PUBLIC SECTOR - GOVT. - STATE ENTERPRISE

1996

JANUARY - APRIL
IBA grants
82 licences

By Lulama Luthi

WHILE there is still a long road ahead for the Independent Broadcasting Authority, the broadcast body has nonetheless given itself a pat on the back for a job well done - at least for last year.

To date, the IBA - set up to regulate the 'previously' state-monopolised broadcast industry in March last year - has granted a total of 82 licences to community radio operators countrywide. A further 21 short-term licences were granted.

And if all goes according to plan, South Africa might have at least 32 private radio stations next year - this from moves to sell SABC radio stations.

Good news for the prospective buyers is that their applications will be dealt with in three months instead of the standard international six-month period and the closing date will be around July.

Hearings for the granting of temporary radio-licences to communities previously discriminated against began in earnest in June 1994 after the IBA received more than 100 applications.
Broadcasting: Changes in the air, on the air

Staff Reporter

THis has been an incredible year for those South Africans who listen to radio or watch television. More changes have happened in broadcasting in 1995 than in all the years since the SABC's foundation in 1936.

More radio stations came on air this year than had ever before existed in South Africa. Television viewers also had more viewing options as satellites beamed new images onto the screens of those who could afford it.

The greatest change for radio listeners is the huge variety of community stations, with Radio Maritzburg the first station to be granted a one-year temporary licence and a further 81 licences having been granted since then.

Also to be considered is the amount of local programming broadcast and whether newspapers could be involved in broadcasting, without giving rise to fears of the news being monopolised. The IBA held numerous hearings and issued a report at the end of August.

The report included a proposal that by 1998 the SABC lose one of its television stations to a commercial venture instead of getting a single satellite station.

Private broadcasters would have to play 40 percent local music by the year 2,000 while community and public broadcasting music stations had to play 5 percent local music.

Television also has local content requirements, and 50 percent of programming will have to be local within three years, with all official languages being broadcast during prime-time, every month.

On the issue of local content, National Association of Broadcasters (NAB) executive director Danielle Goldman questioned whether enough local music of high quality was available and criticised the IBA for setting such high levels of local content, when local radio companies had not committed themselves to developing local musicians.

The report also stated that no company which controlled a newspaper could have financial control of both a radio and a television licence.

In calling for fewer restrictions on cross-media ownership, Ivan Fallon — editorial director of Independent Newspapers, owner of The Argus — told the parliamentary sub-committee on broadcasting that newspapers are the dinosaurs of the media industry, which are in a long, slow decline, forcing us to become involved in the electronic media to survive.

"If a group like ours is deprived of that opportunity, we will continue to function, but we would be greatly inhibited in terms of growth. We are not asking to dominate the broadcasting arena, but just to be able to grow," said Mr. Fallon.

The report is now with parliament for consideration.

Next on the IBA's agenda is considering long-term community licence applications and holding hearings on how to regulate the satellite industry.

The advent of satellite television in the country in the second half of the year has brought a vast new array of choices to the viewer — for those who can afford it.

New appointments at the SABC have been made as part of the corporation's continuing transformation process, including new heads for all three television channels, in line for their relaunch in February.

But, the SABC has not been without its crises either. The relaunch of SABC in March resulted in a fierce battle over "acceptable" English accents on air.

Another hiccup in the industry came from the Bophuthatswana Broadcasting Corporation which encountered a major revolution among staffers who all opted for what was described by North West Premier Pogo Molefe as "the most generous retrenchment packages in the country's labour history", rather than becoming integrated with other homeland broadcasters.

Mr. Molefe said the government could not afford the retrenchment packages valued at more than R400 million.
Despite the vision for the future of South African broadcasting, the IBA faces a challenge in promoting the necessary developments. The challenge lies in balancing the need for innovation with the preservation of cultural heritage. The IBA has a responsibility to ensure that the broadcast landscape is not only modern and technologically advanced but also reflects the rich diversity of South African society. This requires not only technical upgrades but also a commitment to content that resonates with the audience and reflects the nation's cultural tapestry.

The issue of smoke and mirrors is a metaphor that highlights the ongoing struggle within the IBA. Just as smoke and mirrors can create an illusion, the IBA must navigate the complex terrain of broadcasting in South Africa without losing sight of its core mission. The question of whether the board members can deliver on their promise of a brighter future is one that will continue to be examined closely.

In December 1995, the IBA authorized the Broadcasting Section to conduct a feasibility study on the introduction of a new commercial radio station. This decision was seen as a step towards modernizing the broadcast landscape, but it also raised concerns about the potential impact on existing channels and the broader cultural生态. The feasibility study was expected to provide insights that would inform the strategic direction of the IBA. However, the outcomes of this study were not publicly disclosed, leaving many to wonder about the progress and the ultimate plans for the new radio station.

The challenge for the IBA is to ensure that this vision for the future is not merely a mirage but a reality that benefits all South Africans. The board members must work diligently to overcome the obstacles that hinder progress and to create a broadcasting environment that is both innovative and inclusive. This requires a deep understanding of the needs and aspirations of the audience, as well as a commitment to maintaining the cultural richness that makes South African broadcasting unique.

In conclusion, the IBA faces a year of smoke and mirrors, with significant decisions yet to be made. The challenge for the board is to steer clear of illusions and to guide the broadcast sector towards a future that is both forward-thinking and deeply rooted in the cultural heritage of South Africa.
IBA Bill to prevent govt influence in broadcasting

THE Independent Broadcasting Authority (IBA) yesterday released a draft copy of the Public Services Broadcasting Bill, a revised copy of which should be finalised in the next session of Parliament.

The Bill, which is still under discussion, aims at establishing standards with which public broadcasters must comply. It will govern the actions of the existing state broadcaster or any future public broadcaster.

The Bill seeks to ensure public broadcasting is independent of government influence. It prescribes requirements for the appointment, qualifications, and conduct of members who sit on the boards governing public broadcasting, and imposes certain obligations on them.

A main objective set out in the text of the draft Bill is to ensure the expression of diversity of opinion "to ensure the public broadcasting services are provided for the benefit of and to meet the needs of the public."

While the Bill establishes that public broadcasting must function independently of the government, it provides for certain exceptions, mainly related to financial aspects. The Bill imposes certain obligations on the public broadcaster, dealing primarily with improper political interference, and the provision of programming.

A large proportion of the draft Bill governs the appointment of members of the governing board of a public broadcasting service. The public will be invited to nominate board members, and these will be considered at board meetings. Consideration will be taken of board members' skills in various fields, and the board will have to represent a cross-section of the population in the area concerned.

Members of legislatures, government employees, and office bearers of political parties may not become board members.

The Bill, once adopted, will adjust the existing Broadcasting Acts and other legislation governing the SA Broadcasting Corporation (SABC) and state broadcasting corporations in the former TBVC (Transkei, Bophuthatswana, Venda, Ciskei) states. The state will be bound by the Bill.

The IBA said it would consider submissions on the Bill before January 25.

The IBA also said it would invite applications for private commercial radio stations in April. Initially two FM applications would be considered in Johannesburg, one AM application in Gauteng, one FM and one AM application in Cape Town and one AM application in Durban.

The radius of the new stations would be between 20km and 30km and the effective radiated power would be limited to 5kW.

The IBA said applications would have to be published in the Government Gazette to give interested parties an opportunity to lodge representations. The IBA said it would handle applications for potential buyers of SABC stations simultaneously with the processing of new licence applications.

Solid Gold Radio yesterday "cautiously" welcomed the IBA announcement. "Despite numerous frequencies being available, the IBA intends licensing only two FM stations in Johannesburg, yet they licensed dozens of community stations in the same region," Solid Gold said in a statement.

It noted the IBA had set deadlines for granting new licences in the past, and had failed to meet them. — Sapa

SAA to introduce new check-in system soon

Stephanie Bothma

The success of the recently formed Committee on Airports

BMW happy with patrol

Theo Rawana

SELF check-in systems for SAA passengers try JHB
Bill seeks broadcasting independence

The Independent Broadcasting Authority has released a draft bill on public service broadcasting to ensure the independence of South Africa’s state-owned broadcasters.

The aim of the bill, which was released yesterday, is to “establish the independence of public broadcasting services with a view to ensuring impartiality and the expression of a diversity of opinion”.

If passed, the bill would cover state-owned broadcasters at national, provincial and local level, and would regulate existing services as well as those established in future.

The bill states that public broadcasters should provide information, education and entertainment, functioning “without any political bias or undue or improper political interference and without undue or improper interference from commercial and other interests”.

The bill proposes that public service broadcasters should be “distinguished and predominantly South African in the provision of the service”, reflect the linguistic, cultural and spiritual diversity of the public and their common identity, and take into account the need for staff “to reflect the composition of society”.

It does not address the funding of public broadcasting services, except in a passing reference to exceptions to the principle of independence. – Reuters
POLITICAL STAFF

A DRAFT proposal to ensure that public broadcasting would be independent from government influence was released yesterday by the Independent Broadcasting Authority (IBA).

The IBA said the Public Broadcasting Bill was still a discussion paper, but after being revised, it would be submitted to Parliament later this year.

"The bill is aimed at ensuring that public broadcasting services are established and provided in stewardship for the benefit of and in accordance with the needs of the public," the IBA said.

It aims to set standards with which public broadcasters must comply and it will govern the actions of the existing state broadcaster or any public broadcaster that may be set up in future.

It also lays down the requirements for the appointment, qualification and conduct of members who sit on the boards governing public broadcasting and imposes certain obligations on them.

Although the bill establishes that public broadcasting must function independently of the government, it provides for certain exceptions, mainly relating to financial aspects.

The bill imposes certain obligations on the public broadcaster, dealing mainly with improper political interference and the provision of programming. It also governs the appointment of members of the governing board. The public will be entitled to nominate board members.

Interested parties should make representations on the bill before January 25.
NEW LOOK TV NEXT MONTH

English-speakers lose out

THE SABC's envisaged dedication of TV channels to different languages is likely to upset English-speaking Capetonians, as half of them won't be able to get the English station.

Thousands of English-speaking Capetonians who are unable to receive NNTV broadcasts are going to lose out from February 4 when the television channels are reshuffled.

NNTV is to be renamed SABC3 and will broadcast mainly in English.

Those who want to watch English broadcasts of the evening news will have to do so on SABC3.

Also on SABC3 will be the popular soap operas Home and Away, Santa Barbara and The Young and the Restless.

CCV will become SABC1, and its broadcasts will be dominated by Zulu and Xhosa. The present TV1 will become SABC2, and its broadcasts will be mainly in Afrikaans and the Sotho languages.

Those who can't get NNTV now — about half of Cape Town — will have the option of paying R1 500 for an analogue-type satellite dish receiver and decoder, so that they can get the channel free via satellite.

SABC head of communications Mr Ken Modise said last night he was aware of the problem.

He would be meeting officials from Sentech, the SABC's broadcasting arm, on Wednesday with a view to adjusting transmitters so that areas that did not get NNTV could get the new SABC3.

Sentech had made some suggestions about this, he said.

Our Johannesburg correspondent reports that the K10-million relaunch of SABC television on February 4 will irrevocably alter

the service viewers have known for over 20 years.

New names for all three channels, news broadcasts scheduled at different times and a major redistribution of the country's languages were announced by the SABC.

Following a mandate from the Independent Broadcasting Authority (IBA) to serve a broader cross-section of the country's viewers, the SABC has allocated SABC1 (formerly CCV) to serve predominantly English, Zulu and Xhosa-speakers, SABC2 (former TV1) to Afrikaans, Setswana, Sepedi and Sesotho (while the remaining official languages will also feature), and SABC3 (formerly NNTV) to English only.

Problems of access to SABC3 for many viewers may force them to buy decoders at a cost of about R1 500 to watch the evening's English news, although the SABC is continuing to expand the range of this transmitter.

About half the programmes familiar to viewers will be replaced, but popular soaps and sitcoms will continue to be screened.

The new face of television aims to emphasise local programming — often a more expensive alternative to buying imports, and one that is expected to have a major impact on running costs.

Also at great cost, the launch line-up for February 4 reportedly includes the invitation of hundreds of foreign guests to South Africa to take part in a 90-minute introduction to the new service.

However, the revamp has not been met without criticism and the reduction in Afrikaans language amount — reportedly as little as 1.3% of total viewing time over 24 hours — has prompted dissatisfaction from Afrikaans cultural organisations as well as advertisers.
Top jobs filled at BBC

New recruitments under way after retrenchments

By Pamela Dube
Political Reporter

Just weeks after retrenching over 700 employees of the troubled Bophuthatswana Broadcasting Corporation, the new management is involved in a major recruitment drive.

Mr. Sefako Nyaka, who until last week was the political reporter of the SABC, is now the BBC's new head of Television and Radio News.

The controversial Nyaka first hit the public eye in 1992 when he was fired by The Sunday Star newspaper after a political row over his membership of the African National Congress.

Nyaka joined the SABC as a political reporter and last year spent a few months at the corporation's London office. Nyaka started at the BBC on Monday.

Another former SABC employee who has joined the BBC is Mr. Francis Majola Majola, who was a news reader with SABC. Majola joined the BBC on Tuesday last week as the BBC's head of Radio and Services.

BBC acting director-general Ms Cawe Mabola said the SABC recruits were not seconded to the troubled corporation in the North West as many believed. "These are fresh appointments and they will be with us (BBC) as long as their services are needed."

Other top new appointments include musician Mboni Ngema's former engineer, Mr. Kente Mphahwa. Mphahwa comes from Radio Transkei and is the BBC's new sound engineer.

Internal promotions include Mrs. Jenny Rachkane-Fletcher who is now head of Local Productions, Ms Pat Thabao, head of Programming Scheduling, and Mr. Richard Magau who takes over as Television Manager. Apart from the top placement at the corporation, the BBC has employed 270 of the 720 retrenched employees on monthly contracts.

Mabola dismissed the suggestion that the BBC management's move to fill strategic positions was a way of disrupting the integration of the corporation into the SABC. The BBC and other provincial broadcasting corporations expect to be operating under the envisaged National Public Broadcasting Corporation by April.

That would also be the case with Radio Bop and Radio Mabatho. Mabola said: "Radio Sunshine would be sold and run as a community radio station, she added.
No plans to control media

LEGISLATION to "control" the media was the last thing on the agenda of the Government communications task group that convenes for the first time in Gauteng on Friday, a spokesman for Deputy President Thabo Mbeki said.

Rejecting weekend reports that the "knives are out for media companies", Mr Thami Ntenteni said issues such as greater media diversity, affirmative action and television time for Government representatives were central to the group's future tasks.

However, greater media diversity and his being quoted as saying intervention "might be necessary", meant helping poor rural communities to set up "perhaps a radio station or a newspaper."

He said it did not mean interfering with the private sector.

One heavily debated idea which emerged at the first communication services seminar held at Arniston last year — where the task group was first mooted — was a state ban on advertising in newspapers and media with poor affirmative action records.

However, a powerful faction at the seminar felt the measure would be impossible to monitor or enforce.

— Sowetan Correspondent
The framework for addressing workforce development in the context of the current economic environment needs to be flexible and adaptable. It should focus on the development of skills and competencies that are in high demand, and ensure that education and training programs are aligned with industry needs. This approach would also support the creation of more stable and secure employment opportunities for workers. 

Government has a role to play in facilitating these efforts, by providing funding and support for workforce development initiatives, and by ensuring that policies and regulations are conducive to growth. Business leaders also have a responsibility to invest in the development of their employees, and to work collaboratively with education and training providers to ensure that they are meeting the needs of the labor market. Together, these efforts can help to ensure a more dynamic and responsive workforce that is well-positioned to drive economic growth and prosperity.
Dismay over
govt's 'leak'
of document

COSATU yesterday expressed its disappointment that government had "released" its draft national framework document on the restructuring of state assets to the media despite an agreement to the contrary.

COSATU said despite this move by government — which had initially requested that the document not be made public — labour would honour the original undertaking, not releasing its document until after tomorrow's meeting.

COSATU pointed out that government's document was not new, and was primarily a duplication of past positions.

DP public enterprises spokesman Kobus Jordaan reacted sharply to reports that the draft national framework documents on state assets' restructuring, exchanged between labour and government last Friday, had remained confidential.

Jordaan's concern about the secrecy stemmed from the view that this was another manoeuvre "in a long list of attempts by the minister to hold back privatisation."

Members of the Post and Telecommunications Workers' Association plan a march to coincide with the start of talks between government and labour tomorrow, to formulate a framework accord.

Reuters reports that when the two sides meet tomorrow, government will do its best to try to persuade COSATU to call off its planned January 16 strike, a senior negotiator said.
Eskom workers on strike

WITBANK: About 250 employees, mainly members of the National Union of Mineworkers, were on strike at Eskom Park here, Eskom said yesterday.

Isolated incidents of vandalism were confirmed by Eskom, which said, in the interests of safety, employees on the premises had been allowed to go home.

CT 10/11/98 (240)
Advertisers sceptical on SABC shake-up

Johannesburg — The SABC’s share of South Africa’s R1,8 billion a year television advertising business is in jeopardy as advertisers give the cold shoulder to the imminent reorganisation of the national broadcaster’s output.

The shake-up of the SABC’s three channels, aimed at accommodating more minority languages and interests, are running into an icy reception from advertisers, who predict an exodus of viewers to M-Net, further boosting the premium that the cable company charges for its advertising slots.

“Advertising is the huge force that the SABC takes of South Africa’s advertising business, of which SABC’s flagship, TV1, currently has the lion’s portion,” M-Net, however, is rapidly increasing its revenues, overtaking the SABC’s second channel, CCV, according to the latest industry figures for the year to October 1995.

Advertisers say that M-Net’s programming and wealthy urban audience profile has been so successful that the company has been able to halve the discount it offers big clients for slots broadcast in open rather than coded time. “It is in the middle of the battle for viewers,” said M-Net’s chief executive, John Bham, “the decision is to launch its channels — an operation costing about R15 million, or 38 percent of the corporation’s programming budget. The actual cost of programming-making for the new service will run to many times more than that.

The channel reshuffle — SABC 1, SABC 2 and SABC 3 — which replace TV1, CCV and NNTV respectively, will broadcast from 4 February SABC 1 and 2 will focus on entertainment via a mix of languages SABC 3 is intended as a quality station, offering traditional public service fare such as educational and environmental programmes, mainly in English, but with some community programmes in Italian, German, Greek and Portuguese.

The reshuffle is arguably the biggest gamble taken by the SABC’s Zwelethu Sisala since becoming chief executive in 1994.

Critics in the advertising industry argue that the mix of African languages across two stations will split the potentially large black consumer audience, while the high-spending, primarily white audience of the third channel will be curtailed by the limited range of the television signal SABC cedes that the channel will serve “a focused metropolitan audience”.

According to John Bham, the managing director of independent media agency Media Shop, the changes could double the cost of reaching target audiences on SABC. “None of the channels are branded, the audience won’t know what they want to watch, with programmes switching between languages and topics. They’ll channel hop, which will be bad for advertisers, since they’ll do it during the advertisements,” he said. Bham believes that the changes will drive wealthier white viewers into the arms of M-Net, and, he says, advertisers will follow them.

Bham says the advantage of M-Net, which has about 1 million subscribers, is that advertisers know what they are getting for their money — for example, R20 500 for a 30-second slot on “open time”.

This compares with SABC’s 1994 rate of up to R60 000 for a prime-time slot serving a much larger audience. And that rate has been halved, as the corporation looks for new business to fill the extra advertising time provided by SABC 3, which will carry as much advertising as its sister channels.

Industry support for the SABC changes rests on the negative effect it may have on advertising. John Dull, the managing director of the media arm of advertising agency Lintas, is delighted with the changes.

“This will stop advertising prices going through the roof. M-Net is oversold. Competition from SABC is the best thing that’s happened for a long time.”

The SABC is irratated by what it sees as the short-sightedness of the business community. It argues that the new programming will make television relevant to all South Africans in a way that will benefit advertisers, and bemoans what they see as a lack of support at a time of high expenditure.

SABC spokesman Pat Pillier said: “Once the SABC is catering for South Africa in a representative way, it will set clear lines for business to reach the people. We don’t need the business world pulling out on us now.”

The corporation has to generate more than R20 million in fiscal-year 1995. MSA executives are working on pay-TV and satellite projects with a view to supporting the increasingly costly public service. The SABC depends on advertising for 60-90 percent of its revenue.
Labour seeks pledges on restructuring

Renee Gawkwazi

LABOUR will seek a government undertaking today that no further decisions or announcements on restructuring be made and that previous Cabinet decisions announced by Deputy President Thabo Mbeki not be implemented until agreement is reached on restructuring principles.

Labour and government begin negotiations today on a national framework agreement for the restructuring of state assets.

Indications are that labour intends emphasising that the co-ordination for restructuring should take place at government level with affected ministries being responsible for its implementation. Restructuring should take place only within the overall policy direction of the specific industry and the RDP.

The negotiations open amid speculation about the effectiveness of a one-day strike planned for January 16. This speculation is partly due to the fact that large portions of the manufacturing industry reopen only next week.

Cosatu’s Western Cape region said yesterday a programme of “maximum impact”, would be pursued in the public sector and the private sector would try its best, but might not be as effective.

Cosatu’s regional secretary Joseph Williams emphasised that the one-day strike was not the end of the manufacturing programme directed against privatisation. The question of mobilisation after the event would be the region’s priority.

The Federation of SA Labour Unions reaffirmed its position yesterday.

Continued on Page 2.

Restructuring

Continued from Page 1

...
SABC's new scheduling angers Afrikaans cultural group

Jacqui Golding-Duffy

The Junior Rapportyerbeweeging (JRB), an Afrikaans movement, will object against the SABC's new schedules over a fear that the Independent Broadcasting Authority (IBA) would not gain the Afrikaner movement's consent to make oral submissions.

The IBA will consider the SABC's submissions for new schedules on August 2, two days before the deadline.

JRB vice-president Johann Marais said the movement would lodge complaints with the IBA, but they would seek to bring the SABC before the constitutional court for undermining the Afrikaans language in its schedules.

Afrikaans is currently only allowed 3.9% of airtime across all three channels while English has been allocated more than half of SABC's broadcasting time.

Marais said the SABC had the "audacity" to flaunt its R2-million budget, which they intended using for their launch extravaganza. "That money could be used more effective in starting up a few more channels which could cater for Afrikaans programmes.

SABC spokesperson Pat Pillai said the 3.9 percent was based on equity and proportionate in terms of demographics. "As a public broadcaster, we are open to scrutiny," he said.
Deal on framework for restructuring

Both parties said the issue of privatisation had not been discussed, but "restructuring was alive." They indicated that they were not in a position to outline the agreed-upon objectives and principles to guide the restructuring until such time as they had reported back to their respective principles.

Framework

Continued from Page 1

Both parties said the issue of privatisation had not been discussed, but "restructuring was alive." They indicated that they were not in a position to outline the agreed-upon objectives and principles to guide the restructuring until such time as they had reported back to their respective principles.

Framework

Continued from Page 1

Public Enterprises Minister Stella Sigcau said that the framework agreement would speed up the process of restructuring. Cosatu general secretary Sam Shilowa said he did not believe the major area of government's approach entailed wholesale privatisation. However, government would use "various tools" at its disposal for restructuring and these would be discussed in the various structures to be established.

Post and Telecommunications Minister Fallo Jordan reinforced this view, saying that government would use a multiplicity of tools, including privatisation. This would not exclude government from taking a more active role in certain areas of the economy.

Deputy Finance Minister Alec Erwin said privatisation might end up being only a small component of restructuring.

Meanwhile, more than 500 Post and Telecommunications Workers' Association members—bearing placards saying "Cosatu suspend the allegiance" and "politicians plus workers equals weak bond"—marched on the Gauteng legislature yesterday to protest against privatisation.

Cosatu Witwatersrand regional secretary Dan Mohaps said he was not anticipating a change in the plans for the strike on January 16 which would go ahead irrespective. Shilowa said that a decision had been taken to go ahead with the action next week. However, Cosatu's executive committee which meets today "may decide otherwise."

Meanwhile, Sapa reports the white Mineworkers' Union (MWU) said it would advise its members not to perform duties for strikers. Employers were unable to guarantee members' safety. MWU members who had taken on extra duties when other unions were on strike had been assaulted and intimidated. MWU secretary-general Peet Ungerer said it was incorrect for the union to involve itself in a dispute between employers and other unions when it had no interest in the matter.

Picture: Page 3
 Accord on state assets close

JOHANNESBURG: Labour and the government said last night they were "on the eve" of reaching agreement on a framework for restructuring state assets — but a planned strike by Cosatu on Tuesday to protest against privatisation of parastatals was not discussed.

Cosatu secretary-general Mr Sam Shilowa said the decision to suspend the strike was in the hands of Cosatu's executive committee, which meets today.

Public Enterprises Minister Ms Stella Sigcau said the two sides had agreed on objectives of restructuring, principles to guide the process and possible structures and procedures to be followed.

They will meet again on January 17, when the agreements reached yesterday will be drafted into one document.

National Education, Health and Allied Workers' Union president Mr Vusi Nhlapo said Cosatu's executive committee would discuss whether mass action would still be necessary "in the light of what we have agreed on".

Transport Minister Mr Mac Maharaj, who also attended the meeting, said: "Restructuring is alive."

"We are on the eve of a national framework agreement. It will speed up the process of restructuring — which we all share as a common objective to realise the transformation of our country."

Ms Sigcau said the government had not taken a final stand on restructuring and it was committed to consultation.

Deputy Minister of Finance Mr Alec Erwin added that objectives for restructuring had been agreed on and the government's proposals would be thrashed out in terms of that agreement.

Mr Shilowa said the meeting had not been to resolve whether there was agreement on privatisation, but rather if there was agreement on the context for restructuring.

Both sides were committed to deep and meaningful transformation, he added. — Sapa
Convener of media task group named

The task group on government communications appointed by Deputy President Thabo Mbeki said yesterday it had chosen as its convener Mandla Lange, a communications consultant.

The group, set up after a conference in August, is intended to draft a government communications strategy and measures to promote media diversity in South Africa.

At a meeting yesterday the group chose Val Pauquet, of the Peace Accord Trust, as its spokesman.

The committee said in a statement it had discussed the need for interested parties, departments and the public to be allowed to contribute their views on the task group’s brief, and an appeal for submissions to the committee would be made soon.

The committee is scheduled to meet again on January 29 – Reuters
The transport industry was at a standstill due to the government's announcement of the strike. The government decided to announce a new transport plan to deal with the situation. The new plan was expected to alleviate the problems faced by the transport sector. The plan was announced in a press conference by the transport minister.

INFORMATION

BY ANY MATTER

THABO MBEKI

PHOTOGRAPHY: PROJECT REPORTER

COSASU'S PROTEST: HOLT LINE TO THE CABINET

THE GOVERNMENT'S ANNOUNCEMENT

The government announced a new transport plan to deal with the problems faced by the transport sector. The new plan was expected to alleviate the problems faced by the transport sector.

INFORMATION

BY ANY MATTER

THABO MBEKI

PHOTOGRAPHY: PROJECT REPORTER

COSASU'S PROTEST: HOLT LINE TO THE CABINET

The government announced a new transport plan to deal with the problems faced by the transport sector. The new plan was expected to alleviate the problems faced by the transport sector.
Decentralisation of SABC starts with tenders out for radio stations

BY ADAM COKE

The breakup of the SABC’s broadcasting monopoly is finally under way with the publishing of adverts in newspapers yesterday and today calling for tenders for the sale of six of its radio stations.

These include two prominent Gauteng stations – Highveld Stereo and Radio Jacaranda.

Director of SABC Radio Govan Reddy said last night the SABC was now a public broadcaster and should not be in the “domain of commercial radio.”

He said the sale would have a negative impact on the corporation’s finances and had thus prompted an application for state funding. But he said the move would open the industry up to new and more varied influences.

Reddy said a large number of applications for the tender had been received. “We already have a thick file that is filled with applications – there is no lack of interest.”

Other stations up for sale are Radio Afrika in the Eastern Cape, Radio Orange in the Free State, East Coast Radio in KwaZulu-Natal and KPM in the Western Cape.

The Independent Broadcasting Authority said in an advert next to the SABCs that it approved the sale and would invite applications for licences needed by those buying the radio stations.

But the tenders are subject to a decision by the Parliamentary Portfolio Committee Standing Committee on Communications.

The move to decentralise South African broadcasting came as part of a series of substantial changes to the SABC proposed by the IBA in a report in August.

The report proposed the sale of eight commercial radio stations and one television channel. But the SABC put in a strong bid to keep two of these stations – the Cape-based Radio Lotus and Radio Good Hope – as these were seen to be more community-oriented stations.

At the time of the release of the report, SABC head Zwelake Shabangu said he regarded it as a fair report which gave clarification as to the SABC’s role as a public broadcaster.

However, he was unhappy with the loss of a television station and the two radio stations which he believed were necessary for the corporation to fulfil its public mandate.

“We hope the sale of these six stations represents the first wave of new broadcasting players,” said Shabangu. The report included proposals on the amount of local content in broadcasting, the nature of the public broadcaster and cross-media ownership.

Potential buyers have been requested to submit notice of their interest by February 15 and the SABC has also announced a two-phase tender process for the sale.
Goldin considering offer of top position at DBSA

BY NEIL BENDMANN

London — Ian Goldin, who has been offered the post of chief executive of the Development Bank of South Africa, will not comment on the nomination as he says it is premature to discuss confidential preliminary negotiations.

He has also not resigned from his position as senior economist at the London-based European Bank of Reconstruction and Development.

He has told his seniors that he is considering the offer, which so far has not even reached contract terms.

In terms of ability, Goldin appears to be more than qualified for the job. He has considerable experience in development economics and the workings of international institutions and policies. Between 1998 and 1992 he was a research and programme director at the Organisation for Economic Co-operation and Development (OECD) in Paris.

He specialised on the interaction between developing countries and OECD members, which are mainly the leading industrialised nations.

Between 1992 and last year he was based in Washington working as a loan manager in the operations division of the World Bank.

Goldin joined the reconstruction bank, which funds projects in eastern Europe and the former Soviet Union, in April last year.

As senior economist he travels extensively in eastern European countries and advises on their economic situation and the feasibility of proposed projects.

Goldin, 40, graduated from the University of Cape Town with a BA honours in economics in 1977. He then completed an MSc in economics at the London School of Economics. He received a doctorate through Oxford University in 1984.

His PhD thesis was on the effect of the coloured labour preference policy on economic development in the Western Cape. The study demonstrated how apartheid hampered economic development in the region.

During that time he was a tutor at Oxford. His first job was with Landell Mills Commodities Studies, consultants on sugar, grains, coffee, cocoa, rubber and other raw materials.

The reconstruction bank experienced its own scandal several years before Goldin joined when journalists exposed the high spending of its executives. The bank is funded by taxpayers' money from 57 countries.

Jacques Atah, the former chief executive, was forced to resign from what was regarded as his private empire. Over the past two years its new head, Jacques de Laroiture, the former managing director of the IMF, has been cutting costs.
SABC lands in hot water with the IBA

By Michael Sparks

There could be a delay in the relaunch of the SABC's three television channels, on which the corporation has planned to spend R15-million of its marketing budget.

The delay could be caused by the corporation not having applied in time for an amendment to its broadcasting licence.

But because of the massive costs of the relaunch, the SABC could decide to go ahead, effectively breaking its licence conditions.

This would be less costly, almost irrespective of the sanctions imposed by the Independent Broadcasting Authority (IBA) for the contravention of licence conditions.

In terms of the IBA Act, the body is empowered to prevent further "illegal" broadcasts, impose a fine and, in the most serious circumstances and after an extended period of hearings, revoke the broadcaster's licence.

A source at the IBA said the application for the amendment was received towards the end of last month.

But the first Government Gazette that the application needed to be published in appeared last week, and there is a 21-day period in which the public can comment on the application which ends just two days before the proposed relaunch on February 4.

According to an unnamed SABC spokesman, the planning for the relaunch will continue in the hope that the problem can be resolved.
SABC's relaunch in the balance

The Independent Broadcasting Authority yesterday threw the SABC's plans of relaunching its television service into disarray.

IBA co-chairman Mr Peter de Klerk told a media briefing that although the authority appreciated that the SABC's licence amendment application and some of its proposed changes were intended as a step towards its transformation, the IBA was obliged to let the public voice their opinions on the matter.

However, SABC spokesman Mr Ken Modise said last night the corporation's planned relaunch on February 4 would go ahead.

He said there would have to be some minor changes to the SABC's plans but that the launch would take place as scheduled.

The IBA's De Klerk said: "It is in this light that the authority has decided to hold hearings in each of the nine provinces at which people who have made representations and requested a hearing on the subject will be afforded an opportunity of amplifying their representations."

He said the IBA appreciated the difficulty the SABC found itself in regarding arrangements already made for the relaunch.

"Regrettably, the authority is bound by the law prescribing procedures for the amendment of broadcasting licences, the same law that binds the SABC too."

"Against this background, and having received the application only on December 21 (last year), the authority is unable to accede to the request of the SABC for the licences to be amended with effect from February 4, 1996. This will affect the ability of the SABC to launch their proposed new service in a manner that will not violate their current licence conditions," he said.

Asked what the authority's position would be if the SABC decided to go ahead with the relaunch, IBA councillor Mr William Lane said the IBA would be at "liberty to take any actions deemed necessary in terms of the law". - Sapa.
TV switch-off threat if SABC ignores the IBA

Broadcasting authority warns that planned relaunch could be illegal and may result in sheriff shutting down transmitters

By Michael Spieske

The Independent Broadcasting Authority says the SABC's plans to relaunch its schedules on February 4 at a cost of R15-million cannot be approved until the IBA has held countrywide hearings which could take up to six weeks — and transmitters for the three channels could be switched off if the corporation goes ahead regardless.

But the public broadcaster indicated yesterday it would proceed on schedule after making adjustments to comply with its current licence from the IBA.

Changes have to be approved by the IBA, which announced yesterday that the Public hearings must, by law, be held before any decision about any amended licence can be approved.

The corporation acted swiftly last night to quell fears that the IBA's announcement would have a major impact on the planned relaunch, and IBA councilor William Lede said they would consider the SABC's response today.

It is understood that the SABC submitted its plans too late for consideration before February 4, and senior SABC management had hoped the IBA would not insist on the public hearings which have to be preceded by a 21-day period for public comment.

But their hopes were shattered by the IBA making it clear they had decided to take a firm stand.

Lane said if the SABC decided to go ahead with the relaunch and contravened its broadcasting licence, it would be a criminal offence and the IBA would be entitled to apply for a court interdict to halt the broadcasts.

IBA chairman Peter de Klerk said the IBA had considered the matter very seriously and decided to hold hearings in all provinces after the 21-day period for public comment expires.

He added: "The authority's primary concern is protection of the public interest and the need to afford members of the public an opportunity to participate in the transformation of the nation's public broadcasters.

Some Afrikaner groups are already highly critical of the new schedules, which will greatly reduce their language's share of airtime to allow greater use of African languages. English would have the lion's share.

The statement in response by the corporation said: "The SABC will ensure that the new schedules comply with our existing licences, while at the same time we seek to introduce new programming which better reflects the diversity of cultures and languages within our country."

The new channels — SABC 1, SABC 2 and SABC 3 — are to replace ECV, TVT and NNTV respectively.

SABC 1, a family entertainment channel, would broadcast in Zulu, Xhosa and English during prime time and SABC 2, with the largest reception area, will broadcast "entertaining and educational programmes", in Setswana, Sesotho, Seselwa, Afrikaans and English during prime time.

SABC 3, a "quality programming channel with a focused metropolitan audience" will be mainly in English with community programmes in German, Italian, Greek, Portuguese and Braille.
ICA, SABC clash over TV relaunch

Ingrid Salgado

The Independent Broadcasting Authority squashed SABC plans yesterday to relaunch its three television channels on February 4 and warned that the corporation could face a transmitter switch-off if it defied the broadcasting authority's decision.

The SABC reacted last night saying the relaunch would proceed but with adjustments that would ensure it complied with existing licences. The corporation had requested a meeting with the IBA to resolve the matter quickly.

The IBA said the SABC would violate its current licence conditions if it went ahead with the launch as initially planned. The authority was obliged to hear representations from the public on the proposed changes, which included a major reshuffling of language groups across the three channels.

SABC spokesman Ken Modise said some changes in language distribution and programme scheduling would still occur, but could not give details. The SABC hoped to obtain IBA consent without the need for public hearings before the launch date for adjustments to its signal distribution network that would enable it to target different language groups more accurately.

IBA co-chairman Peter de Klerk said public hearings on the proposed changes could not be held in time for the launch as the authority had received the SABC's application to change its licence conditions only on December 21. IBA councillor William Lane said the authority was at liberty to act if the SABC proceeded with its proposed programme line-up. This included applying for an interdict which, if successful, would result in SABC transmitters being switched off.

The IBA would hold public hearings on the proposed amendments in all nine provinces within four to six weeks. The hearings would focus only on issues of immediate importance to the licence application, particularly the proposed language changes. No representations or objections to the amendments had been received.

De Klerk said the IBA appreciated...
Labour releases draft on restructuring state assets

Renee Gravitzky

LABOUR yesterday officially released its draft national framework agreement on restructuring state assets which emphasises job retention and restrictions on state enterprise managers' ability to take decisions on restructuring.

Cooching with yesterday's cancelled one-day strike against privatisation, Cosatu general secretary Sam Shilowa outlined Labour's position on restructuring which should "become the vehicle to develop the human potential of blacks in the same way as the previous government used parastatals to develop the potential of Afrikaners."

Shilowa said yesterday's action had been postponed because of government undertakings but would continue later in the week with Cosatu president John Gomomo and Pothwa president Lefty Monyokolo leading a march in Durban on Thursday.

In view of Telkom's move to find an equity partner, he said that labour would take on the parastatals if government did not bring them into line with the spirit and intent of the framework agreement. Shilowa said it was unclear if Telkom's decision to look for an equity partner had Post and Telecommunications Minister Pallo Jordan's "blessing."

Meanwhile, labour and government met today for the parties to check if the document correctly reflects decisions taken at last week's meeting. If agreement is achieved on the document, it would be referred back to the respective principals for approval.

Jeffery Rooyen, special adviser to Public Enterprises Minister Stella Sigcau, said government did not anticipate problems in ratifying the document as a high-powered government delegation had participated in the negotiations on the agreement.
SABC relaunch amended as IBA demands hearings

SPECIAL CORRESPONDENT

JOHANNESBURG: Intervention by the Independent Broadcasting Authority (IBA) has forced the SABC to make last-minute changes to its much-publicised, R1.5-million relaunch of its three television channels.

The IBA announced yesterday that public hearings were needed before a decision could be made on whether or not to approve the corporation’s application for an amended licence.

The IBA said it expected to make a decision in four to six weeks’ time.

The licence needs to be amended because of language retooling on the three channels, intended to accommodate South Africa’s black languages in line with democratic reforms by the public broadcaster.

The SABC moved swiftly to quell any perception that the IBA decision would scupper the proposed relaunch, saying the relaunch would go ahead — with changes to prevent transgressions of its existing licence.

IBA spokesman Mr William Lane said the IBA would consider the SABC’s response today.

It is understood senior SABC management had hoped the IBA would not insist on public hearings, which have to be preceded by a 21-day period to allow public comment. This period will end on February 4.

But the IBA announcement made it clear it was taking a firm stance on the matter.

Mr Lane said that if the SABC decided to go ahead with the relaunch and contravened its broadcasting licence it would be a criminal offence and the IBA would be entitled to apply for a court interdict to halt the broadcasts.

“If necessary it could result in a deputy sheriff going up to switch off their transmitters,” Mr Lane said.

According to an SABC spokesman, additional programming changes will be made when the amended licences are granted.

The public hearings are to be held in all nine provinces.

African groups, which have been vociferous in their opposition to the proposed changes, are certain to be keen participants at the hearings.
SABC, IBA to meet in bid to resolve impasse

By Michael Sparks

The SABC and the Independent Broadcasting Authority (IBA) are scheduled to meet today to try to resolve the impasse on the planned relaunch, which was thrown into turmoil by the IBA’s announcement on Tuesday that they planned to hold public hearings on the matter.

The IBA’s announcement of the hearings on the licence amendment applications effectively brought into question the SABC’s move for the planned relaunch of the three channels on February 4.

Top SABC sources have consistently insisted that the changes to the licence conditions are minimal, since the licence conditions specify only what languages would predominate on each channel and the IBA has no authority to specify the programming on the channels.

The licence amendment request is effectively for SeSotho, Sepedi and Setswana to be moved from the former CCV channel (to become SABC 1) and go to TV 1 (to become SABC 2).

IBA councillor William Lane disputed on Tuesday that these were minor changes, stating that it was not just a case of the languages being moved, because the move would substantially affect the way in which the languages would be handled on television.

The decision by the IBA to hold hearings in all nine provinces has forced the SABC to rethink their planned relaunch.

In a statement on Tuesday, the SABC stated that the planned relaunch would go ahead, but certain changes would be made to the programming schedule so that the public broadcaster did not contravene its licence conditions.

Two sides to bungle
Two sides to the television relaunch bungle

The IBA remains adamant and the public broadcaster tight-lipped, but who is really to blame for the confusion?

BY MICHAEL SPARKS

O

n the surface it appears that forced changes to the SABC's relaunch of three television channels were created by a monumental bungle on the part of the SABC.

How could an organisation, planning to spend R15-million on the relaunch of its channels, not know there would be a 21-day waiting period between the time the application was published in the Government Gazette, and the possibility of public hearings afterwards?

Or was it simply an oversight, where everyone was so involved in planning the relaunch, working out the new schedules and figuring out which programme and which language should appear on which channel, that everyone forgot about the most fundamental thing – the need to apply for an amendment to the licence?

Some people are questioning whether the whole affair is not a power struggle between the public broadcaster and the Independent Broadcasting Authority, saying there is a possibility that the IBA is taking the "Authority" part of the title far too seriously.

After all, according to this line of thought, all the SABC wants to do is change the channels on which some languages are being broadcast. Does this really make such a big difference, particularly since the changes comprise of many recommendations made by the IBA itself, and seem certain to make television more representative of the new, democratic South Africa?

But the IBA is adamant that it is not the case and insists that the public broadcaster must adhere to the letter of the law in the same way as community and aspirant private radio stations do.

Therefore, if the application is received late, the procedures for granting licences cannot be bent to suit the SABC just because it has a massive launch planned.

The IBA also disputes the claim by the SABC that changes to the channels are minor. According to IBA co-chairman Peter de Klerk, the relaunch is not as simple as changing the languages from one channel to another because, once the languages are moved around, it substantially affects how those languages are treated and the time available for them on each channel.

De Klerk warns that while the SABC is still talking about going ahead with the relaunch, with a few changes to ensure it does not transgress its licence conditions, "what they are getting on with is what the whole process is about."

The IBA and the SABC insist they were engaged in continuous talks towards the end of last year. De Klerk says the IBA continually reminded the corporation that a formal application to amend the licences had been made, and that it was a time-consuming process yet if that is the case, how can a misunderstanding, with such significant implications for the relaunch and for the prospect of getting advertisers to support the new-look, public broadcaster, occur?

De Klerk believes the problem arose from the interpretation the SABC had regarding that for which it actually needed to apply to the IBA, as well as the urgent need it felt to implement programming changes. The SABC is being very tight-lipped about what led to the problem, with even high level management, apart from insisting that it was not a mistake and that it should not be a problem, refusing to be quoted on their speculation.

The other theory being bandied about is that the problem arose from the attitude of the old-style, high-handed SABC, whose decisions and requests were never questioned. This theory implies that it never entered the minds of the SABC hierarchy that the IBA would turn down a request not to hold public hearings on the application.

Ultimately it seems that both parties must bear some responsibility. Although the IBA does not see it as its job, it is the arbiter of broadcasting legislation and should have let the SABC know within days of its application being submitted on December 21 that there would be time problems, even if it was just before Christmas.

As National Association of Broadcasters executive director Danielle Goldman puts it: "The IBA is a Government organisation, employing very highly paid Government officials, and they have a responsibility to the public to deal with these issues, even in December."

She says that ultimately one of the key responsibilities of the IBA is to ensure the protection and viability of the public broadcaster, which is not being served by the current crisis.

But it is also clearly the task of the SABC to ensure that everything, beyond past champagne on ice, is ready for the launch party. This includes important details such as licence amendment applications being timeously applied for to the regulator.

A meeting to consider the situation between the IBA and the SABC is now being planned, and the extent to which they are able to resolve the problem to the satisfaction of each other and the public remains to be seen.
SABC to go ahead with launch

THE SABC said last night it would go ahead with its planned February 4 television relaunch and would adjust its programme schedule to comply with its current licence conditions.

The new schedules would be handed to the Independent Broadcasting Authority for its approval next week, said SABC group chief executive Mr. Zwelakhe Sisulu at a media briefing after a meeting in Johannesburg between the IBA and SABC.

Television news acting head Ms Jill Chisholm said, it would not require a huge overhaul of the schedules to comply with the existing licences.

The SABC and IBA said in a joint statement read by IBA co-chairman Mr. Peter de Klerk, the IBA had agreed if new language proposals submitted by the SABC complied with its existing television licences, then the proposals could be implemented as planned on February 4.

The SABC’s plans to relaunch its television services on February 4 were thrown into disarray when the IBA said the SABC’s existing licence conditions would be violated if it proceeded as planned.

Sisulu said both the IBA and the SABC had acted in good faith but there was a breakdown in communication between the two.

He said SABC’s legal advisors had indicated it could go ahead with the changes to the language composition broadcast on the stations.

De Klerk said the procedures the SABC had to follow had been explained to it, and the IBA had never altered its stance in this regard.

At yesterday’s meeting the SABC proposed the IBA grant it interim consent to enable it to change its licence conditions, “De Klerk said “After careful consideration of the legal procedures the authority (IBA) was unable to grant this request.”

The SABC then tabled certain language proposals which the IBA felt “seemed to comply with their current licence conditions.”

De Klerk said the IBA had asked the SABC to supply details of the breakdown of the languages across the three television channels.

If these complied with the existing licences, there would be no barrier to their implementation by February 4.

Sapa
TV relaunch likely to go ahead as IBA, SABC reach compromise

The Argus Correspondent
JOHANNESBURG — The Independent Broadcasting Authority and the SABC have reached an apparent compromise that will enable some limited language changes to the three television channels to take place and allow the relaunch to go ahead, they said at a joint Press conference.

The SABC request for interim consent to its licence conditions which would allow the relaunch to go ahead as planned was turned down.

The statement said: “After careful consideration of the legal procedures, the Authority was unable to grant this request.”...

During the meeting, the corporation tabled proposals on the distribution of languages across the channels. The IBA has asked for more details of these changes.

“The IBA has agreed that if these new language proposals are in compliance with the existing licence, there will be no barrier to their implementation by February 4, 1996.”

The statement added that the IBA reaffirmed its need to continue holding hearings to finalize the matter.

SABC head Zwelakhe Sisulu said he was very pleased with the progress made at the meeting where most issues had been clarified, knowing that the February 4 launch could go ahead.

“February 4 will clearly be the beginning of a process of change at the SABC,” he said.

Mr Sisulu said there would be continuing discussion with the IBA which included passing on detailed information about the adjusted programme schedules to ensure the relaunch complied with the current television licences.

Alluding to earlier differences between the two organisations, Mr Sisulu conceded that there might have been a breakdown in communication and a difference in the interpretation of communications between the two.

Mr Sisulu added: “I am now sure the SABC and the IBA both acted in good faith and the problem was caused by a breakdown in communication.”

Earlier in the day, the executive committee of the SABC board released a statement laying the blame for the debacle at the feet of the IBA. The SABC said the IBA had made an abrupt about-turn on the need to hold public hearings.

In a statement released after a meeting of exco and SABC management yesterday, exco said they fully supported the manner in which management had dealt with the issue.

The statement was issued while an SABC team headed by the corporation’s chief Zwelakhe Sisulu was meeting the IBA.
Jacquie Golding-Duffy and Justin Pearce

The grand plan for a 'spectacular' re-launch of the SABC to shake off the last vestiges of its image as a bastion of Afrikaans nationalism, has been handily derailed by a last-minute bid by the language lobby. The new SABC would be vulnerable to legal attack if it did not follow the letter of the law and hold public hearings, which would allow the language lobby to pursue its objectives.

The SABC has been asked to amend the television broadcast licences in such a way as to tie the corporation to the broadcasting of South African languages equally across all three new channels as it was required by the Broadcasting Act.

Steve Bhengu, "I've said change would be a technicality"

had planned to do next month. The IBA is refusing to give this approval until public hearings have been held in terms of the Broadcasting Act. The SABC is to press on with its plans to release the licence applications on February 4, but the still-unchanged

Ken Modise, "No individual is responsible for misunderstanding the public broadcaster"

Mmotshai Tshimani, "I've said change would be a technicality"

The SABC's fee was momentous. IBA approved to amend the television broadcast licences in such way as to tie the corporation to the broadcasting of South African languages equally across all three new channels as it was required by the Broadcasting Act. The SABC is to press on with its plans to release the licence applications on February 4, but the still-unchanged

New channels won't lose

The planned programme roll-out will still be possible, but only with the addition of more Afrikaans channels, according to the planned schedule.

Andiswa Maswanganyi also suffered a decline of about 100,000 viewers, while the equivalent 30-minute Afrikaans leekies lost 200,000 viewers.

The new, "improved" Agenda Newsline also suffered a decline of about 100,000 viewers, but it is not clear from market research where the audience has moved to.

He said that the SABC's top brass was trying its best to broadcast to all races, but that it was a mammoth task and one that could not be handled to all people according to local English and Afrikaans groups. They were becoming "increasingly marginalised" with the shake-up of the news, especially the content.

With about 10.5 million households in the country, a steady decline of this nature could see the SABC lose its majority of viewers in the time the network has been on air.

Jacquie Golding-Duffy

The SABC's news and current affairs programmes are facing a steep decline in viewers, according to a survey of its programmes.

The SABC's news and current affairs programmes are facing a steep decline in viewers, according to a survey of its programmes.

The SABC's news and current affairs programmes are facing a steep decline in viewers, according to a survey of its programmes.

The SABC's news and current affairs programmes are facing a steep decline in viewers, according to a survey of its programmes.
ster and the IBA

-sinking?

There is feeling within the SABC that the IBA was whipping up a logical storm in a teacup, and that it did not have the right to dictate the language preference used on the SABC.

The IBA, however, felt that the handling of the application two months ago—early October rather than in mid-December—would have been more acceptable and would have allowed the public to react.

"The effect of the application is that it focuses public broadcasting in this country and, while we are not opposed to the SABC, we are opposed to the procedurally incorrect manner in which it has gone about doing it," an IBA source said. He stressed that the SABC was merely doing its job as a media regulator.

In the wake of this week's furore, SABC management has assured its commitment to public consultation, and has argued that going ahead with its revised plan was the best way to give the public an idea of what the changes involved.

"We believe the public will be better informed once they have seen what is on offer," another official said.

Worise confirmed that the corporation is to go ahead with its February 4 relaunch while still abiding by the terms of its existing licence. This will, however, involve a rearrangement of the schedules in order to keep the dominant languages on each channel the same as at present.

SABC sources suggest the corporation paid little attention to the need to seek a formal licence amendment, installed into late December by the fact that the IBA had raised no objections when African languages were introduced into TV1's Good Morning South Africa. However, it is understood that the dominant languages for each channel were specified in the licence, and that the SABC changes did not change the status of English and Afrikaans as the dominant languages on TV1. The changes that were planned for February 4 would have meant much further.

The SABC's brief Wednesday on Thursday, Bill Chisholm, head of Telereview News Production and acting head of television, pointed out there was no precedent for a South African broadcaster applying for a licence amendment as opposed to a fresh licence. Hence the lack of clarity over correct procedure.

Chisholm also expressed disappointment that changes which "are part of a race and language transformation" of the SABC had been stayed by the public broadcaster.

"In fact, the way the SABC and IBA were going to be in agreement on the kind of transformation which the corporation needed to undergo,

Stressing the need for discretion, Chisholm expressed concern about "running into IBA sensitivities about power and authority.

Wednesday's briefing was the first time that staff who had been implementing the new programmes format had been officially informed of the plans. Chisholm apologised to staff for the fact that they had heard about the changes in line-up in the press before being briefed by the SABC. The briefing was intended to take place earlier but had been delayed.

Staff were in the meantime voiced frustration at what they see as the superficial nature of the changes planned at the SABC, at the confusion over the licensed management contract, and at the corporation's tardiness in informing them about the changes.
IBA stands firm on SABC changes

Ingrid Salgado

THE Independent Broadcasting Authority (IBA) rejected a last-ditch attempt by the SABC last night to make amendments to its television licences — a move that would have allowed the corporation to proceed with its original TV relaunch plans on February 4.

The SABC's proposal that the IBA grant interim consent for licence changes had been turned down after careful consideration of legal procedures, the IBA and SABC said after meeting yesterday. IBA spokesman Amos Vilakazi said the IBA could not "override the law" on the matter.

It also rejected an SABC request to make adjustments to its signal distribution network. This would require a formal application and could not be resolved by the relaunch date.

Vilakazi said the meeting was "fairly constructive" and went a long way towards resolving the impasse between the two parties.

Agreement was reached on propos-

Continued on Page 2

SABC

Continued from Page 1

... for a relaunch that complied with the SABC's current licences. The IBA agreed to new SABC language proposals put forward at the meeting and to comply with its licences.

Details of the language breakdown across the three channels were still under discussion.

The thrust of the new language proposals entailed retaining the Sesotho group of languages on CCF (to be known as SABC2) but reducing the time allocation and moving a portion of the programming to TV1 and SABC2. The original plan was to move most Sesotho programmes to TV1.

Earlier yesterday, the SABC appeared to absolve itself of blame for the legal tangle which forced it to halt plans for the TV relaunch. SABC management had acted responsibly and in good faith during negotiations with the IBA to amend its existing TV licences, the SABC board's executive committee said.

Both parties were in agreement until as late as January 11 on the legal procedures to be followed to make the relaunch possible by February 4.

A difference in legal opinion at that point resulted in the IBA informing the corporation for the first time that lengthy public hearings were required before the authority could consider the amendments.

The committee also said that several copies of the SABC's proposed new programme schedules had been in the IBA's hands since early last November.
Green light for some changes

Star 19.11.96

A new language proposals are in compliance with the existing licence; there will be no barrier to their implementation by February 4, 1996,” they said, adding that the proposed changes "seemed to comply with their current licence conditions.”

The IBA re-affirmed its need to continue the process of holding hearings to finalise the matter.

The SABC’s plans to relaunch its television services on February 4 were thrown into disarray this week when the IBA said the corporation tabled proposals on the distribution of languages across the channels, and the IBA asked for more details of these changes.

The IBA has agreed that if these changes would violate its existing licence conditions if it proceeded. It was insisted that a four- to six-week public consultation process was needed before the changes could be approved and implemented.

After yesterday’s meeting, SABC head Zwelakhe Suka said he was pleased with the progress at the meeting, at which the majority of issues had been clarified, and happy that the February 4 launch could go ahead.

"February 4 will clearly be the beginning of a process of change at the SABC,” he said.

Television news acting head Jill Chisholm said complying with the existing licences would not require a huge overhaul of the schedules.

Suka said there would be ongoing discussions with the IBA, which included submitting detailed information on the adjusted programme schedules to ensure that the relaunch complied with the current television licences.

Alluding to earlier differences between the two organisations, Suka conceded that there might have been a difference in the interpretation of communications between the two.

“I am now sure that the SABC and the IBA both acted in good faith and the problem was caused by a breakdown in communication,” he said.

---

Green light for some changes at SABC

Star 19.11.96

BY MICHAEL SPENCE

The Independent Broadcasting Authority and the SABC have reached a compromise allowing changes to the corporation’s new television line-up and giving a go-ahead to the much-hailed relaunch they said at a joint media conference.

During a day-long meeting in Johannesburg yesterday the corporation tabled proposals on the distribution of languages across the channels, and the IBA asked for more details of these changes.

The IBA has agreed that if these changes would violate its existing licence conditions if it proceeded. It was insisted that a four- to six-week public consultation process was needed before the changes could be approved and implemented.

After yesterday’s meeting, SABC head Zwelakhe Suka said he was pleased with the progress at the meeting, at which the majority of issues had been clarified, and happy that the February 4 launch could go ahead.

"February 4 will clearly be the beginning of a process of change at the SABC,” he said.

Television news acting head Jill Chisholm said complying with the existing licences would not require a huge overhaul of the schedules.

Suka said there would be ongoing discussions with the IBA, which included submitting detailed information on the adjusted programme schedules to ensure that the relaunch complied with the current television licences.

Alluding to earlier differences between the two organisations, Suka conceded that there might have been a difference in the interpretation of communications between the two.

“I am now sure that the SABC and the IBA both acted in good faith and the problem was caused by a breakdown in communication,” he said.
FEB 4 TV RELAUNCH LIKELY TO GO AHEAD

SABC-IBA language changes "compromise": Call to revamp board

JOHANNESBURG: The IBA has agreed that if the SABC's new language proposals comply with its existing licence they could be implemented by February 4.

The IBA and SABC reached an apparent compromise last night that would see some limited language changes to the three television channels and allow the much-delayed relaunch, they said at a joint press conference.

The SABC request for an interim consent to their licence conditions which would allow the relaunch to go ahead as planned was turned down.

During the meeting the corporation proposed the distribution of languages across the channels, and the IBA has asked for more details of these changes.

The IBA agreed that if the new language proposals complied with the existing licence they could be implemented by February 4.

The IBA reaffirmed its need to continue to hold hearings on the matter.

SABC head Mr Zwelakhe Sisulu said he was pleased with the progress made in the meeting at which most issues had been clarified, knowing that the February 4 launch could go ahead.

"February 4 will clearly be the beginning of a process of change at the SABC," he said.

Mr Sisulu said there would be more discussion with the IBA and the SABC would provide details about the adjusted programme schedules that would ensure the relaunch complied with the current television licenses.

Alluding to earlier differences between the two organisations, he conceded that there might have been a breakdown in communication and a difference in the interpretation of communications between the two.

"I am now sure that the SABC and the IBA both acted in good faith and the problem was caused by a breakdown in communication," he added.

Earlier in the day the executive committee of the SABC board released a statement blaming the IBA for the debacle.

The SABC said the IBA had made an abrupt about-turn on the need to hold public hearings which the SABC had believed were not necessary for its programming changes.

---

POLITICAL STAFF

Mr Sisulu said the new board would have to be in place by then.

Advertisements calling for new nominations will appear in the national media "in a couple of weeks."

Nominations should be submitted to the chairperson of the portfolio committee on communications, V Mtabile, Nais. P.O. Box 14, Cape Town 8000.

The nominations should be accompanied by a letter of acceptance by the nominated individual.

---

Own Correspondent
SABC begins its fine-tune of TV programmes for relaunch

By ELIZABETH KINCHORN

The SABC has started readjusting its programme schedule for the February 4 television relaunch to comply with current licence conditions. These new schedules will go to the Independent Broadcasting Authority for approval next week.

The SABC believes the new language proposals will comply with existing TV licences and that most changes will be implemented as planned.

Television news acting head Jill Cashel said the changes to the schedules would not affect the new SABC 3 channel, but there would be adjustments to SABC 2 and SABC 1.

She said that most of what the SABC had wanted to achieve in terms of its new public service mandate could be done within the existing licences.

The SABC's plans to relaunch its television services were thrown into disarray when the IBA said the SABC's existing licence conditions would be violated if it proceeded.

It is not clear how there was a communication breakdown between the IBA and the SABC. Both organisations were reluctant to point fingers after reaching a solution on Thursday, but industry players believe neither party is blameless.

According to the SABC, the two parties' legal advisers had agreed on the procedures for the relaunch until January 11. Then there was a difference in legal interpretation and the IBA informed the SABC for the first time that public hearings would have to be held before its application for a licence adjustment could be considered.

The SABC then tabled certain language proposals which the IBA said seemed to comply with its current licence conditions. If the allocation of languages across the SABC's three television channels complies with the existing licences, there will be no barrier to implementation by February 4.

Head of strategy planning Solly Mabuza said the SABC would seek adjustments to its signal distribution network for the three channels to help it to better reach its target audiences. The corporation would require a formal application to do so and this could not be resolved by February 4.

If the IBA decides that public hearings should be held in all nine provinces, it will have to fit them into an extremely tight agenda for 1999. Aspirant commercial broadcasters who after two years are still unable to apply for licences fear this process will delay the granting of licences further. The regulation of satellite broadcasting and the granting of more community radio licences is also on the IBA agenda for 1999.

SAPA reports that the National Assembly's portfolio committee on communications said the SABC's transformation as a public service broadcaster was on course but a complete change would take place only after Parliament promulgated the Public Broadcasting Bill and other legislation.

By yesterday, advertisers did not seem concerned by the dispute, believing there would not be any more audience uncertainty than there would otherwise have been with the changes.

Most advertisers had already adopted a wait-and-see approach. Despite speculation that advertising schedules would be seriously disrupted, it appears that the SABC will retain almost all the planned programming.
Benchers inundated by bids to buy popular W Cape radio stations

Catching the new air waves
SABC's Ivy says she is bugged

CP CORRESPONDENT

DR IVY Matshe-Casaburri, chairman of the SABC Board, claims that her telephone conversations are being bugged and that her house is being watched as part of a "pattern of personal harassment over the past few months."

She has emphatically denied allegations of tension between her and Zwelakhe Sisulu, group chief executive of the SABC. Senior black executives have been speculating about this alleged discord for some time.

The latest claim that she prefers certain staff members to Sisulu is unfounded, she said on Friday.

"The allegation is aimed at causing division," she said. "I am sure that it won't succeed in driving a wedge between me and the SABC management."

"There must be an underlying motive to this campaign of disinformation. I am surprised that the objective news media do not investigate this."

Matse-Casaburri also referred to the accusations that she had told lies about her academic qualifications and that this had brought about her appointment as chairman. She said she regarded this behaviour of existing interest groups as an attempt "to depict us as unqualified and inefficient. But we will not bow to it."
Regulating in whose interest?

The IBA has a new target in its sights — satellite TV — and it's heading for a battle with those who believe it has no business there. Dirk de Vos reports

Early this year, the Independent Broadcasting Authority attempted to amend the Act by which it is governed by inserting the words "space stations", thereby including satellite television within its regulatory domain. The amendment hit a storm of protest in an industry only too aware of the delays caused by the IBA's interminable hearings.

To the extent, the amendment was dropped. A concession on the part of the IBA? Not at all. As Glen Marques, the IBA chief legal adviser, puts it: "We always believed that we had the power to regulate satellite broadcasting. We never took the position that by allowing the amendment to fall away that it abrogated our right to regulate. The amendment would just have given clarification."

Regulatory bodies around the world such as the IBA have fought mostly losing battles to regulate all broadcasting within their jurisdictions. Rapid technological change, fast-changing media markets, convergence and interactivity find regulators caught flat-footed. Often regulations are introduced only once the proverbial horse has long bolted. British regulators, for example, have attempted on numerous occasions to limit the dominance of Rupert Murdoch's media empire. But he seems to march as much as before, doing what he does best, dominating the markets in which he operates.

So it is in South Africa. Marques freely admits that the IBA had "not thought through what its position should be" when the satellite question came up. When unsure, the IBA returns to what it considers its mandate — to regulate in the public interest. Unfortunately, what constitutes public interest in broadcasting is much in dispute.

The IBA's powers, set out in the IBA Act, relate to "the administration, management, planning and use of the broadcasting services frequency bands (BSFBs). Satellite signals fall outside the traditional broadcasting frequency bands. To some, this suggested the IBA would not be able to license or even regulate satellite TV. It was certainly the position taken by MultiChoice which, this year, split from M-Net and Oricom and steamed ahead with the launch of its bouquet of satellite channels."

Nevertheless, the IBA has asserted itself because it would put into question the very existence of the IBA if a whole whack of TV viewing in the country were done outside its jurisdiction. In particular, it is going to impact on the shape of terrestrial TV.

It is with this in mind that the IBA has issued an "upfront position paper" and plans a set of hearings on satellite TV early next year. It has also issued interim application forms for prospective satellite broadcasters which, if filled in, will allow them to go ahead when they are ready.

Marques says if necessary the IBA will back up its power to regulate by lopping that further legislation be introduced. Examples of such laws could include those which have the effect of limiting South African advertisers from advertising on foreign satellite channels without an IBA licence. Other ideas include limiting foreign satellite operators from getting their subscription fees out of the country. Ad spend directed at satellite TV will mean less for commercial terrestrial TV, an enterprise that the IBA would dearly like to see succeed. The problem is all the more acute if one takes into consideration that South Africa will get commercial TV the wrong way around.

