Public Sector Govt. - State Enterprise

1994

January - March.
Radio Pretoria calls for aid

CHAMPIONS of free speech and democracy were remarkably silent about threats to close down the right-wing Radio Pretoria, station head Mosie van den Berg said at the weekend.

With only a few days left of the temporary licence government had reluctantly extended in mid-December, Van den Berg appealed for support of the station's attempts to get its licence extended or amended to a permanent licence. Radio Pretoria's temporary licence is due to run out on January 26.

Organisations and countries that had for years claimed to be concerned about human rights, and the right to free speech, had kept silent on threats to close the station, he said.

Now that Afrikaners were using the same rights liberals espoused to promote their cause, freedom of speech was forgotten and the station was branded a danger, he said.

"It is the right of all peoples to promote their culture, and to do so through the broadcast medium," he said.

Last year right-wingers had vowed to protect the station from closure.

GAVIN DU VENAGE

WHO slams SA on jail condoms

IN ITS strongest call yet for reforms in prisons, the World Health Organisation (WHO) has urged governments to provide condoms in prisons. And SA and the US have been singled out for reform with their widespread reports of male rape in prisons.

However, the Correctional Services Department said it would not change its policy as providing condoms would condone criminal sexual activity "It is against the average morals and ethics of society," said spokesman Chris Olkerm.

The rate of infection in prisons was far less than the average HIV per capita rate. Out of 114 000 prisoners, 369 had tested HIV positive. While there was no compulsory HIV testing, many had asked to be tested, he said.

But local AIDS activists have identified the prison population as the weak link in the chain in trying to stem the spread of HIV. Prisoners interact with the rest of society and public health problems cannot be dealt with separately, they say.

Countries such as Switzerland, Canada, Hungary and Holland already give out condoms in prisons.
HUGH ROBERTSON

Old producers survive in television and radio say European Community researchers

SABC backs NP, despite new board
Radio Pretoria hears govt ruling today

THE right-wing radio station Radio Pretoria would hear today whether its temporary licence granted last month was to be extended, a government official said yesterday.

The official said the station had applied to have its licence, which expires at midnight tonight, extended.

He said a meeting would take place between government officials and the station today, and a decision was expected to be announced this afternoon.

Last year right-wingers responded to a call to protect the station from government threats to send in technicians to shut down the transmitter.

GAVIN DU VENAGE

After government threatened to send in technicians to shut down the transmitter, a meeting was arranged.

More than 200 armed men made themselves available to guard the station, which was surrounded by barbed wire and fortified.

Last week station head B. van den Berg appealed for proponents of free speech to support the station's attempts to continue its broadcasts.

Right-wing organisations said they would support the station if it continued to broadcast defiance of government if its extension of its licence was refused.

The Pretoria Boerekommando and other organisations pledged their support for the station.

African Volkfront spokesman Steve Manninger said the station should be allowed to continue operating. It had become an "emotional issue that had to be handled with sensitivity".

If government wanted to defuse tensions, it should allow it to operate legitimately, he said.

Volkstaat talks with ANC 'treason'

The far right-wing Boere Weerstands beweging (BWb) said yesterday it would fight any agreement on a volkstaat that did not conform to the boundaries of the old Boer republics.

BWb leader Andrew Ford said the organisation would regard any agreement negotiated by the Afrikaner Volkfront with the ANC as "treason".

The Volkstaat's boundaries were an unacceptable compromise, he said. Ford said the BWb rejected attempts to cede "the white land as a black sea".

The Volkstaat wants to create a volkstaat incorporating large areas of the Transvaal but excluding much of the PWV area and the Free State.

Ford said Afrikaners had a historical claim on the entire Free State and Transvaal and sections of northern Natal.

Ford said the Volkfront claimed at its launch that it would fight for the rights of Afrikaners, but was now backtracking by talking to the ANC.

Sapa reports Ford said such plans would amount to treason, equal to that of government against the Boer nation.

The Boer republics belonged to the Boer nation and right-wingers would not negotiate for something they already owned, said Ford.

The BWB and Boer nation would die to maintain ownership of their republics.

The Volkfront's claim that it was talking only to nationalists in the ANC, and not communists, was beyond comprehension.

Ford added that BWB members who had been part of the Volkfront had withdrawn their membership. The BWB itself had never been part of the Volkfront.

Volkfront spokesman Steve Manninger dismissed Ford's accusations. He said yesterday the Volkfront "would never negotiate away the rights of the Afrikaner".

On the road to recovery

MAPUTO — Mozambique was well on the road to recovery from years of famine caused by war and drought, the UN World Food Programme director in Mozambique told yesterday's Noticias daily paper.

WFP director Philip Clarke said that "with good rains and lasting peace, Mozambique is on the way to recovering".

Clarke said that last year Mozambique reaped its first improved harvest for many years, gathering 553,000 tons of maize compared to just 133,000 tons in 1992.

UN figures suggested over 1.5 million people of nearly 3 million needing food aid in 1992 were now able to support themselves.

Nonetheless, with Mozambique still in transition and after two years of severe drought from 1991-92, it would still need 170,000 tons of cereal imports to feed its 16 million people, in 1993-94 commercial year, according to the WFP.

— Sapa-AFP.

PEANUTS

By Charles Schulz

ONE OF THE GREAT JOYS IN LIFE IS SLOPS ON AN ICE SIDEWALK

JOE 'ICE FOLLIES'
TV ‘promotes violence in SA’

By BARRY STREEK
Political Staff

MORE than 70% of whites believe television is helping to promote violence in South Africa — but more than a fifth of black women said TV helped to restore peace, a new public opinion survey has found.

However, nearly 40% of black women also said it contributed strongly or somewhat to promoting violence.

The results of the poll, conducted among 800 black women, 300 white women and 500 white men, were released yesterday by Research Surveys.

A director of its Omnichek division, Ms Bunty Kellas, said advertisers would be interested to know that one in three white women claimed to switch the TV set off altogether when faced with a programme which offended them.

Women and men over the age of 50 took this action more often than their younger counterparts.

However, most viewers simply switched channels when confronted with something which offended them.

“It was evident that current television offerings require some form of censorship, most respondents are more offended by what they see on TV nowadays than they were last year,” Ms Kellas said.

“This is particularly true of white women who watch TV, 70% of whom are more offended by what they see on TV this year than they were last year.

“It is clear that South African television producers need to clean up their act, particularly where scenes depicting violence are concerned,” Ms Kellas said.

Ms Kellas said TV producers also had a responsibility to advertisers, as viewers who switched channels to avoid shows they found offensive were thus not being reached, wasting advertisers’ money.”
White miners to defend Radio Pretoria

THE white Mineworkers' Union had offered to dig trenches around right-wing radio station Radio Pretoria, Afrikaaner Volksfront spokesman Steve Mampepe said yesterday.

He said more than 200 men had pledged to go to the transmitter site at Dondersloch, northeast of Pretoria, this weekend. Right-wing organisations have vowed to keep the station operating.

The station's fate was still unclear last night as government had yet to decide whether to extend its licence. A station spokesman said senior Home Affairs department officials and station management had held discussions yesterday. They were waiting to hear from Home Affairs Minister Dene Schutte.

Even if the licence is extended, it will be for only a week. On January 11 legislation enacting the Independent Broadcasting Authority comes into effect, ending government jurisdiction over radio broadcasting licences.
Pledge to defend right-wing radio

PRETORIA — 'The white Mineworkers' Union has offered to dig trenches around Radio Pretoria, Afrikaner Volksfront spokesman Mr Steve Manninger said yesterday.

More than 250 men had pledged to go to the transmitter site and keep the station operating.

Meanwhile, the station's temporary licence has been extended to January 10, the broadcaster's management committee chairman the Rev Mossie van den Bergh said last night.

Own Correspondent, Sapa
SABC brass on ANC polls list

Mokaba to fight in elections

Own Correspondent

JOHANNESBURG — Several SABC administrators and a senior churchman are set to lose their places on the ANC PWV region’s list of election candidates because they are working in institutions that are supposed to be impartial.

The most prominent of the candidates on the PWV region’s list of regional candidates for the National Assembly was SA Council of Churches secretary-general the Rev Frank Chikane, who is a member of the Independent Electoral Commission.

His name would be removed from all nominations lists, an ANC statement said.

The same would apply to other nominees who were working for independent institutions, according to ANC spokesman Mr Carl Niehaus, who topped the ANC’s regional list for the National Assembly.

SABC administrator Mr Zwelekhle Sisulu and board member Prof Njabulo Ndebele appear on the ANC’s regional list for the National Assembly.

ANC Women’s League president Mrs Winnie Mandela was not included on the PWV lists — but could still find herself on the list of 200 national candidates.

PWV regional chairman Mr Tokyo Sexwale was unopposed as the ANC’s candidate for premier of the PWV province.

The top 50 names nominated to the provincial legislature list include:

SABC brass on ANC polls list

Mokaba to fight in elections

Political Staff

JOHANNESBURG — ANC Youth League president Mr Peter Mokaba is to relinquish the key post next week and take part in the ANC’s election campaign after receiving sweeping support as a candidate for the national assembly.

The fiery leader will not be able to stand for re-election at the league’s national conference here next Friday because he will be over the organization’s age limit of 35. He turns 36 tomorrow.

The leading contender to take over from Mokaba is former Congress of SA Students president Mr Lulu Johnson.

Sandton MP Mr Dave Dalling, former Cosatu secretary-general Mr Jay Naidoo, former policeman Mr Gregory Rockman and regional executive member Mr Robert McBride.

The list also contains a host of surprising candidates including long distance runner Bruce Fordyce and Miss SA Jacqui Mofokeng.

An ANC statement said the regional lists were only provisional and many of those who had been nominated had not yet been informed.
SADF denies allegations

'We did not equip Radio Pretoria'

The SA Defence Force yesterday categorically denied furnishing radio transmission equipment to the maverick right-wing broadcaster, Radio Pretoria, following the SABC’s confirmation that it had rented technical equipment to the station.

There has been an outcry by other independent commercial broadcasters about the officially sanctioned continuation of transmissions by the right-wing station, based east of Pretoria.

Jeff Klaasen, manager of O-Flat Radio Station, which has been off the air since last month, has labelled as hypocrisy the extension of Radio Pretoria’s temporary broadcast licence.

Radio Solid Gold FM Stereo executive Tony Sanderson claimed on Wednesday that if the SABC did not supply all the right-wing station’s equipment, it could only have come from “the military.”

Sanderson suggested that only the SABC or the military were able to bring broadcasting equipment into the country.

However, an SADF spokesman declined to comment on Sanderson’s statements.

SABC broadcasting centre executive Gert Claassen said the corporation had rented broadcasting equipment, including microphones and small portable mixing units, to Radio Pretoria for a December 16 broadcast from the Voortrekker Monument.

He also confirmed that the SABC’s Pretoria office, through a company called Pretoria Media Services, was currently renting studio equipment to Radio Pretoria.

But he said Pretoria Media Services’ arrangement with the station had been made subject to it being issued a valid broadcast licence.

Because of a delay in the issuing of the licence, the SABC had obtained confirmation from the Home Affairs Ministry that a licence would be issued to Radio Pretoria before the equipment was delivered, Claassen said. — Sapa. 

> Boeremusiek keeps morale alive — Page 9
Blacks twice as hopeful as whites, survey finds

BLACKS are twice as optimistic as whites about the year ahead, according to a Markinor survey. More than 60% of black respondents were confident about the future, compared with only 30% of whites.

This was a sharp contrast to last year's findings, in which both blacks and whites had expressed equally pessimistic views about the future, said Markinor deputy MD Christine Woessner.

In the last survey only 21% of blacks believed things would get better in the year ahead, with 49% holding the gloomy view that they would be worse off as time went on.

In the latest survey, only 18% of black respondents believed things would be worse.

The poll was conducted among adults around the country, as part of an international year-end poll carried out in 54 countries by Gallup International.

More than 1,440 blacks and 820 whites were polled. Coloureds and Indians also took part for the first time Woessner said these two groups were more optimistic than whites but less so than blacks.

More than half of coloureds felt the future held a better promise for them, while 45% of Indians shared this view.

Woessner said: "Clearly blacks are heartened by the dramatic developments in the country. The imminent election and the fact that blacks were now taking part in decision-making had given them great hope for the future, she said.

However, it was also clear that whites were unsettled by the changes. The continuing violence had undoubtedly contributed to their pessimistic outlook, she said.

Respondents were also asked to give an opinion on industrial disputes. Again, blacks (57%) and coloureds (41%) felt labour relations would improve, although fewer whites (18%) and Indians (33%) felt the same way.

Respondents were also asked if they thought 1994 would be a peaceful year. Coloureds were more optimistic than whites. About 35% of coloureds and Indians felt the same way.

"It is interesting that in this instance Indians were more pessimistic than whites, with 43% of Indians and 40% of whites saying it would be a troubled year," Woessner said.

Claim SADF aided station

The SABC and the military have been accused by independent broadcaster Tony Sanderson of supplying Radio Pretoria with broadcasting equipment.

Earlier this week the SABC acknowledged that some of its equipment, which had been rented out for the December 16 economic of Blood River, was being used by the station. However, most of the hardware had not been supplied by the SABC.

Sanderson said guns and an "Afrikaner culture" were keeping the right-wing radio station on the air.

Radio Pretoria had its temporary licence extended by Home Affairs Minister Danie Schutte earlier this week. Sanderson and other independent broadcasters have reacted angrily at the extension, accusing government of capitulating to the right while denying other stations an extension of their licence.

Sanderson said he has got at least some of its equipment from the SA Defence Force, a charge the army has denied. He said only leased broadcasters used the SADF and the SADF could import the equipment needed for a radio station.

Sanderson works for Solid Gold Radio, which recently stopped its broadcasts after government refused to extend its licence. He said special treatment was given to Radio Pretoria because it was an Afrikaner culture and shared common values with government.

Old rivals join forces to form centre

THE ANC and the Inkatha Freedom Party agreed yesterday to establish a daily joint operation communication centre in Katlehong, following the closure of a similar one at Natalspruit Hospital last week.

The organisations agreed to station political representatives of appropriate status at the Katlehong centre, the aim of which was to monitor constantly the situation in the township.

A memorandum said the communication centre would be under the joint control and supervision of the Germiston/Katlehong Local Peace Committee but would be resourced and assisted by the Vaal Peace Secretariat.

It said the ANC and Inkatha signatories should urgently request international observatory missions and the SA Police to par-
JOHANNESBURG — The Defence Force has denied supplying radio transmission equipment to the maverick rightwing broadcaster Radio Pretoria following the SABC’s confirmation that it had rented technical equipment to the station.

There has been an outcry by other independent commercial broadcasters about the officially sanctioned continuation of transmissions by the rightwing radio station, based at Donkerhoek, east of Pretoria.

Manager of C-Flat Radio Station Jeff Kleinsmith, which has been off the air since last month, has labelled as hypocrisy the extension of Radio Pretoria’s temporary broadcast licence.

Radio Solid Gold FM Stereo executive Tony Sanderson claimed on Wednesday that if the SABC did not supply all the rightwing station’s equipment, it could only have come from “the military.”

Mr Sanderson suggested only the SABC or the military were able to bring broadcasting equipment into the country.

A Defence Force spokesman, however, challenged Mr Sanderson to bring forward specific information like equipment serial numbers.

A Johannesburg radio specialist said it was relatively easy to build a five to eight kilowatt transmitter with a fairly wide signal radius.

“In fact, any radio technician worth his salt could build such a transmitter and at relatively little cost — something in the region of R10 000 for the hardware,” he said.

He added that it was easier to build a transmitter than a receiver, and all the necessary hardware was readily available.

Sophisticated custom-designed radio transmission equipment was also commercially available in South Africa, but at a higher price.

Radio Pretoria chairman Mosse van den Berg yesterday declined to comment on Mr Sanderson’s suggestions that the radio station had obtained its equipment from the SABC or Defence Force.

“I would not like to comment. If there is suspicion that there is anything not aboveboard in connection with our equipment, then it must be a question for the police,” said the Reverend Van den Berg.

Sapa
JOHANNESBURG. — The National Party
joined the Democratic Party yesterday in
calling on the SABC not to screen a television
programme about the history of the ANC,
called: Hold up the Sun.

The NP said in a statement that showing
such a programme before an election would
create the impression that the SABC was fa-
vouring the ANC.

Douglas Gibson, northern Transvaal DP
chairman, said: "In South Africa's current
election phase it surely constitutes political
preference of the most blatant kind." Screen-
ing should wait until after the polls — Sapa
Radio station war looms

WHITE mineworkers set up military-type fortifications around Radio Pretoria yesterday to repel possible moves by government forces to close down the transmitter.

Afrikaner Volksfront spokesman Stephen Maninger said about 300 members of the right-wing Mineworkers' Union assisted in digging trenches and vehicle traps and piling up sandbags around the station at Donkerhoek, east of Pretoria.

Kommandant Piet le Roux, of the Pretoria Boer Commando Group, who is in charge of security at the site, said yesterday if all peaceful measures had been exhausted, "when it comes to the push, we will fight!"

Kommandant Willem Ratte, sought by the police for his part in the Schanskop Fort siege, on Saturday reportedly assisted in training boer commando members to repel any attack by police or SADF members.

The training session took place near the Radio Pretoria caravan site, but reporters were barred from the area.

Chairman of the broadcaster's management committee, Dumiee Mossie van den Berg, also arrived to express his appreciation to the miners.

He said he would meet Home Affairs Minister Danie Schutte tomorrow to discuss the further extension of the station's temporary broadcasting licence, although the authority to issue such licences will soon be vested in the Independent Broadcasting Authority.
ANC: DP objection petty, narrow

Hold Up the Sun, the first episode of which was shown on TV1 yesterday at 4pm, was a history of resistance to apartheid and not ANC propaganda, African National Congress spokeswoman Ms Gill Marcus said.

She was reacting to a request from the Democratic Party for the programme, Ulubambe Lingashoni (Hold Up the Sun), to be taken off the air because it promoted the ANC in the run-up to the April elections.

"What an absurdity," Ms Marcus commented. "It would be tragic for this country if resistance to apartheid, and our history in general, is regarded as electioneering."

"The Democratic Party's point is completely invalid. It is being petty and narrow. We have a past, although the NP and DP would like people to forget it, or remember their versions of it."

The documentary was not just about the ANC, but about what had happened in South Africa this century.

The ANC would not have objected if a series on the history of apartheid, instead of resistance to apartheid, were to be screened, she said.

The first episode of Ulubambe Lingashoni, which was directed by former Cape Town journalist Lesley Lawson, was entitled Roots of Struggle, 1912-1948. — Political Staff, Staff Reporter.
Government cannot afford confrontation

Radio Pretoria still broadcasting

PRETORIA CORRESPONDENT

A defiant Radio Pretoria was still broadcasting today as armed guards stopped press representatives from entering the Donkerhoek station.

In a broadcast message today chairman of the Radio Pretoria management committee Reverend Koosie van den Bergh appealed to listeners and supporters of the station to come to the station's aid if security forces attempted to close it down.

"We must be seen as the victims of violence and not as instigators," he told listeners.

"The battle which our forefathers started must be continued, if necessary with bloodletting," he said.

While members of the Boer Kommando trooped to a fortress-like Radio Pretoria last night, a legal battle between the station and Government appeared to be on the way.

Following the decision by Danie Schutte, Minister of Home Affairs, not to extend its licence, the station's management committee has decided to go to the Supreme Court.

The judge responsible for hearing urgent applications last night could not confirm whether an application had been submitted.

Van der Bergh said Schutte had indicated steps would be taken against Radio Pretoria should the station broadcast past the expiry time of its licence at midnight last night.

He gave no guarantee that violence would not be used, he said.

Van der Bergh said Schutte had withheld an extension on the licence on the grounds that he wanted to present a clean slate to the Independent Broadcasting Authority.

Meanwhile, a spokesman for Radio Pretoria said the station had made contingency plans in anticipation of possible government intervention, should the station continue broadcasting illegally.

However, Pieter le Roux, head of security at Radio Pretoria, said he did not expect trouble.

"Government cannot afford political confrontation," he said.

Barricades . . . trenches and sandbags surround the rebel radio station.

PICTURE STEPHEN DAVIES
Radio Pretoria licence extension refused

RIGHT-wing radio station Radio Pretoria's bid to extend its temporary licence had failed, Home Affairs Minister Danie Schutte said yesterday.

Station management met Schutte to ask for an extension but the minister refused, saying the station was demanding different treatment from that given to other independent stations.

He said the rules for issuing temporary licences and granting permanent broadcasting status had been drawn up in accordance with the broadcasting industry. These rules had been accepted "on numerous occasions" by Radio Pretoria, Schutte said.

A confrontation between right-wingers and government is now on the cards, and it could turn violent if police attempt to close down the Radio Pretoria transmitter at Donkerhoek outside Pretoria.

Right-wingers have vowed to keep the station on the air regardless of whether it gets a licence or not.

At the weekend Mineworkers' Union volunteers dug trenches and other defences around the station in anticipation of an attempt by authorities to stop broadcasts.

Schutte said a further extension of the station's licence would be unfair to the more than 200 aspirant broadcasters who were awaiting the inception of the Independent Broadcasting Authority.

Independent monitoring of Radio Pretoria had shown that it had not compiled with the conditions under which its licence had been extended, specifically those which prohibited political broadcasting. Station management could not be reached for comment.
Film on ANC history slammed by NP and DP

Political Staff
JOHANNESBURG — The National Party and the Democratic Party have strongly criticised the screening of the history of the African National Congress on TV1 on Sunday, and said complaints had been made to the authorities.

The first part of the programme, Uebambe lingashoni — Zulu for "Hold back the sunset" — was shown on Sunday, and four more parts are scheduled to be shown over the next four weeks.

The NP said it was with disappointment that it had taken note of the broadcasting of the ANC’s “propaganda”, which would boost the organisation’s image ahead of the April 27 election.

The NP said the broadcast had gone ahead in spite of its and other parties’ objections, and that it had now laid a formal complaint with the Broadcasting Complaints Commission. The matter would also be taken up “at the highest level” with the SABC (14:46).

There was great responsibility on the corporation to act objectively at a time when the political playing fields were being levelled.

In its comment, the DP yesterday said it would continue its opposition to the screening of the documentary. It said its Southern Transvaal regional leaders, Douglas Gibson and Tony Leon, would contact the chairman of the Independent Electoral Commission, Mr Justice JC Kriegler, to lay a complaint.
Armed guards stop newsmen as Radio Pretoria soldiers on

□ Station chairman appeals to supporters

The Argus Correspondent

PRETORIA — A defiant Radio Pretoria was still broadcasting today as armed guards stopped press representatives from entering the Donkerhoek station.

In a message broadcast today, the chairman of the Radio Pretoria management committee, the Rev. Mosse van den Bergh, appealed to supporters to go to the station’s aid if security forces tried to close it down.

“We must be seen as the victims of violence and not as instigators,” he told listeners.

“The struggle which our forefathers started must be continued, if necessary with bloodletting,” he said, adding that the station had the full support of the Afrikaner Volksfront.

While members of the Boerekommando trooped to a fortress-like Radio Pretoria last night, a legal battle between the station and the government appeared to be on the way.

Mr. Van der Bergh said legal steps had been taken.

Belgisse the Minister of Home Affairs, Danie Schutte, has decided not to extend the licence; the station’s management committee has decided to go to the Supreme Court.

The judge responsible for hearing urgent applications could not confirm whether an application had been submitted.

Mr. Van der Bergh said Mr. Schutte had indicated steps would be taken against Radio Pretoria should the station broadcast after its licence expired at midnight yesterday.

He gave no guarantee that force would not be used.

Mr. Van der Bergh said Mr. Schutte had withheld an extension of the licence on the grounds that he wanted to present a clean slate to the Independent Broadcasting Authority.

Meanwhile, a spokesman for Radio Pretoria said the station had made contingency plans in anticipation of possible government intervention should the station continue broadcasting illegally.

“We cannot disclose at this moment how many members of the Boerekommando will take up positions at the station,” he said.

However, Pieter le Roux, head of security at Radio Pretoria, said he did not expect trouble.

“All the members of the AWB and Boerekommando will come to the station. It would not be an incident — it would be a major battle,” he said.

Mr. Schutte said in a statement yesterday that Radio Pretoria expected one set of rules to apply to it and a different set to apply to the other approximately 220 asporat radio stations.

Mr. Schutte also said Radio Pretoria had not abided by the conditions set for granting the previous, temporary licence concerning the political content of its broadcasts.

A spokesman for Mr. Schutte said Radio Pretoria was broadcasting illegally and while the department had been more than reasonable in its approach to the station, the matter was now in the hands of the postmaster-general.

“He will decide what, if any, action is to be taken against Radio Pretoria,”

A spokesman in the postmaster-general’s office said the Radio Pretoria affair was being treated as sub judice.

“To the best of my knowledge an urgent application has been filed with the Supreme Court and I cannot comment on it,” he said.

The police said they would not take any action against the station until a complaint had been laid.

“We are also awaiting the outcome of the urgent Supreme Court application,” a police spokesman said.
Radio Pretoria goes to court

GAVIN DU VERAGE

RIGHT-wing Radio Pretoria continued transmitting yesterday in defiance of Home Affairs Minister Danie Schutte's refusal to grant it another temporary licence.

It should have gone off the air at midnight on Monday, when its temporary licence expired. While station management launched a Supreme Court application to win back the right to broadcast, Postmaster-General Terence Oosthuizen said he was taking legal action against the station as the Radio Act had been contravened.

He welcomed the station's court application, saying: "All sides of the matter will be heard in open court and it will be up to an independent judiciary to decide."

Government had been criticised for bowing to right-wing threats of bloodshed if attempts were made to close the station. Other independent broadcasters' applications for extension of temporary licences had been turned down or dismissed.

Schutte said the station was expecting preferential treatment. It appears that dealing with Radio Pretoria will be among the Independent Broadcasting Authority's first tasks. Nominations for the body's chairman and six members close on January 21.

Right-wing sources said armed men had spent the night dug in around the station's transmitter to prevent a shutdown.
Media watchdog launched

Political Staff

The law establishing the Independent Media Commission (IMC) comes into effect today. The Independent Media Commission Act, which was passed last year, provides for the IMC to "ensure equitable treatment of all political parties by broadcasting services", during the election period.

The IMC will also ensure that state-financed publications and state information services are not used to advance directly or indirectly the interests of any political party.

The commission will consist of "a chairperson" and not more than six other members, to be appointed by President FW de Klerk on the advice of the Transitional Executive Council.

The commission has been empowered to monitor all broadcasting services in South Africa relating to party election broadcasts and political advertisements.

It will also monitor all state-financed publications and information services during the election period.
Right-wing radio won’t switch off

PRETORIA — Right-wing Radio Pretoria went on the air at 6am yesterday in defiance of the home affairs ministry’s refusal to grant the station a further broadcasting licence.

A source close to the radio station said trenches and other defensive positions which had been dug around the Donkerhoek broadcasting site east of Pretoria, had been manned by Radio Pretoria supporters in anticipation of a police raid.

However, by 6.30am no policemen or home affairs officials had been seen in the area.

Radio Pretoria mainly broadcasts traditional Afrikaans “Boere” music, talk shows, interviews and news with a distinct right-wing anti-government timbre.
Radio rebels seek protection from the courts

BY PETER DAVIES

Right-wing Radio Pretoria sees itself as "direct opposition to the ANC- and SACP-controlled SABC", and is still on the air despite Government refusal to extend its temporary licence.

The battle has now shifted to the courts. Radio Pretoria station manager Chris Conradie said yesterday that lawyers were trying to get a restraining order to prohibit force being used to close down the station.

The Government has meanwhile lodged a second urgent application to close the station.

Conradie said Radio Pretoria should not be viewed in the same light as other stations refused licence extensions.

"We are talking about a nation's future. The Minister wants to try and fit us in the same category as other stations, but our interest is not 'commerical'..."
TEC delays broadcasting authority

BY JACQUELINE MYBURGH

The Transitional Executive Council has delayed setting up the Independent Broadcasting Authority (IBA) after a request by sectors in the broadcasting industry for more time to submit nominations for the seven-person body, sources said yesterday.

The TEC was to have discussed and implemented the Independent Broadcasting Authority Act on Tuesday night.

But this was scrapped, confusing many who believed there was an urgent need to see the IBA put into place as soon as possible.

Sources said the debate was delayed because the TEC did not want to implement the Act and thereby create a "grey" period during which neither the Ministry of Home Affairs nor the IBA controlled the airwaves.

The TEC is expected to start advertising for nominations to the IBA tomorrow. The deadline for nominations has been shifted from January 21 to January 23.

Sources said they expected the TEC to announce these dates on Tuesday.
Competition Board gives SABC guidelines

The Competition Board has recommended that the SABC not use restrictive practices against independent TV and film production companies.

The board's recommendations came in a report supplied to the SA Film and Television Institute last month and released yesterday.

The institute had complained in October 1982 that the SABC was competing unfairly with its members following the corporation's restructuring in 1980, because it did not pay taxes and enjoyed other state-conferring benefits such as preferential tariffs on capital equipment.

The Competition Board said the SABC was regulated in accordance with the 1979 Maintenance and Promotion of Competition Act, which prohibited restrictive practices.

It recommended the following:

☐ Identifying the SABC's core and essential ancillary activities,
☐ Ensuring the SABC was not given exclusive advantages such as tax concessions, and
☐ Using appropriate controls to ensure the SABC charged market-related prices.

The institute said yesterday the SABC was still the main client of its more than 70 members but contracts had fallen significantly.

Reacting to the SABC's submission to the board that local viewers preferred imported material, the institute said local productions featured regularly in the top 10 TV placings.

Moreover, it was not the product that generated higher advertising revenues, but the time slot it was given, the institute said.

The SABC also told the board it was under no obligation to use material from local production units and said overseas production generated more advertising revenue in prime-time slots.

The institute is to meet SABC representatives for more discussions.
No nominations received for broadcasting authority

PRETORIA — The creation of an Independent Broadcasting Authority has been delayed because no nominations have been submitted.

According to the IBA Act passed by Parliament in December last year, political parties, other groups and individuals were to have submitted nominations before January 21.

The appointments of the chairman and six councillors must be ratified by the Transitional Executive Council (TEC) before the IBA can be gazetted yesterday, and extend the nominations deadline until January 28.

It was hoped an advertising campaign would attract suitable applicants.

According to the Act, the councillors should be people "who are committed to fairness, freedom of expression, the right of the public to be informed, and openness and accountability."

Nominations should be sent to the TEC in Pretoria.

Gavin Duvenage reports Radio Pretoria management committee chairman Mocole van den Berg said the right-wing station would apply to the IBA for a permanent licence "if and when this body is ever established."

The station was taking legal action against the government and would continue broadcasting in the meantime.

Ciskei govt stalls on TEC

PRETORIA — Ciskei would not take its full place on the Transitional Executive Council unless it was "absolutely necessary," a Ciskei government spokesman said yesterday.

He added, however, that a form of "interim" membership could be negotiated for the territory.

Following news earlier this week that Ciskei leader Brig Gen Qunu had committed the territory to joining the TEC, the spokesman said Ciskei's involvement at this stage would extend only to the participation of its military in the proposed peacekeeping force.

Ciskei was still part of the South African Defence Force and was not required to join the TEC "on an interim basis" to secure civil service and security force jobs in the territory, which could otherwise be lost.

Matric failures examined

LACK of resources for black education, appalling relations between the Department of Education and Training (DET) and teachers, and the disruption of classes by boycotts were the main reasons for the poor black matriculation results, educators said yesterday.

National Education Co-ordinating Committee (NECC) assistant general secretary Sipho Cele said the 38.3% pass rate reflected the decades of "Bantu and apartheid education."

The "gross underresourcing dispensed to black education" was a major cause of the bad results.

SA Democratic Teachers' Union (Sadtu) general secretary Randall van Heever said the DET results had been poor for the past two decades.

The root cause was the "conflict-ridden relationship between the DET (as representative of the state) on the one hand and teachers and students on the other."

Sadtu, NECC and Congress of SA Students (Cosas) joint statement said they took exception to the DET absolving itself from blame, adding it would be wrong to blame teachers and students for trying to improve their situation, even though disruptions should be avoided.

The organisations said much change would come about in the education sphere this year.

Cosas and NECC member Siphiwe Safil reiterated the need to reopen vacant white schools.

The SA Democratic Students' Movement called on pupils and their organisations to distance themselves from political activities and concentrate on their studies in 1994. Sapa reports.

The National Education and Training Forum dedicated itself to ensuring this would be a better year for education.

At a Johannesburg news conference yesterday, forum chairman Franklin Sonoma described the DET's matric pass rate as a "tragedy for the whole country."

He highlighted positive steps taken to ensure a better year.

The CP said money allocated to black pupils was "wasted" with "every taxpayer's" rand being lost on DET students.

Promat Colleges executive director Larry Robertson said the 95% pass rate at his five matric colleges was proof that the potential of black students was enormous.

"Reconstruction of education" had to include having enough classrooms and properly qualified teachers, he said.
**Focus on Radio**

An embattled rebel radio station has become a leading torch-bearer for the rightwing, broadcasting hours of Afrikaner folk songs and calling on listeners to rally around the cause, a self-ruled Afrikaner state:

**South Africans used to be a happy, laughing people, all of us, including the blacks. But the black man has lost his laughter because of indoctrination.**

He said the station broadcast dangerous messages of racial incitement which were of deep concern.

But Armand said the main role of the station was to provide a voice for Christian values and Afrikaner culture.

“Afrikaans is the most beautiful language in the world,” she said, adding “I know everyone thinks his own language is the most beautiful.”

She said Radio Pretoria also provided an antidote to what she called the slanted news broadcasts provided by other media.

“South Africans used to be a happy, laughing people, all of us, including the blacks. But the black man has lost his laughter because of indoctrination.” — Sapa-Reuters
Radio Pretoria and the untouchables

The storm over Radio Pretoria's licence has nothing to do with freedom of expression — and everything to do with the end of white control over the airwaves, writes Michael Markovitz.

CONSERVATIVE Party leader Frits Hartzenburg and General Constable Viljoen of the Apartheid Volksfront this week called for the protection of freedom of speech and the "untouchable right" of Radio Pretoria to "state the case of Afrikaners".

Radio Pretoria — surrounded by heavily armed guards and barbed wire — has become a powerful rallying point for the Volksfront, and the subject of last-minute negotiations with the Ministry of Home Affairs.

The rightwing's sudden conversion to liberal principles comes less than a week before the Independent Broadcasting Authority Act ends 84 years of state control over the airwaves. On January 12, 1994, the power to grant broadcasting licences will move from the government to an IBA council.

Once appointed, the IBA council will become the most powerful and only independent broadcasting regulator on the African continent. The harsh spotlight of a sceptical South African public will move from the troubled minister of home affairs, Danie Schutte, to the seven IBA councilors.

Radio Pretoria's supporters, after threatening to use force if attempts were made to shut down the station, succeeded in pressing Schutte to extend its licence to January 10. This concession will certainly raise the ire of other broadcasters who have ceased broadcasts in compliance with their temporary licences.

Schutte's dilemma was painfully clear; he could no longer grant permanent broadcasting licences and he could not grant the station a temporary licence extending beyond January 11 — the day before the new law ends his control over broadcasting. At the same time, the minister could not be seen to be shutting down an "Afrikaner" radio station four months before the election.

The airwaves, like the beaches, are a limited public resource. Broadcasting frequencies, therefore, are not available for individuals or groups to appropriate to themselves. A licence entitles a right to use the frequency, it does not grant ownership of the frequency.

Censorship of the content of a licensed broadcaster is another matter and would be contrary to the right to freedom of expression. However, in order legally to enforce this right of expression on the airwaves, a person requires a valid broadcasting licence.

Contrary to what is said by Volksfront leaders, Afrikaners do have the "untouchable" right to state their case and culture. This right is guaranteed to all South African people in the Interim Bill of Rights.

But for Hartzenburg and Viljoen, freedom of speech means now — as it always did — the right to ignore democratic standards for the regulation of broadcasting.

During the era when these two leaders were under the National Party umbrella, no broadcasting licences were granted. There was no understanding, for instance, of the so-called "untouchable right" of Radio Freedom to "state the case of Africans".

In fact, the SABC was the only broadcaster in the country and the government pushed all the buttons Viljoen, in conducting the NF's "total strategy against the total onslaught", regarded Radio Freedom as a legitimate target in the war against the African National Congress.

Radio Pretoria, on the other hand, does not face a military threat to wipe it off the maps of Donkerhoek. The station could simply wait for the new IBA council to be constituted and apply for a renewable, four-year community radio licence.

It would win support for the application from the conservative Afrikaners-speaking community and the IBA would have no doubts about being impresses by the station's promotion of South African music.

In other words, there is no need for the Pretoria Beerekommando — which appears to be in charge of the station's security — to have a shoot-out with Telkom engineers and the police.

Of course, Radio Pretoria, like all applicants for broadcasting licences, will have to prove to the IBA that it is not controlled by a political party and that it will treat all political parties equitably during election periods. If these licence conditions are satisfied, there are no good reasons why a more patient Radio Pretoria will not be granted a community radio licence by the IBA.

The storm over Radio Pretoria's future, therefore, has nothing to do with media repression, nor is it a denial of Afrikaner-cultural expression.

Rather, the government's final concession to rightwing radio piracy and threats of violence symbolises the mess and somewhat emotional end to white control over the airwaves.

Michael Markovitz is a lawyer for Media and Broadcasting Consultants, Johannesburg.
Government backs off uppity ‘Radio Rightwing’

Rightwing Radio Pretoria may yet cause a crisis for the government, writes Jan Taljaard

ONCE little more than a quaint and uppity little broadcaster, the rightwing rebel station, Radio Pretoria, has become a monster that could yet cause blood to flow.

Granting yet another reprieve after its temporary licence expired this week, the government seemed to be shirking its responsibility for what may happen if the station is to be closed down by force.

A previous attempt to close it down by sending in the crack Task Force of the South African Police was scuttled when the Postmaster General decided against laying a formal complaint.

In a night of high drama on December 13 last year, it was the police who first refused to act on cabinet orders without the backing of an official complaint. As Post Office regulations had been transgressed, a request was put to the Postmaster General to lay a formal complaint.

Sources say the Postmaster General backed off when it became clear that rightwingers defending the station were awaiting an attack with almost death-defying fatalism.

Almost 2,000 members of the Pretoria Boerekommando Group (PBRG) under the command of former 32 Battalion operator, Commandant Willem Ratte, gathered at the station within an hour of broadcaster Anita Armand calling for them to mobilise.

- Setting down in trenches dug around the perimeter, they prayed and held hands while the music played by the station became increasingly sombre in tone.

- The general mood contrasted sharply with that of the ill-conceived occupation of Fort Schanskop a few days earlier. Not being sanctioned by the Volksfront leadership, the Schanskop occupation was doomed to fizzle out almost from the start.

- On the other hand, Radio Pretoria has had the AVF leadership’s backing from the start, with General Constand Viljoen delivering the inaugural speech on September 16 last year. The station has also become indirectly symbolic to the right, who view it as their sole public voice, a veritable island in the encroaching sea of the new South Africa.

In the end, all the government could do to save face was to grant another extension, on condition that the rebel station stick to the rules governing temporary broadcasters.

At the time, it was thought that the Independent Broadcasting Authority would be in place when the licence expired earlier this week, effectively thrusting the unwanted responsibility into its hands.

On Tuesday PBRG members once again readied themselves to counter a possible attack. This time it soon became clear that the government had no intention of acting, and the licence was again extended.

The temporary reprieves have nevertheless given the rightwingers the opportunity to strengthen their defences around the station.

All of those involved — ranging from those who are in charge of running the station to youngsters in the PBRG — are adamant that they will not allow the station to be closed down.

Barbed wire and new trenches being dug almost daily have witnessed to this determination. It is also rumoured that Ratte, who is still sought by the police, has returned to the station he helped set up, and is in charge of setting up the defences.

Radio Pretoria may now pose the first test of the TEC, which will be staging its first full session in Pretoria on the day the licence expires.
Government backs off uppity ‘Radio Rightwing’

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From next week, Radio Pretoria may pose the first test of the TEC, which will be ringing its first full session in Pretoria on the day the licence expires. See PAGE 13
Radio relies on court action for immunity

PRETORIA — Radio Pretoria’s management believes no steps will be taken to stop the station broadcasting until the court action to challenge the suspension of its temporary licence is heard.

The rightwing station’s management committee chairman Mosse van den Berg said yesterday no steps would be taken against Radio Pretoria until the legal process it had set in motion was completed.

An urgent application against Home Affairs Minister Dane Schutte and the Postmaster-General had been handed in at the Pretoria Supreme Court late on Tuesday.

In the application the radio station asked to be allowed to continue broadcasting. The minister and the Postmaster-General have filed a counter-application.

Mr Van den Berg said the applications were expected to be heard later this week or early next week.

Radio Pretoria has continued to broadcast in spite of the official ban.

The station’s commando security personnel have dug trenches and placed sandbags around the mobile home studio at Donkerhoek, near Pretoria, to ward off “attackers.”

Announcer Johannes van der Walt yesterday asked listeners to donate gas masks. He also requested the loan of a crane, which observers believe is needed to host four armoured guard boxes on to platforms — Sapa.
Compete fairly, SABC told

BY THABO LESHILO

The Competition Board has agreed that the SABC should refrain from unjustifiably discriminating against private firms in favour of its own production units.

The announcement yesterday follows complaints lodged a year ago by the SA Film and Television Institute (Safi), an organisation representing 70 companies and interest groups.

Film and television interest groups hailed the decision as a major boost to competition.

Safi chairman Carl Fischer immediately welcomed the decision.

"In 1990, independent film and television producers handled SABC contracts worth an annualised R106 million. In 1992, after the SABC formed its own business units (in 1990), the volume of these contracts fell to R97 million," said Fischer.

The SABC, he said, used to encourage the development of private production but had engaged in unfair competition since it underwent restructuring.

Competition Board chairman Pierre Brooks said the corporation should refrain from unjustifiable discrimination in favour of its own units which would be regarded as a restrictive practice.

An SABC spokesman said the corporation would comment today.
While some radio stations want patiently for legal licences, others open at will, critics say

Radio battle heats up

Growing demand for court to act against right-wing broadcasters.
Foreign experts to give SABC poll advice
Two more right-wing pirate stations on the air

TWO more right-wing radio stations have appeared in the past month, and they have not applied for broadcast licences. They face legal action similar to that in which Radio Pretoria is engaged.

Radio Affairs spokesman Nuël du Bois said yesterday that Radio Vryheid and Radio Kopjes had not applied for licences.

Sapa reports that the Afrikaner Volksfront's Meur Malan laid the foundation for Radio Vryheid outside Bloemfontein yesterday.

Radio Kopjes was set up in the Free State about a month ago.

Radio Vryheid says it will be received as far as Warrington in the northern Cape, Welkom in the northern Free State and Edenburg in the south of the province.

Radio Pretoria management committee chairman Magnus Vlanenberg said there were no direct links between the three stations.

Du Bois said transgressions of the Radio Act of 1952 would invite legal action by the Postmaster-General, who was responsible for administering the Act.

Sources said yesterday it was not true that government had ruled out force to close down the rebel stations.

Radio Pretoria had applied to the Supreme Court for an order preventing government from using force to close it down.

Sources said "force was still an option" but its use was unlikely.

Du Bois said government would deal with any other stations which broadcast without licences as cases arose.

Gavin Du Venage
ANC calls on Schutte to quit in radio row

Johannesburg — The African National Congress has called for the resignation of Home Affairs Minister Dame Schutte on the grounds that he is unable to stop rightwingers operating radio stations.

ANC Northern Orange Free State branch chairman Johannes Tladi condemned the establishment of Radio Koppie in his area.

Radio Koppies has been on the air for about a month. Radio Pretoria continued broadcasts this week in spite of the expiry of its temporary licence, and Radio Vryheid is being set up near Bloemfontein.

"Mr Schutte seemed unable or unwilling to deal with these stations," Mr Tladi said.

"He called on the Transitional Executive Council to establish the Independent Broadcasting Authority as soon as possible to control all broadcasting frequency bands without bias." — Sapa
BLOEMFONTEIN — The country's third right-wing radio station, which will probably be called Radio Freedom, is being established outside this city.

The Afrikaner Volksfront's Mr Manie Malan was supervising the laying of foundations for the radio masts yesterday.

This follows the inception of Radio Koppies, also in the Free State, about a month ago.

Radio Freedom will be received as far afield as Warrington in the northern Cape, Welkom in the northern Free State and Edenburg in the south of the province.

Meanwhile, Radio Pretoria continued to broadcast yesterday despite its broadcast licence expiring earlier this week.

The government rejected the station's application to have its licence extended.

Radio Pretoria management committee chairman the Rev Mossie van den Berg denied reports that the station was broadcasting from a second transmitter on the West Rand.

He said there were no direct links between the three stations.

— Sapa
Voice from the laager won’t be silenced

THE Voice of the Boer will not be silenced. Rising from what its followers see as the ashes of Afrikanerdom, Radio Pretoria has thumbed its nose at the Government by broadcasting illegally from behind barbed-wire barricades.

Fierce patriotism fuels their piracy and woe betide anyone who tramples on their dream. Strike the Voice and you strike the Volk. And that goes especially for Home Affairs Minister Dane Schutte, whose threat of possible violent intervention has been met with a defiant “Make our day, Dane”.

The Boers have made a plan. The listeners’ laager is armed and ready for action. Seemingly unfazed by the furore surrounding the station, programme director and broadcaster Johan van der Walt tucks into a leisurely plate of cornflakes and hot milk. Clad in khaki shorts and a blue shirt matching eyes perilously close to the blow-torch variety, he speaks perfect English even through a mouthful of cereal.

Winner of two Artes awards for broadcasting in the 1980s, Van der Walt is one of six former SABC announcers who joined the Voice of the Boer, formed in September last year when it became apparent to right-wing Afrikaners that their culture was being sidelined by the SABC.

“Our news and views were being ridiculed,” says Van der Walt. “Afrikaners music was totally misunderstood. To add insult to injury, SABC radio then practically burnt boermusik.

And, as Van der Walt points out, there’s nothing like a bit of the old Sannie Marais first thing in the morning to rev up a Boer’s engine for the day.

Vetkoek recipes

The Voice had spoken. And the people rejoiced, snuggling into their familiar old comfort zones of religon, vetkoek recipes, political rhetoric and music to sakkie-sakkie to All on FM stereo 102.5, just to the right of the Afrikaans programme.

“Of course we play all kinds of music,” says Van der Walt. “Everything from classical to catchy tunes from Abba. But the focus is on Afrikaans and boermusik, which is as it should be.

“Religion is also a pillar of the station and chat shows. We often invite celebrities like Oom Jaap Marais, Gays Derby-Lewis and General Constant Viljoen into our studios to speak to the people.

“We have our own news team who compile and interpret the news for our daily broadcasts. We are breaking even with advertising. In fact, the station is one happy, extended family. People phone and visit all the time. They bring fruit, biltong and moral support. Recently we’ve had international TV crews all over the place. It’s been like a madhouse.

The fact that the radio station now operates illegally, since its licence expired on Monday, doesn’t faze Van der Walt in the slightest. “We don’t believe in the TEC so we are certainly not going to bow down to pressure from them or the Government.

“There’s no way we will close down. Far too much is at stake. If we close down, we let our people down. That radio station is their morale booster. There’s no way we will betray the Boer, as some of the Afrikaners have done. It’s a matter of principle and we have our pride.

Ag come on Dane, why don’t you just give them their donderse licence?”
ANC bid for stake in SA's TV industry

MANDY JEAN WOODS
Weekend Argus Correspondent

THEBE Investments, the African National Congress's investment company, is investigating options for becoming a player in the television broadcasting industry.

Thebe, through its wholly-owned subsidiary Sports Afrique Investments (SAI), has opened discussions with a recently established television company, VideoSat, about the possibility of becoming a shareholder in the company.

VideoSat holds the licence to broadcast the CNN International 24-hour subscription service as well as programming in South Africa from an American channel, Black Entertainment Television (BET).

In a statement yesterday, SAI chairman Moss Mashshai said he could confirm SAI had been "exploring and evaluating" the possibility of entering the electronic media industry.

However, he added, "any speculation about the form of the involvement of Thebe or SAI in this industry is merely conjecture," he said.

SAI last month announced it had acquired an 18 percent stake in the gambling and lottery management company called Games Africa.
State may be billed for TV education

The SABC might start charging the state for broadcasting education programmes, SABC board head Ivy Masetse-Casaburn has said.

She told a Stellenbosch conference on the effects of transition on education yesterday the SABC had a major role to play in this field.

However, the corporation should be viewed as a resource and not a solution to all the country's education problems.

The SABC was in the business of broadcasting and its key role was not in education, it might be time to ask the state to contribute to the cost of producing education programmes, Dr Masetse-Casaburn said.

The fact that the corporation now earned 75 percent of its income from advertising meant it was not at the disposal of the state. However, it was still expected to perform the role of a public broadcaster.

"Whose tune is it going to dance to? I'm not sure," she said.

Asked if there could be a channel dedicated solely to education, she said this would only be decided once the corporation's available resources had been determined.

The SABC's limited contribution in the way of education programmes gave an idea of its potential in this area.

Cosatu had used radio programmes for the education of its workers and shop-floor stewards. Teleschool, broadcast on TV1 and CCV-TV, was another example.

This was a limited service, given the SABC's vast infrastructure and in relation to its resources.

The SABC was troubled by a crisis of legitimacy, especially in the area of black education, so the social benefit of this service remained limited.

But this legitimacy crisis had a positive aspect, Dr Masetse-Casaburn argued.

It meant South Africans would not unquestionably accept that the electronic media, and the SABC in particular, was the answer to South Africa's education prayers.

Court bid to stop Radio

Thousand like leave

LSD 'look see and decide'

Keith Ross
Weekend Argus Correspondent

Thousands of South Africans—many of them young professionals—have travelled overseas in recent months on "look-and-see" trips before deciding whether to emigrate.

Many are clearly considering new homes overseas because of the uncertainty facing this country, or travel agents here; "They are going on what I call LSD trips—look, see and decide trips," said Renne Travel managing director Lilian Boyle. "It is very sad, but I believe a lot of them will not return. Others have obviously already made up their minds to emigrate."

"I spoke to a representative of an overseas airline recently and he was astounded by the number of one-way tickets to New Zealand he had sold this year."

"New Zealand is one of the most popular countries at the moment. They seem to be employing certain categories of professionals.

"Other young people are going to Canada, Australia or the United Kingdom. And a lot of Portuguese nationals are going back to Europe."

Mrs Boyle believed thousands of South Africans had emigrated or gone on "LSD" trips overseas in recent months. "And probably quite a few more will still go. Some will, of course, be back. They will find that the grass is not really greener over there."

Her views were cautiously supported by the managing director of Nedtravel, Gordon Young. "There were more departures from South Africa last year than ever before. It is estimated that last year's departures were up by 20-25 percent on 1992."

"And 1992 was well up on the previous year. In the last two years there has been tremendous growth in travel out of South Africa," he said.

Mr Young was reluctant to link much of this travel to emigration; "But my gut feeling says a substantial number of people have gone."

"After talking to various consulates it does seem that there has been quite a rise in numbers leaving the country ahead of the elections."

Another managing director, John Bento of Wilson Collins, said his company dealt largely with business travel and had not noticed a marked increase in overseas bookings. "We have had some requests from people wanting to be out of the country at the time of the elections, from about
TV education channel likely

THE SABC was considering a single channel devoted entirely to education and financed partly from a future national education budget, SABC chairman Dr Ivy Masepe-Casaburri said in Stellenbosch yesterday.

Addressing the Education Association of SA annual convention, Dr Masepe-Casaburri said the SABC's lack of legitimacy had curtailed its educative role but "the potential benefit of this service when reconceptualised and reconstructed could be great."

Dr Masepe-Casaburri is also the executive director of the Education Development Trust.

South Africa's public broadcasting corporation was a global anomaly as it had done "just about all the state wanted", although not dependent on government finance, she said.

The education crisis was a legacy of apartheid-structured education and mismanagement and to fulfill its educative potential the SABC would have to ask if it could now charge the state for some educational programmes.

Dr Masepe-Casaburri said televised programmes that involved educators and pupils could cause a fundamental shift in the way pupils were taught in the classroom.

This would be a positive contribution in a country where teaching was "in such a sorry state."

The SABC also had a role to play in promoting "bush radio" by extending its technical knowledge to these emerging stations and by sharing public interest programmes and news items.

The SABC would also begin to reflect the multi-cultural diversity of the country.

"What really should be coming out of the SABC, however, should be what South Africans want and not what the SABC board or its directors want," she said.

If South Africans wanted foreign and American productions then it would be a challenge to the SABC to produce good local programmes that reflected South Africanism and the emerging democratic value system.
ESKOM and the Manpower Department have devised a mechanism to reduce the cost of property owners’ electrical installation inspection bills, estimated at R80m.

Property owners were burdened with the financing of inspections made on electrical installations when changes to the Machine and Occupation Safety Act were implemented on January 1.

The legislation meant that owners would have to apply for certificates of compliance for any alterations to electrical installations, or to change ownership.

The deal struck by Eskom and the Manpower Department will mainly affect new home owners in the lower- and middle-class housing market.

Eskom electrification senior GM Ray Dabengwa said the department had ruled that a readyboard would be allowed to meet the standards of the legislation.

"We held extensive discussions with the Manpower Department when the Machine and Occupation Safety Act was being reviewed late last year.

"A readyboard has earth leakage protection and circuit breakers. Buyers will not have to pay the cost of an additional electrical inspection as the board already meets the requirements for a certificate of compliance."

Property owners with standard electrical wiring systems will, however, still have to shoulder the cost of ensuring it meets specific standards in order to acquire a certificate.

Institute of Estate Agents vice-president Willie Marais said the inspection procedure was open to abuse.

Department questionnaires were vague and underemployed electricians could use them to undertake unwarranted work.

He said there was a danger that the department was overregulating the procedure, and the costs should be on the buyer to determine whether he wanted to acquire the premises with the existing wiring.
Right-wing stations defiant

CONSTRUCTION and fortification of right-wing radio stations continues apace; at the weekend despite legal action by Postmaster-General Ters Oosthuizen, who has applied to the Supreme Court in Pretoria for an order banning further transmissions.

Radio Pretoria is still broadcasting, as is Radio Koppies in the Free State.

Radio Koppies has been on the air for about a month, and a third station, Radio Vryheid, is being established near Bloemfontein. None of the three has a licence.

Other independent stations were forced off the air after Home Affairs Minister Danie Schutte refused to renew or grant temporary licences pending the establishment of the Independent Broadcasting Authority by the Transvaal Executive Council (TEC), 1-111974.

However, the TEC has yet to set up the authority and is still receiving nominations for its membership.

Radio Pretoria has taken on a symbolic significance for right-wingers, who are continuing to improve its fortifications.

The broadcast centre is surrounded by barbed wire, trenches and towers, and armed men patrol the area.

Oosthuizen said it was a wrong perception that the airwaves could be freely used until the authority was established.

He confirmed he had asked the Supreme Court to place a ban on further transmissions by Radio Pretoria.

Gavin du Venage

He said the Radio Act of 1952 was still in effect, and that people wanting a licence had to apply to Home Affairs.

Oosthuizen added that the Act also provided for the seizure of unlicensed equipment and said steps could be taken to impound equipment.

Last week Radio Pretoria Committee chairman Mosse van den Berg said the station would apply to the broadcasting authority for a permanent licence "if and when this body is ever established".

Meanwhile, the ANC has called for Schutte to resign over his handling of the issue. Sapa reports that ANC Northern Free State branch chairman Johannes Tielidt condemned the establishment of Radio Koppies in his area. He said Schutte was unwilling or unable to take action against the rebel stations.

Schutte dismissed the call for his resignation as ridiculous.

The DP on Saturday castigated the government's response to the "deliberate" right-wing campaign to continue illegal radio broadcasts.

Right-wing broadcasters had demonstrated they had no respect for the law, DP media spokesman Peter Soolsch charged.

If the courts ruled against right-wing broadcasters he had no doubt they would proceed with their "acts of defiance".
Screening of ANC history
SABC hears complaint today

Political Correspondent

The Broadcasting Complaints Commission of South Africa is to hear a formal complaint today by the National Party over the SABC’s screening of a five-part history of the ANC, ‘Ushbahabe LIngisani — Hold Up The Sun’.

The NP’s complaint is that the screening of the programme unfairly favours the ANC in the run-up to the April 27 election.

Two of the five instalments of the programme have already been aired on TV1.

The Democratic Party has also objected to the programme.

Today’s hearing in Johannesburg is being headed by the chairman of the commission, Professor Robus van Roonen.

Both the SABC and the NP were expected to be represented.
Struggle film bought, says SABC

The SABC was not given free use of the documentary on the history of the struggle against apartheid, but paid market-related rates for the programme, according to television head Quentin Green in the Star on Monday.

He was giving evidence at the hearing of the Broadcasting Complaints Commission of SA. He had lodged a complaint against the screening of the programme, claiming it gave the ANC an unfair advantage just before the election.

Green denied allegations by the NP that the SABC had been given free use of the five-part series, "Ubtunge - Utophuzo" (Holding up the Sun). The SABC had paid market-related rates.

Green refused to say what the SABC paid, but it is understood it was sold for close to R100 000.

--- Staff Reporter.
Johannesburg

The TEC has approved appointments to the special electoral court and to the independent media commission.

The court will hear appeals from political parties, groups or individuals concerning TEC decisions.

Mr Justice Iqbal Mahomed of the Transvaal and advocate Mr Jan Hendrikse of the Cape Bar were appointed by the TEC while Judges W. Smalberger, J. M. Du Toit and P. J. van der Walt were appointed by the President of the court.

The Independent Media Commission will be chaired by Judge M. Trefげe and comprised of Ntumele Manen, Raymond Louw, Willem de Klerk, Jenny Malan, Zimbeida Jaffer and Lubby Lloyd.

A technical advisory committee was also established yesterday.
R850m to be spent on electrification drive

AS PART of its drive to bring electricity to 980 000 homes by 1998, Eskom is planning to spend R850m on a total of 259 000 new connections during 1994.

In 1993 the corporation spent R384,4m on more than 294 600 connections.

An Eskom spokesman said the added cost for 1994 came from the fact that the problem of electrifying rural areas was now being addressed.

"In the urban areas where we have been operating we had the infrastructure to operate. However, in these areas we have just about reached saturation point.

"In the rural areas there is a distribution infrastructure to be completed which adds to the cost."

The average cost per connection in 1993 was R2 790 while this year the cost would escalate to R3 400 per connection, he said.

National Electrification Forum secretary Johan du Plessis said the forum was aware of Eskom’s plans but “they do not go far enough in addressing the needs of the majority of the people.

"Priority must be given to the establishment of a national electrification fund to obtain, allocate and co-ordinate funds for electrification."

What was also needed, he added, was a national regulator in order to achieve the regulation of the electricity supply industry on a national basis. “Other resources must be obtained and this can only be done in collaboration with local authorities.”

Since the start of its electrification drive in 1991 Eskom has spent more than R8bn on more than 500 000 connections.

Yesterday Eskom said these included 365 355 direct connections in townships (informal settlements included), as well as 28 773 completed by farmers (farm workers’ houses) and 52 578 installed by municipalities for which Eskom had paid an incentive of R400 a connection.

“The incentive to farmers and municipalities is to speed up the electrification process,” it said.

In the past year it had made more than 288 000 direct connections in townships, informal settlements and self-governing territories where it had access compared with the planned 158 100.

Farm workers’ houses accounted for more than 16 000 extra connections against a planned 11 700.

“Distribution in Eskom has been decentralised to five distributors — Cape Town (covering the western, eastern and southern Cape), Durban ( Natal), Johannesburg (Pretoria), Pretoria (covering northeastern, northwestern and eastern Transvaal), and Bloemfontein (covering the Free State, western Transvaal and northern Cape).”

“Total direct connections for the 1991/92 period per distributor (not including those done by farmers and municipalities) were Bloemfontein 70 704, Cape Town 41 020, Durban 100 855, Johannesburg 76 691 and Pretoria 95 988.”

MICK COLLINS
Complaint about ANC TV series rejected

THE week-old Broadcasting Complaints Commission has rejected the NP's complaint that the SABC's Hold up the Sun series on the ANC's history would give the organisation an electoral advantage.

The commission concluded that although the series was one-sided in some respects, the SABC had formerly given only a white view of SA history so the programme merely rectified the balance.

The NP and DP criticised the decision, which they said cast doubt on the commission's ability to guarantee political balance in programming.

"Two wrongs don't make a right," DP media spokesman Peter Soal said.

NP information director Mariasmus van Schalkwyk said: "To use past bias to excuse present bias is hard to understand."

The commission found that the programme's bias, with commentary mainly by ANC leaders, corrected the SABC's past white perspective. "In this broader context, the programmes were not unfair to the NP," it noted. The SABC's offer to screen a discussion on issues raised by the series. Once an election was declared, stricter rules on equal opportunity and reasonable access could be applied.

The ANC's Carl Niehaus welcomed the decision as a "corrective" process.

Soal said the SABC was increasingly partial to the ANC and called for the resignation of SABC board chairman Ivy Matebele-Masese-Casaburri. She and senior ANC people nominated as election candidates should resign from the SABC or reject their ANC nominations.

Matebele-Masese-Casaburri was not available for comment yesterday.
Using radio as a teaching tool

By Bongani Mavuso

The Open Learning Systems Education Trust has launched its radio learning project at several primary schools throughout the country. Olsat is an independent, nonprofit and non-governmental organisation which specialises in the application and uses of technology to address educational needs in South Africa.

Olsat chairman Mr David Masepa says the purpose of the project is to improve the quality of basic education in South Africa in a cost-effective manner through educational radio.

The project is aimed at all standard A and B pupils. The pupils are taught English through the use of half-hour radio programmes, integrated workbooks and colourful wall charts and posters.

The teachers explore the new language teaching methods as they lead the radio classes supported by comprehensive teacher's notes, in-service audio programmes and additional written material.

The current educational system, Masepa adds, cannot cope with the demands and expectations of providing equal education for all.

"Continued research clearly points the way towards the use of radio as a cost-effective and supplementary education tool and as a result, becomes the major thrust of the Olsat initiative."

He says through preliminary research and consultation across a wide spectrum of educational organisations, communities, development and non-governmental organisations, the need for an effective technology medium that could provide basic education and information to all people of South Africa became "glaringly apparent."

Principals of schools participating in the project will be involved in orientation sessions and help to evaluate the project as part of an extensive programme of formative evaluation, which is designed to include teacher support groups. Further information can be obtained from Olsat at (011) 339-6818.
TEC delays freezing airwaves and the bureaucrats

Battle of the broadcasters

Once the airwaves are opened, radio stations will boom out new voices.

Radio Pretoria

Schapiro

won't replay

TROUPE ACTIVITY: Pretoria has been the scene of a series of protests and demonstrations against the government's policies.

Photograph: Steve Hilton, African News Agency

It would have served a much better purpose if we had been able to do the coordination thing at the beginning of the process. We had trouble getting the whole process going. We had a lot of trouble getting the whole process started. It became clear that we would not be able to do what we wanted to do because of the way things were set up.

The protests were a response to the government's actions. They were a response to the announcement of the new policy, which was met with widespread criticism.

Gang leaders in this country are not popular. They have been a cause for concern for some time now. Their actions have been seen as a threat to the stability of the country.

The government has been accused of being soft on crime. Many people believe that it is not doing enough to tackle the problem.
ANC-biased programme will go on
NP: More TV propaganda

Staff Reporter

THE National Party has lodged its second complaint this month against the SABC for their intention to show Stories from the Island, a talk-show programme with former Robben Island prisoners.

The NP feels the programme unfairly favours the ANC in the run-up to the April 27 election and has appealed to the Broadcasting Complaints Commission of South Africa.

"It's propaganda. They are giving the ANC too much prime time," said Mr Quintus Kibbourn, media official for the NP.
PRETORIA. - Argument began in the Pretoria Supreme Court today in the matter between the Afrikaner Kultuurbond, the Minister of Home Affairs and the Postmaster-General in which the Kultuurbond is challenging the minister's interference in the rightwing radio station, Radio Pretoria.

Lawyers representing the three parties presented their arguments before the Judge President of the Transvaal, Mr Justice C F Eloff.

The Kultuurbond is challenging the Minister's interference pending the implementation of the Independent Broadcasting Authority, or a court order for a broadcasting licence.

The Rev Mosse van den Berg, the Kultuurbond's chairman, said Radio Pretoria had contractual obligations. It was unreasonable to allow a radio station to transmit for a few days and then close it down for a few days.

Home Affairs Minister Dane Schutte said he had no intention of granting a further temporary licence to Radio Pretoria.

Postmaster-General Ters Coetshuizen applied for an order to declare the station's transmissions unlawful and to allow his officials entry to the premises to seal its transmitters.
DP calls for ‘fearless’ watch

Political Staff

The appointment of the Independent Media Commission (IMC) was welcome because the SABC was becoming a tool of the ANC, the Democratic Party’s media spokesman, Mr Peter Soal, said yesterday.

He said SABC broadcasts of an ANC “propaganda” film on Sundays continued “in spite of many protests”, and asked whether the SABC would broadcast similar programmes explaining the history of other parties.

For many years the SABC was controlled by the NP and the DP complained about the lack of political impartiality.

“It would appear the party apparatchiks at the corporation have simply switched allegiance from the NP to the ANC and happily continue their activities serving their new masters,” Mr Soal said in a statement.

He urged the IMC to play its watchdog role fearlessly and without bias.

The chairperson of the SABC board was a member of the ANC and she should resign from the board or from the ANC, Mr Soal said.
ANC won't interfere with SABC — Jordan

BY KAIZER NYATUMBA
POLITICAL CORRESPONDENT

The ANC has given SABC personnel a categorical assurance that an ANC-led government would not interfere with the affairs of the corporation.

Speaking at a "people's forum" arranged by SABC employees, ANC information and publicity chief Dr Paul Jordan denied allegations that the SABC — long described as a lackey of the NP — was now an ANC propaganda organ.

The ANC, he said, cherished freedom of the press and would not seek to turn the corporation into its own mouthpiece.

Jordan, former Cosatu general secretary Jay Naidoo, ANC national executive committee member Joel Netshitenzhe and Cosatu's Nell Coleman accompanied ANC president Nelson Mandela to the meeting.

The SABC management came in for a heavy roasting from black staffers, some of whom called for the replacement of people they described as "racists and fascists."

Imbalances

Deep-seated resentment poured out, with most of the questioners expecting the ANC to come out clearly in support of their cause.

Questions posed to the SABC included the ANC's view on affirmative action to the SABC's funding.

Mandela said the gross racial imbalances at the SABC — 96 percent of management were white — would not be tolerated and would have to change through rapid affirmative action.

He urged blacks to remain at the SABC and "fight with us."

Mandela said he had accepted President de Klerk's invitation to a TV debate but had warned him that one of them would be bruised, and it would not be himself.

Mandela also told his audience that de Klerk's interference with the appointment of the new SABC Board was the reason he had publicly snubbed him during their July visit to the United States last year.

Netshitenzhe said the ANC was opposed to the privatisation of any part of a public resource such as the SABC.

He said funding for the SABC was being discussed. Ways being considered included an increase on TV licence fees, an electricity levy, a Government subsidy, the establishment of commercial stations and channels within the corporation to pay for the SABC, and a levy on private stations to finance public broadcasting.
Radio Pta defies court's gag order

Renegade right-wing radio station Radio Pretoria defied a court order prohibiting it from broadcasting and went on the air as scheduled at 6 am today.

Mr Justice F C Eloff, Judge President of the Transvaal, ruled in the Pretoria Supreme Court yesterday that the station's broadcasts were illegal.

The judge also dismissed an application by the Afrikaner Kulturbond (AKB) to prohibit Home Affairs Minister Danie Schutte and Postmaster-General Tors Oosthuizen from interfering with the station.

The Postmaster-General applied for, and was granted, an order declaring the station's transmissions unlawful, and allowing his officials to enter the premises to seal its transmitters.

A large crowd of supporters gathered at the station's Donkerhoek site last night and early today. The site was heavily guarded and reporters were not allowed on to the premises.
SABC halts screening of ‘ANC’ series

BY MICHAEL SPARKS

The sun has set on Ulilwanhe Lwanga (Hold up the Sun), the controversial television documentary on the liberation struggle — after Sunday the SABC will not show any more episodes until after the April election.

The decision was announced on Wednesday evening, just hours after the Broadcasting Complaints Commission of SA (BCCSA) had rejected a National Party complaint that the series was biased in favour of the ANC.

The NP had argued that the series should not be broadcast when political parties were gearing up for the April election.

TV1 general manager Brenda Koornneef yesterday said that the executive committee of the board decided that the final two episodes of the five-part series would be held back.

The NP welcomed the decision, saying it amounted to an SABC admission that the corporation was giving preferential treatment to the ANC.

According to the Competition Board, the SABC should stop discriminating against independent producers in favour of its in-house units. The decision came after complaints by the SA Film and Television Institute.
Radio Pretoria ready to defy court order

PRETORIA — The Transvaal Supreme Court yesterday ruled that Radio Pretoria's illegal broadcasts had to stop.

Judge President C E Eloff said the Kulturbond-controlled radio station had "tauntingly" continued its activities despite the fact that its temporary licence expired on January 10. (240)

He ordered the Kulturbond to allow Post Office officials to seal broadcasting equipment on its heavily guarded Donkerhoek premises. It was understood that the court order would be delivered to the station today. If it was ignored, police could be ordered to shut down operations.

The court heard that Home Affairs Minister Danie Schutte had refused to grant the station another permit after a temporary broadcasting licence expired.

The judge rejected the Kulturbond's application to allow the station to continue operating pending the establishment of the Independent Broadcast Authority.

The Kulturbond, represented by R K Zees SC, argued that an agreement with the Minister allowed it to broadcast pending new regulations. Eloff rejected this, saying the temporary licence granted on January 4 had covered a limited period.

Eloff found that Radio Pretoria was contravening the Broadcasting Act and, contrary to the Minister's guidelines, broadcasting party political material. It was unlikely to succeed in a revision application against the Minister's ruling.

He granted the postmaster-general's counter-application declaring Radio Pretoria's operations unlawful and ordered the Kulturbond to pay costs.

Radio Pretoria

Saps reports that defiant Radio Pretoria supporters vowed to continue broadcasting. A large crowd gathered at Donkerhoek after the judgment and promised to resist any attempts to close the station. (260)

Station management committee chairman Cees van den Berg said Radio Pretoria would appeal against the ruling.

CP spokesman Piet Mulder said Radio Pretoria listeners and the "volk" would decide on the station's future. Government's decision not to renew the licence was foolish, short-sighted and would increase frustration and resistance.

CP leader Ferd Hartzenberg said the democratic principle of freedom of speech would not be served by taking the station off the air. The situation should be defused to prevent "incurable consequences".
Youngsters expect war during elections, poll finds

CAPE TOWN — More than two-thirds of SA's white and black young people aged between 16 and 25 believe political violence will degenerate into outright civil war during the April elections, a new poll has found.

A Markinor survey commissioned by Reader's Digest polled 300 black and 200 white young people in major metropolitan areas in August on issues such as politics, security, education, morality and the economy.

It found that although blacks and whites were polarised on politics and security, more than 90% of whites and 67% of blacks expected violence to increase in the short term.

Four-fifths of black people and 23% of whites distrusted the police. Of those aged 18 to 25, 59% of whites and 86% of blacks planned to vote in the elections — a voting bloc representing one-sixth of all votes.

The poll indicated a major difference in support for political parties. The ANC drew support from 67% of blacks and 1% of whites, while the NP drew support from 31% of whites and 1% of blacks.

One percent of blacks and 11% of whites would vote for the Inkatha Freedom Party while 8% of blacks and 0.4% of whites would vote for the PAC. The CP attracted no black votes, but was supported by 20% of whites.

The SAPPF attracted 1% support from blacks and none from whites. Azapo attracted 0.4% support from blacks and no white votes. Eight percent of blacks and 18% of whites did not know what party to support.

The majority trusted the church as an institution over politicians and all other institutions.

The poll showed that over two-thirds of economically active blacks and just under one-fifth of whites were unemployed.

On education, 55% of whites and 48% of blacks had confidence in the current education system, but 85% of blacks and 73% of whites felt schools provided no future direction.

The most popular issue faced by blacks was unemployment, while 60% of whites found the overall quality of education to be a greater concern.

More than 80% overall wanted more vocational training, while 60% of whites and 81% of blacks wanted greater subject choice.

The greatest agreement was found on inequality issues, with 90% of whites and 90% of blacks taking a tough stand on hard drugs, while 73% of whites and 67% of blacks were against the use of dagga.

The majority was against abortion, but would prefer not to have a child out of wedlock, yet nearly two-thirds saw nothing wrong with unmarried couples living together.

Only 1% believed that fighting AIDS should be the aim of the new government over the next five years.

Young whites had more faith in big business being able to resuscitate the economy than blacks — 75% as opposed to 60%.

Both groups supported the need for a growing market economy, while 87% of blacks and 89% of whites felt South Africans would have to work harder and become more productive to compete on a global scale.

SABC postpones full screening of ANC's history

THE SABC will not screen the final two episodes of the ANC documentary Hold Up the Sun before the election, says the corporation.

The announcement came a day after the Broadcasting Complaints Commission had rejected the NP's complaint that screening the series on the ANC's history would give the organisation an electoral advantage.

The SABC said the decision not to screen the final two episodes "applied to the 60 days preceding the April 27 election". However, the third programme in the five-part documentary would be screened this Sunday, it said.

TVI GM Brenda Koornmees said the decision had been taken by the SABC board in "consideration of a completely fair balance between all political parties".

"The decision to withdraw the series was taken despite very positive findings by the Broadcasting Complaints Commission which confirmed our view that this is a historical documentary programme depicting the full black liberation struggle and an important contribution to the levelling of the playing field."

She said the commission had accepted TVI's intention to broadcast a panel discussion programme to allow different views to be expressed about Hold Up the Sun after the final episode was screened.

TVI would rescreen all five episodes after the election, she said.

The NP said the fact that the SABC board had backed down on the programme showed it was giving preferential treatment to the ANC.
Illegal Radio Pretoria ‘defiant’

PRETORIA — Defiant Radio Pretoria supporters yesterday vowed to continue broadcasting in spite of a Supreme Court ruling forbidding the station from further transmissions.

A large crowd at the station’s Donkerhoek site near here also promised to resist any attempts to close the station.

An appeal would be lodged against yesterday’s court ruling, Radio Pretoria management committee chairman the Rev Moses van den Berg said.

‘Highly irresponsible’

Conservative Party leader Dr Perde Hartzenberg told supporters the democratic principle of freedom of speech would not be served by taking the station off the air. He described the decision to close the station as highly irresponsible.

‘In his judgment, Transvaal Judge President Mr Justice C F Eloff said an organisation such as the Afrikaner Kultuurbond which defiantly contended to act unlawfully could hardly expect the court’s assistance and he declared broadcasts by Radio Pretoria to be illegal.

He dismissed the Kultuurbond’s application to be allowed to continue broadcasting pending the implementation of the Independent Broadcasting Act, and granted a counter-application to Postmaster-General Mr Ters Oosthuizen restraining the Kultuurbond from continuing its broadcasts.

The Afrikaner-Volksfront later yesterday voiced its disappointment at the court’s decision, saying the government’s efforts to silence the station were unacceptable — Sapa
Johannesburg — The SABC yesterday announced it will not screen the last two episodes of the African National Congress documentary Hold up the Sun.

It said the decision applied to the 90 days preceding the April 27 election. The third episode of the five-part documentary would, however, be screened on January 23.

TV1 general manager Mrs Brenda Koornneef said in a statement the decision had been taken by the SABC board “in consideration of a completely fair balance between all political parties during the run-up to the elections”.

“The decision to withdraw the series was taken despite very positive findings by the Broadcasting Complaints Commission of South Africa which confirmed our view that this is an historical documentary programme depicting the full black liberation struggle,” Mrs Koornneef said.

Mrs Koornneef said TV1 would rescreen all five episodes after the election and would keep viewers informed of the dates.

TV1 also officially denied media speculation that it was about to screen a programme series that would benefit the ANC in the election run-up.

Newly appointed Independent Media Commission member Mr Rajmond Louw said yesterday the documentary would not have a great impact on the elections.

Meanwhile Democratic Party media spokesman Mr Peter Seel welcomed the appointment of the Independent Media Commission because the SABC was becoming a “tool in the hands of the ANC.”
Radio Pretoria to defy ban by Supreme Court

PRETORIA - A defiant Radio Pretoria will continue broadcasting and supporters vowed to resist any attempt to close it in spite of a Supreme Court ruling that it should go off the air.

"At the radio's heavily guarded site yesterday a large crowd mandated its management to continue transmission."

Radio Pretoria management committee chairman Mossie van der Berg called for more supporters to guard the station should security forces attempt to seal the transmitter.

Conservative Party leader and Afrikaner Volksfront chairman Gerdi Hartzenberg warned Minister of Home Affairs Dane Schutte, who is responsible for broadcasting, to defuse the situation to prevent "incalculable consequences."

An appeal would be lodged against the court ruling, Mr Van den Berg said. — Sapa
ANC pledge to SABC: No interference

Political Staff

JOHANNESBURG — The ANC has given SABC staff a firm assurance that an ANC-led government would not interfere with corporation affairs.

At a "People's Forum" arranged by concerned SABC employees, ANC information and publicity chief Pallo Jordan strongly denied allegations that the corporation — long described as a lackey of the National Party — was now an ANC propaganda organ.

He said the ANC cherished freedom of the Press and would not seek to turn the corporation into its own mouthpiece.

Actually, the ANC has no voice in the affairs of the SABC. Statement the ANC seeks no voice in the affairs of the SABC. Promise, the ANC in government will not interfere in the affairs of the SABC," Dr Jordan said.

The ANC was opposed to the privatisation of the SABC, he added.
Move to speed up broadcast body

PROSPECTIVE radio broadcasters and the ANC have established a pressure group to speed up implementation of the Independent Broadcasting Authority, which is to 'allocate private broadcasting licences.

The Interim Broadcasting Committee (IBC), established yesterday, consists of more than 40 would-be broadcasters. In a statement, the IBC called for the immediate granting of "development" broadcast licences. — Sapa
Broadcasting pressure on

Johannesburg — Prospective radio broadcasters and the African National Congress have established a pressure group to speed up the implementation of the Independent Broadcasting Authority (IBA), which is to allocate private broadcasting licences.

The Interim Broadcasting Committee (IBC) was established yesterday at a meeting between the ANC's Department of Arts and Culture and the SA Local Broadcasters' Association (Salba) — which consists of more than 40 would-be broadcasters.

The IBC called for the immediate granting of "development" broadcast licences.

Of particular concern was that the granting of licences was being delayed at a time when voter education should receive the widest possible airing, the IBC said.

— Sapa
form new radio broadcasters group
would-be broadcasters ANC
FW wants rightwing broadcasts silenced

Pretoria. — Radio Pretoria's days on the airwaves appear to be numbered with President de Klerk calling for action.

The station could not be allowed to continue broadcasting illegally and the government was poised to take firm steps against it, Mr de Klerk said yesterday.

Mr de Klerk, on a three-day campaign tour of the Western Transvaal, was last night awaiting a "detailed action plan" on steps to be taken against the rebel radio station.

He said the government was "duty bound" to act against Radio Pretoria.

"Some time tonight I want a report-back, a detailed action plan to be cleared by me tonight," Mr de Klerk said late yesterday.

Postmaster-General Ters Oosthuizen said last night a plan of action has been drawn up.

He said that technicians visited the radio station yesterday.

Meanwhile, Chris Conradie of Radio Pretoria confirmed that technicians visited the station at about 3.30 pm yesterday but it was decided they would not risk sealing the transmitter without having a manual and the necessary know-how.

See page 14
Calling for the concretion of the Broadcasting Policy in SABC's 2022 Strategic Plan. The Broadcasting Policy should be a key component of the SABC's strategic plan. It should focus on the provision of content that is balanced, fair, and promotes diversity. It should also address the issue of access to information, ensuring that all South Africans have equal access to the media. The policy should also address the issue of funding, ensuring that the SABC is adequately funded to deliver high-quality broadcasting services.
She makes waves for the Boers

TO rightwing Afrikaners, Aneta Armand is empress of the airwaves. The honey-toned voice may sound a little hoarse, but Aneta injects hope into the lives of the Boers who now see themselves as "a nation without a country."

They don't have their "volkstam" yet, but they have their radio station, and nobody — not the government, not the TEC nor the Judge President of the Transvaal — is going to take that away from them.

Like her people, Aneta says she is willing to die for her country if she has to. As it is, she broadcasts five days a week for a mere pittance. "I'm not doing this for the money," she says. "I just want to tell the truth. I am never afraid to say what I think. I have certain values which are very important not only to me but to any country."

"Unlike our present government, I believe in loyalty, patriotism, honesty and integrity. When people cannot depend on their government anymore, who do they turn to?"

However, Aneta says she is apolitical. "Politics has nothing to do with my work. I like to see myself as an objective, rational reporter. I have never even belonged to any political party. Perhaps I am too much of a pioneer and an independent spirit. I am simply a conservative Afrikaner woman."

But, she cannot separate politics from culture.

"If the government wants to stop me speaking my own language, it becomes political. If the government prevents me from displaying the flag of my country or singing the national anthem, I don't think I am political."

As a white Afrikaner, I am also sick and tired of being made to feel guilty all the time. We are being made to feel bad about living in a house while the blacks live in shacks.

"It's happened that I've been without a job. I was a single mother for a long time and had three children to support. Nobody is immune to suffering. I feel terribly sorry for some black people. They too have been lied to and misrepresented. I have a smallholding outside Pretoria and support an entire black community who are totally dependent on me."

"As a child, if my father ever heard me insulting a black person I would get the thrashing of my life. We Afrikaners are not unwilling to listen to the black people. We know they have as much right to be here as we do."

"But we are Boers and also want a place of our own. We need to get back to our roots, to feed the plant of our culture."

This is what our radio station symbolises to us. That does not mean we want to stand out or go back to the 1940s. History teaches us that we never learn from history. All we want is to retain the values that are important to us and that we have a right to."

Aneta has been broadcasting since 1965 but left the SABC in 1984 under a cloud after she disobeyed "orders from the top" and publicised a "Kruger's Day" gathering meant to be addressed by the late CP leader Dr Andries Treurnicht.

"In those days, if you weren't actively for the government, you were perceived as being against. I was given the golden handshake without the gold," she recalls. "I realised then that the SABC was nothing more than a mouthpiece for the government who were in the process of betraying their own people, the Afrikaners."

"Aneta epitomises what a Boer woman ought to be. Strong, loyal, a staunch Christian who believes it is a woman's duty to stand by her man at all costs."

"I like to think that I instil a sense of identity among the Boers, by playing our music, reading our poetry and literature. I help these people to feel that they are worth something again. We have all been betrayed by the government."

"Perhaps I bring them hope. I stand for Christianity and good old-fashioned values."

"The response to the radio station is incredible. We've had up to 3,000 people a day cramming into the station. They bring with them home-made gifts, candles, jams and biltong. At Christmas I was presented with half a sheep and five litres of milk."

"At times, when the station has been threatened by the government, I have called out on the air for reinforcements, and within minutes I have been able to summon about 2,000 armed soldiers from the AWB, the Wemkommando and all over."
Media workers, IFP to hold Press workshops

The Argus Correspondent

DURBAN — A series of workshops will be held between the Inkatha Freedom Party and the Media Workers' Association of South Africa to discuss the role of the media.

This follows a 90-minute meeting between about 60 members of the IFP's central committee and a Mwasa delegation of 12 in Ulundi at the weekend.

In a joint statement the IFP and Mwasa said they had openly and frankly discussed the increasing number of attacks on media workers. They decided to hold workshops "that will deal with mass media education and the role of media workers."

The statement said it was suggested that political parties act as conduits between media workers and communities.

Media workers should be given the same respect and protection as Red Cross Workers, the two sides said.

The meeting, was part of Mwasa's programme to meet various political parties and organisations "to highlight violence and intimidation against its members."
Radio: PO head ponder next move

PRETORIA — Radio Pretoria was back on the air today while Postmaster General Ters Oosthuizen awaited a report from officials who had been turned back at Donkerhoek's gates at the weekend.

Mr Oosthuizen said he had sent his officials to the site but heard they had not been granted access.

He said he would decide on the next step once they had made their report to him today but stressed he was intent on sealing the transmitter peacefully.

His officials had gone unarmed.

"I don't want to be held responsible for the first trigger to be pulled," Mr Oosthuizen said.

He said his officials had also visited Radio Koppe in the Free State to warn its management that the station was operating illegally.

Radio Pretoria today continued broadcasting music, news items and political comment.

Rightwingers have flocked to Donkerhoek each weekend, lending a festive atmosphere to the heavily fortified area.

Some of them joked about having seen postal office officials helping to dig trenches and place sandbags at the site. — Sapa.
Right-wing radio network being planned

Cape Town — Thirteen high tension steel masts bought cheaply from Eskom are to be converted into radio transmission antennas by the Afrikaner Volksfront Sturm.

A major transmission network, expected to be operational soon, will stretch from Harbeesfontein in the western Transvaal through the Free State to Bloemfontein, and from there to Upington in the northern Cape.

The AVF aims to establish a "people’s network" over a large part of the country. In addition to Radio Pretoria, still broadcasting illegally, four radio transmitters were recently set up in the Free State and a fifth is being built in Bethlehem.

The AVF envisages an FM stereo service on 104.1 MHz from next month.

It is reported that another right-wing radio station, Radio Yetserberg, is to start broadcasting from Pietersburg soon. — Sapa.
FW enters debate on Radio Pretoria

BY NORMAN CHANDLER
PRETORIA BUREAU

The illegal Radio Pretoria continued broadcasting today in the face of top-level Government and legal moves to put it off the air permanently.

It has now been broadcasting illegally for five days since a Supreme Court decision declaring it to be illegal.

The ruling was made against an application by the Afrikaner Kultuurbond to have a decision by Home Affairs Minister Danie Schutte set aside. Schutte had decided not to renew the temporary licence which had been granted to Radio Pretoria.

An appeal has been lodged against the court decision.

President de Klerk became embroiled in the controversy over the right-wing station broadcasting from a hilltop at Donkerhoek 30 km east of Pretoria when he held a meeting about it with the Minister of Telecommunications, Dr Piet Welgemeen, and Postmaster-General Ters Oosthuizen yesterday.

No statement was issued after the meeting but it is believed that further moves were decided on, including possible use of force to enable Telkom officials to enter the heavily fortified premises in order to seal the transmitters.

Oosthuizen said today, that "an aggressive assault was out of the question until the full legal process had run its course." He also said the Government did not want to close down the station merely for the sake of it, but essentially because its broadcasts were interfering with radio transmissions for which licences had been obtained.

These included air and land navigational aids, emergency services and security radio networks operated by farmers.

Two Telkom technicians were refused entry and escorted at gunpoint from the Donkerhoek studios at the weekend.
Peacekeepers start their training

Johannesburg — Sapa-Reuters reports that more than 3,600 men would also be trained at Unionboto we Skwe, Transkei, Venda and Ciskei began peacekeeping force training at General de Wet camp near Bloemfontein yesterday.

"The men will be totally integrated; they will sleep, eat and work together," acting commander Col Fred Burger said, adding that the force would initially be 10,000 strong and would undergo six weeks of training culminating in a course on low-intensity warfare.

Asked how he felt about working with his former enemies, he said: "We're all soldiers. Everybody will be learning about everybody else. It's not a problem."

The force's main task is to restore peace in black townships, where 4,000 people were killed last year, most of them in political fighting.

But the decision over who will command is causing problems. The top contenders are a white brigadier from the SADF, SAP, and a young black special forces commander from Transkei.

Jakkie Cilliers, director of the Independent Institute for Defence Policy, described the SADF's Brig George Kruts, 55, as "an apolitical soldier who doesn't even vote".

Though Kruts was the most senior brigadier in the army and knew the defence force inside out, Cilliers said, he was regarded with suspicion by some black politicians because of his long SADF career.

Transkei's Brig Derek Mqeweli was an experienced commander, though only in his 30s, Cilliers said, but added he could face problems within the white-officed SADF.

The ANC and the SADF declined to comment on the issue.

LINDA ENSOR reports from London that French security advisers are due in SA at the beginning of February to help train the force, according to the journal Africa Confidential.

France had been chosen because of its extensive experience in public order policing, a report in the journal's latest issue said, and in particular its system of two public orders, one under army and the other under police control.

French would be more likely to move the force in the direction of public order policing rather than UN-style international peacekeeping faired by Britain and the US.

Africa Confidential noted that France had been recommended by the "influential" Institute for Defence Politics.

The institute, which recently added former SADF Chief of Staff Pierre Steyn to its list of consultants, would soon acquire the services of a senior French military expert, the journal reported. Umkonto we Sizwe researcher Sepe Mmutsh and ANC member Leslie Gumbi had also joined the institute.

"The institute favours establishing the public policing function as a fifth service to the SADF, which would free the SAP to concentrate on community policing," it said.

"This could be part of restructuring the SADF, particularly the commando. It would also enable the SADF to rid itself of the negative consequences of being seen as adjuncts of the police in putting down civil unrest in black townships."

Radio station seeks leave to appeal

PRETORIA — Radio Pretoria yesterday filed an application for leave to appeal against the Transvaal Supreme Court's ruling last week that the station's stop broadcasting immediately.

Sapa reports the matter was discussed by President F.W de Klerk, Telecommunications Minister Piet de Jager, and Postmaster-General Ters Oosthuizen yesterday. However, the outcome of the meeting was not disclosed.

The right-wing station defied the court ruling, continuing to broadcast as Oosthuizen waited for a report-back from his officials, who were turned away from the station's gates at the weekend.

Oosthuizen, stressing that he was intent on sealing the transmitter peacefully, said he would decide on the next step once they had had their report.

His officials had always gone to the Donkerhoek site unarmed. "I don't want to be held responsible for the first trigger to be pulled," he said.

His officials had also visited the other mayhem right-wing radio station, Radio Kopjies, in the northern Free State, to warn its management that the station was operating illegally.

Radio Pretoria continued broadcasting music, news, sports and political comment yesterday.

"The station site has been turned into a military fortress, with Angolan war veterans, an anti-apartheid protest, a community police and a Port Schanskop siege, responsible for security."

