

# BY MAINTAINING STRONG RELATIONSHIPS WE CONTINUE TO DELIVER COMPETITION AND EVENTS WHICH KNOW NO BOUNDARIES

BRIAN THORBURN, GENERAL MANAGER, COMMERCIAL OPERATIONS

## 2003 HIGHLIGHTS

RECORD SPONSORSHIP LEVELS

INCREASE IN LICENSED PRODUCT

CAPTAIN'S TOUR TO NEW ZEALAND

CAPPING OF ALL WALLABIES

## SPONSORSHIP

The staging of RWC 2003 in our domestic market represented a wonderful climax for a large number of ARU sponsors who had been involved with the ARU and the Wallabies for many years. Whilst RWC maintained its own commercial program and the Tournament retained an independent set of sponsors, an incredibly conducive environment was created for ARU sponsors to communicate their direct involvement with the national team throughout the past year, and during the Tournament itself.

A number of ARU sponsors also took up sponsorship positions with RWC which provided them with an even more comprehensive platform to communicate their support for the sport. Companies who enjoyed this dual positioning included Bundaberg Rum, Qantas, Coca-Cola, Visa and Sony.

With public awareness heightened for the sport in general and the Wallabies more specifically throughout the entire year, a range of exciting and innovative leveraging programs were undertaken, as consumer interest in, and the appeal of the Wallabies, reached unprecedented levels. There is no doubt that the collaborative work from the ARU sponsor family over the last 10 years has helped create a high base of consumer awareness for the Wallaby brand, which enabled so many Australians to engage with the team as their on-field exploits grew in stature throughout the year.

A key beneficiary of this added public excitement was Vodafone, whose Naming Rights position of both the Super 12 Tournament and the Wallabies gave them a year-long platform to engage consumers through a variety of activation campaigns. Vodafone has held a relationship with the sport at the very highest level stretching back more than eight years. We thank them sincerely for their support over this period.

Vodafone's leveraging activity increased enormously with the start of the Wallabies' regular season and Bundaberg Rum Rugby Series fixtures. A variety of fast-paced and entertaining TV commercials promoting video PXT, polyphonic ringtones and arcade style games were shot featuring Toutai Kefu, Nick Stiles, Wendell Sailor and Phil Waugh, whilst Megan Gale delivered a cameo appearance in another version featuring Matt Burke and Mat Rogers.

Similarly, the efforts of Canterbury need to be acknowledged who, as the ARU's apparel sponsor, played a major role in outfitting so many Australians in gold clothing throughout the year as a wave of national euphoria swept the country. In conjunction with the ARU, they have helped turn the Wallaby jersey into a national icon of its own, with penetration of sales in this area achieving unbelievable results. They also joined forces with the ARU in offering consumers the chance to win an incredibly valued prize of travelling with the Wallaby team and all living Wallaby captains on a charter flight to the Bledisloe Cup fixture in New Zealand.

Bundaberg Rum continued to conduct extensive promotional support for their involvement with the sport from Super 12 level through to the Bundaberg Rum Rugby Series. It is incredibly rewarding to see their efforts returning great dividends to their own organisation, both in terms of product and sales growth, but also via recognition from independent awareness studies which now confirm the inextricable and positive link between Bundaberg Rum and Rugby.

### Bundaberg Rum leveraged their sponsorship with initiatives that included:

- Bundaberg Rum Rugby Series try placards;
- support of the Bundy good timers;
- a national television commercial featuring Ben Tune, Nathan Sharpe, Matt Cockbain and Bundy R Bear;
- Wallaby imagery used in posters produced for pubs around Australia.

Citibank conducted a variety of Rugby offers to both consumer and corporate clients such as preferential banking rates and application fees for products. They also executed an extensive above-the-line brand campaign revolving around a tagline of "We are banking on the Wallabies", using George Gregan as a figurehead.

Lion Nathan delivered their strongest campaign in recent years supporting the Wallabies under the tagline of "What Mates Do". They produced a major print media and TV campaign which ran during RWC with strong involvement through News Ltd publications, and Fox Sports' Rugby coverage throughout the year.

For the regular season as well as RWC, Lion Nathan conducted "on premise" activity which involved buying a round of Tooheys New to have a chance to win great Wallaby prizes – T-shirts, jerseys etc.

Once again, six million packets of Weet Bix carried strong Wallaby messages to the breakfast tables of Australia via an "Eat and Win" consumer Weet-Bix promotion.

