PUBLIC SECTOR GOVT. - STATE ENTERPRISE

1994

JANUARY — MARCH.

Radio Pretoria calls for aid

GAVIN DU VENAGE

CHAMPIONS of free speech and democracy were remarkably silent about threats to close down the right-wing Radio Pretoria, station head Mossie van den Berg said at the weekend. BIDay 3/11/94

With only a few days left of the temporary licence government had reluctantly extended in mid-December, Van den Berg appealed for support of the station's attempts to get its licence extended or amended to a permanent licence Radio Pretoria's temporary licence is due to run out on January 4 (260)

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

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

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

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

Its premises at Donkerhoek near Pretoria had been heavily guarded and surrounded by barbed wire.

Shortly before the last licence expired, an appeal had been broadcast for commando members to report to the station More than 200 men had responded

Home Affairs Minister Danie Schutte extended its licence at the last minute on condition the station did not indulge in political broadcasts. However, Van den Berg said he would use the guidelines followed by the SABC.

"I have told the Minister that we are prepared, even willing, to receive the same treatement (over political broadcasting) as the SABC"

With the new deadline approaching, Van den Berg would not be drawn on what would happen should the extension to Radio Pretoria's licence be refused by the authorities.

He said that the uphill struggle to get the last licence extended had begun again

The station had put its case to government, and it was now up to the Minister, Van den Berg said

WHO slams SA on jail condoms

BIDay 3/11/94

KATHRYN STRACHAN

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

However, the Correctional Services Department said it would not change its policy as providing condoms would condone criminal sexual activity "It is against the average morals and ethics of society," said spokesman Chris Olckers (258)

- The rate of infection in prisons was far less than the average HIV per capita rate Out of 114 000 prisoners, 389 had tested HIV positive While there was no compulsory HIV testing, many had asked to be tested, he said.

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

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

'SABC backs NP' despite new board

☐ Old prejudices survive in television and radio, say European Community researchers

HUGH ROBERTON
Political Editor

IN spite of the appointment of a new SABC board, the organisation's radio and television services have continued to show a bias in favour of the National Party and the government and still perpetuate old-style myths and prejudices

This is the finding of the Broadcast Monitoring Project (BMP), an independent research organisation funded by the European Community, which released its annual report today

The report says "structural discrepancies" inherent in the SABC's news services are to blame for the continuing problems, and warns that these will have to be addressed if the SABC is to fulfil its crucial information role in the April 27 election campaign

"Since the inception of the new SABC board, the infrastructure which organises SABC news and current affairs programmes has not significantly altered," the BMP report says

It criticises "subtle racism" which it says permeates radio and television reports on violence, and says that in political reporting the SABC continues in many ways to play "its historical role of supporting National Party policy and performance"

Television news bulletins tended to combine into a single report instances of violence in many different situations around the country, thus diminishing the importance of each event in the mind of the viewer or listener, and also implying that all violence had the same cause

The report says the SABC had shown a tendency to underreport violence "During October and November particularly, very few incidents of violence were actually reported on radio and television news In addition, police investigations around township deaths have seldom been followed up on the SABC The SABC's disregard of the trial of the Boipatong massacre accused was just one newsworthy example"

On radio, the report finds, the NP government continued to be presented in a positive light The mechanism for achieving this had been varied

"One of the tendencies identified has been for news reports to rely solely on the government version for the interpretation of events A common strategy has been to access stories which implicate the government in some sort of controversy through government denial of any wrongdoing"

The SABC also had been "questionably selective" in its reporting of government news "Therefore stories which might have disrupted the government's status were sometimes simply not mentioned"

The BMP report adds "On television, there are clear racial and ethnic differences between CCV and TV1 news While there are ethnic divisions within CCV news between the Nguni and Sotho channel, these are less pronounced than the racial divisions between CCV and TV1," the report says

"TV1 retains an essentially white, establishment character, with white journalists and newsreaders This has changed slightly in the past few months, with the introduction of black news readers and the occasional report from a black reporter, but the general "white" image of TV1 news has remained the same

"While CCV occasionally uses reports from TV1 journalists, it conversely is seen essentially as a black channel."

The report adds that the differences between CCV and TV1 news coverage "are not merely one of appearance or linguistics but extend to various levels, most conspicuously in the news stories carried and the angle which is adopted"

"The SABC argues that CCV and TV1 cater for different communities and it is therefore to be expected that news coverage will differ between the stations However, the extent to which 'black' news and 'white' news is divided on SABC television results in differing, sometimes opposing, perspectives on particular events of national importance being offered"

The report's finding is that "the retention of distinct channels which broadcast different news for different races perpetuates an apartheid approach which argues that racial groups are separate and disinterested in issues pertaining to others"

According to the BMP report, SABC radio is "clearly reflective of apartheid policies"

It says "As with television, the differences between Radio Zulu, Radio Xhosa, Radio Sotho and Radio South Africa, are not purely linguistic" There was a pro-establishment character to the major English and Afrikaans channels, while the material broadcast in the various black languages concentrated on regions and thus perpetuated the ethnic and racial differences of the apartheid ideology and assumed that blacks in a particular region had no interest in national affairs

"The structure of SABC radio remains a framework within which apartheid divisions are perpetuated Like television, radio stations are divided ethnically and ideologically, as well as linguistically. Moreover, black communities are receiving news which is gathered almost exclusively by white journalists"

Priest condemns

ditions in black schools.

Partic Industrial and Ligneus Pro- | Judge P Streicher today

Radio Pretoria hears govt ruling today

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

The official said the station had applied to have its licence, which expires at midnight tonight, extended BIDAY 4/11/94

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

Last year right-wingers responded to a call to protect the station

GAVIN DU VENAGE

after government threatened to send in technicians to shut down the transmitter (260)

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

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

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

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

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

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

Volkstaat talks with ANC 'treason'

THE far right-wing Boere Weerstandsbeweging (BWB) said yesterday it would fight any agreement on a volkstaat that did not conform to the boundaries of the old Boer republics. BIDAY 4/11/94

BWB leader Andrew Ford said the organisation would regard any agreement negotiated by the Afrikaner Volksfront with the ANC as "treason" (SOLD)

The Volksfront's volkstaat boundaries were an unacceptable compromise, he said. Ford said the BWB rejected attempts to create "white islands in a black sea".

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

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

Ford said the Volksfront claimed at its launch that it would fight for the rights of Afrikaners, but was now backtracking by

GAVIN DU VENAGE

talking to the ANC

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

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

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

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

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

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

On the road to recovery

BIDAY 4/11/94

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

WFP director Phillip Clarke said that "with good rains and lasting peace, Mozambique is on the way to recuperating" (318)

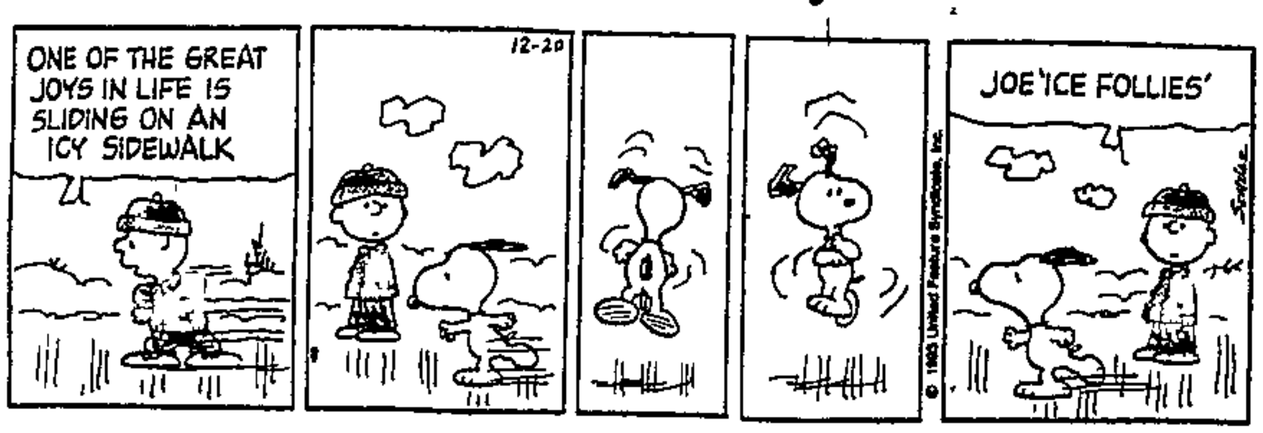
Clarke said that last year Mozambique reaped its first improved harvest for many years, gathering 533 000 tons of maize compared to just 133 000 tons in 1992.

UN figures suggested over 1,5-million people of nearly 3-million needing food aid in 1992 were now able to support themselves.

Nonetheless, with Mozambique still in transition and after two years of severe drought from 1991-92, it would still need 790 000 tons of cereal imports to feed its 16-million people, in the 1993/94 commercial year, according to the WFP. — Sapa-AFP.

PEANUTS

By Charles Schulz



TV 'promotes violence in SA'

CT 4/11/94

260

By BARRY STREEK
Political Staff

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

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

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

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

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

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

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

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

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

Ms Kellas said TV producers also had a responsibility to advertisers, as viewers who switched channels to avoid shows they found offensive were thus not being reached, wasting advertisers' money.

White miners to defend Radio Pretoria

GAVIN DU VENAGE

THE white Mineworkers' Union had offered to dig trenches around right-wing radio station Radio Pretoria, Afrikaner Volksfront spokesman Steve Manninger said yesterday B/Den 5/11/94

He said more than 250 men had pledged to go to the transmitter site at Donkerhoek, northeast of Pretoria, this weekend Right-wing organisations have vowed to keep the station operating.

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

Even if the licence is extended, it will be for only a week On January 11 legislation enacting the Independent Broadcasting Authority comes into effect, ending government jurisdiction over radio broadcasting licences (260)

Pledge to defend right-wing radio

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

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

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

SABC brass on ANC polls list

11/0

CT 6/1/94 260

Own Correspondent

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

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

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

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

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

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

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

The top 50 names nominated to the provincial legislature list include Sandton MP Mr Dave Dalling, former Cosatu secretary-general Mr Jay Naidoo, former policeman Mr Gregory Rockman and regional executive member Mr Robert McBride

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

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

Mokaba to fight in elections

Political Staff

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

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

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

Boeremusiek stiffens Afrikaner resistance

Star 7/1/94

RADIO PRETORIA, undaunted by the fact that it represents the views of a minority, vows to continue broadcasting. John Daniszewski reports (260)

Out on the highveld, the mast of Radio Pretoria rises in splendid isolation, proudly flying the Vierkleur

The privately built and owned station is heard only in a small area of the Transvaal, including Pretoria, but it has become a rallying point for whites determined to resist the onset of a colour-blind South Africa.

Announcer Aneta Armand doles out a steady diet of folk tunes and homey banter

She broadcasts from a cramped white caravan — an island in a sea of rolling green hills — at the base of the antenna

In contrast to her sunny demeanour, outside her window a squad of uniformed, neo-fascist commandos plot the defence of what they consider to be one of Afrikanerdom's last strongholds before this year's scheduled transformation of South Africa into a multi-racial democracy.

The commandos readied themselves on Tuesday to defend the five-month-old station if its temporary broadcast permit, expiring at midnight, was not renewed .

A reprieve came on Tuesday evening Officials granted a six-day extension The showdown between reformist government and right-wing station was postponed until at least Monday

Radio Pretoria frequently plays host to rightist spokesmen and supports the goal of a homeland for whites It refuses to recognise the elections to be held on April 27.

It therefore poses a challenge to President de Klerk, leader of the majority of white South Africans who say they want reforms, and his negotiating partners in the ANC, the country's largest black group

They are wary of the station's defiant message but loathe to bring on a right-wing backlash by simply closing it down.

Station manager Chris Conradie claims the ANC and its allies, the communists, have already taken over state-owned radio and television He said that leaves his station as the only independent voice for Afrikaners.

"Freedom of speech, that's what we're preaching My mission is just to get the Afrikaner people to be proud to be Afrikaner again," he said

He calls his station primarily a cultural beacon and not a voice for any particular political group

But he says that if the Government moves against Radio Pretoria, "I think they will have a war on their hands".

Defenders at the station made it clear they are ready to fight to keep it going

"What would you do if somebody wanted to take down the Statue of Liberty?" Nico Botha, dressed in the uniform of the Afrikaner Weerstandsbeweging, asked two American journalists

A barbed wire fence surrounds the station A trench rings the perimeter. Shoulder-high barricades, made of earth-filled tyres to stop bullets and shrapnel, are being expanded

Among Tuesday's defenders was bush-war veteran Willem Ratte, who has eluded police since leading 30 armed men in a one-day takeover of a Pretoria army fort last month That made him a right-wing cult hero

Armand said the Government threatened last month to pull the station's licence, prompting her to broadcast an appeal for supporters to come to the station's defense

She says more than 2 000 loyal Afrikaners assembled and the Government had to back down.

"We've been deprived so many years of the truth that we're not going to give this up, not without bloodshed," interjected Johanne Robbertze, a farmer from the eastern Transvaal who was visiting the station with his family A constant stream of such pilgrims comes to Radio Pretoria, Armand said

The station has a broadcasting radius of about 65 km, but is such a runaway phenomenon that its fate is no longer in the founders' hands, Conradie claimed

"If we decided to close down, other people would just take over and keep on transmitting

"It doesn't belong to the management committee any more, it belongs to the Afrikaner people " — Sapa-AP

LOCAL

SADF denies allegations

'We did not equip Radio Pretoria'

Star 7/11/96

260

AMID an outcry over the right-wing broadcaster's temporary licence, the SABC admits renting equipment to the station but the SADF denies doing so

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

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

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

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

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

However, an SADF spokesman challenged Sanderson to bring forward specific information, such as equipment serial numbers. "We would like to know about it," he said.

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

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

Radio Pretoria chairman the Rev Mossie van Berg yesterday declined to comment on Sanderson's statements.

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

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

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

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

▶ **Boeremusiek keeps morale alive – Page 9**

Blacks twice as hopeful as whites, survey finds

BLACKS are twice as optimistic as whites about the year ahead, according to a Markinor survey.

More than 60% of black respondents were confident about the future, compared with only 30% of whites.

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

In the last survey only 31% of blacks believed things would get better in the year ahead, with 40% holding the gloomy view that they would be worse off as time wore on. In the latest survey, only 18% of black respondents believed things would be worse.

The poll was conducted among adults around the country, as part of

GAVIN DU VENAGE

an international year-end poll carried out in 54 countries by Gallup International.

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

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

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

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

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

Respondents were also asked if they thought 1994 would be a peaceful year, free of international disputes

Blacks were the most hopeful, with more than half saying it would be peaceful, compared with only 18% of whites About 35% of coloureds and Indians felt the same way

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

Claim SADF aided station

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

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

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

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

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

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

GAVIN DU VENAGE

The threat of arms also cowed government into extending the licence, he said.

Sapa reports that an SADF spokesman challenged Sanderson to step forward with specific information, such as equipment serial numbers, to prove that the army had supplied Radio Pretoria. "We would like to know about it," he said.

A Johannesburg radio specialist said it was relatively easy to build a 5kW-8kW transmitter with a fairly wide signal radius. "Any radio technician worth his salt could build such a transmitter .. and at relatively little cost, something in the region of R10 000 for the hardware." All the necessary hardware was readily available.

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

Station management committee chairman Mossie van den Berg would not comment on the allegations He said most of the equipment had been scrounged from various sources, including auctions and sales.

Radio 702 MD Stan Katz said although he supported freedom of speech, he was opposed to the way Radio Pretoria had kept itself on the air. He said the system of temporary licences should be scrapped, and licensing left to an independent broadcasting authority.

Old rivals join forces to form centre

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

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

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

It said the ANC and Inkatha signatories should urgently request international observer missions and the SA Police to par-

sludge and grass seed sown

SADF 'did not supply radio equipment'

ARG 7/11/94 (260)

JOHANNESBURG — The Defence Force has denied supplying radio transmission equipment to the maverick rightwing broadcaster Radio Pretoria following the SABC's confirmation that it had rented technical equipment to the station

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

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

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

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

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

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

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

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

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

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

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

'TV favouring ANC'

JOHANNESBURG. — The National Party joined the Democratic Party yesterday in calling on the SABC not to screen a television programme about the history of the ANC called *Hold up the Sun*. (260)

The NP said in a statement that showing such a programme before an election would create the impression that the SABC was favouring the ANC. ARG 8/1/94

Douglas Gibson, southern Transvaal DP chairman, said "In South Africa's current election phase it surely constitutes political preferment of the most blatant kind." Screening should wait until after the polls — Sapa

DP: Stop ANC TV programme

JOHANNESBURG — The Democratic Party and the National Party yesterday called on the SABC not to screen a television programme about the history of the African National Congress called Hold up the Sun CT 8/11/94

The first in the five-part programme is scheduled to be shown on TV1 tomorrow (260) at 4pm.

"In South Africa's current election phase, it surely constitutes political preferment of the most blatant kind," said Mr Douglas Gibson, southern Transvaal DP chairman

He said the SABC should wait until after the election to screen the programme, scheduled for five consecutive Sundays

If the SABC did not agree to his demand the DP would appeal to the Independent Electoral Commission, and any other appropriate authority, to stop the SABC from converting itself "from a Nat lackey into an ANC lackey", he said

The National Party has joined the Democratic Party in calling on the SABC not to screen the television programme

The NP said in a statement the decision to show such a programme before an election created the impression that the SABC was favouring the ANC

It said it would put forward its complaint to the Broadcasting Complaints Commission — Sapa

Radio station war looms

WHITE mineworkers set up military-type fortifications around Radio Pretoria yesterday to repel possible moves by government forces to close down the transmitter. CI Press 9/11/94

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

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

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

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

Chairman of the broadcaster's management committee, Dominee Mossie van den Berg, also arrived to express his appreciation to the miners. (260)

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

ANC: DP objection petty, narrow

CT 10/1/94

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

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

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

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

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

The ANC would not have objected if a series on the history of apartheid, instead of resistance to apartheid, were to be screened, she said (260)

The first episode of Ulibambe Lingashoni, which was directed by former Cape Town journalist Lesley Lawson, was entitled Roots of Struggle, 1912-1948 — Political Staff, Staff Reporter

'Government cannot afford confrontation'

Radio Pretoria still broadcasting

Star 11/11/94

(260)

■ PRETORIA CORRESPONDENT

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

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

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

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

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

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

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

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

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

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

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

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

"Government cannot at the moment afford political confrontation," he said.



Barricades . . . trenches and sandbags surround the rebel radio station. PICTURE STEPHEN DAVIMES

Radio Pretoria licence extension refused

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

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

He said the rules for issuing temporary licences and granting permanent broadcasting status had been drawn up in accordance with the broadcasting industry. These rules had been accepted "on numer-

GAVIN DU VENAGE

ous occasions" by Radio Pretoria, Schutte said. B1Dag 11/1/94

A confrontation between right-wingers and government is now on the cards, and it could turn violent if police attempt to close down the Radio Pretoria transmitter at Donkerhoek outside Pretoria (260)

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

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

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

Independent monitoring of Radio Pretoria had shown that it had not complied with the conditions under which its licence had been extended, specifically those which prohibited political broadcasting.

Station management could not be reached for comment.

Film on ANC history slammed by NP and DP

ARG 11/1/94

Political Staff

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

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

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

The NP said the broadcast had gone ahead in spite of its and other parties' objections, and that it had now laid a formal complaint with the Broadcasting Complaints Commission The matter would also be taken up "at the highest level" with the SABC (HA 260).

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

In its comment, the DP yesterday said it would continue its opposition to the screening of the documentary It said its southern Transvaal regional leaders, Douglas Gibson and Tony Leon, would contact the chairman of the Independent Electoral Commission, Mr Justice JC Kriegler, to lay a complaint

Armed guards stop newsmen as Radio Pretoria soldiers on

ARG 11/1/94 (260)

☐ Station chairman appeals to supporters

The Argus Correspondent

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

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

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

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

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

Mr Van der Bergh said legal steps had been taken

Because the Minister of Home Affairs, Danie Schutte, has decided not to extend the licence, the station's management committee has decided to go to the Supreme Court

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

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

He gave no guarantee that force would not be used

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

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

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

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

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

Mr Schutte said in a statement yesterday that Radio Pretoria expected one set of rules to apply to it and a different set to apply to the other approximately 200 aspirant radio stations

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

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

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

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

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

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

"We are also awaiting the outcome the urgent Supreme Court application," a police spokesman said

Radio Pretoria goes to court

GAVIN DU VENAGE

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

It should have gone off the air at midnight on Monday when its temporary licence expired. 12/1/94

While station management launched a Supreme Court application to win back the right to broadcast, Postmaster-General Ters Oosthuizen said he was taking legal action against the station as the Radio Act had been contravened. (260)

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

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

Schutte said the station was expecting preferential treatment.

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

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

Media watchdog launched

(260) CT12/1/94

Political Staff

THE law establishing the Independent Media Commission (IMC) comes into effect today

The Independent Media Commission Act, which was passed last year, provides for the IMC to "ensure equitable treatment of all political parties by broadcasting services", during the election period

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

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

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

It will also monitor all state-financed publications and information services during the election period

Right-wing radio won't switch off

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

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

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

Radio Pretoria mainly broadcasts traditional Afrikaans "Boere" music, talk shows, interviews, and news with a distinct right-wing anti-government timbre. — Sapa

Radio rebels seek protection from the courts

Star 13/11/94

■ BY PETER DAVIES

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

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

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

Conradie said Radio Pretoria should not be viewed in the same light as other stations refused licence extensions. (260)

"We are talking about a nation's future. The Minister wants to try and fit us in the same category as other stations, but our interest is not commercial. Our aim is to get the Afrikaner volk back to God."

TEC delays broadcasting authority

Star 13/1/94

■ BY JACQUELINE MYBURGH

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

The TEC was to have discussed and implemented the Independent Broadcasting Authority Act on Tuesday night (260)

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

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

The TEC is expected to start advertising for nominations to the IBA tomorrow. The deadline for nominations has been shifted from January 21 to January 28

Sources said they expected the TEC to ratify these dates on Tuesday

Competition Board gives SABC guidelines

BD04 13/1/94

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

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

The institute had complained in October 1992 that the SABC was competing unfairly with its members following the corporation's restructuring in 1990, because it did not pay taxes and enjoyed other state-conferred benefits such as preferential tariffs on capital equipment.

The Competition Board said the

MARIANNE MERTEN

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

It recommended the following:

☐ Identifying the SABC's core and essential ancillary activities,

☐ Ensuring the SABC was not given exclusive advantages such as tax concessions, and (2 0 0 [illegible])

☐ Using appropriate controls to ensure the SABC charged market-related prices.

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

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

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

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

The institute is to meet SABC representatives for more discussions

strongholds for the ANC and ferrying wea- ● Comment: Page 4

No nominations received for broadcasting authority

ADRIAN HADLAND

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

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

The appointment of the chairman and six councillors must be ratified by the Transitional Executive Council (TEC). 13/1/94

Among the IBA's tasks in the run-up to the election is to ensure that radio and TV stations give political parties fair treatment.

But TEC co-chairman Dawie de Villiers said this week that not one nomination had been received.

The TEC agreed to postpone the implementation of the Act, which was to have been gazetted yesterday, and extend the nominations deadline until January 28.

It was hoped an advertising campaign would attract suitable applicants

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

□ GAVIN DUVENAGE reports Radio Pretoria management committee chairman Mossie van den Berg said the right-wing station would apply to the IBA a permanent licence "if and when this body is ever established". (260)

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

Ciskei govt stalls on TEC

ADRIAN HADLAND

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

He added, however, that a form of "interim" membership could be negotiated for the territory. 13/1/94

Following news earlier this week that Ciskei leader Brig Oupa Gqozo had committed the territory to joining the TEC, the spokesman said Ciskei's involvement at this stage would extend only to the participation of its military in the proposed peacekeeping force. (165)

Ciskei was still part of the Freedom Alliance and as such would not join the TEC until at least January 24, the latest deadline for the completion of negotiations.

The spokesman said Gqozo had agreed to join the TEC "on an interim basis" to secure civil service and security force jobs in the territory, which could otherwise be lost.

Matric failures examined

JACQUIE GOLDING

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

National Education Co-ordinating Committee (NECC) assistant general secretary Sipho Cele said the 38,3% pass rate reflected the decades of "Bantu and apartheid education". The "gross underresourcement dispensed to black education" was a major cause of the bad results.

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

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

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

The organisations said much change would come about in the education sphere this year. B/DAY 13/1/94

Cosas and NECC member Siphiwe Sahl reiterated the need to reopen vacant white schools. (582)

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

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

At a Johannesburg news conference yesterday, forum chairman Franklin Sonn described the DET's matric pass rate as a "tragedy for the whole country". He highlighted positive steps taken to ensure a better year.

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

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

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

focus on rebel radio

Sowetan 13/11/94

An embattled rebel radio station has become a leading torch-bearer for the rightwing, broadcasting hours of Afrikaner folk songs and calling on listeners to rally around the cause, a self-ruled Afrikaner state: (260)



ONCE masters of all they surveyed in South Africa, rightwing Afrikaners now have to broadcast their folk music from behind barbed wire and trenches

In the grasslands 30km east of the capital, Radio Pretoria broadcasts the rightwing message from a cramped hut surrounded by military-style defences

A transmission mast gives away the position of the station but the dirt road approach is guarded by a roadblock and signs in three languages forbidding entry

The broadcast hut and the tower are surrounded by earth ramparts, two circles of trenches and a three-metre chain link fence topped with razor wire

Armed guards patrol the fence and a wall of tyres filled with sand protects the announcers from bullets or bazookas

The defences were built to ward off any police action to shut down the station, which began broadcasting earlier this year after the airwaves were deregulated and the government issued temporary licences for several new stations

One of the conditions of the licences was that no political broadcasts be made, a condition the Government accused Radio Pretoria of repeatedly violating

In recent months a series of potential armed confrontations between broadcast authorities and Radio Pretoria have been averted by last-minute extensions to the station's licence

Radio Pretoria announcer, Ms Anieta Armand, said the station could not avoid discussing politics because politics was part of culture

"But we don't broadcast party political messages," she said

"We believe in live and let live, but we have to defend what is ours We cannot possibly become communists"

Radio Pretoria, which advertises itself as "Radio with borders", follows the line of the Afrikaner People's Front which demands self-rule for Afrikaners in their own state in the post-apartheid South Africa

It has become a leading torch-bearer for the rightwing, broadcasting hours of Afrikaner folk songs and issuing calls to listeners to rally around the cause

About 200 armed men responded to a summons for help that was broadcast when the Government last threatened to send technicians to shut down the transmitters

At present Radio Pretoria has a maximum range of 180km but Armand said it hoped to establish relay stations throughout the country in the coming months

This could give the station an important role in mobilising rightwing resistance to South Africa's transition to majority rule, due to culminate in the first nonracial elections on April 27

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

African National Congress spokesman Mr Carl Niehaus — himself an Afrikaner — said he "sincerely hoped" the station would not become involved in any kind of military role

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

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

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

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

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

Radio Pretoria and the untouchables

260 WM 4-13/1/94



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

CONSERVATIVE Party leader Ferdi Hartzenberg and General Constand Viljoen of the Afrikaner Volksfront this week called for the protection of freedom of speech and the "untouchable right" of Radio Pretoria to "state the case of Afrikaners"

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

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

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

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

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

Voice of Wits and Bush Radio, which had their transmitters sealed by Telkom upon instruction by the government, must have been watching Schutte's discomfort with interest. The message from the government now seems to be we'll close you down if you are unarmed students, but if you threaten force and refuse to go off air then you can keep on broadcasting

Since Schutte has baulked at the prospect of sealing the station's transmitter, the first act of the IBA council may have to be a punitive one At this stage Radio Pretoria has given no commitment that it will cease broadcasting when its licence expires, but closing down the station would be an inauspicious beginning for a body set to promote broadcasting freedom and the development of the industry

It is a pity, then, that Radio Pretoria's belief in freedom of expression does not extend to support for the new broadcasting dispensation and the IBA In fact, the rightwing station's armed defence of radio piracy amounts to a complete rejection of broadcasting regulation as practised in democratic countries throughout the world

It is widely accepted that without the fair and independent allocation of frequencies and licences there would be chaos in the broadcasting sector, with massive signal interference between stations

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

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

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

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

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

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

Radio Pretoria, on the other hand, does not face a military threat to wipe it off the plains of Donkerhoek The station could simply wait for the new IBA council to be constituted and apply for a renewable, four-year community radio licence It would win support for the application from the conservative Afrikaans-speaking community and the IBA would no doubt be impressed by the station's promotion of South African music

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

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

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

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

Michael Markovitz is a lawyer for Media and Broadcasting Consultants, Johannesburg

Government backs off uppity 'Radio Rightwing'

(260) WM & 7-13/1/94

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

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

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

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

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



Willem Ratte ... Digging in

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

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

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

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

On the other hand, Radio Pretoria has had the AVF leadership's backing from the start, with General Constand Viljoen delivering the inaugural speech on September 18 last year. The station has also become intensely symbolic to the right, who view it as their sole public voice, a veritable island in the encroaching sea of the new South Africa.

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

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

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

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

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

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

From next week, Radio Pretoria may pose the first test of the TEC, which will be staging its first full session in Pretoria on the day the licence expires.

■See PAGE 13

AWB's troubles grow

Jan Taljaard

WITH yet another of the Afrikaner Weerstandsbeweging's key militants behind bars and its leader once again tied up in a legal wrangle, the organisation is having more than its usual share of woes.

Last Friday "general" Japie Oelofse, leader of the AWB's Witwatersrand commando, and five other men were arrested in connection with a series of bombings on the West Rand.

A few days later, AWB leader Eugene Terre'Blanche appeared before a regional magistrate in Pretoria on charges relating to his refusal to appear before the Goldstone Commission.

At the same time, Wenkommando leader Dirk Ackermann is still in custody after being refused bail on charges linked to the storming of the World Trade Centre.

The legal setbacks have given rise to rightwing speculation that police may be trying to emasculate the AWB before the Transitional Executive Council moves into full swing in Pretoria.

The fact that Ackermann is the only man involved in the World Trade Centre debacle who has not been granted bail, certainly gives this some credence.

Ackermann, who is also under investigation for allegedly plotting to sabotage the Koeberg nuclear power station and army installations, is arguably the most militant of the cabal of "generals" leading the AWB.

In contrast with their lack of success in cracking leftwing terror cases, the police have an outstanding record in solving rightwing crime. From the late 1991 spate of bombing incidents by the right, the police have succeeded in bringing almost all the perpetrators — including MP Koos Botha and a host of lesser luminaries — to book.

These successes may be ascribed to a fact acknowledged by rightwingers: the high degree of infiltration by the police.

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AWB's troubles grow

Jan Taljaard

WITH yet another of the Afrikaner Weerstandsbeweging's key militants behind bars and its leader once again tied up in a legal wrangle, the organisation is having more than its usual share of woes.

Last Friday "general" Jupie Oelofse, leader of the AWB's Witwatersrand commando, and five other men were arrested in connection with a series of bombings on the West Rand.

A few days later, AWB leader Eugene Terre'Blanche appeared before a regional magistrate in Pretoria on charges relating to his refused to appear before the Goldstone Commission

At the same time, Wenkommando leader Dirk Ackermann is still in custody after being refused bail on charges linked to the storming of the World Trade Centre.

The legal setbacks have given rise to rightwing speculation that police may be trying to emasculate the AWB before the Transitional Executive Council moves into full swing in Pretoria

The fact that Ackermann is the only man involved in the World Trade Centre debacle who has not been granted bail, certainly gives this some credence.

Ackermann, who is also under investigation for allegedly plotting to sabotage the Koeberg nuclear power station and army installations, is arguably the most militant of the cabal of "generals" leading the AWB

In contrast with their lack of success in cracking leftwing terror cases, the police have an outstanding record in solving rightwing crime From the late 1991 spate of bombing incidents by the right, the police have succeeded in bringing almost all the perpetrators — including MP Koos Botha and a host of lesser luminaries — to book.

These successes may be ascribed to a fact acknowledged by rightwingers the high degree of infiltration by the police

Radio relies on court action for immunity

ARG 13/1/94 (260)

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

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

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

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

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

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

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

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

Compete fairly, SABC told

Star 14/11/94

■ BY THABO LESHILO

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

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

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

Safti chairman Carl Fischer immediately welcomed the decision.

"In 1990, independent film and television producers handled SABC contracts worth an annualised R156 million. In 1992, after the SABC formed its own business units (in 1990), the volume of those contracts fell to R97 million," said Fischer.

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

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

An SABC spokesman said the corporation would comment today.

Radio hot-shots

Growing demand for Govt to act against right-wing broadcasters

Star 14 July

WHILE some radio stations wait patiently for legal licences, others open at will, critics say

■ BY SUSAN SMUTS and MICHAEL SPARKS

A third right-wing rebel radio station has opened amid the chaos surrounding radio licensing, leading to growing demands that the Government take action against "pirate" broadcasters

Independent radio broadcasters waiting patiently for licences under the new broadcasting dispensation have demanded that the Right's stations be closed down.

But Postmaster-General Ters Oosthuizen, who has the authority to close the stations, said he would wait for the outcome of a Supreme Court injunction against Radio Pretoria before taking action

He denied accusations by critics in the broadcasting industry that the Government was ducking the issue by letting the courts decide the issue.

Radio Vryheid follows the establishment of Radio Koppies in the Free State last month and Radio Pretoria, which has defied Home Affairs Minister Danie Schutte by continuing to broadcast after the expiry of its licence this week.

The Transitional Executive Council on Wednesday delayed passing the Independent Broadcasting Authority Act because the IBA was not in place and could, therefore, not deal with licence applications.

Campaign for Open Media spokesman Raymond Louw described the establishment of the unlicensed right-wing stations as "radio gangsterism".

SABC radio executive head Govin Reddy said it was unfortunate the radio stations had embarked on an illegal path as licence allocations would be fair and equitable

The Government had a duty to act against the radio stations, Reddy said

ANC spokesman Carl Niehaus said "The Government was always very quick to seal the transmitters of radio stations such as Voice of Wits, and not granting radio stations like Solid Gold a licence, but now they refuse to act."

Media analyst David Niddrie said the law obliged the Government to seal the transmitter of a radio station broadcasting without a licence

But "at this point the issue is no longer about broadcasting, but about politics".

Louw said the radio stations had blatantly contravened the law; Schutte had failed to act

▶ To Page 3

Foreign experts to give SABC poll advice

Star 14/1/94

■ BY JACQUELINE MYBURGH

A team of foreign experts have been called in to advise the SABC on its election coverage, board chairman Dr Ivy Matsepe-Casaburri said this week.

Interviewed in her Auckland Park office, Casaburri indicated that the foreigners' experience of election coverage in their own countries and their guidance would go a long way towards helping the SABC deal with the inevitable criticism it would face over its news coverage.

The experts would train SABC staff and monitor their reporting during the election campaign

A special election unit was being set up in conjunction with SABC management and the board "because the board will take the flak if anything goes wrong".

Casaburri said she had been warned by politicians in Australia and Canada that the SABC would face a lot of criticism over its election coverage

"But if other public broadcasters have been seen as impartial, then why should it not be possible for the SABC to be objective?"

Nevertheless, she expected much condemnation

Responding to criticism over the decision to screen a five-part documentary on the history of the ANC, Casaburri said she had not been involved in the decision.



Matsepe-Casaburri . . . foreigners' experience will help avert criticism. PICTURE SEAN WOODS

260

Looking at the year ahead, Casaburri said she believed the manner in which news was defined had to be "revisited".

Guidelines for decision-making were therefore currently being explored, she said.

Asked about the SABC's policy of affirmative action, Casaburri said white staff at the SABC had no reason to fear for their jobs.

New moves at the SABC would simply result in a more competitive and dynamic atmosphere, where staff complements would have to accurately reflect the character of South African society, she said.

Two more right-wing pirate stations on the air

GAVIN DU VENAGE

TWO more right-wing radio stations have appeared in the past month, and they have not applied for broadcast licences. B 1Dec 94

They face legal action similar to that in which Radio Pretoria is engaged.

Home Affairs spokesman Niel du Bois said yesterday Radio Vryheid and Radio Koppies had not applied for licences

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

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

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

Radio Pretoria management committee chairman Mossie van den Berg said there were no direct links between the three stations.

He denied reports that Radio Pretoria was broadcasting from a second transmitter on the West Rand. 14/11/94

Du Bois said transgressions of the Radio Act of 1952 would invite legal action by the Postmaster-General, who was responsible for administering the Act. (2:20)

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

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

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

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

ANC calls on Schutte to quit in radio row

ARG 14/1/94 260

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

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

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

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

He called on the Transitional Executive Council to establish the Independent Broadcasting Authority as soon as possible to control all broadcasting frequency bands without bias — Sapa

More right-wing radio soon

CT 14/1/94 (260)

BLOEMFONTEIN — The country's third right-wing radio station, which will probably be called Radio Freedom, is being established outside this city

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

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

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

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

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

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

He said there were no direct links between the three stations — Sapa

Voice from the laager won't be silenced

Star 15/11/94

CAROLINE HURRY 260

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

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

The Boers have made a plan The listeners' laager is armed and ready for action

Seemingly unfazed by the furore surrounding the station, programme director and broadcaster Johannes van der Walt tucks into a leisurely plate of cornflakes and hot milk Clad in khaki shorts and a blue shirt matching eyes perilously close to the blowtorch variety, he speaks perfect English even through a mouthful of cereal

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

"Our news and views were being ridiculed," says Van der Walt. "Afrikaans music was totally minimised" To add insult to injury, SABC radio then practically *banned* boeremusiek.

