

SABC partners Telkom in new streaming venture

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The SABC, which is facing acute financial difficulties and pushing hard to unlock new revenue streams, is starting a new online channel with telecoms operator Telkom, which could boost the public broadcaster's cash flow.

The public broadcaster and Telkom announced on Monday they have entered a five-year agreement for a new online streaming channel to be known as TelkomONE. The online channel will house the broadcaster's free-to-air radio and TV channels.

The SABC will provide its content to Telkom on a nonexclusive basis, meaning that the broadcaster can enter into similar agreements with other players. In exchange, the SABC will receive a carriage licence fee, as well as a share in the advertising revenue generated on the TelkomONE platform.

The two companies did not say how much the carriage licence will cost and how the revenue will be shared.

Telkom's primary business remains telecoms and it has previously stated that in its latest foray into streaming online content, it does not seek to compete with leading players such as Netflix and MultiChoice's Showmax, at least not yet. Telkom has also said it will offer network subscribers wanting to access TelkomONE preferential data rates as it pushes to grow subscriber numbers.

The SABC has indicated that it wants to launch its own streaming platform before the end of 2021 as it battles to keep up with its competitors.

This comes as the SABC and the government push for wideranging measures to boost the public broadcaster's fragile finances, including the contentious proposal mentioned by deputy communications minister Pinky Kekana to compel payTV operators such as MultiChoice and streaming platforms such as Netflix to collect TV licence fees on behalf of the public broadcaster.

The SABC's finances have sharply deteriorated in recent years, and this has been worsened by weak advertising spend during the Covid-19 economic crisis. It funds 15% of operations through mandatory licence fees from everyone owning a television set but collects these from only about a third of its 9million licence holders.

Controversially, the SABC also wants to overhaul the TV licence system to include other devices that can receive a TV signal such as smartphones, tablets and computers. Under current legislation, a licence is only required when purchasing a television set.

The government recently issued a draft white paper, which is a broad statement of government policy, that seeks, among other sweeping reforms, to allow the SABC to charge satellite pay-TV companies for carrying its free-to-air channels on their platforms.

On the partnership with Telkom, SABC CEO Madoda Mxakwe said the deal is part of the broadcaster's overall strategy of becoming a competitive multichannel and multiplatform public content provider.

The partnership is significant in ensuring that our content, in all its formats, reaches consumers everywhere at any time", Mxakwe said.

Through the new streaming channel, we will further promote universal access to popular SABC content for audiences and customers, in an affordable manner and with ease of access on mobile. We will also create added opportunities for our talented local producers to showcase more of their work on a platform on which content can live longer than on traditional media platforms,” he said.

Sipho Maseko, Telkom group CEO, said the TelkomONE app will make it possible for subscribers to pause, go back into the programme guide (timeshift) and instantly watch a scheduled TV show they may have missed.

Maseko said the mobilefriendly app will include a variety of content in addition to the SABC channels, such as music, comedy and lifestyle content.