Each Weet-Bix pack contained player cards and a competition where consumers had to match the number on the card with one on the side of box to win great Wallaby prizes. A television commercial was shot featuring 10 Wallabies as support to this which ran from July to September.

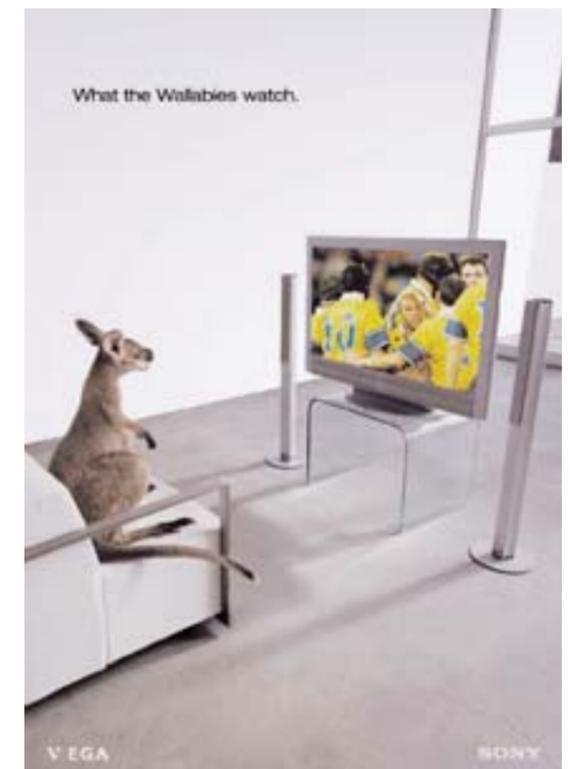
Ford had one of their most active years in their long association with the ARU, shooting a "You'd be popular too" Ford dealer campaign, featuring Wallabies in a line out communicating with a Ford dealer in the crowd.

A national billboard campaign was conducted from August to December around their "Power Packed Falcon". The billboards featured Wallabies such as Brendan Cannon, George Smith and Lote Tuqiri with the award-winning BA Falcon and featured an LED screen underneath which provided updated scores after each Wallaby RWC game.

Continuing their strong link with the fans of the game, Coca-Cola ensured a strong event-marketing presence at each of the Wallaby Test matches throughout the year via the staging of their Powerade Pitstops in the precincts of each venue. These branded marquees provided a location for fans to participate in the Powerade brand physical challenges and trivia competitions, with samples of Powerade and other giveaways being provided as prizes.

A very pleasing aspect of the ARU sponsor leverage campaigns over the past 12 months has been the increasing volume and variety of joint initiatives from groups of sponsors. Leading the charge on this front was one of the new sponsors for the year, Sony. They contributed to a variety of different campaigns with other sponsors, due to the enormous appeal of their high quality range of products.

Independently, Sony conducted their own major national consumer promotion to drive awareness of their Sony Wega range of televisions. This involved all purchasers of these products receiving a unique Rugby pack containing footballs, a Rugby DVD and a guide to Rugby. The campaign was supported by a major through-the-line brand campaign. We have welcomed Sony's creative approach to leveraging Rugby, and look forward to creating a long association with the organisation for many years to come.



Finally, the ARU would like to acknowledge the uncompromising long-term support it has received from sponsors Vodafone, Energex, Citibank, Mizuno, Visa and the Ambassador Clothing Company, who after many years involvement with the ARU, will no longer be directly involved with our organisation. However, each of these organisations will continue to retain an association with the sport of Rugby in this country via differing means.

It is also appropriate to record our thanks and appreciation to our commercial agents, IMG, who continue to represent the ARU in respect of our sponsorship, licensing and on-site corporate hospitality programs.

## LICENSING

2003 was a watershed year for the licensing division of the ARU with the key highlights being a revenue results of \$4.0m, up \$1.8m on budget. This end result, which proved very satisfying in its own right, was the culmination of many years of dedicated effort and was clearly enhanced by the Rugby World Cup and all Australians embracing the nation's fervour and buying Wallaby products.

The regular Test season became a practice run for ARU licensees as they geared up for their biggest year ever. Many took optimistic risks and produced more product than forecasting required; this paid off for them with prime retailers selling out of some items early on during RWC and reordering numerous times.



Wally, the Australian Rugby Mascot, was a keen participant in the EdRugby program, and throughout the See Australia True Colours Tour.

Almost all licensees had a year of extraordinary success with 77% of licensees exceeding their minimum guarantees. A number of these more than tripled their minimum guarantees.