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

Vetkoek recipes

The Voice had spoken. And the people rejoiced, snuggling into their familiar old comfort zones of religion, vetkoek recipes, political rhetoric and music to sakkie-sakkie to All on FM stereo 102,5, just to the er right of the Afrikaans programme.

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

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

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

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

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

Ag come on Danie, why don't you just give them their *donderse* licence?

Shutdown threat against right-wing radios

ER 5/1/94

260

THE Department of Posts and Telecommunications has said it will take action against right-wing radio stations that are operating illegally.

Postmaster-General Mr Ters Oosthuizen confirmed yesterday he had applied for a Supreme Court order prohibiting Radio Pretoria from continuing its broadcasts.

Radio Pretoria lodged an opposing application and was still broadcasting its regular programmes of light music and news yesterday afternoon.

Radio Pretoria continued broadcasts this week in spite of its temporary licence having expired.

Mr Oosthuizen applied for an order that the Post and Telecommunications Department be allowed to carry out its duties in terms of the Radio Act of 1952.

Radio Koppies in the Free State has been on the air for about a month and Radio Vryheid is being set up near Bloemfontein. Neither had applied to the Department of Home Affairs for a licence, a department spokesman confirmed.

Senior general manager of Posts and Telecommunications Mr Boet van Loggerenberg said yesterday the department did not have the technology to jam radio broacasts of illegal radio stations.

He said the department had become aware of the illegal radio stations only when the matter had been reported in the media.

"It is a very sensitive issue and we can't make public what we intend doing," he said.

Mr Oosthuizen said there appeared to be a misconception that until the Independent Broadcasting Authority Act became operative, anybody could claim a frequency and operate a transmitter without juridical control. — Staff Reporter, Sapa

ANC bid for stake in SA's TV industry

260
ARG 15/11/94

MANDY JEAN WOODS
Weekend Argus Correspondent

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

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

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

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

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

SAI last month announced it had acquired an 18 percent stake in the gambling and lottery management company called Games Africa.

State may be billed for TV education

Education Reporter

THE SABC might start charging the state for broadcasting education programmes, SABC board head Ivy Matsepe-Casaburi has said.

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

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

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

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

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

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

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

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

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

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

But this legitimacy crisis had a positive aspect, Dr Matsepe-Casaburi argued

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

Court bid to stop Radio

Thousan like lea

LSD ('look see and dec

KEITH ROSS
Weekend Argus Correspondent



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

Many are clearly considering new homes overseas because of the uncertainty facing this country, say travel agents here.

"They are going on what I call LSD trips — look, see and decide trips," said Rennies Travel managing director Lilian Boyle. "It is very sad, but I believe a lot of them will not return. Others have obviously already made up their minds to emigrate

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

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

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

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

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

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

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

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

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

TV education channel likely

CT 15/1/94

State may pay part of costs

Staff Reporter

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

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

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

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

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

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

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

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

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

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

If South Africans wanted foreign and American productions then it would be a challenge to the SABC to produce good local programmes that reflected South Africanism and the emerging democratic value system

Electrical inspection costs to be reduced

ESKOM and the Manpower Department have devised a mechanism to reduce the cost of property owners' electrical installation inspection bills, estimated at R80m.

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

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

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

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

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

ROBYN CHALMERS

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

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

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

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

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

the elections, including a multi-million-rand business fund".

Cosatu said 100 of its leaders would attend the ANC's list conference at the weekend. (140A)

of community controlled defence units had been "naive and misguided, both militarily and politically".

He said: "Members took

Mokaba said

He called on the youth to campaign to eradicate criminals in the townships

Right-wing stations defiant

CONSTRUCTION and fortification of right-wing radio stations continued apace at the weekend despite legal action by Postmaster-General Ters Oosthuizen, who has applied to the Supreme Court in Pretoria for an order banning further transmissions. B1D04

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

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

Other independent stations were forced off the air after Home Affairs Minister Danie Schutte refused to renew or grant temporary licences pending the establishment of the Independent Broadcasting Authority by the Transitional Executive Council (TEC). 17111994

However, the TEC has yet to set up the authority and is still receiving nominations for its membership. (260)

Radio Pretoria has taken on a symbolic significance for right-wingers, who are continuing to improve its fortifications. The broadcast centre is surrounded by barbed wire, trenches and towers, and armed men patrol the area.

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

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

GAVIN DU VENAGE

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

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

Last week Radio Pretoria committee chairman Mossie van den Berg said the station would apply to the broadcasting authority for a permanent licence "if and when this body is ever established". However, the station would not go off the air

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

Schutte dismissed the call for his resignation as ridiculous.

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

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

If the courts ruled against right-wing broadcasters he had no doubt they would proceed with their "acts of defiance".

Screening of ANC history: SABC hears complaint today

ARG 17/1/94 (260)

Political Correspondent

THE Broadcasting Complaints Commission of South Africa is to hear a formal complaint today by the National Party over the SABC's screening of a five-part history of the ANC, *Ulibambe Lingashoni — Hold Up The Sun*

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

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

The Democratic Party has also objected to the programme

Today's hearing in Johannesburg is being headed by the chairman of the commission, Professor Kobus van Rooyen.

Both the SABC and the NP were expected to be represented.

investigations into the [illegible]

NEWS

Struggle film bought, says SABC

The SABC was not given free use of the documentary on the history of the struggle against apartheid, but paid market-related rates for the programme, according to television head Quentin Green. Star 19/1/94

He was giving evidence at the hearing of the Broadcasting Complaints Commission of SA on Monday, after the National Party had lodged a complaint against the screening of the programme, claiming it gave the ANC an unfair advantage just before the election. (260)

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

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

— Staff Reporter.

Electoral court men approved

Own Correspondent

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

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

Mr Justice T Mahomed of the Transvaal and advocate Mr Jan Heunis of the Cape Bar were appointed by the TEC while Judges J W Smalberger, J M Didcott and P J van der Walt were Judge President appointees to the court.

The Independent Media Commission will be chaired by Judge J Trengove and comprises Namane Magua, Raymond Louw, Willem de Klerk, Jenny Malan, Zubeida Jaffer and Libby Lloyd.

An interim party liaison committee was also established yesterday.

Star 20/1/94

Panel rules against NP over TV series

(260)

■ BY MICHAEL SPARKS

The complaint lodged by the National Party against the television screening of a history of the liberation struggle has been unanimously rejected by the Broadcasting Complaints Commission of SA.

BCCSA chairman Professor Kobus van Rooyen said yesterday the series *Ulibambe Lingashoni* (Hold up the Sun) contained mostly commentary by ANC officials, making it biased in the ANC's favour

But, he added "This was corrected by the fact that for many years only a white perspective of South African history had been broadcast by the SABC. In this broader context the programmes were thus not unfair to the National Party."

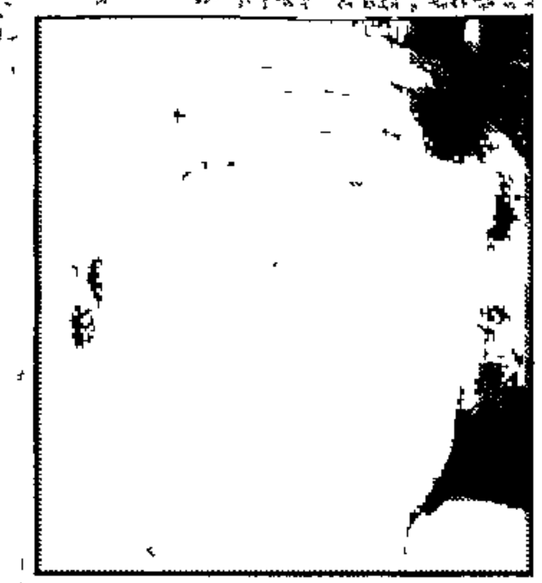
The NP had lodged the complaint, saying that since the programme was being broadcast shortly before the April election, it gave the ANC an unfair advantage.

Van Rooyen said the panel had come to the unanimous conclusion that even if the programmes were unfair, they did not contravene existing broadcasting legislation because they filled in on a part of the country's history.

"There is little doubt that the vast majority of South Africans know little about the history of the liberation struggle"

He added that the SABC had indicated that it was prepared to broaden the discussion by providing for a discussion of the main issues raised in the programme, to be screened in a similar time slot

National Party media spokesman Marthinus van Schalkwyk said he was astonished by the decision



Van Rooyen . . . programmes not unfair.

R850m to be spent on electrification drive

BIDAM 20/11/94

AS PART of its drive to bring electricity to 900 000 homes by 1998, Eskom is planning to spend R850m on a total of 250 000 new connections during 1994

In 1993 the corporation spent R584,4m on more than 294 600 connections.

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

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

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

The average cost per connection in 1993 was R2 799 while this year the cost would escalate to R3 400 per connection, he said

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

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

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

Since the start of its electrification drive

MICK COLLINS

in 1991 Eskom has spent more than R1bn on more than 500 000 connections

Yesterday Eskom said these included 385 358 direct connections in townships (informal settlements included), as well as 28 772 completed by farmers (farm workers' houses) and 92 378 installed by municipalities for which Eskom had paid an incentive of R400 a connection.

"The incentive to farmers and municipalities is to speed up the electrification process," it said (260) (55)

In the past year it had made more than 208 000 direct connections in townships, informal settlements and self-governing territories where it had access compared with the planned 158 100.

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

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

"Total direct connections for the 1991/93 period per distributor (not including those done by farmers and municipalities) were Bloemfontein 70 764, Cape Town 41 020, Durban 100 895, Johannesburg 76 691 and Pretoria 95 988"

Complaint about ANC TV series rejected

BIDay 20/11/94

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

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

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

TIM COHEN

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

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

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

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

Soal said the SABC was increasingly partial to the ANC and called for the resignation of SABC board chairman Ivy Matsepe-Casaburri She and senior ANC people nominated as election candidates should resign from the SABC or reject their ANC nominations. (260)

Matsepe-Casaburri was not available for comment yesterday.

Using radio as a teaching tool

Sowetan 29/11/94

By Bongani Mavuso

THE Open Learning Systems Education Trust has launched its radio learning project at several primary schools throughout the country. (260)

Olset is an independent, nonprofit and non-governmental organisation which specialises in the application and uses of technology to address educational needs in South Africa. (22)

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

The project is aimed at sub standard A and B pupils The pupils are taught English through the use of half-hour audio programmes, integrated work books and colourful wall charts and posters

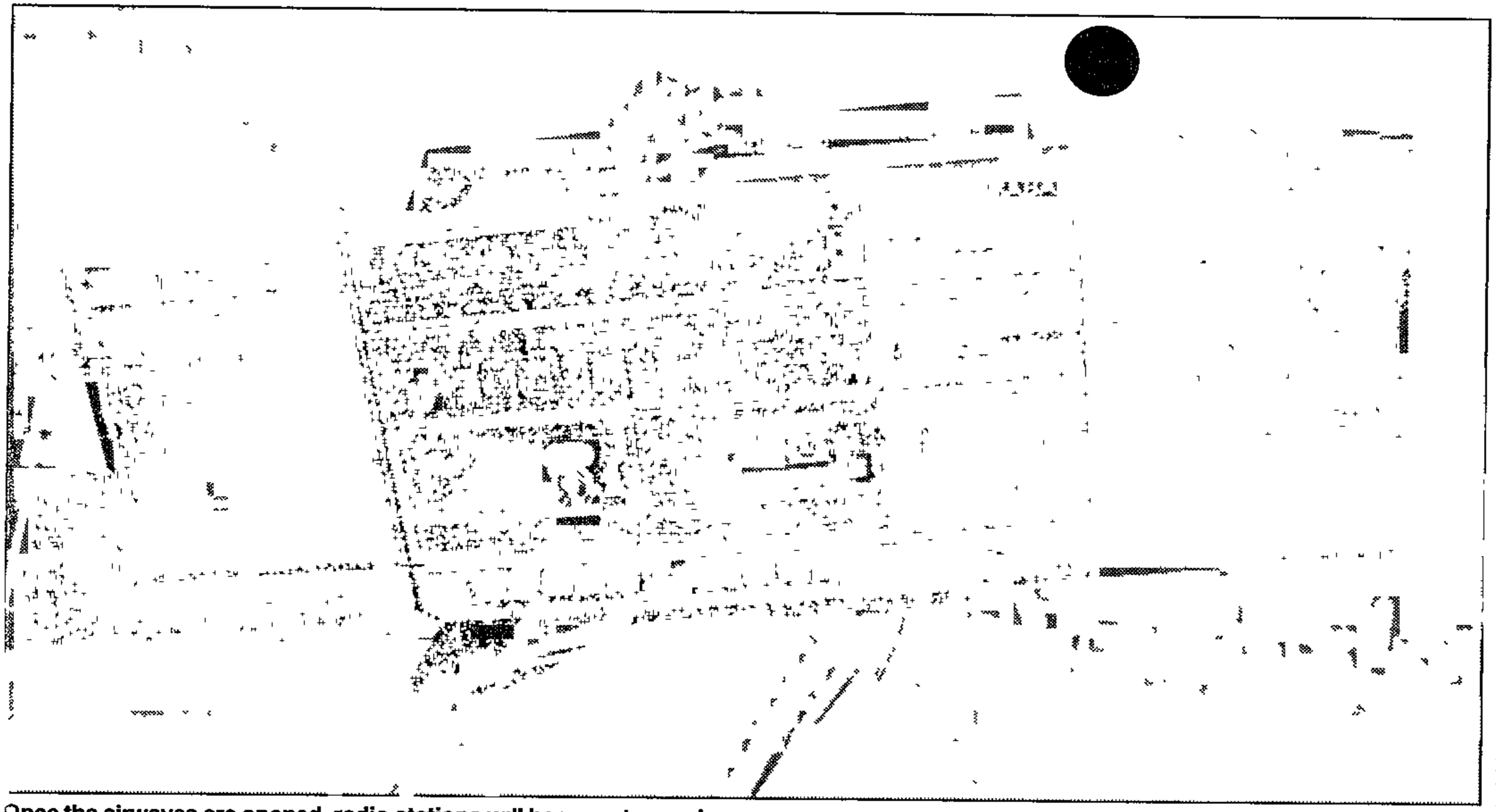
The teachers explore the new language teaching methods as they lead the radio classes supported by comprehensive teacher's notes, in-service audio programmes and additional written material

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

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

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

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



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

PHOTOGRAPH STEVE HILTON-BARBER

Battle of the broadcasters and the bureaucrats

Temporary radio stations are going off the air, but they won't follow Radio Pretoria's illegal path or operate as pirate

TEC delays freeing airwaves

Weekly Mail Reporters

into effect.

Now they will be allowed to run their own

Radio Pretoria won't replay Schanskop

(260) WM 14-20/1/94

Jan Taljaard

TEMPORARILY granted a breather by the machinations of the supreme court, Radio Pretoria has this week nevertheless been readying itself for a showdown that it knows cannot be postponed forever.

But while those involved with the rebel radio station have ostensibly been preparing themselves for a physical onslaught by digging trenches and erecting armour-plated watchtowers, it was on the psychological front that the battle was most keenly felt this week.

Not wanting to relive the ignominious siege of Fort Schanskop in early December, the rightwing is this time determined to take control of the moral high ground.

Piet le Roux, the Pretoria Boerekommando commander in charge of security arrangements at Radio Pretoria, indicated as much last Saturday when he told reporters that passive resistance will form the first recourse if the authorities should decide to close the station down by force.

"We will call upon hundreds, and even thousands, of our supporters to gather around the station unarmed. They (the government forces) will have to carry us out if they want to close us down," he said.

This change from the usual blood and gore rhetoric has its roots in the aftermath of the Fort Schanskop episode, when rightwingers who had occupied the vacant historical fort left rather bedraggled after it became clear that their bluff was going to be called.

Rightwing sources say that with the wisdom associated with hindsight, the strategists have since come to the conclusion that it would have served a much better purpose if

THE two young men in jeans and baseball caps who strolled into the CTFM offices with their demo tape weren't expecting to find a radio station there CTFM operates from a sound studio, and the youths were looking for someone who'd listen to the first demo tape made by their band out in Paarl. They left with station manager John Butterfield promising them airplay Somehow it's difficult to imagine that happening at Auckland Park

The Cape Town-based CTFM is one of the independent radio stations that have operated on temporary broadcast licences over the past few months It was ready to go off the air at midnight on Tuesday, four days before the expiry date on its licence All the stations which were granted temporary broadcasting licences by the Department of Home Affairs were made to sign affidavits pledging to go off the air the day before the introduction of the IBA Act, and the station had been informed that the Act was coming into effect on Wednesday

Other stations, whose licences expired before CTFM's, went off the air earlier Among these is C Flat Radio, a community station serving the Cape Flats, and linked to the community newspaper *People's Express*

As things stand now, CTFM may continue to broadcast until its licence expires on Saturday. The need to conjure up four extra days of programming has not broken the station's determination to keep broadcasting for as long as is legally possible Butterfield is holding on to the hope that CTFM will be granted an extension to its licence with effect from Saturday.

The past week's confusion over CTFM's licence to broadcast is just one develoment in the protracted story of independent broadcasters versus the Department of Home Affairs

The broadcasting legislation that existed late in 1993 empowered the minister of home affairs to grant temporary licences to independent broadcasters, and rightwing Radio Pretoria has had its licence extended in response to its threats of violent defiance Yet the experience of both C Flat and CTFM points to a bureaucracy making things as difficult as possible for broadcasters to get a licence

CTFM's first application — for a three-month licence — was not even acknowledged, recalls Butterfield, who runs the station with fellow manager Lucrecia Rodrigues

CTFM then applied for a 50-day licence Again there was no response but a phone call from a TEC official said there had been a misunderstanding Permission could not be granted for more than a 31-day continuous period — with a further 20 days "at the discretion of the department"

"When we asked 'why didn't you write and tell us that', they said 'that's not the policy of the department'," Butterfield says Getting the 31-day licence required yet another application C Flat's Jeffrey Kleinsmith believes his station's experience reflects a reluctance by Home Affairs to grant a licence to a station initiated by black people

"We were turned down for a temporary licence seven times, even after they renewed Fish Hoek Radio's licence," he says Fish Hoek Radio is a Christian community station in a white suburb of Cape Town C Flat eventually got its licence late in November last year, more than 12 months after its first application

Kleinsmith is angry about the apparent ease with which Radio Pretoria had its licence granted and extended, in spite of transgressing most of the conditions laid down by the Department of Home Affairs

"We won't go on without a licence and we will wait for the establishing of the IBA. But all parties must be treated equally," Kleinsmith insists "If the current situation is allowed to continue, the SABC and the far right will be the only voices before the election "

There is no knowing how long the selection process for the IBA will take, or how long after that the authority will begin operating Kleinsmith hopes the IBA will be in place before April 27, with stations committed to party-political neutrality and to voter education

There has been speculation that Radio Pretoria's refusal to switch off may force the TEC to [illegible] other independent broadcasters The alternatives would be to use force against Radio Pretoria, or to be visibly guilty of applying double standards — both of which would be politically embarrassing

Neither CTFM nor C Flat plans to follow Radio Pretoria along its intended path of pirate broadcasting For one thing, they've done everything by the book so far, so as not to ditch their chances when the IBA takes over. For another, the Cape stations differ from Radio Pretoria in not having their own heavily-guarded transmitters

"We use transmitters owned by Sentech, which is ostensibly a private company but is actually as parastatal as the SABC," Butterfield says "They can pull the plug at any time. If we go pirate we'd last 12 hours It's not even a consideration " But while C Flat has had to go off the air and CTFM may still have to do the same, the stations have no intention of disappearing

Kleinsmith says C Flat's training programme will continue while the station is off the air He points out the importance of this resource in a community which previously has had no access to broadcast training

Meanwhile, the guys from Paarl may not be hearing their band's music on the air Butterfield claims that 50 percent of CTFM's music airplay is given over to local artists Most established stations feel they're doing well if they notch up 10 percent Debates on topics like prostitution, drug use and gay rights could also disappear from the airwaves just as Capetonians are starting to get used to them Both C Flat and CTFM have specialised in airing talk shows on subjects politely avoided by the SABC

The next time you turn on your radio and hear a doctor speaking frankly about having smoked dagga, you'll know who's won the battle of the broadcasters and the bureaucrats

[illegible] Act to take effect — thus delaying the deregulation of the airwaves

A new date will be set on Monday, according to a TEC spokesman.

The IBA Act should have come into operation on Wednesday, January 12; but on Tuesday the TEC said no one had been nominated to serve on the IBA.

The expected power vacuum had the IBA Act come into effect without the existence of an IBA had not gone unnoticed by independent broadcasters whose temporary licences would have expired the moment the Act came [illegible] another application — the thirty-[illegible] of the rightwing radio station which has continued to broadcast, even though its temporary licence expired on Monday night.

The TEC says it will begin a new campaign, inviting nominations for an IBA via advertisements, a procedure it neglected the first time.

TEC people were talking this week about the need for transparency and public participation in what sounds like a lengthy process before the IBA is constituted — although some observers say the TEC is going to try to appoint an IBA by the end of the month.

with paint rollers and brushes.

By whitewashing the walls, restoring their "cultural heritage" and refusing to leave, it would have been difficult for security forces to remove them by force. In this way the rightwing could have scored a propaganda victory, the strategists now reason.

The fact that the Schanskop siege was not sanctioned by the Afrikaner Volksfront (AVF) leadership merely served to exacerbate the tensions.

Radio Pretoria is determined not to repeat the mistakes. In comparison, at least two factors are very different: firstly, Radio Pretoria is viewed by rightwingers not just as an historical curiosity but as probably their most valuable asset; secondly, the AVF leadership went to great lengths this week to prove its solidarity with the radio station.

On Tuesday morning, Conservative Party leader Ferdi Hartzenberg, deputy leader Willie Snyman and MP Daan Nolte also turned up at the station. In interviews, all of them expressed their support for the broadcasts to continue.

Admitting that the station will not be able to withstand an armed onslaught by security forces, Le Roux and the men under his command nevertheless went ahead with preparations to counter just such an attack.

Last Saturday members from the all-white Mineworkers' Union (MWU) arrived in droves to set up defences around the station. A carnival atmosphere reigned as sandbags were filled and trenches dug. Four watchtowers were unloaded by crane from a flatbed truck.

The camouflaged watchtowers were originally part of a consignment intended for Eskom, before they became surplus stock and were subsequently bought by members of the MWU.

To survive a siege of the station apparently also forms part of the rightwing's plans. On Monday night broadcaster Anieta Armand called upon listeners to bring tinned food, a water cart and dieseline to the station. The dieseline is intended for feeding the generator if the authorities should decide to cut the electricity, as in the case of Schanskop.

In the meantime, it looks as if the strategists behind Radio Pretoria may at least be getting some sympathy from an unexpected source: the foreign press, which has produced various reports supporting the station's right to freedom of speech. Small wonder they get preferential treatment at the station.

'ANC-biased' programme will go on

(260)

THE controversial documentary Hold Up The Sun was ANC-biased, the SABC's Broadcasting Complaints Commission conceded yesterday — but screening would continue because the SABC had favoured programmes from a white perspective in the past

The complaint was brought by the National Party, who said screening of the documentary during the run-up to the elections was unfair and prejudicial to the NP

Commission chairman Professor J C W van Rooyen said in his judgment yesterday that there was "little doubt" the film was "one-sided" and severely critical of the National Party

But this was not unfair, he said

Because of apartheid legislation and SABC policy, the "liberation struggle" had never been broadcast on SABC, which had concentrated on South African history from a white perspective, he said

Hold up the Sun was the SABC's first attempt to introduce viewers to the liberation struggle, he said

NP spokesman Mr Marthinus van Schalkwyk described the commission's logic as "astounding"

"To use past bias to excuse present bias is hard to understand," he said

The ANC's Mr Carl Niehaus welcomed the decision as a "corrective" process CT 20/1/94

"It is a well-made history programme about a period of history which, because the ANC was banned for 30 years, has been withheld from the people of South Africa," Mr Niehaus said

● SABC under the whip — See Page 6

NP: More TV propaganda

260

Staff Reporter

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

ACT 20/11/94

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

"It's propoganda. They are giving the ANC too much prime time TV," said Mr Quintus Kilbourn, media official for the NP.

NATIONAL

Radio Pretoria: Plea to court

260
ARG 20/1/94

The Argus Correspondent

PRETORIA. — Argument began in the Pretoria Supreme Court today in the matter between the Afrikaner Kultuurbond, the Minister of Home Affairs and the Postmaster-General in which the Kultuurbond is challenging the minister's interference in the rightwing radio station, Radio Pretoria.

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

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

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

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

Postmaster-General Ters Oosthuizen applied for an order to declare the station's transmissions unlawful and to allow his officials entry to the premises to seal its transmitters.

DP calls for 'fearless' watch

CT 20/1/94 (260) (3482)

Political Staff

THE appointment of the Independent Media Commission (IMC) was welcome because the SABC was becoming a tool of the ANC, the Democatic Party's media spokesman, Mr Peter Soal, said yesterday

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

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

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

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

The chairperson of the SABC board was a member of the ANC and she should resign from the board or from the ANC, Mr Soal said

ANC won't interfere with SABC – Jordan

Star 21/11/94

■ BY KAIZER NYATSUMBA
POLITICAL
CORRESPONDENT

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

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

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

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

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

260

Imbalances

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

Questions posed to the team ranged from the ANC's view on affirmative action to the SABC's funding.

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

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

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

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

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

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

Radio Pta defies court's gag order

Star 21/11/94

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

Mr Justice F C Eloff, Judge President of the Transvaal, ruled in the Pretoria Supreme Court yesterday that the station's broadcasts were illegal (2160)

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

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

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

SABC halts screening of 'ANC' series

Star 21/11/94

■ BY MICHAEL SPARKS

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

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

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

TV1 general manager Brenda Koornneef yesterday said that the executive committee of the board decided that the final two episodes of the five-part series would be held back. (260)

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

■ According to the Competitions Board, the SABC should stop discriminating against independent producers in favour of its in-house units. The decision came after complaints by the SA Film and Television Institute

Radio Pretoria ready to defy court order

B/Day 21/1/94

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

Judge President C E Eloff said the Kultuurbond-controlled radio station had "tauntingly" continued its activities despite the fact that its temporary licence expired on January 10. (260)

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

STEPHANE BOTHMA

be ordered to shut down operations.

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

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

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

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

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

☐ To Page 2

Radio Pretoria

B/Day 21/1/94

☐ From Page 1

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

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

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

CP leader Ferdi Hartzenberg said the democratic principle of freedom of speech would not be served by taking the station off the air. The situation should be defused to prevent "incalculable consequences".

Youngsters expect war during elections, poll finds

BDay 21/1/94

EDWARD WEST

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

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

It found that although blacks and whites were polarised on politics and security, more than 90% of whites and 87% of blacks expected violence to increase in the short term.

Four-fifths of black people and 22% of whites distrusted the police. Of those aged 18 to 25, 89% of whites and 80% of blacks planned to vote in the elections — a voting bloc representing one-sixth of all votes.

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

One percent of blacks and 11% of whites would vote for the Inkatha Freedom Party, while 8% of blacks and 0,4% of whites would vote for the PAC. The CP attracted no black votes, but was supported by 20% of whites.

The SACP attracted 1% support from blacks and none from whites. Azapo attracted 0,4% support from blacks and no white votes. Eight percent of blacks and 18% of whites did not know what party to support.

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

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

On education, 55% of whites and 48% of blacks had confidence in the current education system, but 89% of blacks and 73% of whites felt schools provided no future direction.

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

The greatest agreement was found on morality issues, with 93% of whites and 90% of blacks taking a tough stand on hard drugs, while 73% of whites and 67% of blacks were against the use of dagga.

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

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

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

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

SABC postpones full screening of ANC's history

BDay 21/1/94

THEO RAWANA

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

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

The SABC said the decision not to screen the final two episodes "applied to the 90 days preceding the April 27 election". However, the third programme in the five-part documentary would be screened this Sunday, it said.

TV1 GM Brenda Koornneef said the decision had been taken by the SABC board "in consideration of a completely fair balance between all political parties".

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

She said the commission had accepted TV1's intention to broadcast a panel discussion programme to allow different views to be expressed about Hold up the Sun after the final episode was screened.

TV1 would rescreen all five episodes after the election, she said.

The NP said the fact that the SABC board had backed down on the programme showed it was giving preferential treatment to the ANC.

Illegal Radio Pretoria 'defiant'

PRETORIA — Defiant Radio Pretoria supporters yesterday vowed to continue broadcasting in spite of a Supreme Court ruling forbidding the station from further transmissions. (260) CT 21/1/94

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

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

'Highly irresponsible'

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

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

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

The Afrikaner Volksfront later yesterday voiced its disappointment at the court's decision, saying the government's efforts to silence the station were unacceptable — Sapa

SABC stops ANC series

260
CT 21/1/94

JOHANNESBURG — The SABC yesterday announced it will not screen the last two episodes of the African National Congress documentary Hold up the Sun

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

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

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

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

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

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

Meanwhile Democratic Party media spokesman Mr Peter Soal welcomed the appointment of the Independent Media Commission because the SABC was becoming a "tool in the hands of the ANC"

Radio Pretoria to defy ban by Supreme Court

(260)
ARGT 21/1/94

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

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

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

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

An appeal would be lodged against the court ruling, Mr Van den Berg said. — Sapa

ANC pledge to SABC: No interference

260

Political Staff

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

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

He said the ANC cherished freedom of the Press and would not seek to turn the corporation into its own mouthpiece. ARG 21/1/94

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

The ANC was opposed to the privatisation of the SABC, he added

Star 22/11/94

Move to speed up broadcast body

PROSPECTIVE radio broadcasters and the ANC have established a pressure group to speed up implementation of the Independent Broadcasting Authority, which is to allocate private broadcasting licences. (240)

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

Broadcasting pressure on

JOHANNESBURG — Prospective radio broadcasters and the African National Congress have established a pressure group to speed up the implementation of the Independent Broadcasting Authority (IBA), which is to allocate private broadcasting licences. (260)

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

The IBC called for the immediate granting of "development" broadcast licences. T 22/1/94

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

Would-be broadcasters, ANC form new radio pressure group

ARG 22/11/94 (260)

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

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

The IBC called in a statement for the immediate granting of "development" broadcast licences

"New broadcasters need a development phase during which research, development and training may be conducted prior to the finalisation of the IBA and its eventual allocation of broadcast licences"

It would request a hearing at the Transitional Executive Council to inform them about the wider implications of the delay in the IBA's promulgation

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

The IBA legislation was seemingly being used "for the convenience" of certain organisations — an unacceptable situation, the IBC said

"Radio Pretoria continues to broadcast with impunity while the minister responsible has publicly abdicated his responsibility in this regard

"At the same time many business applicants, who have already undertaken to promote voter education and assist in community development, are being denied licences More than 200 radio licence applicants are denied access to the airwaves, while foreign services like Sky TV, CNN, BBC, etc, are dominating those same airwaves through the auspices of the SABC," the IBC said

Minister of Home Affairs Danie Schutte says his efforts to establish the Independent Broadcasting Authority, were blocked during multiparty negotiations in June last year

He was reacting yesterday to the call by the IBC

While agreeing that the IBA needed to be implemented immediately, Mr Schutte said issuing development broadcast licences now would give licence holders "an unfair foot in the door

"The fact is that there are already more than 200 applicants to which only between 30 and 40 permanent radio licences will be granted," he said in Pretoria

"It is important that the playing field remains as level as possible (before the implementation of the IBA)" — Sapa

FW wants rightwing broadcasts silenced

(260)

ARG 22/11/94

Weekend Argus Correspondents

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

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

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

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

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

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

He said that technicians visited the radio station yesterday.

Meanwhile, Chris Conradie of Radio Pretoria confirmed that technicians visited the station at about 3 pm yesterday but it was decided they would not risk sealing the transmitter without having a manual and the necessary know-how.

■ See page 14

Weekend Argus,

Radio, TV need control — DP

(260) ART 22/1/94

DAVID YUTAR
Weekend Argus Reporter

THE controversy surrounding the ANC documentary, *Hold Up The Sun,* illustrates the need for an independent broadcast authority in South Africa, says Democratic Party media spokesman Peter Soal

Mr Soal was reacting to the outcry about the intended screening of the historical documentary on SABC-TV

The SABC has decided to abort the screening of the final two episodes of the five-part series after a furore over the scheduled broadcast

The trouble began when the National Party complained to the SABC's Broadcasting Complaints Commission that the screening during the run-up to the April 27 election was partisan and unfair

Initially commission chairman J C W van Rooyen gave the screening the go-ahead because in spite of its bias it redressed a previous imbalance in SABC broadcasting policy

Calling for "the democracy of the dial" Mr Soal said it was imperative for South Africa to have a fully independent and democratic broadcasting policy allowing for a multiplicity of politically varied broadcasts

Mr Soal said "Essentially the Independent Broadcasting Authority — the body which will oversee broadcasting after the election — will take away the government's authority to issue broadcasting licences

"By handing this authority to an independent authority, the IBA's function will be to look at the full spectrum of broadcasters and to issue a coherent licence policy"

He added that the government should "use all its power to seal Radio Pretoria's transmitters" because the Supreme Court had ruled their broadcasting illegal

Mr Soal said although under an independent broadcasting authority Radio Pretoria should be licensed as "it fulfilled a function", this did not mean he had to listen to it

Mr Soal appealed for more radio stations for greater cultural and political diversity

She makes waves for the Boers

260
ARG 22/11/94

■ It would take more than a bout of bronchitis to silence the Voice of the Volk. Barefoot and clad in a swirling blue gypsy skirt, Anieta Armand, the darling of the Boer nation, sits surrounded by flowers, gifts and get-well cards from her people

CAROLINE HURRY, Weekend Argus Correspondent

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

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

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

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

However, Anieta says she is apolitical "Politics has nothing to do with my work I like to see myself as an objective, rational reporter I have never even belonged to any political party Perhaps I am too much of a pioneer and an independent spirit I am simply a conservative Afrikaans woman But, you cannot separate politics from culture

"If the government wants to stop me speaking my own language, it becomes political If the government prevents me from displaying the flag of my country or singing the national anthem and songs of my country, it becomes political

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

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

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

"But we are Boers and also want a place of our own We need to get back to our roots, to feed the plant of our culture This is what our radio station symbolises to us That does not mean we want to stagnate or go back to the 1940s History teaches us that we never learn from history All we want is to retain the values that are important to us and that we have a right to"

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

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

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

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

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

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

"At times, when the station has been threatened by the government, I have called out on the air for reinforcements, and within minutes I have been able to summon about 2 000 armed soldiers from the AWB's Wenkommando and all over"

Media workers, IFP to hold Press workshops

ARG 24/1/94

The Argus Correspondent

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

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

In a joint statement the IFP and Mwasa said they had openly and frankly discussed the increasing number ofattacks on media workers

They decided to hold workshops "that will deal with mass media education and the role of media workers"

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

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

The meeting was part of Mwasa's programme to meet various political parties and organisations "to highlight violence and intimidation against its members".

260

Radio: PO head ponders next move

(260)

ARG 24/11/94

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

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

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

His officials had gone unarmed

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

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

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

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

Some of them joked about having seen post office officials helping to dig trenches and place sandbags at the site. — Sapa.

Right-wing radio network being planned

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

A major transmission network, expected to be operational soon, will stretch from Hartbeesfontein in the western Transvaal through the Free State to Bloemfontein, and from there to Upington in the northern Cape 25/11/94

The AVF aims to establish a "people's network" over a large part of the country

In addition to Radio Pretoria, still broadcasting illegally, four radio transmitters were recently set up in the Free State and a fifth is being built in Bethlehem

The AVF envisages an FM stereo service on 104,1 Mhz from next month. (260)

It is reported that another right-wing radio station, Radio Ysterberg, is to start broadcasting from Pietersburg soon — Sapa.

Star 26/11/94

FW enters debate on Radio Pretoria

■ BY NORMAN CHANDLER
PRETORIA BUREAU

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

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

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

An appeal has been lodged against the court decision.

President de Klerk became embroiled in the controversy over the right-wing station — broadcasting from a hilltop at Donkerhoek 20 km east of Pretoria — when he held a meeting about it with the Minister of Telecommunications, Dr Piet Welgemoed, and Postmaster-General Ters Oosthuizen yesterday (260)

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

Oosthuizen said today, that "an aggressive assault was out of the question until the full legal process had run its course".

He also said the Government did not want to close down the station merely for the sake of it, but essentially because its broadcasts were interfering with radio transmissions for which licences had been obtained.

