

**NAB**  
National Association of Broadcasters

# **NAB Engagement with the Parliamentary Portfolio Committee on Communications September 2020**





# An overview of the NAB

- A **voluntary association** formed in 1993, representing all three tiers of broadcasting (public, commercial and community), signal providers and industry associates
- The NAB is fully **funded by its members**
- The NAB is a **consensus driven** organisation
- The NAB established the **BCCSA** in 1993 (to administer a Code of Conduct for Broadcasters, provided for in s54 of ECA and recognised by ICASA)
- The NAB has been at the **forefront of representing the broadcasting industry on policy & regulation** since the introduction of the former IBA (succeeded by ICASA)

# NAB Members



**Current members** include;

- The three television services and 19 radio services of the **SABC**
- Licensed private/commercial radio broadcasters (includes media groups: **Primedia, Kagiso Media, MRC Management/Tsiya, AME and MSG Afrika, as well as Kaya FM, Smile FM, Classic1027, YouFM and YFM;**
- All licensed commercial television broadcasters (**e.tv, Multichoice, M-Net, Starsat/ODM**)
- A host of **community radio** broadcasters and one **community television** broadcaster
- Both the licensed broadcast signal distributor and the selective and preferential broadcast signal distributors, **Sentech** and **Orbicom** as well as **Globecast** and **Telemedia**
- **Associate** members including **MDDA, Nemisa & Arena Holdings**

# NAB Members



# NAB Members 702



DIS DIE EEN



StarSat



EastCoastRadio  
KEN'S NO.1 HIT MUSIC STATION





# Mission of the NAB

To advance the interests of the broadcasting industry through:

- Representing the broadcasting industry in policy and regulatory processes & participating in broader ICT industry initiatives
- Taking principle/industry positions toward building a sustainable and robust broadcasting system
- Written and oral submissions to government and regulators
- Nominations when vacancies arise at ICASA, MDDA, B-BBEE ICT Sector Council, MICT-Seta Board, etc
- Updating members on all sector related developments
- Fostering effective stakeholder engagement and advisory support
- Conducting specialised research

# Context: Roundtable on Public Broadcasting



- The PPCC invited stakeholders to participate in a Roundtable on Public Broadcasting and set several themes for consideration – including the **impact of the ICT Policy Review Process and the coexistence of mandates of public and commercial services**
- The **NAB represents the THREE-TIERS of Broadcasters** in South Africa – it is concerned with the **viability and sustainability of the entire broadcasting system** and the impact of future Policy and Regulation
- All tiers of broadcasters must comply with regulations and licence conditions and they all **compete for advertising revenue**
- **All tiers are impacted by unregulated content platforms** available in SA

## **This Presentation Will Focus On:**

- ▶ Regulatory framework of the Three-Tier Broadcasting sector
- ▶ Content Regulation & Investment
- ▶ TV and Radio Contribution to the fiscus
- ▶ Public Broadcasting: principles and mandate
- ▶ OTT impact & Policy Review

# Regulated Broadcasting Services: ECA Ch9



- ▶ Chapter 9 (s49) Public Broadcasting Service Licenses
- ▶ Ch9(s50) Community Broadcasting Service Licenses (non-profit)
- ▶ Ch9(s51) Commercial Broadcasting Services
- ▶ Ch9(52) Prohibits granting a licence to a party-political entity
- ▶ Ch9(s54) Code of Conduct for Broadcasting Services
- ▶ Ch9(s55) Control over advertising
- ▶ Ch9(s61) Preservation of SA programming: local content
- ▶ Ch9(s64,65) Limitation on foreign control & control of commercial services



# Three-Tier Broadcasting System

## Local Content Regulations (ICASA regs: 2016)

Public (TV=65% /Radio=60% +)

Community (TV 65%/Radio=60% +)

Commercial (TV 45%/Radio=35%)

Subscription TV 15%/ Radio 20%

# The Regulation of Content in South Africa



- **ICASA** – a **Chapter 9** institution that supports SA's democracy - **s192** of the Constitution states "national legislation must establish an **independent authority to regulate broadcasting in the public interest**, and to ensure fairness and diversity of views broadly representing South African society"
- Consequently, the ICASA Act provides in s3(3) that **ICASA "is independent, and subject only to the Constitution and the law"**.



