



4 August 2025

The Chairperson
ICASA

Email: smolefe@icasa.org.za

Dear Chairperson

The Independent Communications Authority of South Africa (ICASA) Enquiry into Subscription Television Broadcasting Services: Supplementary Discussion Document

We thank the Authority for the opportunity to participate in the recent public hearings on the Supplementary Discussion Document issued as part of the Inquiry into Subscription Television Broadcasting Services, held on 10 and 11 July 2025.

Please find below SARU's formal written response to the follow-up questions received using the ICASA letter referencing.

2.1 View on the Indispensability of Sports Content

While we believe sport can provide a high value proposition to audiovisual players, it is our understanding that audiences watch a variety of different types of content and there is not one kind of content which is indispensable, sports or otherwise.

SARU notes that Netflix stated in paragraph 7 of its Submission on the Supplementary Discussion Document that "no one type of content is the primary driver of subscription choices". SARU has observed that there has been entry into the audiovisual market across platforms by the likes of Netflix, Amazon Prime Video Play and e.tv's OVHD. All these service providers have successfully entered the market without any significant sports offering. Audiovisual services are best placed to answer whether any content is indispensable from their perspective.

From the perspective of SARU, what is indispensable is the income derived from the sale of broadcast rights.

As much as 49 percent of SARU's income is derived from the licensing of audiovisual media rights while sponsorships represent approximately 28 percent of the revenue mix. SARU's ability to exploit complementary sources of funding such as sponsorships is inextricably linked to the appropriate licensing of its audiovisual media rights, as sponsors require significant exposure for their brands. Without the revenue generated from the exclusive licensing of its audiovisual media rights and related sponsorships, SARU would not be financially self-reliant and would not be able to support a host of laudable initiatives, including its various grassroots and development programmes.

The revenue that SARU derives from the commercialisation of its audiovisual media rights is indispensable to the growth, development, administration and success of rugby in South Africa.





2.2 Substitutes for SARU Content

In addition to broadcast coverage, SARU recognises that consumers may access rugby content via:

- Official highlights on SA Rugby and SuperSport platforms;
- Unofficial social media clips and online summaries;
- Audio or radio commentary.
- Boktowns, where fans and their families can experience the full Springbok match atmosphere.

While we would like to think there is no substitute for rugby, there is an increasing proliferation of content that is capable of attracting audiences to which audiovisual services can turn to as substitutes.

2.3 Impact of Splitting Rights into Pay TV and Free-to-Air (FTA)

SARU's current bundling model integrates:

- National Teams home matches
- Domestic senior competitions - the likes of Currie Cup and others
- Age group domestic competitions
- Provincial school youth weeks
- Amateur national club competitions

It does not include international competitions - the likes of United Rugby Championship, European Rugby Championships, National Teams away matches or Rugby World Cups as this reside outside the SA bundles and forms part of independent legal entities of which SARU is just a shareholder or a member.

This ensures a virtuous commercial ecosystem, where content supports the sustainability of grassroots and emerging competitions.

To the extent that the Authority refers to "unbundling rights" in the sense of splitting content rights into packages and selling them to more than one distributor (for example free-to-air and subscription distributors), unbundling rights would result in:

- A dilution of exclusivity, leading to reduced investment by audiovisual services, thereby significantly eroding the value of SARU's property rights and having a significant negative impact on the continued financial viability of sports federations such as SARU;
- Cherry-picking by commercial platforms, undermining inclusivity and long-term sport development; and
- A decline in overall production quality and public value.

Ultimately, such fragmentation would harm the economic engine that funds rugby at all levels — a scenario that would be to the detriment of the sport, viewers, and national interest.

An essential element of SARU's media rights is the ability to leverage off that right at the most commercially favourable price. If SARU were forced to split rights into Pay TV and



FTA (which we note that the Authority correctly recognises that it does not have jurisdiction to do), SARU would essentially be forced to sell its rights at a significantly lower price because selling exclusively ensures a premium on the price at which the rights are sold. As such, SARU's value and enjoyment of its property would be eroded, to the detriment of the sport and the country.

The continued ability of SARU, as the custodian of rugby in South Africa and as the owner of its broadcasting rights, to determine how best to package and sell its broadcasting rights in a manner that achieves the sustainability and success of rugby is critical.

Also, no evidence has been put before the Authority which would warrant radical measures such as the mandatory splitting of rights.

2.4 FTA Rights Negotiation Process

As SARU indicated at the hearings, the market is open. Any audiovisual media player, including FTA broadcasters, can indicate their interest to acquire rights from SARU on commercial terms. Unfortunately, commercial offers from FTA broadcasters have not been forthcoming.

The rights acquisition process is value driven. SARU cannot be expected to compromise its own commercial viability and sustainability, or the growth, development, administration and success of rugby in South Africa, by accepting non-commercial offers for its rights from any party, or if SARU's production quality standards will not be met.

Sublicensing of FTA rights is feasible and SARU has supported such arrangements when they are financially viable and consistent with contractual obligations and in line with ICASA and other regulatory requirements. SARU also confirms that sublicensing terms are jointly managed with the primary rights holder, ensuring:

- Integrity of existing contracts;
- IP protection; and
- Consistent production standards that require large scale investment into infrastructure on multiple platforms.

2.5 Revenue Breakdown

SARU confirms that:

100 percent of its broadcasting-related revenue (which accounts for 49 percent of total SARU income) currently derives from subscription broadcasters. There are no direct revenue flows from FTA broadcast rights at present.

3. Additional Information

SARU respectfully shares the following further insights:

- Rights Packaging: Bundled to ensure inclusive funding and consistent exposure across all levels of the game.
- Valuation Methodology: Negotiated bilaterally with guidance from audience

metrics, platform reach, exclusivity, and external benchmarking.

- Governance: Managed by SARU's Commercial and Legal Divisions, with Executive Council oversight.
- Sublicensing: Supported when compliant with primary contracts and financially sustainable and regulatory requirements.

4. Confidentiality

This submission contains no confidential material. SARU reserves its rights under section 4D of the ICASA Act to designate future responses as confidential if appropriate. Please do not hesitate to contact us should you require further detail or clarification.

Kind regards,

A handwritten signature in black ink, appearing to read "R Oberholzer", enclosed within a circular stamp or seal.

R Oberholzer
CEO
South African Rugby Union

CC: Head of Legal: C du Pisani