Lombard loses fraud appeal

SUSAN RUSSELL

BANKRUPT businessman Christoffel Lombard, jailed for 12 years in 1989 on charges relating to forex fraud of more than R1bn, lost an appeal yesterday in the Rand Supreme Court against his conviction and sentence.

Lombard, 60, the brother of former Deputy Reserve Bank Governor Jan Lombard, was convicted on five fraud counts at a Johannesburg Regional Court magistrate on July 31, 1992.

The court upheld his conviction on all counts as well.
Political Staff
TIME for an agreement involving the Freedom Alliance, the government and the African National Congress was finally running out today with little prospect of a settlement.

Government and ANC negotiators were pessimistic that a settlement could be reached by tonight — the “final” deadline for talks with the alliance.

Top government sources said today that time for negotiations was rapidly running out. If an agreement was reached, it would take some time to call a short session of parliament to make adjustments to the interim constitution.

The April election has to be proclaimed at the latest by February 26.

It appears that the democratic process will have to continue without the alliance but the government and the National Party are keenly awaiting further moves from individual alliance members.

Alliance, government and ANC negotiators met for almost six hours last night to discuss the alliance’s proposed amendments to the interim constitution.

Constitutional Development Minister Roelf Meyer said that today was the last day to agree to a package as the election could be proclaimed tomorrow — 90 days before the April election date.

Final attempts would be made today’s three-way talks to reach agreements on the powers, functions and taxing abilities of the nine provinces.

Second call for SABC board to quit politics

Political Correspondent
PRESSURE is mounting on politically aligned members of the SABC board to end their party-political membership or quit the board.

This challenge — the second such call in a week — was made today by Alex Boraine, executive director of the politically-independent Institute for a Democratic Alternative for South Africa (Idasa).

Addressing a major conference today on the role of broadcasting in a democracy, Dr Boraine said broadcasting was “so powerful and so central to the possibility of a democratic culture that members of the board should be seen to be impartial and independent of any possible political pressure from the parties they represent”.

Last week the Democratic Party made the same plea.

Dr Boraine’s remarks follow controversy over the SABC’s decision to broadcast several parts of a series on the history of the ANC in the face of protests from the DP and National Party.

Dr Boraine said in his address today that television and radio had a vital role to play in monitoring government and exposing abuse of power.

Radio was particularly important in South Africa because its audience was much wider than that of television.

“In order that the investigative role of radio, and the calling to account of public officials, can feature much more centrally in the use of radio, the example must be set at the top.”
SABC board under fire

The SABC's elected board members should resign their political offices or membership or resign from the board, Idasa executive director Alex Boraine said.

He told a conference on restructured radio broadcasting yesterday that if the SABC was to have a powerful investigative threat — informing the public and ensuring that elected officials were accountable — the board had to be seen to be independent and impartial.

The board was previously dominated by the NP, and now would be dominated by the ANC. "Those on the board should give urgent consideration if they want to be on the board or not," he said.

ANC information and publicity head Palle Jordan said the political affiliation of SABC board members should not impair or influence their judgment.

He said they were not put there by the ANC, but by a panel. In addition, ANC members were balanced by people of other political persuasions.

New information policy had to ensure that the media was free, fair and impartial, Jordan said. There was room for publicly and privately owned media, and for community-owned media.

There was a grave danger that electronic media could fall into the same trap as print media, which was owned by two or three conglomerates. That could be avoided by introducing measures which on the face of it seemed restrictive, like constraints on cross-ownership.

Affirmative action programmes should be introduced to open up opportunities for disadvantaged communities, Jordan said.

Meanwhile, independent broadcasters frustrated with the Home Affairs Department's failure to sort out licences have threatened to go on air without them.

Interim Broadcasting Committee chairman Tony Sanderson threatened to switch on his Solid Gold radio station by Friday, along with Showtime Music Radio and Radio Cedale.

Sapa reports from Pretoria that Home Affairs Minister Danie Schutte said potential permanent radio broadcasters such as members of the committee were increasingly attempting to gain an unreasonable advantage over the 200 other prospective broadcasters in the race for permanent broadcasting licences.

Schutte said there would be space for only 30 to 40 new radio stations.

Comment: Page 4
JOHANNESBURG. — Independent Broadcasting Committee chairman Tony Sanderson said he would meet Minister of Home Affairs Danie Schutte amid tension between private radio stations and the government over broadcasting licences.

Mr Sanderson yesterday threatened to switch off his radio station, Solid Gold, by Friday, along with three other broadcasters, if the Home Affairs Ministry failed to sort out the licensing issue.

He accused the government of dragging its heels by postponing the passing of a bill to establish the Independent Broadcasting Authority (IBA).

"According to Mr Schutte, the IBA would be the obvious body to consider applications for permanent broadcasting licences, and the Transitional Executive Council still had to promulgate the Independent Broadcasting Authority Act.

Until then, the job of issuing temporary broadcasting licences remained with the Ministry of Home Affairs — Sapa (200) APR 24 1994"
Open airwaves will hit SABC

BY JACQUELINE MYBURGH

The deregulation of broadcasting and the establishment of new radio and television services could mean a loss in advertising revenue of up to R500 million for the SABC, group chief executive Wynand Harmse said yesterday (260). He was speaking at a conference in Johannesburg on the future of broadcasting.

Harmse said that unless alternative sources of financing were found to replace the SABC's loss in revenue, a much more conservative approach to the issuing of broadcasting licences would be required.

"A private open TV channel (naturally based on entertainment) would not be affordable or viable in South Africa and would result in a battle for survival between the TV channels," he said.

Focused

Reality could necessitate the establishment of a smaller, more focused SABC, Harmse said.

He added that if the current licensing system was dropped, the corporation would lose another R300 million and therefore alternative sources for between R600 million and R800 million might have to be found to finance the corporation.

Addressing the future nature of the SABC, Harmse said management believed that in a new broadcasting deregulation, the focus of the SABC should be on its public service role and responsibilities.

The SABC should reflect South African society in its diversity and contribute towards social upliftment, literacy and education. It had to create an informed public, satisfy cultural and linguistic needs, foster local talent and play a positive, reconciliatory and reconstructive role.
TEC to act on pirate stations

ADRIAN HABLAND

PRETORIA — Government inaction over violations of broadcasting regulations and the planned expansion of right-wing radio stations has prompted the intervention of the TEC.

TEC chairman Zan Titus said the council was concerned with the work of the Independent Broadcasting Authority has been prejudiced before the body had even been established.

The TEC is considering nominations for the authority, which is charged with ensuring equal access to the airwaves for all political parties in the run-up to the election.

The Independent Broadcasting Authority Act of 1998 will be promulgated by President F W de Klerk tomorrow while the authority itself is likely to be appointed next week.

Reports this week indicated that right-wing radio stations had recently been established in the Transvaal and Free State while Radio Pretoria planned to expand by erecting another 13 transmission masts.

The Supreme Court has approved the closure of Radio Pretoria, but an appeal is pending.

Senior officials of the white Post Office and Telkom Union have also warned they will prevent any attempt to seal Radio Pretoria's transmitter.

The TEC agreed this week to ask Home Affairs Minister Danie Schutte for information on the emergence of right-wing radio stations and government's attitude to the problem.

The TEC would decide on a course of action once it had heard from Schutte.

Translux still unsure of bus disaster's cause

ADIELE BAILEY

Both drivers had been booked for a 30-hour rest period prior to the trip, said Venter.

Passenger reports and a speed recording device on the bus had ruled out speeding as a probable cause of the accident “at this stage”, he said.

Alleged eyewitness Hames Jacobs's claim that another vehicle had been involved in the accident was still being investigated.

However, Venter said, Jacobs had since disappeared.

Venter noted that Translux had transported more than 5 million passengers since its inception in 1988 and that this had been the first accident involving loss of life. “I believe our safety record is impressive.”

Meanwhile, Antonet has commissioned the CSIR to aid the investigation.

SABC may lose R800m

PRIVATE broadcasters could cost the SABC up to R800m in lost advertising revenue, group Wyand Harmse told a Johannesburg conference on radio broadcasting yesterday.

He said the loss could be made up once the airwaves were opened up through state funding, licence fees and levies on private broadcasters.

Harmse suggested the state could subsidise specific programmes or productions, adding that it would be difficult for the SABC to maintain a professional arms-length distance from government if it was given a state grant.

The SABC's commercial services, Radio 5 and Radio Metro, could be retained and their profits used to fund public broadcast stations.

These commercial stations should be allowed to compete on an equal footing with private broadcasters.

Independent Broadcasting Committee chairman Tony Sanderson was to have met Home Affairs Minister Danie Schutte yesterday amid tension between private stations and government over broadcasting licences.

Sanderson has threatened to switch on his Solid Gold station tomorrow with three other broadcasters if government failed to resolve the licensing issue. — Sapa.
PRETORIA — Postmaster-General Ters Oosthuizen yesterday again turned to the Transvaal Supreme Court for assistance to get Radio Pretoria off the air.

The right-wing station has ignored a court order issued by Judge President C E Eloff last week prohibiting its continued unlawful broadcasting, and has filed an application for leave to appeal against the order — a move that temporarily sets aside the interdict.

The Postmaster-General said the station's continued illegal action would create chaos, as other organisations waiting for licences were threatening to follow its lead.

About 200 licence applications were pending, while only 25 licences were available.

Counsel for the Postmaster-General, Mr Louw said: “It would cause irreparable harm if other radio stations also started broadcasting illegally.”

Frequencies used by emergency services, police and the aviation industry could be affected.

In an affidavit, the Postmaster-General said although in terms of the Radio Act he had the right, even without a court order, to seal or seize Radio Pretoria's broadcasting equipment, he preferred to seek the court's assistance.

"Reports of armed men guarding the premises could lead to bloodshed if that action is taken and could even lead to loss of life," he said.

F C Eckhardt, for the Afrikaanse Kulturbond, which controls the rebel station, told Judge F C I. Rose that continuing its operations was a matter of principle.

"There are many principles involved and the continued broadcasting is not merely a malicious act. This is not a process to keep a few people at Donkerhoek "occupied."

The Postmaster-General asked the court for an order allowing the execution of Eloff's earlier order despite the pending application to appeal, arguing that Radio Pretoria and the Kulturbond were willfully in contempt of court and were in effect asking the court to sanction illegal actions.

Radio Pretoria's application to appeal was merely a "frivolous" attempt to play for time.

Judgment will be delivered on Monday.
THREE disgruntled former SABC workers staged a sit-in at the corporation's Auckland Park headquarters yesterday.

Outside about 10 others picketed the headquarters as negotiations between workers and management took place.

The dispute arose after SABC closed its Pretoria television studio last year. Workers were apparently given the option of a transfer to Johannesburg or be retrenched.

Media and Allied Workers’ Union general secretary, Sante Meisaong said 48 workers, who opted for retrenchment, were told last year that at least some of them would receive new positions by the middle of January. He said that by Wednesday no one had been rehired.

The retrenched workers included camera operators, lighting personnel, and make-up people.

SABC spokesman Mr Fred Coop said the corporation does not recognise the Media and Allied Workers’ Union as an official body representing employees. He added that the workers staging a sit-in had opted for retrenchment but now wanted to be rehired.

Coop said the corporation had no problems with the sit-in. "They can sit here, we have no problems with that," he said.
Airwave deregulation delay

By: Jacqueline Myburgh

The Independent Broadcasting Authority (IBA) responsible for the deregulation of the airwaves is likely to be up and running only by the end of next month, according to sources in the industry.

On Friday, a portion of the Independent Broadcasting Authority Act was put in place, enabling the TEC to interview and appoint the seven executive members. This process will take about a month.

Nominations for posts on the IBA closed on Friday. The rest of the Act, enabling the IBA to take over control of the airwaves, will become effective at the end of February.

"So whether Minister Danie Schutte likes it or not, Radio Pretoria is still his baby," one source said. (209)

It is believed that the TEC would like the issue of the right-wing rebel broadcasters to be cleared up before the IBA is established, so that its first task is not to close down a radio station.

Once the TEC has drawn up a shortlist of potential candidates for the IBA, members of the public will be given a two-week period to comment on the people involved.

Therefore, public hearings will be conducted and the TEC will make a recommendation to the State President, who will make the final appointments.
Radio Pretoria is ordered to shut down

The Argus Correspondent

PRETORIA — Radio Pretoria has been ordered by a court to cease broadcasting.

Pretoria Supreme Court judge Mr Justice Roos today granted an application by postmaster-general Ters Oosthuizen requesting the effect of an order issued on January 20 that the station cease broadcasting.

In his judgement Mr Justice Roos said he had understanding for the respondent's principles but that the respondent, the Rev Mosie van den Berg, chairman of the Afrikaanse Kultuurbond — which operates Radio Pretoria — did not provide reasons why the station had broadcast in contempt of a court-order.

Acting in contempt of court was a factor which weighed heavily against the respondent, the judge said.

During argument Mr Van den Berg said that to cease broadcasting until the appeal against the order was heard would cause the station harm as it would not be able to fulfill its advertising contracts, which were needed to cover the station's R100 000 budget.

The station's 21 employees would also be without work.

Mr Justice Roos said he agreed with the applicant that the respondent was responsible for creating the situation where there could be losses.

He said it was always made clear that the licence was temporary and two of the guidelines for granting a temporary licence were that the station should not get involved in large expenses and should not broadcast for more than 50 days in a three-month period.

Radio Pretoria could not immediately be reached for comment.
Posters follow ban on Radio Pretoria

BY NORMAN CHANDLER
Pretoria Bureau

Posters appealing for freedom of speech and of the airwaves appeared all over Pretoria last night after yesterday’s decision by the Supreme Court to uphold the banning of right-wing Radio Pretoria.

The station was still on the air today despite the court giving the Postmaster-General’s department the right to close it down. Talks were held in Pretoria yesterday at the request of the Afrikaner Kultuurbond — owners of the radio station — with President de Klerk and various members of the Cabinet, including Telecommunications Minister Piet Wigelmoed and Home Affairs Minister Danie Scoult.

Also present was Postmaster-General Ters Oosthuizen.

It is the second time de Klerk has been involved in talks about the radio station. Previously he had met Wigelmoed and Oosthuizen.

The poster campaign is the latest stage in Radio Pretoria’s determination to continue broadcasting the right-wing message to what it claims are “millions of listeners.”

In addition, the radio has again applied to the Department of Home Affairs for a temporary broadcasting licence pending the establishment of the Independent Broadcasting Authority.

The department is considering the application.
Way open for interim broadcast licences

JOHANNESBURG. — The Minister of Home Affairs, Mr Danie Schutte, has invited the broadcasting industry and other interested parties to make submissions on an interim dispensation for community radio stations until the Independent Broadcasting Authority comes into being.

In a statement yesterday, Mr Schutte said there was a delay in establishing the IBAX and it would be some time before the body would be able to issue licences.

He said the submissions should be made urgently and could be faxed to the Department of Home Affairs (012) 216-491.

Home Affairs Department spokesman Mr Johan Christensen confirmed that among the 20 applications already received was a request for a temporary licence by Radio Pretoria. Mr Christensen said it was decided to consider temporary licences while the court case against Radio Pretoria was still under way.
Radio Pretoria defies new order

PRETORIA — defiant Radio Pretoria, run by armed members of the Pretoria Boere Kommando, continued broadcasting from Donkerhoek yesterday afternoon despite a new Supreme Court order to close immediately.

Pretoriana, who lodged an urgent application to seal the station's transmitter, met Communications Minister Pret Wiefenbach to 'consider options' after the court judgment, a department spokesman said.

Although Judge President Fritz Eloff had ordered the Afrikaner Kulturbond to stop broadcasting from Radio Pretoria, the enforcement of the order was delayed when an application for leave to appeal was lodged last week.

Judge H.C.L. Roos ruled yesterday that the station could not be closed before the appeal was heard. He ordered Kulturbond members not to interfere with officials sent to disable the station's transmitter.

Oosthuizen, applying for the 'urgent order', told the court Radio Pretoria had wilfully ignored a previous court order and encouraged hundreds of other radio stations to start broadcasting illegally.

Radio Pretoria's defiance could cause chaos in the industry as more than 200 applications had been received while only 36 frequencies were available, he said.

Roos said while there was merit in the Kulturbond's argument that no one was hurt by the station's broadcasts, it could give no valid reason why the first court order had been ignored. Roos could not understand why another temporary licence could not be awarded. (240)

Sapa reports that the station's broadcasts yesterday featured an interview with Cmdt Willem Ratte, who was in charge of protecting the Donkerhoek site and was still wanted by police in connection with the Schanskop fort siege.

Radio Pretoria manager Chris Conradie said the station would continue its illegal transmissions and the court ruling would not affect the content of broadcasts.
Radio deregulation could add 30 stations

A RESTRUCTURED radio industry will result in many more radio stations, but will not lead to an increase in adspend on the medium, says Young & Rubicam media director Cathy Varnals.

Speaking last week at a restructured radio broadcasting conference, Varnals said radio could benefit by taking adspend away from some local and regional print media, but this would be balanced by the possible implications of new restrictions on advertising tobacco.

Varnals said changes could result in 30 additional stations.

Audience fragmentation and higher advertising costs to achieve the exposure levels of the past were certain to occur. While this could limit national advertisers, regional advertisers could benefit.

Assuming there would be community broadcasts, there was likely to be an erosion of adspend on regional and local print, local cinema, flysheets and handouts, and this could result in an increase in adspend on radio.

Varnals said the SABC had estimated private radio stations could take R250m of the adspend cake. In 1992 total radio spend was R311m.

Chain stores and retailers were the largest spenders on radio, followed by tobacco and associated products, financial institutions, alcoholic beverages and food products. These were primarily national spenders, but Varnals said they could be potential regional spenders.

The possibility of restrictions on tobacco advertising could pose a threat to the growth of radio.

Looking at trends in the US, she said there was a preponderance of adult contemporary, “light mix” and variety stations, but news/talk and sports formats were increasing, and the number of country music stations had jumped.

Varnals said the radio medium would see a return to advertiser-driven programming.

As there would not be a massive increase in adspend after deregulation of broadcasting, radio stations would have to find ways of attracting advertisers.

She said radio should market itself as a medium. An opportunity for new stations, particularly community-type radio, was to try to establish “micromarketing” — the local marketing of national brands. This system was successful in the US.

Stations should also look at adding value for listeners and advertisers through promotions and contests, and should consider programme sponsorship as an alternative to advertising revenue.
Bid to resolve radio dilemma

JOHANNESBURG — The issue of illegal radio stations such as Radio Pretoria may be resolved soon if proposals by aspirant broadcasters for the issuing of temporary licences are agreed to.

Following a meeting with independent radio stations yesterday, Home Affairs Minister Mr. Dene Schutte will today receive further proposals for the issuing of temporary radio licences.

The plan will have to be approved by the Transitional Executive Council, which meets again on Tuesday. If so, Mr. Schutte will be empowered to issue temporary licences to radio stations.

Home Affairs spokesman Mr. Neal du Preez said the idea was to draw up a dispensation under which temporary licences can be issued till the Independent Broadcasting Authority can issue them.

Radio Vryheid is planning to begin broadcasting from Bloemfontein soon, even if it does not receive a licence, spokesman Mr. Alex Danzler said. — Own Correspondent, Sapa
Radio Pretoria compromise plan

DAVID GREYBE

Radio Pretoria issue," he said

He emphasised, though, that the plan
would have to be approved by the TEC.
Government sources said it was highly
unlikely the postmaster-general would
approve Radio Pretoria in the meantime.

Sanderson said Schutte had not men-
tioned he would have to go to the TEC
before he could issue licences.

Du Bous said the TEC would be asked to
withhold provisions of the Independent
Broadcasting Authority Act that dealt with
issuing temporary licences until
the authority was in a position to do so — in
four or five months.

Sanderson welcomed the proposal. "It
will certainly resolve the looming problem
if it comes to fruition. What is good for
Radio Pretoria is good for us."

Sapa reports Radio Vryheid is planning to
begin broadcasting from Bloemfontein
soon, even if it does not receive a licence.

Radio Vryheid manager Alex Danglitz
said the station would try to broadcast
legally and that he was positive an agree-
ment on a licence could be reached.

THE Radio Pretoria saga could be
resolved without the postmaster-
genral having to seal the illegal sta-
tion's transmitters forcibly. Aspirant
radio stations agreed yesterday to
draw up a plan for the issuing of tem-
porary licences before the weekend.

After a meeting with independent radio
stations yesterday, Home Affairs Minis-
ter Danie Schutte will today receive
further proposals about the plan.

It will have to be approved by the TEC,
which meets again on Tuesday. If it is,
Schutte will be empowered to issue tem-
porary licences to radio stations, including
Radio Pretoria. (246)

However, the plan immediately ran into
trouble when Solid Gold's David Sanderson
said, "If Radio Pretoria continues broad-
casting we will switch on this weekend."

But Home Affairs spokesman Neil du
Bous said the idea was to create a new
dispensation under which temporary licen-
esc could be issued until the Independent
Broadcasting Authority was empowered to
do so.

"The heat has been taken out of the
Let-off for rebel radio

BY JACQUELINE MYBURGH

The Government appears to have found a way of dealing with the thorny issue of illegal broadcasters by granting temporary licences to would-be broadcasters.

At a meeting called by Home Affairs Minister Danie Schutte yesterday afternoon, all the stakeholders in the broadcasting industry were asked to give their input on how to deal with the dilemma facing them.

About 200 potential broadcasters are waiting for the allocation of licences and there is a likely four or five-month delay before the Independent Broadcasting Authority will be able to carry out one of its chief functions.

Home Affairs spokesman Niel du Bois said significant progress had been made at the meeting which included representatives from the SABC, Radio 702, the National Community Radio Forum, the South African Association of Local Broadcasters, Radio Pretoria and the Postmaster-General.

No firm decisions had been taken over how temporary licences would be allocated, but "a sound basis has been formed for agreement on a new dispensation."

Those at the meeting were invited to submit their suggestions to the Minister by this morning, and sources believe that the Minister will be allocating licences by the end of this week. These licences are likely to be revoked once the IBA is awarded permanent licences.

Radio Pretoria executive committee chairman Mossie van den Berg was happy with the way things were going.

"There is a move to remove our biggest problem that of getting a temporary licence for three weeks, and then you have to close down and apply for another licence."

He did not expect that the Postmaster-General would enforce Monday's court order to seal the station's transmitters as President de Klerk had agreed action should not be taken while the issue was being negotiated.
announcement

The Argus, 17

Radio Pretoria Silence Is Just A Test For Ministers' Patience

The angels correspondent

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Radio Pretoria Silence Is Just A Test For Ministers' Patience

The angels correspondent
New radio licence rules

ADRIAN HADLAND

PRETORIA — New arrangements for temporary broadcasting licences will be announced today by Home Affairs Minister Danie Schutte.

He met industry representatives and would-be broadcasters at the World Trade Centre in Kempton Park yesterday to discuss criteria for awarding temporary licences.

A Home Affairs spokesman said the new licensing system would continue until the Independent Broadcasting Authority had resumed regulatory control.

Radio Pretoria, which has twice been barred from broadcasting by the Supreme Court, ended its transmissions yesterday in anticipation of Schutte’s announcement.

A shortlist for broadcasting authority commissioners is being drawn up by the TEC. The list is likely to be published this month and comments will be invited from the public for two weeks.

The commissioners will be appointed by the TEC after public hearings.
Broadcast deal expected today

JOHANNESBURG — The Minister of Home Affairs, Mr. Danie Schutte, is expected to grant broadcasting licences to several independent stations, including the controversial Radio Pretoria, today. Solid Gold spokesman Mr. Tony Sanderson said yesterday.

He said the minister, postmaster general Mr. Ters Oosthuizen, and representatives of independent radio and the National Association of Broadcasters were among those who met at the World Trade Centre yesterday.

Mr. Sanderson said the minister would make an announcement this morning "on a basis leading up to the sitting of the Independent Broadcasting Authority."

However, certain licence restrictions would be imposed. These included a maximum advertising time of six minutes an hour and a maximum broadcasting time of 14 hours a day.

Mr. Sanderson said the move appeared to be a way of resolving the showdown between the government and Radio Pretoria which, he added, would broadcast for 14 hours a day. — Sapa
Poor NP showing 'bad for SA'

A POOR showing by the NP in the forthcoming elections would be "bad news" for SA, President F W de Klerk said yesterday.

He was speaking in an interview broadcast live on the London-based Sky News TV from the World Trade Centre, after the NP congress there.

"The challenge facing the NP was to do well in the election so it could "lead the process of further democratisation" afterwards," said De Klerk, referring to the constitution-making body to be set up after the poll to draw up a new constitution based on the interim one hammered out at multiparty talks.

Another reason why the NP had to do well was so it could play its role in formulating joint policy and programmes in the government of national unity.

"If we don't do well it will be bad news for the country," he said.

It was important also that the new government created an "investor-friendly climate... in step with what the free world demands", he said.

De Klerk predicted a "surprise" NP result in the poll. "I am convinced we can achieve the biggest percentage of the vote," he said. "The NP had already won over a key component of South Africans."

A majority of coloureds, Indians and whites already supported the NP. The NP needed only a significant percentage of black voters - not the majority - to back it for the NP to gain the biggest share of the vote in April 4, 1994.

He was convinced the NP would achieve this.

De Klerk said he would not be waging a "dirty" election campaign against the ANC, even though he still believed the ANC was a "dangerous" party because of its SAC jih ties.

While it would be "easy" to attack ANC president Nelson Mandela, De Klerk said he preferred to "play the ball, not the man."

New radio licence rules

ADRIAN HADLAND

PRETORIA - New arrangements for temporary broadcasting licences will be announced today by Home Affairs Minister Dainie Schutte.

He met industry representatives and would-be broadcasters at the World Trade Centre in Kempton Park yesterday to discuss criteria for awarding temporary licences.

A Home Affairs spokesman said the new licensing system would continue until the Independent Broadcasting Authority assumed regulatory control.

Radio Pretoria, which has twice been barred from broadcasting by the Supreme Court, ended its transmissions yesterday in anticipation of Schutte's announcement.

A shortlist for broadcasting authority commissioners is being drawn up by the TEC. The list is likely to be published this month and comments will be invited from the public for two weeks.

The commissioners will be appointed by the TEC after public hearings.

Groups launch code of conduct for pupils

A PROJECT to establish a code of conduct for pupils and teachers, aimed at restoring a culture of learning and teaching in about 200 Transvaal schools, was launched yesterday by a wide range of organisations.

Political, labour, civic and educational organisations were involved in the launch.

The National Education Conference (NEC) yesterday said the campaign was aimed at ensuring that pupils, parents and teachers participated effectively in the running of schools. A comic book would be produced to facilitate discussions that would ultimately lead to the drafting of a code of conduct by individual schools.

NEC project co-ordinator Bigbuy Tshakanane said a workshop would be held tomorrow to identify 200 schools and facilitators which would pilot the project.

He said facilitators would be trained by Isasa and be required to run workshops for parents, teachers and pupils.
Media ‘police’ given power

By BARRY STREEK
Political Staff

HEAVY penalties can be imposed on people who obstruct the Independent Media Commission or flout its rulings — but only registered political parties can lodge complaints to it.

This was disclosed yesterday by the commission’s chairman, Mr Justice John Trengrove, in a statement about the new commission’s role in monitoring broadcasting services and state-financed publications.

The IMC had been appointed by the Transitional Executive Council “to ensure that the broadcasting services treat political parties equitably during the election period.”

It also had the task of ensuring that state-financed publications and state information services were not directly, or indirectly, used to advance the interest of any political party.

“Thus work is intended to promote and contribute towards the creation of a climate favourable to free political participation and a free and fair election.”

Any person who wilfully hindered the commission, any committee or any commissioner in the performance of his or her duties, was liable on conviction to a maximum fine of R5000.

Anyone who failed to comply with the ruling of the IMC flowing from the adjudication process was liable on conviction to a maximum fine of R100 000.

Judge Trengrove said complaints of unbalanced and unfair political coverage should be brought to the attention of the commission by a political party which considered itself to be disadvantaged.

“The commission will not be receiving complaints from individual members of the public.”

All hearings of complaints to be adjudicated by the IMC would be heard in public, he said.

The other IMC commissioners are Dr Namane Magau, Mr Raymond Louw, Dr Willem de Klerk, Mr Zabeida Jaffer and Ms Libby Lloyd.

Monitors to ensure fair play
A new dimension of business

wind likely to ease

Fires wreak havoc but

FRANTED LICENSES

Fifteen stations
had no free for all
The licenses were given on a temporary basis, and the stations were expected to broadcast before the permanent licenses could be granted. The licenses were expected to be extended to 10 radio stations, but only one station, KARN, was granted a temporary license.

KARN SCHMIDT
TEC asked to end storm over SABC airwaves

By ZANELE VUTELA

It is up to the TEC to avoid total chaos on the airwaves by granting the Home Affairs Minister permission to grant temporary broadcasting licences at its meeting on Tuesday.

This is the view of aspirant broadcasters who have been waiting for the problem of licences to be solved since June last year when the Bill on broadcasting was passed.

Home Affairs spokesman Neil Dubois said 200 licence applications have been received.

Last Monday minister Dame Schutte called a meeting of broadcasting industry representatives and aspirant broadcasters to discuss the delays.

This was after Radio Pretoria had refused to go off the air in spite of losing court battles, and other stations had threatened to fly the airwaves.

At the meeting it was agreed the delays could no longer be tolerated and Schutte was mandated to convince the TEC that it was necessary to grant temporary licences.

SMR radio co-owner Allan Munro told City Press that as far he was concerned, this week's meeting was constructive and he expects the situation to clear at the TEC's Tuesday meeting.

"If no one foolishly puts a spanner in the works, we could see a number of people going on the air by the end of this month," he said.

He was sure that the new temporary licences would not be limited to 30 days as at present, but would last until the Independent Broadcasting Authority was on its feet and able to issue permanent licences.
Local radio gets SA slot

By GLENDA NEVILL
PEACE 91.3 fm returns to the Cape Town airwaves this week and in a surprise development, the service is to be broadcast nationally for four-and-a-half hours a day.

This follows the announcement by the Minister of Home Affairs, Mr Danie Schutte, on Friday that 15 radio stations, including right-wing Radio Pretoria, have been granted temporary broadcasting licences.

Martin Baille, who manages Peace FM with Ramotena Mabote and Neil Johnson for the regional and national peace structures, said the frequency for national transmissions was under negotiation.

In Cape Town, six stations have been granted licences. Peace 91.3 fm, Radio Fish Hook, Radio C-Flat, UCT Radio, Radio Enterprises (CTFM) and Tygerberg Christelike Radio Station.

Silenced

Absent is community station Bush Radio, a subsidiary of the Case Education Trust, which was launched with a flourish in April last year before Telkom silenced it by seizing its modulators and sealing its transmitters.

There is already confusion as two of the city’s most popular metropolitan stations, Peace 91.3 fm and CTFM both use the 91.3 frequency.

Mr Baille said the station’s temporary licence had been granted for the 91.3 frequency.

“Comparison cannot be drawn between the two stations as CTFM is a commercial venture whereas Peace Radio is fulfilling to the letter the idea of community radio.”
15 stations get licences to broadcast

ADRIAN HADLAND

PRETORIA — Fifteen radio stations, including Radio Pretoria and Solid Gold, were granted temporary broadcast licences at the weekend by Home Affairs Minister Danie Schutte.

Schutte said the temporary licences had been awarded as an interim measure and would be reassessed once the Independent Broadcasting Authority had been established.

The broadcasting authority is in the process of being appointed by the TEC, but is unlikely to sit until after the election.

The temporary licences would not give any radio station the automatic right to preferential treatment, Schutte said.

The licences would be granted subject to the availability of frequencies as well as an agreement to abide by guidelines and preconditions negotiated this week by Schutte, Postmaster-General Ters Oosthuizen and industry representatives.

Guidelines include creation of an advisory body to consider new applications and field complaints and adherence to media commission regulations.

Radio stations which received temporary licences include Radio Paf Hoek, Radio Cidade, Showtime Music Radio, Peace FM, Solid Gold, Radio Pretoria, Radio C-Flat and Middelburg Stereo.

Short-term temporary licences were issued to UCT Radio, Voice of Wits, Radio Tuk, Rhodes Music Radio and Buffalo Distributors Group Community Radio.
Broadcasters get temporary licences

15 radio stations to take to the air

STAFF REPORTER

Independent radio stations are getting ready to take to the air again following Home Affairs Minister Danie Schutte's announcement on Friday that he had granted temporary licences to 15 radio stations, including Radio Pretoria.

But Showtime Music Radio's Alan Munro said he was "not performing cartwheels and somersaults" of joy at the announcement since this was the sixth temporary licence his radio station had received.

Each licence meant preparation and Showtime was still awaiting a frequency.

However, Munro said he was thrilled that the radio station would be on the air for six to eight months before the licence expired.

SA Local Broadcasters Association (Salha) spokesman

MINISTER gives go-ahead because of delay in setting up of Independent Broadcasting Authority

Andre Walters welcomed the granting of temporary licences as a necessary period for the broadcasting industry to find ways of accommodating the new radio stations.

Salha members were amenable to "switching off" when the Independent Broadcasting Authority was in place, and did not intend pressuring the IBA over the granting of permanent licences, he said.

Schutte said in a press statement he had issued the licences in view of the delay in the setting up the IBA and after consultations with people in the industry.

According to the guide rules, temporary licensees would not have any claim to permanent licences once the IBA was in place.

A committee is to advise Schutte on the merits of granting new temporary licences, the handling of complaints and the monitoring of temporary licensees.

Schutte said the measure should provide stability in the industry, ensure the orderly use of frequencies and help to set up a well-structured industry.

Peace promised in our airtime

A new radio station, Peace 2000 FM, aimed at providing hope and vision to South Africans, is due to be launched on February 14, the National Peace Secretariat announced yesterday.

Broadcasters

Peace 2000 FM, which is based in Cape Town and sponsored by businessmen as well as local and international organisations, boasts a host of popular broadcasters. The new station will feature talk shows, music, news and weather.

Staff Reporter.
CTFM can't switch on yet

LOCAL radio station CTFM — one of 15 stations granted temporary licences last week and expected to begin broadcasting yesterday — is still off the air.

The station has been told to wait for licence documents to be processed by the Postmaster General, staff said yesterday.

CTFM staff said the frequency the station operated on in December — 91.3FM — had not been reallocated to them.

Station director Mr John Butterfield said: "We were ready to go on air on Monday morning. It's so frustrating — all we can do now is wait.'

Another local station, operating from the Waterfront, is set to go on air on February 14.

Peace 2000 FM aims to transmit "hope and vision" to South Africans, the National Peace Secretariat said yesterday. The secretariat, which set up the station, said it would use Radio 2000's existing licence.

Community station Radio C-Flat is to begin broadcasting from Ottery on February 24. It will feature news, drama, talk-shows and voter education aimed at English, Afrikaans and Xhosa listeners on the Cape Flats.

UCT radio, which wasn't granted a temporary licence last week, plans to broadcast off-campus from Sunday. — Staff Reporter, Sapa (60) C.T. 8/2/94
The IBA's task: to tune in all of us

which will be charged with regulating the airwaves. Board Dismantle the Independent Broadcasting Authority, the controversy surrounding Illegal Broadcasting by Radio Prema has unironically

Edited by Mike Shimma
ANC wants more even spread of media power

ANC could control even more media power after the election. The party is believed to have control of two of the major media outlets, the SABC and the Mail and Guardian. The news emerging from the ANC campaign headquarters in the city centre is that the ANC is set to take over the media industry. The ANC is believed to have control of two of the major media outlets, the SABC and the Mail and Guardian. The news emerging from the ANC campaign headquarters in the city centre is that the ANC is set to take over the media industry.

By: Anna Majithia

ANC was set to go ahead with its plan to replace the old order with a new one. The ANC was set to go ahead with its plan to replace the old order with a new one. The ANC was set to go ahead with its plan to replace the old order with a new one.

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During grilled on hit squads

PRETORIA — KwaZulu police commissioner Lt-Gen Roy Dargan was grilled by TEC delegates last night on possible links between hit squads and the secret SADF training of 200 Inkatha Freedom Party supporters in Caprivi in 1986.

Three alleged hit squad members recently arrested by police had been among the Caprivi 200.

During said rumours about hit squads were "rife" when he was appointed in 1992, but few facts had emerged from investigations.

While Caprivi trainees still held KwaZulu police posts, no record of numbers had been kept.

During said all allegations, rumours and gossip had been thoroughly checked.

"Duckets which implied hit squad activities had been passed on to the SAP," he said.

He agreed to make the Caprivi trainees' files available to the TEC, subject to the agreement of the KwaZulu government and attorney-general.

A Goldstone commission report last year concluded that "although certain Caprivi trainees may be involved in... violence, there is no evidence to suggest that such involvement was a direct result of the training."

I erred in granting licences — Schutte

PRETORIA — Home Affairs Minister Danie Schutte admitted to the TEC this week that he had erred in granting temporary broadcast licences to 15 radio stations.

ANC TEC representative Mac Maharaj said Schutte had told the TEC's management committee on Monday that he had been under "extreme pressure" to make a decision on the issue and had acted "too fast."

TEC delegates had criticised Schutte for not approaching them before deciding to issue the temporary licences.

Maharaj said the ANC was concerned that Schutte had reinforced public perceptions that government was weak-kneed in its approach to right-wing defiance.

Radio Pretoria, which had refused to obey a Supreme Court order closing the station, had been allowed to break the law "and get away with it," he said.

The TEC agreed at its full session last night that Schutte should refer any new licence applications to the council.

After "rapping Schutte's knuckles", the TEC also decided to press ahead with the creation of the independent broadcasting authority. It was hoped the authority would be in place by early March, Maharaj said.

A shortlist of nominations to the authority would be submitted to the TEC by the management committee on Tuesday next week. The public would then be given two weeks to make representations and comments concerning the people appearing on the shortlist.

According to an agreement signed by the 15 radio stations granted temporary licences last week, broadcasts would stop two days before the formal establishment of the authority.

Maharaj said many of the parties represented on the TEC had expressed great disquiet about Schutte's handling of the issue.

Certain sectors of the broadcasting industry were unhappy with the process and others had withdrawn, while some had not even been invited to the consultations host by Schutte last week.

Schutte had acted incorrectly and had not complied with the TEC Act, Maharaj said.
CTFM can’t switch on yet

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UCT Radio, which was also granted a temporary licence last week, plans to broadcast off-campus from Sunday — Staff Reporter, Sapa
Iscor lands lucrative Chinese export deal

IN A major boost for iron ore exports from its Sishen mine, iron and steel producer Iscor yesterday announced it had become a partner in the development and extension of a Chinese port at a cost of R4.5bn.

The partnership is at the iron ore harbour of Qianwan in the Qingdao Port complex on the northeastern coast of the People's Republic of China.

Iscor has secured a dedicated iron ore storage facility for 300,000 tons and entered into a co-operation agreement with the Qingdao Harbour Authority.

Iscor iron ore business GM Johan Deetlefs said the venture opened up possibilities for future iron ore exports from Iscor's Sishen mine to China. The upgrading of the harbour facilities also created new opportunities for Sishore - the shipping venture between Iscor and Safmarine.

Sishen exported 1-million tons of iron ore to China in 1993/94, and this year's exports are expected to soar to about 4-million tons.

In terms of the agreement a long-term working relationship has been established for the discharge, storage and reclamation of I scor iron ore at the new Qianwan harbour, which is scheduled for completion by April 1.

"China's growth in steel production shows that it will surpass that of Japan (100-million tons a year) before the end of the century," Deetlefs said.

"China has experienced substantial economic growth over the past five years and this is expected to continue over the next five years, albeit at a slower rate."

"China is I scor's largest customer for Sishen iron ore and we want to be part of this dynamic development opportunity. I predict that any increase in Sishen ore exports will, to a large extent, be absorbed by our growing customer base within China. We intend doing long-term business with this country," Deetlefs said.

He said Qingdao harbour was strategically situated in relation to the many Chinese steelworks which used Sishen ore.

"The extension of the Iron ore harbour of Qianwan ideally suits our future export needs to the northern part of China."

"The harbour currently has a handling capacity of 68-million tons of cargo and the extensions will increase the handling capacity to 100-million tons a year."

MICK COLLINS
Broadcasting could face frustrating year — Schutte

PRETORIA — The broadcasting industry was in for a frustrating 1994 unless amendments were made to the Independent Broadcasting Act, Home Affairs Minister Danie Schutte said yesterday.

Without allowing the yet-to-be-established Independent Broadcasting Authority to issue temporary licences, a long "sterile period" would occur in which aspirant and some existing radio stations would be prevented from transmitting.

The TEC decided this week all radio stations which had temporary licences had to cease broadcasts two days before the authority was formally constituted. The TEC said it hoped the authority would begin its operations by March 15.

However, it would be in a position to issue permanent licences only well into the second half of 1994, said Schutte.

This ushers in a broadcast black out period of at least a few months for the 15 radio stations which were granted temporary licences by Schutte last week, and for the 35 stations denied them.

"This will create enormous frustration for aspirant broadcasters which should, and could, be met," Schutte said.

If the Act was not amended to allow the authority to issue temporary licences, "it is clear that no broadcasting licences could be granted in the foreseeable future".

According to the Act, the authority must acquire staff, offices and conduct four complex investigations before it is in a position to handle licence applications.

It is required to look into the amount of local content to be used by broadcasters and to publish a "spectrum plan" outlining available frequencies for use by the deregulated industry.

It must also present guidelines and regulations on the issue of cross-media ownership as well as consider the financial implications of deregulation on the SABC.

Once these four tasks have been completed, it will be in a position to receive applications for licences and can begin public hearings to determine which radio stations in which regions receive access to the limited airwaves.

Schutte said his decision to grant temporary licences to 15 stations last week was an attempt to meet "the reasonable expectations of the aspirant broadcasters."

Report by A Hadland, Thib, 11 Daigort St, Jhb
PETROL PRICING

Unfair exchange

As the retail petrol price fell a modest 3c/l this week, and the prices of diesel and illuminating paraffin remained unchanged, a row erupted between Sasol and oil refiners. The point of contention is the base price (in US dollars per barrel of crude oil equivalent) on which its financial assistance, from the Equilisation Fund, is calculated.

Sasol's level of protection depends on the difference between the base price and the going dollar oil price. Any fall in the dollar price of oil (below the base price) therefore has two contrary influences on the retail price. Though the oil companies pay a lower price for their crude oil, the assistance to Sasol and Mossgas via the Equilisation Fund levy (which Sasol insists is correctly described as tariff protection), has to be increased.

That is why the 3c/l decrease was accompanied by an increase in the Equilisation Fund levy of 6c/l on 93 and 97 octane petrol, 8c/l on 87 octane petrol, and 1c/l on diesel. An oil industry spokesman says Sasol's assistance, after the increases, is running at an annualised R1,1bn and Mossgas's at R420m. Had it not been for these increases, the retail price of petrol in particular would have come down by another 1.5c/l.

Before November, the base price was US$23 a barrel. The State's temporary reduction of the level to US$21.85 significantly cut Sasol's take. At the same time, the oil companies sacrificed, until February 1, a (relatively minor) benefit they were getting from the fund — the Synfuels Levy of 0.7c/l.

As the oil companies' concession has now lapsed, Sasol wants the base price restored to US$23. However, the oil companies argue this is hardly fair exchange as the additional payment to Sasol, if the base price reverts, would be 2.8c/l.

As the spokesman claims Sasol's synfuel operations would be profitable without any State assistance whatever, even at present international dollar crude oil prices, there would seem to be no case for restoring the base to US$23. But Sasol says the protection provided is a contractual undertaking given by government to Sasol shareholders until 1996. It also argues that its synfuel output saves SA R4bn annually in foreign exchange and provides the same in wealth creation.

Liquid fuel

The new government will need to examine liquid fuel policy, especially the issue of assistance to Sasol and Mossgas (as well as the very existence of Mossgas). Whatever their merits and demerits, both an end to the Sasol/Mossgas protection and deregulation would provide at most a one-off reduction in the petrol price.

It is possible the new government will greatly reduce protection but keep intact the basic structure of retail regulation.

There is yet another controversial component of the retail price — tax. The fuel tax, at 60,3c/l, is 34.8% of the pump price for petrol and 32.17% of the diesel price. This percentage is modest by European standards, if not American. On this point, too, the next government faces some painful choices.

It desperately needs to balance the national books — which requires a certain proportion of indirect taxes, to tap the cash flow of those whose earnings entirely or substantially escape the formal income tax net. And tax revenue is urgently needed to fund social infrastructure.

There are two further elements which will decide the petrol price over time on a continuing basis: the international oil price and the exchange rate of the rand. (See graphs.) Because of the depreciation of the rand against the dollar, as the price of oil (Brent light) moved down over the past ten years, from around $30 to about $15, the rand price went from R33 to R45.

The international oil price seems likely to remain in a trough for a year or more.

Shell SA CE John Drake suggests the recent firming was caused by freezing weather in the US and reduced Russian supplies — both temporary influences. Depending on Opec's shaky self-discipline, prices could hit a low of $12 or a high of $16 around mid-year.

By the fourth quarter they could exceed $16. Sasol oil manager Alphonso Nien-mand sees Brent light moving to $16 within 12-18 months.

Over the next four or five years, price increases will be restrained by continued Opec overcapacity. So Brent, says Drake, is unlikely to move above $20. Nien-mand sug-

ECONOMY & FINANCE

inflation rates converge. If SA does no better than to keep inflation at say 8%, or roughly five percentage points above the US rate, then the petrol price will rise by that amount over and above the increases in international oil prices. A five-percentage-point inflation differential coupled with the high (60%) estimate for the increase in dollar oil, suggests that SA petrol prices would more or less double by the end of the century.

Given continued monetary restraint, there is real hope of continued convergence. Given reckless future SA monetary policies in the ostensible interest of social betterment, the potential for depression and therefore increased in liquid fuel prices, is unlimited. This would hurt the poor far more than the rich — a typical effect of inflation, which redistributes real wealth from earners to asset owners. This is the best possible argument for a future radical government to aim for low inflation.

11/2/94

Commercial rand/US$:

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Source: FNB

ECONOMY & FINANCE

It has 260

Oil price: per barrel

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Source: FNB PETROLEUM MARKET INTELLIGENCE

suggests $16.50-$17 in five years' time. For the long term, Shell sees prices in the broad range of $15-$25, provided there are no unpredictable events.

All of this suggests the dollar price alone could bring about a rise of 15%-60% in liquid fuel prices, assuming tax remains a constant percentage and the rand does not fall against the dollar.

But a stable rand implies the SA and US...
Eskom active in keeping grid plans on schedule

IN AN effort to keep the construction of a southern African electricity grid on schedule, a series of top-level meetings involving Eskom and neighbouring power utilities have been taking place over the past few months.

The electricity authorities of Zambia, Zimbabwe, Mozambique and Botswana are involved in the talks at which the basis of the grid is being formulated.

Eskom envisions the reinforcement of existing agreements and the creation of new multilateral agreements with neighbouring corporations with the backing of their governments.

Major extensions of the grid will, in the medium term, span Botswana, Zimbabwe, Zambia, Mozambique and Zaire, and in the long term Tanzania, Uganda, Kenya and Angola. Each of the respective countries will have to finance its "leg" of the grid, but this will require finance from bodies such as the World Bank, African Development Bank, the European Investment Bank and other sources.

The grid will bring far-reaching social and economic benefits to the region and will provide the southern African economies with a boost in terms of indirect demand for technical and consumer goods.

Eskom predicts electricity supply opening up among the region's 660-million population, only 10% of whom now have access to electricity.

In the process, SA electricity prices will benefit, mutually because Eskom will be a net exporter of electricity, absorbing existing over-capacity. Later, it will be possible to import cheaper hydro power, thus cushioning capital expenditure demands and production costs.

Eskom should have spare capacity up to and beyond the year 2000. The first steps towards the grid have already been taken with the initial phase of the construction of a 400kV line from Ellias rapa to Bulawayo, which will provide power to Zimbabwe. The quantity of energy exported will be determined in response to the levels of water at Kariba, Kafue and other hydro stations.

A complementary project involves strengthening the power system between Eskom and the Botswana Power Corporation (BPC) by the addition of two 132kV lines to Gaborone, which is already linked at 220kV to Zimbabwe via Francistown.

Work on the 132kV project is already under way and will be financed jointly by BPC and Eskom. Work on the Ellias rapa to Bulawayo line will start soon. Eskom will cover the costs up to the Botswana/Zimbabwe border and Zimbabwe will cover the costs in its country. The total cost of the project will be about R300m, the Zimbabwe portion being about R200m. It is hoped that this project will be completed within the next two years.

Eskom anticipates a mix of power sources for the grid - coal-fired, nuclear (Koeberg), pumped storage, gas-fired and hydro. Of the hydro sources, Cahora Bassa in Mozambique will be involved while other stations in the grid will include Capanda in Angola, Ruceana and Epupa at the Namibia/Angola border and Batoka Gorge or lower Kafue in Zimbabwe/Zambia.
Ready to ride the airwaves - when the vehicle arrives

Justin Pearce's guide to new radio stations and where you may find some of them

option on frequencies not in use

Radio Pretoria, which has its own transmitter, has simply continued on the same frequency as before

The National Community Radio Forum, which represents non-profit-making broadcasting organisations, has accused Home Affairs of brokering a hasty deal to defuse the embarrassing situation surrounding the hasty sign-up of NCRF consultant Willie Curne insisted the Independent Broadcasting Authority - which has still not been convened - was the only appropriate body to deal with the issuing of broadcast licences

Currie claims many of the newly licensed stations are not community-oriented operations, but are commercial operations trying to get a head-start in the market in anticipation of the issuing of permanent licences. The number of privately owned stations among 15 newcomers would appear to bear out his words. The new broadcasters are

Buffalo Distributors Group
This communications company which has previously managed to secure two-day licences to cover motor-racing events in East London Manager Les Becker said the group applied for a licence to operate as a fully-fledged local station - but when Home Affairs declined to issue the licences last Friday, all Buffalo got was another two-day permit for a race event on February 25 and 26

C Flat Radio
C Flat grew out of a community newspaper, People's Express, and concentrates on news and educational programmes for the Cape Flats. The station broadcasts in English, Afrikaans and Xhosa. Having broadcast on an one-month licence late last year, it will be on the air on February 24, broadcasting via Sentech on 103.3FM

CTFM
Owned by Radio Enterprises Ltd, CTFM broadcasts music - with a bent towards the unconventional - and talk shows to greater Cape Town. Having operated on a temporary licence over the holiday season to promote cultural and leisure activities, the station is off the air until granted a frequency to broadcast via Sentech

Peace 91.3FM
Set up by the Western Cape Peace Committee, Peace 91.3FM broadcast via Sentech on a temporary licence last year. It's on the air from 7pm to 9pm and 10pm to midnight. The station plans to go on the air by next month, to coincide with an outreach mission by evangelical organisation Operation South Africa. Glass says the station is funded by donations, listeners and advertising

Radio Pretoria
The station refused to the has the advantage of owning its own transmitter, from which it broadcast on 102.5FM. It's funded by donations and advertising

Rhodes Music Radio
With no competition for frequencies, this station went on air on Wednesday and can be picked up on 89FM in most parts of Grahamstown. Director Tony Lankaste said the station hopes to get a temporary licence and broadcast as far afield as Port Alfred...
Battle of airwaves resolved

By GLENDRA NEVILL.

The struggle for the 91.3 FM frequency between independent radio stations Peace FM and CTFM was resolved this week when the Postmaster General announced that Peace FM retain use of the band. But a new row is set to erupt after CTFM was awarded the 101.3 FM frequency, which was previously the preserve of C-Flat Radio.

Meanwhile, a spokesman for Bush Radio, the community radio station left out in the cold when Minister of Home Affairs Dame Schutte awarded 15 temporary licences, last week, said the matter would be raised at a meeting of the Transitional Executive Council tomorrow.

On air...

"We were told we weren't granted a licence because we broadcast illegally for four days last year. But what about Radio Pretoria?" asked the spokesman.

Mr Jeffrey Kimshith, manager of C-Flat Radio, said the station would be back on air on February 24.

Peace FM will also be transmitting nationally for four and half hours per-day on the Radio 2000 frequency. The hours are from 11.30am until 4pm.

Transmissions start tomorrow at 11.30am with Ramotena Mabote's programme, The A to Z of Peace..."
FW attacks ANC for ‘trying to influence SABC policy’

‘TV journalists told to toe the party line or lose jobs’

MICHAEL MORRIS
Political Correspondent

PRESIDENT De Klerk has sharply criticised the ANC for attempting to exert “undue influence” over the SABC and for trying to introduce a biased agenda into the corporation’s programming.

He delivered the broadside at the opening session of the 43rd general assembly of the International Press Institute in the Cape Town City Hall.

He said a “campaign of subtle intimidation” was being waged against experienced and competent journalists and managers at the SABC “who do not fit into the plans of this political phalanx”.

“We shall give serious attention to the implications of this situation in the days and weeks ahead,” he warned.

In a wide-ranging speech and question session, he also:

- Expressed the hope that last-minute talks with Zulu King Goodwill Zwelithini today would persuade Inkatha to reconsider its decision to boycott the election. The government would do everything it could to meet “reasonable demands”, but would not allow the election to be put off. If there was agreement, parliament could meet to ratify constitutional changes and provide an opportunity for latecomers to register for the election.

- Predicted a “dramatic” result for the National Party in the April election, adding that an overall victory for the NP was “achievable.”

- Expected the election campaign would “strain” his relationship with ANC leader Nelson Mandela, but committed himself to “play the ball, not the man”, and believed he and Mr Mandela would continue to be able to rise above “whatever divides us” to tackle problems of national concern.

- Said he was confident the future South Africa would be stable and investor-friendly and capable of giving a boost to the rest of Africa.

He endorsed the need for press freedom and the necessity for a “dynamic” watchdog media.

Tension between the media and the government was necessary.

“If either side is too happy with the relationship, the chances are that there is something wrong either with the media or with the government.”

On the ANC’s “efforts to secure influence over the SABC”, Mr De Klerk said it became apparent at the time of the appointment of the corporation’s new board last year that a sizeable proportion of the candidates on the original list were prominent members of the information and communication structures of one of the parties taking part in the election.

He said it had become evident that his efforts to create a “more balanced” board to ensure impartiality had not succeeded.

“There is a political phalanx actively involved in efforts to introduce a biased agenda into the SABC’s programming,” Mr De Klerk added. “There are well-substantiated reports of television journalists receiving direct instructions from the propaganda department of the party involved.”

The SABC proceeded to broadcast a television series outlining the ANC — and agreed not to broadcast the remaining episodes during the run-up to the election only after a public outcry.

“The so-called Democratic Education Broadcasting Initiative, which is supposed to educate voters for the election, is in effect — according to proper analysis by media experts — being abused to influence voters through its sub-textual content.”

(Michael Morris, 19 St Georges Mall, Cape Town)

MEDA MESSAGE: President De Klerk addresses the opening session of the International Press Institute congress in the City Hall today. On his right is editor-in-chief of The Star and congress chairman Richard Steyn.

Picture BRENTON GEECH, The Argus
SABC quest for balanced employment

By Jacqueline Myburgh

The SABC Board is investigating the possibility of offering white staff voluntary retrenchment in a move to correct the racial and gender balance in the public broadcaster.

This is the "official word" from the SABC Board, according to an internal memorandum. After its appointment last year, the new board adopted an active policy of affirmative action.

To ensure "a sounder balance in demographics", the board was also investigating other options, including specific recruitment policies that were sensitive to race, gender and other corrective measures.

At present, the SABC staff was 70 percent white and 30 percent black. At the normal pace of staff turnover it would take many years before a balance was established.

"However, an increase in staff turnover as a result of a new broadcasting dispensation and economic growth could have a major impact," the memo states.

The board said major emphasis would be placed on the training and development of staff.

NEW recruitment policies which are sensitive to race and gender are being considered particularly illiterate and semi-literate staffers.

A union source at the SABC said the voluntary retrenchment programme was aimed more at getting rid of white technical staff than of journalists. The board was also looking at correcting the imbalance among secretaries, of whom there were too many and all of whom were white, the source said.

About R10 million has been budgeted for the severance packages, which, at the moment, range from a maximum of 10 months' salary to a minimum of three months.

Anton Meyer, of the SA Broadcasting Staff Association which represents chiefly white technical workers, said Sabs' members "did not know what was going on", but they were unlikely to accept any severance package that was less than one month's salary per year of service.
De Klerk under fire for remarks about ANC, SABC

Political Staff

PRESIDENT De Klerk, who has his hands full dealing with the constitutional challenge posed by Zulu King Goodwill Zwelithini, has come under fire for his remarks about ANC attempts to influence the SABC.

Speaking at the International Press Institute general assembly yesterday, he claimed an ANC "phantom" was working behind the scenes at the SABC to influence programming to suit its own ends, and intimidating journalists who would not toe the line.

But both the ANC and SABC rebutted the claims.

The ANC has described as "patetic" President De Klerk's allegations that the ANC planned to hijack the SABC, and questioned his use of the IPI forum for "cheap party political propaganda." SABC chairwoman Dr Ivy Matsepe-Casaburri said she had no knowledge of any journalist being influenced or intimidated by any political organisation.

A R50-million advertising and public relations campaign, funded by businessmen, is to be launched this month to ensure a free and fair election. The campaign, to be funded by the independent Business Election Fund, is being backed by Professor Wiseman Nkuhlu, Independent Development Trust chairman, and Dave Brink of Sankorp. It will be chaired by Urban Foundation chairman Mike Rushton.

The campaign, to be launched on February 22, will aim at promoting political tolerance, freedom of association, the right to exercise the vote and ballot secrecy.

The venue and date of a meeting between the Defence Force and the Pan Africanist Congress military wing, the Azanian Peoples' Liberation Army, had still to be decided by the two parties. SADF spokesman Major Charl de Klerk said the SADF would not take back part-time SADF members' weapons.

Gisken is to take his seat on the Tranational Executive Council for the first time today — but the council still faces the difficult task of coaxing other non-participants to join.

Originally a Freedom Alliance member, Gisken split with its Alliance partners when its membership of the council was approved.

A delegation from the European Union's headquarters in Brussels is to arrive in South Africa tomorrow for exploratory talks on developing relations with a fully democratic South Africa, a delegation statement said.

(News by M Morris)
Broadcasting body shortlist at TEC

PRETORIA — A shortlist of nominations for the Independent Broadcasting Authority is likely to be approved by the TEC today.

The public will have two weeks to comment on the shortlist before each of the nominees undergoes public hearings to determine their suitability and skills.

The broadcasting authority is charged with ensuring no political party is advantaged, or disadvantaged, in broadcasts ahead of the election. It is also required to draw up a code of conduct for radio stations, investigate cross-ownership and examine the financial implications for the SABC of deregulation.

The TEC is also expected to react today to a plea by Home Affairs Minister Dansie Schutte that the Independent Broadcasting Authority Act be amended to allow for the granting of temporary broadcast licences.

Applications for licences would be considered only by mid-year, making it essential that the body be given the authority to issue temporary licences, Schutte said.

Without this, radio stations which had been given temporary licenses would be prevented from broadcasting for months.

Ciskei takes its place at the TEC for the first time at today’s session and will be represented by the Ciskei chief negotiator, Mickey Webbe.

TEC management committee co-chairman Pravin Gordhan said the TEC, its management committee and subcommittees were beginning to get “on top of their responsibilities” and contributing to the holding of free and fair elections in April.

The TEC “is doing its job, becoming effective”, Gordhan said.

The appearance of KwaZulu police commissioner Lt-Gen Roy Durang at last week’s meeting, in which he presented information on the operation of hit squads within his force, was seen as a “peak” in the TEC’s activities.

The TEC had been trying to get Durang to appear before it since December last year. Its summons were rejected by Durang who said the KwaZulu government did not recognise the TEC.

During agreed to give evidence to the TEC a few days before the Supreme Court in Natal was due to hear an urgent TEC application to force Durang to appear.

A smaller task group will conduct further investigations.

Other matters to be discussed by the TEC include the election fund, the launching of a leaflet and brochure publicity campaign on the constitution and the desirability of the retention of Section 29 of the Internal Security Act.

The TEC’s subcommittee on law and order is also scheduled to give a briefing on the general situation in the country.

Women may need wax to vote

PRETORIA — Thousands of rural women were having difficulty obtaining ID documents ahead of the April election as their fingerprints had become blurred or cracked, the TEC reported yesterday.

Speaking on behalf of the TEC’s subcommittee on the status of women, Free State traditional leaders’ representative Meny Moroke said manual labour and the handling of animal dung as a housing cement and cleaning chemicals had changed the fingerprints of many women in the rural areas.

Some had been trying for 10 or 15 years to acquire reference books but had been recalled twice and again by Home Affairs officials who could not match new and old fingerprints, Moroke said.

The same difficulties were being experienced when they attempted to obtain voting documents.

About 80% of women in SA lived in rural areas while, of those, up to 60% suffered from fading fingerprints, Moroke said.

The subcommittee, which was created to remove obstacles restricting women’s participation in the election, has recommended rural women apply wax or vaseline to their fingertips for three or four days before applying for ID documents. This would give their fingerprints greater clarity.

Rural women also faced voting difficulties through the inhibition of their political activities by traditional chiefs, intimidation by non-participating political parties and the incorrect issuing of ID’s stating incorrect names or gender.

A lack of access to information, poverty, illiteracy and the burden of housework and childcare further threatened to impede many women’s participation in the election, the subcommittee found.

The subcommittee will liaise with the TEC and the Independent Electoral Commission, governments, state departments and traditional authorities to ensure women, who represent 52% of the electorate, place ballots on April 27 and 28.
Call for defence of media

POLITICAL parties in South Africa should defend the right of the media to inquire, publish and distribute freely and without interference, eight of the world's major newspaper publishing groups and Unesco said yesterday.

This was contained in a resolution of the 43rd general assembly of the International Press Institute in the city.

"We call on all parties and organisations to express their commitment publicly and unequivocally, and to impress on their supporters the need to uphold press freedom in letter and spirit, in the interests of democracy in South Africa," the resolution said.


They said political parties should "uphold journalists' rights of access to all public areas, officials, government and other events, as well as other aspects of the public's business, without intimidation or threat"
FW worried about ANC in SABC

It was a matter of great concern that the African National Congress was trying to secure influence over the SABC, State President Mr FW de Klerk said yesterday.

Addressing the opening session of the International Press Institute's 43rd general assembly in Cape Town, De Klerk said this was first apparent in plans to appoint a number of senior ANC members to the SABC board.

"When I resisted this, I was heavily criticized. But it seems my efforts have not succeeded (260)."

De Klerk said a "political phalanx" was trying to influence programming at the SABC and a campaign of subtle intimidation had been started against journalists and managers who did not comply.

Journalists who resisted instructions to portray events in a certain light had been told not to return to the SABC after the forthcoming election.

There was immediate response from the SABC board, with chairman Dr Ivy Mabe-Casaburri saying the corporation had no knowledge of any journalist being influenced or intimidated by any political organization.

She said the SABC board had instigated an editorial code of conduct to which all editors and reporters subscribed. "The editorial code defends the rights of journalists against any interference, but also acknowledges the need to build democracy in South Africa."

SABC chief executive Mr Wynand Harmse said he was "upset and concerned" that De Klerk had publicly raised such questions without consulting the SABC board.

"We would have expected the State President to pass any such information on to the board before publicly raising it at an international conference of the media."

De Klerk also said developments during the next 72 days would determine whether South Africa succeeded in bringing about order, peace and stability or whether the country slid into conflict and chaos. — Sapa.

(Report by E Kemp, 141 Commissioner Street, Johannesburg)
SABC job at stake

DEMOCRATIC Party provincial candidate Ms Sibongile Mahlangu has been asked by her employer, the South African Broadcasting Corporation, to resign last week given until the month-end to leave, because of her nomination as a DP candidate for the regional assembly.

SABC manager Mr Rob Stevenson apparently told her the company’s policy did not allow staff members who had been nominated for political office to remain in its employ.

She said Stevenson also told her that she could not be guaranteed her job back should she fail to acquire a seat in the new government. Mahlangu is third on the provincial list of the DP.

Fellow DP candidate Mr Peter Leon has taken the matter up with the SABC on her behalf.

Leon said he told the SABC that he would not only take them to the Industrial Court but would also report them to the Independent Electoral Commission.

Mahlangu keeps her job as an archivist while the company reviews its position.

SABC group human resources manager Mr Christo Pretorius said he was not aware of the issue and referred Sowetan to Mahlangu’s manager, who was not available for comment.

(Report by Suekele Komo, 61 Commando Rd, Industria West, Johannesburg)
Radio licence panel named

PRETORIA — The Transitional Executive Council yesterday appointed a five-member panel to advise it on temporary radio licence applications.

The panel is headed by attorney Ms Amanda Armstrong and comprises Home Affairs Minister Mr Daniel Schutte, ANC information director Dr Pallo Jordan, DP spokesman on broadcasting Mr Peter Boal and the CP's Dr Pieter Mulder.

The panel will also advise the TEC on the composition of the Independent Broadcasting Authority. — Sapa
ANC seeks info on FW's claim

The ANC has challenged the SABC to supply it with information on the "well-substantiated" cases, referred to by President de Klerk, of its journalists receiving instructions from the ANC.

In an open letter to SABC chief executive Wynand Harmse, ANC director of publicity Dr Pallo Jordan said De Klerk would be seen as indulging in "cheap politicking" if the information was not available.

The ANC had been "prised that none of the claims had previously been brought to its attention." - Staff Reporter
Eskom welcomes ANC nuclear plan

CAPE TOWN — Eskom has welcomed the review process proposed at the recent ANC conference called to debate a nuclear policy for a democratic SA.

"The willingness of the ANC to involve all stakeholders in this process will lead to an understanding of the importance of nuclear power in the present and future energy mix in SA," nuclear GM John Henderson said yesterday.

As a developing nation, SA faced "exceptional" demands on its resources to fund large-scale reconstruction and upgrading programmes.

However, Koeburg's station manager, Peter Pretzke, has stressed that incidents referred to in the internal report at no time presented any nuclear danger.

Henderson commented that while he supported the need for the public to be informed about the operational performance of Koeburg, he felt it was misleading that judgments should be formed on isolated internal incident reports.

"But I want to stress that at no time was there any nuclear risk," Pretzke said.

A maintenance technician failed to replace computer cards that would allow "make-up" pumps to activate automatically when water in a steam generator loop dropped below a certain level.

This was missed in a check before the unit was recommissioned, and was only discovered more than a month later.

An internal investigation into the incident found that staff felt they were under too much pressure during outages.

"It's important to stress that at no time was there any nuclear risk," Pretzke said.
SABC boss blasts SABC

By Guy Berger

'SABC chairperson Dr Ivy Matepe-Casaburri is furious about state president FW de Klerk's claims this week that SATV is ANC-biased.

But she is even more angry with the way the SABC reported her response to Mr de Klerk.

Now Matepe-Casaburri is toying with the idea of taking the corporation to the Independent Media Commission.

Speaking to SOUTH, she said the SABC had reported her as saying that the SABC board would investigate Mr de Klerk's criticism.

De Klerk launched a strong attack on the SABC at a meeting of the International Press Institute in Cape Town on Monday.

Matepe-Casaburri says she told the SABC:

• It was "strange for the state president to level his charges at a meeting of the world's press in Cape Town, instead of approaching the SABC board directly";

• If Mr De Klerk had evidence to back up his accusations, he should present it to the SABC board, which only then would investigate.

• The state president could always resort to the Independent Media Commission (IMC) which was set up precisely to ensure fair coverage for all political parties contesting the election.

Displaying visible anger over the SABC's incomplete report of her response to De Klerk, Matepe-Casaburri indicated to SOUTH that she herself might have to consider complaining to the IMC about the coverage.

She would also find out who in the corporation was responsible for editing her response.

The SABC board was entirely open to genuine criticism, she said. It had also set up a consultative committee as part of the new direction of the corporation.
'Political role conflicts with neutrality'

DP candidates fall foul of SABC

BY JOHN SODERLUND

Three SABC employees, who are also Democratic Party election candidates, have fallen foul of a longstanding policy which prohibits any of the corporation’s employees from running for political office.

SABC-TV news anchor Sibongile Mahlangu, the DP’s number three regional assembly candidate, was informed last week that her candidacy “presented a dilemma and that she should choose one way or the other”, said her manager, Rob Stevenson.

In terms of current policy, her political role conflicted with the neutrality the SABC required her to maintain in her job, Stevenson said.

SABC employees have clashed with policy prohibiting them from running for political office.

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would not say what would happen if she refused to “raise the choice”.

Mahlangu’s lawyer and fellow DP candidate, Peter Leen, is threatening to take the SABC to the Industrial Court and the Independent Electoral Commission (IEC) if it forces her to resign.

The IEC, he said, made provision for civil servants to stand as candidates and allows them leave for the purpose. Although the SABC is not a public body, the spirit of this legislation should apply to it, argues Leen.

TV presenter Michelle Bruce, number 40 on the DP PWV regional assembly list, was also informed of the SABC’s “rule” and was requested to resign shortly after publication of the list.

Following legal representation to SABC management, the matter had now been resolved, she said.

“We have come to a mutually amicable agreement and I have been reinstated pending a further board decision.”

TV presenter Melanie Walker, formerly number 21 on the DP national assembly list, is said to have withdrawn as a candidate because of similar pressure.
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<th>Claims: SABC ‘disturbed’</th>
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<td>JOHANNESBURG</td>
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<td>The SABC board’s executive committee said yesterday it was disturbed at “unfair and insensitive” claims made by President F W de Klerk at the International Press Institute (IPI) conference in Cape Town on Monday.</td>
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<td>He told the IPI the ANC was trying to secure its influence over the SABC and said journalists who did not comply with the ANC’s editorial line were being told not to return to work after the April election.</td>
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<td>Mr De Klerk remains convinced of the truth of his claims, his office said yesterday.</td>
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<td>Also, the Democracy Education Broadcast Initiative said yesterday it was concerned at Mr De Klerk’s statement to the IPI that voter education was being abused to influence voters — Sapa</td>
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CONTROL over SA’s broadcasting industry is rapidly disintegrating, with some new radio stations flouting the law to broadcast.

And the establishment of the Independent Broadcasting Authority (IBA) — which is charged with issuing new broadcasting licences — has been delayed yet again.

Indications are that the IBA board will be appointed in mid-March at the earliest.

Since Home Affairs Minister Danie Schutte began issuing temporary radio licences, the expectations of new broadcasters have been raised. Aware of the limited frequencies available, some stations with commercial and political interests have been accused of “queue barging” by pressuring Schutte to continue issuing temporary licences.

Late last year Schutte said he would stop issuing temporary licences but as red tape repeatedly delayed the establishment of the IBA, piracy took control. Right-wing radio station Pretoria defied a Supreme Court order and the terms of its temporary licence to broadcast illegally, forcing a confrontation with Schutte.

He capitulated to its demands, granting it a temporary licence and, anxious to change perceptions that he was “weak-kneed”, he simultaneously gave 14 other stations temporary licences, even though many of them had not even applied to broadcast at the time.

Since then his office has received about 49 new applications.

Chaos

And two new right-wing stations — Radio Koppan and Radio Utopia — have announced their intention to begin broadcasting with or without licences.

“The Minister has established a scenario for chaos,” says National Association of Broadcasters chairman Stan Katz.

Jeanne du Toit, a speaker for Salt River community station Bush Radio, says, “Perhaps if we wore khaki uniforms, carried automatic rifles and dug trenches around our offices, we would also have got Schutte to negotiate with us.”

Katz says, “This is the worst thing he could have done. All that has happened now is that the waters have been muddied for the IBA and it will first have to clean up before it can start issuing licences.”

Media expert David Don says Schutte was advised against issuing temporary licences because of the expectations it would create.

Media consultant Michael Markowitz says Schutte’s actions just caused panic. “The temporary licence conditions clearly state that it expires two days before the IBA comes into effect and that it cannot be used to claim grandfather rights,” he says.

National Community Radio Forum chairman Aka Mkhwanazi says his organisation will be acting “with a view to ensuring that independent broadcasting regulation is not destroyed in the feverish rush to serve the sectarian and selfish interests of a small minority.”

The SA Local Broadcasters Association, representing most of the new commercial stations seeking licences, has welcomed Schutte’s decision, saying the commercial infrastructure to support the new broadcasting environment must be created now.
Eskom, foreign utilities in township venture

LONDON — Eskom is collaborating with French and British utilities in a three-year, R144m project to supply electricity to all the homes in Khayelitsha by 1995.

The project involves electrical connections for about 70,000 dwellings. Only 5,000 are supplied at present. The project got under way last month with the first new clients being connected earlier this month. Connections are expected to reach a rate of about 100 a day.

A spokesman for Electricité de France (EDF) said yesterday the total investment in the electrification programme was expected to be about Fr250m or R144m.

The third participant is UK distribution utility East Midlands Electricity (EME). Eskom has long-standing utility co-operation agreements with both companies.

The three have formed a joint operating company, Phambili Nombane. Xhosa, for “forward with electricity” (Zuma).

The EDF spokesman said the foreign companies would make extensive technological knowledge, management expertise and experience available to Eskom.

With a population of about 500,000, Khayelitsha, near Cape Town, is one of the fastest-growing townships in SA.

“it is expected that electricity will immediately provide a cleaner environment at a cost which is competitive with traditional fuels such as coal, and wood and which in the long run will boost local business activity,” the spokesman said.

“The involvement of the three utilities can be viewed as a pilot project which, if successful, could lead to further actions in the electrification of southern Africa and possibly other countries in Africa.”
Iscor signs Korean deal

Iscor has signed a three-year expertise agreement under which it will sell its Corex technology to South Korean steel producer Posco.

An Iscor spokesman said Korean personnel were expected on site at the Corex plant in Pretoria by the middle of the year for training.

Iscor general works manager Timien Schoepers said the world's second commercial Corex plant was being erected by Posco at the Pohang works in Korea.

"The plant, which should be commissioned by 1996, will have a capacity of 2 000 tons of liquid iron a day - twice that of the Pretoria plant."

Schoepers added "We are selling our expertise to the Koreans in the fields of metallurgy, computer control and ore blends. There is an option to extend the agreement."

Iscor's Corex plant is the only one of its kind in the world to be used on an industrial scale to produce liquid iron by charging ore and coal directly into the smelting furnace.

This alternative to the conventional blast furnace method uses a variety of cheaper and readily available non-cooking coals.

Iscor and Posco have entered into a confidentiality agreement under which all technical information, documents, data and information supplied by either party will not be disclosed to any third party without mutual consent.

Patents or agreements made by and between Iscor and Voest Alpine, the original designers of Corex, will be honoured by Posco.

Under the agreement Posco will not patent anything arising directly from knowledge gained at Iscor.
Come fly with Swissair! We'll help you fulfill your dreams.

Nice to meet you. How about flying? You've never been in Berlin? Chicago? London?

Dreambig. Life is short. Take off. Come to Swissair.
Earnings soar on
Iscor's iron exports

MICK COLLINS

STEEL producer Iscor yesterday announced a 72% increase in earnings to R215m for the six months to end-December from R122m recorded in the previous period. The company also announced a capitalisation share award in lieu of an interim dividend.

Turnover increased 11% to R4,76bn (R4,26bn) mainly as a result of a 13% increase in iron ore exports, a 20% increase in coal sales to Eskom and the effect on export sales of the weaker rand.

Increased steel export prices in dollars as well as an 8% increase in local steel sales also had a positive effect on turnover.

The company was confident that earnings for the second six months should reflect a substantial improvement on those of the same period last year.

Pre-tax income came in 82% higher at R233m (R128m) while income attributable to shareholders was R215m (R129m), or earnings a share of 11.5c (6.7c). An interim dividend of 3.24c (2c) was declared.

The capitalisation shares will be award-
ed to ordinary shareholders in the ratio of 1:2 new fully paid shares of R1 each in Iscor for every 100 ordinary shares held.

Where odd lots exist (under 100) the Iscor Pension Fund will purchase such rights at 270c a share.

MD Hans Smith said the company had refocused on cash management and measures to drastically reduce borrowings. Net borrowings for the six months de-

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Iscor
d

Iscor increased R133m. This reflected a significant turnaround as Iscor's net borrowings had steadily increased from R500m at privatisation to more than R8bn at end-1993.

A concerted effort was being made to reduce debt. The medium-term aim was a 50% reduction in borrowings from the June 1993 levels by December 1996.

Total steel volumes sold declined 7%, mainly due to product availability from Newcastle, as a result of a planned blast furnace reline. Export volumes decreased by 22% (36%) of total steel sales volumes.

"Iscor will not be producing more steel in the foreseeable future. The current steel production facilities can contribute to real growth only to the extent that rationalisation and efficiency improvement would enhance profitability, the exception being a stainless steel production facility."

Smith said a re-engineered Iscor would look upon its mining activities for longer term growth. Business units and investments that did not contribute to Iscor's strategic objectives would be phased out.

Smith said he expected iron ore and coal sales volumes to remain at their present levels. Subject to a stable political environment, local steel sales should continue to show further growth. In dollar terms steel export prices should remain at current levels while iron ore export prices would reduce by about 6% from April.
SATV to act on pirate viewers

Staff Reporter

SATV has called in debt collectors and will introduce 2,000 extra inspectors to track down the estimated one million pirate viewers who have not paid their television licences.

However, SATV admitted yesterday they had mistakenly sent threatening letters to "a few thousand" people who had already paid their fees.

SATV's newly-appointed debt collecting agency, ITC Business Administration, sent letters this week to pirate viewers threatening to have their names entered on the national credit register as "bad payers".

This could prevent them from obtaining future credit facilities in South Africa.

Mrs Zita Masey of Constantia, who received one of the letters, said yesterday she had paid her licence in September last year.

"I have the receipt to prove it," she said.

"I have tried unsuccessfully to phone ITC but there was no reply.

"Eventually I sent them a photocopy of my receipt to prove it," Mrs Masey said.

"My husband phoned the SABC and they said they had had numerous complaints from people who had paid their licences," Mrs Masey said.

The manager of SATV's licence section in Johannesburg, Mr Wavell Fox admitted yesterday there had been "a few thousand" mistakes.

"We apologise for these mistakes that slipped through.

"There could have been a number of reasons, like the person using a different ID number, or writing illegibly," Mr Fox said.
Sasol reports a solid performance

MICK COLLINS

SASOL reported a solid 17% increase in attributable earnings from R853.7m in 1992 to R164.8m for the six months ended December, following an "outstanding" performance from all its main divisions.

The oil-from-coal and chemical producer reported earnings a share up 17% to 11c (9c), while the interim dividend was declared 10.5% higher at 42c (38c).

The average exchange rate, which weakened from R2.64/$ during the previous period to R2.46/$ for the period under review, contributed to the improved results. Lower net interest payable as a result of the further reduction of the Sasol III loan also had a positive effect.

An increase of 34.8% in operating income to R1.1bn (R822.3m) was eroded by an increase in the effective tax rate to 34.4% (26.9%). The rate was expected to increase because allowances from Sasol III and Syferfontein mines were exhausted. R100m had been set aside for tax this year.

Turnover increased 7.5% to R4.6bn (R4.3bn) after a marked increase in sales volumes, while the trading margin widened to 23% (19%) following tighter cost controls. "The company's cost-reduction programme, which we introduced last year, really only kicked in during the period under review," Sasol group GM Russell Kennedy said.

Pre-tax profit was R196.8m (R169.4m) as the interest burden decreased to R43.8m (R64.1m) due to the lower borrowings. After-tax profit came in at R66.7m (R60.3m). The impact of the temporary

Sasol SciDay 11394

The Natrex refinery had also been commissioned towards the end of the period.

The anode coke plant in Secunda and the acrylic fibres plant in Durban have not yet reached their full operating potential.

On future prospects Kruger said that barring unforeseen circumstances, the attributable profit for the second half should be higher than that of the first half. "It is expected that there will be a satisfactory profit growth for the financial year."

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**Capex benefits flowing through**

Sasol's strong bottom-line growth was helped by the weaker rand and the synfuel division's insulation from low world oil prices. But it also shows a tightening of the ship, with benefits from a vigorous cost-reduction programme, firmly operating margins and increased efficiency across all divisions contributing to a 7.5% increase in sales.

Initial benefits of earlier capital spending — some R4.3bn over the past three financial years — are starting to come through, though the impact should be greater in the second half, with the main surge likely to be felt in 1995.

At operating level, synfuels' contribution rose from 42% at the June year-end to about 46%. This is Sasol's tariff protected income, though the level has been reduced from US$23 a barrel to $21.84, effective for about two of the six-month reporting period.

Petroleum products, main focus of capital spending though a flat world market and, in some cases, deteriorating prices, have kept a lid on the division's full potential, kept its contribution to operating profit level at about 26%. So did crude oil refining activities, at 18%, while the contribution from coal mining dropped from the year-end's 21% to about 17%.

All divisions, though, increased volumes, which MD Paul Kruger attributes to an increase in efficiency, stability and improved operations at plants.

With around 80% of Sasol's products priced in international currencies, mainly dollars, the weakening of the exchange rate from R2.84/$1 in the previous period to R3.28/$1 in the second half of last year boosted results, despite prices falling for some petrochemical products.

Demand from overseas was static, though Kruger says international markets seemed to have bottomed. Growth areas like the Far East have kept up demand, but Kruger says high import tariffs are a problem, with China, for example, charging 45% duties on polypropylene. "Demand in local markets picked up, especially for petrochemicals, and is robust, though there is still pressure on prices," he adds.

Increased sales and the firmer operating margin, 23.7% compared to the previous period's 18.9%, as well as greatly reduced interest payments, boosted pre-tax profit 40% to R1.1bn. But an increase in Sasol's effective tax rate from 20.5% to 34.4% took the wind out of the profit surge, reducing taxed profit to R699m, an increase of 16.5%.

Lower debt, mainly repayment of the Central Energy Fund's loan to Sasol 3, and cash holdings of R1.2bn have strengthened the balance sheet. Kruger says R950m of total debt of R1.6bn remains on the Sasol 3 loan. This is repayable at an interest rate of 16%, but has clawback benefits which make it unattainable at current rates.

The increased tax rate was expected, mainly from assessed losses on Sasol 3 and 4.

**Better all round**

Interim results from Iscor have comfortably justified the resurgence of the share price. It is not simply that EPS have jumped 72% off the low base of 6.7c set in the first half of last year — which in itself vindicates the qualified optimism management began to show when the 1993 year-end results were released in August.

More important is the distinctly positive change occurring in markets, cash flow, the balance sheet and general asset management. It all offers ample grounds for thinking the profit recovery will be sustained and will remain vigorous.

At last year-end, several reasons were cited for a profit recovery, including the deprecating rand, reforming of the Newcastle blast furnace and forgoing dollar prices for exports. Deputy MD Nels Olivier (Fox Sept 3) felt these could provide enough impetus to lift the operating margin — crucial for Iscor's profitability — from last year's 6.2% to 9.2%.

That is essentially what has happened. In the half-year to December the margin jumped up to 8%, and a number of positive factors are only just beginning to come through. The margin is now also being boosted by improved cost efficiencies, increased steel export prices in dollars and, especially, rising sales volumes to the local market.

One of the most encouraging aspects is the change now being felt in the domestic steel market. Six months ago management said they could see no real sign of recovery in domestic demand for steel. Now they say that in the interim period local steel sales volumes grew 8%.

Total sales were cut by 2%, with export sales down 9.1%, as there was a planned decline to accommodate the reining of the blast furnace at Newcastle. Priority is given to meeting domestic demand — and any improvement in local sales can sharply benefit Iscor's profits, as these carry higher margins than exports. Local demand for steel has historically been closely linked to GDP and fixed investment, and Iscor is forecasting that this link is set to remain strong.

**WELL OILED**

<table>
<thead>
<tr>
<th></th>
<th>Dec 25</th>
<th>Jun 25</th>
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<tbody>
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<td>Operating income (Rm)</td>
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<td>Attributable (Rm)</td>
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<td>115.9</td>
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<tr>
<td>Dividends (c)</td>
<td>38</td>
<td>48</td>
<td>42</td>
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</tbody>
</table>

Fox 4/3/94

**Better all round**

**Sasol's Kruger**

**local demand is robust**

the Syferfontein mine being used up. Kruger says the tax rate should stabilise at about 30%, though R100m has been put aside in a tax equalisation reserve to lessen the impact if necessary.

The R400m Natref upgrade has not had time to benefit latest results, but should boost second-half performance through improved refining margins. "We can get more higher-value products out of a barrel by using heavier oil as feedstock," Kruger says.

Sasol's 1's conversion from loss-making synfuel production to petrochemicals, however, contributed to results.

Additional projects, with an investment of more than R1bn, are due to come on stream this year and early next year, including the alpha-olefins and acrylonitrile plants at Secunda, an oxygen plant at Sasol 3 and a new reactor system at Sasol 2.

That makes 1995 look like a growth year for Sasol, though Kruger says attributable income is expected to strengthen in the second half of the 1994 financial year. With no immediate prospect of a stronger rand, provisons set aside for the higher tax rate, and the full benefits of earlier capital spending still to be felt, full year results should be good.

It also suggest the share, which has only recently broken through the R20 barrier it has been testing for a long time, has potential. Investor concern about tariff protection and deregulation of the fuel industry will probably remain, but on latest results and prospects for the rest of the year, the price should move up.

Shane Harris

**ISCOR**

**4/3/94**

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to the tonnages seen in the late Eighties of about 3.2 Mt in H1/94.

However, this remains a cyclical business. CE Hans Smith says positive growth is only expected for the next two to three years, until 1995/1996. The challenge then will be to manage the downturn and to ensure Iscor becomes and remains a low-cost international producer. Already the Vanderbijlpark works is rated by the London-based Commodity Research Unit (an independent consultancy) as one of the lowest-cost producers of flat steel products in the world market.

For the rest, Iscor’s long-term growth will be driven mainly by expansion of the mining and minerals division, iron ore exports have become an increasingly important profit contributor. The 18% capacity expansion at the Sishen mine, which produces and exports extremely high-quality iron ore — boosted the interim earnings, as did the 20% increase in coal sales to Eskom.

A coal mining venture in Australia is now probable (see next report), and there must be prospects for other new projects and, probably, diversification of mining activities.

Meanwhile, impressive progress has been made with items Smith earmarked as “fast track critical issues.” First, the debt burden Smith wants to halve by next December from the R2bn at last June year-end, at December net borrowings were down by R133m. Secondly, rationalisation of the “perceived clumsy head-office structure.” At the end of this month, about 3,000 employees will take early retirement packages, financed from the surplus in the Iscor Pension Fund.

This will be a continuing process. But Iscor has turned cash positive for the first time in years. There was a net cash inflow of R133m for the six months.

Analysts are now forecasting full-year EPS of around 26c-29c (70%-80% up), possibly rising as high as 30c in the 1995 year. On that outlook, the share is fairly valued and capable of rising usefully above R3 soon.

ISCOR — 2

G’day Hans

Iscor’s move into Australia is a strategic measure aimed at securing supplies of coking coal for its steel mills — but it also means

ISCOR — 2

G’day Hans

Iscor will enter the coking-coal export business. MD Hans Smith says, “We are approached a situation where we will soon have to import 1 Mt of coking coal a year and we would like to establish some form of security of supply over those volumes.”

“We have been trying to negotiate a deal to link up with an existing coking-coal producer but nobody has been interested in talking to us. That has forced us to go looking for our own source of supply. For a new mine to be financially feasible it will have to produce around 3 Mt a year. We want 1 Mt of that, so the balance will be sold on the export markets.”

The deposit to be looked at is block RA278 near the Queensland town of Moranbah. It has a potential in situ reserve of about 700 Mt of high-grade coking coal and is about 200 km from the nearest harbour, Mackay.

Executive director Ben Alberts says Iscor won the rights to explore the deposit with a tender of AU$2,15m (R5m). It’s planned to spend R5m-R7m a year over the next three or four years to drill and prove the deposit, and carry out chemical analyses of the coal.

Iscor’s demand for this coal could eventually reach 1.5 Mt/year, depending on developments at its Vanderbijlpark steelworks over the next six years. Some of the older coking ovens are to be phased out, with pulverised coal injection introduced in the blast furnaces, which will need a stronger coke.

Iscor is still considering ways of financing the mine which could cost around R800m. It will probably look for a partner to develop the mine and market production it does not require.

This is Iscor’s second foray outside SA to be announced in as many weeks. It is to invest R45m and become a partner in a project to extend the Qianwan harbour in the Qingdao port complex in north-eastern China.

Brendan Ryan

MURRAY & ROBERTS

Puzzling comparison

Murray & Roberts (M&R)’s interim results may leave some shareholders confused. Somehow, it has managed to dispose of 57c a share in earnings and I can only presume it is because this amount — R36m — presents an embarrassment.

Here is what appears to have happened: Last year, M&R reported EPS for the year to June as 53c. That included 57c in deferred tax benefits that were taken above the line, a practice which is quite legal but which isn’t exactly conservative. One result was that M&R reflected an increase of 9% in EPS over 1992, 46c to be precise — and unkind observers will point out the increase was funded solely by Derek Key’s generosity. Another was that it was able to raise its dividend 11% to 200c.

This time, however, the interim results faithfully reflect last year’s audited figures — all the way down to EPS. This is now shown as 47c and is under the heading “EPS excluding prior year tax adjustment.” So 57c in deferred tax benefits are not now shown — though they were welcome last year.

This means that when 1994’s annual statements are presented it will be by comparison with a lower EPS for 1993 and that is certainly one way of ensuring management is cast constantly in as good a light as possible. Commercial director Jeremy Raetcliffe says both figures will be disclosed in the annual report. I must add that nothing improper has been done, but playing ducks and drakes with bottom-line earnings isn’t a practice to be recommended.

For the rest, the notable increase in earnings this half year was from the engineering division, which returned an increase of 23% on first-half 1993. However, much of that will have come from M&R’s increased shareholding in Standard Engineering.

M&R has positioned itself to take maximum advantage of the long-awaited spurt in capital projects (GDFI) and that’s been a bad place to be for the last 21 successive quarters. The realisation that SA’s capital stock has been contracting for longer than three years (and that GDFI has declined for 21 successive quarters) is sobering.

However, things are now on the move. Alusaf, Columbus and Namakwa Sands are bubbling and more should transpire as (if) the country returns to a state resembling normality. Still, none of these will have any effect on M&R’s fortunes in the short term.

