



Cape Town TV Oral Presentation to ICASA

—
Inquiry into Subscription Television, 8 May 2018

Challenges for community TV

Community TV in SA has existed for many years in a state of policy uncertainty and there are several government policy processes that remain unresolved.

There is persistent pressure to commercialise the community TV sector from private companies operating within the sector.

While DTT can enhance the audience reach of community TV, it comes at considerable additional cost to the sector, particularly in areas where many transmitters are required to reach local free-to-air audiences.

The issue of localization of DTT transmission has not been adequately addressed in policy nor in the technical architecture of the transmission system.

DStv has begun carrying provincial TV services (Gau-TV) which compete directly with licensed free-to-air community channels in these same areas. There is no regulatory oversight of such competition despite the fact that DStv occupies 50% of the TV market and may well grow this market share even further in future.

Subscription TV Environment

The free-to-air TV audience is 16,8 million adults 15+ with an average household income of R6 409.

The subscription TV audience is 17,2 million adults with an average household income of R17 442.

Subscription TV has greater overall market share than free-to-air TV.

Among pay-TV providers, DStv has 50% share of the total TV broadcast market, OVHD has 1% and Star-Sat has 0,4%.

DStv is overwhelmingly dominant in the pay-TV market.

MultiChoice and Community TV

DStv currently carries all of SA's community TV channels. The company pays these channels for their content contribution to its subscription packages and their marketing of DStv to their free-to-air audiences.

MultiChoice has a CSI strategy in place which supports community TV channels. This principally entails technological and infrastructure support.

In addition, MultiChoice avails its Diski Challenge soccer games as content to community channels.

The company's spend on community channels has been uneven in the past, with some channels benefitting more than others.

Act-SA has consistently supported the policy positions taken by MultiChoice, even where such policies are not congruent with the interests of the sector.

There is no independent oversight of MultiChoice to ensure that its CSI spend on community channels is fair, equitable and non-coercive.

Conclusion

What is this -

Regional channel operating
on MChoice.
9auTV?

ICASA should not authorize any subscription community TV channels.

ICASA must be solely responsible for licensing local or provincial community channels on any platform.

There should be a must-carry, must-pay obligation on MultiChoice with regard to the carriage of licensed community channels on the DStv platform.

ICASA should determine the fees to be paid by MultiChoice to the community channels that it carries.

~~ICASA should be responsible for oversight of pay-TV providers' CSI activities.~~

Regulation of pay-TV providers should be strengthened to ensure fairness and accountability in the overall TV broadcasting environment.