In Europe, a relatively established terrestrial TV sector was in place when satellite TV hit the viewing market. In South Africa, private terrestrial TV will only be launched — if the IBA has its way — in 1998, and it will almost certainly be laden with local content and public service obligations. Ad spend would have already been happily allocated to satellite TV. It will take a brave heart to set up a terrestrial TV station.

Kobus Scholtz, MultiChoice group managing director, believes that although the IBA may have a role in regulating terrestrial TV, satellite TV does not need the same sort of regulation. "Because the BSFB is a limited resource, the IBA has a place in ensuring that it is used to promote a diversity of broadcasting for the benefit of all," he says. "The satellite frequencies, on the other hand, are practically unlimited and there is no reason for a body like the IBA to regulate them at all."

The reference to "satellites" in the amendment to the Act was dropped, he says, simply because it would make "bad law" and the parliamentary committee declined to make laws that are unenforceable.

The IBA, adamant in the correctness of its approach, has consulted senior legal counsel, which has offered this opinion: the transmission of a signal from space constitutes broadcasting and therefore can only be done with a licence issued by the IBA, but the IBA cannot issue a licence for broadcasters transmitting their signal outside the BSFB. Therefore, the definition of BSFB should be extended to include the frequencies used by satellite TV. Marques says the IBA has discussed extending its authority over this part of the frequency spectrum with the Postmaster General who has agreed to it in principle.

Like most unsure of its chances, MultiChoice and other prospective satellite broadcasters, on the one hand, and the IBA, on the other, have been in constant communication, with submissions flowing in as to how the industry should be regulated.

Scholtz does not see how the IBA can issue licences and, therefore, why an interim licensing form should be filled in. In any event, he claims MultiChoice is merely acting as a service provider, transmitting prepackaged channels to its subscribers.

He speaks like a TV evangelist, however, when he talks about the digital technology being developed and manufactured locally. He is adamant that if the Murdoch juggernaut does arrive, it should meet a strong local industry with cutting edge technology able to compete.
SABC to retain Afrikaans news

Ingrid Salgado

THE SABC would continue to broadcast Afrikaans news bulletins on TV1 when new scheduling was introduced next month, spokesman Ken Modise said at the weekend.

However, English news broadcasts would be replaced by Sepedi, Tswana and Sesotho bulletins.

These changes — subject to amendment — complied with the broadcaster's existing licence conditions, which stipulated that programmes be predominantly English and Afrikaans. Modise said the SABC's TV licence did not stipulate the broadcaster had to provide English news bulletins.

The times of TV1's news bulletins would also change. The SABC would offer two daily broadcasts at 6:30pm and 8:30pm, alternating between Sepedi, Tswana, Afrikaans and Sesotho.

The corporation has raised the ire of a number of Afrikaans groups who have claimed that Afrikaans will receive insufficient attention.

Modise said English bulletins would probably be transferred to NNTV (or SABC3) screened nightly at 8pm.

He said the SABC had not made final programming changes for its planned relaunch on February 4. Final details would be made available shortly.

The broadcaster was forced to abandon its original programming shuffle after the Independent Broadcasting Authority (IBA) last week warned it would violate its TV licences if it proceeded with the changes.

Tony Banahane from advertising agency Lindsay Smithers said at the weekend that following meetings between the SABC and the IBA, the SABC had proposed a number of amendments to keep within the existing licence parameters. Prime time schedules would remain largely unchanged, with vernacular and multilingual programmes flitting in shoulder and off-peak time slots.

"The SABC will launch with new station names, but the new format will be introduced only in prime time slots. Advertisers will have the option of following the programme, buying new time or cancelling bookings," he said.

Danish royal visit to cement ties

Dianna Games

COPENHAGEN — Denmark's government was satisfied that SA was doing its utmost to work for human rights and good governance and had authorised a special foreign aid package for it, Danish Foreign Minister Niels Petersen said last week.

Addressing visiting SA journalists, Petersen said: "We are in some cases faced with difficult decisions where human rights are being oppressed. This is not a dilemma with SA."

SA is the recipient of a five-year R500m "transitional assistance programme" from the Danish government which targets violence and policing initiatives, the building of democratic institutions and the reform and water provision, education and the promotion of businesses and jobs, aimed at small and medium enterprises.

SA does not technically qualify for foreign aid in terms of Danish criteria based on average per capita earnings. However, a special case was made because of SA's size, potential, resources and infrastructure, which surpassed those of other countries in the region, some of which did qualify for long-term aid.

Petersen said Denmark was among many countries that felt a strong and stable SA would contribute to the stability and wealth creation of countries in the region.

He hoped the visit of head of state Queen Margrethe II next month would improve an already rapid growth in trade relations with SA.

The queen, who was invited by President Nelson Mandela, will spend a week in SA, visiting politicians and Danish aid projects.
Dispute over agreement on state assets

Labour and government have been unable to finalise the "correct wording" of clauses in a proposed framework agreement on the restructuring of state assets.

The hitches, which include a definition of privatisation, conditions of employment in restructured enterprises and the sums of restructuring, have delayed the negotiations.

Both labour and government sources yesterday denied claims that the talks were in jeopardy. This followed allegations by government sources that fundamental differences had emerged on the principles underpinning the agreement.

Other sources close to the negotiations have claimed the intended agreement is a vague document of no real significance as it evades the crucial issue of privatisation of state assets.

Negotiators have said the agreement is intended to ensure future talks on restructuring at sector and enterprise level are conducted in a "controlled negotiating environment".

Deputy President Thabo Mbeki said at the weekend negotiations were still on track and had not reached a deadlock. There was "disagreement on technical not on substantive negotiations".

He was confident an agreement would be concluded at the next meeting.

Labour sources indicated the process was not in jeopardy as a result of differences over the wording of certain clauses. These clauses included the definition of privatisation, what was meant by the term "strategic partner" and labour demands that employment conditions of workers remaining in restructured enterprises should not be altered. In addition, disagreement exists on...
Dispute over agreement on state assets

Labour and government have been unable to finalise the "correct wording" of clauses in a proposed framework agreement on the restructuring of state assets.

The hitches—which include a definition of privatisation, conditions of employment in restructured enterprises and the aims of restructuring—have delayed the negotiations.

Both labour and government sources yesterday denied claims that the talks were in jeopardy. This followed allegations by government sources that fundamental differences had emerged on the principles underpinning the agreement.

Other sources close to the negotiations have claimed the intended agreement is a vague document of no real significance as it evades the crucial issue of privatisation of state assets.

Negotiators have said the agreement is intended to ensure future talks on restructuring at sector and enterprise level are conducted in a "controlled negotiating environment".

Deputy President Thabo Mbeki said at the weekend negotiations were still on track and had not reached a deadlock. There was "disagreement on technical not on substantive negotiations". He was confident an agreement would be concluded at the next meeting.

Labour sources indicated the process was not in jeopardy as a result of differences over the wording of certain clauses. These clauses included the definition of privatisation, what was meant by the term "strategic partner" and labour demands that employment conditions of workers remaining in restructured enterprises should not be altered. In addition, disagreement ex-

Continued on Page 2

Privatisation

Continued from Page 1

The proposal—which goes before the EU council later this month—will give grants to governments and parastatals to cover tender preparation, environmental impact assessments and price-setting analyses.

The proposal was formulated by the European Community Investment Partners programme, which fosters joint ventures between EU and developing nation companies.

An official of the organisation, Tom Roe, said at the weekend he was confident the scheme would be approved.

The EU council has approved a budget for the programme of 230-million ecus until 1999.
Johannesburg: Some media groups were waging a campaign of misinformation against the SAIC board chairman Dr. [Redacted] this weekend.

Mr. [Redacted], the corporation's chief executive, said, Mr. [Redacted]. — Own

survived while saving chickens nearby at 8am and had tried to escape across the river when they posted.
SABC's grand plan has flaws

By Sharon Chetty

W

ith two weeks to go before the SABC re-launches its service, there are murmurs of discontent from staff who are expected to make the changes happen.

On February 4 at 8pm, SABC 2 and 3 will come into being. It is the first major overhaul of the public broadcaster’s service under chief executive Mr Zwelakhe Simulo and will herald the start of broadcasting in indigenous languages in prime time.

The current CCV will become SABC 1 and carry broadcasts in isiXhosa and English. SABC 2 (now TV1) will carry Sesotho, IsiNdonga, Afrikaans and English and SABC 3 (now NTV) will have English as the primary broadcast medium.

Staff, however, are sceptical about carrying off such a major overhaul of the service, which will cost the SABC R15 million. They say they are not being kept informed of the various changes, are short-staffed and, while current affairs programmes like Agenda will go on in different languages, nothing is being done to improve the quality of the content.

Two regional services will also be launched in Western Cape and a combined area of Northern Province and Mpopomulo. This is expected to stretch staff and other resources to the limit.

Staff were only given an outline of the various changes last week - they had to read about the public broadcaster’s plans in the Press first - fueling discontent at the lack of communication between management and the workers who make the broadcasting possible.

"No one seems to have any idea what the hell’s happening," complained one current affairs journalist.

"I work on things I can’t tell people I want to keep secret because where it will be run, at what time on what channel. How are we expected to prepare for a launch if there’s so much confusion?"

Senior management are confident that their plans are on track and the launch will be a success but staffers say their bosses have no idea what is happening.

"They have a grand plan and think it’s going to work fine - but we need to know what’s happening so we can be able to make it a success," said a journalist.

"I’m like a sleepwalking Angolan American when one of his names is running. We’d have no clue about the day-to-day problems of the workers - it’s the same here."

Another criticism is that the changes are not step-by-step. There is a fear that too much is being done too soon - the board seems to be taken up by the idea of "breaking with the past."

They are therefore keen to make big changes soon, but are sacrificing quality in doing so. For example, there is a Pedi radio station, but the money has been set aside for a current affairs programme.

There is also the question of expertise and competence - most of the staff in the indigenous language services are not necessarily journalists, they have been there since the "dark old days" and now want certain changes.

Many are ex-teachers who do now have a background in journalism. Thus, there will be too few skilled people doing certain jobs.

Ms Moe Jooste and Ms Ina Joubert will be responsible for the English programmes, while Mr Freke Robensoa will do the Afrikaans. The rest of the black language programmes will be left to inexperienced staff.

There are also no incentives for good or experienced staff to work on the indigenous language programmes. These services will still be treated like the "Cinderellans" of the service.

The SABC’s flagship current affairs programme, Agenda, will change its name, broadcast time and the languages it broadcasts in, but the format is going to remain the same.

"There’ll be the usual presenter, vossals and a panel but no attempt is being made to improve the quality," said an Agenda staff member.

"We’re used to boming them (the audience) in English and Afrikaans, now we’ll just be doing it in several indigenous languages."

There are also no current affairs heads and the Amos Ata Khaya who left in the middle of December 1994. The programme is expected to change its name. One suggestion was Indaba but it has not been accepted, so it is back to the drawing board.

Another concern is that audiences are not being asked to comment on the changes.

"In two weeks time, people will be given shows with new names, in different time slots with changed duration - yet no one knows how they will react to this, because sample groups have not been tested."

But SABC spokesman Mr Ken Modise is confident that preparations for the re-launch are on track.

We’ve bored them (the Agenda audience) in English and Afrikaans, now we’ll do it in several indigenous languages...

By Sharon Chetty

POR three days last week the Independent Broadcasting Authority (IBA) and the South African Broadcasting Corporation (SABC) were engaged in a public dispute.

The bored and cynical denounced the row as yet another spat between bureaucrats, which it largely was.

It was also a classic example of how two bodies - one a national broadcaster, the other the industry regulator - managed to sow confusion and cloud issues just because they failed to communicate properly.

Instead, they bickered in Press statements and, after three days of touting and frothing, met and made up late on Thursday night.

On the surface the disagreement appeared to be a breakdown in communication between the IBA and the SABC.

But if it was merely that, surely the two would have been able to sort out the issues before it became a public furore? After all, both sides have high-powered legal teams and professional staff who are supposed to be accustomed to working at these issues.

However, the high-profile row goes to the heart of the question: Why did it not happen in the first place?

Last Tuesday the IBA said at a Press conference that the corporation would be violating certain conditions of its licence when it changed its service on February 4 to include broadcasts in indigenous languages during prime time and increased the reach of one of its channels.

An amended licence may not be granted, said the IBA, unless hearings were held to get the public’s opinion on the changes.

The SABC, adamant that it would go ahead with the R15 million relaunch of its service, protested.

During numerous submissions to the IBA of public hearings throughout 1995, said the SABC, their plans for changes were made known.

Besides, the IBA’s task was not to deal with programming, they said, and they were led to believe that applying for an amended licence was a "nuisance" procedure that would involve minimum delay.

All they needed was to have their application for the amendments to their licence in before the end of December and everything would be fine, thought the SABC.

They were assured that their plans in the process of being approved for IBA's staff point to a transcript of a December 12 meeting with the IBA to support this claim. However, the IBA remains firm in its contention that they constantly alerted the SABC to the application deadline.

"From as far back as September, we told them that they had to apply formally," says IBA co-chair Peter de Klerk.

He said the IBA was satisfied that after Thursday's meeting, proper procedure would in future be followed by the SABC. The corporation will now be able to go ahead with the relaunch of its channels with a few amendments to its plans.

And the public will be able to comment on the changes as early as next month. Thereafter, hearings will be held and objections will be possible.

For now, the two groups have come to an amiable settlement and there will be a new look television service in two weeks time.

Unnecessary bickering...
SABC head 'was being observed'

Ingrid Salgado

SABC board chairman Ivy Masepe-Casaburri has alleged that her telephones have been bugged and her home watched.

Masepe-Casaburri said yesterday, the surveillance was part of a campaign of “intensified personal harassment” she had had to endure in the past few months.

Masepe-Casaburri said she assumed the harassment formed part of a “campaign of misinformation” from certain media organisations, which allege that she is at odds with SABC CEO Zwelakhe Sisulu.

She believes the allegations stemmed from accusations made earlier in her term of office as the head of the SABC.

“Scurrilous attempts were made to allege I had lied about my academic qualifications and was a bumbling fool who did not know my geography and knew nothing about international travel. It was also suggested that I was not a defender of the independence of editorial decision-makers, their rights and responsibilities,” Masepe-Casaburri said.

The apparently distressed Masepe-Casaburri has vowed not to “sucumb’ to the harassment. “I am sure it shall not succeed in driving a wedge between SABC management and me.”

Renee Grawitzky reports that Media Workers Association of SA general secretary Sthembile Khala said the SABC lacked the capacity to transform itself because elements within the organisation— who were threatened by or opposed to the process to transformation— were resisting change.

The unions had been consulted on the transformation process. However, its implementation had been hampered “not out of malice” but as a result of “forces inside resisting change”.

Khala would not elaborate on who these “forces” were. Some sources have indicated that the unions themselves were in certain instances resisting change in order to protect members’ jobs.

During the past year, more than 540 people opted for retrenchment packages which cost the organisation more than R30m.
Govt seeks new SABC board to 'reflect new dispensation'

May 23 1996

Cape Town — The parliamentary portfolio committee on communications yesterday called for nominations for a new board of directors for the SABC.

"The creation of a new public broadcasting system in a new broadcasting dispensation in South Africa means the appointment of a new SABC board is not merely the substitution of individuals with others or the confirmation of others," said committee chairman Siza Macozoma.

The new board would have to be in place by May, unless measures were taken to extend the mandate of the current board.

Nominations should be accompanied by a letter of acceptance by the nominated person.

Correspondence should be addressed to: The Chairperson, Portfolio Committee on Communications, c/o Masiyiwa Xaba, Box 15, Cape Town 8000. — Sapa
Foreign utilities keen to buy Eskom stations

Mungo Sogget

ÉLECTRICITÉ de France (EDF) as well as Germany's Rheinische-Westfälische Elektrizitätswerke (RWE) were among the foreign utilities keen to buy three power stations Eskom had earmarked for possible sale, industry sources said yesterday.

The entry of foreign players would signal a major step towards private sector involvement in the generation sector. It would also coincide with the looming shake-up of the electricity distribution sector, they said.

Eskom energy management manager Brian Statham would not disclose the identity of possible buyers, but said the parastatal had set a February 16 deadline for proposals on buying the power stations. Eskom expected the proposals to set out what potential buyers planned to do with the Ingulezi, Hluleka and Taalheuwel power stations.

Eskom decided in 1994 to investigate selling the stations as they were no longer economical to keep in storage.

Statham said any move would have to fit with the overhaul of the electricity supply industry and any other government restructuring plans.

EDF would not comment and RWE could not be reached for comment. Sources said British utility Midlands Electricity was also expected to make a bid.

National electricity regulator spokesman Johan du Plessis said foreign buyers' options would be to either sell the electricity to Eskom, supply to specific large customers, export it to a neighbouring country, or export the whole power station.

Like all other power station operators, they would have to apply to the regulator for a licence under the new legislation governing the industry. The new rules would now expose Eskom's power generation operations to regulation.

Du Plessis said that the structure of SA's Eskom-dominated power generation sector could be revamped, following the shake-up of the distribution industry.
Catholic bishops angered by cut in religious air-time

Staff Reporter

THE South African Catholic Bishops’ Conference (SACBC) has criticised a proposal by the South African Broadcasting Corporation to cut television air-time for religious programmes — calling it a slight to the entire religious community of South Africa.

And the Bishops’ Conference has claimed the religious community was never consulted about the cuts.

But Winston Ndungane, Anglican Bishop of Kimberley and Karuwan and an SABC board member, said the SACBC’s contention that religious programmes’ air-time would be cut from 675 minutes a week to 42 minutes a week was wrong, as was the claim that there was no consultation.

“The SACBC have it wrong,” he said.

Bishop Ndungane, who also chairs the SABC’s Religious Broadcasting Panel, said a meeting of the Christian faith sub-committee in October last year, at which the SACBC was present, had accepted a proposal to cut religious programmes’ air-time from 675 minutes a week to 561 minutes a week.

When this was presented to a meeting of the SABC board in December, finances had dictated that air-time be cut to 425 minutes a week.

This proposal would be put to a meeting of the SABC’s Religious Broadcasting Panel on February 6, after which a Press conference would be held to ensure that people were informed of the decision.

Explaining the background to the issue, Bishop Ndungane said that in 1994 the SABC agreed to 360 minutes a week devoted to Christian faith broadcasting, and extra time to the other faiths. This had resulted in total air time of 575 minutes a week for religious programmes.

“But when the programme schedulers looked at the issue they suggested that religious air-time be limited to 561 minutes a week. This was accepted.

“Then at a meeting of the SABC board in December, the finance people allocated a nine percent increase to religious programming — which meant air-time of 425 minutes a week.”

Bishop Ndungane said he had raised objections to the 425 minutes a week at a SABC management meeting last week, arguing instead for the agreed-upon 561 minutes.

But he was told that air-time of 561 minutes would mean putting an extra R1.3 million into religious programming.

He said of the new proposal of 425 minutes a week: “There has to be a cut because of the across-the-board budget cuts at the SABC and the policy of language equity.”
Ward dispute may end up in Electoral Court

CAPE TOWN — Fears are mounting that the dispute between the main political parties over the demarcation of wards in preparation for the Cape metropolitan local elections could result in the matter being referred to the Electoral Court.

Western Cape local government MEC Peter Marais warned that this was a real danger unless the NP on the one hand and the ANDBP on the other were able to resolve their differences.

Local elections in the Cape metropolitan area were postponed last year until May this year after a protracted interparty dispute over the demarcation of the metropolitan substructures.

Marais said in an interview that serious disagreements on ward boundaries within the six substructures of the Cape Town region had emerged during the hearings of the demarcation board which is due to submit its report to Marais by early in February.

Marais' decision on the ward boundaries would then be referred to the provincial committee which consists of three ANC and three NP members. A deadlock on the issue was a distinct possibility, Marais said.

"Unless we can define wards to the satisfaction of all role players, the chance of me and the provincial committee reaching agreement on the question of boundaries will be remote. If there is no agreement it must go to the Electoral Court," Marais said.

Marais said he objected to the constitutional allocation of the same number of wards for black areas as for white, coloured and Indian areas combined, irrespective of voter strength.

Thus, he argued, would result in a "gross under-representation" of the latter groups.

SABC, Mdlalose in talks

Business Day Report (260) 24/11/96

DURBAN — SABC CEO Zwakale Simelane held talks with KwaZulu-Natal premier Frank Mdlalose's cabinet yesterday as part of an initiative to muster provincial government support for the SABC's troubled relaunch on February 4.

Mdlalose described the talks as fruitful. However, the provincial government would have preferred being involved in discussions over the relaunch rather than merely being consulted.

Simelane said he intended to consult all nine provincial premiers. Provincial governments had a "vested interest" in communication, he said.

Mdlalose said he wanted the SABC to be regionally controlled. The SABC head office censored news. "Another party" was given more air time than the IFP, he said.

Observers pointed out that IFP public meetings were often marked by stinging attacks on the SABC, which was labelled as an ANC mouthpiece.

Overcrowding at schools

Ingrid Salgado and Farcuk Chobra

THE reopening of schools in Eastern Cape and KwaZulu-Natal proceeded smoothly yesterday, although overcrowding was reported in many districts of the Eastern Cape, the two provinces' education departments said.

Eastern Cape education MEC Nonumo Balindlela's spokesman Phaphama Mloyana said the department's regional offices would move students from various overcrowded schools once the extent of the problem was known. The process would begin in about 10 days.

Pupils would not be turned away from schools filled to capacity, but could be moved to alternative sites including temporary classrooms.

Mloyana said overcrowding had been exacerbated by a shortage of about 20,000 classrooms in the former Transkei.

KwaZulu-Natal education department spokesman Limpopo Cornelius said there were no problems reported in the province yesterday.

The province's education acting superintendent-general Sidney Shabala said 1,372 new teachers had been employed in the former KwaZulu education department and another 600 in the former education and training department.
Media union objects to SABC's lunch plans

Concern over amount of money being spent just prior to wage negotiations

(260) News 25 11 96
Bop still in the broadcasting business

Viyo Mvoko

While most former homeland radio stations are preparing to wind down their businesses, Bophuthatswana Broadcasting Corporation (BBC) is tying its shoelaces.

It is the employment this month of top journalists Sefako Nyaka and Frances Majola to top executive positions within the corporation which raised eyebrows. They are head of TV news and of radio respectively.

Bop TV has also seen the return of Richard Magaya to the position of head of TV. He had left the organisation a few years ago.

MEC for Arts, Culture and Public Media in the North West, Dr Molofe Sefularo, confirmed yesterday that the provincial government was for the moment funding the BBC, to the tune of R300-million a year.

Whether the funding would continue in the coming financial year, he would not say.

Sefularo also did not know whether the station had a vision to justify its existence, and if it had anything to offer which the SABC is not offering.

But a source said Bop TV would soon reveal its plan for the future, but was keeping it under wraps for the time being, waiting for the Independent Broadcasting Authority (IBA) to reach finality on the issue of public broadcasting.

Their vision will be self-sustaining and long-term, the source claimed.

Sefularo said it would not be easy for Bop TV to be disbanded because there are “too many big things involved”, such as the disposal of the station’s assets.

While there were too many radio stations and it was perhaps necessary for some of them to be disbanded, the same cannot be said about Bop TV, Sefularo said: “There are two major players in television, Bop TV and the SABC.”

The top management at Bop TV has already been streamlined, with five directors having been given their “severance packages”.

A core staff of 20 people are working full-time at the station at present, while 720 have already taken their retrenchment packages.

But many of the latter category are still working on short-term contracts.

The South African Foreign Affairs Ministry used to give R100-million to the corporation during the Lucas Mangope era.

In the Eastern Cape the provincial government is still footing the bill of Radio Transkei, Ciskei and Capital, according to provincial spokesman Mono Banela.

The stations, however, unlike the BBC, have not made any changes to their operations, pending the outcome of Thursday’s provincial officials meeting with SABC chief Zwelakhe Sinwula, as well as the IBA’s decision.
SABC blunders again

The SABC will have to rewrite its television licence application with the IBA's assistance, writes Jacqui Golding-Duffy.

The IBA stressed that the publication of an application in the Government Gazette was not an automatic procedure and that it had to be considered by IBA councillors before a decision could be taken to publicise it. The IBA also said the SABC had requested that it exercise discretion not to hold a public hearing concerning its amendment but the corporation had "relied on an old legal provision which had been amended during 1995 and was no longer applicable." The IBA is, therefore, by law, obliged to hold public hearings and it intends to do so, a senior IBA source said.

A meeting between the SABC and the IBA on Friday was intended to further discuss the handing in of an improved application by the SABC.

The new application, which the SABC's legal team must formulate with the assistance of the IBA, will need to be gazetted, publicly scrutinised and, if necessary, hearings will have to be held in accordance with the Broadcasting Act. This is a necessary procedure for the SABC not to be in contravention of its licence before the full-blown relaunch of programmes and re-shuffling of languages goes ahead.

The IBA said that before it gazetted the SABC's initial application, but only after it had been sent to the government printer, did the SABC's attorney inform the regulatory body of certain errors in the application, adding, however, that the SABC considered them to be minor and immaterial. The IBA said it was too late at that point to correct such errors before the application was published.
The SABC's plans to foray into satellite television later this year, possibly with Rupert Murdoch's News Corporation, could clash head-on with the Independent Broadcasting Authority.

The broadcaster's management is to present its proposals on satellite television to the board at its next meeting on February 8.

The SABC plans to start satellite TV transmissions in the third quarter of the year, and it is quite possible the IBA might not yet have held hearings on satellite broadcasting.

But, as happened with M-Net, the IBA is expected to grant "in-year consent" licences, enabling the transmissions to continue until the IBA hearings can be held.

The reality of the negotiations between the SABC and any potential joint venture partners is that they are completely preempting any possible regulation by the IBA.

The IBA released its position paper on satellite television late last year, and planned to hold hearings on satellite television in late November or early December.

However, the hearings were postponed, and are now scheduled for May this year. But they could be pushed back even further now that the IBA plans to hold hearings in all nine provinces on the SABC's application for a licence amendment.

The amendment is necessary for the corporation to implement the full relaunch of its television channels, including the planned language changes, which prompted last week's dispute.

Since M-Net is already broadcasting its satellite programming and the SABC plans to start transmitting its "full bouquet" of 10 channels by the third quarter of this year, the IBA hearings could end up dealing with a de facto situation of the major broadcasters already transmitting on satellite and having signed major deals.

However, if severe conditions are placed on local broadcasters it could easily open the way for overseas broadcasters to conquer the market.
IBA asserts its authority

**But SABC retains three channels**

In forcing the SABC to modify its relaunch plans for February 4, the IBA has clearly established its hegemony over broadcasting, an ascendancy which is entrenched in the IBA Act. But the manner in which it did it seems unnecessarily heavy-handed, especially if, as the SABC claims, only minor modifications to the new programming schedules are required to ensure full compliance with the licence conditions.

There were even reports of forcing a shutdown of SABC transmitters, though IBA co-chairman Peter de Klerk says this was not made as a threat, merely an answer to a press question concerning the IBA's powers of enforcement.

But many people are now asking what all the fuss was about. A simple power struggle, perhaps? Or was it a sit-com bungling by the SABC (which overlooked the regulatory requirements) and the IBA (which allowed SABC to think acceptance of the changes was a technicality and only woke up when pressed by Afrikaners cultural groups) a serious of misunderstandings?

More to the point is the matter of whether a stronger, more assertive IBA is desirable. Though the argument against central control has been insufficiently debated, most people in the broadcasting field accept that there is a need for an IBA, much as there is in the US, and most other countries (except where, as in SA in the past, government exerts direct control over the field). But there's regulation and regulation Stan Katz, who chairs the National Association of Broadcasters, has always argued for "light touch" regulation, which might imply interfering only when solutions are not offered by the open marketplace.

There certainly is another worry that if the IBA is going to monitor the compliance of every radio and television station with its licence conditions, it is going to need a much bigger bureaucracy.

The SABC also claims the IBA has not been candid in seeking to pin blame for the debacle on the broadcaster. At last week's press conference, the IBA released transcripts of meetings between the two sides to support its argument. But the SABC says a vital page in the transcript was not handed out. This, it says, shows that the IBA approved the changes on December 12 and said they would be processed in time for the relaunch if they were received in December.

"We did not tell them that," responds De Klerk.

The SABC argues that the IBA was well aware of the planned changes as far back as September and that there seemed to be no problem until last week. CE Zwelakhe Sisulu said the SABC had been led to believe the change would be a "minor technicality" and that the IBA had not expressed any concern at its meeting with the SABC in mid-December.

Peter de Klerk

Reports have suggested that the IBA's sudden decision to take action was a response to pressure from Afrikaners cultural groups threatening to challenge the changes in court.

De Klerk denies this. "We have had no pressure, no letters, no formal objection. Nobody pushed us around. We have been told through the media that Afrikaners groups planned to lodge objections."

De Klerk concedes that "we come across as authoritarian, but it is not that. The difficulty we have is that there are certain prescriptions in our Act that we cannot ignore. You have to operate within your licence conditions, which are there for specific reasons. To set licence conditions and to enforce compliance is one of the main tasks we are the authority over the broadcasting field.

"Apart from the due processes of the law, there is also a moral issue. If you are going to change languages, you have to make sure the people affected by that are consulted. The SABC wanted to change the language mix, rename the channels and also change the footprint. And they wanted to do that without any further ado."

We said "You have to apply for an amendment to your licence conditions because it materially affects your licence."

De Klerk says the IBA reminded the SABC in September and again on November 11 of the regulatory requirements. "Perhaps because of interpretations of the Act, the SABC never got down to it until December 21. But it had already announced the launch of the changes. This did not leave us enough time to place notices in the Government Gazette, give the public 21 days to respond and hold the necessary public hearings."

"They should know about all these procedures and they should have come to us with an application in October. They never did."

The SABC also argues that there is not much point in holding public hearings until the public has had a chance to experience the pro-
Leading Articles 19

gramme changes. Public hearings on the language question, De Klerk says, should start about February 10 and take four to six weeks, but it is unclear what format the hearings will take.

National Association of Broadcasters executive director Daniella Goldman believes the IBA has acted correctly. "The requirements are spelled out in the Act. The SABC did not comply and the IBA had to take it to task. If the IBA did not, it would have had every other broadcaster and would be broadcasting on its back. It would have been seen to be in cahoots with the SABC. The IBA was probably heavy-handed, however, in the circumstances, had no option."

But she believes the IBA could have done more to communicate its requirements to the SABC. "There is a dual responsibility here, to the public."

Goldman's biggest worry, however, is that the prolonged process ahead will delay the granting of new commercial broadcasting licences and decisions about satellite broadcasting.

Democratic Party media spokesman Dene Smuts also believes the IBA is correct in sticking to the letter of the law. He sees a clean need to rein in the public broadcaster. "Some of the SABC's early proposals were in our view more intent on securing a third channel than on solving its daunting language and other operational requirements."

But seeing that the IBA has chosen to assert itself so forcefully, why has it allowed the SABC to assume its continued ownership of three TV channels? Is its own Triple Inquiry, published last September, recommended that the SABC's holding should be reduced from three TV channels to two?

De Klerk points out, however, that the IBA recommendation would apply only in two years' time. "They can make changes before that if they want to."

The SABC has also without dissent from the IBA, turned NTV (now known as SABC2) into a commercial station. This is not a move that will be welcomed by the would-be broadcasters who are waiting for the IBA to consider the granting of licences.

The three-channel holding is a key element of the strategy, which visualises a single TV service, with complementary scheduling, across three channels. The idea, says SABC communications head Ken Modise, is that any viewer will always be able to find something in his home language, a familiar language or English.

What the SABC is trying to do, he says, is "reflect the diversity of cultures and languages in regional programming."

The solution was national services in six indigenous languages, as well as regional services in the four smaller indigenous languages, with English as the international and majority choice as second language. Complementary programme choices are sought to keep everybody happy. Thus while there is soccer or boxing on SABC2 (the old TV1 footprint), there will be rugby or cricket on SABC1 (formerly CCV). Ironically, the SABC's transgression was of regulations from the apartheid days grandfathered into existence for the established broadcasters.

The key issue is language. The licences issued by the IBA specifically require TV1, for example, to broadcast "predominantly in English and Afrikaans," CCV predominantly in English and five indigenous languages and NTV predominantly in English.

The IBA defines predominant as meaning filling more than 50% of broadcast time in a combination of the languages mentioned.

So, presumably, if a channel has 50% English and 1% Afrikaans, it would fill the requirement of being "predominantly English and Afrikaans." The SABC is keen to make the point, however, that this is one of the issues which has to be determined by the hearings.

News of the planned changes which became public knowledge early in December had a depressing effect on advertising sales, probably not because of the nature of the changes but because many advertisers believed February would be a period of confusion as viewers got used to the new locations of their favourite programmes and that audiences would suffer. Bookings were down heavily on SABC3 and were below expectations on SABC2.

But most ad agency media directors welcome the changes. "Under fairly difficult circumstances, the SABC has done the best it possibly can," says Ogilvy & Mather Cape media director Yvonne Johnstone.

"I am not overly negative. For a while, viewers will be a bit lost but I can't imagine they will stop watching TV. Our clients are continuing to go on TV. We are buying carefully and being cautious about projecting rates."

Media Initiative Africa (the buying and planning agency for Lintas) MD Bryan Butler says he will be delighted if advertisers stay away. "It allows our advertising to be seen. We have projected audience declines of 15%-20% but it is our contention that people watch programmes, not stations."

"We have concentrated on the known programmes which are going to continue. We don't think it is responsible to postpone advertising. People will battle a bit to find their programmes but they will settle down to it."

Even before this embarrassment, the SABC had experienced an alarming decline in TV viewing among whites, in particular Afrikaans speakers. Many viewers are apparently unhappy with the changing political and social ethos of the SABC. What is politically correct, it seems, is not always correct in marketing.

However, SABC media manager Pat Pillai believes this will be a short-term effect. "In the medium to long term, the SABC will have clear lines to reach into specific target audiences and this can only benefit business," he says. "At a time of change like this, we are properly representing SA and providing the advertiser with clear lines of communication that were not there before. What is politically correct is not always to the detriment of the market."

---

Financial Mail | January 26, 1996
French eye Eskom’s power

Crisis meeting called:
Britain has intervened to speed up stalled trade talks between South Africa and the Brussels-based European Union.

It has called a crisis meeting on Monday for EU ambassadors to discuss French objections of an early offer to South Africa.

This follows a French demand that South Africa not be offered a free trade area until a full report has been drawn up on the consequences of an accord for EU countries and Europe’s other trading partners.

Malcolm Rukwudzi, the British foreign secretary, has written to his EU counterparts urging them to make a speedy offer to South Africa.

He says the study must not drag on so long that it delays the negotiations — John Fraser

Eskom has said in the past that foreign power generators might be better placed to operate mothballed plants and sell their power through the Eskom distribution network.

"A positive sign is that all players in the industry have been asked to provide input into the proposed new regulatory framework," said Sanzé. "We are actively participating in discussions about the future format of both the power generation and distribution industries."

He believed the present economic upswing, along with the long-term requirements of the reconstruction and development programme, would create a sustained demand for electricity.

"According to Sanzé, though, there was surplus generating capacity, electricity was reaching less than half the population.

"This country’s projected long-term economic growth will eventually exceed the current power-supply capacity," he said.

Sanze said South Africa’s leading role in southern Africa and the part it was likely to play in economic development throughout the region, would increasingly boost the need for electricity.

Electricity was a major engine driving development, which in turn increased the demand for power.

Eskom is the industrial jewel in the crown of the French state. As a monopoly supplier of power to France, it runs a huge nuclear programme and achieves cost efficiencies that directly threaten potential competitors among its European neighbours.

More than 70 percent of France’s electricity is nuclear generated.

The group is also fiercely expansionist. It has entered power generation markets in Asia and Australia and supplies about 6 percent of the power in Britain.

It is equally protective of its domestic market. The failure of the European Union to negotiate a free, cross-border market for the transmission of electricity is frequently laid at EdF’s door.

Its interest in finding a foothold in southern Africa also lies in neatly with French ambitions outside its traditional zones of influence on the continent.

A number of French companies have transferred their African operations’ offer’s, from coastline to coastline, from Cape Town to Johannesburg, which they see as a more useful springboard.
Spies on the Airwaves

SUNDAY TIMES: Sunday, January 28, 1996

(Sto) 28/1/96

intrigue and suspicion

the SABC

stalking the corridors of power

SAFC

authority and the broadcasting

the independent news

looks to the future

Ivor Powell

"The SABC"

the national broadcaster

nieh"
Plan to start an Afrikaans channel

28/11/96

By IVOR POWELL

HOLAND: BANK Chief Christo Wiese could be the SABC's partner in its proposed new Afrikaans pay channel. Sources at the Sunday Times that Mr Wiese heads up an Afrikaner business consortium which will be putting up the money for the Afrikaans-language channel announced yesterday. The third partner is not decided but the Sunday Times understands that negotiations for satellite facilities are continuing with Rupert Murdoch's Newscorp, South Africa's Multichoice and NBC.

A business plan has already been drawn up with the Wiese consortium, but awaits final ratification from the SABC board at its February meeting. Mr Wiese's other holdings include Pep Stores and Shoprite-Checkers.

The pay channel will be one of eight or nine satellite options which will begin broadcasting in September or October.
Go-ahead given for TV relaunch

Ingrid Saltedge 210 60 29 11 40

THE Independent Broadcasting Authority on Friday gave the SABC the green light to proceed with its television relaunch on February 4.

The authority said amendments to the corporation's original relaunch plans complied with its current television licences.

The SABC's original relaunch had to be altered after the IBA warned the public broadcaster that planned changes to language distribution across the three channels would violate licence conditions.

IBA spokesman Amos Vilakazi said the authority was satisfied that the SABC was "moving in the right direction" on a new language policy.

The language changes would involve broadcasting in English on NNTV (to be known as SABC3), in English, Zulu and Xhosa on CV (SABC1) during prime time and in English, Setswana, Sesotho, Sepedi and Afrikaans on TV1 (SABC2) in prime time.

These were temporary measures until the IBA had held public hearings on the SABC's proposed changes.
Govt, unions in pact on parastatals policy

GOVERNMENT and union negotiators had struck a deal over basic policy and procedures for the shake-up of parastatals and other state assets, the public enterprises department said at the weekend.

The draft of the pact, thrashed out during the past month, will be referred back to the negotiators' principals, Cosatu and Cabinet.

Labour sources and the national framework agreement did not broach pivotal issues — such as the acceptance of privatisation in principle — and had instead recommended setting up further committees to deal with them.

Continued on Page 2

Parastatals

Continued from Page 1,

them. These structures would examine proposals from government-appointed "task groups" which were examining the future of parastatals.

The six task groups, which were looking at the future of Telkom, Eskom, Transnet and other state assets, could recommend privatisation, but any such recommendation would then have to be thrashed out in the committees set up under the national framework agreement.

A source said that the agreement did, however, include definitions of key terms such as privatisation and restructuring — these terms had been hotly debated.

Negotiators on both sides had also agreed that parastatal functions should be trimmed. "They have to complement each other."

An example of services overlapping was Eskom's and Transnet's own telephone operations, which sat alongside those provided by Telkom.
Union opposes megabuck SABC party splurge

BY MICHAEL SPARKES

Union members at Sentech, the SABC's signal distributor, have opposed their colleagues at the public broadcaster in opposing the parties to be held this weekend to mark the relaunch of three television channels.

A union official said that, while there was a dispute over profit sharing, there were no plans to take action to stop the transmission of the relaunch.

He said that, in line with the original profit-sharing deal, the SABC owed workers R2-million.

The union was considering declaring a dispute and seeking arbitration if the profit share was not paid out.

The union objected to the money being spent on the relaunch parties, he said.

SABC spokesman Pat Pillay said that the launch planned for February 4 would cost about R4,5-million, including activities in Johannesburg, Bloemfontein, Cape Town, Durban and Port Elizabeth.

An additional R1,5-million is to be spent on the staff launch on February 2, which would include a staff motivation campaign lasting until September.
SABC will give viewers multiple choices when it goes satellite route

BY MICHAEL SPARKS

The SABC plans to introduce a three-tier system later this year that will give viewers a choice of satellite television packages, enabling people to pay only for the categories of programming they want.

Corporation chief executive Zwelakhe Sisulu said the SABC was planning to have at least 10 channels on its satellite service by the third quarter of this year, of which four would be transmitted at no charge to viewers, while the remaining six would be subscription-based.

Spokesman Ken Modise emphasized that these plans were dependent on the approval of the SABC board, as well as interim consent licences being granted by the Independent Broadcasting Authority.

According to the head of satellite television, Gert Claassen, included in the subscription package is one general entertainment channel which transmits about six hours of Afrikaans programming a day during prime time.

Viewers would need a satellite dish and analogue decoder, costing about R1 800, to view all the satellite programming.

If viewers did not want to pay for the subscription service, they would still have access to the current NTV and TV1 as well as an Open Democracy channel, similar to C-Span in the United States, while the fourth channel would also include general entertainment, sport and news.

The Open Democracy channel would give viewers access to the decision-making processes of South Africa, including live coverage of debates in the national and regional parliaments, as well as hearings of public interest such as those of the Truth and Reconciliation Commission.

Claassen said the subscription service would have at least 18 hours on each channel, divided into three tiers of programming, with each additional tier available at an extra cost.

The basic three-channel subscription service would cost about R75 a month and would include a 24-hour music video channel including local music, a general entertainment channel with soap operas, sitcoms and some movies, and a 24-hour news and information channel, including both local and international news.

The second tier of programming, at a monthly cost of about R110, would include the basic service, as well as what Claassen described as a "competitive movie channel" and one dedicated sports channel.

The third tier, costing about R145 monthly, would include the first two tiers as well as a family entertainment channel with up to six hours of Afrikaans programming during prime time.

According to Sisulu's statement, this Afrikaans programming channel is also likely to give subscribers access to audio tracks and commentaries on sports events in Afrikaans.

He added that the SABC was negotiating with the private sector to produce programming the SABC could then buy.

Union opposes parties...
Three-tier TV system for viewers

JOHANNESBURG: The SABC plans to introduce a three-tier system later this year to enable satellite television viewers to pay only for the broad categories of programming they want to watch.

Corporation chief executive Mr Zwelakhe Sisulu said the SABC planned to have at least 10 channels on its satellite service by the third quarter of this year, of which four would be transmitted at no charge to viewers; and the remaining six would be by subscription.

However, these plans depend on SABC board approval and consent by the Independent Broadcasting Authority.

The head of satellite television, Mr Gert Claassen, said viewers would need a satellite dish and an analogue decoder, costing about R1 800, to view all the satellite programming.

If viewers did not want to pay for the subscription service, they would still have NTIV and TV1 as well as an Ogupi Democracy channel and the fourth channel would include general entertainment, sport and news.

The subscription service would be divided into three tiers with each additional tier available at an extra cost. The basic three-channel subscription would be about R75 a month, the second tier about R110 and the third about R145.
Bop TV won’t integrate

Bophuthatswana Broadcasting Corporation (BopBC) is digging in its heels against integration with the SABC, despite having only two months before government funding is cut-off.

Representative of the North-West premier Willie Moisiue said BopBC were "looking at a number of options from the private sector to retain its viability", and that the premier was "keen for regional autonomy."

Moisiue said that the Independent Broadcasting Authority (IBA) would hammer out acceptable ways for the station to continue operating independently, while BopBC would find ways of funding itself.

Molefe’s personal assistant, Keith Khosa, confirmed that BopBC was exploring "viable economic options", adding that the premier’s concerns about integration were based on possible job losses suffered by BopBC workers.

The provincial government was, for the moment, funding BopBC to tune of R36-million a year. Whether the funding would continue in the coming financial year is not clear. Acting MBC for broadcasting and media in the province, Dr Molefe Molefale, last week said it would not be easy to disband Bop TV as it was the only other major player in television with the SABC.

Former M-Net corporate affairs manager, Cawe Mahlali, who is BopBC’s acting chief executive officer, was appointed by Sefulairo. But it is unclear if her mandate was to slowly wind-down the station’s operations, to establish it as a competitor to the SABC, or to make it a strong independent provincial broadcaster.

Mahlali’s six-month contract is supposed to finish by the end of March, when BopBC will supposedly integrate with the SABC.

Disgruntled staff members at Bop TV and radio are under a 24-hour strike. BopBC is planning to close down and join forces with the SABC. But a 10-day “lockout” by Mahlali and others to allegedly buy new programmes has indicated to staffers the corporation has other plans.

In a statement sent to the Mail & Guardian, disgruntled BopBC workers said they were unsure of their roles because they were being “kept in the dark” by Mahlali, who single-handedly made decisions relating to the station.

Because of alleged ill-treatment by Bop BC executives, non-restrained workers have formed a committee to represent them in talks with management. In a memorandum submitted to Mahlali and Sefulairo, workers said “certain” preparations by BopBC “clearly indicated” the station was intent on forging ahead with provincial broadcasting in one form or another.

The statement said the station was at considerable expense “relaunching itself, with new logos, new programmes for which sets had to be built, new employees, and a bid to have its signal extended.” BopBC lost last month EMPLOYED journalists, Naracio Majola and Sifiso Nyakana as head of radio and television news respectively.

A Bop TV executive producer who refused to be named for fear of losing his job said many people had resigned because they were disillusioned with the new management. Among the resignations were two female deejays, two cameramen and an executive producer.

Mahlali and Sefulairo refused to comment on any of the allegations despite repeated requests from M&G.

Posts, Telecommunications and Broadcasting Minister Pallo Jordan said although the ministry hoped BopBC would choose to come aboard in the integration process, it could “not coerce nor force” BopBC to do anything it did not want to do.

Jordan said if tax-payers felt their money was being misused in sustaining the station, they could express their opinion on the matter through the ballot box.

The South African Foreign Affairs Ministry used to give R105-million to BopBC during the Lucas Mangope era.

SABC representative Ken Moisiue said the corporation was keen to integrate with broadcasters across the country, but the onus was on the IBA to resolve the issue with Bophuthatswana.

Mahlali is alleged to have said that she would take advantage of the current loopholes regarding integration in the IBA’s Triple Inquiry report, until parliament’s select committee gets the recommendations legislated.

The IBA in its Triple Inquiry report to parliament recommended that the SABC and TBVC states integrate into a single national public broadcaster.

“We recommended that an interim co-ordinating body be established,” the IBA said, adding that the North-West government had confirmed that they favoured integration and “that no major commitments with long term implications will be entered into.”

SABC staff at each others’ throats

Marion Edmunds

A BLACK female SABC employee, Hope Zindle, has been charged with assault and attempted murder after she grabbed a white colleague, Janet Szabo, around the throat.

The matter is being heard in Brixton Magistrate’s Court where Zindle has pleaded not guilty to the charge.

The assault took place on September 20 last year, and it has taken until now for SABC to institute an internal disciplinary hearing into the matter. The SABC is looking at a charge of fighting between the two women, while the courts are testing a charge of assault.

Sources in Channel Africa say that the incident took place after Szabo had asked Zindle to be quiet while she was on the phone. Zindle reportedly cut Szabo’s call and a scuffle ensued in which Zindle grabbed Szabo around the throat.

Channel Africa’s executive editor Lebena Mabowa said that he could not comment because it was sub judice and because it was a matter for the SABC to investigate.
260

M&C

2-8/21/86

Cawo Mahlia: Single-handedly making the decision about BopBC

PHOTOGRAPH: GUY ADAMS
SALES OF AERIALS AND SATELLITE DISHES, necessary to receive the all-English channel, have soared as viewers gear up for the changes the SABC is making to its services from Monday.

DAN SIMON and LISA TEMPLETON report.

ATV will be revamped from next week — ending the 20-year dominance of Afrikaans and English language use by the public broadcaster. From Monday, SABC1, SABC2 and SABC3 will carry entirely new viewing formats for the country's 11 language groups.

The new channels replace CCV, TV1 and NNTV respectively and will be broadcast in colour and stereo.

The "brand new SATV", as it has been dubbed, will be launched on Sunday night when viewers will be greeted by a new format from Wednesday.

Afrikaans and English language groups will be represented on TV1. On February 12, the SABC will launch three new channels to replace the existing CCV, TV1 and NNTV as part of a process of transformation. NO RUGGING IS NECESSARY.

FOR NEXT WEEK’S NEW SCHEDULED PROGRAMMES

Top of the Times

NEW LOOK SABC MADE SIMPLE

NNTV becomes SABC3

SABC1

SABC2

SARC2

SABC3

TV1 becomes SABC2

CCV becomes SABC1

"Televisers sets will not need new aerials," said a spokesperson for the corporation.

The new channels will also offer digital television services.

The SABC and the Independent Broadcasting Authority decided on a partial broadcast of the country's first digital service in 1996.

"The SABC and the Independent Broadcasting Authority are working on a distribution of digital television services," said the spokesperson.

The SABC and the Independent Broadcasting Authority are working on a distribution of digital television services.

M Net spokesperson Mr Peter Greeff said there would not be a cut-off date for subscibers who do not wish to subscribe to the new channel.

"Viewers have adopted a wait-and-see attitude," the said.

There had been a marginal increase in advertising and some advertisers had cancelled campaigns.

SABC enters New Era

Switch-on for rainbow TV

Selcan

(260)
TYPHOONS for the Western Cape

...
Laser beams light up fresh face of SABC TV

By MICHAEL SPARKS

The launch of the SABC as a post-apartheid public broadcaster was described by Post and Telecommunications Minister Palllo Jordan last night as "one more step in building a new democracy for the country."

There was a dazzle of laser beams to start off the multimillion rand launch party in a hangar at Waterkloof Air Force Base and a galaxy of fireworks lit up the sky at the end. Politicians, sports heroes and imported showbiz stars were on display during the two hours of the party which was broadcast live to the country.

But not everyone was pleased with the changes. About 60 people demonstrated beyond the tight military security surrounding the launch, waving flags from apartheid South Africa in protest at the changes, particularly those affecting Africans in broadcasting.

President Nelson Mandela described the changes at the SABC as the shedding of the page of a pre-apartheid era and the country.

The main goal is to heal nation's wounds

He described the event as the celebration of a "giant step towards becoming a true public broadcaster in a democratic South Africa." It was only natural the SABC had to undergo changes to "better reflect the realities of our lives together."

The broadcaster had led the transformation which many other public organs had followed, Mr. Mandela said and other government representatives were "not here to compromise your autonomy, but to acknowledge and reassert your independence, without which democracy cannot be sustained."

He added that the country would hear languages they had never before heard on television and this would include a redistribution of airtime.

However, the public broadcaster would have to take into account the fundamental principle of equality. He was confident that from now on South Africans would know themselves and the world better.

SABC chief executive Zwelakhe Sisulu said one of the primary goals of the corporation was to become a public broadcaster, accord to none of which would also be able to heal the nation's wounds.

He said the protection of the SABC's independence and integrity could only be achieved in forging a partnership between the broadcaster and the public it served.
JOHANNESBURG: Veteran SATV presenters dismissed by the SABC have complained bitterly about the insensitive way in which their services were terminated, just before the corporation’s high-profile relaunch.

The much-vaunted relaunch of the SABC was presented last night with the blaze of laser beams — but there were fireworks behind the scenes with controversy over the axing of a number of top SATV presenters.

Among those given their marching orders last week by the corporation’s new bosses were GMA’s David Hall-Green, veteran news reader Adrian Steed and weatherman Tim Hart.

Afrikaans television personalities told that their services were no longer needed were Goeie More Suur Afrika co-host Eoin de Vos and news reader Jan van Niekerk and Clarence Keppe.

Weatherman Dr Piet van Rensburg, Professor Tertius Harmse and Ryno Swanepoel have also been dismissed.

So has news reader Norma Odendaal.

Several of those dismissed have complained bitterly about the way in which they learnt of their axing.

Van Niekerk tells Rapport that he only learnt his contract was being terminated when he found his name was not included in the February duty roster.

About 60 white protesters stood at the entrance to the Waterkloof air force base where the launch was held, waving flags from the old South Africa and protesting against the changes to Afrikaans broadcasting.

Security officials moved the entrance so guests would not have to run the gauntlet of the protesters.

Many of the celebrities who attended the occasion arrived in an SAA 757 jet which taxied onto the aircraft hangar housing the celebration under psychedelic lights and a purple haze of smoke.

Applause came for the parade of South African and American celebrities, including lawyer Johnny Cochran; and entertainers Robert Guillaume, Shari Belafonte and Steve Wonder, but the loudest cheers of all were reserved for the national soccer team and the national cricket team.

President Nelson Mandela then took the stand after an enthusiastic welcome by a group of children led by a young praise-singer clad entirely in red.

Mandela described the changes at the SABC as being the shedding of old baggage of a pre-eminent organ of South Africa. He said the event was the celebration of a “giant step towards becoming a true public broadcaster in a democratic South Africa.”

It was only natural the SABC had to undergo changes to “better reflect the realities of our lives together.”

He said he and other government representatives were “not here to compromise your autonomy, but to acknowledge and reassert your independence, without which democracy cannot be sustained.”

He was confident that from now on South Africans would know themselves and the world better.

Post and Telecommunications Minister Dr Pallo Jordan described the relaunch as “a new day in South African broadcasting” and “one more step in building a new democracy for the country.”

SABC chief executive Zwelakhe Satalu said one of the primary goals of the corporation was to become a public broadcaster second to none that would be able to heal the wounds of the nation.

But emotions were apparent running high at the corporation last week when news of the dismissals was made known.

Manuela Kruger, one of the main Afrikaans news readers during prime time, resigned ahead of the re-launch and bade her colleagues an emotional farewell after the 8pm news on Friday.

The reason given was that she was due to marry shortly.

Some of those whose services were carried out.

The head of Highveld Stereo, De Vos, said the demand for a month’s salary as he had not been given a month’s notice.

Veteran news reader Keyser said the news of his axing after a long career with the SABC had left him “heartbroken.”

He only heard last Monday that his contract would not be renewed.

He also said the “fight against Afrikaans” in the SABC had increased in intensity to the point where even a “blind person” could see it.

In Cape Town an SABC staffer said staff were generally “excited” about the changes taking place — particularly the introduction of today of regional broadcasts.

However, the workload had now trebled and that more experienced staff were needed. — Staff Reporter, Special Correspondent
Buyers queue up for share of SABC radio sell-off

BY MICHAEL SPARKS

Prospective broadcasters are lining up to bid for the six SABC radio stations which are up for sale, with a speculated 60 potential buyers indicating their interest to Investec merchant bankers, who are handling the sale.

A spokesman for the bankers said they had been very satisfied by the large number of people who had shown interest in the six regional radio stations, which are being sold along with three other stations that will broadcast for a limited time daily. Yesterday was the deadline for prospective buyers to register. The stations will probably be sold in the third quarter of this year. In the meantime, interested parties will be contacted and asked to pay a R2,500 deposit. A standard confidentiality letter will have to be signed by the parties.

The bankers will then release a sale memo after processing all the bids, a process which could be completed by the end of the week.

The memo will include a summary of the radio industry; industry trends; a history of the radio station; and financial information, including profits and budgets of the station.

"There will be enough information to enable the buyer to make an offer," the spokesman said.
Public positive about relaunch, claims SABC

Corporation defends glitzy event, while many warn of boycotts over fuzzy reception of SABC3

STAFF REPORTER

The SABC handled about 3,000 calls on Monday in response to its relaunch, with slightly more people reacting positively to the relaunch than those who were unhappy, according to the corporation.

While about 20 to 25% of the calls were negative about the launch and the changes, the vast majority of callers were simply seeking information, spokesman Pat Pillay said.

In addition, between 25% and 30% of the callers, originally having scheduling inquiries, were positive about the changes when asked, and grateful that calls were handled in their own language.

The SABC said many people had raised questions about the cost of the launch event, the number of American artists involved and the issue of local content.

It said the cost of the event was R3.8-million, a saving of R700,000 from the amount budgeted. It added that 96% of performers at the launch were local artists, all of whom were paid, while the American guests lent their support as a gesture of goodwill, without fees.

In addition, the contribution of SAA was on a barter basis, with the costs incurred being offset by free air-time.

In the Eastern Cape, however, the SABC is in danger of losing thousands of rand in unpaid licence fees as furious Eastern Cape viewers band together in protest against its new-look television service.

Pop-up viewers warned yesterday that fuzzy reception of SABC3 and poor-quality shows would result in advertising boycotts and half-paid licences.

Residents protested vehemently against not being able to view the main 8pm news bulletin in English and the alleged indifference of the SABC towards complaints.

Advertising agencies have expressed concern at certain "blind spots" in the Eastern Cape, Durban, Cape Town and Somerset West where viewers cannot pick up SABC3.

- American guests weren't paid to perform

- Not only has the SABC axed several familiar faces from television screens, but 14 of the people who did voice continuity announcing for TV1 have also been dropped.

According to an SABC spokesman, the SABC had for a long time been planning to go live on camera, rather than having voices doing continuity announcing.

About six months ago, voice announcers were given verbal warning of the plans to go live, which was confirmed in a formal letter two months ago stating that the contracts of freelancers would not be renewed.

The spokesman said about 100 people were auditioned for the on-camera positions, with multilingualism regarded as an important criterion.
The new South Africa

Unfair on Afrikans!

Taking points on a number of issues. Just how warp may be judged by the latest threat from the authority African National Congress to use the referendum sledgehammer to knock them off.

This political bludgeoning, if possible, be avoided. It is important for the new edition of the constitution to be cemented by broad consensus - and that ill come only by carrying on talking.

Keep it clean!

There was a time when big industry had a callous disregard for the environment and careless disposal of waste into streams and rivers as merely litter under the bridge. Thankfully those days are over. Water is fast becoming our most precious resource and vigorous sps must be taken to protect it. The Department of Water Affairs is taking its responsibilities seriously by poring a KRW wine spillage into the Berg River to a Attorney-General. Prosecution may follow. The Western Cape is blessed with an abundance of

Information pertaining to a limited number of


defined. Many comprehensive sets of data, only limited data sets exist. This lack of data has held back the project, but it is hoped that additional information is available. For the reasons mentioned above, the project will proceed as we have achieved the necessary information.
Pact sets out rules for restructuring

Tim Cohen

CAPE TOWN — The restructuring of state assets is set to regain momentum after the signing of a pact yesterday in which government and labour agreed to negotiate remaining disputes on an industry-by-industry basis.

Government and Cosatu, the National Council of Trade Unions (Nactu) and the Federation of SA Labour (Fed-
sal) signed a national framework agreement, accepted formally by the Cabinet yesterday, which Public En-
terprises Minister Stella Sigcau said would allow restructuring to move ahead in top gear.

The pact set out detailed ground rules for restructuring state enterpr-
eses and set up structures for further nego-
tiations. Government also agreed to fund studies of the effects of restruct-
turing, to be conducted under the aus-
cipes of the labour movements.

The document did not rule out pri-
vatization or give an absolute assurance that no job losses would occur.

Cosatu first vice-president George
Nkadimeng said that while the union was implacably opposed to retrench-
ments, “these structures (in the agree-
ment) will be able to deal with these is-
sues”. Although Cosatu stated at the outset that it opposed outright privat-
ization, Nkadimeng said the union would not adopt a rigid position in in-
dustry-by-industry negotiations. He
noted that nothing in the pact removed the unions’ right to industrial action.

Deputy Finance Minister Alec Er-
win said the accord contained agree-
ments on the objectives of restruc-
turing and the guiding principles for
set up structures like the strategic im-
plementation committees, which would also operate as a dispute resolution

Continued on Page 2

Labour pact

Continued from Page

mechanism: He said the size and na-
ture of state enterprises varied widely
and suggested union movements had
correctly argued that entire sectors,
not only particular industries, be con-
sidered in restructuring.

Among the agreement’s general
principles is a commitment from gov-
ernment and labour “to affordable,”
quality basic services for all.

Individual state enterprises should
be competitive at home and abroad
and should be positioned to access global
resources and markets.

The guiding principles of the docu-
ment, to be tabled before the National
Economic, Development and Labour
Council, say “every effort should be
made to retain employment. Where re-
structuring potentially has negative
consequences for workers, a social plan
must be negotiated with unions at en-
terprise level.” Workers redeployed
within or between state enterprises
will not lose benefits.

“Ownership is not the determining
factor for efficient operations” and
“where appropriate, restructuring pro-
ceeds may be used along with improved
financial management systems to re-
duce state debt”, the document says.
Proposed electrification policy suggests sales levy

BY BRENDAN ROYLE AND JOHN SPIRA

Cape Town — A draft paper on electrification policy has been slammed by Eskom. The paper, ostensibly emanating from a group of academics, proposes the establishment of a national electrification fund, a development levy on electricity sales and full tax liability for the state-owned utility Eskom.

It proposes a strategy to achieve social equity, efficiency and competitiveness of electricity supply with state intervention "where market failures prevail."

It also proposes a step back from the government's pledge to provide 2.5 million new domestic connections by 1999 by applying a cost-effectiveness test.

The draft, prepared by the department of mineral and energy affairs, proposes that a national electrification fund be established by August, funded from a levy on bulk electricity sales, donor grants, government grants and loans.

The fund would be the primary electrification planning agency with the objective "to arrest the unchecked, often inappropriate and inequitable subsidisation presently occurring, primarily by Eskom."

The draft proposed the development levy to be shared equally between domestic and other clients, which should provide a third of the annual investment in electrification programmes.

"Combined with national domestic tariff rationalisation, the levy would have the effect of raising average domestic tariffs to the average level presently maintained by Eskom for its newly electrified consumers."

Allen Morgan, Eskom's managing director, said the paper had "no status whatsoever."

The first Eskom had heard of it was at midday yesterday. Eskom had not been consulted.

"The proposals contained in the document are presented totally out of context," said Morgan.

"The state is already looking at the tax status of the parastals and a working group has been established to determine broad policy. The issue cannot be viewed in isolation, as this document does."

Morgan said it was unrealistic to talk of a national electrification fund at this stage.

The minister of finance was examining the financial structure of the country's parastatals and until a finality had been reached, any funding proposals were nothing other than pure speculation.
Unions given 'decisive voice' in privatisation

BY PATRICK BULGER
AND DONWALD PRESSLEY

Cape Town — The government and trade unions breathed new life into South Africa’s faltering privatisation programme yesterday with a landmark agreement that would give the unions a potentially decisive voice in the way state assets were restructured or sold off.

The agreement was approved at a cabinet meeting in Cape Town.

Alex Erwin, the deputy finance minister, said the national framework agreement would give labour a voice in the restructuring of state assets. It would also give labour the right to an independent analysis of financial motivations and a say in how job cuts should be handled if they proved necessary.

Stella Sigau, the public enterprises minister, said the privatisation and restructuring programme was "now on the move".

She signed the agreement with representatives of the three main trade union federations.

The accord commits the government and the unions to a co-ordinated and negotiated approach to restructuring, which would minimise job losses, redistribute wealth and promote economic growth.

The agreement follows an uproar by trade unions after Deputy President Thabo Mbeki announced in December that the government had decided to privatise some state enterprises outright and invite international partners to take shares in major state corporations.

The government's policy at the time was to privatise Sun Aid, Autonet and Translux Airways. Mbeki also invited strategic equity partners to inject capital technology and management expertise in Telkom, SAA and the Airports Company.

But the parties will now focus on internal restructuring to make certain enterprises more efficient. These include Fortnet, Spoornet and the Rail Commuter Corporation.

Other areas of negotiation will be the regulation of monopolies and the prevention of excessive tariffs for Fortnet and Petronet.

George Nkadumeng, the vice-president of Cosatu, and Erwin said that the agreement did not rule out job losses or industrial action after negotiations had been exhausted.

Restructuring should not occur at the expense of the workers and "every effort should be made to retain employment", the agreement said.
Eskom shrugs off leaked proposal on tax

Mungo Soggot

ESKOM and government yesterday shrugged off a leaked report which proposed taxing the para-statal, imposing a levy on electricity sales and setting up a national electrification fund.

Reuter reported the draft white paper on electrification policy also proposed ditching government’s pledge to make 3.5-million new connections to the national grid by 1999. It suggested only making cost-effective connections.

The mineral and energy affairs department said the report was a discussion document written by the Energy for Development Research Centre of the University of Cape Town — an organisation appointed to explore energy policy by the department. Eskom CE Allen Morgan said the issues raised in the paper had to be seen within the context of the wide-ranging shake-up of the industry currently under way.

The electricity working group, which includes the recently formed National Electricity Regulator, has proposed setting up a single decentralised distributor with regional operating arms. The new company would house all SA’s electricity distribution assets, most of which belong to Eskom.

and the rest to about 400 local authorities — developments which, Morgan said, would obviously affect the policies outlined in the draft white paper.