# The Regulation of Content continued...

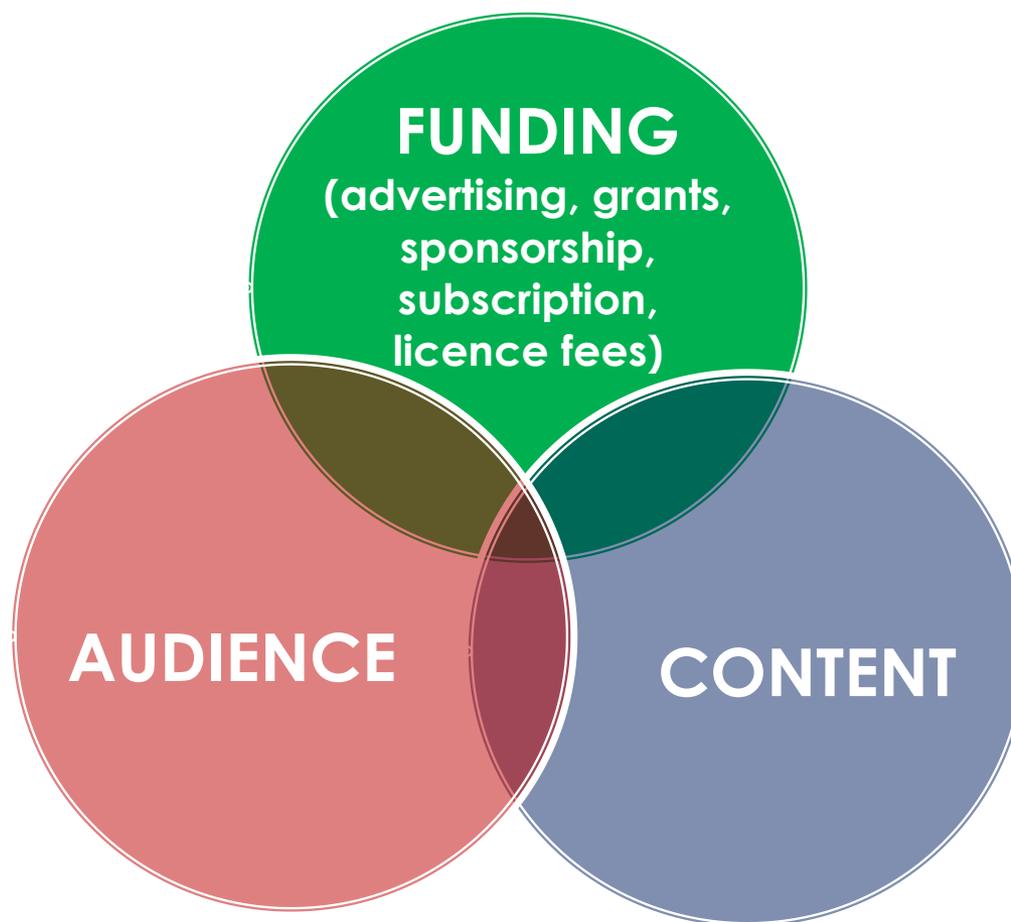


- **FPB** – classifies films and games as well as print publications
- **ICASA & FPB signed an MOU** in 2016 to promote uniformity of content regulation
- **BCCSA** – self/co regulation on Code of Conduct for Broadcasters, as provided for in ECA (S54,3)
- The NAB has participated in all content related policies and regulatory process, including the DoC Public Broadcasting Colloquium held in Sept 2018





