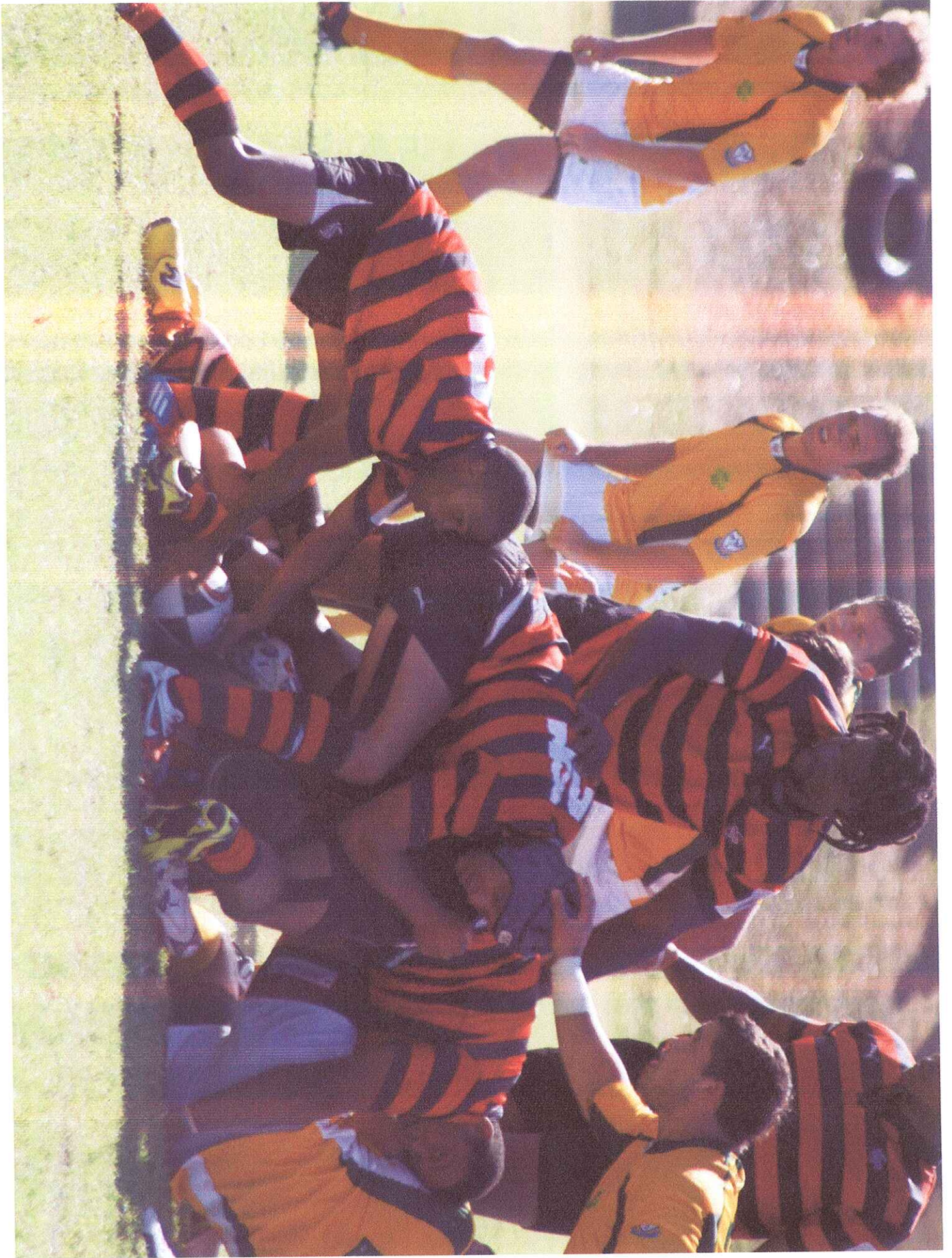
- 98% players of colour
- 36 woman's rugby clubs with just under 1,000 players
- Women play in the Mayoral Cup as well as their own leagues
- Clubs are being divided into the various sub unions
 - Nelson Mandela Bay
 - Kouga
 - Koukamma
 - SEDRU
 - Midlands
 - Karoo
- Two players of colour in the National IRB Sevens circuit
- Eight players of colour invited to the national 15s camp
- Two players of colour invited to the national U20 camp