The abridged and consolidated balance sheet reflects inherent strength, borrowings

Andrew McIntyre

FM’s GLEASON WINS

FM assistant editor David Gleason won the periodicals category and was also overall winner of the Syfrets Award for Consistent Excellence in Business Journalism. Pictured at the awards ceremony are three Davids Syfrets’ David Rennie (left), Sussens, Mann’s David Carter (one of the judges); and Gleason’s Joel’s Curtis van Keyserlingk won the daily category and former SABC employee Alec Hogg won the electronic media category.

YMMV

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Highlights

<table>
<thead>
<tr>
<th></th>
<th>Half year ended 25/12/1993</th>
<th>Half year ended 25/12/1992</th>
<th>Change</th>
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<tbody>
<tr>
<td>Attributable profit</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Permanent capital holders (R million)</td>
<td>693,1</td>
<td>593,6</td>
<td>+17.0</td>
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<tr>
<td>Ordinary shareholders (R million)</td>
<td>656,5</td>
<td>560,7</td>
<td>+17.1</td>
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<tr>
<td>Earnings per share (cents)</td>
<td>115,9</td>
<td>99,0</td>
<td>+17.1</td>
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<tr>
<td>Dividend (cents)</td>
<td>42,0</td>
<td>36,0</td>
<td>+10.5</td>
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<tr>
<td>Cover (times)</td>
<td>2,8</td>
<td>2,6</td>
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Comments on the financial results
Earnings attributable to shareholders increased by 17.1% from R580.7 million to R656.5 million. An increase of 34.3% in operating income was eroded by an increase in the effective tax rate from 20.9% to 34.4%.
The improved results reflect the outstanding performance of all the main divisions. Sales volumes increased markedly and cost increases were once again kept well below the inflation rate.
The commissioning of the reynueracm project to convert the Sasol One plant to a chemical facility was completed during the period under review. Even though full capacity was not reached during January 1994, a substantial improvement in profitability was achieved during the half year. The Narex expansion was successfully commissioned towards the end of the period.
The Anoda Coke plant in Secunda and the Acrylic Fibres plant in Durban have not yet reached their full operating potential.
The average exchange rate which weakened from R2.84/$1 during the previous period to R2.29/$1 for the period under review also contributed to the improved results. Lower net interest payable, inter alia, as a result of the further reduction of the Sasol Three loan, also had a positive effect.
The impact of the temporary reduction in the reference price for synthetic tar on profit and cash inflow from the Sasol Three loan, is incorporated in the results for the period under review.
Polfit Limited, the petrochemicals and plastics joint venture with AEGI, was incorporated late in December and became operative on 1 January 1994.

Profit outlook
Unless unforeseen circumstances arise the attributable profit for the second half of the financial year should be higher than that of the first half. It is expected that there will be a satisfactory profit growth for the financial year.

Interim profit statement and declaration of dividend No 29
for the half year ended 25 December 1993

Particulars of financial results
The group's unaudited consolidated results for the half year ended 25 December 1993 are as follows:

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<tbody>
<tr>
<td></td>
<td>R million</td>
<td>R million</td>
<td>R million</td>
<td>R million</td>
</tr>
<tr>
<td>Turnover</td>
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<td>4,399,7</td>
<td>8,576,5</td>
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<td>Net operating income</td>
<td>1,108,1</td>
<td>822,3</td>
<td>2,126,1</td>
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<td>Net interest paid</td>
<td>(43,9)</td>
<td>(34,1)</td>
<td>(125,9)</td>
<td>(247,9)</td>
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<td>Income before taxation</td>
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<td>759,0</td>
<td>2,188,2</td>
<td>4,049,0</td>
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<td>Provision for taxation</td>
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<td>(159,7)</td>
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<td>(672,9)</td>
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<td>Income after taxation</td>
<td>698,7</td>
<td>600,3</td>
<td>1,840,7</td>
<td>3,376,5</td>
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<td>Outside shareholders' interest</td>
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<td>15,7</td>
<td>31,0</td>
<td>62,0</td>
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<tr>
<td>Transfer to tax equalisation reserve</td>
<td>-</td>
<td>-</td>
<td>(109,0)</td>
<td>(209,0)</td>
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<td>Earnings attributable to permanent capital holders of the company</td>
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<td>585,6</td>
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<td>Net dividend interest</td>
<td>(26,0)</td>
<td>(22,9)</td>
<td>(53,0)</td>
<td>103,0</td>
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<td>656,5</td>
<td>562,7</td>
<td>1,303,8</td>
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<td>215,3</td>
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<td>Earnings per share (cents)</td>
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<td>Dividend per share (cents)</td>
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Consolidated balance sheet

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<tr>
<td>Source of capital</td>
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<tr>
<td>Shareholders' interest</td>
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<td>Long term liabilities</td>
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<td>Tax equalisation reserve</td>
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<td>Deferred taxation</td>
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<td>1,189,9</td>
<td>2,379,8</td>
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<td>11,307,0</td>
<td>10,910,8</td>
<td>10,873,4</td>
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<td>21,787,1</td>
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Employment of capital

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<td>Fixed assets</td>
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<td>19,549,6</td>
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<td>Other long-term assets</td>
<td>314,2</td>
<td>303,5</td>
<td>303,5</td>
<td>607,0</td>
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<td>Current assets</td>
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<td>3,599,0</td>
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<td>Cash funds</td>
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<td>999,8</td>
<td>1,999,6</td>
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<td>Other current assets</td>
<td>2,405,1</td>
<td>2,201,1</td>
<td>2,201,1</td>
<td>4,402,2</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(2,200,5)</td>
<td>(1,978,7)</td>
<td>(2,166,4)</td>
<td>(4,333,0)</td>
</tr>
<tr>
<td>Interest bearing short-term debt</td>
<td>(520,2)</td>
<td>(405,3)</td>
<td>(679,9)</td>
<td>(1,359,2)</td>
</tr>
<tr>
<td>11,307,0</td>
<td>10,910,8</td>
<td>10,873,4</td>
<td></td>
<td>21,787,1</td>
</tr>
</tbody>
</table>

Net asset value per share (cents) | 1,197,5     | 1,040,5     | 1,123,7               | 2,247,0    |

In terms of the Income Tax Act, tax at the rate of 15% will be deducted from dividends payable to shareholders who reside outside the Republic of South Africa.

by order of the board
R Hugo
Company secretary

26 February 1994

Directors: J A Stegmann (Chairman), P du P Kruger (Managing director and Deputy chairman), C S Adcock, W A M Clewlow, M T de Waal, A G du Toit (Executive director), H V Hefer, M J Levet, D F Montet (Executive director), N H Mothibane, P J van Roon, C H Wease

JOHANNESBURG

64 • FINANCIAL MAIL • MARCH • 4 • 1994
## Dividend announcement and summary of consolidated results

Unaudited consolidated results for the financial year ended 31 December 1993

<table>
<thead>
<tr>
<th></th>
<th>1993 R000's</th>
<th>1992 R000's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– after writing off depreciation of R65 747 000 (1992 R54 322 000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Add Dividends received</td>
<td>284 172</td>
<td>374 449</td>
</tr>
<tr>
<td>Add Interest receivable</td>
<td>1 023</td>
<td>1 306</td>
</tr>
<tr>
<td>Add Foreign exchange gains</td>
<td>6 325</td>
<td>9 883</td>
</tr>
<tr>
<td>Less Interest payable</td>
<td>3 851</td>
<td>20 151</td>
</tr>
<tr>
<td>Proft before taxation</td>
<td>10 882</td>
<td>(706)</td>
</tr>
</tbody>
</table>

| Profit after taxation  |             |             |
| Deduct Taxation and lease consideration | 284 489 | 392 410 |
| Add Extraordinary item | 136 178     | 202 350     |
| Deduct Interim dividends | 148 311     | 190 060     |
| Final dividends        | 21 556      | 8 675       |
| Retained profits for the year | 169 867 | 198 735 |
|                        | 96 273      | 110 430     |
|                        | 73 620      | 87 778      |

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## DECLARATION OF DIVIDEND No. 107

Notice is hereby given that Dividend No. 107 of R2.60 per R1-share, being the final dividend for the year ended 31 December 1993, has been declared payable to shareholders registered in the books of the company on 11 March 1994. This dividend, together with the interim dividends (Dividends Nos. 104, 105 and 106) of 100, 110 and 130 cents per share respectively, makes a total distribution of R6.00 per share for the year.

The dividend is declared payable in the currency of the Republic of South Africa. Dividend warrants will be posted on or about 31 March 1994.

In terms of the Republic of South Africa Income Tax Act 1962, as amended, Non-Resident Shareholders Tax at the applicable rate will be deducted by the company from dividends payable to shareholders whose addresses in the Share Register are outside the Republic of South Africa.

The Transfer Books and Register of Members will be closed from 12 March to 25 March 1994, both days inclusive.

By order of the Board
Rio Tinto Management Services
South Africa (Pty) Limited
Secretaries
per K Landrum

Transfer Secretaries
Union Provident Trust
South Africa Limited
Ernst & Young House
4 Pritchard Street
Johannesburg 2001

Registered office:
4th Floor
Rio Tinto House
122 Pybus Road
Sandton
2196

23 February 1994
SABC 'doing its utmost'

PAARL — The SABC was a ball being kicked around to score political points, SABC group CEO Wynand Harmse said yesterday.

He said the corporation was doing its utmost to ensure reports were fair and its journalists were proud of the new ethical code.

Harmse said the SABC had to stay independent but also be constructive in its election coverage.

SABC board chairman Ivy Matepe-Casaburri said it was important for the media "to encourage a culture of seeing the SABC as a national resource".

Report by P Kips, Cape, Kleinekraag Centre.

Springs St, Cape Town.
Challenges for broadcasting

THE Independent Broadcasting Authority (IBA) faces formidable challenges locally and from the international media when it is constituted by the Transitional Executive Council next week.

"One of the measures of the IBA's credibility will be how it deals with the SABC," said selection panel member Lawrence Anderson during public interviews for the IBA at the World Trade Centre in Kempton Park yesterday.

Candidates targeted the need for the SABC to become a true public broadcaster serving the national interest.

The Independent Broadcasting Act defines the IBA as a non-politically constituted body, but it is not clear how the members will find their way across what is certain to be a politically loaded terrain. — Sapa
MMABATHO — British Broadcasting Corporation news head in South Africa Mr John Harrison was killed in a crash smash on the road between Mmabatho and Zeerust yesterday.

Mr Harrison and BBC cameraman Mr Glen Middleton were returning from Zeerust when the car in which they were travelling left the road.

And journalists covering the violence in Bophuthatswana suffered casualties when youths attacked reporters at makeshift roadblocks.

Youths stopped an SABC television crew headed by Ms Nan Roux about 5km outside Mmabatho and tried to pull her from the car. SATV reporter Mr Danie Hefer said. He said Ms Roux had been assaulted and the car stoned.

Mr Hefer and his crew were also attacked on their way back from Zeerust.

"A team from the British news network Sky News was stopped at another roadblock near Mmabatho and told by youths they had to leave the car or they could be shot," ITN reporter Mr James Brittan said. — Sapa
De Beers’ earnings for the year to December are at the upper end of analysts’ predictions and the dividend payout has beaten nearly every forecast. However, market enthusiasm is tempered by the balance sheet.

Despite record CSO sales for 1993 of US$4.37bn, 28% up on 1992’s $3.48bn, the diamond stockpile has risen to $4.1bn (1992, $3.8bn) and the quota controls on the diamond producers remain unchanged at 85% of full output.

Some analysts had felt De Beers would announce the removal of the last quota restrictions if the 1993 results were positive and particularly if the dividend was lifted materially. The payout has been increased significantly by 7% in US dollar terms and by 19% in rand terms.

The result could be further pressure on the CSO to lift remaining quota restrictions, by producers resentful that De Beers’ shareholders should benefit while they continue to support the market.

The retention of the quotas seems to run counter to chairman Janan Ogilvie Thompson’s upbeat view on retail diamond sales which should, on the face of it, be positive for future sales of rough. He says in 1993 retail sales increased for the first time in four years, but adds it’s too early to predict this year’s CSO sales.

A worry remains the erratic selling activity of the Russians. CSO MD Gary Raffe says De Beers has held discussions with the Russian government. He is convinced they have no intention of destabilising the market through continued sales outside the CSO, such as the $80m-odd of gem diamonds greater than 10 carats sold in December.

These sales contravened CSO agreements, he says, but the high demand for good quality stones also sold independently by the Russians last year was legitimate.

Looking longer term, the CSO could face new production from the world-wide intensive search under way for new diamond deposits in Australia, North America, Africa and Europe — the first new producer being BHP’s Lac de Grace mine.

Ogilvie Thompson says the CSO has had discussions with BHP on marketing the mine’s production and expects to have further discussions. “All the major producers have so far thought it wise to sell through the CSO and we would hope to persuade all newcomers to follow that line,” he says.

The cost could be continued pressure on profit margins. The 1993 margin on the diamond account fell to a new low of 16.6% (1992, 18.8%).

Key figures in the accounts are the trebling of the diamond account to R614m ($205m) for the SA operations of De Beers.

Consolidated and the 5.7% drop in the De Beers Centenary diamond account to $562m ($596m), despite the 28% rise in CSO sales. The former was because of the first full year of operations at Venetia Ogilvie Thompson attributes the latter to a number of factors, none being dominant. These include retenchment payments at De Beers Industrial Diamonds and the fact that the improved earnings for Venetia reported through De Beers Consolidated and not De Beers Centenary. Some analysts feel another factor must be costs for De Beers’ buying in diamonds marketed outside the CSO.

Despite the concerns, this week’s share price reached an all-time high of R115, rising R1 when results were released on Tuesday. It could go higher, but is now in risky territory, though not necessarily for reasons related to the diamond market.

G O’Flaherty analyst Des Mayers says that at R114, De Beers’ non-diamond interests — principally its stake in Anglo American Corp — were worth about R81,50 a share and the diamond interests about R32,50. That puts a multiple on the diamond business of about 8.6, not excessive but there is concern about the non-diamond side. That relates to foreign interest in SA and the high levels of international stock markets.

“These markets look vulnerable and the possibility of a general crack is a real concern. On the diamond side, I think De Beers’ management has done very well considering the problems they have faced.” Brendan Ryan,
Parties allocated radio time

Prepare for 150 hours of electioneering

BY JOHN SODERLUND

If the election adverts haven't yet pushed you over the edge, 150 hours of party election broadcasts (PEBs) ought to do it. That's the total time allocated by the Independent Media Commission for political parties to campaign on radio stations, starting this Monday and ending on April 24.

Four PEBs will run for three minutes during peak time each day on each of the SABC stations, all homeland stations and commercial station Radio Citadel.

Total time was limited in an attempt to discourage the listening public from switching off — something which has proved a problem with PEBs in recent elections in Canada and the UK. Commissioner Raymond Louw said yesterday.

The yardstick used in deciding how much time to allocate to parties was the number of candidates fielded by each for the national and regional elections.

The party with the lowest total PEB time is the South African Women's Party with 51 minutes, while the highest time allocation of 945 minutes goes to the NP and the ANC.

Negotiations were under way between the parties and seven SABC stations — BRFM, Highveld Stereo, Port Natal Stereo, Radio Algosa, Radio Goudveld, Radio Jacaranda and Radio Oranje — for the stations not to carry PEBs at all, Louw added.

(47 Sarat St, Johannesburg)
Broadcasting body's decision expected.

PRETORIA — The board of the Independent Broadcasting Authority is likely to be appointed by the TEC today following public interviews and on the interviewing panel's recommendations.

An Independent Electoral Commission recommendation on which prisoners will have the vote forms part of the Transitional Executive Council agenda. The IEC is expected to recommend that all prisoners be given the vote.

The Bophuthatswana issue will top today's agenda. Additional issues likely to be raised include a report-back on the East Rand peace plan and further developments in the finalisation of the Rottn housing plan announced by Housing Minister Louis Shilu earlier this month.

Our Cape Town correspondent reports that the new flag — expected to be chosen by the TEC today — will have symbolic logos or coats of arms. Insiders "sworn to secrecy" said that instead, the five design options before the TEC consisted "mainly of stripes and geometric shapes" and would be as "non-contentious as possible".

Winnie report 'is slander'

THE ANC yesterday slammed Ladysmith Black Mambazo chairman Winnie Madikizela-Mandela's book about the death of Nelson Mandela as "slander".

WILSON ZWANE
Broadcast Act by March 25

PRETORIA — The Independent Broadcasting Authority Act should be promulgated before March 25, the TEC decided yesterday.

The members of the IBA and the chairman of the Independent Media Commission are expected to be named soon. — Sapa
Broadcasters’ nod for choices on IBA

BY JOHN SODERLUND

The Transitional Executive Council’s choice of members for appointment to the Independent Broadcasting Authority (IBA) has been welcomed by broadcasters.

Co-chairpersons of the IBA, which will oversee all broadcasting activities, are Association of Advertising Agencies (AAA) executive vice-president Peter de Klerk and Dr Sibonelo Matabane.

Several prominent broadcasters had little or no knowledge of Matabane. She is reported to have spent several years at two universities in Texas where she was heavily involved in student radio and television stations.

She reportedly works for a company in Johannesburg. De Klerk, 54, served in the marketing department of D’Arcy’s for 10 years before becoming its chairman. He has served in his current position in the AAA for seven years.

The other committee members are media lawyer William Lance, SABC Radio Election Unit head John Matsunzi, former Cosatu spokesman Frank Mempts, UCT social anthropologist Professor Harriet Nqabane; telecommunications expert Lyndall Shope-Mafolie and ex-SABC chairman Professor Chresto Viljoen.

National Association of Broadcasters chairman Stan Katz and Interim Broadcast Committee chairman Tony Sanderson expressed cautious approval of the list, but remarked that the absence of anybody with broadcasting background was a cause for concern.

Katz said “It is a matter of bringing them up to speed as soon as possible on the industry as they have other expertise.”

M-Net Multichoice director of corporate affairs Koos Scholtz said: “I am quite hopeful that the mix of people on the committee will bring about a concerned and informed IBA eventually.

“I hope these guys are on a learning curve and have the wisdom not to damage the changing industry,” he commented.

The IBA’s first test will be when it comes into effect on March 25. Temporary licencees will have to suspend broadcasting until new licence applications have been approved.

New temporary licences may be issued immediately but permanent licencees will be withheld until the completion of a comprehensive IBA investigation into the broadcasting industry.

Sanderson says he is concerned that some stations, among them seven right-wing operators, will ignore the IBA demands.

IBA co-chairpersons will hold office for five years.
Right-wing radio call to be probed

BY JACQUELINE MYBURGH

The Independent Media Commission is investigating a call on Radio Pretoria last Thursday for all members of the AWB Welkommando to report to the organisation's Ventersdorp office "in full combat kit", according to IMC chairman Raymond Louw said yesterday.

This call was made between 11 am and noon on Thursday — about 9 hours before Star journalists witnessed the first group of khaki-clad right-wingers crossing the South African border into Botswana.

Louw said the IMC, which was created by the TEC to monitor fairness in election coverage by the media, had asked its legal advisers to study the full transcript of the announcement to establish whether the IMC Act had been contravened.

According to an English translation of the radio message provided to the Star, the

Radio call to be probed

From Page 1

Radio Pretoria announcer said:

"All AWB Welkommando members have been asked to report to the Ventersdorp office by 2 pm in full combat kit.

"This is a report from our news office — I don't know what it is for, they must have edited it for us.

"An hour later, the announcer said everyone should phone the office before physically arriving there because "apparently some of the insignia must be removed and... to confirm what you must bring along."

Radio Pretoria chairman Moshe van den Berg responded to news of the inquiry by saying he would never allow anyone to prevent him from broadcasting something that listeners had requested him to broadcast. He said Radio Pretoria had no links with the AWB, but operated under the guidance of the Afrikaner Volksfront council."
Watchdogs named

Own Correspondent

JOHANNESBURG — The Transitional Executive Council (TEC) has chosen a mixed team to control broadcasting as the new Independent Broadcasting Authority (IBA).

The IBA, set up in terms of an Act of Parliament, is to regulate broadcasting.

It is expected that President F. W. de Klerk will accept the list.

The IBA’s co-chairmen are advertising executive Mr. Peter de Klerk and broadcast educationist Mr. Sebileto Matabane.

The six ordinary members are media lawyer and consultant Mr. William Lane, radio journalist Mr. John Matsioum, community-based development programme director and former Cosatu office-bearer Mr. Frank Meintjes, social anthropologist Professor Harniet Ngubane, National Telecommunications Forum chairman Mr. Lyndall Shope-Mafolie, and former SABC chairman Professor Christo Viljoen.
ISCOR\n\nNew mining prospects

New Iscor MD Hans Smith is a mining man who has run both coal producer Trans-Natal Coal Corp and ferro-alloy giant Samancor, so it's not surprising Iscor's revised game plan concentrates heavily on expanding its mining operations.

Mining already dominates Iscor's earnings but Smith maintains a Samancor-style silence on certain figures. He refuses for strategic reasons to break down the contributions from steel and iron ore, or to specify the targets, but will outline broad strategy.

On the cards is a potential new iron-ore mine in either Africa or Western Australia, as well as greater exports from Sishen. Iscor intends entering the coal export market with about 3 Mt/year of coking coal for sale from the Grootegeluk colliery and a potential new mine in Queensland. Smith also plans to build up Iscor's business in other minerals. This involves a search for new mines in Africa as well as expanding Iscor's mines which produce dolomite and quartzite.

Mining executive director Ben Alberts is enthusiastic about Iscor's future as an iron ore exporter despite depressed prices.

"Most iron production in the northern hemisphere comes from taconite ores which are low grade, averaging around 35% iron compared with Sishen's 66%," he says. "The deposits we own and are looking at in Africa and Australia have grades running above 60% That will give us a competitive advantage as steel producers worldwide are inevitably forced to switch to sources of high-grade ore."

Alberts says Iscor has been prospecting in Africa south of the Sahara for the past two years and is looking at one promising iron-ore project in a country he will not name. That prospecting work is also looking in particular for base metals such as zinc but nothing will be ignored. Says Smith: "If we trip over a gold deposit we're not going to offer it to Gold Fields."

Alberts stresses Iscor's record proves it has the expertise to develop and run any kind of open-cast mine and moth all kinds of underground mining. That makes it acceptable to multilateral agencies, such as the World Bank, which help fund such developments in the Third World.

From its steelmaking operations Iscor has a detailed technical knowledge of how various iron ores can be used in conventional and direct reduction steelmaking processes. One spin-off is that Sishen is marketing a new product which is a coarse, high-grade ore that can be put straight into direct reduction furnaces, reducing the need for more expensive, pelletized ore.

Exports from Sishen are constrained now by the capacity of the Sishen-Saldanha railway line, with Iscor running at the limit of its 15 Mt/year quota. Iscor has contracted with Spoorneet to move an additional 2 Mt/year by mid-1994, expansion beyond this will involve major capex. That's being looked at with Spoorneet.

Iscor has not ignored marketing, paying particular attention to meeting the booming demand from China. The R35m it is investing in the development of the Quanzon harbour in north-eastern China has guaranteed Iscor the use of a 300,000 t stockpile facility for the next nine years. The investment has guaranteed handling priority in the harbour for Iscor's ore carriers.

Says Smith "The payback is incredible. The biggest problem in China is the infrastructure bottleneck, which holds up ore movements into and through the ports. This deal means that instead of shipping ore in Panamanian vessels carrying only 60,000 t at a time we can use Cape-sized vessels taking up to 100,000 t. The savings on sea freight charges alone are about USS4/t and then we also minimize demurrage and can supply the six steel mills in the area from our stockpile."

Iscor intends reviewing its iron ore sales arrangements to give priority to China, a fast-growing market paying top prices. Current steel production of 82 Mt/year is conservatively expected to reach 100 Mt by 2000. Iscor has based a technical manager in Beijing to examine Chinese mining and steel industries and look for new business.

On the coal side, Alberts says Grootegeluk, which supplies coking coal to Iscor and steam coal to Eskom's Matimba power station, will soon have about 1 Mt/year of soft linking coal for export, with another 1.5 Mt/year of a changed demand pattern. Markets are being sought, with Iscor shipping out 200,000 t this year and 300,000 t next year to potential customers via Richards Bay Coal Terminal (RBCT) through an agreement using part of Shell's spare terminal capacity.

Iscor is not an RBCT member but is part of the Coalex joint venture looking at establishing a new coal export terminal.

The future of exports from Grootegeluk depends on Iscor's arranging port quotas, as well as a favourable tariff structure from RBCT. Alberts says that there's no doubt in the northern Transvaal -- is twice as far from Richards Bay as Witbank, Alberts won't disclose the tariff applied now on Grootegeluk coal but it must be extremely favourable to make these exports viable.

Then there's the potential coking coal mine at Morobah South in Queensland, Australia, where Iscor has paid R5m for the right to explore the 700 Mt deposit. Exploration and chemical analyses will cost R5m-R7m/year over the next four years.

Within five years Iscor will need to import 1 Mt/year of high-grade coking coal to replace production lost when its Natal mines closed. The Grootegeluk export product is not good enough for Iscor's needs. To be feasible, the Morobah mine would have to produce around 3 Mt/year. The balance will be sold on export markets.

If Morobah South goes ahead it's going to cost about R800m, raising the question of how Iscor would fund this or any other mining venture, particularly as its current priority is to reduce gearing by repaying R1bn debt by December. Says Smith: "Reducing our debt by the targeted amount will show shareholders we can successfully manage funds. That should make it easier for us to hold any rights issues. We are not averse to incurring debt again, provided it's for a specific project and the payback looks good."

Brendan Ryan
selected 8

Delight over BA's

MANY EAN WOODS

Weaker reports of the Independent
the Independent

Advertisers have

broadcasters and
Calls 'abetted illegal action'

PRETORIA - The Independent Media Commission has found that the two broadcasts by Radio Pretoria in which AWB Wenkommando members were called on to gather in full combat kit last Thursday contravened the Electoral Act.

The IMC said the broadcasts amounted to a call-up for AWB members to enter Bophuthatswana and to interfere illegally in events in the territory. — Sapa
Hartzenberg launches
Radio Vryheid station

BLOEMFONTEIN — Radio Vryheid, billed as a non-political broadcaster to promote the Afrikaner’s language, identity and culture, was launched by Conservative Party chairman Dr Ferdi Hartzenberg here today.

Unlicensed broadcasts would begin at 11am today, chairman Mr Alex Danzfuß said.

Radio Vryheid would initially reach listeners within a 90km radius of the Bloemfontein transmitters — Sapa
Judge urges fair air time for all political parties

JACQUELINE MYBURGH

All political parties taking part and not taking part in the election should be given equitable air time on the SABC in order to keep the public informed, Mr Justice Ramon Leon, newly elected chairman of the Independent Media Commission (IMC), said on Friday.

Mr Justice Leon replaces Mr Justice W. Tregannaw, who resigned earlier this month citing business commitments.

The IMC is monitoring broadcasts and State-funded publications during the run-up to the election to ensure fairness in political coverage.

Difficult

Speaking after a press conference at which his appointment was announced, Mr Justice Leon said parties such as the CP and IFP, which were saying people should not vote, should be given adequate opportunity to present their case so that voters were informed about that side of the story.

"The most difficult task here may be that one has to ensure that everyone gets a fair deal — there are 27 parties taking part in the election," the judge said.

Although President de Klerk and ANC president Nelson Mandela were the most prominent news-makers and their parties plus the DP, IFP and PAC were also newsworthy, other parties should also be given sufficient coverage, the judge said.

The IMC was laying down guidelines for allocation time for political broadcasts.

Asked whether the fact that his son Tony was a parliamentary candidate for the DP compromised his position, the judge said he and the Independent-Electoral Commission were confident that this would not affect his objectivity.

"We all obviously have political views of some kind. I have no doubt that we will deal with these matters objectively. All I'm concerned about is that everyone gets a fair deal," he said.

Mr Justice Leon (69), served in the Natal provincial division of the Supreme Court between 1967 and 1987.

He was Natal University chancellor between 1984 and 1993 and an appeal judge in Lesotho, Swaziland and Namibia.

He was chairman of the St Lucia review panel, the Indemnity Committee and the National Institute for Crime Prevention and the Rehabilitation of Offenders.

"Act against Radio Pretoria"

The IMC has asked the TEC to take "appropriate action" against Radio Pretoria for contravening the Electoral Act when it broadcast an announcement on behalf of the AWB, said IMC broadcasting committee chairman Raymond Low on Friday.

On March 10, the station twice broadcast calls to members of the AWB Wenkommando to report to the organisation's Ventersdorp office "in combat kit." That evening right-wingers entered Bophuthatswana.

Radio Vryheid, an unlicensed broadcaster aiming to promote Afrikaans culture, began broadcasts from a hill outside Bloemfontein on Saturday.

Armed members of the Wenkommando stood guard as about 200 people gathered for the opening transmission.

Staff Reporter, Sapa.
Unrest could slow Eskom

WILSON ZWANE

ESKOM expects its programme for the electrification of hundreds of thousands of homes this year to be slowed by unrest in parts of the country in the run-up to elections.

Eskom electricity distribution executive director Jac Messerschmidt said at the weekend the utility would not endanger its personnel by sending them into volatile areas.

He was optimistic that Eskom would make up for lost ground from May.

Eskom is aiming at spending R550m this year to electrify 260,000 homes, as part of its programme to bring electricity to 500,000 homes by 1998. Last year, the utility spent R341m on more than 294,000 connections. Eskom has 10,000 customers.

Messerschmidt also disclosed that the thrust of the electrification programme was the installation of prepaid electricity meters. But this, he said, was not due to fears of non-payment by township residents.

He said about half of the utility’s customers had prepaid meters.

ANC and Inkatha to study mediation plan

RICHARDS BAY — Inkatha Freedom Party and ANC leaders were scheduled to study detailed proposals for international mediation at the weekend which, if accepted, would be likely to begin within three weeks.

The proposals included the names of a team of international mediators, as well as the terms of reference of such mediation, ANC national chairman Thabo Mbeki said at a fundraising dinner in Richards Bay at the weekend.

“Hopefully the mediation process can then start in two or three weeks,” he said. But he warned that there were “serious problems” in KwaZulu concerning a climate for free political activity.

“Clearly the Transitional Executive Council and government must act,” Mbeki said.

He warned the ANC would have to reconsider the agreement brokered between Nelson Mandela and Inkatha leader Mangosuthu Buthelezi that supporters would be free to campaign for or against the elections. Recent Inkatha violations of the agreement, such as the occupation of stadiums booked by the ANC for political rallies, had necessitated this.

He announced the ANC had effectively dumped the Afrikaner Volksfront in negotiations on a volksraad, in favour of Gen Command Viljoen’s newly formed Freedom Front. The ANC was “interested” in negotiating directly with the Freedom Front, Mbeki said. Viljoen had led the Volksfront team in volksraad negotiations with the ANC on a bilateral accord.

Discussions between the ANC and the Volksfront began at the end of last year, and a 12th draft of a possible accord is being studied.

“We have said to them (the Freedom Front) that if indeed an agreement were to be reached between us, we would be willing to pursue whatever we have agreed in terms of such constitution-making, after the elections,” he said.

Mbeki said he expected government “to join in later”, effectively to adopt a trilateral accord. He said volksraad issues that needed to be clarified included: where it would be; its constitution; what would happen to the civil and political rights of non-Africans within such a volksraad; what would happen to Afrikaners resident outside the volksraad; and how to establish it.

According to the proponents of a volksraad the majority of the population in the territory would be Afrikaners, with an exclusive right to elect its government, Mbeki said.

“But how do you achieve that result without discriminating against other people? How do you achieve that result while keeping true to principles of nonracialism and democracy?”

SAPA reports Mbeki also told a fundraising dinner in East London on Saturday that ANC leader Nelson Mandela would be inaugurated as SA’s new President on May 19 in Pretoria. “It is planned that the new president, Nelson Mandela I think, will be installed, inaugurated, on May 10, a big occasion in Pretoria.”

Report by D Greyery, TNA, 11 December 20, and D Maclean, EPA, 12 December.
vote. TEC decides
All Prisoners may
right-wing radio stations
government to act against

2 BUSINESS DAY WEDNESDAY, MARCH 29, 1994


decides

TEC

vote. TEC
Strike called off in Soweto

Soweto council workers have all returned to work this week and services are being provided as usual, a spokesman for the SA Municipal Workers' Union said yesterday.

The workers agreed to suspend their six-week-long strike on Tuesday morning after the Soweto Council agreed to repay money owed to them since 1988. — Staff Reporter.
Eskom owed millions

By Joshua Raboroko

Residents of three West Rand townships owe Eskom more than R5 million in unpaid electricity bills.

Eskom said Kagiso owed R2.9 million from last August to February, while Mohlakeng Council's debt amounted to about R2.5 million for six months.

The figure for Bekkersdal is estimated at hundreds of thousands of rand.

Residents may be plunged into darkness if they do not pay their electricity bills, but an official of the SA National Civics Organisation said local civic associations and concerned parties would meet Eskom to resolve the matter.

owed by residents of 3 WR townships:

The secretary of the Kagiso Civic Association, Mr Peter Mokote, said yesterday the residents wanted to end the boycott and pay a flat rate. He would not disclose the rate the civic association had proposed to Eskom.

However, sources told Sowetan the civic association had proposed R45 a month, while Eskom suggested a figure of more than R100 that would also cover arrears payments.

Eskom's sales and customer services manager, Mr Johan Swanepoel, said the parties had agreed on a flat rate, but "we still have to fix a figure". The company would "normalise" the electricity supply in the township.

He said some of the residents were paying their bills, despite the boycott. It would be advisable if all paid so that electricity could be available to everybody.

The electricity supply at Mohlakeng was supplied by the Randfontein Town Council which bought the utility directly from Eskom. Swanepoel said.
licences, ensure that broadcasting services are not controlled by foreigners, impose limitations on cross-media control of private broadcasting services, and ensure equal treatment of all political parties during a general election period.

The IBA will also play an important affirmative action role by ensuring that broadcasting services “develop and protect a national and regional identity, culture and character,” and by encouraging ownership and control of broadcasting services by “persons from historically disadvantaged groups.”

The IBA will meet as often as is deemed necessary. The members are not expected to serve in a full-time capacity and will be assisted by permanent executive staff. The IBA is also empowered to investigate issues relevant to broadcasting and may appoint special regional committees and experts to assist it.

A Broadcasting Monitoring & Complaints Committee will monitor the activities of broadcasters and hear complaints against them. Its powers of sanction include the withdrawal of licences and a recommendation to the Attorney-General to prosecute in certain cases. Penalties for broadcasting without a licence can include a fine of up to R300 000.

The members of the IBA appointed by the TEC last week are advertising executive Peter de Klerk and broadcast educationist Sebileto Matubane, who are the co-chairmen, media lawyer William Lane, radio journalist John Matusson, former Cosatu official Frank Mentjes, social anthropologist Harriet Ngubane, National Telecommunications Forum chairman Lyndall Shope-Mafakane; and former SABC chairman Christo Viljoen.

A brief flowering

**The powers** and functions of the Independent Broadcasting Authority (IBA), which formally took office this week, are wide and give the eight members total control of the airwaves. We could even end up with more regulation.

Apart from allocating frequencies, issuing licences, protecting the integrity and viability of public broadcasting services and promoting cultural diversity, the IBA can effectively keep a tight rein on a wide range of private broadcasters’ activities including, to some extent, the way they run their businesses.

Though the IBA must “refrain from undue interference in the commercial activities of licensees,” it can ensure fair competition between licensees, encourage equal opportunity employment practices by all
Licences about to lapse
Temporary broadcasting

Home Affairs orders holidays for ID

In the interests of the employees of the department and the
Department of Conservation and Recreation's

Temporary broadcasting

Liability

Temporary broadcasting

The Independent

Temporary broadcasting

THE INDEPENDENT
15 stations
go off air
on Tuesday

Staff Reporter

THE 15 radio stations granted temporary broadcasting licences will have to cease broadcasting on Tuesday before the Independent Broadcasting Authority (IBA) meets next week.

Mr Martin Baillie of Peace 93.3 Radio said yesterday the IBA cancelled temporary broadcasting licences from midnight on March 27 and it was not known when permanent licences would be granted or if independent radio stations would be allowed to broadcast events leading up to the elections.

He said independent radio stations had been broadcasting countrywide since February, but from Tuesday Cape radio stations, including Peace Radio 93.3 CTFM, UCT Radio and Fish Hoek Radio, would have to stop broadcasting.

He said the IBA announced it would deal with temporary licences for community stations as a matter of urgency.

"The first sitting of the IBA is not scheduled until March 29 and the stations will be off the air for at least a few days," he said.

CTFM station director Mr John Butterfield said the IBA would meet on March 29 to consider the position of temporary broadcasters and so far there were no indications that independent broadcasters would be on the air before the elections.

"We feel we have a part to play leading up to the elections. The lack of continuity is very frustrating, and we will have to lay off about 50 people."
Big projects in the pipeline for Sasol

SIX multimillion-rand prospective beneficiation projects for Sasol are awaiting approval by the petrochemical company's management.

The projects under consideration are plants for the manufacture of synthetic lubricants, cyanuric chloride, acrylonitrile, acetic acid, acetic acid, propionic acid and betacarotene.

Cyanuric chloride is used in the manufacture of herbicides, and beta-carotene is used in the pharmaceutical industry and in the food industry as a colourant. Propionic acid is used in food preservatives and acrylic acid is used in super absorbants.

Engineering News reports that the projects are in addition to the recently announced R430m vinyl chloride monomer plant at Sasolburg and the planned chlor-alkali plant at Sasolburg by the Sasol-AECI joint venture, Poldif.

A Sasol spokesman said the company's technology division, Sastech, had started preliminary work on a R1,2bn pilot plant for acetic acid at Secunda. Acetic acid is used by the mining industry in the gold extraction process.

The decision to build a full-scale acetic acid plant will be taken only if the pilot plant proves viable. Sasol is also exploring the viability of developing a synthetic lubricant plant using feedstocks from its alpha olefins project.

The developments follow the recent announcement of the vinyl chloride monomer project planned by Poldif at Sasolburg.

In addition, the Sasol and AECI joint venture is to invest a further R90m in a chlor-alkali plant at Sasolburg and an undisclosed amount in a cyanide plant at its Secunda division.

Engineering News also reports that Sasol MD Paul Kruger has confirmed a World Bank report than an Argentinian gas and oil producer, Pluspetrol, has signed a co-operation agreement with the Fande gas field joint venture partners Sasol and ENH of Mozambique.

If the R3bn gas field project proves commercially viable Pluspetrol may become a technical partner in the development of the field.

Sasol says a financial analyst has been appointed to assess the potential of the project and the joint venture is looking for a fourth party to assist with financing.
Eskom starts R470m Alusaf power project

Eskom has started a R470m programme to upgrade the power lines which will supply the R64bn Alusaf Hillside smelter scheduled to come on stream in 1998.

The move follows Eskom's agreement to supply Alusaf with electricity at greatly reduced rates.

An Eskom spokesman said the smelter would be supplied from reserves. The venture would consume 800MW, slightly less than the combined total needed to supply Cape Town and Port Elizabeth.

"Substations and power lines are being built and others upgraded to carry the load. We are building three 400KV transmission lines from Lamber deutschen, Pegasus-Athene and Mapuba-Pegasus. A fourth line under construction will be a loop from the Umfolozi-Inyebu line into Athene.

"We are also constructing a new substation at Athene and building three 132KV lines out of Athene into Alusaf at Richards Bay."

Eskom corporate business development consultant Guy Joubert said Alusaf would pay a variable tariff linked to the London Metal Exchange (LME) aluminium price, based on 20 mills at $1,800 a ton. A mill is US$0.001/kWh. At $1,800 a ton the tariff would come in at 15 mills, which was about 25% less than the industry's average.

Previously Alusaf had paid a tariff of 25 mills. The average paid by other aluminium smelters around the world was 20 mills at an average LME aluminium price of $1,820 a ton.

When aluminium prices fell, Alusaf's electricity costs would fall, improving its international competitiveness. "When the LME price rises Alusaf will give back some of its profits to Eskom in the form of higher electricity revenues," Joubert said.
Credible national election coverage is SABC’s priority

THE SABC’s main task in gearing up to cover SA’s first democratic elections was to overcome its legacy and establish itself as a credible source of news which SA could trust, SABC head of radio John Matsi- sonn said yesterday.

“Part of the legacy of apartheid is to cover issues in a local way,” he said. This was inappropriate for an election, as voters in Venda or Transkei had to be in touch with national events.

“People living in Venda and Transkei need to know about events in Bophutha- twana as much as those who listen to Highveld Stereo or Radio Jacaranda.”

There was therefore a need to inject national coverage into the news programmes of parochial local stations. The SABC had hired more Johannesburg-based African language journalists who were “plugged into the national system” and could spread the national story.

In general, there was a need to combat the legacy of a disproportionate number of white journalists to black journalists.

“White stations” had also been over-hauled to reorient the SABC, which was accustomed to covering elections for 20% of the population. A reflection of the change was Radio SA’s new Media Waves programme — hosted by Weekly Mail journalist Mark Gevusser — which would be aired on Friday mornings.

Matsisonn said it was a novelty to have an outsider assessing the SABC’s election coverage in a debate between SABC and National Party representatives, which was the topic for the first item aired last week.

Gevusser said the programme would consider both “media in transition” and “media and the election process”.

“This involves looking at the SABC, which is the country’s most powerful media entity and the media organ transforming itself the most,” he said.

The first programme had tackled the question: “Is the SABC becoming an independent broadcaster or an ANC propaganda machine?”

The panelists, including Wits University head of media studies John van Zyl, discussed the controversial Agenda programme on the Goldstone commission’s latest report.

Gevusser said the programme showed it was possible for a public broadcaster to look critically at its own role in the media.

Matsisonn said there were people in the SABC and white listeners who felt the SABC was giving too much time to election coverage. He disagreed.

“The Namibian elections were the most moving story I have ever covered, because people were willing to queue up for days. This resulted in a 90% poll.” He believed overall interest among SA’s population was at a similar level.

The SABC was now breaking a lot of stories, whereas in the past “the system” militated against this happening.

The SABC’s aim was to make the elections interesting. It was setting its own goals, and asking politicians to respond instead of leaving them to set agendas.
Eskom on track to meet its goals

BY DEREK TOMNEY

Results from Eskom demonstrate yet again that it is a well-run organisation and is more than meeting national electricity needs.

The results, released yesterday, emphasise that there can be no sound economic reason for any political party to make changes in its organisation or operations in the new South Africa.

Announcing the year's figures, which show sales increasing by 4,1 percent and the provision of electricity to another three hundred thousand households, the chairman of the Electricity Council John Moore said yesterday that to create a future for South Africans the country needed fast economic growth.

Eskom was contributing to this in several ways.

One was by becoming more efficient.

This was its main driving force and today Eskom power was the second-cheapest in the world — though it was still dreaming of having the world's cheapest power.

He said that to succeed, South Africa had to compete internationally.

It could not pull itself up by its own bootstraps.

Here Eskom had been able to play a significant role by providing cheap electricity to major exporters such as the gold mines and the numerical beneficiation companies such as Alusa.

The second driving force at Eskom was to bring electricity to more and more people because this opened the way for the development of small businesses.

"If we want to have a strong informal sector, then people must have machines," he said.

Here Eskom had had a good year and had brought electricity directly to 206 000 households and, indirectly, to a further 85 930 — providing access to electricity to nearly 3 million more people.

The group had made progress in reducing the average cost of a connection from R3 030 to R2 702, but hoped to reduce this still further.

But owing to the poor economic climate, average monthly sales a connection were lower, equal to about 75 kWh, which produced revenue of around R16.

The average operating cost for each connection was R22 a month — down from R28 in 1992.

However, Eskom expected that as the economy improved, these households would buy more electrical appliances and sales would rapidly improve.

Eskom's turnover in 1993 had risen by 9 percent to R5,9 billion, while net income on an historical cost basis had risen 10 percent to R1,8 billion.

Eskom was still on track to meet its 1991 goal of bringing down the price of electricity in real terms by 20 percent by 1996.

Real price reductions since 1997 had cumulatively benefited consumers by almost R16 billion.

Eskom's cash flow has shown a significant improvement and in 1993 for the second year running, more cash from operating activities exceeded net capital expenditure.

During the year Eskom found it less costly to borrow in South Africa than overseas and repaid some R1,7 billion in foreign debt.

As a result of the more settled conditions in southern Africa, Eskom expects to start drawing 900MW of electric power from the Cahora Bassa hydro-electric scheme in northern Mozambique from 1997.

The pylons transmitting power to South Africa were destroyed during Mozambique's civil war.

Some R400 million has been obtained to finance the cost of restoring the pylons and cables.

Work is expected to start in the second half of this year.

South Africa will be providing the pylons which will cost R50 million.

Other participants are Belgium, Portugal and France.

Eskom's net income in 1993 rands
Sales surge helps
lift Eskom income

MICK COLLINS

AFTER a surge in sales, Eskom yesterday announced a R127bn improvement in net income, to R1,50bn in 1995.

Turnover increased 9% to R13,2bn (1994: R12,8bn) as total operations expenses moved up to R8bn (R6,1bn).

Electricity Council chairman John Marse said the improvement was a result of a 4,1% increase in sales, which was generally regarded as a leading indicator of economic growth. The previous year had seen a negative growth of 0,3%.

Marse said due to increased operating efficiencies, net operating income was higher at R4,7bn (R4,4bn). Sound business management practices had seen the cash flow improve to the point where all capital expenditure was being financed from internal sources.

Increased net interest and finance charges of R3,1bn (R2,9bn), attributable to the repayment of a portion of the parastatal's foreign debt, did not materially affect Eskom's bottom line.

Executive director finance William Kok said the year's proposed funding requirement of R2,4bn included provisions for R600m from the foreign capital market. This would be raised by way of a dedicated electrification bond in dollars.

Kok said the possible funding had the approval of the Transnet-Gencor and would probably take place in the second half of the year. However, there was no commitment to such a loan, which would depend on pricing.

Eskom's foreign debt fell to R7,8bn at end-1995 (R9,2bn), including R1,1bn in normal redemptions. Kok said that debt of

Eskom

R651m had been rolled over at acceptable rates, but R470m was repaid to Public Investment Commissioners "because the rates demanded by the foreign banks were not attractive to us".

CE Allen Morgan said about 300,000 (146,000) supply points had been connected, providing electricity to more than 3 million people since the start of the programme in 1991.

Provisions for arrears arising from local authorities' failure to pay bills amounted to R653m (R473m). These provisions would be written off against assets once Eskom took over townships' electricity supplies.

Morgan said Eskom was forecasting a 2% increase in sales this year because of the uncertainties surrounding the elections and political transition.
In the last three years, electricity has been brought to a further 500 000 households, changing the lives of more than 3 000 000 people.

Financial Overview
The past year saw the beginning of a recovery in the South African economy and a return to positive growth. However, considering the recessionary economic climate which prevailed over most of 1993, South Africa's most satisfactory year. While the gross domestic product rose by close to 1.5%, electricity sales volumes rebounded in 1993, increasing by 4.9% compared with 1992 sales. Thus, at the highest growth in the past five years and a qualitative change following the previous year's volume decline of 6.4%. Sales revenue accordingly increased to R13 793 million in 1993.

Concerted efforts to curb operating costs continued during the year. The fact that costs were contained while the number of new load connections increased can be attributed to rigorous financial discipline, stringent cost control and increased productivity through the efficient and effective management of all Eskom's resources. Although there has been an improvement in payment levels, continuing non-payment by a number of local authorities and municipalities made it necessary to create additional provisions for arrear debts. Net income, nevertheless increased from R1 489 million in 1992 to R1 418 million in 1993.

To account for the effects of inflation and to assist readers in assessing Eskom's real financial performance, current value financial statements have been included in the annual financial statements for the first time. Net income on a current value basis amounted to R3 599 million (1992 R1 858 million). The net income is considered appropriate in the light of the current and future business risks to which the organisation is exposed.

The corporation's balance sheet has also strengthened. The net capital expenditure of R4 041 million was entirely funded by internal cash flow. The debt-equity ratio accordingly improved from 1992's 2.27:1 to 2.03:1.

By ensuring that funding requirements were actively managed and appropriately hedged, Eskom was able to reduce the rates associated with the fluctuations in the financial markets and their bottom-line impacts. It was able to borrow modest amounts in Europe and to satisfy the balance of its funding requirements locally without putting pressure on the South African capital markets.

Taking advantage of the prevailing favourable conditions in the South African markets during 1993, Eskom launched the Electrification Participation Note, which is designed to share risk between Eskom and investors and to provide a vehicle for investment in social and affordable projects. Eskom also launched a new bond, the E372, which has been well received and well marketed since inception. Continued support by existing overseas investors and a material increase in new investment in Eskom bonds towards the end of last year, demonstrated a new wave of investor interest in South Africa.

Eskom's treasury continues to be conservatively and properly managed. It is gratifying that it received exceptionally favourable comment after a risk audit by a group of independent international consultants.

Marketing Drive
In its ongoing quest for sales growth, Eskom has undertaken a concerted marketing drive and has actively competed for profitable new customers in the industrial, commercial and agricultural sectors. Focusing on the needs of customers and promoting appropriate products, pro-uses and equipment is an important marketing thrust. An increasing number of customers benefited from Eskom's comprehensive advisory services which are tailored to meet the requirements of particular segments of the market.

At the same time, Eskom is aware of the international trend towards energy conservation. It has embarked on a customer advisory service to promote energy efficiency in the longer term.

Reduction in the Real Price of Electricity
Prices have been reduced across the board for all customers and stakeholders in Eskom are important advantages resulting from the organisation's 1991 undertaking to reduce the real price of electricity by 20% by 1996. Eskom remains on track in honouring this commitment. The Electricity Council has approved a price increase of 7% for 1994, which is the lowest annual price increase since 1984 and is expected to be below the consumer price index rate of inflation for the year again. This will be the eighth consecutive year that it has been below the national rate of inflation.

The fact that South Africa has the second cheapest electricity in the world is of matter of great satisfaction to Eskom, but it also needs South African energy-intensive industries to form competitive advantage in international markets.

To normalise the electricity supply to households in a number of towns and, by so doing, encourage a return to the use of electricity, Eskom has taken over the distribution responsibilities in a number of these municipalities. It is devoting considerable attention to improving the quality of supply, metering and billing systems with positive effects on payment levels.

In the case of Soweto, in particular, facilitated by intense community involvement, a fixed electricity tariff rate as agreed in terms of the Soweto Accord was introduced, resulting in improved payment levels. A normal metered tariff was implemented in January 1994.

It is hoped that solutions to the non-payment issue will be found in 1994.

Accelerating Access to Electricity
The electrification project continues to accelerate and Eskom connected more than 400 000 new households every working day in 1993, totalling 208 801 direct domestic connections for the year compared with 145 522 in 1992.

Despite violence-related interruptions in some areas during the year, the electrification drive accelerated. Since the launch of the electrification programme in 1991, Eskom has, directly and indirectly, changed the lives of another three million people by making electricity available to their homes.

Management of the Environment
Electricity generation, transmission and distribution inevitably impact on the environment. Eskom is working towards minimising the negative effects of such activities. The organisation is playing its part in overcoming some of the current environmental problems which are high on both national and international agendas.

Greater Employee Participation
Several initiatives to adapt the structures, work environment and culture of Eskom to better reflect political, social and economic changes in South Africa are being successfully pursued. Plans are in place which focus on giving employees a greater participation in those aspects of the business that directly affect them. Through these new processes, Eskom and the trade unions are developing a joint vision so as to achieve continuing business efficiency and ensure Eskom's long-term viability.

Relations with Southern Africa
During the year, a meaningful level of understanding between the Botswana, Zimbabwe and South African governments was concluded, approving the construction of a new 416 km high-voltage link. This interconnection, planned for completion during 1995, will provide transmission capacity of 500 megawatt (MW) and will improve the reliability of the grid in the short term as well as provide opportunity for the sharing of power in the region in the longer term.

The Road Ahead - Creating our Future
As South Africa creates a new non-racial, democratic future, there is a primary need for stability and prosperity in the region as a whole. Once the political process is complete, attention will shift to economic growth which is essential for long-term prosperity.
be a strong leader, who will take Eskom to new heights of effectiveness in the pursuit of its goals.

Three executive directors, Mr Mark Davis, Mr Paul Semark and Mr Johan van der Merwe, decided to take up private sector positions. We thank them for the contributions each one of them has made to the success of the organisation and we wish them well in their new positions.

Eskom is fortunate that it has the depth of management in the organisation to enable it to draw on the Board very able new talent. Mr Peter Kriel, Mr John Kol and Mr Hank Piemar will be in charge of Human Resources, Finance and Services respectively. Because of the importance attached to the electrification and a new portfolio of Electrification and Infrastructure Management was established and Mr Jan de Beer was appointed to take responsibility for this important role.

To ease the workload of the executive directors and to allow the participation of a larger number of managers in broader management of the organisation, a Management Review Committee was established in which twelve senior managers were appointed. The inputs of this committee are of significance and value in the shaping of the organisation during this period of change.

ELECTRICITY COUNCIL

The day-to-day management of the previous Electricity Council was taken over by the new Electricity Council at the end of May 1994. The terms of office of Mr. J J van der Merwe, Dr JWL de Villiers, Prof C R Dlamini, Dr D Koen, Mr P J Mahan, Mr A A Sealey, Prof H C Vajken, Mr R C Webb and Prof J L Weyers came to an end. We are grateful for the inputs and guidance of each one of them during their period of office.

It is felt that the new Council should reflect the changes taking place in South Africa and be more representative of Eskom's stakeholders. I therefore welcome the appointment of Mr P H Panaroff, Mr S A Immelman, Dr E Kuvuyo, Mrs N M Mabuza, Mr G Maudie, Mr M D Mosiker, Mr G E Pretorius and Mr C G van Veijeren. The new Council is operating well and the organisation is benefiting from the inputs of the wider representation.

In October, Mr J A Loubov passed away. He served as representative of the Association of Municipal Electricity Undertakings and he will be missed by us. This vacancy has been filled by Mr H R Whitehead.

ACKNOWLEDGEMENTS

I wish to express my appreciation to Minister Davye de Villiers for his interest in and involvement with Eskom in this time of change. I wish to extend my thanks to the members of the Electricity Council, the Management Board, the Management Review Committee and all members of staff for their dedication and support during this period of transition and adjustment.

JOHN MAREE

3 MARCH 1994
Eskom pursues progressive employment practices and, in
spite of generation capacity ensures that power is available.

We are excited about our role in South Africa and the
country, an economic success. When success is
achieved, Eskom wants to be counted among those that made
it possible. We will do our best to deliver.

MANAGEMENT BOARD

Dr Ian Molae retired at the end of February 1999. He started
with the organisation 47 years ago as an apprentice and rose
to be Chief Executive, a position he held for the last nine
years. By virtue of his dedication, hard work and ingenuity, he has
made an immense contribution to the organisation. He has
been a caring leader, respected within the organisation, in
South Africa and internationally for his personal and
technical abilities. He will particularly be remembered for his
belief in the importance of electrification in the southern
part of Africa as a basis for wealth. He will undoubtedly
continue to participate in the building of the economy, and
his thanks and good-bye go with him.

He is being succeeded by Mr Allen Morgan, who brings to
this position valuable experience in the areas of customer
service and national electrification. I am confident that he will

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<th>INCOME STATEMENT</th>
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<tr>
<td>For the year ended 31 December</td>
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<tr>
<td>1993</td>
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<td>Turnover</td>
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<td>Net interest and finance charges</td>
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<td>Transfer from/to insurance reserve</td>
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<td>206</td>
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<td>Retained income for the year</td>
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<td>Accumulated reserves at beginning of the year</td>
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<td>Accumulated reserves at end of the year</td>
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<th>BALANCE SHEET</th>
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<td>At 31 December</td>
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<td>CAPITAL EMPLOYED</td>
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<td>Nuclear waste management provision</td>
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<td>Net interest bearing debt</td>
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<tr>
<td>Net assets</td>
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<td>42 260</td>
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Copies of Eskom's 1993 Annual Report may be obtained from the Communication Manager, PO Box 1091, Johannesburg 2000. Tel. (011) 800-4593

THE AGE
Radio Pretoria still defying authority

BY MICHAEL SPARKS

Radio Pretoria is set to continue to cause complications for those issuing radio licences as it continues to broadcast despite its temporary licence expiring at midnight on Sunday.

And, according to Independent Broadcasting Authority (IBA) spokesman Jack van der Merwe, new temporary broadcasting licences are unlikely to be issued before the election.

Radio Pretoria spokes-

man Mossie van den Berg said the station began a court action on Friday which "disputes the validity of the notification" that the station should stop broadcasting on Sunday.

Van den Berg said the station would continue to broadcast until the court had passed judgment in the case, but refused to say whether the station would apply to the IBA for a new licence.

IBA board co-chairman Peter de Klerk said the board could prosecute any radio station broadcasting without a licence.
Call for single body to
oversee electricity
}

Private broadcasts

New body silences
PUBLIC SECTOR-GOVT. ENTERPRISE
1994

April — Sept.
Broadcast licences reconsidered

JOHANNESBURG.—The Independent Electoral Commission is considering reinstating 15 temporary radio broadcasting licences terminated last month.

This follows a unanimous resolution by the Party Liaison National Committee, which it is alleged between the IEC and the 20 parties registered for the election.

The IEC said in a statement yesterday that the suspension of the licences seriously impeded the political campaigns of registered smaller parties, as the advertising rates of the “suspended stations” were the only affordable ones for these parties.—Sapa
Alarm as cash crisis hits

With four weeks to go before poll...

By Clive Robertson

The NP intended to turn this into a vote on white...
Eskom power drive blows its first fuse

By SVEN LUNSCHE

ESKOM's electrification programme in black urban and rural areas is encounter- ing its first slump.

It made almost 210,000 direct domestic electricity connections last year. Since the electrification project began in 1991 more than 385,000 households have been connected and, as Eskom proudly claims in its 1993 report, "the lives of 3 million people have been changed by making electricity available in their homes."

Chief executive Allen Morgan is confident that up to 2.5-million housing units will be connected by the end of the decade - in line with the ambitious task of electrifying 75% of all households, as set by the ANC in its reconstruction and development programme.

This is double the present number and, according to Eskom plans, will be achieved by connecting 250,000 houses this year and 300,000 a year until 1999.

So far, however, the project has required capital commitments of almost R1.66-billion and yielded lower-than-expected financial benefits for Eskom.

Installing a pre-pay connecting unit costs Eskom R2.800. In order to meet some of the costs, Eskom hopes to persuade its new customers to use eventually up to R80 of electricity a month.

But last year the average amount spent amounted to a "disappointing" R16 a month to pay for a minimal use of 76kW.

"We view the project as a long-term investment and there is a significant potential for rationalisation," Mr Morgan says.

Although the situation is under review in the National Electricity Forum (NEFL), the forum last month called for electricity supply to be removed from the hands of local authorities.

The call upset many municipalities which stand to lose 20% of their main sources of revenue.

Mr Morgan says Eskom is reluctant to become an electricity retailer. It has been forced by political factors to do so in several black townships.

Eskom has little hope of receiving almost R700-million owed to it by black local authorities.

The annual report shows continued satisfactory financial growth for Eskom last year.

Turnover increased to R13.6-billion (1992, R12.65-billion) and operating expenses rose by R230-million to R8-billion (R2.5-billion).

After interest and finance charges of R3.15-billion (R3-billion), net income was R1.57-billion higher at R1.65-billion (R1.5-billion).

- Eskom reduced its funding requirement for 1994 to R2.4-billion from R4.1-billion last year.

It is relying heavily this year on the SA capital market to raise funds, but plans to launch an electrification bond denominated in dollars equivalent to R500-million.

Eskom last year repaid R1.7-billion in foreign loans, of which R1.1-billion fell outside the debt standstill net. A total of R550-million of debt inside the net was refinanced at favourable rates.
Complaint against SABC to be probed

THE Independent Media Commission will hold a public hearing today to investigate an ANC complaint against the SABC's coverage of the mass demonstration by Zulu royalists in Johannesburg last week.

A commission spokesman said the ANC had lodged its complaint after failing to resolve the dispute with the SABC.

In its complaint, the ANC claimed SABC coverage had been biased against it by creating the impression that clashes during the demonstration, including fatal shootings outside its Shell House headquarters, were between "Zulus" and the ANC and by suggesting that marchers were unarmed.

"The Shell House incident was confused and edited in a manner that suggested the marchers were unarmed," the ANC said.

"The SABC concentrated on the Shell House incident, creating an impression that the clash was basically between the ANC and Zulus. This was despite the fact that there were several incidents of violence in and around the city centre throughout the day."

In response the SABC had told the commission it was satisfied its news reports were factually correct. The corporation had indicated it would have legal counsel at the hearing to defend its position.

Meanwhile, the Lusio-South African Party (Lusap) has lodged a complaint with the Independent Electoral Commission against the withdrawal of temporary broadcasting licences and has requested their immediate reissuing.

Lusap said the Independent Broadcasting Authority's decision to withdraw temporary broadcasting licences had jeopardised free and fair elections.

"All political parties depend on the electronic media for their election campaign, more so in the case of the smaller parties," said Lusap representatives.

"The withdrawal of temporary radio licences has affected most smaller parties, specially Lusap, which depended on Radio-Cidade — a private Portuguese commercial station — for its campaign."

Temporary broadcasting licences lapsed when the Independent Broadcasting Authority Act came into operation at midnight last Tuesday.

Report by B Russell, Telk. 11 Deporto St, Jhb.
Gun buying by KwaZulu 'not sinister'

ARMS SALE Two security men suspended from duty by Eskom:

South African Press Association

KwaZulu Police Commissioner

Lieutenant-General Roy
Durrig says there is nothing
"clandestine" or "sinister"
about his force's attempt to
buy guns from Eskom.

In a statement at the weekend, he
described the deal as an "ordinary,
above-board business transaction", and
rejected any implication it was clandes-
tine.

Two Eskom Protective Services
employees were suspended on Friday pending
the Goldstone Commission investiga-
tion into the cancelled arms sale. The
sale, had it gone ahead, would have seen
1 000 automatic weapons sold to
KwaZulu.

Relieved of their duties

Eskom said the two security men had
been relieved of their duties for their
"serious error of judgment".

Eskom spokesman Mr Kevin Morgan
said on Friday night the service's de-
partmental manager and the employee
who negotiated the arms deal had, how-
ever, acted "above board".

He would not identify the arms dealer
other than to say he was from
Johannesburg.

"During said at no stage did the KZP
conceal its identity as the buyer. The
KZP and the 'negotiators for both par-
ties were at all times fully aware of all
the circumstances surrounding the
transaction".

Destined for KZP

During said Eskom was aware the arms
were destined for the KZP because a
signed letter from himself accompanied
the required export permit for the weap-
ons to be sent to a self-governing terri-
tory.

The deal was done through an "au-
thorised weapons dealer", he said.

Eskom had been paid for the arms,
and although the KZP considered the
company's cancellation of the deal a
breach of contract, the force had ac-
cepted this, During said.

He said representations made by sen-
or Eskom officials, to the effect that
they regarded the matter as politically
sensitive, had resulted in the KZP call-
ing off the deal.
Eskom warns of blackouts

By Joshua Raboroko

ESKOM has threatened to stop its electricity supply to Kagiso unless divisions within the local civic association, which are allegedly hamstringing negotiations, are addressed. Eskom's West Rand sales and customer manager Mr Paul Maree said residents' representatives had on a number of occasions failed to attend meetings aimed at ending the services' boycott.

Maree said the association was divided on ways of ending the boycott.

"We have reached a stage where we are unable to continue supplying electricity to the residents. Unless a concession is reached soon we will be forced to cancel our contract with them," he warned.

He said the company had spent more than R12 million to electrify homes and businesses, erect street lighting and upgrade "the whole electricity network".

The civic association's general secretary, Mr Peter Mokoto, denied there were divisions. He said the association had supported the end of the boycott.

"We want people to pay for the services they get from Eskom," he said.
Amicable end to ANC-SABC quarrel

BY JOHN SODERLUND

The first test of the Independent Media Commission's role as a watchdog of public broadcasters ended in an amicable settlement after a meeting was reached between the ANC and the SABC yesterday.

The complaint was brought to the ICM by the ANC regarding the manner in which the SABC reported on the clashes that erupted in Johannesburg last Monday.

The ANC argued that the report had erroneously suggested that the marchers were unarmed and that a comment by police-monitor Rupert Lorimer at the Library Gardens was presented as if it related to incidents at ANC headquarters.

Both complaints were corrected in the joint statement, ANC spokesman Carl Niehaus said.

The SABC yesterday released a 14-point editorial code which it said spelt out the SABC board and management's commitment to the principle of editorial independence.

(47 Sauer St, Johannesburg)
Radio Pretoria continues legal battle to broadcast

PRETORIA — The Independent Broadcasting Authority has been added as a respondent in the legal battle to determine the future of rightwing Radio Pretoria.

The Afrikaner Kultuurbond, which runs the independent radio station, has applied to the Pretoria Supreme Court for an order to set aside certain conditions of the temporary broadcast licence granted to the radio station by the Postmaster-General on February 4.

If the application succeeds, the radio station will be entitled to an automatic licence to broadcast for about six years, without having to apply for a new licence from the IBA.

The Postmaster-General yesterday withdrew his opposition to the application, as his authority to grant broadcast licences or act against the radio station was terminated when the IBA Act was promulgated last week.

In terms of a Transitional Executive Council decision, all temporary radio stations, including Radio Pretoria, had to stop broadcasting on Sunday evening last week to allow the IBA to reassess the licences issued to the stations.

The IBA opposed Radio Pretoria's application, saying the matter was not urgent and that the radio station had been well aware of the fact that the licence granted in February had been of a temporary nature, and that the authorities would thereafter regard the radio station as having no valid licence.

Counsel for the IBA, S Maritz SC, argued that the court could not, by investigating the Postmaster-General's actions, "cut off the IBA hands".

Even if the court found the licence had been invalid the matter could not be referred back to the Postmaster-General because he no longer had the authority to make a decision on the issuing of a licence, he said.

Radio Pretoria would probably be charged for broadcasting without a licence because it was the IBA's view that it did not have a licence, Mr Maritz added.

The application continues before Mr Justice Spoeistra — Sapa.
Eskom's McRae has made his vision a reality

BY LANA JACOBSON

At a time when many are asking whether there is any light at the end of the tunnel, Ian McRae, outgoing CEO of Eskom, wants to ensure light for everyone after April 27.

Electrification has been one of his great visions - "one of the few top priorities, and it is viable, both for the country and for Eskom", he says.

"For the country, it will enable more people to play an active part in the economy, reduce unemployment and create new businesses. Without the energy base there can be little economic development in rural areas."

Electricity is high on the list of priorities for black and rural communities, "We'd rather lead the way than be forced to do what is right anyway."

He not only regards Eskom as the catalyst in bringing electricity to the 23 million South Africans who remain without this essential commodity, but looks forward to a major role for the utility well beyond SA's borders.

His vision of a sub-Saharan electricity grid has moved from dream to reality. Eskom's grid is about to be linked to Botswana and Zimbabwe. The link between Mozambique's Cahora Bassa and Zimbabwe is imminent and those between Zaïre, Zambia and Zimbabwe now appear viable.

"It even looks as though the Zaïre River could connect southern and northern African grids."

"You have 17 countries with 200 million people and only 10 percent of them have electrification. That's a base from which fantastic economic growth can take off." (260)

"I believe that economic growth is the key to southern Africa's future and that the energy base is essential to economic growth."

McRae admits that some of the projects, both locally and elsewhere, might not make exciting returns immediately, "but job creation and sales growth will be there and many utilities would love to have our potential in that regard."

Ian McRae, who turns 65 this year, retired at the end of February as chief executive and chairman of the management board of Eskom.

When McRae started articulating his vision of electricity for all in the mid-1980s, few people took him seriously and when his vision of an interconnected grid in Southern Africa became known, some experts spoke openly of a pipe dream," Professor Wiseman Nhluhlu, chairman of the National Electrification Forum, said when making a special award to McRae last November.

"In the face of opposition from cynicism of some of his peers, colleagues and masters, he persisted in communicating his visions with such sincerity and conviction that he actually influenced thinking and often turned their opinions around.

"Millions who received electricity over the last few years can thank him for his vision and courage. Millions more will get electricity much sooner than one could have dreamed," Nhluhlu said.

President FW de Klerk, presenting McRae with the gold award for meritorious service last year, said McRae "strives to use electricity as an agent for peace, and to create an organisation which is productive and developing all of its people at the same time."

As proof of his commitment in this regard, McRae ranks affirmative action high on his list of developments over the past nine years.

"He was one of the first people to be committed to affirmative action, before it was the politically right thing to do," says Dawn Mokhobo, Eskom's senior general manager, human resources, and the Executive Businesswomen's Club 1993 businesswoman of the year.

"He saw that South Africa could only be served by all South Africans, not only by a segment of the population."

While McRae is happy with the general direction and changes of attitude in the affirmative action programme, he maintains: "We have come a long way - not far enough."

He feels Eskom is well placed to do the job it has to do and meet the challenges that he heads. It is also highly regarded internationally and has built up trust and credibility in Africa.

"So my feeling in handing over the baton (to Allen Morgan) is that Eskom is in good shape to meet the future and this is the appropriate time to change its leader."

Having spent his entire working life at Eskom - he rose through the ranks from apprentice fitter in 1947 - he is likely to have a busy retirement.

"A person of his calibre still has a strong leadership role to play within the Eskom corps," Mokhobo says, echoing views expressed both internally and externally urging him to remain active in the field of electricity supply and beyond, as well as to continue serving on Eskom's electricity council.

In addition to his Eskom posts, McRae is a chairman of the SA Foreign Trade Association (Salt) and the SA National Committee of the World Energy Council.

He is a board member of the Atomic Energy Corporation and serves on the advisory board of the Urban Foundation (Development Strategy and Policy Unit Board). He is also a council member of the SA Foundation.
New recommendation on independent radios

JOHANNESBURG — The Inter-party Liaison Committee of the Independent Electoral Commission yesterday recommended independent broadcasters should be allowed to restart transmission within 48 hours and continue broadcasting until after the election.

The independent radio stations were ordered off the air within a 48-hour period from March 27 in terms of a recommendation by the Independent Media Commission — Sapa
Hands-on approach reduced Eskom’s risks

BY ENSURING funding requirements were actively managed and appropriately hedged, Eskom was able to reduce the risks associated with fluctuations in the financial markets and their bottom-line products, according to the electricity utility’s annual report.

Electricity Council chairman John Maree said Eskom was able to borrow modest amounts in Europe and to satisfy the balance of its funding requirements locally without putting pressure on the SA capital markets.

He said the utility took advantage of prevailing favourable conditions in the local markets during 1993 and launched the Electrification Participation Note (EPN), which was designed to provide a vehicle for investment in socially responsible projects.

"Eskom also launched a new bond, the E172, which has been well received and well traded since inception. Continued support by existing overseas investors and a material increase in new investment in Eskom bonds towards the end of last year demonstrated a new wave of investor interest in SA."

Outgoing CE Ian McRae said the year was characterised by extremely high volatility in the local capital market because of unrest, economic uncertainty and the lifting of sanctions. He added that turnover in the capital market was markedly higher than in previous years.

"Against the background of such uncertainty, the Frankfurt office continued to meet the information requirements of Eskom’s foreign investors. The launch of the EPN was well received and the first tranche of R650m was placed successfully with institutional investors."

"The EPN has been designed to share risks between Eskom and investors. It features a fixed coupon of 6% a year and a variable element, consisting of a payment equivalent to a proportional share of 30% of turnover generated by the electrification programme."

He said the EPN was considered an appropriate funding mechanism, given the relatively low affordability levels of end users.

"Investors will initially receive a low return which will gradually build up over the life of the investment. This return will be affected by affordability levels, consumption patterns, tariffs and the general level of economic activity in the country."

Referring to the E172, McRae said it complemented existing medium-dated bonds with a maturity date of September 1 2001 and a coupon of 8%.

"The total authorised nominal value is R4,5bn with R700m being issued on the first day. The bond has been well received and well traded since inception."

He added that 1994's funding requirements would include R500m to be raised in the foreign capital market by way of a dedicated electrification bond denominated in dollars. R1,8bn would be raised on local markets.
TV producer killed

DURBAN - Ms Kate Macriyan, 21, a South African producer of Worldwide Television News, was killed in a car accident near here yesterday. She was on her way to Ulundi when the crash happened at an intersection.

Report by Staff Reporter, Durban Correspondent, Cape Reader AP and UM

CT
7/4/74
Radio licences may be restored

JOHANNESBURG — The Independent Electoral Commission is considering asking the Independent Broadcasting Authority to reinstate 15 temporary radio broadcasting licences which lapsed last month. (260) 311225 114994

This follows a unanimous resolution by the Party Liaison/National Committee — the statutory consultative structure between the IEC and the 26 political parties registered for the election.

The IEC said the committee had taken the view that suspension of the licences impeded seriously the political campaigns of smaller parties, as the advertising rates of the "suspended stations" were the only affordable ones for them — Sapa.
Clash over licences looms

THE Independent Electoral Commission (IEC) yesterday appeared to be heading for a clash with the Independent Broadcasting Authority (IBA) over restoration of temporary licences to independent radio stations.

The IEC's party liaison national committee on Tuesday resolved to urge its parent body to intervene to have the temporary licences restored, but the IBA said yesterday this could not be done without an amendment to legislation regulating broadcasting.

The licences lapsed on March 27, 48 hours before the Independent Broadcasting Authority Act came into operation. The IBA had said it would not be able to issue licences before elections.

Yesterday the IBA said the IEC had not formally requested reinstatement of the 16 independent stations' licences. IBA spokesman Jack van der Merwe said the IBA could not issue licences until an inquiry into the issue of broadcasting had been held. The IBA would call in a notice in the Government Gazette next Friday for submissions for the inquiry. Hearings would be conducted and guidelines for the issuing of licences would be drawn up.

Sapa reports that rightwing Radio Pretoria's latest attempt to obtain a broadcast licence failed yesterday, when a Pretoria Supreme Court judge said he was not prepared to grant the station one.

Judge E. Stafford expressed concern that the IBA had "not truly got off the ground yet" and urged the IBA, the Transitional Executive Council and government to consider such applications as soon as possible.

Radio Pretoria legal representative Chris At van Wyk said he would advise his client to stop its broadcasts.

Yet another radio station is to go on air soon. Radio Karoo spokesman Olwyn Wessels says the Beaufort West-based station would have no political affiliation but would be "cultural and educational" and help "the healing process in SA."
Iscor invests in Chinese port

BY NORMA CHANDLER
PRET 6 BUREAU

South African iron and steel giant Iscor has invested R35 million in the development and expansion of the Qingdao iron-ore harbour in the Qingdao port complex on China's north-east coast.

It is believed to be South Africa's biggest investment in the People's Republic of China since the two countries normalised trade relations earlier this year.

The harbour development arises out of a cooperation agreement signed between Iscor and the Qingdao Harbour Bureau, which administers the port.

The investment provides Iscor with a facility for the discharge, storage and reclamation of some 300,000 tons of iron ore.

The harbour is designed to handle 400 million tons of ore.

"China has experienced substantial economic growth over the past five years, and as our latest customer for Sishen iron ore, we want to be part of this dynamic development opportunity," said Iscor chairman Deetlefs.

"Qingdao is China's fourth largest port."
NP accuses Debi of ANC bias

Chris Louw and Stephen Lauffer

The controversy over the Democracy Education Broadcasting Initiative (Debi) has entered the political arena, with the National Party this week accusing the organisation of bias and calling for Debi to suspend its voter education programmes in the media.

Debi chair Ruth Teer-Tomaselli hit back at NP spokesman Marthinus van Schalkwyk, saying he was "on very thin ice, his cheap shot won't go far".

While the politicians argue, it is still not clear who is going to pick up the tab for Debi's debts, accrued in its efforts to tell South Africa's voters about democracy and how it works.

The Mail & Guardian revealed last week that Debi — established to embark on a voter education campaign — had run up debts amounting to more than R3-million.

This week the NP called for the suspension of Debi's activities, arguing that the initiative favoured the ANC. Van Schalkwyk said his party would lay a formal complaint before the Independent Electoral Commission, asking for Debi to be suspended.

But Tomaseelli said Debi was "not even thinking of withdrawing its programming". Accusations of bias towards the ANC fell wide of the mark because "many of the 51 organisations which make up Debi are sympathetic to the NP".

The NP has also criticised Debi for featuring personalities associated with the ANC, such as American film star Danny Glover and Archbishop Desmond Tutu. Said Tomaseelli: "We immediately pulled the Glover ad when we became aware of his associations with the ANC. Tutu has not been active in party politics for some time, and we must ask where civil society starts and ends if we shouldn't be using him to educate voters."

The ANC responded to Van Schalkwyk's call by accusing the NP of being "opportunistic and bent on denying millions of South Africans access to voter education programmes."

"The NP was involved right from the start in setting up Debi to provide non-partisan and fair voter education. Using bias as a reason to suspend Debi's programmes at this late stage is simply an excuse to rob millions of people the right to voter education and hamper free and fair elections," the ANC said.

A joint venture of the SABC and 51 non-governmental organisations, Debi claims it was told by the Ministry of Home Affairs R11-million would come from the multiparty forum or whatever body was set up to manage the transition — this turned out to be the IEC. It has been given R3-million as "bridging finance", but further funds pledged have not been forthcoming.

"We will work out payment to the SABC," said Tomaselli. "The IEC should be paying for this voter edu-
Rebel radio loses appeal

BY MICHAEL SPARKS

Radio Pretoria's application to continue broadcasting was dismissed with costs in the Pretoria Supreme Court yesterday.

The station had applied to have the Postmaster-General's notice to stop broadcasting declared invalid.

A spokesman for the illegal operation said management was to have met last night to decide whether to continue broadcasting.

The Independent Broadcasting Authority said Radio Pretoria would be liable to prosecution and fines of up to Rs500,000 if it stayed on the air.

TEC to pay SABC election costs

PRETORIA — The Transitional Executive Council (TEC) has agreed to pay R31,5m to the SABC to cover the costs of the corporation's election coverage and advertising.

The SABC had threatened to withdraw Democracy Education Broadcast Initiative (Debi) advertisements if an outstanding account of R315m was not paid. It also told the TEC that it was owed R18m “to cover election costs” and R10m in lost advertising revenue.

DP TEC delegate Cohn Eglit said the TEC was sympathetic to the SABC’s claims, although a “hard-nosed business approach” would be adopted when scrutinising the accounts.

One delegate said the Debi advertisements should be withdrawn as they made no sense and only confused voters.

SABC group finance GM Steven Schubach said advertisers were reluctant to place advertisements in, or on either side of, political programmes such as Agenda. They were particularly concerned about being identified with political spokesmen appearing on these programmes.

The extensive election coverage planned for this month and next, including political debates and polling station coverage, was expected to result in a R10m loss in advertising revenue.

Schubach said the SABC could not absorb an estimated R18m in election reporting expenditure: Hiring vehicles, staff overtime, satellite feeds and communication lines were some extra costs likely to be incurred during “the biggest election

SABC costs

The TEC’s decision to award the SABC R31,5m was “very good news”, he said.

The TEC also heard a request from the interparty liaison committee for R5m for political parties’ transportation costs.

The committee, made up of representatives of all parties fighting the elections, said non-partisan buses and taxis should be made available for ferrying voters during polling. It asked if the Independent Electoral Commission (IEC) could co-ordinate the proposed transportation system.

The TEC said it would be difficult to negotiate “such a huge amount of money” from the State Expenditure Department and control of such a system would be a “logistical nightmare”. It asked for more information from the committee.

Meanwhile, the IEC reported that it had been unable to raise the R47m needed from international sources to top up the state electoral fund. The TEC agreed that, as the State Expenditure Department could not accommodate the full extent of the difference, political parties would be awarded the equivalent of R2 a voter, or R44m, instead of the expected R3, or R66m. Report by A Hadland, TMC, 216 Verwoerd St, Falls Church, Va.

The TEC said it would be difficult to
ISCOR's R35-million investment in an iron-ore storage facility at Quanwan on the northeast coast of China was made after a strategic decision to protect what is expected to be a growing market. The facility came into operation this month.

China's steel production, 80-million tons compared with 60-million only five years ago, is expected to exceed Japan's 100-million by the end of the century.

China's iron-ore imports grew from about 18-million tons a few years ago to 33-million in 1993 and are expected to reach 50-million this year.

ISCOR exported 15-million tons of iron ore from its Sishen mine to 14 countries last year. About 4-million tons went to China.

Chinese imports from SA are expected to rise to 5-million tons this year.

The new complex at one of China's largest ports can hold 500,000 tons of iron ore. It has offloading and reclaiming machines.

A total of 15,000 tons of iron ore can be offloaded in a day at ISCOR's Quanwan base. It is for the use of ISCOR ships only and should help to reduce freight costs, making ore from Sishen more competitive with shipments from Australia and India. Shipments from SA have often been delayed outside the port, adding to costs.

When not fully used by ISCOR, the storage will be leased to other ore exporters.

The facility will also benefit Safcor, the shipping venture between ISCOR and Salmarine. Safcor owns two vessels of more than 100,000 tons each. But because of their size, they have been unable to enter several Chinese ports.

ISCOR iron-ore marketing manager Johan Koen says that as a result, ships of between 40,000 and 60,000 tons had to be used. They are susceptible to freight-rate volatility.

Safcor plans to charter four vessels of about 100,000 tons each to supply about half of ISCOR's shipments to China.

Mr. Koen says: "We have contracted one vessel and are looking for another three. This will allow us to set tariffs for a full year at a fixed rate."

Ships will have free and immediate access to the offloading complex at Quanwan.

Mr. Koen says the investment will protect and safeguard this market, which is second only to Japan. A need for improved facilities in Chinese ports for the supply of ore to steel mills was recognised three years ago. Several suggestions were considered, and construction of the storage facility was considered the best.

The Sishen mine has reserves for about 40 years at current recovery rates of about 25-million tons a year. Exports in 1994 are forecast at 15.5-million tons.

Although ISCOR would be happy to increase sales to China, the railway line between Sishen and Saldanha harbour is running at near capacity.

To supply more ore to China would mean reducing exports to other countries. ISCOR does not wish to do that, says Mr. Koen.

The possibility of increasing mine production and improving the railway is being considered.

ISCOR spent R20-million on a feasibility study to establish the economics of a semi-steel plant at Saldanha. It would require additional ore from Sishen.
'Funding will decide the SABC's options'

A RESTRUCTURED SABC which does not compete with private broadcasters for advertising revenues is favoured by the National Association of Broadcasters (NAB).

In a speech to the Johannesburg chapter of the International Advertising Association, NAB chairman Stan Katz said the SABC had two options in the new broadcasting environment: it could focus more on public service broadcasting while retaining certain commercial elements, or it could focus exclusively on public service broadcasting without any commercial elements.

"The decision is potentially complex and will be determined perhaps overwhelmingly by the available funding solutions. Philosophically the NAB favours a public service broadcaster that does not compete against the private sector for advertising revenue," he said.

One of the first tasks of the newly-established Independent Broadcasting Authority would be a formal inquiry into the role and funding of the SABC.

The broadcasting industry would face three problem areas in the years ahead, Katz said. These were:

1. Unity "If broadcasters are not united on the major issues, they will have difficulty indeed in financing the Government, the IBA and others to act in a manner fair and beneficial to all broadcasters."

2. Privacy "Unsensored broadcasters that grabbed broadcasting frequencies willy-nilly, to the detriment of an ordered broadcasting spectrum, must be stamped out."

3. Protection of freedom of speech and expression. Broadcasters must be constantly on guard against any attempt at gagging or manipulation by the Government or any political organisation. If our new South African democracy is to succeed it must succeed on the survivors as well."
Mossagas may need R3bn in state funding

A R3-BILLION plan for the Mossagas fuel-from-gas plant is being put together to extend its life beyond 1998 when its gas reserves are expected to run out.

The plan could cost the taxpayer R3-billion to convert the 30,000-barrel-a-day (bpd) synthetic fuel plant into a 80,000 bpd conventional refinery.

This is in addition to the R700-million Mossagas is seeking from Parliament to develop a second gas field.

The survival strategy - only in conceptual form now - is likely to run into major opposition. The reason is that oil companies agreed to market Mossagas fuel because it comes from indigenous raw materials.

The agreement does not extend to fuel refined from imported crude oil. Development of service stations for Mossagas could cost R1-billion.

Roy Pithey, appointed Central Energy Fund (CEF) and mossagas chairman on April 1, says a feasibility study for converting Mossagas into an oil refinery will be undertaken at the cost of about R3-million.

Mr Pithey, former senior executive director at Sentrachem, says the new government will have to weigh up this expenditure against socio-economic and other priorities.

"It's not for me to say we should or should not make this investment. But the initial studies I have been shown appear economically attractive.

"We will provide the government with the best options we can come up with."

"Let it or not, every South African is an owner of Mossagas."

The R700-million to extend gas supplies until 2006 is also controversial as this investment would give a much longer life if invested in a conventional refinery.

Mr Pithey says that if Mossagas becomes an oil refinery, it could form the nucleus of a multi-billion rand cracker and petrochemical complex.

The state would probably have to be a lead investor in the refinery, taking a 20% to 40% stake. International interest has been expressed in the project.

The cracker and petrochemical projects would be private-sector investments. The gas could be put to other uses, such as heating.

Mr Pithey says Mossagas saves foreign currency and produces 30,000 bpd of fuel.

Sasol and Mossagas, criticised this week by Engen's Rob Angel for the R1.5-billion they will get this year in direct support, are "distinct animals."

"The one is extremely successful with a 40-year track record and is privately owned. The other is state-owned, dramatically overcapitalised and there is considerable doubt about the life of its raw materials."

Sentrachem recommended to the De Waal Commission that Mossagas be stopped and the then R2-billion investment be written off. But the government went ahead with it.

Mr Pithey was appointed head of CEF by Mineral and Energy Affairs Minister George Bartlett. CEF's sole shareholder is the state.

Included in CEF companies are the Strategic Fuel Fund, which manages the oil stockpile, and Soeker.

Mr Pithey says Soeker's activities are now mainly limited to finding more gas for Mossagas in the Bredasdorp Basin. Its budget has been scaled down from R200-million a few years back. He says Soeker may have political value in the new SA, helping neighbouring countries in energy exploration.

Although oil companies say crude procurement should be their domain, Mr Pithey says the stockpile should be actively managed. This would include continued oil procurement.
Sasol ponders gas project funding

FUEL producer Sasol had still to decide how to fund its stake in the Pande gas project on the Mozambique coast, mineral GM Feit Stein said. Sasol had ENH hoped to select a further partner by the end of the year to invest in and operate the pipeline, he said.

Sasol and Empresas de Mocambique (ENH) were jointly testing the waters for the Pande field in the scheme. The project — had appointed Morgan Grenfell and Blackstone to run the feasibility studies. The company which was experienced in gas exploration, was needed to estimate the project cost and feasibility studies completed. Industry officials said, only once we have established that there are sufficient gas reserves.

Morgan Grenfell had estimated that the project would eventually supply contracts with the interested parties. The pipeline route had not been finalised yet. If the project was given the green light, it would likely enter SA south of the Kruger National Park in the eastern Transvaal town of Secunda.
Economic scales swing in favor of farmer

BY LEAN STANAS

recognition at the national level

The truth and humility that goes a long way in bringing about a better future for the farmer. The farmer's role is crucial in maintaining a sustainable and thriving agricultural sector. The farmer is the backbone of the rural economy, and their contribution to food production and market stability cannot be overstated. In recent times, there has been a growing awareness of the importance of supporting farmers, recognizing their efforts, and providing them with the necessary tools and resources to thrive. This recognition can take many forms, from policy changes that favor small-scale farmers to investments in agricultural research and development. The farmer's voice should be heard, and their contributions should be acknowledged. By recognizing the efforts of farmers, we can create a positive cycle that benefits everyone in the agricultural sector. Therefore, it is crucial to celebrate the farmer's role and support their mission for a better future.
FUEL WORKS lifting retail price maintenance could cost 70 000 forecourt jobs, says the ANC

Picture: COBUS BODENSTEIN
SABC will tell broadcasting authority: We are different

THE SABC's submission to the Independent Broadcasting Authority (IBA) will be based on the premise that the SABC will have to continue subsidising its public broadcasting system with a commercially-driven service, according to group CEO Wynand Harmse.

The IBA, which regulates broadcasting in SA in the interests of the public, will require holders of public broadcasting licences such as the SABC to apply for new licences within the next 12 months.

The latest issue of the SABC's Interkom says Harmse told 200 of the corporation's managers it was untrue the SABC was no longer interested in a business-orientated approach and that financial discipline was no longer important.

"On the contrary, in the more competitive broadcasting environment, advertising has become more important than ever," Harmse said.

Special adviser to the group, CE Sakkie Burger, said yesterday the corporation's submission would be put to the SABC board on May 10. He declined to elaborate on its contents.

However, in a separate article, Interkom said the SABC's submission would explore the implications of competition for a national public broadcaster and the funding dilemma facing the SABC as a result of factors other than new competition.

Harmse told the managers' meeting there were reasons to be positive and have faith in the future of the corporation.

The SABC was part of a growing industry in which it was the dominant player. Its radio services at present earned 50% of the spending on radio advertising.

"Even if we should lose 30% to 40% of this income in a new, more competitive broadcasting environment, the SABC will still be the main player," Harmse said.

The SABC also had an essential role to play in education, in Africa and in uplifting all people in the country.

"This role will become even more important in the future and, as the major carrier of the message of unity, no government can afford to let the expertise and skills of the SABC go down the drain."

The restructuring of the organisation into business units over the past three years had put management teams in place to meet future challenges, Harmse said.
R2.7m grant for radio development

By BARRY STREEK
Political Staff

A SUM of R2.7 million has been granted for the development of radio in South Africa over the next 12 months, the Open Society Foundation announced in a statement yesterday.

The foundation, founded in 1993 and supported by Hungarian-born financier Mr George Soros, hoped to allocate similar amounts in future years, director Professor Michael Savage said yesterday.

"Recognising that radio is the medium of communication that can serve the majority of the people most effectively, the OSF-SA will provide comprehensive support of radio in South Africa," the foundation said in a statement.

The grant would assist with the planning and development of new community radio stations, provide training, experience and internships, award grants for equipment for new stations, and has allocated R1 million for equipment grants.