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

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

THREE men drowned yesterday after their car plunged into Port Elizabeth harbour. police said. The

tion in 1993 and even stronger growth was forecast in 1994, di-

Seifsa economist Michael MacDonald

Peacekeepers start their training

B/Day 25/11/94

JOHANNESBURG — Sapa-Reuter reports that more than 3 600 men from the SADF, SAP, Umkhonto we Sizwe, Transkei, Venda and Ciskei began peacekeeping force training at General de Wet camp near Bloemfontein yesterday.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lombard loses fraud appeal

SUSAN RUSSELL

BANKRUPT businessman Christoffel Lombard, jailed for 12 years in 1992 on charges relating to forex fraud of more than $1bn, lost an appeal yesterday in the Rand Supreme Court against his conviction and sentence.

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

The court upheld his conviction on all counts as well

Radio station seeks leave to appeal

B/Day 25/11/94

STEPHANE BOTHMA

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

Sapa reports the matter was discussed by President F W de Klerk, Telecommunications Minister Piet Welgemoed and Postmaster-General Ters Oosthuizen yesterday. However, the outcome of the meeting was not disclosed (260).

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

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

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

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

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

The station site has been turned into a military fortress, with Angolan war veteran Cmdt Willem Ratte, who led the Fort Schanskop siege, responsible for security.

Time rapidly running out for Alliance

ARG 25/11/94

Political Staff

TIME for an agreement involving the Freedom Alliance, the government and the African National Congress was finally running out today with little prospect of a settlement

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

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

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

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

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

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

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

Second call for SABC board to quit politics

260 ARG 25/11/94

Political Correspondent

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

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

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

Last week the Democratic Party made the same plea

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

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

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

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

SABC board under fire

MARCIA KLEIN

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

He told a conference on restructured radio broadcasting yesterday that if the SABC was to have a powerful investigative thrust — informing the public and ensuring that elected officials were accountable — the board had to be seen to be independent and impartial BIDay 26/11/94

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

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

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

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

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

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

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

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

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

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

● Comment: Page 4

Broadcaster to see minister

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

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

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

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

Until then, the job of issuing temporary broadcasting licences remained with the Ministry of Home Affairs — Sapa

(260) ARG 26/1/94

Open airwaves will hit SABC

Star 27/11/94

BY JACQUELINE MYBURGH

The deregulation of broadcasting and the establishment of new radio and television services could mean a loss in advertising revenue of up to R500 million for the SABC, group chief executive Wynand Harmse said yesterday (260)

He was speaking at a conference in Johannesburg on the future of broadcasting

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

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

Focused

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

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

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

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

TEC to act on pirate stations

B/Day 27/11/94

ADRIAN HADLAND

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

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

The TEC is considering nominations for the authority, which is charged with ensuring equal access to the airwaves for all political parties in the run-up to the election. (260)

The Independent Broadcasting Authority Act of 1993 will be promulgated by President F W de Klerk tomorrow while the authority itself is likely to be appointed next week.

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

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

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

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

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

Translux still unsure of bus disaster's cause

ADELE BAILEY

NO CONCLUSIONS had been reached in Autonet's preliminary investigation into the Translux bus crash in the Free State which claimed 15 lives earlier this month, Autonet CE Jan Venter said yesterday.

The expert's report commissioned by Autonet said the road surface about 330m before the bridge from which the bus plunged had been "totally unacceptable" by provincial and international standards.

The report had discounted several possible causes, including technical failure, excessive speed and driver fatigue.

Technical failure had been eliminated as a factor owing to a lack of supporting evidence.

Driver fatigue had been judged an unlikely cause as the driver had been at the wheel for only 40 minutes, having taken over from his co-driver in Bethlehem.

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

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

Alleged eyewitness Hannes Jacobs's claim that another vehicle had been involved in the accident was still being investigated. However, Venter said, Jacobs had since disappeared.

Venter noted that Translux had transported more than 3-million passengers since its inception in 1986 and that this had been the first accident involving loss of life. "I believe our safety record is impressive."

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

SABC may lose R800m

PRIVATE broadcasters would cost the SABC up to R800m in lost advertising revenue, group CE Wynand Harmse told a Johannesburg conference on radio broadcasting yesterday. B/Day 27/11/94

He said the loss could be made up once the airwaves were opened up through state funding, licence fees and levies on private broadcasters. (260)

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

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

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

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

Sanderson has threatened to switch on his Solid Gold station tomorrow with three other broadcasters if government failed to resolve the licensing issue. — Sapa.

Station 'playing for time'

PRETORIA — Postmaster-General Ters Oosthuizen yesterday again turned to the Transvaal Supreme Court for assistance to get Radio Pretoria off the air.

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

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

About 200 licence applications were

STEPHANE BOTHMA

pending, while only 35 frequencies were available. B/DAY 28/11/94

Counsel for the Postmaster-General J W Louw said "It would cause irreparable harm if other radio stations also started broadcasting illegally." (240)

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

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

☐ To Page 2

Radio station

B/DAY 28/11/94

☐ From Page 1

seek the court's assistance.

"Reports of armed men guarding the premises could lead to bloodshed if that action is taken and could even lead to loss of life," he said (240)

F C Eckhardt, for the Afrikaanse Kultuurbond, which controls the rebel station, told Judge F C L Roos that continuing its operations was a matter of principle.

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

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

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

Judgment will be delivered on Monday.

Ex-SABC staff haggle over jobs

By Glenn McKenzie and *Sapa*

THREE disgruntled former SABC workers staged a sit-in at the corporation's Auckland Park headquarters yesterday

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

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

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

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

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

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

Airwave deregulation delay

Star 31/11/94

■ BY JACQUELINE MYBURGH

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

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

Nominations for posts on the IBA closed on Friday

The rest of the Act, enabling the IBA to take over control of the airwaves, will become effective at the end of February.

"So whether Minister Danie Schutte likes it or not, Radio Pretoria is still his baby," one source said. (260)

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

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

Thereafter, public hearings will be conducted and the TEC will make a recommendation to the State President, who will make the final appointments

ARG 31/1/94 (260)

Radio Pretoria is ordered to shut down

The Argus Correspondent

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

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

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

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

During argument Mr Van den Berg said that to cease broadcasting until the appeal against the order was heard would cause the station harm as it would not be able to fulfill its advertising contracts, which were needed to cover the station's R100 000 budget The station's 21 employees would also be without work

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

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

Radio Pretoria could not immediately be reached for comment

Posters follow ban on Radio Pretoria

Star 1/2/94

260

BY NORMAN CHANDLER
PRETORIA BUREAU

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

The station was still on the air today despite the court giving the Postmaster-General's department the right to close it down.

Talks were held in Pretoria yesterday at the request of the Afrikaner Kultuurbond — owners of the radio station — with President de Klerk and various members of the Cabinet, including Telecommunications Minister Piet Welgemoed and Home Affairs Minister Danie Scutte

Also present was Postmaster-General Ters Oosthuizen.

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

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

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

The department is considering the application.

Way open for interim broadcast licences

260

CT 11/2/94

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

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

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

Home Affairs Department spokesman Mr Johan Christensen confirmed that among the 20 applications already received was a re-application for a temporary licence by Radio Pretoria

Mr Christensen said it was decided not to consider temporary licences while the court case against Radio Pretoria was still under way

Radio Pretoria defies new order

ADRIAN HADLAND

PRETORIA — Defiant Radio Pretoria, ringed by armed members of the Pretoria Boere Kommando, continued broadcasting from Donkerhoek yesterday afternoon despite a new Supreme Court order to close immediately. B1Day

Postmaster-General Ters Oosthuizen, who lodged an urgent application to seal the station's transmitter, met Communications Minister Piet Welgemoed to "consider options" after the court judgment, a department spokesman said. (260)

The decision on what action to take against the station was likely to be implemented today. 112194

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

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

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

Radio Pretoria's defiance could cause chaos in the industry as more than 200 applications had been received while only

To Page 2

Station defiant

B1Day 112194

From Page 1

35 frequencies were available, he said.

Roos said while there was merit in the Kultuurbond's argument that no one was hurt by the station's broadcasts, it could give no valid reason why the first court order had been ignored. Roos could not understand why another temporary licence could not be awarded. (260)

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

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

Radio deregulation could add 30 stations

B/Day 1/2/94

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

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

Varnals said changes could result in 30 additional stations.

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

Assuming there would be community broadcasts, there was likely to be

Reports by
MARCIA KLEIN

an erosion of adspend on regional and local print, local cinema, flysheets and handouts, and this could result in an increase in adspend on radio.

Varnals said the SABC had estimated private radio stations could take R200m of the adspend cake. In 1992 total radio spend was R351m.

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

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

Looking at trends in the US, she said there was a preponderance of adult contemporary, "light mix" and variety stations, but news/talk and sports formats were increasing, and the number of country music stations had jumped. (260)

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

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

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

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

Bid to resolve radio dilemma

CT 2/2/94 (Z6)

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

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

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

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

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

Radio Pretoria compromise plan

B/Day. 2/2/94

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

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

It will have to be approved by the TEC, which meets again on Tuesday. If it is, Schutte will be empowered to issue temporary licences to radio stations, including Radio Pretoria. (2600)

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

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

"The heat has been taken out of the

DAVID GREYBE

Radio Pretoria issue," he said

He emphasised, though, that the plan would have to be approved by the TEC.

Government sources said it was highly unlikely the postmaster-general would seal Radio Pretoria in the meantime.

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

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

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

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

Radio Vryheid manager Alex Danzfuss said the station would try to broadcast legally and that he was positive an agreement on a licence could be reached

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Star 2/2/94

Let-off for rebel radio

(200)

■ BY JACQUELINE MYBURGH

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

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

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

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

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

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

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

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

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

'Let TEC enter fray in radio rumpus'

Star 2/2/94

■ BY JACQUELINE MYBURGH

A group of would-be community broadcasters has sharply criticised a Government plan to resume allocating temporary broadcasting licences.

National Community Radio Forum (NCRF), consultant Willie Currie said the TEC should step in to deal with the impasse created by the delay in establishing the independent broadcasting authority (IBA).

According to Government sources, the IBA will only start looking at broadcast licences in September. Home Affairs Minister Danie Schutte this week asked the broadcast industry to assist him in setting up a new system of licence allocation during this "interim period".

Currie said the Minister had shown partisanship in the election period when a degree of neutrality was required.

Home Affairs' inability to close down illegal right-wing Radio Pretoria, after having sealed the transmitters of Radio Bush and Voice of Whis last year, showed that the minister was "not a neutral and fair person", he said.

Rules

Currie has suggested that, in the absence of the IBA, a sub-council to the TEC be set up to deal with the 200 applications for broadcasting licences.

(The TEC) is allowing the situation to get out of hand and letting the minister set his own rules, Currie said.

Niel du Bois, a spokesman for the minister, said the suggestion that a "baby IBA" be set up was ridiculous since the Government had battled for three years to get the IBA established.

NCRF chairman, Ata Mkhwanazi said 10 community radios in the Pretoria area alone were ready to start broadcasting. They would initially focus on voter education and after the election they would address development and education.

A source at the TEC said it was unlikely that the council was considering intervening in the licensing crisis. However, next Tuesday the TEC is expected to appoint a selection panel to conduct the public interviews of candidates for the seven posts on the IBA.

Radio Pretoria silences itself and waits for minister's announcement

The Argus Correspondent

PRETORIA — Radio Pretoria was silent today as aspirant broadcasters and Home Affairs Minister Danie Schutte met to thrash out guidelines for the granting of temporary licenses to independent broadcasters

The rebel radio — which has broadcast illegally since its temporary licence expired at the end of November, in spite of various attempts by the Postmaster-General to close it — silenced itself today to wait for an announcement by Mr Schutte tomorrow.

Home Affairs spokesman Neil du Bois said today that submissions for guidelines and criteria for independent broadcasters had been received from individual parties on Tuesday and that today's discussions at the World Trade Centre would hopefully sort out some differences.

Consensus had been achieved that some regulation or limit to the number of independent broadcasters must be allowed and much common ground was shared by all parties, Mr Du Bois said

But there were a few differences which would have to be addressed at today's meeting, he said.

In a statement last night, Radio Pretoria chairman Mossie van den Berg said the radio's management committee had decided to close after a judgment by the Pretoria Supreme Court and today's discussions with the minister.

He also said Radio Pretoria had applied for a new temporary licence.

At least 30 independent broadcasters have applied for licences.

Today's meeting will address the possibility of an interim way of granting licences until the Independent Broadcasting Authority (IBA) has been established and is in a position to take over the task

The IBA was to have taken responsibility for the granting of licences in January, but delays in its formation could see it only up and running late in the year.

(260) 3/2/94

The Argus, Th

New radio licence rules

ADRIAN HADLAND

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

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

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

Radio Pretoria, which has twice been barred from broadcasting by the Supreme Court, ended its transmissions yesterday in anticipation of Schutte's announcement.

A shortlist for broadcasting authority commissioners is being drawn up by the TEC. The list is likely to be published this month and comments will be invited from the public for two weeks.

The commissioners will be appointed by the TEC after public hearings.

Broadcast deal expected today

(260)

JOHANNESBURG — The Minister of Home Affairs, Mr Danie Schutte, is expected to grant broadcasting licences to several independent stations, including the controversial Radio Pretoria, today, Solid Gold spokesman Mr Tony Sanderson said yesterday

CT 4/2/94

He said the minister, post-master general Mr Ters Oosthuysen,. and representatives of independent radio and the National Association of Broadcasters were among those who met at the World Trade Centre yesterday

Mr Sanderson said the minister would make an announcement this morning "on a basis leading up to the sitting of the Independent Broadcasting Authority"

However certain licence restrictions would be imposed These included a maximum advertising time of six minutes an hour and a maximum broadcasting time of 14 hours a day

Mr Sanderson said the move appeared to be a way of resolving the show-down between the government and Radio Pretoria which, he added, only broadcast for 14 hours a day — Sapa

Agency for International Development for conflict resolution initiatives.

Poor NP showing 'bad for SA'

A POOR showing by the NP in the forthcoming elections would be "bad news" for SA, President F W de Klerk said yesterday.

He was speaking in an interview broadcast live on the London-based Sky News TV from the World Trade Centre, after the NP congress there

The challenge facing the NP was to do well in the election so it could "lead the process of further democratisation" afterwards

"We don't have a final constitution," said De Klerk, referring to the constitution-making body to be set up after the poll to draw up a new constitution based on the interim one hammered out at multiparty talks.

DAVID GREYBE

Another reason why the NP had to do well was so it could play its role in formulating joint policy and programmes in the government of national unity

"If we don't do well it will be bad news for this country," he said.

It was important also that the new government created an "investor-friendly climate ... in step with what the free world demands", he said.

De Klerk predicted a "surprise" NP result in the poll "I am convinced we can achieve the biggest percentage of the vote," he said. The NP had already won over a key component of South Africans.

A majority of coloureds, Indians and whites already supported the NP. The NP needed only a significant percentage of black voters — not the majority — to back it for the NP to gain the biggest share of the vote in April.

He was convinced the NP would achieve this.

De Klerk said he would not be waging a "dirty" election campaign against the ANC, even though he still believed the ANC was a "dangerous" party because of its SACP ties.

While it would be "easy" to attack ANC president Nelson Mandela, De Klerk said he preferred to "play the ball, not the man".

Groups launch code of conduct for pupils

A PROJECT to establish a code of conduct for pupils and teachers, aimed at restoring a culture of learning and teaching in about 200 Transvaal schools, was launched yesterday by a wide range of organisations.

Political, labour, civic and educational organisations were involved in the launch.

The National Education Conference (NEC) yesterday said the campaign was aimed at ensuring that pupils, parents and teachers participated effectively in the running of schools. A comic book would be produced to facilitate discussions that would ultimately lead to the drafting of a code of conduct by individual schools.

JOHANNES NGCOBO

NEC project co-ordinator Bigboy Tsipane said a workshop would be held tomorrow to identify 200 schools and facilitators which would pilot the project.

He said facilitators would be trained by Idasa and be required to run workshops for parents, teachers and pupils.

New radio licence rules

ADRIAN HADLAND

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

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

Radio Pretoria, which has twice been barred from broadcasting by the Supreme Court, ended its transmissions yesterday in anticipation of Schutte's announcement.

A shortlist for broadcasting authority commissioners is being drawn up by the TEC. The list is likely to be published this month and comments will be invited from the public for two weeks.

The commissioners will be appointed by the TEC after public hearings.

Media 'police' given power

CT 4/2/94

By BARRY STREEK
Political Staff

HEAVY penalties can be imposed on people who obstruct the Independent Media Commission or flout its rulings — but only registered political parties can lodge complaints to it

This was disclosed yesterday by the commission's chairman, Mr Justice John Trengrove, in a statement about the new commission's role in monitoring broadcasting services and state-financed publications

The IMC had been appointed by the Transitional Executive Council "to ensure that the broadcasting services treat political parties equitably during the election period"

It also had the task of ensuring that state-financed publications and state information services were not directly, or indirectly, used to advance the interest of any political party

"This work is intended to promote and contribute towards the creation of a climate favourable to free political participation and a free and fair election"

Any person who wilfully hindered the commission, any committee or any commissioner in the performance of his or her duties; was liable on conviction to a maximum fine of R5 000

Anyone who failed to comply with the ruling of the IMC flowing from the adjudication process was liable on conviction to a maximum fine of R100 000

Judge Trengrove said complaints of unbalanced and unfair political coverage should be brought to the attention of the commission by a political party which considered itself to be disadvantaged

"The commission will not be receiving complaints from individual members of the public"

All hearings of complaints to be adjudicated by the IMC would be heard in public, he said

The other IMC commissioners are Dr Namane Magau, Mr Raymond Louw, Dr Willem de Klerk, Ms Zubeida Jaffer and Ms Libby Lloyd

Monitors to ensure fair play

Radio free for all

CT 5/2/94 (260)

Fifteen stations granted licences

PRETORIA. — The airwaves have been opened with 15 radio stations, including five in Cape Town, being granted temporary licences yesterday by Home Affairs Minister Mr Danie Schutte.

A showdown between the government and one of the 15 stations, the barricaded right-wing Radio Pretoria, was averted with the announcement.

This is part of an interim measure until the Independent Broadcasting Authority, "which could take months" to establish, can grant permanent licences.

Five in Cape

Mr Schutte said at a news conference here he was also considering granting temporary licences to a number of new entrants to the industry, subject to advice from an advisory committee, which would hold its first meeting on Monday

"I believe the dispensation will promote stability in the broadcasting industry, ensure orderly use of frequencies and help to implement a well-structured industry," said Mr Schutte

He stressed the interim measure was in line with a decision by the Transitional Executive Council that parts of the IBA Act would be implemented

The Cape Town stations granted temporary licences are Radio Fish Hoek, CTFM, Radio C Flat, UCT Radio and Peace 91,3FM

Mr John Butterfield, station director for CTFM, said last night the announcement was "wonderful" The station would start broadcasting on Monday morning

He said the process to keep going had been fraught with problems, but CTFM had chosen to co-operate fully with the authorities in its bid to obtain permission to broadcast.

"It's been difficult, but we're thrilled," he said

Mr Butterfield said he was not satisfied with a condition that the stations broadcast for only 14 hours a day, but said CTFM would adhere to all conditions "because we do see this as a springboard to a permanent licence"

Radio Pretoria — which has been fighting government attempts to close it down for weeks — was broadcasting shortly after Mr Schutte's announcement, playing Boesmanland among other songs

The stations which received temporary licences are Radio Fish Hoek, Rhodes Music Radio, Radio Cidade, Showtime Music Radio, Peace 91 3 FM, Solid Gold Radio Pretoria, Buffalo Distributors Group Community Radio, Voice of Wits, Radio Tuks, Radio C Flat, UCT Radio, Radio Enterprises (CTFM) Tygerberg Christelike Radio Stasie and Middelburg Stereo Music

The preconditions temporary broadcasters would have to observe were agreed on in negotiations between Mr Schutte, the industry, aspirant broadcasters, postmaster-general Mr Ters Oosthuizen and interested parties this week.

Transmitter

One of these is that no temporary broadcaster may lay claim to preferential treatment when the IBA issues permanent broadcasting licences

Another is that temporary broadcasters will be subject to the rules laid down by the Independent Media Commission

Meanwhile, it has been confirmed that the Afrikaner Volksfront (AVF) is setting up a radio transmitter at Grootkop between Viljoenskroon and Vredefort in the western Free State

An AVF official in Ottosdal in the western Transvaal, Mr John Butler, said people living in Ottosdal, Hartebeesfontein, Stilfontein, Orkney and Klerksdorp would be able to pick up pro-Volkstaat broadcasts soon — Sapa Staff Reporter



ON AIR Wasting no time last night between celebrating the granting of their temporary broadcast licence and hasty preparations to go back on air on Monday were CTFM production assistant Mr Dean Thompson, station director Mr John Butterfield and creative director Ms Lucrecia Rodrigues. Picture ANNE LAING

Fires wreak havoc but wind likely to ease

Staff Reporter

A 55-KNOT south-easter is expected at Cape Point today but the gales that fuelled fires around the Peninsula yesterday are expected to abate

The powerful winds had firemen battling to extinguish a fire in the Marconi Beam squatter camp, Milnerton, yesterday The blaze destroyed more than 50 shacks, including three churches, a school and shops

A five-year-old boy was slightly burnt when the fire, sparked by a faulty paraffin stove, broke out Many residents escaped with only the clothes they were wearing

Blackened metal frames were all that was left of the pews of the African Native Mission Church, which doubles as a school All bibles and school books were destroyed

"It was quick — like lightening,' said preacher Mr Nkonzo Colani "My bibles my pulpit, the school books are totally burnt."

Authorities reported 10 grass fires between 2pm and 4 30pm

More than 200 shacks were destroyed by fires

A new dimension of lightness

DUNHILL

15 radio stations get temporary licences

(260)
ARG 5/2/94

KARIN SCHIMKE
Weekend Argus Reporter
and Sapa

THE airwaves have been freed ... temporarily.

Yesterday Home Affairs Minister Danie Schutte announced temporary broadcasting licences had been granted to 15 radio stations — including rightwing mouthpiece Radio Pretoria.

The move was part of an interim dispensation until the Independent Broadcasting Authority was established and permanent licences could be granted, he said.

The licences were given on a number of conditions, the main ones being that the stations broadcast only 14 hours a day and that none of the 15 demand permanent licences at a later stage on the basis of their temporary grants.

Stations are allowed to start broadcasting from today.

They are Radio Pretoria, Radio Fish Hoek, Rhodes Music Radio, Radio Cicade, Showtime Music Radio, Peace 91.3 FM, Solid Gold, Buffalo Distributers Group Community Radio, Voice of Wits, Radio Tuks, Radio C Flat, UCT-Radiocampus, Radio Enterprises, Tygerberg Christelike Radio Stasie and Middelburg Stereo Music.

Mr Schutte told a news conference in Pretoria he was considering granting temporary licences to a number of new entrants to the industry, subject to advice from an advisory committee, which would hold its first meeting on Monday.

He said the guidelines and preconditions to which temporary broadcasters should adhere were agreed in negotiations between himself, people in the industry, aspirant broadcasters, Postmaster-General Ters Oosthuizen and other interested parties.

The guidelines include:

- No temporary broadcaster may lay claim to preferential treatment when the IBA issues permanent licences,
- The advisory committee will advise Mr Schutte on the merits of new applications and attend to complaints of transgressions of guidelines under which the temporary licences have been granted, and
- All temporary broadcasters will be subject to the rules and regulations laid down by the Independent Media Commission

TEC asked to avert storm over SA's airwaves

By ZANELE VUTELA CP1022 6/2/94

IT is up to the TEC to avoid total chaos on the airwaves by granting the Home Affairs Minister permission to grant temporary broadcasting licences at its meeting on Tuesday

This is the view of aspirant broadcasters who have been waiting for the problem of licences to be solved since June last year when the Bill on broadcasting was passed

Home Affairs spokesman Neil Dubois said 200 licence applications have been received

Last Monday minister Danie Schutte called a meeting of broadcasting industry representatives and aspirant broadcasters to discuss the delays

This was after Radio Pretoria had refused to go off the air in spite of losing court battles, and other stations had threatened to ply the airwaves.

At the meeting it was agreed the delays could no longer be tolerated and Schutte was mandated to convince the TEC that it was necessary to grant temporary licences. (260)

SMR radio co-owner Allan Munro told City Press that as far he was concerned, this week's meeting was constructive and he expects the situation to clear at the TEC's Tuesday meeting

"If no one foolishly puts a spanner in the works, we could see a number of people going on the air by the end of this month," he said

He was sure that the new temporary licences would not be limited to 30 days as at present, but would last until the Independent Broadcasting Authority was on its feet and able to issue permanent licences

ST Times
Local [G.I. Metro]

Local radio gets SA slot

6/2/94

By GLENDA NEVILL

PEACE 91.3 fm returns to the Cape Town airwaves this week and in a surprise development, the service is to be broadcast nationally for four-and-a-half hours a day.

This follows the announcement by the Minister of Home Affairs, Mr Danie Schutte, on Friday that 15 radio stations, including right-wing Radio Pretoria, have been granted temporary broadcasting licences.

Martin Bailie, who manages Peace FM with Ramotena Mabote and Neil Johnson for the regional and national peace structures, said the frequency for national transmissions was under negotiation. (260)

In Cape Town, six stations have been granted licences. Peace 91.3 fm, Radio Fish Hoek, Radio C-Flat, UCT Radio, Radio Enterprises (CTFM) and Tygerberg Christelike Radio Stasie. ~~(244)~~

Silenced

Absent is community station Bush Radio, a subsidiary of the Caset Education Trust, which was launched with a flourish in April last year before Telkom silenced it by seizing its modulators and sealing its transmitters.

There is already confusion as two of the city's most popular metropolitan stations, Peace 91.3 fm and CTFM both use the 91.3 frequency.

Mr Bailie said the station's temporary licence had been granted for the 91 3 frequency

"Comparison cannot be drawn between the two stations as CTFM is a commercial venture whereas Peace Radio is fulfilling to the letter the idea of community radio."

15 stations get licences to broadcast

ADRIAN HADLAND

PRETORIA — Fifteen radio stations, including Radio Pretoria and Solid Gold, were granted temporary broadcast licences at the weekend by Home Affairs Minister Danie Schutte.

Schutte said the temporary licences had been awarded as an interim measure and would be reassessed once the Independent Broadcasting Authority had been established.

The broadcasting authority is in the process of being appointed by the TEC, but is unlikely to sit until after the election. B/Day

The temporary licences would not give any radio station the automatic right to preferential treatment, Schutte said. 7/2/94

The licences would be granted subject to the availability of frequencies as well as an agreement to abide by guidelines and preconditions negotiated this week by Schutte, Postmaster-General Ters Oosthuizen and industry representatives. (2&0)

Guidelines include creation of an advisory body to consider new applications and field complaints and adherence to media commission regulations.

Radio stations which received temporary licences include Radio Fish Hoek, Radio Cidade, Showtime Music Radio, Peace 91,3FM, Solid Gold, Radio Pretoria, Radio C-Flat and Middelburg Stereo

Short-term temporary licences were issued to UCT Radio, Voice of Wits, Radio Tuks, Rhodes Music Radio and Buffalo Distributors Group Community Radio.

Broadcasters get temporary licences

15 radio stations to take to the air

Star 7/2/94

■ STAFF REPORTER

Independent radio stations are getting ready to take to the air again following Home Affairs Minister Danie Schutte's announcement on Friday that he had granted temporary licences to 15 radio stations, including Radio Pretoria.

But Showtime Music Radio's Alan Munro said he was "not performing cartwheels and somersaults" of joy at the announcement since this was the sixth temporary licence his radio station had received.

Each licence meant preparation and Showtime was still awaiting a frequency.

However, Munro said he was thrilled that the radio station would be on the air for six to eight months before the licence expired.

SA Local Broadcasters Association (Salba) spokesman Andre Walters welcomed the granting of temporary licences as a necessary period for the broadcasting industry to find ways of accommodating the new radio stations.

MINISTER gives go-ahead because of delay in setting up of Independent Broadcasting Authority 260

Salba members were amenable to "switching off" when the Independent Broadcasting Authority was in place, and did not intend pressuring the IBA over the granting of permanent licences, he said.

Schutte said in a press statement he had issued the licences in view of the delay in the setting up the IBA and after consultations with people in the industry.

According to the guide rules, temporary licensees would not have any claim to permanent licences once the IBA was in place.

A committee is to advise Schutte on the merits of granting new temporary licences, the handling of complaints and the monitoring of temporary licensees.

Schutte said the measure should provide stability in the industry, ensure the orderly use of frequencies and help to set up a well-structured industry.

Temporary licences were granted to Radio Fish Hoek, Rhodes Music Radio, Radio Cidade, Showtime Music Radio, Peace 91.3FM, Solid Gold, Radio Pretoria, Buffalo Distributors Group Community Radio, Voice of Wits, Radio Tuks, Radio C-Flat, UCT Radio, Radio Enterprises, Middelburg Stereo Musiek and Tygerberg Christelike Radiostasie.

Star 8/2/94

Peace promised 'in our airtime'

A new radio station, Peace 2000 FM, aimed at providing hope and vision to South Africans, is due to be launched on February 14, the National Peace Secretariat announced yesterday. (260)

Broadcasters

Peace 2000 FM, which is based in Cape Town and sponsored by businessmen as well as local and international organisations, boasts a host of popular broadcasters.

The new station will feature documentaries, talkshows, music, news and weather. — Staff Reporter.

CTFM can't switch on yet

LOCAL radio station CTFM — one of 15 stations granted temporary licences last week and expected to begin broadcasting yesterday — is still off the air

The station has been told to wait for licence documents to be processed by the Postmaster General, staff said yesterday

CTFM staff said the frequency the station operated on in December — 91,3FM — had not been reallocated to them

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Peace 2000 FM aims to transmit "hope and vision" to South Africans, the National Peace Secretariat said yesterday The secretariat, which set up the station, said it would use Radio 2000's existing licence

Community station Radio C-Flat is to begin broadcasting from Ottery on February 24 It will feature news, drama, talk-shows and voter education aimed at English, Afrikaans and Xhosa listeners on the Cape Flats

UCT Radio, which was also granted a temporary licence last week, plans to broadcast off-campus from Sunday — Staff Reporter, Sapa

(260) CT 8/2/94

The controversy surrounding illegal broadcasting by Radio Pretoria has underlined the need to move speedily to establish the Independent Broadcasting Authority, which will be charged with regulating the airwaves. ***David Dison*** *looks at the IBA's future role*

The IBA's task: to tune in all of us

Star 8/2/94

260

If the broadcasting frequency spectrum was a one dimensional axis uncluttered by existing occupiers, an Independent Broadcasting Authority could hand out a slice of the action to all consumers and let the consumer decide on where to flip the dial.

However the new IBA in South Africa will be confronted with regulating a finite broadcasting frequency spectrum which has been dominated by a State broadcasting corporation which had become the de facto regulator, allocating to itself and the TBVC states the frequencies that were required.

The task of the IBA, therefore, will be a sensitive one, calling for the varied skills of diplomacy, frequency planning, broadcasting, business expertise and adjudication.

While having to deal with pressures from the commercial and community broadcasting sectors to grant licences, the IBA's primary role in the first phase of its life will be to re-regulate the national public broadcaster and the TBVC broadcasters, in consultation with those broadcasters.

If the IBA fails in this initial task, its ability to re-regulate broadcasting in South Africa under what I believe to be a rational and even-handed system that is provided for in the IBA Act, will be severely hampered.

It is for this reason that Section 28(8) of the Act requires the IBA, before it issues any licences, to conduct an inquiry into the role of the public broadcaster, in particular the protection and viability of public broadcasting services with particular reference to financing such services.

Whatever criticisms there are of the process which led to the selection of a new SABC board, the fact of the matter is that the process has facilitated a situation whereby the board and its management now have the potential for developing a truly independent perspective in relation to the role of the national public broadcaster An appropriate time to judge whether this process was a success or failure will be after the elections. The SABC's role during this election will come under the harsh spotlight of the IMC and other monitoring groups.

Whereas before the SABC has always been under the control of the ruling party, the SABC is now in a process of restructuring itself as the national public broadcaster The chairperson of the SABC board, Dr Ivy Matsepe-Casaburri was recently quoted as saying "The SABC needs to look at its enormous credibility problem. And this means affirming the majority of South Africa — to staffing, of course but also through programming, vision and a whole new value system."

At the first IBA inquiry, which should take place within the next few months, the SABC board will be given the opportunity of presenting themselves to an independent regulatory authority and defining the role of the national public broadcaster If consensus can be achieved I have no doubt that the next steps in the re-regulation of broadcasting in our country, namely the licensing of commercial and community broadcasters, will be able to take place.

It is of no use for the IBA to say it is handing out FM broadcasting licences, when at present the SABC occupies the FM broadcasting services frequency bands almost in its entirety It is no use re-regulating broadcasting while the frequency plan has been drawn up predominantly with the interests of the SABC in mind, and not with the interests of commercial or community broadcasting

I believe that the SABC is going to be able to come to terms with the IBA, and is going to be able to rationalise its position and to establish its true goals, particularly if interested parties at the first inquiry of the IBA are well represented and are able to articulate their position coherently

Interests that are pushing for local content and independent production will have to be represented, as will community and commercial broadcasters, the SABC and the TBVC broadcasters.

The consideration of this inquiry immediately brings to mind the seven "wise persons" who are going to constitute the executive of the authority The TEC is going to have to facilitate the selection of these persons in an open and transparent process.

They shall, in the words of Section 4(2)(a) of the Act "when viewed collectively, be persons (with) qualifications, expertise and experience in the fields of, inter alia, broadcasting policy and technology, media law, frequency planning, business practice and finance, marketing, journalism, entertainment and education"

To some extent we are in the hands of the TEC in this regard. I believe however that many lessons have been learnt from the SABC process and that the seven wise persons have been far more closely defined in the IBA Bill than the 25 persons who were needed for the SABC board.

The IBA is not a "mini-Parliament" but rather, a hands on, technocratic and accountable group that hopefully will be aware of the need both for a diverse range of voices in broadcasting, and for the preservation of the national public broadcaster

For independent film and music producers the challenge of re-regulation relates to whether the independent film, TV and music blocs can reach agreement regarding the parameters and percentages for local content, and whether they can successfully win these demands at the IBA inquiry on local content and independent production.

If reasonable percentages can be achieved, we will see a renaissance of South African film, television and music which will not be a threat to broadcasters but which will supplement and develop their access to audiences.

One need look no further than the massive international recognition which Australian film and music has achieved in the last few decades. This is as a result of a conscious policy of supporting local content and independent production. We are already witnessing in South Africa an unlocking of the enormous creative potential of communities that were previously silenced by oppression and poverty

Through all the current confusion, there are glimpses of this massive potential- Mango Groove, Johnny Clegg, Sbongile Khumalo, Ladysmith Black Mambazo, *Sarafina, Ordinary People, Future Imperfect, Carte Blanche* and *Night Moves* are some leading examples These glimpses of hope have occurred in spite of an oppressive broadcasting and media culture — imagine what could be achieved under a system of rational re-regulation.

With regard to commercial broadcasting, given that public broadcasters will redefine their position in the light of a re-regulated environment, there is enormous potential. Some of the critical questions relating to the viability of commercial broadcasting in South Africa will be dependent on factors that are not defined by legislation.

The challenges facing commercial broadcasters, as I see it will be threefold.

- Diversity v homogeneity of its product.
- Growth in the market.
- Resisting monopolisation.

Community broadcasting licences will represent a whole new category of broadcasting licences on the South African scene. The challenge for community radio is whether it will be marginalised by public and commercial stations or whether it will become a contender in its own right.

I believe that the answer to this question depends on two factors.

- Whether community radio is recognised and supported as part of the reconstruction and development programme of the country
- Whether it can successfully contest for sources of revenue from the adspend cake in competition with public and commercial broadcasters.

The new broadcasting legislation does not represent the culmination of the re-regulation process But it does usher in an era which has the potential to produce a coherent and profitable broadcasting dispensation in our country

■ *David Dison is a media lawyer and consultant to Media & Broadcasting Consultants*

ANC wants more even spread of media power

B1Day 8/2/94

260

AMANDA VERMEULEN

THE ANC would consider introducing legislation — if it wins the election — to dilute the over-concentration of power in the four main media companies, says media liaison head Carl Niehaus.

"We will not intervene in editorial practices but the current ownership structures need addressing. The recent moves by the Argus Group to unbundle are not sufficient," he said.

The ANC was not entirely happy with the recent establishment of a new ownership structure for the Sowetan as it did not vest enough power in black interests. The transaction between Argus and Nthato Motlana's New Africa Publishers, the company which acquired the majority share in Sowetan, was still under investigation, Niehaus said.

The ANC had no immediate plans to launch a daily newspaper but would use the organisation's prestige abroad to secure funding for an independent paper that represented black interests.

Niehaus said the future role of the SABC should be that of a public broadcaster providing both educational programming and entertainment. The ANC was opposed to privatisation of SABC channels as it would undermine this role.

The Independent Broadcasting Authority (IBA) should grant licenses to new radio and television operators so that more voices could be heard.

"Although the ANC envisions only three or four television channels, there needs to be greater diversity. However, a future ANC government will not intervene if the processes are transparent and independent."

Niehaus said details of the organisation's election media campaign were sensitive and would not be revealed. "The campaign will, however, concentrate on food, jobs, housing and security, focusing on the positive rather than the negative."

