



**MULTICHOICE
(PTY) LTD
ANNUAL
COMPLIANCE REPORT**

MARCH 2025

2023/2024 ANNUAL COMPLIANCE REPORT

MULTICHOICE (PROPRIETARY) LIMITED

Licence Period: 04 August 2023 - 03 August 2038

1. PREFACE

The Independent Communications Authority of South Africa (“Authority”) has a statutory mandate in terms of the Constitution¹, the Independent Communications Authority of South Africa Act (ICASA Act²), the Electronic Communications Act³ (“ECA”) and the Broadcasting Act⁴ to regulate broadcasting activities in South Africa in the public interest. The Authority is tasked with ensuring compliance by broadcasters with the terms and conditions of their licence, the three Acts and any relevant Regulations.

The report is intended to give an account of Multichoice (Pty) Ltd (“the Licensee”)’s performance for the 2023-2024 financial year. The report focuses on the following aspects: geographic coverage, language(s) of broadcast, broadcast content format, training and skills development obligations, staff development equity plan, ownership and control by previously disadvantaged individuals, Finances, Contribution to the Broadcasting Sector, South African Television Content Regulations, Must Carry Regulations, Regulations in respect of Prescribed Annual Contributions of Licensees to the Universal Service and Access Fund, Subscription Broadcasting Regulations, General Licence Fees Regulations, Code on People with Disabilities, Sports Broadcasting Rights Regulations and Regulations regarding Standard Terms and Conditions for Individual Broadcasting Services.

2. BACKGROUND

On 07 July 2023, the Authority renewed an Individual Commercial Subscription Television Service (“I-CSTS”) licence to Multichoice (Proprietary) Limited. The shareholder as reflected in the licence is Multichoice South Africa Holdings (Pty)

¹ The Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996)

² ICASA Act, 2000 (Act No. 13 of 2000) as amended

³ Electronic Communications Act, 2005 (Act No. 36 of 2005)

⁴ Broadcasting Act, 1999 (Act No. 4 of 1999)

Ltd. The Ownership held by persons from historically disadvantaged groups (HDGs) in Multichoice South Africa (Pty) Ltd: 34.90%.

3. COMPLIANCE ASSESSMENT

3.1 Geographic Coverage Area⁵

Clause 2 of the service licence provides as follows:

"The Licensee shall provide national coverage of its broadcasting services."

The Licensee confirms that it provides its service through satellite and therefore provides national coverage of its broadcasting service.

The Licensee complies with clause 2 of its service licence.

3.2 Encryption and signal and use of licensed electronic communications network service.

Clause 3.1 of the service licence provides as follows:

"The Licensee must ensure that the output signal of its subscription broadcasting service is encrypted."

Clause 3.2 of the service licence provides as follows:

"The Licensee shall use the licensed electronic communications network service of a Licensee."

The Licensee confirms that the output signal of its subscription broadcasting service is encrypted through set-top boxes with encryption technology. The Licensee also confirms that its signal distribution service provider is Orbicom (Pty) Ltd, which is a licensed electronic communications network service.

The Licensee complies with clauses 3.1 and 3.2 of its service licence.

⁵ Multichoice I-CSTS licence

3.3 Language

Clause 4 of the service licence provides that:

"This is left to the discretion of the Licensee".

A significant number of the licensee's programmes are broadcast in English, however other programmes are broadcast in other languages such as Portuguese, Afrikaans and Indian languages. The Licensee has confirmed that its programmes and films are presented in different languages. English is the main language and other languages include Afrikaans, isiZulu, Portuguese, Indian languages for the Indian bouquet as well as other foreign languages.

The Licensee complies with clause 4 of its service licence.

3.4 Format

Clause 5 of the service licence provides as follows:

"The Licensee is licensed to provide a subscription broadcasting service aimed at the general public and niche markets".

The Licensee confirms that its service is aimed at both the general public, through its general entertainment channels and niche markets through its special interest channels.

The Licensee complies with clause 5 of its service licence.

