

BUSINESSREPORT

STB digital switch can see SABC net R2bn

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SABC's revenue collection is set to be boosted by government's plans to force people to produce a TV licence when buying a set-top-box (STB) to receive the new digital signal when it is rolled out in April next year.

Speaking at the launch of the Digital Dzonga Council, an advisory body tasked with overseeing the implementation of the migration process, Minister of Communications Siphwe Nyanda said considering the SABC's financial plight, this would be a way to boost revenue collection.

Of an estimated 9 million households with television, 6.6 million will be required to have television licences, which cost R225 a year, when buying a STB. The SABC could collect an estimated R1.5 billion.

Multichoice subscribers make up the remaining 2.4 million users and are also obligated to pay licence fees. Their subscribers already receive the digital signal via satellite.

If all 9 million households were to pay their licences SABC could collect about R2bn.

Last year, licence revenue, which is the second-biggest contributor to the broadcaster's revenue, contributed 17 percent, or R822m, to the SABC's R4.3bn revenue.

The SABC derives the bulk of the remaining revenues from advertising. Last year it made a loss of R800m partly because of the economic downturn. It has asked the government for a R2bn bailout.

The country is migrating from an analogue television signal to a digital signal to conform with the requirements of the International Telecommunications Union.

At least R400m has been allocated for the exercise as part of government's commitment of R2.45bn to subsidise poor households, who cannot afford to pay for the box, which costs about R700.

The government will subsidise 70 percent of the cost of an STB for poor households. The move to a digital signal will result in better quality pictures and more channels.

Norman Munzhelele, acting deputy director-general at the Communications Department, said during and after the illumination period - when analog and digital signal are broadcast at the same time - that no households that defaulted on paying their television licences would be switched off.

Lara Kantor, the chairwoman of the Digital Dzonga Council, said 60 percent of the population would have digital signals by April.