It would also help to meet the training needs for station management, programming and programme production.

"This is an extraordinary opportunity to help create a new system of radio in South Africa, and we want to ensure that it is built upon a firm foundation," Professor Savage said.
Call to expand function of IDC

From MICK COLLINS

JOHANNESBURG – A new government would need to expand the role of the Industrial Development Corporation (IDC) if it wanted to bring about required industrial growth, IDC MD Carel van der Merwe said yesterday.

Van der Merwe said the corporation had already met the ANC’s economic planning department and other senior ANC and Cosatu officials. He said he had no reason to believe that radical changes were envisaged for the IDC by a new government.

But the ANC’s reconstruction and development programme outlined a more pro-active approach to a structured industrial policy. This would need the IDC to concentrate more on the manufacturing sectors identified as offering the best growth prospects.

He said the IDC had always been a politically neutral organisation serving the government of the day. The optimal approach in the future would be one where clear policy guidelines and objectives were agreed between the IDC and government (through the Department of Trade and Industry) and the IDC was delegated to follow them with relative independence.

“...The IDC has not received any funds from government for the last 40 years and has, in fact, contributed more than R2bn to government funding in tax and dividends. This is more than twice the amount invested by the government in the initial years,” Van der Merwe said.

Van der Merwe said the IDC had held off reshuffling its board until this could be discussed with the new government.

“The new government will be the de facto owner of the IDC’s share capital and would foresee changes to the IDC board to make it more representative of the population as soon as possible,” Van der Merwe said.

Van der Merwe said he did not foresee major changes in the IDC’s financing schemes and existing incentive schemes.

“I am confident that IDC’s bigger role will not be at the expense of small and medium-sized enterprises,” he said.

World oil prices dip

South Africa and other major oil producing countries are doing their utmost to make production worthwhile.

Today’s prices

Business
SABC excels in election coverage

By Elliot Makhaya

Sowetan 29/4/94

FEW HICCUPS. 3 000 people involved in successful networking:

ELECTIONS '94

(For the first time all African language stations ran programmes as extensive as Radio South Africa and Afrikaans Stereo)

We must readily agree that given the circumstances, they acquitted themselves well.

The mood out there is one of optimism and hope...
The aged came in large numbers to Kanyamazane near Nelspruit to cast their votes this week.

LEN KUMALO
When the 200-strong National Electrification Forum meets again next month to consider the restructuring of SA’s multibillion-rand electricity industry, Eskom officials should find it easy to deal with representatives of an ANC-dominated government. They have so much in common.

It’s apparent that the two power brokers agree that the State — through Eskom, which generated 98% of SA’s electricity and had R13.8bn in turnover last year — should retain tight control of the generation and transmission of electricity.

They also agree that the current system of electricity distribution — about 450 local authorities charging more than 1 000 different tariffs distribute 45% of the country’s electricity — should be realigned into a limited number of regional distributors. There’s even some sentiment for one giant, monopoly distributor (Business December 17).

The third major area of agreement is that Eskom, rather than the State, should shoulder the approximately R12bn cost of electrifying some 2.5m households over the next six years. That is why these costs were not included in the ANC’s proposed R39bn bill for reconstruction and development. The money would likely come from special electrification bonds, capital market and foreign loans, and subsidies from the current customers.

Wits University commerce dean Duncan Reece suggests an alternative source of funding — privatisation — though it’s not likely to find much favour in a forum dominated by central planners. “If a new government wants to provide uneconomic services to its disadvantaged populace, this should be recognised as a political decision driven by social-welfare considerations. And it should be paid for by the fiscus, not through enforced subsidisation by existing users.” To pay for this, a new government should also strongly consider the privatisation route — billions could be generated by selling Eskom’s power stations as competing generators of electricity.

Much more likely is that with a more centralised distribution system, customers will be hit with the double whammy of higher municipal property taxes to replace the R1.3bn annual revenue that local authorities now make on the resale of power bought from Eskom (white municipalities routinely tack on 15%-20% to electricity bills) and user fees to help pay for the huge electrification programme.

Eskom executive director Jan de Beer says: “The forum feels that many local authorities generate surpluses from electricity distribution that are beyond reasonable recovery and that these surpluses should help to pay for the costs of electrification.”

Mark Pekering, analyst at the ANC-linked Minerals & Energy Policy Centre, suggests raising domestic rates by about 33% and adding a levy. He also sees a need for a national regulator to oversee the tariff structure. “What we are looking at is lifting the average national domestic tariff of about 35c/kwh to about 20c/kwh, while additional levies may be charged to help pay for electrification costs,” he says. The South African Energy Regulator is to look into the issue.

Johannesburg city councillor Paul Asherson, who is a member of the forum’s management committee, is against asking existing customers to pay for electrification for new users. “The man in the street already bears more than 40% of SA’s tax burden. How can he be expected to also shoulder the costs of electrification?”

Asherson says the ANC is growing less enthusiastic about abolishing the local authorities’ control over electricity tariffs as the reality dawns that shortly they may be in control of these bodies. “After all, if you buy a shop, it’s better to take over the stock and goodwill than to first get rid of its assets.”

UCT electrical engineering professor Charles Dingley, who is a member of the forum’s working group on structure and regulation, argues that local authorities do not deliver. “Some 500 electricity distributors (mostly municipalities) serve 3.5m customers — on average about 7 000 customers each — making the SA distribution sector (very) fragmented. This structure is inefficient and locks resources into wealthy areas. The disparity in service provision that resulted from this structure is there for all to see.”

Dingley feels that the best size for an electricity distributor should be determined by a balance between economies of scale and responsive service. “General practice is to have large distributors to take full advantage of economies of scale, with good service being achieved through decentralised organisation. This is not only so in most developing countries, but also in countries such as the UK, where privatised suppliers have up to 2m customers each, and in the US, where Southern California Edison serves 3.5m people with about 150 distributors. The argument is that large distributors are more efficient than small ones. But experience shows that while smaller competing suppliers can operate in competition with Eskom, they often cannot continue these services because the running costs prove beyond their capabilities.”

“SA is a developing country and neither Eskom nor the forum sees great advantage in splitting Eskom’s generation and transmission functions. The real sensitive issue is distribution.”

The current runs against deregulation

Powering a nation and municipal budgets

The biggest of all is the French national supplier, which has 25m customers.”

Reece believes that it’s the UK’s example of deregulation and privatisation that SA should follow. There, transmission lines are common carriers for all competing generators throughout the country and individual power stations now compete freely with one another. “New generators have sprung up, using alternative power sources such as North Sea gas, while freely imported SA and Australian coal forced the closure of uneconomic British coal mines. Power is freely imported from across the channel, while an electricity spot market has been created in London for anyone wishing to buy or sell surplus power at spot rates.”

Dick Dutkiewicz, director of UCT’s Energy Research Institute, says Eskom’s transmission network should become a wholesaler of electricity, buying power from a range of generators (including imports from neighbouring states) and selling it to distributors. “The distribution sector should consist of an overall planning and standard-setting body with regional components.”

Asherson recommends that the proposed regulator scrutinise Eskom’s transmission function to see whether its rates are competitive. “After all, if private hauliers could take on SA Transport Services and beat it in the field of cargo transport, the same thing should apply in the transmission of electricity. Jobs could be created by allowing competing transmitters to take on Eskom.”

There is some sentiment at Eskom and the forum for allowing some competition. “While I would favour a continuation of the economies of scale provided by Eskom’s dominant generation and transmission roles in the immediate future, competing generators should be allowed to offer their services, as already happens in municipal areas such as greater Johannesburg,” says former Eskom CEO Ian McRae, now the new chairman of the forum’s management committee. “But experience shows that while smaller competing generators can operate in competition with Eskom, they often cannot continue these services because the running costs prove beyond their capabilities.”

“SA is a developing country and neither Eskom nor the forum sees great advantage in splitting Eskom’s generation and transmission functions. The real sensitive issue is distribution.”

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Debi does the SABC

A row has broken out over who is responsible for paying the enormous debts of Debi, the voter education campaign on television and radio, reports Mark Gevisser

The Democracy Education Broadcasting Initiative (Debi) has run up debts totalling R3.5 million and a major dispute has broken out over who is responsible for settling its bills.

Debi claims that the Ministry of Home Affairs pledged it up to R11 million for its voter education campaign on radio and television, and that the Independent Electoral Commission has now inherited this obligation. The IEC has already given Debi R3.5 million, and it is not clear whether it will pay any more.

According to the IEC voter education division director, Albert Mokoca, Home Affairs has allocated a total of R31 million for voter education, but he does not yet have control over these funds.

With only four weeks to go to the election, there is thus still much confusion over who is paying for voter education, and how. The row cuts to the heart of who bears responsibility for bankrupting the electoral process, and raises questions as to how the IEC is managing state electoral funds.

IEC commissioner Helen Suzman, who serves on the body's voter education subcommittee, has been called in as a trouble-shooter. 'I will do everything in my power to get to Debi the money owed to it,' she said.

Debi, a joint venture of the SABC and 51 non-governmental organisations, has already had to cancel much of its programming.

'The IEC has a moral and legal obligation to fund voter education,' said Debi chairman Ruth Terror-Tomaselli, who is also a member of the new SABC board. According to Terror-Tomaselli, the Ministry of Home Affairs pledged R3 million to Debi as 'bridging finance' and made it clear the organisation would receive up to a further R7 million to pay for its production and broadcasting costs.

Debi has finally received the R3.5 million in 'bridging finance' via the IEC, as well as a R1 million grant from the SABC. But further funds pledged have not been forthcoming. The IEC seems to be either unable or unwilling to pay Debi any more money — which means that the SABC itself will have to pick up the tab.

Barry Golder, a member of a Debi working group and director of communications at the Mail Trust, said it was a 'scandal' that Debi was not receiving state funds promised it. 'This is a clear cut case, Debi was set up before the IEC was even in the picture to oversee voter education on TV and radio. The state is obliged to pay for this.'

In January, IEC chairman Judge Johann Kriegler told Debi the IEC viewed voter education as a 'priority' and that it saw Debi doing the IEC's work in this sphere, the IEC would simply fill in the gaps. Since then, however, the IEC has put into place its own voter education department, with a staff of over 70 people. There is much confusion as to what has happened to Home Affairs' R21 million and as to whether more of this money should go to Debi.

Mokoca insisted it was not up to him, but up to the commissioners themselves, to decide whether Debi received more funding. He also said that, even if more money was not given to Debi, Home Affairs' R21 million "would not be enough to do the work we as the IEC need to do."

Most of Debi's R3.5 million debt is owed to Safritel, the SABC's in-house production company. "This is a major headache for us," said SABC finance director Steve Schubach. "If Debi does not find the funds, we will have to absorb the loss and make up for it by cutting costs elsewhere."

The SABC has lodged its own claim with the IEC — it needs at least R18 million in extra funding to cover the election and Schubach estimates that at least R10 million in advertising revenue will be lost due to election coverage.

The problem with Debi, said Schubach, was that "commissioned products without having the money in the bank to pay for it."

Terror-Tomaselli acknowledged that "we were stupid and naive not to get anything in writing from the Department of Home Affairs," but countered that "if we had waited for money in the bank there would have been no voter-education programming on the SABC. We had to go on promises that were made to us. That's the political reality."

Report by Mark Gevisser, 139 Smit Street, Johannesburg
Afrikaans to stay on TV, says SABC chief

MARK STIEBEL (260) ARG 30/4/94

IN the wake of reports that the SABC has been neglecting Afrikaans in its broadcasts, the corporation has defended its language position, claiming that it was not removing the importance of Afrikaans but rather being sensitive to other languages.

SABC group chief executive Mr Wynand Harmse said it was true that, for practical reasons, English was becoming "the more general language of use". He denied Afrikaans was going to be removed from SABC services.

He pointed out that Afrikaans Stereo broadcast only in Afrikaans and that all seven regional services still had Afrikaans divisions.

Mr Harmse said there was no plan to remove Afrikaans from TV1 and illustrated this by pointing out that the SABC had just sanctioned two new Afrikaans dramas.

Regarding political debates, Mr Harmse said the political language of communication was English which meant that television debates had to be conducted in that language. He said this was not the SABC's fault, but a consequence of the political climate.

Mr Harmse said the SABC was forming a language policy and added that this was not a simple and rapid process. It would be altered with the formation of the new regional governments.

"The SABC still is striving for linguistic justice and satisfying the linguistic needs of its audiences," he said.

At management level, greater use was being made of English as this would reduce practical problems of interpretation for staff members.

The Rev Hawu Mbatha, general manager of the SABC in Durban, said he felt that as Afrikaans was spoken by a large group of people it should be treated as any other language.

He added that it appeared many people had not yet accepted the changes which gave the other 11 official languages a role.

An M-Net spokesman said that because most of its programmes were from the United States and Britain, they were in English.
3 held in radio station raid

PRETORIA — Three people were arrested in a police raid on Radio Pretoria yesterday.

Police impounded 10 guns, three home-made shotguns and ammunition during the raid in which Mr. Christo Bekker, Mr. Lodewikus Putter and Mr. Nico van Rensburg were held.

The three later appeared in the Cullinan Magistrate's Court on charges of illegal possession of firearms and ammunition and were released on R1,000 bond each. The case was postponed to May 24 — Sapa
Commission slates broadcast media

MARK ASHURST

THE SA broadcast media's lack of professionalism in its election reporting has caused greater problems than its unfair coverage of political parties, says Independent Media Commission official David Nuddrie.

His comments yesterday followed IMC chairman Judge Ramon Leon's ruling at the weekend which upheld complaints from the Federal Party that it had received inequitable coverage from the SABC.

SABC coverage of all the "smaller parties" in the election had been inequitable.

Nuddrie felt that, with the exception of isolated incidents, the commission had been "relatively successful" in ensuring that coverage during the election period was equitable and that state-owned media did not promote state policy.

The commission had referred Radio Pretoria to the TEC on three separate occasions, although unlicensed broadcasters did not fall within the IMC's jurisdiction.

The commission would recommend that legislation be revised to allow the Independent Broadcasting Authority to arbitrate in disputes at the next election.

IMC state publications directorate chief Dirk Harford added that "narrowly drafted legislation" and a "lack of definition" in the Independent Media Commission Act had frustrated the commission's work.

Charges against the KwaZulu Communications Offices of misusing state publications during the election period had been dropped after the Independent Media Commission refused a condition of anonymity for witnesses, said Harford.

Although KwaZulu offices were found to be handling "massive quantities" of Inkhata Freedom Party printed materials during the election period, the commission ruled that granting of anonymity to witnesses would contravene the principle of transparency.

IMC staff were unable to confirm the exact number of cases heard by the commission since its inception in January. The state publications directorate successfully brought one case to a hearing, the broadcasting directorate brought three or four. A final hearing was expected this week.

No proper complaints had been brought by political parties. Both men and the number of hearings did not reflect the work of the commission.

The IMC's period of monitoring came to an end when the last vote was cast on Friday April 29. The deadline for complaints had been extended to 7pm on May 1, and the commission was expected to wind down by the end of the week.
Future uncertain for SABC radio

THE 22 radio stations run by the SABC and the TBVC states’ services were extravagant considering the degree of duplication and the resources required to run them successfully, new SABC radio CE Govin Reddy said in the latest commercial radio services publication.

But no decision had been taken on internal restructuring.

The SABC’s business unit structure had been financially successful and it would be “unwise” to tamper with it until the problem of funding the corporation’s stations had been settled, he said.

SABC radio’s future would depend on decisions by the Independent Broadcasting Authority (IBA). But because of the funding problems surrounding public broadcasting, the SABC was likely to continue as “a kind of hybrid broadcaster, funded partly by its commercial arm, which will exist in tandem with its public broadcasting arm”.

If this route was not taken, there were other options. These included licence revenue, a combination of licence revenue and a state grant, some form of indirect taxation or a levy on new commercial radio stations.

If SABC radio was able to continue as it had in the past, the commercial wing — currently including Highveld Stereo, Radio Metro and Radio 5FM — could increase in importance because advertising revenue would decline.

“If the public and the state are committed to having a public broadcaster, then it is their responsibility to provide the funding,” he said.

It was simplistic to presume that state funding implied state control. This was not the case in a number of countries, “and the independent SABC board guarantees this will not happen”.

Reddy said commercial stations Highveld Stereo and Radio Metro “quite clearly fitted into different niches” in the future SABC structure.

But Radio 5’s niche was not clear. It was the kind of station “that could be forfeited and sold off in a rationalisation effort”.

Commenting on the future of the new radio stations in a deregulated environment, Reddy said that as many as 50% could go under within a short time.

Newly appointed senior GM Sally Mokoete said the SABC’s regional radio services should reflect the whole of SA. In the past, radio has not catered properly for people at grassroots level. For every person who read a daily newspaper, there were five who listened to the radio.

Mokoete said the IBA would ultimately decide which of the SABC’s services should continue.
Eskom workers in dispute

By Joe Mdhlala

At least 50 East Rand workers, who claim to have been forced to take a retrenchment package by Eskom last year, are now demanding their jobs back.

Shop steward and member of the National Union of Metal Workers of South Africa Mr. David Mahupesa said they were asked by management to take the package because of a cost-cutting exercise by the company.

Claim denied

Company representative Mr. Altus Mulder denied the claim.

"The truth is that these workers on their own decided to take voluntary severance packages. At no stage did the company force them to do so," he said.

Mulder said negotiations were under way to resolve the issue.

Mahupesa appealed to all retrenched workers to contact him at (011) 736-8572.
SABC posts R99m surplus

THE adoption of business principles and the restructuring of the SABC into business units saw the corporation report a 33% higher surplus of R99m (R74.5m) for the year to September 1993.

Chairman Ivy Masepe-Cassaburri said in the annual review that this was made possible "by the sound business principles that were applied in all the business units of the corporation".

But there was concern over projections for the coming year "owing to increased competition and a significant drop in income from licensees because of piracy and licence payment boycotts". Masepe-Cassaburri said: "The position is so serious that the 1993/94 budget will be reviewed after the results of the first quarter".

CE Wynand Harmse said the 16% rise in operating revenue to R1.2bn consisted mainly of advertising income supplemented by licence fees and sundry income.

Television contributed about 67% of the advertising revenue, compared with 33% from radio.

Harmse said it was important to manage the SABC on sound business principles to ensure that the corporation's wide range of services could continue to operate in a professional and affordable manner.

Harmse said the legitimacy of the licence system had been compromised and was great cause for concern. There was an increase of 13% in debt order payments, but this was neutralised by a 13.6% drop in the number of licences on the back of the economy, the uncertain political climate and "the politically motivated boycotts".

In the year to September, more than 34,500 pirate viewers were tracked down, and more than R6.8m in licence fees and fines was collected — significantly higher than in the previous year.
### Members of the Western Cape Parliament

#### African National Congress:
- Allan Boesak
- Cameron Dugmore
- Vincent Diba
- Kedwa Kalako
- Johnny Issel
- Hilda Ndubu
- Chris Nissen
- Ebrahim Rasool
- Bashir Essop
- Leonard Ramati Kana
- Lynette Brown
- Russel McGregor
- Rosemary Sonto
- Cecilia Ramotsheliso

#### National Party:
- Gerhard de Klerk
- Paddy Pik
d
- Willem Du Plessis
- Fanus de Jager
- Pieter Marais
- Ryno Kriel
- Adriaan Jordaan
- Kobus Melberg
- Japie McKenzie
- Martin Olckers
- Bob May
- Quarta du Toit
- Louis Roos
- Johnson Ngobeni
- Anneta Handwerk
- Pierre Gerber
- Anwar Ismail
- Noor Jafie
- Mult Roa
- Thembu Nyalu
- Gwemile
- Verlofskamp
- Robert Modise
- Cartel Kamer

#### Democratic Party:
- Hennessy Better
- Bob van der Ross
- Joe Marks
- Freedom Front: Elenor Lombard
- Afran Christine

#### Opposition:
- M piled Loubis
Police swoop on Radio Pretoria

The Argus Correspondent

PRETORIA - In a ground and air sweep, police today launched a pre-dawn raid on the Radio Pretoria premises and Fort Wonderboom after receiving information that explosives and illegal weapons were being stored there.

The Pretoria police spokesman Ewan Johnson said arrests were made and "certain items" were confiscated from the premises.

He could not confirm how many people had been arrested or what was seized.

A spokesman for Radio Pretoria said 14 people had been arrested, adding that "45 Boerokommando have thrown our name away."

A spokesman at the station's headquarters, 50km away in Sinoville, confirmed that police helicopters had landed, but said police officers were in the dark and unable to give details of the raid.

Fort Wonderboom was an old abandoned fort north of Pretoria where right-wing Boerokommando leader Willem Ratte sought refuge after leading the Fort Schanskop occupation last year.

The raid comes a day after Radio Pretoria called on all media to support its efforts to gain a broadcasting licence to further speech freedom.

Station head the Rev Moswe van den Berg said it was the vocation of the Boere-Afrikaner culture to keep Afrikaners alive - in the interests of all the people of the sub-continent.

Only by maintaining the Afrikaner culture alive would there be peace, progress and prosperity for South Africa, he said.

Mr Van den Berg and Conservative Party leader Ferdi Hartzenberg referred to the right to freedom of speech as enshrined in the new constitution as justification for their demand for a broadcasting licence.

Mr Van den Berg said the radio station had gone off the air on April 26 and the station's supporters had given it two weeks to apply for a licence.

"On May 13 we will have to decide whether we will go on air and broadcast illegally or not," he said.

Dr Hartzenberg referred to the United Nations human rights commission on indigenous populations, which has a draft document before it which recognises the rights of indigenous people to establish their own media.
Regulating the airwaves

To the disappointment of the upstart radio stations, the recently formed broadcasting regulator, the Independent Broadcasting Authority (IBA), refused to grant or renew temporary radio licences in time for the election. Instead it has set in motion a long, bureaucratic procedure that will include an inquiry, public input and a frequency plan study before any licences are granted. This process may take at least several months.

While the authority's effort at transparency may be laudable, it is debatable whether there is any need for such an authority. With the emerging digital compression technologies, any effort to allocate the radio spectrum could be rendered pointless.

Proponents of keeping the airwaves free of regulation as possible say technologies such as the Steenbreek, radio, CDMA and TDMA allow a number of users to employ the same frequencies without interfering with each other. With an increasing array of low interference technologies available, there should, therefore, be no need for a section of the spectrum to be allocated exclusively to a single user.

The Steenbreek digital radio can survey any existing swath of spectrum and determine almost instantly which channels are in use and which are free. Users can utilise the spectrum as much as they like, as long as they don't collide with anyone else or pollute it with high-powered noise.

According to Forbes magazine's technology supplement, "In the Steenbreek model, you employ the spectrum as you see fit, subject to a common set of rules. You get what the system delivers and you can trade off this spectrum with the next user."

Though in SA frequencies are allocated, not bought, there is no doubt that the 15 radio stations whose licences were terminated just before the authority was established on March 31, would press for this argument.

But local experts believe that there is a place for a regulator. They say that while digital technologies use the spectrum more efficiently, there is still a danger of interference. A spokesman from the Department of Posts & Telecommunications says that though digital techniques make it possible for more broadcasters to be accommodated simultaneously in the available broadcast bands, there is a limit on the total number of simultaneous radio and TV broadcasts that can be accommodated. He says there is still a need for proper planning to ensure no harmful interference among broadcasters.

Others maintain that a regulator is needed to right past wrongs. "In the past, the allocation of the airwaves has been unsatisfactory," says Sentech MD Neel Smuts. "Because we've never had a proper regulator, we don't know what air space is available. The IBA is right to take its time. If it issues licences in an ad-hoc manner, its credibility would suffer in the long run. It cannot issue new licences until its infrastructure is in place." Wholly owned by the SABC, Sentech is the country's largest signal distribution company. It carries the SABC and MNet's broadcast signals.

Smuts says protectionist policies have distorted the allocation of frequencies. For instance, licences for high-quality FM frequencies were issued only to the SABC in the past. Independent radio stations were forced to get their licences from the TRC states. As a result, Radio 702 broadcasts on the lower quality medium wave frequency from the former Bophuthatswana. "The IBA now has a clean slate. It should use this to create a more balanced industry."

One of the IBA's first tasks is to compile a broadcast frequency plan, says one member, Lyndall Shope-Mafoue. The plan will show who the current users are and what airspace is available for future broadcasters. It must adhere to International Telecommunications Union agreements.

A specialised UN agency, the ITU plans and co-ordinates broadcasting frequency bands to avoid interference between neighbouring countries.

"Our constraints are more economic than technical," Smuts says. "SA, like the US, could technologically support hundreds of broadcasters. But the size of our economy limits us. Because the spending power is less, our broadcasters do not have the same potential in terms of advertising and subscriptions."

Referring to emerging technologies, he says consumers will have to replace their existing TV and radio sets with new digital equipment. This is pricey now.

A digital audio broadcasting radio, for instance, may be the latest in radio broadcasting but it costs around R10,000 and is too bulky to be fitted into the dashboard of a car.

"Many of the digital innovations are still in the developmental stages," Smuts says. "SA will only start adopting these technologies once world volumes have increased and prices have dropped. It will take at least 10 years before the new digital technologies will be commercially available in SA."

The main benefits of digital technology is improved sound quality and more efficient utilisation of the spectrum. Digital compression technology allows at least 10 TV and radio channels to be broadcast from the same transmitter, substantially lowering the infrastructure costs of signal distribution. But broadcasters should remember that most users are satisfied with the existing analog radios and will convert to digital only if the price is right.

Smuts says broadcasters should consider simulcasting in the new and existing technologies. "Initially the market penetration of digital will be low. But over time, if the price is right and if there is a perceived benefit to the user, consumers will convert to digital in much the same way that they moved from tape and records to CDs."

But regardless of what new technologies may eventually arrive here, radio stations are staking to start broadcasting around the country. Most would like to broadcast on the FM band because this offers the best quality. Says Radio 702 technical manager Andre du Toit: "We have wanted an FM licence for the past 14 years."

Stations anticipate that some of the licences will be issued in the medium wave frequency range, which is under-utilised.

While in the short term it seems that broadcasters will have to make do with existing analog systems, it is important that the IBA does not build a protectionist infrastructure that will stunt future developments. There are no technological reasons why SA should not turn to information superhighways. By merging radio, computer and telecommunications technologies, these superhighways will eventually allow users to transmit interactive full-motion video over the airwaves.

Smita Bhalotia
advertisers have forgotten how to sell

Sieg, now retired, was creative director of the Reader's Digest marketing department for more than 20 years. He is a consultant on marketing, copywriting and sales.

What's new? Once an extension of the selling process, it is still meant to be, but a fraction of many current advertising campaigns causes one to wonder whether they are achieving their objective — to sell the product or service.

Car advertising, for example, particularly TV, seems mostly to rely on two concepts: sliding on wet surfaces, and body shape ads for female hair shampoo and conditioners. All include models swinging their hair back and forth.

Apart from the dubious selling and persuasive value of these commercials, they also produce a numinosity which makes it difficult to remember the product or brand name.

A useful rule-of-thumb assessment of an advertisement is whether its message will prompt people to rush out and buy the product, believing that their life would be inadequate without it. This is a somewhat exaggerated measure but perhaps one that advertising and marketing managers should apply to creative proposals offered by their professional practitioners.

Would you want to buy a car that is shown spinning around in circles in a rain-soaked parking lot? Do you remember the name of the shampoo in the last hair-treatment commercial you saw on TV?

"What's in it for me?" is the question in any prospective purchaser's mind. Answering this question is what advertising should be about.

What are the product or service benefits that will persuade your prospect that this is the right choice? Or that your product or service is superior to that of competitors?

Car manufacturers are sure to have researched that lists buyers' priorities in choosing a car. I'm prepared to bet that price, economy and reliability are high on the list, yet advertisements that home in on these benefits seldom form part of the creative strategies employed.

Making the message persuasive is the first priority, making it memorable and inexorably linked to the product or service is the second.

One of the best examples of advertising that experts achieve such objectives is the TV commercial for Cremora. In one brilliant swoop of creativity a major benefit of the product — that it doesn't need to be refrigerated — is linked to a line that incorporates the product name, and has become a catch phrase in our local culture "Where's the Cremora? It's not inside, it's on top!"

It's astounding that so many marketing executives approve the wasteful expenditure on spectacular TV productions that are no more than self-indulgent ego trips by their creators. Unfortunately, it's often well-nigh impossible to single out the effectiveness of the advertising itself. Too many other factors influence the final result: pricing and mark-up, distribution, dealer attitude and effectiveness, and packaging.

At the end of the day what really counts are the persuasiveness of the message and the purchasers' recall of the product or brand name.
Information bill ready

(269) Political Staff

A FREEDOM of Information Bill giving individual citizens the right of access to government information has been drafted by the Independent Media Commission, a member of the commission, Ms Zubeida Jaffer, disclosed yesterday.

The bill places the onus on the government to provide valid grounds for refusing to disclose information to individuals, Ms Jaffer said during a panel discussion on Peace Radio.

The proposed measure will be similar to the Freedom of Information Act in the United States, which has opened up previously secret government files to the public.

Ms Jaffer said the public’s right to information should be entrenched in law. However, the IMC, which is to be dissolved today, had not drawn up any proposals on the ownership of the media or measures to stimulate the diversification of newspapers and the electronic media.
Poll coverage: ‘No SABC bias’

JOHANNESBURG The Independent Media Commission found no bias favouring a political party by the SABC in its election coverage. ICM chairman Mr Justice Ramon Leon said yesterday: “We are satisfied that the coverage was fair.”

Presenting its findings on SABC election coverage, Judge Leon said broadcasting focused on ANC president Mr. Nelson Mandela and President P.W. de Klerk’s electioneering.

He said the focus was on “personalities and not the issues.” — Sapa
Eskom demand and cost control boost Amco&

AMCOAL, Anglo American's coal business, reaped the benefits of greater demand from Eskom and tight cost controls to push attributable earnings to R255.7m (R240.6m) for the year to March.

The company, one of SA's largest coal producers, pushed turnover marginally forward to R1.5bn, with domestic and export tonnages showing gains.

Earnings rose 6.3% to 1915c a share from 955c a share before abnormal items last year. The total dividend was lifted 7.5% to 50c.

Chairman David Rankin said earnings from collieries supplying Eskom rose because of "the contractual escalation of investments in those collieries.

Although dollar export prices remained under pressure for much of the year, conditions had shown a sharp improvement in the final quarter.

The continued recovery in international prices and a domestic pickup were likely to lead to a "satisfactory improvement" in earnings this year, Rankin said.

Sales to Eskom had risen 3.2-million tons to 31.5-million tons, mainly due to an increase in Eskom's electricity sales. Eskom had increased its coal consumption to make up for a drop in its hydro output and a reduction in the electricity generated by Koeberg.

Amco& had agreed to invest a further R71.7m in New Vaal colliery in return for the amendment of certain terms of the coal supply agreement.

Export sales increased 0.9-million tons to 12.1-million tons, and export earnings were expected to show a significant improvement.

The improvement in international demand was expected to see Richards Bay Coal Terminal hit its annual capacity of 60-million tons within two or three years. The industry had also benefited from a jump in CIS freight charges which had prompted many European buyers to switch to SA coal. And Colombian coal - which had been competing with SA coal on the European market - had entered the US market.

Colliery unit working costs dropped 5.1%. Rankin said Amco&'s cost containment programme included a more effective deployment of labour and more productive mining methods.

After charging R357m for amortisation and depreciation, operating profit slipped 6.5% to R374m. Profit after tax dipped 7.7% to R414m.

The bottom line for 1992 had been lifted by a R251.5m abnormal item, stemming from a drop in the company tax rate which affected the deferred tax balance.

Gross capital expenditure topped R158.7m, of which R24.6m was funded by Eskom. Amco&'s capital expenditure commitments - of which a significant chunk was to be funded by Eskom - were estimated at R270.5m. Most of this would be spent on the New Denmark colliery.

Amco& was concerned about the National Electricity Forum's suggestions that the supply of electricity to major consumers be routed through the municipal distributors. Rankin said this system could prove expensive and unreliable.

\[\text{To Page 2}\]
Broadcasters proceed with plans to expand

MARK ASHLEY

outside SA had lessened its reliance on state licence. "We are forced to go this route because we are denied access to SA audience," he said.

IBA spokesman Mark van der Merwe confirmed on Friday that more than 100 submissions from broadcasters applying for permanent licences are still to be registered.

The closing date for submissions from broadcasters seeking consideration for permanent licences is June 10. To date, the IBA has only registered submissions for temporary licences. The closing date for submissions was May 2.

Meanwhile, Radio Pretoria management discussed contingency plans on Friday night to ensure the station's survival irrespective of the IBA's decision concerning the application for a permanent licence. The station stopped broadcasting on April 30 after a court halted the authority.

Radio Pretoria chairman Mosie van den Berg said the IBA Act was very loose and impractical. "It is not the intention of the Afrikaner to go to war with the state," he said.
ISCO's bid to cut costs jeopardised by burnout

STEEL giant Iscor's bid to cut R1bn from its costs had been jeopardised by the furnace burnout earlier this year at its Newcastle works. MD Hans Smith warned yesterday...

... "The negative factor stemming from the incident and the prospect of recovering lost cash flow through insurance cover had made the cost-saving target difficult to achieve.

We have adequate insurance cover for the furnace, but there is no chance of recovering the insurance claim as settled. It is a large sum. We are still calculating the losses but they will run into hundreds of millions."

Temporary repairs to the furnace had it running at 70% of capacity. It would be out of action again in September for a major overhaul and back in commission by January, 1995.

The furnace suffered a hearth burn-through in January, after being relined at a cost of R149,2m. Smith said the main contractor for the relining - Hoogoven of the Netherlands - was also adequately insured. However, Iscor was responsible for the first R150m of any cost incurred through loss of production or repairs to the furnace itself. "This amount will not come off our bottom line as we have a contingency fund for occurrences such as this."

The total loss in production to final repair could be 300,000 to 400,000 tons of steel. Exports had been cut back, but local customers would not be affected as the induction furnace and other facilities at Newcastle had sufficient capacity to service the local market, he said. Pool iron could also be obtained from the Vanderbijlpark works.

An analyst said he did not expect the shutdown to have any significant effect on Iscor's earnings. "Most of the lost production would have gone to exports where it would have been "sold at a loss," he said."

"The whole deal is not quite closed, but we are close," he added...
IBA officials get down to business

The daunting task of the Independent Broadcasting Authority (IBA) to enable the establishment of a balanced and unfettered broadcasting regime in South Africa has started in earnest. The IBA’s first task is to formulate the rules for the granting of temporary community radio broadcasting licenses. IBA officials have started to evaluate submissions, and will report back to the board this week. Once agreement has been reached on the rules and procedures, licence applications will be invited.

This is the first step in what promises to be a long and very public road to broadcasting deregulation. Public hearings seem a certainty, so does the opening of some IBA board meetings to the public.

June 10 has been gazetted as the closing date for submissions for the three separate inquiries to establish regulations pertaining to the protection of public broadcasters, licence fees, and local content requirements.

The most important inquiry is perhaps the investigation into the funding of the public broadcasters, the SABC and Bop TV. Without a fundamental change in the way in which the SABC dominates both radio and TV in terms of advertising revenue collection, a vibrant private broadcasting sector would not be viable.

IBA sources regard the freeing up of the airwaves, both in terms of political influence and the SABC’s dominance, as prerequisites to the deregulation process.

Contentious issues will have to be ruled upon: Should the SABC, as a public broadcasting service (PBS), be allowed to accept advertising? If the corporation should cease to dominate TV advertising revenue collection as it does at present, the question of funding becomes paramount. SABC sources admit that the present form of TV licence administration has all but broken down.

Another contentious issue is whether the licence fees for commercial broadcasters, although commercial broadcasters such as M-Net and Radio 702 are assured of licences, are not exempt from any other regulations which the IBA may impose.

With the licence fee precedent set in the cellular telephone market, where network operators had to pay R100 million over five years, it is perhaps not unreasonable for M-Net, which operates a much larger business than either MTN or Vodacom, to bear the imposition of high regulatory charges.

The two people jointly heading the IBA are Peter de Klerk, who has an advertising and marketing background, and Sobileto Mokone-Matabane, who has gained wide exposure to PBS radio and TV during her 20 years in the United States.

De Klerk’s appointment has been widely welcomed in the advertising and marketing fraternity.

Matabane, on the other hand, has made it her business to champion the cause of those excluded from mainstream society for so long.

“The broadcasting ethos in South Africa has to change. I want to see my people reflected on the TV screens, hear myself on the radio. It is absurd that the bulk of vernacular programmes broadcast are mere translations — you cannot even begin to speak of freedom of speech in such an environment,” says Matabane.

Matabane is no starry-eyed broadcasting idealist. She has a great deal of grassroots knowledge about the type of community and public service broadcasting which South Africa needs, gained from sitting on the advisory council of a PBS station in Austin, Texas, and her position on the Austin cable committee, where she headed that body’s public access committee.

When she talks about “community access to broadcasting”, she does not mean free-for-all unsophisticated products being screened free of charge on national TV stations. Rather, possible permutations of the systems used in the US, where cable stations and low-power TV broadcasters have to provide channels and broadcast facilities to schools and colleges as part of their licence requirements.

De Klerk and Matabane have already established a working relationship which both say is excellent. Both share the vision of a broadcasting dispensation in South Africa which provides for a balance between a vibrant PBS, commercial and community sectors.

De Klerk stresses that the IBA’s workings will be public and transparent. “Because there is so little understanding of the issues, the IBA will inform people and invite submissions through advertisements and press releases. If anybody’s voice is not heard in this policy formulation phase, they would have nobody to blame but themselves.”
Radio ‘not joining in protest by listeners’

PRETORIA. — Radio Pretoria’s management committee has distanced itself from a planned “volksvergadering” at the station’s Donkerhoek site on May 28 to decide on resuming broadcasts. The rightwing radio station has been off air since the end of April in terms of a Supreme Court ruling.

This has caused a division between the radio’s management committee, which wants to obtain permission from the Independent Broadcast Authority to resume broadcasts, and listeners demanding the station go back on air regardless.

In a statement yesterday, management committee chairman Mossie van den Bergh warned of a rising anger among Afrikaners “which would not be possible to contain any longer”.

Listeners were furious that their right to express their culture had been suspended by “shortsighted” IBA laws. The “volksvergadering” had probably been arranged by the same people who protested last Saturday against the suspension of broadcasts and who tried to establish an alternative management body, he added.

He urged listeners to support his committee’s attempts to obtain a licence through peaceful means rather than to give the “enemy” the opportunity to ruin Radio Pretoria under the cloak of applying the law. — Sapa
Govt ready to act against monopolies

GOVERNMENT would consider acting against broadcasting monopolies by restricting cross-media ownership, Posta, Telecommunication and Broadcasting Minister Pallo Jordan said yesterday.

Speaking via a satellite link-up from Cape Town to a conference in Johannesburg, Jordan said SA newspapers were monopolised by three media giants.

"We would not want to see this reproduced in the electronic media. We would want to... restrict the possibility of cross-media ownership," he said.

Jordan said he favoured the establishment of an independent trust to distribute government funds to community radio stations. (2)

Answering a question on the issue, he said he believed the government should make a contribution to community radio.

"But I am wary of them (the government) having a handle on community radio."

An independent trust administered by the recipients of funds could ensure the government did not acquire undue control in this area.

Jordan said he was in favour of public service broadcasting being funded in ways other than commercial advertising. A number of ideas were on the table.

He said the bottom line for his department was freedom of expression, freedom of the airwaves "as much as possible" and access for South Africans to news about the world they lived in.

"I am confident of the democratic credentials of the... government. But our experience is that governments cannot be trusted. I would not want temptation to be there before us," he said. — Sapa
Peace Radio ‘flouts’ law on Radio 2000

CAPE Town's Peace Radio station is broadcasting illegally using SABC frequencies after abandoning its own frequency in terms of the Independent Broadcasting Authority Act.

The station is buying air time on Radio 2000, the SABC’s “facility” radio service “They are flouting the law, and we will investigate the issue as a matter of urgency,” said IBA co-chairman Peter de Klerk yesterday. He denied that Peace Radio was exploiting a loophole in the Act.

The station was one of several — including Radio Pretoria — to go off the air when temporary broadcasting licences issued by the IBA expired in March (24) Peace Radio currently broadcasts four-and-a-half hours a day, Monday to Friday, primarily from the station’s Waterfront studio in Cape Town.

Radio 2000 programme manager Leon van Heerden said the legal situation was unclear when Peace Radio transferred to SABC’s Radio 2000 frequency in February. “We have set a precedent,” he said.

He said Peace Radio was paying “much, much less than R1 500 an hour for the service. The nominal tariff is R3,500 per hour. Radio 2000 is financially dependent on the purchase of frequencies by a number of broadcasters outside the SABC.”

Meanwhile, De Klerk told broadcasters at a conference in Johannesburg yesterday that renewed temporary licences would not be available for at least another month.

MARK ASHURST

The IBA had not yet begun to develop the policies to determine the allocation of permanent licences, which would not be available this year. The authority "would not be hurried," he said.

Independent Broadcasters’ Committee spokesman Darzo Bettencourt said the IBA was in "a crucial stage of development" and should grant interim licences to independent broadcasters.

The industry had not been consulted on the Act, which discriminated against independent and minority stations. "We are not trying to rush the authorities, but we are losing money by the day," he said.

Sapa reports SABC CE Wynand Harnes told the conference public broadcasting needed to create a spirit of reconciliation and to make South Africans feel good about being South African.

He rejected the idea that public broadcasters were doomed because of increased commercial competition. "Not as long as people pursue higher values.

The SABC had committed itself to an impartial role "sensitive to the diversity of SA society and the need for reconciliation."

Public broadcasting needed to "heal, reconstruct and help build a new nation."

‘Major challenges face education’

LINDA ENSOR

LONDON — The best educational policies in SA would come to naught unless the education administration’s inertia and

Sch

fou

THERE was
Challenges

Some figures

For the first time in the history of the HSRC, it entered into a formal partnership with the University of Cape Town, Western Cape, to carry out a major research project. This partnership is part of a broader initiative to expand and strengthen the HSRC's research capabilities.

The HSRC is planning to launch a new research initiative focused on decision-making in a changing world. This initiative will involve collaborations with universities, think tanks, and other research institutions.

Research support and decision-making

The HSRC aims to provide a platform for researchers to share their findings and insights, and to foster interdisciplinary cooperation and knowledge sharing. This will help to promote a more collaborative and inclusive approach to research.

The HSRC is committed to supporting early career researchers and providing them with the necessary resources and support to succeed in their work. This includes access to training programs, mentorship opportunities, and funding support.

Implementation

The HSRC is implementing a number of strategies to achieve its goals.

- It is establishing partnerships with leading research institutions and organizations to leverage their expertise and resources.
- It is investing in new research projects and initiatives, and increasing its funding for research activities.
- It is developing a bursary scheme to support students and early career researchers.

The HSRC is pleased to announce that it has received a significant grant from a major foundation to fund its new research initiatives.

People problems

The HSRC is committed to creating a diverse and inclusive workplace, and is actively seeking to attract and retain a talented and diverse workforce.

The HSRC is also committed to ensuring that all employees have access to opportunities for professional development and advancement. This includes providing training and development programs, as well as opportunities for leadership roles and other professional growth opportunities.

The HSRC is committed to fostering a culture of excellence and innovation, and is working to create an environment that is conducive to these values.

The HSRC is committed to being a leader in the field, and is working to ensure that its research is impactful, relevant, and contributes to the broader social discourse.
HRSC ready for vital new role

An overarching culture change is permeating the organisation

THE Human Sciences Research Council is currently undergoing a fundamental change to re-energise and realise its activities to ensure that it remains relevant to a new era of human sciences. The Council is a leading human sciences research organisation that encompasses a broad range of disciplines, including sociology, economics, psychology, and more. The change is geared towards enhancing the quality of the Council's research and programmes.

"We have to power the transition," said the Council's CEO, "to ensure we remain relevant in today's rapidly changing world."

The transition is aimed at not only addressing the current needs of society, but also preparing the Council for future challenges. This involves a reorientation towards more interdisciplinary research, increased engagement with practitioners, and a focus on applied research.

"It's about being responsive to the needs of the community," said a Council member. "We need to ensure our activities are relevant and meaningful to the people we serve."

The Council is investing in training and development for its staff to equip them with the skills needed to deliver high-quality research and services. There is also a strong emphasis on fostering partnerships with other organisations and stakeholders to enhance the impact of its work.

"Partnerships are crucial," said a member of the Council's board. "We need to work together to address the complex issues facing society today."

The HRSC's transition is not just about change, but also about ensuring that it remains a leader in the human sciences field. It is committed to delivering research that is not only of high quality but also has a meaningful impact on society.

"We are excited about the future," said the Council's CEO. "The transition is not only necessary but also an opportunity to enhance our services and make a difference in the lives of our citizens."

The Council's commitment to continuous improvement and adaptation has been a hallmark of its success, and the current transition is no exception. It is a testament to the Council's dedication to excellence and its commitment to serving the needs of society.
Pallo's views on radio, TV

BY MICHAEL SPARKS

The country's broadcasting system inherited by the new Government was very confused and needed to be rationalised, according to Dr Pallo Jordan, Minister of Posts, Telecommunications and Broadcasting.

Speaking yesterday from Cape Town via a satellite link to a conference on broadcasting in Johannesburg, Jordan said: "The Eastern Cape has two broadcasting systems which were nominally independent — in Transkei and Ciskei — and those will have to be rationalised.

"The Bophuthatswana broadcasting is based in one region, but is currently broadcasting across four provinces."

He added that the process of rationalisation would take time, and care needed to be taken to ensure that central Government and the regions had some broadcasting technology, with cut one province being advantaged over another.

Jordan also spoke of the need to establish a community radio trust, which the Government would provide funds for but would not control.

"Control must remain in the hands of the community," he said, emphasising that the Government wanted to leave broadcasting regulation to the Independent Broadcasting Authority.

"Our experience as a country is that the Government cannot be trusted with this immensely powerful tool called broadcasting, and its control."

"Much as I have faith in the ANC, I would not want those temptations to be there. There must be distance between Government and the regulatory body," Jordan said.

It was also important that there were some limits to cross-media control, he said.
Khayelitsha radio waits...

A COMMUNITY radio station devoted to grassroots health care in Khayelitsha is just one of the dozens of infant broadcasters awaiting licences from the Independent Broadcasting Authority.

Before it went off the air in compliance with the stipulations of the IBA, Radio Zibonela — "we're in this together" — was broadcasting from a mobile station housed in a truck with a handkerchief-size mixing desk, a 4km to 5km frequency radius and an audience of about 20 000.

Addressing the "New Radio Station" conference in Johannesburg yesterday, community radio expert Sue Valentine said Zibonela was run by the people of Khayelitsha.

Before it came on the air each Tuesday morning a truck with a loudspeaker would tour the township reminding people to tune in.

The format was informal talk radio hosted by patients who had suffered or were suffering from diseases related to their threadbare lives in Khayelitsha, and by grassroots health workers.

"The response has been unequivocally enthusiastic. The only complaint is the programmes are not long enough," said Ms Valentine.

Zibonela is now off air in accordance with IBA instructions and is waiting, along with dozens of other community and commercial broadcasters around the country, to be issued with a permanent licence.

Sapa
Govt won't run SABC, says Jordan

BY KAIZER NYATSUMBA

Cape Town — Posts, Telecommunications and Broadcasting Minister Dr Pallo Jordan has given a categoric assurance that the Government will not seek to control the SABC or turn it into a propaganda arm of the Government.

In an interview with The Star in Cape Town yesterday, Jordan said his ministry, which had a political responsibility for the giant corporation, would keep its distance from the SABC board.

"I am very much for a hands-off approach with the SABC," Jordan said. "The relationship that has been established now between the ministry and the SABC should be the order of the day."

Jordan told The Star the new Independent Broadcasting Authority was now solely responsible for the granting of broadcasting licences to people from the private sector eager to enter the broadcasting industry.

However, he also felt that the integrity of the SABC as a public broadcaster had to be protected.

Jordan said he believed "a more intelligent way" of funding the public broadcaster had to be found to wean the SABC off from an over-reliance on advertising revenue.

He would prefer that advertising revenue be left to "the private players" while the corporation was funded in other ways.

The former ANC information and publicity chief said a decision had yet to be taken on the future of public broadcasters, such as Bop-TV, based in the former Transkei homeland.

He said there were far too many of these stations, and that rationalisation which might involve integration or decentralisation might be necessary.
Sibiya slams SABC board

UNDER FIRE Members not serving mandate of people who nominated them:

By Lulama Luti

HE RELATIVELY NEW SABC board has come under fire from a disenchanted former member, Dr Gordon Sibiya, who resigned last week.

Sibiya, who was appointed to the board in a much publicised selection process in June last year, told Sowetan this week that he resigned because he was dissatisfied with "the manner in which the board has been conducting its affairs."

Contrary to the board's claims that Sibiya resigned because of time constraints, Sowetan has since established that this was in fact not the case.

Sowetan has reliably learnt that the board's lack of control over the SABC management and the content of programmes could have led to its decision to quit.

Sowetan also learnt that the SABC board had incurred debts running into millions of rands and that its cost-cutting drive had failed dismally.

In a letter to board chairperson Dr Ivy Mazepe-Cassaburi, Sibiya said he felt the board did not address the needs of the people to which the SABC broadcast.

"I complained that the board spent too much time on what I considered to be polemical and scholarly debates, and that we had somehow lost sight of what the real task of the SABC board is," he said.

Sibiya added that he did not see the present board serving society in terms "of the mandate that the people who nominated us into positions on the board expected us to."

Out of touch

"In my opinion, we had become yet another self-scriving and self-justifying entity that is out of touch with the reality of issues that the general public that we broadcast to appears to be concerned with.

"While I agree that I have numerous other commitments in the industrial and professional worlds, it is not true to say that I resigned because of time constraints."

"What is true is that I would rather spend my limited resources pursuing matters that make greater sense to me," he said in the letter.

Dr Gordon Sibiya

The SABC Board Says:

Sibiya took this decision because he felt the consultative nature of board meetings was rather cumbersome and time-consuming.

He regretfully decided that he therefore could not spend any more time as a board member in view of his numerous commitments.

He stressed that he was not at loggerheads with the board, only that he felt things could be done differently.

The board went on to point out that in terms of the Broadcasting Act it was the one that controlled and managed the affairs of the corporation.

Board members were not full-time and therefore appointed staff to carry out its policy and to follow guidelines it had drawn.

It would be impractical and would create an impossible situation if the board were to get involved with individual programmes.

It is not true that the board has incurred a debt running into millions of rands.

The board is expecting specific cost-saving and efficiency evaluations to be done before the 1994-95 budget which gets underway in June.
‘SABC will not be propaganda arm’

Dr Jordan said the new Independent Broadcasting Authority was now solely responsible for the granting of broadcasting licences to people from the private sector eager to enter the industry.

But he also felt that the integrity of the SABC as a public broadcaster had to be protected.

Dr Jordan said he believed “a more intelligent way” of funding the public broadcaster had to be found to wean the SABC off from an over-reliance on advertising revenue.

He would prefer that advertising revenue be left to “the private players”, while the corporation was otherwise funded.

The former ANC information and publicity chief said a decision had yet to be taken on the future of public broadcasters like BopTV.

He said there were “far too many” of these stations and rationalisation, which could involve integration or decentralisation, might be necessary.
Sasol seeks ways to spend R2bn

PETROCHEMICALS group Sasol had set aside R2bn for capital expenditure and various options were being studied, the company said yesterday. The figure included a possible R600m phase two and three development at its new alpha olefins plant at Secunda which produced co-monomers for the plastics industry. The plant's phase one had recently been commissioned at a cost of R360m, and a decision on its expansion was expected by the end of the year.

Apart from chemicals, Sasol said it was active in oil and gas exploration in Namibia and Mozambique respectively. It was also investigating the feasibility of a coal export project. The company said that during the sanctions period it had surged ahead with its capex programme and had spent R1.6bn in the past five years. "The current year's figure is estimated at R1.6bn and expenditure is expected to remain at this level for the foreseeable future."

It said its synfuels and synchemical undertakings were the most lucrative means of adding value to an annual 40-million tonne of low-grade coal which could not be exported.

Some of the more significant projects that had recently been commissioned included the R333m anode coke plant at Sasol Two, the R370m Natref oil refinery upgrade and the R220m Sasol One renovation which increased production of industrial gas, wax, phenol, cresylic acid and ammonia.

Other projects were the R220m "seventh oxygen train" project at Sasol Three which was commissioned last week. A R400m acrylonitrile project - a joint venture with the Industrial Development Corporation - was commissioned during the second half of 1993.

The company said other projects which were progressing well included the R132m pipeline from Secunda to Middelburg which would enable Gascor to supply the Columbus stainless steel project with industrial gas. Pipe construction was completed on June 1.

The joint venture with AECI, Polfin, recently announced a R560m PVC conversion plant project which would convert the existing facility to using ethylene instead of carbide-based feedstock.

Other projects to be commissioned next year included a R220m plant to produce acrylonitrile (the basic feedstock for acrylic fibres) from propylene and ammonia, and the R195m Sasol advanced sythol (SAS) reactor. The new technology used in the SAS reactor was more energy- and cost-efficient and required less maintenance than the existing synthol technology.
Long road to freedom of the airwaves

Mark Gevisser

The independent broadcasting Authority (IBA) and the Broadcasting Act of 1996, which established the Authority, were both deliberately designed to contain social and political opposition and to ensure that the public broadcaster would be financed.

"We have set a schedule in the Act," says Matshoba. "We cannot make permanent

The process is complicated by the fact that parliament needs to approve the IBA's public broadcasting policy. It has been clear for some time that the policy will not be finalised until next year and that the same procedure will be followed again in 1998.

Uncertainty about the future of the IBA is the main reason why most broadcasters have not sought to develop new ideas. The government's failure to take decisive action on the issue has created a situation in which broadcasters are not sure how long the uncertainty will last. It is a matter of deep concern that the IBA is not able to provide consistent programming that the public can relate to.

In the meantime, Matshoba and Slope have called for a joint broadcasting authority to be established. The IBA and the government have yet to respond to this suggestion.

Mark Gevisser says the IBA is not able to provide consistent programming that the public can relate to. The government's failure to take decisive action on the issue has created a situation in which broadcasters are not sure how long the uncertainty will last.

The government's failure to take decisive action on the issue has created a situation in which broadcasters are not sure how long the uncertainty will last.

At this point, the free marketers of the communications sector will face an alarm bell. Will an emphasis on national broadcasting lead to a conflict with the freedoms of speech? Does playing golden oldies constitute national building? Will commercial broadcasters be allowed to broadcast their television programmes with an "hour of how to vacuum your old rugs" programming? What if you want to broadcast a public service broadcasting fund, or could they continue to broadcast a public service broadcasting fund, or could they continue to broadcast a public service broadcasting fund, or could they continue to broadcast a public service broadcasting fund?

She emphasises that no decisions will be made until all points of view are heard and assessed during the public hearings. One thing is certain, however; there will be no local commercial broadcasters. But Matshoba adds: "Our responsibility is to make sure that there is a healthy and viable commercial sector, and so commercial broadcasters will be allowed to continue operating.

Slope and IBA don't only look good

They're the only two women and only two Africans on the new Independent Broadcasting Authority — and they're determined to make this work in their favour. Liza harrison and Mark Gevisser report.

When Sibebeta Matshoba and Lyndall Slope-Matshoba received their invitations to join the most recent presidential inauguration, they had a "big debate" about what to wear.

It was not, however, Matshoba, a "formidable" discussion. They are the only two women and only two Africans on the new Independent Broadcasting Authority (IBA) — the co-chair and Slope is the co-chair. And, so says Matshoba, "we were extremely conscious of our responsibilities, as role models, to all black women."

Certainly, Slope's husband, Teboho Matshoba, who has recently been appointed director of the Department of Communications, is not so worried about the IBA's public broadcasting policy. He is more concerned about the future of the IBA and the SABC.

"It's a battle," Matshoba says. "We know that the government is already talking about the future of the IBA and the SABC. We are concerned about the future of the IBA and the SABC.

Matshoba and Slope have agreed to continue as co-chairs of the Independent Broadcasting Authority. The IBA has a new independent authority which has yet to be established.

Both Matshoba and Slope have agreed to continue as co-chairs of the Independent Broadcasting Authority. The IBA has a new independent authority which has yet to be established.

At this point, the free marketers of the communications sector will face an alarm bell. Will an emphasis on national broadcasting lead to a conflict with the freedoms of speech? Does playing golden oldies constitute national building? Will commercial broadcasters be allowed to broadcast their television programmes with an "hour of how to vacuum your old rugs" programming? What if you want to broadcast a public service broadcasting fund, or could they continue to broadcast a public service broadcasting fund, or could they continue to broadcast a public service broadcasting fund, or could they continue to broadcast a public service broadcasting fund?
Publications Board policy to change
standards and quality of service, tariff levels, taxation and electrification.”

Understandably, the local authorities are quite upset over what they see as a power grab by the ANC and Eskom.

“Electrification is the issue, not rationalisation,” said Cape Town city electrical engineer Fred Berwyk-Taylor. “My impression is that the ANC wants to bottle up the debate. In fact, their power play for centralised control can be seen as a virtual declaration of war. But this would also be a recipe for paralysis. Why mess around with a structure that works? The motto should be ‘If it ain’t broke, don’t fix it.’ Possibly their aim is to get their hands on the R1,5bn surplus generated on electrity sales by local authorities. If this happens, Cape Town, for one, would have to increase property rates by 18% to make up for the lost revenue.”

Other critics point to the hypocrisy of the ANC’s threatening to break up what it claims are monopolies in the private sector while pushing simultaneously for the strengthening of Eskom’s monopoly. They also say that while Eskom has for decades enjoyed a monopoly over generation and transmission — indeed, competing against Eskom is barred by law — the only result has been a stagnant, complacent electricity industry that has been unable to electrify more than 30% of the country.

Says Wits Unversity senior lecturer in business economics, Henry Kenney, “This is what one could expect from the ANC. I am surprised only that they have decided to show these true colours so soon. They reject private monopoly but believe in public monopolies. The whole issue is jobs for all, not the quality of service to the customer. Like the Bourbons, they have learnt nothing and forgotten nothing — they obviously do not believe that socialism has collapsed.”

But rather than being embarrassed over the contradiction, Pickering cites centrally controlled power monopolies — such as France’s EDF — as the ANC’s model. Former Eskom CE Ian McRae, now the forum’s management committee chairman, also favours the French model. “EDF, as well as the statutory electricity monopolies in South Korea and Taiwan, are doing a good job. While the method of creating a national distributor still has to be finalised, I definitely support the principle.”

Supporters of solidifying Eskom’s monopoly cite the potential economies of scale, but critics argue that the best way to ensure efficiency and quickly electrify the country would be to break up Eskom into competing private power companies. They point to the two private cellular telephone companies which — because there’s competition — are racing against each other to set up national networks first. If Eskom had to race against someone, they say, the country would be electrified quicker. Putting Eskom in control of every aspect of electricity will only slow electrification, they contend.

McRae, however, is pushing ahead anyway. He says his committee will make recommendations soon to Minerals and Energy Affairs Minister Pik Botha on the creation of a national distributor.

McRae believes that SA, as a developing country, is not ready for Eskom’s privatisation because shareholders would demand maximised returns, which would run counter to the social demands for subsidised electrification.

Everyone at Eskom may not be completely sold on the ANC’s new proposal. Acting Eskom CE Jac Messerschmidt warns that changes shouldn’t be made just for the sake of change. “It is essential to keep the whole electricity-supply industry as stable as we can and to use the most sensible way to achieve our goal. Any other way is fraught with problems.”

Another Eskom executive agrees that accelerated electrification is the real aim and this is more important than rushing to create new structures. “We must first give the new local government structures that will be created under the Local Government Transition Act a chance to do the job properly.”

ESKOM

The big get bigger?

The ANC and Eskom appear to be moving towards a system that could see Eskom eventually put in charge of distributing almost all electricity, according to developments at last week’s National Electricity Forum meeting.

Though it generates and transmits nearly all electricity, Eskom now distributes only 55% of the supply, with about 450 municipalities and other local and regional authorities distributing the rest. For the past year the forum has talked about taking distribution away from the local authorities and setting up a number of regional distributors that would charge more uniform rates and end the large differences in rates from city to city (Business April 29).

Now the ANC is hinting that Eskom — already the world’s fourth largest electric utility — should do all the distribution, giving it a complete monopoly.

Says forum secretary Johan du Plessis: “It is conceivable that Eskom could form the core of a national distributor that would eventually take over the entire electricity distribution function.”

At the meeting, the ANC’s Mark Pickering pushed for an early decision on whether the entire electricity distribution should fall under one organisation, probably Eskom.

Then, once the forum has reached a consensus, it should lobby for legislation to be enacted as quickly as possible, he said.

No mention was made of the proposed regional distributors, that plan is apparently dead. As for the local authorities, which tack on surcharges to their electricity bills in order to keep down property rates, the news is not good. They may still be allowed to distribute electricity for a few more years — before Eskom takes over — but they would lose their cash cow because their rates would have to be approved by a national regulator.

Said Pickering: “Local authorities (could) continue with their operations, provided they meet the regulator’s strict conditions on
JOHANNESBURG — In an internal letter to all staff yesterday, Mr Harmse said he had told the chairman of the board not to consider him for reappointment as group chief executive, after the expiry of his contract.

"Prior to the expiry of my initial five-year contract last year I indicated to the board my intention to leave at that time, but under the circumstances prevailing at the time I was prepared to extend my service."

He said he had a very good relationship with the SABC board and working with the current board had been "an enriching and valuable experience."

"As a broadcaster, it has indeed been an honour to serve the corporation over a period of almost 33 years, especially during the past 6½ years in my present post.

"I will leave the corporation with the conviction that the structure of the business units, a much stronger business approach and financial discipline, as well as strong brand-building of programme services over the last four years will assist the corporation in facing successfully the competition from private broadcasters in a new dispensation." — Sapa.
SABC top man
Harmse resigns.

SABC chief executive
Wynand Harmse an-
nounced last night that
he would leave the
SABC in September
when his contract ended.

His understudy, Zve-
lakhe Smuth, is tipped to
take the top job.

*Full statement page 3*.
Only a few are paying up for power

Soweto, Eskom losing millions

ELECTRICITY is cut from an average of 3 000 Soweto homes a month as only about 8 percent pay bills.

BY ABBEY MAKOE
SOWETO BUREAU

Eskom and the Soweto Council continue to lose millions of rands every month as residents ignore pleas — including one from President Nelson Mandela — to pay their monthly rentals and electricity bills.

The Star has learnt that as recently as January, only 0.88 percent of households paid their rent, contributing R59 000 to the council coffers instead of the estimated R3.8 million the council was entitled to.

The figure rose sharply in February after Mandela and the Soweto Civic Association urged residents to pay the services.

But only 17.14 percent paid their rent — a total of R736 497 — and the figure fell back to only 13.18 percent in March.

In April a mere 7.84 percent paid for their services, and the amount collected was only R331 840.

Eskom's West Rand manager Paul Mare said the company was switching off power to an average of 3 000 households a month because of non-payment.

Mare estimated that of the 125 000 electricity connections in Soweto, about 40 000 were illegally connected to backyard shacks.

Initially, Eskom billed residents at a flat rate of R3.60 a month. But as it upgraded the service, it began to charge its clients according to their actual consumption.

Council treasurer Fred Viljoen said that if all the 86 000 formal structures in Soweto paid their monthly R45 for services rendered, the Soweto Council would be collecting R3.870 000 a month.

Soweto Civic Association president Isaac Mogase yesterday said both the council and Eskom had, to a large extent, only themselves to blame for the non-payment of services.

"Residents have been complaining about late statements that Eskom sent to the consumers, and so far there hasn't been any improvement in that regard," Mogase said.

"People have also said they have never seen Eskom's electricity meter readers." Mogase said that when the council called on residents to pay in February, council workers were on strike.

"No one was at the cash counter to receive payment from our people," he said.
**WEST RAND** Squatters to benefit from Eskom's move • New evidence in train murder case

**By Joshua Raboroko and Mzimasi Ngudle**

**Eskom is to spend R54 million to upgrade electricity supply to about 18,000 homes, including squatter settlements, in Soweto.**

The project, to be launched this week, will involve the installation of meters in every house and business site.

Eskom sales manager Mr Ted Young said this week that, as a result of the installation of meters, the company would be able to cut electricity supply to those who do not pay their bills.

This move is likely to cause friction between landlords and their lodgers over who should receive payment for lights. Most lodgers pay rent of between R50 and R200 to their landlords. This money includes electricity and water bills.

Eskom sales and customer manager Mr Paul Mare said there was no need to stop any service, as Eskom had agreed to allow lodgers to pay electricity bills to avoid having their supplies cut.

Young warned that Eskom would continue to cut electricity supply to people in arrears. It has already cut supplies to about 500 houses in Orlando East. It has also threatened to cut supplies to more than 20,000 defaulter.

The president of the Soweto Civic Association, Mr Isaac Mogase, has appealed to residents to pay outstanding electricity bills to avoid having their supplies cut.

Meanwhile, Orlando East residents yesterday expressed anger over alleged high electricity bills and frequent power cuts in the township.

"I feel like saying to Eskom, come and take your electricity," a resident, Ms Sophie Temu said.

Residents converged on the local rent offices to demand an explanation from Eskom officials.

Mr Green admitted there were problems in Eskom's network. These, he said, were being attended to.

He said some residents connected electric appliances incorrectly and extended cables to backyard shacks.
Foreign Affairs to stay
Channel Africa’s boss

THE SABC’s pan-African radio service has secured annual government funding of R31m for the next two years without being subject to any independent regulation.

Channel Africa, the SABC external broadcasting, is financed almost entirely by the Foreign Affairs Department. Its revenue from advertising this year will be less than R300,000, making it the most costly radio station in the SABC fold.

The Independent Broadcasting Authority (IBA) had no mandate to regulate broadcasts outside SA, although SABC submissions to the IBA have included information on Channel Africa, said IBA co-chairman Shulissi Matabane.

In future, an Independent Telecommunications Authority would seek common guidelines for southern Africa that could enable an extension of the IBA’s mandate to include external broadcasters, she said.

However, BBC Southern African World Service producer Penny Richards said any regulation of foreign service broadcasts on short wave frequencies would be unprecedented.

The low profile of Channel Africa both in SA and across the continent was a reflection of its budget, which was too small to support independent coverage of African news. The station has no foreign part-time correspondents and generates most of its material at the SABC broadcasting centre in Auckland Park.

Channel Africa replaced the apartheid propaganda station Radio RSA in 1992 and remains financially accountable to Foreign Affairs.

Foreign Affairs spokesman Jacques Malan confirmed the station was created “to strengthen the diplomatic arm of the state”. The department exercised no editorial control and themes suggested by Foreign Affairs remained “within the discretion” of Channel Africa.

No changes in departmental funding for the channel were being considered, and there was no intention to incorporate its budget into the greater SABC budget.

“The question of control over external broadcasting is problematic, but Channel Africa seems to be effective in explaining events in Africa to the rest of the continent. The service was not created to serve as a government propaganda tool,” he said.

Channel Africa last week abandoned its television distribution network. The station is, however, under the SABC’s commercial television unit, Television News Productions (TNP), since the mid-1960s.

Concentrating solely on radio transmission was logical for an external service as radio was “the African medium”, said former SABC radio chief executive Carel van der Merwe. However, Channel Africa was an agency of government and should be separated from the SABC and run as a public utility, he said.

Current radio chief executive Govan Reddy was opposed to isolating the channel from the SABC but claimed its current administration by Television News Productions was illogical. “Radio Australis is part of the Australian Broadcasting Corporation, and it makes sense to include Channel Africa in the SABC radio division.”

Channel Africa’s executive editor Lionel Williams said television production had been axed and the station’s new budget was R24m down on last year. A re-evaluation of SABC structures would be welcome, he said.

Sources confirmed there was widespread relief at the station that the budget cut had been caused by a R460m budget reduction at Foreign Affairs.

Both Foreign Minister Alfred Nzo and Posts, Telecommunications and Broadcasting Minister Pallo Jordan listened to the former Radio RSA in exile, and their hostility towards the station was an open secret in the industry.

Channel Africa will continue to broadcast 265 hours a week in seven languages across Africa, said Williams. The station’s existing structures created “the ideal situation for motivated, positive and productive journalism.”
Radio Metro has a roster of over 15 presenters, 13 of them men, all of them employed on a freelance basis. The two women announcers on the station are both well known: Shado Twala, who presents a breakfast slot, and Chichi Mabuse, who hosts a Sunday morning gospel music show.

Will the quota change? Radebe says he would like to see many more women at Radio Metro, but "they have got to prove themselves. I am not prepared to babysit anyone."

"It is unfortunate," he adds, "that in this country the radio industry is dominated by men."

The station has been slated for disregarding African music, especially local, with its presenters preferring to play mostly American music. The station, Radebe says, is in a difficult position, for it has to consider both the need to promote African culture and also to address its marketing niche.

When Radio Metro was launched, he says, "we had to have an over-dominance of foreign music because African music already dominated the playlists of the nine other cultural (ie, African language) radio services. For us to duplicate what they already were playing would have been unreasonable." And sometimes, he says, local music is "just not good enough."

He feels Metro fulfils its contribution to local culture with interviews with local artists and the promotion of shows and festivals.

The privatisation of Radio Metro has been mooted, but Radebe would like to see it stay in the SABC stable, and doesn't mind paying for the privilege. "Metro is quite sensitive to the role it has played in subsidising the other public service stations: if you take the station out of the SABC there will be a scarcity of funds to support those services."
iba probe set to get off ground

In trying to deregulate South Africa's broadcasting regime, the Independent Broadcasting Authority faces some daunting problems. New legislation might be needed to disentangle the legacy of TBVC policy, writes LOUIS DE VILLIERS.

Submissions for the independent Broadcasting Authority's inquiries into funding public service broadcasting, regulation of cross-media ownership and local content closed yesterday.

"It is expected that all interested parties, including broadcasters, the print media, bodies such as the Film and Television Federation, independent film producers and prospective television and radio licence applicants, will have made submissions.

Although the IBA is committed to transparency, IBA co-chairman Peter de Klerk says submissions will be open to public scrutiny only when public hearings are held.

In trying to deregulate South Africa's broadcasting regime, the IBA faces some daunting problems. One is the fate of the TBVC broadcasters such as Bop TV and Capital Radio.

These broadcasters, which belonged to homeland governments, are now owned by the new South African State. Current legislation assures them of licences— for another eight years in the case of Bop TV and Minabatho TV, and for six years in the case of homeland radio stations.

IBA sources say these stations, which continually incur substantial losses, are being funded from State coffers.

Another anomaly which is said to be touched upon by the SABC in its submission to the IBA is pay-television channel M-Net's unencrypted transmissions. It is calculated that M-Net earns up to half its advertising revenue during its open-time broadcasts.

An IBA source says current legislation, which allows M-Net's licence conditions to remain unaltered for eight years, might have to be amended.

However, De Klerk says it is premature to speculate "We have not even started to discuss issues such as amendments to legislation."

The SABC's submission is believed to have been amended substantially from earlier drafts, which were labelled "too defensive."

Those drafts, prepared by chief executive officer in waiting Zwelakhe Sizwini and former SABC news chief Salhup Burger— now retired— proposed deregulating broadcasting in three phases.

During the first, lasting 12 months, IBA inquiries would run concurrently with internal SABC restructuring.

During the second phase, which was to have lasted until March 31, 1999, a "restricted" free-market approach would be adopted in awarding new radio licences, while new television broadcasting licences would be granted.

During phase three, which would have kicked off after the current Government's time of office had expired, the IBA "could consider a total free-market approach."

However, these proposals have been amended "fundamentally" by SABC board chairman by Malsep-Cassamurri's special policy adviser Geoff Henot, the Australian Broadcasting Corporation's business strategy manager.

Henot, who returned to Australia on Thursday, was reluctant to disclose details of the SABC's final submission.

"The new submission is very different. The old document assumed the status quo and was fairly defensive. The new document more clearly defines the SABC's role as a public broadcaster and addresses issues such as the finance and funding of the corporation," he said.

Sources suggest the SABC has proposed that its reliance on advertising be scaled down to 50 percent of total revenue. At present, with the licence fee collection system in disarray, the corporation earns between 75 and 80 percent of revenue through advertising.

SABC sources say the corporation's advertising income will not be scaled down by shedding commercial television or radio stations but will occur naturally as competition enters the market.
Pirate radio stations threat

JOHANNESBURG — Members of the Independent Broadcasters Committee yesterday said they were on the brink of starting pirate radio stations because the Independent Broadcasting Authority was dragging its feet issuing licences.

The committee said the IBA had still not announced the date of a meeting — promised before the end of June — to discuss the matter.
Sowetans to start repaying arrears

Eskom, residents sign agreement

BY JUSTICE MALALA

The Soweto Civic Association (SCA), the ANC and Eskom yesterday signed an agreement aimed at normalising the supply of electricity to the township and resolving non-payment for the service.

The Soweto rent and electricity crisis has continued despite pleas by various organisations and President Mandela that payments be made.

The latest agreement comes after Eskom’s West Rand manager Paul Mare said last week that the company was switching off power to an average of 3,000 households every month. He said that of the 125,000 connections in Soweto, about 40,000 were illegally connected to backyard shacks.

The agreement, signed by SCA president Isaac Mogase, the ANC’s Norman Prince and Eskom Johannesburg district manager Ken Green, is made up of an undertaking from both Eskom and residents.

In the agreement, Eskom undertook to immediately restore the supply to those residents who have been cut off for never having paid and waive the deposit of R100 in the interim. Eskom also undertook not to take any action against customers who are in arrears, provided that monthly repayments against the arrears are received.

To remedy the allegation that bills always arrive late, Eskom undertook to use an alternative distributor for a three-month trial period.

The SCA undertook to ensure that those whose power was cut off would pay a R50 reconnect fee by July 7, failing which power would again be disconnected.

Residents also agreed that no debt would be written off. Residents will immediately start to repay their arrears at a minimum of R40 a month.
Emphasis on commercialisation

Govt rules out privatisation of parastatals

PARASTATAL companies had a special role to play in government's reconstruction and development programme and would not be privatised, Public Enterprises Minister Stella Sigcau said yesterday.

As providers of vital foreign exchange and suitable conduits for the implementation of affirmative action initiatives, parastatals groups falling under Sigcau's ministerial ambit, such as Denel, Eskom, Transnet and Safcol, would be commercialised but not sold to the private sector.

This was a change from the former government's policy which was to commercialise public enterprises with a view to eventual privatisation, she said in Pretoria.

"While we have appreciated and understanding for the role of privatisation in the more sophisticated economies, we remain particularly wary of privatisation along similar lines in SA's unique context."

Privatisation could lead to share ownership being transferred to 'an exclusive group' without granting the nation as a whole the opportunity to benefit from the process.

For the moment, the emphasis would be on commercialisation as well as ensuring transparency and accountability in the 'governing of public enterprises.'

While affirmative action programmes had already been introduced in the parastatals, Sigcau said she would be taking a keen interest in how these were developed, particularly with regard to women.

Eskom's objective was to achieve a "fundamental shift" in its race and gender profile by the year 2000. Until December 1996, Eskom's recruitment of employees, bursars and trainees would give preference to black South Africans.

Transnet's Turn Strategy, which had been in operation for two years, had similar aims and objectives.

Denel had committed itself to training 500 technicians, 200 computer programmers and had agreed that 30% of its management would be from under-represented groups within three years.

Sigcau said affirmative action programmes would have to be sensitive to the aspirations of non-black staff. "There will still be promotions of white South Africans and no white employee will lose his job because of affirmative action." i j

But she warned that while every effort would be made to implement affirmative action in a sympathetic way "no one will be allowed to frustrate its objectives.

Sigcau also said government's policy on acquisitions would prevent, "if at all practicable", the continuing concentration of markets. Competition policy would emphasize the "protection of competition, rather than of the competitors."

© Picture: Page 3
Move to have licence fees replaced with direct State funding

Raise taxes – SABC

BY LOUIS DE VILLIERS

The South African Broadcasting Corporation wants to replace licence fees with direct State funding through either an increase in personal income tax or a rise in value-added tax.

In a submission to the Independent Broadcasting Authority (IBA) the SABC has proposed a levy on electricity, as a poor option.

In a submission to the IBA, the SABC argues that the inefficiency of its licence collecting system and its desire to fill a R200 million shortfall, coupled with increased competition, as a result of deregulation, will cause the estimated R220 million, which is almost breaking even.

Despite having earned well in excess of R220 million in advertising revenue last year, CCV-TV can function only with an allocation of about R100 million a year from licence fees.

The SABC's submission, "Delivering Value", says it is essential that the corporation gains access to an alternative means of public revenue collection if it is to maintain its capacity to support public broadcasting programmes.

An analysis of SABC finances showed that the corporation's television services are effectively running at a loss of R200 million a year.

Despite the SABC's income, which is derived from advertising, the corporation's total budget for advertising revenue and sponsorship for the financial year is R600 million of which television contributes about 70%.

Public hearings for the Bill to amend the existing Broadcasting Act are expected to take place later this month before the Act is submitted to Parliament for an anticipated second reading in October.
SABC tax-for-licence call considered

CAPE TOWN — A proposal by the SA Broadcasting Corporation (SABC) that licence fees be replaced by taxation is one of several submissions being considered by the Independent Broadcasting Authority (IBA). Member John Matsson said yesterday that the IBA would summarise all submissions and present them to public hearings. He said members of the public could obtain copies of submissions from the IBA at a nominal fee, or view the originals at its office at the World Trade Centre.

The SABC has proposed that licence fees be replaced by direct funding through either an increase in personal income tax or a rise in value added tax. In its submission, the SABC argues that the inefficiency of its licence collecting system and wide-scale piracy — coupled with increased competition as a result of deregulation — will cause it an estimated R400m deficit.

The SABC's proposal was condemned by the NP, which said the SABC should rather look at privatising more of its functions.
A PROPOSAL by the South African Broadcasting Corporation that licence fees be replaced by state taxation is one of several submissions being considered by the Independent Broadcasting Authority (IBA).

An IBA councillor, Mr John Matisson, said the IBA would make summaries of all submissions and present these at public hearings around the country.

Members of the public could obtain copies of submissions from the IBA at a nominal fee, or view the originals at its office at the World Trade Centre, he said.

The submissions had been made in response to a notice in the Government Gazette. The SABC has proposed that licence fees be replaced by direct funding through an increase in personal income tax or a rise in value-added tax.

A levy on electricity consumption is proposed as another “poor” option.

In its submission, the SABC argues that the inefficiency of its licence-collecting system, wide-scale piracy and increased competition from deregulation will cause an estimated R420 million deficit.

The Minister of Broadcasting, Dr Pallo Jordan, was not available for comment yesterday and his office referred inquiries to the IBA.

Copies of submissions can be obtained from the IBA at Box 307, Nasindo 1000.

The SABC's proposal that it be funded through an increase in personal income tax was condemned yesterday by the National Party.

"It is inconceivable that the SABC proposes this at a stage when the taxpayer is already overtaxed and possibilities are being considered to lessen the tax burden," it said.

"It is clear the SABC is looking in the wrong direction for answers. The solution does not lie in the SABC's becoming totally dependent on state funding."

The party said the SABC should rather look at privatising more of its functions.

This would not only make it a more effective service but would also limit its dependence on state funding. — Sapa

**Public view ‘essential’**

JOHANNESBURG — The Independent Broadcasting Authority says it has received 40 submissions in response to its request for comments on the regulation of broadcasting services.

A wide range of organisations had submitted their comments on the funding of public broadcasting, local content in broadcast programming and cross-media ownership, IBA council member Mr John Matisson said yesterday.

The IBA would process the submissions as soon as possible and set dates for hearings.

The views of the public and of interested parties played an essential part in opening up the airwaves for independent broadcasting, he said.

Meanwhile, the Weekly Mail and Guardian distanced itself yesterday from the threat by the Independent Broadcasters Committee to launch pirate radio stations.

Mail co-editor Mr Anton Harber said the move would prejudice the orderly granting of licences.

The Mail is a member of a consortium which is bidding for a radio licence. — Sapa
IBA CO-CHAIRMEN

"If a thing’s worth doing"

"A regulator’s life is hell," said Independent Broadcast Authority co-chairman Peter de Klerk (55) at last month’s “The New Radio Station” broadcast conference. He and other half Seboleto Mokone-Matabane (49) are taking flak from would-be broadcasters who want them to speed up the licensing process — and from critics who say the IBA is in danger of becoming just another bureaucracy.

Blame it on the IBA Act, the two some suggest. The 42-page document mandates the numerous inquiries and exhaustive hearings they’ve been employed to conduct before the IBA can license new radio and TV stations. After all, as Mokone-Matabane puts it “Decisions that we make we’ll have to live with for decades to come.”

She’s tight-lipped about what these may be regarding regulations, frequencies and local content of radio and TV — just a few of the things the IBA Act empowers her and the other members of the body to decide — not to mention who gets the coveted broadcasting licences.

But her high-powered CV — with three degrees from US universities and more than 20 years’ media-related work in the US — shows an emphasis on using the media for educational purposes. Her 1986 University of Texas PhD is in educational administration and she has had numerous jobs in media development, administration and teaching on college campuses.

Before that, Sophiatown-born Mokone-Matabane, who left SA in 1965 “for political reasons,” underwent brief stints at the UN, a Boston radio station and two New York film production companies. Since 1992 she has been project manager at Tertiary Education Support in Johannesburg, working in educational development and making recommendations for US aid funding and project activities.

That’s in sharp contrast to her co-chair’s well-known career in advertising, marketing, business and finance. Cape-born De Klerk has just retired as director-general of the Association of Advertising Agencies (AAA) and CE of the AAA School of Advertising. Before holding executive posts in a number of agencies, he spent 10 years in marketing with Caltex, Reckitt & Colman and Warner Lambert.

He has an MBA from UCT and, in the early Eighties, he helped float the first franch...
been handed to the board, Matsepe-Casaburri commissioned an Australian broad-
caster, Jeff Harriet, whom she met on her
Australian trip last year, to rework it. Burg-
er, who had retired but stayed on for three
months to assist Sisulu, then apparently
withdrew
Harriet was appointed by Matsepe-Casaburri
for a six-month period as personal
adviser on strategic matters. He left for Aus-
tralia last week.
Matsepe-Casaburri's reallocation of the
report sparked protests from other quarters,
among them various trade unions consulted
by Sisulu and Burger. The SA Broadcasting
Staff Association (Sabsa) has threatened the
SABC with an interdict. To try to avert a
crisis, Matsepe-Casaburri and Sisulu were to
have met representatives of Sabsa, the Me-
dia Workers' Association of SA and SA
Union of Journalists this Tuesday but the
meeting was postponed for a week.

The main union complaint is that ignoring
the report, which was apparently finalised
with union approval, is a breach of trust.

Harms and some of his management
team are accused in some quarters of having
done nothing to stop the report being dis-
carded. He has also been criticised by
African cultural bodies for what they
see as a lame stance against alleged moves to
use less Afrikaans in the SABC.

Board members who have put up some sort
of fight for Afrikaans include ex-chairman
Christo Viljoen and Potchefstrom commu-
nications lecturer Arrie de Beer.

Harms denies that he is
reluctant to speak his mind
on the language issue. "I
have been working hard to
establish a fair language
policy which would benefit
Afrikaans as well."

He also
denies that he was forced
out. "I had one year left of
my contract and decided it
was better to look for other
opportunities than try to secure
a longer contract. I was the
one who proposed the ap-
pointment of Zwelakhe Si-
sulu. Would I have done that
if I feared for my job?"

It is not certain that Sisulu will succeed
Harms. An SABC insider says the board
may yet advertise Harms's post.

Harms's recent decision not to seek to
extend his contract is also seen as the result
of pressure from members of the board.
The management decision was handed to
Harms and agreed to by the board. Reason
for the move is thought to be management
concern that Matsepe-Casaburri relies
mainly on foreign advice and that his (man-
agement's) time is not used productively.

An example is her recent decision to ig-
nore a lengthy report compiled by Sisulu and
ex-SABC manager Sakkie Burger. The re-
sult of a three-month study, the report was
meant to be a policy guideline to be pre-
sented to the Independent Broadcast Au-
thority.

Three days before the report was to have
New religious policy for SABC

A NEW religious broadcasting policy in the SABC will ensure all religions get a fair share of radio and television coverage.

If the new policy is accepted by the SABC board, programmes like TV1’s “Compass” and “Thought for the Day” will also include Islam, Judaism and Hinduism.

This is expected to start in January next year.

A sub-committee on religion has been appointed by the SABC board to draw up the new policy.

“We are revising the existing policy,” Professor Fatuma Meer, a member of the religion sub-committee said.

“Up to now the SABC thought religion meant Christianity. We have given them a new interpretation and they have accepted that religion means many faiths,” she said.

Professor Meer said the format of religious programmes will also be discussed.

“It might be a problem to record a service in a Muslim mosque or Hindu temple and we will have to look at different ways of presenting the teachings,” she said.

Muslim Judicial Council (MJC) administrator, Imam Gassan Solomons, said his organisation was part of the independent forum for religious broadcasting.

“Religion should and can play an important role in the reconstruction and development of the country,” he said.

“We feel the voice of religious groups should be heard in every facet of society and national television is one way of achieving that.”

South Africa’s Chief Rabbi, Rabbi Harris, said all religions should be catered for on television.

“It is true that most people in South Africa are Christians and Christianity is entitled to priority, but it is not entitled to exclusivity. Coverage should be given to other religions also,” he said.
Airwaves battle

MICHAEL MORRIS
Weekend Argus Political Correspondent

THE battle for the airwaves is about to begin in Cape Town as the Independent Broadcasting Authority (IBA) lines up a schedule for public hearings on temporary broadcast licences.

Six local radio stations are among many who will be making submissions on the deregulation process at hearings in the city next month.

They are Bush Radio, Peace Radio, West Coast Radio, Radio Tygerberg, Tygerberg Community Radio and Radio Fish Hoek.

Other submissions are expected from Argus Newspapers Ltd, Naspers and the Cape Town Symphony Orchestra, as well as from a number of individuals.
Broadcasting body faces big challenges

SUBMISSIONS for the Independent Broadcasting Authority’s inquiries into funding public service broadcasting, regulation of cross-media ownership and local content closed yesterday.

Although the IBA is committed to transparency, IBA co-chairman Peter de Klerk says submissions will be open to public scrutiny only when public hearings are held.

It is expected that all interested parties, including broadcasters, the print media, bodies such as the Film and Television Federation, independent film producers and prospective television and radio licence applicants, will have made submissions.

In trying to deregulate South Africa’s broadcasting regime, the IBA faces some daunting problems. One is the fate of the TBVC broadcasters such as Bop TV.

These broadcasters, which belong to homeland governments, are now owned by the new South African state. Current legislation ensures them of licences — for another eight years in the case of Bop TV and Mmabatho TV, and for six years in the case of home-

In trying to deregulate South Africa’s broadcasting regime, the Independent Broadcast Authority faces some daunting problems. New legislation might be needed to disentangle the legacy of TBVC policy, writes our Johannesburg correspondent LOUIS DE VILLIERS.

In trying to deregulate South Africa’s broadcasting regime, the IBA faces some daunting problems. One is the fate of the TBVC broadcasters such as Bop TV.

These broadcasters, which belong to homeland governments, are now owned by the new South African state. Current legislation assures them of licences — for another eight years in the case of Bop TV and Mmabatho TV, and for six years in the case of home-

land radio stations.

IBA sources say these stations, which continually incur substantial losses, are being funded from state coffers.

Another anomaly which is said to be touched upon by the SABC in its submission to the IBA is pay-television channel M-Net’s unencrypted transmissions. It is calculated that M-Net earns up to half its advertising revenue during its open-time broadcasts.

An IBA source says current legislation, which allows M-Net’s licence conditions to remain unaltered for eight years, might have to be amended.

However, Mr De Klerk says it is premature to speculate.

The SABC’s submission is believed to have been amended substantially from earlier drafts, which were labelled “too defensive.”

Those drafts, prepared by chief executive officer in waiting Zwelakhe Sisulu and former SABC news chief Sakhe Burger — now retired — proposed deregulating broadcasting in three phases.

During the first, lasting 12 months, IBA inquiries would run concurrently with internal SABC restructuring.

During the second phase, which was to have lasted until March 31 1999, a “restricted” free-market approach would be adopted in awarding new radio licences, while no new television broadcasting licences would be granted.

During phase three, which would have kicked in after the current government’s term of office had expired, the IBA “could consider a total free-market approach”.

However, these proposals have been amended “fundamentally” by SABC board chairman Ivy Matsepe-Casaburri’s special policy adviser Geoff Heriot.
SABC’s controversial funding proposals set to be subject of heated debate

THE proposal by the SABC that taxies "be raised to replace the current licence fee system to raise an expected shortfall of R20 million, has placed the IBA in a funding conflict with the Public Service Broadcasting (PSB) and the SABC ruling that media cross-ownership, firmly on the national agenda.

In general, the thrust of the SABC submission to the Independent Broadcasting Authority (IBA) has been greeted with dismay from fellow broadcasters. None, however, are keen to go on record at this "early stage", because they, together with the SABC, are part of the National Association of Broadcasters (NAB). They contend, however, that the SABC document "reeks of self-interest".

IBA policy standing committee chairman John Matisonn confirms that a separate submission has been received from the NAB.

In all, 33 submissions have been received this week, while a number of late submissions were still being awaited. Among those which have been received are from the SABC, M-Net, Radio Pulpit, Kwazulu/Natal premier Frank Mdlalose, Dispatch Media, Wits University, the NAB, David Blood, Capital Radio, Independent Film Makers, the SA Council of Churches, Tonin International, the Broadcasting Development Group, the Newspaper Press Union, the ATKV, the Weekly Mail & Guardian, the Top Broadcasting Corporation and Solid Gold FM.

Matisonn indicates that these submissions will be "summarised and available for public scrutiny at the IBA's offices in a 'short while'."

Although no date for public hearings has been set, it is expected that open public debate on broadcast funding and other issues may take place during August.

Apart from the controversial funding proposals and protectionist tone of the SABC submission entitled "Inheriting Value", other issues raised by the corporation are bound to be the subject of heated debate.