3.5 Training and Skills Development Obligations

Clause 6.1 of the service licence provides that:

"The Licensee shall ensure that training and development needs of its staff, with particular emphasis on individuals from historically disadvantaged groups, are identified on an annual basis and are reflected in its workplace skills plan".

The Licensee submitted its workplace skills plan for the period under review. The Licensee maintains that learning and development initiatives of its employees with particular emphasis on individuals from historically disadvantaged groups, were implemented and addressed as follows:

(a) Business Skills Training and Job Specific Training

The Licensee reported that it dedicated seventy percent (70%) of its training budget to develop its employees on business and job specific training. Fifty-five percent (55%) of the total spent amount was dedicated to developing the previously disadvantaged persons.

(b) Management and Leadership Development

The above training focused on the following streams: Systemic Coaching, Individual Coaching, Project Management and Leadership Program.

The Licensee spent sixty-five (65%) of its Leadership Development budget on the development of historically disadvantaged groups. Fifty percent (50%) of the total amount was spent on females.

(c) Talent Management

A total number of four (4) employees were identified for succession development in 2023/24 financial year. The identified employees are receiving executive coaching in line with future general management needs. Three (3) of these employees were historically disadvantaged persons and two (2) were female.

(d) Bursaries and Learnerships

There were thirty-two (32) bursaries awarded to senior employees from historically disadvantaged background during the year 2023/24. These were awarded as follows:

African females	Coloured females	White females	Indian females	African males	Coloured males	White males	Indian males
11	6	1	3	8	1	0	2

The Licensee complies with clause 6.1 of its service licence.

Clause 6.2 of the service licence provides that:

"The Licensee shall submit its workplace skills plan to the Authority within a month of issuing of this licence and thereafter by the 30th of June each year."

The Licensee submitted its workplace skills plan to the Authority in accordance with the requirement thus in compliance with clause 6.2 of its licence.

The Licensee complies with clause 6.2 of its service licence.

Clause 6.3 of the service licence provides for:

"The workplace skills plan shall report on and review a twelve-month period (April to March) and shall include targets in terms of race and gender."

Further, clause 6.4 of the service licence provides as follows:

"The workplace skills plan shall reflect race and gender targets at all occupational levels, including senior and top-level management."

The Licensee’s training and development report to the Authority reflects information in a tabled format in terms of race and gender at all occupational levels as follows:

(A) Females

Occupational level	African	Coloured	Indian	White
Top management	3	0	0	0
Senior management	1	2	0	0
Professional and Mid management	7	3	2	1
Skilled & Junior management	5	2	2	1
Semi-skilled	3	0	0	0
TOTAL	19	7	4	2

(B) Males

Occupational level	African	Coloured	Indian	White
Top management	1	0	0	0
Senior management	0	0	2	1
Professional and Mid management	1	1	0	1
Skilled & Junior management	3	1	1	0
Semi-skilled	0	0	0	0
TOTAL	5	2	3	2

The Licensee complies with clauses 6.3 and 6.4 of its service licence.

3.6 Staff Development and Employment Equity Plan ⁶

Clause 7.1 of the service licence provides for:

"The Licensee shall submit its five-year employment equity plan to the Authority within a month of the issuing of this licence".

The Licensee submitted its five-year plan to the Authority in line with clause 7.1 of its service licence.

The Licensee complies with clause 7.1 of its service licence.

Clause 7.2 of the service licence provides that:

"This employment equity plan shall report on and review a twelve-month period (October to September) and shall include targets in terms of race and gender."

Furthermore, clause 7.3 of the service licence provides that:

⁶ Employment Equity Report

"The employment equity plan shall reflect race and gender targets at all occupational levels, including senior and top-level management."