Kings Academy

- Established in November 2010
- Manager Robbi Kempson
- 38 players currently in the Academy, of which 23 are players of colour
- 60% of the boys in the Academy currently come from disadvantaged backgrounds
- Only one player does not come from the region
- 8 players called up to the Vodacom Cup side in 2012
- Majority of Vodacom Cup side in 2013 are either current or past Academy players
- Vodacom Cup line-up in friendly against College Rovers featured 16 players of colour, of which 9 were in the starting line-up
- Five academy players chosen in the 2013 Southern Kings wider squad, and two in the reduced 35 man squad.





Kings Academy

- The main aim is to ensure that a strong and sustainable base of our talent resources remain within the region. The Academy was made up of 50% of players coming from disadvantaged areas in 2011, 55% in 2012, 60% in 2013 with the aim of accommodating up to 75% by 2015.
- All the members are enrolled either at the local university or college, and the Academy programme and training sessions are held at such times to accommodate their tertiary education.
- Professional players (such as Mzwandile Stick) who have come to the end of their rugby careers are also being developed as coaches with their career path being initiated via the Academy.



Kings Academy

- There is a natural progression for the Academy players into the senior squads, as the Academy is there to service the needs of the professional arm through specific player position identification with regards to the needs of the senior squad.
- Thus there is a clear player pathway into the realm of professional rugby.
- EP Rugby is also in the process of developing a satellite Academy at the Rhodes University, which will service the rural community in the area, as well as Fort Hare.



Player representation at Currie Cup level

- One of the issues raised was the lack of representation in the Currie Cup 1st division Promotion/Relegation game played in Bloemfontein in the game against the Cheetahs.
- In the game, the team fielded Marcello Sampson and Mpho Mbiyozo. Tiger Mangweni was being rested after starting 15 of the 16 matches in the Currie Cup 1st Division season, while Norman Nelson was also rested.
- The following game Tiger Mangweni and Norman Nelson returned to the starting line-up, along with academy player Siviwe 'Shakes' Soyizwapi; Kings Academy player Lizo Gqoboka and Mpho Mbiyozo also played.



Employment Equity - Executive

- Cheeky Watson
 - Phillip Joseph
 - Shelley-Ann Baatjies
 - Freddie Makoki
 - George Malgas
 - Earl Hill
 - Frans Muller
 - Vernon Essau
 - Willem October
 - Ratsela Tala
 - Xolisa Samsam
 - Siphiwo Baninzi
- Chico Februarie
 - Noël O'Connell

Co-opted

- Harold Wilson
- Danie Gouws
- Charles Kleinbooï
- Patrick Mengu



Employment Equity - Union

- African male: 1
- Coloured male: 5
- White male: 3
- African female: 1
- Coloured Female: 1