# Broadcasting System: all tiers compete for revenue & must adhere to ICASA regs



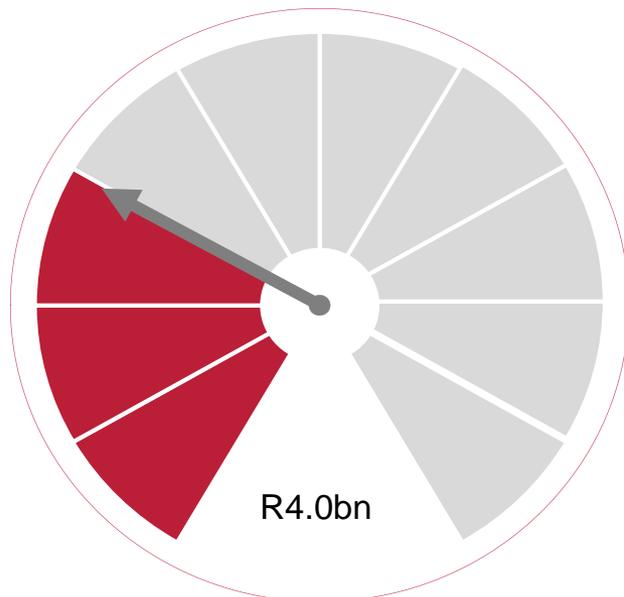


# Content Investment: Looking back

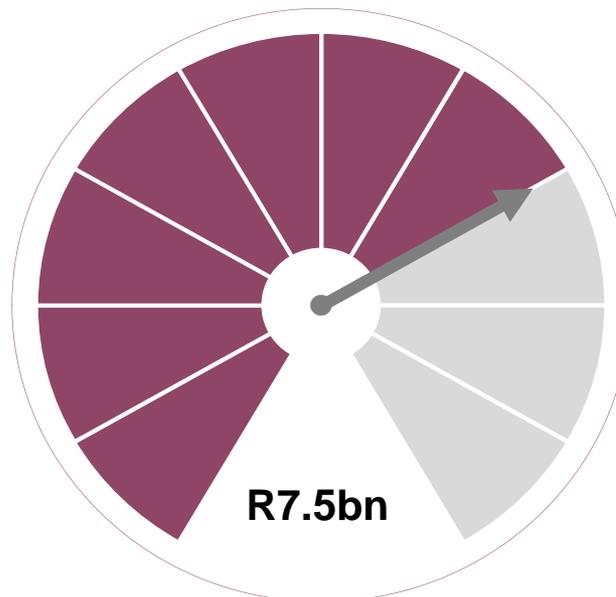
The state of the broadcasting industry for the years 2015 - 2018

## Local content investment

2012 - 2014



2016 - 2018

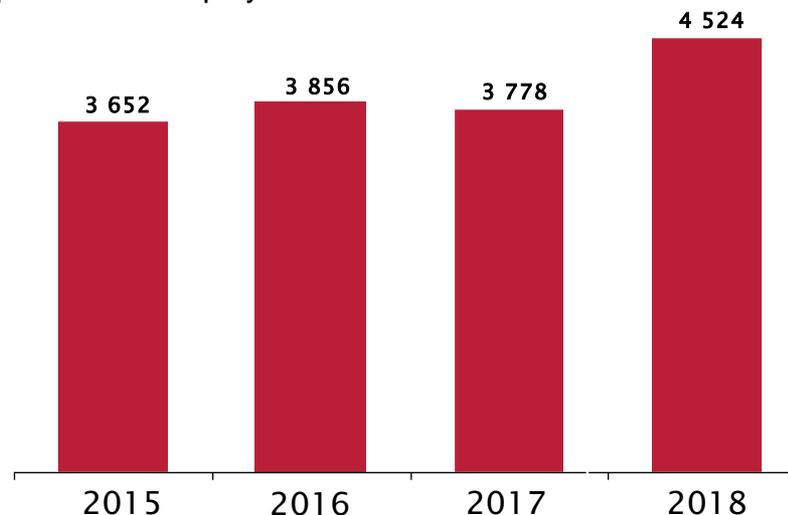




# TV Contributions to fiscus: Looking back

*The state of the broadcasting industry for the years 2015 - 2018*

*Contributions - Television (R millions)* ■ Corporate and employee taxes



**R2.32 billion**

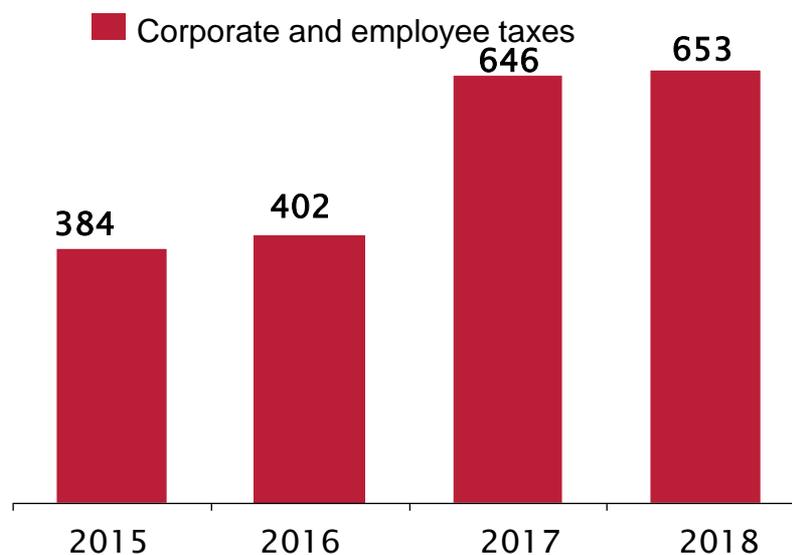
Licence fees, levies and other contributions by TV broadcasters over the period 2015 – 2018



