14 February 2024

The Chairperson
Subscription Inquiry into Television Broadcasting Services Council Committee
Independent Communications Authority of South Africa
350 Witch Hazel Avenue, Eco-Park Estate
Centurion
0144

E-mail: subscriptioninquiry@icasa.org.za

Dear Sir or Madam

SA RUGBY UNION

- RESPONSE TO SUBSCRIPTION BROADCASTING SERVICES INQUIRY QUESTIONNAIRE 2023
- ANNEXURE B – QUESTIONNAIRE FOR CONTENT HOLDERS

The Notice published in the Government Gazette of 10 November 2023 has reference.

Please find attached hereto our non-confidential response to the Annexure B (Questionnaire for Content Holders), which is submitted in addition to SA Rugby Union's previous written and oral submissions dated 15 March 2019; 11 June 2019; 14 January 2021 and 11 February 2021.

Please do not hesitate to contact SARU's Head of Legal and Compliance - Ms. Chantal du Pisani (Chantal.dupisani@sarugby.co.za) should you wish to engage in respect of this submission.

Yours sincerely

R Oberholzer
CEO

A. Contact Details of the Participant

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Last Name	Oberholzer
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B. Questions

1. SA Rugby Union (SARU) is an association of persons with perpetual succession and juristic personality. SARU is the only recognized National controlling body of rugby in South Africa.
2. SARU's main purpose is to promote, develop and support all levels of rugby in South Africa. SARU provides the platform and rugby eco-system. This includes rugby development; community rugby and professional rugby and content is created through the matches played under the auspices of SARU. The rights to the content are then sold to broadcasters.
3. SARU's content is the playing of matches and related events within the rugby ecosystem. There are several rugby products that create content for broadcasters, which in turn command the consumer interest. There are of course other sport entertainment products available. Notably in a successful rugby international rugby ecosystem; there may be content from 6 Nations (where e.g. SARU teams do not participate) and the URC (where SARU franchises are participants); Currie Cup competitions (domestic in nature). The content is rugby and other sporting codes that command consumer attention.
4. Refer to question 3 response above. Our competitors are other content creators including those within rugby, all other sporting codes, over the top entertainment providers such as Netflix, Amazon Prime, online video channels such as YouTube and Twitch and social media content creators all of whom compete for the consumers attention.

5. SARU cannot compute its market share in the international markets. SARU provides the rugby platform from which content is created. Our Annual Financial statements and Annual Report sets out our revenue streams and is available at www.sarugby.co.za/governance.
6. OTT is a developing platform internationally and will become more viable in SA in future. It will be directly affected by smart technology being available. Currently our content is consumed via linear and the growing OTT market. This is a worldwide trend. The only strategy of SARU is to ensure that it has the technology and financial processes to ensure that the rugby product remains relevant, viable and world-class. In addition, SARU acknowledges that the consumption patterns of our products are constantly changing.
7. SARU has not been approached by a pure OTT provider and therefore cannot provide information on this question.
8. SARU provides rugby content through the SARU participation structures which is inclusive of but not limited to teams (through its various rugby structures), players, coaches, referees, and matches.
9. SARU owns its own rights and content to certain rugby matches within its territory.
10. SARU applies its own bespoke go-to-market process which reflects the limited competitive landscape of rugby. There are different ways to market and sell the content and SARU's specific approach is a bilateral right selling process.
11. SuperSport (comprising of both its DTH and OTT service offering) and SABC (by virtue of sub-licensing arrangements). Our teams compete in World Rugby owned events which are sold globally, featuring content in the form of our teams' appearances.
12. As per eleven above.
13. Provision is made for sub-licensing to free to air services in terms of the Sports Broadcasting Regulations.
14. Yes
15. Yes
    15.1 Exclusivity is critical as SARU needs to maximise revenues to cross-subsidise the rest of the sport of rugby in SA from broadcast proceeds derived from a small proportion of our activities. This fund benefits (but is not limited to) Women's 15; Women's 7s; U/20 men and women and Development of Rugby through specific programmes such as GIR and VUKA. To maximise value, SARU needs to position its offering in such a manner that allows a licensee to optimise their potential revenue. Without exclusivity, the revenue for SARU is reduced and impacts on the entire rugby development ecosystem.

    15.2 4 (four) – 5 (five) years.
16. Yes.
17. SARU creates rugby content which is sells to buyers on a platform neutral basis.

18. Yes. SARU is aware of the changing market requirements and viewer responses to content and will, always review the proposals received relating to new entrants to that market.
19. The value of our content is affected by market dynamics and demand. SARU's content is a rugby match (Springboks; International; National and Regional matches) and, by its very nature, market dynamics impact on the demand for viewership and SARU does not sell its matches on a per match basis.
20. SARU does not determine the type of content as such but the type of competition, aligned to the broadcasters' interest in the rights. The requirements are underpinned by the World Rugby requirement for delivery of content internationally and nationally in the teams under the auspices of SARU.
21. There is a wide variety of sport available in South Africa. In the production of rugby matches, there are no barriers to entry in respect of content production.
22. No.