Total employed: 11

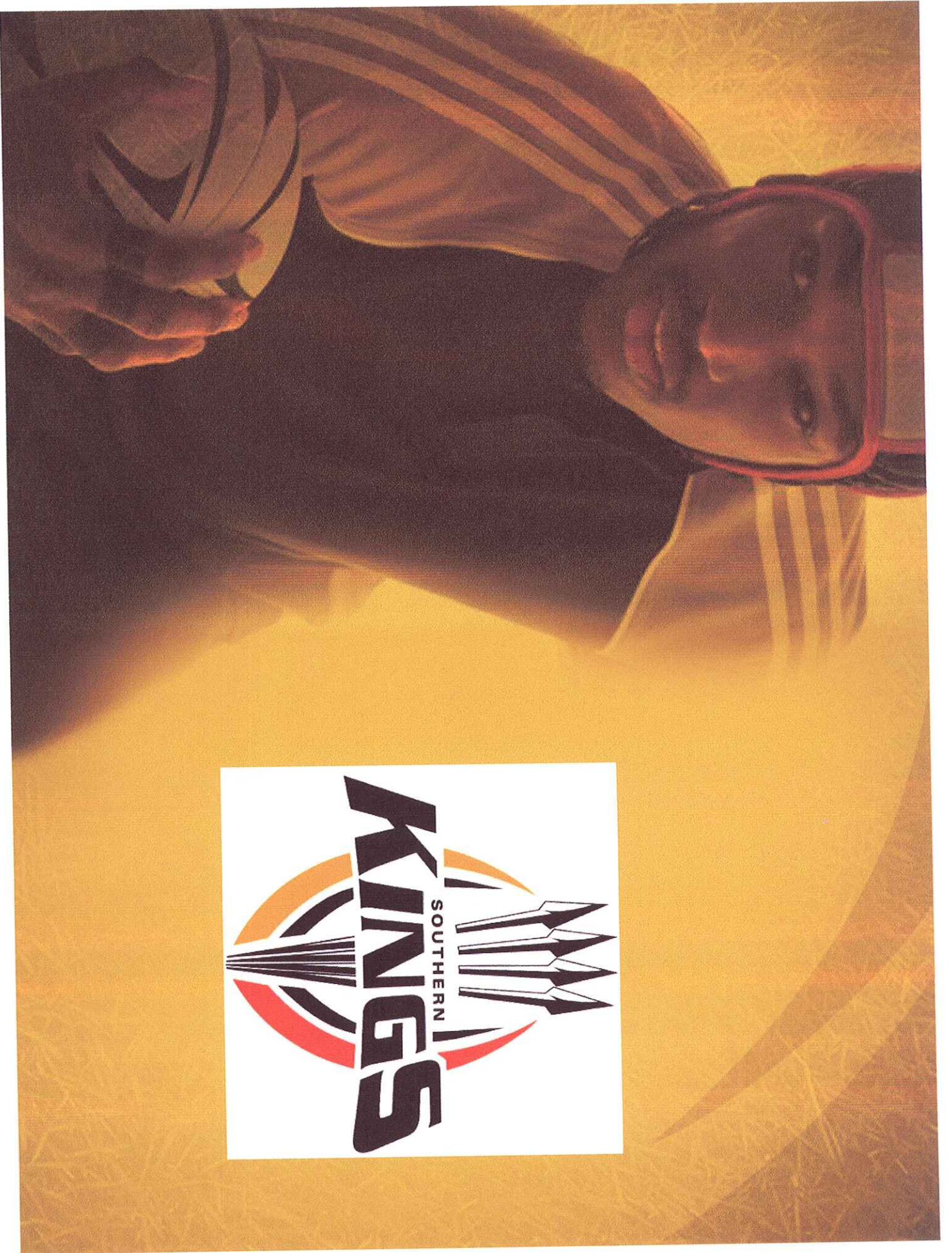


Employment Equity – Pty Ltd

- African male: 6
- Coloured male: 0
- White male: 18
- African female: 3
- Indian female: 1
- White Female: 6
- Foreign Nationals 2

Total employed: 36





The History of Super Rugby in EC

- The Eastern Cape has always been seen as the cradle of black rugby for this country.
- Yet these promising Eastern Cape players do not have access to top class competitions, and are forced to leave their homes in search of opportunities to play top class professional rugby.
- However, in leaving, they do not have access to their home support networks, and are inadequately equipped, thus fail to excel.
- For this reason the need to introduce a Super Rugby franchise to the region was identified.



The History of Super Rugby in EC

- Super Rugby for the Eastern Cape region has been a promise dating back to 2005.
- On the 08th of June 2005, the SA Rugby President's Council signed a binding legal agreement to form the Southern Spears, made up of the three unions of Border, Eastern Province Rugby and South Western Districts, and to support them and enter them into Super Rugby.
- However, despite this agreement, and despite a High Court of South Africa ruling on 4 August 2006 by Judge Dennis Davis that the Spears had a valid contract with SANZAR and SARU to compete in the Super 14 and Currie Cup premier division, the unions were strong-armed into not participating in 2007.