The Licensee submitted information with respect to clauses 7.2 and 7.3 above. The report outlines targets at occupational levels including senior and top-level management as well as targets in respect of race and gender as follows:

(A) Female

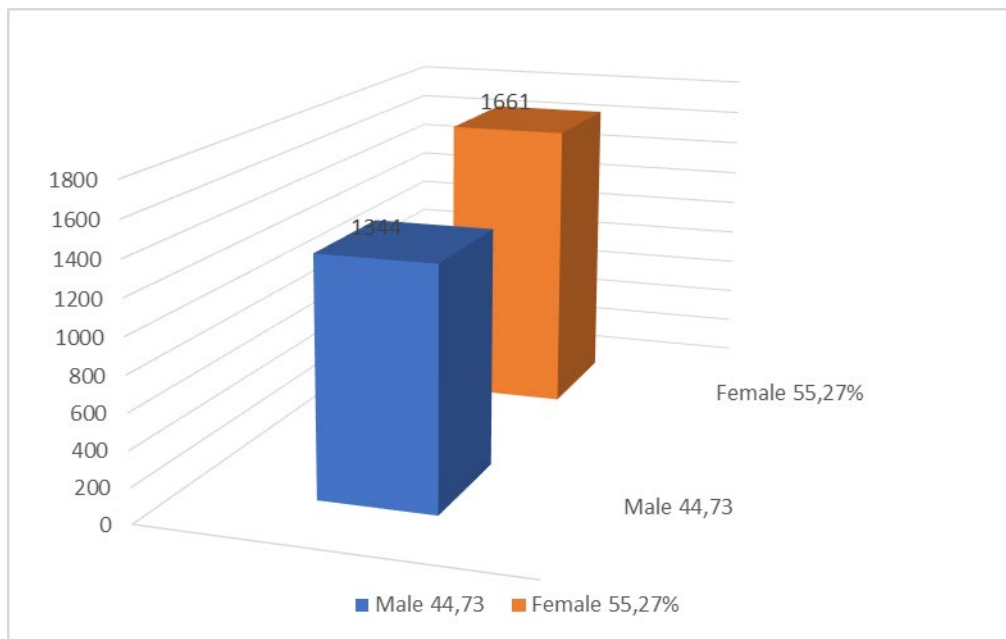
Occupational level	African	Coloured	Indian	White	Foreign Nationals
Top management	8	4	0	9	1
Senior management	74	18	32	41	8
Professional and Mid management	226	30	39	52	19
Skilled and Junior management	393	56	40	41	10
Semi-skilled	491	45	10	2	0
Unskilled	53	3	0	0	0
Grand total	1245	156	121	145	38

(B) Male

Occupational level	African	Coloured	Indian	White	Foreign Nationals
Top management	8	0	2	19	2
Senior management	66	19	47	62	12
Professional and Mid management	214	41	69	97	20
Skilled and Junior	388	31	35	44	14

management					
Semi-skilled	246	19	9	3	1
Unskilled	27	1	2	0	0
Grand total	949	111	164	225	49

The figure below represents the Licensee's overall gender breakdown of employment equity for the period under review:



The Licensee complies with clauses 7.2 and 7.3 of its service licence.

Clause 7.4 of the service licence provides for:

"The Licensee shall submit an annual compliance report in the format prescribed by the Authority."

During the period under review the Licensee submitted its annual report.

The Licensee complies with clause 7.4 of its service licence.

3.7 Target Market

Clause 8 of the service licence provides for:

"Primarily LSM 2-10 as defined in the All-Media Product Survey (AMPS) 2007."

The Licensee confirms that it continues to provide its service to the target market as prescribed by the licence condition above.

The Licensee complies with clause 8 of its service licence.

3.8 Ownership by Individuals from Historically Disadvantaged groups

Clause 9 of the service licence provides as follows:

"The Licensee shall have no less than 30% ownership by persons from historically disadvantaged groups".

The Licensee submits and confirms that it has 37.38% equity held by historically disadvantaged groups.

The Licensee complies with clause 9 of its service licence.

3.9 Financial Year End

Clause 10.1 of the service licence provides for:

"The financial year end of the Licensee is 31 March."

Further, clause 10.2. of the service licence provides for:

"If this date changes, the Licensee shall in writing notify the Authority thereof within seven (7) business dates of the change."