# Radio Contributions to fiscus: Looking back

*The state of the broadcasting industry for the years 2015 - 2018*

*Contributions -  
Radio  
(R millions)*



**R700 million**

Licence fees, levies and other contributions by radio broadcasters over the period 2015 – 2018



# Public Broadcasting Principles

- The role of public broadcasting has been revisited in many jurisdictions and John Reith's concept of public broadcasting is regarded as a **universal framework**.
- The core values of Reith's public broadcasting model include:
  - a space **for free expression and open debates**;
  - to **cater to all interests and tastes (plurality and diversity)**;
  - to **provide for minorities**;
  - **competition in good programming rather than for numbers**;
  - **universal accessibility**; and
  - addressing **audiences as citizens, not as consumers**



## PBS principles continued...

- There are also various **international protocols**, instruments and declarations such as the **African Charter on Broadcasting, UNESCO's Media Development Indicators, and the Southern African Development Community Protocol** on Culture Information, and Sports, which collectively provide guidance on the role of a public broadcaster
- Recommendations outlined in these instruments focus on the **importance of diverse local programme production, universal service and access to PBS services**
- These instruments also highlight the **need for investment in educational content**, & the importance of **ensuring adequate funding for the public broadcaster**



# Public Broadcasting in SA

- Against these core values & principles, the **mandate of the public broadcaster** is critical, it defines its raison d'être and forms the basis of its performance, financial planning and reporting
- The **Broadcasting Act 4 of 1999**, read together with the **Charter of the Public Broadcaster**, the South African Broadcasting Corporation Ltd (SABC) sets out the objectives of the SABC
- Section 6(4) provides that the SABC “must encourage the development of **South African expression** by providing, in **South African official languages**, a wide range of programming that – (a) reflects South African attitudes, **opinions, ideas, values, and artistic creativity**; (b) displays South African **talent in education and entertainment** programmes; (c) **offers a plurality of views** and a variety of news, information and analysis from a South African point of view; (d) advances the national and public interest”;



## Mandate of the PBS continued...

- Section (8) states that the objectives of the SABC are to (a) make its services available throughout the Republic, and that (b) the **SABC can be funded by advertisements, subscription, sponsorship, licence fees or any other means of finance; and**
- Section (8)(e) directs that **the SABC must be responsive to audience needs, including the needs of the deaf and the blind** and account on how to meet those needs.



# Supporting the PBS mandate

- A public broadcaster in a developing democracy must be protected and supported
- The SABC is a critical source of information and entertainment for a majority of the population, and as such plays a critical role in **ensuring media plurality and inclusiveness**
- Internationally, the public broadcaster continues to be **a trusted source of news in the digital age**, and is the **preferred platform for access to local content and children's programming**



## Supporting the PBS mandate continued...

- In order for the SABC to be distinctive as a public broadcaster and deliver on its public service remit, it has to be **adequately funded, especially considering the decline in advertising revenue as broadcasters increasingly compete with online media platforms**
- **Co-ordination** between DCDT, ICASA as well as other government departments such as the Department of Trade and Industry, the Department of Sports Arts and Culture and with other entities including the Industrial Development Corporation and the National Film and Video Foundation are **vital to ensure the SABC will be able to meet the increased need for diverse local content once the transition to digital broadcasting has been completed.**



# DoC Colloquium on PBS: 2018

- On 6 and 7 September 2018 the Department of Communications hosted the South African public broadcasting policy review colloquium
- It was noted that **the public broadcaster has a critical role to play in the building of a democratic ethos and human rights culture**
- **Adequate funding** for the public broadcaster was highlighted as a key concern as it impacts both on its **ability to invest in new content and innovation**
- The SABC is one of the three-tiers of the broadcasting eco-system, proposed policy and regulatory interventions therefore need to encompass the **broadcasting industry as a whole**



# Over The Top Content Platforms

OTT - **video content over IP**, on open networks, onto open devices

SA VOD and Global VOD (**content created for/by Netflix no longer TV**)

**Greater consumer choice** - reliant on robust broadband for streaming services



**You Tube**



# Impact of OTT's on Licensed Broadcasters



- OTT is changing the television landscape in particular, as video content is provided by OTT providers
- Traditional licensed broadcasters have onerous licence obligations - they invest significantly in the creation and promotion of local content to remain relevant and sustain audience share
- **Traditional broadcasters face an ever increasing range of competitive challenges: these include pressure on revenues - that in turn impact on the ability to invest in diverse and unique SA content, and the steady growth of on demand services**



