

DA reveals MultiChoice's part in R100m-a-year plan to influence digital migration

 By [Kyle Cowan](#)

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SA's leading pay-TV service provider, MultiChoice, is in the hot seat once more with new revelations from the DA over a R100m-a-year plan to gain access to the SABC's "political influence over digital migration".

In a statement on Tuesday, the DA's Phumzile van Damme said SABC board minutes from 6 June 2013 revealed the payments were to be "in exchange" for the SABC's 24-hour news channel, which would be aired on DSTv, and it would be up to the public broadcaster to monetise the channel.



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The SABC's migration from analogue to digital broadcasting has been mired in controversy, as allegations of bribery, corruption and tender manipulation surfaced regarding the procurement of 5-million set-top boxes (STBs) that could receive the new digital signal.



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The STBs would be distributed for free, while a further 3-million would be sold by private retailers.

Twenty six companies were awarded work on the contract to supply the STBs, but the process has been subject to a court challenge that ended up before the Constitutional Court, a probe by the Competition Commission, and an investigation by the Special Investigations Unit.

No decryption capability

In August, the Court upheld a decision by former communications minister Faith Muthambi that the STBs did not need to have the capability to decrypt broadcast signals, which was a move in favour of MultiChoice, which holds a strong monopoly in the pay-TV sector in SA. Controversially, Muthambi was awarded powers by President Jacob Zuma in 2015

that led to her being able to make the decision.



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This would play in favour of state-capture culprits, the Gupta family and their ANN7 news channel.

Last week it emerged that MultiChoice had agreed to pay the Gupta family R25m for their channel to be aired, in what has been described as a "kickback" agreement - also allegedly for influence over the STB project.

MultiChoice has denied wrongdoing in its dealings with the Gupta-owned TV channel.

'Clandestine' meeting

"The minutes reveal a 'clandestine' meeting attended by former SABC board members and executives, including Ellen Tshabalala, Hlaudi Motsoeneng, Lulama Mokhabo and Jimi Matthews, with the then CEO of MultiChoice, Imtiaz Patel," Van Damme's statement read.

She explained that Patel was at pains during the meeting to explain that MultiChoice does not ordinarily pay TV stations for their news channels to be aired on DStv, but he would be able to convince the MultiChoice board to pay for the SABC 24-hour news channel if a set of "deal-breaker" conditions in MultiChoice's favour were met.

"One of the conditions was changing government's position on set-top boxes to favour MultiChoice."

According to Van Damme, the minutes quote Patel as saying: "We would not normally pay for a news channel. Okay. We don't. There's a unique relationship with eTV that everybody espouses, etc. It's got unique conditions."

Conditional access

He continues: "We need to justify to our board, to say why would we pay you R100m a year, which is a lot of money. Okay. It's after-tax money. To make R100m net you have to make R150m or R200m, R300m in turnover. We are looking for the excuse and the excuse for us is to be able to justify to our board that you are giving us something in return. What are you giving us in return for the R100m? We're saying, you giving us a news channel, you're giving us a general entertainment channel from your archives, your old, you know.

"And thirdly, we are saying we also need to justify this problem of conditional access [unencrypted STBs], is a big problem. And in order to justify that we're saying, in addition to that, your additional channels will be available on our platform."

Van Damme said the implications of MultiChoice making payments to secure influence over government policy in its favour and to solidify its dominance in the pay-TV sector was "serious" and showed it was a company that would "stop at nothing".



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"It is an undisputed fact that two years after this meeting, and the payments to ANN7, digital migration policy was changed [in] MultiChoice's favour," Van Damme noted. She has now written to the Independent Communications Authority of SA (Icasa) asking for an investigation into the payments. "We hope that Icasa will finally flex its muscle and take a clear stand against what appears to be seriously unethical conduct by a company it regulates."

Digital migration may yet face further delays. In August, the Universal Service and Access Agency of SA, which regulates and controls the procurement of STBs, filed papers with the Gauteng High Court asking that the awarded tender for the STBs be declared invalid.

The matter is yet to be heard.

Source: BDpro

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