

SABC - State of readiness for the launch of DTT and digital migration

Presentation to the
Portfolio Committee on Communications

19 and 20 September 2011



DTT enables the SABC to deliver on its mandate

- Every household within DTT coverage will be able to receive **ALL** the SABC's television and radio services that are provided on the DTT platform. That includes:
 - 17 television channels, including SABC 1, SABC 2 and SABC 3
 - 18 SABC radio stations plus Channel Africa
- The coverage of the SABC's DTT multiplex is expected to reach 74% population coverage by Apr-12, 84% by Apr-13 and 92% by Dec-13 (broadly replicating current analogue SABC 2 coverage)
- Therefore, with DTT, coverage of television services will be equalised and the footprint for most of the radio stations will be increased beyond current FM coverage



DTT enables the SABC to deliver on its mandate

- The SABC has developed a television channel line-up which includes the following channels:
 - **Health channel** - will feature a wide range of health and lifestyle topics including diet, exercise and disease prevention and news on the latest health breakthroughs
 - **Education and SMME channel** – will provide accessible, practical formal and informal education and information to all South Africans through live interactive formats, talk, magazine, documentary and curriculum based education
 - **Children’s channel** – will provide content segmented into defined age categories with an investment emphasis on early child development and pre-school children

DTT enables the SABC to deliver on its mandate

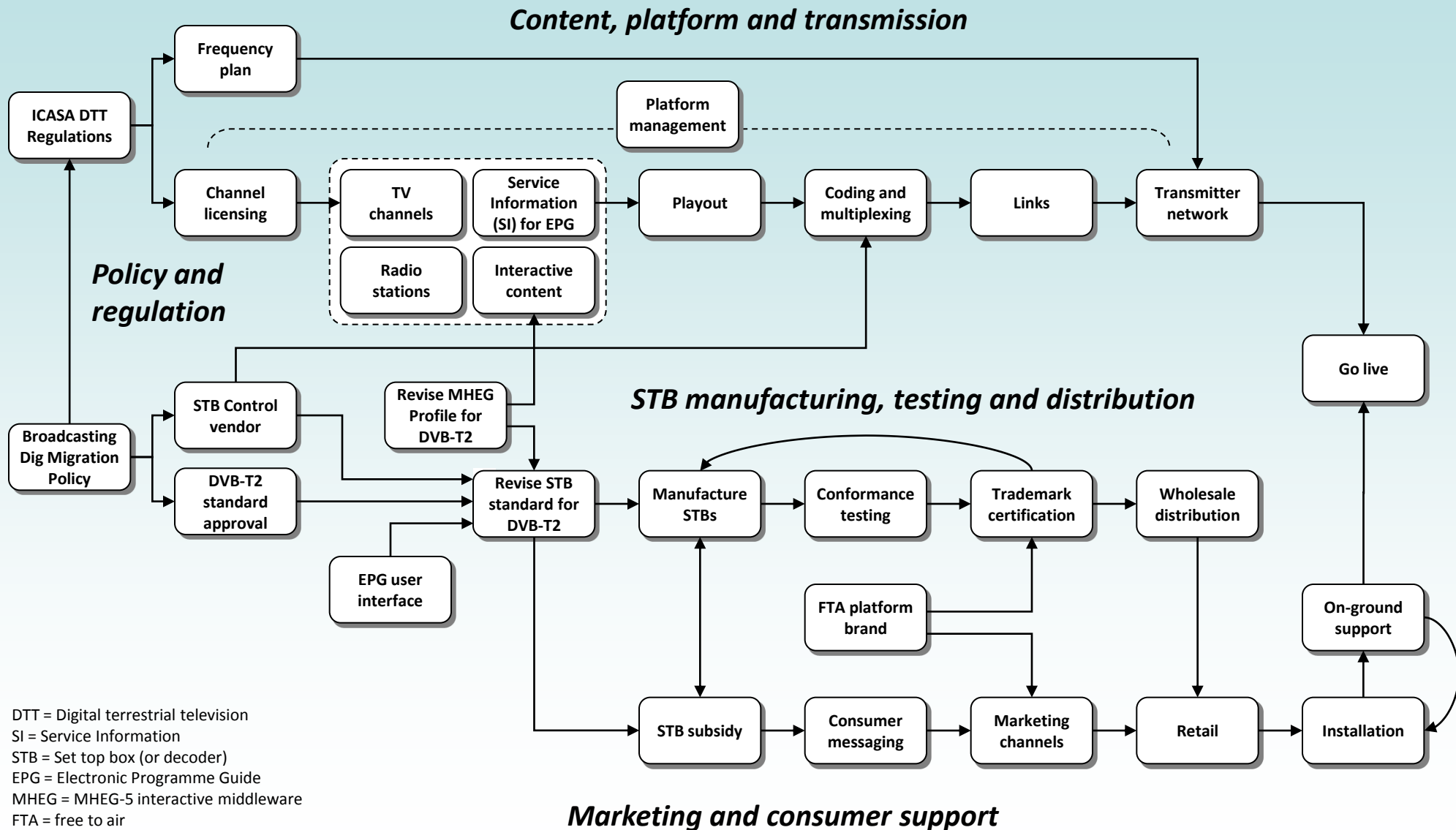
- The SABC has developed a television channel line-up which includes the following channels :
 - **News channel** – a 24 hour news channel in all official languages featuring live news, news bulletins, feature and discussion programmes and parliamentary coverage
 - **Regional North channel** (available to all households within DTT coverage) – content designed to meet the language needs of SesSotho, SePedi, SeTswana, TshiVenda, XiTsonga, Afrikaans
 - **Regional South channel** (available to all households within DTT coverage) – content designed to meet the language needs of IsiXhosa, IsiZulu, Ndebele, Seswati