The History of the Southern Kings

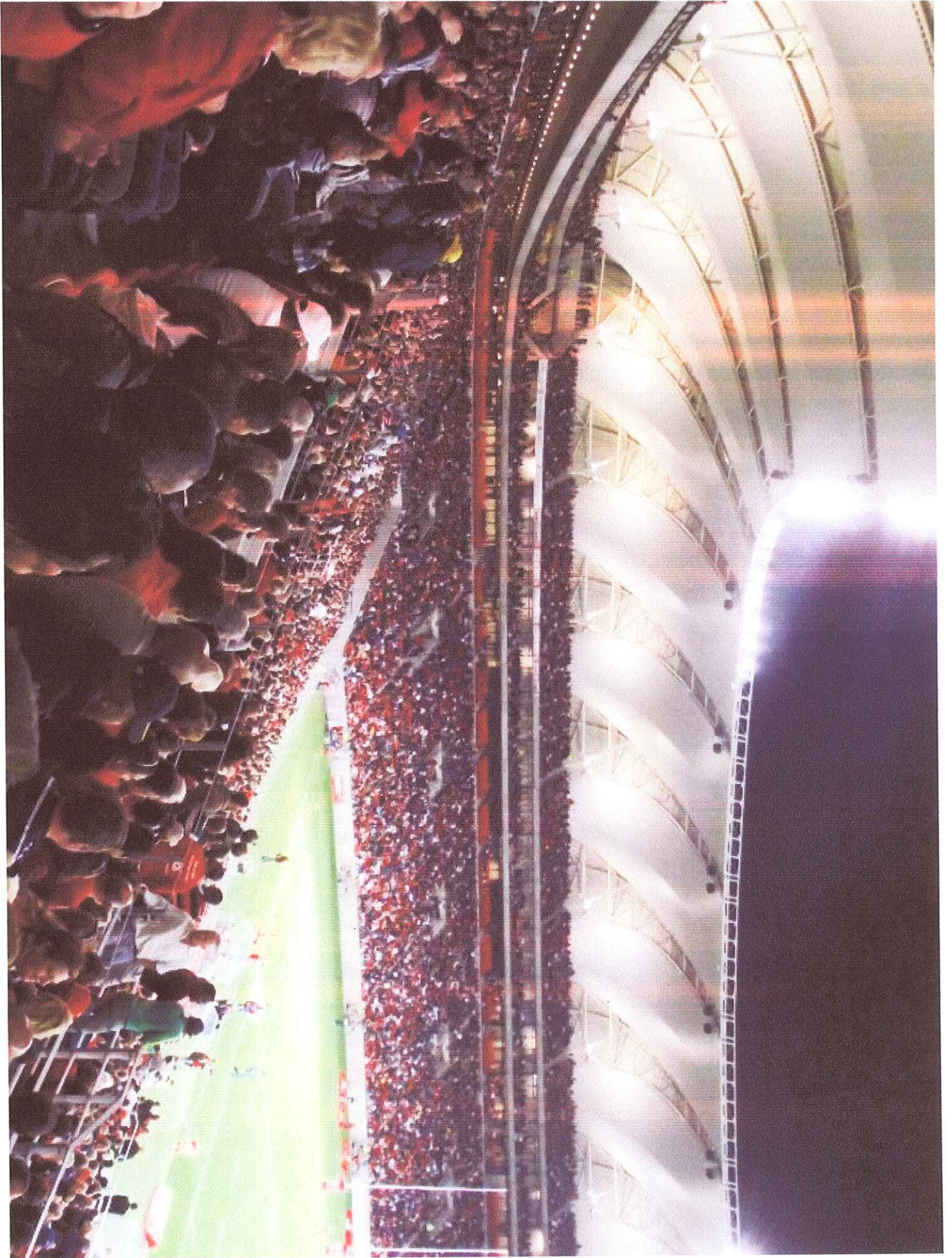
- Following the promises made by SA Rugby after the failure of the Southern Spears, the Southern Kings franchise was formed in 2009, once again comprising of Border, South Western Districts and Eastern Province as the anchor union.
- After the successful launching of the franchise on Soweto Day, 2009 (who will forget the magnificent match against the British Lions at a jam packed Nelson Mandela Bay Stadium) the Southern Kings were promised entry into Super Rugby in 2011.
- In 2010, in preparation for the promised entry, the Southern Kings initiated the process of securing top quality coaching and support management staff with the requisite International and Super Rugby experience.