He believed the most important medium in SA was radio because of high illiteracy rates and low income levels. For this reason the ANC recommended the continued existence of all the black language stations.

Niehaus said the government lacked the political will to close down right-wing radio stations which operated illegally. "Other stations prepared to abide by the law are being penalised and consequently fewer voices are being heard."

The issue of implementing 11 official languages would be decided according to need. The ANC proposed English should be the official language of record and each region would promote a language according to its priority. He said the language issue should follow an affirmative action policy and translations should be available on request.

Niehaus said despite adverse publicity from some media, the ANC would abide by the regulations of the IBA and the Bill of Rights which guaranteed free speech. He believed the Bill of Rights should be implemented before the establishment of the first democratic government to prevent current controls over broadcasting created by President F W de Klerk being exploited by the ruling party.

"If my party is criticised and the present controls over the media are available, I cannot say that I would not use them to the party's advantage. Having a Bill of Rights would prevent that situation from happening," he said.

Peace station to take to air

A NEW radio station, Peace 2000 FM, aimed at providing "hope and vision" to South Africans, will be launched on February 14.

The National Peace Secretariat, which set up the station, said yesterday it would be based at the Waterfront Audio Company on the Cape Town waterfront.

It would broadcast for a minimum of four-and-a-half hours, between 11.30am and 4pm, each day.

While the main focus of the station would be peace and the management of conflict in the form of discussion forums, pre-recorded documentary programmes and talks shows, it would also feature music, entertainment and weather bulletins. Well-known professional broadcasters would form the core of the station staff and management — Sapa

Sanctions worked — B1Day 8/2/94

BILLY PADDOCK

PRESIDENT F W de Klerk admitted for the first time yesterday that international sanctions had been a key factor in crippling SA's economy.

He also heaped blame for the country's ills on the shoulders of the ANC.

Speaking at a Radio 702 breakfast address to businessmen, De Klerk painted a picture of a squeaky clean NP. He said ANC president Nelson Mandela had criticised government for the parlous state of the country — listing violence, the crisis in education, housing shortages, the breakdown of services, and widespread corruption and maladministration as the key areas. But it was the ANC that was responsible for all these.

He accused the ANC of deliberately sidelining the Inkatha Freedom Party and its leader Mangosuthu Buthelezi. It was the ANC's political intolerance that was responsible for most of the violence.

"The NP did not create the crisis in black education. We were well on our way to addressing many of the problems in this regard... For years we have been building a new school on nearly every day of the year... The crisis in education has, on the contrary, been created by the disruption of education by teachers and students who claim to support the ANC alliance," he said.

The same was true of the disruption of services and the provision of housing in black urban areas. "It is the ANC's own supporters who have been responsible for the rent and service boycotts which have crippled local authorities and chased property developers out of the townships.

"As for allegations of corruption and maladministration, it is ironic that it was his NP th... crisis in the first plac...

Mannopa said "wi... lions of rands foistung... on the people, million... the veld, millions paid... people who were dea... ministerial perks?"

The fundamental pr... were the policies of the...

During grilled on hit squads

B/Day

ADRIAN HADLAND

PRETORIA — KwaZulu police commissioner Lt-Gen Roy During was grilled by TEC delegates last night on possible links between hit squads and the secret SADF training of 200 Inkatha Freedom Party supporters in Caprivi in 1986.

Three alleged hit squad members recently arrested by police had been among the Caprivi 200.

During said rumours about hit squads were "rife" when he was appointed in 1992, but few facts had emerged from investigations.

While Caprivi trainees still held KwaZulu police posts, no record of numbers had been kept (200)

During said all allegations, rumours and gossip had been thoroughly checked.

Dockets which implied hit squad activities had been passed on to the SAP. 9/2/94

He agreed to make the Caprivi trainees' files available to the TEC, subject to the agreement of the KwaZulu government and attorney-general.

A Goldstone commission report last year concluded that "although certain Caprivi trainees may be involved in ... violence, there is no evidence to suggest that such involvement was a direct result of the training".

I erred in granting licences — Schutte

B/Day 9/2/94

ADRIAN HADLAND

PRETORIA — Home Affairs Minister Danie Schutte admitted to the TEC this week that he had erred in granting temporary broadcast licences to 15 radio stations. (200)

ANC TEC representative Mac Maharaj said Schutte had told the TEC's management committee on Monday that he had been under "extreme pressure" to make a decision on the issue and had acted "too fast".

TEC delegates had criticised Schutte for not approaching them before deciding to issue the temporary licences.

Maharaj said the ANC was concerned that Schutte had reinforced public perceptions that government was weak-kneed in its approach to right-wing defiance

Radio Pretoria, which had refused to obey a Supreme Court order closing the station, had been allowed to break the law "and get away with it", he said

The TEC agreed at its full session last night that Schutte should refer any new licence applications to the council.

After "rapping Schutte's knuckles", the TEC also decided to press ahead with the creation of the independent broadcasting authority. It was hoped the authority would be in place by early March, Maharaj said.

A shortlist of nominations to the authority would be submitted to the TEC by the management committee on Tuesday next week. The public would then be given two weeks to make representations and comments concerning the people appearing on the shortlist.

According to an agreement signed by the 15 radio stations granted temporary licences last week, broadcasts would stop two days before the formal establishment of the authority.

Maharaj said many of the parties represented on the TEC had expressed great disquiet about Schutte's handling of the issue.

Certain sectors of the broadcasting industry were unhappy with the process and others had withdrawn, while some had not even been invited to the consultations hosted by Schutte last week.

Schutte had acted incorrectly and had not complied with the TEC Act, Maharaj said.

CTFM can't switch on yet

LOCAL radio station CTFM — one of 15 stations granted temporary licences last week and expected to begin broadcasting yesterday — is still off the air

The station has been told to wait for licence documents to be processed by the Postmaster General, staff said yesterday

CTFM staff said the frequency the station operated on in December — 91,3FM — had not been reallocated to them

Station director Mr John Butterfield said "We were ready to go on air on Monday morning It's so frustrating — all we can do now is wait"

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(260) CT 8/2/94

Iscor lands lucrative Chinese export deal

BIDay 10/2/94

MICK COLLINS

IN A major boost for iron ore exports from its Sishen mine, iron and steel producer Iscor yesterday announced it had become a partner in the development and extension of a Chinese port at a cost of R45m

The partnership is at the iron ore harbour of Qianwan in the Qingdao Port complex on the northeastern coast of the People's Republic of China.

Iscor has secured a dedicated iron ore storage facility for 300 000 tons and entered into a co-operation agreement with the Qingdao Harbour Authority

Iscor iron ore business GM Johan Deetlefs said the venture opened up possibilities for future iron ore exports from Iscor's Sishen mine to China. The upgrading of the harbour facilities also created new opportunities for Safore – the shipping venture between Iscor and Safmarine.

Sishen exported 1-million tons of iron ore to China in 1992/93, and this year's exports are expected to soar to about 4-million tons.

In terms of the agreement a long-term working relationship has been established for the discharge, storage and reclamation of Iscor iron ore at the new Qianwan harbour, which is scheduled for completion by April 1.

"China's growth in steel production shows that it will surpass that of Japan (100-million tons a year) before the end of the century (HSBD) (260)

"China has experienced substantial economic growth over the past five years and this is expected to continue over the next five years, albeit at a slower rate (HSBD)

"China is Iscor's latest customer for Sishen iron ore and we want to be part of this dynamic development opportunity. I predict that any increase in Sishen ore exports will, to a large extent, be absorbed by our growing customer base within China We intend doing long-term business with this country," Deetlefs said

He said Qingdao harbour was strategically situated in relation to the many Chinese steelworks which used Sishen ore

"The extension of the iron ore harbour of Qianwan ideally suits our future export needs to the northern part of China.

"The harbour currently has a handling capacity of 68-million tons of cargo and the extensions will increase the handling capacity to 100-million tons a year"

Profit before current

Broadcasting could face frustrating year — Schutte

B/Day 10/2/94

ADRIAN HADLAND

PRETORIA — The broadcasting industry was in for a frustrating 1994 unless amendments were made to the Independent Broadcasting Act, Home Affairs Minister Danie Schutte said yesterday.

Without allowing the yet-to-be-established Independent Broadcasting Authority to issue temporary licences, a long "sterile period" would occur in which aspirant and some existing radio stations would be prevented from transmitting.

The TEC decided this week all radio stations which had temporary licences had to cease broadcasts two days before the authority was formally constituted. The TEC said it hoped the authority would begin its operations by March 15.

However, it would be in a position to issue permanent licences only well into the second half of 1994, said Schutte.

This ushers in a broadcast blackout period of at least a few months for the 15 radio stations which were granted temporary licenses by Schutte last week, and for the 35 stations denied them.

"This will create enormous frustration for aspirant broadcasters which should, and could, be met," Schutte said.

If the Act was not amended to allow the authority to issue temporary licences, "it is clear that no broadcasting licences could be granted in the foreseeable future".

According to the Act, the authority must acquire staff, offices and conduct four complex investigations before it is in a position to handle licence applications.

It is required to look into the amount of local content to be used by broadcasters and to publish a "spectrum plan" outlining available frequencies for use by the deregulated industry. (260)

It must also present guidelines and regulations on the issue of cross-media ownership as well as consider the financial implications of deregulation on the SABC.

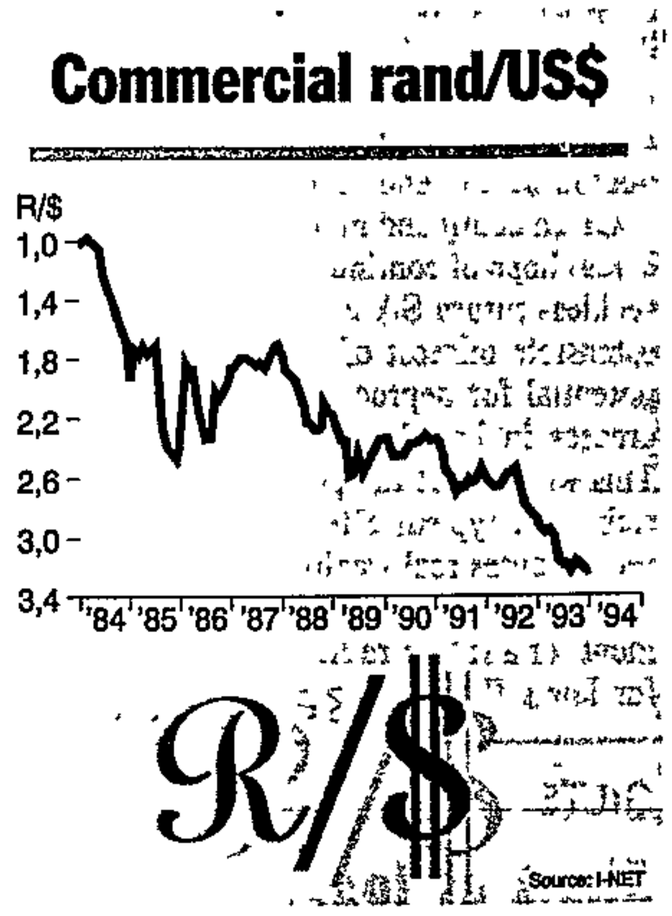
Once these four tasks have been completed, it will be in a position to receive applications for licences and can begin public hearings to determine which radio stations in which regions receive access to the limited airwaves.

Schutte said his decision to grant temporary licences to 15 stations last week was an attempt to meet "the reasonable expectations of the aspirant broadcasters."

Report by A Hadland, TML, 11 Diagonal St, Jhb

FM 11/2/94

sistance, after the increases, is running at an annualised R1,1bn and Mossgas's at R420m Had it not been for these increases, the retail price of petrol in particular would



have come down by another 1,5c/*l*.

Before November, the base price was US$23 a barrel. The State's temporary reduction of the level to $21,85 significantly cut Sasol's take At the same time, the oil companies sacrificed, until February 1, a (relatively minor) benefit they were getting from the fund — the Synfuels Levy of 0,7c/*l*.

As the oil companies' concession has now lapsed, Sasol wants the base price restored to $23. However, the oil companies argue this is hardly fair exchange as the additional payment to Sasol, if the base price reverts, would be 2,8c/*l*.

As the spokesman claims Sasol's synfuel operations would be profitable without any State assistance whatever, even at present international dollar crude oil prices, there would seem to be no case for restoring the base to $23. But Sasol says the protection provided is a contractual undertaking given by government to Sasol shareholders until 1996 It also argues that its synfuel output saves SA R4bn annually in foreign exchange and provides the same in wealth creation

Liquid fuel

The new government will need to examine liquid fuel policy, especially the issue of assistance to Sasol and Mossgas (as well as the very existence of Mossgas) Whatever their merits and demerits, both an end to the Sasol/Mossgas protection and deregulation would provide at most a one-off reduction in the petrol price

It is possible the new government will greatly reduce protection but keep intact the basic structure of retail regulation.

There is yet another controversial component of the retail price — tax. The fuel tax, at 60,9c/*l*, is 34,8% of the pump price for petrol and 32,17% of the diesel price. This percentage is modest by European standards, if not American. On this point, too, the next government faces some painful choices. (260)

It desperately needs to balance the national books — which requires a certain proportion of indirect taxes, to tap the cash flow of those whose earnings entirely or substantially escape the formal income tax net And tax revenue is urgently needed to fund social infrastructure.

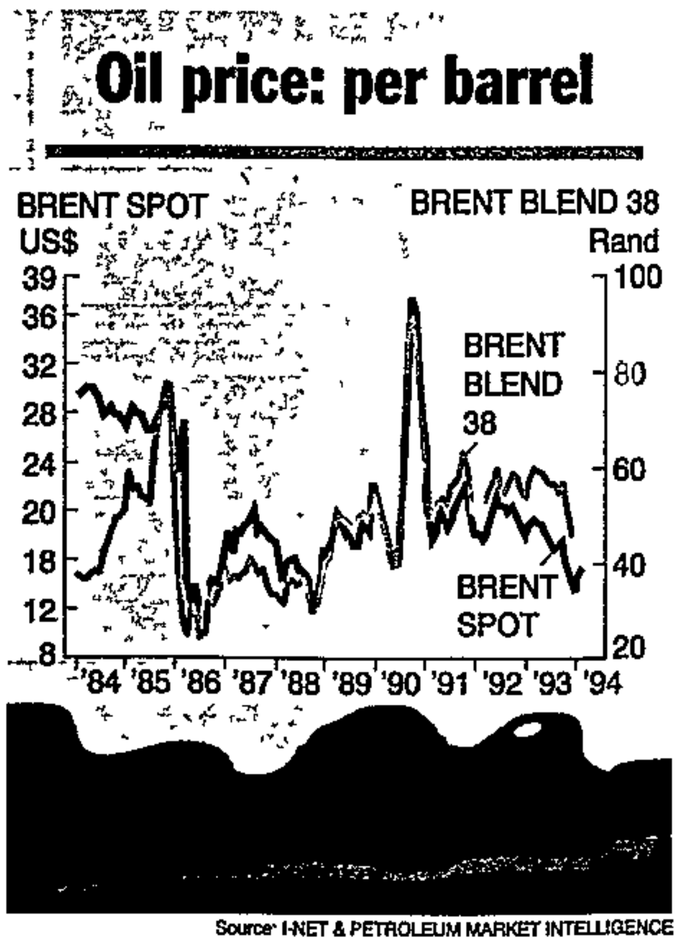
There are two further elements which will decide the petrol price over time on a continuing basis: the international oil price and the exchange rate of the rand (see graphs). Because of the depreciation of the rand against the dollar, as the price of oil (Brent light) moved down over the past 10 years, from around $30 to about $15, the rand price went from R33 to R45,9.

The international oil price seems likely to remain in a trough for a year or more

Shell SA CE John Drake suggests the recent firming was caused by freezing weather in the US and reduced Russian supplies — both temporary influences Depending on Opec's shaky self-discipline, prices could hit a low of $12 or a high of $16 around mid-year

By the fourth quarter they could exceed $16 Sasol oil manager Alphonso Niemand sees Brent light moving to $16 within 12-18 months.

Over the next four or five years, price increases will be restrained by continued Opec overcapacity. So Brent, says Drake, is unlikely to move above $20. Niemand suggests $16,50-$17 in five years' time For the long term, Shell sees prices in the broad range of $15-$25, provided there are no unpredictable events.



Source: I-NET & PETROLEUM MARKET INTELLIGENCE

All of this suggests the dollar price alone could bring about a rise of 15%-60% in liquid fuel prices, assuming tax remains a constant percentage and the rand does not fall against the dollar.

But a stable rand implies the SA and US

Cont — P40

ECONOMY & FINANCE

FM 11/2/94

inflation rates converge. If SA does no better than to keep inflation at say 8%, or roughly five percentage points above the US rate, then the petrol price will rise by that amount over and above the increases in international oil prices A five-percentage-point inflation differential coupled with the high (60%) estimate for the increase in dollar oil, suggests that SA petrol prices would more or less double by the end of the century

Given continued monetary restraint, there is real hope of continued convergence. Given reckless future SA monetary policies in the ostensible interest of social betterment, the potential for depreciation and therefore increases in liquid fuel prices, is unlimited. This would hurt the poor far more than the rich — a typical effect of inflation, which redistributes real wealth from earners to asset owners This is the best possible argument for a future radical government to aim for low inflation. (260) ■

PETROL PRICING

FM 11/2/94

Unfair exchange

As the retail petrol price fell a modest 3c/*l* this week, and the prices of diesel and illuminating paraffin remained unchanged, a row erupted between Sasol and oil refiners The point of contention is the base price (in US dollars per barrel of crude oil equivalent) on which its financial assistance, from the Equalisation Fund, is calculated (260)

Sasol's level of protection depends on the difference between the base price and the going dollar oil price. Any fall in the dollar price of oil (below the base price) therefore has two contrary influences on the retail price Though the oil companies pay a lower price for their crude oil, the assistance to Sasol and Mossgas, via the Equalisation Fund levy (which Sasol insists is correctly described as tariff protection), has to be increased

That is why the 3c/*l* decrease was accompanied by an increase in the Equalisation Fund levy of 6c/*l* on 93 and 97 octane petrol, 8c/*l* on 87 octane petrol, and 1c/*l* on diesel. An oil industry spokesman says Sasol's as-

PTO =>



The Inkatha Freedom Party's Ben Ngubane and Prof Hermann Giliomee of UCT at a conference yesterday in Johannesburg on the interim constitution Picture GARTH LUMLEY

Eskom active in keeping grid plans on schedule

BIDAY 11/2/94

MICK COLLINS

IN AN effort to keep the construction of a southern African electricity grid on schedule, a series of top-level meetings involving Eskom and neighbouring power utilities have been taking place over the past few months.

The electricity authorities of Zambia, Zimbabwe, Mozambique and Botswana are involved in the talks at which the basis of the grid is being formulated.

Eskom envisages the reinforcement of existing agreements and the creation of new multilateral agreements with neighbouring corporations with the backing of their governments.

Major extensions of the grid will, in the medium term, span Botswana, Zimbabwe, Zambia, Mozambique and Zaire, and in the long term Tanzania, Uganda, Kenya and Angola. Each of the respective countries will have to finance its "leg" of the grid, but this will require finance from bodies such as the World Bank, African Development Bank, the European Investment Bank and other sources.

The grid will bring far-reaching social and economic benefits to the region and will provide the southern African economies with a boost in terms of indirect demand for technical and consumer goods.

Eskom predicts electricity supply opening up among the region's 200-million population, only 10% of whom now have access to electricity

In the process, SA electricity prices will benefit, initially because Eskom will be a net exporter of electricity, absorbing existing over-capacity. Later, it will be possible to import cheaper hydro power, thus cushioning capital expenditure demands and production costs (260 ~~355~~)

Eskom should have spare capacity up to and beyond the year 2000

The first steps towards the grid have already been taken with the initial phase of the construction of a 400kV line from Ellisras to Bulawayo, which will provide power to Zimbabwe. The quantity of energy exported will be determined in response to the levels of water at Kariba, Kafue and other hydro stations.

A complementary project involves strengthening the power system between Eskom and the Botswana Power Corporation (BPC) by the addition of two 132kV lines to Gaborone, which is already linked at 220kV to Zimbabwe via Francistown.

Work on the 132kV project is already under way and will be financed jointly by BPC and Eskom. Work on the Ellisras-Bulawayo line will start soon. Eskom will cover the costs up to the Botswana/Zimbabwe border and Zimbabwe will cover the costs in its country The total cost of the project will be about R370m, the Zimbabwe portion being about R200m It is hoped that this project will be completed within the next two years.

Eskom anticipates a mix of power sources for the grid — coal-fired, nuclear (Koeberg), pumped storage, gas-fired and hydro Of the hydro sources, Cahora Bassa in Mozambique will be involved while other stations in the grid will include Capanda in Angola, Ruacana and Epupa at the Namibia/Angola border and Batoka Gorge or lower Kafue in Zimbabwe/Zambia

Ready to ride the airwaves – when the vehicle arrives

wm 11-17/2/94 (260)

Justin Pearce's guide to new radio stations and where you may find some of them

THE granting of 15 temporary broadcast licences by the Home Affairs minister late last week disguises the fact that independent broadcasters are still far from healthy.

Most newly licensed broadcasters have still not gone on the air since Friday, as they have not yet been granted frequencies on which to broadcast The allocation of frequencies is the responsibility of the postmaster general and, until a station gets a frequency, the licence from the Department of Home Affairs is meaningless.

Even the stations which have broadcast on temporary licences previously are stymied. In Cape Town, for example, CTFM and Peace 91 3FM have on separate occasions been allocated the 91 3 slot Now that both stations have licences for three months, they both want the frequency back

Other stations have been held up by problems involved in securing transmitters from Sentech, the company from which most stations are renting transmitters Among these is the Voice of Wits which, along with other campus stations, is poised to switch over from land-line campus broadcasting to radio transmission.

Other station managers have accused the SABC of keeping first option on frequencies not in use

Radio Pretoria, which has its own transmitter, has simply continued on the same frequency as before

The National Community Radio Forum, which represents non-profit-making broadcasting organisations, has accused Home Affairs of brokering a hasty deal to defuse the embarrassing situation surrounding the rightwing station NCRF consultant Willie Currie insisted the Independent Broadcasting Authority — which has still not been convened — was the only appropriate body to deal with the issuing of broadcast licences

Currie claims many of the newly licensed stations are not community-orientated operations, but are commercial operations trying to get a head-start in the market in anticipation of the issuing of permanent licences. The number of privately owned stations among 15 newcomers would appear to bear out his words

The new broadcasters are.

Buffalo Distributors Group

This communications company has previously managed to secure two-day licences to cover motor-racing events in East London Manager Les Barker said the group applied for a licence to operate as a fully-fledged local station — but when Home Affairs dished out the licences last Friday, all Buffalo got was another two-day permit for a race event on February 25 and 26

C Flat Radio

C Flat grew out of a community newspaper, *People's Express*, and concentrates on news and educational programmes for the Cape Flats. The station broadcasts in English, Afrikaans and Xhosa Having broadcast on a one-month licence late last year, it will be on the air on February 24, broadcasting via Sentech on 101 3FM

CTFM

Owned by Radio Enterprises Ltd, CTFM broadcasts music — with a bent towards the unconventional — and talk shows to greater Cape Town Having operated on a temporary licence over the holiday season to promote cultural and leisure activities, the station is off the air until granted a frequency to broadcast via Sentech

Peace 91.3FM

Set up by the Western Cape Peace Committee, Peace 91 3FM broadcast via Sentech on a temporary licence last year. It's not back on the air yet, owing to the frequencies scramble It will be on the air from 7am to 9pm From 11.30am to 4pm, it will duplicate what is broadcast by Peace Radio, which takes over the Radio 2000 frequencies countrywide for that period

Radio Cidade

This privately owned station covers the cultural and sports events in the Portuguese community. Director Dário Bettencourt said the station is awaiting the allocation of a frequency, and hopes to go on the air today It will broadcast to the PWV area, eventually on its own transmitter but in the meantime on hired equipment

Radio Fish Hoek

Radio Fish Hoek aims "to present the good news of Jesus Christ in a meaningful, understandable manner", says co-ordinator Don Glass, but will also provide news, views, and opinions It can be picked up over the Cape Flats and southern suburbs It operated on one-month licences twice last year The station plans to go on the air by next month, to coincide with an outreach mission by evangelic organisation Operation South Africa Glass says the station is funded by donations, listeners and advertising

Radio Pretoria

The station that refused to die had the advantage of owning its own transmitter, from which it broadcasts on 102,5FM It's funded by donations and advertising

Rhodes Music Radio

With no competition for frequencies, this station went on air on Wednesday and can be picked up on 88FM in most parts of Grahamstown Director Tony Lankaster said the station hopes to get a temporary licence and broadcast as far afield as Port Alfred

Showtime Music Radio

This privately owned station broadcasts music aimed at the 25-plus market, together with an increasing proportion of talk shows The station will also focus on voter education but is strictly non-party political It can be picked up all over the PWV region

Solid Gold FM

Tony Sanderson's Solid Gold is essentially a music station, broadcasting to Johannesburg on 99 2FM and Pretoria on 90 5FM It's back after operating last year on a temporary licence, and is financed by advertising

Radio Tuks

Pretoria University's station is waiting to be allocated a broadcast frequency, but marketing director Claudia de Wit said the station had attracted interest from advertisers for when it starts broadcasting to the broader community The station will broadcast music, news, discussions and cultural programmes Radio Tuks has previously broadcast on temporary licences, for Rag and Intervarsity events

UCT Radio

While music forms the bulk of the day's programming for this campus station, programme director Colin Jowell welcomes a temporary broadcast licence as a chance to expand its educational material In conjunction with the student welfare organisation Shawco, UCT Radio hopes to broadcast preparation programmes to prospective students The station will be broadcasting to a 5km radius of campus, but hopes to go wider The station wants to buy a transmitter.

Voice of Wits

VOW director John Arvanitakis sees the switch from landline to broadcasting as a chance to reach students in their homes and residences The station hopes to concentrate on academic support broadcasts in the evenings, and music and news during the day. VOW is seeking outside corporate sponsorship

The *Mail & Guardian* was unable to obtain information on the Cape-based Tygerberg Christelike Radio, and Middleburg Stereo Musiek by the time of going to press

Battle of airwaves resolved

By GLENDA NEVILL

THE struggle for the 91 3 FM frequency between independent radio stations Peace FM and CTFM was resolved this week when the Postmaster General announced that Peace FM retain use of the band

But a new row is set to erupt after CTFM was awarded the 101.3 FM frequency, which was previously the preserve of C-Flat Radio

Meanwhile a spokesman for Bush Radio, the community radio station left out in the cold when Minister of Home Affairs Danie Schutte awarded 15 temporary licences last week, said the matter would be raised at a meeting of the Transitional Executive Council tomorrow

On air

"We were told we weren't granted a licence because we broadcast illegally for four days last year But what about Radio Pretoria?" asked the spokesman

Mr Jeffrey Kleinsmith, manager of C-Flat Radio, said the station would be back on air on February 24

Peace FM will also be transmitting nationally for four and half hours per day on the Radio 2 000 frequency The hours are from 11.30am until 4pm

Transmissions start tomorrow at 11 30 am with Ramotena Mabote's programme, The A to Z of Peace

FW attacks ANC for 'trying to influence SABC policy'

ARGUS 14/2/94 (260)

☐ 'TV journalists told to toe the party line or lose jobs'

MICHAEL MORRIS
Political Correspondent

PRESIDENT De Klerk has sharply criticised the ANC for attempting to exert "undue influence" over the SABC and for trying to "introduce a biased agenda" into the corporation's programming

He delivered the broadside at the opening session of the 43rd general assembly of the International Press Institute in the Cape Town City Hall

He said a "campaign of subtle intimidation" was being waged against experienced and competent journalists and managers at the SABC "who do not fit into the plans of this political phalanx"

"We shall give serious attention to the implications of this situation in the days and weeks ahead," he warned

In a wide-ranging speech and question session, he also.

● Expressed the hope that last-minute talks with Zulu King Goodwill Zwelithini today would persuade Inkatha to reconsider its decision to boycott the election The government would do everything it could to meet "reasonable demands", but would not allow the election to be put off If there was agreement, parliament could meet to ratify constitutional changes and provide an opportunity for latecomers to register for the election

● Predicted a "dramatic" result for the National Party in the April election, adding that an overall victory for the NP was "achieveable"

● Expected the election campaign would "strain" his relationship with ANC leader Nelson Mandela, but committed himself to "play the ball, not the man", and believed he and Mr Mandela would continue to be able to rise above "whatever divides us" to tackle problems of national concern

● Said he was confident the future South Africa would be stable and investor-friendly and capable of giving a boost to the rest of Africa

He endorsed the need for press freedom and the necessity for a "dynamic" watchdog media

Tension between the media and the government was necessary

"If either side is too happy with the relationship, the chances are that there is something wrong either with the media or with the government"

On the ANC's "efforts to secure influence over the SABC", Mr De Klerk said it became apparent at the time of the appointment of the corporation's new board last year that "a sizeable proportion of the candidates on the original list were prominent members of the information and communication structures of one of the parties taking part in the election"

He said it had become evident that his efforts to create a "more balanced" board to ensure impartiality had not succeeded

"There is a political phalanx actively involved in efforts to introduce a biased agenda into the SABC's programming"

Mr De Klerk added "There are well-substantiated reports of television journalists receiving direct instructions from the propaganda department of the party involved

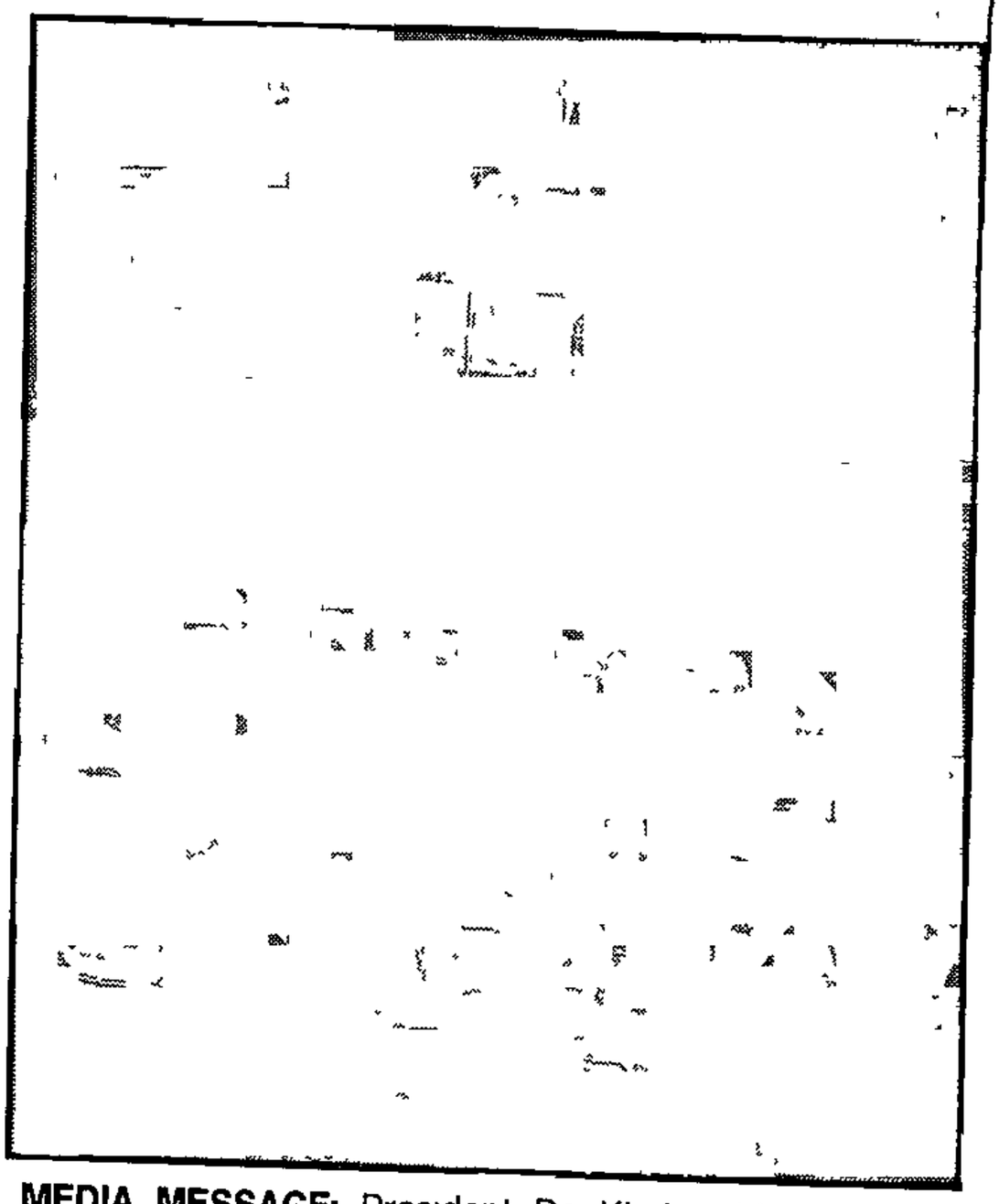
"A journalist who refused to carry out the party's instructions was told that he need not report for duty at the SABC after the election

"The SABC proceeded to broadcast a television series eulogising the ANC — and agreed not to broadcast the remaining episodes during the run-up to the election only after a public outcry

"The so-called Democratic Education Broadcasting Initiative, which is supposed to educate voters for the election, is in effect — according to proper analysis by media experts — being abused to influence voters through its sub-textual content"

(News by Michael Morris, 122 St George s Mall, Cape Town)

IPI
CAPE TOWN 1994



MEDIA MESSAGE: President De Klerk addresses the opening session of the International Press Institute congress in the City Hall today On his right is editor-in-chief of The Star and congress organising committee chairman Richard Steyn Picture BRENTON GEACH, The Argus

SABC quest for balanced employment

Star 14/2/94

■ BY JACQUELINE MYBURGH

NEW recruitment policies which are sensitive to race and gender are being considered

The SABC Board is investigating the possibility of offering white staff voluntary retrenchment in a move to correct the racial and gender balance in the public broadcaster (260)

This is the "official word" from the SABC Board, according to an internal memorandum. After its appointment last year, the new board adopted an active policy of affirmative action.

To ensure "a sounder balance in demographics", the board was also investigating other options, including specific recruitment policies that were sensitive to race, gender and other corrective measures.

At present, the SABC staff was 70 percent white and 30 percent black. At the normal pace of staff turnover it would take many years before a balance was established

"However, an increase in staff turnover as a result of a new broadcasting dispensation and economic growth could have a major impact," the memo states.

The board said major emphasis would be placed on the training and development of staff, particularly illiterate and semi-literate staffers

A union source at the SABC said the voluntary retrenchment programme was aimed more at getting rid of white technical staff than of journalists. The board was also looking at correcting the imbalance among secretaries, of whom there were too many and all of whom were white, the source said

About R10 million has been budgeted for the severance packages, which, at the moment, range from a maximum of 10 months' salary to a minimum of three months

Anton Meyer, of the SA Broadcasting Staff Association which represents chiefly white technical workers, said Sabsa members "did not know what was going on", but they were unlikely to accept any severance package that was less than one month's salary per year of service

The Argus,

De Klerk under fire for remarks about ANC, SABC

ARG 15/2/94 (268)

Political Staff

PRESIDENT De Klerk, who has his hands full dealing with the constitutional challenge posed by Zulu King Goodwill Zwelithini, has come under fire for his remarks about ANC attempts to influence the SABC.

Speaking at the International Press Institute general assembly yesterday, he claimed an ANC "phalanx" was working behind the scenes at the SABC to influence programming to suit its own ends, and intimidating journalists who would not toe the line.

But both the ANC and SABC rebutted the claims.

The ANC has described as "pathetic" President De Klerk's allegations that the ANC planned to hijack the SABC, and questioned his use of the IPI forum for "cheap party political propaganda".

SABC chairwoman Dr Ivy Matsepe-Casaburi said she had no knowledge of any journalist being influenced or intimidated by any political organisation.

● A R50-million advertising and public relations campaign, funded by businessmen, is to be launched later this month to ensure a free and fair election.



The campaign, to be funded by the independent Business Election Fund, is being backed by Professor Wiseman Nkuhlu, Independent Development Trust chairman, and Dave Brink of Sankorp. It will be chaired by Urban Foundation chairman Mike Rosholt.

The campaign, to be launched on February 22, will aim at promoting political tolerance, freedom of association, the right to exercise the vote and ballot secrecy.

● The venue and date of a meeting between the Defence Force and the Pan Africanist Congress military wing, the Azanian Peoples' Liberation Army, had still to be decided by the two parties, SADF spokesman Major Charl de Klerk said yesterday.

● The Conservative Party said it would not recognise the authority of the sub-council for defence once it assumed control of the SADF, and soldiers could not be expected to obey unconstitutional orders.

Reacting to Minister of Defence Kobie Coetsee's warning that guns issued to certain part-time SADF members could be withdrawn, the CP warned the government not to yield to pressure to take back part-time SADF members' weapons.

● Ciskei is to take its seat on the Transitional Executive Council for the first time today — but the council still faces the difficult task of coaxing other non-participants to join.