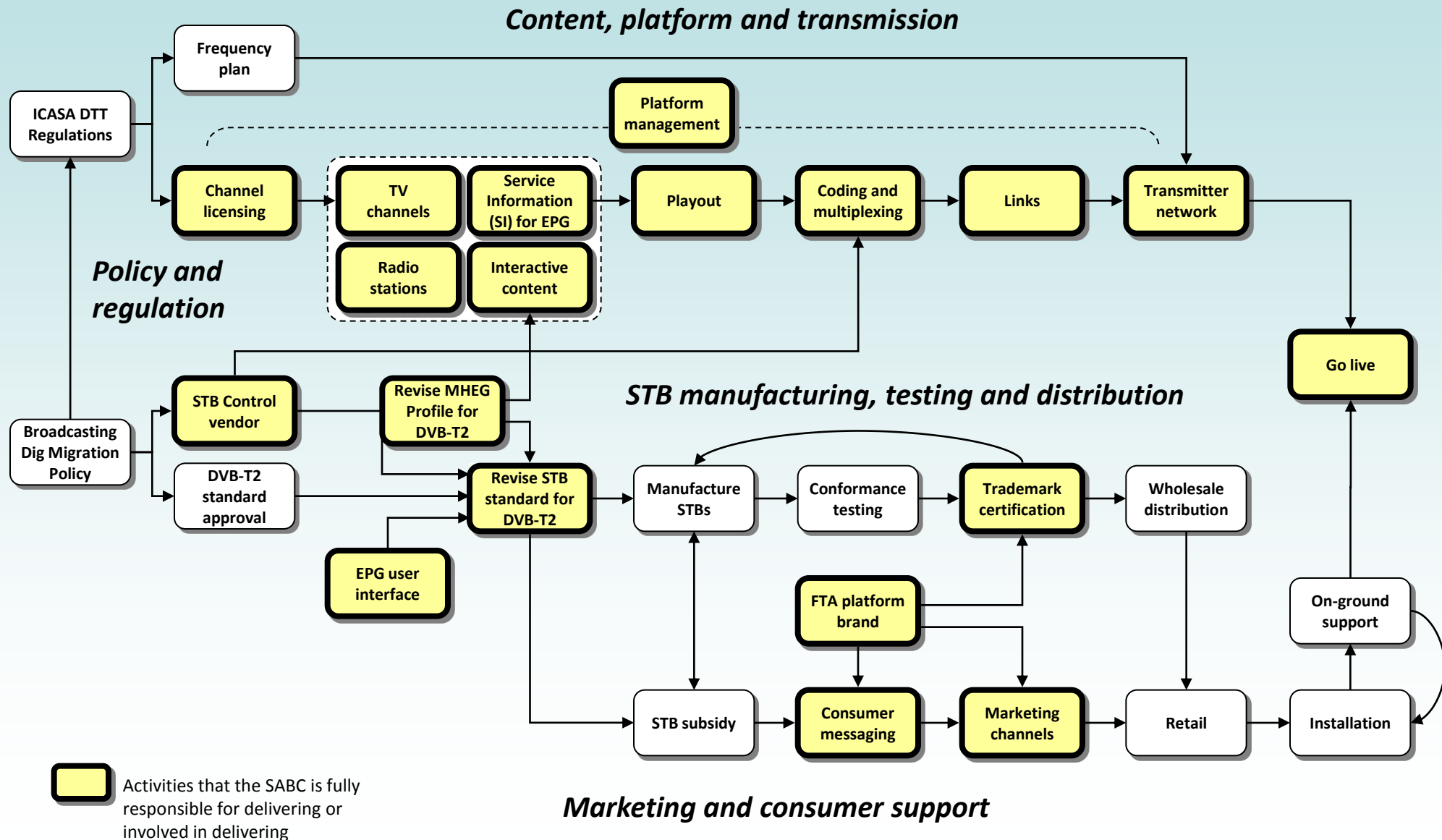
DTT enables the SABC to deliver on its mandate