The History of the Southern Kings

- The Southern Kings put in place a recruitment strategy for improving the quality of their playing squad. Where possible, they implemented their “bring them home, keep them home” policy by bringing back local heroes like Mzwandile Stick, Rory Duncan, Tiger Mangweni, Mpho Mbiyozo and Darron Nel.
- The Southern Kings appointed a leading sports marketing agency to secure sponsors. They also began searching for an equity partner to invest in the franchise.
- The success of this strategy was instantaneous and in 2010 the EP Kings won Division 1 of the Currie Cup and narrowly missed out on promotion in front of 45,000 fanatical supporters at the Nelson Mandela Bay Stadium. This was a record crowd for a Division 1 game.





The History of the Southern Kings

- Despite all these initial efforts, in 2010 SA Rugby once again felt that the time was not ripe for the Southern Kings to make their Super Rugby debut in 2011, and requested that entry be delayed until 2013.
- It should be noted that at this time the SARU Executive unanimously agreed to the Southern Kings entry in 2013, although this was not due to SARU being pro-active, but rather due to Government pressure.
- This pressure, spearheaded by then Minister of Sport Makhenkesi Stofile and then national sport portfolio committee chairperson Butana Komphela and the entire committee, was due to the fact that Government recognised the potential a Super Rugby franchise in the Eastern Cape would have on transformation of rugby as a whole.



The History of the Southern Kings

- Against the wishes of Border and SWD, it was agreed to accept SA Rugby's request, although it must be stressed that the acceptance was based on an unequivocal guarantee by SA Rugby that the franchise would participate in the 2013 Super Rugby competition and that said participation would be guaranteed for a period of three years.
- With this in mind, from a rugby perspective, the Southern Kings continued to build on the foundation laid in 2010 over the next two years, and put in place all the necessary structures and facilities to compete at Super Rugby level.
- As part of the franchise's preparations, the EP Rugby union maintained a close working relationship with both local and provincial government, and have held regular meetings to advise on the progress.



The History of the Southern Kings

- The quality of the Kings squad improved year on year, resulting in the Southern Kings winning the IRB Nations Cup in Romania in 2011, as the South African Kings, and the Eastern Province Kings again being triumphant in Division 1 of the Currie Cup in 2012.
- It is, however, significant to note that the recruitment strategy of players was geared to 2013, and only a handful of the existing players were contracted beyond 2012.
- This was due to the intention to launch a massive recruitment drive for the Southern Kings 2013 Super Rugby entry.



The History of the Southern Kings

- Despite all this groundwork, the franchise was still unable to secure a title sponsor or an equity partner, as nothing was done to allay the public perception that the Southern Kings 2013 entry into Super Rugby was not guaranteed.
- This was further compounded by the fact that both the Rugby and Corporate establishment in South Africa viewed the inclusion of the Southern Kings in Super Rugby as being politically inspired and a threat to the status quo, rather than a vehicle for transformation, which South African rugby so desperately requires.



The History of the Southern Kings

- In January, 2012 SARU's Executive Committee unanimously recommended the Southern Kings entry into Super Rugby in 2013 and later the same month this recommendation was unanimously endorsed by The President's Council.
- It is significant to note that, at the time, Mr Hein Mentz, the President of the Puma's, expressed the view at a President's Council meeting that he could not understand the necessity for the matter being tabled again later in the year, as a decision had already been made.
- Notwithstanding this, uncertainty about the Southern Kings entry continued to prevail, particularly as SARU stated that it would not be at the expense of one of the existing five franchises.