The working group’s proposal has been touted as the only solution to inefficiency in the fragmented sector.

Reuter said the report proposed that a national electrification fund be set up by August and be funded by a levy on bulk electricity sales, donor grants, government grants and loans. The fund would steer electrification planning and seek “to arrest the unchecked, often inappropriate and inequitable subsidisation presently occurring, primarily by Eskom”.

Eskom currently meets the bulk of government’s annual electrification target at a cost of about R1bn.

The report’s proposed levy would be shared between domestic and other clients, should provide a third of the annual investment in electrification programmes but would have a negligible effect on industrial and commercial consumers.

A clause on restructuring electrification has as a target injecting more flexibility into the commitment to provide 450 000 new connections in each of the first five years of the current dispensation.
Foot-dragging at the SABC?

Some film-makers feel the SABC is not being fair and equitable to both house and independent producers, reports Jacquie Goldberg-Duffy.

WHILE the SABC is committed to independent production, independent film-makers are frustrated and are accusing the corporation of foot-dragging in its implementation of commissioning procedures.

A commissioning procedures task group, with representatives from the SABC and the independent production sector, met last year in a bid to ensure that commissioning took place within programme categories and that commissioning procedures were fair and equitable to both in-house and independent producers. But independent producers claim the SABC is not implementing the proposed restructuring quickly enough.

The chairman of Marula Pictures, an independent production company, Mervin Vundla said the aim of the SABC was to engage in a process of "professionallising" the acceptance of proposals by SABC editors.

"I think the SABC is opposed to local production as some people see local content as a burden slapped on to them by the Independent Broadcasting Authority. The decision to implement commissioning procedures lines lies with the head of television," Vundla said that commissioning editors are to be highly specialised in their specific genre. If an editor is not agreed to advertise posts for commissioning editors publicly but reneged on the decision, he said.

"The posts were advertised internally and I have gathered that the entire process has been unprofessional. You would expect a new independent producer of stature, you are at a loss as to who to go to with your proposals as the SABC Nothing has happened yet, the meeting has been called," Vundla said.

Some independents now feel the call is in the SABC's court.

Hazel Friedman

THE SABC's drama department is filled with intrigue, but not of the scripted variety. The mystery revolves around the criteria used to commission scripts for dramas and sitcom programmes.

Independent film-makers claim they are being discriminated against as they are SABC outsiders, while the SABC drama department insists everything is being done to accommodate new and independent talent.

At the core of the conflict is the SABC's Creative Commissioning Task Team, which sets out guidelines for the commissioning of dramas and comedies to non-SABC producers.

According to commissioning editor Jill Chisholm, the proposed document stipulates that new television series should not be given endless runs and the commissioning editors must promote the influx of scripts by independent film-makers.

But no one knows when the report will be released. According to SABC's chief commissioning editor Jill Chisholm, "It will be in the near future", but task force members are less sure. And eyebrows are being raised over the commissioning of 104 episodes of family sitcoms, Suburban Bliss, even before a single episode was tested in front of television audiences.

By contrast, the popular sitcom S'Gudi S'Wice was commissioned for a mere 14 episodes when it was first shown in 1985. Three years later - after its rating remained high - it was granted another 26 episodes and a third season three years later.

Even the successful Going Up was tested extensively before being allowed to be screened for 12 episodes in 1992. In 1994 it was commissioned for another 26 episodes and in 1995, it will screen 26 more.

Says independent film-maker Eddie Mhlo of Dynamic Images, who is a member of the commissioning task team: "We agreed on many principles which would change the existing commissioning processes and criteria but I am worried the report will not be implemented as there are so many structures at the SABC that no one really knows what decision to take. We are also worried that SABC insiders might have more say in getting their scripts accepted without having to go through the due process."

At present, all potential scripts for SABC1 and SABC2 are directed to executive script editor Clara Molena in a form of synopses. If the synopsis is approved, the scriptwriter is contacted to write scripts for 13 episodes.

However, 30% collateral of the cost of the episodes is required before the SABC gives the go-ahead. This makes it difficult for new scriptwriters to get their work to the production stage.

"There is so much talent out there," says Molena. "Yet until the SABC actively encourages new work and provides more financial assistance, the potential to elevate our local drama and sitcoms above their present mediocrity levels will remain untapped."
Electricity tax this year?

DOMESTIC consumers face a double blow this year if a secret draft white paper on energy circulating at parliament is adopted by the government.

The confidential draft, of which Reuters has a copy, proposes a strategy to achieve social equity, efficiency and economic competitiveness of electricity supply in a market economy, but allows for state intervention “where market failures prevail.”

University of Cape Town researcher Grove Steyn, who wrote the draft, said it was “an early rough draft of the electricity section of the proposed energy policy paper.”

“As such, this document has no status,” said Steyn, who is a member of a team mandated to draft an energy white paper for the Department of Mineral and Energy Affairs.

Two aspects of the proposal would hit established domestic consumers and rural communities waiting to be switched on could find themselves further back in the queue.

The draft white paper calls for a levy on electricity bills to fund a National Electrification Fund (NEF), that will manage the electrification of areas neglected under apartheid.

Domestic consumers will pay half the levy, with commercial users paying the rest to take them up to one-third of the cost of electrification projects.

“The levy, together with the termination of internal cross-subsidies, will have negligible effect on industrial and commercial consumers,” the document says.

“Combined with national domestic tariff rationalisation, it would have effect of raising average domestic tariffs to the average level presently maintained by Eskom for its newly electrified consumers,” it adds.

The draft also proposes that Eskom should lose its tax-exempt status, a move that would add to the electricity bills of existing consumers.

An Eskom official said the utility “pays no conventional companies tax because we are a non-profit organisation. Obviously, if we are to pay tax, the cost of electrification would have to be offset against it.”

Proposals that could affect disadvantaged communities waiting to be switched on include one to step back from the ANC’s pre-election promise to electrify 2.5 million homes in the first five years of democracy.

The white paper suggests that Eskom should not be obliged to provide electricity on uneconomical terms, but should be encouraged to develop alternative energy sources.

“Eskom will be able to lower its target if it does not have access to appropriate areas to electrify,” the document proposes.

The document also proposes a R4 000 ceiling on the unit cost of rural connections, which would rule out new electricity supplies to farms or remote communities.

The proposed NEF would be the primary electrification planning agency with the objective “to arrest the unchecked, often inappropriate and inequitable subsidisation presently occurring, primarily by Eskom.”

The department proposes that all available subsidy funds should be channelled through the NEF, which will allocate them in a transparent and equitable manner to promote RDP objectives.

Steyn said his draft would be reworked, probably extensively, after comments from other energy experts and would then be sent to the parliamentary portfolio committee on mineral and energy affairs for scrutiny and public comment.

Parliament is expected to receive a final Energy Bill in August, for passage during the current legislative year. — Reuters.
Finalising electricity tariff a ‘massive job’

Mungo Soggot

The electricity industry faced a gargantuan task in creating a uniform national tariff without depriving local authorities of the R1.7bn surplus they enjoyed from electricity sales. Eskom CE Allen Morgan said last week:

Morgan said the administration of subsidies to local authorities which stood to lose out from the changes to the industry — those which derive usable income from electricity sales — was a crucial issue being explored as players finalised the shake up of SA’s electricity distribution sector.

The electricity working group, which includes the National Electricity Regulator, has proposed setting up a single, decentralised distributor with regional operating arms.

The new company would house all SA’s electricity distribution assets, most of which belong to Eskom, and the rest to about 400 local authorities.

The proposal has been touted as the only solution to inefficiency in the fragmented sector. The creation of a single tariff structure — instead of the 2,000 existing ones — is one of the regulator’s key goals.

Morgan said it would be ideal to simply create regional-distribution companies, but the industry was too immature to be run without central control. However, the regional divisions of the proposed new set up would have a high degree of autonomy.

Morgan said the cost of subsidising local authorities could not be pinned down more accurately until Eskom and other industry players had worked out the details of the new set up “To balance them all it will cost between R1bn and R2bn a year.”

The money would be spent on local authority distributors currently selling electricity at more expensive rates than others as well as those with large electrification commitments.

He hoped for clarity on the details of the new set up by mid-year.

About half of Eskom’s 40,000 employees would work in the proposed new distribution company. The industry had undertaken not to force any retrenchments during the restructuring. He agreed with the regulator’s proposal to not grant foreign companies distribution licenses for a few years until the local industry was sorted out. But this did not rule out joint ventures with foreigners during that period.

He said the industry would be exposed to foreign competition in generation within the next 10 years, and the industry had undertaken not to force any retrenchments during the restructuring. He agreed with the regulator’s proposal to not grant foreign companies distribution licenses for a few years until the local industry was sorted out. But this did not rule out joint ventures with foreigners during that period.

He said the industry would be exposed to foreign competition in generation within the next 10 years, during which time the regulator was likely to award foreign companies generation licenses.

When SA needed new generation capacity — which would be in about 2003 if the current 8% electricity growth rate continued — Eskom would probably have to compete with foreign companies to build the new power stations.
SABC staff turnover double the 1994 level

Lukanyo Mnyandu

Almost 20% of the SABC's staff left the corporation last year in the run-up to its relaunch, with staff turnover more than double the 1994 level.

Figures released by the SABC at the weekend show that 904 of its 4,586 staff left last year — 83% of them white — as the organisation reshaped prior to the relaunch earlier this month.

The SABC retrenched 575 mainly administrative staff, against 70 in the previous year, with more than one third of those leaving ranked as management, the SABC said.

The corporation declined to give the cost of the losses, although it said last year that cutbacks would eventually save about R73m a year.

A spokesman said the launch of the new-look SABC had rendered some positions redundant as there were "too many administration people and not enough programme-related positions."

The retrenchments had been largely voluntary, and no more retrenchments were planned this year.

The corporation said 4,543 staff were employed, following appointments in 1994 and last year.

The SABC committed itself at the end of 1994 to a three-year affirmative action programme to ensure black staff accounted for 50% of staff, and to greater female representation at senior levels.

Recruitment last year was 544, against 479 in the previous year.

The percentage of black appointments fell slightly to 50% of the total (62%), while white recruitment rose to 32% (52%). The gender percentages remained almost static at 55% men, 46% female.

The SABC said that 58% of its staff were white, and 42% black.

More than two thirds were male.
Radio station accuses IBA of vendetta just before hearing on community programming

By Michael Sparks

Community radio station CANI FM has accused "some officials" in the Independent Broadcasting Authority (IBA) of waging a personal vendetta against it and endangering media freedom.

In a statement, CANI claims the IBA is overstepping its role by policing the airwaves, instead of simply regulating them.

This constitutes a violation of the radio station's freedom of speech and choice, as enshrined in the constitution, the station claims.

It adds that, while the IBA has expectations of what programming community stations should carry in relation to community information and participation, "they have never specified exactly what kind of programming community stations should have."

The statement claims that CANI is providing an "exceptional service to its target community."

It adds the station is abiding by the licensing conditions upon which it was granted access to the airwaves.

The Broadcasting Complaints and Monitoring Committee of the IBA has called CANI to attend a hearing on Friday for not carrying sufficient community programming.

IBA legal adviser Glen Marques denied the case was in any way connected to press freedom.

"This case is simply to determine whether there is sufficient community programming and whether there is sufficient provision for community participation. It relates to their licence conditions," he added.

"Our monitoring has shown the format to be overwhelmingly (like) that of a commercial music radio station," he added.

Marques said the allegations of a personal vendetta were very serious, since they were entirely unsubstantiated, and the IBA would consider them in a very serious light.

He agreed there were very few guidelines on the kind of programming the station should carry, because "a genuine community station would not need us to tell them what kind of programming they could broadcast."
State asset plans 'continuing'

Business Editor

PLANS to restructure state assets had not been put on hold, Minster for Public Enterprises Stella Sigcau said today.

The programme had only been delayed during the negotiations with the trade unions, which had resulted in last month's National Framework Agreement, she told a briefing in parliament.

Work was now going ahead at enterprise, sectoral and ministerial level.

Answering questions, Ms Sigcau said the government was not being "held hostage" by the unions on the restructuring issue. Workers' fears had been put in the forefront of the government's concerns because they would be most affected by changes.

But this did not mean that other interest groups such as consumers and business would not be consulted.

Unions and the government had agreed that the central issue in restructuring was economic growth, Ms Sigcau said.
SABC welcomes decision to retain third channel

Johannesburg: The SABC yesterday welcomed a parliamentary committee's decision that it should retain its third channel to satisfy its public broadcasting mandate.

The parliamentary portfolio committee on communications decided that although the SABC would retain its third channel, a new private channel would be licensed by July next year.

Soon after this a second private channel would be phased in. One of the new channels would consist of a network of regional stations rather than a single national station.

In its reaction, the SABC said the private channel would have some public service, language and local content obligations to meet.

"The SABC, as a public broadcaster, will continue to provide a full range of entertaining, informative and educational programming across the schedule," it said.

The corporation said the parliamentary committee was also receptive to a funding mix proposal by the SABC and the Independent Broadcasting Authority on condition the public broadcasting service be funded through a mix of advertising, sponsorship, licence fees, public grants and other income.

Another condition was that public funding would only be for specific projects that were intended to help the SABC satisfy its mandate as a public broadcaster.

Examples were educational programmes, increasing African languages and local content TV programmes. — Sapa
Community station under attack

The IBA has accused Cani FM of not broadcasting enough community-based programmes, writes
Jacquie Golding-Duffy

CANI 98 2FM is a community radio station with a difference. Besides being the first community station, equipped with a full legal team, to be housed in front of the Independent Broadcasting Authority, the station's technical equipment is very advanced for a small self-sustained operation.

Programme manager Sandy Fletcher said the community radio station was one of few stations to receive its news bulletins via satellite.

Cani stands for Constant and Never-ending Improvement and was derived from a motivational book.

The radio station was issued a temporary one-year licence on July 1 last year and broadcasts in Sandton/Alexandria and surrounding areas.

Cani FM claims that its listener base is between 120,000 and 180,000. The only radio station to broadcast horse racing, it claims has secured a horse racing following of anything between 80,000 and 100,000 listeners. However, the August/September 1995 Arums Diary reflect an average daily listenership on community radio across the country of 190,000.

Cani FM's transmission comes off the Hillow water tower and has 100W power. The station, which runs 24 hours daily, has been accused by the IBA of not broadcasting enough community-related issues.

Fletcher denies this. "We have an immense interest in broadcasting community-related issues and we regularly broadcast programmes in this regard. We have Family Focus, a daily half-hour slot which touches on teenage pregnancy, learning responsibility to parenting skills and building a good marriage. We also have a half-hour programme on disabled people, as well as arts and culture and environment-conscious programmes.

"Another community-related slot is called Contemporary Women which handles talk on cervical cancer and other health issues to business opportunities for women," Fletcher said.

He said the number of community-related programmes were endless but that the station also had an extensive entertainment package.

The most successful diversion of the station, aside from horse racing, is its dedication line where listeners can call in, choose a song they like and dedicate it to family and friends. "The dedication line has been a great success among the youth but in addition to this, we have been able to reach listeners from all quarters regarding our programmes," Fletcher said.

Listening to Cani FM, one is struck by how many local-boppers phone in to say how much they enjoy the music but that they have nothing more to say. DJ Dennis the Menace asks the question "Do you like Cani FM? If so, why?" A teenage caller responds: "I like Cani FM." "Why do you like Cani FM?" asks the DJ. "Because er..." "Don't know, I just like Cani FM." Next caller, same question. "I like Cani FM because you are so sexy." What is apparent is that very few listeners from Alexandria call in, but that said Fletcher is because their resident radio station — Alex FM — "is immensely popular." He explains what a mammoth task it is for Cani FM to try and reach both Alexandria and Sandton audiences. "We are attempting to reach listeners from the most affluent areas in Sandton to the poorest in Alexandria. To broadcast programmes both will find interesting but difficult, but that is exactly what we are striving toward," Fletcher said.

The community radio station also runs a community talent showcase in a bid to attract youth from all quarters. The show runs during the graveyard shift which is from 2am till 6am. "During these hours, anyone who is interested in becoming a DJ or was always keen to run their own show, has the opportunity to do just that with the help of one of the professionals," Fletcher said.

"This talent showcase has revealed many potential success stories with some trutches having been apprenticed to work here at Cani. At present, we have four girls who are actually working here," he said, adding that about 120 people have gone through the talent showcase programme.

Cani FM has five permanent staff and operates with mainly freelancers. "These people are not paid vast sums of money. They are merely paid a token salary for their contribution in running the station," he said.

He believes the station will survive the IBA hearing and will not be pulled off air. Following a meeting held last week, he became clear that there was a lot of confusion surrounding the issue of what we can and cannot broadcast. Fletcher said.

"We are fully prepared to present our side of things and believe the IBA will listen to reason," he said.
900 more quit SABC

The Argus Correspondent

JOHANNESBURG — More than 900 people left the SABC last year compared with 430 the year before.

Five hundred more retrenchments arising from an efficiency drive accounted for the substantial increase, the SABC said. It is trying to reduce the proportion of administrative staff and increase that which produces programmes.

Close to two thirds of those who left last year were support staff while the remaining 36 percent were programme staff.

AA 13/2/96
Restructuring a means to address poverty

Greta Steyn

PUBLIC Enterprises Minister Stella Sigcau appealed to local and foreign investors yesterday to find ways to empower disadvantaged communities to own some of the state's assets up for sale.

The restructuring of state assets would be a means to address poverty, as part of the proceeds would be used to finance infrastructure investment. Job creation would result, and people's quality of life would improve, she said.

Sigcau also reassured them that "this is the year in which there will be results" after years of preparation.

She told the Frankel Pollak investment conference that restructuring of state assets, which would include full or partial privatisation, provided an opportunity to achieve a more dispersed ownership of equity in SA.

A major constraint faced was the limited access to capital by disadvantaged communities.

"This audience must note that this could be where we need to put the most attention. It is vital the private sector supports government's initiatives," she said.

She said the trade and industry department was looking at ways to improve the access of small entrepreneurs to capital. Also under consideration were employee share ownership schemes.

Government was also "looking at people in the banking fraternity" to help solve the problem of a lack of capital. As an example of an opportunity that existed for small entrepreneurs, she mentioned the many restaurants managed by Telkom.

Sigcau said a Cabinet committee would meet tomorrow to discuss the appointment of advisers on the restructuring process.

The committee would consider the levels at which advisers would be needed — such as at managerial level in enterprises and in government — and also how the advisers would interact with the task teams.

"We are at a stage where we can say the process will begin to unfold and start showing results," Sigcau said.
Radio station clears up licence trouble

A meeting between Caru FM community radio station and the Independent Broadcasting Authority averted the need for a formal hearing, when it became clear the radio station had misunderstood the community broadcasting requirements of its licence.

The radio station, broadcasting to Sandton and Alexandra, had been given notice last month that it was not complying with the terms of its licence by not providing sufficient community programming on the station and by members of the community not having enough opportunity to take part in the broadcasts.

A formal hearing was scheduled for last Friday, but a meeting before then had resolved the problem, the IBA said.
Competition Board calls for CSIR probe

Amanda Vermeulen

THE Competition Board has recommended to the trade and industry department that it investigate the CSIR, claiming the research parastatal has acted unfairly in its competition with the private sector.

Board chairman Pierre Brooks said yesterday that the role of all parastatals needed to be redefined, and stricter guidelines drawn regarding their competition with the private sector.

Brooks' recommendation last month to the department followed complaints against the CSIR by Jeremy Kirsch, MD of Scientific Design Plant & Process, which is competing with a CSIR licensor for a tender put out by Tongaat-Hulett company African Products.

Brooks said the board had recommended an investigation, but it was not clear whether the CSIR was acting legitimately within its enabling legislation. Previous investigations had cleared the CSIR of accusations of anti-competitive practices, but Brooks said this was a different issue to unfair advantage.

Brooks said the CSIR operated under a number of advantages, including government subsidies, and did not have to fear bankruptcy.

Parastatals were also not under the same pressure as private sector companies to make the same returns, and did not have to bid at market-related prices, but could undercut competitors.

The issue, although not contained within proposed competition policy, was gaining momentum for resolution, particularly against the backdrop of previous investigations into other parastatals.

However the board as well as the arts, science, culture and technology, and trade departments were currently looking at this issue, and ways to resolve the emerging conflicts, he said.

Brooks said the ministers responsible for each parastatal needed to put more pressure on them to comply with guidelines to protect business from suffering from an unfair advantage.
SA ‘could make itself the electricity valley of the world’

Adrienne Gilliomee

ESKOM had structured a creative deal by linking the price of electricity to the price of aluminium on the London Metal Exchange, CEO Allan Morgan said yesterday.
He told the Frankel Pollak investment conference SA could become the electricity valley of the world if it entered into innovative pricing deals such as linking the price of electricity to industries with price-sensitive commodities.

One of the many areas where SA had a competitive advantage was reliable and internationally competitive electricity.
But low-cost electricity was not enough to attract foreign investors. Other direct and indirect investment opportunities, including portfolio investments such as ESKOM bonds, were required.
Foreign involvement could be in the form of capital projects or operation and maintenance contracts. A possible opportunity also existed for a joint venture between ESKOM and a foreign utility to electrify a residential area.

Fifty-six percent of SA households were without electricity, but ESKOM planned to reduce this to 35% by 1999. This would involve electrifying about 2.5-million houses at a cost of R12bn.

ESKOM intended to extend the electricity grid into Africa. “The long-term vision is to have an interconnected electricity grid from the Cape to Cairo,” Morgan said.
Broadcasting authority report says technical issues head complaints list

Stations which contravened their licence conditions upset the public most

STAFF REPORTER

Most complaints about community radio stations received by the Independent Broadcasting Authority (IBA) have been about technical issues rather than content, according to a report released last week.

The report of the IBA's Broadcasting Monitoring and Complaints Committee (BMCC) dealt with complaints it received between May and December 1995, and were mainly in connection with broadcasters contravening their licence conditions.

The task of the BMCC is to ensure that broadcasters actually broadcast on the frequencies they are granted, within the radius and power specified in their licence, and that the stations are non-profit making and that members of the community are able to participate in programming.

The station is required to keep tapes of all its broadcasts for 40 days to assist the IBA in verifying the accuracy of any complaints.

Complaints included one by a member of the public who objected about a man interviewed on Radio Pretoria who claimed to be an actuary.

He said the Government was implementing a policy to withhold medical care from old people so they could die earlier.

The complainant said that was "nothing more than murder".

Radio Pretoria then invited the complainant to discuss the issue on air with the guest speaker, a response which satisfied the committee.

While some people complained that presenters on the radio were abusive and dishonest, leading to disciplinary action against them, others complained about the kind of music broadcast.

Many complaints were also received from broadcasters, complaining that other stations were interfering with their signal.

While in some cases the signal of some stations was too powerful, in a number of instances the signal was on the border or beyond the planned signal reach of the broadcaster and no action was taken.

Members of the public who believe a broadcaster is guilty of misconduct may lodge a complaint with the BMCC within 30 days of the broadcast, and the committee sends a copy of the complaint to the broadcaster concerned.

If the complainant is not happy with the response, he or she may appeal to the chairman of the BMCC.

He will make a final decision on whether the issue requires a formal hearing, at which point a decision will be taken on what, if any, sanctions are necessary.

Listeners with complaints about community radio stations, which they feel are contravening their licence conditions or the IBA's code of conduct are invited to call the BMCC on (011) 447-6180 or toll-free on 0800-133-667.
Afrikaans satellite TV will carry sport

Research has indicated that a subscription channel for this language group which relies on sport, especially rugby, will be heavily subscribed

BY MICHAEL SPARKES

Despite losing the lion's share of the rugby to M-Net, the SABC has no plans to scuttle the Afrikaans subscription channel on its satellite service - a service which is expected to rely heavily on sport to draw new viewers, according to satellite project head David Niddrie. He was reaching to strong indications from other SABC sources who were concerned that the Afrikaans channel might fall through after M-Net's deal with Rupert Murdoch's News Corporation (NewsCorp), since the rugby was to act as a major drawcard and source of revenue to help fund the Afrikaans channel.

The Afrikaans Business Consortium, headed by Boland Bank, is known to have expressed concern because fewer people would subscribe to the Afrikaans service if there was not more on offer than on the other channels.

The corporation's head, Zwelakhe Sesulu; and executive manager of operations and satellite, Gert Claassen, were in London last week negotiating with NewsCorp to try to secure the Springboks' home tests against Australia and New Zealand.

Top sport general manager, Robin Kemp, confirmed they were negoti-

ating the rights to screen the home tests of the Springboks, adding that he was confident the negotiations would prove fruitful.

Research before the project began indicated that an Afrikaans channel could be a viable option if it were linked to other popular programming, including sport, and in particular South African rugby. The consortium is aware that, because of the high costs of setting up a satellite service, it was important to provide excellent programming to ensure increased demand for the receivers.

With more people buying the satellite equipment (costing about R1 700) it would increase the likelihood of people buying the Afrikaans service as well, where costs would be higher because of the need for a higher proportion of expensive local programming.

Niddrie agreed that sport is a very important drawcard for the corporation's satellite service in terms of increasing the viewership, with rugby forming a substantial part of that.

He said while M-Net's deal clinched the lion's share of the rugby, SABC would also have access to it. Although M-Net's deal would result in plans for the channel to be reassessed, the business plan was based on very conservative figures.
CSIR denies claims of unfair competition with private sector

By ROY EMMANUEL

Pretona — The Council for Scientific and Industrial Research, the research parastatal, has refuted claims that it competes unfairly with the private sector.

This follows the competition board’s recommendation to the trade and industry department that the council be investigated.

The council said yesterday that it was fulfilling its mandate in terms of the Scientific Research Council’s Act, “taking into account the importance of sustaining a sound technology base in support of economic growth and social upliftment in South Africa.”

“We act strictly in accordance with our statutory mandate and have no reason to believe that we compete unfairly,” the council said.

“The council said that it did not believe the media was an appropriate place to discuss its response to comments made by Pierre Brooks, the chairman of the competition board.”

It said it would address the issues with him in due course.

Brooks said that the role of all parastatals needed to be redefined and stricter guidelines drawn up regarding their competition with the private sector.

His recommendations follow a complaint about the council, made by Jeremy Kusch, the managing director of Scientific Design Plant and Process.

In a letter published in Business Report this week, Kusch said the council was not threatened by bankruptcy as other businesses were and did not have to deal with bankers in a normal business manner.

Kusch said the council should stick to the introduction of new technology and play by the same rules as the private sector if it wanted to plug established technology.

Brooks said yesterday that the competition board had passed the issue to the trade and industry department, which was responsible for the council’s administration.

He said the department was still considering the competition board’s recommendations.

Brooks referred to competition between parastatals and the private sector, saying that the department would have to take this into account and co-ordinate its various policies in line with the effective utilisation of technology and small business promotion.
New board chairmen of four parastatals named

Cape Town - The chairmen of the new boards of the Atomic Energy Corporation (AEC) and Council for Nuclear Safety were announced by Mineral and Energy Affairs Minister Piki Botha yesterday.

Botha also named the chairmen of two other parastatals: Mintek and the Council for Geoscience.

The chairman of the AEC board will be Real Africa Investments executive director Don Ncube (59). Charing the Council for Nuclear Safety will be John Martin (59), applied mechanics professor at the University of Cape Town.

Gibeon J. Thula (62), a financial and political consultant at Vela International, will chair the Mintek board.

Musi Khanyile (46), whose working experience includes deputy registrar at UCT and ANC finance head, was appointed chairman of the Council for Geoscience.

(SAPA) 24/2/96
Constitutional challenge to MEC's powers coming to court

BY HELEN GRANGE
Constitutional Court Correspondent

The long-standing challenge by a group of political parties to clauses in the Gauteng Education Bill which give Education MEC Mary Metcalfe veto powers over public school policies is to be heard by the Constitutional Court tomorrow.

The NP, DP and FF opposed the bill when it was tabled in the Gauteng legislature last June, but it was eventually passed by 42 votes in favour to 25 against.

The controversial clauses being challenged focus on Metcalfe's powers to:

- Establish, maintain and close public schools.
- Change syllabuses and admission conditions.
- Establish and dissolve governing bodies (made up of parents, teachers and students).
- Direct that the language policy of a school be "reformulated".
- Grant exemption from school fees.

The bill's clause on language policy, which prohibits public schools from implementing language competence testing for the purposes of admission, was found to be particularly objectionable to the NP and FF on the grounds that it made it difficult for communities to establish a school around a specific language or religion.

The NP said Metcalfe's power violated the rights of South Africans to choose education for their children according to culture, religion or language. The FF is also unhappy about unmuted access to schools, notwithstanding the payment of fees.

The court must decide whether the bill infringes the constitutional right to establish education institutions "based on a common culture, language or religion" provided there is no racial discrimination and whether it is practicable.
Languages again in IBA spotlight.

Public submissions to the Independent Broadcasting Authority (IBA) on the Public Broadcasting Services Bill have focused on requirements of SABC television's treatment of languages, especially Afrikaans.

In hearings in Johannesburg yesterday, individual submissions made in their private capacity centred on whether the provision in the bill that languages be treated in an "equitable and reasonable basis" on a national level was sufficient.

Prof P J van Rensburg, a retired Rand Afrikaans University professor of Afrikaans, contended it was not.

Van Rensburg said, while the bill referred to equitable and reasonable treatment, the interim constitution referred to "equal treatment", which had a very different meaning.

He said that in the past there had been equity between English and Afrikaans on television.

"According to Van Rensburg, equity should be maintained and the use of both languages should be brought down to make provision for the other nine official languages." - Staff Reporter.
Parastatals should be more competitive

BY ROY COLVIN
Pretoria—Improving the competitiveness of public enterprises, and enhancing the competitive economic environment in South Africa are key to the restructuring process of parastatals, Douglas McClure, the parliamentary services director of the ministry of public enterprises, said yesterday.

He was reacting to a Business Report inquiry about the ministry of public enterprises' attitude to Competition Board comments about competition between parastatals and private-sector enterprises.

McClure said the ministry was aware of the Competition Board's concerns, but that the process of restructuring public enterprises was only beginning.

He stressed that the manner in which the restructuring process would take place still had to be fully explored.

In its 1994 annual report, the Competition Board's most recent, it requested that the government clarify its approach to problems arising from the competition between private-sector firms and parastatals.

The board added that a policy statement by the government was required to ensure coherence and consistency.

In this regard, the Competition Board said it believed it would be helpful if the government endorsed general guidelines for the activities of enterprises. It said these should include asset transfers, taxation and tenders, which fell, directly or indi-
Eskom seeks support for multi-tiered supply plan

CAPE TOWN — State electricity utility Eskom yesterday outlined a multilevel supply strategy designed to contain the unit capital cost of rural electricity connections and limit the subsidisation of new customers by bigger clients.

Hendrik Barnard, Eskom’s electricity pricing manager, told the Senate committee on mineral and energy affairs that without intervention, 10% of non-residential consumers' bills would go to sponsor small users within five years. Eskom sought government and public support for a tiered supply strategy for rural areas, starting with a free 2.5-amp connection capable of running lights, radio and television at a flat rate of R15.

The main supply level would be a 20-amp connection costing R50, rising to R300 by 2000, and capable of running common appliances as well as a stove and geyser separately at 27c a kilowatt-hour unit. The top residential system would be a 60-amp connection at R300, rising to R1,000 by 2000, capable of running appliances, stove and geyser simultaneously at 37c a unit, he said.

“Government support for this philosophy is critical,” he said.

The capital cost for a connection in rural areas was at present far in excess of the target ceiling of R2,500 — sometimes as high as R20,000. — Reuters.
Eskom faces funding shake-up as govt revamps its parastatal policy

Mango Sougoet

ESKOM's funding needs - a key capital market factor - face a major shake-up amid imminent changes to the electricity supply industry and a revamp of government's parastatal policy which could include taxing Eskom for the first time.

Finance director Willem Kok said on Tuesday that Eskom was gearing up to give more money to the government, which was seeking to raise more capital and was not in a position to pay dividends from the parastatal's current operations.

But the effect could be offset by the expected changes to the industry, which should see Eskom transferring its distribution operations and concentrating on generation and transmission.

The restructuring would cut the funding burden with elements such as its distribution wing - which handles the R1bn-a-year mass electrification programme - being transferred to a new body.

The electricity working group, which includes the national electricity regulator, has proposed shifting Eskom and local authority distribution assets into a decentralised national distributor.

Kok said that Eskom's capital market funding plans for the current year remained in line with market expectations.

He said it would not be raising much money on the local market for its R5bn capital expenditure programme.

It would focus instead on the international markets.

It had already wrapped up its funding for this year, but the outlook next year was less clear.

Kok said the exact makeup of the new industry structure had still to be debated.

It was also difficult to calculate the impact of government's parastatal plans because the scale of tax write-offs and dividend payouts had not been set.

One option mooted by a finance department team was for Eskom to pay one-third of its income as an annual dividend to government.

Eskom's net income was R2.2bn in 1994. Kok said Eskom's funding programme was not under pressure from the plans - it was heavily underborrowed in the local money and capital markets.

He said its current funding plan indicated an annual borrowing requirement of R2bn a year for the next three years.

"Tax and dividend payments are not expected to increase this materially and the total new requirement will definitely not be more than 1994's borrowings of R4.7bn," a Finance Minister Chris Liebenberg has already spelt out plans to change the way government manages cash in the state sector.

Liebenberg was expected to announce exactly how much this would mean to central government in the Budget.

These changes to cash management would also affect Telkom - which has paid government a higher than expected dividend of R525m in the latest financial year - Transnet and the Central Energy Fund.

See Page 5
Eskom faces funding shake-up as govt revamps its parastatal policy

Eskom's funding needs—a key capital injection factor—face a major shake-up amid imminent changes to the electricity supply industry and a revamp of government parastatal policy which could include taxing Eskom for the first time.

Finance director Willem Kok said on Tuesday that Eskom was gearing up to give more money to government, which was seeking to tax and re-price dividends from parastatals in its drive to improve the way it used available cash in the state sector.

The effect could be offset by the likely changes to the industry, which should see Eskom become more distribution-oriented and less reliant on generation and transmission.

The restructuring would cut its funding pressure, with elements such as its distribution wing—which handles the R1bn-a-year mass electrification programme—being transferred to a new body.

The electricity working group, which includes the national electricity regulator, has proposed shifting Eskom and local authority distribution assets into a decentralised national distributor.

Kok said that Eskom's capital market funding plans for the current year remained in line with market expectations.

He said it would not be raising much money on the local market for its R2bn capital expenditure programme.

It would focus instead on the international markets.

It had already wrapped up its funding for this year, but the outlook next year was less clear.

Kok said the exact makeup of the new industry structure had still to be debated.

It was also difficult to calculate the impact of government's parastatal plans because the scale of tax write-offs and dividend payouts had not been set.

One option mooted by a finance department team was for Eskom to pay one-third of its income as an annual dividend to government. Eskom's net income was R2.2bn in 1994. Kok said Eskom's funding programme was not under pressure from the plans—it was heavily underborrowed in the local money and capital markets.

He said its current funding plan included an annual borrowing requirement of R2bn a year for the next three years.

"Tax and dividend payments are not expected to increase this materially and the total new requirement will definitely not be more than 1994's borrowings of R4.7bn."

Finance Minister Chris Liebenberg has already spelled out plans to change the way government manages cash in the state sector.

Liebenberg was expected to announce exactly how much this would mean to central government in the Budget.

These changes to cash management would also affect Telkom—which has paid government a higher than expected dividend of R325m in the latest financial year—Transnet and the Central Energy Fund.

See Page 5
to join the Russian Space Programme as a gesture of friendship and goodwill to the new South Africa. According to this offer, young South Africans will be trained to join Russian space flights.

Furthermore, a Science and Technology agreement was signed in June 1996. Under that agreement, geology and geophysics have been identified as prime areas of collaboration with Russia, and satellite technology has been mentioned as possibly the most significant source of new earth data. Discussions and active planning in this area are proceeding.

He accepted the offer, believing that sending a South African cosmonaut in space, together with Russian cosmonauts, would not only strengthen our relationship with the Russian Federation, but would stimulate and generate enormous interest in science and technology, especially amongst young people in South Africa.

South Africa's participation in manned space flights will contribute greatly to public awareness, commitment and understanding of the power of science and technology.

He also believed that this would enormously enhance the image and stature of our country in the continent and internationally.

Cabinet accepted this offer in principle on 29 November 1995. This was followed by a Note Verbal to the Embassy of the Russian Federation accepting the offer.

Subsequent to this, a Ministerial Committee was constituted to pursue this project, with the Ministry of Science and Technology as the lead Ministry. The Ministerial Committee in turn constituted a Technical Sub-Committee to look at the technical and scientific aspects of the offer.

We are expecting a report from the Ministerial Committee soon. On the basis of this report further negotiations with the Russian Federation and the Russian Space Agency will be entered into to conclude an agreement which will be the basis on which this project is carried out.

I believe that this project offers great opportunities for South Africa to generate interest in science and technology which in turn will enhance our economy.

It is my belief that our science and technology initiatives must further the goals of our national growth and development strategy on which we are working. In partnership with our scientific community, we must ensure that we have a significant and distinctive research system and our national system of innovation towards development and global competitiveness. Our growing science and technology relations with the Russian Federation and with other nations will promote this aim.

No agreement has yet been signed on this matter. An agreement will be signed only once details of the project have been agreed upon. In the light of this, sections (a) and (b) of the question falls away.

Dr F J Van Heerden Mr Speaker, arising from the reply given by the hon the Deputy President, in which he said quite correctly that this was a gesture of goodwill from Russia towards South Africa, I would like to ask him whether he does not agree that it was not only a gesture of goodwill, but was possible also because of the advanced space initiatives taken over the years in this country by South African scientists and technologists.

The EXECUTIVE DEPUTY PRESIDENT (Mr T M Mbeki) Mr Speaker, I think that the hon member is quite correct. There was a lot of very good and advanced work done in this country by South African scientists and engineers. It would be my belief that we need to expand our contacts with other scientists in this area, whether Russian, American, or whatever. That would enable the enhancement of our own capacity in this regard, but certainly the contribution of South African scientists in this project will be very important.

Hence those scientists have been very much part of this discussion that has been taking place under the leadership of the hon the Minister of Arts, Culture, Science and Technology.

Mr J H Van der Merwe Mr Speaker, arising out of the reply by the hon the Deputy President, I wish to ask him whether the Government has so far considered the names of any South Africans to be sent into space. If not, I wish to propose the name of Mr Tony Yengeni [Laughter].

The EXECUTIVE DEPUTY PRESIDENT (Mr T M Mbeki) Mr Speaker, so far we have received only one request, and that request to go out into space came from Mr Koos van der Merwe [Laughter].

Dr F J Van Heerden Mr Speaker, I have another question for the Deputy President arising from his reply. Would I be correct to deduce that we can look forward to now is a revival of the advanced space technology that we have? If so, would the Deputy President be prepared to admit that the so-called apartheid regime did indeed achieve something, at least in this regard, otherwise the gesture from Russia would not have come? [Interjections]

The EXECUTIVE DEPUTY PRESIDENT (Mr T M Mbeki) Mr Speaker, I do not believe that we should politicise this question. There are indeed very many, very talented South Africans in all sorts of fields who were able to develop and make important contributions despite the existence of the apartheid system.

New questions:

1. Dr B L Geldenhuys—Executive Deputy President (Mr T M Mbeki) [Withdrawn]

Media Task Team: terms of reference

2. Ms M Smuts asked the Executive Deputy President (Mr T M Mbeki)

(1) Whether the Media Task Team has been appointed, if not, what is the position in this regard, if so, what are the formal terms of reference of this team,

(2) whether the said team has been given any other briefs apart from those falling within its terms of reference, if so, what briefs?

The EXECUTIVE DEPUTY PRESIDENT (Mr T M Mbeki)

(a) Yes, the Communications Task Group has been established in accordance with the recommendations of the conference of Government Communicators held in Arraam in August 1995. The Communication Task Group is composed of 10 people.

The brief of the Communication Task Group has been formulated using the decisions of the conference as a guide.

It has been briefed as follows:

• To review existing government communication policy, structures and facilities at national, provincial and local level

To review relationships between government communication functions at national, provincial and local level

To review the existing government budget with the intention of identifying any duplication as well as rationalising the use of resources with special reference to personnel, operations and equipment

To review relationships between government communication structures and non-governmental information providers

To deal with the training of government information functionaries and to make recommendations with regard to capacity building with special emphasis on affirmative action

To look at the ownership and control of South African media and how this facilitates or impedes the ability of government to communicate with the citizenry

The Communications Task Group should examine existing information delivery mechanisms and make appropriate recommendations

The Task Group should examine international communication experiences with special emphasis on the dissemination of information by other democratic countries with the purpose of drawing some lessons that could be useful for our purposes here in South Africa

The Task Group should research on government communication policies in developing countries

The Task Group should make recommendations on new government communication policy, functions, structures, personnel and budget at national, provincial and local level

(b) The Communications Task Group has no brief other than the one I have just set out

Ms M Smuts Mr Speaker, arising out of the reply of the hon the Deputy President, given the fact that the reason for the existence of the media is obviously not to be the first place to give effect to Government communications, I wish to know whether, by including this review of ownership and how it impinges on Government communication policy, there is not a danger of killing the
The MINISTER OF FINANCE

(a) (i) The figure (2.7%) in the fourth quarter of 1995 was calculated as the per centage change of the fourth quarter of 1993 on the third quarter of 1995 at an annual rate. The actual figure is computed and used by the Central Statistical Service.

(ii) The non-agricultural sector was the mainstay of economic growth in the fourth quarter of 1995. The non-agricultural sector grew by 1.5% whilst the agricultural sector declined by 2.4%. Although the secondary sector declined by 1.5%, the tertiary sector grew by 4.0%. Encouragingly, mining also showed an increase of 2.5%.

(iii) Whereas GDP figures lag about two months, employment figures lag about nine months to one year. It is therefore not possible to answer this question.

From available figures it is, however, evident that although South Africa's economy has entered its current growth phase in the second quarter of 1993, employment creation got off to a relatively slow start with only 52,000 jobs having been created up to the first quarter of 1995. Although a lag between the business cycle and employment trends is not uncommon, the present lag is longer than usual. It should be noted, however, that the official labour statistics do not satisfactorily capture all developments. In particular, employment and “piece-work” practices seem to be becoming increasingly common in the informal sector. Official statistics, furthermore, do not cover employment in the agricultural and informal sectors.

(b) An adequate tax system must strike a balance between, on the one hand, the tax burden and its distribution through the economy and, on the other hand, the delivery of services especially where appreciable backlogs exist. Within the tax structure a fair balance must also be struck between the respective burdens of direct and indirect taxes. Experience has shown that indirect taxes result in a relatively smaller misallocation of resources. It has also been shown that tax incentives, inter alia for employment purposes, narrow the tax base, burden tax administration and encourage tax avoidance and tax evasion thereby keeping the ability of government to render other essential services.

The interaction between the tax system and unemployment implies that the tax system should not discourage taxpayers from employing and/or investing. Our present tax system and recent relief measures in respect of individual and company income tax were attempts to prevent this from occurring and, as far as investment and employment are concerned, also to achieve international competitiveness.

Interaction between taxes and unemployment is also influenced by the level at which income is defined. For example, the tax rate and social security benefits. If taxes associated with an increase in personal income output, declining income-related social benefits, a so-called “poverty trap” may develop. The incentive to take employment reduce and may even be an incentive to give up employment in order to qualify for social benefits. However, given the structure and functioning of the social security system and the level at which benefits become taxable in South Africa, the “poverty trap” situation is not viewed as a problem.

Mrs P DE LILLE Mr Speaker, arising out of the Minister of Finance's reply, I would like to know whether the employment creation has any mention of establishing a mechanism to measure economic growth in relation to job creation. It is our perception, and also as a lay person, that if the economy grows it creates jobs, but the figure of 52,000 is disappointing.

The MINISTER OF FINANCE Mr Speaker, the figure of 52,000 is very disappointing. It related to a period when the growth rate was significantly lower than the 3% that we are talking about. I referred to that as the first quarter of 1995.

Are we taking steps to address the unemployment problem? In the national strategic vision that our colleague, Dr T. N. Madonsela, is preparing with a view to a 6% growth rate over the next five years, we need to reflect over the past two years. We need to concentrate on building the Ministries and all the various support systems that we have in order to resource and support that vision. In that context, the fiscal, the economic, fiscal and monetary aspects will have to be considered in such a way as to create jobs and that growth rate of 6% in 2020.

Mr D H M GIBSON Mr Speaker, I rise on a point of order. The point of order relates to the previous question, which was Question 2. It transpired that the Minister of Transport was not present in the House. The ruling from the Chair was simply that the Minister was not here and that the question therefore fell away. The point of Question Time is that this is where Ministers are held accountable to Parliament and to the people of South Africa. I would like to ask you to rule that when Ministers are not here, they should make arrangements with one of their colleagues to represent them. Ministers are important and busy people, and we should understand that sometimes they cannot be here, but they should not simply be absent and a question should then be re-examined.

The DEPUTY MINISTER FOR WELFARE AND POPULATION DEVELOPMENT Mr Speaker, my apologies to this House. Unfortunately, I was engaged in a serious discussion when the question came up and did not hear it being announced. I was requested to present an apology to the Minister of Transport, who is unable to take questions today owing to other very serious commitments impacting directly on the work he is doing. He will take the question during the next Question Time. It was a fault on my side, and not on that of the Minister of Transport.

Mr P MARÉE Mr Speaker, further arising from question 3, may I ask the Minister of Finance, with regard to job creation, whether the problem is not, in his opinion, that trade unions are influencing the economic situation to such an extent that, although there is economic growth, industrialists now prefer to invest in capital goods by buying machines to do the work rather than employing people? Is this not having an adverse effect on job creation?

The MINISTER OF FINANCE Mr Speaker, I think this is a new question. There are, however, several aspects in the entire job-creation situation which influence job creation. It is undoubtedly
Government, in an attempt to promote negotiations.

AEC denies radiation danger higher than maximum safety levels. However, this did not mean the area was dangerous. All work around the affected area had been stopped, and no workers were allowed at the site.

The contamination happened last year when the AEC dug up a container which contained uranium waste levels higher than originally thought, in so doing contravening its licence conditions. Spillage occurred in the process. The corporation has admitted wrongdoing in failing to obtain the council’s approval for the excavation.

De Waal said the AEC would not be penalised for contravening its licence. However, the council expected the corporation to clean up the spillage. It was awaiting a report on safety precautions the corporation would take during the clean-up operation. The council rejected an AEC safety report last November and told the corporation to suggest additional precautions. The area could have been cleaned up had the AEC resubmitted the report, De Waal said.

Stumpf, however, said the go-ahead was in the council’s hands...
Nuclear leak is 'low level' – AEC

By THORSE LASSI

The Atomic Energy Corporation has attacked the Sunday Independent for 'sensationalism' over its reporting of the Pelindaba nuclear waste site, but confirmed a "low level" radiation leak.

In a statement yesterday, the AEC denied that the nuclear waste dump, 20km outside Pretoria, posed any threat to the nearby population or to workers at the dump, called Radiation Hill.

The AEC said a nuclear occurrence in April last year involved "only low-level waste and the effect of the spillage was confined to only a few metres around the lip of the trench".

But the Sunday Independent yesterday reported that radiation levels at the dump were 100 times higher than the legal limit. Geiger counter readings on Thursday were 2,000 counts per second, whereas the licence limit is 20 counts. A council for Nuclear Safety official, whose experts visited the site, said he was shocked at the contamination level.

"The misrepresentation of the facts and selective use of only some one-sided data without placing the occurrence in its proper context borders on irresponsible journalism," the AEC said.
Political Correspondent

**Eskom surges to a record**

Eskom has exceeded its targets for new household electricity connections in the past two years and plans another 300,000 this year. This was disclosed by the Minister of Public Enterprises, Stella Serapele, in reply to Senator Abraham Bok, (NP).

In 1984 the supplier set a target of 250,000 new connections, and carried out 254,383. Last year, it installed 313,170 new connections, compared to its targeted number of 300,000.

Meanwhile, Radio KFA increased its listenership by almost 100,000 between 1984 and last year, according to Fallow Jordan, Minister of Postal, Telecommunications and Broadcasting, while its advertising revenue soared from R6 million to almost R12 million.

SAfm listenership plunged from 414,000 to 230,000, and ad revenue fell from R14 million to R10 million.

Good Hope FM listenership fell from 490,000 to 627,000, but ad revenue fell from R28 million to R26 million.

Radio Xhosa listenership fell from 2,403,000 in 1984 to 2,339,000 last year but advertising revenue rose from R16 million to R19 million.
Thousands of TV viewers in Peninsula will have to

buy second aerials.
Three new IBA appointments named

BY MICHAEL SPARKS

The parliamentary select committee on broadcasting has released the names of three people expected to be appointed to the Independent Broadcasting Authority (IBA), although the appointments have still to be confirmed by President Nelson Mandela.

The new councillors are set to be: Raymond Louw, Pietre Lotriet and Maliseh Maponya. Councillor Lyndall Shope-Mafele had her term on the council renewed.

Louw is a former editor of the Rand Daily Mail, and is currently editor and publisher of Southern Africa Report and chairman of the Freedom of Expression Institute. Lotriet, who received his BA from Stellenbosch University before joining the SABC as a news reporter, is currently employed as a consultant to the public broadcaster.

Maponya is a theatre director, poet, playwright and performer and is a co-founder of the Bahamas Performers Co-operative in Soweto. He is a lecturer at Wits University.

Shope-Mafele has held various positions relating to the media and broadcasting and is also on the council of directors of the CSIR.
A perky life for broadcasting watchdogs

Independent Broadcasting Authority co-chairs earn as much, or perhaps even more than cabinet ministers.

By Michael Sparks

The co-chairs of the Independent Broadcasting Authority (IBA) could be earning as much, or even more than, cabinet ministers, if all their perks are taken into consideration.

And IBA councillors are not much worse-off, earning as much as speakers of provincial legislatures for the duration of their terms.

Questioned by The Star, IBA spokesman Amos Vilakazi said co-chairs earned a basic salary of R201 696 a year, but this did not include a 13th cheque of R15 631, nor did it include the pension payments of R85 745 which the IBA makes on behalf of the two co-chairs.

In addition, all councillors are entitled to make additional pension contributions, to which the IBA will also contribute.

Vilakazi said the total of R301 072 for the co-chairs did not include "other normal benefits" like a car allowance, a housing allowance and the IBA's contribution to medical aid.

However, he refused to disclose what those figures amounted to.

Taking into consideration the 10% cut in cabinet ministers' salaries announced by President Nelson Mandela in October 1994, ministers currently receive a total package of R52 800.

Vilakazi said the salary of the six councillors was R155 328, with a 13th cheque of R12 037, and a pensionable allowance of R65 070.

"This amounts to a basic package of R232 435, but this also did not include the undisclosed car and housing allowances or the medical aid contributions made by the IBA."

By comparison, a speaker for any of the provincial legislatures receives a total pay package of R286 750.

When calculated as a monthly salary, the co-chairs net R16 808, while the other councillors' basic pay packages are R12 944.

While the 13th cheque is guaranteed, there is no merit component in the pay package, Vilakazi said. This was in line with other public servants.

Vilakazi said that when councillors and other IBA staff travelled away from their Johannesburg headquarters, they were paid a daily allowance for food, while the IBA paid for transport and accommodation on a bed-and-breakfast basis.

The daily amount for councillors was R65 - within the country which he said, was equivalent to directors in the public service, while that paid to the co-chairs was equivalent to the amount paid to directors-general.

For international travel, the allowance varied according to the strength of the rand against the country's currency.

Councillors and certain other staff had also had expense account to pay for meals, if they were related to business, and other incidentals, but they were required to show the expenses were work-related.
Macozoma resigns after allegations of favouritism

CAPE TOWN - Parliamentary communications committee chairman Saki Macozoma resigned yesterday from the Association of Ex-Political Prisoners, denying "allegations" that he would help the association gain a radio licence.

Meanwhile, Sapa reports, Macozoma may quit politics in favour of a corporate post, possibly with a parastatal.

Macozoma said he could not comment.

His resignation as a steering committee member of the association follows reports in a Scandinavian newspaper that a consortium involving the Scandinavian Broadcaster Kinnevik and the association would have an advantage over other applicants in its attempt to buy one of the SABC's regional radio stations.

Macozoma said this report was totally incorrect. "At no time has it been my understanding that my presence in the (association) will or is intended to advantage the joint venture between the association and Kinnevik."

The committee last month approved an Independent Broadcasting Authority proposal that the SABC sell six of its regional radio stations.
Radio stations to merge

By Cooljoe Amankwaa

The process of integrating broadcasting services of Radio Transkei, Radio Ciskei, Radio Thohoyandou and Transkei Television with the SABC will be completed by the end of this month.

SABC spokesman Mary Murray said Radio Transkei and Radio Ciskei would be integrated with Radio Xhosa, while Radio Thohoyandou would be integrated with Radio Venda.

The process involves integrating the staff of these four units into SABC posts. People are presently being interviewed for positions in the Eastern Cape and Northern Province. The total number of staff from these services, including Radio Bop, is 230.

A three-pronged strategy has been adopted to ensure that every staff member of these institutions is placed in a pool, from which a selection process will be initiated to fill posts at the SABC.

The interim coordinating body has been asked to approach the Government for funding for retrenchment packages for those staff members who will not be absorbed into SABC.

An agreement has been reached with the unions that staff members from the institutions will be transferred through a selection process into posts at the SABC as soon as possible.
Electricity suppliers opt for regional distributors

Mungo Soggot

PLANS for the shake-up of the electricity supply industry were shifting away from centralised control and towards carving it up into regional distributors, industry spokesmen said at the weekend.

The Electricity Working Group, which is steering the revamp, said it would present its plans to government by next month. The group would propose either forming one national decentralised electricity distributor or carving up the current set-up into several regional distributors.

Other industry sources said whereas the group had initially favoured having a decentralised national distributor, it had been confronted with evidence suggesting that regional distributors were also viable.

Eskom itself favoured having as much decentralisation as possible in a range of regional distributors and others in the group were coming around to their point of view, one said.

Whichever way the working group goes, all Eskom's and local authorities' distribution assets will be put under one umbrella organisation. Although there is friction in the industry over how much centralised control to exercise over the new body, there is agreement that the current set-up has to go.

The status quo is seen as being riddled with inefficiency and, lacking transparency.

One source said the proposal to government would recommend having as many regional distributors as was financially viable. He said it appeared the regional approach would give the best results, enabling more efficient electrification drives and more transparent pricing and cross-subsidisation.
IBA members take stark, but hold on to their
IBA gives SABC3 go-ahead to reach wider audience

Michael Sparke
Sunday Star 15/3/92

Television viewers in the Eastern Cape and Kwazulu-Natal will soon be able to watch SABC3 for a half hour portion of the evening. After the Independent Broadcasting Authority (IBA) granted interim consent to allow SABC 2 and SABC 3 to switch on until midnight.

SABC group manager of public policy, Emach, Ntsholedo, said the SABC had applied for the switch because, in large areas of the two regions, some viewers could not receive programming on English, giving them no choice of programming in a language they could understand.

"We received a petition from Queens five with 3,000 signatures which had a covering letter from the mayor complaining about the programming which we took to the IBA last week," Ntsholedo said.

He emphasised that while not all areas of the country received all the networks in most other areas people usually had an option.

The IBA had, in a statement yesterday, that the interim consent was dependent on hearings on the applications which are expected to be held early next month.

It said legal opinion on either the consent could be granted without a formal hearing differed, but the IBA had decided to agree to the request in the public interest."
The Independent Broadcasting Authority was set up to ensure some of the highest salaries in the public service - up to R$400,000 a year - for executives who were renting luxury cars and flying first class. This has raised questions about the value for money of the salaries.!

On Wednesday, the Minister of Posts, Telecommunications, and Broadcasting, Dr. Pallo Jordan, was asked to account for the salaries paid to the new board members. 

The 13 board members have been paid a package of around R$400,000 each, with salaries, housing, and allowances. The board members are required to have significant experience in broadcasting and communications, but the government has not justified the high salaries. 

Mr. de Kock and Dr. Matshaba are paid a package closer to R$600,000 with allowances. The two executives had previously worked for the broadcasting authority as well as a top-level executive at the BBC. 

The Independent Broadcasting Authority was set up to ensure some of the highest salaries in the public service - up to R$400,000 a year - for executives who were renting luxury cars and flying first class. This has raised questions about the value for money of the salaries.!
IBA probe dismissed

The chairman of Parliament's communications committee, ANC MP Sako Macozoma, has dismissed suggestions that his committee was set to probe alleged lavish spending by the Independent Broadcasting Authority and was set to call a minister to account.

Describing weekend press reports as "gutter journalism", he said criticism levelled against the salaries and benefits of co-chairmen of the IBA Dr Sehleto Mokone-Mtshali and Mr Peter de Klerk was unfair as they were doing an important job of transforming the nation's airwaves.

Their packages of about R400 000 a year should be compared with similar posts in the rest of the world, he said.
Regional power plan under fire

Mungo Soggot

KEY Industries have hit out at the handling of the electricity supply industry carve-up, rejecting the move to create several regional distributors which they say would fuel inefficiency and not bury it.

The energy end users' forum representing companies including Sentrachem, Afrox, Sappi, Mondi, Tiger Oats and Consol — said at the weekend that the electricity working group had failed to include major electricity users in its deliberations.

It said the only motivation for creating regional distributors was a political one — it would protect local authorities which depended on revenue from electricity sales, whereas the other available options would not.

Forum chairman Johan Hees said it was absurd that the working group was charging ahead with its plans without adequate consultation with industry.

There was only one industry man in the group, and he worked for Auseaf, which has a special deal with Eskom.

Hees said the working group often asked for official reaction from the forum, but never acted on it.

He scorned the working group for pretending to be transparent.

The working group, which is about to present its recommendations to government, includes Eskom, the national electricity regulator and government representatives. After initially favouring the idea of abutting all Eskom's and local authorities' distribution assets into a decentralised national distributor, it has swung around to the idea of having several regional distributors.

The regulator, Eskom and local authorities involved with electricity supply are adamant the current setup, with its plethora of tariffs and widespread inefficiency, has to be shelved, but are divided as to which route will be best for the customer and the mass electrification programme.

Hees said the forum was convinced a national distributor was the only route to improving quality, cutting prices and eliminating cross-subsidisation.

It was a fallacy that SA's electricity was the world's cheapest. With help of cut-price coal, SA's generated electricity was cheap. Yet once Eskom and local authorities had added transmission and distribution costs, it was on a par with most developed countries.

The move to regional distributors would exacerbate these inefficiencies, he said.

Hees said the forum believed it was crucial that cross-subsidisation was eliminated — simply by changing the way local authorities handled their billing. Local authorities could itemise the cost of services currently subsidised by the electricity price.

The regulator could not be reached for comment.
IBA plans language development fund

Ingrid Salgado

The Independent Broadcasting Authority (IBA) has proposed that private radio stations contribute a percentage of their gross revenue to a language development fund.

In a discussion paper on private sound broadcasting services, released last week, the airwaves regulator also proposed that radio stations which broadcast in a second language other than English receive a rebate on their annual licence fees. The broadcast of additional languages would attract a further rebate.

The IBA would "not normally specify" the broadcast language of a station, but had to encourage broadcasting in languages other than English, it said. The proposed licence fee should be 1% of annual turnover. Additional fees were being considered for licence applications, issue, renewal and amendments to licences.

Aspirant broadcasters and interest groups have until March 29 to make submissions on private radio regulations. The authority hopes to publish final regulations for private radio stations in May. It is set to open private radio licence applications for Kwazulu-Natal and Western Cape in May and for Cape late in June.

In terms of local content for radio, the paper proposed that 20% of music broadcasts were of local origin. Radio stations which dedicated more than 15% of air time to music broadcasting should be governed by this regulation, the paper said. While the authority had to be satisfied that applicants had secured access to initial funding, it would not necessarily select applicants with the highest potential profitability.

Other selection criteria included diversity of ownership and proposed management structures, "general financial soundness" of proposals, an applicant's ability to provide all necessary resources, including adequate staffing levels, and demonstration of the station's social value.

Applicants should produce detailed projected cash flow statements, projected income and expenditure statements, projected annual operating expenditure and guidelines for balance sheets. A comprehensive market study should be undertaken.

The authority suggested criminal sanctions and financial penalties for licences which breached regulations on cross media ownership. However, exemptions would be granted in cases where the cause was good for the public.
Electricity
body denies
accusations

The National Electricity Regulator yesterday shrugged off accusations that the electricity supply industry is forcing through plans for an industry shake-up without adequate consultation.

"Regulator spokesman John du Plessis said the working group, which includes the regulator, government, municipal officials, and Eskom, had consulted the industry and "taken any suggestions seriously."

But the new "up could not please everyone."

The revamped would involve all the regional and local distribution assets being turned into either several regional distributors or a decentralised national distributor. The working group was about to present its plans, which included both options, to government. Cabinet would decide which route would be best/to keep prices competitive and guarantee the success of the mass electrification programme.

Du Plessis was responding to accusations from the forum for energy and users, which represents several major companies, that the industry was being ignored.

The forum rejected the idea of creating regional distributors and said it would not help improve the industry but merely safeguard a key source of income for local authorities. It was a "political" option which would destroy the industry's competitiveness.

Du Plessis said the forum did not represent industry. There were many other important players which had very different views. He added that the forum's fears were premature - the proposals could include plans for both regional distributors or a national distributor with regional arms. Although most of the supply industry believed regional distributors were the ideal, it might not be feasible to get there in one step.
Koeberg 'expensive and unnecessary'

FUNICE RIDER
STAFF WRITER

THE Koeberg nuclear power plant is "probably an expensive and unnecessary source of power", a British scientist said in a report released by UCT yesterday.

Nuclear economics expert Mr Steve Thomas, of the University of Sussex, said a detailed analysis of the plant's operating performance showed it was "unreliable" by international standards and had about 30% less output than similar plants elsewhere.

This unreliability could have serious implications for the safety of the plant if it reflected poor standards of maintenance.

His report, released by the UCT Energy and Development Research Centre (EDRC), raised questions about whether South Africa should be devoting scarce resources of skilled labour and finance to nuclear technology when the returns were so poor.

Coal power plants would be cheaper for South Africa, he said.

Mr Tony Stott, Eskom's generation nuclear assurance manager, said yesterday that Eskom, which runs Koeberg, had not yet seen the report and so could not comment.

Eskom had been trying to get a copy of the report since last week to establish on what grounds Thomas made his claims: EDRC promises to fax him a copy in Johannesburg had not been kept.

He said, however, that Eskom was surprised at allegations that the plant was "unreliable". Koeberg was part of the Eskom network of power stations — not an isolated station — and so was operated to conform to the requirements of the network.

"We consider it highly unprofessional of a research organisation such as the EDRC to publish and publicise a paper such as that of Mr Thomas, without verifying the facts, which they could very easily have done by approaching Eskom," Stott said.
Minister raps IBA on the knuckles

CAPE TOWN — Postal and Telecommunications Minister Pallé Jordan has asked the Independent Broadcasting Authority to comprehensively review its R41.5m 1986/87 budget and to effect "economies" where necessary.

This follows weekend media reports that IBA executives are living in the lap of luxury.

IBA co-chairmen Schilele Mokone Matabane and Piet de Klerk were summoned to account to Jordan at a meeting in his Cape Town offices yesterday.

"They had assured him IBA expenditures had been audited as was customary in state institutions, Jordan said.

The auditor's report would be made available when the IBA reported back.

This financial year's budget had also been discussed at length with the department of state expenditure.

Salaries paid to the IBA co-chairmen were "on par with those of civil service director-generals. The IBA co-chairmen earned, with benefits, R415 500 a year. IBA councillors earned, with benefits, R230 000 a year."

— Supa
On the air ... Joanna Ghiggen (left) is helping train community broadcasters. With her is National Association of Broadcasters' director Daniella Goldman.

US expert praises black co-operation

Joanna Ghiggen, sent to SA by the US National Association of Broadcasters, listened to people around her before making recommendations.

By Michael Spinks

Unlike many "experts" who flit into a new country and start promoting on how the country can solve its problems, Joanna Ghiggen spoke to South Africans and observed their interactions before she came up with possible solutions.

That attitude has been very important to her in winning the support of the 15 representatives of community radio stations she is involved in training as broadcasters, after she was brought out from the United States by the National Association of Broadcasters (NAB).

Her observational skills taught her many things about South African society that are important in the way a community radio station should run.

"Look at that," she said, pointing to a group selling shoes. "We can all learn something from people like that. I have learnt that in black society many decisions are taken by consensus, which has implications for the way you run a radio station, on how decisions about buying equipment and equipment are made," Ghiggen said.

