



**ICASA**

**Public Hearing for Individual  
Commercial Broadcast  
Services**

**22 NOVEMBER 2018**

**FREE TO AIR**

Chairperson: Welcome back ladies and gentlemen and also to welcome Free-to-air(Pty)Ltd, also to thank you for being early we had scheduled you for 2.45pm, but we appreciate the fact that you are here so be able to start earlier than we had scheduled. For your benefit, we will give you 30 minutes to present and then will give Kwese 30 minutes to ask questions based on your application, and thereafter you'll have an opportunity to respond and the authority will then ask you questions. So that's the order of the day, we encourage you to stick to your allocated time which is 30 minutes, I will keep reminding you, usually, I'll tell you when you're 15 minutes into your presentation and then 25 minutes then we will ask you to round up. Having said that I would like for yourselves to introduce, I mean for you to introduce yourselves and kickstart with your presentation, thank you.

Keith Thabo: Good afternoon everyone. I wouldn't take much time to introduce my team, but as they present and introduce themselves, myself being the Chairman of the organization Keith Thabo, Lekwete Thabo, I am Vice President of Black Business Council, I am also the President of NAMEC Natural Association of Manufacturing in Electronic Components, we've been a player in Digital terrestrial television and I had an honour of traveling the World learning about digital terrestrial television and broadcasting techniques from South Korea where I did training in South America and I am a full-time participant at International Broadcasting Convention where I've happen to witness interact with broadcasters, Global on terms of content anywhere, anyhow and models that could be deployed, I am with my content people, but also ours is about promotion of inclusivity in terms of committee participations and our strategic partnerships in terms of Contralesa are the underlying service provide with inapt and innovation coming from the townships and rural committees we put value to what we strictly represent today and also bringing in the business committee for my constituents with this all then my constituents from your Black Lawyers Association in terms of your other Engineers to bring services and other business organisations. With that limited time I would wish to hand over to my colleague Percy on my right to begin the presentation as time is limited, I thank-you.

Percy Mthethwa: Sanibonani, good afternoon my name is Percy Mthethwa, I am a Television Producer, my experience is spanning from a just over 12 years of experience in this industry, I am elected as Head of Content for Free-to-air. I am from Soweto Orlando East this is where I grew up. I will start with a - our presentation, so, firstly we are also excited, to be sitting in front of you. Being as a young black person from Soweto this has been something that one has looked forward to so it's a privileged opportunity on our end, we would like to start by explaining our partnerships, because partnership is everything to us as Free-to-air, Citi imuntumuntu abantu [foreign] so I will start by saying, " **kuti [foreign]** the shareholders that we have, have a lot of partners on the ground, that are very important for our organisation, because our key

focus is really developing people, creating jobs which is our biggest problem this is the communities that we come from, we know that they are pressed, and so with this license we hope that our partners can benefit from the license being awarded to us, for those reasons. We've got a greater Alexandra networks which is very important to us as an organisation because it is something that we plan to replicate in all the townships and greater Alexandra networks was initiated by Mutughleghe Mohalatsi and it was all together all media owners and other businesses within Alexandra because we understand kutiwe need to partner, as black people in our communities to be able to make the impact that we want in South Africa, Africa and the World. So, we plan to create this of partnerships in and around the, townships, therefore creating jobs, therefore creating and an opportunity for them to supply us with content. Also, we have a partnership with the signal distributor which is Sentech has that part is covered as well, a very key partner is NAMEC. Obviously Mr. Keith has gone in a bit, as far as what NAMEC has done, but I think what is important to us is the partnership with Contralesa for our content. The reason why Contralesa is very key to us is that, obviously they represent South Africans and a different cultures and monarchies within South Africa. For us what is important is that, we have access to authentic content, they are the families that have been able to, guard I guess and have the archives and have information that we want to mine for the purposes of today, because we think it's very important for us as broadcasters, to be able to speak a language that makes sense to our audiences to celebrate language as a whole, celebrate our culture, celebrate music, celebrate fashion, and, and, and just a notice that we've seen just how the world is hungry for our content. The World is hungry for our culture, Sibomilomam Esther Napandle, the World is embracing her, we've seen Trevor Noah, is already out there, we know that there is a Lady Smith Black Mambaso is also being exported so for us what is key is, is authenticity, because we cannot export content that is manufactured, borrowed from other countries and we appreciate the influence, that has gotten us this far but we think it's time to partner with organisations that allow to go into those rural communities, cause that's where we come from, and so we cannot deny that now that we are living in the concrete jungle and most importantly it is still important to learn from those communities so Contralesa then becomes key in that part. That's the partnership that NAMEC then and Contralesa have signed. NAMEC and BBC also, partner as a organisations as and lobby groups and under them there is a lot of small and medium owned businesses and all of them are owned by black people, so for us more than anything we realise the pressure the country's facing, and that the license will then enable us to be able to alleviate that pressure because, an organisation such as Cornella which is an organisation that wants to brand Spaza shops in the township and ,and, and partner together and use the buying power because we know ukuti all the other nationals entered into that market and they have disrupted that market so partnering with those organisations and for them, to have a voice allows us to use the platform to advertise and