In a seeming contradiction, the SABC declares itself firmly against freedom in cross-media ownership. Despite having a virtual radio monopoly and a dominance in television, which "says the industry regards as excessive, the SABC says in its submission: "We suggest that the ownership and/or control over more than one medium (radio, television, print) should be avoided or restricted. Necessary rules in this regard should be laid down and enforced even in regard to existing situations."

This should be given immediate priority. International practices should be researched to help find the most appropriate option for South Africa. Both geographic restrictions and "time-slicing" of media ownership should be considered.

It is known that, for example, the ABC, the SABC's Australian rival, has a two-year period for any new media venture. Another issue is the SABC's conditional broadcasting system, which is another issue. The SABC's proposal that it take over the "two-year" period for any new media venture is "a selling point" rather than a selling point for new ventures. The SABC is the subject of the "two-year" period for new media ventures. The SABC's proposal that it take over the "two-year" period for any new media venture is "a selling point" rather than a selling point for new ventures.
ISCOR plans to develop a titanium slag-mining project and a 200 000-ton-a-year smelter near Richards Bay which could cost as much as R11-billion over six or seven years.

The titanium deposits, in KwaZulu-Natal and Transkei, were bought this week from Shell SA and Rhombus Exploration (Rhoxco) for R50-million. The KwaZulu-Natal titanium deposits are inland and mining them is not expected to harm the environment. They stretch within a radius of 10km to 50km from Richards Bay, from Ullendal to Fairbridge. The Transkei deposit is at Wavecrest, near the Kei mouth. The reserves near Richards Bay have a life of about 20 years at the planned rate of recovery. Iscor also has titanium reserves near Phalaborwa.

The acquisition of these mineral rights gives Iscor most of the remaining titanium reserves in SA with low radio-activity — a major consideration in producing chlorinated titanium slag.

A R20-million, two-year feasibility study has begun, emphasis being on: technology for the smelter. It will take at least five years before the smelter is commissioned.

Executive director, mining, Ben Alberts, says: "We are one of the few SA organisations with the technical know-how, infrastructure and ability to develop the smelting technology. We have conducted successful smelting trials with the material."

"We have done our own research and are confident we can develop the technology without resorting to a licensing agreement with an overseas partner."

It is planned to mine the easily recoverable sand deposits in the Richards Bay area for about 10 years. Only then will the Transkei deposits be considered. Titanium named at Phalaborwa could require a second smelter.

The world has only a few producers of titanium slag. About 75% of it is used in paint.

Shell has handed over the results of its extensive titanium market research to Iscor. The main market of titanium slag is Quebec Iron Company in Canada.

Iscor intends finding its own customers, as will Anglo American for Namaqua Sands output.

The main buyers are Dupont, SCM, Kronos Group, Kemira and Tioxide. The current price of chlorinated titanium slag is $550 a ton.

The titanium project fits in with Iscor's new policy of developing more of its mines. Iscor will start drilling next month at a 700-million-ton coking-coal deposit in Queensland, Australia. South Africa's coking-coal reserves are dwindling and about half of the Australian operation's annual output of 1.5 million tons will be for Iscor's use.

Iscor is also expanding Safore, a shipping venture with Salmarine. A 170 000-ton vessel is nearing completion in Romania and will join Safore's growing fleet. Subject to financing, Safore vessels could carry coal from Australia.

Iscor has invested R35-million in a depot in Qingdao port, China, which began receiving iron ore from Sishen in April. Ore exports to China are expected to increase to about 5-million tons this year.
THE Richard McNeill INTERVIEW

Would she support, say, Xhosa programmes with English subtitles? "Why not? Many people around the world learn English by watching American TV and talking with their friends. This could be a method of spreading our languages," she says.

"The other important thing is local content. We're hoping to get a lot of feedback from the public on that. Are we talking music? Sport? Drama? Current affairs?"

Mokone-Matabane sees regulation — rather than the deregulation some people want — not only as essential but inevitable.

"We will probably have to insist that private TV stations screen X amount of local content at a specific time, otherwise some of them may be tempted to put it on at midnight."

"But in general I hope that private broadcasters would have a sense of social responsibility. Even as they make money they would give something back to the community."

SHE is optimistic that the IBA, which she co-chairs with advertising man Peter de Klerk, will have a positive influence.

"The IBA Act is a good start because it says there is a need to strike a balance between public and private broadcasting. But we need to say somebody has to help educate and train people, to inform them.

"Coming out of colonisation and apartheid, we need to find this new society that will look at diversity as an enriching, not a divisive, element."

"The media can play a prominent and beneficial role, even as they entertain and inform. I'm not saying we should have boring educational programmes. They can be made entertaining. We need comic relief, to love and laugh at ourselves."

SHE was born and raised in Sophiatown, Johannesburg, and opted for exile at the tender age of 20 — going first to Botswana, then Zambia and finally the US. "I've spent more time in America than I have here."

She took a BA in political science, followed by her master's degree in TV and radio studies, at Syracuse, New York. She taught and worked in media, later moving to Austin, Texas, where she graduated PhD in educational administration.

"I always intended to return to South Africa, hopefully before I was too old to give something back to the community. My combination of interests seemed to be a sensible one, given the extent of illiteracy in South Africa and the part the media can play in education and training."

She is married to an Eskom consulting engineer, and lives in Woodmead, north of Johannesburg. They have no children. She confesses to being a jazz fan (Coltrane, Miles Davis, indigenous) who would love to be able to play piano, but hasn't the time.

She likes cooking, "but only for large numbers", and abhors junk food — give her a yoghurt, bran muffins and a salad and she's happy.

She talks about her job with a lively seriousness and laughs readily.

"In many ways radio is much more important than TV to our developing society. It's cheaper to operate and maintain, and quicker to start up. That's where the IBA is getting the pressure from radio people in a hurry at the moment."

"On television, I feel current affairs is too slanted towards the PWV area. If I lived in Cape Town or Durban or Pietersburg or Kimberley I might resent it — not because I wanted equal time, but because I wanted to make sure my part of the world is represented."

"Focusing on more local events is easier than it used to be because TV technology is getting smaller, cheaper, sharper and more lightweight all the time."

"I have a thing about local productions. In many parts of the world people are moving away from high overheads operations. You rent a studio or an editing suite when you need it. You don't have to have permanent staff waiting around all the time to maintain the facilities."

"Similarly, I think dubbing is wasteful and costly. Why translate all those foreign programmes into Afrikaans? Why not have authentic Afrikaans cultural programmes?"

"In any case," she adds, "subtitles are better and cheaper, although you have to be able to read — that's a drawback. I enjoy watching a French or Italian movie with subtitles. It retains the ambience of the original, the wonderful sound of the language."

"Consulting people takes time. It's an inclusive procedure. On June 29, we will be starting a series of public hearings as part of a kind of road show which will visit every province."

"We'll be trying to hit as many small towns as we can and traditional rural communities to feel the texture of the different regions. We'll be seeking convergence."

At 49, Mokone-Matabane is a latecomer to SA public life. She scoffs at suggestions that she is an affirmative-action appointment.

"I presume that whoever nominated me knew that I had a media background, knew that I had taught, so that they thought that I not only had the qualifications but also the experience to make a contribution."
F Sebileto Mokone-Matabane has her way, a typical night's viewing on TV1 by the end of next year might end up looking something like this:

6pm: News and local magazine programme. Mainly English
6.30pm: Mathematics for fun and profit. North Sotho
7pm: Township drama series Tsiana, English subtitles
8pm: National and international news. English
8.30pm: Provincial and rural news bulletin. Regional languages
9pm: Afrikaans drama series. Afrikaans
10pm: The Cosby Show. Xhosa subtitles
10.30pm: The Two Ronnies (British comedy). Zulu subtitles
11.00pm: Local jazz and reggae

I should say immediately that Mokone-Matabane didn't draw up this schedule—I did. But I suspect, after talking to this slightly built but tough-minded co-chairman of the Independent Broadcasting Authority, that it is one which is close to her ideals.

South Africa must, she says, stop behaving like a First World country. We are not an adjunct of Europe or America. We're a developing land in Africa—part of the Third World.

Mokone-Matabane is at pains to emphasise that her ideas are only her ideas—"my vote is only one vote" in an authority with seven other members. Many issues have yet to be decided.

She is not yet sure how the "public service" part of broadcasting is going to work, how the SABC will be treated, and what role advertising and licence fees will play. Much study will have to take place and some 40 submissions from interested parties, including one from the cash-strapped corporation itself, will have to be assessed.

The IBA, of course, the body set up to licence and regulate our TV and radio services, it will ultimately recommend to the government how many stations there should be, and where, and who should own them, how they should be financed, what their frequencies should be, and under what guidelines and regulations they should operate.

It is a task, she maintains, which involves more than just rubber-
Delay until September for temporary radio licences

BY MICHAEL SPARKS

Draft legislation would be put to Parliament within 10 days to speed up the process of issuing temporary broadcasting licences, according to Independent Broadcasting Authority co-chairman Peter de Klerk.

The draft legislation was currently being prepared by the IBA, De Klerk told a press briefing in Kempton Park yesterday.

But even if the amendments to the IBA Act were passed, said fellow board member John Mattson, the IBA would not be able to start issuing temporary community radio licences before September.

Other legislative changes required included extending the IBA's authority to include the former TBVC states, which were not specifically included in the current legislation, he said.

These and other processes required by the Act, plus the setting up of a new frequency plan accounted for the delay, he said.

He added that all of the 250 applications for licences had been for space on the FM band, where space was limited.

However, lots of space remained on the MW band, which was underutilised. Many overseas talk show programmes were on the MW band where sound quality was not as important as it would be for music.
Interim community radio licences to be issued soon

TEMPORARY broadcasting licences to operate community radio stations will be issued from September, the Independent Broadcasting Authority (IBA) said yesterday.

At a briefing for aspirant broadcasters and the media, IBA councillor John Matisonn said the public had been invited to submit views about how this should be done. Countrywide public hearings into the rules, regulations and criteria to be applied in granting temporary licences would begin in Johannesburg on June 29.

Matisonn said the major challenge was to formulate a new frequency plan for the country.

While medium wave was wide open, there was little vacant space on the FM band, especially in certain areas. Nearly all of the 200 organisations which had made submissions had indicated they wanted to operate on the FM band, mainly because its clearer sound was preferred for broadcasting music.

IBA co-chairman Peter de Klerk said while the IBA wanted to facilitate the process, there were certain obstacles causing delays.

A summary paper of the public submissions made said affirmative action in favour of non-English languages seemed to be warranted and should be a strong consideration in the issuing of licences.

The summary paper said surveys showed most South Africans preferred to be Christians. Christian radio stations could therefore play an important role in national reconciliation and the formation of a peaceful SA.

In defining a "community radio", the IBA added a broadcaster could serve the needs of, and make worthy contributions to, its community while still showing an operating surplus.

Radio 702's investigations into the possibility of running a music station would not affect its talk show format, MD Stan Katz said yesterday.
Radio licences to be issued

JOHANNESBURG — The Independent Broadcasting Authority will begin issuing temporary community radio licences in September, IBA representative Mr. John Matsion said yesterday.

His colleague, Mr. Rex Gibson, said draft broadcast amendments would be put before Parliament in the next 10 days.

They were addressing an update briefing at the World Trade Centre on the criteria for the granting of temporary community licences.

A summary paper said the deregulation and privatisation of the broadcast industry should be implemented in such a way "it does not detract from the full realisation of the needs of all cultural groups."

The paper said affirmative action in favour of non-English languages should be a strong consideration in the issuing of licences.

Surveys showed most people professed to be Christians: Christian radio stations could therefore play an important role in national reconciliation and the formation of a just and peaceful country.

It should be appreciated that a broadcaster could serve the needs of its community and make worthy contributions while still showing an operating surplus.

IBA representative Mr. Willie Lane said "community" radio station profits would have to be channelled back into the organisation and not distributed to shareholders — Sapa.
The Independent Broadcasting Authority will issue a paper on the debate surrounding the issuing of temporary licences, chairman Peter de Klerk tells Elliot Makhaya:

"These licences would be dealt with as soon as possible in the most public and transparent way."

"We must give the communities that have not had admittance to the airwaves a chance."

Peter de Klerk ... likely to grant temporary licences.

"We are well aware of the impatience among potential broadcasters to get the airwaves opened up. We view this in a positive light. The new broadcasting environment promises to be extremely challenging and exciting," says De Klerk.

Bought time

The president also made it clear that the IBA will not be challenging the fact that Peace Radio had bought time from an existing and legitimate licence holder, Radio 2000.

"They are therefore doing nothing illegal," says De Klerk.

De Klerk also reminds the public that the IBA is awaiting submissions for the second inquiry. The deadline for input on this inquiry is noon on July 10.

Written submissions can be forwarded to the Independent Broadcasting Authority, World Trade Centre, Kempton Park, or mailed to PO Box 307, Isando 1600. The fax number is (011) 397-2211. Specific areas that the IBA will address in this inquiry are:

- The ground rules for protection and viability of public broadcasting services and financing.
- The limitations on cross media control of private broadcasting services, and
- The imposition of specific licence conditions regarding local television programme content and the required minimum percentage of South African content on local television.

"We are well aware of the impatience among potential broadcasters to get the airwaves opened up. We view this in a positive light. The new broadcasting environment promises to be extremely challenging and exciting," says De Klerk.
The Independent Broadcasting Authority has received over 100 submissions in response to its request for input on the granting of temporary radio broadcasting licences.

Mr Peter de Klerk, co-chairman of the Independent Broadcasting Authority says the next step will be to compile an issue paper regarding the extent of the debate surrounding temporary licences.

"These licences would be dealt with as soon as possible in the most public and transparent way, and to this end we intend setting up public hearings regarding temporary licences over the next few weeks," he says.

"The IBA has the responsibility of ensuring that the airwaves are open to all. We have to ensure a fair and equitable distribution of the airwaves so that everyone has access to this resource."

De Klerk says that it will simply not be fair to impose a moratorium and allow current applicants to broadcast.

"We must give the communities that have not had admittance to the airwaves a chance."

Speaking about temporary broadcasting licence holders, De Klerk says he is pleased that President Nelson Mandela made it clear to Eugene Terre"B"Blanche that he had no jurisdiction over the granting of temporary licences. Mandela said Radio Pretoria was the responsibility of the Independent Broadcasting Authority.

Bought time

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- The limitations on cross media control of private broadcasting services; and
- The imposition of specific licence conditions regarding local television programme content and the required minimum percentage of South African content on local television.

"We are well aware of the impatience among potential broadcasters to get the airwaves opened up. We in fact view this as a positive light. The micro-broadcasting environment promises to be extremely challenging and exciting," says De Klerk.
Staff Reporter

THE SABC board has appointed 186 black and 79 white new staff members this year, chairwoman Dr Ivy Matsepe-Casaburri said yesterday.

In a press conference in Johannesburg, Dr Matsepe-Casaburri denied the board had a racial quota policy.

"It would be more accurate to say that some targets have been suggested. These will have to be discussed with staff before we accept any policy on affirmative action," she said.

The SABC's language committee had considered 4,500 submissions from the public on language policy. The board would consider a draft proposal in August.

She said the SABC wanted to move away from being a PWV organization only.

Dr Matsepe-Casaburri said the SABC had established a central complaints office to make the SABC more "accessible, transport- and user-friendly". The number of the complaints office is (011) 714-2841, fax 714-4508.
Casaburri hoped to achieve more in year

SABC's image crisis 'partly corrected'

BY MICHAEL SPARKS

The new board inherited an SABC that was going through a crisis of image, but board chairman Dr Ivy Masepe-Casaburri told a Johannesburg press conference yesterday that she was confident the election coverage had gone some way to correcting that image.

She said that after one year in office she had hoped the board would have achieved more, but with the massive amount of energy that had been absorbed during the coverage of the election she understood why it had not.

"I would have liked to have achieved more in terms of

programme policy and affirmative action," she said, but much of the energy was absorbed in covering the election.

Speaking more directly on affirmative action, she said that while no quotas existed, targets had been suggested, but added that black advancement was much easier in some divisions than in others.

In response to a question she said there were currently 28 senior positions that needed to be filled, but appointing people had been delayed because many candidates had been involved in organisations such as the Independent Electoral Commission.

"Affirmative action is important, but it is not just a case of hiring black people, it means that our product must reflect our society," she said.
SABC pledge to work on a commercial basis

KATHY STRACHAN

IT WAS not possible for the SABC to divest itself of its commercial activities, SABC chairman Ivy Matepe-Casaburn said yesterday in response to submissions before the Independent Broadcasting Authority (IBA) calling for this.

She told a news briefing the corporation would have to retain the commercial activities that supported its role as public broadcaster. In response to a comment on the SABC taking up 60% of media adspend, she said she did not believe it was an excessive proportion, given the corporation’s duty to serve the national interest.

“The board is committed to competition, but we have to balance competition with the national interest,” she said.

She also denied the SABC was being protectionist by proposing that the corporation be subsidised through increased taxes. A subsidy was necessary as an assessment of the various regions indicated that many lacked the resource base to sustain a public broadcaster.

Great challenges lay ahead for the SABC. Most importantly, it needed to address changes which would soon be brought about through new broadcasting legislation, and to examine future funding.

A further task was to overcome the “image crisis” which the new SABC board had inherited, and to expand news coverage so that it reflected all the country’s regions.

The board hoped to obtain new technology which would facilitate this task.

As part of the national policy to develop languages, the SABC would encourage the production of local dramas, rather than dubbing foreign dramas in SA languages.

She said the SABC had made good progress on affirmative action this year, with the percentage of white staff dropping from 75% to 65%. Of the new appointments this year, 15% were black and 75% white.

Our Durban correspondent reports that an internal commission of inquiry into spying at the SABC in Johannesburg has condemned covert surveillance of employees.

It also recommended that former director and producer of the SABC programme Contacto Portugues, Helena Nogueira, be reinstated. She had lost her position after SABC authorities monitored her last year using electronic devices.

The SABC board said it had accepted the commission’s general findings but could not immediately reinstate Nogueira as her position was occupied. But Nogueira and the SABC issued a joint statement saying the issue had been settled.
Cape Eskom workers strike

WORKERS at Eskom depots in the Western Cape have embarked on a strike after Tuesday's wage dispute go-slow, it was reported yesterday.

The workers are demanding a 13% increase, while management is offering seven percent.

The regional organiser of the National Union of Mineworkers, who represents most of the striking workers belonging to a certain sub-stations in the region had been damaged by heavy rain.

Talks with management would determine whether they would be repaired.

Eskom regional spokesman Mr. Charles Cooper said there had been only isolated incidents of work stoppages and denied NUM reports that several sub-stations in the province had been damaged in this week's storm. — Sapa
Consortium calls for broadcasting diversity

THE process of opening up the airwaves is about to begin — but before licences can be granted, issues such as cross-ownership of media and how to ensure diversification have to be resolved by the Independent Broadcasting Authority.

These concerns are expressed in a submission before the IBA by New Radio Consortium, which has signed an agreement for the rights to rebroadcast the BBC World and Africa services in SA. The consortium intends using this material, mixed with local programming, to create a new radio station.

The Consortium is a partnership between the publishers of the Weekly Mail and Guardian, Kagiso Trust Investments, Newco (a subsidiary of Publco) and Durban Videovision Entertainment, a film company owned by Anant Singh.

The consortium said it was in favour of greater diversity in the broadcast industry, rather than purely restrictive cross-ownership regulations.

Constructive moves were needed to ensure the current domestic media was not simply carried over into the broadcast media.

At the same time, regulations should not be so wide that they prevented independent publishing concepts, in particular those that produced specialist media, from entering broadcasting.

The submission said larger newspaper groups had already been allowed to enter the broadcast media through M-Net to offset their loss of revenue to the broadcast media.

Independent publishers like Weekly Mail and Publco, however, did not benefit from the move. Therefore, to bring diversity to the broadcast sector, the IBA should facilitate the entry of previously excluded small and niche publishers, the submission said.

In a separate submission, Dispatch Media said it would be unfair to exclude local independent newspapers from broadcasting when its sphere of business was restricted to a limited circulation area.

It would lead to the closure of many smaller newspapers which would not survive against "protected competition" for local advertising revenues.

The Newspaper Press Union also added its voice, saying the IBA should devise steps to encourage investment — in particular by smaller publishers and newspapers which would be most vulnerable to erosion of their advertising base by the introduction of new broadcast media.

Confusion over Levy

DURBAN — While the state of emergency in KwaZulu-Natal has lapsed legally, police in the region say it still stands, and Cabinet has yet to decide on whether to maintain it.

The SANDF said at a briefing yesterday that while the security legislation lapsed 21 days after the new government came to power, the emergency was still being considered.

Levy capable of generating revenue through heavy reinvestment
Tying up the airwaves

Showtime Music Radio broadcaster Alan Munro ducks his head to fit through the door of his caravan-cum-radio station at Greenside, Johannesburg. It’s lined with packing foam for soundproofing, and was built, he says, “from nothing” over 14 years and six previous temporary broadcasting licences. Now the little lights on the CD players are out, the phone lines quiet and the ON AIR sign, screaming red when lit, is a dead grey.

“We’re hanging on by a spider’s thread to try not to collapse,” Munro says. “It’s that bad.”

Sad, but not quite the tear-jerker that is Ringo Zibane, a tiny station that used to broadcast from a hospital bed in Khayelitsha, where health-care workers passed the microphone from hand to hand giving health tips to fellow township dwellers and squatters for an hour a week on Tuesdays. They’ve shut down, too, to comply with the Independent Broadcasting Authority Act.

The seven-member IBA says be patient, these people and more will all get their chance. But will they? Because of the four inquires and exhaustive hearings that the IBA Act requires before the authority decides who will get licences, co-chairs Peter de Klerk and Sebileto Mokone-Matabane say temporary radio licences won’t be issued until September, permanent radio licences maybe by the second quarter of next year and permanent TV station licences by the third quarter, at the earliest. This will postpone for yet another year the thousands of jobs that opening up the airwaves — and increasing the opportunities for advertising — would create. The nationwide public hearings on issuing temporary licences will finally start on Wednesday at the Carlton Hotel, Johannesburg. No dates are set for hearings on permanent licences.

“Many (potential broadcasters) have gone insolvent because they can’t wait around. Maybe that’s a way of weeding them out,” says David Blood, a former Radio 702 talk-show host who has had an application in for his own permanent licence since 1986. “The way I read it, only the wealthy and the conglomerates are going to be able to broadcast in this country. It’s never going to be accessible to the disadvantaged.”

But it will be, Mokone-Matabane says, through funds for equipment and training from outside sources such as Unesco, private foundations and foreign governments. “Aid funding for those who are disadvantaged — this is the price of the democratic process.”

Munro disagrees. He says he could be training people in radio right now. “But I can’t train for nothing. We could subsidise (trainees) by being on the air.”

Wait a minute, De Klerk says. “If we keep putting the emphasis on the process (mandated by the IBA Act) disadvantaging some people, then we’re off on a bum steer. The process was devised specifically to advantage more people than ever before.” True, but that’s not saying much, given that until now the SABC has had a near monopoly. Critics also charge that the IBA could work faster.

“It could all be done well before the end of this year,” according to media attorney David Dison, one of the members of the committee that drafted the IBA Act. “Democracy is cumbersome,” counters Mokone-Matabane. “We feel very strongly that this process cannot be rushed.”

In addition to who gets broadcast licences, the IBA will decide on the funding of government-owned SABC, on how much local content those who win licences should have, and on whether there should be limits to cross-media ownership. Rightfully, De Klerk says, that should take awhile. “The timetable (for licences) is the likelihood. Just leave it at that. We don’t want people to hold guns to our heads and say, ‘You told (this date for licences) to (the press). Now I’ve gone and bought myself a transmitter. What the hell’s going on here?’”

That’s been the question for the past year. The original goal was to strip the SABC of its monopoly outside the homelands and award new radio licences quickly enough so that there would be a diversity of voices during the election campaign. Instead, all 14 of the privately owned, temporary radio stations were shut a month before the April poll when the IBA took office.

The ANC, critics say, was apparently no longer very interested in airwave diversity because it was gaining control of the SABC through the new board, chaired by ANC member Ivy Matepe-Casabarr, the ANC-dominated Transitional Executive Council, which was running the country then, quietly amended the IBA Act to require a long inquiry before any more temporary licences could be granted. That put paid to any hopes of new radio stations before the election and, most likely, any time soon.

Mac Maharaj, who was a top official at the TEC and is now an ANC Cabinet Minister, defended the TEC’s action. “If we had extended the temporary licences (through the election period), those with the perception that they could be grandfathered in would be strengthened in that view, and those who were against the process would defy it. But no-one can defend the unintended consequences of the SABC election-coverage monopoly as free and fair.”

A TEC panel also took an inordinately long time to appoint the IBA members and when it finally did, it appointed a long-standing friend of Matepe-Casabarr’s as co-air — Mokone-Matabane. That is certain to raise conflict-of-interest charges from other broadcasters, but Mokone-Matabane promises to be careful about the relationship. “I cannot discuss anything with her that might bias my independence or give her privileged information,” she told the Weekly Mail & Guardian this month. “I have to quit having lunches or going to the movies with her.”

De Klerk dismisses charges of conflict.

“If any of us is found guilty of favouritism the public guillotine will come down. It is left to us in the Act to decide that we are not in conflict. We have satisfied ourselves that we are not.”

In any event, the members will have their hands full. In fact, they are renegotiating their salaries — R205 000 for the co-chairs and R156 000 for the other members — because they will now be working full time.

But critics question whether the vast powers handed to the IBA will lead to regulatory overkill. They say all the IBA really needs is the authority to prevent one station from interfering with the frequency of another, let as many stations as possible use the airwaves and let the public decide by turning the dial.

That way, Showtime Radio’s Munro says, “the public has ultimate control. If you don’t like it, switch off. If you don’t get listeners, I don’t get advertisers and I collapse”. Why not just try that while we’re waiting for the IBA to finish its inquires? Says De Klerk. “You’d have to change the Act. And that will take as long as we’re doing now.”

The Independent Broadcasting Authority: Who’s who

Nancy Sejibayi

FINANCIAL MAIL • JUNE 24 • 1994 • 67
CD-ROMs

Coming into their own

A big buzz word in the computer industry now is multimedia — the merging of text, sound and video on one device — and it has been made possible by the compact disk, or in computer jargon, the CD-ROM (compact disk — read only memory).

“CD-ROMs have been around for longer than most people imagine, almost 10 years,” says Microdata technical director Mike Meredith. For much of that time, however — what Meredith terms the bleeding-edge phase, where development was continuing — they were expensive and used almost solely for providing technical information to the computer industry.

It is only during the past three years that they have become less bleeding edge and more widely available.

So much so, Meredith says, “that in SA most big corporates now use CD-ROMs and the majority of people buying a PC will also buy a CD player with it.”

CD-ROMs — identical to the traditional music CDs — were bound to make an impact in the computer industry because of their low cost and high storage capacity. Costs about US$1 to produce (not including the costs of making the master), they can store nearly 700MB of information, or the equivalent of 200 000 A4 pages.

They are, however, only as little as 1/20th as fast as hard disks in retrieving information, despite advances in readers — dual speed readers with a low speed for audio and a higher speed for text have been available for about a year and a three-speed drive is now being developed — that are leading to some improvements in performance.

The computer industry is still a big market for CD-ROMs, “primarily as sources of high-volume technical information,” Meredith says. All the main computer magazines published worldwide are available on CD — a subscription provides not only the latest issue but those for the previous 11 months.

Databases listing available hardware and software, manuals — all the Microsoft technical manuals, which would be required for software development, are available on one CD,” Meredith says — and software itself are also all available on CD-ROM.

Similarly, within the corporate environment, CD-ROMs are now utilised primarily for their high information content. Says Dave Walker, manager for complementary services at Old Mutual, “a division that provides add-on services to networks and has computer-related titles and manuals on CD-ROM. “A recent survey shows that each respondent accesses CD-ROMs on average three times a week.”

The biggest market now for CD-ROMs, however, is in games, where the capabilities of the device are able to provide the high-quality images and stereophonic sound demanded by players.

But this is likely to give way soon to what Meredith terms the next boom market of entertainment — educational entertainment — which is seen as a way of expanding the use of computers in the home.

“Take the Compton’s Encyclopaedia and look up ‘whale’ for example,” Meredith says. “Not only do you get the descriptive text, but also a short video clip of a whale swimming as well as the sound of the whale.”

That is just the tip of the iceberg of what is available: educational games and magazines such as "Time" as well as others that are available only on CD such as "Nautilus," an up-market publication along the lines of Esquire. “In the CD review section, one gets a short cut of the CD to listen to,” says Meredith.

There is also music. The CD-ROM of Beethoven’s Ninth Symphony, for example, contains the music just like the standard CD, but also includes facts about the life and times of Beethoven, a copy of the score and other material.

“The new SA is posed for entertainment,” Meredith says, “because of the pressures on the education system and the desire of many parents to give something extra to their children.”

Ideally, the facility should find its way into the classroom but in practice it is likely to prove too expensive for many schools.

Though CD players now retail for under R1 000 (a PC player can also double up for playing the standard music CDs but the opposite is not yet the case), they require a 486SX PC for use, giving a total system cost, including speakers, of around R8 000.

Within the next year, there is also likely, as the necessary software becomes more widely available, to be significant growth in in-house mastering of CD-ROMs. “It is the cheapest way to buy storage,” says Aquarium Technology MD David Nathan-Master, who envisages that CD-ROMs will be used increasingly by companies wanting to distribute large amounts of data to various locations and that they will replace paper and other archival systems such as microfilm as a storage medium.

“Prime companies are those that distribute large parts catalogues or reference manuals,” says Nathan-Master, “and one could then also include video clips showing how to install particular components, for example.”

Book publishing is an area that CD-ROMs will find increasing application but so far Jutastat is the only publishing company in SA to be using them, putting out legal material, including the country’s statutes, law reports and a tax library. "We have now reached the point where advocates take a notebook PC with CD reader into court and can instantly have access to the required information," says Werner Kruger, manager of the Johannesburg branch of Jutastat.

The best method for making repeat copies of the same CD-ROM depends on the numbers that are required and, according to Nathan-Master, the break even comes at around 250 copies. Below this number it is cheaper to make individual copies in house but above — and the process now has to be done overseas because no local company has yet invested in the necessary technology — it is more cost-effective to have a "glass master" manufactured, from which pressings are made.

One thing is clear: the full potential of CD-ROMs has yet to be exploited. "They are opening up a completely new world," says Nathan-Master.
Debate starts over Sentechn

JOHANNESBURG

Debate has begun on the future of Sentechn, the country's main radio and television signal distributor, the Independent Board of Authority said yesterday. CT 24/6/94.

IBA representative Prof. Christo Viljoen said Sentechn's frequency plan of the past had been drawn up to suit the SABC, but the new plan had to be "subservient to (the new) broadcasting policy". — Sapa
Table 1: Distribution of RESIDENT individuals in households interviewed by old boundaries and race
- Weighted by enumeration AND census (Percentage)

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NOTE: Based on Questionnaire Section 1 (See note to interviewer)
Market research indicates that there are 3.4m TV households in SA but the number of licences issued is only about 2.2m. An estimated 84% of white TV households have licences but the numbers fall to 65% for Asian households, 50% for coloureds and less than a third for blacks. This, in a nutshell, is the biggest problem in funding TV services and why many people feel the simple answer is to go totally commercial.

That is not the route favoured by the Film & TV Federation (which represents the independent film, video and TV production industry) and Media & Broadcasting Consultants. In a joint submission to the Independent Broadcasting Authority on the future of broadcasting these bodies propose a similar structure to that in Britain.

It would turn the SABC into a national public broadcaster funded not by advertising revenue but wholly by a reorganised licence system and State subsidy.

Commercial TV stations would be licensed only regionally but be free to form a network to share programming, resources and transmision.

Subscription TV and radio would be free to develop according to market forces.

Same revenue

The licence fee would be collected as a levy on domestic electricity bills — but only in TV households. If collected in this way, clearly the amount of the fee could be reduced by about 35% and still produce the same revenue.

There is a catch, though. If you do away with advertising on SABC, you have to increase your fee and/or subsidy revenue five-fold, since advertising accounts for 80% of SABC’s revenue. The bottom line would thus be a more than tripling of licence fees.

The submission argues that in order to fulfil its new mission as a national public broadcaster committed to nation building, reconstruction and development, the SABC should no longer depend on the goodwill of advertisers. The question the IBA will have to answer is whether the price is too high.

The IBA has received 40 submissions from interested bodies concerning the future of broadcasting, from such organisations as the SABC, M-Net, the Newspaper Press Union and the National Association of Broadcasters.

But its first step in a long, tedious and involved process begins on Wednesday when it starts public hearings on temporary radio licences. It is also sitting on 200 letters of intent from would-be broadcasters.

A spokesman says, however: “We won’t be dealing with the applications for permanent licences for some time.”
13th August 1993

Dear Sir/Madam,

Regrettably, due to recent changes to the Bank Act, I have to return your cheque for made payable to SALDRU. All cheques should be made payable to the University of Cape Town. I should be grateful if the necessary changes could be made and the cheque returned to us by return mail. I apologise for any inconvenience caused.

Yours sincerely,

Brenda Adams
SECRETARY
**THE SABC**

24.6.94

**Eyeing higher taxes**

Submissions to the Independent Broadcasting Authority (IBA) are all in and guess what the SABC is recommending for the democratic, post-Nat era of broadcasting?

Rounding up more advertising (it’s roughly 80% ad-funded now) to reduce the burden on a nation facing a whopping reconstruction bill and to ensure that it delivers what the public wants, rather than relying on licence fees that come in no matter what it puts on the tube? Or maybe an end to its tax and import duty exemptions as a State corporation to enable emerging private broadcasters to compete? *(260)*

In our dreams. The SABC, in what is a controversial document within the organisation, is recommending a new tax — a 1,2% increase in personal income taxes, a 0,25 percentage-point rise in Vat or a 2,5%-3% levy on electricity consumption — to replace licence fees. With just over half of TV owners paying up, the licence fee has been one tax people have ignored.

Another submission is even more radical, and stubborn, say critics. The Film & Television Federation, supported by the SA Council of Churches, Lawyers for Human Rights and other activist groups, proposes that the SABC should be funded completely by the State through licence fees and other taxes but without any national advertising.

Critics note that one signatory to the federation’s submission is the Sached Trust, which nominated IBA co-chair Sebileto Mokone-Matabane to the authority (see the broadcasting feature on page 67). They warn of afoot in the IBA’s deliberations on public broadcasting. Yet a federation spokesman says, “Dr Mokone-Matabane, as a skilled, highly intelligent and formidable person, will be able to differentiate.”

The chance that taxes in one form or another could go up to finance the over-funded and underachieving SABC is causing alarm. Says DP MP Tony Leon, “It’s a dangerous precedent if it gets anywhere. It is saying that one arm of government should be funded by special taxes. If you extrapolate that to other issues, such as health, we’ll have so many special taxes that the tax rate will effectively double for the ordinary South African. The SABC should get its own house in order.”

“It’s a public duty” to finance a public broadcaster through licence fees or the State and commercial broadcasting should develop separately, the federation says. It also recommends that the SABC should run two TV stations and about 40 radio stations “to cut down a gargantuan broadcaster to a manageable entity.” The SABC has three TV and 22 radio stations.

Public broadcasting is notorious worldwide for being nice in principle but low on viewers or listeners. Competitors such as Sky in Britain and myriad cable stations in the US have seriously eroded public TV audiences. But Britons and Americans can afford to support public broadcasters (especially when public TV stations such as PBS in the US get hefty contributions from private corporations) even if they don’t watch them.

Can South Africans?

That is what the IBA will decide over the next few months of hearings on broadcasting. It will have a large say over how the SABC is funded. Stay tuned.
Warning on pirate radio

By Elliot Makhaya

The Independent Broadcasting Authority says any illegal broadcasting will be a major setback in the process of opening the airwaves in South Africa.

The IBA has also reiterated that the process of hearings relating to temporary licenses will continue throughout July. The IBA was reacting to threats by members of the Independent Broadcasting Committee that they were considering starting pirate radio stations.

The committee is accusing the IBA of dragging its feet on the issuing of licenses.

The pirate route

IBA co-chairman Peter de Klerk said, "The IBA urges all aspirant broadcasters to obey the law and refrain from embarking on the pirate route. This is a recipe for broadcasting chaos and will severely damage the concept of free and independent broadcasting."

"We also do not want broadcasters to jeopardise their chances of being granted licenses by operating outside the law.

De Klerk says that in the interest of making sure the license-granting process is properly managed, members of the IBA are prepared to meet the IBC.

"The new broadcasting environment promises to be extremely challenging and very exciting. Therefore we are determined to make sure that aspirant broadcasters have a fair shot," he said.
Openness is the Key

Media is the Key

The media can be given freedom — it has
Fundign on carpem

SBG should get government grants for specific projects

A MORE EFFICIENT SYSTEM OF INCENTIVE TO COLLECTION

PAY INFORMATION TO NATION-WIDE

SUGGESTION OF SIGHTS, FOLKSONTHS, 

and a campaign on pride viewing at sea a

When the SDBE encouraged

and encouraged...

the SDBE encouraged
Court order: Pensioner says Eskom case against Eskom

Soweto man wins electricity supply restored after Rand Supreme Court hearing

By Joanne Kaboko

West Rand
IBA Listens

Elsewhere in this feature, we have read a compelling account of the effects of voice alteration on the lives of people with speech disorders. The story, written by Michael Sparks, highlights the challenges faced by individuals who rely on radio presentation as a means of earning a living. The piece raises important questions about the ethics of voice modification and the impact it has on the people who use it for their work.

On Licences

The issue of radio licences is a complex one, with implications for both the industry and the public. The recent decision by the government to extend the deadline for applying for new licences has been met with mixed reactions. Some see it as a positive move, giving broadcasters more time to comply with the new regulations. Others are concerned that it will lead to further delays in the process.

Views

We encourage our listeners to share their thoughts on these issues. Whether you agree with the decision or not, we believe it is important to have a dialogue on these matters. Your feedback is always welcome and can be submitted through our website or by contacting us directly.

For more radio freedom, please stay tuned to IBA Listens.
Right-wing radio has no air time for blacks

Own Correspondent

JOHANNESBURG — Black Afrikaans speakers seeking to broadcast on right-wing Radio Pretoria were misguided, the station’s technical manager, Mr Wim Eek, said yesterday.

He was speaking after the first day of public hearings by the Independent Broadcasting Authority.

"Speaking English does not make me an Irishman," Mr Eek said. "The history of black, coloured and Indian Afrikaans-speakers is not the history of white Afrikaners."

SA Student Press Union spokesman Mr Nazem Pather had asked whether blacks who identified with Afrikaans language and culture would be allowed to broadcast on Radio Pretoria if it were granted a licence.

Mr Eek said Radio Pretoria promoted the "Protestant, Christian, Western heritage of the Afrikaner." Radio Pretoria said it accepted the code of conduct in the Independent Broadcasting Act.
Broadcasters state their case

MARK ASHURST

THE Independent Broadcasting Authority (IBA) should avoid attaching strict editorial guidelines to the issue of community broadcasting licences, aspirant broadcasters told the IBA yesterday.

Addressing the first in a series of public hearings to canvass opinion on community broadcasting licences, speakers said the role of community radio as a "catalyst for social transformation" would be impaired if IBA policies on language and programme content were inflexible.

"Street dialects in Soweto are no respecter of formal language policy," said Voice of Soweto spokesman Numbi Buthelezi.

Portuguese Radio Cidade chairman Darro Bethuncourt said his station would be limited by a standard programme format.

Radio Cidade had a responsibility to play African music for Portuguese-speaking immigrants from Angola and Mozambique, while other listeners depended on the station as a source of Portuguese culture.

All the applicants at the hearing supported licence fees that allowed them the option of seeking revenue from advertising and state funding.

Kwazulu/Natal desires flexibility

ADRIAN HADLAND

"Not all the provinces are the same. There is an asymmetry; each has its own idiosyncrasies."

Zuma said central government had "tried to work out "a formula" for assuring the creation of provincial governments. "We need a different, more flexible and adjustable formula," he said.

One aspect of the formula, which has been criticised by the Kwazulu Natal cabinet, is the appointment of new directors-general in each province by July 1.

The directors-general, for whom posts had been advertised recently in the national media, were intended to become the provincial accounting officers for each region, responsible for withdrawals from the Provincial Revenue Fund. They were also responsible for the allocation to projects and administrations.

Kwazulu Natal had 13 accounting officers, 12 from former Kwazulu government departments and one from the Natal Provincial Administration, Mdlose said.

"We can't accept the idea that one person, an interim acting director-general, can step in and take control of a R10bn budget."

The piece-meal granting of powers had also affected the work of Kwazulu/Natal Service Delivery.

Meyer and his deputy, Valili Moosa, who visited Umlazi this week, had also been told that provincial governments required the power to appoint deputy ministers.

Further unhappiness was about central government's interference in local government structures while bypassing the provincial tier.
Sasol extends fuel alcohol deal to R400m

SASOL Oil has extended its fuel alcohol contract with Brazil, bringing the value of the export deal to about R400m over 18 months.

The company said at the weekend it would supply an additional 120,000m³ of alcohol over and above the initial 300,000m³ contract which was concluded in February. It hoped to develop exports to Brazil beyond the 18-month period.

A spokesman said the contract's foreign exchange benefit for SA exceeded R150m.

Fuel alcohol, a by-product of Sasol's synthesis process, would supplement the sugar cane-based ethanol produced in Brazil.

During the past three months more than 55,000m³ of fuel had been exported.

The export of the alcohol would result in complete withdrawal of fuel alcohol from petrol supplied by Sasol. "This will, however, have no impact on the availability of petrol to the local market. The fuel alcohol will be replaced by increased production of petrol from Secunda by way of higher productivity as well as an increase in crude oil refined by local refineries."
Rightwing radio on the move

Jan Taljaard

YOU simply can’t keep an enthusiastic broadcaster down. Willem Ratte, ubiquitous hill climber and driving force behind the now practically defunct Radio Pretoria, is at it again.

Amid rumours that he had gone to UNITA’s aid in Angola, he suddenly reappeared recently with plans for yet another rebel station.

Various rightwingers have heard of the plans or have been involved in fundraising for the new station.

In an ostensible attempt to dumbfound the powers that be, the transmitter will be mobile. Some sources say it will be hidden in a truck camouflaged as a delivery van. In that way the transmitter can be moved around as broadcasts continue. Other rightwingers say the transmitter will be stationary while broadcasting, but will move from area to area.

But Ratte won’t say much — even to faithful listeners of the old Radio Pretoria. According to them he would not even divulge the wavelength, saying only that they should keep tuning their sets over weekends.

Broadcasts were supposed to have started last weekend, but so far no-one has been able to pick them up. Keep tuning!
New National Government

Sibusiso Mkhize starts change at the SABC

**Markdown Format**

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Sibusiso Mkhize starts change at the SABC
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### South Africa

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Television news reform ‘in turmoil’

Restructuring of public service television had been jeopardised by weak management of the SABC’s Television News Production (TNP) unit, senior sources at the SABC said yesterday.

Personality clashes and an unrealistic approach to affirmative action had frustrated reform of TNP, which had become increasingly isolated within the public broadcaster.

However, TNP assistant executive editor Andre le Roux said TNP’s affirmative action programme was “a long way ahead of any other business unit within the SABC”.

The SABC’s flagship current affairs programme Agenda was in a state of turmoil after senior editorial staff openly criticised executive editor Ameen Akhalwaya, the Sunday Times reported yesterday.

Akhalwaya — a former newspaper editor — replaced former presenter Freerk Robson as executive editor of Agenda in August.

The appointment was reported to have exacerbated tensions between editors comfortable with the traditional management style of the SABC and other journalists eager for a greater share in decision-making.

Allegations made by staffers on the programme that Akhalwaya’s lack of experience in electronic media made him ill-suited to the post were dismissed by the founder of Agenda, former deputy director-general of programming Carel van der Merwe.

The high profile of television news made it the most volatile unit in the SABC fold and compounded the need for enlightened management at TNP, he said.

Bened conflicts over editorial policy, sources claimed Agenda’s problems were compounded by “the prima donna factor”.

Akhalwaya’s appointment as an assistant executive editor — although one of six top management positions within TNP, had never been likely to resolve personality disputes within Agenda, they said.
Modise alleges internal sabotage in SABC ranks

CONSERVATIVE elements within the SABC were using the Press to discredit members of its board and to sabotage the culture of accountability it was seeking to promote within the organisation, SABC board member Billy Modise said yesterday.

Sensational handling of stories leaked to the media by SABC staffers had frustrated attempts to create a culture of transparency in the public service broadcaster. Leaks had become the bane of several reports that were "politically or racially motivated," he said.

His criticisms were not aimed at journalists collectively, but at elements of the media "with an axe to grind" who had been "less than objective in using leaks from the SABC to attack board members."

SABC chairman Ivy Matepe-Casaburni was attacked by the media last year after SABC staffers alleged she had confused Sydney and Perth and had disembarked at the wrong airport on a visit to Australia. The confusion had occurred within SABC administration, Modise said.

Subsequent media coverage of the new SABC board, including reports that senior SABC staff had used racial language to describe Matepe-Casaburni, had caused Modise to doubt the integrity of journalists.

He declined to discuss the internal problems of the broadcaster before there had been "sufficient input" from staffers and board members, but claimed the SABC would benefit from a period of "quiet diplomacy."

"This was unlikely because "there will always be leaks and the SABC is coming from a history of permanent quiet diplomacy." However, the lack of transparency in reforms at the SABC was exacerbated by "sensational" media coverage.

The media had a duty to "keep board members on their toes, but by the same token they should not protect staffers."

Modise's comments followed an article in last week's Sunday Times comparing recent criticism by Modise of television coverage of SA's readmission to the UN with interference in SABC editorial policy by former president PW Botha.

Modise, a former ANC representative in Stockholm and director of the ANC-founded Matla Trust, was described in the headline as an "ANC official." He claimed a pattern was emerging in the media of "clobbering the ANC through members who are trying to operate honourably in a different capacity."

"As a citizen and a board member I complained that the SABC had not covered Foreign Minister Alfred Nzo's speech in an 8pm news bulletin I hold no position in the ANC and professionally I do not act on its behalf. This was not a party political issue," Modise said.

He confirmed his intention to raise the issue with the SABC board.
Panel tunes in to views on community radio
Spirit of community radio alive, hearing told

Staff Reporter
THE spirit of community radio is alive in Cape Town, Peace Radio presenter Neil Johnson told an Independent Broadcasting Authority hearing in the city.

On the final day of the IBA hearing to receive submissions on criteria for granting temporary community radio licences, Mr Johnson said yesterday that it was endearing to see so many young people involved.

Peace Radio co-presenter Martin Baillie privately said it was unfortunate that some community radio stations were using the hearing as an opportunity to publicise their stations.

This was confirmed by IBA co-chairperson Sebiletho Mokone-Matabane, who said the IBA was not yet ready to issue licences.

Mr Baillie said a community radio station should either fulfill a need in a localised community or a wider community — to exchange ideas, beliefs, dreams and lifestyles.

"It's not the place of community radio to garner an audience of listeners to deliver to an advertiser. It's there to serve, to be a part of, and to satisfy the needs of the community it purports to represent," he said.

Muslim radio representative Imaam Noor Davids said the Muslim Judicial Council would help facilitate the setting up of their broadcasting structure.

In answer to a question from IBA councillor Christo Viljoen, he said the Islamic community was a homogeneous community and would allow other Muslim groups a platform.

But in reply to a question from the floor, Mr Davids said groups like the Ahmadies and the Bahai were not Muslim.

Radio Tygerberg, a Christian service that had operated for five weeks, said their aim was to proclaim the Christian message.

Radio Tygerberg representative Louis Jonkert said religious broadcasting could play a significant role in stabilising, enhancing and promoting moral standards in society.

He said community radio should not seek financial gain and should re-invest profits in the community.

Radio C-Flat FM, a community radio participation initiative serving the Cape Flats, said their aim was to reach township residents to empower and to aid reconciliation in South Africa.

Spokesman Jeffrey Kleinsmith said the community should be encouraged to take part.

He said those who sought "excessive" legislative protection, state support and funding did not realise the long-term consequences of their request.

The opening of the airwaves had to serve the interests of all South Africans.

Radio Tygerberg said they wanted to uphold democratic values and disseminate non-partisan information.
Eskom kicks off power grid plans

ESKOM has taken the first major step in its plans to establish a sub-Saharan electricity grid, with contracts of about R400m placed in collaboration with Zimbabwe.

The company said yesterday the contracts — placed in SA and Zimbabwe — depend on a down payment by the European Investment Bank (EIB) which was financing the Zimbabwean leg of a 618km, 400kV line between Matimba and Bulawayo.

Zimbabwe was responsible for 69% of the cost of the project on its side of the border, which was being financed through foreign loans.

The completion date was the end of 1996 and it would connect SA at high voltage with Zambia through Zimbabwe. On the Botswana/SA portion of the grid Eskom had placed a letter of intent with the line contractors.

Eskom power system planning manager Pierre Robbaers said Eskom was working with Portugal to rehabilitate links between SA and Cahora Bassa in Mozambique. This would cost about R250m with Eskom and the SA government being responsible for some of the cost.

"It is in the interest of Electricidad de Mozambique, Eskom and the Portuguese authorities to have the scheme rehabilitated as soon as possible. A project completion date for early 1997 has been proposed."

The purpose of the interconnections was to create "a kind of a common market" for electricity.

Major extensions of the grid would, in the medium term, span Zimbabwe, Zambia, Mozambique and Zaire and, in the long term, Tanzania, Uganda, Kenya and Angola.

Eskom envisaged reinforcement of existing agreements and creation of multilateral agreements with neighbouring corporations with the backing of governments.

Each country would finance its leg of the grid but would require cash from bodies such as the World Bank, African Development Bank, the EIB and others.

The grid would bring social and economic benefits to the region and provide economies with a major boost through demand for technical and consumer goods.

Eskom predicted electricity supply opening up among the region's 500-million population, only 10% of whom had access to electricity now.

In the process SA electricity prices would benefit, initially because Eskom would be a net exporter of electricity absorbing over-capacity. Later it would be possible to import cheaper hydro power, thus cushioning capital expenditure demands and production costs.

Eskom had a maximum demand of 24 500MW and generated about 80% of electricity in southern Africa.
Airwave policy 'behind'

SOUTH AFRICA is decades behind other democracies in developing broadcast licence policies, Independent Broadcasting Authority council member Mr John Matusson said in Cape Town yesterday.

He told a press briefing that the Independent Broadcasting Act provided for three types of radio — public radio, community radio and private (or commercial), and criteria had to be developed.

Dr Sebilezgo, Mokone-Matabane, IBA co-chairperson, said they were soliciting views from the nine provinces and the exercise would be completed by September.

IBA member Mr Fred Meintjes said the aim of the IBA was to provide national, regional and community radio for various groups.

"The diversity of our country has not come through," he said.
The Key to Licensing

John Pelman
Chief Reporter

Why is the licensing system so important? The answer is that it affects every aspect of our lives, from entertainment to education. Licensing is a way to ensure that artists and creators are fairly compensated for their work, and that consumers have access to quality products. Without proper licensing, there could be a free-for-all where anyone could use copyrighted material without paying for it. This would be problematic, as artists would not be able to support themselves financially, and consumers would have limited access to high-quality content. Therefore, it is crucial that we maintain a strong licensing system to ensure that everyone is fairly compensated and that we have access to the best possible products.
Boer radio station probed

ACHMED KAREM
Weekend Argus Reporter

THE Independent Broadcasting Authority (IBA) has confirmed it is investigating allegations that a rightwing radio station has started broadcasting in the Pretoria area.

Speculation is that Radio Donkerhoek, led by Boer Kommando leader Willem Ratte, has restarted transmissions using Radio Pretoria's equipment.

IBA panelist William Lane said the probe had commenced but they could offer no further comment.

The full IBA council met in Cape Town yesterday to brief the media on the IBA's activities and to encourage public discussion.

Present were co-chairpersons Peter de Klerk and Sebilese Mokone-Matabane and members William Lane, John Matisonn, Frank Mcentjies, Lyndall Shope-Mafolie and Christo Viljoen.

The second stage of the IBA's public hearings to invite views from interested parties on the broadcasting industry ended this week in Cape-Town.

The hearings concerned the formulation of guidelines for granting temporary community licences. The IBA said it had more than 100 written submissions.

Ms Shope-Mafolie said the IBA was impressed by the level of participation — 14 community radio stations and interested parties — and especially that of women in Cape Town.

"This will ensure a richer media environment for the public," she said.

However, Mr Matisonn said South Africa was several decades behind other democracies in terms of the establishment of IBA bodies.

The IBA panel goes to Grahamstown for the next leg on July 11 to hear broadcasting experts and interested parties.

Applications for temporary community broadcast licences will be invited once the IBA report is completed.
Slowly but surely airwaves will fill

JOHN PERLMAN
Weekend Argus Reporter

DON'T bother touching the dial — at least not just yet. The time may well come when you'll be able to prowl up and down the frequencies, perhaps picking up one new station devoted to promoting Soweto as a tourist destination, another with good news for Christians, a third broadcasting in Portuguese.

But for a few more months the process of opening up South Africa's airwaves looks set to be slow and complex, however anxious would-be broadcasters may be to get yacking.

"There is a tension between speed and balanced judgment," says Frank Meintjes, one of seven councillors appointed to head the Independent Broadcasting Authority (IBA) charged with restructuring South African radio and television.

It would be folly to rush headlong into something then have to straighten it out, and unfair to the broadcasters themselves."

Mr Meintjes and other IBA councillors are currently in Cape Town, hearing submissions from broadcasters and others about draft regulations for issuing temporary broadcasting licences. After the draft regulations have been made public for comment, final regulations will be issued and applications for licences will be invited, probably in September.

More hearings will follow and much will also depend on a new "frequency plan" being drawn up which will establish what spaces are available on the air.

This process has its critics. "People ask 'Why don't you have one hearing and then issue these licences?"' Mr Meintjes says. "The people who were temporary broadcasters under the old government want to go on air immediately. But the Independent Broadcasting Authority Act says that the IBA must promote diversity."

"Many of the new licence-holders come from within the white community. Assuming we just dish out licences immediately, those people would be in the forefront."

"The country is crying out for new voices and new images. We want to see that change but, we also want to restructure so that the spirit of the Act in terms of diversity is upheld."

Diversity is just one issue the IBA has to consider. "The Act also asks us to look at other things," says Mr Meintjes, "like technical and management capability and requires us to give licences to groups that look more sustainable."

The hearings, which will run for a month, are also uncovering other complexities. Last week's sessions in Johannesburg heard submissions from the "Voice of Soweto", from "Radio Soweto" and from two opposing groups, both claiming to speak for the Mofolo Park Community Radio Project.

This prompted Mr Meintjes to ask the hearing: "How should the IBA determine which competing groups really do have community support?"
Cross-media ownership urged

JOHANNESBURG. — The Independent Broadcasting Authority should promote diversity in broadcasting by regulations that encourage, rather than limit, participation by the print media, says the Newspaper Press Union.

In an 18-page written submission to the IBA, the NPU argues for cross-media ownership in the broadcasting industry.

It conceives that circumstances might arise in which it would be in the public interest to deny a broadcasting licence to a newspaper publisher, but says the opposite might also apply.

It says the opening up of the broadcasting industry will prejudice smaller newspapers that rely heavily on local retail advertising.

"Allowing new private broadcasting services to be launched while denying local newspapers the right to significant ownership of such services may well lead to the closure of a number of print titles at the regional, local and community level."

This will result in fewer voices being heard, instead of increasing the diversity of published opinion, and will undermine efforts to increase literacy. — Sapa
Iscor to spend R45m increasing output

ISCOR would spend R45m to expand tinplate production by 50% at its Vanderbijlpark works, it said yesterday.

Capacity would be increased by converting its tin-free steel line to a tinplate line.

The horizontal halogen process tinning line at the works had an annual capacity of 260,000 tons a year.

Iscor took the decision to increase production after market research showed that demand would lead to tinplate imports this year of 45,800 tons, while the tin-free steel market continued to decline.

Iscor estimated that being able to produce the tinplate at its factory could save SA R125m a year in forex.

Tinplate was used predominantly in SA as a metal packaging material, and according to Iscor market growth should continue for at least the next 10 years.
BLOEMFONTEIN — The Federasie van Afrikaanse Kultuurverenigings will no longer tolerate Afrikaans being scaled down by the electronic media in favour of English, it was decided yesterday.

Drastic steps against the SABC will be considered if it stressed English as the national language. — Sepe

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Offshore buyers boost Sappi, Iscor and Sasol

STRONG offshore buying was behind Sasol, Sappi and Iscor's recent gains to record highs, analysts said yesterday.

An analyst said the shares were previously undervalued and were moving upwards on fundamentals.

Last week Sasol peaked at R55.60, Sappi R52 and Iscor 40c, before coming off slightly yesterday in line with the weaker trend on the JSE. The counters have been moving up strongly this month, registering further gains from the last quarter of 1993.

Sappi's share price had soared mostly due to better international pulp and paper prices and a weaker rand, said analysts.

Investors had accepted chairman Eugene van As's view that earnings for 1995 would improve greatly.

German subsidiary Hanover Papier was expected to break even or produce a profit this year, Sappi finance director Bill Hewitt said earlier this year.

Sasol ended its 1993 financial year with an 11.2% increase in operating income to R1 955m. An analyst said a depreciating rand would encourage export sales.

Further good news this month was that it's fuel contract with Brazil was increased 40% to nearly R400m over 18 months, and Sasol hoped to export beyond this period.

The share's run was heightened when liquid fuels task force members of the National Economic Forum said last month government involvement in Sasol was unlikely to change. Government supported Sasol with R822.7m from its Equalisation Fund in the year ended March 1993.

Iscor benefited from improved local and international economies, resulting in increased demand for steel.

Rand depreciation, added to expanded output, had strengthened the outlook for earnings. Restructuring and rationalisation have strengthened confidence in the share, with analysts expecting earnings a share of between 25c and 30c - up to double that of last year.
Mini-series draws IFP ire

DURBAN. — KwaZulu-Natal Premier Dr Frank Mdlalose joined the IFP yesterday in condemning a television mini-series on political violence.

Dr Mdlalose slammed CCV's broadcast of The Line, saying he was "disgusted" by it. (210)

"We do not need shows like this at a time when we are working to bring about peace."

Earlier the IFP Youth Brigade demanded the programme be scrapped and threatened a sit-in at the SABC's offices.

Produced by British, German, Dutch and Finnish television companies and shown overseas before the April elections, the series depicts the terror of political violence.

The producers of the controversial series expressed alarm yesterday that a political party could interfere in broadcasting decisions.—Sapa
SABC boss outlines problems

THE SABC board had to spend too much time intervening in the management of the corporation during its first year in office, according to the chairman of the board Ivy Matsiepe-Casaburri.

Interviewed in the internal quarterly magazine Radio and TV, Matsiepe-Casaburri said board decisions were not always implemented at management level.

"Unfortunately, the board has to take final responsibility for all policy matters, and then implementation, so we had to become involved in the management side."

Too much time had been spent on such activities and that had hampered the board's actual task.

Because of the time and effort put into covering the election, very little time had remained for monitoring the implementation of the values and visions of the board.

Mechanisms had now been put in place to monitor the process, and initial indications were that some of the values had become firmly entrenched, while others had been neglected.

Matsiepe-Casaburri said the lack of visible changes at the SABC could be attributed to the nature of change.

"We are continuously working on change, but in many instances this is a slow process because we do not want to make overhasty decisions we may regret later. This is especially true in a position where you feel accountable for these decisions."

She said the election coverage had been one of the major achievements of the new board. The presence of foreign advisers had limited the number of flaws.

However, mistakes were made in the coverage of the inauguration of President Nelson Mandela.

"With the inauguration — after the foreign advisers had left — our weaknesses came to the fore," Matsiepe-Casaburri said.

Business Day Reporter
Storm as CCV drops series

By IVOR CREWS

A STORM has erupted over the suspension of the last two episodes of the controversial three-part drama series The Line on CCV after concerted pressure by the Inkatha Freedom Party.

Ms Pearl Mashabola, publicity manager of CCV, said it would be decided within the next few days when the rest of the series would be shown. The first episode was screened on Wednesday night.

The series, set against the political violence during the transition to democracy, tells the story of a young poet who flees Soweto with his girlfriend after he witnesses a train massacre. He is afraid he will be the next target after he recognises one of the killers.

Ms Mashabola said CCV head Mr Madala Mphahlele decided to postpone the showing of the last two episodes after the Inkatha Youth Brigade and an IFP Transvaal leader, Mr Temba Khoza, felt it was a threat to peace and reconciliation and implied hos-

drama is a threat, says IFP

tel dwellers were responsible for the violence.

She denied CCV bowed to political pressure but said some viewers were disturbed by the content.

"We feel audiences have the right to choose what they want to see. We are against censorship," she said.

Reacting to the suspension, the producers expressed alarm that a political party could "interfere in broadcasting decisions", saying it did not bode well for the future of SA television.

This was after the IFP attacked the series for depicting the party in a bad light.

Producer Mr Jeremy Nathan and director Mr Brian Tulley said if the spirit of transparency was to permeate the new culture of reconciliation, then all South African audiences should be allowed to decide for themselves.

The Media Monitoring Project described the CCV decision as "outrageous". It said the worst fears of the public were confirmed that the SABC continued to run a political tightrope and was not run as a public broadcaster.

"The contempt shown by CCV's Mr Mphahlele to the viewing public and CCV's weakness in the face of political pressure seriously calls into question the commitment of the SABC to public service ideals, and highlights the incapacity of SABC management to resist political pressure," it said.

The SACP said CCV's decision "showed an appalling lack of moral fibre", saying the series dealt with the "real lives of the majority" in an open-minded way.

However, the Media Workers' Association of SA has welcomed CCV's decision.
Sisulu to deal with TV crisis

SABC to ask for overseas advice

LOUIS de VILLIERS
Weekend Argus Correspondent

JOHANNESBURG. — The South African Broadcasting Corporation's chief executive officer-elect, Zwelakhe Sisulu, is to play a pivotal role in efforts to restore calm and competency to the corporation's troubled television news and actuality division, TNP.

Mr Sisulu confirmed yesterday the SABC wanted to employ a foreign broadcasting consultant, probably from the British Broadcasting Corporation or the Australian Broadcasting Corporation.

The consultant would assist André le Roux, the man acting in the position of TNP editor-in-chief following the announcement that Johan Pretorius was to retire early, he said.

The new TNP top management will report directly to Mr Sisulu who describes the plan as an "interim arrangement" to ensure that a consultative process as embarked on to rid TNP of its paralysis.

"We are not looking only at stabilising the situation. We want TNP to improve, to become better," said Mr Sisulu.

SABC staffers, meanwhile, said morale in the corporation's corridors had sunk to a new low. It was still unclear why 180 staffers signed a petition last week expressing no confidence in TNP management, with some exceptions.

An anonymous caller alleged the petition was sparked by a management decision to refrain from taking disciplinary steps against a recent affirmative-action employee who embarrassed the SABC in public.

It was alleged this staff member fell asleep while covering a court case. Her snoring became disruptive to the extent that the judge had to have her ejected from the courtroom.

The judge, it was alleged, telephoned Mr Le Roux to complain.

"No judge called me about any incident," said Mr Le Roux. "I recall, however, an incident where management had to protect a member of staff who had fallen ill."

Senior SABC sources, however, cautioned that this incident should not be taken out of perspective.

"To pinpoint the exact cause of discontent at TNP has become impossible. It has become a diffuse situation - a general malaise," said a source.

Mr Le Roux indicated that a number of steps were being taken to get TNP back on track.

He said the media may be contributing to the unit's problems by disseminating inaccurate information.

"You are listening to the wrong people," he said.
Bid to tackle malaise in SABC news division

LOUIS DE VILLIERS

THE South African Broadcasting Corporation's chief executive officer-elect, Zwelakhe Sisulu, is to play a pivotal role in efforts to restore calm and competency to the corporation's troubled television news and current affairs division TNP.

Sisulu confirmed yesterday that the SABC is looking to employ a foreign broadcasting consultant, probably from the British Broadcasting Corporation or from the Australian Broadcasting Corporation, to assist Andre Le Roux, the man who is acting in the position of TNP editor-in-chief following the announcement that Johan Pretorius is to retire early.

The new TNP top management will report directly to Sisulu, who describes this as an interim arrangement to ensure that a consultative process is embarked on to rid TNP of its current paralysis. "We are not looking only at stabilising the situation, we want TNP to improve, to become better," says Sisulu.

SABC staff, meanwhile, say morale at the corporation has sunk to new lows. It is still unclear why 180 staff signed a petition last week expressing no confidence in TNP top management, with some exceptions.

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"No judge called me about any incident," says Le Roux. "I recall, however, an incident where management had to protect a member of staff who had fallen ill."

Senior SABC sources, however, caution that this incident should not be taken out of perspective. Says one: "To pinpoint the exact cause of discontent at TNP has become impossible. It has become a diffuse situation — a general malaise."

Le Roux indicates that a number of steps are being taken to get TNP back on track. He believes the media might be contributing to the unit's problems by disseminating inaccurate information.
Iscor likley to turn in improved profits

After some brittle years, investors in steel group Iscor can brace themselves for a reinforced profit in the year to end-June.

E W Balderson analyst Louis Venter is predicting a strong 86 percent increase in earnings a share to 25c (previously 15c) for the steel giant.

He estimates a dividend of 9c (5c) will be paid for the year — an 80 percent increase on June 1996.

Exactly a year ago Venter was spot on in his earnings forecast for Iscor's 1995 financial year.

He attributes the strong showing to the lower rand/dollar exchange rate (boosting export revenue), the improved local economy and a substantial reduction in debt.

Venter added that new managing director Hans Smith had been an extremely successful appointment, adding zest to the beleaguered group through numerous innovations.

But he stressed: "Don't forget former managing director Willem van Wyk, who laid the foundation for Iscor's recovery."

Venter sees Iscor's recovery continuing through to June 1997, and his early forecast is for earnings of 36c a share.

Iscor has recently clinched some viable offshore business, including a R46 million partnership deal to develop a Chinese iron-ore harbour and three-year coal exploration rights in Australia.
SABC does not want to be dictatorial, says chairman

THE SABC is ideally suited to take responsibility for the broadcasting services of the former TBVC states, but does not want to be a dictatorial, all-powerful broadcaster in SA, says SABC board chairman Ivy Matepe Casaburi.

Interviewed in the SABC’s quarterly magazine Radio and TV, Matepe Casaburi said a decision on jurisdiction over former homeland broadcasters did not rest with the SABC. “We don’t want to be the all-powerful broadcaster in SA, and we don’t want to dictate. But, if requested, we are quite prepared to accept this responsibility. This decision, however, rests with the Independent Broadcasting Authority, the Minister responsible for broadcasting and the state,” she said.

A major challenge facing the SABC was the rapid development of satellite technology, but Matepe Casaburi said this prospect should not immobilize the corporation because it could be used to the SABC’s advantage.

“Despite the fear that we will lose audiences to others due to satellite technology, there will always be people who would prefer to experience SA as South Africans first rather than tuning in to international services,” said BIDOU.

“The greatest challenge therefore is to place a sharper focus on what we do best, on our role as public broadcasters.

Satellite technology would also make regional broadcasts, such as regional news programmes, possible and open up advertising opportunities for smaller entrepreneurs at local level.

“We are also busy with the development of our local product, and the challenge facing us in this regard is to produce good quality local productions. “We need to show SA and the world that relatively inexpensive productions produced for mass consumption need not be of a poor quality.”
No language policy yet, says SABC

BY MICHAEL SPARKS

The SA Broadcasting Corporation has not arrived at any language policy for the corporation, according to a statement from the chairman of its board, Dr Ivy Malasepe-Casaburri.

She was reacting to press reports which stated that the SABC planned to drop Afrikaans from TV1.

"The language committee of the board is the one that has been mandated to draft such a policy after consultation with a wide spectrum of stakeholders," the statement said.

Discussed (260)

It added that "the matters or recommendations which have been the subject of media speculation have not been discussed by either the language committee or the board itself."

According to Malasepe-Casaburri, the language committee would have to take the Interim Constitution, the Independent Broadcasting Act and the board's vision and values into consideration before coming to a decision.

Meanwhile, legal experts said yesterday that if the SABC did decide to downgrade Afrikaans on TV1, concerned groups could bring the issue before the Constitutional Court, although they would have little chance of success.
SABC to unveil radical plan to restructure radio

RADICAL proposals for the restructuring of SABC radio would be announced next week, divisional CEO Govin Reddy said yesterday.

But a staff petition, which calls for the creation of a transformation unit to oversee the restructuring, could scupper the proposals.

The petition will be submitted to SABC management later this week. It demands the establishment of an interim committee to advise the SABC board on restructuring the radio division.

The draft petition said problems within radio were more acute than those facing TV because Reddy had retained discredited managers as advisers and journalists had no confidence in editorial staff.

Reddy said while proposals for the future of SABC radio would be unveiled before a meeting with unions on August 9, there was “no question of ideas being presented to the board without their approval”. The plan needed to be endorsed by the unions.

There was enough time for consultation and proposals from staff, Reddy said. He would delay his final recommendations to the SABC board if staff had legitimate objections.

Several union sources said, however, that a lack of consultation had eroded the goodwill that greeted Reddy’s appointment in January.

Resentment was fuelled last week when Reddy issued a press statement claiming a climate conducive to change prevailed in SABC radio.

He said tensions within the SABC’s television news department had been precipitated by rapid change and an affirmative action programme that failed to take training needs into account.

Meanwhile, after a meeting yesterday with acting executive editor Andre le Roux, staff said that the appointment of a TV transformation unit by assistant chief executive Zwelethu Msulwana was the first sign of a commitment to consultation from management.

Staff attributed the change to intervention by Msulwana, who is tipped to succeed Wynand Harmse as the SABC’s CEO later this year.

“He has realised his reputation is at stake. In the past we only had a show of consultation,” said one well-placed source.

Sapa reports that Azapo warned yesterday of a TV and radio licence payments boycott because plans to introduce Afrikaans to CCV would reduce the already limited time on the channel for black languages.

nav turn to police | AWB men guilty | Mandel
members completed the first round of public hearings on the rules and criteria for the granting of temporary community radio licences.

A draft report will soon be presented to the full IBA council and by mid-September the public will hear their recommendations.

Soon afterwards submissions for temporary licences will be considered.

The IBA — the body charged with the task of deregulation — still has to look at the funding of public broadcasting, local content in programming and cross-media ownership.

The SABC, premier of the Kwazulu-Natal government, several universities, Radio 702, the Newspaper Press Union, Afrikaanse Taal en Kultuur Vereeniging, unions representing broadcasters, journalists and artists, Nasionale Media and a variety of radio and television companies have made submissions on this matter.

According to an IBA briefing document, most submissions assume there will be a public broadcaster in the form of the SABC.

**Incorporation**

Many also argue that broadcasters from the former TBVC states be incorporated into the public broadcaster on a provincial basis.

The submissions recommend that the public broadcaster’s viability be protected, at least in the short-and-medium term.

They argue that the deregulation of the airwaves, the changing political and constitutional environment and changes in broadcasting internationally, will impact on public broadcasting and the SABC should not collapse under these pressures.

The regulation of broadcasting should allow for public and private broadcasters to exist side by side.

**In the new dispensation:**

And while there is agreement that the public broadcaster should exist, nearly all say it has to be restructured.

It should also be free of government interference.

The SABC should be restructured — especially to reduce the running cost of the corporation and enable it to deliver a better and more public-oriented service, they say.

Currently, 70 percent of SABC revenue is from advertising, 25 percent from licence fees and five percent from other interests.

Future funding of the corporation is a crucial question.

Some recommend that the SABC should continue to rely on advertising as well as licence fees. This would mean that the profits from its commercial stations would be used to cross-subsidise its loss-making stations.

**Revenue earners**

Others argue that there should be a combination of licence fees and taxation and that advertising should be dropped.

Several argue that commercially profitable stations should be sold either partly or entirely to bring private entrepreneurs into the market.

There is also debate on the future of Sentech, the country’s main distributor of signals for radio and television, which is wholly owned by the SABC.

The SABC has proposed outside directors to Sentech’s board and says the ownership and control of the unit is the subject of continuing discussion.

Others have called for Sentech to be separated from the SABC as there will always be a question over whether independent broadcasters receive equal treatment.

The second inquiry will deal with the cross ownership of private broadcasting services.

Hectic debate is expected as many want the status of the SABC as South Africa’s biggest media monopoly to be sorted out first.

Many submissions argue that there should be limitations on cross media ownership.

There should be greater diversity as far as ownership of licences is concerned.

At present, media ownership is concentrated and there is a need to restrict cross-media ownership by the major press groups.

The third inquiry will deal with local content on television and radio.

**Single quota**

A large number of submissions argued against fixing a single quota that would apply to all stations.

There are some who would like to see a quota of up to 50 percent.

The definition of African music was also a problem.

Should it be defined by the artist, the producer, geographic location or by ownership of the production?

More television should be produced locally as that would stimulate the industry. Submissions said.

However, the high cost of these productions also threaten the viability of some broadcasts.
IBA starts process to free airwaves

By Sharon Chetty

For decades, the dictators at Auckland Park — with consent from their Cabinet masters — decided what we listened to and watched on the small screen. But with the imminent deregulation of the broadcasting industry, we can look forward to a greater variety of stations on our airwaves.

BREAKING GROUND

Broadcasters — public and private — should be allowed to exist and complete side by side.
Guardians of the IBA

By the time the trail runs near the boundaries of the Arikita mining area, the condition begins to be much better. Arikita mining areas are much more fragile and hard to maintain. They need strict control of the mining areas and resources to be able to keep the mining sustainable.

The mining areas have strict regulations and guidelines made to protect the environment and the local wildlife. The mining companies are required to adopt new technologies to reduce pollution and environmental degradation. The mining companies are also required to take part in reclamation programs to restore the mining areas to their original state.

In addition, the mining companies are required to pay for the environmental damage caused by their mining activities. This money is used to fund reclamation projects and other environmental protection measures. The government also monitors the mining activities to ensure that they are in compliance with the regulations.

The mining companies are also responsible for providing alternative livelihoods to the local communities. This includes providing employment in other sectors of the economy and developing new industries to replace the mining sector.

Overall, the mining companies have taken steps to minimize their impact on the environment and to improve the quality of life for the local communities. The mining areas are maintained and restored to their original state, and the mining companies are held accountable for their actions.

In conclusion, the mining industry in Arikita is a source of economic growth and development for the local communities. The mining companies have taken steps to minimize their impact on the environment and to improve the quality of life for the local communities. The mining areas are maintained and restored to their original state, and the mining companies are held accountable for their actions.

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Row erupts at SABC

By Mathatha Tsedu
Political Editor

A ROW has broken out within the SABC over the implementation of affirmative action.

A TNP transformation committee appointed by assistant chief executive Mr Zwelakhe Sisulu — which includes former Soweto managing editor and now television news editor Mr Joe Thlolo and news reporter Seboko Nyaka — has been rejected by workers.

Workers say the appointment of the committee was unilateral.

At a meeting of members of the Media Workers Association of South Africa, angry TNP workers accused management of overlooking them and of lack of consultation. They demand that the committee should include representatives of the union.

These demands are to be presented to Sisulu and other senior officials at a meeting on Monday. Attempts to reach Sisulu yesterday were fruitless. He is overseas.

However, a senior official said the committee was to provide workers with a platform to discuss their ideas of transformation. He said workshops with workers, to enable them to make inputs which would then be taken to the board, were to be held.

The official felt that apprehension by unqualified black employees, who saw the influx of print journalists as a threat to their own jobs, lay behind the resistance to the committee.

Whites, on the other hand, see affirmative action as taking away their jobs.
Death threats for The Line producer

JOHANNESBURG. — The National Hostel Residents Association yesterday threatened to kill the producer and actors of the television series The Line if SATV continues with its planned screening of the full series at 8.30pm tomorrow.

In a strongly-worded telephonic statement Nabora spokesman Mr Phulani Mlotshwa warned the SABC "that to continue televising The Line will not just perpetrate new train violence, but the lives of the producer and the series and of the actors are in jeopardy".

"We see no problem in removing the lives of unruly elements (the producer and actors). We would like to remove them from the face of the earth."

Meanwhile the Inkatha Freedom Party Youth Brigade is considering protests against the SABC because of the screening. — Sapa
TV crew forced to flee homes

DURBAN. — Death threats and harassment have forced the TV crew of the controversial drama The Line to flee from their homes and seek police protection.

Producer Jeremy Nathan and director Brian Tilley have been in contact with Safety and Security Minister Mr Sidney Mufumadi, who has advised them to lay charges with police.

CCV spokesman Mr Molese Mekgatle said the crew had been advised to vacate their homes.

Mr Nathan, Mr Tilley and actors in the locally-produced drama, including Grace Mahlaba and Vusi Kunene all received death threats by telephone from "Phulani", a representative of the National Hostel Residents' Association (Nahora), Mr Nathan said.

Nahora yesterday reiterated its implied threat that their lives were in danger.

The Broadcast Complaints Commission yesterday ruled that the drama had not contravened a code requiring broadcasters to present material containing brutality, violence or atrocities with care and sensitivity.

CCV publicity manager Pearl Mashabela said the programme would definitely be shown tonight "We want to believe that people out there can think, can reason," she said.
 Violence show, did not breach code.

ASSASSIN: Duma, the killer, played by Jerry Mokome.

DAVE KNEEN

KwaZulu-Natal Premiere:

Over Shipping of Disturbing Docu-Drama

Inkatha Youth Brigade thirteen sit-in
the roles they play in the num-series which deals with train violence.

Outsiders from the Inkatha Youth Brigade and the Pan African Congress; and threats from the National Hostel Dwellers Association (Nahoda) followed CCV's decision this week to screen the full series at 8.30 tonight. The Broadcasting Complaints Commission ruled that CCV did not breach any policy code by broadcasting the first part of the series The Line a week ago, although it had erred in not broadcasting simultaneously all three parts.

Late yesterday, producer Jeremy Nathan and director Brian Tilley of the three-part series on township violence were in a meeting with CCV executives regarding the co-ordination of security for the crew. They had been in contact with Minister of Safety and Security Sydney Mafamadi who advised them to lay charges with the police. They did so yesterday, they said.

CCV spokesman Moesele Mokgatle said the crew had been advised to vacate their homes and keep a low profile until the outcry died down. The television station was also considering guarding the crew, said Mr Mokgatle.

Nathan, Tilley and actors in the locally-produced drama, including Grace Mahlaba and Vusi Kunene — who plays a young Soweto poet forced to flee his home with his girlfriend (Mahlaba) after witnessing a train massacre — received telephone calls at their homes.

The caller, describing himself as "Phulan", a representative of Nahoda, threatened to kill them if the series was screened as scheduled, Nathan said.

Thulani Mlotshwa, another spokesman for Nahoda, was quoted yesterday as saying, "The lives of the TV crew and the actors are in jeopardy".

"It won't be any problem to remove the lives (sic) of these unruly elements completely from the face of the earth. We have already identified the homes of the actors.

An Inkatha youth march to the SABC's headquarters in Auckland Park to protest against the screening of the series, is expected to take place today.

Nahoda yesterday repeated its threat to the lives of the producer and actors of The Line.

Mr Mlotshwa said, "Definitely, the lives of these people are in danger.

He claimed hostel residents were often blamed for violence they did not cause. "This time we want to be blamed for something we have done," he added.

Mr Mlotshwa issued a statement on the telephone on Thursday warning the SABC that if it broadcast The Line "we will not just perpetrate new train violence, but the lives of the producer of the series and of the actors are in jeopardy".

Yesterday, Mr Mlotshwa said the statement was passed on Wednesday night by a full Nahoda central committee.

It could be changed or withdrawn only by another central committee meeting, this was unlikely, however, unless the SABC did not screen the programme.

He said the committee would sit again today, immediately after the start of The Line, to consider its next actions.

IFP PWV chairman Humphrey Ndlovu said "The IFP is a non-violent political party, but we have realised anger at the grass-roots is high. Angry people can talk."
Board meets to talk of TV language plans

LOUIS DE VILLIERS
Weekend Argus Correspondent

JOHANNESBURG — The SABC’s draft language policy will be discussed in depth at a board meeting on Wednesday.

Well-placed sources told Weekend Argus broad principles may be agreed upon at this meeting, but much work was still needed before the board’s language sub-committee would be able to present a final document.

SABC chief executive officer Wynand Harmse said: “We are fighting a battle over something which has not reached a stage of any finality. There are models on the table. The one which has been reported on could, perhaps, appear to be the best to carry the SABC into the future, in the financial sense.

“But it’s up to the board to say ‘hang on, there are other factors, such as language, which ostracize the workability of this model’. We are not at a point where the public can crucify us.”

Senior SABC executives pointed out that references to Afrikaans being taken off TV1 in a new, restructured SABC television set-up had been reported out of context and were inaccurate.

The reports have all referred to TV1, CCV and NNTV, but the proposal in question merely referred to “TV channels”.

In this context, the proposal suggested that the NNTV channel, which has a far smaller reach than TV1, could become a fully-fledged commercial channel using English only.

The channel with the biggest reach, on which TV1 is broadcast, was proposed as the so-called “Rainbow” channel where all the official languages could receive “equal” treatment.

The CCV channel was mooted as the ideal vehicle for a non-commercial public service broadcasting station.

In broad terms, the language sub-committee is grappling with the practical implications of the terms “equal” and “equitable” when applied to models for radio and television restructuring.

That the 11 official languages should be treated equally is beyond dispute in the SABC corridors. “Equal and equitable are not the same thing,” said a language sub-committee member.

“Equitable has to do with the allocation of resources. There are many more Zulu speakers, for instance, than Venda speakers.

“The size of a language should, ideally, be a determinant in the allocation of resources.”

In this context, Afrikaans speakers have perhaps been alarmed unduly. After Zulu, Afrikaans is the language which most people claim as their home language.

While English is the most widely understood language, Afrikaans, in the draft language policy’s current definition of “equitable” treatment, will be afforded the status, resources and airtime worthy of the second biggest language
By KEVIN DAVIE

THE nationalisation of part of South Africa’s chemical sector has been proposed as an option to supply feedstocks at world prices so that employment growth in manufacturing can be developed.

The proposal was made by unionist Rod Crompton in a 300-page study of South Africa’s chemical sector for Cosatu’s Industrial Strategy Project.

Key policymakers, including Deputy Finance Minister Alec Erwin and Zavareth Rustonjee, adviser to Trade and Industry Minister Trevor Manuel, are understood to support the soon-to-be-published ISP document.

“This option would involve the nationalisation of Sasol’s Secunda operations and a part of its Sasolburg operations, together with AECI’s Coaliplex and Mulders as well as Sasfipol, the joint venture between Sterckem and Hoechst,” says Mr Crompton.

“The advantage of nationalisation is that it obviates the need to meet blue-chip shareholder expectations and allows resources to be redirected downstream.”

Nationalisation is one option. A preferred option is to reform tariffs to reduce prices.

The ISP favours shifting emphasis from the capital-intensive upstream to the higher value-added and labour-intensive downstream.

Mr Crompton criticises the high level of Sasol’s subsidies and inflated plastic feedstock prices which have negative implications for competitiveness, employment and exports.

South Africa has a negative chemicals trade balance and lags behind world trends in exports.

Feedstock prices in South Africa have been 20% to 60% higher than those in the US and Europe over the past five to 10 years.

Sasol is “upstreaming wealth away from motorists and taxpayers and into the pockets of Sasol and its shareholders”, says Mr Crompton.

Separated from its “enforced regime”, Sasol “may not be viable, whether nationalised or not.”

Mr Crompton says Sasol overcharged for ethylene by R173-million during 1991 compared to world prices. Even without the R173-million, Sasol would still have been the most profitable (as a percentage of sales) chemical corporation in the Fortune 500.

Sasol’s coal-based technology produces ethylene at 55% of world prices.

Reduced Sasol’s supports will lead to lower petrol prices and profits, which it has been using to finance a wave of investments.

Reduced profits are likely to cause Sasol to turn to usual market means to raise capital (debt or equity) and restrain its “investment sprees”.

“Sasol shareholders require clarity about the extent to which their investments are at risk.”

Mr Crompton, who represents labour on the National Economic Forum’s liquid fuels task force, says he favours a mix of deregulation and re-regulation for the fuel sector.

Deregulation will lead to oligopolistic power where companies will set their own prices. Government should “govern the market”, as in the high-growth East Asian economies.

Tariff reform will bring down prices but “where other mechanisms can be found to achieve lower prices behind tariff barriers, these would be preferred.”

Distortions may be used where potential exporters refuse to co-operate. “The Korean expedient of terminating an offender’s electricity supply seems unlikely to be within the powers granted to a future Department of Trade and Industry.”

“Publicising offenders is a less harsh but sometimes telling form of censure.”

The state played a leading role in creating Sasol and should now redirect it away from its unsatisfactory situation.

The needs of the plastics industry could be regarded in the same light as agriculture, which got R5-billion during the 1992/3 drought.

A negotiating forum could distribute expenditure equally between deserving employers and unions, avoiding “rent-seeking and unnecessary industrial action”.

Sasol borrowed a copy of the ISP report this week, but not in time to comment in detail. It says it is particularly concerned about statements regarding re-regulation of the industry.

The report has some controversial interpretations and conclusions, many of which we strongly disagree with.”
Afrikaans on
TV1 defended

Staff Reporter

SABC board member Professor Fatima Meer said yesterday Afrikaans should not be axed from TV1 and that all official languages should be used on all three SABC channels.

She denied a report yesterday that she had a power base backing her to have Afrikaans excluded from TV1 or scaled down as an official language.

She said English was understood by about 85% of the total population. About 98% of coloured and white Afrikaners were able to understand English, she said, while only about 30% of all South Africans could understand Afrikaans.

Prof Meer wants the SABC to stop dubbing programmes into Afrikaans, saying it was not necessary, as Afrikaans viewers were proficient in English.

The controversy is based on the SABC document which proposes that Afrikaans be removed from TV1 and that it share a place with five other official languages on CCV and NNTV.

Professor A C Nhlabude, chairman of the language committee of the SABC board, said he would propose on Wednesday that the Afrikaans question be made public and openly debated.

SABC board chairman Dr Irv Casaburri-Matsepe said the board had not yet taken a decision on Afrikaans.

A compromise plan to keep an Afrikaans presence on TV1 as well as CCV and NNTV is likely to be submitted to the SABC board on Wednesday.

Part of the restructuring plan — details of which have not yet been finalised — provided for the transfer of Afrikaans from TV1 to CCV.

Afrikaans cultural organisations and individuals were outraged at the idea, claiming that the spirit of the constitution prevented the downgrading of the language.

SABC chief executive officer Mr Wynand Harmse told staff the proposal was only one of several being considered and he was waiting for recommendations from the corporation’s language committee.

The SABC had not yet formulated a language policy.

The CP recently reacted strongly to the proposal, saying that the removal of Afrikaans from TV1 was motivated by “blind hate” of Afrikaners.
SABC may face action

PRETORIA: The Freedom Front, would take the SABC to court if that proved to be the only way to protect Afrikaans, the party said in a statement.

Spokesman Pieter Mulder said he had obtained legal advice and it was clear the SABC would be contravening Clause 3 of the constitution if it went ahead with the scrapping of Afrikaans on TV1.

Dr Mulder said the SABC was a public institution which meant it had to abide by the stipulation.

"A court case would also be a test to find out whether the constitution can indeed offer Afrikaans any protection."
Apologies to TV crew

JOHANNESBURG — The National Hostel Residents' Association yesterday apologised to the producers and actors of the television series The Line for threatening their lives. Mr Thulani Mlotshwa said in a statement it "would like to give security assurance to all film participants".

He said Nahora had not given up its campaign against the series, but added "Whatever action we will take after meeting the SABC management will be less violent".

Mr Mlotshwa said Nahora had viewed the entire series, and concluded it was "very, very bad", especially in view of steps toward peace and reconciliation between hostel and other township residents.

The body of Mr Michael Molefi was found near a railway line on the West Rand on Saturday. Police suspect he was thrown off a tram after being robbed. — Sapa
Afrikaans: SABC takes legal route

ANDREA WEISS
Staff Reporter

The SABC board announced today it was taking legal advice on the language issue to clarify how it should be treated constitutionally.

The announcement came after a row broke out over suggestions that Afrikaans would be banished from TV1.

Chairperson of the SABC board, Ivy Masepe-Casaburri, said the corporation wished to take people into its confidence. A draft language policy document containing principles, policies and implementation guidelines would be made public soon and comment would be invited.

The widespread publicity on the issue of dropping Afrikaans from TV1 "had created the false impression that Afrikaans would be specifically neglected in future SABC broadcasts."

The board had not considered this move.

Dr Masepe-Casaburri and group chief executive Wynand Harmse conceded that there was a morale crisis at the broadcasting corporation because of uncertainty.

Mr Harmse said that once policies were in place, matters would become clearer.

In terms of language policy, the SABC said that home language was of particular importance, especially with regard to basic programme services in official languages.

Dr Masepe-Casaburri said the SABC wished to avoid an "ethnic language war."

She said they were not committed to one language group, but Afrikaans speakers had the same rights as Zulu or Xhosa speakers.

The board felt broadcasts should reflect the spirit of the constitution and take cognisance of the Independent Broadcasting Authority Act. It should be fair and equitable to all languages, contribute towards healing and reconstruction and foster a "common South Africaness."

The needs of language groups should be addressed by providing an accessible broadcasting service.

Implementation guidelines, which were in the process of being finalised, would address language equity during prime-time viewing.

In a further move, the board announced that it had approved an affirmative action policy this week. This included the target of at least 50 percent of people employed to be black by December 31, 1997, and greater representation of women.

It described affirmative action as a deliberate "systematically organised process of correcting historical imbalances."

On the morale issue, Mr Harmse said the SABC was at the forefront of change in South Africa. There was uncertainty among white employees that they would lose their jobs or be passed over for promotion.

Black employees were afraid outsiders would be brought in and they would be discriminated against for having been part of the old establishment.

He said there was also uncertainty on whether it would become a public broadcaster, which would affect commercial staff.
SABC gets a new head
— Zwelakhe Sisulu

The SABC may be getting a new boss but the wrangle over Afrikaans on TV1 continues — while radio has quietly solved the problem, reports Mark Gevisser

SABC board chairman Ivy Matsepe-Casaburun is set to announce today the appointment of Zwelakhe Sisulu as the corporation's group chief executive. The board is also considering a radical language model for the SABC's 22 radio stations.