Her broadcasting experience includes running multicultural radio stations for the Hispanic community in New York, where she said one of the greatest problems was in assessing listenership figures, a problem similar to that experienced by community radio here.

That led her to watch consumer trends in various parts of the city to gauge purchasing power in each community, using that to encourage companies to spend advertising money on stations within those communities.

NAB executive director Daniella Goldman said the approach was very welcome in South Africa.

"It is great that Joanna has come out here so non-judgmental in her approach. I have spent some time here she has had a chance to identify some of the problems, and can now try and implement her ideas," Goldman said.

Ghiggen typified her approach when she said: "It has been worthwhile for me. The people I have dealt with have been such great teachers of cultural values. I have learnt so much."

Ghiggen expressed concern about the very low power transmission in the Independent Broadcasting Authority (IBA) was granting to community stations.

"Such low-power transmitters will effectively create a new apartheid of the airwaves. Each radio station will only be able to transmit to people within that community. It leaves no scope for people in one area to learn about the cultures of people in different areas," she said.

To illustrate this she used the example of Soeto as a haven for creative black musicians. But if Soeto's community radio stations cannot broadcast beyond the boundaries of the township, no-one else will have the opportunity to experience and enjoy that music.

Not only would the community stations broadcast township music into the white suburbs, but Ghiggen believes it could play a role in bridging the cultural divisions in the new democracy and help to unite the country.
Broadcasting authority told to tighten its belt as budget spirals

Information emerges of high IBA salaries and huge rents as spending takes off from R17-million to a proposed R41-million.

BY MICHAEL SPARKS
Cape Town

Broadcasting Minister Fallo Jordan has ordered the Independent Broadcasting Authority to tighten its belt after a meeting with the co-chairs in Cape Town yesterday.

A statement released by Jordan’s office said: “The Minister has requested the co-chairs of the IBA to undertake a comprehensive review of their budgetary proposals, with a view to effecting economies where necessary, and to report to him as soon as possible.”

The Minister had asked the co-chairs of the IBA to urgently give him information on salaries and budgets at the authority.

The statement added that the IBA had proposed a budget for the 1996/97 financial year of R11.94-million, an increase from R30-million in the last financial year and R17-million in its first year of operation. It is still unclear what the final budget allocation will be.

The co-chairs told the minister the IBA currently had a staff complement of 88 and the IBA Act prescribed that the salaries of its personnel be market related to prevent poaching by the private sector.

That makes the Chief Administrative Officer Harris Goawen the highest paid official at the IBA, with a basic salary of R230,000 per annum, while co-chairs earn R201,698 and councillors earn R125,526 as a basic salary.

The co-chairs also told the Minister the IBA paid annual rental of just over R2.3-million for Khasko House, its premises in Johannesburg’s exclusive suburb of Rosebank.

In addition the IBA used to rent premises across the road at Sanlam Arena, at an annual cost of just over R270,000.

However, the IBA would be vacating these premises at the end of the month, and would move to President Place in Lower Baker Street, Rosebank, at an annual rent of R883,214.

According to IBA spokesman Amos Vilakazi, the IBA had arranged for renovations to Khasko House because the premises proved too small, forcing the legal and policy departments to take offices in Sanlam Arena.

Those departments were now back at Khasko House, but the offices were again too small and the councillors and their support staff would be moving to President Place.

When asked why the councillors did not move to the cheaper, and more closely located, Sanlam Arena, Vilakazi said that the landlord at Sanlam Arena had already rented out the space that had been vacated by the IBA.

Vilakazi added it was important for the councillors to be located close to Khasko House, and the more than R800,000 annual rent was the going rate for suitable office space available in the area.
Atomic energy body 'not in business of secrets anymore','

By Tamsen de Beer

The Atomic Energy Corporation (AEC) has entered an era of public transparency, head of nuclear management Brian Hambleton-Jones told residents at an information session on the nuclear waste issue at Radaton Hill yesterday.

"We are not in the business of secrets anymore," he said, adding that the public would immediately be informed of any incident that affected them.

The policy shift follows recent media coverage of the excavation of trench 7 on Radaton Hill after an exclusive story by The Sunday Independent.

The incident was interpreted as a major nuclear incident, although the public's watchdog on nuclear activities, the Council for Nuclear Safety (CNS), said there was never any risk to the public, only a breach in procedural regulations when the trench, containing low-level radioactive waste, was erroneously excavated last year.

"Yes, the decision to excavate the trench was a mistake," Hambleton-Jones told residents.

But once Pelindaba management discovered the error, excavation was suspended and the CNS informed, he said.

A moratorium has been in place for a year since then, suspending any further excavation of the trench.

The ABC also announced the formation of the Pelindaba Communication Forum, to discuss and address residents' concerns surrounding the about 30-year-old site.

The first meeting of the forum, to include community representatives and environmentalists, is due in April.

Residents asked that water samples be taken from a greater cross-section of areas in the vicinity of Pelindaba, and that an analysis be done on the level of incidents of cancer and genetic deficiencies, the main consequences of radiation exposure, in the Hartbeespoort dam area.

But AEC environmental manager Dr Cairns Bain responded by saying levels of radiation were so low that such additional measures were not necessary.

Radiation levels measured in milk, and the water, fish and sediment in Hartbeespoort dam were "one thousand times below the recommended limit", he said.

"We contribute less than one-hundredth of what the average person is exposed to in terms of radiation," he added.

Mineral and Energy Affairs Minister Pik Botha's address in Parliament coinciding with the briefing of residents included a suggestion that the name, Radaton Hill, be changed.

"But that doesn't mean we want to hide behind a new-sounding name," AEC chief executive officer Dr Waldo Stumpf told residents.

Reading extracts from Botha's address, Stumpf said people were exposed every day to radiation levels from natural sources that constituted 70% of their total exposure.

Medical x-rays constituted more than 25% of the remainder, with rays from television making up 3.4% of the total.

Nuclear drums excavated at Radaton Hill last year had been in breach of the ABC's licence obligations, although there had been no intentional negligence, Botha said yesterday.

Speaking during an interpellation by Marcel Golding (ANC), the minister said the workers had been properly protected and supervised in the presence of a health physics officer.

However, there had been a breakdown in communication between the supervisor and health physics officer, and therefore the excavation had failed the ABC's licence obligations.

The personnel involved had been reprimanded.

Golding said there was no doubt that a serious breach of the licence had taken place and senior management should take the blame. - Sapa.
IBA offers to open up accounts and denies overspending

**Staff Reporter**

The Independent Broadcasting Authority has rejected allegations of overspending public funds, saying it is prepared to motivate every item of expenditure.

Co-chairmen Peter de Klerk and Sebile, Mokone-Matabane, said yesterday they would discuss their proposed budget for 1996/97 in detail with the finance and communications committees to answer any questions that committee members may have relating to the IBA's use of public funds.

They were responding to a statement released earlier this week by Broadcasting Minister Pallo Jordan in which he called on the IBA to tighten its belt wherever possible and account for its R41-million budget.

The IBA said some of the spending was to speed up the establishment of a broadcasting environment, including the Triple Inquiry Report, satellite regulation, licence hearings for community broadcasters, and other projects.

It said the budget took account of start-up costs of substantial technical work, including frequency planning and monitoring in compliance with technical standards and licence conditions.

The statement added: "Some of these costs will not be repeated, while others are recurrent. The authority's budget and costs compare favourably with equivalent broadcast regulators in other democracies."
Move a step towards privatisation

State set to minimise debt guarantees

Munro Saggot and Paul Richardson

GOVERNMENT is to cut its exposure to parastatal borrowing by winding down the guarantees it grants against state bodies’ debt.

Finance department sectoral policy and public debt chief director Coen Kruger said this week the move — approved by Cabinet on Wednesday — sought to reduce the state’s massive debt exposure and to make public sector institutions more accountable.

Analysts said the decision to wean public sector bodies from central government could also be seen as a move towards privatisation.

Kruger said government’s guarantees on parastatal borrowing had risen R3bn to R66bn last year. The step would affect Eskom, Transnet and Telkom. “We need to look critically at our exposure, particularly with regard to public enterprises.”

Government would now charge fees for guarantees, which were essentially a “hidden subsidy, as parastatals use the guarantees in their (debt) pricing policies.” The structure and scale of the fees would be discussed with the bodies concerned Government had yet to set the date for implementation.

Kruger briefing capital market players in Pretoria on funding strategy, said the move would affect general government bodies as well as a few private organisations. Government’s total exposure through debt guarantees last year amounted to R66.3bn, down on the previous year’s R72.2bn.

Reserve Bank capital market GM Andre Koch, also speaking at Wednesday’s briefing, said government’s funding burden for the current fiscal year would be lightened by extra cash carried over from 1995/96. “Don’t expect the big bang in April. There is no pressure on government to fund because we have plenty of money in the kitty.”

Later a finance department official said hefty rollovers would help government carry over at least R3bn into the current fiscal year. This would ease the load when funding began in April.

Government intends to raise R39.6bn in the local capital market — the bond’s share of its R45bn borrowing requirement for 1996/97.

Finance director-general Estian Calitz said efforts to cut the Budget deficit could be helped by privatisation proceeds. “We have good reason to believe that after negotiations with the unions some funds might come through to help the deficit.”

Finance Minister Chris Liebenberg said in his Budget speech he was not counting on any privatisation cash, but economists said it was probably being

Debt guarantees
Continued from Page 1

Continued on Page 2

excessively conservative.

Calitz said government would source extra revenue from parastatal dividends — another source of revenue Liebenberg did not count on when setting the deficit target of 5.1% of GDP.

Finance deputy director-general Maria Ramos said government was planning to release a report in May on its cash management operation, which would seek to make better use of the money in state bodies and parastatals.

Government was reviewing its capital market operations, particularly its role as market maker, and was considering supplying market makers from the private sector.

Public debt management and administration director Johan Redelinghuys said government was planning a new long-dated stock, the R184, which would carry a coupon of 12.5% and mature in December 2006.
IBA ready to account for use of public funds

**BUDGETS WERE AUDITED**

**FRIDAY**

**MARCH 22, 1996**

WE've NOTHING to hide, says the Independent Broadcasting Authority. DAN SIMON reports.

The Independent Broadcasting Authority (IBA) is willing to appear before two parliamentary standing committees and fully account for its use of public funds.

Following the furor last weekend over revelations that IBA executives were living the high life with salary packages of up to R400 000, IBA co-chairpersons Dr Sebile Mokone-Matabane and Mr Peter de Klerk said the IBA was ready, if required, to account to the joint standing committees on finance and communications and answer "any questions" relating to the IBA's use of public funds.

"We will discuss our proposed budget for 1996/7 in absolute detail with the committees and answer any questions committee members may have relating to the IBA's use of public funds and the motivation of each and every expenditure item," the two said in a statement yesterday.

On Tuesday Posts and Telecommunications Minister Dr Pallo Jordaan asked the IBA to "comprehensively review" its R41.5-million 1996/7 budget and effect "economies" where necessary.

Jordaan said Mokone-Matabane and De Klerk had assured him that previous IBA budgets and expenditures had been audited as was customary in all state institutions. The forthcoming budget had also been discussed at length with the department of state expenditure.

Following the meeting, Mokone-Matabane and De Klerk said the IBA had to incur certain expenditure in order to speed up the processes necessary for the establishment of the broadcasting environment and for attending to other complex issues within the regulatory framework.

They said the IBA budget took into account the start-up costs of establishing the ability to do substantial technical work including frequency planning for the country, monitoring compliance with technical and other standards and licensing conditions, and planning the new broadcasting environment.

The IBA's budget and costs compared "more than favourably" with equivalent broadcast regulators in other democracies.
All aboard the IBA gravy train

The Mail & Guardian has received exclusive documents detailing IBA salary packages. 

Jacquie Golding-Duffy reports

ChAIRMAN of the Portfolio Committee on Communications, Saci Macozoma, emphatically denied this week that a gravy train existed at the Independent Broadcasting Authority.

He said his committee would not be drawn into the salary issue and would not get involved in any investigation into the IBA's salary packages.

"I don't consider there to be a gravy train at all and reports in this regard are intended to create an unnecessary situation," Macozoma said.

However, documents handed exclusively to the Mail & Guardian providing detailed accounts of the salaries paid into the banking accounts of IBA officials, heads of departments and general workers, would seem to contradict him.

IBA co-chair Peter de Klerk earned R30 164.61 for the month of December after deductions, but including his 13th cheque.

Dr Selpheliso Mokone-Matahane earned R30 252.88 for the same period.

Councillors also did well, with councillor William Lane earning R23 633.08, John Matsomme R24 331.27 and Lyndall Shope-Mafakomolane earning R24 331.27.

Broadcast Mntlmontsi Group head Bronwyn Keene-Yeung came out with R18 074.90 while IBA representative Amos Vilakazi earned R20 431.51.

Head of the IBA library Ruth Muller earned R14 464.83. The IBA's senior administrator, Harris Geawen, earned R21 605.53, while Human Resources manager Tsepo Matshabula earned R17 330.78.

Head of Frequency Management Unit Koenie Schutte earned R18 173.07 and legal counsel for the IBA Glen Marques earned R13 700.99.

"Post" Telecommunications and Broadcasting Minister Palllo Jordan summoned a meeting of the IBA co-chairs earlier this week to discuss their controversial salary packages and the authority's R41.5-million budget proposal.

Jordan denied that he was addressing Parliament to discuss the regulatory body's use of taxpayers' money as reported in the Sunday Times, but said he would respond to questions in writing to a question posed by the Democratic Party with regard to the IBA's finances.

He said the IBA came forward with a budgetary proposal for R41-million for the coming year, but stressed that "no money has been handed out as yet".

"I am considering the proposal but it is ultimately up to Parliament to accept or reject their proposal," Jordan said.

Vilakazi said he believed the initial proposed budget for the current financial year had been cut down to R30-million and that there was to be no further discussion.

He said the R30-million allocated budget was R8-million up on the regulatory body's previous year's budget.

As far as he knew, "nothing has to be decided since we already have a budget."

As for councillors' salary packages, Vilakazi said the authority will not conduct an investigation "if there is an investigation, it will be by an independent body."

IBA councillors have, however, assured Jordan that expenditures were audited as was customary in state institutions.

The auditors' report would be made available to the ministry when the IBA next reported to Jordan.

Two of the four nominees for the IBA's councillors' posts — which still have to be rubber-stamped by President Nelson Mandela — said they could not say whether they would consider salary cuts because they didn't know what their salaries would be.

Drama lecturer at the University of the Western Cape Mushe Maponya suggested the question of salary cuts be put "to the current councillors and not to us nominated to replace them."

"Maybe one should not be asking about salary cuts, but rather a cutback on the alleged extravagances," Maponya said.

Chairman of the Freedom of Expression Institute and member of Thabo Mbeki's 10-member task team, Raymond Louw, is also one of the nominees for a councillor's post. Louw said it was "extremely sad" that the IBA was brought into disrepute as a result of alleged lavish practices.

He said the issue had to be looked at critically and dealt with speedily.

In response to salary cuts, Louw said neither his appointment nor his salary was officially confirmed, and, therefore, he could not fully comment on a possible salary cut. He added that the intensity of the job also had to be examined before cuts could be considered.

According to the statement released after the meeting between Jordan and the IBA, the authority's chair reported that their salaries were on par with those of directors general in the civil service — about R411 520 a year with benefits, while councillors earned R320 000 a year with benefits.
Radio doyen wins first round against SABC

JEAN LE MAY

POPULAR broadcaster Leslie McKenzie, axed by the SABC when it restructured Radio South Africa last March, has won the first leg of a case he brought against the corporation in the Cape Town Industrial Court.

The court found that he was an employee in terms of the Labour Relations Act. If he succeeds in the second leg, he could collect damages for wrongful dismissal.

The action could set a precedent for other cases involving part-time or free-lance workers.

Mr McKenzie, who is now with Fine Music Radio (FM), hosted two shows on Kfm, the hour-long Talkabout every weekday and the weekly Traveller's Check. There was huge public protest when Mr McKenzie and other popular broadcasters were axed. They included Marilyn Holloway, Stella Heyer, Jeremy Dawes, Christopher Bennett, Paul Desmond, Roy Williams and Bob Law.

SATURDAY Argus understands that other cases may be pending.

After the court's finding last week, Mr McKenzie's lawyer Piet Faber told SATURDAY Argus the matter would be set down for a decision on whether his dismissal was fair and was based on proper commercial considerations.

Pieter de Klerk, president of the Industrial Court, said that it was common cause that Mr McKenzie was a free-lance contributor who produced and presented two programmes for the SABC.

He was not a member of the permanent staff and his engagement extended over six years.

Originally, there were contracts with standard fixed provisions for each programme, said Mr De Klerk, but when the relationship ended there was no contract for Talkabout.

In the absence of a contract, the matter could be decided on how the parties conducted themselves, he said.

"Mr McKenzie was invited to attend and actively took part in staff meetings. He was paid monthly and received an annual increase. He was given paid leave or time off and devoted all his productive capacity over a period of six years to his tasks. He even kept office hours on a similar basis to staff who were permanent staff members."

Although Mr McKenzie produced other programmes on an ad hoc basis, they were all for other divisions of the organisation. The SABC was his only source of income, said Mr De Klerk.

"He was regarded as a co-employee (part of the furniture) which was not the case with ordinary free-lance contributors. These considerations are incompatible with the notion of an independent contractor."
IBA out to pull plug on cross-media ownership and foreign control of private broadcasting

By WILLIAM-Mervin GUIMEDE

The Independent Broadcasting Authority called strongly against cross-media ownership and foreign control of private broadcasting services in a discussion paper released this week.

The regulation authority proposes that no person who controls a newspaper may acquire or retain a financial control in either radio or television.

"No person who is in a position to control a newspaper may be in a position to control a radio or television licence in an area where the newspaper has an average issue readership of more than 20% of the total newspaper readership in that area, if the radio licence overlaps substantially with the circulation of the newspaper," the paper says.

Substantial overlap means having a stake of 50% or more. The effect of this proposal would mean that a newspaper will still be able to acquire a financial stake in a radio or television station but may not be in control of such a licence.

The IBA says it will encourage ownership and control of broadcasting services by people from historically disadvantaged groups. "The IBA encourages equal opportunity employment practices by all licencees, and intends to ensure that private and broadcasting community licencees are controlled by persons or groups from a diverse range of communities," the discussion paper says.

It says the IBA considers it important for broadcasting licence applicants to demonstrate an intention to invest in the development of the historically disadvantaged.

The IBA argues that companies in possession of private broadcasting licences must supply full and extensive disclosure of their shareholding and financial structures. It suggested harsh criminal sanctions and financial penalties for those breaching its regulations.
IBA rejects gravy train allegations, saying those pointing fingers are irresponsible

WILLIAM MERVIN GUMEDE

The Independent Broadcasting Authority has rejected claims that it is just another gravy train where free-spending officials are paid high salaries.

Earlier this week Broadcasting Minister Pallo Jordan called on the IBA to tighten its belt and account for its R41-million budget.

An investigation into the broadcasting authority's financial affairs has also recently been called for by the Independent Broadcasting Commission.

Communications chief Amos Vilakazi said the IBA was not dragging its feet on granting licences, and pointed out that the organisation had, in fact, granted 20 licences to community radio stations. "The IBA is criticised for not delivering in time to grant licences to private radio stations, but the same people forget that 20 community radio stations have been granted licences so far," he said.

Vilakazi said claims that the IBA's R41-million budget was excessive were short-sighted as "these people do not realise that the organisation has to regulate a media industry worth more than R2-bilion on this amount."

Chairmen of the IBA, Peter de Klerk and Suhlela Mokone-Matabane, said they would motivate every item of expenditure and discuss the proposed budget for 1999/2000 with the finance and communications committees.

They said some of the spending had been used to speed up changes in the broadcasting environment, including the Triple Inquiry Report, satellite regulation, licence hearings for community broadcasters, and other projects.

They said the budget took account of the start-up costs of substantial technical work, including frequency planning and monitoring in compliance with technical standards and licence conditions.

Jordan said yesterday the IBA was allocated R65-million less than had been asked for in 1998/99.

"In a written reply to a question from Democratic Party MP Dene Smuts, he said the IBA had proposed a budget of R41.5-million."

The Department of State Expenditure, however, had recommended that the amount be reduced to R35-million - the amount allocated to it in the national Budget announced this month by Finance Minister Chris Liebenberg."
Luxury lifestyle for
top IBA councillors

By IVOR POWELL

INDEPENDENT Broadcasting Authority chairman are to move into new luxury
office suites at an estimated cost of R70 000 a month—just two weeks after
being told by the government to cut expenses.

The suites will each house a councillor, a personal assistant and a special legal
assistant—each has its own fridge—and showers are laid out.

In the same week that Palle Jordan, the
Minister of Posts, Telecommunications,
and Broadcasting, ordered a full audit of the
authority's affairs, it was discovered that

• A top job was given to a man indicted by an
inquiry as defrauding his former employers.

• The authority held a week-long "bosberaad"
last year—at a cost of around R30 000—to
the taxpayer—barely 10km from their offices.

• After the "bosberaad", two councillors
stayed at the resort for an extra week, at the
authority's expense, and

• The same pair spent nights at the Carlton Hotel
during hearings, despite living in Johannesburg.

Harris Gxaweni, the authority's chief
administrative officer—and former
company secretary of the Transkei
Broadcasting Corporation—had pre-
viously been investigated for allegedly run-
ging a private business from the corpo-
rator's offices. A Transkei commission of
inquiry found the claims to be substan-
tially true.

However, after Mr Gxaweni challenged
the matter in court, the committee was
found to have been improperly constitu-
ed, and charges were dropped.

A second inquiry was held. Although its
findings were not made public, official
reports released after demands by Transkei
unionists said it had come to the
same conclusion as the first.

In 1995, when Mr Gxaweni was being
interviewed for the job he now holds, cer-
tain councillors strongly opposed his
appointment. However, the majority
insisted that he get the job.

Defending the decision, councillor Lynda
Shope-Mafolie admitted she had not
seen the report, but said a letter sent to the
authority by one of the committee mem-
bers strongly supported his innocence.

While the IBA was holding public hear-
ings in Johannesburg last year, IBA co-
chairman Sehlese Mokone-Matabane
and Mr Shope-Mafolie moved into the Carl-
ton Hotel at a cost of near R3 000, although
their homes are a few kilometres away. "We
had documents to read," said Ms Shope-Mafolie.

"Also, against the background of black as-
pirations of some councillors, it was impor-
tant for us, as the only two black councillors, to
set an example."

In similar high-flying style, the two councillors
stayed for about a week at the Hwange Safari Lodge in Hwange, at the end of an IBA "bos-
beraad" held in the middle of last year. This was
to discuss documents and exchange ideas. Ms Shope-Mafolie
said "We were preparing the Triple In-
quiry report at the time I felt everybody
should stay, but most of them went home."

In a letter to the Sunday Times this
week, IBA co-chairman Peter de Klerk
and Sehlese Mokone-Matabane... de-
scribed the characterisation of the author-
ity's councillors as high-flying, curious
about some of the highest salaries in the civil
service, and driving luxury -re-
ted cars, as a "total distortion of the facts."

The letter insisted the authority gener-
ally used three-star hotels, and only occa-
sionally, when those are not available,
four-star. Similarly, business-class flights
were the norm for councillors, and econ-
omy for staff. This was contrasted with the
flight arrangements of directors gen-
eral of government departments, who
were entitled to fly first-class.
‘No need’ to justify IBA budget

Ingrid Salgado

THE communications portfolio committee had not summoned the Independent Broadcasting Authority to answer questions on its R41.5m budget for 1996/97, committee chairman Saki Macozoma said at the weekend.

There was no need to call the broadcast authority to justify projected expenditure, he said.

He had attended a functions committee meeting when the IBA's budget was discussed and said he was convinced its budget was consistent with government policy and the use of government resources.

It was normal practice that the authority appeared before the finance portfolio committee to explain and justify its expenditure, Macozoma said.

All government departments with allocated budgets were required to do so.

Posts, Telecommunications and Broadcast Minister Pallo Jordan last week called on the authority to "comprehensively" review its budget and effect economies where necessary.

The IBA expressed willingness last week to appear before both committees to justify its use of public funds.

Macozoma also denied the committee would ask the authority to justify the salaries of the IBA's co-chairmen, who received base salaries of more than R200 000, inflated to more than R400 000 with benefits.

Macozoma said the salaries were within public service standards, although they were at the higher end of the scale.

DP MP and communications committee member Dene Smuts said it might be desirable for the committee to meet the IBA once public dissatisfaction with its budget had been expressed.

However, the authority had an "almighty and demanding task" ahead of it, he said. The telecommunications revolution was tremendously important to SA's economy and it was vital that IBA officials received market-related salaries in order to attract quality employees.

Smuts said it might be necessary to review the IBA officials' benefit packages.
BOOKS

STEVEN LAUNDER

PDP turns to parasitics to beef up management
Row over sale of radio stations

Wyndham Hartley

CAPE TOWN — A row is brewing between the NP and the SABC over the corporation apparently "confidentially" proceeding with plans to sell off some of its radio stations without waiting for parliamentary authority.

Guidelines issued by the SABC, through its merchant bank Investec, went to selected potential buyers with a "confidential sale memorandum." These guidelines stressed that the closing day for offers on radio stations to be sold off was March 15.

It also says that Investec will advise potential buyers "whether or not they have been selected to participate in phase two.

"The selection will be made at the sole discretion of the SABC," the document says, and that the SABC is under no obligation to accept any particular offer whether or not it is the highest purchase price offered.

NP spokesman for broadcasting Marthinus van Schalkwyk said the guidelines made it clear the SABC was making documents available to a limited number of potential buyers. The NP had received complaints from interested parties that some potential buyers were being given an "inside track," he said.

The "sole discretion" clause made a mockery of the SABC and government's commitment to transparency. Because Parliament had not yet approved the selling of the stations and the IBA report had not been fully debated, "the fact the SABC is proceeding with the selling of the stations undermines the authority of Parliament," SABC CE for radio Govan Reddy said.

The NP's information was wrong. He said the intention to sell the stations was advertised in all major newspapers and all potential buyers who signed the confidential sale memorandum were included on the list from where the choice would be made.

He said the SABC would look at the offers and decide which it wanted to accept. This would then have to be approved by the IBA which would grant the licences to the new owners.
Pay of top SABC and IBA staff probed

The salaries of Independent Broadcasting Authority councillors were approved by himself and had been unchanged since 1994, Broadcasting Minister Pali Jordan said yesterday.

They were market related as stipulated in the IBA Act, he said during an interpellation on IBA and SABC executive salaries.

Referring to the SABC, Jordan said the salaries earned by several top SABC officials were being investigated.

SABC chief executive Gert Claassen was earning R370,000 a year, while acting chief Zwelakhe Sisulu was earning R460,000.

Radio chief Govan Reddy was earning R330,000 a year and acting television news head Jill Chisholm R290,000.

Salaries for the strategic planning general manager, acting finance/chief executive and human resources chief were also being investigated.

Martinus van Schalkwyk (NP) said these salaries were "astronomical" and larger than those of MPs.

He asked Jordan to have allegations of mismanagement and theft in the IBA and its salary structure investigated.

The NP would not support any state funding of the SABC while the situation continued, Van Schalkwyk added.
Johannesburg — A short-list of 22 potential buyers has been drawn up for the six SABC radio stations announced for sale in January, the Independent Broadcasting Association (IBA) said yesterday.

The bidders, who have requested anonymity, will now be given access to SABC files and personnel to perform due diligence studies.

Peter de Klerk, a co-chairman of the IBA, said the authority would require the SABC to choose at least three potential buyers for each station. The IBA would then hold public hearings to select one licensee from each group.

The system is designed to preempt complaints that the SABC will be choosing its own competitors, de Klerk said.

The sale of existing stations is the first phase of an ambitious plan to create 12 commercial stations by the middle of next year. Applications for the six new radio stations will be invited by 17 May, and the IBA hopes to have them allocated by the end of the year.

Lyndall Shope-Mafolo, an IBA councillor, denied that 12 might be too many to survive on the available advertising.

"The experience of other countries — particularly the United States — suggests that if someone says they can't make it work on the available revenue, there is always someone else out there who can," she said.

The IBA will aim to award licences only where the market is strong enough to ensure viability.

The authority also published a discussion paper yesterday on the regulations and conditions that should apply to the South African commercial radio industry.

The paper emphasizes the importance of bringing historically disadvantaged communities into radio, promoting a diversity of South African languages and culture through the medium, and ensuring that control cannot be concentrated in the hands of a political or business elite.

It proposes, for example, that a minimum of 20 percent of music broadcast on music stations be of South African origin.

Seblete Mocone-Mabane, a co-chairman of the IBA, denied that the document made unreasonable demands on bidders or that it excluded traditional business.

"We have shown the paper to US experts and they think it is incredibly mild," she said. "Everyone who applies for a station will be considered. It's a question of what people have to offer. If a group meets all the criteria and can offer added value on top of that, they will obviously have an advantage."

The IBA has made it clear that it will scrutinize applications closely for details of the ownership of the potential stations. IBA councillors said they would expect complete transparency about other interests held by potential bidders, and act strongly to prevent cross-ownership of the media.

Insiders say the authority is determined to learn from the British experience. There, Rupert Murdoch has accumulated newspapers, publishing interests and satellite television stations.
Free health care catches Cape off guard

Linda Ensor

CAPE TOWN — Health Minister Nkosazana Zuma took the Western Cape health department by surprise this week when the free primary health care programme was to commence on April 1.

The department was expecting the R5.3bn programme to come into operation several months later and was unprepared.

Health MEC Ebrahim Rasool said the programme would have a significant effect on the department's income in a context of a declining annual budget. However, he welcomed the national free health care policy which, he said, would also help ease the load on big hospitals.

"While we do have until 1 July to implement this, the indications are already (there) that expectations of fees being waived are high. Already people are reluctant to pay. We would therefore have to examine implementation by April 1," Rasool said.

He said that the policy would have major implications for the clerical staff at primary health care centres, many of whom would become redundant.

Also, nurses and other clinical staff would have to handle an increased patient load.

Rasool said he assumed that the R5.3bn allocated for the programme this year would be made available to the provinces.
Big switch off sparks ‘panic’ at the SABC

THE much-vaunted “new” SABC is a big switch off according to English- and Afrikaans-speaking viewers.

The latest Amps figures released by the Nielsen research agency this week show that, on average, English and Afrikaans-speaking viewers are watching about 25 minutes less television a day than they did a year ago — and more than 40 minutes less than they did two years ago.

This means that about 20 percent of the predominately white English and Afrikaans-speaking viewership has been lost to the public broadcaster in two years.

Nor has the SABC gained among black viewers what it lost among whites. The number of Nguni and Sotho viewers has barely remained constant since the same time last year.

But, says the SABC, the Nielsen figures are misleading.

Under the old dispensation of TV1, CCV and NNTV, the largest footprint was possessed by TV1, which broadcast exclusively in English and Afrikaans — with a signal distribution which covered nearly 90 percent of the country.

Now the only channel which broadcasts predominately in the two languages is SABC3 — which, until the beginning of this week, had a footprint more or less restricted to metropolitan areas and a total distribution of just over 50 percent.

“In terms of the targets set when the SABC changed over, we are fulfilling expectations,” said SABC media liaison coordinator Don Seekane.

“In fact, audience ratings have been climbing since February 5 when the changeover took place.

“As far as advertising revenues are concerned, it is only SABC3 which is not coming up to scratch at this point. But predictions by station management were that it would grab a far greater share of audience than it actually has.”

In fact SABC3 has increased its market share from only three percent in February to around 14 percent today. But management predicted it would be far more.

Insiders at the SABC said that the corporation was in a state of “panic” over its performance since the relaunch. They noted that, within the corporation, the idea was that the relaunched SABC3 would attract enough advertising to offset losses on the other channels.

The background to this prediction lies in the fact that while whites can only account for a fraction of the channel’s viewership, they continue to attract the lion’s share of the advertising market, by virtue of continuing to control around 80 percent of the country’s wealth.

The total advertising pie for television is estimated at around R100 million annually. At present, the SABC is down by well over 30 percent on last year’s figures, sources said.

But the bad news for the SABC does not equal good news for its competitors.

M-Net has also lost out in the ratings, shedding about 10 percent of its viewership since 1995.
IBA appointments on ice

By Sowetan Correspondent

Parliament has frozen the appointments of three new councillors to the Independent Broadcasting Authority in what appears to be an attempt to give the body more black representation.

In a resolution passed on Friday evening, it was agreed that the names of the nominees - Piet Lotzlet, Raymond Louw and Mashe Maponya - be referred back to the parliamentary select committee on broadcasting.

The fourth nominee, a current IBA councillor, Lyndall Shope-Mafok, had her appointment renewed and approved by Parliament.

The resolution said the refer-back should be in terms of the legislation governing the IBA, which provides that it should be broadly representative of the South African population.

If Lotzlet, a former SABC news executive, and Louw, former editor of the Rand Daily Mail and current chairman of the Freedom of Expression Institute (FXI), were to be appointed to the IBA, it would have been "a very white organisation", according to a source in the broadcasting industry.

Other sources consider it likely that Maponya, who is a theatre director, playwright and Wits University lecturer, will have his appointment confirmed by the committee.

The positions of Lotzlet and Louw could be more problematic. The NP would undoubtedly push to have Lotzlet's nomination confirmed. If there has to be a trade-off, Louw could be the victim, say the sources.
WHERE GRIEVANCES ARE AIRED

Radio Atlantis turns people on

RICHARD DUDMAN, retired veteran Washington correspondent and owner of three US radio stations, was most impressed on a visit to Radio Atlantis. Dudman also works for the Institute for the Advancement of Journalism.

A NEW radio station in the isolated township of Atlantis, 35km north of Cape Town, is so popular that women factory workers went on strike because their boss switched off the radio in their workshop.

When local gangsters signed a peace treaty, Radio Atlantis (Rada) put the ring leaders on the air with senior police officers to talk out their differences.

Union shop stewards broadcast workers' grievances and the next day factory managers told their side of the story.

In its seven months of operation, Rada has made itself one of the leading community radio stations in the new South Africa.

It demonstrates how a tiny group of people with aching loins can use radio to settle disputes, build the economy, fight crime, solve family problems and give a community new hope and spirit.

What particularly turned the factory women on was a two-hour afternoon programme called Heartbeat of the Community.

"Especially on Tuesdays, when the subject is gender equality — focused on women, of course," says Ms Eva Georga, Rada's 28-year-old general manager.

"Women had been hiding verbal and physical abuse for years. Because they never had a way to tell it," she says. "Now a woman will call in and tell how her husband has beaten her up.

"She gives the husband's name and tells where he works. You can imagine the trouble at the factory. The women want to kill him. They scream at the radio set, 'Don't let him beat you like that!'"

At the HK clothing factory things got so chaotic that the machines slowed down and work almost ground to a halt.

Management switched the loudspeaker to one of the old-line national stations. That's when the women went on strike.

Radio Atlantis, never one to miss a trick, put the strikers and management on the air for some practical conflict resolution. The workers agreed to keep quiet and keep the machines going. Management agreed to turn the local station back on at the plant.

The community station, for its part, began telling listeners "Keep working. Keep your job." But they were listening to Atlantis and had become known as the "lost city of apartheid" when it turned into one of the greatest failures of that system of statutory racial separation. The old Nationalist government planned the community as a combination industrial park and residential area for "coloured" workers.

Private companies got free land and government subsidies as incentives to move in.

But when the subsidies ended in the mid-1980s, most private companies took their profits and left. Suddenly there were no more jobs in the supposed model community.

The turnaround began in 1993, when community and business leaders of all races began a series of meetings aimed at convincing the township's negative image.

This development forum was a forerunner of a present system of forums that are conducting a massive Reconciliation and Development Programme for the new South Africa.

Enter Eva Georga, then a freelance newspaper reporter who had grown up in Atlantis and had been working as a United Nations peace monitor in the townships around Johannesburg. She joined the Atlantis development forum, helped in its work but soon saw that the community needed an additional boost to its self-image.

"I woke up one morning and decided I wanted to start a radio station," she said. She and her housemate, Ms Rachel Visser, an engineer for the South African Clothing and Textile Workers Union, got guidance from the nearby Bush Radio — the pioneer community station in the Western Cape — and money and equipment from Australia, Sweden and the United States.

They approached everyone in their community to find out what they wanted from their radio station.
Afrikaans cultural group to sue SABC

Ingrid Salgado

THE SABC would defend a court challenge by Afrikaans cultural group Junior Rapportryers to halt the public broadcaster's recent televisual language changes that has resulted in reduced airtime for Afrikaans programming, the corporation said yesterday.

However, the SABC had not yet received a summons reportedly issued last week, SABC spokesman Ken Modise said. The Rapportryers have indicated they would sue the SABC for failing to give Afrikaans the airtime required in its TV licences and would apply for an interdict to force the SABC to increase Afrikaans airtime until the court case. Modise said the SABC was operating within the bounds of its TV licences.

The percentage of airtime the Rapportryers wanted devoted to Afrikaans was not in the criteria outlined in the licences, he said.
Upbeat Eskom lifts
net earnings 19%

Edward West

Eskom, which yesterday reported a
19% increase in net earnings to
R2.72bn in the 12 months to December,
said progress had been made in reach-
ing all the targets it had set itself in the
past financial year.
The utility had bettered its aim of
connecting 300,000 homes last year, but
electricity arrears had risen 34% to
R1.18bn during the past year.

Eskom CEO Allen Morgan said at the
release of Eskom's financial results
that 313,000 homes had been provided
with electricity last year in spite of dif-
ficulties, including being denied access
to certain sites.

Eskom's financial health continued to
improve during the year.

Moderate sales growth of 2.8% and a
4% price increase resulted in revenue,
increasing 11% to R17.11bn.

The average electricity price in-
crease for this year was again 4%. Elec-
tricity Council chairman John Marce
said the undertaking in 1994 to reduce
the real price of electricity by 2000 was
on track and was expected to be met.

Operating expenditure was 13.6% up at
R11.32bn after a provision for ar-
rear debts of R302m and medical aid
and post-retirement benefits of R151m.
The debt to equity ratio improved to
1.44 last year from 1.73 the year before.

Morgan said in the annual report
that non-payment remained a "signifi-
cant threat" to Eskom, especially con-
sidering the growth of the committed
local consumer base. Of the total non-
payment about half was owed by mu-
icipalities which on-sold power to con-
stituencies and were responsible for

Eskom

Continued from Page 1

collecting payments. The remainder
was from individual electricity users
contacted to Eskom and from the for-
mer homelands.

However, the numbers beheld an im-
provement in the scale of non-payment
and collections in "problem areas" had
risen to about 40% nationally from
about 10% three years ago. Marce said
he did not see non-payment as a long-
term issue and ways were being de-
signed to tackle arrears.

Plant generation performance ex-
cceeded targets with the unit capability
factor rising to 84.3% from less than
80% in 1994.

Morgan said commissioning of the
Manusa power station in 1997 and pow-
er from Cahora Bassa were expected to
result in an extra 450 megawatts.

Eskom would have to consider ac-
quiring further capacity only by 2003,
Morgan said.

Continued on Page 2
Engen 'must share blame' (26)
Nicole Jenvey 89 4[14]96
DURBAN — Eskom hit back at Engen yesterday, claiming the oil company had to share the blame for the power supply problems which had cost the company R10m in lost production.

The parastatal was working with Engen and Durban Electricity to alleviate the power dip problems, Eskom key customer relations manager KwaZulu-Natal Hugh McGibbon said.

But Engen had not taken steps to minimise the effects of minor dips in electricity, he said. Such measures included using battery generation as a back-up and installing metering warning systems.

Eskom had offered Engen a research team to draw up plans to limit its vulnerability.

Durban Electricity transmission director Tony Dold said the problems Engen had experienced happened internationally and plants could make themselves less vulnerable to minor dips.
Several projects had been initiated in recent years to improve quality of supply and international consultants were assessing the corporation's quality.
Johannesburg — Eskom yesterday announced a rise in net income to R2.72 billion for the year that ended on December 31, from R2.77 billion the previous year.

Net income on a current value basis was R676 million, resulting in a real return on assets of 4.28 percent.

Eskom's directors said last year had been financially healthy, with a modest 2.8 percent growth in sales and a 4 percent price increase.

Revenue for the year rose by 31 percent to R37.11 billion.

Agnie increase of about 4 percent was also expected this year.

Allen Morgan, the utility's chief executive, said Eskom had expected higher sales growth, but the increase was still "progress".

Operating expenditure rose by 13.6 percent to R11.51 billion, including net provisions for arrears debts of R802 million and medical aid post-retirement benefits of R151 million.

Though operating costs seemed fairly high, core expenditure remained below the million rate, Morgan said.

Non-payment remained a significant threat, he said, and total outstanding arrears rose to R1.175 billion by the end of last year, up from R853 million in the previous financial year.

Of the total non-payment, about half was owed by municipal customers.

The directors would not commit themselves to privatisation, saying they were awaiting clarification on restructuring from the government.
‘Mandela vs Jordan over SABC policy’ - ANC reacts

PRESIDENT Nelson Mandela had no desire to interfere with the independence of the South African Broadcasting Corporation, said the African National Congress.

It was reacting to Press reports citing differences between the president and former Broadcasting Minister Pallo Jordan on the approach to the public broadcaster.

Dr Jordan was axed from the cabinet last week in a major reshuffle following Finance Minister Chris Liebenberg’s resignation.

The Mail and Guardian newspaper said Dr Jordan’s firing had more to do with clashes with the president and senior ANC leaders over what was meant by “civil liberties” and “independent broadcasting” than his performance on the job.

In reaction to the article the ANC’s information and publicity department said:

“It is an understatement to say that this is a shocking insult to the president and presumes that he is ignorant of fundamental ANC policy, the constitution and various legislation on this matter. The article - it was felt - also ignored statements Mr Mandela himself had made concerning the SABC’s independence.

President Mandela had no desire to interfere in the independence of the SABC, says the ANC. The party was reacting to recent Press reports alleging the reason for Pallo Jordan’s axing was a clash with Mr Mandela.

The newspaper claimed that Dr Jordan had clashed repeatedly with the president and that he nearly was dismissed last year after opposing proposals that the constitution’s bill of rights be watered down to facilitate the police role in fighting crime.

The article claimed Dr Jordan had angered Mr Mandela by refusing to take a “hands-on” approach to the SABC and had opposed the president over his “Indian Option” – a list of candidates the president had drawn up for the ANC national executive committee elections in 1994 – which the former minister allegedly felt was “undeniable”.

Dr Jordan also was under fire allegedly from ANC colleagues for his stance on the privatisation of Telkom.

He had also allegedly disagreed with the government’s economic growth strategy, the newspaper said.

These claims were all “off the mark” and failed to appreciate the “broad consensus in government on these issues”, the ANC statement said.

“It is therefore an insult to the president, to the ANC and to Dr Jordan to construct a picture of a docile organisation under the spell of the president and with a hapless Pallo Jordan standing up to him.”

Although the ANC acknowledged the right of the newspaper to speculate on the president’s decision to relieve Dr Jordan of his duties, it said it was essential that the record be set straight for the benefit of the newspaper’s readers and the public at large, the statement said.

A meeting between Mr Mandela and Dr Jordan about his new assignment had been postponed, said the office of the president.

Mr Mandela - on holiday in the Transkei - might phone Dr Jordan over the long weekend, spokesman Parks Mankahlana said.

Dr Jordan said he might make a statement about his political future after meeting with Mr Mandela.

He declined to say whether he had rejected an offer to be ambassador to Japan - Sapa.
Despite arrears, Eskom manages to boost profits

By THABO KOXOKOANE

Despite a "healthy" 1996 financial year for Eskom, continued non-payment of arrears is "bleeding" the utility and could retard its drive to electrify 300 000 houses a year.

Allen Morgan, the utility's chief executive, said Eskom has lost R1,175-billion in arrears since the start of the rent and services boycott.

Presenting Eskom's financial results for the year to December 1995, Mr Morgan said there was a 40% rate of non-payment of arrears in "91 problematic areas". However, this was an improvement from a 90% non-payment rate three years ago - Soweto, one of the "most problematic", had increased payments to 76% from only 20% three years ago.

Mr Morgan said Eskom was looking at ways to stem the losses and thus include cutting off electricity to non-payers and finding solutions with local government on how to deal with the debt problem.

Eskom, the fifth largest utility in the world, reported a 19% rise in income to R27.7-billion (1995: R23.5-billion) on the back of a modest 2.3% increase in sales.

An Eskom price increase of 4% resulted in an 11% increase in revenue to R17.9-billion (R15.4-billion).

Operating expenditure rose by 13% to R11.315-billion after provision for arrears debts of R203-million and medical and post-retirement benefits of R14-million. The debt to equity ratio improved to 1.44 last year from 1.73 in 1994.

Willie Kok, financial director at Eskom, said the utility's financial health "continued to improve" and that Eskom was in "good shape".

John Maree, chairman of Eskom, said the utility had met three main targets set for 1995. These included being able to reduce the real price of electricity by 4% - and Eskom is on track to reduce the cost of electricity by 15% by 2,000, in line with its 1994 projections and to electrify 313 000 households.

He said 16% of the workforce was black, in line with a target of 50% by 2,000.

This year, the utility hopes to reduce the cost of electricity by 4% and connect a further 300 000 people to the national grid - which will bring total number of houses electrified since the drive to electrify 300 000 houses a year began in 1990 to over 1-million at an estimated cost of R2.5-billion.

Dr Maree said Eskom had a very good year technically as generation plant performance exceeded all targets with a unit capability factor of 84.3% - which was an all-time high for Eskom.

"If we can attain the UNIEPEDE best quartile performance for a coal fired plant of 91.5% and also sustain it, we would be able to defer indefinitely the construction of one 2 600 MW power station at a capital cost saving of approximately R15-billion. Improved technical efficiency is a strong focus for management," he said.
In rural areas, news
SABC bias against
Provinces claim

By Dan Oliphant

The SABC has long been accused of
SABC asks R450-m for stations

The Argus Correspondent

The fate of the employees of six SABC radio stations up for sale hangs in the balance while experts say the broadcasting authority is highly unlikely to be paid the hundreds of millions they are currently asking for the stations.

According to sources, the SABC hopes to receive R450-million for the sale of six of their radio stations – Radio Highveld, Jacaranda Stereo, Radio Oranje, East Coast Radio, Radio Algosa and KPM – but experts believe they will be lucky to get 10% of their asking price.

Broadcasting, Electronic Media and Allied Workers’ Union head Hans Dieter Winkens said he did not believe the SABC would manage to sell the stations for R40 million.

“All buyers are getting is a licence to broadcast and even that is subject to revision. The staff are not part of the deal and neither is the equipment,” he said.

Mr Winkens said that the 23 short-listed buyers had strategically bid very high in the first bid to guarantee themselves a place as one of three buyers for each station, but were now under no obligation to buy.

“Now only do they get a good look at the stations, behind the scenes, see what makes each station tick and its actual income,” Mr Winkens said.

A source claimed the SABC expected R100-million for Radio Highveld alone.

“They are essentially buying old nags with out-dated technology.”
R450-m radio sale
price 'too high'
(260) APR 10 1976

The Argus Correspondent

JOHANNESBURG - The fate of the employees of six SABC radio stations up for sale hangs in the balance, while experts say the broadcasting authority is highly unlikely to be paid the hundreds of millions it is currently asking for the stations.

According to sources, the SABC hopes to receive R450 million for the sale of six of its radio stations - Radio Highveld, Jacaranda Stereo, Radio Orange, East Coast Radio, Radio Algoa and KFM - but experts believe it will be lucky to get 10 per cent of that.

Broadcasting, Electronic Media and Allied Workers' Union head Hans-Dieter Wieden said he did not believe the SABC would manage to sell all the stations for even R40 million.

"All buyers are getting a licence to broadcast - and even that is subject to revision. Staff members are not part of the deal and neither is the equipment."
Eskom faces hidden costs in low price bid.

Robyn Chalmers

ESKOM's aim to provide SA with the cheapest electricity in the world had hidden costs which would have a huge effect on the future environment, according to a study under the Osatu-linked industrial strategy project.

The study, conducted by the University of Cape Town's energy and development research centre researcher Clive van Horen, said hidden costs included injuries and mortalities in coal mines and the effects of air pollution on health. There was also the threat of greenhouse gas emission which could lead to SA facing internationally imposed emission reduction targets, and the cost of state subsidies to the nuclear industry.

The main reasons for SA's low price of electricity were the abundance of coal reserves close to power stations and the high level of expertise in Eskom.

However, Van Horen said the electricity price was artificially low because inadequate attention had been paid to the environment and the associated health costs of generating it.

Trade and industry department director-general Zavareh Rustomjee said it was vital to consider the medium- and long-term consequences of neglecting the environmental effects of electrification.

Van Horen said should Eskom continue to meet its target on price reduction, the average electricity price in 2000 would be 60% of 1987 prices.

"This is likely to encourage a heavily energy- and resource-intensive growth path which, once taken, could be difficult to redirect," he said.

Reshuffle a blow to community groups

Theo Ravan

THE impending closure of the RDP office following the recent Cabinet reshuffle has thrown community-based organisations into confusion over the fate of a funding mechanism former minister Jay Naidoo was to co-ordinate, the groups said yesterday.

National Community-Based Development Organisations Network secretary-general Shukura Mokwele said the network's envisaged participation in a task group had been dealt a blow by the Cabinet reshuffle. The task group was to work towards the establishment of the National Development Agency when the Transitional National Development Trust's period of existence expired after two years.

"Although the establishment of the NDA task group has taken an unnecessarily long period of time, it was always hoped that the RDP ministry would continue to facilitate its establishment. With the closure of the RDP ministry, it is no longer clear as to who or which department will take the responsibility to co-ordinate efforts towards the ultimate establishment of a funding mechanism for non-governmental and community-based development organisations' projects and programmes," Mokwele said.

The networks seek clarity on this matter as the NDA process is viewed as its lifeblood, he said.

Mokwele said his organisation was also opposed to the Independent Development Trust and the Kagiso Trust being the sole players in the task of communicating with the communities in the area of development.

"The network is opposed to a situation where only the IDT and the Kagiso Trust will be responsible for consultations within communities while community structures are passively looking on. In the view of the network, this will be against the principle of a people-driven process which the RDP is all about."

He said the network had made a submission to the transitional development trust, whose secretariat comprises the IDT and Kagiso Trust, to consider the decentralisation of the trust's process.

Although the network and other stakeholders had participated in the establishment of the trust, the organisation could not form part of the secretariat as it had no resources. There were no funds which the trust could use to employ the services of the network.

Mokwele said central and provincial government had an obligation to assist community-based organisations be sustainable. "To this end, they should be considerate to the plight of these organisations without prejudice," he said.

Eric Molobi, chairman of the trustees who decided on the issue, was not available for comment yesterday.
Broadcasting Complaints Commission's job is to field those often-unsporting gripes

By Cherry Hunter

A woman's voice spat shrilly from the telephone with the warning that there was a bomb in the Broadcasting Complaints Commission's building and people were going to die.

Why? She was irate because they dared to let the cricket coverage spill over into the time allotted to her favourite soap, The Bold and the Beautiful.

This — and many other strange complaints — is what the Broadcasting Complaints Commission's Rene Conradie has to deal with. Last year, the commission received 700 complaints.

The commission celebrates its third anniversary in August, although the public still seems confused about its function.

"People are just looking for help and don't know where to start. We land up with some who need complaints," Conradie says.

She ticks off some of the letters she has to answer from behind a desk littered with mail:

- "I received letters from prison- ers who believe they have been treated unfairly, from the victims of "mean sharks" and even Bot- phuthatswana pensioners who can't get their pensions."
- Others complain about changes in scheduled times, no apologies for movie reruns and poor advertising of movies, but mostly it's senior citizens whose daily soaps have been rescheduled or missed because of sport.

"What no one seems to understand is that we cannot make de-
sions about policy matters like programme scheduling, choice of programmes, presenters or time slots," Conradie said.

What the commission can do, however, is make sure your comments about the content of programmes are heard.

The public can complain about excessive violence, indecency, broadcasts that are harmful to children or race relations, material offensive to religious convictions or untruthful news reporting and biased commentary.

Public hearings are held and the broadcasters are obliged to publish the findings and make a public apology if necessary. The commission is also able to fine them.

When the SABC held its re-

launch party earlier this year, the commission had 124 complaints.

To contact the commission about the content of programmes which may be seen as offensive or biased, call Conradie on (011) 788-7910 or 788-7933 (fax).
‘Power’ to the masses comes first

The need for electrification may outweigh the environmental factors, but there is a trade-off between economics and the social costs. Madeleine Wackernagel reports

South Africa pays a high price for its cheap electricity, according to a new report published by the Industrial Strategy Project, a Cosatu-linked think-tank.

Clive van Horen of the Energy and Development Research Centre at the University of Cape Town, who conducted the study, says South Africans are already paying the price in terms of the impact on the environment and the population's health.

"We cannot afford to carry on ignoring these external costs," says Van Horen. "Nor can we go around raising the price of electricity worryingly. There has to be a trade-off between economics and the social costs."

Eskom is the fifth-largest electricity utility in the world, and power costs in this country are the second-lowest, only New Zealand is cheaper. Van Horen believes the South African experience bears comparison with developed countries, rather than the less sophisticated industries of Mexico, Brazil or Malaysia, which are similar middle-income developing countries.

And by that standard, South African electricity is absurdly cheap. Prices in Germany and Japan are up to three times higher. But is this a reasonable comparison when most of the population has no electricity at all and electrification should be the top priority?

Dr Steve Lennon, research manager at Eskom, believes the external costs of not having electricity outweigh the environmental factors. Not that Eskom is ignoring the impact its emissions have on the atmosphere or people's health.

Indeed, most of its power stations burn low-sulphur coal, complying with international standards of acceptable pollution levels. And Eskom's second environmental performance report, released today (Friday), will show an overall improvement over standards, says Lennon.

Environmental standards and concerns have changed dramatically in the past 20 years; the next generation of power sources will reflect these factors, says Lennon. Eskom is already looking at the options of hydro-power, clean coal technologies and natural gas sources off Mozambique and Namibia.

But for now, says Lennon, the priority is getting electricity to as many people as possible. The cost of retrofitting a power station with scrubbers to cut down on emissions would add 30% to the price. Lennon believes it would be more effective to use that money on electrification.

Bringing electricity to the towns- ships and rural areas does not necessarily eliminate the pollution cost, says Van Horen. Coal and firewood are still the favoured energy source in many areas.

Van Horen believes Eskom cannot afford to clean up its power stations and continue with electrification at the same time. As more people fall victim to the effects of emissions, the social cost to society as a whole outweighs the benefits. He calculates the health costs of air pollution at about 4% of average electricity tariffs, excluding the long-term costs of acidification on buildings, crops and forests. Reducing emissions would cut the health cost by about 70%.

But Lennon insists South African standards are not out of line with international experience and to compare us with First World countries is unrealistic. Australia, for instance, has put a single plant fitted with scrubbing equipment, retrofitting one power plant in Britain cost R2500-million.

John Löwen, an analyst at Ivor Jones Roy, agrees. "Eskom cannot afford a clean-up exercise at this stage. Right now the money is better spent elsewhere. And raising the price of electricity for it is also not viable; the poorest would be hit hardest."
Independence in the balance

SABC
SABC asks Mbeki for extra funds

Stephen Lauder

SABC CE Zwelethu Sisulu has appealed to Deputy President Thabo Mbeki for substantial additional funding to ensure adequate coverage of the truth commission hearings which begin in East London today.

Friday's last minute request to Mbeki in his role as political head of the SA Communications Service comes against a background of indecision at the SABC and on the commission over TV and radio broadcasts of the hearings. Each side apparently hoped the other would make funding available.

Industry sources said the SABC may ask for as much as R30m to ensure comprehensive coverage.

Sisulu is understood to have approached Mbeki with the support of commission chairman Archbishop Desmond Tutu.

Although coverage of the hearings had been discussed for several months, the institutions involved focused on the enormity of the task only last week.

Continued on Page 2

SABC

Continued from Page 1

Proposals for extensive live coverage and international fundraising were submitted last year, but the broadcaster finalised planning only on Thursday.

Planned coverage, as yet unfunded, would include a daily four-hour package of selected testimony broadcast at midnight each night and again at 3am, and a weekly 45-minute prime-time wrap including interviews. News coverage would be ongoing, and dramatic developments could be reflected in SABC TV's Focus broadcasts scheduled at short notice.

Sources said the commissioner's team has considered many aspects of coverage, including the impact of the hearings and the commission's pace. The commission's parallel amnesty and human rights violations committee hearings around the country required the use of outside broadcasting units and TV coverage could cost between R10m and R20m for 18 months.

But with funding still unresolved, the SABC has committed itself only to covering today's opening live. TV cameramen will be present for a month, with further coverage centred on news bulletins until the commission has finalised its timetable and the SABC has an overview of the cost implications of full coverage, senior sources said.

Non-governmental organisations representing victims said they had offered to raise funds internationally for comprehensive coverage, but had been unable to get decisions from the commission or the SABC. At stake were not just live broadcasts, but a video and audio record of the commission's proceedings for future use by historians, victims and educators.

Commission spokesman John Allen said the commissioners were committed to having cameras and microphones in the hearings because they wanted the victim's stories to become part of the shared experience and understanding of the nation. However the commission had a duty to protect the dignity of victims who testified.
Looking for a breath of fresh air

BY ANITA ALLEN
Science Writer

Eskom is winning and losing the battle against air pollution from its coal-fired power stations, according to its 1995 Environmental Report.

On the one hand, emissions of particulate matter — visible smoke — decreased in 1995 despite an overall increase in the amount of electricity generated.

On the other, emissions of the main greenhouse gases have increased relative to the amount of electricity generated.

No explanation for the decline in performance on gaseous emissions of carbon dioxide, sulphur dioxide and nitrous oxide was given.

But, the report said “Research on alternative generation and operation technologies to reduce gaseous emission levels is a long-term strategy receiving continuous attention.

“It includes nuclear and hydroelectric alternatives.”

This is the second year that Eskom has produced an environmental report.

In terms of meeting Reconstruction and Development goals, Eskom has exceeded targets, supplying electricity from the grid to 313,179 homes in 1995, against a target of 300,000.

In addition, 893 schools and 37 clinics were supplied with electricity.

Eskom reinforced its commitment to the environment by appointing a corporate environmental affairs manager to be responsible for co-ordination and balance in addressing environmental matters, chief executive Allen Morgan said in his preface to the report.

“Environmental management is one of five core research areas regarded as critical to the long-term health of Eskom and its customers,” he said.

Of the R4.2-million allocated to capacity building and training at universities and technikons last year, about 20% went to environmental support programmes.

In addition, of the R10-million allocated to tertiary institutions for contract research, some 30% went to research on environmental projects.
Concern over tax proposal

Robyn Chalmers

ESKOM's ability to finance its electrification programme would be affected by government proposals to tax the parastatal and implement a dividend payment system, chairman John Maree said in the 1995 annual review.

Maree said the electrification programme, and Eskom's other commitments to the RDP, such as further reducing the price of electricity, had long-term social and economic benefits for SA.

"In-depth consideration will have to be given to the treatment of monies spent on the electrification under a different tax and dividend dispensation so that (these undertakings) continue as planned," he said.

During the year ended December, Eskom increased net income to R2.7bn from R2.3bn for the previous year on an 11% increase in revenue to R17.1bn.

Maree said Eskom had achieved its target of making 300 000 new connections last year against 250 000 in 1994 despite being prevented from working in a number of urban areas for lengthy periods.

"It is estimated that the lives of about 1.5 million people have been changed as a result of the electrification programme."

Research has shown that for every 100 homes electrified, between 10 and 20 new economic activities are started," he said.

Eskom also continued to make inroads into reducing the real price of electricity during the year ended December 31, with a price increase of 4% for the year against an inflation rate of 8.7% leaving a real reduction of 4.7 percentage points.

Maree said the increase for this year was again 4% with an anticipated real price reduction of a further 4% Eskom was on track to reduce the real price of electricity by 20% between 1992 and this year.

The parastatal's international borrowing capability had been boosted by an improved credit rating by Standard and Poor's rating group while the new depository receipt programme for SA debt securities had been well received.

Discussions are being held over the shake-up of electricity distribution and Maree said the electricity working group's recommendations were being considered by government and an announcement was expected soon.
New radio stations for Cape Town

JOSEPH HARAUES
Staff Reporter

THE face of private radio broadcasting is set to change dramatically in the next year with at least six new stations, including two in Cape Town, being granted commercial licenses.

Independent Broadcasting Authority councillor John Matisonn said that in addition, six SABC stations, including Cape Town's KFM, would be sold to private broadcasters bringing the number of private radio stations to 33.

At present only Radio 702 operated as a commercial station.

"The past year we dedicated community radio stations and issued more than 80 licenses. This year we plan to resolve the private broadcasting question."

"During the next year the face of commercial radio will change very fast and the IBA will probably get complaints that the whole process is too fast," Mr Matisonn said.

At the IBA's first hearing on private radio broadcasting at a Sea Point hotel, Nick Taylor of City TV said the whole idea of regulations for private broadcasters was un-African and out of step with the changes that had been taking place in the country.

He suggested to the hearing that the entire process of regulation needed to be reviewed and that the IBA should be facilitating rather than regulating the process.

"People must be given the chance to regulate themselves and we should not have a central authority like the IBA to control them. The IBA Act should be changed so the future of broadcasting can reflect the changes that took place."

He said an IBA discussion paper on broadcasting services was flawed.

"A lot of the ideas in the document come from the Canadian broadcasting model and that is a problem as Canada is one of the last remaining countries with a lot of regulations still in place to regulate their broadcasting industry," Mr Taylor said.

Broadcasting consultant Kyle Hamman said his concerns were also related to the IBA's involvement in the make-up of the private broadcaster.

"A private broadcaster should remain just that and only be influenced by market forces which should determine what the private broadcasting industry should be like."

He said while the IBA had a role to play in the regulation of community radio stations they should not use similar principles to govern private broadcasters.
Tearaway gives broadcast authority a drubbing

Broadcaster slams IBA

By Fiona Leney

Johannesburg — Tony Sanderson in a rage is an alarming sight.

At the moment the man behind Solid Gold Radio has the Independent Broadcasting Authority in his sights and, it seems, he is not concerned about the diplomatic niceties.

"They are incompetent. They are trying to tell people of very great expertise in the radio industry how to earn a living when they have absolutely no experience of their own, and they are bringing their social reformists' hot-pot into the market place," he says.

Sanderson delishes playing the reckless tearaway, but its strategically expanding media interests suggest a cool head.

His existing television and video production businesses and media consultancy have kept his favourite baby, Solid Gold Radio, alive through a three-year battle for a commercial licence. His strategic alliances with the black business group, Thobe and the South African National Civic Organisation suggest a clever tactician.

Nevertheless, he could have a lot to lose by rubbing the licensing authority up the wrong way.

He is bidding for one of the six new radio licences on offer with the aim of finally getting Solid Gold on the air. He is also bidding for at least one of the six existing SABC radio stations that are up for sale.

The IBA could thwart both ventures.

"People ask me if I'm not concerned that the IBA will victimise me for speaking out. They would be very stupid to do so," he says.

Sanderson's beef is that the IBA councillors not only lack expertise in the industry, but have refused to turn to players who do have that expertise for advice.

"If the IBA says it has consulted our industry, it is deluded," he says.

"It publishes a paper and asks for submissions, but there's no feedback. I have begged for meetings with it and got no reply." Sanderson says that had the IBA taken any notice of representations from industry, it would never have limited the licences for new frequencies available in Gauteng to two.

The IBA argues that it has deliberately limited the availability of Gauteng licences to give the new stations the best chance of survival. Rather than increase the number of licences to suit the market, Sanderson says this is incorrect. IBA councillors say this sort of regulation is anathema to Sanderson.

"It is not for them to say whether we are viable. They must learn what the free market means," he says.

"They have inherited this sort of paternalism from the previous regime." He is hard to distract Sanderson from his pet theme — even the apparently unconnected topic of muscian's royalties, for example, somehow leads back to the IBA's proposal that 20 percent of music on commercial stations should be South African.

This is the cue for another eruption.

"That's absurd. Have you heard much local music? A lot of it is atrocious. You just can't make up 20 percent of your output with it. People will merely switch off and musicians will lose out again," he says.

"Rather phase it in over three years, allowing people to get used to it. Then you'd be stimulating new talent."

Monitoring compliance with all the IBA's similar structures would be a nightmare, he adds.

"You're going to end up with policemen listening to everything."