market those companies. The other important thing is obviously the partnership we have with Township Tekkie, Township Tekkie plugs in under NAMEC it's a group of young people, who are going around the township teaching young and black people about app development technologies a whole, as a business we think it's important for us to be futuristic to plan for the fourth industrial revolution and we realise that when it hits us and our people are not prepared, that's why we are training young people so that obviously we've got a time, so that we can grow there will be useless for us to use, so it's important to go into the townships and in there, that's how we going to mine our content, because, I am going to play a video later on which will make sense to you, our experience and personally I have been involved in this project is that, there is a massive drug problem and the majority of the students who were there, are ex Nyaope users and the potential, that is there does not match the situation that they find themselves in, and I think having a partner such as us and also giving them an opportunity to be able to give us the content therefore being able to monetize their stories becomes important to us. We also have a partnership with a digital artist, digital artist is the business that is into music, it's a music download build business, currently they have a license agreement with a lot of the aggregators around the World, and so that that gives us access to about 10 million songs as we stand and just over 5 million music videos, so just in terms of content, we don't see ourselves struggling, but what is important for us about this partnership is that we need to add value towards the music industry, we must be able to be a platform that is seen to be supporting the industries that our people find themselves in, and so they need a broadcast partner and expertise that we have. Lastly, with the partnership's BBC and NAMEC have a partnership together, and they have been invited obviously after the Brics meeting, and after the, the, the Job Summit which was held a couple of weeks ago, and they have been invited to bid for the R50 million grants that are there in exchange of culture, content and just business with China, so that is a relationship that is also key to us because we believe we must be able to export our content to markets that are indeed looking for it and so, one of our experiences was that you know, the Chinese market is in love with [unclear] for their skin, and so we need to be able to package products and use these platforms, use the stories to be able to explain some of the stuff abroad otherwise we are going to be stuck. So I mean, we, we are black-owned we have an understanding of the market we seek to speak to which is LSM 4 to 7 we are that market, so we're not creating content for, for anyone else but us. We understand our history, we also understand the ambition we have for the future, we know where we are pressed, we know how we've been pressed and so we, we have an understanding and the respect of who we are talking to, and as a team and as an organisation we are carrying the burden of adding value to our society, because we live in it, and we see how it is, and how people have been disenfranchised. The other important thing is capacity. What I didn't mention earlier on is that NAMEC has got studios, where we can produce the content, and I mean times have changed now everyone

is a broadcaster in a sense, because when you've got a cell phone and a camera you've got a platform where you can broadcast your content, so there is no limitation for, for, for content per se, the limitation is access to platforms, to put your content. What is also important is that we aim, to create an environment where producers can own content. One of the most difficult things in South Africa as a producer is to own content. For obvious reasons the broadcasters are paying all of that money, and the IP obviously remains with them, but the question is the IP generated by the broadcaster? And the answer is no, the producers are doing the work and so as an organisation because we are those producers we feel coming from where we've been, it is important that we share ownership of content, with producers. If we look at that the state of the, the, the TV industry now, when a broadcaster cannot pay people for three months it means people are not working. But when you've got content that you can export and sale and that your licensing to other producers, other platforms you are able to monetize your content cause really that is the mine, that we are dealing with, more than it is the platform, it's the content that is key, so we aim to then share the revenue with the, with the producers of the content. I won't go into this, just for time. So, as I've mentioned the—the Elysium's that we are looking at, there was a little bit of a typo there, is 4 to 7 black men and women, living in the Metropolitan area, and then we've got black single Mums, 20 to 35, living in the townships, and it needs to be 4 to 7, and a, black parents 18 to 34 living in the non-Metro area. So in our research this market is interested in edutainment, for obvious reasons, Tandang this is just for us, needs to be used not only to entertain, but also to educate and inform, our people are standing in wrong ques because they don't have information, at any given point, one of the biggest broadcasters is sitting with 10 million viewers at a pop and when important information is given to these people we can make the right decision, so for us as an organisation we feel that it is important, to, to educate and inform through this platform, but more than anything, partnering with SMMEs as we mentioned with Cornella, to be able to have a platform where they can advertise, it's the only way that black organisations can be national because there's so much red tape just to put your ad on TV the cost, our, our SMME's as Mr. Keith has mentioned under the BBC, cannot handle the cost of putting out your ad on TV as a result there will never grow, so we want to create an opportunity for those SMME's to put their products on our platforms so that they are able to reach the markets that they need to reach. The other important thing, for us, is language, we know that our languages are threatened Controlesa comes in very handy of course with all of the archives and information, that they have and to be able to open that up, to us, so that we are able to share that with the public. I'm going to move on then,