Originally a Freedom Alliance member, Ciskei split with its Alliance partners when its membership of the council was approved.

● A delegation from the European Union's headquarters in Brussels is to arrive in South Africa tomorrow for exploratory talks on developing relations with a fully democratic South Africa, a delegation statement said.

(News by M Morris 122 St George's Mall, Cape Town)

Broadcasting body shortlist at TEC

B/Day 15/2/94

ADRIAN HADLAND

PRETORIA — A shortlist of nominations for the Independent Broadcasting Authority is likely to be approved by the TEC today.

The public will have two weeks to comment on the shortlist before each of the nominees undergoes public hearings to determine their suitability and skills.

The broadcasting authority is charged with ensuring no political party is advantaged, or disadvantaged, in broadcasts ahead of the election It is also required to draw up a code of conduct for radio stations, investigate cross-ownership and examine the financial implications for the SABC of deregulation.

The TEC is also expected to react today to a plea by Home Affairs Minister Danie Schutte that the Independent Broadcasting Authority Act be amended to allow for the granting of temporary broadcast licences.

Applications for licences would be considered only by mid-year, making it essential that the body be given the authority to issue temporary licences, Schutte said Without this, radio stations which had been given temporary licenses would be prevented from broadcasting for months.

Ciskei takes its place at the TEC for the first time at today's session and will be represented by Ciskei chief negotiator Mickey Webb

TEC management committee co-chairman Pravin Gordhan said the TEC, its management committee and subcouncils were beginning to get "on top of their responsibilities" and contributing to the holding of free and fair elections in April.

The TEC "is doing its job, is becoming effective", Gordhan said. (260)

The appearance of KwaZulu police commissioner Lt-Gen Roy During at last week's meeting, in which he presented information on the operation of hit squads within his force, was seen as a "peak" in the TEC's activities.

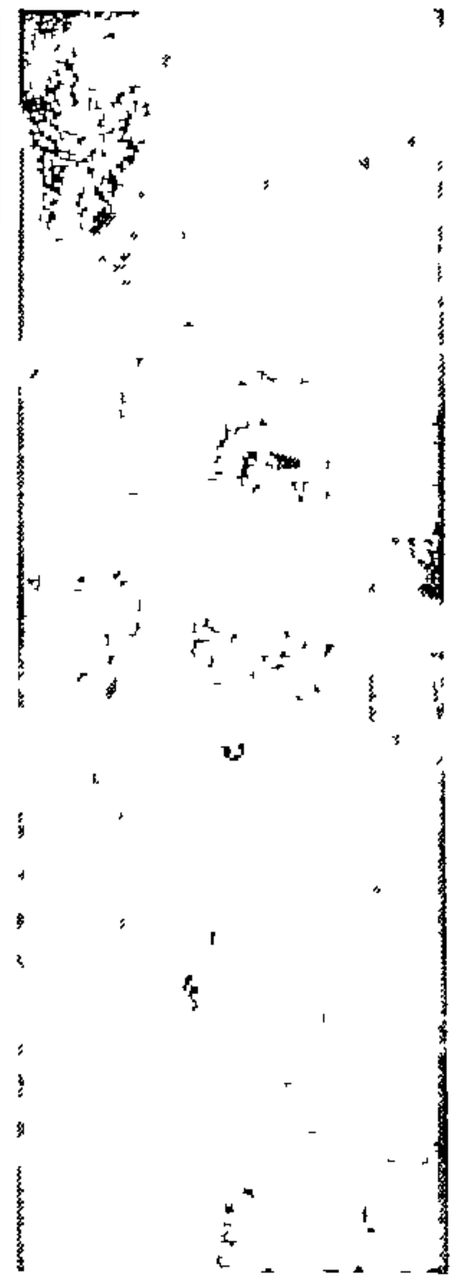
The TEC had been trying to get During to appear before it since December last year. Its summonses were rejected by During who said the KwaZulu government did not recognise the TEC

During agreed to give evidence to the TEC a few days before the Supreme Court in Natal was due to hear an urgent TEC application to force During to appear.

A smaller task group will conduct further investigations

Other matters to be discussed by the TEC include, the election fund, the launching of a leaflet and brochure publicity campaign on the constitution and the desirability or otherwise for the retention of Section 29 of the Internal Security Act

The TEC's subcouncil on law and order is also scheduled to give a briefing on the general situation in the country.



ANC president Nelson Mande
Bezuidenhout guise, shares a
Retreat, Cape Town on Sund

Women may need wax to vote

B/Day 15/2/94

ADRIAN HADLAND

PRETORIA — Thousands of rural women were having difficulty obtaining ID documents ahead of the April election as their fingerprints had become blurred or cracked, the TEC reported yesterday

Speaking on behalf of the TEC's subcouncil on the status of women, Free State traditional leaders' representative Mina Moroke said manual labour and the handling of animal dung as a housing cement and cleaning chemicals had changed the fingerprints of many women in the rural areas

Some had been trying for 10 or 15 years to acquire reference books but had been recalled time and again by Home Affairs officials who could not match new and old fingerprints, Moroke said

The same difficulties were being experienced when they attempted to obtain voting documents.

About 80% of women in SA lived in rural areas while, of these, up to 60% suffered from fading fingerprints, Moroke said.

The subcouncil, which was created to remove obstacles restricting women's participation in the election, has recommended rural women apply wax or vasoline to their fingertips for three or four days before applying for ID documents This would give their fingerprints greater clarity

Rural women also faced voting difficulties through the inhibition of their political activities by traditional chiefs, intimidation by non-participating political parties and the incorrect issuing of IDs stating incorrect names or gender. (360)

A lack of access to information, poverty, illiteracy and the burden of housework and childcare further threatened to impede many women's participation in the election, the subcouncil found

The subcouncil will liaise with the TEC, the Independent Electoral Commission, governments, state departments and traditional authorities to ensure women, who represent 52% of the electorate, place ballots on April 27 and 28.

Popcru seeks elections role

JOHANNES NGCOBO

THE Police and Prisons Civil Rights Union (Popcru) would seek a meeting with the commissioner of police to discuss policing during the April elections, Popcru president Enoch Nelani said yesterday B/Day

Nelani, elected to the post at the Popcru congress in Johannesburg on Sunday, said that for the elections to be free and fair, Popcru should be given a chance to show its plan for elections policing 15/2/94

Nelani said the organisation planned to consult with structures involved in monitoring the elections and discuss with them the possibility of Popcru supplying volunteers

Nelani said that, during the elections, police should be drawn from violence-free areas to help police areas where trouble was expected, such as Natal and the PWV

Report by J Ngcobo TML 11 Diagonal St Jhb

Call for defence of media

ET 15/2/94 (260)

Political Staff

POLITICAL parties in South Africa should defend the right of the media to inquire, publish and distribute freely and without interference, eight of the world's major newspaper publishing groups and Unesco said yesterday.

This was contained in a resolution of the 43rd general assembly of the International Press Institute in the city

"We call on all parties and organisations to express their commitment publicly and unequivocally, and to impress on their supporters the need to uphold press freedom in letter and spirit, in the interests of democracy in South Africa," the resolution said

It was signed by the chief executives of the International Press Institute, International Federation of Newspaper Publishers, International Federation of the Periodical Press, Inter-American Press Association, Japanese Newspaper Publishers and Editors Association, Newspaper Publishers Association, Norwegian Press Association and Portuguese Sociedade Jornalistica Editorial

They said political parties should "uphold journalists' rights of access to all public areas, officials, government and other events, as well as other aspects of the public's business, without intimidation or threat"

FW worried about ANC in SABC

Sowetan 15/2/94

UNDUE INFLUENCE Pressmen told of 'intimidation campaign':

IT WAS a matter of great concern that the African National Congress was trying to secure influence over the SABC, State President Mr FW de Klerk said yesterday.

Addressing the opening session of the International Press Institute's 43rd general assembly in Cape Town, De Klerk said this was first apparent in plans to appoint a number of senior ANC members to the SABC board

"When I resisted this, I was heavily criticised But it seems my efforts have not succeeded (260)

De Klerk said a "political phalanx" was trying to influence programming at the SABC and a campaign of subtle intimidation had been started against journalists and managers who did not comply

Journalists who resisted instructions to portray events in a certain light had been told not to return to the SABC after the forthcoming election

There was immediate response from the SABC board, with chairman Dr Ivy Matsepe-Casaburri saying the corporation had no knowledge of any journalist being influenced or intimidated by any political organisation

She said the SABC board had initiated an editorial code of conduct to which all editors and reporters subscribed "The editorial code defends the rights of journalists against any interference, but also acknowledges the need to build democracy in South Africa "

SABC chief executive Mr Wynand Harmse said he was "upset and concerned" that De Klerk had publicly raised such questions without consulting the SABC board.

"We would have expected the State President to pass any such information on to the board before publicly raising it at an international conference of the media."

De Klerk also said developments during the next 72 days would determine whether South Africa succeeded in bringing about order, peace and stability or whether the country slid into conflict and chaos. — *Sapa.*

(Report by E Kemp, 141 Commissioner Street, Johannesburg)

SABC job at stake

Sowetan 15/2/94

DEMOCRATIC Party provincial candidate Ms Sibongile Mahlangu has been asked by her employer, the South African Broadcasting Corporation, to resign (210)

Mahlangu was last week given until the month-end to leave, because of her nomination as a DP candidate for the regional assembly

SABC manager Mr Rob Stevenson apparently told her the company's policy did not allow staff members who had been nominated for political office to remain in its employ

She said Stevenson also told her that she could not be guaranteed her job back should she fail to acquire a seat in the new government Mahlangu is third on the provincial list of the DP

Fellow DP candidate Mr Peter Leon has taken the matter up with the SABC on her behalf

Leon said he told the SABC that he would not only take them to the Industrial Court but would also report them to the Independent Electoral Commission

Mahlangu keeps her job as an archivist while the company reviews its position

SABC group human resources manager Mr Christo Pretorius said he was not aware of the issue and referred *Sowetan* to Mahlangu's manager, who was not available for comment

(Report by Sizakele Kooma, 61 Commando Rd, Industria West, Johannesburg)

Radio licence panel named

CT 16/2/94

PRETORIA — The Transitional Executive Council yesterday appointed a five-member panel to advise it on temporary radio licence applications (260)

The panel is headed by attorney Ms Amanda Armstrong and comprises Home Affairs Minister Mr Danie Schutte, ANC information director Dr Pallo Jordan, DP spokesman on broadcasting Mr Peter Soal and the CP's Dr Pieter Mulder.

The panel will also advise the TEC on the composition of the Independent Broadcasting Authority. — Sapa

HOUSEHOLD NUMBER	PAGE NO	SECTION	COMMENTS

Negotiators quit forum

(260)

CT 16/2/94

Municipal Reporter

THREE members of the Cape Metropolitan Negotiating Forum's steering committee have resigned because they have been appointed to higher positions, the forum said yesterday.

The three are co-chairman Ms Hilda Ndude, Mr Clive Keegan of the Cape Town City Council and Mr John Neels of Sanco.

All three have been appointed to a six-member provincial committee which will oversee the decisions of the Administrator of the Cape Province during the local government transition process.

HOUSEHOLD NUMBER	PAGE NO	SECTION	COMMENTS

ANC seeks info on FW's claim

Star 17/2/94

260

The ANC has challenged the SABC to supply it with information on the "well-substantiated" cases, referred to by President de Klerk, of its journalists receiving instructions from the ANC.

In an open letter to SABC chief executive Wynand Harmse, ANC director of publicity Dr Pallo Jordan said De Klerk would be seen as indulging in "cheap politicking" if the information was not available.

The ANC had been surprised that none of the claims had previously been brought to its attention. — Staff Reporter

Eskom welcomes ANC nuclear plan

BIDay 17/2/94

CAPE TOWN — Eskom has welcomed the review process proposed at the recent ANC conference called to debate a nuclear policy for a democratic SA. (555)(260)

"The willingness of the ANC to involve all stakeholders in this process will lead to an understanding of the importance of nuclear power in the present and future energy mix in SA," nuclear GM John Henderson said yesterday.

As a developing nation, SA faced "exceptional" demands on its resources to fund large-scale reconstruction and upgrading programmes.

He said an abundant supply of reliable, low cost electricity was a vital element. The country had depended on its coal reserves to supply this need, but coal would run out.

Koeberg, in its 10 years of existence, had demonstrated its ability to generate power with first-class reliability and minimal environmental impact.

He said the country's nuclear generation capability should be capitalised on and sustained, "not discarded for short term objectives".

Meanwhile an internal Eskom report has criticised maintenance staff at the Koeberg nuclear power station for lack of attention to detail in their work, and said they felt they were under too much production pressure at times.

However, Koeberg's station manager, Peter Prozesky, has stressed that incidents referred to in the internal report at no time presented any nuclear danger.

Henderson commented that while he supported the need for the public to be informed about the operational performance of Koeberg, he felt it was misleading that judgments should be formed on isolated internal incident reports.

Explaining the circumstances of the report Prozesky said Eskom was trying to cut down the length of its "outage" time — deactivation of a reactor for routine maintenance and refuelling.

The report dealt with an incident towards the end of last year, when one of the two units at Koeberg was being recommissioned after an outage.

A maintenance technician failed to replace computer cards that would allow "make-up" pumps to activate automatically when water in a steam generator loop dropped below a certain level.

This was missed in a check before the unit was recommissioned, and was only discovered more than a month later.

An internal investigation into the incident found that staff felt they were under too much pressure during outages.

"But I want to stress that at no time was there any nuclear risk," Prozesky said. — Sapa

SABC boss blasts SABC

South 18/2 - 22/2/94

By Guy Berger

SABC chairperson Dr Ivy Matsepe-Casaburri is furious about state president FW de Klerk's claims this week that SATV is ANC-biased.

But she is even more angry with the way the SABC reported her response to Mr de Klerk.

Now Matsepe-Casaburri is toying with the idea of taking the corporation to the Independent Media Commission. (2160)

Speaking to SOUTH, she said the SABC had reported her as saying that the SABC board would investigate Mr de Klerk's criticism.

De Klerk launched a strong attack on the SABC at a meeting of the International Press Institute in Cape Town on Monday.

Matsepe-Casaburri says she told the SABC:

- It was "strange for the state president to level his charges at a meeting of the world's press in Cape Town, instead of approaching the SABC board directly";
- If Mr De Klerk had evidence to back up his accusations, he should present it to the SABC board, which only then would investigate.
- The state president could always resort to the Independent Media Commission (IMC) which was set up precisely to ensure fair coverage for all political parties contesting the election.

Displaying visible anger over the SABC's incomplete report of her response to De Klerk, Matsepe-Casaburri indicated to SOUTH that she herself might have to consider complaining to the IMC about the coverage.

She would also find out who in the corporation was responsible for editing her response

The SABC board was entirely open to genuine criticism, she said It had also set up a consultative committee as part of the new direction of the corporation

NEWS

'Political role conflicts with neutrality'

DP candidates fall foul of SABC

Star 18/2/94

■ BY JOHN SODERLUND

SABC employees have clashed with policy prohibiting them from running for political office

Three SABC employees, who are also Democratic Pary election candidates, have fallen foul of a longstanding policy which prohibits any of the corporation's employees from running for political office

SABC-TV news archivist Sibongile Mahlangu, the DP's number three regional assembly candidate, was informed last week that her candidacy "presented a dilemma and that she should choose one way or the other", said her manager Rob Stevenson

In terms of current policy, her political role conflicted with the neutrality the SABC required her to maintain in her job, Stevenson said He would not say what would happen if she refused to "make the choice" (260)

Mahlangu's lawyer and fellow DP candidate, Peter Leon, is threatening to take the SABC to the Industrial Court and the Independent Electoral Commission (IEC) if it forces her to resign (3CBA)

The IEC, he said, made provision for civil servants to stand as candidates and allows them leave for the purpose Although the SABC is not a public body, the spirit of this legislation should apply to it, argues Leon.

TV presenter Michelle Bruce, number 40 on the DP PWV regional assembly list, was also informed of the SABC's "rule" and was requested to resign shortly after publication of the list

Following legal representation to SABC management, the matter had now been resolved, she said

"We have come to a mutually amicable agreement and I have been reinstated pending a further board decision"

TV presenter Melanie Walker, formerly number 21 on the DP national assembly list, is said to have withdrawn as a candidate because of similar pressure.

NEWS

THE

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Claims: SABC 'disturbed'

9/2/94

JOHANNESBURG — The SABC board's executive committee said yesterday it was disturbed at "unfair and insensitive" claims made by President F W de Klerk at the International Press Institute (IPI) conference in Cape Town on Monday.

He told the IPI the ANC was trying to secure its influence over the SABC and said journalists who did not comply with the ANC's editorial line were being told not to return to work after the April election.

Mr De Klerk remains convinced of the truth of his claims, his office said yesterday. (260)

Also, the Democracy Education Broadcast Initiative said yesterday it was concerned at Mr De Klerk's statement to the IPI that voter education was being abused to influence voters — Sapa

HOUSEHOLD NUMBER	PAGE NO	SECTION	COMMENTS

the airwaves Pandemonium rules

19/2/94

260

THE Independent Broadcasting Authority, to be set up next month at the earliest, will have a tough task to resume control of broadcasting, which has been plunged into chaos, writes MANDY JEAN WOODS.

CONTROL over SA's broadcasting industry is rapidly disintegrating, with some new radio stations flouting the law to broadcast.

And the establishment of the Independent Broadcasting Authority (IBA) — which is charged with issuing new broadcasting licences — has been delayed yet again.

Indications are that the IBA board will be appointed in mid-March at the earliest.

Since Home Affairs Minister Danie Schutte began issuing temporary radio licences, the expectations of new broadcasters have been raised Aware of the limited frequencies available, some stations with commercial and political interests have been accused of "queue barging" by pressuring Schutte to continue issuing temporary licences.

Late last year Schutte said he would stop issuing temporary licences But as red tape repeatedly delayed the establishment of the IBA, piracy took control Right-wing Radio Pretoria defied a Supreme Court order and the terms of its temporary licence to broadcast illegally, forcing a confrontation with Schutte.

He capitulated to its demands, granting it a temporary licence And, anxious to change perceptions that he was "weak-kneed", he simultaneously gave 14 other stations temporary licences, even though many of them had not even applied to broadcast at the time.

Since then his office has received about 49 new applications.

Chaos

And two new right-wing stations — Radio Koppies and Radio Vryheid — have announced their intention to begin broadcasting with or without licences.

"The Minister has established a scenario for chaos," says National Association of Broadcasters chairman Stan Katz.

Jeanne du Toit, a spokesman for Salt River community station Bush Radio, says "Perhaps if we wore khaki uniforms, carried automatic rifles and dug trenches around our offices, we would also have got Schutte to negotiate with us."

Katz says. "This is the worst thing he could have done. All that has happened now is that the waters have been muddied for the IBA and it will first have to clean up before it can start issuing licences"

Media expert. David Dison says Schutte was advised against issuing temporary licences because of the expectations it would create.

Media consultant Michael Markowitz says Schutte's actions just caused panic "The temporary licence conditions clearly state that it expires two days before the IBA comes into effect and that it cannot be used to claim grandfather rights," he says.

National Community Radio Forum chairman Aka Mkhwanazi says his organisation will be acting "with a view to ensuring that independent broadcasting regulation is not destroyed in the feverish rush to serve the sectarian and selfish interests of a small minority"

The SA Local Broadcasters Association, representing most of the new commercial stations seeking licences, has welcomed Schutte's decision, saying the commercial infrastructure to support the new broadcasting environment must be created now.

Eskom, foreign utilities in township venture

BTDay 21/2/94

LONDON — Eskom is collaborating with French and British utilities in a three-year, R144m project to supply electricity to all the homes in Khayelitsha by 1996.

The project involves electrical connections for about 70 000 dwellings. Only 5 000 are supplied at present. The project got under way last month with the first new clients being connected earlier this month. Connections are expected to reach a rate of about 100 a day.

A spokesman for Electricité de France (EDF) said yesterday the total investment in the electrification programme was ex-

LINDA ENSOR

pected to be about Ff250m or R144m.

The third participant is UK distribution utility East Midlands Electricity (EME). Eskom has long-standing utility co-operation agreements with both companies.

The three have formed a joint operating company, Phambili Nombane, Xhosa for "forward with electricity" (260)(55)

The EDF spokesman said the foreign companies would make extensive technological knowledge, management expertise and experience available to Eskom.

With a population of about 500 000, Khayelitsha, near Cape Town, is one of the fastest-growing townships in SA.

"It is expected that electricity will immediately provide a cleaner environment at a cost which is competitive with traditional fuels such as coal, and wood and which in the long run will boost local business activities," the spokesman said.

"The involvement of the three utilities can be viewed as a pilot project which, if successful, could lead to further actions in the electrification of southern Africa and possibly other countries in Africa."

Iscor signs Korean deal

B1Dgy 22/2/94

MICK COLLINS

ISCOR has signed a a three-year expertise agreement under which it will sell its Corex technology to South Korean steel producer Posco.

An Iscor spokesman said Korean personnel were expected on site at the Corex plant in Pretoria by the middle of the year for training

Iscor general works manager Tienie Scheepers said the world's second commercial Corex plant was being erected by Posco at the Pohang works in Korea

"The plant, which should be commissioned by 1995, will have a capacity of 2 000 tons of liquid iron a day — twice that of the Pretoria plant."

Scheepers added "We are selling our expertise to the Koreans in the fields of metallurgy, computer control and ore blends There is an option to extend the agreement."

Iscor's Corex plant is the only one of its kind in the world to be used on an industrial scale to produce liquid iron by charging ore and coal directly into the smelting furnace

This alternative to the conventional blast furnace method uses a variety of cheaper and readily available non-coking coals (260)

Iscor and Posco have entered into a confidentiality agreement under which all technical knowledge, documents, data and information supplied by either party will not be disclosed to any third party without mutual consent

Patents or agreements made by and between Iscor and Voest Alpine, the original designers of Corex, will be honoured by Posco.

Under the agreement Posco will not patent anything arising directly from knowledge gained at Iscor

Affirmative action set to take off

B1Day 23/2/94

GERALD REILLY

AFFIRMATIVE action in the public service would gain momentum immediately after the election, senior public service sources in Pretoria predicted this week.

However, they warned that a too swift transformation of the service could be disruptive.

The Urban Foundation's Ann Bernstein said the inadequacy of the existing service to respond to the challenges that lay ahead was already apparent. However, she added that the inexperience and background of the potential new public service would hamper a future government.

However, the ANC was establishing a highly trained corps of future senior government officials who had received public administration training abroad. Some of them would be integrated at the highest levels in the service up to director-general level.

Commission for Administration commissioner Ian Robson said that as far back as 1992, instructions had been issued to department heads to promote greater race representation in their establishments. This was already under way.

Robson said: "Obviously there must and will be changes in the profile of the service which should be a vital stabilising force in the post-election period."

DP public service spokesman Roger Burrows said that in converting to a more representative service, great care would have to be taken that talent and experience were retained. This was crucial if the transformation of the service was to be successful.

(+5 6)

□ Sapa reports Tourism Minister Bhadra Ranchod yesterday said a training programme to equip blacks for tourism careers was to be launched through Satour.

Initially 10 cadets would be recruited at tertiary educational institutions for two-year training contracts, preparing them for managerial and professional positions.

Union criticises Eskom's policy

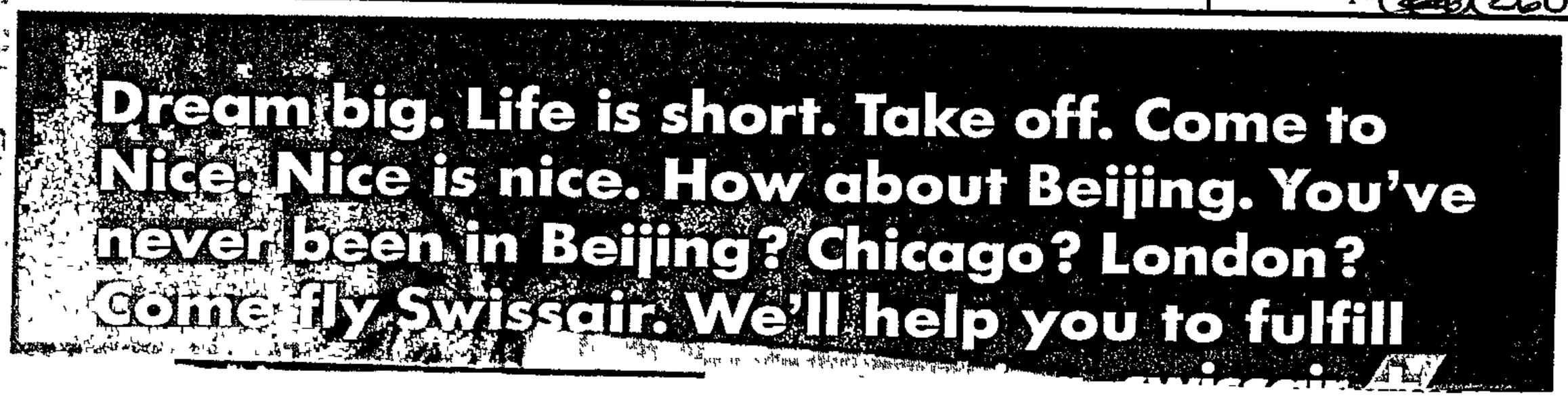
MINEWORKERS' Union general secretary Peet Ungerer yesterday criticised Eskom's affirmative action programme as being unrealistic, impractical and economically unsound. B1Day

He said the union was not against equal opportunities but was opposed to racial appointments and promotions.

Eskom was throwing economic principles overboard in favour of ideological dogma. 23/2/94

The provision of electricity was a national priority and should not be subjected to political experiments by companies.

Ungerer said the Mineworkers' Union was the biggest white trade union in Eskom, with 4 000 members. — Sapa (260)



Earnings soar on Iscor's iron exports

BIDay 25/2/94

MICK COLLINS

STEEL producer Iscor yesterday announced a 72% increase in earnings to R215m for the six months to end-December from R122m recorded in the previous period The company also announced a capitalisation share award in lieu of an interim dividend (2c0) (1811)

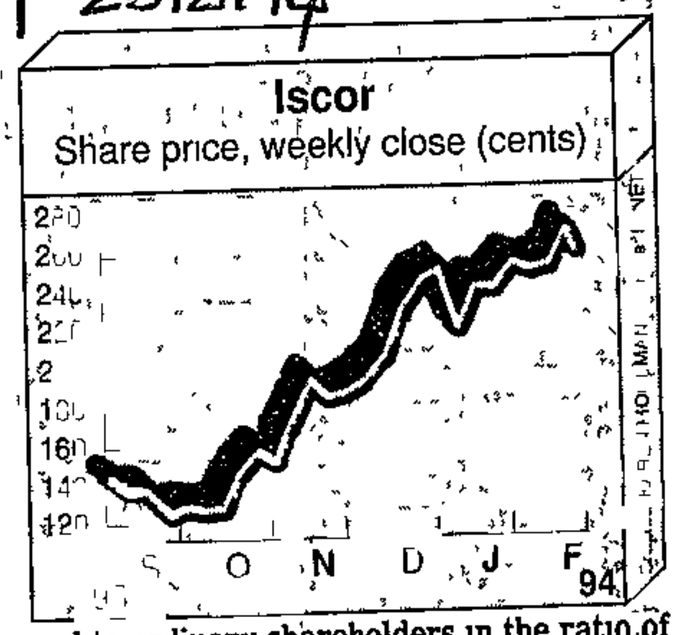
Turnover increased 11% to R4,7bn (R4,2bn) mainly as a result of of a 19% increase in iron ore exports, a 20% increase in coal sales to Eskom and the effect on export sales of the weaker rand

Increased steel export prices in dollars as well as an 8% increase in local steel sales also had a positive effect on turnover

The company was confident that earnings for the second six months should reflect a substantial improvement on those of the same period last year

Pre-tax income came in 82% higher at R233m (R128m) while income attributable to shareholders was R215m (R125m), or earnings a share of 11,5c (6,7c). An interim dividend of 3,24c (2c) was declared.

The capitalisation shares will be awarded to ordinary shareholders in the ratio of 1,2 new fully paid shares of R1 each in Iscor for every 100 ordinary shares held. Where odd lots exist (under 100) the Iscor Pension Fund will purchase such rights at 270c a share.



MD Hans Smith said the company had refocused on cash management and measures to drastically reduce borrowings Net borrowings for the six months de-

☐ To Page 2

Iscor

BIDay 25/2/94

☐ From Page 1

creased R133m. This reflected a significant turnaround as Iscor's net borrowings had steadily increased from R200m at privatisation to more than R2bn at end-1993.

A concerted effort was being made to reduce debt. The medium-term aim was a 50% reduction in borrowings from the June 1993 levels by December (200) (1811)

Total steel volumes sold declined 2% mainly due to product availability from Newcastle as a result of a planned blast furnace reline. Export volumes decreased to 52% (56%) of total steel sales volumes.

"Iscor will not be producing more steel in the foreseeable future. The current steel production facilities can contribute to real growth only to the extent that rationalisation and efficiency improvement would enhance profitability, the exception being a stainless steel production facility."

Smith said a re-engineered Iscor would look upon its mining activities for longer real term growth Business units and investments that did not contribute to Iscor's strategic objectives would be phased out.

Smith said he expected iron ore and coal sales volumes to remain at their present levels Subject to a stable political environment, local steel sales should continue to show further growth. In dollar terms steel export prices should remain at current levels while iron ore export prices would reduce by about 6% from April.

SATV to act on pirate viewers

Staff Reporter

SATV has called in debt collectors and will introduce 2 000 extra inspectors to track down the estimated one million pirate viewers who have not paid their television licences

However, SATV admitted yesterday they had mistakenly sent threatening letters to "a few thousand" people who had already paid their fees

SATV's newly-appointed debt collecting agency, ITC Business Administration, sent letters this week to pirate viewers threatening to have their names entered on the national credit register as "bad payers" (260)

This could prevent them from obtaining future credit facilities in South Africa CT 26/2/94

Mrs Zita Masey of Constantia, who received one of the letters, said yesterday she had paid her licence in September last year

"I have the receipt to prove it

"I have tried unsuccessfully to phone ITC but there was no reply

"Eventually I sent them a photocopy of my receipt to prove it

"My husband phoned the SABC and they said they had had numerous complaints from people who had paid their licences," Mrs Masey said

The manager of SATV's licence section in Johannesburg, Mr Wavell Fox, admitted yesterday there had been "a few thousand" mistakes

"We apologise for these mistakes that slipped through

"There could have been a number of reasons, like the person using a different ID number, or writing illegibly," Mr Fox said

Sasol reports a solid performance

MICK COLLINS

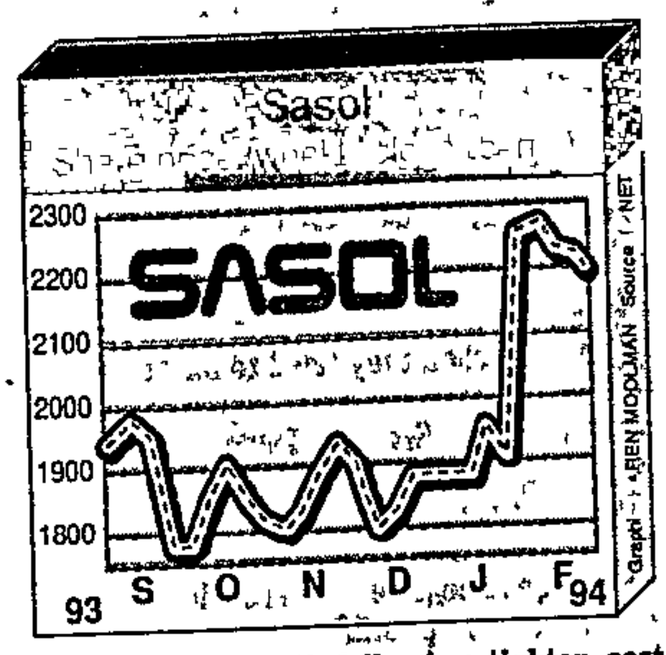
SASOL reported a solid 17% increase in attributable earnings from R560,7m in 1992 to R656,5m for the six months ended December, following an "outstanding" performance from all its main divisions.

The oil-from-coal and chemical producer reported earnings a share up 17% to 116c (99c), while the interim dividend was declared 10,5% higher at 42c (38c).

The average exchange rate, which weakened from R2,84/$ during the previous period to R3,28/$ for the period under review, contributed to the improved results. Lower net interest payable as a result of the further reduction of the Sasol III loan also had a positive effect.

An increase of 34,8% in operating income to R1,1bn (R822,3m) was eroded by an increase in the effective tax rate to 34,4% (20,9%). The rate was expected to increase because allowances from Sasol III and Syferfontein mine were exhausted. R100m had been set aside for tax this year.

Turnover increased 7,5% to R4,6bn (R4,3bn) after a marked increase in sales volumes, while the trading margin widened to 23% (19%) following tighter cost controls. "The company's cost-reduction programme, which we introduced last year, really only kicked in during the period under review," Sasol group GM Russell Kennedy said.



Pre-tax profit was R1,06bn (R759m) as the interest burden decreased to R43,8m (R64,1m) due to the lower borrowings. After-tax profit came in at R698,7m (R600,3m). The impact of the temporary

□ To Page 2

Sasol

□ From Page 1

reduction in the reference price for synfuel tariff protection to $21,84 ($23) a barrel is incorporated in the results.

Sasol MD Paul Kruger said the commissioning of the rejuvenation project to convert the Sasol I plant to a chemical facility had been completed during the period.

"Even though full capacity was reached only during January 1994, a substantial improvement in profitability was already achieved during the half-year.

The Natref refinery had also been commissioned towards the end of the period.

"The anode coke plant in Secunda and the acrylic fibres plant in Durban have not yet reached their full operating potential."

On future prospects Kruger said that barring unforeseen circumstances, the attributable profit for the second half should be higher than that of the first half. "It is expected that there will be a satisfactory profit growth for the financial year."