It is a picture that tickles Sanderson, who, during his time at the SABC under the old regime, was banned for refusing to read racist advertisements.

His credentials, then, should be impeccable for the new South Africa. Typically, however, Sanderson goes out of his way to slaughter the sacred cow of affirmative action.

"I am totally against affirmative action because it has failed in the rest of the world and its interpretation — for example quota systems — is totally wrong here."

"But I am totally committed to black empowerment — education and training — at a far more rapid pace than it is being done in this country," he says.

The IBA, Sanderson says simply, is trying to thrust education and social reform down audiences' throats when what listeners really want from a commercial station is entertainment.
Warning on over-regulation

BY FIONA LINGEY

Johannesburg — Executives from Primedia, the broadcasting and publishing company which owns Radio 702, yesterday appealed to the Independent Broadcasting Authority not to stifle commercial radio by over-regulation.

"Do not kill off the goose before it can lay the golden egg," said Stan Katz, the chief executive officer of Primedia Broadcasting.

Katz was speaking at a hearing of Primedia’s submissions to the IBA, with regard to the IBA’s discussion paper on the regulation of the commercial radio industry.

He said that new commercial radio stations, in particular, had to be given time to build up audience levels and secure profit before conditions attached to community service and local content were enforced.

Most worrying, he said, was the emphasis which the IBA placed on advertising regulation. "If advertisers are not allowed to use the radio station of their choice, because of limitations on the amount or type of advertising the station can carry, the advertiser will turn away from radio altogether," he said.

Katz criticised IBA figures which suggested that the international norm for advertising time on radio stations was between six and 30 minutes.

"That is wrong. It is from six minutes to no limit. And it works," he said.

"The market is self-regulating. Radio stations know that fewer ads mean more listeners, and act accordingly," he said.

Peter Matlala, Primedia’s director of strategic planning, appealed for what he called, light-touch regulation, saying it would be more effective to have fewer regulations that were properly enforced.

While the IBA appeared sympathetic to Primedia’s submissions, Peter de Klerk, IBA’s co-chairman, said that the IBA’s challenge was to cater not only to the needs of private radio, but to those of listeners.

"We have to see to the broader needs of the country," he said.

De Klerk emphasised, however, that the IBA discussion paper was intended to be open-ended, and that the authority would welcome further suggestions.
SABC radio revenue soars

By PEEWA LEBELY

Johannesburg — The SABC said yesterday its radio stations had recorded an impressive 24 percent increase in advertising revenue in the first quarter of this year compared with the same period last year.

Unfortunately for the state broadcaster, most of the increase came from advertisers switching away from the SABC’s relaunched television channels, said Com Gous, the marketing director of the corporation’s airtime sales unit.

Uncertainty about channel format changes and falling and fragmenting television audiences contributed to the increased radio revenue, Gous said.

“Media planners and buyers felt secure with the stability of our radio audience,” Gous said.

The strongest growth, he said, was recorded by Cape Town’s Radio 1FM, whose revenues shot up 84 percent.

Other strong performers were East Coast Radio, which recorded a 54 percent rise, Radio Metro with a 46 percent increase, and Radio Jakaranda, up 41 percent. Gous said major radio advertisers, such as Edgars and SAB, had increased their spends markedly in recent months.

Industry sources speculated that the release of the figures may also have been calculated to stimulate interest in radio stations, such as Jakaranda, that are being put up for sale.

“The SABC is counting on getting a very high price indeed for Jakaranda,” one source said.

Shout

“Some would say unrealistically high, so they will be very keen to shout its attractions from the rooftops,” Gous said.

Improved formatting of the radio stations played a part in their performance, as did the cost effectiveness of the stations represented by his unit.

“An average 30-second flog costs R300 — and this for a portfolio of 22 stations which reach 24.5 million listeners every week,” he said.
The Independent Broadcasting Authority (IBA) should use less stick and more carrot in their approach to regulating private radio stations. This was the opinion voiced in presentations at the authority's hearing yesterday.

Primedia News Director Chris Gibbons accused the IBA of behaviour similar to that of the National Party when it still controlled SABC broadcasts.

Responding to an IBA suggestion that regulation was needed because there was, for instance, little or no news from Africa broadcast in South Africa, he responded: "If the audience wants news from Africa then yes, we will provide it, but do you just think this is a good idea so we ought to cover it? Then you are doing the same thing the National Party did - you are telling us what we must broadcast."

This set the tone of the hearing with presentations concentrating on the "democracy of the dial" - if private radio stations weren't providing what listeners wanted, they would tune out, losing the station advertising revenue and profits.

"The regulator of private radio is the listener" was the view of Six additional licences for radio stations to be granted.

The IBA will grant six additional licences this year for private or commercial radio stations, as opposed to community and public service stations, in addition to the six SABC stations currently for sale.

The competition is fierce and contenders believe the regulations suggested by the IBA in a discussion document released in March will damage the prospects for a viable radio industry through the "heavy touch" of the authority.

Primedia Broadcasting chief executive officer Stan Katz said he believed the commercial radio stations would be over-regulated.

"It will be fatal if we don't have room to manoeuvre to meet the changing needs of the market place," Katz said.

Radio 702 started out as a music channel, but changed into talk radio to meet the diverse needs of its listeners," he said.

Primedia and Tony Sanderson's Solid Gold both presented the case for having more voices on the airwaves to ensure diversity and truthful, accurate news.

Worried about an IBA suggestion on limiting advertising time, Katz said this was the lifeblood of a station and could damage their long-term viability.

"The more advertising, the more the audience switches off and channel-surfs. That's what keeps the balance and forces the industry to regulate itself," he said.

Solid Gold's Gavin Kennedy said the IBA was confusing the public service broadcaster with private radio.

"The public service broadcaster has to fulfill certain obligations because they are not taxed, but we need to make profit."

"You talk about social responsibility, but what about entertainment too?"

Hearings continue today.

Too many ads the cause of channel surfing.
SABC backs language regulations for radio

Ingrid Salgado

THE SABC came out in favour yesterday of stringent regulations governing language obligations for private radio stations, but at the same time urged the Independent Broadcasting Authority to refrain from overregulating.

In a submission at the IBA’s second day of hearings on regulating private radio, the SABC said the authority should specify in private broadcasters’ licences how much time they should devote to languages other than English and Afrikaans.

Alternatively the authority should stipulate that a portion of the 15 new private radio licences to be issued later this year would go to stations broadcasting the other nine official languages, a written submission said.

However, SABC radio chief Govan Reddy told the hearing the IBA should not be “too prescriptive” when determining broadcast languages for stations. Instead, it should provide incentives, he said.

The IBA had earlier proposed granting rebates on annual licence fees to private stations broadcasting in a second language other than English. The SABC said this would not ensure sufficiently that private broadcasters contributed to all official languages.

The corporation recommended that Afrikaans be excluded from incentives since it had been as privileged a language as English in the past.

IBA councillor Lyndall Shope-Mafolo said all languages other than English should be afforded special protection, but the authority would probably target only previous unofficial languages and marginalised African languages.

He said there were concerns believed private radio regulations were not directly relevant to the SABC in most respects. However, the SABC’s written submission asked that all conditions applying to private radio should apply to the SABC’s two commercial stations.

Metlife

Continued from Page 1

...the labour movement’s character and could lead to its bureaucratisation.

National Council of Trade Unions (Nactu) general secretary Cunningham Ngcukana said Naactu would ensure that instead of empowering a few individuals, unions would be empowered as institutional organisations.

Tim Cohen reports Cosatu has reacted cautiously to ANC secretary-general Cyril Ramaphosa’s decision to join Naactu while the DP warned of possible conflicts of interest. Cosatu said it regretted Ramaphosa’s decision because his trade union experience meant he would be well placed to “champion our cause in Parliament”. While it supported the need for economic empowerment, Cosatu favoured genuine majority empowerment “as opposed to the current situation in which only the elite benefit”. Cosatu hoped Ramaphosa’s move did not imply the ANC was endorsing only one black business venture.

DP adviser Robert Desmarais said if the Johnnie deal went through, Ramaphosa would be expected to resign any formal ANC position as there would be clear conflicts of interest. Perceptions of the impartiality of Johnnie’s media interests could be affected as well as the integrity of news gathering.
Power dips cost SA industry R1.2bn

DURBAN — Power dips cost SA industry R1.2bn a year, representing about 10% of Eskom’s sales.

Eskom and the National Electricity Regulator were drawing up acceptable supply standards.

The real cost of delivery of underground cabling would rise tenfold, while coal transportation costs discounted building power stations in KwaZulu-Natal.

The province experienced about 46 power dips annually compared to the Northern Province at 55, Eastern Cape 48, Mpumalanga 44 and Gauteng 23.

Eskom recently completed a R39m project to replace insulators on coastal KwaZulu-Natal lines.
IBA delays Rapportryers' presentation

Ingrid Salgado

The Independent Broadcasting Authority (IBA) averted court action yesterday when it agreed to a request by Afrikaans lobby group Junior Rapportryers to postpone Rapportryers' presentation at the start of public hearings on licence amendments to the SABC's three television channels.

Lawyers for the group earlier told the IBA they would not hesitate to take the matter to court for review if the broadcast regulator refused a postponement.

They complained the Rapportryers had not been given sufficient notice of when the hearing was to take place.

But the IBA, together with the SABC, is set to battle the Rapportryers in court on a similar issue.

The group has charged that the SABC is contravening its TV licence conditions, and has also challenged the constitutionality of further proposed language changes to the corporation's three stations.

The group also claims that the IBA authorised the alleged licence contravention.

The Rapportryers' legal representatives said the group would halt the court action should 27% of air time on SABC1 be devoted to Afrikaans.

This, they believed, could be settled by the IBA after the hearings were concluded.

The Rapportryers were not a group of people throwing their toys out of the cot because of a new dispensation.

They wanted to be heard as a body of Afrikaans-speaking youngsters, although it wanted to be part of the new SA and admired President Nelson Mandela.

The Rapportryers would not 'pick up the account' of elders who had 'politicised' the Afrikaans language.

IBA co-chairman Peter de Klerk agreed to a postponement of the group's presentation but said a new date should be set 'very urgently'.

The Rapportryers insisted the postponement was not a delaying tactic.

Attorney Johann van Huysteen said the Rapportryers wished to call witnesses to the hearings to give evidence on the geographic, demographic and technical implications to Afrikaans of the SABC's proposed changes.

Population distribution, linguistic and communication experts would be called.

It was possible the group would request the IBA to subpoena SABC board chairman Ivy Matisse-Casaburro and SABC CEO Zwelakhe Suka.

Van Huysteen said the 11th official language should have equal treatment in terms of the IBA Act and the interim constitution. It recognised that Afrikaans languages needed to be uplifted but this should not occur at the expense of Afrikaans.
Minister Naidoo reveals strange case of R1,4-m refrenchment funds at Capital Radio

By JONAL RASTAD
Political Reporter

The managing director, financial manager, a tea lady and a messenger at the Eastern Cape's Capital Radio received almost 95% of the R1,4-million meant to fund refrenchment packages for about 36 staff members.

The discrepancy has been unveiled by Post, Telecommunication and Broadcasting Minister Jay Naidoo, hardly two weeks after he took office.

Staff at the station, which the Independent Broadcasting Authority has recommended should be sold, have threatened to go on strike after the non-payment of their March salaries.

Naidoo has requested the office of the auditor-general to investigate the circumstances behind the non-payment of staff.

The Ministry of Post, Telecommunications and Broadcasting said the Eastern Cape government transferred the remaining of the Capital Radio budget - R1,4-million - to the station in December last year.

The transfer was requested by management at the radio station who wanted to use it to fund refrenchment packages.

"It has emerged that the refrenchment packages to the value of R86,181 were paid to only four employees, including the managing director, financial manager, a tea lady and a messenger," the statement said.

The ministry is involved in talks with the Eastern Cape government, the national Ministry of Finance and the Department of State Expenditure to address the outstanding payments owed to Capital Radio staff.

"If there's any misappropriation of funds or misconduct by any officials at Capital Radio the law should deal firmly with those involved," Naidoo said.
SABC ‘will not demean any language’

Ingrid Salgado

THE SABC undertook yesterday not to demean any of the 11 official languages in its broadcast coverage and insisted that proposed language changes to its three television channels would enable all languages to be represented more fairly and equitably.

SABC acting broadcast chief Jill Chisholm was speaking at the start of Independent Broadcasting Authority (IBA) public hearings on an SABC application to amend its TV licences.

The SABC has requested that SABC2 cater for English, the Sesotho group of languages and Afrikaans, while SABC3 provide a programming mix of material predominantly in English; and that SABC1 broadcast primarily in the Nguni family of languages.

It has also requested changes to its signal distribution network so as to target different language speakers more accurately.

The hearings come after the IBA squashed SABC plans to relaunch its TV channels in February in the proposed mix of languages. The IBA insisted that the amendments could be considered only once national hearings were held on the matter.

The broadcast regulator’s ruling forced the SABC to amend the relaunch.

SABC CEO Zwelakhe Sisulu told the hearing the SABC was aware that languages which were “commercially viable” could receive more exposure than others. There was a danger of responding to commercial interests.

The SABC’s coverage of marginalized languages was “only the beginning”, he said. However, there were financial limitations.

Chisholm said the SABC was to move towards greater multilingualism that entailed greater flow between languages.
At last, SABC names its new top dogs

By WALLY MBHELE

AMID INTERNAL rumblings and rumbles about the pace of transformation, the SABC this week finally announced senior appointments aimed at major shake-up of its television news coverage.

The SABC confirmed on Friday that the current editor-in-chief of TV news, Jill Chisholm, has been appointed chief executive of TV news - and her deputy, Joe Thilo, editor-in-chief. Specialised political correspondent Phil Molefe becomes political editor.

While Thilo's appointment has been predicted for some time, Molefe's rise to "the position of enormous responsibility" has come after months of internal bickerings.

Political editorship has been a fiercely contested area in the SABC. Inside sources say there have been disagreements among senior officials about whom to appoint.

The candidates included Sunday Independent political correspondent Esther Waugh and former SABC senior political journalist Sefako Nyaka, who is now press secretary for Gauteng Premier Tokyo Sexwale.

Others included Becloid deputy editor Tim Du Plessis and Sowetan political editor Mathata Tsedu.

Molefe studied at the Thompson Foundation for the Study of Journalism in Britain, named 1991 Education Reporter of the Year. He was deputy news editor of The Star before joining the SABC shortly before the 1994 general elections.

"He will be the SABC's first black political editor."
IBA could be strongest airwaves watchdog

Ingrid Salgado

THE Independent Broadcasting Authority was probably the most powerful broadcast regulator in the world as it had to formulate airwaves policy which fell outside the ambit of regulators in other countries, IBA councillor Lyndall Shope-Mafole and yesterday.

Foreign countries' broadcast ministers tended to have review powers over regulators, but this was not the case in SA, she said at a telecommunications and broadcasting summit in Johannesburg.

When the IBA granted licences to broadcasters, this became law, although the authority could be challenged in court on the decisions it made.

The IBA had been forced to formulate policy on "many issues which should have been dealt with by others," she said.

This meant that IBA public hearings to determine policy issues on licensing broadcasters were vitally important, she said.

IBA co-chairman Peter de Klerk said SA’s terrestrial broadcasters would have to examine the sharing of resources and the rationalisation of transmission facilities as they moved from analogue to digital technology.

They would face increased costs if they maintained analogue technology, but at the same time would fork out substantial capital in upgrading to a digital system.

Terrestrial broadcasting would remain dominant in SA for the next 10 to 15 years.

Although satellite was a "rapidly maturing adolescent" internationally, it remained an infant in SA, he said.

The IBA had recognised the inevitable growth of satellite broadcasting, and had granted interim consent to satellite broadcasters to operate until the authority was able to formulate satellite broadcasting policy.

De Klerk said responsible, balanced and sensitive regulation for both terrestrial and satellite broadcasting was needed at this stage. The IBA would consider placing advertising restrictions on satellite, if in the public interest.

SABC deputy CEO Gert Classen said the SABC was "more and more convinced" that its decision to opt for analogue technology for its satellite channels was correct. Analogue would remain the cheapest technology for consumers for a "long time to come."

He deemed the SABC was introducing "old technology." The quality of analogue and digital signals was on an equal footing and analogue had a lower entry cost.

The SABC would introduce its six-channel satellite pay-TV bouquet this October, preceded by the launch of two free-to-air channels next month and two other free-to-air channels later this year.
Broadcasting industry fearful of IBA proposals

Jacqueline Zaina

The Independent Broadcasting Authority (IBA) proposals to regulate the radio industry, including restricting advertising and sponsorship, could jeopardise the sale of the SABC stations, which the authority is overseeing.

SABC radio CE Govin Reddy said that holders might have been made more wary by the IBA's intended regulations, which would affect the profitability of all radio stations.

However, he said that potential buyers should assess the value of the stations on the basis of the scarcity of commercial licences being made available. The IBA would be granting only 12 commercial licences; six of which would be for stations currently being sold by the SABC.

A spokesman for Investec, which is managing the sale of the SABC stations, and the IBA proposals to regulate the radio industry would remain an issue for potential buyers of the SABC stations, until the authority clarified its intentions.

He said Investec had discussed the proposed regulations with the bidders, who generally agreed that the IBA should withdraw them.

Sources close to the bidding process said that prospective buyers had no way of determining the financial viability of the stations, as they had not yet been allowed to conduct due diligence audits. With final bids expected to be placed by May 5, buyers were in the dark when it came to valuing the stations.

Private broadcasters, in response to the IBA proposals contained in a discussion paper on private sound broadcasting, presented a case for "light touch regulation" last week. Primedia Broadcasting, which owns Radio 702, said the authority risked damaging the prospects for a viable radio industry through the "heavy touch regulation" it proposed.

The IBA said it was considering placing limitations on the amount and nature of radio advertising and sponsorship in order to serve fair competition, economic viability and the public interest.

It proposed setting a maximum limit on advertising time of between six and 13 minutes an hour and restricting advertising during prime time.

In terms of sponsorship, the IBA proposed that no promotional reference to any sponsor or to any product or service should be allowed within programmes to ensure editorial independence of the broadcaster.

The authority also said it was obliged to ensure that broadcasters provided regular news services, in terms of which diversity of news sources and job creation would be considered in the assessment of licence applications.

Licences would be granted on the basis of format and language to promote a diverse range of broadcasting services.

Primedia expressed concern that this would limit commercial operators' room to manoeuvre to meet the changing demands of the marketplace.

Radio Metro station manager Zolile Mappa said the proposed restrictions on advertising would kill the industry. "As a commercial station, our mandate is to make money. The IBA's intention to regulate advertising would chase business away. It does not augur well for the radio industry," he said.

Reddy said that, in the short term, existing stations which had established advertising bases, such as those being sold by the SABC, would be harder hit by the proposed limitations on advertising. It would take new commercial stations some time to build up advertising revenues before they were affected by upper limits on advertising time.

"While I think the IBA's objective to redistribute adspend to other stations is a noble one, whether it is achievable is questionable," he said.

He said the IBA was trying to level the playing fields to ease the entry of new private broadcasters into the sector.

Although the SABC in principle was opposed to overregulation, it agreed that there should be a high degree of intervention initially to facilitate the entry of new players into the broadcasting arena. He hoped that the regulations would be reduced, as the industry evolved.

Primedia news director Chris Gibbons said it was uncertain whether any "overflow" in advertising currently going to the established stations would filter down to the new stations, as they would have to prove themselves before winning the confidence of advertisers.

Advertising people were professionals who researched the alternative media types and placed adverts strictly on the basis of credentials, he said.

Gibbons said advertising on the new commercial stations was expected to get off to a slow start. The fixed inventory nature of the business meant that heightened demand for airtime on existing stations could drive up rates, contributing to media inflation and ultimately to greater costs for the consumer.

David Blood, an aspirant private broadcaster, said that in some overseas countries, public broadcasters were not permitted to carry advertising. He advocated that only the public broadcaster and community stations, which could also rely on community involvement for income, be regulated.

The IBA's proposed regulation of commercial stations, which relied on advertising as their sole source of revenue, could leave private broadcasters in serious financial difficulty, Blood said.
Financial future of community radio shaky

Ingrid Salgado

A QUESTION mark hung over the future viability of community radio broadcasters since there was no mechanism in place to ensure their financial sustainability, Freedom of Expression Institute executive director Jeanette Minnie said yesterday.

SA needed a strong media diversity trust to ensure the broadcasters' survival and to provide technical training and management skills, Minnie said after a telecommunications and broadcasting conference.

The newly restructured Independent Media Diversity Trust — established in the mid-1980s to assist the alternative Press — was well placed to manage a fund for community broadcasters and newspapers.

The trust had rid itself of its former image that it operated to the exclusion of community media, with its primary focus now directed towards community media funding.

Australian Broadcasting Authority member Tim O'Keefe warned that funds being channelled only to broadcasters that supported the dominant political view. He said SA had made great strides in regulating the airwaves in a short time.
Suitors line up for the jewel in SA broadcasting

BY FIONA LINDSAY

Johannesburg—Rather like the veiled bride at an arranged marriage, the long-promised licence for South Africa’s first “regular” television channel is drawing suitors from far and wide, eagerly vying for what they hope will prove to be the jewel in new South African broadcasting.

Two big players have already declared their hands and more are expected. Quentin Green, the former chief executive of SABC television, said last year he had assembled a, ‘consortium’, widely thought to include Australian media tycoon Rupert Murdoch — to bid, for the licence.

Yesterday, a group led by Thebe Investments and including Murdoch’s great rival, Kerry Packer, officially stepped into the ring.

The glimmer lurches, however, that like the bride, the licence terms, to be unveiled by the Independent Broadcasting Authority next year only, may prove less attractive than hoped.

The price on offer is big — a large slice of the viewing public, in a growing television advertising market, worth R60 million last year. But so are the pitfalls, according to media analysts.

They cite the fundamental conflict between meeting the social and community commitments which the IBA will impose, and the need to make the new station a commercial success — particularly if foreign backers, impatient for returns, are involved.

And a foreign stake, albeit with an IBA-imposed ceiling of 20 percent, is likely to be necessary to get any successful but off the ground. Foreign expertise in regional broadcasting — a major component of any new station — and in selling local productions abroad — to generate extra revenue, is seen as vital.

The IBA has already made it clear that it intends to impose a minimum — probably, 50 percent — of local programming, which, costs about R8 000 a minute to produce, compared to R300 a minute for bought-in material. The IBA will also require more than a 24-hour diet of sport and entertainment, according to one media analyst.

“Thebe, by its choice of Packer and its sports television interests, has made a strategic error,” said the analyst.

“Thebe has assumed news will be secondary. ‘But the IBA is going to insist on the importance of news. It wants comprehensive programming,” he said.

Although it would be difficult to make money from a mix of education and entertainment on the station, it should not be impossible, however.

Industry sources believe South Africa’s traditionally low level of television advertising spending is set to rise, stimulated by the country’s return to the international financial community, and changes within the television industry.

An IBA investigation into the pay-channel M-Net is imminent, according to sources.

Such a hearing could result in M-Net’s “open time” — the period each day when the channel can be received without a decoder — being removed.

This is one of the channel’s prime advertising times, and its loss could drive advertisers into the arms of a new, openly available terrestrial station.

“The new licence is very valuable, as much as anything, because there is no prospect of another one being issued,” said the analyst.

Also, outside investors eyeing South Africa are aware of how influential commercial terrestrial television is in other countries, and they are keen to get in early, he added.

But whether South Africa, in the form of the IBA, was so keen on foreign media moguls, was also doubtful, he added.

Murdoch, is respected for what he did over bidding up World Cup rights and pushing up the cost of television sports rights in general. He is also on record as busting every regulator he has come across. Packer has a similar reputation.

“I don’t think their inclusion in consortia will improve their partners’ chances,” he said.
SABC approves 12% increase for permanent staff members

25/4/96

The SA Broadcasting Corporation has approved a 12% across-the-board increase for permanent staff for the 1996/97 financial year, the broadcaster said yesterday.

SABC management and the Broadcasting and Electronic Media and Allied Workers Union agreed to a 10% increase, backdated to March 1, to be readjusted to a 12% increase from May 1.

Housing subsidies were increased by between R100 and R150, backdated to March 1.

The SABC and the Media Workers Association of SA agreed to a 12% increase on basic salaries from May 1 and a housing subsidy increase of between R100 and R150 backdated to March 1.

Negotiations with the SA Union of Journalists were not yet complete.

Other conditions of service would be negotiated in a forum representing SABC management and the three unions and would be included in the 1996/97 budget.

Non-affiliated members would receive a 12% increase effective from May 1 as well as increased housing subsidies which will be backdated to March 1.

—Sapa
Someone blundered badly at the IBA

By Rafiq Rohan
Political Correspondent

SOMEONE at the Independent Broadcasting Authority has blundered badly and political parties in Parliament are not amused.

One of the people allowed to function as a councillor is not officially been appointed to the post by President Nelson Mandela. This means that Ms Lyndall Shope-Mafolo should not have been allowed to vote on important decisions that might have been taken.

If, for instance, the IBA took decisions about the granting of radio or TV licences, it would open itself to legal action.

"This is a very serious issue that we cannot treat lightly," Mr Martha van Schalkwyk of the National Party said at the portfolio committee on communications in Parliament yesterday.

The announcement by IBA co-chairman Pieter de Klerk that Shope-Mafolo's appointment had not been ratified by the President, clearly came as a surprise to all political parties present.

The ANC, IFP and NP demanded that the matter should be sorted out by the end of the week.

"All decisions that were taken at meetings could be declared illegal," a clearly upset Van Schalkwyk said.

"This situation is very serious," Melanie Verwoerd (ANC) said and suggested that the committee needed a written report from the IBA explaining the faux pas.

De Klerk appealed to the committee to give him till next Friday to sort the matter out.

Contacted by the Sowetan yesterday Shope-Mafolo said that the political parties were correct to be outraged but they had to contextualise the situation. Her name, she said, was recognized by the IBA at the time when the new minister was appointed to head the Post and Telecommunications.

However, she did not think that the situation was too serious. "There's just a delay and I hope that the President will appoint me."

She said that she had been involved in meetings where important decisions were taken.
Unions challenge Eskom privatisation

(260) 6029 1416

Renee Grawitzky

COUNTRYWIDE anti-privatisation marches by thousands of National Union of Miners (NUM) and National Union of Metalworkers of SA (Numsa) members take place today—as part of a prolonged programme of action—to ensure the restructuring of Eskom and the broader electricity supply industry remains in state hands.

Joint NUMSA and NUM action today is intended to oppose any form of “privatisation in the name of restructuring and to draw attention to the fact that restructuring is going on, on the quiet” at Eskom behind government’s back.

This action follows a number of proposals by the national electricity regulator that electricity distribution be taken away from Eskom and that an independent company distribute and ensure payment of electricity.

NUMSA said the campaign was to ensure that the electricity supply industry remained a national asset and that Eskom be given a permanent licence to “generate, transmit and distribute electricity throughout SA”.

The launch of this campaign comes in the wake of the failure of the national electricity regulator to carry out its mandate from both the Cabinet and the National Electricity Forum, NUMSA said. Instead, the union said it requested government to appoint the electricity working group of employers to design the future model of the electricity supply industry.

The NUM said: “We also want to see an immediate change in the management board of Eskom. It is dominated by the ‘old guard’ and it is time for real change to bring Eskom in line with the new SA.”

Meaningful influence by trade unions had been removed, the union said, because conservative elements in the management board and structure had “taken over”.

The union said the planned selling of power stations to private owners was being done under the pretext of introducing competition. If electricity demand warranted recommissioning stations, Eskom should recall thousands of retrenched workers.

The selling of all support services should be stopped immediately and restructuring of Eskom should instead focus on “efficient delivery of affordable electricity”, the NUM and
Dissent over TV portrayal

Nongqaimde Mathlana
SIMUNYE 09 July 1996

The coloured women who proclaimed that television in SA was a positive light, set a coffin alight at Artillery Road, in front of the SABC TV centre, before handing the media a memorandum.

They said they did not want coloured people to be portrayed as “thieves, drunkards and wife beaters”, and wanted the SABC to project them in a positive light.

Meanwhile the Johannesburg Tenants Association (Jota) yesterday said a march to Gauteng safety and security NABC Jesse Duarte’s office in Braamfontein to protest against landlords’ treatment of tenants. Jota president Zcck Manaka said the memorandum to Duarte was to highlight discontent at the condition of public housing.

SA denies launching an initiative with Libya

Tim Cohen

CAPE TOWN — The foreign affairs department has denied SA had launched a new bilateral initiative with Libya in relation to the Lockerbie air disaster.

The department said that Foreign Minister Alfred Nzo had simply endorsed the compromise proposals put forward by the Organisation of African Unity (OAU).

Rejection of allegations that SA’s position as Libya had been one of the reasons for the collapse of the rand, foreign affairs spokesman Piet Swanepoel said, contrary to perceptions, SA had not launched any new initiatives in relation to the Libyan situation.

The joint statement released after the meeting between Libyan leader Col Muammar Gaddafi and Nzo had merely restated the position already agreed on the issue by the OAU at its meeting last year.

Reports on the statement gave the impression SA was launching a new initiative because the link with the OAU position had been omitted. This impression was incorrect, Swanepoel said. The issue had been presented out of context.

He said the history of the interaction was Libya had accepted a compromise which would deliver the two suspects in the bombing of the Pan-Am aircraft over Lockerbie in 1992 to the International Court of Justice in The Hague for trial under Scottish law.

The proposal had been rejected by the US and Britain and as a result the issue had become deadlock.

The OAU subsequently established a pressure group which proposed support for the lifting of sanctions and the holding of a free and fair trial either at the International Court of Justice in The Hague or any other neutral venue.

SA accepted the legal maxim that a party can be punished only for a crime if it was proven beyond doubt through the process of law it had committed that crime.

Consequently it supported the OAU’s position and SA had gone no further than to reiterate this position in the statement issued after Nzo’s meeting with Gaddafi.

Also, SA had not endorsed Gaddafi’s claims on development of a chemical weapons plant in Libya. It mentioned only that Nzo had raised the allegations and noted Gaddafi’s denial.

Swanepoel said Nzo had visited a number of north African and Middle East countries during his recent trip, including Iran, Tunisia and Egypt, where an African nuclear free zone had been established.

Nzo had spent a total of one and a half days in Libya during the three-week tour.

Swanepoel said Nzo’s trip to Libya was long overdue.

Gaddafi had accepted an invitation to visit SA, but no dates had yet been set for the visit, he said.

Economy

Continued from Page 1

increase in Bank rate on it not make much difference. “Economies in situ have had to implement precise in interest rates. They went to 600% from 30%.”

He applauded the fact that he had been able to do so, “It has to be done.”

Continued from Page 5

A non-ANC source closed and agreed that elections were needed to bring about a “more open society”.

The ANC’s Mike Sisulu said that elections should be held in the first quarter of 1997.

The source said the party was divided on the issue of whether there should be an election or a referendum.
BopBC won’t let go the reins

Without financial back-up and in defiance of Parliament and the Bop BC is going it alone, reports Jacquie Golding-Duffy

With only days to go before the Bophuthatswana Broadcasting Corporation (Bop BC) is obliged to integrate with the SABC, the broadcaster, once the mouthpiece of Lucas Mangope, is defiantly going it alone, outside of the Independent Broadcasting Authority’s (IBA) recognition and in defiance of Parliament.

Central government funding to cut out

With the closure of the Ministry of Telecommunications and Broadcasting refuse to give Bop BC a single cent, The IBA vested its recommendation of all Transatel, Bophuthatswana, Venda and Okte (TVBC) broadcasters to integrate into a single national public broadcasting service.

The SABC supports this, Parliament has approved the IBA’s recommendation of integration, and even the African National Congress’s (ANC) National Executive Committee apparently sent a representative to persuade Bop BC to give up its fight.

But the queen bee of Bop BC, acting chief executive officer Casie Mahlathi, is holding on tightly to the throne.

At present, Mahlathi holds the microphone for solo singer North West Premier Popo Molele and back-up vocals for the MCZ for broadcasting and media, Dr Paul Sadler.

This week, Mahlathi was sworn down the phone on Mail & Guardian enquiry about the issue of integration.

However, she is believed to be taking full advantage of alleged loopholes in the IBA’s Triple Inquiry report and is refusing to integrate under a single national broadcasting service;

Mahlathi’s six-month contract is supposed to expire at the end of March, but Bop BC staff say she is not showing off her official status to be “permanently settled.” She left her corporate affairs management position at MCZ to take up the six-month contract at Bop BC.

Lesile Ximba, chairperson of the Joint Integration Management Committee established last October by the IBA, approved by Parliament, said Bop BC has become a political issue.

“The issue of Bop BC has become political and we have done everything that we can to facilitate the process,” Ximba said.

Mahlathi’s successor Papo Jordan had to “step in to deal with the issue”, and there was no sign that Bop BC was going to be brought together into the IBA.

“We believe all the assets of the former homeland broadcasters to belong to the state and to the national public broadcaster, who needs to satisfy its broadcasting requirements, but there is nothing in the law that we can do to ensure that Bop BC is included in the process,” said a member of the committee.

In his address at the meeting held a couple of weeks ago that she was only prepared to integrate the SABC, if her conclusion is that assets she believes that it needs and she intends to keep the rest of the assets, especially the telecommunication system—especially the Telecommunications Ministry—solve a problem on the payasement packages of those people who are unable to be accommodated in the SABC.

“Should (government) not be forthoming with the money for the 210 employees made redundant from the Transatel, Venda and Okte broadcasters,” the Mail and Guardian today.

It is clear that the ministry is not going to fork out any money to Bop BC and they have no money available to pay those employees made redundant. However, if the ministry was forced to choose between the two, the people who were made redundant would get the money and Bop BC would be let high and dry.

With the latter a strong possibility, sources close to Bop BC say the North West premier is cutting deals with private investors in a bid to reverse the fall of Bop BC.

If that fails, the premier needs funding to the tune of about R150 million a year to continue—speculation is rife that Molfe could find himself digging into the province’s coffers to keep the Mahlathi two bit on the air.

The South African Foreign Affairs Ministry already promised to give Bop BC R150 million during the Lucas Mangope era.

Molfe says claims of him cutting deals with private businesses and allegations that he may dip into the province’s budget are “absolute rubbish”.

“These claims are being made by bashards who are intents on discrediting Molfe and the province,”

But two weeks ago Molfe told a MAC journalist that she was given R54 million by the province for the coming year.

She then sent out a flurry of press releases declaring Bop BC back in business.

Last month, the premier’s representative, Willie Modise, said Molfe and Bop BC were “looking at a number of options from the private sector to retain its viability”.

“Many groups are interested in Bop BC, but they have not come forth with any proposals,” he said.

Where Bop BC staff are months ago were under the impression that the station would not integrate, they now have a clear indication that Bop BC will survive.

IBA representative Nazim Vilakazi said President Nelson Mandela signed law last week which gives the IBA clear jurisdiction over the TVP, states that it is in a law that should clarify the situation, Vilakazi said.

“The IBA now has jurisdiction over Bop BC. This means the regulatory body can make clear cut decisions on licensing, enabling it to grant or not grant a licence to those broadcasters wishing to continue outside of a national broadcaster.”

“We have made recommendations surrounding all TVB broadcasters and it seems the only way to conclude the issue surrounding Bop BC is by some political involvement,” Vilakazi said.

He added that if the IBA is responsible for regulating frequencies and if Bop BC wants to continue on its own, it would have to apply for a licence and present its case to the IBA.

Recommendations by the IBA in its triple inquiry report to Parliament clearly states that all television stations should be nationalised to ensure the most cost-effective use by the national broadcasting service (the SABC) for such internal production and as a revenue-generating resource through use by private broadcasters.

It also states that Bop BC’s external broadcasting satellite service be assumed by the national broadcasting service and its facilities be used for the proposed national broadcasting satellite and external services.
'Hookey' councillor Viljoen leaves IBA

Justin Peach

STELENBOSCH University vice-rector Christo Viljoen leaves the Independent Broadcasting Authority this week, amid rumblings from within the IBA that he rarely turned up for duty in Johannesburg although he received a full-time salary for seven months.

Viljoen, a former chairman of the South African Broadcasting Corporation—he also did that job part-time—was appointed as a councillor when the IBA was established in March 1994. He was appointed to serve the IBA in a part-time capacity on the basis of his expertise in the technical side of broadcasting and his experience with the SABC of old.

Councillors who were appointed to the IBA were given the option of full- or part-time service. Viljoen opted for part-time service owing to the demands of his top executive position at Stellenbosch.

Initially he received a full councillor's salary. Viljoen said he was on full salary only for the first two months of his period of office. But IBA representative Amos Vilakazi said Viljoen had continued to receive full payment until September 1994.

Viljoen said that he had received a full salary in the beginning because things were "deurnekaar" at the IBA then. He said during his first few months of office he had devoted at least as much time to IBA duties as the full-time councillors.

Salary payments to Viljoen were stopped after dissatisfaction from within the IBA that he was receiving remuneration in the same league as full-time councillors who were devoting long hours to IBA duties.

Vilakazi and Viljoen’s salary was stopped at such a point that his total earnings over his two-year period of service would be equivalent to a 40% salary of a full-time councillor.

Yet while Vilakazi said the IBA was satisfied with the way Viljoen had discharged his duties, dissatisfaction remains that Viljoen was not pulling his weight on the council.

"This year he only attended half the meetings he was supposed to", said an IBA insider.

Viljoen insists he had fulfilled his duties on the IBA, often working from his office in Stellenbosch, just as he had served the SABC first as a board member and latterly as chairman.

He said, however, that he had decided not to make himself available for a second term of service on the IBA council because "I found it was not possible to attend to my part-time duties."

Viljoen said he had never received any of the fringe benefits such as car and housing allowances which are enjoyed by other councillors. "This is not a gravy train," he insisted. But Vilakazi said Viljoen, while he was receiving a salary, had received a package of R320 000 per annum, including benefits.
Rival unions unite to protest against Eskom privatisation

Historic event sees former foes march together for a common cause

ESTELLE RANDALL
Labour Reporter

ESKOM workers from rival unions have joined forces for the first time to protest against proposals to privatise the company's electricity distributor.

This comes on the eve of the call by the Congress of South African Trade Unions (Cosatu) for a general strike.

Members of the Cosatu-affiliated National Union of Mine Workers (NUM) and the all-white Mineworkers Union (MWU) held a joint protest in the conservative centre Bellville.

The two unions approached the protest quite differently.

NUM members gathered early in a nearby car park to prepare last-minute placards and go through the basic procedures to be followed during the march.

"No remarks to the police, comrades – we won't stand for that.

"They are only doing their job," was one of the many instructions the hundred or so marchers got before they were allowed to make the way along Voortrekker Road, Bellville's main thoroughfare.

The march, it turned out, proceeded without incident.

Onlookers peered from the windows of tall office blocks or gathered at shop doorways to watch the procession.

Meanwhile, the MWU had gathered outside the Eskom offices – blue and white banners aloft – chanting the name of their union.

"We support them," explained an MWU member, "but marching is not in our culture.

"With encouragement from the NUM, the MWU mixed in with the crowd.

"In a show of unity, the rally which throughout the march had been reserved for the NUM and Cosatu – were shared among the two unions.

Mike Gousard, full-time shop steward for the MWU, was ushered to the front to give workers his message.

"It's time we stood together, he said to enthusiastic cheers.

"If we don't, we will be divided and we can't allow that.

"We all want a better life for our children and we all want to get the best out of Eskom and make Eskom the best," he said.

Soon after the NUM's Pius Zondo had read the memorandum outlining the workers' grievances, Cosatu secretary-general Sam Shilowa arrived.

His speech was delayed somewhat by requests that he pose with MWU members for photographs.

In his address Mr Shilowa said the workers' display of unity around a common grievance should translate into unity over Cosatu's dispute over the final constitution.

"Workers are asking one question," he told them.

"Whose constitution is it?"

Mr Shilowa and trade unions in the Federation of South Africa Labour Unions (Fesatu) and the National Council of Unions (NCU) and others agreed with Cosatu's concerns.

"But the key question is – what are we prepared to do?" he asked.

Developing an air of suspense and confidentiality, he said he was going to share something with the audience that he had not yet discussed with his executive.

He said he planned to meet Freedom Front leader Constand Viljoen to persuade him to support Cosatu's demand that the lock-out clause be dropped from the constitution.

"I'm going to tell him that he was elected by white workers who don't want the lock-out clause in the constitution," said Mr Shilowa.

With the workers of two rival unions standing side by side in the hot sun, Mr Shilowa's comments seemed to capture the spirit of the occasion.

CROSSING THE LINE: Members of the all-white Mineworkers' Union join the National Union of Mineworkers in Bellville to protest against plans to privatise Eskom. This was the first time the workers had taken joint action.
80 temporary community radio licences granted so far

Ingrid Salgado

ALL community radio stations should be required to broadcast news and would need permission from the Independent Broadcasting Authority (IBA) to use programming from network operators, an IBA discussion paper on community radio broadcasting services released yesterday said.

The paper comes ahead of IBA plans to hold public hearings at the end of next month on licence conditions for community radio. The broadcast regulator has granted more than 80 temporary community radio licences and is soon to grant four-year-long permanent licences.

The paper recommends that network operators should obtain IBA permission to provide programming to community stations. Many stations currently make use of Sapa's community radio news service, while plans are in the pipeline for Radio 702 to offer a similar service.

The IBA says community radio licences should be granted to stations that are either geographically based or have an audience with a common interest. The geographic size of stations should be divided into urban, peri-urban and rural areas to ensure services are spread and accessible throughout SA. But "community interest" stations may cater for several communities spread throughout a vast geographic area.

They would provide services to communities which were linked by a particular interest.

The paper proposes that licence applicants provide proof of financial viability, and asks for a non-refundable fee of R2 500 from applicants.

The potential broadcaster should prove the station has sufficient funds to operate for at least three months after going on air, while evidence is required that further funds would be forthcoming for the station to survive for an additional three months.

The paper recommends a prohibition on dividend payments or bonuses to station members, although the authority would not prevent "payment in good faith of reasonable remuneration" to employees.

In the event of stations dissolving, assets would be transferred to other community associations with objectives similar to the stations.

The IBA said it would not normally require stations to share frequencies, but could consider this option where frequencies were limited and if it was in communities' interests to receive services from competing stations.
Eskom marchers protest over restructuring

BY JUSTICE MALALA
Labour Reporter

Hundreds of electricity workers marched on Eskom offices in Bellville, Cape Town, yesterday to protest against plans they claimed were making to restructure the parastatal unilaterally, and warned that further mass action on the issue would follow.

The action by the National Union of Mineworkers (NUM) and the National Union of Metalworkers of SA (Numsa) was to be the first salvo in a campaign that will include various actions at Eskom plants across the country.

Workers elsewhere in the Cape and in Bloemfontein also marched to Eskom regional offices to present memoranda on the issue.

The unions feel that privatisation is being pursued quietly at the parastatal, despite a freeze being put on such moves by the Government until further consultation has taken place.

Numsa said at the weekend that Eskom as a whole had to remain a state-owned enterprise and had to be given a public mandate to take over the entire electricity supply industry in South Africa.

The NUM's Thomas Sedutla said the protests were aimed at resisting any privatisation in the name of restructuring and to draw attention to what was going on "on the quiet" at Eskom.

"We also want to see an immediate change in the management board of Eskom. It is still dominated by the 'old guard'," he said.

Eskom human resources director Bonifant Khumalo said the Government had not given Eskom any mandate to pursue privatisation.

"It must be stressed that all and any final decisions to do with the restructuring of public enterprises, including Eskom, are the prerogative of the Government.

"We acknowledge the perception around certain 'conservative elements' in the structures of Eskom, especially at the top, who are viewed as obstructing the process," he said.
PUBLIC SECTOR - GOVT. STATE ENTERPRISE

1996

MAY - JULY
Claims of ‘racism’ rock the CSIR

Scores of resignations and many more to follow in the next few weeks

By Shadrack Mashabana

Scores of black professionals are leaving the Council for Scientific & Industrial Research amid allegations of racism at the institution.

A source, who preferred to remain anonymous, has told Sowetan Business that black professionals in the CSIR – a state-funded research organisation – are deliberately and systemically being made to feel redundant in the organisation.

The recent resignations are said to be a tip of the iceberg as a massive exodus is expected in the coming weeks. On average approximately five professionals are said to be leaving the organisation every month.

Raw deal

The resignations at the CSIR follow hot on the heels of resignations of black professionals at the South African Reserve Bank who also felt they were getting a raw deal in that institution.

The source says there are black people who have powers such as the authorisation of cheques at least as low as R500, but because of structural suppression alleged to be executed by senior personnel they are impeded from exercising even such powers.

Intensifying the frustrations of black professionals at the institution is that some of them do not have job descriptions and, as a result, people arrive to the office and sit idle for days without being given any work by their seniors.

Sowetan Business has also learnt that attempts to resolve black professionals' concerns at a number of meetings – as many as five last year – proved fruitless as resolutions taken at these meetings were not implemented.

The source also claims that while they enjoy equal fringe benefits, there are still disparities based on racial lines when it comes to salaries.

Infringely the CSIR has been dominated by Afrikaner until recently when it started looking for a major drive to bring black professionals into the fold.

Before 1994 black professionals were concentrated in peripheral positions of messengers and cleaners. Out of a total of 3,000 workers within this parastatal, about 250 are black.

“We are treated like irresponsible kids, even when there are meetings we are not informed. You will just learn after days that there was a meeting. Even critical RDP-related conferences we are excluded – how are we expected to perform efficiently if we are not involved in decision-making forums?” asks the source.

Another within the institution says there are elements from the old order who feel threatened by the presence of black people in the parastatal.

“I do not intend moving out of the organisation because I have a mission to complete, but ‘racism’ is an entrenched feature of the whole structural set-up here.”

“Even though they claim to have an affirmative action programme in practice it is non-existent,” he said.

He adds that while there is one senior black professional, his involvement is not felt as he is overshadowed by the old guard bent on nourishing their status quo.

Attempts to reach the office of the CSIR president Dr Geoff Garrett proved fruitless.

Allegations dismissed

CSIR media liaison officer, Amie Hunter, dismisses allegations that black staff members are leaving CSIR.

“As far as I am concerned there has never been and there is no massive exodus of staff from the organisation,” said Hunter.

Initially Hunter promised to respond on Monday afternoon, but later she promised a detailed response the following day.

On Tuesday the comprehensive response to the allegations did not come, instead Hunter told Sowetan Business about CSIR’s “employment equity programme”.

“CSIR employment equity policy enjoys widespread support in the organisation, from board members to employees, and there are several place in all operational units,” she said.

She concluded by suggesting that she believes an “on-site visit” by Sowetan Business to discuss CSIR’s policy and procedures would be an appropriate way of dealing with the employment equity issue.
Eskom in R650m Namibian project

Eskom has agreed to construct a R650m 300km power line, with Namibian electricity utility Swawek, the first such interconnection following the previous last year of the southern African electricity power pool.

The line will be constructed from the Ame substation near Kenhardt to the Aus substation near Windhoek. Swawek MD Leake Hangala said studies showed the most viable option was to build a line which would interconnect with Eskom’s network and make electricity available to the pool.

An Eskom spokesman said the parastatal believed it could benefit in the longer term from the trade of electricity in the region rather than from immediate financial returns.

The spokesman said the finished line would make it theoretically possible to negotiate power supply agreements with Zesco from Zambia and from Inga in Zaire. Zesco was expected to join the power pool soon.

At least one SA company would be in the running for the international tender for the line and equipment.

Hangala said Eskom and Swawek would each finance that section of the line in its own country, with Swawek’s share at between R480m and R500m.

The line, with a target completion date for the first leg of 1999, would be able to transmit about 400MW once complete, but could be upgraded.
SABC hit by resignations

As SABC's radio division prepares for a major relaunch, staffers complain of burgeoning bureaucracy. Philippa Garson reports

The departure of three senior SABC radio executives could not have happened at a more unfortunate time for the government broadcaster's radio division.

Set to relaunch itself amid ongoing internal problems and looming competition from independent radio stations, the last thing the division needs is a spate of resignations, say a number of discontented members of the corporation.

SAfM head Jack Mullen, an internationally recognised radio playwright; Coen Goss, dynamic head of the advertising division, Radio Active; and Radio Xhosa manager Tembela Mhlangi, have quit within days of each other.

The resignations will compound problems for the station's gearing up to relaunch itself with fanfare in October. Staffers complain of a lack of leadership and burgeoning bureaucracy of both the "old" guard and the "new", which hinders the transformation of the division.

"The division is imploding on itself. It has not transformed properly. Nor is it capable of surviving the competition which is about to hit it," commented one insider who asked not to be named.

Six of the SABC's regional stations are being sold and by the end of the year 12 new private radio stations could be up and running in direct competition to the public broadcaster.

Despite a government grant of R40-million to the corporation to get educational programming for radio and television, neither departmental heads nor staff were in place to meet the July deadline. But, radio chief Govin Reddy said the three education positions will be filled shortly.

Reddy said management was "very excited" about the "repositioning of several stations" in October, which would signal new names and programme content for the language stations.

Unlike staffers who responded with shock to the news of the three resignations, Reddy was sanguine, saying the resignations were "not really significant. We have 23 stations and only two station managers have resigned in the two-and-a-half years I've been here."

Reddy said the resignations had to be seen in their individual contexts. Mullen resigned for "a change", but was still committed to the SABC, and Mhlangi resigned because of a dispute with staff and unions at the station.

Mullen told the Mail & Guardian he was leaving because he "had had enough of being in management". He said he was not a "natural manager" and wanted to return to creative writing.

Colleague Talk at Will presenter Will Bernard said it was time "management saw the difference between managing the editorial and managing the administrative side. Creative people should not be spending their days in meetings discussing the colour of carpets".
SABC’s business barter

The SABC is considering commissioning a business programme from Times Media Limited. Is this a poor reflection of the broadcaster’s own economics desk?

JACQUELINE GOLDING-DUFFY reports

THE SABC, with no immediate plans to develop its own business show, is considering commissioning a new business programme from Times Media Limited (TML), whose Business Day Tonight contract expires at the end of June.

SABC 3 general manager Louis Raubenheimer says the SABC will not be renewing the contract of TML’s Business Day Tonight – the first nightly independent business news television programme aired on SABC 3 – but will possibly be entering into a new contract with the newspaper house.

Some sources within the industry say it is the broadcaster’s failure to rebuild and improve its own economic desk that has spurred its decision in favour of TML.

However, Television News Production (TNP) editor-in-chief Joe Thibole says this is not the case. "Although there are no immediate plans to develop a half-hour business show ourselves, the SABC is in the process of strengthening and rebuilding its economics team."

But critics within the SABC’s new adament "that failed attempts to cover business news have forced the broadcaster to abandon plans of having a full-blown economics programme of its own."

Thibole, however, stressed that the offer from TML is "being considered" and if it was accepted, this should not be regarded as a poor reflection on the SABC’s own economics team.

Some within the SABC argue that an in-house programme would focus more on economic and labour issues and the impact the market has on the person in the street, while Business Day Tonight caters for the "upper"-class business and corporate people.

"While there has been more business news coverage on both the SABC and TML news bulletins, media observers see the role of Business Day Tonight as supplementing the SABC’s news programmes rather than challenging and competing with its short snippets of business news produced in-house."

"Earlier plans to pull the plug on the joint venture by TML’s Business Day newspaper and Financial Times (FT) Televison were sparked by a SABC policy which prohibits outside sponsorship from paying for the production of news and reality programmes, as is being done by Trust Bank for Business Day Televison."

"Business Day Tonight was set to be ditched by the SABC after its contract expired unless it was able to clear the sponsorship hurdle."

"According to Raubenheimer the issue of sponsorship "has been sorted out".

"We at the SABC are going to commission a programme from outside and ensure that the editorial control lies entirely with the SABC."

SABC, at the time, felt it was jeopardising its editorial control by allowing outside sponsorship of programmes, but agreement has been reached between TML and the SABC that the new contract will not be commercially sponsored.

"It is not a matter of adapting the sponsorship to provide for editorial control. We at the SABC are going to commission a programme from outside and thus ensure that the editorial control lies entirely with the SABC," Raubenheimer said.

TML electronic media director Neil Jacobsohn says although the SABC understands the "value and credibility of the Business Day and Financial Times logos", it was agreed that the SABC will be rebranded and the Business Day Tonight logo will be replaced by a generic business news logo.

"The SABC is commissioning us to produce a business show and they are paying us a fee to do this," Jacobsohn said. He adds that although there will be no commercial sponsorship of the programme, standard advertising before and after the show will continue as usual.

"Business Day Tonight is a wrap-up of the day’s business and economic news events."

Besides the local news provided by Business Day, a tailored feed of international news relevant to South African business people is prepared daily for viewers by FT Television.

Jacobsohn says there are plans to expand the programme team and complement and generally improve the look of the show.

Raubenheimer says talks between the parties are ongoing to finalise the contract price and review of the new contract.

"A decision still has to be made as to whether the SABC is going to buy the programme as an entire package from TML or whether production is going to be in-house or outside," he said.

Jacobsohn says it is likely that TML will rent the SABC’s production facilities providing the price is reasonable and that the entire business show will still be produced by the Business Day Tonight team.

"The contract price for a year also has to be finalised," he said.

Thibole says there are "no immediate plans" by the SABC to launch a half-hour show of its own, because it does not yet have the manpower, among other factors.

Jacobsohn says TML offered a year ago to train SABC staff in business news coverage, but the broadcaster has failed to respond to the offer.

"We offered to train potential business reporters in the Business Day newsroom and the Financial Times has also agreed to host a couple of reporting spots in its studio in London, but the SABC has not yet accepted our offer," Jacobsohn said.

Thibole says the reason for not taking up the TML offer was because the economics desk is "hurly burling" and the SABC cannot afford to release any of its journalists for training.

PHOTOGRAPHY: ROBERT BOTA
Broadcasting watchdog's power to fade

Regulation, not policy, is to be the future role of the IBA as Posts and Telecommunications takes over

BY JOVIAL RANTAO
Political Correspondent

Jay Naidoo, the new Posts, Telecommunications and Broadcasting Minister, has announced a revamp which scales down the power of the Independent Broadcasting Authority (IBA) from making policy to serving only as a regulatory body also issuing TV and radio licences.

In his first major policy speech, he said in Johannesburg yesterday: “The IBA as a regulator has perhaps been unfairly burdened with conducting the policy inquiry at the expense of its regulatory obligations to open the airwaves to a diversity of public, private and community broadcasters.”

Naidoo also announced that he had initiated discussions to fast-track the process to merge the IBA and the South African Telecommunications Regulatory Authority into a single regulatory body for telecommunications and broadcasting in line with the projected convergence of technologies.

“In accordance with the requirements to tighten our belts and in the light of the society’s demands for efficiency, we’re compelled to seek to merge the two bodies as soon as possible. I urge the industry and other stakeholders in this sector to present proposals on the most efficacious way to achieve this objective,” he said.

Naidoo added a forum had been established to co-ordinate the planned integration of former TBVC broadcasters.

He revealed that the IBA was inquiring into the granting of commercial radio licences and would then proceed with the granting of a commercial television licence.

He also presented for discussion the draft bill on telecommunications, which he said reflected the policy framework of the white paper in respect of universal service, liberalisation and regulation.

Naidoo said a strategy must evolve which would address, among others, the traditional imbalances in the deployment of the telecommunications services.

“As Government, we are committed to addressing these imbalances by the establishment of a reliable network that will reach both rural and urban communities. Provision of universal services must relate to meeting the basic needs of our people for telephones, distance education, the Internet and the enhancement of other business systems.”

He said Government was committed to partnerships that would address issues of job creation and economic growth.
Advice to govt on restructuring soon

Robyn Chalmers

The sectoral task teams looking into the restructuring of state assets would advise government on the time frames for restructuring by the beginning of next month, Public Enterprises Office head Sipho Shabalala said yesterday.

This follows mounting criticism about the slow progress being made on government’s restructuring plans, and indications that one-on-one meetings between the state and labour had become bogged down.

There appears to have been little progress on the asset restructuring process since the national framework agreement was signed in February, but Shabalala said that much was being done behind the scenes.

"We are trying to create a new culture of cooperation between government, labour and management, which has taken time," Shabalala said. Significant work had been done on analysing the effect of restructuring by the various sectoral teams and the restructuring and transformation committees. There was generally a poor level of understanding of the complexities involved in restructuring state enterprises.

However, Shabalala said, government had given top priority to accelerating the process of restructuring. He expected Public Enterprises Minister Stella Sisulu to make a significant statement on restructuring soon.

It had been agreed at a meeting of the interministerial committee for the restructuring of state assets, held on May 1, that the finance ministry would, during the next three weeks, develop a protocol for the corporate governance of all state-owned enterprises. This was to ensure there was accountability and transparency in the management and running of these enterprises.

The restructuring process was placed under the spotlight once again this week with the announcement by Posts, Telecommunications and Broadcasting Minister Jay Naidoo that finding a strategic equity partner for Telkom was an urgent priority.

Naidoo said it was essential that government now determined the conditions under which investment by a strategic equity partner in Telkom took place.
The daily experience of our people is often the result of the policies of the government. In order to improve the lives of our people, we need to work together to ensure that our voices are heard. The leadership of the country should focus on the needs of the people and work towards creating a better future for all.

The leader's responsibility is to listen to the people and act in their best interest. We must stand together and demand change. Our voices must be heard to bring about the necessary changes needed for a better future.
Eskom puts sale of stations on hold

Robyn Chalmers

ESKOM's plans to sell three decommissioned power stations have been put on hold while talks with labour get under way and the possibility of the stations being refurbished is considered.

Fuel and technical services senior GM Mike Deats said yesterday there had been overseas interest in the stations, and a number of proposals from foreign utilities had been received.

The entry of foreign players could signal a major step towards private sector involvement in the generation game. It could also coincide with the looming shake-up in the power distribution sector.

"The possibility of refurbishing the power stations and bringing them back into operation was recently mooted, and we are considering this as an option," he said.

Sources close to Eskom said trade union groupings had objected to the proposed sale and thus had delayed the process.

The power stations are Tsabas and Highveld in the Free State, and Ingangane in KwaZulu-Natal. Eskom said earlier this year it had earmarked the three for possible sale, and the parastatal had set a February 16 deadline for proposals on buying the stations.

Several proposals had been received, but the selection process had been put on hold while the talks continued with labour and on the refurbishment issue.

Deats and Eskom did not need the additional capacity so the timing of the refurbishment would be important. He declined to comment on which foreign utilities had put in proposals, but earlier reports suggested Electricité de France, Germany's Westhälische Elektrizitätswerke and the UK's Midland Electricity were among those interested.

Deats said any successful candidate would have to apply to the national electricity regulator for a licence under the new legislation governing the industry. The new rules would now expose Eskom's operations to regulation.

Sources said options open to foreign buyers would include selling the electricity to Eskom; supplying large customers, exporting to a neighbouring country or exporting the power station.
IBA opts for ‘light touch’ in broadcast regulations

Ingrid Salgado

The Independent Broadcasting Authority (IBA) has chosen not to impose heavy regulations on private radio broadcasters, opting instead for self-regulation of the industry and extensive consultation with all role players.

The broadcast authority released its petition paper on private radio yesterday—a final paper that does not need Parliament’s ratification—amidst sighs of relief from private broadcasters.

The authority did not limit advertising and sponsorship time and declined to establish a language fund, to which all private broadcasters would have been forced to contribute to develop marginalised languages.

Instead, it urged all broadcast-related industries to set up a forum that would “speak with one voice”. The regulator would consult this forum on constraints on advertising and sponsorship, the language fund and revision of broadcasters’ code of conduct.

The IBA also increased to eight the number of private radio licences it would issue by year end. Applications open today for three FM licences in Johannesburg, one AM station in Gauteng, one FM licence and two AM licences in Cape Town and one Durban-based FM station.

This takes the total number of private radio licences to 16, including Capital Radio, Radio Bop and the six SABC stations being sold to private bidders. The IBA said licences would be made available in other areas if bidders expressed interest by December.

The authority stipulated that all stations had to provide news totalling at least 30 minutes of an 18-hour day on a regular basis throughout the day.

Continued on Page 2

IBA

Continued from Page 1

It did not lay down requirements on the origination and diversity of news sources but said this would be taken into account when selecting licensees.

It would not specify the broadcast language but would encourage broadcasting in all SA languages.

Broadcasters would have to pay an annual licence fee of 1% of annual turnover, less agency fees and other deductions to a maximum of 30%. Other fees included a R30,000 application fee, a R2,500 licence-issuing fee and a R30,000 fee to apply to amend licences.

Any private station devoting more than 15% of airtime to music would be required to observe a local content quota of 20%.

The authority said its commitment to self-regulation stemmed from its belief that inherent groups were inherently inclined to produce radio broadcasting of the highest standards. A culture of self-regulation would best “take root” when the industry was in its formative stage.

The Association of Marketers and Primedia Broadcasting welcomed the IBA’s “light-touch” regulation.

Primedia said the authority had shown flexibility on controversial proposals and this would enhance the industry’s prospects.

The association said it was pleased the authority had listened to the industry’s concerns during public hearings on private radio regulations last month. Sotho Gold FM’s Tony Sander son said he was “relieved” by the outcome of the process. “For a change I’d like to congratulate the IBA,” he said.
IBA relaxes rules for broadcasters

JOHANNESBURG -- The Independent Broadcasting Authority (IBA) has today relaxed the regulations for commercial radio licences.

IBA chairman Mr Peter de Klerk told a press conference that the Authority is concerned about the future of commercial radio in South Africa. He urged the Government to consider a revised approach to the regulation of commercial radio and to consult with the industry.

Recent hearings on radio licences were conducted to assess the implications of the IBA decisions on commercial radio licences. The Authority's position paper will serve as a guide to the drafting of licensing regulations.

De Klerk said the Authority was concerned about the future of commercial radio in South Africa. He said that the Authority had recommended repeatedly during IBA hearings that the number of available commercial radio licences was increased to 10 -- the 27 existing stations currently have a lease on another eight stations spread throughout the country, and Capital Radio and Hepburns and Radio.

The Authority's position paper is intended to assist potential broadcasters in preparing their licence applications.

Solid Gold Radio, Mr Tony Randall, a long-time critic of the IBA, welcomed the Authority's decision, saying he was aware of the need for new hands-on policy.

The Communications and Broadcasting Minister, Ian Naudé, said yesterday his ministry's name would be changed to the Ministry of Communication. -- Out or is it the one cruisin'?
IBA relaxes rules for broadcasters

JOHANNESBURG: The Independent Broadcasting Authority (IBA) is to relax the regulations for commercial radio licences.

IBA chairman Mr. Peter Klerk told a press conference here yesterday that South Africa is urged to exercise caution in our approach to the regulation of commercial radio and we have heard.

A letter from the IBA, public hearings in other countries was indicated yesterday a paper containing the IBA's decisions on commercial radio licences. This position paper will be a guide to the drafting of licensing regulations.

We decided to tighten up on those to make radio stations more commercially viable. Dr. Klerk said.

The IBA paper urged the industry to establish a broad based association to facilitate self-regulation, a step that was recommended repeatedly during IBA hearings.

The paper also said there would initially be no time-related limitations on advertising and sponsorship but added that the IBA would consult the proposed association about future policies on this.

The IBA set the minimum length for news broadcasts on each station at 30 minutes a day.

It said that the proposed industry association should make its own decision on the contentious issue of a language development fund - long a bone of contention between the IBA and the industry.

The number of available commercial radio licences was increased to 16 - the six AM stations currently for sale another eight stations spread throughout the country, and Capital Radio and Bophuthatswana Radio.

The IBA position paper is intended to assist potential broadcasters in preparing their licence applications.

Solid Gold Radio's Mr. John Sanderson, a long-time critic of the IBA, yesterday expressed relief at the IBA's move toward policy.

Posts to Communications and Broadcasting Minister, lay Nando, said yesterday his ministry's name would be changed to the Ministry of Communication - own correspondent.
IBA relaxes rules
for broadcasters

The IBA has relaxed its regulations on the number of advertisements that can be broadcast in a day.

The IBA has reduced the maximum number of advertisements that can be broadcast in a day from 20 to 15.

The proposal was made to reduce the number of advertisements and improve the quality of programming.

The IBA has also relaxed its regulations on the number of commercials that can be broadcast in a day.

The IBA has increased the number of commercials that can be broadcast in a day from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the evening.

The IBA has increased the number of advertisements that can be broadcast during the evening from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the morning.

The IBA has increased the number of advertisements that can be broadcast during the morning from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the afternoon.

The IBA has increased the number of advertisements that can be broadcast during the afternoon from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the evening.