At a meeting on Wednesday night, the board agreed to appoint Sisulu to take over from Wynand Harmse, who will retire in September. Sisulu, former editor of The New Nation, is currently head of the corporation's Transformation Unit and acting editor-in-chief of Television News Productions. Matsepe-Casaburun was unavailable for comment, but senior SABC sources noted there were two outstanding issues surrounding Sisulu's appointment. Whether he should have a deputy because of his lack of experience in broadcasting, and whether Harmse should remain on as a consultant.

The board has also, finally, filled the post of director of human resources, which has been vacant for months. The new appointment is Maki Ndhlovu, who was the Independent Electoral Commission's director of human resources in electoral administration.

Meanwhile, as the future over the status of Afrikaans on TV1 grows, radio executives have quietly been formulating a language model for SABC radio. The model, believed to have been drafted by head of regional radio Solly Mokoete, was discussed with SABC unions yesterday and is under consideration by the board's language sub-committee.

The new model provides for 11 national bilingual public broadcasting services, one for each of the official languages. Mokoete commented: "It seeks to redress the historical imbalances whereby only English and Afrikaans are seen as national languages and were given the resources to broadcast nationally. Now all 11 languages will be uplifted to the level that they provide services to their people in a comprehensive manner."

There is bound to be controversy over Radio South Africa. SABC radio head Govan Reddy, for example, envisions RSA as the SABC's flagship radio service. But if this model is adopted, Radio South Africa and Afrikaans Stereo will be assigned exactly the same status as all nine African-language services.

Central to the scheme is a network system giving each language a national service operated from the region where it is most spoken, and regional transmission splits in other areas where at least 5,000 people speak it as their first language. For example, Radio Zulu's national service will be run from Durban, but there will also be regional broadcasts from Northern Natal and the PWV.

Multilingual regional production centres will feed each national service with local news and programming. If you are Zulu-speaking and live in the PWV, you will be able to pick up national Zulu programming originating from Durban and regional programming, broadcast during split-transmitter time, from Johannesburg.

While you listen to Johannesburg programming, Zulu-speakers in Northern Natal will be able to listen to local programming broadcast from Newcastle. The Newcastle regional production centre will also provide regional programming for the Sesotho and Swazi services.

Before the model can be put into practice it must first be costed. Regional operations must be strengthened, and a transmitter network grid worked out. In addition, an extensive demographic study has to be done to assign locations for the regional production centres, the transmission splits and contributing bureaux.

The model does not deal with the fate of the SABC's commercial stations such as 5FM and Radio Metro, but notes that two additional public service stations will have to be started. These, and all other final decisions, rest with the Independent Broadcasting Authority. Mokoete noted that "this model forms the basis of what we will present as a submission to the IBA."

"The SABC cannot survive with 22 radio stations in this new environment where we are under pressure to allow new players to come in. Right now the SABC is hybrid, and doesn't really know whether it is a commercial or a public broadcaster. But our mandate requires us to be a public service broadcaster. And so this model is the minimum of what we must deliver."
Sisulu's son is SABC chief

JOHANNESBURG — The former editor of New Nation, Zwelakhe Sisulu, has been appointed the South African Broadcasting Corporation's (SABC) group chief executive.

His post becomes effective from next month when Wynand Harmse retires.

"Zwelakhe Sisulu will take over as group chief executive officer from Wynand Harmse in the middle of September," said SABC Board chairwoman Ivy Matepe-Casaburri at a Press conference.

Mr Sisulu was appointed to the SABC in February as a special executive to Harmse.

He set up a "shadow cabinet" of senior journalists to manage the SABC's transformation from a commercial broadcaster into a public broadcasting service.

Mr Sisulu, son of African National Congress veterans Walter and Albertina Sisulu, was founding editor of New Nation newspaper.

Ms Matepe-Casaburri denied his appointment was politically motivated.

She told the news conference the board had ratified an affirmative action policy aimed at reaching a black staff complement of at least 50 percent by the end of 1997.

The corporation's August staff newsletter put the figures at 69 percent white staff and 31 percent black.

Seven months ago 73 percent of employees were white.

"We are painfully aware of that and we are waiting for a staff audit so that we can see where women are located within the organisation so that we can set realistic targets for ourselves."

She indicated new appointments of women could be expected soon.

Asked about newspaper reports of staff resentment, factionalism and indecisive management within
Sisulu named SABC chief executive

MICHAEL SPARKS

Zwelakhe Sisulu has been appointed as group chief executive of the SABC. It was announced by the chairman of the board, Dr Iby Matshe-Cassaburri, at a press conference yesterday.

Sisulu will be taking over as chief executive from the middle of September, replacing Wynand Harmse who will be leaving the SABC.

His appointment was confirmed during Wednesday’s board meeting, but announced only yesterday.

Sisulu was appointed as special assistant to Harmse in February, and was widely regarded as the man who would step into the top management position.

But he was not without his critics, who ranged from those who believed he had insufficient broadcasting experience, to others who believed he was too closely linked to the ANC and that things would remain the same at the SABC, with a new puppeteer pulling the same old strings.

He has quickly gained the respect of many within the corporation, in particular for his role as head of the transformation unit.

In this position he has been widely seen as consulting with staffers about issues at the corporation, and then acting on suggestions — bringing a new culture to the corporation.

Before moving to the SABC, Sisulu was the founding editor of the New Nation newspaper, and has been a journalist for more than 15 years.

He was under house arrest in the early 1980s and was detained in the late 1980s under the state of emergency for his views on press freedom.

Senior appointments

He is due to return from an overseas trip today and was not available for comment.

Other senior appointments at the SABC include the promotion of Radio Metro manager Koos Radebe as general manager of commercial radio, replacing Pietie Lotriet, Robin Kempthorne was promoted to general manager, sport from production director TV sport after the retirement of Piet Theron. And Trevor Evans has been appointed executive manager of radio facilities and broadcasting centre following Francois Jordan's retirement.
Ex-editor to take over as new head when Harmse retires

From page 1

the SABC, Mr Harmse told the news conference the corporation was at the forefront of change in South Africa.

He attributed the uncertainty and fear to affirmative action and the debate on commercial and public service broadcasting as well as the corporation's funding through licences.

"It has been very difficult to address because we don't know what the Independent Broadcasting Authority will decide," Mr Harmse said.

Ms Matshe-Casaburri agreed there was an "uncomfortable mood around the SABC".

"As a board we are concerned about it, and we are quite prepared to be leading and making painful decisions if we need to," she said.

On language policy and the issue of whether Afrikaans would be dropped from TV1, Mr Harmse said 51 percent of TV1's viewers were Afrikaans-speaking and brought in more than 40 percent of the advertising revenue.

"You can't neglect that for commercial reasons," he said.

Ms Matshe-Casaburri said the board had asked for legal advice on the interim constitution's language clauses and would welcome public discussion.

Three other appointments have been ratified by the SABC board.

Radio Metro manager Koos Radebe becomes general manager of commercial radio.

TV sport production director Robin Kempthorne is promoted to general manager of sport.

Development manager for radio in studio technology Trevor Evans becomes executive manager of radio facilities.

Mr Sisulu was widely regarded as the man who would step into the top management position.

But he was not without his critics. Some believed he had insufficient broadcasting experience while others thought he was too closely linked to the ANC and that things would remain the same at the SABC, with a new puppeteer pulling the strings.
... but some in the SABC are not pleased

By SANDILE MEMELA

A TIDAL wave of fear and uncertainty is sweeping over senior white employees at the SABC — following the appointment this week of Zwelakhe Sisulu to the post of chief executive officer.

Meanwhile, long-serving black senior SABC employees are also deeply disturbed by the appointment of outsiders in top-ranking positions.

Board chairperson Dr Ivy Matepe-Casaburri said this week that fears were growing among white senior staff that their careers were in jeopardy.

Morale was also being affected at the lower levels because of the implementation of affirmative action, which has seen outsiders being brought in to take up senior positions.

This emerged at a national press conference addressed by Matepe-Casaburri and outgoing group chief executive officer Wynand Harmse on Friday.

Deep rumbles of discontent have followed the implementation of the affirmative action programme, which has tilted the racial imbalance as the corporation goes out of its way to appoint blacks and women to senior positions.

Over the last few months since January the SABC has appointed new staff at a ratio of two blacks to one white — so far this year 156 new black staffers have joined, compared to 79 whites.

This week the board approved an affirmative action policy developed under the guidance of Sisulu.

Members of management, staff organisations, the Media Workers Union of SA and the SA Union of Journalists were also involved in approving the policy.

Sisulu takes over from Harmse who has resigned with effect from next month.

It is understood that Sisulu, who returns tomorrow from a two-week visit to the BBC in London, will lead the transformation of the SABC into a “true people’s service”.

Sisulu will host a meeting of National Broadcasters of Southern and Eastern Africa on August 19 which will encourage regional co-operation.

In another dramatic development, Radio Metro manager Koos Radebe has been promoted to commercial radio group manager (see below).

And Masi Ndhlovu — formerly of the Independent Electoral Commission — has been appointed director of human resources.

More blacks are expected to fill other heavy-weight posts soon.

As far as middle and senior management is concerned, seven months ago only 14 percent of the SABC’s managers were black. Now the figure has increased to 17 percent.

At the conference Matepe-Casaburri announced that the SABC was committed to achieving a target ratio of at least 50 percent black employees...
Board sets affirmative action target for 1997

AT LEAST 50% of SABC staff in all positions would be black by December 31 1997, according to affirmative action targets announced on Friday by the SABC board.

The SABC aspired to be “a true people’s service” and would therefore “ensure staffing structures equitably reflected the demographic structure of SA society as a matter of urgency”, the board said.

Africans, coloureds and Asians, women and other marginalised groups would be given priority in the corporation’s promotion and employment policies. An internal monitoring committee would provide monthly feedback on new appointments to the board.

Line managers would be assessed by their capacity to help develop historically disadvantaged employees, although the board recognised that the 50% target ratio might not be achievable in all divisions.

Salary scales and benefits would not be discriminatory and the principle of equal pay for work of equal value would persist.

Differentiation in salary scales would persist only to the status, responsibilities and level of performance of incumbents, or in cases where there was a scarcity of applicants.

Promotions would take into account the “potential of incumbents from historically disadvantaged groups in lieu of the experience denied them”. The affirmative action programme would be transparent and “by its nature a temporary measure”, said the SABC statement.

The corporation was also committed to greater representation of women at senior levels, although the policy would “neither mean the exclusion of white male employees nor obligatory retrenchment merely for being white”.

SABC labour relations director Chester Pretorius said the corporation was aware that a lack of professionalism among staff was an obstacle to improving programme quality.

“Training and development is a central part of the package. Affirmative action will improve quality because programme makers will understand the relevance of their maternal to the communities they serve. The SABC aspires to be programme-driven,” he said.

But SABC GM Fred Coupe, currently acting human resources and training head, said there was a need to redefine the SABC’s training programme and pinpoint areas for development.

The future of any affirmative action programme would depend on the appointment of senior managers in positions that had been vacant for more than a year “I am doing three jobs at once,” he said.

The board had interviewed three candidates to head training and would hold further interviews on August 17.
Zwelakhe Sisulu
new SABC head

SABC special executive Zwelakhe Sisulu will succeed Wynand Harmse as chief executive of the public broadcaster next month, the board announced on Friday.

Sisulu, son of ANC vice-president Walter Sisulu and former editor of the New Nation newspaper, joined the corporation in February.

Earlier this month, he succeeded Johann Pretorius as editor-in-chief of the SABC's business unit, Television News Productions (TNP).

Sisulu was attending meetings with the BBC in London at the time of the announcement, which was made simultaneously to the media and SABC staff across the country via a live studio link from Auckland Park.

Sisulu was scheduled to return today.

He had been acting in his capacity as "chief executive-elect" when he set up a transformation unit to co-ordinate restructuring of TNP last month, TNP editor of news gathering Joe Thioloe said.

Sisulu joined the SABC as an under-study to Harmse, and his appointment as chief executive "had been on the cards for a long time".

He was expected to assume the office in mid-September.

Harmse will leave the corporation on September 9, although his contract does not expire until the end of the month.

The announcement by the SABC board caused little reaction among staff at Auckland Park.

Labour relations director Christo Pretorius claimed this was a sign of confidence in the appointment.

Thioloe said day to day administration of TNP would remain in the hands of its acting executive editor, André le Roux.

Sisulu had become editor-in-chief of TNP by virtue of his position on the SABC executive. A permanent appointment would not be made until a clear policy of restructuring had been agreed on by the transformation unit.

Before taking office, Sisulu will convene a meeting of national broadcasters of southern and eastern Africa, at the SABC on August 19.

Delegates from Angola, Kenya, Malawi, Mauritius, Seychelles, Uganda, Zimbabwe, Botswana, Lesotho, Mozambique, Namibia, Swaziland, Tanzania and Zambia had been invited.

The agenda would include regional cooperation, international broadcast rights, news and information, regional events, training and development and technical co-operation.

SABC spokesman Willie Visagie said Sisulu's proposals heralded a new approach to pan-African broadcasting, and were designed to capitalise on "the new openness" towards SA from which broadcasters would benefit.

"The change in government has already led to new co-operative initiatives in the fields of rail transport, electricity and general trade.

"It was therefore decided that the national broadcasters of this region should likewise explore a range of issues of common concern," the board said.
IBA to probe ‘shared’ transmission frequencies

THE Independent Broadcasting Authority would investigate charges that the splitting of existing SABC transmission frequencies to accommodate new radio stations was in breach of the IBA Act, board member John Matisonn said on Friday.

Independent Broadcasters’ Committee chairman Tony Sanderson last week that the use of SABC frequencies by possible competitors constituted an “unfair trade restraint”. His comments followed the launch of Radio Morula, which broadcasts on SABC frequencies in the Northern Transvaal.

But Matisonn said the SABC had claimed that use of existing transmitters to broadcast both Radio Morula and the Border station BRFM was not the same as “creating new radio stations”.

The former Cape station Peace Radio is also broadcasting as Peace 2000 on the SABC station Radio 2000.

Although IBA co-chairman Peter de Klerk has confirmed the legality of Peace 2000 purchasing SABC airtime, Matisonn said the splitting of SABC frequencies for use by SABC stations would be examined as a separate issue.

Sanderson accused the IBA of failing to address the fears of aspirant broadcasters, who were under pressure to broadcast illegally “Not a whisper has been heard from the IBA,” he said.

Sanderson’s Solid Gold FM station is one of more than 100 applicants for radio licences, which the IBA says it will issue in September.

Meanwhile, De Klerk rejected an application from Sanderson for a temporary radio licence to broadcast during the Pretoria Show later this month.

The IBA did not have a legal right to grant temporary licences until it had evaluated representations made at its nationwide hearings.

“Mr Sanderson appeared before those hearings, and is familiar with the process. His application will be given due consideration along with all the others,” said De Klerk.

Sources said IBA board members had discussed amendments to the Act to streamline the IBA’s work with Posta, Telecommunications and Broadcasting Minister Palle Jordan in Cape Town last week.

These amendments were likely to be tabled in Parliament as a matter of urgency.

Draft legislation would be completed this week, the sources said.
Govt gives Eskom Cahora Bassa loan

CAPE TOWN — Government has granted Eskom an R44m loan for the rehabilitation of the Cahora Bassa hydro-electric scheme after a Cabinet decision last week to support the project.

Mineral and Energy Affairs spokesman Roland Darroll said the loan demonstrated SA's commitment to re-establishing the electricity link between the Cahora Bassa scheme and SA. The link, devastated during Mozambique's civil war, would effectively allow Mozambique to export electricity and obtain a much-needed source of hard currency.

The move follows a Cabinet decision to help rehabilitate the scheme. Cabinet also granted Mineral and Energy Affairs Minister Pik Botha a mandate to act further on the matter. The scheme also falls within an agreement signed by President Nelson Mandela and Mozambican President Joaquim Chissano.

Darroll said a tripartite meeting was being planned between SA, Portugal and Mozambique to discuss the matter further.

He confirmed that doubts still existed about the commitment of Italy, one of the project's original sponsors, to the rehabilitation of the scheme. With a change of government in Italy, it was not certain whether that country would still be involved in the project.

Darroll also said the department was preparing legislation to extend SA's mineral laws to the former TBVC countries.

The Bill will repeal minerals legislation in the homelands and extend the existing SA minerals legislation to those territories in what Darroll described as a move to promote "good housekeeping." The legislation would also result in the incorporation of existing parastatals into single entities.

The change would result in more clarity and certainty on SA's minerals and energy policy.

The principle of continuity would apply, as with other institutions involved in the transition, and hence no major changes were expected as a result of the legislation.

Passing the legislation will effectively delay the introduction of other legislation as government advisers had argued that this omnibus legislation was a necessary predecessor of other legislation.

It was previously reported that the department was preparing seven separate pieces of legislation.
SABC employing
debt collectors
for licence money

VUYO BAVUMA,
Political Staff

NEARLY half the country's television users do not have licences, and the SABC is now using debt collection agencies in an effort to recover the money owing, parliament has heard.

Broadcasting Minister Pallo Jordan announced a 7.5 percent licence increase in parliament yesterday, taking the fee from R176 to R189 from October 4.

Speaking during the broadcasting services vote, he said pensioners and those who qualified for concessionary licence fees would pay R54 - R4 more.

Ordinary licence holders would pay the equivalent of 52c a day more, which was "very, very cheap", he said.

The SABC considered the increase to be in line with the inflation rate and the SABC's commitment to improve efficiency.

The SABC was aware of the tough economic climate and enormous financial pressure on ordinary households.

Dr Jordan said the corporation had a major problem because there was a piracy figure of almost 50 percent.

"This is a matter of great concern to me and I have requested the SABC to pay urgent attention to the efficiency of the present licensing system."

The SABC was consulting broadcasters in Western Europe about the matter and had engaged the services of debt collection agencies.

The SABC's revenue from licence fees was at present R300 million a year.

The deregulation of broadcasting would bring increased competition which could take away the SABC's revenue.

The Independent Broadcasting Authority faced the "biggest challenge" in investigating the funding of public broadcast funding in the long-term strategy, he said.
by joined the Association of African Diplomats, which groups African diplomats concerned in the same manner.

By BARRY STREEK

THE government intended placing married women...
There is simmering tension at the SABC as efforts begin to transform broadcasting in South Africa. Political Correspondent Themba Molefe takes a close look at the situation:

**Zwelakhe Sisulu**

Board to usher in change.

But sources also said the SABC hierarchy was considering recruiting abroad, especially from the British and Canadian Broadcasting Corporations.

In the meantime Sisulu is said to have apologised to workers at the SABC after he objected to the appointment of a reconstruction committee that included former print journalists who they said “know little about the SABC.”

Whether developments at the SABC will eventually become a hot potato for Jordan and the fledgling GNU rests on Sisulu’s juggling act.

If Masepe-Cassabur and future recommendations of the Independent Broadcasting Authority it still remains to be seen whether Jordan’s pledge that the SABC “be transformed into an autonomous public broadcaster independent of the SABC” will be effected.

Also brewing in the GNU cauldron is the future of Bophuthatswana Broadcasting Corporation in the North West. Developments in the former “independent” homeland could have a significant influence on the future of broadcast-

**Pallo Jordan**

ing in formerly independent Transkei, Ciskei and Venda.

The Media Workers Association of South Africa, which represents more than 800 workers at the BBC, seeks answers from Jordan and is set to meet him in Cape Town next Tuesday.

North-West premier Mr Popo Molefe’s apointment last month of African National Congress activist Mr Ben Kotane as BBC director-general laid the GNU open to attack from workers.

They viewed it as a political appointment and as such, smacking of the old recipe of government control.

Mwasa, general secretary Mr S’thembile Khala stopped short of accusing the GNU of playing a double-standards game; of ensuring the SABC board gains public approval while assuming control over the BBC.

After wide consultation in Mmabatho on Monday, Jordan did not rule out future total control of the BBC but said the matter would be referred to the IBA for recommendation.

Is this to become another hot issue for the GNU?
Hot-wiring Jordan’s ‘bloody tropical forest’

Is regional public broadcasting the responsibility of the SABC or of the provinces? The first salvos have been fired in a heated dispute between the premiers and central government, writes Mark Gevisser

A RAGING controversy over North-West premier Popo Molefe’s decision to appoint one of his provincial government’s advisers as director general of the vast Bophuthatswana Broadcasting Corporation (BBC) has prompted Minister of Broadcasting Palo Jordaan to step in.

Jordan visited Mmabatho this week following near-mutiny from the BBC staff after the North-West government’s unilateral appointment of former ANC information and publicity official Solomon Kotane.

The appointment raises questions — as yet unanswered — about the future of broadcasting services in the former TBVC states, and about whether it is the responsibility of the SABC or of the provinces to provide regional public broadcasting.

Jordan acknowledged this week this was an “area of constitutional woodiness and greyness”, compounded by the fact that “the bantustan inheritance is an impenetrable maze, a bloody tropical forest”. As a matter of urgency, he intends holding a colloquium soon, at which all interested parties — the provinces, the ex-TBVC broadcasters, the SABC, the Independent Broadcasting Authority (IBA) and himself — will hammer out a solution.

But, although sources within the broadcasting world say Jordan is unhappy with the North-West’s action, he defended it as “a holding pattern, a pragmatic stopgap until final decisions are made. Kotane’s appointment is only a six-month contract and, by then, hopefully we will have some clarity.”

Just how arcane the bantustan inheritance is was made clear to Jordan by the fact that on June 17 the national government issued a proclamation transferring control of the BBC to the North-West province without his knowledge — although he is the responsible minister. “I saw it in the statute books, I was not consulted.”

Kotane noted that, given the fact that the Bophuthatswana Broadcasting Act was officially handed over to the North-West by the new government, there is nothing untoward about his appointment.

“It is at the discretion of the North-West’s MEC for media and information to appoint a head, and that is what happened. It is not an ideal situation but in the absence of an amended Bop Broadcasting Act, a chaotic situation was brewing here, with lack of accountability, the disappearance of property and the grouping of different factions all trying to control the place. It needed urgent attention,” he said.

But the manner in which he was appointed has been slammed for its lack of transparency by the BBC staff and by the Freedom of Expression Institute (FXI), which said it was an “action characteristic of a totalitarian regime”, making “a mockery of the government’s professed commitment to the independence of the broadcasting media” and presented “a major reversal of democratic media policies established over the past two years”.

FXI vice-chairman Raymond Louw finds the manner in which Kotane was appointed reminiscent of the way former Bop president Lucas Mangope operated. “Just as has happened at the SABC, there should have been the open and independent appointment of a board of governors first, and this board should have appointed the director general. That way, the independence of Bop broadcasting would have been assured.”

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The irony of the SABC in a new SA is that it seems on the verge of setting back the clock at least a decade, politically and financially. Much of the progress recently towards commercial prudence and political independence is about to be undone. If the new SABC board persists in its suspicious rejection of broadcasting that is driven by the market — and that means popular acclaim — for the first time since 1936 the corporation will have to be funded by an already overburdened taxpayer.

The appointment of Zwelakhe Sisulu as CE at the SABC to succeed Wynand Harmse was no surprise — he had been ostentatiously placed in the wings. But it is the most visible evidence of a purge of those who, while of the ancien régime, were committed to liberal reform. We know, too, that Sisulu (like SABC board chairman Ivy Matsepe-Casaburri) comes straight from a background of strong emotional and intellectual sympathy for the ANC and has little practical experience at running anything of this magnitude.

It was obvious from the moment of Nelson Mandela’s release from prison that the NP’s iron rule of the airwaves would come to an end. The only question was, what would replace it? That is becoming clear now.

When NP leader F W de Klerk was State President and under enormous political pressure to level the playing field before the general election, he tried to remove the SABC from Nats control without handing it to the ANC — and failed hopelessly. His chosen device to achieve this was the appointment of former Leader of the Opposition Frederik Van Zyl Slabbert to chair the board. At first Slabbert declined the job, then took it on temporarily, and then resigned before completing the period he had set for himself.

Suddenly and unexpectedly, the way to the powerful top job was cleared for the hitherto obscure vice-chairman Matsepe-Casaburri, a known ANC supporter with enough of the authoritarian ideals of an egalitarian fanatic to be an immediate threat to aspirations of liberal independence.

Those who claim that the SABC is an independent body are only correct in the sense that it is not funded by government. It derives its income from licence fees and advertising. But its board is appointed by the State President — and the latest board members were chosen by lawyers with an obvious bias to the new order, supposedly to represent various interest groups. The outcome is a directorate of those who, for the most part, know little about broadcasting but can be relied upon as commissioners.

For all but 12 years of its existence until last year, when the new board was appointed, the SABC chairman has answered to a Nats government. It is not yet clear whether the new regime will expect the SABC to be as compliant. But from the choice of programmes, the toadyism of presenters, the curious news sense of the journalists, the choice of panel participants and the boredom of the election coverage, the indications are ominous.

Certainly there is no thought of privatising the SABC. It is clearly too important a means of thought control for an ANC government even to contemplate such a course. It gives unrivalled access to the population by 1992, 95% of whites and 50% of urban blacks had TV, while 85% of all blacks had access to radio.

In order to exercise the kind of control enjoyed by the Nats, the new board will have to be reactionary. After De Klerk came to power in 1989 the SABC came to enjoy something close to independence. At that time the board regarded it as both possible and desirable to devolve more authority internally, but just as compelling was the need to place the corporation on a sound business footing, because its financing was fragile.

The SABC faced severe financial problems in the mid-Eighties. In 1983 it recorded a reasonably comfortable operating surplus of R17.7m. By 1984 this had turned into a deficit of R1.6m, with the weakening of the rand and soaring costs, things were expected to get worse. Under director-general RuanEksteen, rationalisation was started the permanent staff complement was steadily reduced (see graph).

Further major restructuring followed in the early Nineties under chairman Christo Viljoen and Eksteen’s successor as DG, Wynand Harmse. Many activities were rationalised into business units. More emphasis was placed, in both radio and TV, on giving the market what it wanted and therefore delivering better prospects to advertisers.

Programming was revised according to market research, with popular programmes given prime time and those for minority interest groups relegated to early or late slots. The three moribund regional radio stations — Highveld, Good Hope and Port Natal — were split into seven stations in order to make more money through serving local markets, a new commercial English-language station for urban blacks, Radio Metro, was created and has never looked back.

Mistakes were made in the attempt to make the SABC more conscious of business principles, but there were important advances. After a quiet start as DG, Harmse broke with SABC tradition by going outside to fill vital posts. In particular, he moved marketing executive Quentin Green to run TV, and brought in Steve Schubach as financial director. It was and is significant that both Green and Schubach are financial-trained executives who are compelled by the bottom line, they have had the backing of Harmse, himself a former financial director of the SABC.

The corporation needs such expertise. For while it is expected to raise money from sources other than licence fees, it must also offer public service broadcasting (PSB) in
A heavy cost indeed

is all very well for the ANC, union leaders and labour
years to write off the acrimony, violence and cost of the
recent strikes as being that time of the year for industrial
and part of the new democratic process. The
sequences are profound and they are going to be with
for some years yet.
The costs, which are unlikely to be quantifiable, are
sunk, going to be heavy and they will ultimately be paid
consumers, with the iron's share falling on the poor. For
poor buy proportionately less food and consumables
+ the rich and, because of the extended family system,
+ more mouths to feed.

Studies some years ago showed that one of the main
reasons for the increase in food prices, at that time a major
contributor to inflation, was the practice among retailers of
+ existing margins to recoup the cost of strikes that had taken
+ some two years before. These costs arose not so much
their higher wage settlements — in the previous major Pick
+ Pay strikes the strikers were no more successful than they
+ at this time — but from the loss of turnover and physical
+ waste.

Because of the need to rebuild turnover in a highly
competitive market, retailers keep their margins narrow
immediately after strikes but begin to widen them as they
signs of recovery. The impact on the inflation rate is
waked before at first met and then progressively becomes
more discernible.

Because of the vagaries of the weather recently, product
+ stock and protective barriers, food prices are at present
swelling up quite fast. Once the impact of the retail sector
+ prices are felt, along with other inflationary pressures
towing from a weaker currency, the rise in the cost of living
+ loaves will be gaining momentum.

The broader economic implications are no less serious
despite the modest wage settlements, the impact on business
confidence domestically and on foreign investment
sentiment is substantially negative. And as the trade balance
+ again to narrow towards the end of the
+ growth in this economy is going
+ become even more dependent on
+ capital inflows. If these inflows do
+ materialise, the capital account
+ must have to be protected again by an
+ increase in domestic interest rates.

That, in turn, is going to knock
+ expected growth in the economy
+ way below 3%.

Nobody has benefited from these
+ steps, least of all the strikers who
+ have to believe that their violent
+ + selfish behaviour is part of the
+ + new democracy. It may be that collec
+ tive bargaining with channelled
+ + constraints is part of the democratic
+ + process — or at least it seems so
+ the recently enfranchised. But

the claims they make on the resources of other stakeholders
are not necessarily democratic demands.

One of the frustrations among organised labour is the
in which collective wage increases, the owners of the
enterprises concerned tend to regard labour's collective
endeavours simply as a factor of production, dehumanising
the workers as individuals. And that is substantially true.
But it is a dehumanisation brought upon themselves, usually
at the behest of trade union bosses who invariably prefer
wage hikes to deals that enable workers to share in profits,
especially through productivity agreements.

A worker who is also an owner has increasing
motivation — manifested in his or her own efforts,
efficiency, innovations and initiative — to raise personal
remuneration. The more this is allowed to happen, the less
individual workers will feel that they are hopeless pawns
in the hands of intransigent owners or managers who will
not allow them to share in business decisions. It fosters the
restoration of individual pride and self-respect.

Trade union bosses invariably argue that those are middle-
+ class values that are unpalatable to the collective advantage
+ of the brotherhood of workers. And that may be true. But
+ they are also values that are of increasing importance to
+ millions of aspirant black voters who in recent years have
+ taken personal advantage of the deregulation endeavours of
+ the outgoing Nat government.

Elsewhere in this edition, we spell out the trend in black
+ incomes and clear aspirations towards the lifestyles of the
+ well-off whites, whose real incomes have for some time been
+ static or declining. That is a political phenomenon that trade
+ union bosses ignore at their peril, especially at a time such as
+ this when union membership is falling.

Nothing educates men and women faster than affluence.
And as the rising black middle class sees that its continuous
prosperity is increasingly threatened by union violence and
high wage demands, it will react politically against them
+ not in front of the retail store but at the ballot box.

Our estimate is that those with middle-class values already
comprise about 25% of the population. Deduct from 30m
those who are too young to vote or who are trapped in rural poverty,
and the middle-class vote becomes
a formidable force in politics.
That vote will support liberal
democratic values as it becomes
less racially self-conscious.

But the political process will not stop there. The unemployed in
middle-class families will increasingly
vote for those with credible job
creation policies, so that they can
regain the self-respect that
permanent employment and rising
prospects bring. The strikes have
done nothing for the trades unions
among these people.

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other words, it must carry minority programmes which either attract no advertising or insufficient to cover their costs.

But, in addition to this, the cost of producing minority programmes locally (and they are often of dubious quality) is inordinately high. An imported high quality English drama series can cost as little as R400/minute, whereas a local production like Konings can cost R9 000/minute—22 times more expensive.

This is exactly where the SABC has not been allowed to shake off its past. How can it run as a business properly if it is expected to carry, without any subsidy, highly unprofitable services? And deregulation of the airwaves, while it may be good for broadcasting as a whole, will only exacerbate the SABC’s problems because it will probably lose advertising and market share as it attempts to satisfy the peculiar tastes of minorities.

That in turn could lead to restrictions, such as a minimum quota of PSB, being placed on new private stations in order to protect the SABC—and then bang goes the free market.

If the new board insists on more affirmative action broadcasting, to cater for various minority languages and interest groups, there will inevitably be a need for the taxpayer to subsidise the SABC.

Total operating revenue for 1993 was R1.2bn up 10% on 1992, total operating expenditure was up only 8.8% and the year ended with a net surplus of R99m. On the face of it, a healthy performance—but less than a quarter of revenue comes from licence fees, which leaves the SABC extremely sensitive to the marketplace. As Harms expressed it in the 1993 annual report, the corporation depends mainly on market forces.” Hence Green’s crisp summary of his strategy for TV “Stay in tune with the market.” The aim of present management has been to give the market what it wants, not what the apparatchiks think it needs.

But markets are not embraced enthusiastically by the new board. It knows better how to entertain and instruct the public. So there is likely to be mounting pressure from the top to carry even more uneconomic broadcasting and to retain costly services like dubbing.

As affirmative action staffing continues, with the stated aim of achieving a 50:50 white/black ratio within a few years, rising costs are inevitable. And if programming is infused with political correctness, rather than driven by the needs of the market, advertising revenue could be affected—even a drop of 10% would cause a crisis. So the monopoly is likely to endure.

Already, says insiders, the programme Good Morning SA is losing advertising because viewers find it too politically oriented. And there are proposed regulations for radio cigarette advertising which would force clients to allocate at least 25% of their advertising to a

hand of affirmed inexperience was evident when senior staffers received an absurd instruction that every panel on the Agenda discussion programme had to include a woman and a black, regardless of the topic.

There is reluctance to reduce the amount of time given in prime time to political discussion programmes like Agenda, despite research findings that viewers want less politics.

Some presenters have told the FM of instructions that affirmative action must come before the maintenance of broadcasting and reporting standards—and that is patently clear to viewers. And some black journalists have produced memos addressing white department heads of racism when they have been pulled up for slipshod work or absence.

Some senior executives are unwilling to speak out in favour of a market-oriented approach for fear of appearing disloyal, those who do are feeling increasingly isolated. Conversely, there are some of the old guard who remember the days when the bottom line was not mentioned and money was no object—and are quite happy to revert to that blissful condition.

Of course, there was always going to be a purge at the SABC when a new government took over. And the cost of getting out the apparatchiks was always going to be high. Some are entering the private sector with more than enough in their pockets to ease the passing.

It is even possible to be sanguine about a temporary decline in standards and the demise of Afrikaans. But what is hard to take is the return of the nanny mentality inherent in public sector broadcasting. The board knows best what we should listen to or watch, and in which language. And the sting will be reserved for the taxpayer.
**RACE AND CLASS**

**Closer than we think**

Wealth has long been moving from poorer whites to richer blacks

The new age didn’t start in April 1994. There are blacks — surprisingly many — who didn’t wait for the political kingdom. They began reaping in the material benefits of a liberalising society long before its symbolic triumph at the polls.

These are the entrepreneurs, small-business owners, opportunists, home buyers and the just plain lucky who began buttering down the walls of apartheid as each crack appeared through the Seventies, Eighties and Nineties.

To call them the black middle class is perhaps too narrow and political a phrase, for here we are really talking about stakeholders — people whose interests are directly vested in the growth of a nation, rather than those who seek merely to fatten their pockets. And there are enough black stakeholders, says HSRC economist Andrew Whiteford, to render nearly meaningless the old race-based analyses which showed simply that whites were rich and blacks were poor.

It is true that the rich are getting richer and the poor poorer. But even 40% of all households earn less than 4% of total income, while the richest 10% earn more than half. But it is equally true that the better-off blacks have been getting richer faster than anyone else (see graph). In fact, the income gap within the black community has grown almost as wide as that between whites and blacks — and both gaps are among the biggest in the world.

“The reality is that we are already moving from a race-based to a class-based society,” says Whiteford. His research with the University of Natal economist Mike McGrath shows that the richest 20% of black households — representing about 5.6m — enjoyed a 40% growth in income from 1975 to 1991. The incomes of the richest whites, by contrast, remained constant, while the poorest 40% of whites and black households dropped equally by about 40%.

Indians and coloureds, meanwhile, showed the broadest growth, improving 20%-38% across the board, except for the poorest coloured households, whose incomes dropped slightly.

The top 10% of black households, which 20 years ago were earning less than half of their white counterparts, says Whiteford, is the fact that black households average more than six members and white households fewer than four means that each member of a black household shares a smaller proportion of the unit’s income than the whites. Nonetheless, Whiteford’s & McGrath’s research suggests that 2.8m blacks now share household incomes equal to, or better than, those shared by some 2.5m whites.

The purpose here is not to compare black and white incomes. That would merely result in a restatement of the fact that enormous disparities still exist. Rather, it is intended to go some way towards de-lininget the black middle class — a group that politicians and government officials often ignore when speaking of stimulating the economy or redistributing wealth. This group will continue to grow in numbers and influence. By the year 2000, seven in every 10 matriculants will be black, already blacks account for 39% of students at universities and technikons — a full 8% higher than in 1990, according to National Education Department figures.

It is not only by income and education, however, that the black class of stakeholders should be measured. Individual ambition and self-identity are important political factors The informal sector, for example, though relatively poor, have a considerable stake in maintaining and improving its share of the economy — often to the chagrin of organised labour.

Whatever Cosatu secretary-general Sam Shisana says about the ANC’s supposed debt to the unions, when seeking government allegiance he may have to stand in line with hucksters, spaza shopkeepers, taxi operators, home owners and businessmen — people whose interests, in many cases, are not those of unorganised workers. Though labour muscle undoubtedly helped to carry the ANC to power, the party won as many votes as it did because of the middle class, the unemployed and rural millions bought its promise of jobs, peace and prosperity.

Apartheid may have divided South Africans, but in the process it forged uncommon solidarity within those separate racial fiefdoms. For all their differences of language, tribe and political creed, apartheid gave blacks no choice but to get along or be damned — the rich with the poor, the middle class with an increasingly radicalised proletariat.

To get by, each group paid dues to the other. The well-off supported the less fortunate and, in exchange, could count on the revolt of the masses to foment through their demands for political and economic empowerment. It forged a social seamlessness unknown in the white society.

But the days of black solidarity are numbered. The proven readiness of organised labour to challenge its former ally, the ANC in government, and the widening gap between black haves and have-nots are bound to shatter the old race alignments.

The political fragmentation that has been under way since the early Eighties will give way to new economic alignments and conflicts, and eventually overcome race as the main determinant of social divisions.

Meanwhile, more and more blacks are moving into white suburbs. One finds them shopping the glittering malls, stuffing their cars and dropping their children at expensive schools and day-care centres. Bernard O’Riain, Transvaal MD of Seef Residential Properties, finds that blacks now account for 20%-30% of purchases through his company in once-white suburbs, particularly to the south and east of Johannesburg. “It began as a trickle at about the time Nelson Mandela was released,” he says. “and while it hasn’t become a flood, it is a steady flow.”

**New order**

White areas bordering on black townships are the most popular choices for blacks moving upmarket, he says. Not only are they more affordable than other white suburbs, but they offer proximity to friends and relatives in the townships. And as more blacks move in, the suburbs take on a comforting “black” character, while also turning into upmarket townships.

Waiting in the wings for their chance to move up are millions of urban blacks that the Integrated Marketing Research (IMR) company describes as the “emergent” and “new order” segments of society. They comprise about a third of the nation’s established urban population, says the IMR, and earn R1 500-R2 000 a month.

**FRU 12/18/94**
JOHANNESBURG — A document distributed yesterday at an SABC meeting proved the corporation was considering reducing Afrikaans in its television services.

The document, dated August 1, was released at a language policy meeting chaired by SABC chairwoman Dr Ivy Masepe-Casaburu.

The paper constitutes the professional opinion of a senior advocate of the Johannesburg Bar in reply to an SABC inquiry on whether the corporation would be in breach of the interim constitution if it reduced Afrikaans in its television services.

The advocate said he believed the corporation was not obliged to provide the same amount of broadcasting time to each of the 11 official languages, one of the reasons being it was not a state organ.

He said the constitution did not grant anyone the right to insist on a certain percentage of broadcasting time in their language.

Political parties and provincial representatives were yesterday invited to submit further recommendations to the SABC within the next month to enable it to formulate a language policy.

— Sapa
Sasol takes 50% stake in fertiliser firm

PETROCHEMICALS company Sasol has bought a 50% stake in independent Delmas Fertilisers for an undisclosed amount.

The company said the move formed an integral part of Sasol Fertilisers' strategy to expand its products and service range.

The agreement included building a liquid fertiliser plant at Secunda. Construction had begun and the plant was expected to come on stream in September.

A Sasol spokesman said utilisation of existing equipment at the Secunda plant had kept the cost of the new plant to less than R1m. The main market for its products would be in the Eastern Transvaal. Delmas Fertilisers, based at Delmas in the Eastern Transvaal, had established production facilities at Potchefstroom, Eandon and Pongola.

Sasol Fertiliser MD Pieter Viljoen said the company was entering the market mainly because its customers would derive one major advantage — a fertiliser which was less labour intensive and was easy to handle.

"In addition, Sasol will present farmers with the opportunity to buy high quality granular fertilisers as well as enable them to avail themselves of the excellent service from its liquid fertiliser plants."

All raw materials, the main ingredient being liquid ammonium nitrate, were available at Secunda and Sasolburg.
Newcastle braces for Iscor retrenchments

DURBAN – Newcastle is bracing itself for a series of retrenchments from Iscor as the company moves into a radical cost-cutting operation in an attempt to improve its profits in the international steel market.

Iscor spokesman Neels Howatt said it was uncertain how many people would be affected, but sources close to the company said it could mean a reduction of almost 25% of the staff. Howatt declined to confirm the figure.

"The Newcastle plant is selling its product on the international steel market and has to stay competitive. Unfortunately, the product is not competitive and we have embarked on a cost reduction scheme." He said the company was interested in increasing productivity with lower overheads and as steel was a labour-intensive product. Staff would be retrenched.

It is uncertain whether the retrenchments will be in management positions or on the work floor.

Newcastle Chamber of Business chairman Trevor Smith said Iscor was the largest employee in the Newcastle community and retrenchments would affect all the population.

"Whatever the outcome of the final retrenchment plan, no one can deny it will negatively affect local commerce and secondary industry." He hoped the retrenchments would not affect black workers too severely as Newcastle already had a great many unemployed blacks.

"We can only hope the figure of 25% being handled about refers to cost-cutting in salaries and not staff. If it refers to staff, we hope it will be effective mainly in upper management and won't affect too many individuals, as spending power will be affected," he said.

Smith said one positive spin-off from the retrenchments might be that certain work normally undertaken by Iscor might be given out to the private sector.

"That will be good news for certain workers, including engineers." Iscor management and union officials meet today to thrash out a retrenchment plan.
Sasol signs chemical deal with Japanese

Petrochemicals company Sasol has signed a contract with Japan’s Sumitomo Corporation to distribute its chemicals to Japan and other East Asian markets, it said yesterday.

Sasol Phenolics – a division of Sasol Chemical Industries – said the deal involved the marketing and distribution of meta- and para-cresols, and cresol blends.

Sasol is the world’s largest producer of cresols.

A Sasol spokesman said the contract was “relatively small” at this stage but “we foresee it growing as our cresols export business grows”.

He said about 85% of the group’s phenolic products were exported. The gross value for 1994 would amount to R120m.

The venture augured well for Sasol Chemical Industries and SA as phenols represented an important source of foreign revenue.

“Sumitomo is actively engaged in developing trade relations with SA,” said the spokesman.

It was one of the world’s leading integrated trading companies, trading and distributing commodities and products worldwide to business and consumers.

“It also invests in ventures which promote the global flow of trade and technology.”

He added the deal emphasised the importance of having an efficient and dependable global distribution and sales network.

Sumitomo employed 8,800 people in 43 offices in Japan and in 152 offices worldwide.

Sasol’s phenols, which included cresols, were recovered from the company’s coal gasification process in the form of depitched tars.

The new purification plant at Sasolburg had placed Sasol in a commanding position internationally.

The spokesman said Sasol Chemicals had already secured significant market share worldwide.

The company exported natural phenol to more than 30 countries.
Big contracts for black businesses

By Joshua Raboroko

Eskom has granted big contracts to black businesses to install electricity meters in thousands of Soweto homes.

The decision follows an agreement between the company and residents that meters be moved from the streets and into individual properties.

Eskom sales and customer service manager Mr. Ken Green said yesterday that part of the project would be awarded to experienced larger contractors, and the rest to local contractors.

The move was an effort to build the capacity of local business.

The company intended providing significant support to these contractors through training to develop skills in materials management, supervision and supplying tools.

The first part of the project began towards the end of June and has given temporary work to more than 400 skilled, semi-skilled and unskilled Soweto residents.

The work is expected to be completed by December.

The second phase of the project is expected to be completed by June 1996.

"We realise that we are asking our customers to wait a little longer for the meters to be moved, but we believe they will be patient," said Green.
Koeberg offers a ray of hope for energy policy

By TERRY MACKENZIE-HOY

However, all is not roses for Eskom and Koeberg. Questions have been raised over the real cost of Koeberg power. Eskom will not say what its costs are per Koeberg kilowatt hour and this reluctance may be for reasons other than commercial secrecy.

According to a paper published by the University of Cape Town's Energy Research Institute, there appear to be unanswered questions about the costs of Koeberg's nuclear fuel, which Eskom has purchased from the Atomic Energy Board (AEC) since 1988.

The AEC receives two-thirds of its R797-million budget for 1994/95 from the Department of Mineral and Energy Affairs.

According to a paper published by the University of Cape Town's Energy Research Institute, there appear to be unanswered questions about the costs of Koeberg's nuclear fuel, which Eskom has purchased from the Atomic Energy Board (AEC) since 1988.

Such a subsidy can only come from income derived from consumer electricity sales.

The costs of cleaning up such sites may make nuclear power financially more attractive than at present.

Koeberg has a good safety record. Despite microscopic "vessel head penetration cracks" (not considered serious by the French designers or Eskom), the safety of Koeberg and the safety record of its operations rank among the best.

Environmentally, the government might address fears of what will happen to the waste from Koeberg but these fears are unfounded as the lifetime waste from Koeberg (including the reactor contents) can be stored in a 1km deep pit the size of a rugby field.

Koeberg is more environment-friendly. While Eskom may have surplus coal-fired power, coal power produces tons of carbon dioxide, adding to the greenhouse
effect. The costs of cleaning up such sites may make nuclear power financially more attractive than at present.

The green movement may suggest alternatives like tidal, wind or solar power but these are not options for South Africa, which does not have enough wind in the right places or the right tides.

Furthermore, the biggest solar station in the world generates just over half the power of one of Koeberg's two units and costs more than this county could afford.

Thus, the best government nuclear power policy may be to do nothing at present and not to discount the possibility of a wider role for nuclear power in the future.

Terry McKenzie-Hoy is a consulting electrical engineer.
SABC's reputation is on the line
Dawn Mokhoboe's balancing act

Harmonising Eskom's relationship with the community is not easy.
Coop food training to improve skills at Exton continues.

Carroll County Times Magazine

By Joe Mihalick

SOWETAN Monday August 29 1994

Independent Development Trust
Post-Film Information

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Language tussle: SABC proposal to downgrade Afrikaans is unlikely to fly

Speaking in tongues. But which one?

Drew Forrest

English as a first language, and 30 percent as a subsidiary language. For Afrikaans, the figures are 16 percent and 35 percent or more respectively.

What protests English-speakers vociferously is the least multilingual of South Africans — is the world dominance of the United States in commerce and popular culture. It is commercial, not political, motivation which dooms the controversial proposal by SABC television management to downgrade Afrikaans on TV, relegating TV 1 as an all-English affair and relegating Afrikaans to one of 10 language media on CVO.

Spearheaded by arch-commer- chessor Guenter Green, head of SABC-TV, the proposal is premised on the fact that foreign English-language programmes are on average four times stronger than those made at home. Afrikaans programmes also have lower ratings.

The proposal is unlikely to fly, for the simple reason that the new SABC bosses recognize that public broadcasting is about more than turning a profit. But the controversy has turned a spotlight on the place of Afrikaans in a black-rulled South Africa.

Constitutionally, the position is clear: the interim constitution enshrines the current standing of both Afrikaans and English, calling only for South Africa's indigenous languages to be developed to the same level. There were suggestions this week that any move to downgrade Afrikaans on TV would violate language rights.

At the same time, Afrikaans acquired overwhelming status under successive National Party governments. The Education Ministry, for example, subsidised an Afrikaans dictionary until the tune of R3.2 million last year, while ignoring African languages. It initiated its sym- bolic as the language of the secur- ity police, the language judge and the administration board of official.

RAU academic Susan Hoogen dis- misses the outcry over the broadcast- ing proposal as "new South African pseudo-resistance politics, which involves the constitution and national reconciliation to protect minority privileges." Rev Hennie Cronje, chief executive of the Afrikaners cultural watchdog for the SKA, disagrees: "It must be accepted that it is a major language — 16 million can use it, while one or two of the black lan- guages have fewer than a million speakers.

"The problem is that English is so strong. To make TV 1 an English-only channel would further strengthen it against all other local tongues."

For University of the Western Cape academic Het Willemse, a member of the ANC's language commission, the role of Afrikaans in broadcasting is part of a much larger consensus. Of ensuring democratic access in a multilingual society, Namibia had failed by entrenching English as the sole broadcasting medium in a coun- try where only four percent of Namibi ans spoke it.

Breadth of access had, however, to be squared with commercial viability. "We will have to negotiate a balance between the commercial interests and language responsibilities of the public broadcaster," Willemse said.

In education, the dilemma lies in granting the internationally acknowled- ged human right of mother-tongue education in a country with 11 official languages and others, like Gujarati and Hindi, in wide use. Arguing that Afrikaans universities will continue to have a place — although "the future will decide their numbers" — Oranje- nama Soo See, 75, an object lesson in the dangers of imposing one language as a teaching medium.

Afrikaans universities have diversified under the new pressures of the RAI, for example, has broken ranks by placing in English lectures from next year.

A white Paper due out shortly will clarify government policy on language in education. Likely to differ from region to region. It will have to tread a delicate line between cultural needs and the practical requirements of society. Realisti- cally, this is going to mean the introduc- tion of English at a certain level with the option of the mother tongue as a second language. Willemse remarks in many areas, for example, the public service, affirmative action and the destruction of Afrikaner political hegemony will naturally erode the dominance of Afrikaans.

Sources say the workload of the languages service unit in the Depart- ment of Arts and Culture, which translates government documents, has doubled under the new multilingualism policy. They add that a departmental task force, due to report back at the end of August, will "invariably" recommend a shift towards the fostering of black lan- guages.

The ultimate aim, most Afrikaner intellectuals argue, must be to strip Afrikaans of its apportioned prominence while recognising its status as a lan- guage, the profound sensitivities which surround it and the fact that it is not the exclusive property of right- wing whites.

"We must be careful here Lan- guage is a powerful medium for recon- ciliation," said 'coloured' poet Adam Small, who confessed himself "fear" by suggestions that Afrikaans, his mother tongue, should be down-graded.
Broadcasting delay slated

JOHANNESBURG — The Independent Broadcasters' Committee says it is "utterly dismayed" that commercial broadcasting licences will not be issued for at least a year.

The IBC was responding to the announcement by the Independent Broadcasting Authority that the first licences for non-profit making community radio stations would be issued in November.

IBA co-chairman Dr Sebileletso Mokone-Matabane said that by granting these licences the IBA had not closed off the opportunity to grant new FM licences for other services, such as commercial radio, in the same areas "once we are legally able to do so".

However, because of the magnitude of the IBA's task, licences for commercial radio and other services would probably be granted only in a year's time, she said — Sapa.
Broadcasters slam IBA ruling

THE Independent Broadcasting Authority (IBA) yesterday ruled out granting commercial licences for at least another year, angering independent broadcasters, who claimed the move was merely an attempt to protect the SABC’s commercial stations.

The IBA said it would start granting temporary community licences by the end of this month. But co-chairman, Schleto Molone-Matabane said the huge task of restructuring the broadcasting industry would prevent the issue of commercial licences for at least 12 months.

The Independent Broadcasters’ Committee slammed the IBA’s decision, saying that it would probably be two years before commercial stations started broadcasting.

Chairman Tony Sanderson said the committee would challenge the IBA in the Constitutional Court. He called on Posts, Telecommunications and Broadcasting Minister Pallo Jordan to amend the Broadcasting Act as “a matter of urgency”.

The IBA had lost credibility by adopting a bureaucratic approach which perpetuated the protection of the SABC Sanderson challenged the IBA to announce its intentions for SABC's NNTV, whose temporary licence expired last night.

The IBA said it would allow community radio in congested areas to broadcast over a 20km diameter, while in less congested areas, the area would be larger. Molone-Matabane said up to six FM licences would be granted in the Johannesburg-Soweto area and about four in the Cape Peninsula. Granting these licences...
SABC vulnerable to fraud - manager

By Joe Mdhlela
Political Reporter

A SENIOR manager at the SABC disclosed yesterday that the corporation's accounting system was vulnerable and even the best auditors could not have stopped the defrauding of the establishment.

The SABC's legal advisor, Mr Leander Gaum, said the R1.7 million fraud, allegedly masterminded by Mrs Smanelego Dikhilisi, would not have been prevented by any audit system in the company.

He said Dikhilisi had allegedly authorised fictitious claim invoices by staffs Gaum said the scam at the SABC was the work of "a syndicate" which was confident it would not be exposed because it had the backing of "the manager".

"The problem is that people in authority have abused their power. In that sense, even the best of audits would not have brought any detection," he said.

Dikhilisi was employed as production manager "and wielded immense authority" in the corporation's production unit, Saffricel.

Gaum said arrests were expected within days but this depended on police completing their investigations.

The SABC revealed in a Press release that Dikhilisi had allegedly authorised 75 transactions.

The scam included the creation of fictitious winners of competitions and several fictitious transactions. A total of 19 transactions involving R300 000 are being investigated.

The fraud also allegedly authorised payments to non-existent artists.

The chairman of the Performing Arts Workers Equity, Mr Dan Robberse, said his organisation took a dim view of what was happening at the SABC.
New radio licences CT 1/9/94 welcomed

By WILLEM STEENKAMP

The granting of temporary broadcasting licences to community radio stations from early November was welcomed last night by local community stations.

Provision will be made for at least four city stations to broadcast on the FM band, the Independent Broadcasting Authority (IBA) said.

An IBA official said yesterday applications for the licences, which would be valid for a year, would be accepted from September 30.

CTFM spokesman Mr John Butterfield said the IBA "seemed" to be aiming to make community radio more viable.

Bush Radio spokesman Mr Edric Gorfinke said the announcement had "been a long time coming".
Exports help boost Iscor earnings 81%

STEEL producer Iscor posted earnings up 81% at R512m for the year to June as local and international demand boosted its performance above expectations.

Despite the blast furnace heart burn-out at the company's Newcastle works, earnings a share were 27.3c (15.1c), while turnover was up 9% to R9,16m. A final dividend of 5.02c was declared, bringing the total to 6.26c (5c).

Yesterday the share touched 418c before closing at 416c, down from a high of 443c on August 24.

MD Hans Smith said local steel sales had risen 6.4%, while average export prices were up 8.8%. Iscor's rand earnings for exports had been boosted by a 14.5% average drop in the rand/dollar exchange rate.

This had also made up for a 10.8% fall in iron ore export at dollar prices.

Iscor had raised its costs by increasing productivity and improving efficiency. The company's capex bill had dropped 39% to R408m (R622m).

The company had reported a positive cash flow for the first time since its listing, with net debt down R401m to R1,7bn. Earnings had improved to 24.9% (33.2%).

Income before tax was R545m (R298m), while Iscor's tax bill rose to R31m (R19m).

Iscor had lodged a preliminary R400m claim against the insurers of the Newcastle works to cover material damage and loss of earnings. It was unlikely that the claim would be resolved without litigation as it was being disputed by the insurers.

Smith said 2% to 3% growth in real GDP would trigger domestic demand for steel.

The international steel market was also

Iscor

expected to improve. Dollar prices for steel were likely to firm, while the rand/dollar exchange rate would probably weaken further.

If these predictions were borne out, Iscor would show real earnings growth in the next financial year, he said.

As with the interim dividend, Iscor was offering a share capitalisation award instead of a final dividend. The shares would be awarded in the ratio of 1.2 new shares at R1 each for every 100 ordinary shares held.

The group intended to change its accounting policy in respect of deferred tax from the partial allocation to the comprehensive basis from July 1 to comply with international accounting standards.
Iscor earnings rise 88 percent

BY DEREK TOMMEY

Iscor had another outstanding performance in the six months to June, with attributable earnings rising 88 percent to R297 million.

This was despite a furnace burnout at Newcastle in January, which left it running at 70 percent capacity.

The 88 percent rise follows a 72 percent increase in the six months to last December.

Earnings for the full 12 months rose 81 percent from R283 million to R512 million, and earnings a share from 15,1c to 27,3c.

Once again Iscor is choosing to issue shares instead of paying a dividend to conserve cash.

It is issuing 1,2 new shares (worth just under R5 at last night's closing price) for every 100 held.

It made a similar issue in March, but at that time the value of the 1,2 shares was only 32,4c.

This reflects the sharp growth in Iscor's share price since the beginning of the year from just over 200c to 414c.

Twenty months ago the shares were standing at 60c.

Turnover rose by 9 percent to R9,8 billion.

For the first time since Iscor's shares were listed four years ago, the company has had a positive cash flow, and was able to reduce net debt by R401 million to R1,7 billion.

It is MD Hans Smith's aim to reduce the debt to R1 billion by the end of 1994.

He says the improved results follow the upturn in local sales of steel, which carry a higher margin than exports.

Local steel volumes rose by 6.4 percent. Average export dollar prices were 6.3 percent higher.

The 14.5 percent decline in the rand against the dollar also helped increase export earnings and compensated for the 10.9 percent fall in iron ore export prices in dollar terms.

Iscor was able to contain operating costs through improved efficiency and higher productivity. These came after fairly substantial retrenchments.

Smith says that a preliminary claim of R400 million has been lodged with the company's insurers to cover material damage to the Newcastle blast furnace hearth and loss of earnings for the period to December 1994. About R200 million relates to the 1993-4 financial year.

However, the claim is being contested and no account was taken in the 1993-94 figures of the expected insurance settlement.

Smith expects Iscor to show real earnings growth again in 1994-5.
Six new radio stations for Reef

BY MICHAEL SPARKS and DUNCAN GUY

Johannesburg and Soweto will have six new community stations following an Independent Broadcasting Authority (IBA) decision announced yesterday — but aspirant commercial stations will have to wait at least a year before their applications are even looked at.

This has angered the Independent Broadcasting Committee (IBC) which has called on the Broadcasting Act to be changed, threatening a "switch on".

The community station licences would enable stations to transmit within a 7 to 10 km radius in urban areas. Those in more sparsely populated areas would be allowed a greater range.

IBA co-chairman Dr Seholomo Mokone-Matabane said in Johannesburg yesterday that temporary licences would be granted for community radio by mid-November.

The licences would be valid for at least a year and license-holders could apply for new temporary licences before the old ones expired.

In addition to the six licences — all on the FM band — licences would also be available for medium wave and short wave if there were applications for these.

Mokone-Matabane said temporary community television licences would also be considered.

Meanwhile, IBC chairman Tony Sanderson has called on Post, Telecommunications and Broadcasting Minister Palle Jordan to urgently change the Broadcasting Act.

"We are aware that the changes to the Act are with Dr Jordan and to date the Minister has not acted on such changes," the IBC said in a strongly worded statement which also accused the IBA of "intentional or unintentional providing of absolute protection" to the SABC.

Sanderson told The Star that if such changes were not forthcoming, the IBC would demand a round-table conference with the IBA.

"Otherwise we will have to all just switch on.

Sanderson called on the IBA to announce its intentions regarding NNTV, whose temporary licences would have expired at midnight last night.

In the meantime, the IBC has called on all interested parties to attend a meeting on September 9.

Mokone-Matabane said the deadline for final comments on the IBA draft proposal was September 16, with applications for licences opening on September 30.
Iscor turns in top level earnings

From MUNGO SUGGOT

SNH in June was £212 million, up from £205.3 million for June 1973. The net profit before tax for June was £31.7 million, up from £23.4 million for June 1973. The net profit for the six months was £63.4 million, up from £53.3 million for the corresponding period in 1973. The recommendation for a 5 per cent. increase in the dividend has been made.

Accounting policy

The accounting policy for the group for the last twelve months has been to provide a 5 per cent. increase in the dividend on the basis of the profits for the last twelve months. The profits for the last twelve months have amounted to £63.4 million, up from £53.3 million for the corresponding period in 1973. The dividend for the last twelve months has been fixed at 5 per cent. on the basis of the profits for the last twelve months. The profits for the last twelve months have amounted to £63.4 million, up from £53.3 million for the corresponding period in 1973. The dividend for the last twelve months has been fixed at 5 per cent. on the basis of the profits for the last twelve months. The profits for the last twelve months have amounted to £63.4 million, up from £53.3 million for the corresponding period in 1973. The dividend for the last twelve months has been fixed at 5 per cent. on the basis of the profits for the last twelve months. The profits for the last twelve months have amounted to £63.4 million, up from £53.3 million for the corresponding period in 1973. The dividend for the last twelve months has been fixed at 5 per cent. on the basis of the profits for the last twelve months. The profits for the last twelve months have amounted to £63.4 million, up from £53.3 million for the corresponding period in 1973. The dividend for the last twelve months has been fixed at 5 per cent. on the basis of the profits for the last twelve months. The profits for the last twelve months have amounted to £63.4 million, up from £53.3 million for the corresponding period in 1973. The dividend for the last twelve months has been fixed at 5 per cent. on the basis of the profits for the last twelve months. The profits for the last twelve months have amounted to £63.4 million, up from £53.3 million for the corresponding period in 1973. The dividend for the last twelve months has been fixed at 5 per cent. on the basis of the profits for the last twelve months. The profits for the last twelve months have amounted to £63.4 million, up from £53.3 million for the corresponding period in 1973. The dividend for the last twelve months has been fixed at 5 per cent. on the basis of the profits for the last twelve months. The profits for the last twelve months have amounted to £63.4 million, up from £53.3 million for the corresponding period in 1973. The dividend for the last twelve months has been fixed at 5 per cent. on the basis of the profits for the last twelve months. The profits for the last twelve months have amounted to £63.4 million, up from £53.3 million for the corresponding period in 1973. The dividend for the last twelve months has been fixed at 5 per cent. on the basis of the profits for the last twelve months. The profits for the last twelve months have amounted to £63.4 million, up from £53.3 million for the corresponding period in 1973. The dividend for the last twelve months has been fixed at 5 per cent. on the basis of the profits for the last twelve months. The profits for the last twelve months have amounted to £63.4 million, up from £53.3 million for the corresponding period in 1973. The dividend for the last twelve months has been fixed at 5 per cent. on the basis of the profits for the last twelve months. The profits for the last twelve months have amounted to £63.4 million, up from £53.3 million for the corresponding period in 1973. The dividend for the last twelve months has been fixed at 5 per cent. on the basis of the profits for the last twelve months. The profits for the last twelve months have amounted to £63.4 million, up from £53.3 million for the corresponding period in 1973. The dividend
Chemical exports fuel Sasol profit

PETROCHEMICALS company Sasol increased attributable profit 15% to R1,6bn in the year to June, following improved chemical sales volumes especially in export markets.

Turnover was 11% higher at R9,2bn as results from a better performance in its syngas division fed through. Increased dollar refining margins and favourable exchange rate also helped boost results.

Operating income was up 29% at R2,5bn as lower interest charges of R76,3m (R120m) kicked in. The group was continuing to pay off government loans for the development of Sasol III.

Pre-tax profit came in at R2,45bn (R1,84bn), but a near tripling of the tax bill to R912,5m (R347,5m) drove the effective tax rate to 37% (19%). In order to cushion the impact, the group transferred R50m to profit from its tax equalisation fund. Tax allowances relating to the Sasol III project and the Syferfontein mine project were fully used in the year.

Earnings a share were up 14.7% at 264,3c and a dividend of 48c was declared, bringing the total for the year to 96c (85c).

Shareholders have been offered a scrip alternative to the cash dividend and the

**From Page 1**

The venture was profitable but the effect of its earnings would be felt only once the PVC project had been completed in 1996.

Sasol Mining's contribution to operating income dropped to 14.4% (20.8%) at R354m.

Sasol Oil maintained its contribution at 20.5%, bringing in R315,8m, while contributions from Sasol Chemical Industries rose to 17.2% (15.9%) at R426m.

Krugers coal prices were moving up and the group's evaluation of its export project would be finalised by the end of the year. It had not yet decided if it would buy in export capacity at Richards Bay or opt for the Coalex project.

Exports, boosted by a large alcohol sales contract to Brazil, rose 38.4% to R763m and were running at R1bn a year.

Chairman Johannes Stegmann said the highlight of the group's performance was the successful conversion of its first Sasol I syngas plant to chemicals production.
Johannesburg — Iscor said the current £200m feasibility study into the possible establishment of a steel plant at Saldanha Bay on the West Coast would be completed within the next two to three months.

The project is currently costed at about £60m.

Iscor exports 15.5 million tonnes of iron ore through the Saldanha Bay harbour and the investigation was to decide if a high-technology steel-making plant was feasible in adding value to the ore before exporting, a spokesman said.

Iscor's partners in the probe are the Industrial Development Corp, Sweden's Voest Alpine and Holland's Hoogevens — Reuter
Call for broadcast proposals

Political Staff

POSTS, Telecommunications and Broadcasting Minister Dr Pallo Jordan called on independent broadcasters yesterday to propose amendments to the Broadcasting Act.

But the Independent Broadcasting Authority said it would not move any quicker even if legislation was changed.

Dr Jordan asked the Independent Broadcasters' Committee to submit amendments to allow the allocation of licences.

Foreign ownership of private broadcasting services was limited by law, Dr Jordan said yesterday in reply to a question tabled by Mr Marthinus van Schalkwyk (NP).
CCV achieves big turnaround in its fortunes

Accused by the advertising industry of being unfocused, SABC Rainbow channel CCV has lagged behind its competitors, TV1 and M-Net, in ad earnings. But now CCV is rising and may reach break-even in two years, writes Louis de Villiers.

BARELY two months ago, the SABC said in a submission to the Independent Broadcasting Authority that CCV could survive only with an injection of R100 million from licence fee income.

In the advertising industry, the fact that CCV, the station with the largest audience in South Africa by far, was unable to rival pay-station M-Net in ad revenue was seen as something of an indictment of SABC management.

That may have been true for 1993. A remarkable turnaround at the television station charged with public broadcast duties in vernacular languages has occurred since then.

CCV marketing director Pete McCloy estimates that CCV will need half that amount this year — in the region of R54 million from licence fees — to break even.

"If we are allowed to continue as we are, we may become fully self-sufficient in two years' time," says Mr McCloy.

Adindex and Constant Watch figures show the extent of CCV's assertiveness in the market since July 1993. In that month, TV1's share of television advertising revenue was 50 percent and M-Net's was 26 percent.

CCV languished in third position with a share of 22 percent. By July 1994, TV1's share had dropped to 44,2 percent, M-Net was down to 25 percent while CCV had leapfrogged the pay-station to claim second place with a share of close to 30 percent.

In money terms, CCV's ad revenue was up from R130 million for the first six months of 1993 to R196 million for the corresponding period this year — an increase in earnings of 50,7 percent. M-Net increased its ad revenue by a respectable 34,6 percent, while TV1 managed growth of only 10,4 percent, albeit from a much larger base than its rivals.

Two factors have contributed to CCV's surge. Media analysts such as Dick Reed at The Media Shop attribute the station's increased ability to pull ad revenue to the greater emphasis by marketers on communicating with multi-ethnic audiences.

Mr McCloy, on the other hand, points to CCV's pricing policies.

"In the past, there was tacit acceptance that CCV was pitching its rates too low," he said.

"In the beginning of this year, we upped rates by 35 percent in two stages. Our pricing is now on the correct levels — the existing rate card has been frozen till the end of March next year."

"In future, we would like to bring price stability to the market by introducing one rate increase per year, preferably lower than the media inflation rate.

"Transformation process at the SABC may result in an even greater emphasis on public service broadcasting."

"As it is, CCV is bearing a heavy financial burden in carrying programmes such as local soccer, vernacular dramas, educational programmes in vernacular languages and vernacular news and actuality programmes."

"For the moment, we are running CCV as a business under the existing mandate."

"The board, though, has made it clear that the corporation's core business is public service broadcasting. We are not intimidated by this — it does not frighten us one bit."

"If the SABC is looking to increase its public service broadcast content, it will need the cash to do so. CCV is showing that hybrid stations — part commercial and part public service broadcasters — are a viable option."

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Iscor’s plans a shine to shares take

By Julie Winter
Isco plans to convert plant for stainless steel

STEEL producer Isco said at the weekend it intended converting the steel plant at its Pretoria Works to produce stainless steel.

Executive director, steel, Kevin Robertson said the converted plant could produce 40,000 tons of stainless steel a month.

Analysts said at capacity the plant would be able to compete with Columbus Stainless Steel, SA’s biggest stainless steel producer.

Robertson said the conversion would make the Pretoria Works more profitable.

A feasibility study had been approved and a detailed study would be finalized before tenders for the job were invited.

Robertson said the main feature of the conversion would be the installation of a vacuum oxygen decarburizer.

He said the company was confident of being able to market stainless steel.

“We are also looking at adding further value to the product by additional processing either at the Vanderbijlpark Works or at the Pretoria Works,” Robertson said.

Isco could produce the stainless steel within 12 to 18 months of project approval.

“Pretoria Works has been under pressure for a number of years. This project will greatly enhance its profitability.”

Columbus Stainless Steel said last month the R350 million expansion project at its Middelburg operation was on track to be finished by March 1996. The project would boost Columbus’s output from a forecast 177,000 tons in 1995 to 307,000 tons in 1996 and

about 600,000 tons in 1997.

Columbus Stainless Steel CEO Fred Botha said the price of stainless steel looked set to rise, but cautioned that benefits from a rise in the steel price could be offset by a drop in the nickel price — which counted for between 40% and 50% of input costs.

However, the Deutschenmarkt price of stainless steel had not changed since the 1960s, “In this business you can’t rely on a rise in the steel price, but can only compete on cost of production and efficiency.”

Columbus Stainless Steel is a joint venture between the Industrial Development Corporation, Samancor and Stainless Steel and Vanderbijlpark (SASSI) and Samancor Nickel and Administration.

GM Chris Norell said recently that worldwide stainless steel demand looked set to reach its 1980’s peak of 17.5 million tons this year, with analysts predicting a growth of 3% to 5% a year.

But Botha said that to remain players in the international stainless steel market, SA companies would have to be given an export incentive scheme (GESR) which will be phased out in March 1996 — had played a pivotal role in the development of the SA iron and steel industry.

But he said the feasibility study for Columbus’s expansion had centered on GESR being phased out in March 1996.
Johannesburg — Mr. Frans Kruger, who was appointed SABC radio news head before the closing-date for applications for the post had expired, has withdrawn from the position.

In an inter-office memo distributed among SABC employees on Friday and released to the press on Saturday, he said the manner of his appointment had damaged his personal credibility and the transformation process.

He said his application for the post remained and would have to be "processed along with the others."

It had been agreed that the selection process would be completed by September 14 — Sapa
SABC battles temptation to adopt commercialism

MARK ASHURST

SELECTING board members for the Independent Broadcasting Authority (IBA) this year, Posts, Telecommunications and Broadcasting Minister Pallo Jordan invited candidates to outline their vision of public service broadcasting.

It was a multiple choice question. Should the income and frequencies of the mighty SABC be protected from the ravages of the market, or was the commercially driven model, embracing independent broadcasters at minimal cost to the fiscus, better suited to a developing multicultural democracy?

As the successful applicants were quick to point out, there was a third model: northern Africa, where cheap imported television and low expanding satellite networks had all but wiped out domestic production.

The big question for the SABC is how to secure the future of public service radio and television once the footloose of a truly competitive market are opened. The chief mission of the IBA is to help them. If they fail, the northern Africa spectrum will invade Auckland Park under the mantle of commercial viability, and the SABC will serve a diet of American soaps, game shows and unauditable uninformative international news magazine shows.

There are signs that the SABC is preparing for battle, exemplified in recent initiatives from its designate Zwelethu Sisulu to pool the resources of Southern and Eastern African broadcasters. The domination of much African news by CNN, Sky, Reuters et al indicates the struggle ahead, even in the hard news arena, if local broadcasters are to win back their territory.

Recent events at the Bophuthatswana Broadcasting Corporation do not augur well for the future of public service broadcasting. For all the rhetoric about the importance of a credible state-owned broadcaster, neither the SABC, the IBA nor the Minister have taken a public stance on the Bop Ques.

The brainchild of former President Lucas Mangope, Bop Broadcasting is arguably the most sophisticated broadcaster in Africa.

Its "homeland" status has been strictly enforced by the SABC, which controls the national frequency plan. But for all its isolation, Bop's strategy is much the same as that being drafted for the SABC. Its regional Setswana stations are subsidised by the commercial English language networks. The Setswana stations provide the corporation's "social responsibility" programmes and educational television.

Unlike the SABC, Bop managers have not been thrown into turmoil by SA's transition. Since Mangope's demise, they have continued an ambitious programme of commercial expansion. Later this year, it will begin terrestrial retransmissions in other African countries in the form of pay-TV.

Here, Bop TV is now available to anyone with a Multimedia M-Net decoder, thereby building a more lucrative audience profile for advertisers. Meanwhile, Bop is building for a national retransmitter network.

If this goes ahead, access to wider advertising will lessen Bop's drain on the fiscus and it will be on the road to commercial viability.

Arguably, Bop's obligations as a public service broadcaster have been subordinated to increasingly commercial objectives. But these claims are weakened by the growing emphasis on commercialisation at the SABC.

Strategies to lessen the dependence of public broadcasters on indirect tax revenue from licence fees are an international phenomenon. But they have added urgency here as a consequence of the SABC's autocratic past and broadcasters' concern that "he who pays the piper calls the tune."

It is ironic, then, that while Bop lobbies for a national SA version of America's MTV music television as the core of its commercial service, Northwest premier Pepe Molobe has appointed his former communications director Sally Kotane as its new director-general.

Prior to Kotane's appointment, Bop Broadcasting was awarded a contract by an internal representative council beset with the kind of factional power struggles similar to those now dividing Zwelethu Sisulu's transformation unit at the SABC. The appointment of an outsider to head the corporation has restored order and a sense of unity.

Under the circumstances, Molobe made the logical decision. But his readiness to use the dubious powers enshrined in Mangope's Bophuthatswana Broadcasting Act is disappointing.

Kotane admits he is "ANC person", but says Molobe's government was acting to avert disaster when it appointed him without advertising the vacancy.

The SABC has acquitted itself less impressively by failing to account for Bop's responsibilities as a public service broadcaster.

In doing so, it has strengthened Kotane's hand. He argues that the SABC "must set its own house in order" before proclaiming itself a worthy guardian of public service broadcasting. This view is vindicated by the ease with which the Northwest has taken over the reins of Mangope's propaganda machine.

Moreover, there is as yet no reason to assume that the aggressive marketing of Bop TV will prevent other parts of the corporation from evolving into the kind of credible public service that the IBA is expected to deliver. If not, Jor- dan is rumoured to have other designs for the corporation.

It is, at most, a small exaggeration to say that political transition liberated a 170km state-of-the-art broadcasting facility from the grip of the former homeland. The real cause for concern is that none of the major players entrusted with the future of SA broadcasting seem to want it.
SABC not an ANC mouthpiece — Jordan

The SABC will not be a government mouthpiece, the minister of Posts, Telecommunications and Broadcasting, Sir John Jordan, has told.

AChanging political climate and broadcasting services has led to a review of the public service broadcaster. The SABC is not seen as fulfilling its function of informing, educating and entertaining the public.

Dr Jordan said the SABC would play a key role in developing literacy, and the corporation had to run as a commercial company.

The SABC was expected to provide entertainment and keep its audience, but it would face financial problems when it started operating.

Dr Jordan said the ANC had spearheaded a campaign to ensure politicians and broadcasters could not be subjected to political pressure. In response to claims that the ANC was an ANC mouthpiece, Dr Jordan said it was a right of any party to challenge the ANC in court.

The SABC had spent millions on developing infrastructure to provide services to the public.

A panel of experts had been appointed by former president W. de Klerk.
Independents set radio broadcast deadline

INDEPENDENT radio broadcasters have vowed to take to the airwaves on October 1 if attempts to end the deadlock with the Independent Broadcasting Association (IBA) over commercial licences is not resolved on September 12.

Station manager of independent radio station Solid Gold, Cal Kennedy, said yesterday the Independent Broadcasters’ Committee would meet the IBA next Monday in a final effort to resolve the problem.

“If no common ground is achieved, committee members will probably begin broadcasting on October 1.”

Meanwhile, committee chairman Tony Sanderson has launched another scathing attack on the IBA, criticising its “disregard” for the expertise that local broadcasters had made available to them by importing foreign consultants to advise them.

He called on the IBA to consult the committee on technical matters in order to avoid further delays in the granting of licences.

“This issue is of vital importance to the broadcasting industry and cannot be dealt with by an IBA with limited experience,” he said.
JOHANNESBURG — A selection committee will deal with the appointment of a SABC national news and current affairs editor following the premature appointment of Mr Franz Kruger to the post. Mr Kruger was appointed to the position in August, even though the deadline for applications was September 5.
Steel sector's robust recovery well established — analysts

EVIDENCE that the robust recovery in the steel sector was well established had emerged over the past week as share prices of high profile companies continued to soar, analysts said yesterday.

Market commentators said positive sentiment had driven the shares to new highs with Iscor and Highveld Steel & Vanadium leading the way.

Iscor closed yesterday at a new high of 485c on heavy local buying, taking market capitalisation to R1bn. The share was priced at 114c a year ago.

The Amcu-owned Highveld also closed at a new high of R33.55 from last November's R12, which analysts ascribed to a "kick" from the Columbus project.

Market sources said there had been a change in fortunes for the local steel market, with an uptick last year of 9% in volume. This was "good news" as the companies earned more on the local market than on foreign markets.

The supply/demand situation in world steel markets had improved significantly.

Referring to Highveld, one source said that the Columbus project was positive for the company. Its contribution to bottom-line profits could be expected to grow to 25% within two to three years.

The Rheem can aluminium operation was also positive.

Another advantage Highveld was enjoying was that Iscor had closed its heavy mill at its Pretoria works last year, which meant the company was making up additional local sales.

Iscor said at the weekend that it intended converting its Pretoria works for the production of stainless steel. The company said the plant would have a production capacity of 40 000 tons a month.

Analysts said: "The demand/supply situation for vanadium has also been sorted out. There is also good demand for manganese alloy products."
Looking abroad?

With profitability and cash flow now climbing rapidly, Iscor's management is looking to the future and is preparing to step up capital investment again after capex was cut to the bare minimum during the downturn, more will be spent in the 1995 year on upgrading and maintenance — and, more to the point, some large new projects could soon be approved.

This is yet another measure of the steep swing in the steel and mining group's fortunes since last year. There are numerous other such signals: earnings for the year to June 1994 were up by 51%, much in line with market expectations. Borrowings net of cash were down by some R400m at year-end and cash flow moved from a negative R167m to a positive R401m.

Probably the best indicator of rising profitability is the improvement in the operating margin, from 1993’s 6.9% to 8.6%. This enabled pre-interest income to jump by almost 36% on a turnover advance of just 8.7% and was achieved despite the burn-through during the first half of the year at the Newcastle blast furnace hearth, which dragged production volumes down.

Reasons for the widening margin include higher product prices, especially in export markets, further increases in export tonnages of mining products, a more profitable sales mix, with a higher proportion of steel going to the domestic market, and benefits from the cost control programme pursued since Hans Smith took over as MD a year ago.

Modest recovery

Considering that steel markets have only recently started to recover, it is salutory to note that the margin is still well below the levels of a few years ago. In 1989, at the peak of the last cycle, the operating margin was 19.5%, more than double the latest figure; it dropped to 16.1% in 1990 and 10.3% in 1991. Even though the current recovery may well be more modest than the upsweep of the late Eighties, the historical margin pattern underscores the potential that still exists.

Further improvement in the operating performance would be achieved largely through asset management and firming markets. Current volumes of mining and steel production are expected to be maintained for the 1995 financial year. Steel output will continue to be restrained by the burn-through at Newcastle. This furnace is being relined and will be out of production for 45 days, at 5 000 t/day, production of about 225 000 t would be lost as a result (though it would be partly made up elsewhere).

However, the profitability of steel sales should continue to rise as a higher proportion is sold into the local market, which carries higher margins than exports. In 1992 and 1993, 53% of Iscor's steel sales was exported, 47% went to the local market (down from 63% in 1989 and 1990). In the 1994 year 51% of the total steel production of 2.75 Mt was exported. With domestic demand firming, management is forecasting export prices to drop below 30% this year.

At the same time, dollar prices for export steel should harden. Weighted average export prices to the Far East are forecast at about $325 fob for the third quarter of the 1995 year, about 10% up on the $295 for the year-ago quarter. US export prices are expected to drop over the period from $405 to $425 fob, and for European export prices, an increase from $360 to $387 is predicted.

Not all plain sailing

Similarly, mining division head Ben Albert is estimating dollar prices of iron ore exports will rise by about 10% during this financial year.

These could have a large impact on Iscor’s profits. Smith notes that a 1% domestic steel price movement means R51m for Iscor (there were increases of 9.2% in January 1993 and 8% in January 1994), a 1% international steel price movement, R31m; a 1% international iron ore price movement, R12m, and depreciation of the rand from R3.60 to R3.70, R100m.

It won’t all be plain sailing. A 1% movement in labour costs affects Iscor by R235m. However, the cost-cutting programme continues — the overall head count has dropped by some 5 500 over the past year and is still falling. And the aim is still to cut debt by a further R600m over the next year.

Capital spending was cut to an historically low R500m last year, but is planned to be about R600m-R700m in 1995, much of this going into upgrading and modernisation at the Vanderbijlpark works.

None of the present capex or debt projections take into account the large new projects that may soon be approved. For the steel division, these are the conversion of the Pretoria works to a stainless steel producer and a semis plant at Saldanha Bay. Official cost estimates have not been disclosed yet, but the investment will be substantial. And the mining division is planning a titanium mine and smelter at Richards Bay, which could cost R500m-R700m.

Even allowing for the greatly strength-
Columbus faces threat from Iscor conversion

STEEL producer Iscor's plans to convert its Pretoria Works to stainless steel production would place the R350m Columbus Stainless Steel plant under pressure, analysts said at the weekend.

They said the total cost of conversion for Iscor would be about R120m and output from the plant was expected to be about 60 000 tons a month—close to production levels expected from Columbus.

This new project will add 3% to the supply on the global stainless-steel market, diminishing the attractiveness of the Columbus project,” one analyst said.

In a year's time the world market would be above 13 million tons and the combined output from Iscor and Columbus would add more than 1 million tons at full capacity. "It will be negative for the market as Pacific Rim producers are also expanding,” he said.

"The addition of another supplier must put the Columbus margins and yields under pressure,” he added.

A spokesman said Iscor was busy with a feasibility study to confirm Drisco's estimates, "We have to go back to the board early in November with exact figures.” He said initial indications of capex requirements were between R160m and R175m.

He said all the production would be for export. "We believe there is a place for both Iscor and Columbus in the market. Stainless steel is a growing market. As far as we are concerned we are not trying to push Columbus out,” a Columbus spokesman declined to comment.

Another analyst said Iscor might phase production in gradually, as Columbus had indicated it would do. The output from Columbus would climb from a forecast 177 000 tons in 1995 to 307 000 tons in 1996 and 600 000 tons by 1999.

But he added that by spending between R160m and R175m, Iscor could only go two-thirds of the route that Columbus was taking with its value-added products.

He said the Iscor project would support ferrochrome and nickel prices by creating demand for these products. Although there was an overhang in ferrochrome capacity, the additional supplies needed by Iscor should put the markets in better balance. "Iscor must have already secured supplies as Columbus has, but future requirements will see upward pressure on prices.”

Global demand was expected to grow by 3%-4% a year over the medium to longer term and steel producers had felt positive about market capacity until the news of the Iscor project broke. World stainless steel demand was expected to grow from the current 13 million tons a year to about 17-million tons by 1999.

Local stainless steel sales are steady at about 48 000 tons a year. One market commentator said the new facility could possibly add as much as R200m to Iscor's bottom line within two years. By 1999 more than R1bn would be added to profit.

Columbus Stainless is a joint venture between the Industrial Development Corporation, Samancor and Highveld Steel and Vanadium.
Speed up broadcast act change, govt told

JOHANNESBURG. — Broadcasters and the Independent Broadcasting Authority (IBA) have asked the government to speed up dealing with an amendment to the IBA Act that would enable it to grant commercial radio and television licences.

The IBA met officials of the Independent Broadcasters' Committee and the South African Local Broadcasters' Association yesterday to discuss the future of broadcasting and the steps needed to speed up the granting of licences.

It was agreed the IBA could not yet grant licences in terms of the act.

They said the act required that a triple inquiry be held. The IBA said an amendment was submitted to the government three months ago. — Sapa
**Sasol to focus on boosting group’s chemicals division**

**MUNGO SOGGOT**

PETROCHEMICALS producer Sasol hoped to boost its chemicals division’s turnover so it would contribute about half of the group’s total operating profit by 2000, the company said.

A spokesman said the increased contribution from the chemicals division would come from Sasol itself and from Polfin — the joint venture with chemicals group AECI in which Sasol has a 60% stake.

The spokesman said Sasol hoped to expand the division’s operating profit to equal that of its synthol operations, depending on international market prices and demand.

The company said the chemicals division’s turnover could grow one-third this year as long as international chemical prices continued to strengthen.

Management was taking an optimistic view of world prices, he said.

Sasol’s chemical industries were likely to show improved operating profit in the coming financial year because of the first contribution of its alpha olefins, improved results from its explosives and fertiliser businesses, the fruits of its cost containment programme and an increased contribution from Polfin.

Polfin combines Sasol’s monomer and polymer businesses with AECI’s plastics and chlor-alkali businesses.

Sasol deputy chairman Paul Kruger said last week Polfin would be listed on the JSE in 1996.

In the medium term, the division was set to benefit from an upswing in the world petrochemical price cycle and the growing southern African markets which would cut offshore exports.

In 1996 Sasol would convert its PVC facilities to ethylene which would translate into an operating cost saving of R140m a year.

Sasol hoped the long-term prospects for the division would improve through increased recovery of petrochemicals from the coal to synthol conversion process.

Sasol currently recovered 23% of the synfuels which could be used for petrochemicals.

The division would also benefit from the commissioning of new plants — for acrylonitrile, alkyamines and increased PVC capacity, as well as further beneficiation including the production of specialty waxes.

Sasol reported a 14.9% increase in attributable income to R1,3bn for the year to June, compared with R1,2bn last year.

Earnings a share were 264,2c (239,3c). The final dividend was unchanged at 48c a share bringing the total for the year to 96c (86c).

The company said the jump in earnings stemmed mainly from improved exports.
Industry call for Sasol unbundling

CAPE TOWN — Sasol should be unbundled so its oil division could operate on an equal footing with other oil firms, SA Petroleum Industry Association chairman John Drake said.

He told the parliamentary mineral and energy affairs committee that this would remove tensions between Sasol and other oil firms and clear the way for Sasol to join its association, established recently to represent industry interests.

Drake said Sasol wanted to enter the retail market but the industry was against this unless it hived off its synthetic fuels operations, which he said received a subsidy of R1,5bn a year although the company was highly profitable.

Sasol argues that it does not receive a subsidy but enjoys relatively moderate tariff protection in the same way as many other local manufacturing industries.

Drake also said SA could easily cut its strategic oil reserves from seven to three months' supply and use the proceeds for development. Most countries had only a two- to three-month strategic stockpile.

He said consideration should be given to allowing the private sector to manage the strategic reserves.

The oil industry would also like to be able to use the substantial storage facilities of the state strategic fuel fund which manages the reserves.

The National Economic Forum was examining ways in which the industry could be deregulated, but he doubted that it would ever be completely deregulated.

This was because of fears of job losses in service stations if they moved to a self-service system and smaller and less viable service stations closed in the face of competition from large outlets.

Plans to introduce a monthly fuel price review would make the public more aware of factors affecting pricing, BP SA manufacturing supply manager Richard Feinberg told the committee.

He said the aim would be to make the pricing mechanism more transparent "and show that it is not manipulated" by the oil industry.

It would remove confusion about fuel pricing, said Feinberg, who is the SA Petroleum Industry Association representative on the National Economic Forum, which has recommended the monthly fuel price review to the Cabinet.

He said the fuel price changed daily depending on movements in the price of oil and exchange rates.

A slate was kept of the changes and when the real price was "too much out of kilter" with the set price, fuel prices were increased or decreased.

"But the public is not in touch with what is happening," Feinberg said.

It was therefore proposed that fuel prices be published daily, reflecting both exchange rate movements and the price of oil. — Reuters.
Eskom’s 4% price rise ‘lowest in 20 years’

CAPE TOWN — Eskom’s 4% annual price increase next January would be the lowest annual increase since 1974, confirming the corporation’s potential to become the lowest producer internationally, chairman John Maree said yesterday.

The price increase was in line with Eskom’s undertaking to reduce the real price of electricity by 20% between 1992 and 1996. Maree said inflation was forecast at about 10% in 1995 and a 6% price reduction in real terms would be achieved next year.

Eskom planned to hold the 1996 adjustment to six percentage points below inflation. In terms of the reconstruction and development programme, Eskom had committed itself to a 15% real reduction in prices by the end of the century and Maree was confident the strategy of below-inflation price increases could be maintained.

The utility would electrify about 250,000 homes for the RDP this year, rising to 300,000 next year.

Eskom finance executive-director Willem Kok said the utility had achieved a 20% increase in productivity. The cumulative below-inflation real price reduction amounted to minus 5% in 1995, minus 1.7% in 1993 and minus 1% in 1994.

Next year’s increase was based on expectations of 3.5% GDP growth compared with 2.5% this year, an inflation rate of 9.5%, compared with this year’s 8%, and forecast producer price inflation of 8.5%.

Eskom

Eskom’s estimated revenue requirement was R16.4bn compared with this year’s projected R15.21bn. The difference between this and next year amounted to a 3.2% increase in cents per kilowatt hour.

Kok said the difference took into account forecasting risks, a planned R100m drop in arrear debts, risks associated with the electrification programme which would cost about R1.1bn next year compared with R841m this year, and the need to factor in costs of taking over supply from the former homelands and ensuring price stability.