The Wallaby jersey remains the cornerstone of the licensing program. Canterbury International more than doubled their royalty payments to the ARU this year and sold 162,000 jerseys in Australia, up 150% on 2002. The women's jersey took off in leaps and bounds, as ladies became more aware of the jersey option, which provides a more fashion conscious option than traditional male jerseys.

Through the growth of new distribution channels such as direct mail, Internet and discount department stores, the availability, as well as the depth, of Rugby product in the marketplace was more extensive than ever before. With all three national discount department stores stocking product in 2003, we were ensured a place as a national brand which reached all market demographics.

For the first time the Licensing Division undertook its own promotions and advertising to increase awareness of our brand and products. We had considerable success with programs such as placing four pages of Wallabies products in the 'Sunday Telegraph's' Father's Day lift-out and taking an entire Wallabies window display in David Jones Sydney city store.



In the lead in to RWC, 60 personalised Wallaby jerseys were sent to high profile media personalities, to encourage all Australians to wear gold and support the Wallabies. This initiative paid off with record jersey sales and exposure.

ARU's licensed bar, known as "The Wallaby Bar", Cockle Bay, has now picked up on a loyal regular weekend crowd who flock there late on Friday and Saturday nights. During RWC this regular crowd was infiltrated by gold-wearing Rugby tragics who cheered on the Wallabies at special functions held each night an Australian RWC game was on. Classic Wallabies, Super 12 players, as well as injured Wallabies, all had a drink with patrons. The bar also hosted many overseas internationals such as the French and Argentinean RWC teams, with a special visit from the Namibian RWC team, who all came wearing the Wallabies playing jerseys they had swapped after the previous match.

At the conclusion of RWC, the Wallaby Bar hosted the Wallabies and team management at a special evening, celebrating and congratulating their success.

Wally, the Australian Rugby Mascot, continued to prove popular in 2003. He appeared all around the country on the True Colours Tour, the Support the Wallabies Tour, TryRugby, Test matches, various promotional events and sponsor events. The plush Wally toy was dressed in green and gold in 2003 to support the Wallabies, which was a huge success. Wally was also used in resourced publications to schools for the EdRugby program.

Looking ahead, to maintain growth in licensing, the program will be streamlined to capitalise on new market opportunities and while unlikely we will repeat 2003 revenue in the short term, we believe underlying growth will continue to be strong.

#### In 2003 we welcomed the following new licensees:

- Champions of the World – flags;
- Corporate Eyewear – sunglasses and chairs;
- Nottage – business gifts;
- RTA – number plates;
- Jatek – phone cases;
- Innovations – direct mail fulfilment;
- Kyrptyx – collector, cards;
- Ozcorp – cards and wrapping paper;
- Wallabyshop.com – Internet fulfilment;
- Custom International – various.

## EVENTS

In early February 2003, the ARU successfully conducted the third IRB Sevens Series Tournament at Ballymore in Brisbane with crowds of over 10,000 across the two days of the event. England were the winners, with Australia making it through to the Quarter Finals.

The department continues to provide operational and event management services to NSWRU, conducting all 2003 Super 12 matches and the match against Samoa held at Aussie Stadium.

Operational management of all domestic Test matches during the regular 2003 season were managed efficiently. The opportunity to have RWC staff involved in these Test matches provided a real-life Rugby event for them to be involved in and contributed to the overall excellent presentation of Rugby World Cup matches.

The 2003 Bundaberg Rum Rugby Series also saw a first for Australian Rugby with five domestic Tests played against five different countries: Ireland, Wales, England, New Zealand and South Africa. In addition Fiji, Samoa and Tonga also toured for matches against the provincial unions and Australia A enjoyed matches in Japan.

Rugby returned to Suncorp Stadium and the sell-out crowd for the Tri Nations match against South Africa. The crowd of 51,188 was the highest for a Rugby match in Queensland. The reconfigured stadium provides spectators with outstanding facilities.