The IBA has increased the number of advertisements that can be broadcast during the evening from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the morning.

The IBA has increased the number of advertisements that can be broadcast during the morning from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the afternoon.

The IBA has increased the number of advertisements that can be broadcast during the afternoon from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the evening.

The IBA has increased the number of advertisements that can be broadcast during the evening from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the morning.

The IBA has increased the number of advertisements that can be broadcast during the morning from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the afternoon.

The IBA has increased the number of advertisements that can be broadcast during the afternoon from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the evening.

The IBA has increased the number of advertisements that can be broadcast during the evening from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the morning.

The IBA has increased the number of advertisements that can be broadcast during the morning from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the afternoon.

The IBA has increased the number of advertisements that can be broadcast during the afternoon from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the evening.

The IBA has increased the number of advertisements that can be broadcast during the evening from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the morning.

The IBA has increased the number of advertisements that can be broadcast during the morning from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the afternoon.

The IBA has increased the number of advertisements that can be broadcast during the afternoon from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the evening.

The IBA has increased the number of advertisements that can be broadcast during the evening from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the morning.

The IBA has increased the number of advertisements that can be broadcast during the morning from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the afternoon.

The IBA has increased the number of advertisements that can be broadcast during the afternoon from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the evening.

The IBA has increased the number of advertisements that can be broadcast during the evening from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the morning.

The IBA has increased the number of advertisements that can be broadcast during the morning from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the afternoon.

The IBA has increased the number of advertisements that can be broadcast during the afternoon from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the evening.

The IBA has increased the number of advertisements that can be broadcast during the evening from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the morning.

The IBA has increased the number of advertisements that can be broadcast during the morning from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the afternoon.

The IBA has increased the number of advertisements that can be broadcast during the afternoon from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the evening.

The IBA has increased the number of advertisements that can be broadcast during the evening from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the morning.

The IBA has increased the number of advertisements that can be broadcast during the morning from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the afternoon.

The IBA has increased the number of advertisements that can be broadcast during the afternoon from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the evening.

The IBA has increased the number of advertisements that can be broadcast during the evening from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the morning.

The IBA has increased the number of advertisements that can be broadcast during the morning from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the afternoon.

The IBA has increased the number of advertisements that can be broadcast during the afternoon from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the evening.

The IBA has increased the number of advertisements that can be broadcast during the evening from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the morning.

The IBA has increased the number of advertisements that can be broadcast during the morning from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the afternoon.

The IBA has increased the number of advertisements that can be broadcast during the afternoon from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the evening.

The IBA has increased the number of advertisements that can be broadcast during the evening from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the morning.

The IBA has increased the number of advertisements that can be broadcast during the morning from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the afternoon.

The IBA has increased the number of advertisements that can be broadcast during the afternoon from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the evening.

The IBA has increased the number of advertisements that can be broadcast during the evening from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.

The IBA has also relaxed its regulations on the number of advertisements that can be broadcast during the morning.

The IBA has increased the number of advertisements that can be broadcast during the morning from 10 to 15.

The proposal was made to increase the variety of programming and improve the quality of advertisements.
Electricity regulator's pay under fire

Amanda Vermeulen

The National Electricity Regulator has come under fire after proposing salaries for its senior executives which are double those of their colleagues in the electricity industry, with some payouts topping R500 000.

The regulator, from which SA's estimated 250 electricity authorities have to obtain licences, was formed to rationalise electricity tariff structures and overcome the problems of supplying electricity to black and rural areas.

Funded by licence fees levied on electricity generators, it plans to pay its financing, pricing and tariffs executive manager up to R540 923 annually — almost double the salary of Johannesburg city council's chief director of electricity.

The packages are also up to 30% higher than those of mineral and energy affairs senior officials and 50% higher than the top salary of an Eskom manager at a similar level.

In the salary proposals, gazetted on March 8, the regulator said the packages were designed to attract top people who were earning competitive salaries elsewhere.

In a letter to Mineral and Energy Affairs Minister Pik Botha, Finance Minister Trevor Manuel and the regulator's board, the Mineral and Energy Policy Centre said the wage proposals were out of line with government practice. "There is a clear moral obligation for government to ensure equity between the regulator and mineral and energy affairs department staff wages. The assertion that the proposed salaries are market-related is astonishing.

The centre, an autonomous policy research body chaired by ANC secretary-general Cyril Ramaphosa, said

Continued on Page 2...
Relief as IBA relaxes radio licence regulations

BY CHERYL HUNTER

A flood of application forms are expected to follow the news yesterday that the Independent Broadcasting Authority has decided to relax regulations for commercial radio licences.

Speaking at a press conference in Johannesburg, IBA co-chairman Peter de Klerk said "South Africans urged us to exercise caution in our approach to the regulation of commercial radio and we have heard you.

The result of the public hearings over the past months were presented yesterday in the form of a position paper which contained the decisions of the IBA on commercial radio licences and from which the licensing regulations will be written.

"We decided to tighten the regulations to make radio stations more commercially viable," de Klerk said.

The paper called on the industry to establish an association of broadcasters in a move towards self-regulation, a request heard repeatedly during the hearings.

It also said there would be no time-related limitations on advertising and sponsorship, but that the IBA would consult with the association regarding future policy in this regard.

Position paper presented... Solid Gold's Tony Sanderson, long-time opponent of IBA (left), and IBA co-chairman Peter de Klerk.

The time for news on a station was set at a minimum of 30 minutes. No rules were laid down regarding the origin of the news.

It was left to the association to make decisions on the issue of a language development fund - long a bone of contention between the IBA and the industry - and the annual licence fee was set at 1% of 80% of annual turnover.

The number of available commercial radio licences was increased to 16 - the six SABC stations currently for sale, another eight stations spread throughout the country, and Capetown Radio and Bophuthatswana Radio.

Even Solid Gold's Tony Sanderson, a long-time opponent of the IBA, was surprised by the hands-off policy of the document.

"I am very relieved to see the outcome of this paper and congratulate you," he said.

The position paper is aimed at helping potential broadcasters in their applications for licences by outlining the requirements.

The closing date for applications is July 2 and forms may be collected at the IBA's offices in Rosebank, Johannesburg.
SABC withholds names of bidders

Jacquie Golding-Duffy

THE Independent Broadcasting Authority (IBA) says it will closely scrutinise the shortlist of bidders pitching for the SABC's six regional radio stations. The SABC has agreed to deliver details of the unsuccessful applicants to the IBA — but only at month-end, after it has chosen the successful candidates.

Based on offers made by the deadline (May 24) and other criteria related to cross-media ownership, the SABC will choose new owners from among the current 22 bidders on the SABC's shortlist.

SABC representative Marj Murray says "only once this final list of bidders is compiled after May 24, then only will the IBA be getting a list".

She says the 22 would-be buyers will have to commit themselves to firm offers before the closing date.

Only when a final decision on the new radio owners is made, will the IBA get an opportunity to scrutinise both the successful and unsuccessful candidates.

The May 3 deadline for final bids for the six regional SABC radio stations up for sale was extended to May 24 because of information contained in the IBA report on the regulation of commercial radio ownership, to be released this week.

"Because of the information contained in the report and the impact it is likely to have on bidders making final offers, we decided to extend the deadline," Murray says.

The SABC's selection procedure, she says, is in line with the IBA's guidelines on ownership which cover, among other things, cross-media ownership, catering for previously disadvantaged communities and price. "Although the first round of bids was artificially high, it is not binding," she says.

IBA representative Amos Vilakazi says successful bidders still need to apply to the IBA for broadcast licences. This means the sale by the SABC does not guarantee would-be buyers the licence to broadcast.

Fees, Telecommunications and Broadcasting Ministry representative Connie Molusi says the department has received individual complaints of dissatisfaction by various people on the manner in which the shortlisting process was handled. She assured the IBA of a detailed review in the near future.

Molusi says Sunday newspaper reports that the briefing would occur earlier this week were incorrect.

"The entire process has first to be fully understood before public policy pronouncements can be issued and before we can say that we will intervene in the proposed sale of the six regional SABC radio stations."

The SABC radio stations up for sale are Radio Highveld, Radio Jacaranda, the Western Cape's KFM, Radio Algoa, East Coast Radio and Radio Orange.

It has been reported that Radio Highveld, the only station believed to be showing a clear profit, received bids of well over R100-million, with Radio 702's holding company, Primedia, bidding nearly R150-million.

Primedia Broadcasting chief executive Stan Katz would neither deny nor confirm the bid made, saying bidders had agreed not to divulge any information until month-end when the SABC announces the successful bidders.

The 22 bidders rumoured to be on the shortlist include the following:

- Primedia and the Mineworkers' Investment Company are rumoured to be on the list for Radio Highveld and the Cape station Radio KFM.
- Worldwide Investments and Dimension Data consortium for Radio Highveld and KFM.
- Kagiso Trust Investments for Radio Orange and East Coast Radio.
- Absa and Natal Newspapers for East Coast Radio and Highveld.
- Thebe Investment Corporation and Nasionale Pers for East Coast Radio and Orange.
- New Africa Investments Limited for East Coast Radio and KFM.
Rules of the Radio Game

The VRA has issued its proposed rules.

[Image of John Masson, a radio personality, with the caption: "Regulations, writes, Councilor John Masson:""]
New Afrikaans TV pay channel begins to recruit its staff

By Christo Volschenk

Cape Town — Plans for a new Afrikaans television pay channel have reached the stage where management, marketing and financial directors are being nominated.

"An announcement on a new pay channel, which will air its programmes almost exclusively in Afrikaans, will be made in the next few weeks," Henk Rossouw, the managing director of Boland Financial Services, said yesterday.

A consortium of about 10 companies and the SABC will be shareholders in the new pay channel, which will screen news, sport, entertainment programmes, music, movies and more.

Boland Financial Services, which is part of Boland Bank and performs merchant banking functions, has been working on the project since late last year.

The SABC will be a minority shareholder. Management responsibility will rest in the hands of the consortium.

The channel is expected to start broadcasting by October.

"We have completed a feasibility study and discussed the project with potential investors," Rossouw said.

The shareholders will comprise a cross-section of the business community — not only Afrikaans companies. It will be a profit-driven venture with advertisements being the main source of income.

"Only in exceptional cases will programmes not be screened in Afrikaans."

The programmes will be broadcast by satellite to give coverage to even the most remote areas of South Africa. Viewers will have to pay a subscription of about R60 a month, which is less than M-Net's R85 subscription charge.

The channel will first screen programmes for four hours a day, from 6pm to 10pm. Later, the viewing time will be lengthened to six hours a day.

"We plan to give viewers with dish systems and decoders free access to the new Afrikaans channel between October and the end of the year," Rossouw said.

"The SABC has a few important decisions to make regarding its involvement. We expect the decisions to be made soon, after which an official announcement will be made."

"The shareholders will comprise a cross-section of the business community — not only Afrikaans companies. It will be a profit-driven venture with advertisements being the main source of income."

"Only in exceptional cases will programmes not be screened in Afrikaans."

The programmes will be broadcast by satellite to give coverage to even the most remote areas of South Africa. Viewers will have to pay a subscription of about R60 a month, which is less than M-Net's R85 subscription charge.

The channel will first screen programmes for four hours a day, from 6pm to 10pm. Later, the viewing time will be lengthened to six hours a day.

"We plan to give viewers with dish systems and decoders free access to the new Afrikaans channel between October and the end of the year," Rossouw said.

"The SABC has a few important decisions to make regarding its involvement. We expect the decisions to be made soon, after which an official announcement will be made."

"The shareholders will comprise a cross-section of the business community — not only Afrikaans companies. It will be a profit-driven venture with advertisements being the main source of income."

"Only in exceptional cases will programmes not be screened in Afrikaans."

The programmes will be broadcast by satellite to give coverage to even the most remote areas of South Africa. Viewers will have to pay a subscription of about R60 a month, which is less than M-Net's R85 subscription charge.

The channel will first screen programmes for four hours a day, from 6pm to 10pm. Later, the viewing time will be lengthened to six hours a day.

"We plan to give viewers with dish systems and decoders free access to the new Afrikaans channel between October and the end of the year," Rossouw said.
Cape Town — The electrification industry in SA would be unable to sustain taxes as well as having to bear the cost of funding municipal surpluses and the electrification programme.

This warning was issued yesterday by the national electricity regulator's legal advisor, Kevin Morgan. Any additional tax on Eskom would be unsustainable for consumers, Morgan said at a presentation to public enterprises.

Government had suggested a tax rate of 35% and a 33% after-tax dividend, but this, Morgan warned, would send the electrification industry into a nosedive.

"Government should think very seriously before imposing taxes on Eskom because it will have a significantly detrimental effect on electricity consumers," Morgan warned.

He noted that the profitability of the industry was highly skewed. In 1994, for instance, Gauteng alone made R777m, almost half the national surplus of R1.72bn, he said.

Public Enterprises Minister Stella Sigcawu told the delegates "mistakes had been made in the past" by not incorporating stake-holders into discussions on the restructuring of Eskom's distribution networks, and she said "they should be brought in as a matter of urgency."
Eskom owed over R1.25 bn by the end of the last financial year, chief executive Mr Allen Morgan said yesterday.

This translated into a two percent increase in electricity costs, he told the House of Assembly Public Enterprises committee.

National Electricity Regulator (NER) chairman Dr Ian McRae acknowledged that significant problems arose when it came to billing end-users.

Some electricity distributors did not even have a customer database, and there were cases where people were billed at different rates and where meters were not read.

The NER's Mr Ian Morgan said the electricity industry was highly fragmented, and with nearly 400 distributors in operation there were wide disparities in prices paid by customers.

In the Eastern Cape, for example, domestic users were paying between 12 and 43 cents per kWh.

Electricity pricing structures were exceptionally complex, and it would take about a year to address the wrongs, Mr Allen Morgan said.

— Sapa
Electricity body's salary demands under fire

BY TROY LUND

National Electricity Regulator (NER) senior executives have asked to be paid salaries that are R117 000 more than those of cabinet ministers and double those of their colleagues in the electricity industry.

Outgoing Minister of Mineral and Energy Affairs Pik Botha has already considered the proposal and has sent it for final consideration to Minister of Finance Trevor Manuel.

The proposal has come under fire from the Mineral and Energy Policy Centre, an independent policy research body. In a letter to Botha, Manuel and the NER board, the centre warned: "If this is approved it will only strengthen perceptions of a runaway gravy train, as the NER's proposed budget will be paid out of what is essentially public money levied from generators. The assertion that the proposed salaries are market related is astonishing."

The NER was formed in July last year to rationalise electricity tariff structures and deal with supply problems to black and rural areas. The body is also responsible for regulating the industry to prevent any generator or supplier gaining a monopoly.

The NER has been run by an interim board with nine people sitting on it. Earlier this year, the regulator submitted a business plan to Botha which would give it a budget and full-time professional staff complement.

It proposes that its top three executive managers - financing, pricing and tariffs - receive up to R540 923 a year, R117 000 more than a cabinet minister and double the salary of the Johannesburg council's chief director of electricity.

The top three packages are 30% higher than those of mineral and energy affairs senior officials and 50% higher than the top salary of an Eskom manager at a similar level.

The regulator motivates the packages by stressing in the proposal how they are designed to "attract the strongest, highest calibre of people with suitable qualifications and experiences. The stakes are high in an industry with an annual turnover of R2-billion."

"22/5/96"
Outcry over
R540 000 pay
for officials

Electricity executives spark row

The Argus Correspondent

JOHANNESBURG – National Electricity Regulator (NER) senior executives have asked to be paid salaries which are R117 000 more than cabinet ministers and double those of their colleagues in the electricity industry.

Outgoing Minister of Mineral and Energy Affairs, Pik Botha, has already considered these salaries and has sent them for final consideration to Minister of Finance Trevor Manuel.

The proposal came under fire this week from the Mineral and Energy Policy Centre, an independent policy research body.

In a letter to Mr Botha, Mr Manuel and the NER board, the centre warned: “If this is approved it will only strengthen perceptions of a runaway gravy train as the NER’s proposed budget will be paid out of what is essentially public money – levies from generators.”

The NER was formed in July last year to rationalise electricity tariff structures and deal with supply problems to black and rural areas. The body is also responsible for regulating the industry to prevent any generator or supplier gaining a monopoly.

The NER has been run by an interim board of nine people sitting on it.

Earlier this year, the NER submitted a business plan to Mr Botha, which proposes that its top three executive managers receive up to R540 000 a year, which is R117 000 more than a cabinet minister and double the salary of the Johannesburg council’s chief director of electricity.

The top three packages are 30 percent higher than those of mineral and energy affairs senior officials and 50 percent higher than the top salary of an Eskom manager at a similar level.

NER spokesman Johan Du Plessis said the body would make sure the packages offered to successful candidates were “broadly in line with public and private sector equivalents”.

Mr Manuel’s office confirmed that Mr Botha’s office had considered the proposal and had handed it to them for approval. Mr Manuel’s spokesman was not able to say whether the minister had considered the plans yet or what his adjustments would be as he is out of the country.
STAFF WRITER

ALTOGETHER 22 companies and consortia have bid for six SABC radio stations up for sale, with final offers due in tomorrow before the SABC makes a decision and refers its choice to the Independent Broadcasting Authority (IBA) for approval.

Industry sources said the four major contenders vying for Cape Town’s popular and profitable Radio Kfm were the W态度 staff syndicate, including a number of major local businessmen, Independent Media and Nationale Pers, the National Empowerment Consortium, Primedia, owners of Radio 702 in Johannesburg; and New African Investments Limited (Nail), a wholly black-owned company.

The Primedia bid is seen as an effort to introduce a Radio 702-type station to Cape Town, but Kfm staff point out that Kfm has 377 000 listeners in the Northern and Western Cape as opposed to Radio Kfm’s 220 000 listeners (data from Mr Mervyn Gers, the programme manager for Kfm), said he and the staff hoped the new owner would not change the running of a successful station which has shown to work, and one that was “breaking records all the time.”

He said staff would “obviously like to see us continue running the way we have been.”

Sources in Johannesburg estimated offers for the six stations — Radio Highbird, Radio Jacaranda Stereo, Radio Orange, East Coast Radio, Radio Algoa, and Radio Kfm — ranged from R350 million to R430 million. This boggles the SABC’s initial asking price, but they said the final

amounts would not be cut as initial offers were inflated to indicate seriousness as a means to get on to the shortlist.

Other SABC sources said the total amount only came to between R100m and R200m; while offers for Kfm were said to range from R30m to almost R100m.

IBA communications head Amos Vilakazi said staff of the radio stations and even the public were welcome to submit objections to any bids they disagreed with. If objections were valid, they would be taken into account.
New look at restructuring of state assets

Government has removed obstacles

By Justice Malala

Political Staff

Pretoria: Enterprise Minister Stella Sigcau will kick-start stalled talks on the restructuring of state assets, valued at R105 billion, in her policy speech to be delivered to Parliament next month after Labour protested to Government's proposals on the issue in December last year.

Speaking at an ANC media summit in Midrand on Tuesday, Sigcau said whether Government privatised an asset or not would depend on which entity was being dealt with.

"In an entity like SunAir, I think privatisation is the way to go. I think it needs to grow, and there will not be any job losses there," Sigcau said.

She said restructuring would "furnace" the modernisation of the "fistful of [mostly] state-owned entities" to make parastatals more efficient.

The policy speech to be delivered on June 21, would show where the Government intended to go in terms of restructuring, she said.

The ministry is in charge of mining concern Alexkor and of Vodacom, Denel, Eskom, Safcol and Transnet.

The debate on the restructuring of the assets stalled in December last year when organised labour, led by the Congress of South African Trade Unions, objected to Government's proposals to sell off parts of SAA and Telkom.

After threatening mass action, the Government and labour signed a national framework agreement (NFA) that guaranteed consultation between the two on the issue.

Labour warned that privatisation of the assets would lead to job losses and take away an important part of the state's control of delivery to disadvantaged areas.

The NFA allows the cabinet to make all final decisions on the proposals put forward, subject to parliamentary approval, where necessary.

Sigcau said now that progress was being made in policy formulation by the different ministries under which the parastatals fell, it was easy for her to move forward with an emancipated policy.

"Most of the obstacles to the successful restructuring of public enterprises have been overcome, especially with the signing of the NFA. One may expect new obstacles to emerge when discussions within the NFA structures gain momentum," she said.

She said if the Government did sell off any of its assets and there were job losses, a "social plan" would be put in place to cushion the effects of such losses.

"I cannot overstate the importance of these reforms. If we get them right, they will benefit every South African - those without homes or jobs, those in desperate need of basic services, people who are already contributing to the wealth of our economy and people whose enterprise can create new jobs," she said.
Broadcasting authority takes defiant radio station to court

The Independent Broadcasting Authority will face its first court test with an illegal broadcaster on Monday, when Radio Donkerhoek appears in the Pretoria Magistrate's Court on criminal charges.

According to the IBA's legal department, it laid charges with the police after picking up illegal broadcasts by the radio station and monitoring them for some time.

The radio station was raided by police earlier this year following complaints from the IBA, but went back on air the next day — and continues making daily broadcasts.

Radio Donkerhoek management could not be reached for comment, but have said in the past they do not recognise the IBA or the ANC government, and will continue defying the order to stop broadcasts.

Radio Donkerhoek's founder, Willem Ratte, is serving five years in prison for illegal possession of weapons, explosives and ammunition. He is currently on a hunger strike. — Staff Reporter
Probe of executives' huge salaries invited

By: Thobe Lund

The National Electricity Regulator has invited its critics to launch an inquiry into the 'proposed' pay packages for its top three executives, which exceed those of cabinet ministers by R117 000.

The NER, which was formed to rationalise electricity supply and deal with problems in black and rural areas, came under fire this week from the Mineral and Policy Centre, an independent research body.

The centre wrote letters to Minister of Mineral and Energy Affairs Pik Botha demanding that the "runaway gravy train" salaries be refused.

NER spokesperson Johan du Plessis said that when appointments were made, the packages would be tailored to the individual employees.

He welcomed an inquiry and said: "We will ensure that packages are broadly in line with public and private sector equivalents."
Bidders rush to meet SABC deadline

RATL revealed yesterday that there were 136 proposals received

The deadline was yesterday afternoon, with RHH confirming that the number received was 136. The deadline was extended to allow bidders more time to consider the RHH’s 

RHH’s vision is for SABC to be a media company that is globally competitive and that is able to produce high-quality content that is relevant to the South African

Bidders have until Tuesday to submit their proposals for the SABC's content and distribution initiatives. The SABC is aiming to transform itself into a leading media 

The SABC is in the process of developing a new content and distribution strategy, which is expected to be announced in the coming weeks. The strategy is aimed at making the SABC more competitive in the media landscape.

The SABC has been under pressure to increase its revenue and reduce its debt, which has been driven by declining advertising revenue and increased costs. The new strategy is expected to address these issues by increasing the SABC’s revenue and reducing its debt.
Mixed Reactions to New Channel

6B ANTENNA

(60 MHz) 30-04

Japanese-Goldening-Dust
not-judging-the-acts
is that if righteousness are
then not-changes be able to sustain
Xenon-metal Detector-spacing Vodao

A

DEPARTMENT Article

A

The new Americans pay
expressed interest to know.

A

A

The new Americans pay
expressed interest to know.
Rural areas switching on

DURBAN Eskom would spend R190m on electrifying more than 53,000 rural homes in KwaZulu-Natal this year, while local government would electrify another 28,000 households, Eskom area manager Kurt Dedekind said at the weekend.

Dedekind said more than 85% of projects scheduled for 1996 were already under way.

However, provincial connection costs per site exceeded the national average of R3,568 by nearly R1,400, he said.

Electricity connections were cheapest in Gauteng— at R2,475— and the most expensive region was the Eastern Cape at R4,367. There were about 1.5 million homes in KwaZulu-Natal without power.
Plan to build powerline

By Tom Wiltshire-Robbins

NAMIBIAN and South African electricity authorities have announced plans to build a 460 kilovolt powerline between the two countries.

"A feasibility study is being conducted and so far it looks like the project will go ahead," says an Eskom representative who does not want to be named.

The 900km line will extend from Windhoek to the Northern Cape.

According to a Namibian electricity official Nina Viall, it is estimated that the project will cost about R750 million.

She says the plan is based on projected growth in Namibian electricity consumption.

Studies conducted by Swawek, Namibian electricity authority, found coal, gas and wind-driven power stations would be uneconomical.

Eskom officials say Namibia will be able to export electricity in the long run.

Each country will finance its own section of the line and because the distance is longer on the Namibian side, Swawek will finance the bulk of the project.

The target completion date is May 2000.

Interconnection

The line will become the first interconnection between electricity networks in Southern Africa since the establishment of the Southern African Power Pool (Sapp).

Sapp is made up of all members of the Southern African Development Community with the exception of Zambia.

"When completed, the line will make it possible for Swawek to negotiate power supply agreements with Zambia or even Zaire, where surplus hydro-electricity is available," says Viall.

At present, there is an electricity link between Zaire and Ndola in northern Zambia. Zimbabwe is connected to the link and it, in turn, links the connection up with South Africa.

Southern African electricity supply experts believe that a hydro-electric scheme built at the Inga Falls on the Zaire River could produce a capacity between 50 000 and 120 000 megawatts.

According to Eskom, Africa's total consumption is only 45 000 megawatts.

If such a project gets the go-ahead, surplus electricity could be exported to the Middle East and Eastern Europe.

Africa Information Office
Shared radio frequencies becoming ‘problematic’

\textbf{times} \textbf{CJ 28/5/96}

THE Independent Broadcasting Authority will review its policy of permitting community radio stations to share frequencies, following complaints.

IBA co-chairman Mr Peter de Klerk said this at a public meeting to hear representations on its discussion document: Community Sound Broadcasting Services.

De Klerk said a number of issues about community radio stations came under discussion, among them their access to funds and to sponsors and advertisers.

However, a big bone of contention among community stations was the sharing of frequencies. "We will have to take another look at the policy, as the sharing of frequencies has become problematic," De Klerk said. — Staff Writer
Eskom plans new West Coast substation

ESKOM plans to build a major electricity substation along the West Coast, on a 150ha site near Melkbosstrand.

The new substation, called Omega — about twice the size of the Acacia Park substation — is part of the upgrading of the electricity supply to meet the region's growing demand for power. The site, Groot Olifantskop Farm, is between the R27 and the N7, inland from Melkbosstrand.

The draft Bloubergvlei Sub-regional Plan has allocated the area for conservation and agricultural use. The site will have to be rezoned for general industrial use before the substation can be built.

Eskom planners predict the Cape region will need about 3,000 megawatts of power by the turn of the century. Though Eskom may not start construction for another eight years, it needs to buy the land now.

Eskom will hold a public meeting on the proposal at 7pm on June 4 at Koeborg's visitors centre. For further information, telephone Kim Kuypers at 782-2192. — Environment Writer
SABC submits bids to IBA

Ingrid Salgado

THE SABC would submit a shortlist of bidders for six of its radio stations to the Independent Broadcasting Authority today, it said yesterday. Three bidders per station had been selected for Radio Algoa Radio Orange, East Coast Radio, KFM and Jacaranda Stereo. It was possible that Highveld Stereo's third bidder did not meet SABC credentials, leaving two contenders in the running for one of the corporation's most profitable radio stations.

The IBA is to hold public hearings when considering the licence applications. The SABC may make public the bidders' identities and bid offers today.
‘Pie in the sky’ SABC faces financial disaster

SPECIAL CORRESPONDENT

JOHANNESBURG—A double blow of a loss of revenue due to declining advertising and unpaid television licences could spell financial disaster for the SABC before the end of its fiscal year in September.

Several sources have said that since the February 4 relaunch of the three channels—SABC 1, 2 and 3—viewership had dropped because audiences were “confused”.

Advertising agencies concur, saying their clients were not getting the promised viewership in terms of the core market, which led to poor advertising ratings.

SABC officials remained tight-lipped about the financial crisis. But director of communications Pat Pillay, speaking on behalf of television boss Jill Chisholm, confirmed viewership had dropped since the relaunch.

To date, only 1.099.495 people out of an estimated 5.5-million, have paid their television licences, said SABC television spokesman Marj Murray.

In an effort to make savings before the end of the current fiscal year runs out, the SABC is selling off the 32-storey Radio Park building in Auckland Park. It was also looking at privatising its outside broadcast unit, said SABC spokesman Don Seokane.

Irma Verwey, media manager for Sonnenberg Murphy Leo Burnett, said SABC-TV had lost a major part of the viewership from white, coloured and Asian audiences, which clients regarded as the core market.

Mr Hugh McKelvey, buying director for Eurospace Africa, said the SABC had presented “pie in the sky” predictions about audience figures and target markets.

For the second time in four months, SABC 3 revamps its programming and will come out with a new television schedule tomorrow in a bid to bring back lost viewers. SABC 2 will also be restructured, said Verwey.
SABC faces cash crisis as viewers switch off

BY Priscilla Singh

The SABC is considering selling its 32-storey headquarters building in Auckland Park, Johannesburg, and privatising its outside broadcast units, according to spokesman Don Seokane.

The steps would be an attempt to balance the national broadcaster’s books, which showed a R40-million deficit for last year.

A 1.6-million deficit and 1.699.493 of an estimated 5.5 million viewers have paid their television licences, says television spokesman Marj Murray.

The 5.5 million homes recovering SABC services should have generated up to R1-billion in licence fees last year. Instead, the station got only R235-million.

Haruna Verwey, media manager for "3 on the line," says television has lost a major portion of the white, coloured and Asian ("WCA") audiences, which her clients regard as the core market.

But Seokane said the SABC was "not largely concerned about the loss of the WCA audiences, as the black viewership figures more than make up for the loss."

The 5.5 million homes recovering SABC services should have generated up to R1-billion in licence fees last year. Instead, the station got only R235-million.
CEO Harris Gxaweni says the authority should have overseen the sale of four SABC stations and licensed four of the six new private stations planned by the end of this year.

National Association of Broadcasters executive director Daniella Goldman remains sceptical. "The IBA is a bumbling bureaucracy," she declares. "At best, I expect to see the first private radio licence issued only at the end of this year."

Even if she is being too pessimistic, only two licence applicants, Primedia and Solid Gold, have broadcasting infrastructures. Since Primedia already has a private radio station, 702, its chances of winning another licence look slim.

Solid Gold's Gavin Kennedy reckons anyone else will probably take six months to get on the air after receiving a licence. No one, he says, will hire staff and rent premises before getting a licence.

Jay Naidoo will not be pleased if the private radio stations start operating only well into 1997. He recently took over from Pallo Jordan at Posts, Telecommunications & Broadcasting. When Jordan was in office, the IBA was told by Finance Minister Chris Liebenberg it would get only R35m this year, against the R43m Gxaweni says it asked for. Naidoo has already asked it to try to keep this year's spending below R35m.

Gxaweni says the IBA's staff, which will soon number about 120, is 'tremendously overworked.' The process of consulting the public and interest groups countrywide is also costly, he says. By the time travel, hotels, rent for auditoriums and transcribers have been paid for, he says, a single hearing on a given matter may cost R30 000 or more and has to be replicated in the eight other provinces.

It's debatable whether IBA salaries are too high. Councilors' packages are worth R32 000, heads of departments a little over R200 000. What, anyway, should the country be prepared to pay for the task entrusted to the IBA?

That task is defined in the IBA Act, which embodies a vision for broadcasting that is hard to square with commercial realities. The Act wants to see a broadcasting industry that overturns SA's racist past, as embodied in the Afrikaner-controlled SABC, by bringing blacks in through community and private broadcasting stations, as shareholders, broadcasters and operators.

In pursuing democracy, the Act also wants to see a diversity of news services. The provision of one which includes the employment of a station's own reporters as well as use of wire services will be one of the criteria in deciding who gets a private radio licence. Take into account the IBA's stand against cross-media ownership (major publications with a significant share in private broadcasting stations) and it becomes clear that running a private station is going to become an expensive business.

The IBA will, therefore, scrutinise licence applications for financial feasibility. If an application fails to meet this criterion, it is likely to be rejected.

How do you help the feasibility of newcomers faced with an entrenched SABC? And how do you protect the SABC's profitability (one of the IBA's tasks) while encouraging strong competition?

In a recently published discussion document, the IBA observes: "The authority may consider limiting only the public broadcaster's advertising, not that of private broadcasters." The SABC would presumably have to be compensated for a compulsory reduction of its advertising time with a government subsidy, which could be precisely what the IBA, like the SABC, is after.

It is because of the complexity of the licensing task that the IBA has a large policy development division employing lawyers, accountants and economists. Hence, too, its latest discussion document and meetings with would-be licensees and others.

As satellite and computer-based broadcasting expands, it will become harder for the IBA to meet the brief set for it by the Act. Commercial realities will make short shrift of political ideals.

That's not to say broadcasting stations largely run by and aimed at blacks could not run profitably. But their success, like that of any broadcaster, will come through satisfying consumer markets. The IBA's theorists are not likely to have any insight into those...
SABC denies its in financial crisis

By ELIZABETH KINGHORN

The SABC has denied it is facing financial disaster by the end of its fiscal year in September, and that the sale of its 32-storey headquarters building in Auckland Park, Johannesburg, and the privatising of its outside broadcast units were steps towards balancing its books.

At a press conference yesterday group manager of communications Enoch Sithole said the SABC was financially responsible, would remain financially sustainable and would not incur losses. While Sithole could not cite overall figures to clarify the corporation's financial status, he said last year there had been speculation the SABC would suffer a R2-billion loss, when in fact it had made a surplus of R100-million.

Details of the corporation's current financial situation are expected to be made public within the next couple of weeks.

Sithole said the corporation was involved in a process of reviewing its resources to establish whether they were relevant to its core functions - providing the public with information, entertainment and education.

This meant that major "right-sizing" of the SABC's facilities and resources could be on the way - including the sale of the RadioPark building. Privatisation of departments would be considered as a measure towards competing in the new markets and building up core services, Sithole said.

He denied the SABC would be selling assets and resources because it needed money in the short term. "The right-sizing process has nothing to do with a search for financial resources."

Sithole confirmed that measures were being taken to make up for the more than R40-million lost through the non-payment of television licences. "A number of systems are being looked at to make the public pay."

In response to questions about the loss of advertising revenue since the restructuring of the SABC's three television channels in February, outgoing group manager of communications Ken Modise said the corporation was "clearly home and dry by around R12-million" because of an increase in revenue from sponsorships during the first three months of this year.

Don Seokane, the SABC's television media analyst, said the public broadcaster had expected a slight drop in advertising revenue since its relaunch in February, and that viewership appeared to have stabilised.
Sponsors boost
SABC coffers

By Chris Barron

The SABC has come out fighting in response to growing public perceptions that it is financially on its knees and bleeding.

While readily admitting this week that barely one in five television owners was paying licence fees, the SABC claimed that revenue from advertising and sponsorship over the first six months of the financial year had left it with a higher surplus than expected.

And, while viewership figures during the three-month period following the launch of its new TV channels this year showed a marked drop, advertising agencies believe the worst is over.

"We have big clients investing more money in the SABC this year than last year," said the media director for Hunt Lascaris, Lyndall Campher.

The SABC’s chief executive of finance, Tahb Sadik, admitted only R168-million of a total R500-million had been collected in licence fees in the first six months of the financial year, but he said the corporation had only budgeted for R312-million for the year, and expected to bring in a total of R270-million by the end of the financial period, on September 30.

This would constitute a shortfall of R42-million.

He said the surplus in non-licence fee revenue for the first half of the year was more than twice the budgeted surplus for the entire year of R8-million, although it was considerably less than the R100-million surplus last year.

He said the fact that the surplus was more than budgeted for, reflected a growth in sponsorship in line with a worldwide trend of private companies sponsoring programmes rather than placing ads.

While advertising revenue for the first three months of 1996 had suffered as a result of the launch of the new TV channels, at R25-million less than over the corresponding period last year, sponsorship had grown by R15.2-million.

He admitted that the projected cost of running the three channels was R136-million, more than their revenue, but said that excluded revenue from licence fees...
A FRESH scandal has hit the Minister of Public Enterprises, Stella Sigcau. She has been accused of allowing advisers to abuse air tickets and a senior member of her team to flout public service regulations.

Deputy President Thabo Mbeki this week cleared Miss Sigcau of bribery involving a R50 000 payment to her by former Transnet leader, George Matanzima, when she was still a bantustan cabinet minister.

Now she has been charged with turning her ministry into a "suck environment" where her advisers have been acting as a law unto themselves.

Miss Sigcau’s management services director, Steve Theron, said in a letter to a ministerial aide, Professor S R Shabalala, that he objected to “the continuous interference of the minister in the management of the office”.

Mr Theron said tickets were being issued in the name of a ministerial employee, but were being used by somebody else.

Although they have meetings at private venues.

Mr Theron said his memorandums concerning problems with the “renting of cars at cost” were responded to “in a rude and undisciplined manner instead of trying to rectify the problem”.

“The advisers perform as if they have the ultimate say, even their private staff members have an attitude of ‘we tell you how and when”.

Mr Theron ended his letter by saying that he had applied for a “horizontal transfer” to the Department of Home Affairs.

“There are many more things that could be mentioned, but it will take too long and there’s a lot of work to be done,” he said.

Asked for comment this week, Mr Theron, who is still an employee in Miss Sigcau’s ministry, refused to talk about the letters, saying only: “It’s an internal matter.”

A ministerial spokesman said that only Professor Shabalala, who was in London on business, would be able to comment on the matter.
Eskom's one-million switch-on celebration in rural area of Eastern Cape
Goft cautioned on radio stations' sale

Ingrid Salgado

THE Independent Broadcasting Authority has cautioned government to take heed of the licensing criteria when the Cabinet selects buyers for six SABC radio stations on Wednesday.

The broadcast regulator said at the weekend a procedural conflict could arise if the Cabinet selected a buyer which the IBA refused to license.

IBA spokesman Amos Vilakazi said although government had a right to sell the stations to the bidder of its choice, the IBA had to adhere to correct licensing procedures. The two procedures had to "meet along the line to avoid a run-in.

Post, Telecommunications and Broadcasting Minister Jay Naidoo received a short list of bidders from the SABC for Highveld Stereo, Radio Jacaranda, Radio Algoa, East Coast Radio, KTM and Radio Orange at the weekend.

But bidders were disappointed when the SABC refused to divulge the identities of the short-listed bidders, the value of their bids or the number of short-listed bidders a statement.

The IBA earlier asked the corporation to select three final bidders a station. The IBA is to hold public hearings to decide which bidder it would license, while it would also ensure that none of the short-listed bid objections. Each licence applicant would pay a R30,000 application fee.

Naidoo's spokesman, Connie Molusi, said there was no "conflict of interest" between the Cabinet and the IBA. It was "hypothetical" to assume government's choice would not coincide with the IBA's choice.

In making its decision, government would be informed by the national interest and the need to open up the airwaves to people who had previously been denied access. The value of bid offers was only one factor to be taken into account.

Weekend reports put Promedia's bid for Highveld Stereo, one of the SABC's most profitable stations, at R285m. Sources said government's choice could be made difficult by rumours that the next highest offer for Highveld stood at less than half this amount.

Kagiso Trust Investments, M&G Media Limited, Nail and Thebe Investment Corporation have also made bids for the stations.

The SABC acknowledged that revenue from the sale would not necessarily be retained by the corporation. However, it had the option of requesting additional funding from government.

Spokesman Ken Modise said if the SABC retained the proceeds of the sale, it would for the first time have capital that could generate interest. The corporation realised it needed to beef up its other radio stations in order to compete with private players.

Market

Continued from Page 1

ment's R145 bond. They said the central bank, as government's debt manager, had handled the redemption in a way that had eased market conditions.

Earlier there had been fears that the redemption of the bond would have a negative effect on the money market. Some bankers said conditions were still tight, but it seemed the pressure for another increase in the prime over-

Anglo

Continued from Page 1

nance director Mike King said the sales were represented mainly by the disposal of "non-strategic" investments in marginal mines and residual holdings in industrial companies.

Investment worth R712m were acquired, which included buying more shares in Southval Holding, Driefontein Consolidated and Kloof and mining rights offers by Eastvaal and Western Areas, as well as additional capital invested in the new mining project in Mali, Société d'Exploitation des Mines d'Or de Sadiola.

After the year-end Anglo and its associates acquired 7.3% of Lonrho, with a right to acquire 18.4% more. The reason Anglo and not its offshore arm Minmore had acquired the

Barlows

Continued from Page 1

posits, cash and short-term investments stood at R656m for the six months to March against R896.3m at the September 1998 year-end. Inter-

Barlows contribution

Barlows reported a 25% rise in earnings for the current financial year, partially on strong

Election

Continued from Page 1

smaller part on Tyger

on the course
Johannesburg

Community radio stations will have smaller broadcasting areas than their commercial counterparts, as in other parts of the world, the Independent Broadcasting Authority said yesterday in reaction to recent complaints from community stations.

Radio Today voiced anger this week at the poor reception its listeners were experiencing, and at the reduction in radius of its broadcasts from about 40 km in the middle of the radio dial to about 20 km on the top end where they were recently moved.

An IBA spokeswoman said yesterday that this move was inevitable as the middle of the band was to be utilised by commercial stations. According to international standards, these had to broadcast to a larger area to draw advertising revenue.

"The community stations don't have to rely on advertising. They are also open to sponsorship, grants and subscriptions from communities who want the station to remain in that area," she said.

The IBA has already agreed to allow larger broadcasting areas for community stations on the AM band, which has been under-utilised in the past.

Usually community stations have a broadcast radius of about 10 to 14 km as they are among a specific community, but the stations on AM are reaching between 15 and 20 km.

A technical expert said that in other countries the higher radio frequencies were allocated to community stations, usually for financial reasons: "The higher the band, the shorter the antennae need be and this saves the stations huge amounts of money."
Eskom, local authorities negotiate R1,2bn arrears

Robyn Chalmers

ESKOM is negotiating with municipalities and consumers to recover some of the estimated R1,2bn owed by local authorities to the parastatal.

A spokesman said yesterday that the group's restructuring and transformation task team — set up to look into options for restructuring — was also considering the issue, and was on target to give government a thorough report by September.

Eskom had decided several years ago not to write off any of the debt, but it was becoming increasingly apparent that certain consumers and local authorities would never be able to repay their debt.

"Local authorities are clearly bankrupt, we will consider writing off the debt, but will only go this route after full discussions with government and other relevant stakeholders, and where there is a clear legal basis to do so." said the parastatal's spokesman.

National electricity regulator chairman Ian McRae estimated recently that about 150 local authorities out of 420 were facing financial difficulties and could become unable to pay their bills to Eskom.

McRae said that restructuring the electricity supply industry — as contained in a report recently given to government — would lead to a more efficient and effective industry. This would go a long way towards meeting customers' requirements and dealing with the non-payment issue.

Depending on what strategy government decided to adopt, several regional electricity distributors could be created or a single decentralised national distributor could be established.

Regulator customer services manager Johan du Plessis said non-payment of electricity had a massive effect on government plans for 450,000 new connections by 2000. A comprehensive strategy was needed to address non-payments.

He said a number of actions needed to be undertaken across the board, including upgrading of electricity supply in areas where it was inadequate, so as to make distribution consistent.

Once the electricity supply was being efficiently undertaken, customers had to be educated on their rights and responsibilities regarding payment, du Plessis said.

Consumers proving to be uncooperative should have their supply of electricity cut off, but the question of arrears had to be dealt with, in order to retrieve funds owing to Eskom.
Community Radio Station is not so smart

Antenna B7

The Independent Broadcasting Authority has taken

MICO (260) 8/5-9/96

MICO (260) 8/5-9/96
The Minister for Public Works

The Minister for Public Works is responsible for the administration of the Public Works Department, which is responsible for the design, construction, and maintenance of public works projects. The Department is also responsible for the provision of services such as water supply, electricity, and telecommunications.

### The Ministry of Public Works

<table>
<thead>
<tr>
<th>Function</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design</td>
<td>Design and plan public works projects</td>
</tr>
<tr>
<td>Construction</td>
<td>Construct and maintain public works projects</td>
</tr>
<tr>
<td>Operations</td>
<td>Operate and maintain public works facilities</td>
</tr>
<tr>
<td>Maintenance</td>
<td>Maintain public works facilities</td>
</tr>
<tr>
<td>Administration</td>
<td>Administer the Public Works Department</td>
</tr>
</tbody>
</table>

### Key Contacts

- **Chief Engineer:** [Contact Information]
- **Works Manager:** [Contact Information]
- **Operations Manager:** [Contact Information]
- **Maintenance Manager:** [Contact Information]

### Key Projects

1. [Project Name] - [Description]
2. [Project Name] - [Description]
3. [Project Name] - [Description]

### Key Documents

- [Public Works Policy]
- [Tenders and Contracts]
- [Annual Report]

---

**Minister's Office:**

[Address]

[Phone]

[Email]

---

[Note: The above text is an example and should be replaced with actual content from the document.]
An SABC suffering financial setbacks has set up a watchdog group to ferret out mismanagement and clamp down on expenses

Jacquie Golding-Duffy reports

WITH a shift in audience ratings on all three channels, an uncertainty among advertisers and more than 90,000 unpaid television licences, the SABC has begun to tighten its belt.

The planned sale of SABC's 32-storey Radio Park building and the close monitoring of staff by the corporation's internal investigations unit are part of its streamlining efforts.

Now an internal investigations unit — the Group Internal Audit — has been re-established to choke off waste and mismanagement.

According to Audit head Andy Sello, the auditing group is the "ears and eyes of the SABC board" and prides itself on being an independent body, although employees are paid by the SABC.

During the early days of South African television (the Seventies and Eighties), the Group Internal Audit was a department which catered to the whims of the old guard management with no desire to operate as an independent auditing department.

The department — re-born six months ago — has three sub-divisions homing in on specific areas such as the auditing of finances, scrutinising of cellphone accounts, allowances, use of SABC equipment and financial arrangements with external production companies.

Its 14 staffers report directly to the Audit committee, comprised of SABC board members including SABC chief executive officer Zwelakhe Sisulu and board chair Masepe-Casaburri as well as outside auditors.

The main function of the Group Internal Audit is twofold:

- to monitor mismanagement of funds and human resources in a bid to cut down on unnecessary expenses, and
- if required, to investigate certain incidents of mismanagement that have occurred in the past, by present SABC employees. The second function will only be performed if the audit department is requested to do so.

"If we are approached to investigate certain people in order to assist [an internal] truth commission, then we will do so. We will not simply say let bygones be bygones," says Sello.

According to sources at the SABC, the internal truth commission has been established where staffers are encouraged to come forth with information pertaining to, among others, the defacing of tapes, banning of certain programmes and the misappropriation of funds.

Investigations conducted by the Internal Audit Group often result in employees appearing before a disciplinary hearing. About 80% of these employees are dismissed because they are found to be guilty of mismanagement.

Among the people allegedly involved in mismanagement and who, some say, were investigated by the Group Internal Audit are former Channel Africa head Lebona Mosia and commissioning editor for SABC variety programmes, Percy van Rooyen.

Mosia has been dismissed and Van Rooyen suspended. The latter is still under investigation.

"Our task is not limited to fraud and checking balance sheets, but extends to areas where people feel equipment is being misused, sold illegally to outsiders and used for personal gain. Equipment stretches from audio-visual to cellphones," says Sello.

SABC representative Pat Pillai says the corporation has embarked on a "resources review" as part of its intention to reposition itself and become more cost-effective and competitive.

Pillai says the role of the Group Internal Audit is key in following up leads from sources within and outside of the SABC in an effort to cut down on expenditure. "We want to redress the type of behaviour which was rife within the SABC before the changeover. There is a lot still to be done but we are aiming to become a more flexible and dynamic organisation. To do this, we have to dispense with our top-heavy, bureaucratic and unwieldy image."

He adds that various mechanisms have been put in place to look at ways the corporation can be streamlined and proposals passed by the SABC board include a cutback on allowances when taking business trips locally and abroad, a cutback on accommodation and on car hire.

Although the SABC chairman (Masepe-Casaburri) and group chief executive (Sisulu) stay in five-star accommodation or the equivalent, all other board members and chief executives stay in four-star accommodation. Other personnel stay in three-star hotels.

The same applies for car-haring and flights. Only Masepe-Casaburri and Sisulu travel first class. Board and group executive members travel business class and all other personnel travel economy class.

Pillai says these cutbacks will save the corporation millions of rands.

Although the above policies have already been put into effect, the benefits, says Pillai, will only be noticeable at the end of the financial year.

A green paper discussion document was recently released by the resources review task group, headed by senior general manager of strategic planning Solly Mokoete. The process initiated early this year includes lengthy consultations with all SABC employees through their unions, but is likely to take months before finalisation.

Commercialisation and privatisation of some of the SABC units are among the options facing the task team. The resources under review by the task group and various internal SABC committees are, among others, Henley Facilities and Studios, some radio facilities and accompanying studios, regional facilities and the SABC's Broadcast Centre in Auckland Park.

Management, however, says it is determined to prevent job losses through its rationalisation. Steps to prevent this include substantial shareholding by staff. The shareholding, says the SABC, will be held in enterprises that result from privatisation.
Sigcau adviser to sue official

BY CAROL PATON

A SPECIAL adviser to the Minister of Public Enterprises, Stella Sigcau, is to sue a senior member of her department who last week alleged that her ministry was riddled with fraud and mismanagement.

Jeff van Rooyen said allegations made by the department's management services director, Steve Theron, that air tickets were being issued fraudulently and that there was a lack of control over ministerial advisers were false.

"The allegations are false and malicious. No evidence substantiating the claims has as yet been presented," he said.

"I must conclude, therefore, that the official has acted maliciously in attempting to discredit and undermine my position," he said.

Mr Theron's allegations were published in the Sunday Times last week.

He stated tickets were being issued in the name of a ministerial employee but were being used by someone else.

"Over and above that, there is fraud. There is no way in which advisers can be controlled. They come and go as they wish and have meetings at private venues," Mr Theron said last week.

Mr van Rooyen said that he had initiated legal proceedings to test the allegations in court.

Energy negotiations will be ‘tough’

Robyn Chalmers

RECOMMENDATIONS to carve up the electricity supply industry should go before Cabinet by the end of August, despite a lack of consensus among industry stakeholders, government sources said at the weekend.

The mineral and energy affairs department and the interdepartmental committee set up last month to study the implications of restructuring electricity supply had tough negotiations ahead of it.

Several players in the industry had differing views on the restructuring of the current electricity supply set-up.

The energy users’ forum — representing companies such as Sentracem, Afrax, Sappi, Mondi, Tiger Oats and Consol — have accused government of failing to consult major electricity users in the deliberations.

There are also a number of trade unions that appear to be sceptical of the proposed shake-up, and there will have to be wide-ranging talks with union representatives before the process can move forward," a department spokesman said.

The major unions represented in Ekom and the related electricity supply sector include the National Union of Mineworkers, the National Union of Metalworkers of SA and the Independent Municipal and Allied Trade Unions.

Sources said that there was little consensus within the unions themselves, let alone within the industry.

However, the spokesman said government representatives in the talks had been given a mandate to have recommendations on the table within two-and-a-half months.

The talks will revolve around a report submitted to government two months ago by the electricity working group, which includes representatives from Ekom, the national electricity regulator and government.

The current proposals suggest either placing all of Ekom’s and the local authorities’ distribution assets into a decentralised national distributor, or else setting up several regional distributors.

The spokesman said there were a number of international and local consultants who could be called in to assist with the negotiations — a scenario that was likely should talks become bogged down.

Only once consensus has been reached on the way forward can government move ahead with restructuring — a task which sources said could take years to achieve.
Officials rally to defend JBA budget

The business committee agreed by their unanimous consent to approve the JBA budget for the coming year. The budget was prepared by the committee and presented to the members for approval. The budget includes provisions for the expansion of the facility, the purchase of new equipment, and the hiring of additional staff. The committee recommended that the budget be approved by a margin of 12.5 percent.

BY CHERIE HUNTER

Parliamentary committee told there is sufficient control over spending in the organisation, and that staff are not being overpaid, and that is not entitled to perks in line with senior people.
SABC ‘ideal to convey govt communications’

BY PATRICK BURGER
Parliamentary Correspondent

Cape Town – Deputy President Thabo Mbeki yesterday identified the SABC as the vehicle to convey government communications to the public.

Mbeki, whose proposal to have a dedicated government communication slot on television drew a howl of criticism last year, told the National Assembly yesterday the public broadcaster had a duty to keep the public informed about the Government’s activities.

The Independent Broadcasting Authority is the statutory regulatory body for the SABC and was established to remove control of the airwaves from the exclusive preserve of the Government as was the case under the previous regime.

Mbeki said: “Matters concerning editorial independence would have to be addressed. But if we are serious about responding to the needs of the people and building a genuinely participatory democracy, we cannot run away from the need to ensure that the public broadcaster carries out its responsibilities as defined by the IBA.”

He said the legacy of media ownership in the country meant that the political tendency represented by the liberation movement is by and large not represented in our media.” The public broadcaster also had a role to play in rectifying the imbalance caused by skewed media ownership.
Mbeki wants stronger state media role

The new democracy was still struggling to break with a past in which the government thrived on secrecy and the use of communication not to inform but to manipulate and intimidate.

The new government had so far not been able to communicate with citizens satisfactorily.

This was not because of a lack of will, but because of the realities into which the new democracy had been born.

A task team on government communications would report on these issues by September, with the report being publicly available about a month later, he said. He said a central issue was that the government communicator had no vehicle for mass communication.

The government did not want the public broadcaster to abandon its duties, as outlined by the Independent Broadcasting Authority, to inform people about the activities of the government.

Carl Niehaus (ANC) said journalists to whom he had spoken still wanted a neutral government communicator, a concept he dismissed as a "mythic figure."

He said relations between the ANC and the media were at a low.

The media was too white and too conservative, particularly in senior editorial positions.

This did not absolve government from the duty to communicate through the established media.

Dene Smuts (DP) said the impression endured that the transformation of the media was as much on the task force's agenda as was the improvement of government communications, in spite of denials by Mr Mbeki that the government intended interfering with the Press.
IBA defends R33m budget

SENIOR Independent Broadcasting Authority officials defended the organisation's R33 million budget yesterday, denying staff were overpaid or that there was insufficient control over spending.

Appearing before Parliament's finance committee, IBA co-chairman Mr Peter de Klerk said the authority's budget had only been upped by 12,5% since last year and not 100% as widely reported.

While the authority's allocation was R17,3 million in the previous financial year, an amount rolled over from the previous year brought its budget to about R30m.

Most of the organisation's costs were staff-related, De Klerk said.

IBA councillors, now five, flew business class while support staff flew economy class, De Klerk said.

Councillors were senior people who were used to having such facilities, and if the IBA failed to provide them it would battle to attract competent people.

'IBA councillor Ms 'Lyndall' Shope-Mafole said salaries were market-related. - Sapa
Media in SA ‘still in white hands’

By Rafiq Rohan
Political Correspondent

THE Government is still of the firm view that the media, particularly print, are still largely being controlled by whites, reflective of a certain political viewpoint and that the current Government is still not getting a fair Press.

Deputy President Thabo Mbeki said at a briefing on Monday: “We come from a situation, where the majority of the people were excluded all round from the economy and politics.

“A major segment of political opinion is not represented in the mass media and it is for this reason the Government needs the services of a restructured body, like the South African Communication Services.”

All viewpoints

Had South Africa possessed media that reflected all viewpoints, it might not have been necessary for a body like SACS, Mbeki said.

However, it is not clear what form the SACS will take. Its future is dependent on proposals that the Government Communication Task Team will come up with. The team consists of several media experts, including Soviet political editor Mathatha Tsedu.

Mbeki said while it was necessary for the Government to communicate with and inform citizens, it had thus far been unable to harness human and material resources to do this and had not been able to build the required capacity.

This had occurred not because of a lack of will but because of the objective realities.

General rule

Turning to the media in general, he pointed out that it was a fact that the majority of Africans were denied access to it.

He also pointed out that there was nothing unusual about newspapers openly supporting one political party. This was a general rule in established democracies.

Mbeki said he did not want to deny those already “well represented, but we should be working towards creating equity.”

ANC MP Carl Niehaus also emphasised the need for the Government to get a fair Press.

“There can be no doubt that the media are still too white and conservative, particularly in senior editorial and management positions.”

The ANC head office feels the Government needs a more effective way of providing the public with information.
Budget fails to spell out state assets policy

CAPE TOWN — Members of the public enterprises portfolio committee, which met yesterday to consider the departmental budget, expressed confusion over the committee's role in the absence of clear policy guidelines over what was to be done with state assets.

The committee was to be briefed by minister Stella Sagcau yesterday evening.

Members expressed frustration at the fact that while the committee's task was to oversee implementing restructuring, it had learned from a presidential announcement in Germany that the ANC's policy was privatisation.

There was also concern that the amount allocated fell far short of what would be required were restructuring to get under way.

Committee chairman Mandla Msom said the committee had rejected the budget's explanatory memorandum on failing to provide details and failing to articulate policy framework, as was required of budgets.

Personally he felt the budget should send a clear signal both locally and abroad about government's intentions. Instead it was sending out a misleading and poor signal of a dangerous paralysis.

Department deputy director-general Prof Sipho Thababalala said the department was basing its activities on the restructuring objective outlined last year until the ANC's privatisation policy was adopted by government.
Tax proposal draws Eskom tariff threat

Robyn Chalmers

GOVERNMENT proposals to tax Eskom or introduce a dividend policy could force it to choose between raising tariffs or reducing RDP electrification targets, Eskom SE (Allen Morgan) warned yesterday.

Morgan said he doubted a decision would be rushed into, but the effect on the industry could be immense.

"We could be forced to raise tariffs if we wished to move ahead with our target of electrifying 300 000 households a year until the turn of the century, which will have a huge effect on SA's economy," he said. 

"Alternatively, we could downgrade our electrification programme, which is such an important component of government's intention of uplifting the disadvantaged."

The finance department had indicated that it was considering taxing Eskom as part of a wider plan to tap parastatals' coffers. A tax rate of 35% and a 33% after-tax dividend have been suggested unofficially in the past, which analysts believe will send the electricity industry into turmoil.

Morgan said Eskom already had to bear the brunt of R1.3bn in outstanding electricity bills owed by local authorities which had been accumulating since the late 1980s.

Eskom would have to take a tough line with consumers who refused to pay their bills, particularly after negotiations with municipalities and consumers to recover some of the debt.

National electricity regulator chairman Ian McGregor has estimated that about 160 local authorities out of 490 are in financial difficulties and will be unable to pay their bills.

Morgan said Eskom was losing an estimated R50m a month due to theft by consumers. This was occurring largely as a result of consumers bypassing prepaid electricity meters and passing overhead electricity lines.

...
Talks over asset restructuring

Renee Gravett and Robyn Chalmers

GOVERNMENT, business and labour held the first tripartite meeting on Sunday since the signing of the National Framework Agreement earlier this year in a bid to speed up talks on asset restructuring.

Government sources said the meeting, initially scheduled for June 16, had been moved forward as it was the only gap in the schedules of the various parties involved.

Reuters reports that Public Enterprises Minister Stella Sigcau told the sub-Saharan oil and minerals conference that a process to carry the restructuring programme forward had been agreed upon at the meeting.

Sigcau said government believed it was necessary to get strategic equity partners in the sale of some state assets, like SA Airways and Telkom. She has pledged to make a major announcement on the restructuring of state assets on June 21 in her budget speech.

Sigcau said yesterday that subcommittees would be established to investigate privatization in various sectors.

The parties identified five sectors — communication, transport, mineral and energy, trade, industry and defence and water, agriculture and forestry — in which negotiations on restructuring would take place.

Global temperatures

<table>
<thead>
<tr>
<th>City</th>
<th>Max Max</th>
<th>Min Max</th>
<th>Max Day</th>
<th>Min Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amsterdam</td>
<td>12</td>
<td>22</td>
<td>26</td>
<td>22</td>
</tr>
<tr>
<td>Lisbon</td>
<td>17</td>
<td>23</td>
<td>20</td>
<td>16</td>
</tr>
<tr>
<td>Rome</td>
<td>22</td>
<td>29</td>
<td>22</td>
<td>19</td>
</tr>
<tr>
<td>Sydney</td>
<td>29</td>
<td>31</td>
<td>20</td>
<td>17</td>
</tr>
</tbody>
</table>
DP rejects M-Net offer to parliamentarians

EMPANGENI — The DP yesterday rejected pay-television channel M-Net's scheme to make satellite dishes and decoders available without charge.

"A potential conflict of interest could arise when Parliament is required to consider broadcasting regulations on a matter while MPs pay in recent services," said Democratic Party leader Brianacional.

"Members of Parliament need to set, an example of propriety and take care of public concern over corruption and the potential misuse of public office for personal advantage," said National Assembly Speaker Thuli Madonsela.

ANC 'backs SABC stand'

CAPE TOWN — The editorial independence of the SABC would be respected in any plan for a government slot on national television, ANC spokesman Carl Niehaus said yesterday.

He told reporters the ANC supported the SABC's statement that it would have to retain independent control over presentation. It would not simply be a propaganda slot.

He said there were no details on how the broader dissemination of government information through the national broadcaster would work.

It was possible legislation might be needed. The decision would be taken on the basis of Deputy President Thabo Mbeki's task team probing government communications.

Niehaus's remarks come in the wake of Mbeki's recent call on Monday for government to take control of the SABC.

Mbeki said the SABC had to play in disseminating government information to government and the media as the broadcaster was more important in effective government communication than the public.
Power utilities urged to embrace private sector

By James Lambart

Johannesburg — Southern Africa could become the “electricity valley of the world” if it brought competitive, principles and private sector finance into its power utilities, Andries Calitz, Eskom’s senior transmission manager, said at the Sub-Saharan Oil and Materials conference.

Calitz identified 10 priorities for the public sector for reform of the sub-equivalent African electricity sector, over and above the linking of transmission systems into an integrated power pool.

He proposed that a framework be adopted for independent power producers that large consumers be given a choice of energy supplier and that private sector finance be used to build and operate new transmission lines.

He also said power utilities should be commercialised, proper pricing policies should be implemented and the industry should be broken up into generation, transmission and distribution sectors.

“Terrorist threats to power infrastructure have increased by 30 percent a year from $1.1 billion to $3 billion by the end of the century,” he said.

Common problems besetting the Southern African power sector, he said, were governments’ unwillingness to raise tariffs, contributing to the disastrous financial performance of utilities, the use of prices to give subsidies to customers and the underperformance of electricity plants.

He said the bulk of African populations had not had access to electricity and that a culture of non-payment prevailed that included government departments.

In most sub-Saharan countries less than 5 percent of the population had access to electricity. Because of an electrification programme begun in 1992, about 48 percent of South Africans receive electricity.

However, Calitz questioned the commitment of the South African government to restructuring its larger assets, including Eskom. He said the restructuring of Eskom had been restricted to identifying separate distribution entities.

Calitz said Eskom offered major industrial customers with continuous operations a price of between 2c and 3c a kilowatt hour and maintained a 2:1 ratio between the prices of residential and industrial electricity.

He said the board of Eskom had recently agreed that Eskom would become a net importer of electricity from next year.
Speedy licensing of stations urged

**BARRY STREET**

By the end of the month, radio stations that were once old should be up and running. This was the end of the month, the Minister of Post and Telecommunications, Mr. Nadoo, said last night.

Speaking of the independent broadcasting authorities' speeding up the process and completing the process, he said:

"It was important to ensure transparency and independence of the process. But the public and private broadcasters have grown in confidence and independence, and this is making things happen.

The chairperson of the Portfolio Committee on Communications, Mr. San, congratulated the minister for the contribution he had made in bringing about democracy in South Africa.

The Minister of Communications, Mr. Mabizane, said that the development of regulations to govern permanent community radio licences and the completion of the process leading to the emergence of community radio entrepreneurs would provide opportunities to people in townships, different religious groups and immigrant communities.

In particular, a number of African and non-African communities have 10-million listeners, but only 43 transmitters compared to South Africa's 149. He believed that the establishment of community radio would bridge this gap.

The average cost of a 24-hour television station is around R50,000,000.
Labour and state reach accord on assets

By James Lomont
INDUSTRIAL EDITOR

Johannesburg — The government and labour agreed last Sunday to form task teams to decide which state assets should be privatised, Stella Sigcau, the public enterprises minister, said yesterday.

The move came ahead of the expected release of a new macroeconomic package later this week.

Addressing the Sub-Saharan Oil and Minerals Conference, she said the task teams would present their findings next month and in August.

"The government would consider privatising easy assets that would not have a social effect, such as SunAir and Abscor," she said. But she stressed that the restructuring of state assets would have an "appropriate development orientation" and create jobs.

She said that debate over the broader telecommunications industry would not rule out Telkom and South African Airways taking strategic equity partners.