Person[?]: Has everything else been read?

Percy Mthethwa So the proposed, channels and of course these are working titles, and obviously we couldn't come with all of our strategy because they are

competitors as well, but I will show you an example of a mock-up of what 'Oh Mama', would look like, we we've branded it in a certain way, but we've got these five 'Oh Mama', and then we've got 'Mabenzegathle' [name?]sorry, 'Dololo', I will go into each one just now, 'Nine nine Perspective' and 'Kids Africa', I will go to each one, okay, so next...

So 'Oh Mama' is a channel that is focused and is targeted at women, but I don't know how many times I've sat with my wife watching her programs, so the target is for women but you know as you know there is always a spill over for family, because women are controlling the remote, they controlling the house, except I think when the World Cup is on or a soccer game is on but ultimately women are in charge, and I'll speak from my personal experience, I was raised by a single Mother, who was on the wheelchair, so I know the strength of a woman, I know, I know how important it is for us to, to position our mother's, sisters, into the place where they need to be. We've seen on social media there is so much abuse directed at our women and I think, it's also the perspective that we have towards them or the perspective we have towards our self, I think this is the channel that will then be able to inspire our Mothers, you know speak about health issues, social issues, you know be able to inspire, encourage, share information, again, educate and you will hear that for us an organisation like Controlesa becomes important cause we want to go back and understand ,what did we do right, as a people, how can we borrow from what we did right, so that as we go forward and we define ourselves as a nation or as black people ,we are able to understand what is it that is worth keeping, and why we discarding what we are discarding, and I think it is important therefore, to, to, be able to go back. So, this is also very important to us, which is a channel that looks at celebrating icons celebrating, black people and anyone else that is with the cause of black people in the betterment of black people, we have seen how many times our artists have done, died poor, one celebrated when they have done, died, only telling their story when they have died, so there's never really a time where we celebrate the living, where we celebrate people who are currently doing, you know 3,4,5,6 of these people who are on this page are late, you know, we are already late, and so as an organisation we want to be able, to use those stories to inspire, people, to inspire our youth and if I'm just thinking about myself what got me to where I am is inspiration. I lived in the streets of Orlando but in my mind I was living in Sandton, you know, so, I think what is then important for the market we are trying to speak to, is to understand their transition, period, and that we are migrating to another place and as an organisation we understand that migration, because we've been in it, you know ,we live it, it's our life so we know when we speak to someone and that's why we are using organisations such as Cornella organisations such as the Township Tekkie there are other a,a,programs that we have ,that allow us to go down into the township and experience our people, in a way that we can understand who they are and where is it that they find themselves, so we can create programs that can help them, bridge the gap between, the World

they are in the World they want to live in, and I believe that is broadcasters we have got that responsibility sorry—[background noise], I won't go through all the, channels, because they were also presented, I will-

I will then emphasise once more, five minutes for Mr.Keith, okay, I will note once more that we, we are ready. I'm going to play the video for 3 minutes we are ready because the things you're talking about are not things we are planning on doing, its things that we have already been doing, we've got the data that supports how we need to create content that speaks to these people and what exactly is that they need, and through information we get from the BBC through information that we get from NAMEC and other organisations that were partnering with, that's the data we prefer to use because it's real and accurate and it's alive and we can see it. So in terms of skills and experience, we have already mentioned that ,we are capacitated and we are seeking to partner in an, an, an create content with producers whilst they own the content, I think on that end it is going to reduce our cost, it is going to reduce,a,a,a,a you know their risk of when a broadcaster shuts down they don't have money any more, the businesses are shutting down, so we see that as very key, because, you know we know what it, what it, what it feels like to be a producer and have nothing that you own, so and also youth development is very key to us, and lastly we are 100 percent black owned company. "Can I clear the video it's in the stick so I know there is no audio here can I just give you the stick?" okay-

Person 2: [unclear].