SASOL

Fm 4/3/94 (260)

Capex benefits flowing through

Sasol's strong bottom-line growth was helped by the weaker rand and the synfuel division's insulation from low world oil prices But it also shows a tightening of the ship, with benefits from a vigorous cost-reduction programme, firming operating margins and increased efficiency across all divisions contributing to a 7,5% increase in sales

Initial benefits of earlier capital spending — some R4,3bn over the past three financial years — are starting to come through, though the impact should be greater in the second half, with the main surge likely to be felt in 1995

At operating level, synfuels' contribution rose from 42% at the June year-end to about 46%. This is Sasol's tariff protected income, though the level has been reduced from US$23 a barrel to $21,84, effective for about two of the six-month reporting period

Petrochemicals, main focus of capital spending though a flat world market and, in some cases, deteriorating prices, have kept a lid on the division's full potential, kept its contribution to operating profit level at about 21% So did crude oil refining activities, at 16%, while the contribution from coal mining dropped from the year-end's 21% to about 17%

All divisions, though, increased volumes, which MD Paul Kruger attributes to an increase in efficiency, stability and improved operations at plants

With around 80% of Sasol's products priced in international currencies, mainly dollars, the weakening of the exchange rate from R2,84/$1 in the previous period to R3,28/$1 in the second half of last year boosted results, despite prices falling for some petrochemical products

Demand from overseas was static, though Kruger says international markets seemed to have bottomed Growth areas like the Far East have kept up demand, but Kruger says high import tariffs are a problem, with China, for example, charging 45% duties on polypropylene. "Demand in local markets picked up, especially for petrochemicals, and is robust, though there is still pressure on prices," he adds

Increased sales and the firmer operating margin, 23,7% compared to the previous period's 18,9%, as well as greatly reduced interest payments, boosted pre-tax profit 40% to R1,1bn But an increase in Sasol's effective tax rate from 20,9% to 34,4% took the wind out of the profit surge, reducing taxed profit to R699m, an increase of 16,5%

Lower debt, mainly repayment of the Central Energy Fund's loan to Sasol 3, and cash holdings of R1,2bn have strengthened the balance sheet Kruger says R950m of total debt of R1,6bn remains on the Sasol 3 loan This is repayable at an interest rate of 16%, but has clawback benefits which make it unattractive to retire early

The increased tax rate was expected, mainly from assessed losses on Sasol 3 and



Sasol's Kruger *local demand is robust*

the Syferfontein mine being used up Kruger says the tax rate should stabilise at about 30%, though R100m has been put aside in a tax equalisation reserve to lessen the impact if necessary

The R400m Natref upgrade has not had time to benefit latest results, but should boost second-half performance through improved refining margins "We can get more higher-value products out of a barrel by using heavier oil as feedstock," Kruger says

Sasol 1's conversion from loss-making synfuel production to petrochemicals, however, contributed to results

Additional projects, with an investment of more than R1bn, are due to come on stream this year and early next year, including the alpha-olefins and acrylonitrile plants at Secunda, an oxygen plant at Sasol 3 and a new reactor system at Sasol 2

That makes 1995 look like a growth year for Sasol, though Kruger says attributable income is expected to strengthen in the second half of the 1994 financial year With no immediate prospect of a stronger rand, provisions set aside for the higher tax rate, and the full benefits of earlier capital spending still to be felt, full year results should be good

It also suggest the share, which has only recently broken through the R20 barrier it has been testing for a long time, has potential Investor concerns about tariff protection and deregulation of the fuel industry will probably remain, but on latest results and prospects for the rest of the year, the price should move up

Shaun Harris

WELL OILED

Six months to	Dec 25 '92	Jun 25 '93	Dec 25 '93
Turnover (Rbn)	4,3	4,5	4,7
Operating income (Rm)	822	1 134	1 108
Attributable (Rm)	561	743	657
Earnings (c)	99	131,3	115,9
Dividends (c)	38	48	42

ISCOR Fm 4/3/94

Better all round

Interim results from Iscor have comfortably justified the resurgence of the share price It is not simply that EPS have jumped 72% off the low base of 6,7c set in the first half of last year — which in itself vindicates the qualified optimism management began to show when the 1993 year-end results were released in August (260)

More important is the distinctly positive change occurring in markets, cash flow, the balance sheet and general asset management It all offers ample grounds for thinking the profit recovery will be sustained and will remain vigorous

At last year-end, several reasons were cited for a profit recovery, including the depreciating rand, relining of the Newcastle blast furnace and firming dollar prices for exports Deputy MD Nols Olivier (*Fox* September 3) felt these could provide enough impetus to lift the operating margin — crucial for Iscor's profitability — from last year's 6,2% to 1992's 7,9%

That is essentially what has happened. In the half-year to December the margin jumped back to 8%, and a number of positive factors are only just beginning to come through The margin is now also being boosted by improved cost efficiencies, increased steel export prices in dollars and, especially, rising sales volumes to the local market

One of the most encouraging aspects is the change now being felt in the domestic steel market Six months ago management said they could see no real sign of recovery in domestic demand for steel Now they say that in the interim period local steel sales volumes grew 8%

Total sales were cut by 2%, with export sales down 9,1%, as there was a planned decline to accommodate the relining of the blast furnace at Newcastle Priority is given to meeting domestic demand — and any improvement in local sales can sharply benefit Iscor's profits, as these carry higher margins than exports Local demand for steel has historically been closely linked to GDP and fixed investment, and Iscor is forecasting that despatches, which are now down to the roughly 2,65 Mt of 1977, are poised to return

STOKING UP

Six months to	Dec 31 '92	Jun 30 '93	Dec 31 '93
Turnover (Rbn)	4,29	4,53	4,77
Pre-int income (Rm)	307	299	380
Attributable (Rm)	125	158	215
Earnings (c)	6,7	8,4	11,5
Dividends (c)	2,0	3,0	*3,24

* Equivalent value of dividend capitalised

to the tonnages seen in the late Eighties of about 3,2 Mt FM 4/3/94

However, this remains a cyclical business CE Hans Smith says positive growth is only expected for the next two to three years, until 1995/1996 The challenge then will be to manage the downturn and to ensure Iscor becomes and remains a low-cost international producer Already the Vanderbijlpark works is rated by the London-based Commodities Research Unit (an independent consultancy) as one of the lowest-cost producers of flat steel products in the world market (2160)

steel division In the long term, Smith says, its profit growth will be derived from rationalisation and local recovery, as steel production capacity will not be increased further

For the rest, Iscor's long-term growth will be driven mainly by expansion of the mining and minerals division Iron-ore exports have become an increasingly important profit contributor The 18% capacity expansion at the Sishen mine — which produces and exports extremely high-quality iron ore — boosted the interim earnings, as did the 20% increase in coal sales to Eskom

A coal mining venture in Australia is now probable (see next report), and there must be prospects for other new projects and, probably, diversification of mining activities

Meanwhile, impressive progress has been made with items Smith earmarked as "fast track critical issues" First, the debt burden Smith wants to halve it by next December from the R2bn at last June year-end, at December net borrowings were down by R133m Secondly, rationalisation of "the perceived clumsy head-office structure" At the end of this month, about 3 000 employees will take early retirement packages, financed from the surplus in the Iscor Pension Fund

This will be a continuing process But Iscor has turned cash positive for the first time in years there was a net cash inflow of R133m for the six months

Analysts are now forecasting full-year EPS of around 26c-29c (70%-80% up), possibly rising as high as 50c in the 1995 year On that outlook, the share is fair value now and capable of rising usefully above R3 soon

Andrew McNulty

ISCOR — 2

G'day Hans

Iscor's move into Australia is a strategic measure aimed at securing supplies of coking coal for its steel mills — but it also means Iscor will enter the coking-coal export business

MD Hans Smith says. "We are approaching a situation where we will soon have to import 1 Mt of coking coal a year and we would like to establish some form of security of supply over those volumes

"We have been trying to negotiate a deal to link up with an existing coking-coal producer but nobody has been interested in talking to us That has forced us to go looking for our own source of supply For a new mine to be financially feasible it will have to produce around 3 Mt a year We want 1 Mt of that, so the balance will be sold on the export markets"

The deposit to be looked at is block RA278 near the Queensland town of Moranbah It has a potential *in situ* reserve of about 700 Mt of high-grade coking coal and is about 200 km from the nearest harbour, Mackay

Executive director Ben Alberts says Iscor won the rights to explore the deposit with a tender of A$2,15m (R5m) It's planned to spend R5m-R7m a year over the next three or four years to drill and prove the deposit, and carry out chemical analyses of the coal

Iscor's demand for this coal could eventually reach 1,5 Mt/year, depending on developments at its Vanderbijlpark steelworks over the next six years Some of the older coking ovens are to be phased out, with pulverised coal injection introduced in the blast furnaces, which will need a stronger coke

Iscor is still considering ways of financing the mine which could cost around R800m It will probably look for a partner to develop the mine and market production it does not require

This is Iscor's second foray outside SA to be announced in as many weeks It is to invest R45m and become a partner in a project to extend the Qianwan harbour in the Qingdao port complex in north-eastern China

Brendan Ryan

FM's GLEASON WINS

FM assistant editor David Gleason won the periodicals category and was also overall winner of the Syfrets Award for Consistent Excellence in Business Journalism Pictured at the awards ceremony are three Davids Syfrets' David Rennie (left), Sussens, Mann's David Carte (one of the judges); and Gleason Beeld's Curt von Keyserlingk won the dailies category and former SABC employee Alec Hogg won the electronic media category



MURRAY & ROBERTS

Puzzling comparison

Murray & Roberts (M&R)'s interims may leave some shareholders confused Somehow, it has managed to dispose of 57c a share in earnings and I can only presume it is because this amount — R36m — presents an embarrassment FM 4/3/94

Here is what appears to have happened Last year, M&R reported EPS for the year to June as 531c That included 57c in deferred tax benefits, these were taken above the line, a practice which is quite legal but which isn't exactly conservative One result was that M&R reflected an increase of 9% in EPS over 1992, 46c to be precise — and unkind observers will point out the increase was funded solely by Derek Keys's generosity Another was that it was able to raise its dividend 11% to 200c

This time, however, the interims faithfully repeat last year's audited figures — all the way down to EPS This is now shown as 474c and is under the heading "EPS excluding prior year tax adjustment" So 57c in deferred tax benefits are now not shown — though they were welcome last year

This means that when 1994's annual statements are presented it will be by comparison with a lower EPS for 1993 and that is certainly one way of ensuring management is cast constantly in as good a light as possible Commercial director Jeremy Ractliffe says both figures will be disclosed in the annual report I must add that nothing improper has been done, but playing ducks and drakes with bottom-line earnings isn't a practice to be recommended

For the rest, the notable increase in earnings this half year was from the engineering division, which returned an increase of 23% on first half 1993 However, much of that will have come from M&R's increased shareholding in Standard Engineering

M&R has positioned itself to take maximum advantage of the long-awaited spurt in capital projects (GDFI) and that's been a bad place to be for the last 21 successive quarters The realisation that SA's capital stock has been contracting for longer than three years (and that GDFI has declined for 21 successive quarters) is sobering

However, things are now on the move Alusaf, Columbus and Namakwa Sands are bubbling and more should transpire as (if) the country returns to a state resembling normality Still, none of these will have any effect on M&R's fortunes in the short term

The abridged and consolidated balance sheet reflects inherent strength, borrowings

SASOL LIMITED

(Company registration number 79/03231/06)
(Incorporated in the Republic of South Africa)

Interim profit statement and declaration of dividend No 29 for the half year ended 25 December 1993

Fin 4/3/94 (260)

Highlights

	Half year ended 25/12/1993	Half year ended 25/12/1992	% Change
Attributable profit			
– Permanent capital holders (R million)	**683,1**	583,6	+17,0
– Ordinary shareholders (R million)	**656,5**	560,7	+17,1
Earnings per share (cents)	**115,9**	99,0	+17,1
Dividend (cents)	**42,0**	38,0	+10,5
Cover (times)	**2,8**	2,6	

Comments on the financial results

Earnings attributable to shareholders increased by 17,1% from R560,7 million to R656,5 million An increase of 34,8% in operating income was eroded by an increase in the effective tax rate from 20,9% to 34,4%

The improved results reflect the outstanding performance of all the main divisions Sales volumes increased markedly and cost increases were once again kept well below the inflation rate

The commissioning of the rejuvenation project to convert the Sasol One plant to a chemical facility was completed during the period under review Even though full capacity was only reached during January 1994, a substantial improvement in profitability was already achieved during the half year The Natref expansion was successfully commissioned towards the end of the period The Anode Coke plant in Secunda and the Acrylic Fibres plant in Durban have not yet reached their full operating potential

The average exchange rate which weakened from R2,84/$1 during the previous period to R3,28/$1 for the period under review also contributed to the improved results Lower net interest payable, inter alia, as a result of the further reduction of the Sasol Three loan, also had a positive effect

The impact of the temporary reduction in the reference price for synfuel tariff protection from $23 to $21,84 per barrel, is incorporated in the results for the period under review

Polifin Limited, the petrochemical and plastics joint venture with AECI, was incorporated late in December and became operative on 1 January 1994

Profit outlook

Unless unforeseen circumstances arise the attributable profit for the second half of the financial year should be higher than that of the first half It is expected that there will be a satisfactory profit growth for the financial year

Particulars of financial results

The group's unaudited consolidated results for the half year ended 25 December 1993 are as follows

	Half year ended 25/12/1993 R million	Half year ended 25/12/1992 R million	Year ended 25/06/1993 R million
Consolidated income statement			
Turnover excluding value added tax, excise duty and levies	**4 665,8**	4 339,7	8 876,5
Net operating income	**1 108,1**	822,3	1 955,9
Dividends received	**0,2**	0,8	2,0
Net interest paid	**(43,8)**	(64,1)	(122,0)
Income before taxation	**1 064,5**	759,0	1 835,9
Provision for taxation	**(365,8)**	(158,7)	(347,9)
Income after taxation	**698,7**	600,3	1 488,0
Outside shareholders' interest	**(15,6)**	(16,7)	(31,2)
Transfer to tax equalisation reserve	**–**	–	(100,0)
Earnings attributable to permanent capital holders of the company	**683,1**	583,6	1 356,8
Net debenture interest	**(26,6)**	(22,9)	(53,2)
Earnings attributable to shareholders of the company	**656,5**	560,7	1 303,6
Dividends	**238,0**	215,3	487,1
Earnings per share (cents)	**115,9**	99,0	230,3
Dividend per share (cents)	**42,0**	38,0	86,0
Consolidated balance sheet			
Source of capital			
Shareholders' interest	**6 783,4**	5 890,3	6 363,3
Convertible debentures	**1 028,1**	1 028,1	1 028,1
Outside shareholders' interest	**77,0**	74,0	90,7
Long-term liabilities	**1 648,5**	1 928,5	1 491,9
Tax equalisation reserve	**100,0**	–	100,0
Deferred taxation	**1 670,0**	1 689,9	1 689,4
	11 307,0	10 610,8	10 763,4
Employment of capital			
Fixed assets	**10 090,0**	9 170,8	9 774,8
Other long-term assets	**314,2**	325,0	325,8
Current assets	**3 623,5**	3 559,0	3 407,1
Cash funds	**1 218,4**	1 357,9	899,8
Other current assets	**2 405,1**	2 201,1	2 507,3
Current liabilities	**(2 200,5)**	(1 978,7)	(2 166,4)
Interest bearing short-term debt	**(520,2)**	(465,3)	(577,9)
	11 307,0	10 610,8	10 763,4
Net asset value per share (cents)	**1 197,4**	1 040,5	1 123,7
Number of ordinary shares in issue (million)	**566,5**	566,1	566,3
Capital expenditure for period (R million)	**690,6**	848,4	1 782,0
Capital expenditure authorised (R million)	**1 147,3**	2 022,4	1 635,0

Declaration of interim dividend No 29

Notice is hereby given that the directors have declared an interim dividend of 42,0 cents per share (1992 – 38,0 cents) for the period ended 25 December 1993 This dividend is declared in the currency of the Republic of South Africa and is payable to shareholders registered in the books of the company at the close of business on Friday, 18 March 1994 Dividend cheques in payment of this dividend will be posted on or about 15 April 1994

Notice of any change of address of shareholders must reach the transfer secretaries, Central Registrars Limited, PO Box 4844, Johannesburg, 2000, on or before 18 March 1994

In terms of the Income Tax Act, tax at the rate of 15% will be deducted from dividends payable to shareholders who reside outside the Republic of South Africa

By order of the board

R Hugo
Company secretary

28 February 1994

Registered office
1 Sturdee Avenue
Rosebank, 2196

Postal address
PO Box 5486
Johannesburg, 2000

Transfer secretaries
Central Registrars Limited
154 Market Street
Johannesburg, 2001

Postal address
PO Box 4844
Johannesburg, 2000

Directors J A Stegmann *(Chairman)*, P du P Kruger *(Managing director and Deputy chairman)*, C S Adcock, W A M Clewlow, M T de Waal, A G du Toit *(Executive director)*, H V Hefer, M J Levett, D F Mostert *(Executive director)*, N H Motlana, P J van Rooy, C H Wiese

JONSSONS

Palabora Mining

Company Limited and its Subsidiaries

(Incorporated in the Republic of South Africa)

Reg No 56/02134/06

Directors A J Leroy* *(Chairman)*, F Fenwick*** *(Managing Director)*, B R Aitken***, T N Chapman, L A Davis**, A D Deuchar**, B D Farmer****, N J Keys** (Alt D G K Fish), Z W Ntuli, M P Randolph*, N R Shutt, Prof N E Wiehahn

*American **Australian ***British ****New Zealander

Dividend announcement and summary of consolidated results

Unaudited consolidated results for the financial year ended 31 December 1993

	1993 R000's		1992 R000's
Operating profit – after writing off depreciation of R65 747 000 (1992 R54 322 000)		284 172	374 449
Add Dividends received		1 023	1 306
		285 195	375 755
Add Interest receivable	6 325		9 883
Add Foreign exchange gains	3 851		20 151
Less Interest payable	10 882	(706)	13 379 16 655
Profit before taxation		284 489	392 410
Deduct Taxation and lease consideration		136 178	202 350
Profit after taxation		148 311	190 060
Add Extraordinary item		21 556	8 675
		169 867	198 735
Deduct Interim dividends	96 273		110 430
Final dividends	73 620	169 893	87 778 198 208
Retained profits for the year		(26)	527

DECLARATION OF DIVIDEND No. 107

Notice is hereby given that Dividend No 107 of R2,60 per R1-share, being the final dividend for the year ended 31 December 1993, has been declared payable to shareholders registered in the books of the company on 11 March 1994 This dividend, together with the interim dividends (Dividends Nos 104, 105 and 106) of 100, 110 and 130 cents per share respectively, makes a total distribution of R6,00 per share for the year

The dividend is declared payable in the currency of the Republic of South Africa Dividend warrants will be posted on or about 31 March 1994

In terms of the Republic of South Africa Income Tax Act 1962, as amended, Non-Resident Shareholders' Tax at the applicable rate will be deducted by the company from dividends payable to shareholders whose addresses in the Share Register are outside the Republic of South Africa

The Transfer Books and Register of Members will be closed from 12 March to 25 March 1994, both days inclusive

By order of the Board

Rio Tinto Management Services
South Africa (Pty) Limited
Secretaries
per K Lendrum

Transfer Secretaries
Union Provident Trust
South Africa Limited
Ernst & Young House
4 Pritchard Street
Johannesburg 2001

Registered office
4th Floor
Rio Tinto House
122 Pybus Road
Sandton
2196

23 February 1994

JONSSONS

SABC 'doing its utmost'

PAARL — The SABC was a ball being kicked around to score political points, SABC group CE Wynand Harmse said yesterday

He said the corporation was doing its utmost to ensure reports were fair and its journalists were proud of the new ethical code.

Harmse said the SABC had to stay independent but also be constructive in its election coverage.

SABC board chairman Ivy Matsepe-Casaburri said it was important for the media "to encourage a culture of seeing the SABC as a national resource".

Report by F Krige, Sapa, Nedbank Centre, Strand St, Cape Town

Challenges for broadcasting

THE Independent Broadcasting Authority (IBA) faces formidable challenges locally and from the international media when it is constituted by the Transitional Executive Council next week

"One of the measures of the IBA's credibility will be how it deals with the SABC," said selection panel member Lawrence Anderson during public interviews for the IBA at the World Trade Centre in Kempton Park yesterday.

Candidates targeted the need for the SABC to become a true public broadcaster serving the national interest

The Independent Broadcasting Act defines the IBA as a non-politically constituted body, but it is not clear how the members will find their way across what is certain to be a politically loaded terrain. — Sapa

BBC news head in SA killed in car smash

CT 10/3/94

MMABATHO — British Broadcasting Corporation news head in South Africa Mr John Harrison was killed in a car accident on the road between Mmabatho and Zeerust yesterday

Mr Harrison and BBC cameraman Mr Glen Middleton were returning from Zeerust when the car in which they were travelling left the road

And journalists covering the violence in Bophuhatswana suffered casualties when youths attacked reporters at makeshift roadblocks

Youths stopped an SABC television crew headed by Ms Nan Roux about 5km outside Mmabatho and tried to pull her from the car, SATV reporter Mr Danie Hefer said. He said Ms Roux had been assaulted and the car stoned (259) (260)

Mr Hefer and his crew were also attacked on their way back from Zeerust

A team from the British news network Sky News was stopped at another roadblock near Mmabatho and told by youths they had to leave the car or they could be shot, ITN reporter Mr James Brittan said — Sapa

DE BEERS

Fm 11/3/94

Pleasing investors, but quotas remain

De Beers' earnings for the year to December are at the upper end of analysts' predictions and the dividend payout has beaten nearly every forecast However, market enthusiasm is tempered by the balance sheet

Despite record CSO sales for 1993 of US$4,37bn, 28% up on 1992's $3,4bn, the diamond stockpile has risen to $4,1bn (1992. $3,8bn) and the quota controls on the diamond producers remain unchanged at 85% of full output

Some analysts had felt De Beers would announce the removal of the last quota restrictions if the 1993 results were positive and particularly if the dividend was lifted materially The payout has been increased significantly by 7% in US dollar terms and by 19% in rand terms.

The result could be further pressure on the CSO to lift remaining quota restrictions, by producers resentful that De Beers' shareholders should benefit while they continue to support the market

The retention of the quotas seems to run counter to chairman Julian Ogilvie Thompson's upbeat view on retail diamond sales which should, on the face of it, be positive for future sales of rough He says in 1993 retail sales increased for the first time in four years, but adds it's too early to predict this year's CSO sales

A worry remains the erratic selling activity of the Russians CSO MD Gary Ralfe says De Beers has held discussions with the Russian government He is convinced they have no intention of destabilising the market through continued sales outside the CSO, such as the $80m-odd of gem diamonds greater than 10 carats sold in December

These sales contravened CSO agreements, he says, but the $350m of industrial quality stones also sold independently by the Russians last year was legitimate

Looking longer term, the CSO could face new production from the world-wide intensive search under way for new diamond deposits in Australia, North America, Africa and Europe — the first new producer being BHP's Lac de Grace mine

Ogilvie Thompson says the CSO has had discussions with BHP on marketing the mine's production and expects to have further discussions "All the major producers have so far thought it wise to sell through the CSO and we would hope to persuade all newcomers to follow that line," he says

The cost could be continued pressure on profit margins The 1993 margin on the diamond account fell to a new low of 16,6% (1992. 18,8%)

Key figures in the accounts are the trebling of the diamond account to R614m (R205m) for the SA operations of De Beers Consolidated and the 5,7% drop in the De Beers Centenary diamond account to $562m ($596m), despite the 28% rise in CSO sales

The former was because of the first full year of operations at Venetia Ogilvie Thompson attributes the latter to a number of factors, none being dominant These include retrenchment payments at De Beers Industrial Diamonds and the fact that the improved earnings for Venetia reported through De Beers Consolidated and not De Beers Centenary Some analysts feel another factor must be costs to De Beers of buying in diamonds marketed outside the CSO

Despite the concerns, this week the share price reached an all-time high of R115, rising R1 when results were released on Tuesday It could go higher, but is now in risky territory, though not necessarily for reasons related to the diamond market

G O'Flaherty analyst Des Mayers says that at R114, De Beers' non-diamond interests — principally its stake in Anglo American Corp — were worth about R81,50 a share and the diamond interests about R32,50 That puts a multiple on the diamond business of about 8,8, not excessive but there is concern about the non-diamond side That relates to foreign interest in SA and the high levels of international stock markets

"These markets look vulnerable and the possibility of a general crack is a real concern On the diamond side, I think De Beers' management has done very well considering the problems they have faced" *Brendan Ryan*

A BIT MORE SPARKLE

Year to	Dec '92	Dec '93
Diamond account (Rm)	1 850	2 388
Investment income (Rm)	607,0	563,0
Pre-tax income (Rm)	2 093	2 591
Attributable profit (Rm)	1 413	1 955
Attributable earnings (c)	372,0	514,0
Equity earnings (c)	573,0	754,0
Dividends (c)	241,6	286,8

Parties allocated radio time

Prepare for 150 hours of electioneering

Star 15/3/94

■ BY JOHN SODERLUND

If the election adverts haven't yet pushed you over the edge, 150 hours of party election broadcasts (PEBs) ought to do it That's the total time allocated by the Independent Media Commission for political parties to campaign on radio stations, starting this Monday and ending on April 24

Four PEBs will run for three minutes during peak time each day on each of the SABC stations, all homeland stations and commercial station Radio Cicade. (260) (3~~5~~9)

Total time was limited in an attempt to discourage the listening public from switching off — something which has proved a problem with PEBs in recent elections in Canada and the UK, commissioner Raymond Louw said yesterday

The yardstick used in deciding how much time to allocate to



parties was the number of candidates fielded by each for the national and regional elections.

The party with the lowest total PEB time is the South African Women's Party with 51 minutes, while the highest time allocation of 945 minutes goes to the NP and the ANC.

Negotiations were under way between the parties and seven SABC stations — BRFM, Highveld Stereo, Port Natal Stereo, Radio Algoa, Radio Goudveld, Radio Jacaranda and Radio Oranje — for the stations not to carry PEBs at all, Louw added

(47 Sauer St, Johannesburg)



Monitor journalist John Batteraby, y senior AWB members and body-

Picture ROBERT BOTHA

Broadcasting body decision expected

ADRIAN HADLAND

PRETORIA — The board of the Independent Broadcasting Authority is likely to be appointed by the TEC today following public interviews and on the interviewing panel's recommendations.

An Independent Electoral Commission recommendation on which prisoners will have the vote forms part of the Transitional Executive Council agenda. The IEC is expected to recommend that all prisoners be given the vote.

The Bophuthatswana issue will top today's agenda. Additional issues likely to be raised include a report-back on the East Rand peace plan and further developments in the finalisation of the R90bn housing plan announced by Housing Minister Louis Shill earlier this month.

Our Cape Town correspondent reports that the new flag — expected to be chosen by the TEC today — will have no symbols, logos or coats of arms. Insiders "sworn to secrecy" said that instead, the five design options before the TEC consisted "mainly of stripes and geometric shapes" and would be as "non-contentious as possible".

Report by A Hadland, TML, 216 Vermeulen St, Pta, and C Bateman TML, 122 St George's St, Cape Town

'ters

Winnie report 'is slander'

THE ANC yesterday slammed as slander a re-

WILSON ZWANE

Broadcast Act by March 25

PRETORIA — The Independent Broadcasting Authority Act should be promulgated before March 25, the TEC decided yesterday

The members of the IBA and the chairman of the Independent Media Commission are expected to be named soon. — Sapa 269 CT16/3/94

Broadcasters' nod for choices on IBA

Star 17/3/94

■ BY JOHN SODERLUND

The Transitional Executive Council's choice of members for appointment to the Independent Broadcasting Authority (IBA) has been welcomed by broadcasters.

Co-chairpersons of the IBA, which will oversee all broadcasting activities, are Association of Advertising Agencies (AAA) executive vice-president Peter de Klerk and Dr Sebiletso Matabane.

Several prominent broadcasters had little or no knowledge of Matabane.

She is reported to have spent several years at two universities in Texas where she was heavily involved in student radio and television stations She reportedly works for Usaid in Johannesburg

De Klerk (54) served in the marketing department of D'Arcy's for 10 years before becoming its chairman He has served in his current position in the AAA for seven years

The other committee members are media lawyer William Lane, SABC Radio Election Unit head John Matisonn, former Cosatu spokesman Frank Meintjies, UCT social anthropologist Professor Harriet Ngubane; telecommunications expert Lyndall Shope-Mafole and ex-SABC chairman Professor Christo Viljoen

National Association of Broadcasters chairman Stan Katz and Interim Broadcast Committee chairman Tony Sanderson expressed cautious approval of the list, but remarked that the absence of anybody with broadcasting background was a cause for concern

Katz said "It is a matter of bringing them up to speed as soon as possible on the industry as they have other expertise" (260)

M-Net Multichoice director of corporate affairs Kobus Scholtz said "I am quite hopeful that the mix of people on the committee will bring about a concerned and informed IBA eventually

"I hope these guys are on a learning curve and have the wisdom not to damage the changing industry," he commented

The IBA's first test will be when it comes into effect on March 25 Temporary licencees will have to suspend broadcasting until new licence applications have been approved

New temporary licences may be issued immediately but permanent licences will be withheld until the completion of a comprehensive IBA investigation into the broadcasting industry

Sanderson says he is concerned that some stations, among them seven right-wing operators, will ignore the IBA demand.

IBA co-chairpersons will hold office for five years

Right-wing radio call to be probed

Star 17/3/94

BY JACQUELINE MYBURGH

The Independent Media Commission is investigating a call on Radio Pretoria last Thursday for all members of the AWB Wenkommando to report to the organisation's Ventersdorp office "in full combat kit", acting IMC chairman Raymond Louw said yesterday.

This call was made between 11 am and noon on Thursday — about 9½ hours before Star journalists witnessed the first group of khaki-clad rightwingers crossing the South African "border" into Bophuthatswana.

Louw said the IMC — which was created by the TEC to monitor fairness in election coverage by the media — had asked its legal advisers to study the full transcript of the announcement to establish whether the IMC Act had been contravened (260)

According to an English translation of the radio message provided to The Star, the

▶ To Page 3

Radio call to be probed

Star 17/3/94

◀ From Page 1

Radio Pretoria announcer said: "All AWB Wenkommando members have been asked to report to the Ventersdorp office by 2 pm in full combat kit (260)

"This is a report from our news office — I don't know what it is for, they must have edited it for us"

An hour later, the announcer said everyone should phone the office before physically arriving there because "apparently some of the insignia must be removed and to confirm what you must bring along"

Radio Pretoria chairman Mossie van den Berg responded to news of the inquiry by saying he would never allow anyone to prevent him from broadcasting something that listeners had requested him to broadcast. He said Radio Pretoria had no links with the AWB, but operated under the guidance of the Afrikaner Volksfront council.

Watchdogs named

Own Correspondent

JOHANNESBURG — The Transitional Executive Council (TEC) has chosen a mixed team to control broadcasting as the new Independent Broadcasting Authority (IBA) (260)

The IBA, set up in terms of an Act of Parliament, is to regulate broadcasting CT 17/3/94

It is expected that President F W de Klerk will accept the list

The IBA's co-chairmen are advertising executive Mr Peter de Klerk and broadcast educationist Mr Sebiletso Matabane

The six ordinary members are Media lawyer and consultant Mr William Lane, radio journalist Mr John Matisonn, community-based development programme director and former Cosatu office-bearer Mr Frank Meintjies, social anthropologist Professor Harriet Ngubane, National Telecommunications Forum chairman Mr Lyndall Shope-Mafole, and former SABC chairman Professor Christo Viljoen

TEC names Independent Broadcasting Authority team of eight

THE TEC yesterday named a mixed team of eight people to control broadcasting and rule the airwaves as the new Independent Broadcasting Authority (IBA)

The two co-chairmen of the IBA, with a five-year tenure, are advertising executive Peter de Klerk and broadcast educationist Sebiletso Matabane

The other members are media lawyer and consultant William Lane, radio journalist John Matsonn, Community-Based Development Programme director and former Cosatu office-bearer Frank Meintjes, social anthropology professor Harriet Ngubane, National Telecommunications Forum chairman Lyndall Shope-Mafole, and former SABC chairman and current Stellenbosch University professor of electronic engineering Christo Viljoen

Three of the members will hold office for two years and the others for four years, the TEC said yesterday. The allocation of tenure will be decided on Tuesday by the drawing of lots

The IBA will be an autonomous and permanent body to regulate broadcasting

Its first task will be to ensure no party is advantaged or disadvantaged in state broadcasting in the run-up to the election

ADRIAN HADLAND and GAVIN DU VENAGE

The members, whose appointment was approved by the TEC earlier this week, were selected following public hearings conducted by a TEC-appointed selection panel The TEC advised President FW de Klerk to appoint its choice

According to the Independent Broadcasting Authority Act, the IBA must acquire staff and offices and conduct four complex investigations before it begins handling licence applications

It is required to look into the amount of local content to be used by broadcasters and to publish a "spectrum plan" outlining available frequencies for use

The IBA will also draw up a code of conduct for radio stations, investigate cross-ownership, and present guidelines and regulations This is an area of jurisdiction that could have particular significance to the four major Press groups that dominate SA's newspaper industry, analysts say It is understood that the IBA will "take a very careful look at M-Net and its major shareholders, Naspers, Perskor, TML and Argus", one source said

Another IBA task will be to examine the financial implications of deregulation for the SABC Analysts say the IBA's biggest challenge will be to loosen the SABC's grip on almost every FM frequency, and its virtual television monopoly

It will have a similar task in reregulating the homeland broadcasters, who were in much the same position as the SABC

The IBA is also going to have to sort through the many applications from private broadcasters clamouring for licences

ISCOR Fm 18/3/94

New mining prospects

New Iscor MD Hans Smith is a mining man who has run both coal producer Trans-Natal Coal Corp and ferro-alloy giant Samancor, so it's not surprising Iscor's revised game plan concentrates heavily on expanding its mining operations (260)

Mining already dominates Iscor's earnings but Smith maintains a Samancor-style silence on certain figures He refuses for strategic reasons to break down the contributions from steel and iron ore, or to specify the targets, but will outline broad strategy

On the cards is a potential new iron-ore mine in either Africa or Western Australia, as well as greater exports from Sishen Iscor intends entering the coal export market with about 3 Mt/year of coking coal for sale from the Grootegeluk colliery and a potential new mine in Queensland Smith also plans to build up Iscor's business in other minerals This involves a search for new mines in Africa as well as expanding Iscor's mines which produce dolomite and quartzite



Smith *other minerals*

Mining executive director Ben Alberts is enthusiastic about Iscor's future as an iron-ore exporter despite depressed prices

"Most iron production in the northern hemisphere comes from taconite ores which are low grade, averaging around 35% iron compared with Sishen's 66%," he says. "The deposits we own and are looking at in Africa and Australia have grades running above 60% That will give us a competitive advantage as steel producers worldwide are inevitably forced to switch to sources of high-grade ore "



Alberts *high grades* (260)

Alberts says Iscor has been prospecting in Africa south of the Sahara for the past two years and is looking at one promising iron-ore project in a country he will not name That prospecting work is also looking in particular for base metals such as zinc but nothing will be ignored Says Smith "If we trip over a gold deposit we're not going to offer it to Gold Fields "

Alberts stresses Iscor's record proves it has the expertise to develop and run any kind of opencast mine and most kinds of underground mining That makes it acceptable to multilateral agencies, such as the World Bank, which help fund such developments in the Third World

From its steelmaking operations Iscor has a detailed technical knowledge of how various iron ores can be used in conventional and direct reduction steelmaking processes One spin-off is that Sishen is marketing a new product which is a coarse, high-grade ore that can be put straight into direct reduction furnaces, reducing the need for more expensive, pelletised ore

Exports from Sishen are constrained now by the capacity of the Sishen-Saldanha railway line, with Iscor running at the limit of its 15 Mt/year quota Iscor has contracted with Spoornet to move an additional 2 Mt/year by mid-1994, expansion beyond this will involve major capex That's being looked at with Spoornet

Iscor has not ignored marketing, paying particular attention to meeting the booming demand from China The R35m it is investing in the development of the Qianwan harbour in north-eastern China has guaranteed Iscor the use of a 300 000 t stockpile facility for the next nine years The investment has guaranteed handling priority in the harbour for Iscor's ore carriers

Says Smith "The payback is incredible The biggest problem in China is the infrastructure bottleneck, which holds up ore movements into and through the ports This deal means that instead of shipping ore in Panama-sized vessels carrying only 60 000 t at a time we can use Cape-sized vessels taking up to 100 000 t The savings on sea freight charges alone are about US$4/t and then we also minimise demurrage and can supply the six steel mills in the area from our stockpile "

Iscor intends reviewing its iron ore sales arrangements to give priority to China, a fast-growing market paying top prices Current steel production of 82 Mt/year is conservatively expected to reach 100 Mt by 2000. Iscor has based a technical manager in Beijing to examine Chinese mining and steel industries and look for new business

On the coal side, Alberts says Grootegeluk, which supplies coking coal to Iscor and steam coal to Eskom's Matimba power station, will soon have about 1 Mt/year of soft coking coal available for export because of a changed demand pattern Markets are being sought, with Iscor shipping out 200 000 t this year and 300 000 t next year to potential customers via Richards Bay Coal Terminal (RBCT) through an agreement using part of Shell's spare terminal capacity

Iscor is not an RBCT member but is part of the Coalex joint venture looking at establishing a new coal export terminal

The future of exports from Grootegeluk depends on Iscor's arranging port quotas, as well as a favourable tariff structure from Spoornet, because the mine — near Ellisras in the northern Transvaal — is twice as far from Richards Bay as Witbank Alberts won't disclose the tariff applied now on Grootegeluk coal but it must be extremely favourable to make these exports viable

Then there's the potential coking coal mine at Moranbah South in Queensland, Australia, where Iscor has paid R5m for the right to explore the 700 Mt deposit Exploration and chemical analysis will cost R5m-R7m/year over the next four years

Within five years Iscor will need to import 1 Mt/year of high-grade coking coal to replace production lost when its Natal mines closed The Grootegeluk export product is not good enough for Iscor's needs To be feasible, the Moranbah mine would have to produce around 3 Mt/year The balance will be sold on export markets

If Moranbah South goes ahead it's going to cost about R800m, raising the question of how Iscor would fund this or any other mining venture, particularly as its current priority is to reduce gearing by repaying R1bn debt by December Says Smith "Reducing our debt by the targeted amount will show shareholders we can successfully manage funds That should make it easier for us to hold any rights issues We are not averse to incurring debt again, provided it's for a specific project and the payback looks good "

Brendan Ryan

Wrangles behind the broadcast names

(260) WM 18/3/94

The Independent Broadcasting Authority was finalised this week, but not without disputes between the main players, reports Mark Gevisser

SHARP political disagreements between the ANC and the government have marked the appointment of the eight-member Independent Broadcasting Authority (IBA), announced on Wednesday

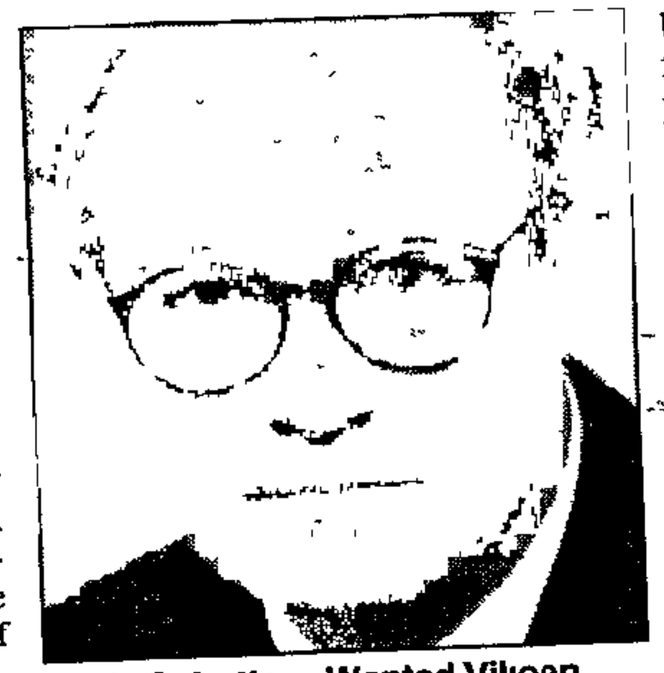
The final appointment of two co-chairs for the IBA, advertising executive Peter de Klerk and educationist Sebeletso Matabane, was a compromise move by the Transitional Executive Council after days of wrangling by the IBA selection panel, comprising representatives of the ANC, the National Party, the Democratic Party and the Inkatha Freedom Party

The IBA will be the senior decision-making authority in terms of broadcast regulation in South Africa. It will license new broadcasters and determine what role the SABC is to play in the future It was initially to have only one chair, and Matabane was approved unanimously by the selection panel But Minister of Home Affairs Danie Schutte, who sat on the panel, insisted that there be a co-chair, and that this be ex-SABC chairman Christo Viljoen

As a compromise, the names of both Matabane and Viljoen were forwarded to the TEC ANC representatives on the TEC, however, felt that despite Viljoen's unparalleled technical knowledge, his role as SABC chair during the apartheid era rendered him inappropriate for the chairmanship He was thus replaced with De Klerk, president of the Association of Advertising Agencies

Viljoen, however, remains on the IBA. He and five others will serve full-time appointments of either two or four years, to be decided by lot at the next TEC meeting on Tuesday They are media lawyer William Lane, broadcaster and journalist John Matisonn, community development executive and ex-unionist Frank Meintjies, UCT anthropology professor Harriet Ngubane, and ANC telecommunications expert Lyndall Shope-Mafole

Peter Soal, the DP's representative, acknowledged that the process of selection "was of course political, but I think that is appropriate" Unlike the legal people who appointed the SABC board, he said, "we were accountable both to our political parties and to our constituencies This means we were more in touch with grassroots feelings"



Danie Schutte ... Wanted Viljoen

Soal insists that there was "little political horsetrading", but several sources close to the process confirm that Schutte, for one, was intent on using political affiliation as well as merit as a criterion

Response to the appointments has been mixed "Given that the IBA will be deciding on how the SABC is to be funded," commented one interested party, "I think it is highly inappropriate that a representative from the advertising industry should be in the chair"

De Klerk countered "I am only one out of eight members and whatever comes out will be a consensus decision At least, however, there is someone on the council with a deep understanding of advertising, given the incredible role it plays in funding broadcasting"

Others feel the selection panel has not put together a panel experienced enough in broadcasting to handle the immense amount of technical data it will have to process.