- The SABC will use the functionality of DTT to provide the following services:
 - **Closed caption subtitles** – multiple alternative language subtitles that can be accessed via the STB's remote control
 - **Multiple language tracks** – up to 4 alternative audio tracks can be provided per programme
 - **Audio description** – an audio track providing contextual information within the programme dialogue for people with sight impairments
 - **Interactive applications** can be provided which will assist with the delivery of e-Government services (using the MHEG-5 interactive middleware)

The delivery chain for the launch of DTT...



The SABC is involved in the following activities...



The SABC is on track

- The SABC's progress and readiness is on track, and in line with the industry's project plan (developed from the DOC's workshop in early May) which indicates a full launch of the DTT platform in September 2012
- However, the SABC is preparing for a soft launch in April 2012, and has recommended that the industry works towards a launch window of July to September 2012
- The SABC is working with the following assumptions:
 - The SABC has access to one DVB-T2 multiplex which will also carry 2 channels from TBN in the Eastern Cape
 - All dual-illumination costs are to be met by Sentech
 - Delivering the full channel line-up is subject to funding



DTT trial

- The SABC and e.tv launched a DVB-T trial in November 2008 in Johannesburg, Pretoria and Durban
- The trial helped to test the technology, the set-top boxes and channel formats, and research has helped to inform the business plan
- The trial transmissions will be now be converted to DVB-T2 and extended to include Cape Town in early 2012, in advance of the April 2012 soft launch
- With the conversion to DVB-T2, the currently deployed base of DVB-T trial set top boxes will no longer work

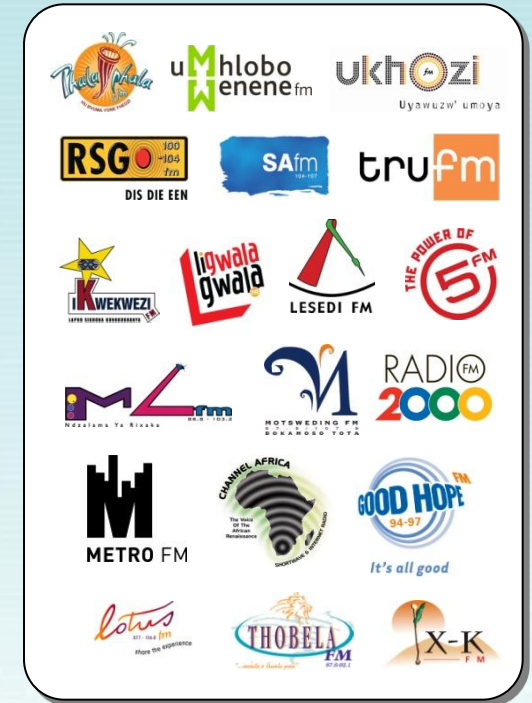
Channel and service offering

- The SABC plans to make 17 television channels available on DTT, and this includes:
 - SABC 1, SABC 2 and SABC 3
 - Channel formats at launch include health, education and SMME, children's and regional channels
 - 24 hour news channel including parliamentary coverage
 - Dedicated channel for Sports
- The SABC will phase in the launch of the channels from April 2012 through to 2014/15
- All of these plans have been costed for the three years 2012/13 to 2014/15