# OTT Policy Implications...

The former DTPS published a National Integrated ICT Policy Review Report in March 2015 – the Review Panel recommended the following having considered the debate regarding OTT both locally and elsewhere:

- ***“For now a wait-and-see approach is taken so as not to stifle innovation...The impact of OTT services though should be continually monitored and regulatory intervention introduced if it is deemed necessary.”***
- The Review Panel also reflected on the ITU that **“policy makers are finding different paths to balancing innovation, investment and competition.”** Most notably, in SA, policy must advance economic growth and job creation
- **It is necessary for policy makers and regulators to consider the entire ICT ecosystem in taking this process forward**

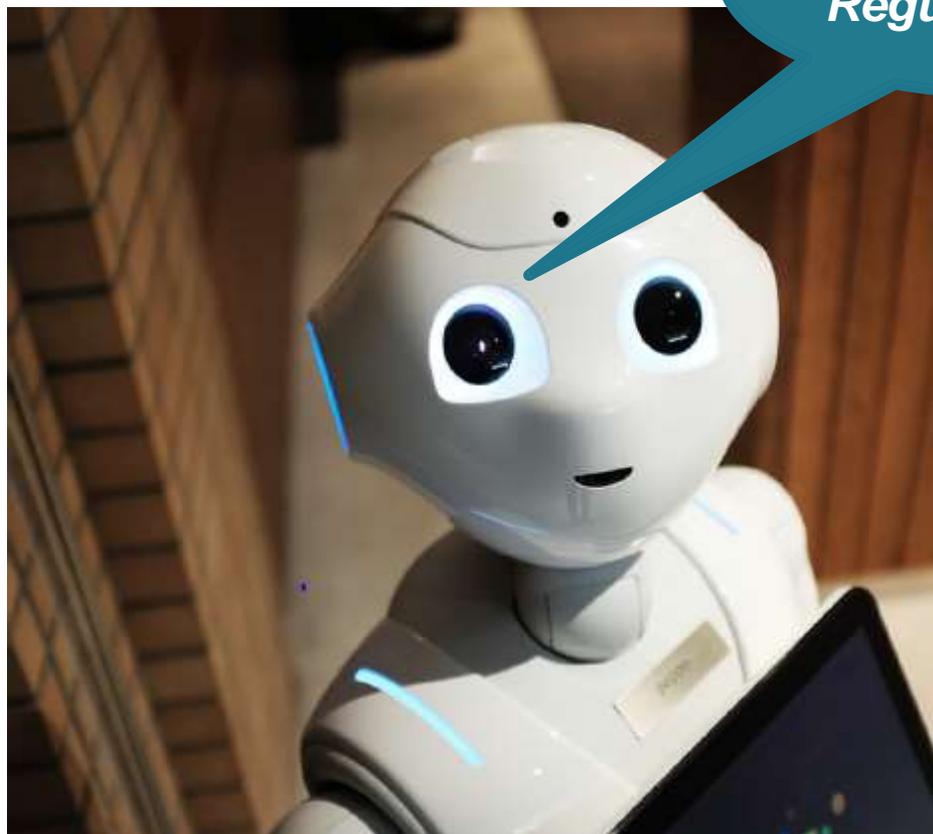


# Where to next?

## *Policy Review: Audiovisual White Paper?*

*AV/Broadcasting Policy Review Paper expected to be published in 2020 to address content regulation, institutional arrangements and overall licensing of audio and audio-visual services*

*Future of Regulation?*



# Looking forward

*Challenges, trends and opportunities facing the industry*

## Television



*Traditional TV still primary AV platform, but changes on the horizon*

*These changes signal increased competition between regulated and un-regulated platforms: calls for regulatory parity*

*Advertising landscape shifting*

*Multi-platform competition  
My time...my screen...my price*

# Looking forward

*Challenges, trends and opportunities facing the industry*

## Radio



***Audience Measurement Matters – COVID19 impact***

***Radio holding its ground however streaming/online platforms impact regulated services***

***Sustainability – consolidation & deregulation observed in other markets***

# Q&A and Closing





**[www.nab.org.za](http://www.nab.org.za)**

**Email: [info@nabsa.co.za](mailto:info@nabsa.co.za)**

**Twitter: [@NAB\\_SouthAfrica](https://twitter.com/NAB_SouthAfrica)**