



Subscription TV Licence Regulation Submission

MEDIA MONITORING AFRICA AND SOS SUPPORT PUBLIC BROADCASTING
COALITION 13 JANUARY 2021



Overview of Submission

- ▶ Made jointly by MMA and SOS
- ▶ Key assumptions
- ▶ Changing environment
- ▶ South African Dilemma
- ▶ Highlight five key principle issues from written submission
- ▶ Conclusion



Key Assumptions

- ▶ History of subscription TV is one that has been dominated by de-facto monopoly Multichoice. We previously highlighted history that enabled monopoly
- ▶ Concerned about broadcasting environment as a whole, (most often focus on SABC)
- ▶ We are focused on equitable access for all and eliminating the digital divide

Changing Environment

- BEFORE COVID EVERYTHING WAS ALREADY GOING BANANAS IN THE SECTOR
- RAPID SHIFTS IN TECHNOLOGY MEAN:
 - OTT services & globalized nature
 - Devices changing, smaller, more common and cheaper – need for expensive SET TOP boxes being eclipsed by digital



Changing Environment

- BIGGEST SHIFT IS AROUND POLICY
- DRAFT WHITE PAPER ON AUDIO AND AUDIO VISUAL SERVICES
- ENABLES MORE COMPREHENSIVE REVIEW AND ADDRESSING OF
- PREMIUM CONTENT AND ADVERTISING; AND
- HOW WE MIGHT BRING GLOBAL PLAYERS INTO LOCAL REGULATORY REGIME
- SPORTS BROADCASTING
- CURRENTLY NEEDS TO TAKE DIGITAL SHIFTS INTO ACCOUNT - THEY FALL BEYOND THE ISSUE OF THESE SUBSCRIPTION SERVICE BROADCASTING

A South African Dilemma

- MONOPOLY ENVIRONMENT
- THE PUBLIC DON'T CARE AND INCREASINGLY DIFFICULT /MEANINGLESS TO DISTINGUISH BETWEEN OTT DIGITAL AND BROADCAST
- HOW DO WE ENSURE MARGINALISED HAVE ACCESS TO DIVERSE OFFERINGS?
- HOW DO WE PROMOTE COMPETITIVE LOCAL ENVIRONMENT WHILE ENSURING PROTECTION AGAINST GLOBAL PLAYERS?





Key Principles: 1. Must Carry

- ▶ Believe the current must carry regulations need to be amended to help ensure more sustainable SABC
- ▶ Also, to be in line with existing general principle that fees are paid for channels subject to commercially negotiable terms
- ▶ We support the SABC Request for review of the must carry regulations.

Key Principles: 2. TV Licences

- ▶ Public broadcaster financial challenges are well documented. A key challenge is around collection of TV licences.
- ▶ We submit that the Authority *require MultiChoice be responsible for the collection of the SABC licence fee (provided for in terms of the Broadcasting Act) from the 8.2 million household subscribers that it has.*
- ▶ *This level of licence fee collection compliance would go a long way to assisting the SABC in overcoming its current financial crisis and enable it to be in a financial position to compete for better programming and local content development for the benefit of all South Africans*

Key Principles: 3. EPG

- ▶ We submit free to air broadcasters carried on the DStv platform should be ranked as the first set of channels on DStv's EPG as follows: Public Broadcasting Channels, Commercial Broadcasting Channels and Community Broadcasting Channels.
- ▶ Critical that people are able to find public service content

Key Principles: 4. Research & Information

- ▶ *ICASA should ensure that it regularly collects critical market related broadcasting information. SOS and MMA note that information is collected for ICASA's ICT sector review reports however the information gathered for broadcasting and OTT services is extremely limited.*
- ▶ *The reports need to include detailed market information for broadcasting that can be compared year on year. Information that needs to be included is as follows: broadcasting revenue disaggregated in terms of subscription, advertising, sponsorships, licence fees etc and then further disaggregated to show which broadcasters are earning subscription revenue, advertising etc. Also, information needs to include the rights owned by different broadcasters, ownership and control information and viewership figures.*

Key Principles: 5. Local Content & Production

- ▶ SOS and MMA are of the view that the final Findings Paper must address issue of Mulithchoice's significant market power to engage unfairly with the independent production sector, including writer, performers, producers and others.
- ▶ We are of the view that ICASA does not appear to play an active role in ensuring fair terms of trade for independent producers that contract to produce local content for subscription broadcasters with significant market power.
- ▶ Issues that we are of the view must be addressed in the final Findings Paper include, but are not limited to a stipulation that no subscription broadcaster with market power may "blacklist" any independent producer for developing content for another broadcaster or OTT service provider.



Conclusions

- ▶ We hope these submissions are useful for the Authority in addressing some of the key issues.
- ▶ We note that while the move to address the monopoly is positive, we need broader action and response to the television environment as a whole. One that will ensure we promote competitive practice and ensure more equitable access.
- ▶ Ultimately, we submit whatever path the Authority chooses it must be guided not by the interests of the powerful but by the public interest.
- ▶ We remain open and ready to offer support and assistance in this important process



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Thanks!