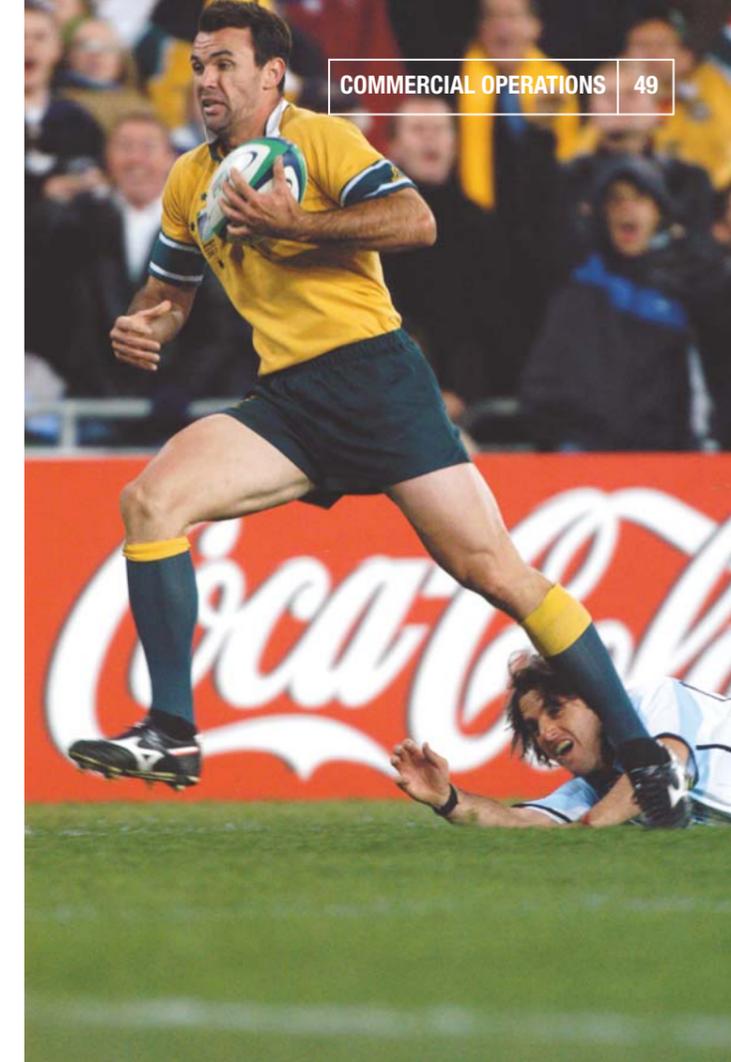
The Wallabies Test match against England at Melbourne's Telstra Dome was also a sell-out, with the white jerseys of English supporters reminiscent of the 2001 British Lions at the same venue.

## CORPORATE HOSPITALITY

ARU's Corporate Hospitality Division continued to operate successfully during the regular 2003 domestic Test season, growing revenue from 2002 and exceeding budget despite intense competition from RWC. In a year where over \$70 million of hospitality spending was directed to RWC, there was a real risk that our domestic program would suffer from that competition and regular revenues would fall. The result of exceeding budget was outstanding under the circumstances.

ARU was independently appointed by the RWC corporate hospitality rights holder (RH03 Pty) as one of eight domestic sales agents for the RWC Ltd corporate hospitality program. In that capacity, ARU successfully ensured that its family of sponsors, licensee and other corporate partners were able to acquire suites, boxes or other corporate entertaining facilities at RWC. Through its purpose built sales division, ARU sold over \$35 million in corporate packages and was the most successful of the eight sales agents achieving close to 50% of all sales.

In addition, ARU was also independently awarded the contract to provide implementation and fulfilment services for corporate hospitality for RWC. That appointment required ARU to source and negotiate venues, caterers and various other suppliers and to



supervise and conduct various corporate hospitality functions during the Tournament. Over 230 separate functions were managed during the seven-week period with over 53,000 separate packages provided to guests.

## CAPTAINS' TOUR TO NEW ZEALAND

To celebrate 100 years of Trans Tasman Rugby rivalry, 28 of Australia's living Wallaby captains gathered in Auckland to witness the Wallabies play the All Blacks for the Bledisloe Cup.

It was almost 100 years to the day on 15 August 1903, when the All Blacks defeated the Wallabies 22-3 at the Sydney Cricket Ground, in front of 30,000 people.

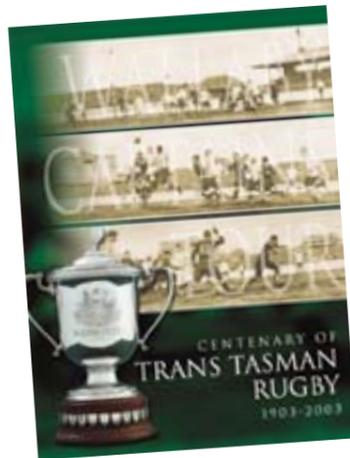
From an Australian perspective, staging the Test in front of such a large crowd, was a tremendous boost for Rugby Union, at the time competing with Australian Rules for the hearts and minds of the sporting public. From a New Zealand perspective, the occasion marked their very first International establishing their dominance with a 22-3 win.