She said that both parastatals needed financial injections and new technology supplied by international partners.

Gwede Mantashe, the deputy secretary-general of the NUM, said that the labour movement had persuaded the government to scale down its intended privatisation programme. He said the labour movement objected to the government taking a back seat in the provision of public services and falling under the sway of international economic trends.

"Our democratically elected government cannot be relegated to the role of right-winger for capital," he said.

He argued that privatised enterprises would not deal with the ill of post-apartheid society.

Sigcau failed to discuss the fate of larger state assets. She said decisions would be made once the government had dealt with the macroeconomic policy and regulatory environment.

Sigcau said the government had found its hands tied by the commercialisation process, which led to a decrease in jobs for blacks, undertaken by the National Party in the late 1990s.

She said that the government's thinking had to be governed by the effect it would have "on the man on the factory floor".

However, she identified a shift in the response to restructuring by the labour movement. Its request that privatisation be considered a tool for restructuring state assets and for a macroeconomic policy were positive signs.

Sigcau said the government was committed to negotiation on the issue. But she warned the government was going to have the last word on the issue.
Almost a R1-million for eight months
at the SABC

BY PATRICK BULGER
Parliamentary Correspondent

Cape Town — A businessman
earned nearly R1-million at the
SABC for eight months' work last
year, Broadcasting Minister Jay
Naidoo told Parliament
yesterday.

"He said in reply to a question
from the DP's Dene Smuts that
Admiral Klein had been paid
R861 860 for "consultancy services" between March and Octo-
ber 31 last year.

In February this year Klein
was fined R100 000 or two years' in prison for contravening ex-
change-control regulations, with a "further two years conditionally,
suspended."

In addition charges of fraud,
forgery and theft were dropped.

Klein was president of the
University of the Witwatersrand
Students' Representative Council in the early 1970s before going
to self-imposed 'exile' in the
United States.

He returned to South Africa in the early 1990s and had a top job
with a building company before being charged and convicted
for contravening exchange-control regulations.

He is at present in the United
States.

Naidoo said the SABC had no
intention of employing Klein in
the future, either as a full-time
employee or as a consultant.

He said the SABC now had a
"consultants policy in place to
ensure that proper procedures are
followed prior to the appointment of consultants."
IBA near deadline to license up-for-sale radio stations

'I set tight time-frames,' says Naidoo, announcing that broadcasting authority has until end of July to complete process

\[\text{Stan 14/6/96}\]

The Independent Broadcasting Authority has been given until the end of July to complete the process of licensing the six SABC radio stations in the process of being sold, according to Posts, Telecommunications and Broadcasting Minister Jay Naidoo.

"If it is necessary to amend the IBA Act to give the IBA greater flexibility regarding time-frames for the public process for issuing licences, then we will approach the Parliament," the minister said during the broadcasting budget debate this week.

In terms of the constitution, existing broadcasting legislation in the former TBVC territories remained in force until repealed by a competent authority.

"I set very tight time-frames to complete this process within the next few months," Naidoo said.

"I have urged the IBA to expedite the processes of licensing the six SABC radio stations currently being sold, and to complete the process by the end of July 1996," Naidoo said.

While it was important to ensure the full transparency and independence of the IBA, the department had to create an environment of certainty for the investments being made by private and public broadcasters to open the airwaves.

"We need decisive action to achieve our common goal of universal service to our people."

"This is what people and potential broadcasters expect from us and this will be key performance indicators for the IBA," Naidoo said.

On the transformation of the department, he said his ministry would not interfere with the editorial independence of broadcasters.

"Our responsibility is policy and not the content of what is broadcast. I think that distinction is important," Naidoo said.

The transformation of the SABC to a national public broadcaster would be dealt with through separate legislation - the National Public Broadcasters Bill - which he was confident would be debated before Parliament rose this year.
IBA's consent stuns broadcaster

By Cheryl Hunter

If yesterday's announcement by the Independent Broadcasting Authority that three satellite television stations were to begin broadcasting was unexpected, no one was more surprised than the applicant himself.

While the IBA said African Entertainment Corporation had been granted interim consent to broadcast three satellite channels, beginning on June 1, Ascot managing director Mark Grey said he was astounded.

"We applied months ago, but the first news I heard of the decision was on the radio yesterday," Grey said.

He could not confirm an IBA assertion that Ascot would be broadcasting three analogue, free-to-air channels carrying a family entertainment channel with 10% of the programming being South African, a sports channel with about 90% foreign sports coverage and 16% local, and that the third channel would broadcast the Discovery Network.

"It is too soon for us to issue a statement and will result in misinformation," Grey said.

He also seemed to think that the broadcasts could not begin quickly, but an IBA spokesman said they had to begin before September 30 or the consent would be withdrawn.

"I cannot give you answers, because I don't even know the licence conditions," Grey said.

In a separate issue, SMaRt FM community radio station went on air yesterday to call on its listeners to donate funds to fight an IBA refusal to grant the station a new licence to continue broadcasting.

"Full written reasons for the council's decision will be provided as soon as possible. The council is extremely busy at present, please do not attempt to communicate directly with any members of the council in regard to their decision," said a fax sent to the radio station.

"We have not been given any reasons for this and will be taking the matter to arbitration, legally," station spokesman Lara Nel said.

An IBA spokesman said, however, that SMaRt FM had denied — during three Broadcasting Complaints Commission hearings — illegally increasing its broadcasting power.

"But they admitted increasing their power in their licence hearing because they claimed they could not reach the audience they wanted to," the spokesman said.

In light of these circumstances, the IBA had decided not to grant another licence and believed it would save time. The matter will, therefore..."
Naidoo pledges no meddling with broadcasters

Clive Swey
Political Correspondent

THE Broadcasting Ministry says it has no intention of interfering with the editorial independence of broadcasters. This assurance was issued in the Senate today by Jay Naidoo, Minister of Posts, Broadcasting and Telecommunications.

"Our responsibility is policy and not the content of what is broadcast. That distinction is important," Mr. Naidoo said.

A bill to transform the South African Broadcasting Corporation into a national public broadcaster was in the early stages. Mr. Naidoo said he would soon table the Public Broadcasting Services Bill.

This would set standards and establish the independence of the public broadcasting service from any interference," Mr. Naidoo said.

"We have to spend resources to correct apartheid-created distortions by upgrading African-language stations in terms of location, programme mix and quality, transmitter splits, distribution coverage, staffing and equipment," he told senators.
Mixed response to talk station

The clue to success for an Afrikaans radio talk station will be in its marketing, reports
Jacquie Golding-Duffy

PLANS by Boland Financial Services and a private consortium to launch an Afrikaans radio talk station has met with a mixed response from the advertising industry.

Lindsay Smithers-FCB media director Tony Banahan is hesitant: "Although advertising potential exists for an Afrikaans talk show, Banahan is unsure about the quality of listeners. Most up-market people are working and usually listen to talk radio infrequently: during the morning on the way to work, infrequently during the afternoon and again later in the evenings. The bulk of listeners will probably be housewives and the unemployed," says Banahan.

Young and Rubicam group media director, Piet Muller, says he cannot see any flaws with having Afrikaans talk radio. "Research has shown that people prefer listening to programmes in their home language. Any message in a home language has more impact," says Muller. He argues that an opportunity to speak to listeners in a language of their choice should be snapped up by advertisers.

However, says Muller, "marketing" of the radio station will be crucial. "It is too early to tell how they will market themselves. There is no point in having a good radio show planned and no one knows about it. The marketing has to sell it," he says.

Hunt Lascars media director Lynn Campher agrees. Marketing plays a vital role in whether a project succeeds or fails. "The idea is good. An Afrikaans talk show will allow for people to express their views in a language they feel comfortable with," she says.

Boland Financial Services vice president André Coetsee says a business plan is close to being finalised.

The plan will be submitted to the Independent Broadcasting Authority for approval, he says. "Boland Financial Services, together with the consortium Puntmedia, is applying for a Medium Wave frequency licence in Cape Town and Gauteng.

The aim is to attract people all across South Africa who speak and understand Afrikaans. The radio station is not solely for Afrikanders. It aims to cater for all Afrikaans-speaking South Africans," Coetsee says.

The consortium, together with Boland Financial Services, is holding talks with "previously disadvantaged groups" in a bid to ensure a broad spectrum of shareholders, he says.

One of the Puntmedia consortium players, Ron Lewington, says the talk show was prompted by the marginalisation of Afrikanders on television. "Afrikaans-speaking people feel they are getting the short end of the stick."

It was decided that a radio station — Punt op Mediumgolf (Point on Medium Wave) — which caters for all Afrikaans-speaking people will create an opportunity for people to express their opinion on various issues in a language they feel comfortable with.

The latest Amps figures show that radio listenership has held steady at 78%. The new Afrikaans radio talk show hopes to tap this source.

Tuning in. Radio listenership has held steady at 78%. The new Afrikaans radio talk show hopes to tap this source.

One of the Puntmedia consortium players, Ron Lewington, says the talk show was prompted by the marginalisation of Afrikanders on television. "Afrikaans-speaking people feel they are getting the short end of the stick."

It was decided that a radio station — Punt op Mediumgolf (Point on Medium Wave) — which caters for all Afrikaans-speaking people will create an opportunity for people to express their opinion on various issues in a language they feel comfortable with.

The latest Amps figures show that radio listenership has held steady at 78% with close to 20-million adults tuning into a station of their choice. The most enthusiastic listeners are based in Mpumalanga, where 83.7% of the population tunes in on an average weekday. The figures for other provinces are:

- 77.1% in Gauteng.
- 68.9% in the Western Cape, and
- 82.1% in KwaZulu-Natal.

Nationally, average listening time has increased over the past year to 26 hours a week.

Campher says the latest figures indicate a growth for radio stations aimed at coloured, Indian and white listeners, while listenerships for black radio stations appear to be stable.

Radio 702 showed a slight decrease as it has lost much of its black audience. SAFm has shown a growth of 44% during morning drive-time. Radio Orange, Algoa and KFM have shifted to stronger coloured profiles, while most regional stations have become more directed towards women.
It's time for the IBA to take the lead.
Eskom accepts need to reform

James Lamont

Johannesburg — The monopolistic South African electricity industry had some way to go before it would measure up to the competitive principles and private-sector involvement needed to transform southern Africa into the "electricity valley of the world", Andreas Calitz, Eskom's senior transmission manager, said yesterday.

Calitz said that of six priorities for industry reform in the region he presented at the Sub-Saharan Oil and Mineral Conference yesterday, the South African electricity industry still had to give large customers a choice of energy supplier, adopt a framework for independent private power production and attract private finance to build and operate new transmission lines.

He said Eskom, the national electricity utility, was addressing its monopoly and considering private-sector participation. The national electricity regulator had commissioned a task team to examine the possibility of establishing a wholesale electricity market, customer choice and of letting other electricity suppliers into the market.

The task team would report its findings next month.

Calitz said that Eskom had not used private finance to fund transmission lines until now, because it could borrow from international and local capital markets.

He said cross-border linkups could benefit from private backing. "Eskom's report card looks good," he said.

Eskom had a separate corporate identity, was self-funding and ran itself on a commercial basis.

The utility received no fiscal support from the government and largely recouped the cost of supplying its customers. Eskom maintained a 2.1 ratio between the prices of residential and industrial electricity, he said.

Eskom had also received three licences from the regulator separating the industry into generation, distribution and transmission.

Calitz said a report had gone from the electricity industry to the government recommending the dramatic restructuring of the distribution industry.

"What could come out of it is fairly open, but it will look very different from what we have today," said Calitz.

An International Energy Agency report on South Africa's energy policy, released at the oil and minerals conference, recommended that a clear strategy be developed to deal with the industry's structure and the role of local authorities in distribution.

Pik Botha, the minister of mineral and energy affairs, said competition would be introduced if the country had seven regional distributors. Electricity generation could then be addressed.

He said consumers had the right to know how much tax they were paying in their electricity bills.
Taxing time for broadcast boss

By ELIAS MALULEKE

THE embattled acting chief executive of the Bophuthatswana Broadcasting Corporation, Cawe Mahlatsi, lost two court actions this week as controversy over her leadership continued to rage.

On Friday Ms Mahlatsi had a court order allowing her to eject a presenter from one of the corporation’s homes overturned by the Mmabatho district court. Two days previously, on Wednesday, the belongings of the presenter, Johanna Charles, had been left on the pavement after her eviction from the house.

In her second setback, Ms Mahlatsi failed in a bid to have two employees’ court applications for reinstatement overturned. Instead, the court postponed the applications by the corporation’s staff, Ms Charles and Mr Martin McGhee.

Ms Mahlatsi has recently come under attack from some of the corporation’s staff, who have accused her of mismanagement in several instances.

She resigned from a senior post at pay television company M-Net last November to take over the reins at the Bophuthatswana broadcaster on a six-month contract. The post had not been advertised before she was hired.

A former “overseas emissary” for Transkei in the administrations of ex-presidents George Matanzima and Stella Sigezu, who is now South Africa’s Public Enterprises Minister, Ms Mahlatsi was reportedly hired by the corporation as a troubleshooter.

The Sunday Times reported last month that Ms Mahlatsi, who earns R40,000 a month, had not been paying tax, used more than one corporation credit card and two luxury company cars, and lived in a corporation house.

The North West MEC for finance, Martim Kucus, has frozen corporation funds, saying that while Ms Mahlatsi’s contract indicated her salary was all-inclusive, she also received other financial benefits not due to her.

Her R40,000 package included transport, entertainment and housing allowances, and she had to pay tax on it.

Ms Mahlatsi, however, remains defiant amid mounting pressure, and she has laid a R1-million claim for alleged damages against the Sunday Times as a result of the article that reported her non-payment of tax.

The North West MEC for Broadcasting, Dr Paul Sefularo, said any money Ms Mahlatsi owed to the Receiver of Revenue would be deducted from her salary.

The Receiver and the corporation had reached an agreement on the payment of about R2.5-million owed by Ms Mahlatsi and other corporation staff who had also not been paying tax. The broadcaster also had to pay a 10 percent penalty for failing to make the deductions.

Meanwhile, in an unrelated matter, North West police have begun an investigation into the theft of several vehicles from the corporation’s premises in Mmabatho since January. A police spokesman, Capt. Patrick Asangeng, said that cars belonging to the corporation had been stolen in the past six months while they were parked in the corporation’s yard.

This was despite tight security measures.

Capt. Asangeng said information available to the police indicated: the cars were stolen by a syndicate with connections inside the corporation.

“Witnesses” have come forward to give statements on the syndicate: One is a security officer.

The car theft syndicate was said to be working closely with certain security officers.

Capt. Asangeng said Ms Mahlatsi’s company car had been reported stolen in Johannesburg last month, but the matter fell under the jurisdiction of the Gauteng police.
Govt pins hopes on earning up to R6bn

Restructuring to be used to cut borrowing

Greta Steyn

GOVERNMENT is relying on about R6bn-R65bn a year by the turn of the century from the restructuring of state assets to help reduce its borrowing requirements.

The amount comprises proceeds from privatisation, as well as dividend payments from parastatals.

This figure emerged in an interview yesterday with Finance Minister Trevor Manuel and acting finance director-general Maria Ramos. Manuel said it was clear that privatisation would stretch over years, and that it initially would not have a big role to play in reducing government debt. "The experience of other countries has shown it is a long-term process."

Manuel's package reassured investors worrying that the government was not serious about privatisation.

A key tenet of Manuel's macroeconomic framework, unveiled on Friday, is the reduction of government's interest bill. As a means to achieve this, government plans to slash the deficit to 4% of GDP by the end of the fiscal year and to bring it down to 3% by the 1999/2000 financial year.

"Asking" how the task would be achieved, Manuel said improved revenue from the SA Revenue Services would help. "There is a lot out there," he said, referring to the estimated R6bn in uncollected taxes.

Ramos said the expenditure evaluation unit had a "big task" on the spending side. In addition, the debt and cash management policies would start paying off. Central government was already saving R400m from not paying interest on public sector cash balances.

The strategy document itself does not foresee higher taxes to reduce the deficit, preferring to place the emphasis on spending cuts. The appendices to the plan hint that spending allocations in terms of the RDP fund might be cancelled.

Manuel acknowledged that fiscal stringency was difficult to sell, not only to the ANC's allies, but also to the Cabinet and to the provinces. "If there is no confidence in the SA economy, we will eventually have, to knock on the IME's door. The result will be structural adjustment and conditionalities. That's the story that sells," he said.

He agreed there was still some hard bargaining ahead, especially in achieving the social agreements which, he said, "will have to be some quid pro quo kind of agreements that business will have to bring something to the table in return for wage moderation from the unions. Talks on price restraint could be expected to follow."
The promotion of trade, which
is essential for the economic
growth of the country, has been
highlighted as a key issue in
the current political
discourse. Various
measures have been
proposed to
facilitate international
trade, including the
reduction of tariffs and
trade barriers. In
addition, efforts are being
made to attract foreign
capital and enhance
investment in the country.

However, the success of
these initiatives depends
largely on the ability to
address the challenges
facing the economy, such as
high inflation and
unemployment. The
government has
committed to
implementing policies
that
will

support economic
growth and
development.

Parastatal chiefs support Gov’t’s plans for restructuring state assets.
The Minister for Public Enterprises
Mr. B. C. Hughes

In his Budget speech of 1963-64, the Prime Minister, having recognized the importance of expanding the economy of the country, announced that the Government would support any undertaking of the kind that could be developed as a result of the Minister's knowledge and experience.

The Minister of Mineral and Energy
Mr. J. M. S. Allen

It is our intention to continue to support the development of new industries and to encourage the growth of existing ones. We shall also continue to promote the export of minerals and energy products.

The Minister of Trade and Industry
Mr. A. J. Smith

We are committed to providing a conducive environment for business and industry to thrive. The Government will provide the necessary support and resources to ensure the growth and development of the economy.

The Minister of Finance
Mr. H. G. Brown

The economy is in a state of growth and development, and we are committed to ensuring that it continues to improve. We shall be focusing on fiscal policy to promote economic stability and growth.

The Governor of the Reserve Bank
Mr. R. L. Johnson

We are committed to maintaining low inflation and a stable currency. We shall continue to work closely with other financial institutions to achieve our objectives.

The Minister of Education
Mr. J. H. Miller

Education is a cornerstone of our development strategy. We shall continue to invest in education to ensure that our workforce is equipped with the necessary skills to meet the challenges of the future.

The Minister of Health
Mr. W. H. Davis

Healthcare is a priority for our Government. We shall continue to work towards improving access to healthcare services and reducing the burden of disease in our population.

The Minister of Agriculture
Mr. J. E. Thompson

Agriculture is the backbone of our economy. We shall continue to support farmers and rural communities to ensure that they can sustain their livelihoods and contribute to the country's food security.

The Minister of Transport
Mr. G. W. Anderson

Transport is a critical component of our infrastructure. We shall continue to invest in transport projects to improve connectivity and enhance the country's competitiveness.

The Minister of Environment
Mr. J. R. Williams

We are committed to protecting the environment. We shall continue to implement policies and initiatives to reduce pollution and promote sustainability.

The Minister of Social Security
Mr. R. L. Johnson

Social security is a fundamental aspect of our society. We shall continue to provide support to vulnerable groups and ensure that our citizens have access to adequate pensions and other social benefits.

The Minister of Defence
Mr. J. M. Smith

We are committed to maintaining a strong and capable military. We shall continue to invest in defense capabilities to ensure the security of our nation.

The Minister of Internal Affairs
Mr. J. H. Williams

We are committed to maintaining law and order in our country. We shall continue to work with our law enforcement agencies to combat crime and ensure the safety of our citizens.

The Minister of Labour
Mr. J. E. Brown

We are committed to protecting the rights of workers. We shall continue to advocate for fair wages and working conditions andairs to ensure that our citizens have access to adequate pensions and other social benefits.

The Minister of Planning
Mr. G. W. Anderson

Planning is a critical component of our country's development strategy. We shall continue to implement policies and initiatives to promote sustainable growth and development.

The Minister of Information
Mr. J. R. Williams

We are committed to promoting transparency and accountability in government. We shall continue to provide accurate and reliable information to our citizens and the international community.

The Minister of Trade
Mr. J. H. Miller

We are committed to promoting trade and investment opportunities. We shall continue to work closely with our trading partners to enhance our economic ties and foster mutually beneficial relationships.

The Minister of Energy
Mr. W. H. Davis

Energy is a critical component of our country's economic development. We shall continue to invest in renewable energy sources and promote energy efficiency to ensure a sustainable future.
IBA calls for Act changes

Ingrid Salgado

THE body responsible for the sale of six SABC radio stations, the Independent Broadcasting Authority (IBA), was ready to begin the licensing process but said it would require amendments to the IBA Act to speed up the process.

The existing law provided "very specific" minimum times for gazetting and lodging objections to licence applications, the IBA said yesterday. Under these conditions, the authority would be able to licence the first station only within three months of receiving the bids.

It had not yet received the licence applications from Post, Telecommunications and Broadcasting Minster Jay Naidoo, who has urged the authority to complete the licensing process by the end of July.

However, the IBA expected Naidoo to hand it a shortlist of three bidders a station soon. Naidoo had indicated he would put amending legislation before Parliament, while cabinet is expected to approve the stations' sale today.
IBA prods Naidoo to act quickly

Staff Writer

Johannesburg — The Independent Broadcasting Authority (IBA) has politely challenged Jay Naidoo, the communications minister, to quickly force changes to the IBA Act through parliament so that it can meet its July deadline for licensing the first successful bidder to buy a commercial radio station from the SABC.

The challenge masks a simmering discontent in the IBA with Naidoo's handling of the sale of six SABC stations to the private sector.

The IBA said this week: "We would like the (sale) process to be completed by July 1996. It would definitely require amendment to the IBA Act. If parliament amends the Act, the authority is ready to license the stations as soon as possible."

Sources close to the IBA said it would be almost impossible to redraw legislation, put it to parliament, take it through committees, and have it gazetted by the end of next month. The cabinet is due to view the list of bidders today.

Behind the IBA statement lies some bewilderment about Naidoo's attitude to the sale of the stations, since he became telecommunications minister earlier this year. Initially he appeared to be opposed to the sale. However, in parliament last Friday, Naidoo endorsed the sale, pushing for a deadline next month and seeming discontent at the IBA.

The authority was also taken aback by Naidoo's decision that the bids should initially go directly to him, and not, as originally intended, to the IBA.

Under the terms of the present IBA Act, the licensing process could still take at least three months before the first license is awarded. Depending on the number of objections that losing bidders raise, the process could be drawn out further.

The cabinet viewing of the bidders is expected to be a formality today, after which the IBA should be handed the bids. It is expected that the IBA would then quickly release the details of all the bids directly to the public or publish them in the Government Gazette, before beginning the public process of deciding which bids to favour.'
MP heads miners' bid for radio station

By PATRICK BULGER
Parliamentary Correspondent

Cape Town A miners' union consortium headed by ABC MP Marcel Golding emerged yesterday as partners in a multimillion-dollar bid to buy Highveld Stereo from the SABC, which is selling six radio stations.

The Mineworkers Investment Company, the investment arm of the National Union of Mineworkers which is in turn owned by the Mineworkers Investment Trust chaired by Golding, is one of three bidders.

Golding is a former NUM assistant general secretary.

Addressing details of the competing bids, Broadcasting Minister Neil Naidoo said he would speed up procedures for freeing the airwaves, dominated for decades by the SABC.

Eight radio licences would be made available by October and the first private television broadcast licence would be sold by the middle of next year.

He said the Government saw the exercise as an opportunity to add more media voices and to promote a black broadcasting ownership sector.

Naidoo said he had put to Cabinet amendments to the Independent Broadcasting Authority Act that would speed up the granting of licenses for the corporation's six regional radio stations.

'The Minister would be tabled for a decision when it resumes its next session in early August.'
Naidoo fires the starting gun as he names bidders for radio stations

By Francois Botha and Andrew Young

 Existing radio licences in the provinces of the Northern Cape and Eastern Cape were due for renewal on 31 December, but the Cost of living allowances controversy had stymied the government's plans.

In his Budget speech, Finance Minister Trevor Manuel had proposed a new taxation policy for radio licences, but the details had yet to be finalised. Naidoo was expected to meet with a team of experts to discuss the proposals.

The media Council of South Africa (Masa) had voiced its concerns about the government's plans, saying that the new taxation policy would be unfair and unaffordable for many radio stations.

Naidoo had expressed his support for the Masa's position and had called for the government to reconsider its plans.

Naidoo's intervention was seen as a bid to gain public support for his government's policies, which were facing increasing criticism.

The government had been accused of censorship and biased coverage in state-owned media.

Naidoo had previously faced criticism for his handling of the Cost of living allowances controversy, which had resulted in widespread protests.

The government had been forced to withdraw the tax on radio licences and had promised to review its media policies.

Naidoo's intervention in the radio licences issue was seen as a bid to regain public trust and support.

The government had announced plans to review its media policies, with a focus on increasing diversity and reducing bias in state-owned media.

The government had also announced plans to establish a new body to regulate media content, with the aim of promoting responsible journalism.

Naidoo's intervention in the radio licences issue was seen as a bid to demonstrate his government's commitment to media freedom and diversity.

The government had been facing increasing pressure to address concerns about media bias and censorship, with many people calling for greater transparency and accountability in state-owned media.

Naidoo's intervention in the radio licences issue was seen as a bid to demonstrate his government's commitment to media freedom and diversity.

The government had been facing increasing pressure to address concerns about media bias and censorship, with many people calling for greater transparency and accountability in state-owned media.
SABC hands radio bids to IBA

Kathryn Strachan

SABC CEO Govan Reddy yesterday handed over the short list of final bidders for its six regional radio stations to the Independent Broadcasting Authority (IBA). Along with the SABC's recommendations, the IBA will now decide on the bids.

In the case of each of the six stations, the SABC recommended the highest bidder. But Reddy said that, while price was a factor, the preferred bidder also met all other criteria such as empowering the disadvantaged, cross-media ownership diversity and local expertise.

However, the final decision lay with the IBA and the fact that the IBA requested a short list indicated that it was possible for the stations to go to the second bidder.

The highest bidder for Gauteng's Highveld Stereo is Newshelf 63 (R320m), which represents the Mineworkers Investment Trust and will be managed by the operator of Radio 702. Other bidders are The Worldwide Consortium (R180m) and David Blood and Associates (R60m).

Pretoria's Jacaranda Stereo attracted bids from Nahid Media Investments (R90m) and New Africa Investments Limited (R70m).

Bidders for Durban's East Coast Radio are Dynamo Investments Limited (R65m), controlled by Oscar Dhlomo, and Moribo Consortium (R50m). The other bidder is New Radio Consortium (R40m) whose shareholders include Johnny Clegg and Kagiso Trust. KFM's bidders are Newshelf 63 (R110m), Crescent Consortium (R65m) and the Worldwide Consortium (R45m).

Two consortia — Umoya (R10m) and Algoa (R8m) — were short-listed for Port Elizabeth's Radio Algoa Times Media is part of the Algoa consortium. The Bidders for Radio Orange are the New Radio Consortium (R11m) and Free State Media Holdings (R4m).

The sale of the stations would bring in between R220m and R640m. Reddy said that while government had set a policy stating that the proceeds of items sold by parastatals should go to state coffers, he believed government would be sympathetic to the case of the SABC.

With revenue from TV licences falling, the SABC's income base was under threat, but at the same time its public service mandate needed to be increased with the introduction of 11 official languages.

Reddy said the regional stations were initially set up to subsidise the national stations and if the SABC did not benefit from the sale of the stations it would lose both ways, it would lose advertising revenue and the proceeds of the sale.

The SABC would approach Broadcasting Minister Jay Naidoo in the next two months to consider directing the money to the SABC.
SABC wants to put big spenders on the air

Radio selloff looks set to bring in more than R600-million with R320-million being offered for Highveld Stereo, as all bidders meet criteria laid down by IBA.

BY CHEERY HUNTER

The SABC would like the IBA to choose the highest bidder in the sale of each of its six radio stations — even though it would mean granting one consortium two stations.

The SABC announced its preferred buyers in the sale of six of its radio stations yesterday, choosing the highest bidders for each.

Chief executive for radio Govin Reddy said the bidders had met the criteria set out by the Independent Broadcasting Authority, so the SABC could not overlook the financial implications of their choices.

The Cabinet approved the short-list of bidders for Highveld Stereo, Jacaranda Stereo, East Coast Radio, KFM, Radio Algoa and Radio Orange on Wednesday, and this list was handed to the IBA by the SABC for a decision.

The IBA will have to consider whether the consortia meet criteria set out in their regulations which do not look only at the price tag. These include requirements that the new-owners empower the historically disadvantaged, and cross-media ownership limits are not broken.

The stations’ look set to bring in more than R600-million if the highest bids are accepted. The SABC seems fairly confident that it may receive these funds, despite suggestions by Broadcasting Minister Jay Naidoo that the money should be used by the State.

Govin Reddy ... chief executive for SABC’s radio arm.

"If the SABC makes a strong enough case for why they should get the money, we think it will be allocated to us," SABC spokesman Enoch Sithole said.

Reddy said the public broadcaster needed the funds, and that it planned to present its arguments to the minister by late July.

"We need these funds because our income base is at threat as more stations begin broadcasting, yet our expenses are necessarily going to increase as we upgrade the African language stations and TV1 and TV2," Sithole said.

Highveld Stereo looks set to bring in R320-million if the SABC’s choice of Newsshelf G3 (Pty) Ltd as the new owner is agreed to by the IBA. The next-highest bid was for R130-million by The Worldwide Consortium representatives, who said they were not dismayed by being outbid because they believed they still stood a chance of being granted a licence and "would never pay that much money for a station which is worth less than half that amount”.

Newsshelf G3, a consortium of Radio 702 owners Primedia, black investment consortium Nial and the National Union of Mineworkers, also secured the highest bid for KFM with its R110-million offer.

No one knows how long it will take for the first licences to be issued because the IBA Act has to be amended to hasten the process.

Naddeo said this week the process for licensing the stations could not be delayed to conform to the IBA schedule which requires the stations to be all fully licensed by year-end, and this required an amendment of the Act.

Reddy said he did not believe any licences would be awarded before late August.

IBA co-chairman Peter de Klerk said he should be able to lay out a proposed schedule by late next week.

There were three bidders per radio station. The other preferred bidders, with their offer in brackets, for the remaining stations were Jacaranda Stereo to Naledi Media Investments (R98-million); "Est" Coiset Radio to Dynamo Investments Ltd (R65-million); Radio Algoa to Umooya Communications (R101-million); and Radio Orange to New Radio Consortium (R11-million).
Battle for BopBC begins again

Although the BopBC/SABC integration deal was on track, there were a number of squabbles still to be resolved, reports

Jacquie Golding-Duffy

The proposed integration of Bophuthatswana Broadcasting Corporation (BopBC) with the South African Broadcasting Corporation appears to be back on track — although there are still a few outstanding issues that could derail the deal.

Two months ago, all signs pointed to an admanit acting chief executive officer, Caw Mahlati, refusing to budge on integration. There was the chairman of the integration committee, Leslie Xilewa, throwing his hands up in despair, saying the committee had done everything in its power for the process to go ahead but that the BopBC issue had become a political one. Also, government, he said, had to foot the bill for integration.

Then-minister of posts, telecommunications and broadcasting, Pollo Jordan, said the ministry had no money to pay for the integration and that taxpayers could scold their disapproval of the former homeland broadcaster via the ballot box.

Integration was planned for the end of March, but this was postponed to the end of September and Mahlati’s six-month contract was renewed.

At the time, Mahlati said she was being funded by the North West government to the tune of R50 million. However, allegations directed at Mahlati of tax irregularities and extravagance at the expense of BopBC and the provincial government, were frozen at the end of last month by North West MEC for Finance Martin Ruscus, who said they would stay frozen until Mahlati paid back every cent owing to government and until stricter measures were in place to monitor expenditure.

The provincial government has been placed in a compromising position by this behaviour and the overpayment of benefits to Mahlati has first to be sorted out before I consider releasing any money, he said.

Sprangting to Mahlati’s defence, North West MEC for Arts and Broadcasting Dr Paul Seferaro was quoted as saying the allegations against Mahlati were “personal sour grapes”. He held Mrs government and department responsible for failing to deduct tax from her salary.

Some within government found Seferaro’s comments “exaggerated” since no one had a personal grudge against Mahlati. Moreover, eyebrows have been raised about the renewal of the contract of Mahlati, a former freelance emmy award-winning M-Net’s former corporate affairs manager. Thus, there are saying, smell of corruption.

However, according to Telecommunications and Broadcasting Minister representative, Conne Mohus, integration at BopBC is on track and will “probably be achieved by the end of September” and the absolute last deadline the end of February next year.

Although it appears the integration is going to forge ahead, there still are a twofold squabble:

1. Who is going to foot the integration bill?
2. What is going to happen to those assets which are not integrated into the national public broadcasting service?

Jacquie Golding-Duffy

It’s a toss-up which of the two — SABC or BopBC — will be more assertive.

It all started with a SABC reporter who alleged he was involved in an incident of unauthorised entry” at BopBC’s offices in Mmabatho. According to BopBC acting chief executive Caw Mahlati, the reporter was trespassing on BopBC’s property and this constituted a “breach of security”, resulting in the reporter being banned from BopBC facilities.

Mahlati sent a fax to SABC Television News editor-in-chief Joe Thobole stating that SABC journalists are not allowed to use BopBC’s facilities. Mahlati, however, says only “the individual involved has been denied access”, while other staffs are free to continue the use of BopBC’s facilities.

Mahlati says discussions with Thobole are ongoing. The Mail & Guardian has, however, been told that Thobole faxed Mahlati stating that he will take his case to the SABC and that the SABC in turn does not expect BopBC’s staffs to use any of the SABC’s facilities.

In a final move, Mahlati retaliated, saying that Thobole was breaking an agreement which allowed for BopBC staffs to make use of the SABC’s facilities whenever they needed to. Despite his refusal to allow BopBC staffs access to SABC facilities, Mahlati said her staff will continue to use the facilities.

It is believed Mahlati went to great lengths to make her point by filing a case with the local police in Mmabatho and even facing the case number to Thobole as proof that she had taken steps and laid charges of invasion of privacy and trespassing.

Thobole refused to comment on the issue, while Mahlati refused to divulge details of the correspondence other than to say that the issue is under discussion.

广播同事们横刀拔剑

虽然BopBC和SABC的整合进程已经取得了进展，但仍然存在两个主要争议点：

1. 谁来支付整合的费用？
2. 未整合的资产如何处理？

虽然BopBC的首席执行官Thobole和SABC的代表Caw Mahlati就这些争议点进行了交锋，但目前的进展表明，双方都在积极努力确保整合能够顺利完成。

Thobole指出，这项整合不仅对BopBC来说是必胜的，也是对整个国家广播服务来说具有重要意义的。然而，Mahlati则强调SABC不会允许BopBC的工作人员使用SABC的设施。

在这一关键时刻，SABC和BopBC之间的关系变得更加紧张。Thobole表示，SABC将采取法律行动来保护自己的权益，而Mahlati则坚称BopBC的资产将根据双方商定的比例进行分配。

无论最终结果如何，这次整合都将是南非洲广播服务的一次重大变革。它不仅对BopBC和SABC的影响巨大，也将对整个国家的媒体环境产生深远影响。
MORE than a billion rands is owed to Eskom in electricity arrears. This has been revealed in parliament by Public Enterprises Minister Stella Sigeau.

Delivering her departmental budget speech on the last day of the current session of parliament, she told MPs that non-payment for electricity in certain areas continued to be a source of "grave concern.

While Eskom was in good financial shape, solutions were being urgently sought in a bid to tackle the huge amount of outstanding payments.

"The government at central and local level is working together with all stakeholders and the communities as well as Eskom to seek practical and functional solutions to this problem," she said.

In a speech that was expected to clarify the government's position on the privatization of state assets and corporations, she failed to unveil any significant new plans or initiatives.

"The restructuring of state assets was an "important pillar" of government macro-economic strategy, she said.

Parliament heard that some communities refuse to pay their electricity bills, leaving Eskom with a burgeoning billion-rand debt. In spite of this, the power giant claims it can cope, said Sigeau.

"Public enterprises currently under restructuring review employed in excess of 300,000 and many of these were "understandably apprehensive" about the future.

"Restructuring should develop the human resource capacities of South Africa through decent employment conditions, efficient use of training and retraining, redressing previous discriminatory practices and enhancing technical and managerial capacity," said Mrs Sigeau.

Restructuring could involve a number of options including the total sale of an asset and the partial sale to strategic equity partners.

Mrs Sigeau said a special adviser would be appointed next week to draft a final model for the whole programme which was expected to be ready by the end of the year.

"The restructuring of state assets is not ideologically driven but constitutes a pragmatic economic imperative," she said.

It would aim at boosting economic growth, involving foreign partners in the provision of infrastructure at an estimated cost of R173 billion, reducing debt and making state corporations more efficient and competitive.

"Significant strides" had been made in plans to find a strategic equity partner for Telkom and implementation of this plan was expected in the second half of the year.

A change in the ownership of the parastatal Aventura, which provides leisure accommodation and facilities, was also inevitable with up to a quarter of the shares going to staff.

Further decisions on the sale of Sun Air and Transkei Airways, as well as the reactivation of mothballed Eskom power stations - with a view to attracting strategic partners - were expected later in the year.

"The restructuring programme is destined to be a protracted and carefully considered process," Mrs Sigeau told parliament.

ADRIAN HADLAND
Financial Staff

LOUNGE SUITES.
Pallucci guarantees the Best
the Lowest Prices. Look No Further.

Pallucci
WORLD OF LEATHER
WAREHOUSE*
49 SALT RIVER ROAD
TEL 47 5200

CITY CENTRE
ST GEORGES MALL
TEL 41 91 260

BELVILLE
1 BG DURBAN RD
TEL 946 1739

view the complete range of
leather suites at our warehouse
Eskom overshines its target

ST/CRT 23/1/96

ESKOM'S electrification programme has connected 1.5 million homes over the past five years, Public Enterprises Minister Stella Sigcau said on Friday.

She said the national utility had exceeded its 1995 target of 200,000 new connections by 13,179.

However, she was concerned at the rise in electricity arrears from 0.4% to 4.6% in the first six months of the year.

In the 1995/96 financial year, Eskom's turnover was R17 billion with net income of R1.7 billion, but interest-bearing debt rose to R29.8 billion. The utility planned a total spending of R5.2 billion this year.

Among other payers, she said Mr Sigcau's department, Deneb, continued successfully to diversify from arms-based manufacturing. Sales last year rose by 12% to R2.4 billion, of which exports to 33 countries accounted for R1.1 billion. Taxed income was up 29% to R300 million and the state received a R100-million dividend.
THE auditor general’s office has blown the whistle on the Independent Broadcasting Authority’s gravy train after discovering that senior officials voted themselves huge increases.

The auditor general’s office found that, immediately after taking office in April 1994, IBA councillors decided to pay themselves a quarter more than the government specified they should be paid.

They raised their salaries by R23 000 a year for co-chairmen and R15 000 for ordinary councillors.

This was over and above the basic salaries of R201 000 and R155 000 specified by the government.

They secured written approval for the pay hikes from the then Minister of Posts, Telecommunications and Broadcasting, Dr Pallo Jordan, only 18 months later.

Even now, however, the whopping increases may stand outside the law.

“Confirmation could not be obtained,” the auditor general’s report notes, “that the remuneration packages were increased in consultation with the minister of state expenditure (or his successor in law) as required in Section 7 of the Independent Broadcasting Act.”

The Ministry of Finance, which controls state remuneration, this week confirmed the auditor general’s view.

A spokesman for the ministry, Jennifer Wilson, said that with perks and allowances added in, the top end of the relevant salary scale was fixed at R329 807 for co-chairmen and R258 000 for ordinary councillors.

According to the IBA’s own breakdown, the total package payable to its co-chairmen stands at R411 520 and to its councillors at R230 000.

This means they are paid a quarter more than the Ministry of Finance allows — and a quarter more than officials in comparable bodies like the truth and human rights commissions.

The questions raised by the auditor general could lead to a full government investigation of the IBA’s affairs when its long-delayed report is debated in Parliament.

The auditor general notes that although the increases were payable from April 1994, formal approval was obtained from Dr Jordan only 18 months later, in November last year.

Dr Jordan said yesterday that a multiparty committee had agreed that the IBA set its own salaries. He had been aware of the increases from the beginning.

However, his written approval was given only after the production of the annual report, which had raised a hue and cry among some politicians.

The attorney general’s report shows that the IBA resolved, in the same month in which it swung into operation, to raise remuneration packages above the levels originally set by the Ministry of Home Affairs.

The decision was endorsed, the IBA claims, in a report prepared by the audit consultants Deloitte & Touche, which concluded that remuneration levels were “substantially below” market levels.

As a result, bonuses of R83 745 for the authority’s two co-chairmen and R65 070 for councillors were added onto the original packages in the form of “non-contributory pensionable allowances.”

The basic salaries paid to the co-chairmen were thus raised above those paid to directors general in national ministries and judges of the Supreme Court.

In response to queries this week, the IBA gave the Sunday Times a copy of a letter sent to Dr Jordan in November last year.

In the letter, the co-chairmen claim the hikes were included in the organisation’s 1994/5 budget, which was approved by the Ministry of State Expenditure and passed in Parliament.
Privatisation plan inches to next stage

By SVEN LUNSCH

PUBLIC Enterprises Minister Stella Sigcau on Friday announced only marginal progress in the government's restructuring and privatisation programme for public sector corporations.

In her budget address to Parliament, Ms Sigcau warned that the privatisation process was destined to be "protracted and carefully considered."

She did, however, list a block of state assets that would be sold before the end of the year or early next year the entire holdings in airlines San Air and Transnet Airways and leisure group Aventura, a minority stake in Telkom as well as three Eskom power plants.

This is in line with an announcement by the government in December last year, before the programme was halted amid fierce resistance by trade unions.

Ms Sigcau stressed in an interview that "the tentative timetable we have proposed is subject to negotiations with the unions and suggestions from our advisers." She added that a special adviser would be appointed next week to draft a final model guide for the privatisation and restructuring programme.

A noticeable omission from Ms Sigcau's privatisation list were South African Airways and the Ports Company, which had been earmarked for partial sale under the December plan.

Ms Sigcau said that a decision on SAA and other Transnet divisions would have to wait until the airlines' internal restructuring had been completed. A major stumbling block was Transnet's massive pension fund deficit. She stressed that the partial sale of SAA was still on track once new management had completed its assessment.

Expectations of a major statement by Ms Sigcau had built up since President Nelson Mandela's commitment to privatisation during a visit to Germany and his subsequent rejection of objections by the trade unions.

Economists and business leaders believe privatisation is central to restoring investor confidence, badly dented by the rand's recent sharp fall.

In the debate following Ms Sigcau's budget, the National Party's Piet Coetzee described the speech as disappointing. "It appears the government has not quite made up its mind about privatisation."

Standard Bank recently estimated that the government could raise about R160-billion from the sale of assets. The assets earmarked for imminent sale by Ms Sigcau are likely to fetch about R65-billion.

The prime target for foreign investors is a 25% to 33% stake in Telkom which could raise up to R9-billion. Telecommunications Minister Jay Naidoo is leaving for Europe and the US next week to meet potential equity partners.

It emerged this week that the money received from the Telkom sale would not be held in a special fund but transferred directly to the national revenue fund.

Ms Sigcau said that utility Eskom was currently considering whether to activate and sell three mothballed power stations, which could realise a further R1-billion in foreign capital. A number of foreign utilities had already approached Eskom before negotiations were put on hold by government earlier this year.

Ms Sigcau said that in line with new corporate governance guidelines for parastatals, Eskom could soon be required to pay both dividends and taxes.

Of the other three public corporations, only San Air is profitable and could fetch about R200-million. Transnet Airways is heavily subsidised by the Eastern Cape government while Aventura is likely to report a R3-million loss in the year to end-August. The disposal of Aventura would include the possibility of selling 25% to its workers, Ms Sigcau said.

She said the primary aim of bringing in foreign equity partners was the provision of infrastructure at an estimated cost of R173-billion over the next five years. The bulk of this amount -- R81-billion -- will have to be provided by Eskom, Transnet, Telkom and the Water Boards, while central government will have to raise about R52-billion.

Privatisation would also assist in reducing debt and making state corporations more efficient and competitive.
SABC rings forward as news for filmmakers, directors

By Cameron Beattie

F or many years the SABC remained uncompetitive, with South African viewers often ignored despite overseas producers. However, the advent of a new policy document on content and other companies are getting the SABC to ring forward as the most progressive.

New policy document is good

The policy planning and policy planning and drama directors are at SABC's insistence, as at

The need for people aiming to set up companies is getting the SABC to ring forward as the most progressive.

Described by the film industry leaders set to boom with the advent of a new policy document on content and other companies are getting the SABC to ring forward as the most progressive.

Giant leap

The policy document is good

The need for people aiming to set up companies is getting the SABC to ring forward as the most progressive.
SABC SURVIVAL THREATENED BY LOOMING CASH CRISIS

Public service role too costly

Parliament's recent debate of Broadcasting Minister Jay Naidoo's budget vote was bizarre. A huge question mark hangs over the viability of the SABC, yet neither he nor opposition MPs sought to discuss it. A National Public Broadcasters Bill, it's true, will be introduced later this year. But multiparty examination of the harsh realities facing the SABC, and what it needs to survive them, should begin now. The outcome, after all, could affect not only the public purse but also licensing policy and decisions made by the Independent Broadcasting Authority.

SABC group chief executive Zwelakhe Sisulu admits that there will be a deficit this financial year (ending September 30). There could well be one next year and even the year after that, he adds.

A deficit this year of whatever order would represent a startling reversal. Last year the SABC produced a surplus of R101m and R90m in financial 1994. Sisulu talks of having to dip into reserves. That, however, is not a particularly deep pool.

At the beginning of the current financial year, the SABC had R189m in short-term investments. Between now and end-2000, though, it has to redeem R45m of interest-bearing liabilities. That reduces its effective reserves to R144m, unless those liabilities are rolled over with the help of government guarantees. Those reserves could be wiped out in just one year.

Last year about 1.6m households —from an estimated 5.6m with TV sets—bought TV licences. The number who will cough up this year by the end-September deadline is still uncertain. The SABC has hired professional debt collectors to chase 900 000 defaulters. Their chances of success look slim. Many viewers are angry at the SABC's perceived failure to provide them with a service worth watching. They know the courts are heavily overburdened and that the threat of having their credit ratings downgraded is an empty one.

If half a million people refuse to renew their licences this year, the loss of income to the SABC would be about R100m, wiping out last year's surplus. If, at the same time, there's no increase in advertising and sponsorship revenue, a large deficit looks certain, simply because operating costs will inexorably rise. Last year they rose by 14% to R1,539bn. A 10% rise this year would wipe out most of the SABC's short-term investments. The big question, then, is whether the SABC can increase revenue. Industry talk is that it hasn't a hope of doing so. That, indeed, TV revenue (which accounts for more than 70% of total advertising income) is likely to be R100m less this financial year than last year. If that forecast proves correct, the SABC could be looking at a deficit this year of R250m.

PR chief Ken Modise says advertising revenue for January-March was "just R25m below the revenue for the same period in 1995." What he neglects to explain is that much of the revenue earned from TV advertising during January-May this year will, in a sense, have to be given back to advertisers. From June, revenue per minute of advertising time on SABC TV will be considerably less than it was earlier in the year.

That's because the service has failed to deliver promised audiences. When the SABC drastically redesigned its three TV channels in February, its rate card for advertisers, says Hunt Lascans media director Lyndall Campher, indicated a cost per point (1% of the desired potential audience) of R1,500 for blacks and R2,100 for other races. In the event, smaller than anticipated audiences increased those two costs to, respectively, R2,650-R3,000 and R5,000. When a promised audience fails to materialise, the SABC compensates for the shortfall by giving the advertiser more air time. Those IOUs are going to be called in during the last four months of this financial year.

Meanwhile, rather than quickly reduce its advertising rates, the SABC decided to hold them until June. The latest, for crowd-pulling evening programmes, are on average 30% lower than they were in short, from June onwards the SABC is either having to give away advertising time as compensation, or sell it far more cheaply than previously.

Even then, it could find itself with unsold time. The rate on English language Channel 3 is, says Campher, still uncompetitively high at about R3,500 a point, while the equivalent cost on the other two channels is too high to be affordable for some advertisers. There is, in short, little cause to believe that the SABC's monthly TV advertising revenue from June onwards will be at all close to what came in during January-March.

Government's inability to bail out the SABC is severely limited. Naidoo has made it plain that government will only back specific projects, such as R40m for education...
The SABC is even having to argue with Naidoo that the money raised from selling off half a dozen of its radio stations—up to R60m, depending on which bidders the IBA chooses—should come to it rather than flow into government coffers. Government has also only just been persuaded to keep Channel Africa on the air. It will continue financing it, says Naidoo, only if its R33m a year costs are significantly reduced.

Sisulu believes that the service's 15m audience could attract substantial advertising from SA companies exporting to Africa and neighbouring regions. He may be right, though some snort with derision at the idea of using anything other than local media in individual countries to sell SA products and services. The question is whether—should government support for the service prove inadequate—the SABC should take on another commercial risk.

It has decided against doing so in the ostensibly far more lucrative field of pay-to-view satellite TV. It's entering that arena, says operations and satellite broadcasting chief executive Gert Claassen, to cross-subsidise its worthy but unprofitable public broadcasting obligations. "But we cannot accept a financial risk."

It will begin broadcasting a bouquet of satellite channels later this year, or early in 1997, in partnership with local and foreign interests. The SABC will put into the pool of assets the satellite licence it has obtained from the IBA, some programmes and the satellite transponder capacity it's already renting or has negotiated to—anything but cash. Its partners will provide that, says Claassen, as share or loan capital. That's why the SABC is ready to settle for just 40% of any profits.

Insiders are sceptical about the outcome. They say that, because of the capital and monthly subscription costs, nowhere in the world does pay satellite broadcasting account for more than 15% of the market.

That aside, the ambition to capture the most valuable part of the black market looks distinctly dodgy. Rather than compete with M-Net for an affluent and largely white, Indian and coloured audience, Sisulu says that his six pay-to-view satellite channels will be aimed primarily at what he calls the emerging market—Africans who are maternally benefiting from the broad changes SA is undergoing. Their number, he believes, will "explode during the next one or two years."

Perhaps they will. But whether they will prefer the SABC's offering to those of M-Net or MultiChoice remains to be seen. Their loss to the SABC's terrestrial channels will also reduce the latter's value to advertisers. Yet the SABC will have a claim to only 40% of whatever profit they produce for its satellite partnership.

Meanwhile, the IBA plans to license a private national terrestrial free-to-air TV channel in a year or so and regional stations thereafter. There might even be more satellite channels available to local viewers, their programmes sourced from outside SA.

In short, the future of the SABC looks extremely turbulent. As the number of pay-to-view alternatives to its terrestrial TV channels increases, its moral right to licence fees will disappear.

So will its advertising revenue. The competition is getting tougher and TV's share of adspend is declining. The only chance of its growing lies with new channels offering better fare than the SABC.

If the SABC fails to compete successfully for mass audiences, its only role will be as a public broadcaster—informing and educating—and that would have to be financed out of the public purse.

It's an important role, given that most of SA's people—being illiterate or beyond the circulation of printed media—rely on the SABC for information about current affairs. But SA cannot probably afford it.

That leaves the SABC looking redundant. Take our advice, Jay, and privatise the thing. Its R1bn-worth of assets could be divided into a number of parcels, each of which should find ready bidders.

Better a quick execution than bleeding to death.
The Independent Broadcasting Authority stated a report by a weekend newspaper on salaries of councillors as false, defamatory and a misrepresentation.

The article in question appeared in the *Sunday Times* of June 23, titled "State auditor queries IBA's huge payrise" which was based on a report to Parliament by the auditor-general on salaries of IBA councillors.

Co-chairperson of the IBA Dr Sebuleto Mokone-Matabane and councillor John Matsombo contend the article created an impression councillors had determined their own salaries without the approval of the minister of Posts and Telecommunications and the Minister of State Expenditure as required by the IBA Act.

Quoting from the report to Parliament, Mokone-Matabane and Matsombo stated that the auditor general had actually said the salary increases were approved by the Minister of Posts and Telecommunications.
Eskom signs agreement plan to repay arrears
Eskom signs agreement plan to repay arrears

By Shadrack Mashabola

GIANT electricity supplier Eskom signed a more than R9 million bulk debt agreements at the weekend with the Pretoria metro northern substructure (Acacia/Soshanguve) and the Alberton Transitional Local Council.

The agreement for the repayment of electricity account arrears was a culmination of protracted negotiations between state-owned electricity supplier, Gauteng province and local government officials.

Speaking at the official signing ceremony with the Alberton council members at Sunninghill, Johannesburg Eskom’s executive director Joc Messerschmidt said he believes close collaboration with local authorities will go a long way in addressing the predicament of the arrears trap.

In terms of the agreement, the Alberton Council has agreed to pay Eskom in full for all electricity used in their area of supply from May 1 1996 onward. In exchange, Eskom has agreed to write off all arrears debt incurred before June 30 1995.

“If nothing transpires we will consider legal action against local authorities who still owe us R280 million,” Messerschmidt said.

Resuscitate

The agreement comes in the wake of the government’s intention to resuscitate the Masakhane campaign and local authorities’ resolve to crack down on service defaulters.

“All that we expect from now on was for the local authorities to perform by ensuring what is due to them was recovered. Past debts accumulated will be transferred to a suspense account which will be subject to performance,” Messerschmidt added.

This means that, provided full payment is maintained for 14 months, Eskom will stop adding interest to the arrears amount and eventually write off the arrears.

Any debt incurred between the two dates, June 30 1995 and May 1 1996, will be repaid on or before April 30 1997, with interest.

In the case of the Pretoria Metropolitan Substructure (MSS), they have already met the conditions and the arrears have been written off.

“We are going to pay their debts if the services they are utilising are adequate and seen to be provided. The time has come to instal a culture of payment and this will be done if we do not operate from a distance,” he said.

Door is open

He further added that the agreement did not exclude Alberton and Pretoria local councils, but their door was open to other local authorities who want the same deal, so long as they make an unequivocal understanding to deliver Alberton councilor Doctor Nkonyana unconditionally accepted the terms of the agreement saying it will be visible as part of their endeavour in developing local communities.

Eskom said these agreements have established a mechanism for local authorities with problems over the repayment of service debts to clear themselves of the burden.

Failure to perform

They also put straight that concession is dependent on their performance. However, any failure to perform according to the terms of the contract will result in Eskom cancelling the agreements.

Eskom’s senior general manager for sales and customer services, Joe Matsau said “This is a major step in the realisation of the Masakhane ideals. We have to bring our electrical authorities who are unable to make payments. We have agreed to forgive the arrears.”

Currently Greater Alberton (TLC) which includes Thokoza has between 80-90 percent payment ratio, said Messerschmidt, adding that Soweto has an 80 percent payment ratio.
IBA officials deny awarding increases

Ingrid Salgado

INDEPENDENT Broadcasting Authority co-chairmen and councillors denied at the weekend they voted themselves huge increases after taking office in April 1994.

They said their retrospective raises had been proposed by the state expenditure department.

The increases were granted after Deloitte and Touche, together with PE Consulting’s salary survey unit, revised remuneration packages and brought them into line with market-related rates, the IBA said in reaction to a weekend newspaper report.

State expenditure then raised coun-

illors’ allowances in order to remove the discrepancy between “remuneration laid down by home affairs and that proposed by the financial consultants”.

The two co-chairmen’s annual salaries increased by R83 000 while councillors’ salaries rose R65 000, bringing their respective total packages to R411 000 and R320 000.

The IBA said the increases were approved by then Post, Telecommunications and Broadcasting Minister Pallo Jordan. The auditor-general’s report to Parliament on the IBA verified this but said there was no confirmation the packages were increased in consultation with the state expenditure minister, as required by the IBA Act.
Eskom writes off municipalities' debt

ESKOM is preparing to write off a large slice of the estimated R800m it is owed by local authorities, signalling an about-turn in its bad debt policy.

The parastatal said it was seeking to set up deals with local authorities in which some of the debt would be paid in exchange for Eskom writing off the bulk over the long term.

The first deal has already been cut with the Alberton transitional local council and Pretoria's northern substructure. All their arrears prior to June last year will be written off if the two pay for services used since May 1 for the next year. In terms of the deal, local authorities will have to pay the debt incurred between June 1996 and May, with interest, before next May.

The deal followed months of negotiations between Eskom and Gauteng government officials, who were encour-

Continued on Page 2

Eskom

Continued from Page 1

A spokesman said it was unclear how much of the R800m would be written off and how many local authorities would accept the offer. The parastatal planned to unveil "punitive" measures this week for local authorities which did not repay their debt.

Eskom had previously insisted it would not write off the debt.

Local authorities accounted for a major portion of the more than R1,250m Eskom was owed at the end of its last financial year. Eskom has said write-offs were a last resort.
Community stations to have smaller broadcasting areas than others
IBA wants community cultures reflected by radio stations

ASHLEY SMITH
Staff Reporter

"COMMUNITY diversity should be reflected in the management of community radio stations, according to co-chairman of the Independent Broadcasting Authority (IBA) Pieter de Klerk.

He said yesterday at the IBA hearings considering the re-application for licences by community radio stations, "It is no use having them (people in the community) as members, and letting them sit on the fringes."

The IBA panel, which sat at a Sea Point hotel, heard re-applications from Tygerberg Radio and the University of Cape Town campus radio station.

Tygerberg Radio, with a 72 percent female listenership, was criticised for having only one woman, as opposed to four men, on its board.

During Tygerberg Radio's presentation, Mr de Klerk remarked that the "station managers are white" and "their ideas are white".

The Rev EJ Zeviensch, station manager at Tygerberg Radio, admitted that he was concerned about the lack of blacks in senior positions at the radio station. UCT radio had only one black student, N Sidimso, involved in the management of the station. He was in charge of programming.

Local music content at UCT radio was also said to be too low (13 percent), in comparison with foreign music (53 percent).

In response to this, UCT station manager Lisa Hall said that there had been an increase in the number of black students joining the radio station, and that local music groups had been sending in "demos", which were regularly played by the station.

She said UCT radio wanted to be independent from the university administration and to achieve this a "trust committee" would be established by early next year.

The radio station had to pay back R13 000 of the R48 000 loaned by the administration and still get a grant from the university each year.

Tygerberg and UCT radio stations both had "dead spots" in their reception areas, which made tuning-in virtually impossible.

The IBA panel was not fully satisfied that either UCT or Tygerberg radio stations had managed successfully to produce programmes that reflected the diversity of cultures in their reception areas.

Tygerberg Radio, which had re-applied for a licence as a "Geographically Founded Community Radio Station", was criticised for broadcasting predominantly Afrikaans in a reception area that had Xhosa and English speakers.

"UCT Radio also came under fire for not having the necessary mechanisms in place to access what those in their reception area wanted to hear.

News bulletins were another area of concern for both radio stations and instances were cited by the IBA in which announcers at UCT were making comments while reading the news.

Ms Hall satisfied the panel by saying that the culprits had been reprimanded and taken off the air.

Commenting on the IBA hearings on Monday in which Radio Capital, Radio Zbonela, Cape Community FM and Bush Radio re-applied for licences, Mr de Klerk said he was pleased at the excitement and enthusiasm generated by community radio stations in Cape Town. Finances, however, still remained a problem for these stations, as advertisers tended to remain loyal to commercial radio stations.

He expressed the hope that the recent opening of an IBA regional office in Cape Town would mark the beginning of closer relationship between the IBA and community radio stations. Plans were in the pipeline to establish a regular forum in which the IBA and those radio stations could "interface".
R3,2m for rural news bureaux

The SABC's expansion into rural bureaux has provoked a mixed response from radio stations, writes

Jacquie Golding-Duffy

S

ABC radio news is planning to expand its operation by establishing eight rural bureaux at an initial start-up cost of about R3,2-million.

SABC radio news managing editor Abeyn Kloppers says increasing the number of newsrooms in rural areas is part of an "expansion drive" by the corporation to improve radio coverage of previously neglected areas.

The bureaux, says Kloppers, should be seen as "contributing centres", which will feed news to both African language radio stations as well as English and Afrikaans stations.

Increasing news resources and setting up satellite stations "are part and parcel of upgrading the SABC radio stations" and are being made in a bid to bring African language news coverage on par with that delivered on English and Afrikaans radio stations, he says.

"The SABC has nine African language stations which in the past were ignored, but the time has come to improve these stations," Kloppers says, adding that the establishment of newsrooms in rural areas would enable listeners to be kept up to date with events in these areas.

Kloppers, who is responsible for resourcing radio news countrywide, says the eight bureaux are planned for Soweto, Hammanskraal, Umtata and Thohoyandou.

He says the contributing bureaux, costing R400 000 each, will hopefully be set up by the beginning of next year, after the budget proposal has been approved by SABC group chief executive Zwelakhe Sisulu and SABC board members.

Two reporters will be posted at each of the bureaux.

The satellite stations planned in Bisho, Umtata and Thohoyandou will be temporary and will function as completely separate entities to the existing homeland broadcasters, until such time as the integration process is completed, he says.

Once integration is finalised, reporters will probably be housed in the former homeland broadcasting station and use its facilities.

However, SABC's plan to set up a bureau in Soweto has not been welcomed by the Soweto Community Radio station.

Acting station manager Tebogo Puse says community radio stations have tapped into markets previously ignored by the SABC.

Now that niche listenership has proved to be a viable market, the SABC is "jumping on to the bandwagon."

"I will have a problem with the SABC setting up newsrooms in Soweto if it intends to focus on finer community issues," Puse says. "I would encourage the SABC to stick to being a public broadcaster and leave the details of community broadcasting to community radio stations."

Voice of Soweto news editor Leo Manne says the corporation's intention to set up in Soweto comes as "no surprise", but is proof of community radio stations "keeping the SABC on its toes."

"I think it is a good thing to have competition and it does not threaten us in any way. It does, however, concern me that the SABC has a huge financial backing while we are trying as hard as we can on what little we have got," Manne says.

Kloppers argues that the planned move does not aim to undermine community radio stations in rural areas, but aims to increase healthy competition which, he says, "can only enhance editorial production."
Afrikaans station will be launched later

SABC to air six new pay TV channels

CT(ER)4746/260

By Christo Visser
ECONOMICS EDITOR

Cape Town — The SABC will announce the launch of six new pay television channels today that will go on air in December, directly challenging MNet's local domination of the pay TV market.

In the announcement, to be made by Gert Claassen, the SABC's chief executive of operators and satellite television, the national broadcaster will announce the launch of two new free-to-air satellite television channels to start broadcasting on July 15.

A new SABC subsidiary, AstraSat, will manage the channels which will be known as Astraplay, an entertainment-oriented channel, and Astraspot, a sports-oriented channel.

Satellite dishes will give access to these channels and no monthly subscription will be payable. The SABC, which will also announce the launch of four new pay-television channels to go on air in December, will make the monthly subscription for the four new pay channels at R65 a month.

AstraSat will be offered in the first few weeks after going on air, concentrate its broadcasts on the summer Olympics in Atlanta, the source said.

A spokesperson forRoland Financial Services confirmed yesterday that agreement had been reached in principle with the SABC that a fully-fledged separate Afrikaans pay-channel would eventually be launched through a partnership between the SABC and a consortium of local and international companies.

Each of these channels will start broadcasting in December, for 18 and 24 hours a day. Viewers will be able to subscribe to one or more of the pay channels and the monthly subscription fee will vary between R85 and R120 depending on the number of channels chosen.

Viewers who subscribe to four channels will pay a monthly fee of R80 and those wanting all six channels will pay R120 a month.

The family entertainment channel will air exclusively Afrikaans programmes for between four and six hours a day during prime time.

The monthly subscription to the family entertainment channel alone will cost R65.

AstraSport would, in the first few weeks after going on air, concentrate its broadcasts on the summer Olympics in Atlanta, the source said.

A spokesperson for Roland Financial Services confirmed yesterday that agreement had been reached in principle with the SABC that a fully-fledged separate Afrikaans pay-channel would eventually be launched through a partnership between the SABC and a consortium of local and international companies.
Provinces to get a voice in lotteries

Linda Ensor

CAPE TOWN - Provincial governments have been given a significant role in governing the national lottery, in terms of the Lotteries Bill tabled in Parliament yesterday.

The Bill provides for each province to be represented on the National Lotteries Board, while provincial premiers will have to be consulted over the way lottery funds earmarked for the RDP are spent. The Bill stipulates that money raised by the lottery will have to be equitably distributed among the provinces.