Channel and service offering

- The SABC will make all of its radio stations available on the DTT platform – 18 stations plus Channel Africa
- This means that every radio station will be available to all households within DTT coverage across the country
- Over time, the SABC will add interactive features to the audio streams as well as create dedicated interactive services



Platform and transmission

- The SABC is already operating a DTT playout facility which is servicing the trial
- The SABC has a coding and multiplexing facility on site and this will be used for commercial launch to prepare the SABC signals for distribution to Sentech



The SABC's DTT playout facility and coding and multiplexing infrastructure

Platform and transmission

- The Final Control Centres (FCCs) are being digitised
- One new digital FCC has been built and is already operational
- The three existing FCCs will be digitised by March 2012



SABC 1 on air from the new digital FCC

Platform and transmission

- The business plan for a new digital playout centre has been approved and is being contracted for – due for implementation in early 2013 - though this is not launch critical as the trial playout facility will meet requirements for the first year
- The new playout centre will include a new digital master control room and operations centre



The exiting master Control Room which is to be replaced with the implementation of the new Digital Playout Centre



Platform and transmission

- The SABC has engaged with Sentech and their consultants on tariffs for DTT signal distribution
- The SABC openly shared its views on different charging mechanisms that could be applied and what the cost elements were
- Also discussed service levels and the SABC's requirement for a contract which was focused on service delivery and performance
- The SABC understands that Sentech is on track for the conversion of the 60% population coverage DTT network to DVB-T2 by March 2012

Set top boxes (STBs)

- The DOC has requested the SABC to work with other affected free to air broadcasters to undertake a tender process for the selection of vendor to provide a **STB Control** system in order to meet the requirements set out in clause 5.1 of the Broadcasting Digital Migration Policy (August 2008)
- e.tv has approved the recommendation and the SABC's Bid Adjudication Committee (BAC) has recommended the recommendation – now being tabled at Group Executive and then Board

MHEG-5 South African Profile

- MHEG-5 is the interactive middleware that will enable the creation of the user interface of the Electronic Programme Guide (EPG) and interactive applications
- Version 2 of the MHEG-5 SA Profile has been finalised and has been approved by the SABC
- Target date of publication is the end of September 2011

SANS 862 standard

- The SABC has made final input into the SANS 862 standard:
 - STB Control solution to be video scrambling
 - MHEG-5 SA Profile sections updated
- The free-to-air broadcasters can only meet with M-Net to discuss STB Control integration issues once the approved vendor has been announced

Platform management

- The broadcasters have established a broadcaster forum to deal with DTT platform management matters affecting all broadcasters – including vendor for central collation of service information, writing of technical specifications, and the Rules of Operation
- The free to air broadcasters are planning to establish a free to air broadcaster association (subject to legal approval) with a focus on marketing and consumer messaging, liaising with supply chain, ownership of STB Control, and development and management of the EPG User Interface

Progress on consumer marketing

- SABC Marketing has developed a high level business case for the marketing and promotion of the free to air DTT platform for the three years 2012/13 to 2014/15
- This was included in the SABC's MTEF opex submission
- This consumer marketing activity includes:
 - Free-to-air platform marketing to be undertaken with e.tv
 - Promotion of the SABC's digital channels

Next steps...

- Finalise overall business plan document – due to be submitted to Group Executive on 29 September 2011
- Respond to proposed revisions of BDM Policy (by end September) and amendments to ICASA's DTT Regulations (once published)
- Finalise appointment of STB Control vendor (by end October)
- Finalise contractual arrangements for Digital Playout Centre (by end October)
- Develop free to air platform brand with e.tv (by end October)
- Establish FTA broadcaster joint venture and platform management association (by January)
- Finalise channel plans and prepare licence applications for submission to ICASA (by January)