Commented Dan Robbertse, a spokesman for the Performing Arts Workers Equity "We are concerned that there seems to be no-one with specific production or entertainment expertise."

There is also concern about an alleged ANC bias on the council — at least two of its members, Matabane and Shope-Mafole, are ANC members During the selection process, Schutte took strong exception to both candidates, particularly to Shope-Mafole, who was trained in telecommunications in Cuba. Others have also questioned Matabane's close friendship with SABC chair Ivy Matsepe-Casaburri

ANC selector Pallo Jordan insisted, however, that "we worked on the basis of merit" He added. "While we have managed to put together a group who are broadly representative in terms of race and gender, I am still not satisfied I would have liked the IBA to be more representative of the society it will serve"

●The TEC's appointment of Judge Raymond Leon as new chairman of the Independent Media Commission follows at least a month of wrangling between the ANC and the government after the resignation of its prior appointment, Judge John Trengrove

After Trengrove's resignation, ANC representatives on the TEC had proposed two senior legal academics from the University of the Witwatersrand, Edwin Cameron and Gilbert Marcus Both of these were vetoed by the NP, which countered with the proposal of Judge Fleming, deputy judge-president of the Transvaal and a noted conservative Compromise was eventually reached on Leon, a former supreme court judge from Natal who has a strong human rights record

Delight over IBA's selectees

Star 19/2/94

BROADCASTERS and advertisers have given the nod to the Independent Broadcasting Authority members chosen this week, reports MANDY JEAN WOODS.

THE verdict is in and everyone is happy The eight people chosen to head up the influential Independent Broadcasting Authority are considered by industry members to be an excellent reflection of interests and skills

The news that Association of Advertising Agencies (AAA) director-general Peter de Klerk had been appointed as a co-chairman was particularly welcome "We are absolutely delighted that the ad industry has at last been heard," AAA chairman Tim Bester said this week

"We're very pleased to find someone on the IBA who knows something about advertising," said Association of Marketers executive director Derrick Dickens "At the SABC, R3 out of every R4 earned comes from advertising, so it is important that there is someone in the IBA who understands advertising"

National Association of Broadcasters chairman Stan Katz said the NAB was very pleased with the appointments and was looking forward to working with the IBA in addressing industry issues

De Klerk has more than 20 years' experience in the advertising industry, having held senior positions with J Walter Thompson and D'Arcy Masius Benton & Bowles He has worked for corporations such as Mobil Oil, Caltex, Reckitt & Colman and Warner Lambert, and became AAA executive director in 1987 He is also chief executive officer of the AAA School of Advertising

Independence and objectivity would be the key elements driving the IBA, De Klerk said "We must not be allowed to be rushed into things nor be cajoled into anything We must have the opportunity to consider every single angle — that will be my approach," he said

"There is no doubt that the criteria for issuing licences, temporary radio licences and the handling of political parties in the run-up to the election will be immediate priorities for the IBA," De Klerk added

His co-chairman is Dr Sebiletso Mokone Matabane, project manager for the Tertiary Education Programme Support, a project of USAID

A returned exile, she has a PhD in educational administration and has a masters degree in television and radio

She was previously district co-ordinator for instructional technology at the Austin Community College in Texas

"I am happy for the opportunity to make a contribution My background is in this field and I think I understand the challenges ahead There are eight individuals who must form a team and I look forward to the challenge," Matabane said

Other members of the IBA are Frank Meintjies, director of the Community Based Development Programme, affiliated to Wits Business School, William Lane, a former senior partner of Bell, Dewar & Hall and a director of companies, John Matisonn, executive editor elections at SABC radio, who has extensive radio and newspaper reporting experience, Harriet Ngubane, professor of anthropology at the University of Cape Town and a member of the Commission for Land Allocation, Lyndall Shope-Mafole, director of the ANC's Centre for Development of Information and Telecommunications Policy and a trained telecommunications engineer who returned from exile in 1990, Professor Christo Viljoen, former SABC board chairman, current SABC board member and vice-rector of the University of Stellenbosch, (260)

The IBA's selection panel chairman, attorney Amanda Armstrong, said that overall the candidates were of a high calibre and it was difficult to choose just eight "We were guided by the Act which says the members had to have a broad range of qualifications and experience and represent a broad sector of the South African population"

The chairmen will each serve a five-year term, three members will serve a two-year term and three members a four-year term, according to the IBA Act

Next week the Transitional Executive Council will hold a draw in which the IBA members will be assigned terms of office

It is expected that the IBA Act will be gazetted on Friday, giving the IBA life Previously, only the sections which dealt with the selection of members was gazetted The two chairmen are expected to meet for the first time next week

Calls 'abetted illegal action'

CT 19/3/94

PRETORIA — The Independent Media Commission has found that the two broadcasts by Radio Pretoria in which AWB Wenkommando members were called on to gather in full combat kit last Thursday assisted the AWB to contravene the Electoral Act. (260)

The IMC said the broadcasts amounted to a call-up for AWB members to enter Bophuthatswana and to interfere illegally in events in the territory — Sapa

Hartzenberg launches Radio Vryheid station

ST 19/3/94 (260)

BLOEMFONTEIN — Radio Vryheid, billed as a non-political broadcaster to promote the Afrikaner's language, identity and culture, was launched by Conservative Party chairman Dr Ferdi Hartzenberg here today

Unlicensed broadcasts would begin at 11am today, chairman Mr Alex Danzfuss said

Radio Vryheid would initially reach listeners within a 90km radius of the Bloemfontein transmitters — Sapa

Judge urges fair air time for all political parties

Star 2/13/94

■ BY JACQUELINE MYBURGH

All political parties taking part — and not taking part — in the election should be given equitable air time on the SABC in order to keep the public informed, Mr Justice Ramon Leon, newly elected chairman of the Independent Media Commission (IMC), said on Friday (2k0)

Mr Justice Leon replaces Mr Justice W Trengove, who resigned earlier this month citing business commitments

The IMC is monitoring broadcasts and State-financed publications during the run-up to the election to ensure fairness in political coverage

Difficult

Speaking after a press conference at which his appointment was announced, Mr Justice Leon said parties such as the CP and IFP, which were saying people should not vote, should be given adequate opportunity to present their case so that voters were informed about that side of the story.



Leon . . . in call for equal opportunity.

"The most difficult task here may be that one has to ensure that everyone gets a fair deal — there are 27 parties taking part in the election," the judge said.

Although President de Klerk and ANC president Nelson Mandela were the most prominent newsmakers and their parties plus the DP, IFP and PAC were also newsworthy, other parties should also be given sufficient coverage, the judge said.

The IMC was laying down guidelines for allocation time for political broadcasts.

Asked whether the fact that his son Tony was a parliamentary candidate for the DP compromised his position, the judge said he and the Independent Electoral Commission were confident that this would not affect his objectivity.

"We all obviously have political views of some kind — I have no doubt that we will deal with these matters objectively. All I'm concerned about is that everyone gets a fair deal," he said

Mr Justice Leon (69) served in the Natal provincial division of the Supreme Court between 1967 and 1987.

He was Natal University chancellor between 1984 and 1993 and an appeal judge in Lesotho, Swaziland and Namibia.

He was chairman of the St Lucia review panel, the Indemnity Committee and the National Institute for Crime Prevention and the Rehabilitation of Offenders.

(47 Sauer St, Johannesburg)

'Act against Radio Pretoria'

Star 2/13/94

The IMC has asked the TEC to take "appropriate action" against Radio Pretoria for contravening the Electoral Act when it broadcast an announcement on behalf of the AWB, said IMC broadcasting committee chairman Raymond Louw on Friday (2k0)

On March 10, the station twice broadcast calls to members of the AWB Wenkommando to report to the organisation's Ventersdorp offices "in combat kit" That evening rightwingers entered Bophuthatswana.

■ Radio Vryheid, an unlicensed broadcaster aiming to promote Afrikaans culture, began broadcasts from a hill outside Bloemfontein on Saturday.

Armed members of the Wenkommando stood guard as about 200 people gathered for the opening transmission. — Staff Reporter, Sapa.

Unrest could slow Eskom

WILSON ZWANE

ESKOM expects its programme for the electrification of hundreds of thousands of homes this year to be slowed by unrest in parts of the country in the run-up to elections B/Day

Eskom electricity distribution executive director Jac Messerschmidt said at the weekend the utility would not endanger its personnel by sending them into volatile areas 21/3/94

He was optimistic that Eskom would make up for lost ground from May.

Eskom is aiming at spending R650m this year to electrify 250 000 homes, as part of its programme to bring electricity to 900 000 homes by 1998 Last year, the utility spent R584,4m on more than 294 000 connections. Eskom has 900 000 customers (260) (55)

Messerschmidt also disclosed that the thrust of the electrification programme was the installation of prepaid electricity meters But this, he said, was not due to fears of non-payment by township residents

He said about half of the utility's customers had prepaid meters

Report by W Zwane TML 11 Diagonal St, Jhb.

ANC and Inkatha to study mediation plan

B/Day 21/3/94

DAVID GREYBE

RICHARDS BAY — Inkatha Freedom Party and ANC leaders were scheduled to study detailed proposals for international mediation at the weekend which, if accepted, would be likely to begin within three weeks.

The proposals included the names of a team of international mediators, as well as the terms of reference of such mediation, ANC national chairman Thabo Mbkei said at a fundraising dinner in Richards Bay at the weekend.

"Hopefully the mediation process can then start in two or three weeks," he said. But he warned that there were "serious problems" in KwaZulu concerning a climate for free political activity.

"Clearly the Transitional Executive Council and government must act," Mbeki said.

He warned the ANC would have to reconsider the agreement brokered between Nelson Mandela and Inkatha leader Mangosuthu Buthelezi that supporters would be free to campaign for or against the elections. Recent Inkatha violations of the agreement, such as the occupation of stadiums booked by the ANC for political rallies, had necessitated this.

He announced the ANC had effectively dumped the Afrikaner Volksfront in negotiations on a volkstaat, in favour of Gen Constand Viljoen's newly formed Freedom Front. The ANC was "interested" in negotiating directly with the Freedom Front, Mbeki said. Viljoen had led the Volksfront team in volkstaat negotiations with the ANC on a bilateral accord.

Discussions between the ANC and the Volksfront began at the end of last year, and a 12th draft of a possible accord is being studied.

"We have (said to them (the Freedom Front) that if indeed an agreement were to be reached between us, we would be willing to pursue whatever we have agreed in terms of such constitution-making ... after the elections," he said. (115) (115)

Mbeki said he expected government "to join in later", effectively to adopt a trilateral accord. He said volkstaat issues that needed to be clarified included: where it would be; its constitution, what would happen to the civil and political rights of non-Afrikaners within such a volkstaat; what would happen to Afrikaners resident outside the volkstaat; and how to establish it.

According to the proponents of a volkstaat the majority of the population in the territory would be Afrikaners, with an exclusive right to elect its government, Mbeki said.

"But how do you achieve that result without discriminating against other people? How do you achieve that result while keeping true to principles of nonracialism and democracy?"

Sapa reports Mbeki also told a fundraising dinner in East London on Saturday that ANC leader Nelson Mandela would be inaugurated as SA's new President on May 10 in Pretoria.

"It is planned that the new president, Nelson Mandela I think, will be installed, inaugurated, on May 10, a big occasion in Pretoria."

Report by D Greybe, TML, 111 Diagonal St, Jhb; and B Maclennan, Sapa, 26 Caxton Street, East London

Government to act against right-wing radio stations

LLOYD COUTTS

THE postmaster-general is to take action against two illegal right-wing radio stations operating from the Free State, Radio Koppies and Radio Vryheid

Postmaster-General Ters Oosthuizen confirmed yesterday that the first steps against the stations had already been taken, but declined to divulge details.

Oosthuizen said his department needed evidence before it could act Radio Vryheid began broadcasting on Saturday, and it is understood the TEC has been requested by the Independent Media Commission to investigate Radio Koppies, which has been broadcasting for a few weeks

Oosthuizen said his department's action would be carried out in a civilised manner to avoid violence

While recent court actions against Radio Pretoria had taken time, "we managed to get them back in line", he said

The Independent Broadcasting Authority (IBA) will assume general control of broadcasting matters, but while the authority's members have been named, the IBA Act has not yet been promulgated

Until the Act is passed, the Home Affairs Department remains responsible for issuing broadcasting licences, and the Postmaster-General for ending illegal transmissions (210)

Report by L Coutts TML 11 Diagonal St, Jhb

Political comment in this issue by J Jones newsbills by D Armour headlines and subediting by C Pickard-Cambridge all of 11 Diagonal Street Johannesburg

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All prisoners may vote, TEC decides

BDay 23/3/94

PRETORIA — All prisoners would be allowed to vote in the elections, the Transitional Executive Council decided yesterday

Sapa reports the decision was taken in the light of widespread prisoner dissatisfaction with not being allowed to vote, and riots at prisons countrywide

A joint TEC, Independent Electoral Commission and government team was established to finalise the details

The TEC decision reversed a decision last week not to allow prisoners who were jailed without the option of a fine to vote

The TEC resolution was possible because the DP reversed its opposition on practical grounds Government representative Roelf Meyer and Ciskei's Mickey Webb reserved their positions, but did not oppose the resolution

WILSON ZWANE reports the ANC had supported the call for all prisoners to be allowed to vote next month, but said their participation in future elections could be reviewed "once a fully democratic society" had been established

The ANC called for an independent commission of inquiry into the 23 deaths in prisons in the past week, saying it believed that the brutality displayed by prison officials "significantly contributed to the deaths and injury to prisoners in the past few days"

The SA Prisoners' Organisation for Human Rights called yesterday for a multiparty probe into all deaths and human rights abuses in prisons

It said that such an inquiry would help reform prisons which had been turned into "volkstaats" by their predominantly white and right-wing officials (BDEA)

Prisoners' organisation spokesman Golden Miles-Bhudu said his organisation, which last week called on prisoners to demonstrate against limits on their voting rights, was not responsible for deaths and violence in prisons (259)

Miles-Bhudu said prisoners who had committed acts of violence had been goaded into them by prison officials.

He said his organisation had called for "peaceful mass action" But any form of protest by prisoners was met with "brutal" force by prison warders

He said a multiparty commission of inquiry should be established to look into all deaths and abuses of human rights in prisons He also called on the TEC to intervene immediately and place the Correctional Services Department under close scrutiny

Miles-Bhudu also alleged that the 21 prisoners who died at Queenstown Prison on Monday had died from inhaling teargas and not smoke

Correctional Services spokesman Col Barry Eksteen rejected this allegation

However, all "allegations, facts and circumstances surrounding this tragedy will form part of a judicial inquiry", he said

Report by W Zwane TML 11 Diagonal St Jhb

Strike called off in Soweto

Soweto council workers have all returned to work this week and services are being provided as usual, a spokesman for the SA Municipal Workers' Union said yesterday.

The workers agreed to suspend their six-week-long strike on Tuesday morning after the Soweto Council agreed to repay money owed to them since 1988. — Staff Reporter.

Eskom owed millions

Sowetan 24/3/94

■ UNPAID BILLS More than R5-million owed by residents of 3 WR townships:

By Joshua Raboroko

RESIDENTS of three West Rand townships owe Eskom more than R5 million in unpaid electricity bills

Eskom said Kagiso owed R2,9 million from last August to February this year while Mohlakeng Council's debt amounted to about R2,5 million for six months

The figure for Bekkersdal is estimated at hundreds of thousands of rands

Residents may be plunged into darkness if they do not pay their electricity bills, but an official of the SA National Civics Organisation said local civic associations and concerned parties would meet Eskom to resolve the matter

The secretary of the Kagiso Civic Association, Mr Peter Mokoto, said yesterday the residents wanted to end the boycott and pay a flat rate. He would not disclose the rate the civic association had proposed to Eskom (260)

However, sources told *Sowetan* the civic association had proposed R45 a month, while Eskom suggested a figure of more than R100 that would also cover arrears payments.

Eskom's sales and customer services manager, Mr Johan Swanepoel, said the parties had agreed on a flat rate, but "we still have to fix a figure". The company would "normalise" the electricity supply in the township

He said some of the residents were paying their bills, despite the boycott It would be advisable if all paid so that electricity could be available to everybody.

The electricity supply at Mohlakeng was supplied by the Randfontein Town Council which bought the utility directly from Eskom, Swanepoel said

Fin 25/3/94

censees, ensure that broadcasting services are not controlled by foreigners, impose limitations on cross-media control of private broadcasting services, and ensure equal treatment of all political parties during a general election period (260)

The IBA will also play an important affirmative action role by ensuring that broadcasting services "develop and protect a national and regional identity, culture and character," and by encouraging ownership



Viljoen ... *yet another board*

and control of broadcasting services by "persons from historically disadvantaged groups"

The IBA will meet as often as is deemed necessary The members are not expected to serve in a full-time capacity and will be assisted by permanent executive staff The IBA is also empowered to investigate issues relevant to broadcasting and may appoint special regional committees and experts to assist it

A Broadcasting Monitoring & Complaints Committee will monitor the activities of broadcasters and hear complaints against them Its powers of sanction include the withdrawal of licences and a recommendation to the Attorney-General to prosecute in certain cases.

Penalties for broadcasting without a licence can include a fine of up to R500 000

The members of the IBA appointed by the TEC last week are advertising executive Peter de Klerk and broadcast educationist Sebiletso Matabane, who are the co-chairmen, media lawyer William Lane, radio journalist John Matisonn, former Cosatu official Frank Meintjes, social anthropologist Harriet Ngubane, National Telecommunications Forum chairman Lyndall Shope-Mafole; and former SABC chairman Christo Viljoen ■

BROADCASTING Fin 25/3/94

A brief flowering

The powers and functions of the Independent Broadcasting Authority (IBA), which formally took office this week, are wide and give the eight members total control of the airwaves We could even end up with more regulation (260)

Apart from allocating frequencies, issuing licences, protecting the integrity and viability of public broadcasting services and promoting cultural diversity, the IBA can effectively keep a tight rein on a wide range of private broadcasters' activities including, to some extent, the way they run their businesses

Though the IBA must "refrain from undue interference in the commercial activities of licensees," it can "ensure fair competition" between licensees, encourage equal opportunity employment practices by all li-

Temporary broadcasting licences about to lapse

BIDay 25 Bl94

THE Independent Broadcasting Authority (IBA) Act will come into operation at midnight on Tuesday next week, and temporary broadcasting licences will lapse on Sunday night.

The IBA said that in terms of temporary licence conditions, radio stations would be required to cease broadcasting 48 hours before the Act came into operation

"The IBA council, at its first meeting on Tuesday,

LLOYD COUTTS

will discuss the issue of temporary community broadcasting licences, and more particularly, how to deal with this matter as a matter of urgency," the IBA said.

"The IBA will seek to address the concerns of temporary sound broadcasting licensees, who will be required to apply (anew) for licences, and all other potential applicants for temporary community broadcasting licences."

Postmaster-General Ters Oosthuizen said it was in the interests of temporary licensees and illegal broadcasters to cease transmissions, work within the parameters of the Act and apply for permits through the IBA

Maverick station Radio Pretoria was to decide last night whether it would stay on the air

Radio sources said it appeared that most independent stations would comply with the requirements.

Solid Gold FM spokesman Tony Sanderson said any decision to ignore the IBA request would cause further delays

However, the decision not to allow transmissions to continue until the IBA was in a position to investigate broadcasting and issue temporary or permanent licences could end the fragile peace between independent broadcasters and the authorities, he said

"We now feel that this could be delayed by many weeks while this investigation takes place and that free voices before the most important election in the history of SA will be silenced." 260

However, he hoped common sense would prevail

"Should certain radio stations ignore the request to curtail their broadcasting, it will return this industry to the situation it was in a few months ago, creating more delays for the industry while the IBA has to take action resolving illegal broadcasting"

He said the station welcomed the IBA but trusted that it would stay out of politics and concentrate on broadcasting as a whole

"Solid Gold FM Stereo welcomes the implementation of the (Act) and wishes the board well," he said



Home Affairs forfeits holidays for IDs

BIDay 25 B 194

STEPHANE BOTHMA

PRETORIA — Home Affairs regional and district offices will be open on two public holidays next month — Family Day and Founders' Day — to enable as many potential voters as possible to get identity documents or temporary voters' cards before the election.

The department said yesterday that it would be "business as usual", at their offices on April 4 and 6.

The move followed a request from the Independent Electoral Commission that Home Affairs offices should be open to the public on those days.

The department had employed more than 2 000 temporary workers countrywide to help process the increased number of applications for identity documents. "Several offices are working extended hours and are also open on Saturdays," a spokesman said.

Home Affairs had also launched a comprehensive awareness campaign and more than 100 mobile units had been set up to reach applicants in the "outermost corners" of the country.

The department urged people not yet in possession of a document enabling them to vote to visit regional and district officers on April 4 and 6.

The department also pointed out that any of the following documents would enable people to vote: 258 5047

- ☐ Blue or green identity documents previously issued;
- ☐ Old green identity cards;
- ☐ All identity documents issued by TBVC countries;
- ☐ Reference books previously issued;
- ☐ Temporary identity certificates; and
- ☐ Temporary voters' cards.

De Huizemark guilty of trust fund shortages

THE Estate Agents' Board has found De Huizemark and its MD Piet Hamman guilty of trust fund shortages and has withdrawn their Fidelity Fund certificates, suspended for three years

ROBYN CHALMERS

"The evidence further revealed that the withdrawals had not been effected indiscriminately or recklessly and that in each

15 stations go off air on Tuesday

(260) CT 26/3/94

Staff Reporter

THE 15 radio stations granted temporary broadcasting licences will have to cease broadcasting on Tuesday before the Independent Broadcasting Authority (IBA) meets next week

Mr Martin Bailie of Peace 91,3 Radio said yesterday the IBA cancelled temporary broadcasting licences from midnight on March 27 and it was not known when permanent licences would be granted or if independent radio stations would be allowed to broadcast events leading up to the elections

He said independent radio stations had been broadcasting ccuntrywide since February, but from Tuesday Cape radio stations, including Peace Radio 91,3 CTFM, UCT Radio and Fish Hoek Radio, would have to stop broadcasting

He said the IBA announced it would deal with temporary licences for community stations as a matter of urgency

"The first sitting of the IBA is not scheduled until March 29 and the stations will be off the air for at least a few days," he said

CTFM station director Mr John Butterfield said the IBA would meet on March 29 to consider the position of temporary broadcasters and so far there were no indications that independent broadcasters would be on the air before the elections

"We feel we have a part to play leading up to the elections The lack of continuity is very frustrating, and we will have to lay off about 50 people"

Big projects in the pipeline for Sasol

BDay 28/3/94

MICK COLLINS

SIX multimillion-rand prospective beneficiation projects for Sasol are awaiting approval by the petrochemical company's management

The projects under consideration are plants for the manufacture of synthetic lubricants, cyanuric chloride, acrylic acid, acetic acid, propionic acid and beta-carotene

Cyanuric chloride is used in the manufacture of herbicides, and beta-carot is used in the pharmaceutical industry and in the food industry as a colourant Propionic acid is used in food preservatives and acrylic acid is used in super absorbants

Engineering News reports that the projects are in addition to the recently announced R430m vinyl chloride monomer plant at Sasolburg and the planned chlor-alkali plant at Sasolburg by the Sasol-AECI joint venture Polifin

A Sasol spokesman said the company's technology division, Sastech, had started preliminary work on a R1,2m pilot plant for acetic acid at Secunda Acetic acid is used by the mining industry in the gold extraction process

The decision to build a full-scale acetic acid plant will be taken only if the pilot plant proves viable.

Sasol is also exploring the viability of developing a synthetic lubricant plant using feedstocks from its alpha olefins project

The developments follow the recent announcement of the vinyl chloride monomer project planned by Polifin at Sasolburg.

In addition, the Sasol and AECI joint venture is to invest a further R90m in a chlor-alkali plant at Sasolburg and an undisclosed amount in a cyanide plant at its Secunda division

☐ Engineering News also reports that Sasol MD Paul Kruger has confirmed a World Bank report than an Argentinian gas and oil producer, Pluspetrol, has signed a co-operation agreement with the Pande gas field joint venture partners Sasol and ENH of Mozambique.

If the R3bn gas field project proves commercially viable Pluspetrol may become a technical partner in the development of the field.

Sasol says a financial analyst has been appointed to assess the potential of the project and the joint venture is looking for a fourth party to assist with financing.

Eskom starts R470m Alusaf power project

BTDay 29/3/94

MICK COLLINS

ESKOM has started a R470m programme to upgrade the power lines which will supply the R5,4bn Alusaf Hillside smelter scheduled to come on stream in 1996. (260)

The move follows Eskom's agreement to supply Alusaf with electricity at greatly reduced rates.

An Eskom spokesman said the smelter would be supplied from reserves. The venture would consume 800MW, slightly less than the combined total needed to supply Cape Town and Port Elizabeth

"Substations and power lines are being built and others upgraded to carry the load. We are building three 400KV transmission lines from Camden-Duvha, Pegasus-Athene and Majuba-Pegasus. A fourth line under construction will be a loop from the Umfolozi-Invubu line into Athene.

"We are also constructing a new substation at Athene and building three 132KV lines out of Athene into Alusaf at Richards Bay."

Eskom corporate business development consultant Guy Joubert said Alusaf would pay a variable tariff linked to the London Metal Exchange (LME) aluminium price, based on 20 mills at $1 800 a ton. A mill is US$0,001/kWh. At $1 320 a ton the tariff would come in at 15 mills, which was about 25% less than the industry's average.

Previously Alusaf had paid a tariff of 25 mills. The average paid by other aluminum smelters around the world was 20 mills at an average LME aluminium price of $1 320 a ton.

When aluminium prices fell, Alusaf's electricity costs would fall, improving its international competitiveness. "When the LME price rises Alusaf will give back some of its profits to Eskom in the form of higher electricity revenues," Joubert said

Credible national election coverage is SABC's priority

BDay 29/3/94

MUNGO SOGGOT

THE SABC's main task in gearing up to cover SA's first democratic elections was to overcome its legacy and establish itself as a credible source of news which SA could trust, SABC head of radio John Matisonn said yesterday (260)

"Part of the legacy of apartheid is to cover issues in a local way," he said. This was inappropriate for an election, as voters in Venda or Transkei had to be in touch with national events.

"People living in Venda and Transkei need to know about events in Bophuthatswana as much as those who listen to Highveld Stereo or Radio Jacaranda."

There was therefore a need to inject national coverage into the news programmes of parochial local stations. The SABC had hired more Johannesburg-based African language journalists who were "plugged into the national system" and could spread the national story.

In general, there was a need to combat the legacy of a disproportionate number of white journalists to black journalists

"White stations" had also been overhauled to reorient the SABC, which was accustomed to covering elections for 20% of the population. A reflection of the change was Radio SA's new Media Waves programme — hosted by Weekly Mail journalist Mark Gevisser — which would be aired on Friday mornings.

Matisonn said it was a novelty to have an outsider assessing the SABC's election coverage in a debate between SABC and National Party representatives, which was the topic for the first item aired last week.

Gevisser said the programme would consider both "media in transition" and "media and the election process".

"This involves looking at the SABC, which is the country's most powerful media entity and the media organ transforming itself the most," he said.

The first programme had tackled the question "Is the SABC becoming an independent broadcaster or an ANC propaganda machine?"

The panellists, including Wits Univeristy head of media studies John van Zyl, discussed the controversial Agenda programme on the Goldstone commission's latest report.

Gevisser said the programme showed it was possible for a public broadcaster to look critically at its own role in the media.

Matisonn said there were people in the SABC and white listeners who felt the SABC was giving too much time to election coverage. He disagreed.

"The Namibian elections were the most moving story I have ever covered, because people were willing to queue up for days. This resulted in a 90% poll." He believed overall interest among SA's population was at a similar level.

The SABC was now breaking a lot of stories, whereas in the past "the system" militated against this happening.

The SABC's aim was to make the elections interesting. It was setting its own goals, and asking politicians to respond instead of leaving them to set agendas.

Another 300 000 households get electricty

Eskom on track to meet its goals

Star 30/3/94

260

■ BY DEREK TOMMEY

Results from Eskom demonstrate yet again that it is a well-run organisation and is more than meeting national electricty needs

The results, released yesterday, emphasise that there can be no sound economic reason for any political party to make changes in its organisation or operations in the new South Africa.

Announcing the year's figures, which show sales increasing by 4,1 percent and the provision of electricity to another three hundred thousand households, the chairman of the Electricity Council John Maree said yesterday that to create a future for South Africans the country needed fast economic growth

Eskom was contributing to this in several ways.

One was by becoming more efficient

This was its main driving force and today Eskom power was the second-cheapest in the world — though it was still dreaming of having the world's cheapest power

He said that to succeed, South Africa had to compete internationally

It could not pull itself up by its own bootstraps

Here Eskom had been able to play a significant role by providing cheap electricity to major exporters such as the gold mines and the mineral beneficiation companies such as Alusaf

The second driving force at Eskom was to bring electricity to more and more people because this opened the way for the development of small businesses.

"If we want to have a strong informal sector, then people must have machines," he said

Here Eskom had had a good year and had brought electricity directly to 208 000 households and, indirectly, to a further 85 830 — providing access to electricity to nearly 3 million more people

The group had made progress in reducing the average cost of a connection from R3 036 to R2 799, but hoped to reduce this still further

But owing to the poor economic climate, average monthly sales a connection were low, equal to about 75kWh, which produced revenue of around R16

The average operating cost for each connection was R22 a month — down from R28 in 1992

However, Eskom expected that as the economy improved, these households would buy more electrical appliances and sales would rapidly improve

Eskom's turnover in 1993 had risen by 9 percent to R3,8 billion, while net income on an historical cost basis had risen 10 percent to R1,6 billion

Eskom was still on track to meet its 1991 goal of bringing down the price of electrity in real terms by 20 percent by 1996

Real price reductions since 1987 had cumulatively benefited consumers by almost R16 billion.

Eskom's cash flow has shown a significant improvement and in 1993 for the second year running, more cash from operating activities exceeded net capital expenditure

During the year Eskom found it less costly to borrow in South Africa than overseas and repaid some R1,7 billion in foreign debt

As a result of the more settled conditions in southern Africa, Eskom expects to start drawing 900Mw of electric power from the Cahorra Bassa hydro-electric scheme in northern Mozambique from 1997

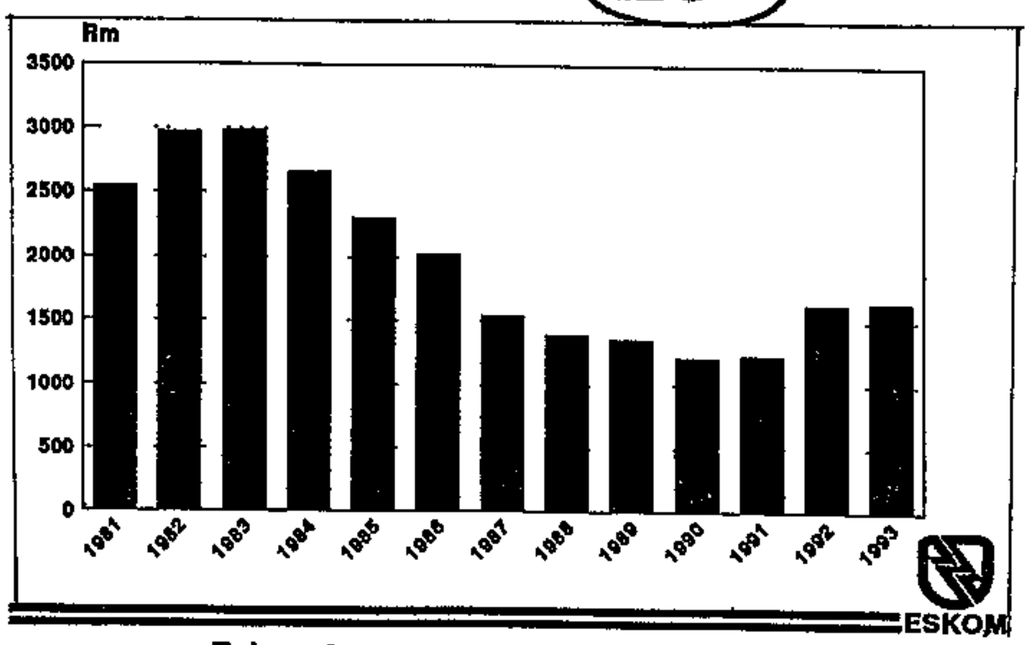
The pylons transmitting power to South Africa were destroyed during Mozambique's civil war.

Some R400 million has been obtained to finance the cost of restoring the pylons and cables

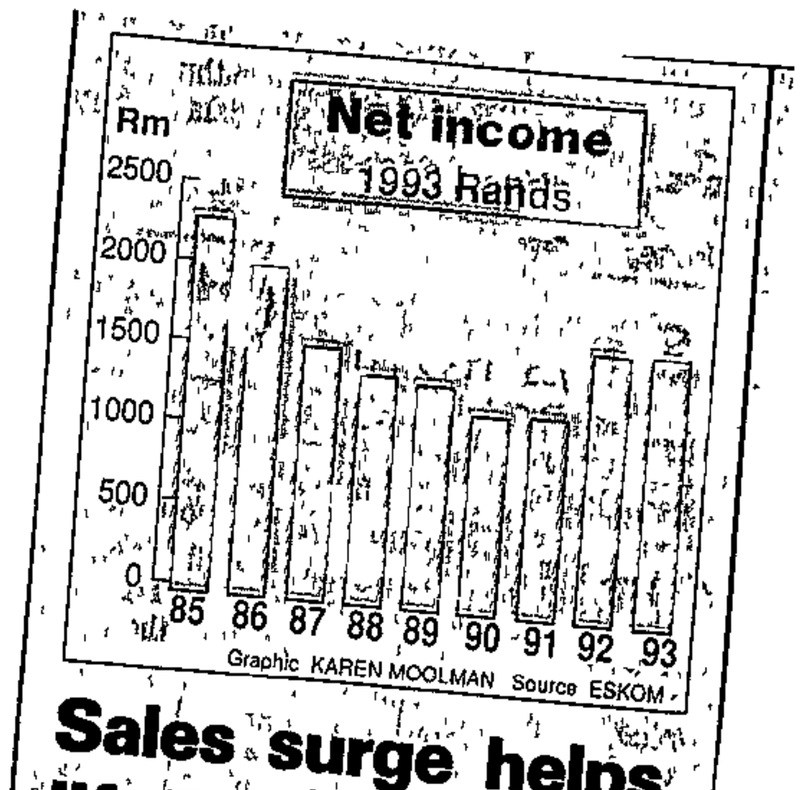
Work is expected to start in the second half of this year

South Africa will be providing the pylons which will cost R80 million

Other participants are Belgium, Portugal and France



Eskom's net income in 1993 rands



Sales surge helps lift Eskom income

MICK COLLINS

AFTER a surge in sales Eskom yesterday announced a R157m improvement in net income to R1,6bn in 1993. B1 Daily

Turnover increased 9% to R13,8bn (1992 R12,6bn) as total operating expenses moved up to R9bn (R8,1bn). 30/3/94

Electricity Council chairman John Maree said the improvement was a result of a 4,1% increase in sales, which was generally regarded as a leading indicator of economic growth. The previous year had seen negative growth of 0,3%. (260)

Maree said due to improved operating efficiencies, net operating income was higher at R4,7bn (R4,4bn). Sound business management practices had seen the cash flow improve to the point where all capital expenditure was being financed from internal sources

Increased net interest and finance charges of R3,1bn (R2,9bn), attributable to the repayment of a portion of the parastatal's foreign debt, did not materially affect Eskom's bottom line.