The Licensee has confirmed that its financial year end is 31 March each year and this is reflected in the Licensee's Audited Financial Statements.

The Licensee complies with clauses 10.1 and 10.2 of its service licence.

3.10 Contribution to broadcasting sector

Clause 11.1 of the service licence provides as follows:

"The Licensee shall promote and support the South African broadcasting industry to the value of R5 000 000.00 (five million Rand) per year, focusing predominantly to disadvantaged groups, SMMEs, students and youths from historically disadvantaged groups".

Furthermore, clause 11.2 of the service licence provides for:

“Within 3 months of its financial year end the Licensee shall deliver to the Authority a written report demonstrating compliance with this clause”.

The Licensee submits that its corporate social investment initiatives in the broadcasting sector focuses on creating employment opportunities, growing a talent pipeline for the industry, uplifting budding entrepreneurs and supporting SMEs. There were two (2) focus areas during the period under review:

(a) Developing Television and Film skills:

The MultiChoice Talent Factory aims to develop the next generation of African story tellers. It includes a 12-month filmmaking internship programme that provides masterclasses for training and upskilling industry professionals and a Pan-African digital networking portal for creatives. The internship includes producing films for broadcast on M-Net local channels and Showmax. The one-year internship exposes graduates to the reality of creating and producing film and TV on South African budgets. It introduces them to numerous industry experts, and enables them to make four movies which are broadcast within a year of leaving film school. The interns graduate with a Henley Business School qualification. Much emphasis is placed on ethical practices and improving the working conditions of a professional cast and crew, whilst striving for the highest quality films.

For the period under review, interns were placed on over twenty (20) local production placements, produced four (4) films for Mzansi Magic on DStv and fourteen (14) students graduated from the programme. Total investment: R8.8 million.

Further, the Licensee reports that it introduced the MultiChoice Talent Factory Extended Cut that is aimed at helping sustain the Alumni’s production companies to produce full slate of 76 hours Mzansi Magic movies. On 01 May 2023, the Licensee launched the MultiChoice Talent Factory Extended Cut Portal whose purpose is to have a dedicated channel for the target group to make submissions. That created a business support element for the Alumni as it provides a framework for delivering

their service such as (casting, scripting, treatment, delivery, financial management etc. To date the Licensee has

received and evaluated over thirty (30) proposals and four (4) projects thus far have been selected to go into production. The total investment cost: R8.3 million.

Furthermore, the Licensee sponsors the Johannesburg Film Festival and took part in the Youth and Audience Development Programme that is aimed at skills development, training and platform sharing, affords young aspiring filmmakers between the ages 18 & 35 years, the opportunity to learn, engage and interact with industry professionals through a two-day workshop encompassing lectures, masterclasses and practical sessions and was attended by 480 participants across all regions. The Licensee also takes part and sponsors other initiatives at the Johannesburg Film Festival such as the MultiChoice Talent Factory Day and Joburg Xchange (JBX). Total sponsorship: R5 million. MultiChoice further donates R5 million to the Johannesburg Film Festival towards marketing, public relations, events and JBX.

(b) Developing broadcasting capability and skills:

MultiChoice supports six (6) community television stations, Tshwane TV, 1KZN TV, Soweto TV, Cape Town TV, Mpuma Kapa TV and Gau TV by providing a broadcast platform which enables them to reach wider audiences and also helps these television stations to develop their broadcasting capacity and skills to deliver a high-quality broadcasting service. The Licensee has provided technical and content support through supplying the latest broadcast equipment to the community television stations.

Further, the Licensee donated a generator to 1KZN TV and an Uninterrupted Power Supply to Cape Town TV to curb loadshedding. The Licensee also donated professional receivers to enable all the stations to broadcast live matches of DStv Diski Challenge and enhance the broadcasting quality. Mpuma Kapa TV received funds to enhance their studio lighting and additional monitors in the studio control room. 1KZN TV received microphones to improve talk show productions when interviewing guests in

studio to get better audio quality. Tshwane TV & Gau TV got a nearline storage to consolidate all their content and workflows. This enabled the stations with quick turnaround workflows to have content readily available for playout after editing. Soweto TV got ENG cameras to enhance their news gathering. MultiChoice also assisted Cape TV with an upgrade of their Playout automation system to enable the station to optimize its workflows and provides other features of selling commercials on the channel. The total value of these interventions is R2.2 million.