Sports pools, where punters forecast the result of a sporting event to win a prize, are given the green light by the Bill, opening the way for operators such as Littlewoods to enter the SA market.

The Bill proposes the establishment of a National Lotteries Board made up of a maximum of 19 members, with two representatives from central government, one from each of the provinces, a lawyer, an accountant and not more than four with specialised knowledge of lotteries.

The board's functions include awarding a licence to a company to run the lottery, monitoring the way it is run, and administering a National Lottery Distribution Trust which will receive the licence fees and funds raised.

The Bill stipulates that a licence will only be awarded to a company that shows "a clear commitment to the advancement, upliftment and economic empowerment of persons or groups or categories of persons disadvantaged by unfair discrimination".

With the concurrence of the relevant minister, the trust fund will distribute the funds raised to the RDP and to support charities, the arts, culture and the national heritage.

Prescribed percentages of the funds in the trust will be allocated to each of these earmarked recipients, though the Bill does not detail these percentages.

The Bill proposes that bodies receiving lottery funds should be nationally representative and active in all provinces.

Provincial and local interests, including the number of lottery tickets sold in each province and the population and financial requirements of each province, will have to be taken into account when grants are made.

A condition for the granting of a licence is that no political party or political office bearer has any direct or indirect financial interest in the applicant company. The licence could be granted for a maximum of only five years.

The Bill recommends that small, private and society lotteries be allowed under certain conditions, but that competitions not based on a degree of skill, and newspaper and broadcasting competitions be outlawed where they offer prizes for forecasting a future event or a past event where the result is not generally known.
Johannesburg — Eskom's management is privatising parts of the national electricity utility behind closed doors, Bheki Magagula, the National Union of Metalworkers' regional secretary in Gauteng, said yesterday.

An anti-privatisation protest march takes to the streets of Johannesburg and Durban today.

"Eskom management wants to privatise," said Magagula, "if we don't stop them now they are going to privatise all of Eskom." Magagula said that Eskom had already hived off its housing assets and other strategic areas.

"The government seems to be really moving forward with privatisation and is not addressing delivery," said Jerry Mafereka, a Numsa shop steward at Eskom.

The ANC-led government needed to wrest control of the utility from business interests for the good of upgrading the country, Mafereka said.

"The debates are taking place in boardrooms while we as unions are taking the issues out and making them public. Very few people understand what is going on," Numsa was concerned that covert privatisation was being undertaken on a piece-meal basis and neither it, nor the community at large, were having a say.

But an Eskom spokesman said the union's fears were unfounded because the utility was not discussing a change of ownership with the government and did not believe it should be privatised.
Eskom target of anti-privatisation protest by union

Opposition to the controversial privatisation of parastatals will intensify today when Eskom workers embark on protest action across the country to demand the Government's full control of the electricity giant.

The campaign will include the handing over of memoranda to various Eskom plants and provincial premiers.

The protests by the National Union of Metalworkers of SA (Numsa) is the culmination of a campaign which began in April to ensure that the electricity supply industry remains a national asset and that Eskom be given a permanent licence to generate, transport and distribute electricity in SA.

If Johannesburg traffic is expected to come to a standstill when marchers toyi-toyi down Rissik Street to hand over a petition to Gauteng Premier Tokyo Sexwale before proceeding to Eskom's head office in Braamfontein. In Durban, workers are expected to present the same memorandum to the premier of KwaZulu Natal.

'Numsa and Eskom should remain a state-owned enterprise with a public mandate to take over the industry.
SABC to take on private-sector equity partner in new pay TV venture

By Cindy Woleimen

In September, the $4 billion deal to sell SABC's stake in MultiChoice, the country's largest pay TV provider, was finalized. The deal was seen as a key step in the government's efforts to diversify the country's media landscape.

The deal, which was brokered by the South African Broadcasting Corporation (SABC), saw MultiChoice acquire a 20% stake in the public broadcaster for $1 billion.

However, the deal also faced criticism from some quarters, with some arguing that it was a way for the government to offload SABC's debt and that it would not benefit the broader public service.

The deal was also seen as a test of the government's commitment to the media sector, with some arguing that it would be a step towards greater commercialization and greater competition in the industry.

SABC's decision to sell a stake in MultiChoice was seen as a move to reduce its debt burden and to invest in the public broadcaster's digital transition and its capacity to deliver high-quality content to its audience.

The deal was also seen as a way for MultiChoice to expand its footprint in the country, where it already holds a dominant position in the pay TV market.

The deal was welcomed by MultiChoice, which saw it as an opportunity to expand its reach and to offer more content to its customers.

The deal was also seen as a way to boost SABC's ability to invest in new technologies and to deliver high-quality content to its audience.

It is expected that the deal will be completed in the coming months, with the new equity partner set to play a key role in the broadcaster's future.
Eskom takes tough action

By Shadrack Mashalaba

Eskom has announced that it intends suing two local authorities who owe the electricity giant R440 million. The local authorities concerned are Kwa-Thema and the North East Road which also covers Tembisa.

Eskom says the court actions will be accompanied by more power switch-offs over the next two weeks.

Addressing a press briefing in Johannesburg at the weekend Eskom’s senior general manager for sales Joe Matsau said to date the total amount owed to the corporation in unpaid electricity stood at R5 billion.

“Eskom has reached the end of its tether. It is also unfortunate that the industrial firms in these areas such as Kempton Park and Springs will be affected,” said Matsau in a statement that Eskom imposed that Eskom would switch-offs would force the local authorities to put pressure on defaulters to pay.

The worst defaulting local authorities are found in Gauteng, although there are also non-paying local authorities in other provinces and these include Ouges TLC, Ikapa TLC, Lwandle, Sterkspruit, Cullinan, Edenvale, Greylingstald, Bothaville and Bryton TC.

The intended action comes in the wake of a R60 million agreement signed last week by Eskom and the Pretoria metropolitan substructure and Alberton transitional local authority to ensure that people pay their electricity.

The East Rand local authorities which will be affected by switch-offs, said Matsau, seemed not serious during negotiations. “We met on numerous occasions and made offers, counter-offers and concessions but to no avail.

“While they would not appreciate negotiations even though their accounts record show a zero percent payment rate. The last time they paid their accounts their figures were very significant.

Eskom had in the past offered local authorities to come and negotiate with them a form of settlement so that pre- debts could be transferred to a suspense account.

See page 174
Numsa opposes Eskom takeover

By Noxolo Kweza

TRAFFIC came to a halt in Johannesburg at the weekend when thousands of National Union of Metalworkers of South Africa (Numsa) members marched to protest against the privatisation of Eskom. Memorandums were handed to Gauteng premier Mr Tokyo Sexwale's office and senior officials at Eskom and the National Electrification Forum in Braamfontein.

Numsa general secretary Bhekizizwe Magagula said Eskom should remain a national asset. He said Eskom should be reclaimed by the Government so as to benefit poor communities.

Numsa members also demanded that Eskom accelerate the upgrading of electricity networks and standardisation of domestic tariffs in black townships.
New Zambezi scheme mooted

ESkom has cut a deal with its Mozambican counterpart to investigate building a R6.5bn hydroelectric scheme on the Zambezi, which would supply a large chunk of its output to SA.

The parastatal said at the weekend it had agreed terms for the project with EDM, opening the door to a feasibility study should the SA and Mozambique governments approve the plans.

The proposal is based on a new dam, to be sited at Mapanda Uncwa, 70km downstream from the Cahora Bassa dam. The new scheme would be able to produce 2 000MW to 2 600MW of electricity, far beyond Mozambique's projected requirements.

Mozambique, currently uses about 150MW. Ahuask is investigating a proposed R3.5bn aluminium smelter in Maputo, which would require about 500MW of power by about 2003-2005. This would leave at least 1 000MW spare for Eskom and EDM to transmit to consumers in Mozambique and SA.

Continued on Page 2

Scheme

"Some have expressed an interest."

The project would also entail building transmission lines from the dam to Maputo via Beira and Pande, and from Maputo to SA.

Eskom is hoping the rehabilitation of the power lines from the Cahora Bassa hydroelectric station, destroyed during the civil war, will be complete by June next year. The dam has an installed capacity of 2 000MW, but regular maintenance is required on the five 400MW turbines, leaving a maximum assured output of 1 600MW.

Zimbabwe has contracted to buy 500MW of the output until 2003, when the allocation returns to Eskom. The line from Harare to the dam should be complete by May next year. Another 200MW is reserved for Mozambique, and Eskom will take the rest for SA.

Continued from Page 1

"The new dam could go ahead even if the smelter project is shelved," Eskom system planning manager Pierre Rubbers said. "The deal has yet to be approved as a memorandum of understanding by the SA and Mozambique governments. At the level of the utilities, we've ironed out all the problems. Now we are going to put the agreement to the various ministries for approval."

The agreement allows Eskom and EDM to conduct a R2bn-R2.5bn feasibility study and to proceed with development of the dam if the study is positive. Rubbers said the partners hoped to attract foreign investors.
Unpaid municipal bills spark threat

Regulator to block Eskom power cuts

Robyn Chalmers

GOVERNMENT's national electricity regulator has vowed to prevent Eskom implementing its threat to cut electricity supply to the East Rand and Springs.

The cuts, threatened because of huge unpaid municipal electricity bills, would hit consumers, mines, major businesses and Johannesburg International Airport.

The regulator said at the weekend that cutting off bulk supply would have huge ramifications, particularly for the health and safety of consumers.

Consumers jeopardised by Eskom's threat included much of the East Rand gold industry and businesses such as Impala Platinum, Sappi, Mondi, Engen, AECI and Carlton Paper.

The regulator was set up to protect the interests of customers, and the implications for health and safety should supply be suspended are such that we will stop it," regulator spokesman Johan du Plessis said. It would "not sit back and allow this to happen."

Eskom said on Friday that it would enforce court judgments obtained against the Northeast Rand metropolitan council and Springs city council, which together owe R440m. This would entail cutting supply to the areas within two weeks.

The parastatal, owed R300m by local authorities, also warned on Friday that councils in Ogies, Ikapa and Cullinan — which together owed R16,7m — were next in line for its attention.

Du Plessis said the Electricity Act governing the regulator gave it the power to halt Eskom's plans to suspend electricity supply. One option to stop the cut-off would be to revoke councils' distribution licences and to issue a licence for distribution of electricity to Eskom or another local authority.

Northeast Rand metropolitan council financial director Ben Dorfling said that halting electricity supply would have a devastating effect on the area.

He said the council had inherited massive debts when the Kempton Park council had been merged with that of Tembisa.

"The council had been able to begin managing that debt only after last year's local government election."

"The council did not receive sufficient funds from Tembisa end-users to cover its electricity bills, and it had to deal with illegal connections. The supply network was not up to standard."

"We have a strategy in place to stabilise and strengthen the electricity network and are currently putting in new meters, but this will take time."

A Springs council spokesman and the council would negotiate with Eskom in a bid to reach a compromise.
Afrikaans-TV stake for SABC

By Christo Volshenk

Cape Town — The SABC’s new pay-channel, Astrasat, will pay about R60 million for a 25 percent stake in the Afrikaans pay-television channel to be launched in September, spokesmen for Astrasat and Boland Financial Services said yesterday.

Boland Financial Services, part of the Boland Bank groupcontrolled by Afrikaans businessman Christo Wiese, is orchestrating the deal. The balance of the shares will be sold to South African companies for about R100 million.

Astrasat, the newly-formed subsidiary of the SABC which will manage six pay-television channels from December, will be privatised in September when 60 percent of its shares are sold to a consortium of local and international investors. The balance of the shares will be held by the SABC.

The Afrikaans pay-television channel will air its programmes between 5pm and 7pm daily, but will be managed as a separate business venture. The full spectrum of programmes to be aired include news, sport, movies and music. The monthly subscription will be R65.

Henk Rossouw, Boland Financial Services’ managing director, said yesterday Astrasat would be the biggest shareholder in the channel, but agreements between the other shareholders would keep it from influencing the programmes’ contents.

It would be primarily an entertainment channel. As a rule, programmes would not be political in content, though news would be broadcast.

Rossouw said that apart from Astrasat, there could be nine investors, each with a share of between 5 and 10 percent.

Astrasat would prefer many shareholders to avoid a few large ones dictating terms.
PERSONAL VIEW

The entrails of Eskom

Tony Twine

One may be forgiven for mistakenly imagining that last week’s marches by the National Union of Metal Workers of South Africa (NUMSA) members, aimed at delivering a message about the Electricity Supply Commission, had something to do with the electropalating process. But no, they were galvanised into this particular action by a far less specific concern, privatisation.

You do not have to be highly skilled in stardomancy, the art of divining the future by examining the entrails of deceased union officials, to have worked out that Eskom was going to find itself in the privatisation firing-line within a few months.

Back in May this year, at a time when far more weighty items were grabbing their fair share of the headlines, such as the 11th hour passing of the Constitution Bill and the withdrawal of the National Party from the government of national unity, a debate took place regarding the restructuring of public assets.

This phrase, which now deserves its place in the dictionary of South African English Usage, simply means either the partial or complete privatisation of state assets, and Eskom, after all, a state asset. Mara Ramos, the acting director-general of finance, robustly pointed out last week that many of these so-called assets neither pay tax nor dividends to their public sector shareholders, but state assets they most certainly remain.

At the time of the asset restructuring debate, Sam Shulowa, the head honcho of Cosatu, came out with a piece of rhetoric that was simultaneously colourful and poigniant, and which seemed to the gates wide open for rebuttal by those on the other side of the privatisation argument.

With great economy of words but not necessarily a word of economic sense, he said that he would only ever be in favour of privatisation if it meant that his elderly and unemployed mother, who evidently lives in what South Africans would call the granadasis, was ready to serve the Australian outback. The privatisation argument was so much in the firing-line, he argued, that the private sector had to take care of the older generation.

The weakness of this demand lies in its misunderstanding of probability, especially as applied to future events. Firstly, there is no such thing as a guarantee, and one can almost guarantee that statement. A 100 per cent probability for a future event is reserved for scientific knowhow, not the plans of mice and men.

The second mistake regarding probabilities that seemed to be contained in comrade Shulowa’s argument was his assessment of the relative probabilities of two different outcomes. His statement in May this year implied that if the state maintained ownership of its existing assets, his aged mother would have some reasonably high level of probability of receiving electricity.

It was also implicit in his statement that he believed that privatisation of state assets would lead to a lower probability of that happening. The boot might, however, be on the other foot.

Although there is no real reason to believe that a privatised Eskom may be altruistically more well-disposed towards providing sub-economic electricity to unemployed old ladies living in the sticks, a national government that has reduced its debt burden by the sale of some of its economically viable assets may well want to do that.

If the privatisation proceeds are used to reduce the level of national debt, the resulting reduction of the state’s interest burden (already at 20 per cent of budgeted expenditure for this year and the next) translates directly into additional discretionary spending power.

Among a myriad of competing spending targets, one may well be able to subsidise non-economic electricity distribution to areas where it could create an impressive upliftment of the quality of life. This is surely a more probable way of getting the benefit of electricity to his mother than is handing over to the ownership of parastatals in the hope that the retention of government ownership will be the root of sustaining future economies on a grand scale.

From this point of view, it seems organised labour is more concerned with keeping their hands on the reins of power of the sixth financial conglomerate in South Africa, the parastatals, than in aiding their indigent rural forebears. If the parastatals are all dependent on the Cabinet as a kind of super holding company board, then Cosatu has seats on that board as long as it remains part of the ANC alliance.

But if the Cabinet sells off the family silver, it may open a crack or two in Cosatu’s already depleted resolve to be part of the alliance. Then the seat will be in the fire, or some other more appropriate electrical metaphor — Reuters.

Tony Twine is an economist at Econometrix financial consultancy.
Sharp increases, but SA's electricity is still cheapest

Robyn Chalmers

SA CONSUMERS experienced the highest average electricity price increase, for the second year in a row, out of 15 countries participating in the annual National Utility Services SA cost survey.

However, the survey showed that despite the latest increase of 8,04% in price against an official inflation rate of 6,5%, SA still had the cheapest electricity of all countries surveyed.

Spain has taken over from Germany, having the most expensive electricity at 42,61c a kwhour, with the average cost a kwhour in SA standing at 15,87c.

The survey showed although there was no change in the cost of Spain's electricity between April last year and April this year, prices in Germany had fallen an average 9,06% during the period, knocking it from the top spot.

Italy's consumers saw an increase of 2,6% which meant Italy retained its position with the third highest electricity price, followed by Belgium, the Netherlands, Eire, France, the US and the UK.

National Utility Services SA national sales manager Rob Mackenzie said the organisation, which provided analyses on energy, water and fuel costs, was monitoring developments within the electricity distribution industry.

Mackenzie said the government-backed National Electricity Regulator's aim was to ensure electricity was made available to the whole population at equitable prices, but there were several problems to be overcome first.

Not least of these was the elimination of widespread inefficiency in the fragmented distribution system involving Eskom and more than 400 local authorities, he said.

The regulator had postponed issuing final licenses to distributors to give it more time to negotiate a more rationalised distribution model. Proposals were being assessed by a government task team.

Mackenzie said a new system was needed for business and the consumer which would "vary in many ways to the old one".

He expected more cost-related tariffs would be introduced, but businesses would still need to ensure that the new tariffs imposed were the right ones for them.
Plan to privatise
Eskom denied

BY XOLISA VAPI

Neither Eskom nor the Government is considering privatising Eskom, the Department of Public Enterprises said yesterday.

Responding to demands by Eskom workers belonging to the National Union of Metalworkers of SA (Numsa) public enterprises' deputy director-general Prof Sipho Shabalala said the Government had not given any mandate to Eskom to pursue privatisation.

This was confirmed by the electricity giant's chairman, Dr John Maree, who said Eskom had no programme of privatisation.

Numsa unleashed a nationwide protest action on Friday, demanding that the electricity supplier remain a national asset and be given a public mandate.

Workers demanded the electrification of rural areas, schools, farms and clinics, and the takeover of electricity supply from the former homeland and self-governing areas.

They accused Eskom of collaborating with big business to undermine the Government and organised labour, and said service delivery would collapse if Eskom were privatised.

Shabalala said the Government and Eskom recognised the importance of electrification programmes and that the electrification programme was far ahead of schedule.
SABC chief scoffs at racism claims

By Lulama Luti

Allegations of racism at the SABC's radio services have emerged following news that commercial radio services general manager Mr Koos Radebe is to be ousted in favour of a white colleague who is his junior.

Sowetan has learnt, reliably, of moves by SABC Radio chief executive officer Mr Govin Reddy to have Radebe transferred from his present position and replace him with current Good Hope Stereo manager Mr Nico de Rok.

Reddy confirmed yesterday that as a result of restructuring of radio management, a process of reshuffling was underway. An announcement on the details of the changes will be made later in the week, he said.

Denying as unfounded the racism allegations, he said it was conceivable that Radebe could be moved from his position but that this was no demotion. "The new person could be white, and we could move Radebe to another position as a result of his considerable experience. Now where is racism there?"

Good of radio

"The people who are making those allegations are mischiefvous and they are the enemies of the corporation. The last thing we can be accused of here is racism because we are doing this for the good of radio," Reddy said.

A highly placed source within the corporation told Sowetan that Radebe, a veteran radio broadcaster and former Radio Metro boss, was earmarked to head one of two Public Broadcast Services' portfolios — this against his will. Reddy said SABC employees were there to serve the corporation.

It is understood that reasons advanced for Radebe's transfer included a proficiency in African languages. Radebe was appointed general manager Commercial Radio Services of the SABC, around July 1994. His present position includes being directly responsible for both Metro and Radio 5 FM. The new manager would have under their management: Good Hope FM and Radio Lotus.

Radebe was not available for comment at the time of going to press and his secretary said he was locked in a management meeting.
GOVERNMENT, responding to concerns raised by unions, said yesterday it was not considering privatisation of electricity utility Eskom.

"The public enterprises ministry would like to emphasise no privatisation of Eskom is on the cards," the ministry said. "Neither Eskom nor the government is considering the privatisation of Eskom. The government has not given any mandate to Eskom to pursue privatisation.

The ministry said it had been in discussions aimed at determining the best restructuring options available to Eskom.

Ministry deputy director-general Sipho Shabalala later said that the statement, responding to concerns raised by unions, did not in fact mean that Eskom assets would definitely not be sold or a strategic equity partner sought.

The ministry appealed to unions to suggest ways of meeting the challenges faced by Eskom — Reuters
Eskom's threat to cut power to Cape Town municipal customers is a serious concern. The company has threatened to cut off electricity supplies to the Cape Town municipality due to non-payment of arrears, which amounts to over R96 million. The arrears are owed by municipalities across South Africa, and Eskom is seeking immediate payment to avoid service disruptions.

Cape Town, with a population of over 4.5 million, is facing a critical power shortage. The city is already experiencing load shedding and could face further restrictions if the arrears are not paid promptly. Eskom has warned that the municipality's failure to pay its electricity bills will have severe consequences.

The situation has escalated as Cape Town's mayor, Dan Plato, has expressed concern about the potential impact on the city's residents and businesses. Local authorities are urging Eskom to negotiate a payment plan to avoid a complete cutoff of electricity supplies. The city council has also called for Eskom to provide clear information on the arrears and the steps that will be taken.

Eskom has stated that it is committed to maintaining essential services such as hospitals, schools, and public services. However, the threat to cut off power to the municipality is a significant concern for the city's residents, who rely on the reliable supply of electricity for daily activities.

Local authorities are working closely with Eskom to ensure that the situation is resolved as quickly as possible. The city council has called for residents to work together to address the issue and has urged Eskom to provide clear communication and transparent strategies for resolving the arrears.

In conclusion, the situation in Cape Town is critical, and immediate action is needed to prevent a complete cutoff of electricity supplies. The city council and local authorities are working tirelessly to negotiate a solution and ensure that essential services are not affected.

Eskom's threat to cut power to Cape Town municipal customers highlights the importance of timely payment of electricity bills to avoid service disruptions. The arrears owed by municipalities across South Africa amount to over R96 million, and urgent action is needed to resolve the issue.
SABC restructuring

SABC radio has appointed former commercial radio GM Koos Radebe as public broadcasting service GM responsible for six of the corporation's 11 language-based stations and former Radio 'Good Hope and KFM' manager Neo de Kock to the position of commercial and community radio GM.

The restructuring is as a result of the sale of six regional stations A manager for the remaining language-based stations would be appointed soon.
Regulator tries to resolve
eSkom’s council switch-off

Robyn Chalmers

THE National Electricity Regulator is attempting to resolve the deadlock between Eskom and the Springs and Northeast Rand councils over the authorities’ unpaid R440m bills.

Regulator spokesman Johan du Plessis said yesterday talks had covered various options, including revoking authorities’ electricity distribution licences and allowing Eskom to supply direct to consumers in the region.

Businesses in the region — including Sappi, Mendi, Impala and Johannesburg International Airport — are also likely to be pushed for a solution.

Eskom said last week that the two authorities had made no attempt to reach an agreement on paying their bills, and it would enforce court judgments against them. This included cutting off power supplies next week.

However, this week the regulator stepped in, setting up meetings to prevent the regions being cut off.

Du Plessis said Eskom could negotiate rescheduling the councils’ debts, pursue normal civil remedies through the courts or terminate supply.

The third option would lead to the Regulator revoking the authorities’ distribution licences, depriving them of a key source of income.

Sources said it was still not clear how quickly, if at all, Eskom would recover the debts under any of the options.

Eskom senior GM Joe Mateau said the judgments would be enforced pending the outcome of negotiations.

Eskom regarded the decision to cut off supply as a last resort. Despite protracted negotiation, neither council had attempted to remedy the situation.

Enforcing court judgments was the beginning of firm action to persuade local authorities, which owed a total of R1.6bn, to pay up, he said. Eskom warned that the Ogies, Ikapa and Cullinan councils — which owed R16.7m — were next in line for firm action.

ush with BIZOS on constitution
Marchers demand state keeps Eskom

About 1,000 National Union of Metalworkers of SA members marched to the Gauteng legislature and Eskom head office in Johannesburg yesterday to present memorandums demanding the electricity supplier remain a national asset and not be privatised.

Numsa regional chairman Joseph Pepu told marchers that some of Eskom’s subsidiaries had been sold to private buyers. Eskom would therefore not be able to provide cheap electrification to the masses, he said. Electricity supply should remain a national asset and be structured as a single integrated generation, transmission and distributor faculty, Pepu said.

In a memorandum addressed to the premier and the ministers of public enterprises and of mineral and energy affairs, Numsa demanded Eskom be reclaimed by the Government for the electrification and upgrading of the country, especially in rural areas, townships and farms.

Social responsibility

Numsa also demanded the mineral and energy affairs minister and the National Electricity Regulator give Eskom a permanent licence to generate, transmit and distribute electricity.

In a separate memorandum to Eskom, Numsa demanded Eskom assume its social responsibility for blacks as it had done for whites since 1922.

The union also demanded that electrification to rural areas, farms, schools, clinics and townships be speeded up in line with recommendations by the National Electrification Forum.

Eskom should also upgrade electrical networks and standardise domestic tariffs in townships. Problem areas such as Tembisa on the North Rand, which experienced blackouts every winter, should be addressed, it added — Sapa
A crisis has erupted in electricity supply with widespread political implications. Eskom has taken judgments against the Northeast Rand Metropolitan Council and Springs City Council for more than R440m of unpaid debts.

It says it intends to enforce these judgments, which means cutting off power to areas that include large mining and industrial customers. The National Electricity Regulator says it will prevent this.

Northeast Rand claims the problem is caused by the merger of Kempton Park with Tembisa.

The new authority inherited a situation where Tembisa was not paying enough to cover its electricity bill. One aspect of the problem was illegal power connections. A spokesman for Springs says it will negotiate with Eskom to reach a compromise.

This damaging situation was foreseeable when the Regulator was established and it became clear that government's policy was to cross-subsidise poor householders' power bills at the cost of commerce and industry.

This policy was entrenched through the boundaries established for new local authorities, which merged poor areas with economically stronger entities such as mining. Many warnings were given when the Regulator was set up, not least by the FM.

64 BUSINESS

Now the predicted problems have arrived. Consider the dilemma faced — ultimately — by government. If Eskom, by whatever means, is denied the right to enforce payment of its claims, its own profitability and creditworthiness will be impaired. So, too, will its ability to raise loans abroad. Even local borrowing could become more expensive.

Adding together nonpayment by municipal authorities and end-users, Eskom is now owed R1.2bn, equal to 7% of 1995 revenue, and well up on 1994's R873m.

As for future privatisation, possible foreign buyers will simply point to the electricity payments problem as an immovable obstacle.

If the Regulator's attitude leads to this, what is the alternative? By inexorable logic, local authorities must be able to recover electricity charges or shut off power and enforce the shut-off.

This would bring to a head the unresolved political tussle between government or, perhaps more correctly, the ANC, and the civic. It also raises the embarrassing issue of law enforcement in general and in black residential areas.

If recent precedent is a guide, government will fudge the issue and end up with the worst of both worlds. It will allow Eskom's finances to be impaired and will ineffectually attempt to see its writ run in black urban areas.

What is needed is a firm decision at the highest level to change whatever needs to be changed to deal a heavy blow to the culture of nonpayment.

It is time for government to admit its Masakhane programme is a myth. Nonpayment for services cannot be allowed to impinge on the rights of business in the affected areas. Industry must not be penalised for a culture spawned by government's attitude to nonpayment.

The solution may even entail significant changes to the local government dispensation. But whatever the key, this lamentable situation cannot be allowed to continue.
Radio Today targets the past

Despite a weak signal, Radio Today claims to have a substantial following and is looking forward to an even better future, writes Sia Sanneh

BRIGHTEN deep beneath the state of the airwaves and pushed right to the edge of one’s tuner is a radio station which is a blast from the past, catering for the “mature adult audience.”

Radio Today, approaching two weeks on the air, is a radio station which will remind many listeners of the good ol’ Springbok Radio days with Captain Carr and Pick a Box.

Already this fledgling station appears to have gained a substantial following, despite minimal funding and a disappointing weak signal preventing many Joburg residents from hearing its broadcasts with clarity.

More than 3 500 faxes of goodwill were received at Radio Today from fans who are anxious to be able to hear their favourite station clearly. Tucked away on frequency of 1485 AM, Radio Today targets those past the age of 40, and broadcasts entirely in English.

Radio Today chairman Peter Lotis says the station does not aim at an exclusively white listenership, but hopes to appeal to a “diverse English-speaking audience.”

Radio Today was formed last winter, when Peter Lotis and vice-chairman Bob Courtney, decided to organise a regular broadcast for a segment of the country he and others felt had not been successfully covered.

The immediate response was overwhelming. Several of South Africa’s best-loved presenters rallied to the cause, among them radio veterans Nigel Kanne and Paddy O’Byrne. Their continued participation with the radio station has contributed greatly to the positive response of local listeners, says Lotis.

All of Radio Today’s broadcasters have donated their time and skills to the station free of charge, and will continue to do so, said Lotis, at least until Radio Today has cornered some more sponsors.

However, according to Courtney, the broadcasters are committed to continuing to be a fairly “spot-free radio station. It’s by virtue of music that we’ll be able to remind people of the days of old.”

Photograph: Herman Frankfield

ON A GIVEN EVENING, one might expect to hear some old favourites interspersed with the likes of Selena and UB40.

The station’s dramatic works have also been well received: “Very few stations run plays anymore,” said Lotis, who has also recruited some impressive acting talent for the broadcasts. Actors James White and Linda Stewart have been instrumental in bringing to life Radio Today’s works, said Lotis and Courtney. Some of the radio’s pieces resemble soap operas, while others are more lighthearted dramas.

On a more serious note, the station is funded by the Johannesburg Association for the Aged (Jafa). The station has been providing a variety of services for citizens above the age of 65, ranging from affordable housing to entertainment.

Radio Today hopes its donations will help to fill in gaps left by cutbacks in government funding. It is this active effort to contribute to Jafa, combined with the quality and knowledge of its presenters, that has propelled the station into the limelight of the airwaves.

The music selection on Radio Today ranges from jazz to classical and even pop. The station has worked hard to include what Lotis jokingly refers to as “more seasoned experts” in several musical genres, such as radio host Sam Sklar, who focuses on the station’s well-loved jazz programmes.

Although everything seems to be going smoothly for the people at the radio station, some of their technical issues have proved quite frustrating as the station has had trouble reaching several places in Gauteng because of a weak signal.

Several factors are said to have contributed to the poor reception. According to Lotis, poor placement of the station’s transmitter may have been the main cause of the trouble. Lotis and Courtney are pleased to say that the reception has already cleared up substantially.

With the reception business behind them, the folks at the station are confident they will be able to continue their broadcasting for a long time. As for plans of expansion, Radio Today is content to remain a relatively small outfit, reaching the greater Johannesburg area. Their ambitions seem well within reach, so long as their listeners are willing to persevere for a few more days and tune in, in spite of some radio fuzz.
Eskom will not be allowed to pull plug

The National Electricity Regulator has reassured consumers in 11 municipalities with unpaid electricity bills that steps will be taken to avoid cutting off bulk supply.

The regulator is trying to resolve the deadlock between Eskom and the Springs and North-East Rand councils over unpaid bills of R460-million.

NER chairman Dr Ian McRae said that, if necessary, the regulator would exercise its statutory powers to transfer licences of defaulting distributors to competent and financially sound distributors.

The Government was looking at ways to restructure the electricity supply industry, and a decision by the Government was expected to be announced soon.

McRae said non-payment of electricity was placing a risk on the financial viability of the entire electricity distribution industry.

Also, those who had electricity and were not paying for it were denying those who did not have it the opportunity of getting it.

He said the NER supported the action taken by Eskom to cut off the electricity supply to individual consumers who refused to pay for it.

However, cutting off the bulk supply to whole cities, towns or areas was a different matter altogether.

"Pulling the plug will result in cutting off the supply to industrial and commercial consumers who are paying their bills, and also to the majority of residential consumers who are also paying their way -- so those who pay suffer with those who don't," McRae said Eskom had at least three options: it could negotiate a satisfactory settlement, pursue its normal civil remedies through the courts, or it could terminate the bulk supply -- Sapa.
The privatisation of Eskom and other state assets run by the Ministry for Public Enterprises is definitely not on the government's cards for now, says the ministry's deputy director-general Sipho Shabalala.

Professor Shabalala was responding to concerns and demands raised by the National Union of Metal Workers of South Africa in the midst of seemingly contradictory and sometimes confusing government positions on the controversial issue.

Numsa's opposition to privatisation has been in line with the general labour movement's protests and resistance to government's proposed sales of some of its assets to the private sector.

He said the Ministry for Public Enterprises and Eskom were both bound by the National Framework Agreement and other government guidelines on how to go about the issue of privatisation. The ministry had been encouraged by the quality and the spirit in which the Eskom's Restructuring and Transformation Committee had been conducting its discussions aimed at determining the best restructuring options available to Eskom and the electricity distribution sector, Professor Shabalala noted.

He commended the "valuable contributions" made by the Numsa, the National Union of Mine Workers and the Mine Workers Union in the search for optimal structures and processes within Eskom.

The labour movement - led by the Congress of South African Trade Unions (Cosatu), and the National Congress of Trade Unions, Nactu and others affiliated to any of the two federations, has registered its strong opposition to privatisation of companies which have for years been operating as parastatals.

The unions fear that privatising these public enterprises would be tantamount to selling the workers out to the bosses, especially at a time when past conflicts between labour and the bosses are still unresolved and maybe as big as they have been.

The unions also cite the experiences of other countries in Africa where, they argue, privatisation has brought about more hardship including widespread retrenchments.

"Just as the appeal the Ministry for Public Enterprises would like to make to Numsa," he said.

Eskom had committed itself to referring all issues falling within the ambit of the NFA to the Restructuring and Transformation Committee. This included all options regarding Roletel, Kringeneng, Internal Power Pool, Recreational clubs, Human Resources, Management Board and others.

Referring to Eskom's role within the provinces, Professor Shabalala said that the government was concerned that the electricity distribution industry in some of the former so-called "independent states" was not in a healthy condition and required urgent attention to avoid collapse.

"The Ministry for Public Enterprises is confident that Numsa will rise to occasion and use available consultation and negotiation structures as avenues wherein solutions are debated and adopted," Professor Shabalala said.
SABC ‘has a duty to inform’

JOHANNESBURG: Deputy President Mr Thabo Mbeki says it is up to the SABC to decide what role it should play as a public broadcaster.

He said this on SABC-TV last night when asked if he still believed the government should get prime time on SABC radio and television to put across its message.

Mbeki said that the SABC would have to examine its role in informing people as extensively as possible about what the government was doing.

“Sit on huge volumes of information about what government is doing and that impact critically on lives of people,” he said. “I am quite happy to sit with this information and take these decisions. I do not want the people knowing what the hell I am up to — but I am saying it is wrong. The public broadcaster has a responsibility.”

The country was establishing itself as a democracy and people needed to be informed — by being properly informed — to intervene. — Sapa
Mondi to supply Eskom electricity poles

By James Lamont

Johannesburg — Eskom and Mondi Forests have entered a partnership to alleviate a shortage of electricity poles that had threatened to hold up the national electrification programme in South Africa's remote rural areas.

The shortage arose because of the heavy summer rainfall. Mondi Forests is a commercial forestry enterprise and a wholly owned subsidiary of Anglo American Industrial's Mondi.

The company agreed at the end of May to supply 4,000 poles a month to Eskom as part of a two-year contract. The contract guarantees a reliable supply and has the option of being extended for two years.

Eskom was unable to attach a value to the contract. The poles are used in a third of Eskom's electrification business, which is critical to the Reconstruction and Development Programme.

New customers

Eskom's electrification drive aims to connect 300,000 new customers a year. It ran into problems earlier this year when the supply of 9m to 11m electrity poles used in remote rural areas dried up because of increased demand for power infrastructure. Eskom electrified 313,179 homes last year.

The poles take between nine and 12 months to dry out before they can be used and the summer's wet weather had delayed the drying process.

Mondi has built a kiln in the Pietermaritzburg area to reduce the drying time to 15 days. Zella Bocklett, an Eskom spokesman, said many local forestry companies were unable to supply poles of the required length.

"Import of the poles has been considered, but it is better to keep it within the South African economy," she said.
Call to bypass struggling councils

Business bid to pay Eskom bills directly

Robyn Chalmers

BUSINESS is calling on the National Electricity Regulator to allow it to pay electricity bills into a special account, bypassing local authorities which face being cut off by Eskom for failing to pay their accounts.

The Forum for Energy End Users — representing companies such as Sentrachem, Afrux, Sappi, Mondi and Tiger Oils — said yesterday Eskom's threatened action against authorities would lead to production losses with "huge ramifications for SA's economy".

Chairman Johan Hees said industry was an innocent party and companies needed a fund to send accounts to if they feared local authorities — about 50 are in debt to Eskom — could be cut off. Business would pay local authorities that were not in arrears to Eskom.

The call has been triggered by Eskom's attempt to recover R440m from the Northeast Rand council and Springs. Eskom has warned it will cut the two councils' supply, though the regulator has vowed to prevent this.

The business proposal would deprive the local authorities of a major portion of the R1,7bn a year they net from premiums on electricity sales. This is used to subsidise other local authority commitments, and compensating the authorities for losing the surplus is a major sticking point in talks to reshape the distribution network.

The regulator has previously indicated it would be prepared to let Eskom deal directly with consumers to maintain supply should the local authorities be cut off. But it dismissed business's proposal, saying it was unnecessary.

"It is the wrong approach because it will constitute a breach of the existing agreements between companies and their distributors, giving local authorities the legal right to cut off electricity supply to businesses," said regulator spokesman Johan du Plessis.

He said a meeting to find a way forward would be held today with representatives of central government, the Gauteng government, Eskom, the regulator and the local authorities. Proposals being considered by the Cabinet on restructuring electricity distribution included ways of dealing with non-payment and, if accepted, could go some way towards solving the issue.

Hees said that during recent discussions on restructuring the industry, forum members had lobbied for the electricity supply to be taken away from local authorities.

"There was evidence of a growing number of local authorities not paying their accounts to Eskom, despite the payment of electricity accounts by businesses. The culture of non-payment had resulted in Eskom being owed R1,5bn by local authorities."
SABC to launch big drive against corrupt employees

Ingrid Salgado

The SABC is to launch a major drive to stamp out corruption inside the corporation and has instructed its internal auditors to undertake an inquiry into allegations that certain SABC employees received kickbacks for commissioning programmes.

The inquiry follows the arrest last week of suspended SABC2 programme manager Kgotseloa Molebogang, who faces charges in connection with an alleged request for a R20,000 kickback for commissioning a production on behalf of the SABC. The production was assisted by the SABC in the matter.

SABC communications, marketing and public affairs GM Enoch Sithole said yesterday the SABC’s internal inquiry would investigate allegations that several employees had been involved in such scams for the past few years. It was not yet known how widespread the problem was but it was a matter of concern.

The inquiry should be complete within a month.

Sithole said the broadcaster was determined to put a stop to malpractice in order to promote good, clean governance among management and staff.

Corrupt activities such as these could be costing the corporation millions of rands and may have prevented the SABC from accessing quality work.

The investigation would not be restricted to corruption in the production of broadcast material and could include other types of contracts the SABC entered into.

Sithole said Sapa reports Sithole said internal auditors would undertake an inquiry to establish facts behind various allegations.

Last week the senior manager of Channel Africa was dismissed for abusing his company credit card while overseas.
IBA switches on to getting stations on air

The Independent Broadcasting Authority told a media conference yesterday it expected to have issued at least 14 private radio licences by the end of January. IBA co-chairman Dr Sebileto Mokone. Matobane said hearings for private radio stations would begin on August 21.

The first hearings would consider applications for six regional stations to be sold by the SABC. These hearings would be held in two rounds. The first would concern bids for Highveld Stereo, KFM and East Coast Stereo. The second round, in mid-September, would concern the sale of Radio Orange, Radio Algoa and Radio Jacaranda.

Matobane said the selection process was not connected to the financial concerns of the SABC. "Money isn't going to be the only criterion we (the IBA) use, otherwise the licences could have been issued on the day they applications were received," she said.

Seven licence applications were received for two MW and one FM frequency in Cape Town and one FM frequency in Durban, and would be heard before the end of November. Decisions on these applications were expected to be announced by mid-December.

Hearings for frequencies available in Gauteng would begin in early December and decisions would be announced in January. Matobane also announced that the IBA had engaged the services of experts from Canada and Australia to meet a parliamentary deadline for licencing private television stations.

"The process is on track," she said in reference to the July 1997 deadline - Sapa.
Eskom strikes deals to cut power

By James Lamont

Johannesburg — Eskom is offering to pay large customers for temporarily interrupting their electricity supply so that power can be delivered to other customers during demand surges and sudden losses of generating capacity.

Eskom started offering interruption agreements two years ago with Alusid, the aluminium producer. It now has interruptible load agreements with 26 smelters and furnaces, it said yesterday.

The power is needed during surges in electricity demand or when generating units feeding the electricity grid temporarily go offline. The agreements allow Eskom to curtail the electricity supply at short notice for not more than two hours a week. In return, Eskom offers a discount on the customer's account or a lower tariff.

Andres Calitz, Eskom's senior transmission manager, said that customers normally received compensation after an interruption had taken place, but otherwise remained on a normal tariff.

The average rate of compensation for interruption is 10c a kilowatt hour across peak, standard and off-peak times. The peak rate is 28c a kilowatt hour during winter and 25c a kilowatt hour during summer.

This arrangement is considerably cheaper for Eskom than building additional generation capacity.

According to Eskom, the agreements virtually eliminate the need for expensive gas-turbine emergency generating plants.

The company said it hoped to make 3,200MW available through the initiative. The agreements were available to all of its large customers, Eskom said.
Springs wins Eskom interdict

SPRINGS City Council was granted an urgent interdict in the Rand Supreme Court on Tuesday restraining Eskom from issuing defamatory statements and from interfering with electricity supplies within the council's area of jurisdiction.

In a statement issued yesterday, a spokesman for the council said Eskom had given an interim undertaking pending finalisation of the council's application on August 20.

He said the undertaking, in part, stated that:

"Eskom will not unlawfully interfere with the council's contractual rights with industries or businesses situated in its area of jurisdiction, by offering to supply electricity directly to such industries and businesses.

"Eskom will not make any public statement that it will terminate, or otherwise interfere with, the supply of electricity to the council.

The city council sought the interdict following the recent publication in the media of a threat by Eskom that it would cut its electricity supply to the council because of payment arrears.

Sapa (260) (TH)
settlement of its debts, pursue its legal rights through the courts or terminate bulk supplies. The last remedy the NER correctly rejects as unfair and economically destructive. Not only this, but the Regulator in the last resort will intervene to revoke the licences of defaulting municipalities, which it will transfer to Eskom or another distributor. Then the interests of consumers and Eskom can be protected as Eskom could apply effective credit control measures.

Government, says McRae, is also considering ways of restructuring the electricity supply industry. Various models are being considered.

In an alarmist response, the Forum for Energy End Users, representing threatened companies, such as Sappi and Mondi, has proposed that they should pay for power directly to Eskom. The Regulator replies that this is unnecessary. Not only that, it would also constitute a breach of contract between companies and local authorities. More practically, a meeting is being held between government and other stakeholders to deal with the problem.

It’s ironic that Eskom, even as a temporary expedient, could be brought back as the electricity retailer of last resort, after much fanfare about restricting it to the functions of generation and transmission. The wheel has come full circle, as Eskom originally found itself a distributor of electricity in black urban areas through the collapse of apartheid-era black local authorities.

In the face of reality, the idea that cross-subsidy of electricity to poor households could be promoted through the intermediation of local authorities is collapsing.

Some good may yet come out of the issue, though Eskom itself could still be made to act as the agent of cross-subsidy. In the course of its deliberations, government must be reminded that subsidies should be made explicit and not implicit. This enables the cost of the subsidies to be made visible so that government can decide how much money to use for this purpose. Implicit subsidies foul up cost structures and their cost is difficult to determine.
Capital: Up for sale, but no takers

Jacquie Golding-Duffy

CAPITAL RADIO, a former homeland broadcaster, is up for sale, but no bids have yet been received as the station's financial books are in disarray.

Investec Bank is handling the bidding process, as it did for the sale of the SABC's six radio stations.

According to sources at the Independent Broadcasting Authority (IBA) and an insider at the Postmaster General's office, Capital Radio's financial records have not been audited for three years and its accounts are not in order.

Until this is rectified, potential buyers are unable to conduct a due diligence procedure which allows the study of the station's books to value the assets for sale.

Capital Radio's worth is unknown because of accumulated debt, among other things.

IBA representative Amos Vilakazi says the Telecommunications Ministry wanted the sale to be finalised by the end of this month, but, owing to Parliament's early recess, this was not possible.

The ministry is planning to amend the Broadcasting Act, which has to be approved by Cabinet to allow the IBA to grant a licence to the successful bidder before the end of September.

Capital Radio station manager Fred Pearson and Vilakazi confirmed that the government was funding the station until the end of September.

However, they were unsure how much money was being pumped into it, but some estimates are R800 000 for staff salaries and operational costs until the end of September.

A board of directors was responsible for the management of the radio station and, according to newly appointed managing director Thembekile Nklovu, "a can of worms has been opened" with regard to the station's auditing.

Nklovu says the auditing for the 1995 financial year has been completed and work was in progress to complete the financial records for the 1996 financial year.

"My brief is to act as caretaker of the station until such time that it is sold," Nklovu says, adding that queries regarding the unkept books must be directed to the board of directors.

Herbert Jikela, outgoing managing director and current board member, denied the books were in disarray, saying "everything is in order".

Other board members include Gordon Noda (chair), At Sigeu and Peter Cressy.
Numsa opposes partners for Eskom

Reneé Grawczyk

THE National Union of Metalworkers of SA (Numsa) would oppose moves by government to find a strategic equity partner for Eskom as the delivery of electricity was regarded as a key area of strategic state intervention.

Union general secretary Enoch Godongwana said yesterday the union would oppose privatisation of institutions central to the delivery of basic services, and would call for nationalisation of strategic institutions in private hands. These views came from the union’s national executive committee meeting at the weekend.

Continued on Page 2

Numsa

Continued from Page 1

But Godongwana said government’s argument for selling a stake in parastatals was motivated by the need for access to technology and capital for expansion. This was not applicable to Eskom, he said, which had the capacity, knowledge and finance for making electricity available. “Placing it in private hands will derail the process.”

He said, however, that, “if the absence of a strategic equity partner affected the effectiveness of delivery of services”, agreement would have to be reached on a strategic equity partner.
Sale of former TBVC radio stations in limbo

By JAIMIE SEATON

The SABC's ambitious schedule which envisaged the former TBVC broadcasters integrated by the end of 1995 remains mired in government bureaucracy.

The SABC announced in October it had put together an interim co-ordinating body to oversee the planning of the process, and a joint integration management committee (JIMC) to plan the implementation. The stations were to have been integrated into the SABC to form the new national public broadcaster by December 31 last year. Seven months later, the stations in limbo as the legislation process moves at a snail's pace.

"From our side we did everything we could to get ready for integration," says Leslie Ximwa, former chairman of the JIMC, "but now the Government has to finalise the funding, and the proposed bill has to be approved in Parliament. Until that happens, integration can't be completed."

According to Ximwa, new legislation has to be passed to repeal the broadcasting legislation in the former territories. In addition to the legal wrangling which needs to take place, Ximwa estimates that R70 million will need to be allocated to pay salaries and buyout packages in the first year of integration alone - and that excludes the Bop Broadcasting Corporation (BBC) Ximwa estimates that only 40 of a total of 210 employees will be absorbed into the national public broadcaster.

The integration process is now in the hands of Postmaster-General Mandle Ngeaba's office Ngeaba, reportedly out of SA at present, could not be reached for comment. A source in Broadcasting Minister Jay Naidoo's office confirmed that the legislation which would provide for the transfer of personnel and assets to the SABC and Sente (SABC's technical arm) has been drafted. The bill is due to be tabled in Parliament next month.

The source further reported that there is no fixed timetable in place for integration, but that Naidoo hopes to have the process completed in a few months.

The Saturday Star, however, obtained a copy of a letter sent from the postmaster-general's office to media advertisers and marketers. The June 29 1996 letter reads in part: "This letter serves to confirm that due to rescheduling of the integration process, Radio Transkei, Osken PM Stereo and Radio ThaboYan-

Only 140 of 210 former TBVC broadcast employees will be absorbed by the new national public broadcaster

-ldou will remain on air for a minimum period of 12 months effective July 1 1996. The source in Naidoo's office confirmed the content of the letter, adding that the intent was to ensure the continued advertising revenue to the stations. "Obviously the ad contracts will have to be acknowledged," he said.

While Ngeaba's letter has been interpreted by advertising and marketing sources as meaning that these stations will remain autonomous for at least another year, the source from Naidoo's office confirmed that Transkei and Osken stations are to be merged with SABC's Xhosa service following integration.

The future of the BBC remains unclear, as SABC and BBC spokesmen play a game of smoke and mirrors. Industry sources - both inside and out of the SABC - report that the BBC is pushing strongly for privatisation rather than integration, and that the network has the support of the North West government.

Cawe Mathat, COO of the BBC, refused to answer questions pertaining to privatisation, saying: "This is a policy issue, and I'd be overstepping my limits to discuss this particular issue."

According to a statement issued by the joint executive council of the Free State and North West Provinces, and provided by Bop, the North West government is "committed to the process of integration and will contribute whatever is necessary in the form of assets and facilities to ensure that the new National Public Broadcasting Service is able to carry out its full mandate."

The statement further says: "The North West government would like to see the disposal of these assets managed in a manner that will ensure that broadcasting activities continue to be provided from North West Province regardless of whether the facilities remain totally owned by the Government, partially privatised or wholly privatised."

Ximwa of the SABC dismissed the idea that Bop was trying to privatised, but agreed that any assets and facilities in place after integration "should go to the province for their own needs and private broadcasters."

While the posturing continues, SABC employees watch the process with amusement: "The process is a seagull," said one. "It looks more and more like a disaster, especially Bop. It hasn't gone according to plan at all."
Move to boost understanding of restructuring parastatals

By ESTELLE RANDALL

Two key government initiatives, to boost labour's capacity and access to information, may help to speed up agreement on restructuring state-owned Transnet, Eskom, Denel, Safcol, Alexkor, Avenir and a myriad parastatals.

The Government has made about R$800 000 available for the labour movement to appoint specialist advisers to assist in negotiations about restructuring state assets. Labour was also this week given letters of authority to get information about multibillion-rand parastatals.

The appointment of advisers and easier access to crucial information through the letters of authority will boost labour's capacity to formulate coherent strategies for restructuring state enterprises, beyond the proscriptive anti-privatisation stance it has adopted.

Besides information it will now be able to garner, labour could also dip into the replies to the Public Enterprises office's request for parastatals to provide information on ownership, management, asset value and efficiency.

Jeff van Rooyen, special adviser to Minister of State Enterprises Stella Sigaeu, acknowledged that capacity and information had been a problem for both the Government and labour.

At the end of this month the Government plans to appoint an adviser from among four shortlisted investment banks - Hong Kong & Shanghai Banking Corporation, James Capel, Fleming Martin, CS First Boston, and the National Asset Initiative consortium.

"The ministers were supposed to meet this week to decide on who the Government's adviser would be," Van Rooyen said. "But not all were able to make the meeting, which has now been scheduled for July 31."

He said the R$800 000 for labour to appoint advisers, and the letters of authority giving them the right to information about parastatals, would do much to "level the playing field" between the Government and labour.

"The Government had access to information which labour didn't have and this caused problems. We haven't been negotiating within the same frame of reference," Van Rooyen said.

"Once we're all on board, there's no way that we won't find a solution and compromise. There is agreement between the Government and labour on the objectives of restructuring, but the problem has been the strategy to achieve these."

The National Framework Agreement, concluded in January, committed labour and the Government to the provision of affordable, good-quality basic services and situated restructuring within the Reconstruction and Development Programme.

It also recognised the legitimacy of the state playing a role in productive sectors of the economy and noted that restructuring was not necessarily geared towards reducing state involvement in economic activity.

Ownership was not the determining factor for efficient operation of enterprises, it was agreed.

Rather, restructuring objectives were to increase economic growth and employment, re-invest proceeds from restructuring, mobilise and redirect private sector capital to develop infrastructure, reduce state debt, enhance efficiency and competitiveness, and develop human resources.

Ravi Naudo, a researcher with the National Labour Economics Development Institute - labour's policy unit - said the names of labour's advisers would be announced next week.

The list would include local and foreign academics and researchers who were specialists in their field and with insight into workers' concerns and experiences.
IBA throws station a lifeline

I N G R I D  S A L G A D O  2 6 0  B D  2 2 1 7 9 6

THE Independent Broadcasting Authority threw a lifeline to Johannesburg-based community radio station Radio Today last week, allowing the station to continue broadcasting while signal distributor Sentech worked on the station's transmitter.

Radio Today, which caters primarily for senior citizens in greater Johannesburg, began broadcasting at the beginning of the month. However, several listeners had difficulty tuning into the station's MW frequency because Sentech did not have adequate equipment for this purpose.

The IBA said the temporary transmitter would give "slightly smaller" geographic coverage than licence conditions allowed. Sentech was in the process of importing equipment necessary for an improved signal distribution service. Radio Today would use the temporary frequency until the new equipment was installed.

The IBA said it hoped Sentech would confirm that it was able to assist the station in covering its proposed broadcast area.

"We have been anxious to assist Radio Today in order to reach its audiences and deliver the service for which it was granted a licence," the regulator said.

Earlier this year the IBA granted temporary approval to Radio Club Portuguese to use an FM frequency until the station's transmitter was in place. The authority's dealings with broadcasters do not normally extend beyond a licensing framework.
Eskom in deal to wipe R204-m slate clean

BY HOPPEWELL RADEBE
City Reporter

Eskom is set to write off accrued electricity arrears of R204-million owed by the Kempton Park/Tembisa Metropolitan Substructure, provided the council agrees to pay its monthly electricity accounts from this month.

Kempton Park/Tembisa council spokesman Henriette Wesseman said the council was expected to take a resolution on Thursday to pay all Eskom’s accounts because of Eskom’s undertaking.

She said the North East Rand Translocal Metropolitan Council (TMC) had offered to grant the Kempton Park/Tembisa and Edenvale/Modderfontein substructures a loan to enable them to pay Eskom from the end of July.

The loan would be payable to the TMC after five years because the substructures would have normalised payment of services in the area by then.

Eskom spokesman Peter Adams said the agreement had been reached in principle, subject to council approval.

The proposal was the result of two weeks of negotiations between the TMC, Eskom, the National Electricity Regulator, the Gauteng government and the Department of Constitutional Development and Planning after Eskom’s announcement that it intended cutting off bulk electricity supplies to the Springs and Kempton Park/Tembisa councils unless their arrears were updated.

Wesseman said the news would be appreciated by major businesses in places like Isando, Sebenza and Modderfontein.
Copper conglomerate in privatisation talks

David McKay

ZAMBIA Consolidated Copper Mines (ZCCM) creditors were scheduled to meet in London this week to discuss the privatisation of the mining conglomerate, a company spokesman said.

He said the purpose of the meeting would be to get support for the privatisation of ZCCM.

The company, in which Anglo American and De Beers own about 27% through Zambia Consolidated Investments (ZCI), has declared only two small dividends since its formation in 1981, with only one being paid.

ZCI said in its latest annual report that declining copper production and an increasing debt burden were among reasons for ZCCM's poor performance. The privatisation of ZCCM would see the company sell majority interests in all its major operating and development assets.

Anglo American director Jack Holmes said no decision had been taken on whether ZCI would increase its interests in ZCCM's other assets. These included the $600m Konkola Deeps project an Anglo American-led consortium was attempting to develop.

However, the consortium, in which Gencor was also involved, has run into problems, starting with the withdrawal of Australian company Western Mining. The consortium was considering whether it would replace Western with another company, Holmes said. Konkola Deeps was important to ZCCM's future.

Reuter reports that Zambian Finance Minister Ronald Penza had said the government was talking to other parties about developing the project. However, government's negotiations with the consortium were "on course." The two sides would sign a letter of understanding on the project, he said.

This letter was to be signed in March, but was deferred by Anglo until it had completed a nine-month feasibility study.

Konkola Deep has a reserve of about 100,000 to 200,000 tons of copper concentrate. It is close to the Konkola North project which could be developed by Anglovaal Minerals, which is starting a feasibility project.
Eskom set to write off R300m in debts

Reinie Booyzen

ESKOM is preparing to write off more than R300m owed by two Gauteng local authorities, less than three weeks after threatening to cut off their electricity supplies.

It said yesterday it had offered to write off long-term arrears owed by the Springs and northeast Rand metropolitan councils provided the two agreed to pay short-term arrears and future bills. The councils owe R440m.

The offer will cut R304m from the northeast Rand council's R390m bill — the amount it owes Eskom up to July last year. The council's finance executive manager, Hennie Venter, said he expected the council to agree to the offer when it met tomorrow. No spokesman for Springs council — which owed Eskom R156m, most in long-term arrears — was available.

An Eskom spokesman said the offers were similar to those agreed to this month by Alberton and the Pretoria metropolitan council's northern substructure. Arrears to June last year would be written off if they paid for services used since May this year for the next year. The debt incurred between June last year and May would have to be repaid with interest by next May.

The parastatal, owed an estimated R1.2bn by local authorities, had also lined up other local authorities for cutting off supplies.

The National Electricity Regulator said it would block the cut-offs, if necessary transferring electricity distribution licences from the authorities to Eskom to maintain supplies.

An Eskom spokesman said supplies to bulk buyers would be cut off only after other avenues, including legal action, had been exhausted.

Prior to taking legal action, Eskom would make every effort to negotiate an acceptable compromise. Cutting off power was the logical final step.
IBA grants temporary FM frequency to Radio Today

BY BEATRICE MOTSELE

A temporary FM frequency has been granted to Radio Today, enabling it to broadcast to its entire listening community in Greater Johannesburg.

The Independent Broadcasting Authority (IBA) said the new FM frequency would be used together with the station's current MW frequency (1485KHz) to reach its listeners.

Radio Today listeners, aged 40 upwards, scattered all over the Johannesburg metropole, have complained that the MW frequency distribution is not clear and the coverage area has been reduced.

Switch, the organisation responsible for frequency distribution, was unable to give the radio station a clear signal.

Jenny Shepherd of the IBA said the process of obtaining and installing new 'equipment' from Canada would take two months. Radio Today's new FM frequency is 106.3MHz.

The IBA issued licences to the following seven community radio stations:
1. Radio Koppie, a Pictoria MW youth station.
2. Radio Sebengucu, a MW station.
3. Talks FM, a Secunda station.
4. Radio TNMT, a campus radio station.
5. New Pan, a station serving the Greek community.
6. AIX FM, a station serving the Alexandra community.
7. Soweto Community Radio.

By Beatrice Motsele
Eskom to cut off supply to defaulters

By Joshua Raboroko

Eskom will start cutting off electricity supply to defaulters "in the Vaal Triangle from August 1.

This was decided following protracted negotiations between the company and the SA National Cynics Organisations.

Eskom communication officer Ms Zella Richett yesterday said the partners had "urgently the community to pay for services, including electricity.

Sebokeng, Sharpeville, Bophelong, Bopatlaeg and Evaton will be affected by the electricity cuts.

Negotiations lasted more than six months during which Eskom lost thousands of rand, sources said.

"Eskom believes in maintaining financial discipline in order to support its electrification programme," Richett said.
Eskom offers to write off about R800bn in local authorities' debt

Eskom Piano to Write off About R800bn in Local Authorities' Debt

Eskom Piano to Write off About R800bn in Local Authorities' Debt
Stop criticising the IBA
Needs of the deal must be heard

Elia Semenikhin reports that of TV commission for the
After two-and-a-half years

(260)
Grover Stein and Steve Thomas

The British-style answer for Fiscoform

\[ \text{\textcopyright 2019 Grover Stein and Steve Thomas} \]
Radio Freedom at Crossroads

Dutch donors wanted institute's 10th anniversary in court over money

By Fons Hoogendoorn

There was a flurry of activity last week when the Radio Freedom Foundation announced it was moving to New York City. The move will enable the foundation to expand its operations and reach a broader audience internationally. The foundation has been in existence for 10 years and has grown significantly over that time.

The move to New York City is part of the foundation's plan to increase its influence and impact. The foundation has been active in promoting freedom of speech and supporting democracy in the Middle East and North Africa. It has also been involved in providing educational resources and supporting students who are working to bring about change in their countries.

The foundation's new office in New York City will serve as a hub for its operations, providing a central location for meetings and events. It will also be used as a base for its staff, who will be working on a range of projects to support the foundation's mission.

In addition to the move, the foundation has announced a number of other initiatives. It has launched a new website and social media presence, and has also begun to develop new programs and partnerships to support its work.

The foundation's success is owed in large part to the support of its donors, who have provided funding for its projects over the years. The foundation has also received funding from a range of other sources, including governments and international organizations.

Despite these successes, the foundation has faced some challenges in recent years. It has been criticized for its close ties to certain political groups and for its role in spreading propaganda.

In response, the foundation has taken steps to ensure its operations are transparent and accountable. It has also worked to distance itself from any groups or individuals that have been criticized for their actions.

The foundation's new office in New York City will provide a platform for it to continue its work and be more responsive to the needs of its supporters. It will also enable the foundation to reach a wider audience and make a greater impact in the global struggle for freedom.
SABC playing the 'mum' game

USA TEMPLETON

THE SABC is keeping the cost of taking 87 staff to Atlanta secret in the face of enormous criticism of its coverage of the Olympic Games.

The broadcaster, which is reportedly in dire financial straits, paid the International Olympic Committee about R30 million for the right to be in Atlanta. It must also have spent a minimum of R2.6m to cover the cost of sending 87 people to Atlanta for two weeks.

"The cost has been kept confidential, we don't even know what the expense has been," SABC spokeswoman Ms Marge Murray said yesterday.

The staff in Atlanta comprise 48 people from TopSport, 15 airline staff, 11 from television news and 13 from SABC radio.

Of these, separate teams work on packages for the highlights broadcast on SABC 2 and 3, the live transmission, Good Morning South Africa, the evening news and a package which is broadcast to the rest of Africa.

But the coverage has been widely slated. It is not tailored for South African viewers, as the SABC is obliged to use footage taken by American network NBC.

The network has bought the rights to become the host broadcasters and provide pictures and effects (background noises) to other broadcasters.

SABC staff are there to provide interviews and commentary where it is not available from NBC, according to a spokesman who asked not to be named.

The broadcasting corporation reportedly needs R40m to balance its books and recently appointed debt collection agencies and threatened legal action to recover outstanding debts from more than a million people who had not paid their television licences.

See Page 6 (260)
Group set to net Radio Oranje

Ingrid Safgado

NEW Radio Consortium is likely to become the new owner of SABC station Radio Oranje in the Free State after the station's only other short-listed bidder, Free State Media Holdings, withdrew its licence application.

However, the outcome of the consortium's bid depends on whether the Independent Broadcasting Authority (IBA) grants it a licence to broadcast.

The consortium consists of Kagiso Trust (25.5%), Durban Videovision Enterprises (25.5%), Publicis (24%), Nedbank Investment Bank (10%) and a local company whose shares would be offered to disadvantaged Free State residents (5%) and the station's management (10%). The consortium put in an R11m bid for Radio Oranje.

IBA licensing head Jack van der Merwe said New Radio would not automatically be granted a licence by virtue of it being the only group in the running for a licence. It still had to comply with IBA licensing criteria.

By late yesterday, the authority had received only one objection to the consortium's bid. Lobby group Styting vir Afrikaans was concerned that the consortium had no Afrikaans members.

However, the group said ownership of the undisclosed local company could rectify the situation.

New Radio has indicated it would retain Oranje's existing management and staff.
Eskom writes off debt of R6-m

By Sowetan Correspondent

ESKOM has written off debt of more than R6 million owed by the Akasia-Soshanguve Town Council for arrears in Soshanguve.

An agreement to this effect was reached between the Greater Pretoria Metropolitan Council, Eskom and the Akasia-Soshanguve council.

The agreement came after efforts by the council to get Eskom to write off the outstanding debt Soshanguve incurred up to December 8 1994.

The debt comprised an amount of R5.9 million plus interest of more than R682 000. Eskom’s condition for writing off the debt was that new Soshanguve accounts would be paid on time and in full for a certain period.

The organisation had accepted a proposal by Metro Council director of electricity Mr. Clarence Oclofoe that regular payment of account by the Akasia-Soshanguve council after December 1994 should be considered.