In 1931, when Lord Bledisloe, the then Governor-General of New Zealand, presented a trophy to foster ties between the two countries, he established one of the most passionately contested sporting trophies in the world. Before the advent of Super 12 it was variously a one, two or three Test competition, and it was not until 1934 that Australia won their first Bledisloe Cup, winning the first Test and drawing the second in a two Test series at the Sydney Cricket Ground.

To assist New Zealand Rugby Union celebrate their Centenary of Test Match Rugby, ARU chartered a plane from Sydney and flew all available living Wallaby captains to Coffs Harbour. There the current Wallaby squad joined their predecessors on the plane and headed to New Zealand.

All living captains of the Wallabies and All Blacks who were able to attend were paraded before the kick-off in front of a capacity crowd at Eden Park in Auckland.

The night before the match, over 500 guests, including the captains, gathered at the Aotea Centre for a commemorative dinner.



Australian Prime Minister, John Howard, and his counterpart from New Zealand, Helen Clark, opened the evening with speeches and a special photograph featuring the past and present captains of both nations was taken.

The captain's tour showed that while the game has evolved significantly, the values of Rugby remain the same.

From the first Trans Tasman Test on 15 August 1903, to the 142nd Test on 15 August 2003, Australian Rugby has

experienced highs and lows, good times and bad. It is the players who make the game and every team member who has ever donned an Australian jersey has played his part in keeping Rugby alive, in bringing it to the point of popularity it enjoys today. Along the way, they have taken part in great and memorable sporting moments.

## CAPPING OF ALL WALLABIES

In 2002 the ARU began the ambitious process of awarding Test caps to every Wallaby.

For reasons unknown, the practice of presenting Test caps ceased in the mid 1930s and did not resume until the mid 1990s.

It is now a standard that after playing their first Test match for the Wallabies the players receive their commemorative cap, with Matt Dunning and John Roe the most recent recipients after their debut against Namibia during the World Cup.

The ARU retrospectively capped 24 Classic Wallabies from the 1930s and 1940s at the 2002 John Eales Medal Dinner, and continued the process with the players from the 1970s awarded their caps at the 2003 Tom Slacks Dinner.

Among the players from the 1970s presented with their caps were Wallaby captains Andrew Slack, Paul McLean, Mark Loane, Peter Sullivan and Tony Shaw, as well as dual internationals Michael O'Connor, Ray Price and Russell Fairfax. David Brockhoff, who was a Wallaby from 1949-51 and coached the team in the 70's, was also capped.

The Wallabies played 43 Tests in the 1970's for 18 wins, 23 losses and two draws. The most famous matches included the 1975 "Battle of Ballymore" where Australia beat England 30-12, the dethroning of Five Nations Champions Wales over two Tests, and the 12-6 victory over New Zealand in 1979 which handed the Wallabies the Bledisloe Cup for the first time since 1949.

The Tom Slack Dinner is held in memory of the son of former Grand Slam Wallaby captain and current Queensland Reds coach, Andrew Slack, and his wife Caroline. Tom lost a battle with cancer in April 2000 at the age of 11.

The dinner is an important fundraiser for the Queensland Institute of Medical Research, which undertakes ground-breaking cancer research and treatment.

Players from the 1950s, 1960s were capped at a special Centenary of Trans Tasman Rugby Dinner in Sydney, while the John Eales Medal Dinner in 2003 saw the Wallabies from the 1980s receive their caps.

Names such as Michael Lynagh, Phil Kearns, Tim Horan, Jason Little and Simon Poidevin were on hand to receive their caps while other players including the unforgettable Ella brothers – Mark, Gary and Glen, David Campese and Nick Farr-Jones were also be recognised.

Australia played 66 Tests during the 1980s recording 38 wins, two draws and 26 losses.

In 1984 the Wallabies achieved the Grand Slam defeating England, Ireland, Wales and Scotland on the one tour and some of the players from that remarkable team received their caps at the JEM.

Wallabies from the inaugural Rugby World Cup in 1987 were there. Australia finished fourth at the Tournament, losing to Wales in the third/fourth playoff in Rotorua.

The final capping ceremony for players from the 1990s who are yet to receive their caps, will be awarded them during 2004.