The History of the Southern Kings

- It was thus after much delay that matters eventually reached a head and on 16th August, 2012, the Southern Kings entry into Super Rugby was finally confirmed.
- However, despite being a fledgling franchise the Southern Kings were only guaranteed participation for one year, and not the three years initially promised, with the threat of a promotion/relegation match at the end of the season, should the Southern Kings end at the bottom of the log.
- Since the inception of Super Rugby, all the other South African franchises have been guaranteed participation for a period of five years, while Australian newcomers were all given ample time as well as support from the Australian Rugby Union, both from a financial and playing perspective, to build sustainable, successful franchises.



What the late announcement meant

- **The inability to secure an equity partner**
- **The inability to secure a title sponsor**
- **The inability to recruit top quality players**



The inability to secure an equity partner

- The franchise was engaged in significantly progressed discussions with an equity partner, who was on the verge of becoming a shareholder and injecting much needed capital into the Southern Kings franchise.
- Their major concern was the duration of the franchise's participation, and despite numerous assurances from SARU leadership that it would be for the remaining three years of the Super Rugby broadcast deal (2013 to 2015), when this did not materialise they walked away and the net effect was that the franchise was left financially paralysed for a period of 6 months.
- Since then the franchise has attempted to secure other equity partners but they have all been scared off by the one year participation.



The inability to secure a title sponsor

- Despite appointing the leading sports marketing agency in South Africa and presenting to over 50 major potential sponsors, the Southern Kings have failed to secure any major sponsors.
- Sponsors look for multi-year exposure to build their brand, so one year of Super Rugby is not sufficient. This has cost the franchise in excess of R30 million in sponsorship income.



The inability to recruit top quality players

- As mentioned earlier, the Southern Kings recruitment strategy was premised on the basis that the franchise would have to bring in top quality players, preferably those who originally hailed from the region, back to play for the franchise;
- Prior to the confirmation of the Southern Kings participation in the 2013 competition, the franchise had six players of colour from the region on the verge of signing.
- Despite numerous requests to SARU to confirm the participation of the Southern Kings in the 2013 competition, SARU failed to make the announcement in a timely fashion, only announcing the Kings participation a month and a half after signing season opened, and subsequently all five players opted to sign elsewhere.



Who were these quality players

- **Lionel Mapoe (Centre / Wing) – Port Elizabeth (EP Rugby – Black)**
- **Akona Ndungane (Wing) – Mthatha (Border – Black)**
- **Odwa Ndugane (Wing) – Mthatha (Border – Black)**
- **Lwazi Mvovo (Wing) – Mthatha (Border – Black)**
- **Siya Kolisi (Flank) – Port Elizabeth (EP Rugby – Black)**
- **Elton Jantjies (Flyhalf) – Graaff Rienett (EP Rugby – Coloured)**



Where are our talented players who hail from the Eastern Cape?

Current extended 2013 Super Rugby squads

- Bulls: 10 players
- Cheetahs: 4 Players
- Sharks: 7 Players
- Stormers: 5 Players

Total: 26 players





- Bjorn Basson (Wing) – King Williams Town (Border – Coloured)
- JJ Engelbrecht (Wing) – Port Elizabeth (EP Rugby – White)
- Zane Kirchner (Fullback) – George (SWD – Coloured)
- Lionel Mapoe (Centre / Wing) – Port Elizabeth (EP Rugby – Black)
- Akona Ndungane (Wing) – Mthatha (Border – Black)
- Dewald Potgieter (Loose Forward) – Port Elizabeth (EP Rugby – White)
- Jacques Potgieter (Loose Forward) – Port Elizabeth (EP Rugby – White)
- Jan Serfontein (Centre) Port Elizabeth – (EP Rugby – White)
- Deon Stegmann (Loose Forward) – Cradock (EP Rugby – White)
- Jano Vermaak (Scrumhalf) – Graaff Reinett (EP Rugby – White)



- Andries Ferreira (Lock) – Despatch (EP Rugby – White)
- Johan Goosen (Flyhalf) – Burgersdorp (Border – White)
- Davon Raubenheimer (Flank) – Knysna (SWD – Coloured)
- Phillip van der Walt (Flank) – Adelaide (EP Rugby – White)