CE Allen Morgan said the viability of the electricity supply industry depended on a reversal of the non-payment situation by domestic customers. The outstanding debt was about R2.3bn, of which about 75% was represented by bulk users such as towns and municipalities while the rest was owed by individual customers. Negotiations would be held with bulk users.
Eskom charges 4% up

Cape Town — Eskom increased its electricity supply charges yesterday by 4 percent — sticking to its promise to keep increases well below the rate of inflation.

But Eskom has warned that the viability of the electricity supply industry was still threatened by service payment boycotts.

The direct impact of the increase on individual consumers will only be known when city councils and other bulk buyers announce rate adjustments.

Eskom chairman John Maree said Eskom had kept the increase as low as possible to meet the undertaking that price increases between 1992 and 1993 would reduce the real price of electricity by at least 20 percent — that is, the nominal price less the inflation rate.

Afford

Maree said with an expected increase in inflation to 10 percent for 1995, “we will achieve a price reduction in real terms of 6 percent for the year.”

But Eskom chief executive Alan Morgan said the country could not afford to provide services for which no payments were received.

He also appealed for a “peaceful environment” to allow Eskom to push ahead with township electrification plans without endangering its technicians.

Maree said although there were inflationary pressures, price increases were being kept to a minimum. Eskom was continuing to strengthen its balance sheet to ensure its ongoing financial soundness in the years ahead.
in their battle
out for sasol
knives are
Earnings up 15% to R1.55-bn-

Highly successful year for Sasol

BY CHARLOTTE MATHEWS

Sasol improved earnings 15 percent to R1.55 billion in the year to June after what chairman Joe Stegmann called a highly successful year.

Turnover rose 11 percent to R39.8 billion, which included R1 billion of tariff protection, equivalent to 5.5c on a litre of petrol. Turnover was boosted by a 39 percent rise in exports by group companies to R770 million.

Operating income grew 29 percent to R2.5 billion and the interest bill declined to R70.7 million from R122.0 million previously.

An increase in the tax bill to R312.5 million from R347.0 million, reflecting a rate of 37 percent from 19 percent in 1993, resulted from the exhaustion of all allowances on the Sasol Three project and the Syferfontein mine project.

Although a capitalisation award rather than a dividend is being offered, the tax rate has been calculated as if all shareholders chose the cash dividend.

To cushion the effects of the tax rate increase, R50 million was transferred from the R100 million tax equalisation reserve.

Earnings after the tax equalisation reserve transfer were 14.7 percent higher at 284.2c, but before the transfer were only 3 percent up at 265.4c.

A capitalisation award is being offered or a final cash dividend of 48c, unchanged from 1993, bringing the increase for the year to 4.7 percent, or 90c from 80c.

MD Paul Kruger said yesterday SA's tariff protection structure was unusual because its protection fell as the oil price fell.

In the past year Sasol Synfuels contributed nearly half of group operating income, equivalent to R1.2 billion. The second-biggest contributor was Sasol Oil, at 20.5 percent, followed by Sasol Chemical Industries with 17.2 percent and Sasol Mining with a 14.4 percent.

Stegmann said Pol_plum, the joint venture with AECI, had performed above budget and would be listed in 1998.

A satisfactory profit improvement was likely in the current financial year as a result of a weaker rand — expected to average R3.65/dollar from R3.41 in the past year — and lower interest as the Sasol Three loan was repaid. Petrochemical prices were also showing signs of lifting from their historically low levels.

Sasol shares closed 40c higher at R35.15 yesterday and are up a P/E of 13.3, similar to Engen's but below AECI's 17.

They have risen steeply since the beginning of July, when they were R24.50.
Sasol share earnings below par — analysts

PETROCHEMICALS company Sasol's yearly results yesterday drew mixed comment from analysts who said the 14,7% increase in earnings a share (eps) was below expectations.

Growth at the after-tax level was 3% and with debenture interest and minorities share unchanged, the growth at eps level was achieved entirely through "manipulation" of the tax equalisation reserve, one market commentator said.

Another analyst said the small final dividend of 90c was questionable in the light of Sasol's low gearing (5.9%) and its large bank balance of R1.3bn.

"It seems odd that they could be saving cash for capex purposes given that cash flows are so strong," one industry source said.

He added the move was probably in line with government's Budget objectives in introducing the secondary tax on companies (STC), designed to force companies to retain income and re-invest.

Also hitting market sentiment was the increase in the effective tax rate from 18.5% to 27.3%. This translated to R560m and was due largely to the exhaustion of tax allowances as well as higher STC and the transitional levy.

"But Sasol has indicated the rate will come off in the future and I forecast a rate of 20% to 22% depending on the number of shareholders who take the capitalisation award," an analyst said.

Three factors weighed heavily on the future performance of the company. These were the rand/dollar exchange rate, the state of the petrochemicals industry and Sasol's protection from government.

The issue of protection continued to plague the company. Sasol received R1bn in assistance from government in the 1993/94 year. Ignoring the benefits of the claw-back provision regarding the Central Energy Fund interest, the R1bn assistance pre-tax equated to about 110c at eps level. Discounting this reduction into the PE ratio would take it from 13.2 to 20.

"While this worst-case scenario is highly unlikely in the short term, it does provide a base case against which other alternatives can be measured," one market source said.

Prospects for the company were difficult to predict due to the uncontrollable constraints underpinning its operations. Assuming a phased deregulation process, a further weakening of the rand dollar exchange rate and growth in petrochemical prices, I forecast eps to grow 18% to 31c for the year to June 1995. This would put Sasol on a forward PE of 11.2 which indicates moderate growth.

Another analyst said the R1bn received in tariff protection had been expected given the level of oil prices and the weakening rand.

Sasol shed 15c on the JSE yesterday to close at R55 with 388 000 shares traded valued at R13m in 47 deals.
Affirmative action for Eskom, Denel

CLIVE SAWYER
Political Correspondent

TRANSNET, Eskom and Denel are among parastatals targeted for affirmative action restructuring.

Public Enterprises Minister Stella Sigcau told the national assembly that restructuring would provide "maximum stimulus" to the economy while redressing past inequities.

She said Eskom's goals for the next five years were:

- Ensuring half of all its management, professional and advisory staff were black South Africans by the year 2000.
- Cutting the electricity price by 15 percent, to become the world's cheapest supplier of electricity.
- Electrifying a further 1.75 million homes.
- Enabling all Eskom employees to own a home.
- Arms manufacturer Denel had said its three-year goals were:
  - Doubling exports and foreign exchange earnings to R1 billion.
  - Ensuring 30 percent of management came from "under-represented" groups, including women.
  - Training programmers for technicians and computer programmers were among its other goals.

The parastatals are ALEXCOR, Aventura, Denel, Eskom, Safecol and Transnet. Their combined assets are valued at more than R1 billion.
Window of opportunity

There was good news for electricity consumers when Eskom announced its new rates last week, tariff increases for 1995 are being held down to a mere 4% — almost 6% below the inflation rate.

The corporation can afford to be generous. A multibillion rand power station capex splurge in the Eighties left a 25%-30% surplus in generating capacity.

Now, Eskom is aiming to reduce electricity charges in real terms by an effective 20% below inflation over a five-year period, ending 1996. In 1992, Eskom committed itself to a “compact” with consumers in terms of which it undertook to pass on the benefits of its surplus generating capacity, its improved productivity and reduced capex requirements.

Eskom CE Allen Morgan says Eskom’s conservative, below-inflation tariff policy has meant that about R28bn will have been “ploughed back into the economy over the past seven years” giving SA a major competitive advantage in global terms. SA’s electricity is now the second-cheapest in the world — after that of New Zealand.

“This gives SA a 10-year window of opportunity — until our next big projects start coming online by around 2007. Even at that stage, we would have a choice of plugging into the regional power grid with its cheaper hydro-power or building economic gas-powered generating capacity.”

Continued on page 83
Sasol's strong operating performance for the year to end-June was fuelled by a record performance in synthetic fuel production at Secunda, and the successful turnaround of the loss-making Sasolburg synthetic operation to a producer of petrochemicals, which added R200m to operating profit.

The increased contribution from synthfuels (see table) naturally raises again the whole controversy about Sasol's tariff protection. It's probably best to get it out of the way, to provide a clearer view of the underlying operations — something some investors seem to have been doing over the past year, as the share price appreciated over the period by 93%, to close at R33.15 after results were announced on Tuesday.

MD Paul Kruger says tariff protection on some nearly R1bn to turnover in financial 1994, compared to about R629m the previous year — a result of the lower average international prices of crude oil. That cost the motorist 5.5c a litre of petrol.

However, the lower reference price on tariff protection, reduced from US$23 a barrel to just over $21, will cost Sasol's operating profit R250m. Kruger says, about R100m before tax and clawback benefits from Sasol Three, dampering latest results. The matter will be referred to the Board on Trade & Tariffs for review. That might lead to a further reduction in the reference price, but it's unlikely the protection structure will be much altered in the short term.

The exception to an otherwise solid performance was from Sasol Mining, where stagnant local prices and an amended coal price formula for coal quality reduced income. Kruger expects operating profits to rise from higher selling prices, cost containment and productivity improvements.

Board approval for Sasol's coal export project is expected before the end of the year.

Kruger says Sasol Mining will initially export about 3 Mt of coal (40 Mt were mined last year).

Completion of the upgrade at the Natref refinery has resulted in up to 92% white product yield. More important, though, is the improved refining margins Sasol will get. Liquid fuel production dropped slightly from 2.38m m³ to 2.29m m³ due to the start-up phase of the upgrade.

The outlook for refinery upgrading is not too encouraging this year, however. Kruger says pressure on dollar refining margins could reduce operating profit, though the full effect of the refinery upgrade should partly offset this.

Chemicals, now housed in Sasol Chemical Industries, began to come into its own last year. This business has largely been the focus of earlier capital spending by Sasol and, with firming international chemical prices, should become an increasingly important contributor to group profits.

Sasol is not releasing any financial information yet on Polfin, in which it held 60% in a joint venture with AECI. But chairman Joe Stegmann says Polfin will be listed in 1995, in the first half of the year if possible.

He adds that Sasol would be prepared to reduce its shareholding in the listing, but presumably not below 50%.

The big benefits from Polfin are not expected until 1996, when conversion from carbide-based feedstock to ethylene feedstock is complete.

First contributions from the alpha olefins, acrylic fibres and anode coke plants were received in financial 1994, but significantly improved operating results and increased volumes are expected this year.

Capital spending of R1.5bn is planned for this year, up on 1994's R1.3bn. That will help to keep Sasol's effective tax rate, sharply up from 19% to 37%, stable. The increased tax charge, R913m compared to last year's R348m, would have severely retarded earnings growth were it not for the R100m Sasol tucked away last year in anticipation of the higher tax rate. A R50m transfer from this reserve smoothed EPS growth to 14.7%.

Interest payments should also continue to reduce this year, as Sasol repays a further R400m on its Sasol Three loan.

That, with improving chemical prices and an expected further weakening of the rand (with about 80% of its products priced in non- rand currencies, favourable exchange rate movements are a common theme in most of the businesses, where exports are currently running at R1bn/year) points towards continued profit growth for Sasol.

MINORCO

Question of timing

With its results for the 12 months to June 30 (the year-end has been changed to December), Minorco can be examined in its new form created by the US$1.1bn re-

FINANCIAL MAIL • SEPTEMBER • 23 • 1994 • 65
Nats unhappy with SABC

From LINDA ENSOR

EDINBURGH — The National Party was unhappy with the treatment it was receiving from the SABC and believed it was being discriminated against. Deputy President F W de Klerk said at a press briefing yesterday: "My party is not getting a square deal," he said "I think it is a form of sheer discrimination which, unless there is another explanation which I have not heard, must be politically inspired."

On the other hand, the ANC had no reason to complain.

Mr De Klerk, in the UK to deliver a series of keynote addresses at various conferences, said the National Party was not given sufficient exposure by the broadcasting corporation.

As an example, Mr De Klerk said that last Friday he made two public appearances attended by the SABC, which conducted interviews with him in two languages on the highly topical issues of the day.

The Education Minister was discussing his vote in Parliament on that day and everything Mr De Klerk did on that day concerned majority among whites, coloureds and Indians during the elections and the 300,000 to one million black voters for the party came from a section of the black community which was growing.

He dismissed the rumour of tensions in the National Party saying it was having to adjust to performing a double role as a constructive and co-operative partner in the government and as the main opposition party.

As for his own future, Mr De Klerk said that at 53 he was young for a politician and had "no withdrawal symptoms whatsoever."

Questioned later by analysts attending the annual conference of the European Federation of Financial Analysts Societies, Mr De Klerk said there was a depth of leadership within both National Party and the ANC should he or President Nelson Mandela vacate their leadership roles for whatever reason.

"No political leader is ever irreplaceable. There are good people waiting in the wings," he said.

The SABC failed to respond to queries on the matter yesterday, and an ANC spokesman could not be reached for comment.
We need home-spun challenge to foreign culture — new SABC chief

Beware the invasion!

Michael Sparks
Sasol foresees rise in profit

SASOL should show a satisfactory rise in profit in the current year despite a cut in its tariff protection, says managing director Paul Kruger.

The improvement could come on the back of a weaker rand and improved prices for chemicals.

Ongoing cost containments and the commissioning of new projects will also help even though crude oil prices and refining margins are expected to be weaker.

The group this week announced a 14.7% growth in earnings to 294.2c a share in the year to June. A final dividend of 48c was declared.

Sasol's share price has been running at record highs recently and hit a peak of R38.2c earlier this month. It came off slightly, however, after the results were announced and were trading around R35 on Friday.

In the year to June, Sasol benefited from a favourable exchange rate, improved production, better refinery margins and new projects coming on stream.

It countered a jump in its effective tax rate to 37.3% from 18.3% by taking R50-million out of the tax reserve it created last year.

Mr Kruger says cost cutting has now become a way of life as the level of tariff protection enjoyed by the group on synfuels has fallen to $21 from $23 a barrel.

Despite this, Mr Kruger expects Sasol's synfuels company to show a marginal improvement in earnings.

It should benefit from higher volumes, production improvements and from the export of alcohol products and coal — expected to be on-stream sometime next year Sasol's tariff protection amounts to R1-billion a year.
JOHANNESBURG. — The Independent Broadcasters' Committee yesterday slammed Radio 702's imminent listing on the Johannesburg Stock Exchange and called on the Independent Broadcasting Authority to stop the establishment of new monopolies in the industry.

Radio 702 is due to be listed on the JSE this morning as part of a group of Prime Media.

"While potential independent broadcasters wait patiently for licences, Radio 702 has already decided what the outcome of the commission of inquiry into cross-ownership of media will be, and has launched a drive to raise the necessary capital to open two AM radio stations, two FM radio stations and a TV station," IBC chairman Mr Tony Sanderson said.

He said Radio 702 had "ridden on the back of the apartheid system by obtaining a licence through the Bophuthatswana government".

On re-incorporation into South Africa the station was "rewarded for being a part of the system by being included in a clause in the IBA Act, which allowed them to continue broadcasting outside the condition of the act and answerable to the Minister of Broadcasting Dr Pallo Jordan."

"It is deplorable that certain areas of an industry are allowed to continue and expand, plan, monopolise and strengthen their power-bases while the rest of the industry remains hamstrung," Mr Sanderson said — Sapa
ISCOR was expected to announce price hikes across a range of products today, drawing accusations from industry that the steel producer was making a pre-emptive bid to compensate for the impending abolition of export incentives.

The company confirmed that a weighted average price increase of 5.9% on its steel product mix would come into effect on January 1. The price hikes for different products ranged up to 8.7%. An increase in transport costs was also expected from January 1.

Hot rolled plate would increase 6.8%, floor plate 8.7%, hot rolled sheet 8% and cold rolled sheet 5.5%. Other product prices to be increased included blooms and billets (8.7%), wire rod for general use (4.5%), rope wire rod (6.5%) and welding wire rod (5.5%).

"The average price increase compares well with the expected 9% to 10% rise in the producer price index for 1995," a spokesman said.

But Econometrix economist Toby Twane pointed out that the move had come shortly after last week’s announcement by government that a reduction in the General Export Incentive Scheme (GEIS) would be implemented from October 1, followed by the complete abolition of the scheme for steel producers from April 1 next year.

"ISCOR is a major beneficiary of the GEIS system. It was by far the largest recipient of total GEIS payments of about $200m last year. Investment analysts estimated that ISCOR received $150m in the past year alone," Twane said.

Twane said all ISCOR’s customers were "jummed" by the increase because of the protection ISCOR enjoyed and the heavy tariffs on imported steel. "With adjustments to protection around the corner because of GATT, ISCOR could be more limited in taking prices from next year."

Sources said the increases would hit the secondary steel sector, which was traditionally "a low return on sales industry."

"Everybody will suffer. The impact will see the continuation of the price spiral. They (ISCOR) don’t explain the rationale to secondary manufacturers, they just go ahead and increase prices," Twane said.

"Sectors which would be hardest hit would be the fabrication and building industries. But ISCOR also announced that during October, November and December it would grant price concessions of about 84.6c on sales of its Hot Rolled Galvanised sheet used extensively in the roofing and cladding of houses."

ISCOR executive director, steel, Kevin Robertson said the concessions should be seen as a "manifestation" of ISCOR’s commitment to the reconstruction and development programme.
Armed supporters storm SABC

The Argus Correspondent

DURBAN - At least three carsloads of armed and angry supporters of Mngosuthu Buthelezi swept on SABC studios in Durban soon after televised confrontation between him and Sfiso Zulu.

They demanded access to the building.

"If I had been in the studio when the guy (Prince Sfiso) pulled a gun on the chief-minister I would have shot him," said one man, with an automatic gun.

He identified himself as Toli Zulu, an Inkatha Freedom Party member. But he later showed members of the South African Police Services a KwaZulu Police identity card.

By then Prince Sfiso had left by a rear exit. Chief Buthelezi, his wife Princess Irene, daughter Princess Phumzile and entourage were still inside.

Other members of the gang were carrying knobkerries, and the only barrier between them and the entrance to the building were SABC security staff.

Cabinet set to debate TV fracas

MANGOSUTHU Buthelezi's behaviour on television last night is expected to be discussed at Wednesday's cabinet meeting.

African National Congress MP Carl Niehaus said today he was investigating the setting up of an ad hoc parliamentary committee to probe the home affairs minister's behaviour.

The National Party said Chief Buthelezi had "not promoted his own image, the idea of an exchange of opinions or Press Freedom."

President Mandela's spokesman said he was aware of the incident but no steps were likely to be taken against Chief Buthelezi until a full report had been received - Political Staff.
TENSIONS are rippling through the government after IPP leader and Home Affairs Minister Mangosuthu Buthelezi stormed uninvited into a television studio while a political rival was being interviewed live.

A gun was brandished during a scuffle that broke out in SABC's Studio 1 in Durban as Chief Buthelezi exchanged heated words with Zulu royal house spokesman Prince Siso Zulu, who was being interviewed on Agenda last night about the Shaka Day controversy.

The fracas is set for reverberations in the national and KwaZulu-Natal parliaments.

In Cape Town opposing MPs were calling for parliamentary censure of Chief Buthelezi and African National Congress MPs in KwaZulu-Natal signalled that they would not let the matter rest.

There were doubts last night.
in the wake of the incident, that provincial ANC MPs would travel to Ulundi today for the second sitting of the provincial parliament.

Shocked reaction has come from political and other sources. The ANC and the National Party slammed Chief Buthelezi's behaviour as unbecoming a cabinet minister and have called for him to be disciplined.

The Democratic Party said that following the incident there was grave concern for freedom of expression. The incident was "eerily reminiscent of P W Botha's actions towards TV news.'

Acting leader Tony Leon said: "No politician, no matter how prominent and powerful and how injured his feelings are, should be able to disrupt a TV programme in the way in which it appeared the Minister of Home Affairs did.'

The South African Union of Journalists has called on Chief Buthelezi to apologise. "The SAUJ strongly opposes attempts to prevent the public broadcasting informing the people of this land about all sides of the conflict."

SABC chief executive Zwelethu Mkhize asked for a meeting with Chief Buthelezi and the corporation said legal action was being considered.

The incident was broadcast worldwide by CNN, Sky and the BBC and was reportedly also covered on American domestic radio and television networks.

ANC members of the KwaZulu-Natal parliament said they would boycott the SABC until it had sorted out its internal security.

ANC Provincial Secretary and KwaZulu-Natal transport minister Sbu Ndebele said he would refuse to be interviewed at the SABC until he was reassured about his safety.

"This is not Zaire or Idi Amin's Uganda. This kind of thing, if allowed to continue, is inexplicable,' he said.

It was "inexplicable' that people carrying guns should be allowed past SABC security.

ANC provincial ANC MPs left Durban for the parliamentary sitting in Ulundi this morning in a heavily escorted, 20-vehicle convoy.

"There was no word today of Prince Sisulu Zulu's whereabouts," Prince Siso Zulu had been outspokenly rebuffing Chief Buthelezi's claims as lifetime traditional prime minister to the Zulu monarch.

Leslie Mashokwe, producer of CV's Newsframe, who was called to intervene in the fracas, said: "It could have been horrific.'

He was called to the TV1 studio where Chief Buthelezi told him, he thought Prince Mswayizeni Israel Zulu was speaking on the Agenda programme and went to greet his cousin.

"When he saw it was Prince Sisiso he started asking him why he was saying those things about him," he said.

Mr Mashokwe said Chief Buthelezi had said he thought he was off the air when he entered the TV1 studio.

"Chief Buthelezi alleged Prince Sisiso pulled a gun on him and then his aide roughly up Prince Sisiso," said Mr Mashokwe.

Meanwhile, the handgun that fired in the confrontation has gone missing. A police spokesman said inquiries were still being made about the firearm and who had taken it.
The ISCOR, which is a semi-governmental organization responsible for the steel industry, has announced an increase in the price of steel products. The price hike is effective from April 1st, 2019, and is expected to increase by 8%.

Johannesburg — ISCOR was expected to announce a price hike across a range of products from Mic Collins

In a press release, the ISCOR spokesperson stated: "Due to the increase in costs associated with production, ISCOR has decided to implement a price increase of 8% on all steel products as of April 1st, 2019. This decision was made in response to rising raw material costs and operational expenses."
Censure Buthelezi—MPs

SABC dispute hots up

By Ismail Lagardien and Sapa

The cabinet has stepped into the row involving Chief Mangosuthu Buthelezi’s storming of a live TV interview to demand a public explanation of his actions.

ANC MPs yesterday expressed their “outrage and disgust” at what they called “intolerance and denial of free speech”.

During an exchange of words in the studio between Buthelezi and Prince Sfiso Zulu, who was a studio guest, a firearm was drawn.

Zulu was overpowered by other people in the studio. He was taken to safety by police.

Government sources said Buthelezi would be asked to explain his behaviour to his cabinet colleagues. This came as ANC MPs sent an open letter to the secretary of Parliament, asking that the issue be brought before Parliament after the short recess. The MPs said they wished to consider what steps should be taken and in order that members “reassert our unequivocal commitment to Press freedom”.

SABC sources yesterday said attempts to get hold of Buthelezi failed after group chief executive Mr Zwelakhe Senuku’s earlier statement that he wanted to meet him over the incident.

Meanwhile, the IFP caucus of the KwaZulu-Natal legislature accused Zulu of trying to assassinate Buthelezi. The IFP said in a statement the police should immediately arrest Zulu, whom the party alleged had tried to draw a gun on Buthelezi during the live TV interview.

“IT is imperative that the police establish why this ANC member was armed in the studio. More so since the SABC knew full well that the IFP president would be in the building for an interview at the same time.” ANC spokesman Dumisani Mkhaye said Zulu was not an ANC member.

Zulu has alleged the gun was planted on him by Buthelezi’s bodyguards in the studio.
THE SABC is undergoing a cultural
renaissance aimed at achieving a true
reflection of South African society. Po-
itical Correspondent Themba Molefe
spoke to the corporation’s new chief,
Zwelakhe Sisulu:

**Zwelakhe Sisulu**

The SABC — both
television and radio — be programme-driven
with emphasis on local content which cannot be
provided by the foreign channels.

It was vital that local creative talent was not
only used but tapped and developed

Transformation was as essential a keyword at
the SABC as reconstruction was to the new
Government of National Unity.

Sisulu said staff appointments and change
should reflect the true nature of the society.

He believed his appointment was on merit
and had nothing to do with his political leanings
or the fact that he was black.

“I don’t regard affirmative action as a mere
movement of bodies but as a process of empower-
ment based on the need to improve rather than
lower standards.”

He said resources would be re-routed to bol-
ster the education and training of staff to ensure
profitability and maintenance of high standards.

One way of doing this would be cutting down
on “unnecessary perks” for senior management.

Salary structures for the lowest and highest
paid staff members would be reviewed. There
was a great disparity in salaries and this had
affected morale.

Sisulu said he was aware of “some element of
resistance” to change and that it was cause for
certainty.

“Naturally, people are worried about the fu-
ture,” he said.

He dismissed “with contempt” any sugges-
tion that the SABC would, as in the National
Party era, be a mouthpiece of the African Na-
tional Congress. “No, we will not be ‘his mas-
ter’s voice’ The SABC is a democratic insti-
tution. We have put in place a code of ethics which
makes it clear that journalists will take inde-
pendent editorial decisions.”

A former journalist of repute, Sisulu
made no bones about recruiting what he termed
the “cream of journalists” to the SABC.

He paid tribute to black journalists who were
equal against oppression and fought for freedom
and democracy.

• Since an independent board of directors
took over last year, the SABC had been plagued
by conflict, especially opposition to the increas-
ing appointment of experienced print journalists
to top posts.

• There also have been a number of fraud
cases uncovered at the SABC.

Sisulu said an investigative team had been
formed to look into fraudulent deals to ensure a
clean and open administration.
MPs call for action after Agenda saga

THIRTEEN African National Congress MPs have accused home affairs minister Mangosuthu Buthelezi of violating the government's commitment to freedom of expression and have called for parliamentary action against him.

The MPs, including Carl Niehaus, Bulelani Ngewuka, Wally Serote and Jan van Eck, said in an open letter that Chief Buthelezi's bodyguards had overpowered Prince Siso Zulu, who was taking part in a live Agenda programme debate on Sunday night in a Durban studio of the SABC.

"Chief Buthelezi's behaviour was a denial of freedom of expression and violates the government's commitment to press freedom," they said.

The MPs said they would demand a parliamentary inquiry into the incident after the three-week recess, which ends on October 17.

They also criticized Agenda presenter Freek Robison for putting Chief Buthelezi on the show after he had burst into the studio. — Reuter.

Media people 'disgusted'

JOHANNESBURG — The Media Workers' Association (Mwasa) said it was disgusted and disappointed by home affairs minister Mangosuthu Buthelezi's disruption of the television programme Agenda and called for a public apology.

Mwasa said the disruption endangered the safety of media employees and the association took exception to "unkind words" directed at the media by Chief Buthelezi recently.

"He has been blaming the media for what he sees as the media taking sides with the Zulu King," Mwasa said. — Sapa.
Chief of
SABC calls on cabinet

JOHANNESBURG – SABC CT 28/1944

PROBE WANTED

Matthews Wish to continue with inquiry into Africans

By Chris Bateman

This probe, which aims to uncover the truth behind the massacre of Africans in South Africa, has been stalled by various bureaucratic barriers. The Chief of SABC has called on the cabinet to take urgent action to ensure that the probe is conducted effectively and thoroughly. This is to prevent any further cover-up and to bring those responsible to justice.

The probe, which was initiated after the massacre in 1944, has faced numerous setbacks over the years. The Chief of SABC has expressed concern that the probe is not progressing as quickly as it should. He has called on the cabinet to take action to ensure that the probe is completed as soon as possible.

The massacre of 1944 was a tragic event that left many Africans dead and injured. The probe is aimed at uncovering the truth behind the massacre and ensuring that those responsible are held accountable.

The Chief of SABC has urged the cabinet to take action to ensure that the probe is completed as soon as possible. He has called on the government to provide the necessary resources to ensure that the probe is conducted effectively.

The probe is important not only to the victims of the massacre but also to the entire nation. It is important to ensure that justice is done and that those responsible for the massacre are held accountable.

The Chief of SABC has called on the cabinet to take action to ensure that the probe is completed as soon as possible. He has urged the government to provide the necessary resources to ensure that the probe is conducted effectively and thoroughly.
Mthomboti appointed editor of radio services

JOHANNESBURG. — Mr Barney Mthomboti has been appointed editor-in-chief of radio news from November 1, the SABC announced yesterday.

Mr Mthomboti is day editor of the Sowetan. His background includes service as Africa correspondent for Argus newspapers and two years with the BBC’s World Service. He has been awarded both the Reuter and Nieman fellowships.

Other senior appointments are CT28/7/74.

Mr Franz Kruger has been appointed national editor of news and current affairs.

Mr Alwyn Kloppers, previously audio news editor, has been appointed managing editor — Sapa
Buthelezi apologises for TV row

PRETORIA — Home Affairs Minister Mangosuthu Buthelezi today publicly apologised for storming into a live interview on state television on Sunday.

"I publicly apologise to anyone I offended during Sunday's incident," Mr. Buthelezi, flanked by President Mandela, told a news conference here.

Mr. Mandela said he and his cabinet had accepted the apology and the matter was closed.

"As far as the cabinet is concerned we are going nowhere," he said when asked if any more action would be taken against Mr. Buthelezi, president of Inkatha and home affairs minister in the cabinet.

"Mr. Buthelezi said he had been prepared to resign if he had been an embarrassment to Mr. Mandela and the national unity government.

"I was prepared to resign before I met the president yesterday. I made it quite clear to him that I was prepared to resign if I was an embarrassment to him and his cabinet," Mr. Buthelezi said after a cabinet meeting to discuss the incident.

Mr. Mandela said he had "prevailed" on Buthelezi not to resign.

"It prevailed on him to remain and I am happy that he was able to co-operate and make it possible for us to continue working as before," said Mr. Mandela.

A cheerful Mr. Buthelezi said he was satisfied with the way the matter had been handled by the cabinet.
Buthelezi

Censure for TV disruption but apology accepted

Cabinet acts to defuse row over

John Ntsengane - The

Itroy mood after yesterday's 
Buthelezi said in the government of national unity the influence of reformers was 

Ntsengane said a number of the African National Congress leaders had rejected his call for a meeting of the ANC leaders. He said the meeting was to be held in the Kimberley area.

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Cape joins race for TV, radio rights

Licence authority in city on Monday

Staff Reporter

THE race is on for the broadcasting of independent television and radio in the Cape.

As many as 10 new radio stations and two Cape TV stations could be up and running by the end of the year.

The starting pistol was fired today with the publication of licence application forms for community broadcasters in today's Government Gazette.

Members of the Independent Broadcasting Authority (IBA) will fly to Cape Town on Monday to hold a workshop for potential applicants.

Short-term stations - those wishing to broadcast for a month or less - can apply for licences immediately, IBA council member John Mattison said.

Stations seeking longer licences will be awarded access to the airwaves in November.

"There is going to be a great number of radio applicants in Cape Town - we're concerned that there might even be more applicants than space on FM frequencies," said Mr Mattison.

The IBA intends to adopt the "American model" of frequency allocation in order to squeeze the maximum number of broadcasters onto the airwaves - particular frequencies will be shared by local stations broadcasting to different parts of the Peninsula.

He said the IBA would also consider granting licences for small, one-watt transmitters that have a broadcasting range of 2km, and would encourage broadcasting on under-used medium wave frequencies.

More than 900 radio stations use one-watt transmitters in Australia.

The IBA will be ready to grant at least one community television licence by late November, and if a new TV station is able to raise enough money in time it will be able to beam its footage into viewers' living rooms before the end of the year.

Commercial broadcasters are expected to follow the community stations as soon as the law governing the IBA is suitably amended.

"We sent a proposed amendment to Telecommunications Minister Pallo Jordan three months ago, and we expect the IBA Act to be amended in the next session of parliament," Mr Mattison said.

This could pave the way for the establishment of the R25 million Table Mountain Television (TTV) station, which has been initiated by Bellville media company Pronam Partnership.
DURBAN: — Prince Sifiso Zulu has been cleared by SABC chief executive Zwelakhe Sisulu, who says the royal family's official spokesman did not produce a gun in the Durban television studio as alleged by the Inkatha Freedom Party and Mangosuthu Buthelezi.

Mr Sisulu said the 'gun was produced by a member of Chief Buthelezi's entourage. He apologised to the prince for the breach of security." — Sapa.
PUBLIC SECTOR-GOVERNMENT STATE ENTERPRISE

1994

OCT. - DEC.
Broadcasters seek relief from local content rules

THE private broadcaster sound committee and private broadcaster TV committee of the National Association of Broadcasters will ask the Independent Broadcasting Authority (IBA) not to apply local content regulations to their stations.

The two committees have called for an IBA local content policy which would take into account the diverse interests and range of service responsibilities of the various categories of broadcasters.

"With regard to private radio and TV broadcasters, we feel there should be no intervention and no local content mandates," the national association's executive director Danielle Goldman said.

She said private broadcasters were market driven and subject to acceptance by audiences. Setting local content requirements went against all free market principles, and would impose inappropriate conditions on these broadcasters, who already broadcast a meaningful volume of local content programming.

However, the situation of the SABC and Bop Broadcasting Corporation as public broadcasters was different.

"The SABC and Bop fully accept their role of public service and have recognised the historical imbalances that existed." Goldman said the SABC and Bop had indicated that they were happy to meet local content requirements, provided they were set at realistic levels and, if necessary, phased in.

The same conditions would apply to community broadcasters, who would be licensed to serve specific communities.

The association also rejected calls from certain sectors of the TV production and music industry for local content requirements of up to 60%.

"We believe this figure is unrealistic, and that the industries concerned will not be able to deliver. The quality of material available from local producers must be an important factor in setting up local content requirements." Goldman said.

Media and broadcasting consultants, however, have made a convincing case for local content requirements, particularly for radio.

They cited the case of Australia, which, they said, had "the most successful experience" of local music content regulation.

In 1992, after almost 20 years of statutory mechanisms to promote the broadcasting of Australian music, the country reverted to a self-regulatory code of practice.

"The Australians have proved that the enforcement of local music quotas is a means to an end. The progressive implementation of these requirements led to an explosion in Australian popular music during the 1970s." This led to increased investment in the local industry by record companies, and an improvement in the quality of Australian recordings. Research conducted by the Australian Broadcasting Tribunal showed that within the first 10 years of statutory quotas, Australian performers achieved international recognition and success.

In addition, the quality of recording studios improved to such an extent that they were now comparable with the world's best, and there was significant growth in the local manufacture of recordings from all sources.

Radio fees for Australian compositions more than doubled, and the share of gross record company revenue increased sharply, as did expenditure on the production and promotion of local recordings."
BY MICHAEL SPARKS

SABC ponders new options to fund operations
SABC in for tough time as issue of funding looms

LOUIS de VILLIERS

The next three months will be trying for the SABC as it fights for its turf during public hearings on the funding of public broadcasting.

The Independent Broadcasting Authority (IBA) is knocking down to the task of untangling the broadcasting legacy of apartheid.

On October 18 all interested parties in broadcasting — and that’s just about everybody in the media, telecommunications and publishing world — will be invited to discuss procedures and rules which will govern the inquiry into the funding of public service broadcasting, the rules which should apply to cross-media ownership and local content.

The target date for the first public hearings, says IBA joint chairman Peter de Klerk, is October 31.

“The first hearings will probably run for two weeks, four days a week. We may then step out of it and have another round at the end of November leading into December,” says Mr De Klerk.

In a sense, these inquiries come at the worst time for the SABC. On the one hand, the corporation is undergoing major restructuring and transformation.

On the other, increased competition from satellite broadcasters in June next year will have an unquantifiable impact on its audience base.

The SABC’s share of total media spending in South Africa is about 40 percent, which the corporation says in its submission “is regarded as excessive within the industry.”

The issue of funding for the SABC is probably the key area of deregulation — if the State is to remain the dominant force in the commercial media industry, there will be little point for entrepreneurs to embark on costly electronic media start-ups.

“It’s a good thing that the SABC will have to fight for its turf,” says IBA councillor John Matisson. “And fight for its turf is something it will have to do.

If the SABC wants to scrap its inefficient licence fee system and tap into the tax base in some form or other, it will have to convince the IBA councillors, and by definition the public, that it warrants State funding.

The SABC will have to negotiate tricky waters stirred up by its own transformation process.

SABC sources indicate that in the process of radio and television news restructuring where executives have to reapply for their jobs, the criteria of competence and experience for appointment have been scrapped at the insistence of the unions.

Although this makes sense from an SABC perspective — how were black executives supposed to gain experience in the old dispensation? — the taxpayer could argue that it is unfair to expect from him to pay for somebody who is, by his own definition, incompetent.

Similarly, those who perceive the SABC as neglecting their communities, such as Afrikaans pressure groups, could make a strong case that it would be unfair to expect their constituency to contribute to SABC funding.

These and other issues will be debated in public later this year.

Mr De Klerk says the IBA is now really swinging into action. He maintains that criticism that the body has been moving too slowly is unwarranted.

“We have been up and running for only 13 months and are already in the process of awarding community radio licences. In places such as Canada, they are astounded at what we are achieving.

“The regional office of the regulatory body in Vancouver has double the staff we have — and they say what we are doing in months would have taken them two to three years.”

The IBA’s big test, however, lies before it. Mr De Klerk admits that many areas, vital to the future of the industry, are still murky.

One such issue is satellite broadcasting. Will the IBA protect the SABC from foreign competition?

IBA sources indicated that the body was on a collision course with M-Net/Multichoice signal distribution companies, Oblicom, which will have the capability of relaying the signals of 24 channels digitally to South African homes equipped with an inexpensive satellite dish by June next year.

“One of my people spoke to you out of turn,” says Mr De Klerk. “I don’t know of anybody in the world who has resolved the satellite issue.

“We will, however, be ahead of the game come June and will act in a transparent manner. It’s clear, though, that the SABC, in terms of the IBA Act, cannot be protected.

“We have to formulate a policy — the ideal would be if we were able to bring satellite in any shape or form under the umbrella of the IBA Act.”

Mr De Klerk indicates that the IBA will not approach satellite broadcasting in a heavy-handed fashion.
LOUIS DE VILLIERS
THE Independent Broadcasting Authority is knocking down the vital task of untangling the broadcasting legacy of apartheid in South Africa.

On October 18 all interested parties in broadcasting — and that's just about everybody in the media, telecommunications and publishing world — will be invited to meet to discuss procedures and rules which will govern the triple inquiry into the funding of public service broadcasting, the rules which should pertain to cross-media ownership, and the joint venture.

The target date for the first public hearings, says IBA joint chairperson Peter de Klerk, is October 31.

The first hearings will probably last for two weeks, four days a week. We may then step out of it, and have another round at the end of November, leading into December, says De Klerk.

In a sense these inquiries come at the worst time for the SABC. On the one hand, the corporation is undergoing a major restructuring and transformation exercise; on the other, increased competition from satellite broadcasters in June next year will have an unquantifiable impact on its audience base.

The SABC's share of total media spend in South Africa is about 42 percent, which the corporation says is "excessive within the industry." The issue of funding for the SABC is probably the key area of deregulation — if the State is to remain the dominant force in the commercial media industry, there would be little point for entrepreneurs to embark on costly electronic media start-ups.

"It's a good thing that the SABC will have to fight for its turf," says IBA councillor John Matisoni. And fight for its turf it will have to. If the SABC wants to scrap its inefficient licence fee system and tap into the tax base in some form or another, it would have to convince the IBA and the licence holders, by definition the public, that it warrants State funding.

The SABC will have to negotiate tricky waters stirred up by its own transformation process.

SABC sources indicate that in the current process of radio and television news restructuring where executives have to reapply for their jobs, the criterion of competence and experience for appointment have been scrapped at the insistence of the unions.

Although this makes sense from an SABC perspective — how were black executives supposed to gain experience in the old dispensation? — taxpayers could argue that it is unfair to expect them to pay for somebody who is incompetent.

Similarly, those who perceive the SABC as neglecting their communities, such as Afrikaans pressure groups, could make a strong case that it would be unfair to expect their constituency to contribute to SABC funding.

And other issues will be debated in the full glare of public scrutiny later this year. For De Klerk, the IBA is now really swinging into action. He maintains that criticism that the body has been moving too slowly is unwarranted.

"We have been up and running for only five-and-a-half months, and are already in the process of awarding community radio licences. In places such as Canada, they are astounded at what we are achieving. The regional office of the regulatory body in Vancouver has double the staff we have — and they say that what we are doing in months would have taken them two to three years."

The IBA's biggest test, however, lies before it: De Klerk admits that many areas vital to the future of the industry are still murky.

One such is satellite broadcasting. Will the IBA protect the SABC from foreign competition? IBA sources indicated last week that the body was on a collision course with M-Net/MultiChoice, the public service company, which will have the capability by June 1995 of relaying the signals of 24 channels digitally to South African homes equipped with an inexpensive satellite dish. "One of my people spoke to you out of turn," says De Klerk of a report in Weekend Post.

"I don't know of anybody in the world who has resolved the satellite issue. We will, however, be ahead of the game come June, and will act in a transparent manner. It's clear, though, that the SABC, in terms of the IBA Act, cannot be protected. We have to formulate a policy — the ideal would be if we were able to bring satellite in any shape or form under the umbrella of the IBA Act."
SABC agrees on advert cuts

IBA looks at plans for radio and stifled growth in the private broadcasting industry

More apply for licences

The Independent Broadcasting Authority (IBA), which granted its first community radio broadcasting licence last week, has received nine more applications, IBA co-chairman Mr Peter de Klerk said yesterday.

These included ones from Radio Pretoria for a 12-month licence and from the Johannesburg City Council for Radio Solid Gold to broadcast during the Johannesburg Jamboree.

Mr De Klerk said the IBA also had inquiries from an educational group that wanted to set up a community television station.

He said the nine applications would be processed in the next two weeks.

The IBA will hold a series of public hearings for oral submissions on the future of radio and television broadcasting in South Africa.

The first hearings will start in Johannesburg on October 31 and adjourn on November 10. They will reconvene on November 18 and continue until December 8 — Sapa
Moody's thumbs up for Eskom

JOHANNESBURG. — International credit rating agency Moody's Investors Service has given Eskom a favourable long-term credit rating of Ba3, paving the way for the utility to issue new debt on world markets by the year-end.

Eskom executive director Willem Kok said the company would wait for government to lead the way with an issue of new debt on international markets.

The rating, which is considered investment grade, formed an integral part of Eskom's strategy to diversify its international funding activities.

It was the same grade as the rating recently given to SA by Moody's.

"Previously, international bond issues were essentially limited to the various Euromarkets. The Moody's rating will enable Eskom to widen its investor base through geographic and currency diversification. In addition, the rating will provide the mechanism for finer pricing strategies. It confirms that Eskom is regarded as a well-managed company in international financial circles," Kok said.

Meanwhile, Eskom will sign a loan agreement today with the Bank of Taiwan for a loan of $30m, spread over five years.

This followed a visit in August by a special Taiwanese trade and investment delegation looking for ways of supporting the SA government's reconstruction and development programme.

Kok and Bank of Taiwan MD David Chang will sign the agreement.

A press release issued yesterday by the Taiwanese Embassy said: "Through this loan, the government of the Republic of China hopes that the electrification of rural areas in South Africa can be furthered."
IBA caught in row over homeland broadcasters

THE struggle between Posts, Telecommunications and Broadcasting Minister Palo Jordan and provincial governments for power over radio and television stations created by the former homelands has generated new criticism of the Independent Broadcasting Authority.

IBA member William Lane said yesterday it had no jurisdiction over former homeland broadcasters, and was waiting for Parliament to grant it licensing powers over the former TBVC state.

But he insisted the question of the ownership of former homeland broadcasters was outside the IBA's jurisdiction. "The Bophuthatswana Broadcasting Corporation, Radio Cape, Radio Transkei and other stations are state assets. It is not for us to decide who owns them," he said.

However, industry sources said the IBA's failure to assert its authority as a national licensing and regulatory body had enabled provincial governments to lay claim to powers inherited from former homeland governments.

"The interim constitution provides that provincial governments have power over provincial public media. This does not mean these governments can license provincial broadcasters," said one consultant.

"The IBA has national jurisdiction over broadcasting services' frequency bands. Therefore, it is the sole licensing authority in the country."

Lane disputed the criticism, and said the IBA had submitted draft amendments to Jordan in early July, and was waiting for the new legislation. "I admit we do seem to be backpedalling and making excuses a lot of the time, but I have circulated the legal opinion that we have and nobody has come to challenge it."

The amendments would grant the IBA greater powers of summons and inquiry during its "triple inquiry" into the future of the SABC, cross-media ownership and local content, and grant it formal jurisdiction over homeland broadcasters.

Parliamentary select committee on communications chairman SakuMacosa said no amendments had been tabled before Parliament. "I am aware that (Jordan's) department is planning amendments. But these must be approved by Cabinet first. I don't see how they can become law before Christmas."

In September, Jordan appealed to provincial governments "for forbearance and patience" on the question of broadcast licences issued by the former homelands.

One industry source urged the IBA to adopt a more open interpretation of laws regulating public media, rather than "take refuge" behind "a process of amendments totally lacking in transparency."

Submissions to the IBA from the KwaZulu/Natal government, Bophuthatswana Broadcasting Corporation and others have argued for the decentralisation of public media by devolving ownership to provincial governments — a right guaranteed in the interim constitution.

But Jordan told Parliament: "Allowing the provinces to grab the broadcasting facilities which happen to lie within the boundaries of their provinces would be a dangerous precedent to set and it could cause terrible problems in the future."

No comment was available from Jordan's department yesterday.

The key to equal learning

Three youths 'killed Biehl'
IBA caught in row over homeland broadcasters

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IBA in appeal for new regulatory powers

THE Independent Broadcasting Authority (IBA) has appealed to Posts, Telecommunications and Broadcasting Minister Palle Jordan for new powers to regulate broadcast signals from space and renew the licence conditions of the SABC, M-Net and Radio 702.

Proposed amendments to the IBA Act include a new definition of “space station”, a revised definition of “broadcasting service” to include “a service broadcast by means of a space station”, and jurisdiction over licences granted to existing broadcasters.

In terms of the existing Act, frequencies occupied by the SABC, M-Net, Radio 702 and other established broadcasters are “grandfathered” until at least the turn of the century.

But draft proposals submitted to Jordan in July, and released yesterday by the IBA following criticism that the process lacked transparency, would enable the authority to renew the conditions of those licences.

The other amendments — which include greater procedural and evidentiary powers for the IBA during its “triple inquiry” into the future of public service broadcasting, cross-media ownership and local content — do not detract from the “grandfathering” of established broadcasters in the current Act.

But broadcasting consultant David Dyson told a Freedom of Expression Institute conference in Johannesburg yesterday the IBA was “attempting to establish a bargaining provision ver-a-ver the grandfathered licensees”.

IBA board member Lyndall Shope-Mfole reassured broadcasters they had “nothing to fear” from the amendments.

“Our concern is to implement the Act in a manner that is equitable to everyone, there were no major debates on the amendments because we just wanted to speed up the process,” she said yesterday.

The proposed amendments were not intended to regulate broadcasting from space, but to protect the SABC-owned Sat-tel plan.

“It was not our intention to extend our jurisdiction to satellite broadcasting, but to prevent foreigners from operating a rival frequency plan. Signal distribution networks must be SA-owned,” she said.

But Dyson said the IBA was intent on “brining broadcasting satellite services within the jurisdictional ambit of the IBA” before satellite broadcasting to Africa from the proposed PanAmSat IV satellite begins next year.

One of the architects of the current IBA Act, Dyson criticised proposals for camera hearings during the IBA inquiry. These were “unacceptable” to all those who upheld the rights of freedom of expression.
SABC unveils plans for radio and television

MARK ASHURST

HALF of the SABC's public service television will be broadcast in black languages if draft reforms announced yesterday go ahead.

Two of the SABC's three television channels will grant equal status to SA's four major language groups — Nguni, Sotho, English and Afrikaans — with a focus on local content and the under-21 age group, CEO Zwelihe Sisulu said yesterday.

But the changes would depend on cross-subsidisation from a third commercially driven TV channel broadcasting in the languages most attractive to advertisers — English, Zulu and Afrikaans.

Sisulu said commercial services would not be downgraded, and the SABC would consider state subsidies to finance its public service obligations if independence from government could be guaranteed.

On the public service channels, priority would be given to news and current affairs, which when measured across both channels would provide more coverage in Afrikaans. One of the channels would be a hybrid "rainbow" service that would include commercial programming but, to retain three TV channels, the Independent Broadcasting Authority (IBA) would have to renew the NNTV licence, which was not "grandfathered" under the IBA Act.

Sisulu said the proposals, which were subject to IBA approval, were "transitional" with a lifespan of two to three years. In the long run, the SABC would depend on funding decisions taken by government on the basis of IBA recommendations.

Television chief Quentin Green said the production of programmes in several languages would increase, although low-cost imported programmes in English — which were six times cheaper than local material — would still dominate off-peak commercial services.

The SABC would continue to provide national radio stations in each of the 11 official languages. The output of the stations would be "decentralised and provincial".

The only additions to the current radio service would be local stations in the areas.

SABC portfolio were an Indian cultural station, Radio Lotus, and a youth service for under-21s. The frequency held by Radio 2000 would be targeted at young South Africans, would also be targeted by a new "Desert Radio" station.

Contrary to reports, no changes to commercial radio stations would be compulsory, Sisulu said. The financial implications of the proposals would be finalised within six weeks.

said Sisulu. The announcements were intended to stimulate public debate before the IBA's public hearings into public service broadcasting on October 31.

Radio CE Govin Reddy doubted that the current SABC revenue would cover the costs of an expanded public service. "If people want a national public service broadcaster, it is incumbent on government to come up with viable proposals."

From Page 7
Eskom to raise billions on local and foreign markets

CAPE TOWN — State electricity utility Eskom will have a net financing requirement of between R2bn and R3.5bn a year in the next few years.

Reuter reports Eskom financing manager Thomas Polgater, in a paper presented to Friday's World Energy Council's regional forum on the utility's medium-term financing strategy, said Eskom would raise between R1bn and R1.5bn a year from foreign capital markets, and the balance locally.

The net financing requirement included servicing of existing debt and repaying maturing debt.

Eskom's goals included becoming the cheapest provider of electricity in the world, providing electricity in terms of the reconstruction and development programme, and creating an interconnected southern African grid.

In terms of the RDP, a target of electrifying 2.5-million houses by 2000 had been set. Eskom would look mainly at rural areas, where a target of 500,000 households had been set for the same period.

He said foreign funds could be raised through various mechanisms, including medium-term notes and the Japanese Eximbank facility.

Locally, between R1.5bn and R1bn a year could be raised through the conventional bond market. Any more would require aggressive market-making or increased funding costs.

He said it was unlikely that Eskom could dislodge the Reserve Bank as the most dominant force on the local capital market given the government's large funding needs.

Electricity Participation Notes, and other structured finance and dedicated funding mechanisms, could raise between R1bn and R1.5bn as an alternative, he said.

Several other local alternatives were open to Eskom, he said. These included the use of one or more standard financial instruments such as a range of zero coupon bonds or promissory notes with different maturities and priced on a zero coupon yield to meet the cashflow needs of, say, an annuity fund.

These alternatives had helped Eskom reduce its reliance on local capital market funding at a time when other borrowers had become more active in this market, he said.

Sapa reports Atomic Energy Corporation head Waldo Stumpf told the conference SA should plan to build two more nuclear power stations by 2000 and to extend the life of Koeberg. It would be folly to close down or phase out Koeberg, he said.

Shutting it down would make it almost impossible for SA to make meaningful reductions in carbon dioxide emission levels and help reverse global warming.

Figures indicated SA should rather have more than less nuclear power in its future power generation mix. Using Koeberg rather than coal-fired power stations meant 77-million tons of carbon dioxide, 866,000 tons of sulphur dioxide and 376,000 tons of nitrous oxides had been kept out of the atmosphere in the 10 years of its operation since 1984.

Nuclear energy's 17% share of the world's total electricity production avoided the annual release of more than 2-billion tons of carbon dioxide into the atmosphere.

Maintaining the present mix of energy sources, or phasing out nuclear power altogether, would lead rapidly to disastrous levels of carbon dioxide in the global atmosphere.
Concern at airwaves act changes

JOHANNESBURG — Delegates at a recent conference on freedom of expression were concerned about the way in which amendments to the Independent Broadcasting Authority (IBA) Act had emerged “without consultation”, it was disclosed yesterday.

The Freedom of Expression Institute (FXI) said this was the feeling at the conference held here last week.

The conference also condemned an amendment which empowered the IBA to subpoena broadcasters to appear before it behind closed doors.

“Such a practice would be draconian and make a mockery of the concept of transparency which the IBA is supposed to uphold” — Sapa

According to the FXI, delegates called on the IBA to take the proposed amendments “to the public, commercial and public broadcasters before submissions were made to the Minister of Broadcasting or to Parliament” — Sapa
Future bright for Iscor steel exports

BY DEREK TOMMEY

Sharply rising demand overseas for steel and iron ore would seem to fully justify the fourfold increase from 185c to 475c in the past 16 months in the share price of Iscor, the country's major producer and exporter of these products.

Iscor, believed to be the world's cheapest steel producer, is already a major steel exporter.

If it decides to go ahead with its Saldanha Bay project, it will be able to sell an even larger quantity of steel overseas.

A forecast of steel consumption in the next few years by Leonard Hulechuh, who runs the International Iron and Steel Institute to which all the world's major producers belong, indicates that the markets for steel exports are likely to expand sharply.

Not that Iscor will necessarily be exporting larger quantities of steel, unless the Saldanha Bay project comes on stream, but rather the same quantity of steel at higher prices.

Hulechuh says that world demand for steel this year outside the former USSR and China should grow by 9 percent.

World consumption of steel will rise from 650 000 tons in 1995 to more than 750 000 tons by the year 2000 — lifting the annual growth rate in steel consumption from its current 2 percent to 2.5 percent.

Increasing demand from developing countries, mainly in Latin America and Asia, is the reason for this.

Nearly half of the world's steel consumed in the year 2000 will be used in Asian countries, including China and Japan.

Consumption of steel in the European Union is expected to rise 6 percent this year, followed by more than 4 percent next year.

In Eastern Europe, demand is also expected to increase by 6 percent this year, followed by an even larger increase next year.

The surge in China's apparent consumption of steel, which rose by almost 50 percent in 1995 to more than 100 million tons, seemed to be continuing earlier this year.

But tight credit and import control would appear to be restricting imports to below last year's levels.

However, over the next six years China's consumption is expected to grow by about 8.7 percent a year to 140 million tons.

This forecast is more modest than many others, says Hulechuh.

China is a market in which Iscor has a particular interest because it recently built an iron ore storage facility in the Qingdao port complex to improve the marketability of its iron ore.

On the other hand, the high value of the yen will probably restrict steel consumption in Japan.

Japanese manufacturers are already shifting production to other, lower-cost countries, and not only in the Asian region. The United States and Europe are included.

As a result, the 80 million ton consumption forecast for 2000 will show little increase from 1995.

Strong growth is expected in steel consumption in other countries in the Asian region, which should increase demand from 110 million tons next year to 140 million tons by 2000.
Small investors score as Iscor rolls out profits

Business Editor

THOUSANDS of small investors who bought Iscor shares at 200c a share, when it was privatised by the State in 1989, have had to exercise steely patience

Often referred to as the "people's share" because of the high proportion of individual shareholders, Iscor has not given "the people" much to be pleased about in past years. Its performance has been more leaden than tempered steel — until this year that is.

The mills are now rolling out profits under the new management of Hans Smith. At close of the Johannesburg Stock Exchange yesterday Iscor was trading at 478c after dropping to a low of 65c last year.

In the latest Iscor annual report Mr Smith is coy about his achievements but chairman Marius de Waal says "Hans Smith and his management team have put Iscor on a winning path, and the company's employees are motivated and keen to ensure future success."

Mr Smith says he has built on the legacy of his predecessors, which includes the assets that make it one of the few integrated steel producers in the world.

But Mr Smith took the unwieldy and cumbersome giant, reduced staff by 5 500 people to 48 500, reduced the layers of management that had built up over the years and sharpened the focus of the company.

Dr De Waal said Iscor reviewed its vision, mission, values and strategies for the future and decided to focus on four issues, which were identified as critical to success.

These were:

■ Putting steel production on a worldwide competitive basis,
■ Reducing debt,
■ Managing the company so that it could manage the ups and downs, the good times, bad times, nature of steel production, and
■ Changing the management style to empower employees.

Although he did not say it — there has been a quiet revolution in the steel mills.

And Dr De Waal says shareholders can still expect better performance, even without a better dollar price for steel and iron ore and with limited export demand.

There will be further increases in productivity and underperforming divisions will be closed down.

After improving the potential rewards to shareholders by 81 percent over the past financial year there is little wonder that the demand for Iscor shares is so strong.
State ventures cost R30bn

Political Staff

The value of public enterprises which fall under Public Enterprises Minister Ms Stella Sgcua amounted to about R30 billion.

Answering a question by DP MP Mr Ken Andrew, Ms Sgcua said the most valuable commercial government undertaking was Eskom, which was valued at R13.8bn on March 31.

Transnet came second at R11.9bn, followed by Denel — valued at R3.8bn.

The airlines of two former homelands also featured on the list — Sun Air, which was valued at R74 million in March last year, and Transkei Airways, which was valued at R5.3bn in March in 1992.

Their current values were not stated.

The only other government undertakings mentioned were Alexkor, which was valued at R238m, and Aventura, which was valued at R69m.

Not included on the list was the SA Forestry Company, which Ms Sgcua said still has to be valued.

Shares in the company would be issued by the state, she said.
14 arrested after sit-in at Grabouw

PIETER MALAN and ADELE BALETA
Staff Reporters

STRIFE-TORN Grabouw has been hit by another crisis after 14 people were arrested by police today after an overnight sit-in at the municipal offices.

Grabouw Community Organisation (Graco) member Julio Domingo said the 14, all Graco members, were to appear in court today.

The leader of the Pan African Congress in the Western Cape, Patricia de Lille, who spent the night with the residents at the municipal offices, accompanied the 14 residents to the magistrate’s court and is expected to ask for an interdict restraining Grabouw transitional council from functioning.

Mrs De Lille and 100 Graco members occupied the municipal offices at 5pm yesterday, demanding the resignation of town clerk Valdor Dudley.

Mr Domingo said they refused to leave the building.

At 5.30am today police with dogs arrived in 12 Casspars, six vans and other vehicles.

After a two-week sit-in was called off earlier this week, the residents re-occupied the offices yesterday when Mr Dudley was seen at the offices in apparent violation of an agreement that he would take two weeks’ leave pending negotiations about his retirement.

But Mr Dudley was only in the offices to collect his personal belongings, said a spokesman for the Grabouw Transitional Council.

“The council accepts its responsibility and will not ignore grievances and pleas,” said the spokesman.

Meanwhile, three members of the council, the body responsible for governing the town until the local government elections next year, have temporarily suspended their membership.

On Monday night councillors were full of hope that the process was on track after street protests in which about 500 Graco supporters sealed off the township of Pineview.

After protracted negotiations, Graco members agreed to end their two-week occupation and back off from a demand that they be met by Western Cape Local Government Minister Peter Marais.

But in a surprise announcement last night Graco president Dennis Marinas — who represents the Democratic Party on the council — and two Graco representatives temporarily suspended their participation until certain conditions were met.
Eskom revamps
to raise
R1.2bn in funds

BEATRIX PAYNE

ESKOM yesterday launched a second electric-

trication bond to raise an additional
R600m, bringing the finance
raised for its recently extended electrifica-
tion programme.

- Eskom finance executive director Wil-

lem Kok said the extra R600m would be
used for additional projects.

The instrument used to raise the finance —
Electricity Participation Notes — has a
small guaranteed return of 8% but offers
investors no upper limit to returns.

- The par value raised about R600m last
year after issuing its first Electricity
Participation Notes (EPN1).

- Kok said Eskom had planned to electrify
150 000 homes over five years, “but we
have since revised that and plan to electrify
300 000 homes a year for five years from
1995 to cope with the demands of the recon-
struction and development programme”.

The EPN1 would be converted into
EPN2, as some technical changes had been
made, to the instrument. The conversion
would take place by buying back stock
from bondholders and issuing EPN2s.

- It would offer investors a two-part re-

turn through a 6% fixed interest coupon
and a linked warrant for a variable
amount based on 95% of turnover genera-
ted by the electrification drive. It had a 15-
year life span and would mature in 2010.

- Current bondholders included life assur-
ance bodies and pension funds. Foreign
investors were still prohibited by the Re-
serve Bank from investing in the bond as
there was no upper limit to investor re-
turn.

Kok said the offer was not open
to public investors.

- “Life Officers’ Association” executive
director Jurie Wessels said its mem-
bers were still willing to invest in the bond.

The LOA had launched the bond with Es-
kom last year “institutions are frustrated
by the lack of investment vehicles in the
development sector and they are keen to
deposit in RDP-linked projects.”

He said the LOA initiated Investment
Development Unit (IDU) had been involved
in placing the paper with institutional
IDU executive director Errol Benven
said the life assurance industry had taken
up more than 85% of the issue with the
balance being absorbed by pension funds.

“This indicates that the IDU’s shareholders —
 contractual savings institutions — are
committed to funding the RDP.”

Byer reports that senior fuel and tech-
ica services GM Michael Deats and Es-
kom expected capital spending to reach
R4.1bn this year and R5.2bn next, after last
year’s R3.6bn.

He told the Africa Oil ‘94 conference in
Cape Town that demographic data at the
end of 1993 showed 8-million dwellings
countrywide, of which 3-million had elec-
tricity. Of the 5-million without, 3-million
could be connected to the existing grid.
Broadcasters distrust the ‘Trust Me’ Act

Proposed amendments to broadcasting legislation have the major industry players up in arms, reports Mark Gevisser.

A major controversy has erupted in the broadcasting world over proposed amendments to the Independent Broadcasting Authority Act, now dubbed the “Trust Me” legislation.

The amendments were presented to the broadcasting industry this week and will be tabled before parliament in the upcoming session.

Major industry players have called the amendments “Draconian” and both M-Net and the SABC are seeking legal advice on their constitutionality.

SABC group manager for strategic planning David Middmore said “While we recognise that the IBA is currently forced to operate in terms of inadequate and flawed legislation, the SABC is extremely concerned about some of the implications of the amendment. We are seeking, as a matter of urgency, a meeting with the IBA to raise our concern.”

An M-Net spokesman added “M-Net is concerned about the amendments and the short time allowed for a response to the IBA, and is taking legal advice.”

Contentious areas include:

- A new clause which allows the IBA to short-circuit the Act’s lengthy inquiry process by granting licences before it completes its “triple inquiry” and draws up a frequency plan. While new entrants welcome it, others claim that it will result in a chaotic and unregulated spectrum.

- Wide-reaching discretionary powers to determine how and when licences shall be allocated.

- There is, in fact, one amendment which can be interpreted to allow the IBA to make any decisions about signal distribution licences without following the Act’s own prescribed criteria.

- The discretionary right to hold inquiries and hearings in secret.

- The right to revoke or re-evaluate already-existing licences, thereby cancelling out the “grandfather clause” which guarantees the licences of M-Net, the SABC and others for eight years.

- Strong-arm language which gives the IBA the right to subpoena any individual or organisation and impose very heavy fines, up to R250,000, for non-attendance or the refusal to co-operate.

- A clause which indemnifies the IBA against any rulings it makes before the final amended Act is gazetted.

- An attempt by the IBA to regulate satellite as well as terrestrial television, so as to prevent international superchannels from broadcasting in from over the regulated zone.

IBA spokesman William Lane declined to comment on the amendments, saying only that “we feel it would be incorrect to air our point of view publicly, before discussing it with the industry.”

But well-connected sources state that the amendments result from the IBA’s frustrated attempts to obtain information concerning the SABC and M-Net’s operations, and out of the intense pressure that has been put on the authority to expand access to the airwaves.

Media lawyer David Dixon, the principal draftsman of the original IBA Act, notes that “the IBA has a good track record and was democratically appointed, and if they are saying that this is what it takes for them to make the Act work, then there is no reason to doubt their motives.”

But, says another senior industry player, “the current IBA councillors might be good guys and maybe we should trust them. But they are not there forever, and people with more authoritarian views could replace them, and could use the discretionary powers to turn the IBA into an instrument of party-political control.”
TENSION AT SABC OVER WEEK TV PROPOSAL
Changing Channels
South Africa’s 11 official languages, which entails formation of 11 language-based services and a special public broadcasting service for youth.

Proposals for television are the use of so-called regional windows to ensure all languages will be spoken on television, that most South Africans will be able to enjoy news programmes in the official language they are most comfortable with; priority on TV to those languages which are most commonly spoken and understood; a break with administrative functions, particularly with regard to radio stations.

Mr Sisulu gave the assurance that no arbitrary closure of any commercial radio service was planned and admitted it was ‘true that we don’t have the money to replace services’.

Radio chief executive Govin Reddy agreed the SABC intended to retain a stake in commercial broadcasting. Any changes ultimately decided on would be shaped by the need to integrate radio.

Mr Reddy said the SABC’s involvement in commercial broadcasting was only “justified to the extent that we require commercial revenue to fulfill our public broadcasting mandate”.

The decentralisation of radio broadcast activities away from the main centres such as Johannesburg meant an increase in staff complement for radio, he said.

“The SABC is mindful of the fact that these proposals

Snooze time

A SHADE EXHAUSTED: Call it a siesta or just plain “parking off” — these three city-centre dwellers paved the way for a high-noon nap by rolling out sheets of cardboard in the ever so slight shade of sun-beaten cars.
New plans for English TV news

Staff Reporter

TELEVISION news coverage will be predominantly in English in the SABC's proposals for a restructuring in the service.

English news will be broadcast on the commercial television-channel only, with a total of 3½ hours a week. There will be no news in the other official languages on the commercial channel.

News on the public broadcast service channel and the rainbow channel will be in Afrikaans (a total of two hours and 12 minutes a week), Sotho (two hours and 23 minutes) and Nguni (two hours and 32 minutes). There will be no English news on these two channels.

SATV spokesman Mr John Toomay said from Johannesburg yesterday that the existing three television channels (TV1, CCV and NNTV) would be replaced by three entirely new television channels.

They are:
- The public broadcast service (PBS) channel which will be mainly information and education programmes, with a limited amount of sport and entertainment.
- The rainbow channel which will be a combination of entertainment and information programmes, with the emphasis on entertainment.
- The commercial channel which will concentrate on entertainment, with quality international and local programmes.

Programmes other than news will be screened in the four main languages - English, Afrikaans, Nguni and Sotho - on all three these channels.

The SABC's new deal — Page 5
PROPOSAL FOR DIVIDING THE NEWS INTO FOUR LANGUAGES

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Graphic: RONALD IRISH
Source: SABC

BOTTOM LINE ... three languages rotate on this sample roster of TV news bulletins covering the SABC's proposed new channels — but English enjoys a regular time slot.

By RICHARD McNELL

THE SABC has attempted to diffuse the row over the future of Afrikaans by drawing up an ingenious "white paper".

Allowing for a three-channel TV service, which effectively guarantees Afrikaans "equitable" status alongside English, Nguni and Sotho, but leaves the way open for English to dominate all three channels. Proposals unveiled by chief executive Zwelethu Sisulu and TV chief Quentin Green this week, provide for:

- A BBC-style public service (PBS) channel, probably on the TV1 transmitters, carrying "quality" information and education programmes, with some sport and entertainment;
- A second "rainbow" channel, mixing commercial and PBS programming; and
- A third, purely commercial channel, expected to become the SABC's main income generator, emphasising popular entertainment and recreation.

But the model is essentially the one revealed by the Sunday Times two months ago, which triggered a furious public debate. But refinements have been added to balance the requirements of dealing with 11 official languages.

In its crude form, the proposal envisages Afrikaans sharing CCV with the other 10 languages, and English taking over TV1.

However, two crucial factors—both also foreseen in the Sunday Times—have enabled TV planners to take a more imaginative and flexible line in drawing up the final model.

Firstly, the corporation's legal advisers, after lengthy consultations, concluded that the SABC did not have to follow the interim constitution to the letter. 25/10/92

SABC lawyers ruled that the corporation would not infringe the constitution by varying the extent of the use of any language "provided it acts within its own constitution and in terms of the Broadcasting Act (1936 and 1976)."

The second factor was the concept of "shared" languages, which measures the extent to which a language is understood. This enabled planners to treat the four top languages on this scale—Afrikaans, Nguni and Sotho—as more important in terms of both first- and second-language speakers. With four, and not 11, languages to concentrate on, planners were able to draw up a meaningful roster (see chart) of news bulletins covering all three channels.

On the PBS and rainbow channels, equal news time is allocated rotationally to Afrikaans, Sotho and Nguni. But the same roster gives all seven main bulletins on the commercial channel—effectively the successor to TV1—to English.

Using the bulletin as "language anchors", planners are now working on programme schedules which would assign blocks of time in three-hour segments to each language.

This would mean—using the roster as an example—that prime time rainbow channel programmes on Monday would be in Sotho, Tuesday in Afrikaans, Wednesday in Nguni, and so on.

By implication, prime time on the commercial channel would always be English, built around the English news.

But Mr Green is emphatic that this does not mean the channel's entire output will be English. He points to the high level of Afrikaans viewership on TV1, and says if the demand transfers to the proposed new commercial channel, there will be Afrikaans programming to meet it.

This "market-driven" principle applies equally to Nguni and Sotho.

What is clear, however, is that outside of prime time, the SABC is going to have hard-pressed to produce blocks of local programming in whatever language.

After 9.30pm on all three channels, therefore, English-language programmes, probably imported and relatively cheap, will predominate.

Under the proposals, aimed at creating a three-year "interim" model for the SABC, the other seven official languages will be dealt with by "regional breakthroughs" on the PBS and rainbow channels. This would mean some languages, like Tsonga and Venda, would be used on TV for the first time.

Mr Sisulu and his team believe this "equitable", rather than "equal" treatment of all 11 languages offers the best opportunity to fulfill the spirit of the consultation's language requirements.

The SABC is now inviting public comment on the "white paper".

Proposals for establishing public service radio channels for each of the 11 languages were also announced this week.
SABC: Media freedom is at stake
SABC not after homeland sites

MMABATHO. — SABC group chief executive Mr Zwelakhe Sisulu yesterday dismissed speculation that the corporation was preparing to take over former homeland broadcasters.

Mr Sisulu said the proposed moving of SABC stations to the provinces did not imply it would use the facilities of former homeland broadcasters.

North-West Premier Mr Popo Molefe reaffirmed that his provincial legislature wanted to retain the Bophuthatswana Broadcasting Corporation as a public broadcaster. — Sapa
issue could make or break national unity, says NP

SABC language policy

now in assembly over

politics
Eskom in bid to cut its tariffs

Whitbank – Eskom plans to reduce the cost of tariffs by 15 percent by the end of the year as part of its five-year tariff adjustment plan. Speaking at the official opening of a new Eskom office in the KwaZulu-Natal province, Chief Executive Officer of the Eastern Cape Regional Eskom, Mr. Mzimba Mdlalose, said the move is aimed at reducing the cost of electricity to consumers. The new plan will see Eskom investing in infrastructure upgrades and capacity expansion to meet the growing demand for electricity. The utility company also plans to explore new opportunities in renewable energy to further reduce its reliance on coal. Mdlalose added that Eskom is committed to improving customer service and enhancing the efficiency of its operations. The announcement comes as Eskom faces challenges in meeting the growing demand for electricity, with some areas experiencing power outages. The utility company has been working to modernize its infrastructure and improve its efficiency to meet the needs of its customers. The new plan is expected to benefit consumers, especially those in rural areas, who have been facing higher electricity costs. Eskom has a long history of providing electricity to South Africa, and its commitment to improving the quality and affordability of its services is a testament to its dedication to its customers.
Eskom to cut power costs over five years

JOHANNES NGCOCO

ESKOM has committed itself to reducing the real price of electricity by 15% over the next five years as a contribution to the reconstruction and development programme, chairman John Maree said yesterday.

And the utility would spend R255m over five years to electrify 2 500 schools and clinics nationwide, Public Enterprises Minister Stella Sigcau announced.

Both were speaking at the opening of a R10m power station at Kendal in the Eastern Transvaal.

Maree said low-cost electricity would make energy-intensive industries such as ferrochrome, stainless steel and aluminium more competitive in world markets and stimulate investment in the sector, and make electricity more affordable to the low-income sector.

Large-scale electrification was essential for economic growth, and a Pretoria University study had shown that the electrification of 3-million homes could create one million job opportunities. For every 19 homes electrified, one to two would start some economic activity. The current rate of electrification was 1 600 homes a day.

Sigcau told the gathering Eskom’s commitment to empowering underprivileged people would go hand in hand with an affirmative action programme which should see blacks make up 50% of the strategic management component of the utility by the year 2000.

Sapa reports Sigcau appealed to provincial governments to speed up the provision of housing, education and health facilities to help facilitate Eskom’s project.

Eskom said the Kendal station — which took 18 months to build — was the biggest coal-driven electricity plant in the world and had already started supplying power to Mozambique, Swaziland, Botswana, Lesotho, Zimbabwe and Namibia.

The station and its mine employed about 3 000 people.
SABC top heavy with bosses

By Ismail Lagardien
Political Correspondent

THE SABC has 461 managers, including its group executive, the Minister for Posts, Telecommunications and Broadcasting, Dr Fallo. Jordan has said:

Responding to a question in Parliament from Mr Kobus Jordaan (Democratic Party), Jordan would not reveal the salaries of the management team members "due to the competitive environment" in which the SABC operates.

"The competition is bound to increase in a re-regulated environment when commercial broadcasting licences become available from the Independent Broadcast Authority," Jordan said.

The composition of the SABC's management is group executive one, top management six, a chief executive in radio, television and a group manager for finance and one for human resources. Others are: senior management 42, middle management 224 and junior management 188.

Telkom has 852 managers and 58,842 staff members while the Post Office has 212 managers and 25,538 staff members.
Getting the timing right

Activities: Makes and markets liquid fuels and gas from coal and crude oil. Also makes and markets petrochemicals, plastics, fertilisers, explosives and mines coal.
Control: Old Mutual 21%, Stanlam 14%, IDC 12%
Chairman: J S Stegmann
MD: P Kruger
Capital structures: 588m ords Market capitalisation R21bn
Share price: Price R37 Yields 2.4% on dividend, 7.1% on earnings p/e ratio, 14, cover, 2.9 12-month high, R35, low, R17.75 Trading volume last quarter, 17m shares

Year to June 23
ST debt (Rm) 406 459 578 536
LT debt (Rm) 1 762 1 922 1 492 1 336
Debt/equity ratio 0.57 0.13 0.16 0.06
Shareholders' interest 0.46 0.53 0.56 0.57
Int & leasing cover 5.1 7.0 9.7 15.8
Return on cap (%) 18.1 14.3 15.3 17.5
Turnover (Rm) 7 662 7 855 8 888 9 548
Pre-nr profit (Rm) 1 900 1 875 2 055 2 561
Pre-nr margin (%) 20.2 22.7 23.1 25.5
Earnings (c) 165 202 250 264
Dividends (c) 71.5 78.6 86 150
Tangilo NAV (c) 857 960 1 124 1 296
↑ Capitalisation award

Prospects for many of Sasol’s diverse activities are more encouraging than they have been for years. Most markets, domestic and international, in which the group operates are starting to firm. And the cost containment programme of past years, with continuing investment in production, has honed efficiencies.

The real cream should start coming through this financial year and next as capital projects (R1.1bn completed in 1994, R2.4bn in progress) are commissioned. This should coincide with rising demand and prices, evident towards the last year-end.

Last year’s results were helped by lower interest payments — Sasol repaid another R400m of its Central Energy Fund loan for the acquisition of Sasol Three — and the transfer of R50m from its tax equalisation reserve to offset the increase in tax from R348m to R913m. This reserve is an accounting device used to smooth earnings but it means reported EPS do not necessarily reflect the year’s true performance.

MD Paul Kruger says Sasol’s effective tax rate rose from 18.9% to 37.3% because assessed losses from Sasol Three and the Syferfontein mine were used up and STC was higher.

Lower average prices of crude oil and an exchange rate favourable for Sasol brought in nearly R1bn in tariff protection.

Turnover increased by a muted 10.9%, though the important trend is the steadily increasing operating profit which Sasol is deriving from firms higher margin margins (see table). A five-year view shows compound growth in turnover at 18.2%, compared with the 10.9% increase of financial 1994, operating profit grew at 28.9% compared with the 18.3% five-year average.

The weakening rand also boosted operating profit. The average exchange rate in financial 1994 was R3.41/U$ against the year ago R2.97/U$. That lifted the performance of all divisions and shows Sasol’s exposure to foreign currencies (about 80% of its products are priced in non- rand currencies).

The balance sheet is strong but the group’s real strength is its substantial cash generating ability. Operating cash flow rose by 20.6% to R5.1bn in 1994. The net cash inflow was R465.5m (1993 R495.5m net outflow). Planned capital spending of R1.6bn will be funded internally.

Chairman Joe Stegmann says capex on new projects totalled R6.6bn over the past five years.

Sasol’s timing appears to be spot on. The bulk of capex has been on expanding capacity and developing the downstream capabilities of petrochemicals. For most of the 1994 year, world chemical prices were depressed, in some markets lower than at the bottom of the previous slump in the early Eighties.

The last quarter, though, saw chemical prices rise off the bottom — and they are continuing to firm.

This is happening just as Sasol starts to benefit from earlier spending. Major projects completed last year include the R405m Natref upgrade, which allows the refinery to process cheaper, heavier crude, resulting in higher refining margins, the R300m alpha olefin plant, which will export about 90% of its products, the R92m gas pipeline to Middelburg, and the R280m expansion of gas production at Secunda.

Current projects are the R310m acrylics line in Durban and the rest exported. The R53m alkylamines plant, a joint venture with Kaochem in Newcastle, is almost complete. Part of the output will be used by SMX, Sasol’s mining explosives division whose exports are growing. Its main market is the Pacific Rim but world

SASOL

PROFIT MIX

SASOL

1993/94

(1992/93 FIGURES IN BRACKETS)

SASOL CHEMICAL INDUSTRIES 3 161 (2 561) 25.6% (23.1)
SASOL OIL 2 039 (2 308) 16.5% (20.8)
SASOL MINING 1 586 (1 588) 12.7% (14.3)
SASOL SYNTHETIC FUELS 2 401 (4 188) 44.2% (41.3)

FINANCIAL MAIL • OCTOBER • 20 • 1994 • 59
Chemical prices remained depressed, but just as Sasol is using petrochemicals to spearhead an export drive, the synfuels technology is attracting international interest. This could lead to joint ventures with overseas groups.

Exports are a recurring theme across most divisions, increasing over the year by 39% to R777m and now at about R1bn a year. They show Sasol's increasing competitiveness. An example is the recent contract to export 411,000 m³ of fuel alcohol to Brazil, worth about R400m.

In line with export growth is a corporate initiative to raise Sasol's international profile. Senior managers recently went on a road show to the UK and the US. There's the possibility of links with an international chemical company which could market Sasol's chemical feedstocks.

Investors are probably still cautious about deregulation of the fuel industry and changes to tariff protection, though the current structure of protection is not likely to change radically until Sasol repays its final loans for the Sasol Three acquisition at the beginning of 1996.

Since the start of the year, Sasol has strongly outperformed the Industrial index (see graph). A P/E ratio of 14 still looks fair value compared with the industrial market. Earnings growth should be strong for at least the next two years as prices firm and capital projects come on stream. The share's high rand hedge exposure will remain an attraction.

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**Sasol Share Price**

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**Potgietersrust Platinum**

**Dangerous territory**

**RUSPLAT/PP RUST/LEBOWA**

**RUSPLATS**

- Activities: World's biggest producer of platinum group metals
- Control: JCI and Anglo American (56%)
- Chairman: P.F. Reifeld M.E. Davison
- Capital structure: 125m ords Market capitalisation R14.5bn
- Share market: Price 11.600c, yields 1.4% on dividend, 2.6% on earnings, p/e ratio, 51, cover, 1.4-12-month high, 12.600c, low, 6.500c, trading volume last quarter, 1.7m shares.

**Year to June 30**

| Turnover | Rm | 3,465 | 2,160 | 2,988 |
| Pre-tax profit | 1,160 | 757 | 459 | 423 |
| Taxed profit | 600 | 407 | 286 | 257 |
| Earnings | 482 | 321 | 225 | 229 |
| Dividends | 350 | 330 | 185 | 163 |

* Plus 246c dividend in specie.

**LEBOWA PLATS**

- Activities: Produces platinum for the Atok mine
- Control: JCI
- Chairman: M.E. Davison
- Capital structure: 120m ords Market capitalisation R67.8bn
- Share market: Price 565c, yields 1.40% on earnings, p/e ratio, 63, cover, 1.4-12-month high, 600c, low, 130c, trading volume last quarter, 7.4m shares.

**Year to June 30**

| Turnover | Rm | 1,120 | 1,112 | 1,112 | 1,148 |
| Pre-tax profit | 15 | 27 | 27 | 10 |
| Taxed profit | 10 | 23 | 23 | 10 |
| Earnings | 8.3 | 10.6 | 10.6 | 7.8 |
| Dividends | — | — | — | — |

**PP RUST**

- Activities: Operates an open cast platinum mine near Potgietersrust.
- Control: JCI
- Chairman: M.E. Davison
- Capital structure: 120m, 3m ords Market capitalisation R44,8bn
- Share market: Price 3,650c, yields 1.20% on dividend, 1.2%, on earnings, p/e ratio, 57, cover, 1.2-12-month high, 4.100c, low, 1,475c, trading volume last quarter, 1.8m shares.

**Year to June 30**

| Turnover | Rm | 247 |
| Pre-tax profit | 85.4 |
| Taxed profit | 64.3 |
| Earnings | 45.0 |

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When the world's largest platinum producer, in company with its two surrogates, releases its annual report analysts scurry for their pencils.

This year is no different. The simultaneous publication by Rustenburg, Lebowa and Potgietersrust (PP Rust) of their results for finansiel 1994 sparked the same interest — though this time for a different reason next year they will have a new home, and what that may presage is of consuming curiosity to users, producers and investors.

Rustenburg is the colossus which strides the industry. However, despite its dominant position and the intelligent use of assets, its performance over recent years is unlikely to engender deep investor satisfaction.

Trading margin — profit on metals sales expressed as a percentage of gross sales revenue — has dropped from its peak of 49.7% in 1989 to 1994's pedestrian 21.6%. The dividend has fallen from 350c to 165c (ignoring the exceptional 1 specie contribution in 1992). Earnings show the way — 482c a share in 1991, then 321c, 225c and 1994's tiny improvement to 229c.

These statistics warn of difficulties and they are not concerned solely with the end price for platinum group metals (PGMs) over which producers exercise little control. They speak of a long battle to contain costs. In 1985, Rustenburg's costs were R649m on revenues of R1.06bn (61%), in 1994, these were R2.28bn on revenue of R3.12bn (73%). This is the arithmetic which really matters in the end, though the operation is vastly larger than in 1985.

It would be remiss of me not to comment on the fees paid by Rustenburg to parent JCI in 1993 R93m, in 1994 R91m. I cannot be persuaded — whatever JCI's special expertise — that payments of this magnitude can reasonably be justified. This aspect of the SA mining industry structure, based on fees flowing through to the houses, is attracting increasing international criticism. It is certainly demanding of mature reassessment.

It is also important to draw attention to Rustenburg's powerful balance sheet. There are no borrowings (though there is a loan of R99m in Lebowa's books), there is R393m cash and debentures of R473m, shareholders' equity has advanced to R2.05bn.
Philosophical approach to the design of the new Picasso system

Companies

Sasol backs new Picasso system
SABC turns down request for discount television licences

Hotels consider getting rid of TV sets

PIETER MALAN
Staff Reporter

THE SABC says its financial position makes it impossible to grant licence concessions to hotels— even though discounts are standard practice worldwide and local luxury hotels are compelled to have a TV set in every room.

South African hotels are believed to be the only ones in the world which must pay the standard TV licence fee for each set, according to Hotelier- & Caterer magazine.

The corporation’s continued refusal might see hoteliers pushing for amendments to the star-grading system, whereby it is compulsory for four and five-star hotels to have a set in every bedroom.

Hotelier & Caterer said while the recent increase in television licence fees was aimed at increasing the SABC’s income, it might have the opposite effect if hoteliers decided to get rid of televisions.

It suggested the SABC was milking existing licence payers because it was incapable of running an efficient licence fee collection system.

The recent licence increase of R13 added a staggering R1 300 to the licence bill of a hotel with 100 sets. At R189 a set, such a hotel paid almost R19 000 a year on licence fees.

Satour director Greg McManus confirmed the organisation, which grades hotels, had been asked to intervene on behalf of the industry to negotiate concessions with the SABC.

“This dispute has been going on for many years and the public broadcaster has, up till now, flatly refused any such concession.”

He suggested the average hotel occupancy for the previous year be used to determine the hotel licence fee for the next year.

“If a hotel was on average 46 percent full the previous year, then it will pay 46 percent of its licence fee for the current year.”

This approach, he said, was internationally acceptable and was followed in many other countries.

In Nambia, hotels get a discount ranging from five percent to 40 percent, depending on the number of sets in the hotel.

In reaction SABC spokesman Gideon Foure said the corporation had noted the international trend in this regard, but “the SABC’s financial position does not allow us to entertain the request.”

He said the Federation of Hotel, Lugor and Catering Associations of South Africa (Fedhasa) had been discussing the issue with the SABC for several years, but the SABC board had confirmed a decision not to grant concessions.

Mr McManus said “The last thing we want to do is change the star grading system which requires upmarket hotels to have televisions in every bedroom, because it would obviously not be in the interest of tourists.”

Ironically a survey conducted by the city planner’s department earlier this year found that 86 percent of all international tourists to Cape Town complained about the unsatisfactory local television service.
SABC wants to keep position

Own Correspondent

JOHANNESBURG — The SABC yesterday called on the Independent Broadcasting Authority to preserve its domination of the SA broadcast market and ruled out significant changes to its revenue base.

"We cannot realistically expect the government to reverse the international trend by replacing our existing commercial revenue with tax rands — nor expect members of the public to increase their contribution," SABC chief executive Mr Zwelakhe Sisulu said yesterday.

But he predicted the SABC would relinquish control of its signal distribution company Sentech, which monopolises the national frequency network.

IBA board member Mr John Matisonn said private sector interests had sought licences from the IBA to set up rival signal distribution networks.

Mr Sisulu told the IBA's hearings into the future of the public broadcaster, local content and cross-media ownership that the commercial sector could not serve the majority of the population.

The SABC was committed to the independence of its operations and editorial output, and would make its services available to all parts of the country.

"The distinction between public broadcasting and other elements of the system is that public broadcasting seeks to treat its audiences as citizens, rather than as consumers," he speculated.

The SABC, which receives 75% of adpend in the broadcast sector, would continue to be self-supporting and would cross-subsidise its public service programming using earnings from its commercial services.

It would also seek subsidies from relevant government departments for specific health and education programmes.

Representatives from the commercial sector criticised the SABC for "paying lip service" to the principle of an open commercial market while seeking to retain its advertising monopoly.

"They have heard from (Posts, Telecommunications and Broadcasting Minister Dr) Pallo Jordan that they won't be getting any money from (the) government," a speculated one.
NNTV legal, broadcast authority decides

GILL LORD
Television Reporter

THE Independent Broadcasting Authority (IBA) is satisfied that the SABC's NNTV channel is broadcasting legally, despite claims by the Independent Broadcasting Committee (IBC) that the channel is on the air without a licence.

The IBC is a privately-formed group of broadcasters and potential broadcasters. It is adamant that NNTV has been broadcasting without a licence since last month.

But, according to SABC-TV chief executive Quentin Green, the licence was automatically renewed by the Independent Broadcasting Authority after expiry.

IBA spokesman John Matisonn said due to the nature of the licence, it automatically continued "until the IBA gives NNTV three months notice of cancellation."

Louis Raubenheimer, acting general manager of NNTV, said: "There is no confusion, just a lot of noise being made by people who have an agenda of their own. NNTV has a proper licence issued by the then-Minister of Internal Affairs Danie Schutte."

"We can continue to broadcast unless the IBA decides to stop us. Should this happen, they will have to give us three months notice. It's ongoing indefinitely unless the IBA actively interferes. I also know for a fact NNTV will form an integral part of the SABC's proposal to the IBA."

Shutting the station would be of no benefit to the viewers, John Matisonn added:

"We've got our legal advice and we're clear on the matter. Their licence continues unless the IBA gives them three months notice to cease."

"Where in the IBA Act does it state that everyone must comply with the rules - except NNTV?" IBC chairman Tony Sanderson asked recently.

He said the IBC had the right to expect the same treatment adding that there "must be collusion between the IBA and the SABC."

Mr Sanderson said there was no transparency and "no levelling of the playing field."

He later said the IBC didn't want NNTV to come off; we want the same facility granted to us."
The SABC was committed to the independence of its operations and editorial output, and would make its services available to all parts of the country. "The distinction between public broadcasting and other elements of the system is that public broadcasting seeks to treat its audiences as citizens, rather than consumers."

The SABC, which receives 72% of ad-revenue in the broadcast sector, would continue to be self-supporting and would cross-subsidise its public service programming using earnings from its commercial services. It would also seek subsidies from relevant government departments for specific health and education programmes.

Giving evidence on behalf of the SABC, Commonwealth Broadcasters' Association secretary-general Stuart Revill said there was no historical record of public broadcasters being unduly influenced by commercial interests.

It was "a fact of life that governments neither can nor will subsidise public broadcasters", he said. The licence fee was unsuited to SA's narrow tax base, high unemployment and problems with collection.

But he said there could be no justification for a public service broadcaster that did not provide higher-quality programming than the commercial sector.

Representatives from the commercial sector criticised the SABC for "payinglip service" to the principle of an open commercial market, while seeking to retain its advertising monopoly.

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**SABC bids to retain broadcast position**

**MARK ASHURST**

The SABC yesterday called on the Independent Broadcasting Authority to prevent the domination of the SA broadcast market, and argued strongly against significant changes to its revenue base.

"We cannot realistically expect government to reverse the international trend by replacing our existing commercial revenue with tax revenue. Nor do we expect members of the public to increase their contribution," said SABC CEO Zowelaka Sisulu.