Percy Mthethwa: The whole thing?

Person 2: It's not a video?

Percy Mthethwa: The video is in the stick.

Person 2: Okay, let me just take it out.

Percy Mthethwa: Okay, so I will just play 2 minutes of this, I will play 2 minutes of it, its 50 minutes long, but in 2 minutes you will understand what - [unclear].

Chairperson: The issue of the channels [unclear]

Percy Mthethwa: I would rather not play it if it's not going to come out right, the sound is not working on that end. I don't know if you can fix it but I just I don't want to-

Chairperson: You still have 8 minutes--

Percy Mthethwa: 8 minutes, I don't want misrepresent the team, okay, so [background noise]so whilst he is dealing with that what I want to show you is, is a video that we filmed, and it was just a case study of showing, what Township Tekkie is doing in the township, because that then becomes

our [loud noise]technology pool, preparing young people for the future-  
[background music]so just, because the volume is low, so this is the program that we are aiming to, we are supporting, we are already running, and obviously the aim is to prepare of youth for the 4<sup>th</sup> Industrial Revolution but most importantly, to have a technology partner that is the community, they are training 100 kids, at a pop, they are travelling around the country and we are just to make our young people aware, of the technology that is coming and therefore, have a pool to draw from when we want to develop apps we are going into that mode when we want to solve problems around E-commerce, around those payment methods, that need to be created if we need to do, you know, a video on demand we can create the apps that speak to that, so we wanted to partner, we are partnering with them ,so that the content that comes from there can also be filmed, like I mentioned in my presentation, that a lot of these young people are ex you know, drug users but, man, the talent and the genius that sits you know, in these young people and all they need is a break, and that's what we are doing, and this is just 1 program, there is over 10 programs that we are partnering you know, with, because of this a,a,a,reason,you know, so thank-you.[background clapping]

Keith Thabo: So that's that from us the Chair and your team, I hope it makes sense that we present something that is grounded within our communities, and also that speaks about transformation ownership and revolution in terms of the triple events of solving poverty, unemployment and youth disorientation from BBC side and also from NAMEC side, I see we've gone as far as we can ,to make an impression but we've also got a lot of partnerships globally to make it work, I thank-you.

Chairperson: Thank-you **[unclear]** Thabo, it would seem that it was significant that we get to know your panel because you had said, that they would individually introduce themselves, as they get to talk,**[laughter]** but it would seem that it doesn't really matter, having said that, I will then invite Kwese to come and ask you questions, you received written inputs from them in written questions, which you had an opportunity to respond to, but now this is an opportunity to do an oral representation on those, but I yet again, give the opportunity to introduce yourselves on your way out.

Towy Booyesen: Good afternoon ladies and gentlemen, my name is Towy Booyesen, I'm a partner of FTA TV Ltd, I'm from NAMEC telecoms, who are the technical partner, into this organization thank-you.

Amos Mohalatsi: Hi everyone, my name is Amos Mohalatsi, I form part of Game networks, the founder of Game networks, I am the Chief Operating Officer of the FTA Pty Ltd, and I form NAMEC broadcast as well. Thank-you.



- Keith Thabo:[?] Sorry just to mention that, I am currently the Chairperson of broadcasting within the BBC I am also the head of content within NAMEC.
- Malebo Mojale: Good afternoon, I am Malebo Mojale I am an attorney and Forensic Investigator, specializing in market abuse practices and insider trading in particular, I am the Legal Advisor to the company and ja that's me.
- Mariene Boomos: Good afternoon, my name is Mariene Boomos, I'm the Business Development Manager for Free-to-air television, and I have vast experience in the TV Industry regarding any strategy and operating models. Thank-you.
- Chairperson: Thank-you very much, I would then request that you give Kwese the opportunity to come and present.