THE SHARKS

- Keegan Daniel (No.8) – Humandorp (EP Rugby – White)
- Paul Jordaan (Centre) – Somerset East (EP Rugby – White)
- Ryan Kankowski (No.8) – Port Elizabeth (EP Rugby – White)
- Lwazi Mvovo (Wing) – Mthatha (Border – Black)
- Lubabalo Mtembu (No.8) – King Williams Town (Border – Black)
- Odwa Ndugane (Wing) – Mthatha (Border – Black)
- Tim Whitehead (Centre) – Port Elizabeth (EP Rugby – White)



- Schalk Burger (Flank) – Port Elizabeth (EP Rugby – White)
- Nic Groom (Scrumhalf) – King Williams Town (Border – White)
- Elton Jantjies (Flyhalf) – Graaff Rienett (EP Rugby – Coloured)
- Siya Kolisi (Flank) – Port Elizabeth (EP Rugby – Black)
- Scarra Ntubeni (Hooker) – East London (Border – Black)

Choice of head coach

- Southern Spears coach was Peter de Villiers, former Springbok coach
- First choice was Allister Coetzee, who hails from Grahamstown, but who opted to remain with the Stormers
- Southern Kings Director of Rugby, Alan Solomons, hails from Uitenhage
- Southern Kings Head Coach, Matt Sexton, hails from New Zealand, but then again, so does the Sharks head coach David Plumtree and former Lions Coach John Mitchell.



“IT'S NOT WHAT'S IN FRONT OF US
BUT WHO'S BEHIND US.”

GET BEHIND THE SOUTHERN KINGS ON 23 FEBRUARY

TICKETS AVAILABLE AT COMPIEKKET, THE NINE STADIUM AND THE NINE STADIUM TICKET OFFICE, AT THE BOARDWALK FOR SEASON TICKETS OR MORE INFORMATION ABOUT VODACOM SUPER RUGBY VISIT WWW.RUGBINTHEBAW.CO.ZA