Speaking at the IBA's first public hearing into the future of broadcasting, Sisulu predicted the SABC would relinquish control of its signal distribution company Sentech, which monopolises the national frequency network. Sentech is the only commercial business unit within the SABC registered as an independent company.

"Sentech MD Nceke Sisulu said separating the R296m transmission network from the SABC would encourage development of the industry and grant the autonomy to function as a common signal carrier for all broadcasters in terms of the IBA Act."

As a state asset, Sentech's future would be determined by government. "Sentech has an extensive infrastructure and there is a lack of capacity for expansion. We could fall into the privatisation category, or be established as a public utility," he said.

IBA board member John Mathons said private sector interests had sought licences from the IBA to set up rival signal distribution networks. Sisulu told the hearing "which dealt with the future of the public broadcaster, local content and cross-media ownership" that the commercial sector could not serve the majority of the population.
Group tells panel to restrict SABC

JOHANNESBURG. — The SABC should be restricted to national broadcasting with two television channels and eight radio stations, the Independent Broadcasting Authority panel investigating the future of broadcasting heard yesterday.

Countering various suggestions by the SABC, the group of 13 organisations representing civil society proposed SABC 1 and SABC 2 public service television channels be funded by means other than commercials.

A privately-owned third channel would rely on commercial revenue and would tie into a network of six regional stations and retain public broadcasting commitments to news and information programmes. Channel four would be commercial and owned by a consortium.

The group said the SABC’s radio portfolio should comprise eight stations, six of which should be language-based, one youth-oriented and one educational.

The hearing continues today. Sapa.
ISCO yesterday confirmed it had won a $7m contract to supply 200 000 tons of coking coal to Brazil. A further option in the contract would push the eventual total to 215 000 tons.

ISCO’s GM coal business Jason Grimes said the tonnage to Brazil equalled the company’s entire coal export allocation for the current financial year.

Grimes confirmed that ISCOR had earlier exported 110 000 tons of coal to Brazil — 85 000 tons from Grootegeluk and 25 000 tons from Hlobane — after the Brazilians had carried out a series of quality tests.

But a major problem was export allocation. “Even if we had a million tons of coal available, we haven’t got allocated export facilities at Richards Bay to accommodate this quantity.”

He said ISCOR had in the past attempted to export steam coal through Maputo and Durban but this turned out to be uneconomical. Fob was $1 a ton more at Maputo than Richards Bay. Accordingly, ISCOR’s price would not be competitive should the company decide to go that route.

Grimes was optimistic about ISCOR’s place in the international coal market. While demand for coking coal would remain low for 20 years, there would be a sustainable demand for steam coal.

Steam coal had shown a projected growth of 220-million tons to 360-million tons by 2000 and it could go as high as 570-million tons by 2010.

“Provided that Grootegeluk and Leeuwpan expand, and bigger allocations become a reality, I cannot see why we shouldn’t be exporting at least 500 000 tons annually in five years’ time.”

Grimes also confirmed that other overseas market were being looked at. A sample of Grootegeluk coal had been sent to India recently and a report had just been received that India was considering importing 100 000 to 150 000 tons a year.

“The problem, however, remains — where do we export from? Everybody is fighting for a market share and we should be exporting about 500 000 tons a year. But if bigger export allocations like Coalex and the proposed export terminal at Richards Bay don’t materialise, we will miss out on future opportunities.”
‘Restrict expansionist SABC to two channels’

THE controversy over the future of public broadcasting intensified yesterday when aspirant commercial broadcasters called on the Independent Broadcasting Authority (IBA) to limit the SABC to two television stations and prune its radio portfolio to eight public service stations.

Broadcasting consultant Michael Markowitz urged the IBA to adopt an aggressive stance in its restructuring of the SABC by downsizing the public broadcaster, abandoning commercial radio and transferring existing public service stations to the provinces.

His partner, David Dixon, said the SABC was “on an expansionist path” and appealed to the IBA to instruct the SABC to make public its prospective budget for 1994/95 and its budget for the year ending September 1994. The IBA is to consider the request.

The SABC’s NTV licence should be withdrawn and SABC television restricted to two public service channels with funding from advertising revenue not exceeding 50%, he argued. A third national channel should be an open commercial service, with regional windows similar to Britain’s ITV, Dixon said.

Additional funding of up to R80m a year for the SABC’s public service commitments could be generated by investing funds from the sale of its assets.

In a bold submission on the second day of the IBA’s public hearings on the future of public service broadcasting, cross-media ownership and local content, Markowitz accused the SABC of misunderstanding the “holistic approach to regulation” of the IBA Act and the language provisions of the interim constitution.

SABC Radio CE Govan Reddy’s proposals “incorrectly assumed the SABC must carry the whole burden of language provision”, he said.

The IBA’s regulatory authority over both public and private sector broadcasting was a departure from international norms, allowing it to devolve public service responsibilities to provincial public media, Markowitz said.

The determination of the SABC to cater for all 11 official language groups reflected the confusion in government over the role of provincial public media. In terms of the interim constitution, the National Assembly and the provinces exercised “concurrent competence” over these media.

“When the shopping list of provincial powers was presented to the regions, everyone knew what transport and roads and casinos meant. There was an assumption that everyone knew what provincial public media meant … this was unfortunate,” he said.

Despite doubts about the IBA’s jurisdiction over former TBVC broadcasters, Markowitz said the IBA was the sole licensing authority in SA and could therefore determine the allocation of frequencies to the provinces.

It should advise government to amend or repeal all existing broadcasting legislation and propose a new Public Broadcasting Services Act, establishing a framework of common principles, standards and governing boards appointed by the standing committees of the National Assembly and provincial legislatures.
SABC staff among 'the best paid'

BY MICHAEL SPARKS

SABC employees earned R50 000 a year on average, absorbing half the corporation’s annual advertising revenue of about R1 billion, according to accountant Anton Hayward.

He told an Independent Broadcasting Authority hearing in Johannesburg yesterday: “This must be one of the highest per capita remunerations in any organisation in the country.”

Management comprised 30 percent of staff and took up most of the salary allocation.

In an interview, Hayward added that the salary bill of other South African service organisations was seldom higher than 20 or 30 percent.

He also said the SABC’s running costs were nearly double its claimed budget of about R1.2 billion a year.

If the SABC were to pay for cross-advertising, and the costs of services and infrastructure charged to business units within the corporation, the actual operating expenditure would be around R2.3 billion a year.

Hayward was appearing on behalf of the Group of 13, which includes human rights bodies, cultural organisations and community broadcasters.
Eskom debt parity set for 1999

Eskom's goal of achieving a one-to-one debt to equity ratio by 1998 would be fulfilled a year later than originally planned because of funding required for the reconstruction and development programme's electrification drive, finance executive director Willem Kok said yesterday.

Kok said Eskom's gearing would probably drop to about 1.7:1 by the end of the year, and fall to parity by about 1999.

He said most of the burden of funding the electrification programme was being offset by much improved operational efficiencies. Despite the electrification programme, Eskom would remain in a state of surplus capacity for some time.

The programme, being steered by the National Electrification Forum (Nelf), aims to make 500,000 new connections a year; to the national grid for the next five years at a cost of about R1bn a year.

Nelf chairman Ian McRae said the programme would lift electricity costs about 8% to 10%, but Eskom has said it will still be able to reduce the price of electricity by 20% by 1996.

Meanwhile, Kok said Eskom had resigned itself to the fact that its Electrification Participation Note (EPN) bonds would not be made available to foreign investors, since the Reserve Bank had valid reasons for restricting it to the domestic market.

Last month, Eskom launched a second electrification bond, which brought the money raised for its electrification programme to R1.2bn this year. The Bank had prohibited foreign investors investing in the bond because there was no upper limit to investor returns.

Kok said that when Eskom did re-enter the foreign market, it would issue an ordinary bond, unlike the EPN which linked some of its return to the performance of the electrification drive. The EPN would be too small scale for a first-time issue on foreign capital markets, he said.

Eskom — which was recently awarded a BBB credit rating — would wait for government to issue bonds abroad before it entered the international capital market.
Six TV stations proposed

The Argus Correspondent

JOHANNESBURG. — Some South Africans could end up with access to as many as six television stations if a proposal by a group of community broadcasters to the Independent Broadcasting Authority is accepted.

The proposal by the Group of 13 is broadly based on the model of the British Broadcasting Corporation, where the public broadcaster takes no advertising, something the group proposed should be phased in, with a progressive levy on electricity to fund the public broadcaster.

It's proposal entailed two public broadcasting television channels controlled by the SABC which would be available around the country, producing a variety of programmes.

In addition, there would be three commercial channels completely independent of the SABC, including one with an encrypted signal. Many viewers would also have access to a community television station.

This is different from recent SABC proposals for three state owned television channels, including one commercial channel, to fulfil the corporation's obligations to provide viewers with programming in their language of choice as laid out on the interim Constitution.

But media legal expert Michael Markowitz said it was incorrect of the SABC to assume it was its responsibility alone to fulfil the language requirements of the Constitution.

The Group's proposal also made provision for eight national SABC public radio stations and nine provincial public radio stations independent of the SABC.

Mr Markowitz and media expert David Dixon said all broadcasters should have public service obligations, including requirements to broadcast a specific amount of local content programming.

This was something that also needed to be done by pay television channels such as M-Net, or they should make contributions to a public broadcasting fund.

On the subject of funding the public broadcaster, Mr Dixon suggested that close to R1 billion could be put into the fund from the sale of signal distributor Sentech and the sale of a portion or all of the SABC's commercial stations.

With proper investment that could net a further R300 million a year to fund the public broadcaster.

Jonathan Timm, also with the Group of 13, proposed that further funding could come from a progressive electricity levy, where the richest section of society would pay a levy of just over R15 — equivalent to the present annual television licence fee, which would then fall away. Poorer households would pay a smaller amount, while the poorest households using electricity would pay a levy of 10 percent of electricity used.

Mr Timm said if it were implemented in the near future, the system could generate nearly R445 million. This would go a long way to reducing the current dependence of the SABC on advertising for close to 74 percent of its R1.2 billion annual budget.

□ Independent group's plea

(2/2)
Parastatal board members named

By ADRIAN HADLAND

PUBLIC Enterprises Minister Stella Sigcau yesterday announced the new, more representative, board members of the Transnet, Safcol and Alexkor parastatals.

The eight new directors of the reconstituted Transnet board are Prof Wiseman Nkuhlu, Dr Mamphela Ramphele, Ms Patricia Gordalla, Ms Wendy Vorster, Ms Mopone Magomola, Godfrey Hetusani, Friday Mavuso and Joseph Nhlela.

Sigcau said the incumbent chairman, Dr MR de Waal, would retire in February next year at the expiration of his contract. His successor would be named shortly.

Seven new members had been appointed to the Safcol board — Oman Ganje, Sibongile Nene, Ms B Njobe, Joyce Mariotti, Patrick Mboekolo, Mnguni Ntuli and Bridget McBean.

David Gevisser, currently a board member and deputy chairperson, had been appointed chairperson designate, Sigcau announced.

Five new members had been nominated for the Alexkor board — Malcolm Damon, Alfred Hearne, Nona Goso, Elizabeth Delport and Khesane Hlongwane.

Five members of the Alexkor board, including chairman Len Dekker, had been reappointed, Sigcau said.
Giving precedence to profitability

Activities: Producers and markets steel products, associated raw materials and by-products
Control: Widely held, no shareholder has control
Chairman: M T de Waal MD H Smith
Capital structure: 1.89bn ord Market cap: R6,96ln
Share market: Price: 486c Yields: 1.9% on dividend, 5.8% on earnings, p/e ratio: 17.1, cover: 3.3 12-month high, 650c, low, 126c. Trading volume last quarter: 121,3m shares

Year to June 30

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<td>986</td>
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* Realised Accounting for joint ventures changed from the equity method to the proportional consolidation method

The swings in Icor's earnings and share price since the listing in November 1989 underline the intrinsically cyclical nature of its main business. Changes now occurring in strategic and operational management could help make the swings less extreme. But the historical pattern is a reminder that investors should now be considering how much of the current earnings upswing is discounted in the price and how long the upward cycle will last.

In retrospect, the recovery has been even more impressive than the downturn. After dropping from 50.1c in 1990 to 15.1c in 1993, EPS recovered in 1994 to 27.3c. But the share, listed at R2.4, has soared from its 61c low set at the end of 1992 to 475c now — a recovery that added almost R8bn to the market capitalisation.

Put differently, had it not been for the shareholder restrictions, the entire group could have been snapped up 22 months ago for just R1.14bn or about US$235m. Last week it was capitalised at R9.1bn, ranking the share 22nd on the JSE by market value. This, with the high liquidity of the stock — 405m shares were traded in the first financial year — makes Icor a prime candidate for foreign and local institutional investors. The number of individual holders continues to fall from 200,341 at the year-end to 165,965 at June 30.

At least three broad factors fed the price up demand for steel and, particularly, iron ore has been steadily improving (FM September 9). Much has been achieved within Icor to improve efficiencies and cut costs, and, whether fairly or not, attitudes towards both strategic and operational management were favourably transformed with the appointment of Hans Smith as CE last year.

Smith, who entered the job with fortunate timing, was soon able to announce tangible evidence of internal advances, such as a leaner capital structure, as shown by the reduction of the payoff to 5,100 (their retrenchment packages financed by an over-funded Icor Pension Fund). At 48,500, the number of employees has been cut by almost 10,000 in three years. This year Smith also revealed a R401m pare of net debt as well as a positive net cash flow of R400m, the first in line since 1989 with cash outflow since then has totalled just under R2bn.

However, Smith, who had been an adept communicator as MD of Samancor, was quick to tell investors what they wanted to hear. He noted in his review, for example, "Our new vision of the company's direction has brought with it certain shifts in emphasis, among the reasons that profitability must take precedence over production volumes. This in turn has significant implications for the future allocation of our effort and resources ." Implications include the intention to maintain steel production volumes and to concentrate on improving the sales mix — the exceptions to the limit on steel expansion being the Saldanha semis project, which is a proposed thin slab mini-mill for flat carbon steel products, and a possible entry into stainless steel market.

Both these would increase the value-added component of the product range and, given firm markets when they enter production, should contribute towards much-needed improvement in the operating margin. This figure is rising but remains less than half of what it was at the turn of the decade. Similarly, though both have improved, the return on equity and on total assets are then at 7.5% and 7.8% respectively.

Active expansion is being pursued in the mining division, which is planned to be the main source of Icor's real growth in the longer term. Footholds were gained during the year in China (iron ore) and Australia (coking coal). The acquisition from July 1, 1994 of Natal Mineral Sands from Shell SA and Rhenox could soon lead to the development of a mine and smelter costing some R500m-R700m.

These looming spending requirements — when there is still a target of cutting borrowings by another R600m over the next year — must raise the probability of a major fund-raising exercise. A foreign bond issue such as that launched by Barlow's last month seems the most likely route, especially as shareholding restrictions are being lifted at the AGM.

Perhaps a greater foreign shareholding will encourage better disclosure. Icor still does not report segmental profits, a note to the accounts states that "the group operates as a vertically integrated producer of a wide range of raw materials and steel products and reporting by segments is therefore not deemed appropriate." Unless this is an admission of inadequate or archaic accounting procedures (it's noted elsewhere that a market-related transfer pricing policy for transfers between the mining and steel divisions has been implemented) this seems a lame explanation. Even Sasaol now
New community radio and TV stations could be up and running soon — followed by new commercial stations.

GILL LORD
Weekend Argus Reporter

TELEVISION and radio are about to undergo major changes as a result of the extensive drive for regional news.

The Independent Broadcasting Authority (IBA) has been sitting in Johannesburg hearing community licence applications and submissions.

The deadline for community radio applications is November 15. About three weeks later new radio broadcasters could be on the air, according to IBA councillor and spokesman John Matuson.

He added that prospective applicants should regard the IBA as "open for business".

About 30 applications have been received, he said.

Commercial radio licences would be considered next.

The deadline for community television licence applications is also November 15.

Commercial television licence applications would be heard after that.

Mr Matuson explained that the situation was in accordance with the constitution, but he said the IBA had requested the matter be brought forward.

Mr Matuson said there would be more than enough radio frequencies. He said the IBA had adopted the American system of frequency planning which translated into a lower power system.

"Table Mountain was giving the IBA their fair share of headaches — it blocks the signal — he was generally confident the new system would work.

The lower power system would give broadcaster access to a 14 km to 20 km radius, allowing community stations to reach target audiences in various suburbs.

In addition, these frequencies could be re-used.

"If you're broadcasting from Alexandra township, for example, on 91.5, you could get a good reception in your area.

"The same frequency can then be re-used for broadcasting in Soweto, "Thus same system will apply to Cape Town," he said.

"We're also going to be using medium wave far more extensively.

"This will be a higher power system and will be more expensive for the broadcaster, but it's there and it's available.

"In addition, we will be offering a one watt FM licence.

"This system has worked well in Australia, and would be of interest to people like campus radio stations.

Community television services could be on air by January, he added.

A week after the applications have been granted, the licencees would be gazetted, then there's a two-week wait for objections before applicants could begin broadcasting."
Bill gives IBA greater powers

DRAFT legislation to amend the Independent Broadcasting Authority Act to speed up the issuing of new broadcasting licences and give the IBA greater powers, was published in Parliament yesterday. If passed, the IBA Amendment Bill will allow the body to issue new licences before the completion of its "triple inquiry" into the future of broadcasting in South Africa.

The absolute bar has been a source of dissatisfaction and frustration to the IBA in its attempt to open up the airwaves, according to a memorandum on the bill. — Sapa
"Deregulation won’t empower blacks"

BY MICHAEL SPARKS

Deregulating the SABC would not necessarily change the face of broadcasting and bring black faces into the arena, Andile Ngcaba told the Independent Broadcasting Authority yesterday.

Ngcaba, from the Centre for Development of Information and Telecommunications Policy, said that given the political and financial power of large white-owned newspaper groups it was they, rather than black businessmen, who would be first into the broadcasting marketplace.

"Apartheid may be dead but white rather than black economic empowerment is in fashion. The public sector is being asset-stripped to create new business opportunities for the already wealthy and powerful," he said.

He called for new services to be licensed "in a manner which gives a real voice to blacks who have never had a stake in the mainstream media."

On the issue of funding for the public service broadcaster, Ngcaba said one major advantage of funding public broadcasting from licence fees, and not allowing advertising, was that it increased diversity of programming.

He added that the IBA also needed to look at access to television in the real sense — just beaming a signal to black areas was not enough if television receivers were too expensive for those people to be able to truly gain access to information.

Deregulation should not just be used to provide those who already have services with more choices — options such as satellite television exist for these people. It should instead be aimed at serving new audiences and redressing past neglect, he said.
Johannesburg — The Broadcasting Complaints Commission of SA yesterday rejected claims by the Inkatha Freedom Party that SABC coverage of Home Affairs Minister Chief Mangosuthu Buthelezi's disruption of a live television programme in September was biased and propagandistic.

But the commission reprimanded the SABC for broadcasting a subtitled translation of Chief Buthelezi's comments during the incident that was inaccurate and "derogatory in the extreme."

The sensitivity of the situation should have alerted them to the need for extra caution in obtaining and verifying the translation.

SABC assistant editor of TV1 current affairs, Mr. Ameen Akhalwaya, warned the verdict could "pave the way for any aggrieved politician to attempt to denounce broadcasters even before more viewpoints on a breaking story could be aired."

IFP senator Ms Ruth Rabinowitz yesterday welcomed the adjudication as a precedent that "would encourage members of the public to become more aggressive watchdogs of the state media."

The commission was unanimous that SABC coverage had taken "fair and balanced account of Chief Buthelezi's point of view."
42 seek broadcast licences in W Cape
SABC in ‘First World’ class

Own Correspondent

JOHANNESBURG — The SABC provided a First World quality service which should take less advertising and be funded primarily by an increased flat rate licence fee, M-Net chief executive Mr De Villiers said.

Addressing the Independent Broadcasting Authority (IBA) inquiry into the future of public service broadcasting, Mr De Villiers said the SABC should retain a “mixed basket” of funding, but advertising should be restricted to “top-up” income for operational costs.

The scope and content of SABC programming “compared very favourably” with public broadcasters in other parts of the world. Although the licence fee was the highest in Africa, it remained “pretty cheap” when seen on a global scale.

Raising the licence fee to European levels and developing a more efficient collection system would secure the SABC’s future.

Sapa reports the IBA received at least 46 applications for temporary community radio licences by yesterday. The closing date is November 15 and the public may comment on the applicants until November 18.
Politics

POLITICAL

Sasol is SA’s big asset

Fuel that was saved during sanctions years

BY ISRAEL LEGARDEN

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Sasol is SA’s big asset
Fuel that was saved during sanctions years
Reunert gets boost from parastatals

JOHANNESBURG. — Network expansions at parastatals Eskom and Telkom helped electronics and electrical engineering group Reunert lift earnings 16% to 70c a share in the year ended September, although the increase in secondary tax on companies (STC) put the brakes on earnings growth. The group said earnings growth would have increased by about 20% had it not been for a rise in STC. A tax bill of R126.3m made for an effective tax rate of 41.5%.

Turnover rose 48% to R3,3bn, largely because of the acquisition of Panasonic, Nashua, Airomatic and related businesses in the consumer and commercial electronics division last year.

Operating profit rose 20% to R233.8m and pre-tax income was R304m (R237.8m). A final dividend of 19.5c was declared, lifting distribution for the year 15% to 27c a share.

Chairman Clive Parker said the results were not comparable with those of the previous year due to the impact of the three acquisitions and the revamp of the group’s telecommunication interests, which came into effect in October last year.

However, its operations in the telecommunication, electrical and commercial electronic and defense sectors remained healthy.

Margins in consumer products were generally lower than those in Reunert’s other businesses, which led to a moderate growth in operating profit. Interest received dipped marginally to R20.2m (R21.3m), even though cash holdings grew by R86m to R37.5m.
Transnet
Eskom, 'not for sale'

By ANTHONY JOHNSON

ESKOM, Telkom and Transnet were not for sale, the
Minister without Portfolio, Mr Jay Naidoo, told the
ANC's caucus meeting yesterday.

In a special RDP progress report to the 311-member
parliamentary caucus, the minister emphasised that
those parastals that were key to the RDP "must
remain" in state hands.

However, a systematic review of state assets was
under way to decide "which assets are of strategic
importance and which are white elephants".

Non-productive, non-strategic assets would be sold
or reorganised, he said.

The money gained from such sales would be used to
fund the RDP and reduce South Africa's debt burden,
which stands at R221 billion (22% of the Gross Domes-
tic Product) with interest payments serviced by 17.5% of
the Budget.

"Resources saved through (government belt-tight-
ening) will be used to close the wage gap in the civil
service to addressing the minimum living wage,
training, rationalising the grading system and affir-
mative action."

The priorities for the RDP fund for 1995/96 would
concentrate on housing, job creation and providing
water, sanitation and land.
province to decide what proportion of broadcasting should be in a particular language.

Alternatives for the funding of PSB services include an electricity levy, a "frictional increase" in VAT, a national lottery, or some combination of these.

Private broadcasters should contribute to PSB by contributing to an educational fund, and

Licence fee income is the best system for PSB and more efficient mechanisms should be found to enforce payment.

How the IBA will adjudicate between such conflicting claims — each coherent, given certain assumptions — will depend on how it regards the PSB function. Perhaps it will accept the definition offered by Stan Katz of Radio 702: "Commercial broadcasting works on the principle of delivering consumers to advertisers, whereas the Public Service broadcaster works on a different philosophy, namely, the delivery of programmes to the public."

Interestingly, the SABC uses similar language "Broadcasting in the public interest should be distinguished from the purely entrepreneurial activity, providing service to people as citizens and not only as consumers."

These are glib distinctions and the IBA would do well to beware of them. When is a listener a consumer and when a citizen? Much of the time, surely, the two roles coincide.

The SABC has been vigorous in defending its present role — and has even argued for it to be extended. It admits past sins "The national broadcaster is a product of its environment in the past, its operations and outlook were influenced by the State, its workforce and organisational culture were consciously structured to reflect white minority rule, and its monopoly status produced an internal culture that tolerated inefficiency." But the SABC aims to remain "the national broadcaster" and to continue subsidising PSB with commercial stations, given certain conditions. But it understandably fears the potential threat to its advertising revenue from competitors with no PSB obligation. The SABC also offers to take over apartheid anomalies like Bop TV, after which it would have regional broadcast structures in eight of the nine provinces, leaving out the Northern Cape.

For the provinces, the SABC promises greater decentralisation of management and delivery of programmes.

All this will be very soothing and seductive to government. The internal cross-subsidisation at the SABC may have been an ad hoc measure but it works. The last thing government wants is to use taxpayers' money to fund the SABC, while all the other suggested measures to generate revenue are controversial because of possible harmful economic side effects. The only genuinely fair method of public funding — the licence fee paid by users — has fallen into disrepute because of the culture of nonpayment, with piracy rampant.

Discussions on the future of broadcasting often draw on the example provided by other countries. The trouble is that each country has its own peculiar circumstances. Whatever your preferred option, you can probably find an example somewhere to support it. In Germany, for example, the entire public broadcasting system was decentralised to the regions after World War 2. New Zealand has a system similar to ours at present, in that the national public broadcaster subsidises itself commercially — though the proportion of advertising is kept low. In the US, substantial funding (20%) from voluntary donations helps government support the tiny PSB sector — while thousands of radio and TV stations subject themselves to the market.

So we will have to make up our own minds — and our own situation is further complicated by the assault on "Eurocentrism", which is at the heart of the need for affirmative action and the protection of local content.

And that raises the spectre of new entrants to the market being forced to carry a minimum amount of affirmative action programming, thus hampering their ability to meet the needs of the market. Hints have also been dropped that attempts will be made to regulate incoming satellite signals, thus erecting further protective walls.

Whatever the merits of the SABC's defence of its role, it is questionable whether the IBA has the muscle or the inclination to take on the gant. For a start, the SABC is there, with its own suburbs in Johannesburg, its thousands of employees, three national TV channels, more than 20 radio stations. Such a structure is built and refined over nearly 60 years, is not lightly dismantled, and there is no doubt that it provides many popular services and is widely accepted.

Then there are the political factors. CEO Zwelakhe Sisulu answers to an SABC board which is overly sympathetic to the ANC. He undoubtedly has political clout with government beyond the co-characters of the IBA, Peter de Klerk and Sebileto Mokone-Matabane. Now that the ANC has got its hands on the national broadcasting medium, it is hardly likely to countenance the dismantling of a crucial tool of power and patronage.

We suspect that the importance of PSB, while real, is being vastly overstated in order to fulfil a political agenda and to protect vested interests. Certainly there is a role for a national broadcaster, but what the industry really needs is unrestricted access and privatisation wherever possible.

Given the realities of power, this is not likely to happen.
No State funding for PBS, says SABC

LOUIS DE VILLIERS

THE SABC seems convinced that no State funding will be available to fund public service broadcasting (PBS) in South Africa. This is despite the fact that the majority of both written and oral submissions to the Independent Broadcasting Authority have called for State funding of PBS "in one way or another."

"One cannot turn to the State or the taxpayer. The only viable alternative is through commercial activity," states SABC radio senior general manager Sally Mokoete in the latest edition of the corporation's commercial radio newsletter.

Mokoete echoes the views of SABC chief executive Zwelakhe Sisulu, who told an IBA hearing earlier that a look at the need for State funding in other areas had prompted the SABC to believe it would not receive State funds.

Mokoete believes that commercial activity is crucial to the fulfilment of the SABC's public service mandate. "Each station should determine for itself two things what it wants to achieve, and how it will achieve this. And everything will have to be done within the framework of its public responsibility," says Mokoete.

"One thing remains clear - the interdependence of the SABC's commercial and public broadcasting arms is undeniable. This will become increasingly so, which means that the commercial stations retained by the SABC will have to become even more successful as the SABC's public broadcasting responsibilities expand."

SABC radio consultant Peter Lotriet finds that the trend in radio and television programmes has already shifted to more educational matter. He believes this trend will influence advertisers - and the shift in emphasis of programming will be reflected in a parallel shift in advertising content.

On a more mischievous note, the newsletter takes a swipe at the SABC's television service. Mokoete does a question by an anonymous writer about which stations will be retained and which abandoned, saying he was not concerned by "mechanics" but by policy.

"But we are dealing with stations created with public money which are market driven. So it is only fair to the public that clarity be given as to mechanics, because it has a direct bearing on them," the newsletter says. It also speculates what might happen if Highveld Stereo were to close down.

Hopefully, another station would emerge to cater for this stations's market. If not, the present Highveld licenceship will be left with as an unpalatable choice as the present television viewer without M-Net, who has to choose between the dull fare of TV1, CCV and NMTV."

Star 12/11/94
Arguments delay issuing of licences

Established commercial broadcasters have delayed attempts by the Independent Broadcasting Authority to speed up the issue of licences to new commercial broadcasters by insisting on more time to examine proposed amendments to IBA legislation.

The proposed amendments, intended to accelerate the issue of new licences, were tabled in Parliament earlier this month.

After hearings, submissions from the National Association of Broadcasters (NAB) last week, communications select committee chairman Saka Makozoma said proposed amendments to the IBA Act "could not become law before February."

The first draft of the amendments — revising the Act to allow the issue of new commercial licences prior to the completion of the IBA inquiry into public service broadcasting, cross-media ownership and local content — was submitted to Posts, Telecommunications and Broadcasting Minister Pallo Jordan in July.

But these were revised in September after broadcasters protested they had not been consulted over the proposals, and tabled in Parliament early this month.

NAB executive director Danielle Goldman said the organisation had been granted less than a week to respond to the proposed amendments.

She warned they would transform the IBA "from an enabling to an invasive and controlling body," and said the IBA’s refusal to allow a "reasonable period" to make submissions was "undemocratic in the extreme."

The amendments propose that existing broadcasters such as M-Net and Radio 702, whose licences are "grandfathered" by the IBA Act until the turn of the century, be subject to the same regulatory conditions as the IBA imposes on new licences.

They would also empower the IBA to subpoena broadcasters to give evidence at its inquiries, extend its regulatory capacity to cover satellite broadcasts, and to hold certain hearings in secret.

The latter clause would enable the IBA to examine companies' strategic business plans which broadcasters would not reveal to the IBA without a guarantee of confidentiality, IBA member John Matsion said.

Makozoma said the committee would finalise a procedure for public hearings this week. The hearings would be held in Cape Town in January, after which the committee would present a final version of the amendments to Parliament.

IBA co-chairman Sbongile Mokone-Matabane urged aspiring broadcasters to prepare submissions to the committee.

But Makozoma warned that the committee would not debate any extraneous issues not directly related to the IBA's proposals.

"Unfortunately the democratic process has opened itself to filibustering. We don't want to fight the IBA's battles... we won't send away anyone who comes with a submission, but if the only voices we hear are those of the big players we will shortcircuit our deliberations," he said.

Further hearings would be held in February to select an eighth IBA member. To date it has operated with only seven of the eight members required by the Act.
Broadcasters delay issue of new licences

Own Correspondent

JOHANNESBURG — Established commercial broadcasters have delayed attempts by the Independent Broadcasting Authority (IBA) to speed up the issue of licences to new commercial broadcasters by insisting on more time to examine proposed amendments to IBA legislation.

The amendments, aimed at accelerating the issue of new licences, were tabled in Parliament this month.

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Arguments delay issuing of licences

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She warned they would transform the IBA “from an enabling to an invasive and controlling body”. She said the IBA’s refusal to allow the industry “a reasonable period” to make submissions was “undemocratic in the extreme”.

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IBA co-chairman Sebokiso Mokone-Matshabe urged aspirant broadcasters to prepare submissions to the committee.

But Makozoma warned that the committee would not debate any extraneous issues not directly related to the IBA’s proposals.

“Unfortunately democratic processes open themselves to filibustering. We don’t want to fight the (IBA’s) battles... we won’t send away anyone who comes with a submission, but if the only voices we hear are those of the big players we will still reach a decision,” he said.

Further hearings would be held in February to select an eighth IBA member. To date it has operated with only seven of the eight members required by the Act.

Mining pushes for Sunday work

LIFTING restrictions on Sunday work would allow the mining industry to utilise excess capacity created by the economic downturn and conditions in the industry, the Chamber of Mines said at the weekend.

An extra working day would allow the mines to meet increased employment by 14% and could create 28 000 jobs, Chamber economist Wilham Houtman said.

This would also put the SA industry on a par with mining practices around the world.

Houtman said Sunday work could lead to large improvements in productivity.

It would allow labour and capital to be utilised more efficiently. He mentioned marginal mines such as Lorraine, where a special dispensation allowing Sunday work had “saved the mine”.

Sunday work would also help offset the negative effects of the increased number of public holidays, Houtman said.

The mining industry was unlikely to reach 100% capacity at this level sudden fluctuations in the gold price would lead to sudden fluctuations in employment.

But the National Union of Mineworkers rejected the proposal for Sunday work, made by Jurie Goldinbuys in his speech as outgoing Chamber of Mines president.

An NUM spokesman said Sunday work had been used as a crisis strategy on marginal mines, but the Chamber seemed to make it a condition of work.

He said if the mining industry wanted to increase productivity it should concentrate on increasing the skills of its workforce, rather than making people work longer hours.
SABC staff share in profits

BY MICHAEL SPARKS

The payout received by SABC employees earlier this month was part of a one-off profit-sharing scheme, according to an internal document circulated to employees.

The document said that the payment, which was approved by the board, was "in recognition of their contribution during the past year".

It was given because of the surplus achieved by the corporation for the year ending September 1994.

According to SABC spokesman Willie Visagie, the payment was to all 5 500 employees of the corporation, except those who are on a profit-sharing scheme implemented earlier this year.

He added that the payment would be equivalent to more than a month’s salary for the lower paid workers, while higher paid employees would receive less than a month’s salary.

However, he was unable to say what the payout of the profit sharing would cost the corporation.

The document noted that the past year had been particularly difficult, with the transformation process creating a lot of uncertainty for staff members.

In a separate development the Independent Broadcasting Authority (IBA) announced yesterday that it had received more than 90 applications for temporary community radio licences, and eight applications for community television stations.

The closing date for applications for temporary community licences is today, with applications still pouring in yesterday.

The applications for television licences included two Christian stations and one other station for the PWV, two for Cape Town, including one run by Captour, and one each for Durban, Bloemfontein and Port Elizabeth.

The applications for radio stations include Radio Safari in the Eastern Transvaal and Tekewor Wildlife Radio in KwaZulu/Natal, as well as the Overseas Chinese Radio Station.
Johannesburg. — The Independent Broadcasting Authority (IBA) has received more than 90 applications for one-year community radio station licences, IBA co-chairmen Mr Sebilelo Mo- 
kone-Matabane and Mr Peter de Klerk said yesterday.

In a joint statement, they said eight applications for one-year community television station licences had also been received.

The closing date for community radio and television licence applications is today.

They were "thrilled" at the number of applications which included Radio Safari in the Eastern Transvaal, Telkewen Wildlife Radio in kwazulu/Natal, Overseas Chinese Radio Station in the PWV, Voice of Soweto, Teemaneng Initiative in Kimberley, Radio Head to Head in KwaZulu, Radio Sedaven in Heidelberg, Family Channel in the PWV and Fine Music Radio in Cape Town.

Applications for TV licences included Family TV in the PWV, Cape Town Television, a Capetown community-based TV station, and Life TV in Durban, Cape Town, Bloemfontein, Johannesburg, Soweto and Port Elizabeth.

"The (application) hearings are open to the public and once the hearings for the other applicants are scheduled, the public will be notified," they said — Sapa
Last-minute radio licence applications stream in

BY MICHAEL SPARKS

The Independent Broadcasting Authority (IBA) had received 30 applications for temporary community television licences and 154 applications for community radio licences when applications closed on Tuesday.

IBA member John Matsoon said he was surprised at the high number of last-minute applications.

The IBA received 94 applications for radio and television licences on the final day.

Matsoon said he was also surprised by the high number of applications for community television stations, but said, "This response confirms our confidence that there is enormous pent-up demand by South Africans from all walks of life for the right to broadcast in their own languages, and among their own communities."

"We had really only expected there to be more applications than available frequencies in Johannesburg/Soweto and the Cape Town areas. But it now seems frequencies in other major centres are also going to be congested." He added that this could affect the transmission radius of those licences that are granted.

It also meant that in an area where there were more applications than frequencies available, applicants would have to beat other applicants, rather than just meeting IBA requirements.

He said most of the television applications arrived on the last day, adding that it would take several days to see how many could be accommodated.

"It's going to be an extremely busy time, but we couldn't be more pleased. This is going to have a significant impact on communities, and even on the economy, in time," Matsoon said.

Yesterday the IBA held the fifth hearing for a community radio licence, and Matsoon said that he expected the first one-year licences to be issued next week.
Strong lobby to abolish subsidy

Sasol tariff protection under threat

TWO official probes are about to be launched into Sasol's extensive tariff protection.

Informed sources said yesterday the investigations had been mooted by two National Economic Forum committees — the liquid fuels task force and the trade and industry working group.

They said there was a "growing feeling" that comprehensive studies of the oil-from-coal and petrochemical group were needed, focusing particularly on the synthetic fuel subsidy system.

Liquid fuels task force co-convenor Johannes Landman said: "All parties agree it is an area that must be addressed, but who should conduct the investigation has not been agreed to."

The task force is reportedly under pressure from several lobby groups to immediately lower the protection for Sasol's synthetic fuel business and abolish it in the longer term.

A Sasol spokesman said the company was not aware of any move to reduce the tariffs. "Sasol has always maintained that the Board on Tariffs and Trade should be the body to conduct an investigation into Sasol's tariff protection."

He said there was no cross-subsidisation between Sasol's coal, synfuels and chemical businesses. Feedstocks and products were sold at market prices.

Last year the tariff protection amounted to R36bn for the group.

The trade and industry working group is set to investigate cross-subsidisation between coal and synfuels, and synfuels and petrochemicals. SA levies import tariffs on various feedstocks. One lobby in the group is arguing that as Sasol provides cheap feedstocks for the manufacture of raw materials the tariffs could be cut substantially, even to zero.

Another possibility is that Sasol could soon see its floor price for oil — guaranteed at $21.85 a barrel — lowered to $20 with further decreases later. Sasol receives revenue equivalent to the difference between the prevailing oil price and $21.85.

The new move would cut tariff income nearly 50% next year and slide to R39bn by 1996.

Eden Rogers & Co.Inc analyst Franco Busetti said increasing pressure for the removal of protection was expected to cut the floor rate to $20 a barrel before the month-end. "It appears unlikely that the oil price will exceed even $20 a barrel by the end of 1996, so protection gains will continue, albeit at a much lower level."

In the 1995 financial year protection of R63bn could accrue, despite the forecast reduction in the floor rate, but it would fall to R48bn in 1996 and R39bn in 1997.

He said a drop in the floor price would severely dent protection receipts, followed by a continuing decline due to the oil price slowly rising towards the new floor level.

Another analyst said lower synfuel protection would be a key factor in lower fuel prices. The solution might be to isolate synfuel production — subsidising plants only to the extent that they broke even.

An oil industry source said Sasol's tariff protection was reflected in the equalisation fund and transport costs. The question is will the equalisation fund levy and transport costs come down to benefit the motorist?"
**IBA receives 184 licence requests**

THE Independent Broadcasting Authority (IBA) has received 184 applications for community broadcasting licences, of which 30 are for community television stations.

But IBA member John Matuson warned that the number of applications had made it "likely there will be several places where the number of applications exceeds the frequencies available".

Seventy-four of the radio licence applications were from PWV-based ventures, and a further 31 came from the Western Cape. Of the community television applications, 11 were from the Western Cape and seven from the PWV.

More than half the applications were submitted to the IBA on Wednesday, the closing date for applications.

Matuson said that the response had confirmed the IBA's "confidence that there is an enormous pent-up demand from South Africans from all walks of life for the right to broadcast in their own languages, and among their own communities".

During the next two weeks all outstanding applications will be published in the Government Gazette, after which public hearings for applicants will be held to determine the scope and conditions of proposed licences.

**MARK ASHURST**

The IBA has already held hearings for five of the earliest applicants in Maritzburg, Kroonstad and Christiana in the Northern Cape.

Its decision on these applications would be announced this week, Matuson said.

Three of the 184 applications for one-year community broadcasting licences are for national licences, and included one television channel.

These are Peace Radio, Radio Pulpit (both currently broadcasting on the SABC's Radio 2000 frequency) and a proposed youth television service, Y-TV.

Community television applications came from all provinces except the Eastern Transvaal, where there were 13 community radio applications, and the Northern Transvaal where four radio stations were proposed.

A total of four applications also came from the Northern Cape, including two television proposals: Community Broadcasting System and Northern Cape Network.

The television applications in the PWV included Jewish, German, Portuguese and Greek stations. In KwaZulu/Natal there were 13 radio and two television applicants.
Eskom makes service pledge

ESKOM would not cut off defaulters until its service was up to scratch in areas where people either refused to pay their electricity bills or paid them intermittently, the national power supplier said yesterday.

Senior GM distribution John Bradbury said Eskom had started cutting off defaulters where it offered “normal service”, such as Soweto.

Bradbury said that in Daveyton, the utility had recently cut off about 600 defaulters a month. About 800 of these had paid their arrears, while 800 had made arrangements to pay.

It had cut off about 500 of the 1 200 connections in Bekkersdal in the West Rand. Three quarters of those cut off had paid their arrears.

There had been no cut-offs in Katlehong as Eskom was still organising records.

The utility had just started cutting off defaulters in the East Rand township of Vosloorus and was planning a major drive next month.

Eskom sales and customer service manager Paul Maré said last week about half of the 18 000 homes cut off in Soweto had since paid all or some of their arrears or had made arrangements to pay them.

Eskom was preparing to cut off a similar number of defaulters who had paid their bills intermittently.

Sapa reports Eskom is to take strict action against people reconnecting electricity supplies illegally.

Official Ken Green said it was not only illegal and dangerous for non-paying consumers to reconnect their electricity supplies, it caused financial hardship for paying customers.

Non-paying customers would have to pay R450 to have their supplies reconnected legally.

Eskom’s action against Soweto’s 18 000 defaulters followed the expiry of a bill payment deadline agreed on by the power supplier, Soweto civic associations and political parties.

Bradbury said since talks with Soweto civic associations and political parties began in March 1992 Eskom had been upgrading its service.
Eskom funding needs ‘unchanged’

Eskom’s funding needs for next year would be “basically unchanged” from this year, thus the national power supplier’s activities would not put upward pressure on money and capital market rates, executive director, finance, Willem Kok said yesterday.

Eskom GM, treasury, Joan van den Berg said Eskom would next year approach the markets for about R4,96bn.

Eskom’s financing requirements for 1996 and 1997 were estimated to be R6,5bn and R4,2bn respectively. About R8bn would be needed in 1998.

These projections included estimated funding needs for the electrification programme, in terms of which Eskom had undertaken to make 300,000 new connections a year to the national grid until 1999.

Van den Berg told financiers at Megawatt Park near Johannesburg that next year’s figure included maturities worth R2,4bn in the money market, maturities worth R680m in the domestic capital market and maturities worth R960m in foreign capital markets.

Eskom was therefore refinancing R4,96bn and would take up new loans of R680m. For the new loans, about R2,4bn would be raised in the domestic money market and R1,3bn on foreign markets, while the total requirement in the domestic capital market had already been met in October through the issue of electrification participatory notes worth R1,2bn.

Kok said “Eskom’s main objective is to continue with its programme of bringing electricity to thousands of SA homes while at the same time improving its financial health. We are also improving our international competitiveness by keeping our annual price increases below inflation.”
Eskom funding needs on track

JOHANNESBURG. Eskom's funding needs for next year would be "basically unchanged" from this year, thus the national power supplier's activities would not put upward pressure on money and capital market rates, executive director, finance, Willem Kok said yesterday.

Eskom GM, treasury, Johan van den Berg said Eskom would next year approach the markets for about R4.95bn.

Eskom's financing requirements for 1996 and 1997 were estimated to be R6.5bn and R4.2bn respectively. About R6bn would be needed in 1998.

These projections included estimated funding needs for the electrification programme.

Van den Berg said next year's figure included maturities worth R2.4bn in the money market, maturities worth R600m in the domestic capital market and maturities worth R560m in foreign capital markets.

Eskom was therefore refinancing R4.05bn and would take up new loans of R660m. For the new loans, about R2.4bn would be raised in the domestic money market and R1.3bn on foreign markets, while the total requirement in the domestic capital market had already been met in October through the issue of electrification participatory notes worth R1.2bn.
JOHANNESBURG: Rural Women's Movement Radio was granted a short-term community radio licence this week by the Independent Broadcasting Authority to broadcast to the Moutse community in the Eastern Transvaal.
Post office threat on TV fees

PRETORIA. — Television licence fees of R42 million collected by the South African Post Office for the SABC will be held back to pay for possible retrenchment packages for TV licence inspectors, the post office said today.

More than 170 posts are said to be involved.

Once the amount to be paid out had been determined the balance would be paid to the SABC.

The move follows an SABC decision to end the collection services of the post office from October 1.

The SABC's acting deputy Mr Gert Claassen said he was aware of the dispute between the post office and the SABC but said any attempt by the post office to "illegally" withhold public trust money to settle retrenchments would lead to legal action.

"We gave them formal written notice of our intentions to end the service in May and since then they have hung back and threatened us with a court interdict saying we cannot terminate the service.

"The reason we terminated the service was because they charged R18 million a year to collect licence fees while the maximum ever recovered by them in a single year was R6 million.

"In other words we were spending R12 million for 170 people to have soft jobs."

Mr Claassen said the SABC would be authorising 2 000 freelance inspectors to recover licence fees on a "commission basis". — Sapa.
SABC plans to silence stations

By Richard McNeill

The SABC's seven regional commercial radio stations will be axed and replaced by a single national radio channel, according to proposals to be put before the board later this week.

The new channel would join the SABC's two most popular national stations, 5FM and Radio Metro, to complete the corporation's commercial portfolio.

The proposals, which would throw open South Africa's provincial airwaves to independent broadcasters, come with the heavy backing of senior radio management and are "almost certain" to be adopted, says SABC sources.

But there is also bound to be an outcry from staff on the affected stations — Highveld Stereo, Radio Jacaranda, Radio Good Hope, Radio Oranje, Radio Algosa, Port Natal Stereo and KFM.

And once again the language issue is likely to hot up. Jacaranda, Oranje and Good Hope are considered to be "Afrikaans-oriented" stations. The others broadcast varying amounts of Afrikaans.

The proposed new "adult contemporary" station would be based in Johannesburg and broadcast predominantly in English — though other languages, including Afrikaans, would feature.

The SABC is already committed to reducing the number of regional commercial stations to allow the Independent Broadcasting Authority to re-allocate frequencies to independent broadcasters.

But these proposals go beyond anything previously mooted. The most drastic plan until now allowed for five SABC commercial stations — three national and two regional. Now only three national stations remain.

And sources at the SABC stressed this week that the proposals had been finalised only after a careful study of other options, as well as the impact of the closures.

Said one source: "There are bound to be some job losses, but at the same time the SABC is expanding its centralised radio service, as well as its regional public services, which will offer opportunities to staff.

"But we are on the brink of a huge expansion in independent radio. There will be tremendous demand for skills, which only SABC staff have.

"Independent broadcasters, who have been pressing for the SABC to abandon all commercial transmissions, will be delighted if the plan goes through.

"Sources say although there will be some reduction in Africaans, this will be compensated for by transmitter "spit" which will allow greater penetration of Africaans Stereo into Africaans areas.

"Like Radio South Africa, Africaans Stereo is one of the 11 public service language stations that do not form part of the commercial portfolio.

"Proposals have still to be taken on two other public service stations: Radio 2000 and Radio Lotus. Radio bosses would like 2000 to become a multilingual "youth station", but propose letting the IBA decide what happens to Lotus.

"Reddy, steady go. Page 33
Newspapers have skills to run radio

Broadcast authority yesterday withdrew from a plan to run radio stations.

Executive (Newspaper) Mr. Henry, and Jansen, National Parks Chief, have been informed that the necessary funds cannot be raised.

Johannesburg - Established radio stations would be able to run a radio station.

Newspapers would be able to run radio stations.

* Cape Times, Thursday, December 1, 1994
Call on broadcast ownership

THE Independent Broadcasting Authority (IBA) should play an active role in resolving uncertainty over the ownership of former homeland broadcasters and the restructuring of the SABC, Posts, Telecommunications and Broadcasting Minister Pallo Jordan said yesterday.

Ownership of the Bophuthatswana Broadcasting Corporation, which falls across the boundaries of the Northwest, the Eastern Cape, the PWV and the Free State, had not been decided, he said.

"Any province which owns, wants to own or has appropriated ... a public broadcaster, is subject to the IBA. The IBA is in a far stronger position to lay down the law (and) to say who owns the assets because it is empowered to decide about the fate of the public broadcaster."

But IBA member Lyndall Snope-Mafola said she believed the state should decide on the ownership issue. "The fact that (the IBA) has not debated this issue indicates that we probably didn't realise the scope of our brief."

The IBA has resisted pressure to take a public stance on the issue of former TVBC broadcasters, and has proposed amendments to the IBA Act to make them subject to IBA regulation.

In terms of the interim constitution, central and provincial governments share "concurrent competence" for provincial public media. Jordan said it was the IBA's task "to translate constitutional competence into reality."

"The IBA could say, for instance 'We think we should dismantle Cukuza (Broadcasting Corporation) and give all that..."
SABC tries to find out which waves the people want

LOUIS DE VILLIERS

A MAJOR corporate advertising campaign for the SABC, devised by agency AM & C, has been launched.

It’s a campaign with a difference, though. The first ad, which shows a close-up of a human ear, proclaims “The SABC has opened a new channel.”

This ad, as well as follow-up ads, asks for public input on the role which the SABC should be playing and, for that matter, any broadcasting issue which concerns the public.

Says SABC chief executive officer Zwelakhe Sisulu: “The conversion from a state broadcaster to a public service broadcaster, accountable to the public, is central to the new positioning of the SABC.”

The print ads will be followed by commercials on radio and television which raise issues and are aimed at provoking public comment.

Phone-in opportunities on national radio and regional radio, in all 11 official languages, will be augmented by the use of television camera crews, who will run street interviews with the public to be screened in reality slots.

The SABC says in a release that public forum opportunities will be structured on radio and television this month. Specific concerns raised by the public will be addressed by senior SABC executives.

Mr Sisulu told journalists this week that the public “now has to take ownership” of the SABC.

He emphasised that this was not a campaign aimed at influencing the IBA.

“We will assess the responses we get from the public in a ballot box fashion — they will give the corporation a sense of what the public’s feelings are.”

Mr Sisulu said this action was part of a consultative process — something which the SABC had promised when it unveiled its proposed radio and television portfolios.

Will this campaign contribute towards a valid picture of public broadcasting needs and desires? Marketing experts fear not.

Bop Broadcasting Corporation has been running an intensive print campaign for a number of weeks now aimed at garnering public support for its quest for a national signal.

To date, only 2,000 telephone calls have been received, and less than 200 letters.

“Our campaign is not intended to sway the IBA,” says a Bop spokesman. “Rather to stimulate public discussion and debate. There is very little understanding and debate out there around the IBA and its triple inquiry.”

With all the resources of the SABC behind the corporation’s campaign, a much higher response will no doubt be generated than has been the case with the Bop campaign.

Market research sources point out that these responses may or may not have value.

The experience at talk radio stations such as Radio 702 indicate that those responding and calling in tend to be a vocal minority.

Also, if a pressure group such as, say, the Rapportyers, were to mobilise members to phone or write in, results could be skewed.

“One would hope that the SABC is doing extensive market research anyway — this type of poll,” says research, the response, pleased by this campaign from the concepts being evaluated, even.

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Pik makes
Sasol an
offer it
will refuse

By KEVIN D'LIMA

ENERGY Minister Pik Botha has asked Sasol to forfeit its controversial
tariff payments - R1-billion last year -
against cancellation of its almost R1-billion loan obligation to the
government.

The deal would mean an immediate termination of the payments to Sasol in exchange for writing off Sasol's remaining R940-million
costs to the Central Energy Fund for the
purchase of Sasol III.

"Sasol's present form of tariff protection ought to be withdrawn," says Mr Botha.

"But this will constitute a breach of contract with a private enterprise company rendering an illegitimate which could cost the government R2-billion or more."

"In terms of the sale agreement of Sasol III, the government is obliged to continue providing tariff protection at an agreed rate until the end of 1997."

Mr Botha says preliminary investigations into
scraping the Sasol system have revealed significant
smuggling blocks.

"One of them is that the tariffs would lose something like a conservative estimated R100-million in tax at present payable by Sasol on its profits, enhanced due to tariff protection.

The ANC added its voice for talks to cut tariff payments to Sasol. Its
draft energy policy says "the current formula used in respect of Sasol has enabled land shareholders to benefit unfairly."

In another development, Roy Patney, chairman of the
Central Energy Fund, says the system artificially inflates prices.

The current price is to go up by 10c on Wednesday. He says "market forces would give consumers a fairer price."

Mr Patney, who is also chairman of Mopani, was responding to ground
questions on statements by Mopani's John Tseke that the local oil industry was being satisfied by South Africa's basic fuel price, the
in bond bonded.

Mr Patney did not quantify the extent of the subsidy but says the export price which is 5.5c cheaper than SA fuel this year.

The CEF, which is responsible for the structure used to administer the
culture of oil, has been calculating the monthly changes to the fuel price agreed by the
National Economic Forum.

NEF sources say any investigation into the
CEF would accept the assurances of the business delegation that the CEF was a fair game.

Transnet economist Mike Schramm calculates that the SA fuel price, exclusive of taxes and levies, is 25c/l
more expensive than average European prices.

This is R12/liter a year, a figure which coincides with the R2-billion which
Engen's Bob Angel says will be saved if South Africa moves to a deregulated market.

Mr Patney says the CEF, calculated from Singapore
prices plus slippage, artificially inflates South Africa's true import parity price as Singapore prices already exclude the actual freight charges from the Gulf to Singapore.

CEF figures show the government-administered
wholesale margin paid to the oil companies has increased from 10c/l in the
early 1980s to the present 14c/l.

This margin has increased by almost twice the inflation rate over the last 10
years.

Mr Botha says deregulation will bring down prices but the oil companies will
soon take over stations in the country resulting in an oligopoly and a price increase.

He says Energy Affairs, Transport and Industry, Transport, Labour and Finance are working hard to achieve a synthesis out of the industry's anthesia.
Eskom issue launched

Johannesburg. — Eskom today announced the launch of the second tranche of its Electrification Participation Note, EPN2, to fund a substantially enlarged electrification programme of 1.75 million households.

The first tranche, EPN1, was issued in May 1993 to raise finance for the electrification programme which at that stage targeted one million new households by 1998.

The EPN2 launch was announced by Eskom's executive director (finance), Dr Willem de Kok.

He said the EPN2 issue would once again be a private placing to institutional investors who were mainly members of the Life Offices Association.

At the same time as EPN2 was launched, Eskom would repurchase from investors the full issue of EPN1 and replace it with the equivalent value of EPN2.

Total funding to be raised by EPN2 would be about R1.2 billion, which would fund about 400,000 electrification connections.

The EPN is seen as the single most significant manifestation of how private sector capital can successfully be used to fund upliftment projects in the RDP.
Making (air) waves

Radio is perhaps the SABC’s most threatened sector in the new dispensation. This is largely because it’s the cheapest form of broadcasting and will come in for the greatest competition once the IBA grants community and community broadcast licences. How does the SABC feel about this? Tonight Reporter GILL LORL spoke to Govin Reddy, chief executive of radio, in his office in Johannesburg.

You took on quite a project. Logistically, what did you find?
I inherited a public broadcasting service (PBS) radio system which was language based and currently broadcasts in 11 languages, with Radio Lotus for Indian listeners and Radio 2000 as a spare channel.

Of the 11 commercial stations, the most are in the regions — like Kfm and Radio Good Hope in the Cape. The PBS is urban based and concentrated in the PWV — in fact seven out of 13 stations are based there. After that, there are three in the Northern Transvaal, two in Natal, one in the Eastern Cape and nothing in the Western Cape and Eastern Transvaal. This is lopsided.

Secondly, they are based far away from their listeners. For example, Swazi is spoken in the Eastern Transvaal, yet Radio Swazi is based in Pretoria.

How do you plan to change this?
The plan is to satisfy provincial needs by taking the language to the listeners. In addition, there’s a drive to decentralise, for example we plan to move Afrikaans stereo to Cape Town as more Afrikaans is spoken in the Western Cape. The plan is to put the station where the majority of its listeners are.

Also, we’re creating transmitter splits for the first time. For example Radio Zulu will split into four different stations for about four hours a day, while Afrikaans Stereo will probably split nine ways. All will cover local issues.

Does this mean more staff in the field?
We’ll have bureaux in small towns where there is a high concentration of language groups. We plan to reach 95 percent of our target audiences as opposed to the 60-70 percent we’re reaching at the moment.

Quality broadcasting will be the acid test. We’ll have to improve our quality — but Radio Zulu, our flagship, just has to keep to the high standards set already, for example. Generally, we’ll fight competition by being better than the rest.

Are there plans for new programmes?
Yes, plenty. Radio has a strong nation-building role to play. For one thing, we’re creating a new youth station on Radio South Africa. We must start with the youth.

Also the SABC must be committed to promoting local music. I’ve made that clear to the IBA. There must be much more local music in the future. It’ll differ from station to station, but we’ve made commitments to various local music unions, and I’ve also made a public commitment, in terms of providing a rounded public broadcasting service.

What of the rumours of merging stations — like bringing Kfm and Radio Good Hope together?
That’s just one proposal, which unfortunately got leaked to the Press prematurely. The truth is we’ve been working on it and I don’t know yet what the final proposal will look like.

Ultimately, though, we’re presenting a commercial portfolio because we have to, not because we want to. We need it to fund our PBS. If we had funding for this from elsewhere we wouldn’t want the commercial stations.

How do you see the future of radio with television audiences growing so rapidly?
Television audiences are growing internationally, South Africa is no exception. Here it will grow steadily, as electrification increases and salaries rise. Yes, we will lose out to TV but radio will always continue. It has the advantage of immediacy and affordability.

In sub-Saharan Africa there are 95 million radio sets and 15 million TV sets. We’re also becoming more of a car country, and most cars have radios. Many people will still use radio for its news and music. It will always hold its place because of the unique nature of its ability to communicate.

Let’s talk radio...

RUMOURS and uncertainty about radio in South are flowing through the airwaves non-stop. Nobody seems to know what the future holds, but everybody has an opinion.

We’ve heard a lot of decisions about various stations such as Good Hope FM and Kfm will, in the air, people are wondering what new the service will be like.


Letters on the subject can be addressed to The Editor, The Argus, PO Box 56, Cape Town, 8000.
SABC plans to 'do more with less'

The South African Broadcasting Corporation is to tell the Independent Broadcasting Authority if it plans to rely less on imported programmes, the SABC said yesterday.

"Tomorrow and Friday, the corporation is to make its final submission to the IBA inquiry into the future of local broadcasting.

The SABC said chief executive Zwelakhe Sisulu's submission would follow his earlier statement that the corporation planned to "do more with less". Viewers and listeners would be treated as citizens first and consumers second.

Sisulu said, "At present, SABC production staff and facilities are utilised to only 60 percent of capacity. There is scope for much more efficient use of resources. A bonus, we will be creating programming that reflects our local situation.

"At the same time we will change the ethos of the organisation as we will increasingly become a corporation that is programme-driven. Studies showed 36 percent of staff were involved in management or administration, although the international norm for a public broadcaster was about 15 percent.

"The move to a programme-driven model will make us a leaner organisation better capable of introducing South Africans to their country and to their fellow citizens."

— Sapa (280)
SABC plans to retrench 800, and add R73m to programming

Johannesburg — The SABC plans to retrench about 800 employees or 15 per cent of its staff complement, chief executive officer Zwelakhe Sisulu has said.

He told a hearing of the Independent Broadcasting Authority today that the SABC would divert R73 million saved on staff cuts to programming.

The operating expenses of non-production units would be cut by 10 per cent, freeing another R30 million for programming.

Mr Sisulu said the SABC intended employing an affirmative action programme to achieve a ratio of 50 per cent black staff over the next three years. It would double its training allocation from 2.5 percent of the salary and wage bill to five percent, about R20 million a year.

Unveiling the corporation’s policy proposals, Mr Sisulu said local content in programming would increase from 40 to 60 percent. Afrikaans would get a smaller share of local drama productions and the five biggest African languages would get a bigger budget.

He said there would be 57 percent more news on TV and radio, and current affairs programming would increase by 92 percent. — Sapa
Bop TV wants to expand

JOHANNESBURG — The Bophuthatswana Broadcasting Corporation wants to remain independent of the SABC.

In his submission to the Independent Broadcasting Authority, BBC director-general Mr Solly Kolane suggested the BBC be given the right to expand.

"For political reasons, our transmission is unidirectional, transmitting to small sections in the North-West province. Bop TV may reach a village a few kilometres from Rustenburg, but not the town.

"This is a decision made by the former Bophuthatswana government and the then South African government. In terms of the new dispensation such transmission does not make sense."

The BBC urged the IBA to recommend that a number of public broadcasters serving various needs be established in consultation with all sections of the public."
Broadcasting inquiry ‘lacks vision’

THE Independent Broadcasting Authority (IBA) inquiry into public broadcasting lacked vision and had ‘not focused on the advantages of a public broadcasting system. Bophuthatswana Broadcasting Corporation’ (Bop) said yesterday.

In his first oral submission to the IBA, Bop director-general Solhe Kotane urged it to develop “an ideal model involving public, private and community broadcasters” as the blueprint for a broadcasting policy.

Commenting on the progress of the inquiry, he said “It has appeared at times as if we are trying to put on the roof of an analogous ‘perfect building’ before we have started to lay bricks on the foundations.”

He could not commit Bop to a long-term strategy until a new board of directors was in place. A submission would be made early next year.

Although Bop has indicated its desire to become a second national public broadcaster independent of the SABC, Kotane said Bop was “not in the business of creating broadcasting freelances in the provinces.”

He compared the integration of Bop into the SABC with the military integration of Umkhonto we Sizwe cadres into the defence force. “They do not operate the same way we are looking at the benefit of rationalising these assets.”

Kotane said decisions made by the IBA should not be based on market or profit criteria, but considered as “an investment in people.” Competitiveness would become the key factor in long-term strategy.

He claimed Bop had a right to reach as many people as possible. “For political reasons Bophuthatswana broadcasting transmission is unidirectional, transmitting to small sections in the Northwest province.”

In terms of the new dispensation this did not make sense.

See Page 18
730 at SABC to be retrenched

BY JANET SMITH

The SABC will retrench 730 people in the new year, cutting its staff by 13 percent.

This emerged yesterday when corporation board chairman Dr Ivy Mateepe-Casaburri and chief executive Zwelakhe Sisulu tabled a report to the Independent Broadcasting Authority (IBA).

And, according to the report, 550 other jobs "may need to be made available if the aim of 50 percent black representation on the payroll is to be achieved by the end of 1997."

The retrenchments — affecting mostly administrative staff — would constitute a wage saving of R67 million a year."

The submission made it clear that whites, who currently make up the majority of SABC employees, would mostly be replaced by blacks.

Details of the SABC's plans to restructure television and radio were set out.

Current affairs, news and educational programming have been given priority by the SABC, which intends to boost these areas considerably.

Sisulu said news programming was expected to increase by 57 percent next year.

The revamped schedule would include lunchtime bulletins and a Sunday night national news wrap with input from reporters in all nine provinces.

Current affairs programming in the 11 official languages would increase by 92 percent.

TV news would also be broadcast for the first time in Sesotho, Seswati, Tshivenda and Xitsonga, in addition to the other seven languages currently used.

To serve the needs of the community, Sisulu said the SABC would seek State assistance of R150 million for its bolstered educational programming.

The number of non-formal education shows would increase by 20 percent — an extra five hours a week — while formal education programmes would increase by 40 percent.

The SABC put forward its plan to retain three channels: Channel 1 (currently TV1) and Channel 2 (currently CCV) would be national full-spectrum channels with an emphasis on education and information.

A third, mainly urban channel, which would use the transmitter network operated by NNTV, would broadcast mainly in English.

Sisulu's assistant, Gert Claesen, formerly the head of Broadcasting Centre, said the third channel would do programmes similar to TV1 at its best.

Claesen said "high-profile sport" would also be broadcast on this channel.

(213)
NEWS SABC workers 'sacrificed to

SABC is to lay off 800

media unions condemn the decision.

By Mokgadi Pela and Sapa

MEDIA UNIONS HAVE roundly condemned the decision by the SABC to retrench 800 employees, most of them administrative staff.

The decision was announced at an Independent Broadcasting Authority hearing by SABC chief executive Mr Zwelethu Sisulu yesterday.

He said the SABC would divert R73 million saved on staff cuts to programming. The operating expenses on non-production units would be cut by 10 percent, freeing another R30 million for programming.

The SABC intended employing an affirmative action programme to achieve a ratio of 50 percent black staff over the next three years.

It will double training allocation from 2.5 percent of the salary and wage bill to five percent, about R20 million a year.

Media Workers Association of South Africa general secretary Mr S'thembile Khala said

"It is workers again who must be sacrificed to preserve jobs for the fat bureaucrats."

"In our submission to the IBA, we made it clear that the problem was the principle and not the colour. We call the SABC back to the negotiating table to refine these rough edges."

The South African Union of Journalists said it would study the details of the move before issuing a statement.

Acting president of the Broadcasting, Electronic Media and Allied Workers' Union Mr John Elend said his union could not support any proposal that meant a loss of jobs for workers.

"Bemawa is withdrawing its support from the IBA submissions it made in consultation with Myasa, SAUJ and other unions."

"This is because the corporation's move bears no relation to the original proposal."

Eland said the union was still awaiting a response from Sisulu to its proposals.

Sisulu said the SABC had made no provision for an increase in its budget but that the scope of its activities would be increased substantially.

The SABC wanted a direct R150 million subsidy from central government for a dramatically enlarged education service.
Becoming a different business

A week is clearly a long time in business. In just six days, Iscor has demonstrated its intention to change fundamentally the nature of its traditional business.

Last week, Iscor announced it will convert its Pretoria steel works from carbon to stainless steels at an estimated cost of R100m. The converted plant will produce about 480 000 t of hot rolled stainless steel slabs, these will be sold internationally to other steel mills employing technology qualities similar to those being introduced at Columbus for downstream, high value-added cold rolled product.

ISCOR MD Hans Smith says he expects the Pretoria plant to earn about R2bn a year in foreign exchange by 1999.

This week, Iscor announced a R3,6bn Saldanha Steel project, to be built through a joint venture with the Industrial Development Corp (IDC). Annual production will be about 1,25 Mt of hot rolled coil, most of it intended for export. The project is expected to be in production three years from start date.

In recent months, Iscor has also announced additional rationalisations which include the purchase of 50% of the equity in Cullinan Refractories (it already holds 50%) for R40m and it now intends to buy Tosa, the seamless tube manufacturer, from Derby Steel for R175m. Both deals will be paid for in cash.

When it was taken public, Iscor's debt was about R200m: at last balance sheet date (June 30), its borrowings totalled R2bn, of which R1,24bn was in long-term loans. Smith says his intention all along has been to reduce borrowings before starting new projects. “I hoped we would be able to redeem about R1bn this year,” he says.

That plan was scotched when a blast furnace at the Newcastle works burnt through earlier this year, loss of profits added up to R400m. Despite that, it is clear Iscor will be able to reduce borrowings by an impressive amount this year, perhaps as much as R800m.

Of the two projects, the Pretoria works conversion is easily the more eye-catching: expenditure of as little as R100m to achieve stainless steel production close to the quantity intended for Columbus (600 000 t) at a fraction of the cost (Columbus will cost about R3,5bn).

Smith, however, protests that the comparison is grossly unfair. “For a start,” he says, “Columbus will go far downstream into the highest value-added areas. That involves substantial capital. Second, Pretoria’s advantage is that the basic infrastructure is already there and paid for.”

And one disadvantage is that Pretoria’s stainless steel-making capacity will come on stream rather late in the current commodity cycle.

A bonus is the stimulus it will give to local nickel production. Already the Anglovaal group is involved in delineating its Slashloek project in the Eastern Transvaal and the Pretoria conversion will encourage the mine’s development.

If all goes according to plan, Iscor’s cash generation programme will have retired most of the company’s current debt just as new loans are incurred to fund the heaviest draws of the Saldanha project.

Smith is reluctant to commit himself, but concedes it is unlikely Iscor will be able to mount this programme of development and acquisitions without recourse to the market. A rights issue is clearly on the cards, though Smith says proposals for raising the finance are still being evaluated. Rand Merchant Bank has been appointed lead banker.

One possibility must be to raise funds abroad through a bond issue. Smith makes a point of Iscor’s foreign shareholding, now at 7.5% where it was previously zero. The attractions of raising a few hundred million dollars abroad at competitive rates and then hedging repayment terms are obviously being considered with some care.

With the counter now standing at 465c compared with its low in December last year of 187c, some investors have obviously followed the FM’s advice (Fox, March 4). The latest developments confirm it remains a stock worth laying down to mature in a few years.

David Glenan
The high prophets of commercialisation lost the struggle for the soul of the SABC this week, reports Mark Gevisser

Two men were notably absent from the panel of five SABC big shots going face-to-face with the Independent Broadcasting Authority (IBA) yesterday as the corporation unveiled its plans for transformation. Guenther Green and Steve Schubach.

Green, head of SABC television until last week, was forced to resign after a confrontation with chief executive Zwelakhe Sisulu over his proposed TV schedules and over allegations that he was undermining the transformation process. Schubach is in charge of the corporation's finances — but has been left out, entirely, from the costing that forms the basis of the SABC's proposals to the IBA.

These two were the high prophets of the commercialisation of the SABC, their absence was a striking indicator of the battles lost and won in the struggle for the soul of the SABC that has been waged at Auckland Park over the past six months.

Despite much talk of "downsizing", yesterday's proposals were generally about the reorganisation — rather than the commercialisation — of the corporation. SABC wants, for example, to keep all three of its TV channels. The only difference is that public broadcasting and commercial functions will be integrated, and the purely commercial channel will use NTV's transmitter network rather than TV1's — and will therefore be the smallest of the three.

There were some radical inutinites, like the proposal to shed signal distribution company Sentech and the decision, effective immediately, to retrench 800 people and cut administrative expenses by 10 percent.

The business-unit system — set up by Green and Schubach under previous CE Wynand Harsme — will be retained but rationalised from five to three units, with much more emphasis being placed on production than administration. Currently, 36 percent of the SABC's staff is administrative, according to the SABC's proposals, this should be brought down to 15 percent.

All this restructuring will raise an immediate R100-million but will, according to the SABC's proposals, have to be supplemented by a state subsidy of at least R380-million a year if even factoring possible state funding into its calculations. What has changed?

"We know that it's cloud-cuckoo-land to expect anywhere near R400-million from government," noted one senior SABC source. "But we need to make the point that money is the means to the end of public broadcasting. We need money to broadcast. Without money, we do not broadcast to make money."

This credo is repeated throughout the SABC's submission to the IBA, which begins with the following statement. "Central to the SABC's argument is that it exists to deliver public benefit and not to pursue commercial profit as an end in itself. Funding is a means to the end. The corporation would willingly reduce or abandon its claims on a share of available advertising revenue if it could secure public funding sufficient to meet its broadcasting objectives.

Such sentiments are in contradiction to the ideas of Green and Schubach. They came to the SABC as outsiders. They were marketers interested in commerce, rather than social engineers interested in thought control. And they were English speakers in an Afrikaans stronghold. Together, under Harmsie, they transformed the SABC from a floundering brochure pat of Afrikaner nationalism into what appeared to be a profitable institution."

But yesterday's proposals were drafted by a fascinating new coalition of powers at the SABC. Principal players were the head of strategic planning David Niddrie and Australian consultant Geoff Henot. Both are firm advocates of a large SABC that integrates — rather than splits — its commercial and public broadcasting functions.

The third significant player was Gert Claassen, an old-guard who benefited from the SABC's business-unit system (he ran an empire called Broadcast Centre that was dismantled this week) and who has now effectively replaced Green as TV chief, even though former CCV head Mduduzi Mphakela is nominally in charge.
Changing the face of the SABC: Is this enough, IBA?

Assistant the numbers-crunching was not Schubach, but Pierre van der Hoven, the young and unknown chief accountant from Sain
tel, the SABC's inhouse production company. It was Van der Hoven, not Schubach, who answered questions about the SABC's financial future.

Van der Hoven is being praised, in some quarters, as the corporation's "unsung hero". It was he who found the inconsistencies in Green's schedules that led to his demise.

"It appeared," said one senior source, "that Green was attempting to lock the SABC into long-term financial commitments that were not sustainable." This, another added, had "deliberately inflated the costs of public broadcast-

Green declined to comment, saying only "I did the work to the best of my ability and I am quite content with what I did." An article in Rapport newspaper last weekend stated, however, that Green believed the Transformation Unit, under Middhe, was "white-anting" his division and that he was not prepared to work in such an environment any longer. Whatever lay behind his resignation, one thing is certain. Green's departure was the culmination of months of tension between himself and Sesulu's appointees.
SABC

The bottom line

SABC CE Zwelakhe Sisulu and his top management team are likely to send a strong message to government if you want us to be a public broadcaster, you will have to pay for the service.

At the same time it is expected that the role and future of broadcasting stations in the former homelands will be high on the agenda come Auckland Park's turn to address the Independent Broadcasting Authority (IBA) this week (260).

Signs of strained relations surfaced this week when the Bophuthatswana Broadcasting Corporation withdrew from the first meeting of a task group aimed at promoting co-operation between the former TBVC public broadcasters and the SABC.

At Auckland Park, there is a strong lobby which feels that public broadcasting should be under one umbrella. Many of the broadcasting buildings situated in the former homelands could be sold if this happens.

The future of employees of the other broadcasting stations remains a problem. They have been assured that there will be no lay-offs, but funding their salaries is likely to become a very thorny issue for government. Despite handing out a 14th cheque to employees this year, the SABC is rethinking its staff complement. Insiders say it is quite possible that hundreds could be retrenched next year.

There is a strong feeling at Auckland Park that to survive, some existing services might have to be sold off in future. Several surplus properties have already been sold, in line with good business practice. Among them are a training farm in the Magaliesberg and apartments in Cape Town. Other properties are also to go.

Government realises the seriousness of the problem. Broadcasting Minister Pallo Jordan has issued an invitation to interested parties to attend a three-day gathering in January to discuss the future of public broadcasting. Jordan has invited the provincial premiers and their MECs, the public media and various media unions to attend. Invitations have also been sent to the SABC, former homeland broadcasters and the IBA.

There must be some sympathy for the new order at Auckland Park. It is a colossal organisation to run and finance. In its effort to regain some of its lost licence revenue — due mainly to piracy — the corporation has now decided to terminate the services of the Post Office inspectorate which had been tracking down licence fees from pirate viewers for 30 years. The collection costs of R18m this year alone far exceed the R6m that was recovered in licence fees. A lawsuit has been threatened because of the cancellation, despite a six-month notice period to Post & Telegraphs. The Post Office is withholding R42m from the SABC in licence fees (200).

Public broadcasting in most countries is not reliant on advertising revenue. It is funded either by government directly or through licence fees.
730 jobs to go in restructuring

SABC offers to ease grip on broadcasting

IN a proposal aimed at reducing its domination of the broadcasting industry, the SABC yesterday announced it would abandon its financial self-sufficiency and seek 18% of its funding from government.

Submitting the SABC’s restructuring proposals to the Independent Broadcasting Authority hearings in Johannesburg, SABC CEO Zweelakele Sulu said the corporation would retreat about 730 staff and withdraw from its signal distribution arm Sentech.

Proposing a mixed funding base for the SABC, Sulu said the SABC’s dependence on advertising revenue should be reduced from 75% to a maximum of 55%. This would free a portion of the national advertising cake for new broadcasters, he said.

A further 25% of SABC funding would come from the licence fee and 10% from co-productions and commercial ventures. It would ask government for about R150m to subsidise educational programming.

Sulu denied the SABC was on an expansionist path. There was no question of increasing its current budget “in all our funding scenarios we have been guided by the principle of doing more with less.”

Postal Telecommunications and Broadcasting Minister Pallelad Xolile Mashele had not undertaken to support the SABC proposals for a subsidy, but SABC chairman Ivy Masepe-Casaburri said the SABC would lobby parliamentarians to support its call.

Sulu criticised the reconstruction and development programme for neglecting the role of broadcasters. “Information has not really become an issue on the development agenda ... understanding and knowledge is at least as important to the RDP’s success as the material benefits it brings.”

Reducing staff levels by 18% or 730 jobs, cutting all non-programme making budgets by 18% and incorporating facilities from the SABC broadcasting centre into the radio and television divisions would free more than R100m. This would be allocated to programme making.

Masepe-Casaburri said SABC management representatives would resign from the Sentech board at the end of the year. A caretaker board would take over the SABC-owned signal distributor until the outcome of the IBA inquiry.

Plans for the television portfolio had been revised to allow for two public service channels, with the current commercialised TVI network becoming a flagship nationwide public service channel with windows for regional programming.

If the IBA sanctioned the proposals, the mainly urban NNTV network would be commercialised to provide a mainly English service. If the IBA did not grant the SABC three television channels, the costs of public service broadcasting would increase by about R300m, said Sulu.

“The plans allow for advertising on all stations, and a minimum of two hours’ daily news coverage on all permanent services,” he said. Current affairs programming would increase 92% next year.

Excluding sport and continuity announcements, 40% of SABC programming was locally produced. This would increase to 40% over three years.

MARK ASHURST
SABC drive to retrench "white"

An affirmative action strategy by the SABC's new management, who are planning to retrench staff in order to achieve cost efficiencies. The 10% budget cuts would reduce costs of the corporation, which is one of the biggest in the country.

Mr. S. Mntambo, the CEO of SABC, stated that the retrenchments would be necessary to achieve these cuts. The corporation has been running at a loss and is facing financial challenges.

The retrenchments would affect approximately 700 employees, mostly whites, who are considered to be overpaid and unnecessary according to the management.

The SABC has been under pressure to improve its financial performance and become more competitive with other media organizations in the country. The retrenchments are seen as a step towards achieving this goal.
Saldanha set to soar

The West Coast Pulp & Paper

THE WEST COAST TOWN OF SALDANHA SET TO SOAR

VWEENAN RAAL REPORTER

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Iscor seeks R4bn for finance plan

A GROUP of merchant banks, international finance houses and the Iscor management team will have a busy Christmas arranging about R4-billion for the development of the Saldanha Steel project and the conversion of the Pretoria works to a stainless steel plant, writes DON ROBERTSON.

Details of the finance plan have not yet been finalised, but will be ready by the middle of January.

The apparent haste in announcing the projects was to qualify for tax allowances in terms of Section 37E of the Income Tax Act. This allowance was removed from the Act in September 1993, but a concession was made to Iscor, which had announced a feasibility study in August of that year, provided it began construction on the site before the end of January, 1995.

The concession will allow the corporation to write off capital expenditure in the year in which it is incurred.

A start on the R3.6-billion Saldanha Steel project will begin next month and it will be completed within three years to comply with Section 37E. The initial cost of the Pretoria works conversion is less than R100-million, but this excludes working capital which could be as much as R355-million.

Although substantial progress has been made in arranging the funding package, managing director Hans Smith says he is unable to "promote" the project ahead of the finalisation of all details because of strict US regulations which prevent the "preconditioning" of an offer. This restricts a company from tirelessly potential investors with details of the project before they have been finalised.

Financing of the new projects will be treated as a separate capital expenditure item, says Mr Smith.
SABC urged to produce more inclusive proposals

SABC proposals for the future of public broadcasting should be revised to take into account the role of former TBVC broadcasters and publicly owned provincial media, the Independent Broadcasting Authority said on Friday.

Opening the second day of public hearings into SABC restructuring plans, IBA member William Lane asked the SABC "to bring forward a plan for the whole Republic with reference to Bophuthatswana and Transkei and other broadcasters".

SABC CE Zwelakhe Sisulu said the corporation had "put our portfolio on the table for discussion" with former TBVC broadcasters at a meeting boycotted by the Bophuthatswana Broadcasting Association last week.

"The other three (Venda, Ciskei and Transkei broadcasting corporations) went along with our proposals."

Responding to criticism from IBA member Lyndall Shoep-Mafele that "there isn't really any hope of chang-

ing (the SABC) unless we have a mechanism (for change)", SABC managers said a new training programme was being developed.

SABC chairman Iry Masiye-Casaburn said: "One doesn't know how long (transformation) will take, but there comes a point where things begin to happen."

Two SABC directors would leave the corporation to take up diplomatic posts in January, leaving only 19 board members.

"I am conscious that I will not have a properly constituted board on my hands come February," Masiye-Casaburn said. The IBA would recommend terms of office for SABC board members as current appointments were indefinite.

SABC finance director Steve Schaubach said the Post Office would lose its role in tracing those who did not pay licence fees. The service cost R18m a year, but generated R16m.

He also cautioned on the prospect of future SABC co-productions: "I am not aware of any international co-production we have made money on."

The SABC was committed to an increase in educational programming which would total 55 hours a week of education programmes on radio and 55 hours on television.

There was confusion over the status of the proposed SABC third channel, which would broadcast mainly in English on the frequency now used by NNTV. Acting deputy CEO Gert Claassens denied this would be a commercial service, but said it would broadcast popular public service programming to urban audiences most sought by advertisers.

In contrast to statements on Thursday that the ideal revenue source for the SABC would be a dedicated state subsidy, Sisulu supported partial commercialisation.

IBA co-chairman Peter de Klerk called for more clarity on the SABC funding proposals.
IBA questions homeland’s interest in radio station

The former Bophuthatswana homeland’s interest in Radio 702 was questioned when the station’s representatives appeared before an Independent Broadcasting Authority hearing in Johannesburg yesterday.

The hearing, held to consider the transfer of Radio 702’s broadcast licence from Bophuthatswana Commercial Radio to Radio 702 Holdings, was told that a private investment company, Yabeng, would have a 5% holding in the new company.

The Bophuthatswana National Development Corporation, which now falls under the Northwest province, holds 40% of Yabeng’s shares.

IBA member John Mathison questioned whether a development corporation, and indirectly a government, should have an interest in a private broadcaster. If a government had an interest in a broadcaster applying for a licence the IBA would, in principle, view that application “quite sceptically”, he said.

Media attorney David Dixon, appearing for the station, said the issue was who exercised control over the broadcaster. The IBA Act did not seek to regulate who invested in a broadcaster, he said.

The licence itself was issued in terms of an agreement between Radio 702 and the Bophuthatswana government in 1980.

The Bophuthatswana government was given a 20% share in the company in exchange for the licence. However, its share had been shifted and diluted to the Bophuthatswana National Development Corporation and later Yabeng.

Sapa.

Introduction
Mercantile Bank Limited shares of 1 cent each
Thursday, 8 December
Result of private place
The cinema microphone was
STEEL producer Iscor would retrench 5000 workers from its Vanderbijlpark works and spend R2.5bn on a major revamp of the steel facility, the company said yesterday.

The 25% cut in the 20000-strong workforce was part of a project which would convert the works into a 100% continuous casting operation. The ingot casting line, currently producing 25% of the plant's 110000 tons a day, would be phased out, Engineering News reported.

Iscor MD Hans Smith said the new Vanderbijlpark operation would use only five of the seven coke ovens and three of its five blast furnaces. Steel production would drop from 110000 tons a day to about 90000 tons but it would be produced 10% more cheaply. The resultant shortfall in production of 1.2 million tons would be more than compensated for by steel coming out of the new mini-mill at Saldanha Bay.

Smith said: "In view of the fact that steel is a saturated market, we will focus on value-added products such as tin-plated, electro-galvanized, cold rolled and colour-coded steel products. The revamp will ensure greater cost efficiency... and ensure Iscor a position in the lowest-cost 5% of steel producers in the world."

Analysts said the retrenchments would bring Iscor's workforce down by about 15000 to 43500 in 1998 from 58000 in 1992.

Iscor cut its staff complement to 54000 last year and by its year-end in June had 48500 people on its payroll.

Profitability at Iscor's Newcastle works came under pressure in August and the steel company announced it would shed 1500 workers from its staff complement of 6000. An internal restructuring programme last year saw early retirements across all divisions and skills levels. About 3000 staff, many at senior level, retired at the end of March.

Analysts said an attempt by Iscor to cut net borrowings could be brought about only by lowering working costs. Taking salaries and indirect costs into account, it would save about R200m a year through the early retirements.

Financed by a surplus in the Iscor Pension Fund, the retirement packages were offered to all members older than 50 employees had to exercise their option before December last year and take retirement before March this year.

During the past three years 2500 posts were rationalized at the company's Pretoria works. After transfers, natural attrition and early retirement packages, a further 450 employees were retrenched.

Iscor said it had become necessary to reduce employee numbers to ensure the company's long-term existence. It closed its Durban plant at the end of August citing the high cost of steel scrap and low international billet prices. More than 2000 workers were retrenched. About 250 of Iscor's 2200-strong Vereeniging steel division workforce were offered voluntary retirement in 1992.
Radio Pictoria would attract

MARK AUSTIN

Attacker sentenced, IBA told

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A new vision of the SABC — aimed at enabling it to fulfil the function of "introducing SA to itself" — was unveiled at the Independent Broadcasting Authority last week. 210

The language of the SABC submission to the IBA is spattered with terms breathing political correctness. Thus, the prim statement that the SABC "exists to deliver public benefit and not to pursue commercial profit as an end in itself." This benefit is further defined as an improvement in "relevance," the need to "boost education services and local content," "redefining cultural identity," and seeking a "specific role in communicating RDP themes."

It might seem out of step with the national mood to question such objectives — after all, we have a multicultural nation with sharp educational disparities and a large pool of previously marginalised talent, particularly, or so they say, among musicians.

However, the proposals are extraordinarily precise when it comes to percentages. There shall be 60% local content (horrendously expensive) on TV and 25% local music on radio stations like 5FM and Radio Metro (whose black listeners evidently prefer a steady diet of US music). Simultaneously, staffing is to be cut — with voluntary and involuntary retrenchment of 730 staffers in 1995, a reduction of 15% — and this is not merely aimed at cost-effectiveness, but at achieving a 50% black staff component by 1997. This would imply a hasty programme of affirmative action. Apart from anything else, it sounds rather like what the SABC thinks the IBA wants to hear.

There are several things wrong with this pious approach, not least the probability that it could lead to greater inefficiency, renewed politickisation, and revenue shortfalls. Two TV channels of a mainly didactic nature — giving time to all 11 official languages — will be subsidised by the single commercial channel. Yet the intention is that advertising revenues should actually fall by about R330m a year — good news for any new commercial entrants.

The main reason for this is that in estimating gross revenues, CE Zwelakhe Sisulu states that advertising revenue will account for 55% of the budget, with licence fees contributing another 25%, and the State providing the rest.

There are two problems. The first is that Pallo Jordan, the Minister responsible for broadcasting, has not committed himself in any way to State funding, and the second is that people are increasingly not paying their licence fees.

SABC chairman Ivy Matsepe-Casaburri intends lobbying for funds, and the SABC proposes to take on house fee collection. Leaving aside Casaburri's chances, the current "piracy" rate in SA is 46%, compared with 5% in Britain. Also, the costs of collection are running at more than R50m a year, and going inhouse with this function is likely to spawn a new branch of the SABC bureaucracy.

Under such a system of funding, and notwithstanding retrenchments, the SABC would still be asking government for about R380m in subsidies, specifically for educational broadcasting and the funding of local content.

But if almost half the TV owners in the land are not paying now — either because they can't afford it, or don't like the existing service — what would be their incentive for paying for reduced services, in which the entertainment content is deliberately allowed to fall? It's not that Sisulu should produce an endless diet of sitcoms and cop dramas from America on demand — but that he is approaching broadcasting with a narrow, didactic eye and seems to believe the audience and the advertisers will simply stay in place while programming gets worse.

If there is a need for educational TV, a special channel should be created — but, in the interests of transparency, it should then be funded by the education budget. The point about the "lost generation" — actually, at least 18 years of black school-leavers who have had their prospects ruined by a rotten system and their responses to it — is that it is probably lost forever. The need is systematically to upgrade existing schooling, educational TV being but one way of approaching the problem.

Sisulu has not heeded the market, what is wanted is better TV — in itself educational — and not the excessive punting of local talent or explanations of the RDP. Any percentage of local content should be nurtured by demand, not drilled through the weary eyeballs of viewers in the fashion favoured by the former Soviet states.

The emphasis on "introducing SA to itself" is reasonable; the way it is proposed to be done seems fraught with the dangers of homogeneity, propaganda and compulsion.

The complementary affirmative action, conducted in a vindictive spirit — which is what quotas and targets imply — risks damage or loss of technical skills and hence a further overall deterioration in the service.

Worthy but boring would be bad enough. Unworthy, boring and inept would be the worst outcome of all — to which list could be added, flat broke before long.
LONDON — A breakdown in the relationship between the SABC and the rest of the world's broadcasters is threatening the quality of coverage of next year's Rugby World Cup.

When the Rugby World Cup board awarded the event to SA three years ago, it was aware of the SABC's lack of experience in covering major sporting occasions and offered its support to ITV sports chief Bob Burrows and his technical chief, Roger Pharo, to the SABC.

However, the SABC told a recent meeting of international broadcasters that it did not want outside help. It intended to produce all 32 games live, by itself.

Other broadcasters fear this attitude could rebound when the tournament takes place in May and June, with the opening match at Newlands.

They note that coverage of major events like the Olympic Games and Soccer World Cup are prime examples — has increased — by senior broadcasters around the world, ensuring high standards of production.

Already, representatives of major networks involved in the Rugby World Cup, ITV, Channel 10 (Australia), TVNZ (New Zealand) and TF1 (France) — are arguing with the SABC over camera positions.

In recent years, the BBC and ITV have developed a radio-hand-held camera which captures magical close-ups of players. The SABC argues that it cannot afford them.

Burrows refused to comment on the dispute but said that the "SABC people are nice chaps who wish to do it their own way."

Sources argue that to ensure television coverage matches the quality that will be seen on the field, it would be appropriate...