Furthermore, the Licensee provides all six (6) community television stations broadcasting on its platform free broadcast rights for the DStv Diski Challenge. The value of the broadcast rights per season is R60 million per community television station.

The Licensee complies with clauses 11.1 and 11.2 of its service licence.

4. REGULATIONS

4.1 ICASA Must Carry Regulations, 2008

Regulation 4(1) of the ICASA Must Carry Regulations as published in the Government Gazette, no 31500, 10 October 2008 as amended provides for:

"All SBS licensees must carry the channels of the PBS licensee, designated as must carry channels as part of the service offering, subject to Regulation 5."

The Licensee has confirmed that it complies with this obligation as it continues to carry the SABC's television services.

Further, Regulation 8 provides for:

"The subscription broadcasting service Licensee must submit a copy of the agreement within thirty (30) days of such agreement being concluded and signed."

The Licensee submits that it has signed the Must Carry Agreement as per regulation 8, with the SABC.

The Licensee complies with the requirements set out in the ICASA Must Carry Regulations.

4.2 Subscription Broadcasting Services Regulations

Regulation 3(1) of the Subscription Broadcasting Services Regulations as published in the Government Gazette, no 28452, 31 January 2006 provides as follows:

"A subscription broadcasting service licensee may not add a channel to its service unless the Authority, on application by the licensee, has authorised the channel."

The Licensee confirms that it submitted six (6) applications for the Authority's authorisation in the financial year under review.

Further, Regulation 5 provides for:

"A subscription broadcasting service shall, within 120 days after the end of its financial year of operation, submit to the Authority audited financial statements stating that, in the opinion of the auditor, the accompanying statements give a true and fair view of the licensee's subscription, advertising and sponsorship revenue derived from the provision of the subscription broadcasting service".

The Licensee has submitted its Audited Financial Statements to the Authority for the period ending 31 March 2024.

The Licensee complies with Subscription Broadcasting Services Regulations.

Section 60(4) of the EC Act provides that:

"Subscription broadcasting services may draw their revenues from subscriptions, advertising and sponsorships, however, in no event may advertising or sponsorships or a combination thereof, be the largest source annual revenue".

The Audited Financial Statements show that the Licensee complies with section 60(4) of the Electronic Communications Act, 2005 in that, the revenue derived from subscription fees, far exceeds revenue derived from advertising.

The Licensee complies with Section 60(4) of the EC Act.

4.3 ICASA General Licence Fees Regulations, 2012⁷

Schedule 2 of the General Licence Fees Regulations provides for Individual Commercial Broadcasting Service Licensees to pay annually to the Authority a licence fee of between 0.15% to 0.35% of its licensed revenue (revenue from its licensed services).

Schedule 3(7)(b) of the General Licence Fees Regulations provides that:

"Annual payments are due and payable within 6 months from the end of the licensee's financial year".

The Licensee paid its annual licence fee to the Authority within the prescribed regulatory time frame.

The Licensee complies with the ICASA General Licence Fees Regulations.

4.4 Universal Service and Access Fund Regulations, 2011

Regulation 3(1) of the Regulations in respect of Prescribed Annual Contributions of Licensees to the Universal Service and Access Fund ("USAF") as published in the Government Gazette, no 34010 on 10 February 2011 provides for:

"Every holder of the licence granted in terms of Chapter 3, 4 and/or 9 or converted in terms of Chapter 15 of the Act, must pay an annual contribution of 0.2 % of the annual turnover, to the Fund."

Further, Regulation 3(2) provides for:

"A BS Licensee who has paid an annual contribution to the Media Development and Diversity Agency (MDDA) must set off that contribution against its USAF contribution, provided that the MDDA contribution and the USAF contribution against which it is set off are of the same financial year."