VODACOM SUPER RUGBY MATCH DAY TICKET PRICES

MAIN STAND VISIT	FIELD	FOOTER AND SPORTS STAND	BACKS
EAST STAND	RVS	TOP PER. TIER	RVS 30

TICKET PRICES INCLUDE THE NINE GAMES DAY ENTERTAINMENT



SUPER RUGBY



Player representation

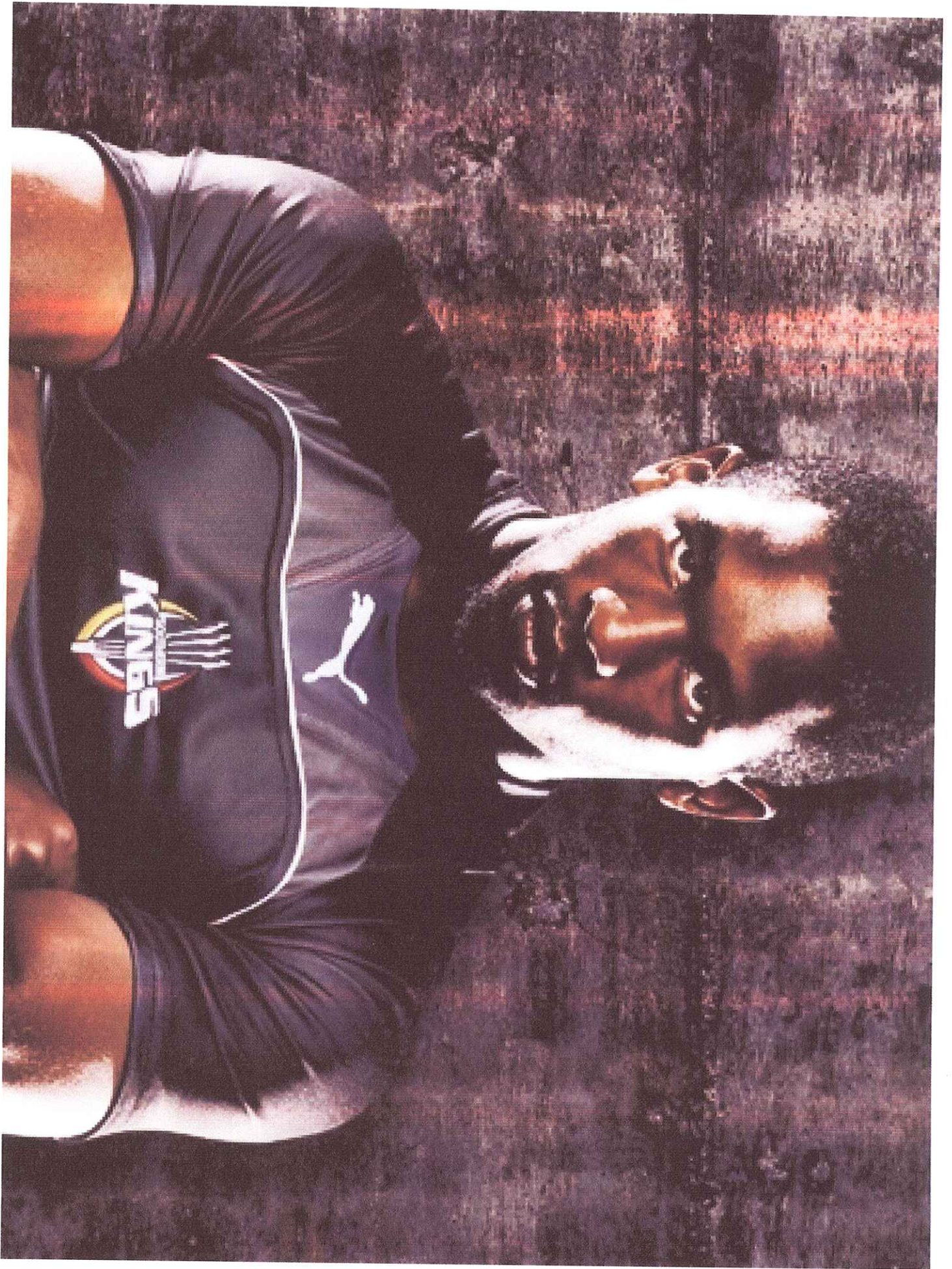
- The Southern Kings franchise is embarrassed by the lack of representation of players of colour in their squad and the consequent failure of the squad to represent the demographics of the region.
- President of both EP Rugby and the Southern Kings, Cheeky Watson – who has been a member of the ANC since 1976 and who is known as a man who has fought tirelessly for non-racial rugby – has expressed his embarrassment by the situation.
- However, as one can see from what has been presented here before this committee, it is not for a lack of trying.
- Should the Southern Kings be able to remain in the competition for a three year period, things would be drastically different.



Player representation

- As shown above, the majority of players of colour currently participating in Super Rugby across all franchises are from this region and, by retaining this Super Rugby franchise, we will be able to bring them back home and keep them home.
- The Academy, assisted by the Academy's of SWD and Border, over a three year period, would have identified and produced players of colour ready for participation in Super Rugby.
- Two Academy players will be taking part, with Sergeal Petersen possibly being part of the starting line-up, although there are concerns that their Super Rugby debut may be too early and that this may hamper their rugby development and impact adversely on their careers.





Sergeal Petersen

- From Humansdorp
- Went to Grey High School on a Rugby Sponsorship
- Accepted into the Kings Academy
- Father on dialysis and unemployed, mother is a teacher
- Making his Super Rugby Debut at the age of 18
- Peterson has played for the Eastern Province Kings at all youth levels, representing them at the 2007 U13 Craven Week, the 2010 U16 Grant Khomo Week (scoring three tries in three games) and in the 2012 U18 Craven Week (scoring four tries in three games).
- The latter performance earned him inclusion in the SA Schools team that played against France, Wales and England in August 2012. Despite interest from several other teams, he signed a contract with the Kings starting from 2013.



In conclusion

- Our region is the cradle of black rugby and the Eastern Province Rugby Union has fought unstintingly to bring top flight rugby to its people.
- If we want to truly transform rugby in this country we cannot allow this Super Rugby franchise to fail.
- We owe it to those who struggled long and hard to bring freedom to our country and to our children to see that this franchise succeeds.