The Licensee paid its annual contribution fee to the fund, less contribution to the MDDA, on 01 October 2024. The Licensee requested confidentiality in respect of Annual Financial Statements which was granted.

⁷ General Licence Fees Regulations, 2012 as published in *Government Gazette* No. 36323 dated, 28 March 2013, as amended.

The Licensee complies with Regulations 3(1) and 3(2) of the Regulations in respect of the Prescribed Annual Contributions of Licensees to the Universal Service and Access Fund.

4.5 ICASA Local Television Content Regulations

Regulation 6(1) of the ICASA Local Television Content Regulations published in the *Government Gazette* No. 39844, on 23 March 2016 provides as follows:

"A subscription television broadcasting licensee must ensure that within twenty-four (24) months of gazetting of these regulations in the case of existing licensee or within 24 months of issuing of a licence to a new licensee or within such longer period as the Authority may determine, a minimum of 15% of their annual content acquisition budget is spent on local television content programming."

The Licensee confirms that it has during the period under review spent more than 15% of its content acquisition budget on local content.

The Licensee complies with the ICASA Local Television Content Regulations.

4.6 Standard Terms and Conditions for Individual Broadcasting Services⁸

During the year under review, the Authority could not find any non-compliance by the Licensee with the standard terms and conditions for individual broadcasting licensees.

4.7 Code for Persons with Disabilities

Clause 3(1) of the Code for Persons with Disabilities as published in the *Government Gazette*, no 44427, 09 April 2021, provides for:

"Accessibility Services

⁹ Standard Terms and Conditions for Individual Broadcasting Services, 2010 as published in *Government Gazette* No. 33294 dated, 14 June 2010, as amended

A television broadcasting service licensee must implement the following Accessibility Services on Applicable Channels:

- a) Audio Description;*
- b) Sign Language;*
- c) Subtitles; and*
- d) Closed Captioning.”*

The Licensee submits that it has fully complied with the year two (2) disability quotas as follows:

➤ *Audio description:*

The DStv service carried more than 78 hours of programming a week with audio description, meaning that the quota of 1% was exceeded.

➤ *Sub-titling:*

In the period under review, the DStv service carried 307 hours of programming a week with subtitles, meaning that the quota of 2.5% was exceeded.

➤ *Closed captioning:*

In the period under review, the DStv service carried more than 374 hours of programming a week with closed captions, meaning that the quota of 3% was exceeded.

According to this submission, the Licensee complies with the Code for Persons with Disabilities.

4.8 Sport Broadcasting Services Regulations, 2010

Regulation 9(2) of the Sport Broadcasting Services Regulations as published in the Government Gazette, no 33079, 7 April 2010 provides that:

"A broadcaster, who is involved in broadcasting national sporting events, shall file the records of its broadcasts one hundred and twenty (120) days from the date of the publication of these regulations and after every year from the date of the first filing".

The Licensee submitted records of its broadcast for the period 01 October 2023 to 30 September 2024. The Licensee complies with the Sport Broadcasting Services Regulations.

5. CONCLUSION

For the 2023/2024 financial year, Multichoice has complied with its licence terms and conditions and the relevant Regulations.

6. TERMS OF REFERENCE:

Appendix A: Multichoice I-CSTS licence

Appendix B: Training and Skills Development and Equity Plan Report.

Appendix C: MultiChoice Annual Compliance Report – 2022-23.

Appendix D: ICASA Must Carry Regulations, 2008 as amended.

Appendix E: Subscription Broadcasting Services Regulations, 2006.

Appendix F: General Licence Fees Regulations, 2012.

Appendix G: USAF Regulations, 2011.

Appendix H: ICASA Local Television Content Regulations, 2016.

Appendix I: Regulations on Standard Terms and Conditions for Individual Broadcasting & Individual Electronic Communications Services, 2010.

Appendix J: ICASA Code for persons with Disabilities, 2021.

Appendix K: Sport Broadcasting Services Regulations, 2010.

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