Executive director finance Willem Kok said this year's proposed funding requirement of R2,4bn included provision for R500m from the foreign capital market. This would be raised by way of a dedicated electrification bond in dollars.

Kok said the possible funding had the approval of the Transitional Executive Council and would probably take place in the second half of the year. However, there was no commitment to such a loan, which would depend on pricing.

Eskom's foreign debt fell to R7,4bn at end-1993 (R9,2bn), including R1,1bn in normal redemptions. Kok said that debt of

To Page 2

Eskom

B1 Daily 30/3/94

R651m had been rolled over at acceptable rates, but R649m was repaid to Public Investment Commissioners "because the rates demanded by the foreign banks were not attractive to us". (260)

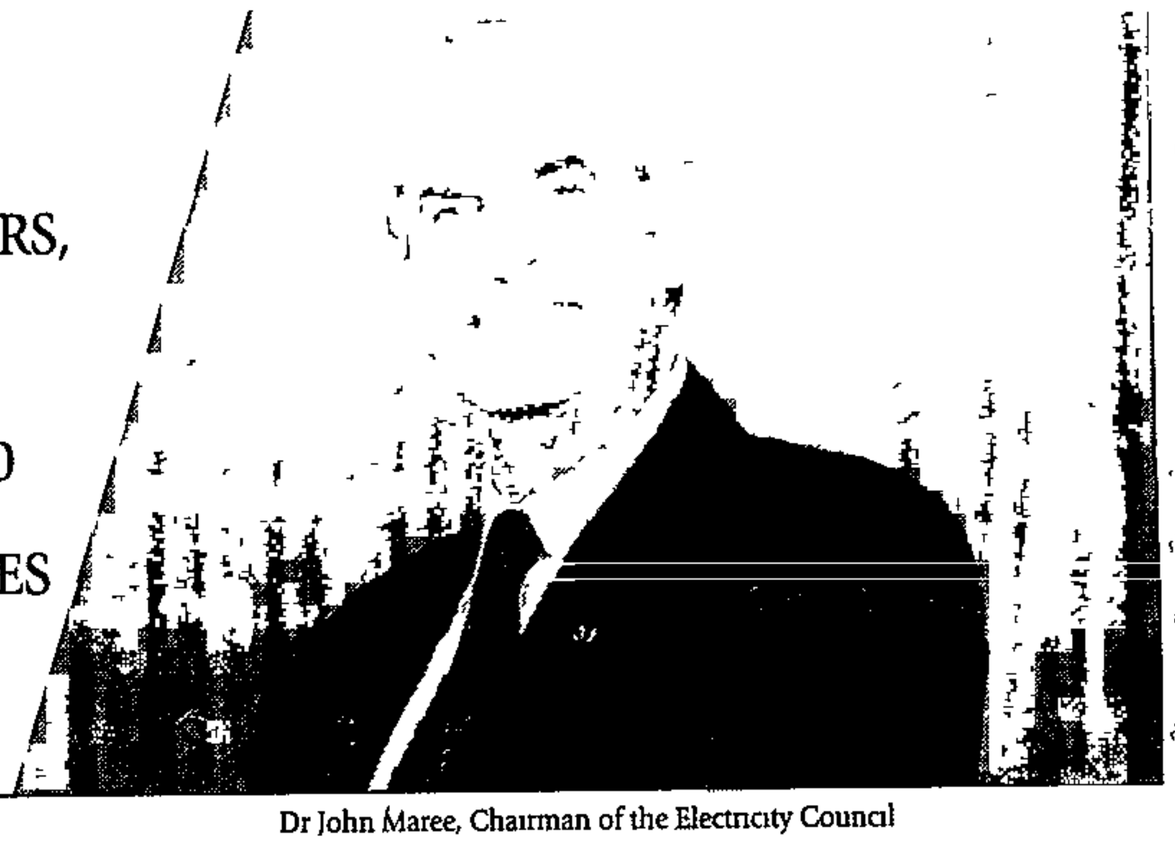
CE Allen Morgan said about 300 000 (145 000) supply points had been connected, providing electricity to more than 3-million people since the start of the programme in 1991.

From Page 1

Provisions for arrears arising from local authorities' failure to pay bills amounted to R653m (R473m) These provisions would be written off against assets once Eskom took over townships' electricity supplies.

Morgan said Eskom was forecasting a 2% increase in sales this year because of the uncertainties surrounding the elections and political transition

IN THE LAST THREE YEARS, ELECTRICITY HAS BEEN BROUGHT TO A FURTHER 500 000 HOUSEHOLDS, CHANGING THE LIVES OF MORE THAN 3 000 000 PEOPLE.



Dr John Maree, Chairman of the Electricity Council

FINANCIAL OVERVIEW

The past year saw the beginning of a recovery in the South African economy and a return to positive growth However, considering the lacklustre economic climate which prevailed over the period Eskom had a most satisfactory year While the gross domestic product rose by close to 1 1% electricity sales volumes rebounded in 1993, increasing by 4,1% compared with 1992 sales This is the largest growth in the past five years and is a positive change following the previous year's volume decline of 0 1% Sales revenue accordingly increased to R13 793 million in 1993

Concerted efforts to curb operating costs continued during the year, The fact that costs were contained while the number of new household connections increased can be attributed to rigorous financial discipline, stringent cost control and increased productivity through the efficient and effective management of all Eskom's resources Although there has been an improvement in payment levels, continuing non-payment by a number of local authorities and communities made it necessary to create additional provisions for arrear debts Net income nevertheless increased from R1 489 million in 1992 to R1 640 million in 1993

To account for the effects of inflation and to assist readers in assessing Eskom's real financial performance, current value financial statements have been included in the annual financial statements for the first time Net income on a current value basis amounted to R359 million (1992 R158 million) The net income is considered appropriate in the light of the current and future business risks to which the organisation is exposed

The corporation's balance sheet has also strengthened The net capital expenditure of R4 041 million was entirely funded by internal cash flow The debt-equity ratio accordingly improved from 1992's 2,27 1 to 2,03 1

By ensuring that funding requirements were actively managed and appropriately hedged, Eskom was able to reduce the risks associated with the fluctuations in the financial markets and their bottom-line impacts It was able to borrow modest amounts in Europe and to satisfy the balance of its funding requirements locally without putting pressure on the South African capital markets

Taking advantage of the prevailing favourable conditions in the South African markets during 1993, Eskom launched the Electrification Participation Note, which is designed to share risk between Eskom and investors and to provide a vehicle for investment in socially responsible projects Eskom also launched a new bond, the E172, which has been well received and well traded since inception Continued support by existing overseas investors and a material increase in new investment in Eskom bonds towards the end of last year, demonstrated a new wave of investor interest in South Africa

Eskom's treasury continues to be conservatively and properly managed It is gratifying that it received exceptionally favourable comment after a risk audit by a group of independent international consultants

MARKETING DRIVE

In its ongoing quest for sales growth, Eskom has undertaken a concerted marketing drive and has actively competed for profitable new customers in the industrial, commercial and agricultural sectors Focusing on the needs of customers and promoting appropriate products, processes and equipment is an important marketing thrust An increasing number of customers benefited from Eskom's comprehensive advisory services which are tailored to meet the requirements of particular segments of the market

At the same time, Eskom is aware of the international trend towards energy conservation It has embarked on a customer advisory service to promote energy efficiency in the longer term

REDUCTION IN THE REAL PRICE OF ELECTRICITY

Price stability and predictability for all customers and stakeholders in Eskom are important advantages resulting from the organisation's 1991 undertaking to reduce the real price of electricity by 20% by 1996 Eskom remains on track in honouring this commitment The Electricity Council has approved a price increase of 7% for 1994, which is the lowest annual price increase since 1984 and is expected to be below the consumer price index rate of inflation for the year again This will be the eighth consecutive year that it has been below the national rate of inflation

The fact that South Africa has the second cheapest electricity in the world is not only a matter of great satisfaction to Eskom, but it also gives South African energy-intensive industries a competitive advantage in international markets

NON-PAYMENT

To normalise the electricity supply to households in a number of towns and, by so doing, encourage a return to payment for the use of electricity, Eskom has taken over the distribution responsibility in a number of these municipalities It is devoting considerable attention to improving the quality of supply, metering and billing systems with positive effects on payment levels

In the case of Soweto in particular, facilitated by intense community involvement, a fixed electricity tariff rate as agreed in terms of the Soweto Accord was introduced, resulting in improved payment levels. A normal metered tariff was implemented in January 1994

It is hoped that solutions to the non-payment issue will be found in 1994

ACCELERATING ACCESS TO ELECTRICITY

The electrification project continues to accelerate and Eskom connected more than 500 new households every working day in 1993, totalling 208 801 direct domestic connections for the year compared with 145 522 in 1992

Despite violence-related interruptions in some areas during the year, the electrification drive accelerated Since the launch of the electrification programme in 1991, Eskom has, directly and indirectly, changed the lives of another three million people by making electricity available to their homes.

MANAGEMENT OF THE ENVIRONMENT

Electricity generation, transmission and distribution inevitably impact on the environment Eskom is working towards minimising the negative effects of such activities The organisation is playing its part in overcoming some of the current environmental problems which are high on both national and international agendas

GREATER EMPLOYEE PARTICIPATION

Several initiatives to adapt the structures, work environment and culture of Eskom to better reflect political, social and economic changes in South Africa are being successfully pursued Plans are in place which focus on giving employees a greater participation in those aspects of the business that directly affect them Through these new processes, Eskom and the trade unions are developing a joint vision so as to achieve continuing business efficiency and ensure Eskom's long-term viability

RELATIONS WITH SOUTHERN AFRICA

During the year, a memorandum of understanding between the Botswana, Zimbabwe and South African governments was concluded, approving the construction of a new 416 km high-voltage line This interconnection, planned for completion during 1995, will provide transmission capacity of 500 megawatt (MW) and will improve the reliability of supply in the short term as well as provide opportunity for the sharing of power in the region in the longer term

THE ROAD AHEAD - CREATING OUR FUTURE

As South Africa creates a new non-racial, democratic future, there is a primary need for stability and prosperity in the region as a whole Once the political process is complete, attention will shift to economic growth which is essential for long-term prosperity.

STATEMENT

Star 31/3/94

Long-term prospects for economic development depend on a range of interwoven factors - political stability, better education, provision of basic infrastructure and services, improved relations between business and labour, higher productivity, the return of foreign investment, an export-led trade policy and value-added manufacturing

World markets are re-opening, bringing both opportunities and challenges If South Africa is to be competitive on world markets, its mines and industries will need cheap electricity A competitive electricity price should also attract offshore industries to the country (260)

Future economic growth and job creation will also be dependent on the development of the informal sector of the economy, which will be boosted by the availability of electricity However if the bulk of homes, schools and clinics in South Africa remain without electricity, it is unlikely we will be able to achieve the productivity levels required for us to be internationally competitive

Electrification should be seen as a national priority It is not a task that Eskom alone can undertake, but a joint effort of all those involved in the distribution of electricity

ELECTRICITY DISTRIBUTION

It is against this background that the National Electrification Forum (NELF), comprising all electricity stakeholders, was formed in order to rationalise the distribution of electricity Substantial progress was made during 1993 Six working groups investigated all aspects of electrification and electricity supply in South Africa and, through regular debate with other development bodies, arrived at consensus on a number of aspects such as the need for a national regulator, an electrification development body a fund and general pricing principles Progress is closely related to constitutional development and political realities, especially at local government level

OUTLOOK

Despite a decade of economic stagnation, the economy - especially the industrial infrastructure on which mining and manufacturing depend - remains inherently robust Severe constraints have made entrepreneurs tough-minded and resourceful I am therefore confident that South Africa will continue to participate effectively in world markets and build a strong economy

South Africa has a great opportunity to attract new investment and international participation in the economy if it pursues sound political and economic policies in line with mainstream world thinking

It is my firm belief that South Africa will make a successful political transition, that it will follow sound economic policies, and that it is entering a period of prosperity and hope

Electricity is one of the pillars on which economic growth can be built Eskom is very conscious that it is a national asset and, as a result, must be run efficiently Its technical, managerial and financial skills have made it a world-class electricity utility run on business lines

be a strong leader, who will take Eskom to new heights of effectiveness in the pursuit of its goals

Three executive directors, Mr Mick Davis, Mr Paul Semark and Mr Johan van den Bergh, decided to take up private sector positions We thank them for the contributions each one of them has made to the increased efficiency of the organisation and we wish them well in their new positions

Eskom is fortunate that it has the depth of management in the organisation to be able to bring to the Board very able new talent Mr Piet Falkie Dr Willem Kok and Mr Hank Pienaar will be in charge of Transmission, Finance and Services respectively Because of the importance attached to the electrification drive a new portfolio of Electrification and Industry Restructuring was created and Mr Jan de Beer was appointed to the board to take responsibility for this important task

To ease the workload of the executive directors and to allow the participation of a larger number of managers in broader management of the organisation a Management Review Committee was instituted to which twelve senior general managers were appointed The inputs of this committee are of significance and value in the shaping of the organisation during this period of change

ELECTRICITY COUNCIL

The three-year appointment of the previous Electricity Council terminated at the end of May 1993 The terms of office of Mr G P Croeser, Dr J W L de Villiers, Prof C R Dlamini, Dr D Konar, Mr F J Malan, Mr A A Sealey, Prof H C Viljoen, Mr R C Webb and Prof J.L. Weyers came to an end We are grateful for the inputs and guidance of each one of them during their period of office

It was felt that the new Council should reflect the changes taking place in South Africa and be more representative of Eskom's stakeholders I therefore welcome the appointment of Dr B L Fanaroff, Mr S Immelman, Dr E. Kuzwayo, Mrs N Majija, Mr G Mantashe, Mr G Maude, Mr M D Mofokeng, Mr C J Pretorius and Mr C G van Veijeren The new Council is operating well and the organisation is benefiting from the inputs of the wider representation

In October, Mr Jan Loubser passed away He served as representative of the Association of Municipal Electricity Undertakings and he will be missed by us This vacancy has been filled by Mr H R Whitehead

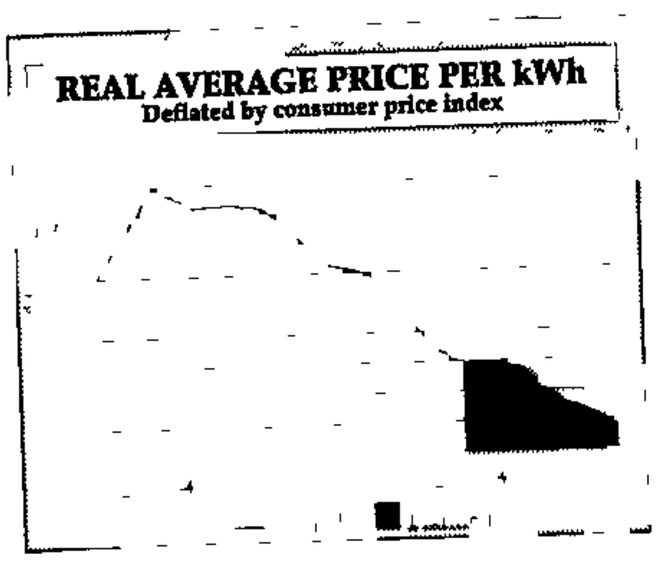
ACKNOWLEDGEMENTS

I wish to express my appreciation to Minister Dawie de Villiers for his interest in and involvement with Eskom in this time of change I wish to extend my thanks to the members of the Electricity Council, the Management Board, the Management Review Committee and all members of staff for their dedication and support during this period of transition and adjustment

JOHN MAREE
3 MARCH 1994

Eskom pursues progressive empl[illegible]ent pric[illegible]s and it[illegible] spare generation capacity ensures th[illegible]ure economic grow[illegible] will not be constrained by a sho[illegible] of electricity

[illegible] are excited [illegible] the [illegible] c[illegible] South Africa and we intend to pl[illegible] our part in making the country an economic success When such prosperity is achieved, Eskom want[illegible] be counted amon[illegible] those that made it possible We will dir[illegible]t all our efforts to that [illegible]



MANAGEMENT BOARD

Dr Ian McRae retired at the end of [illegible]ruary 19[illegible] He started with the organisation 47 years ago [illegible]m apprentice[illegible]nd rose to be Chief Executive, a position h[illegible] held for th[illegible] past nine years By virtue of his dedicat[illegible]n [illegible]work and lo[illegible]lty he has made an immense contribution to th[illegible]nisat[illegible]n He has been a caring leader, respe[illegible]ted within the [illegible]ation, in South Africa and int[illegible]nationally for his [illegible]al and technical abilities He [illegible]ll particularly be r[illegible]m[illegible]mbered for his belief in the import[illegible]e of electricity [illegible]ration in Southern Africa as a basis f[illegible] regi[illegible]l growth He [illegible]ll undoubtedly continue to partici[illegible]te in the building of our economy, and our thanks and go[illegible]d w[illegible]shes go with him

He is being succe[illegible]ded by Mr Allen M[illegible]gan, who brings to this position valuable experience in the areas of customer service and national el[illegible]trification [illegible] confident that he will

INCOME STATEMENT For the year ended 31 December	1993 Rm	1992 Rm
Turnover	13 793	12 649
Operating expenditure	9 000	8 173
Net operating income	4 793	4 476
Net interest and finance charges	3 147	2 987
Net income	1 646	1 489
Transfer from/ (to) insurance reserve	206	(92)
Retained income for the year	1 852	1 397
Accumulated reserves at beginning of the year	11 985	10 588
Accumulated reserves at end of the year	13 837	11 985

BALANCE SHEET At 31 December	1993 Rm	1992 Rm
CAPITAL EMPLOYED		
Reserves	13 837	12 191
Nuclear waste management provision	396	308
Net interest bearing debt	28 027	27 616
Capital employed	42 260	40 115
EMPLOYMENT OF CAPITAL		
Fixed assets	38 605	36 895
Non-current assets	3 762	3 501
Current assets	2 030	2 059
Total assets	44 397	42 455
Interest free liabilities	2 137	2 340
Net assets	42 260	40 115

Copies of Eskom's 1993 Annual Report m[illegible] be obtaine[illegible] from the Communication Manager, PO Box 1091, Johannesburg 2000 Fax (011) 800-4390

ESKOM

Radio Pretoria still defying authority

Star 31/3/94

■ BY MICHAEL SPARKS

Radio Pretoria is set to continue to cause complications for those issuing radio licences as it continues to broadcast despite its temporary licence expiring at midnight on Sunday (260)

And, according to Independent Broadcasting Authority (IBA) spokesman Jack van der Merwe, new temporary broadcasting licences are unlikely to be issued before the election

Radio Pretoria spokesman Mossie van den Berg said the station began a court action on Friday which "disputes the validity of the notification" that the station stop broadcasting on Sunday.

Van den Berg said the station would continue to broadcast until the court had passed judgment in the case, but refused to say whether the station would apply to the IBA for a new licence

IBA board co-chairman Peter de Klerk said the board could prosecute any radio station broadcasting without a licence.

New body silences private broadcasts

BDay 3/3/94

THE Independent Broadcasting Authority (IBA) yesterday effectively dashed all hopes of radio stations with temporary broadcasting permits remaining on air during the run-up to the elections.

IBA co-chairmen Peter de Klerk and Sebiletso Matabane announced that the authority would probably not issue any new licences before the elections for logistical and practical reasons.

The Independent Broadcasters Committee — which represents 12 temporarily licenced stations — warned that the decision could lead to radio broadcasting piracy on an unprecedented scale.

De Klerk and Matabane said the IBA decision followed an Independent Media Commission request that no new licences be granted

Most private radio stations with temporary licences went off the air on Sunday night in compliance with the terms of the IBA Act, which came into operation on Tuesday.

The right-wing Radio Pretoria was, however, broadcasting illegally, and said yesterday it would continue to do so until ordered to cease by the Supreme Court.

The broadcasters' committee said the IBA had taken the easy way out at its inaugural by stopping temporary licences and not issuing new ones, and accused it of evading its responsibility.

LLOYD COUTTS

"The (committee) . . . cannot understand why the 'Independent' Broadcasting Authority is already being influenced by other bodies outside the industry. The committee is concerned that its members are prejudiced by virtue of the fact that other parties are able to make representations to the IBA and yet local broadcasters are excluded.

(260)

"The committee would like to know what the 'practicalities' and the reasons beyond the control of the IBA are, since the IBA Act delegates full power to the IBA to make all decisions pertaining to broadcasting," a statement said.

IBA spokesman Jack van der Merwe said time constraints would not permit the issue of licences before the elections. Notice had to be given in the Government Gazette, applications would have to be made and the IBA would have to formulate guidelines and stipulate them in the gazette.

Radio Pretoria yesterday agreed to postpone an urgent Supreme Court application which it hopes will keep the station on air.

Spokesman Mossie van der Berg said the application — to have a shut-down order by the Postmaster General overturned — was postponed to next Tuesday when the second respondent, Home Affairs Minister Danie Schutte, could not be traced.

Report by L Coutts, TML, 11 Diagonal St Jhb

Call for single body to oversee electrification

GAVIN DU VENAGE

ELECTRIFICATION was "not happening" and should be co-ordinated by a single body to ensure efficient provision of power for all South Africans, National Electrification Forum secretary Johann du Plessis said yesterday.

BDay

Earlier this month the forum's announcement that it wanted to remove electricity supply from the hands of local authorities was met with outrage by municipalities around SA

3/3/94

Some local authorities made "quite a large profit" from the sale of power, according to an industry source. The income generated was often used to subsidise other municipal services.

Local authorities stand to lose hundreds of millions of rands. Cape Town alone realises a surplus of R70,5m from the sale of electricity undertaking, of which about 10% is used to augment property rates.

Randburg will apparently lose as much as R9m if deprived of electricity revenues.

However, more than 400 providers of electricity had led to vastly different standards and tariffs, and made the provision of mass electrification almost impossible, du Plessis said.

It was necessary to consolidate electricity provision if power was to be supplied to the millions who lived without power.

Du Plessis said discussions with local government officials were making progress, and it was likely municipalities would come to accept the need for the present haphazard system to be rationalised.

The benefits for local authorities far outweighed the disadvantages. For instance, many local authorities would not be able to afford the costs of supplying infrastructure within their newly-consolidated boundaries.

This was the type of problem that would be eliminated by co-ordination, he said.

PUBLIC SECTOR-GOUT. ENTERPRISE

1994

April — SEPT.

Broadcast licences considered

JOHANNESBURG. — The Independent Electoral Commission is considering reinstating 15 temporary radio broadcasting licences terminated last month

This follows a unanimous resolution by the Party Liaison National Committee, which liaises between the IEC and the 26 parties registered for the election

The IEC said in a statement yesterday that the committee felt the suspension of the licences seriously impeded the political campaigns of registered smaller parties, as the advertising rates of the "suspended stations" were the only affordable ones for these parties. — Sapa

Alarm as cash crisis hits

ST Times 3/4/94

SABC

WITH four weeks to go before polling day, Election 94 is threatening the financial viability of the SABC.

By CLAIRE ROBERTSON

As political parties struggle to run coherent campaigns in an election where all the rules have changed, the rules themselves are draining the coffers at Auckland Park

The SABC is obliged in terms of new electoral and broadcasting laws to make time available for politics in peak viewing times — but few companies want to buy advertising time on either side of the talking political heads

"We have lost R7-million in advertising revenue. Companies are not interested in being associated with political broadcasts," said SABC finance director Steve Schubach. "As it is, covering the election will cost us R18-million — and that is without taking into account covering the 9 000 polling booths on election day"

"R25-million doesn't just grow on trees. If we do not get anything to cover election costs and the loss of ad revenue from the TEC, this election will have a long-term negative impact on our financial viability," said Mr Schubach (R100)

The corporation had hoped to recoup much of its costs on radio advertising, pegged as the most effective way of reaching voters Party political television advertisements are not allowed in this election

But projected revenue of R11-million for the campaign dropped to R4-million after the ANC withdrew much of its advertising from English and Afrikaans stations to concentrate on the vernacular stations

The SABC has also been hard hit by a debt of more than R3-million incurred by the Democratic Broadcasting Initiative (Debi), mostly in the production of its voter education programmes

Debi, the Department of Home Affairs and the Independent Electoral Commission are attempting to sort out who is responsible for this debt It was mainly incurred by the SABC in-house production company Safritel, which produces the election game show *Make Your Mark*, for Debi

Now the SABC is considering cutting local drama productions to recoup some of the losses "Nguni-Sotho productions may have to be cut to make up for this," said Mr Schubach.

Given the nature of this election, which has more in common with an American presidential race than the concentrated constituency-based elections white South Africa was used to, parties were convinced they had to use mass media rather than public meetings to get their message across

Believing that radio and newspaper advertisments would be the most effective — and safest — way to reach voters, the DP planned to spend a massive R1-million on radio advertisements The success of political meetings in Johannesburg this week, however, has caused the party to re-think its strategy

"The talking heads on TV are driving people crazy As we enter the last stretch of the election there is a hunger to hear candidates in a live context," said DP organiser and PWV candidate Jack Bloom

"People want to ask questions. They want to hear flesh and blood people Although these are not constituency-based elections, meetings will succeed if they are regional"

The NP started to run radio advertisements on Radio 702 weeks ago, before the official start of public broadcasting campaigns last month

Many of these featured the voice of the party's greatest asset, President FW de Klerk, whose media-event public appearances are controlled by a special campaign sub-committee

In the main, the NP campaign now concentrates on a mixture of large rallies, intimate house meetings and media ads The violence experienced by traditionally white parties who enter traditionally black areas has also made radio more attractive

(News by Claire Robertson, 11 Diagonal Street, Johannesburg)

Eskom power drive blows its first fuse

(Times Business) 2/4/94

By SVEN LUNSCHE

ESKOM's electrification programme in black urban and rural areas is encountering its first snags.

It made almost 210 000 direct domestic electricity connections last year

Since the electrification project began in 1991 more than 385 000 households have been connected and, as Eskom proudly claims in its 1993 report, "the lives of 3-million people have been changed by making electricity available in their homes".

Chief executive Allen Morgan is confident that up to 2,5-million housing units will be connected by the end of the decade — in line with the ambitious task of electrifying 72% of all households, as set by the ANC in its reconstruction and development programme.

This is double the present number and, according to Eskom plans, will be achieved by connecting 250 000 houses this year and 300 000 a year until 1999.

So far, however, the project has required capital commitments of almost R1,06-billion and yielded lower-than-expected financial benefits for Eskom.

Installing a pre-pay connecting unit costs Eskom R2 800 In order to meet some of the costs, Eskom hopes to persuade its new customers to use eventually up to R80 of electricity a month.

But last year the average amount spent amounted to a "disappointing" R16 a month to pay for a minimal use of 75kW

"We view the project as a long-term investment and



ALLEN MORGAN

estimate that it will take up to eight years to bring a unit to full capacity," says Mr Morgan.

"Nevertheless, we hope to reduce this lead time to five years by bringing down the cost per connection."

Eskom says in its annual report that violence and unrest in certain areas, particularly in Natal and on the Witwatersrand, hinder workmen's access.

"In areas such as Soweto and Alexandra where Eskom has taken over the supply of electricity, considerable success has been achieved in getting electricity supply back to normal by upgrading the networks and working closely with customers in respect of payments," says the report.

Mr Morgan stresses that the supply situation is critical to the success of the electrification programme. He warns that although the generation and transmission are taken care of by Eskom, the supply structure makes it almost impossible to deliver electricity satisfactorily.

More than 400 distributors (mainly local authorities) supply electricity and there is a significant potential for rationalisation, Mr Morgan says

Although the situation is under review in the National Electricity Forum (NELF), the forum last month called for electricity supply to be removed from the hands of local authorities.

The call upset many municipalities which stand to lose one of their main sources of revenue.

Mr Morgan says Eskom is reluctant to become an electricity retailer. It has been forced by political factors to do so in several black townships.

Eskom has little hope of receiving almost R700-million owed to it by black local authorities.

The annual report shows continued satisfactory financial growth for Eskom last year.

Turnover increased to R13,8-billion (1992. R12,65-billion) and operating expenses rose by R830-million to R9-billion (R8,2-billion). After interest and finance charges of R3,15-billion (R3-billion), net income was R157-million higher at R1,65-billion (R1,5-billion)

Eskom reduced its funding requirement for 1994 to R2,4-billion from R4,1-billion last year.

It is relying heavily this year on the SA capital market to raise funds, but plans to launch an electrification bond denominated in dollars equivalent to R500-million

Eskom last year repaid R1,7-billion in foreign loans, of which R1,1-billion fell outside the debt standstill net. A total of R650-million of debt inside the net was refinanced at favourable rates

sought safety. Violence in Natal continues unabated despite the [illegible]

Complaint against SABC to be probed

Bday 3/4/94

SUSAN RUSSELL

THE Independent Media Commission will hold a public hearing today to investigate an ANC complaint against the SABC's coverage of the mass demonstration by Zulu royalists in Johannesburg last week.

A commission spokesman said the ANC had lodged its complaint after failing to resolve the dispute with the SABC.

In its complaint, the ANC claimed SABC coverage had been biased against it by creating the impression that clashes during the demonstration, including fatal shootings outside its Shell House headquarters, were between "Zulus" and the ANC and by suggesting that marchers were unarmed

"The Shell House incident was confused and edited in a manner that suggested that the marchers were unarmed," the ANC said

"The SABC concentrated on the Shell House incident, creating an impression that the clash was basically between the ANC and 'Zulus' This was despite the fact that there were several incidents of violence in and around the city centre throughout the day"

In response the SABC had told the commission it was satisfied its news reports were factually correct. The corporation had indicated it would have legal counsel at the hearing to defend its position

The hearing, open to the public and the media, will be held at the commission's headquarters, 1st floor, 41 Kruis Street, Johannesburg, starting at 10am today.

Meanwhile, the Luso-South African Party (Lusap) has lodged a complaint with the Independent Electoral Commission against the withdrawal of temporary broadcasting licences and has requested their immediate reissue (260)

Lusap said the Independent Broadcasting Authority's decision to withdraw temporary broadcasting licences had jeopardised free and fair elections.

"All political parties depend on the electronic media for their election campaign, more so in the case of the smaller parties," said Lusap representatives.

"The withdrawal of temporary radio licences has affected most smaller parties, specially Lusap, which depended on Radio-Cidade — a private Portugese commercial station — for its campaign."

Temporary broadcasting licences lapsed when the Independent Broadcasting Authority Act came into operation at midnight last Tuesday.

Report by S Russell, TML, 11 Diagonal St, Jhb.

[illegible] to discuss [illegible] of elections

[illegible] PEANUTS

Gun buying by KwaZulu 'not sinister'

■ ARMS SALE Two security men suspended from duty by Eskom:

Sowetan 5/4/94

South African Press Association

KWAZULU POLICE COMMISSIONER Lieutenant-General Roy During says there is nothing "clandestine" or "sinister" about his force's attempt to buy guns from Eskom (260)

In a statement at the weekend, he described the deal as an "ordinary, above-board business transaction", and rejected any insinuation it was clandestine.

Two Eskom Protective Services employees were suspended on Friday pending the Goldstone Commission investigation into the cancelled arms sale. The sale, had it gone ahead, would have seen 1 000 automatic weapons sold to KwaZulu.

Relieved of their duties

Eskom said the two security men had been relieved of their duties for their "serious error of judgment".

Eskom spokesman Mr Kevin Morgan said on Friday night the service's departmental manager and the employee who negotiated the arms deal had, however, acted "above board".

He would not identify the arms dealer other than to say the dealer was from Johannesburg.

During said at no stage did the KZP conceal its identity as the buyer. The KZP and the "negotiators for both parties were at all times fully aware of all the circumstances surrounding the transaction".

Destined for KZP

During said Eskom was aware the arms were destined for the KZP because a signed letter from himself accompanied the required export permit for the weapons to be sent to a self-governing territory.

The deal was done through an "authorised weapons dealer", he said.

Eskom had been paid for the arms, and although the KZP considered the company's cancellation of the deal a breach of contract, the force had accepted this, During said.

He said representations made by senior Eskom officials, to the effect that they regarded the matter as politically sensitive, had resulted in the KZP calling off the deal.

WEST RAND Power cuts loom



Many families at Mandela squatter camp in Bekkersdal have to travel long distances to fetch water for their washing and other household chores because of the shortage of water in this West Rand township.

PIC: MBUZENI ZULU

Eskom warns of blackouts

Sowetan 5/4/94

By Joshua Raboroko

ESKOM has threatened to stop its electricity supply to Kagiso unless divisions within the local civic association, which are allegedly hampering negotiations, are addressed.

Eskom's West Rand sales and customer manager Mr Paul Maree said residents' representatives had on a number of occasions failed to attend meetings aimed at ending the services' boycott. (200)

Maree said the association was divided on ways of ending the boycott.

"We have reached a stage where we are unable to continue supplying electricity to the residents. Unless a concession is reached soon we will be forced to cancel our contract with them," he warned.

He said the company had spent more than R12 million to electrify homes and businesses, erect street lighting and upgrade "the whole electricity network".

The civic association's general secretary, Mr Peter Mokoto, denied there were divisions He said the association had supported the end of the boycott.

"We want people to pay for the services they get from Eskom," he said.

Amicable end to ANC-SABC quarrel

Star 6/14/94

■ BY JOHN SODERLUND

The first test of the Independent Media Commission's role as a watchdog of public broadcasters ended in an amicable whimper after a settlement was reached between the ANC and the SABC yesterday

The complaint was brought to the IMC by the ANC regarding the manner in which the SABC reported on the clashes that erupted in the Johannesburg last Monday

The ANC argued inter alia that the report had erroneously suggested the marchers were unarmed and that comment by peace monitor Rupert Lorimer at the Library Gardens was presented as if it related to incidents at ANC headquarters (260)

Both complaints were corrected in the joint statement, ANC spokesman Carl Niehaus said

■ The SABC yesterday released a 14-point editorial code which it said spelt out the SABC board and management's commitment to the principle of editorial independence

(47 Sauer St, Johannesburg)

Radio Pretoria continues legal battle to broadcast

AR 6/4/94 (260)

PRETORIA. — The Independent Broadcasting Authority has been added as a respondent in the legal battle to determine the future of rightwing Radio Pretoria

The Afrikaner Kultuurbond, which runs the independent radio station, has applied to the Pretoria Supreme Court for an order to set aside certain conditions of the temporary broadcast licence granted to the radio station by the Postmaster-General on February 4

If the application succeeds, the radio station will be entitled to an automatic licence to broadcast for about six years, without having to apply for a new licence from the IBA

The Postmaster-General yesterday withdrew his opposition to the application, as his authority to grant broadcast licences or act against the radio station was terminated when the IBA Act was promulgated last week.

In terms of a Transitional Executive Council decision, all temporary radio stations, including Radio Pretoria, had to stop broadcasting on Sunday evening last week to allow the IBA to reassess the licences issued to the stations

The IBA opposed Radio Pretoria's application, saying the matter was not urgent and that the radio station had been well aware of the fact that the licence granted in February had been of a temporary nature, and that the authorities would thereafter regard the radio station as having no valid licence

Counsel for the IBA, S Maritz SC, argued that the court could not, by investigating the Postmaster-General's actions, "cut off the IBA hands"

Even if the court found the licence had been invalid the matter could not be referred back to the Postmaster-General because he no longer had the authority to make a decision on the issuing of a licence, he said.

Radio Pretoria would probably be charged for broadcasting without a licence because it was the IBA's view that it did not have a licence, Mr Maritz added

The application continues before Mr Justice Spoelstra — Sapa

Eskom's McRae has made his vision a reality

Star 16/4/94

■ BY LANA JACOBSON

At a time when many are asking whether there is any light at the end of the tunnel, Ian McRae, outgoing CEO of Eskom, wants to ensure light for everyone after April 27

Electrification has been one of his great visions — "one of the few top priorities, and it is viable, both for the country and for Eskom", he says

"For the country, it will enable more people to play an active part in the economy, reduce unemployment and create new businesses Without the energy base there can be little economic development in rural areas"

Electricityis high on the list of priorities for black and rural communities "We'd rather lead the way than be forced to do what is right anyway"

He not only regards Eskom as the catalyst in bringing electricity to the 23 million South Africans who still remain without this essential commodity, but looks forward to a major role for the utility well beyond SA's borders

His vision of a sub-Saharan electricity grid has moved from dream to reality Eskom's grid is about to be linked to Botswana and Zimbabwe The link between Mozambique's Cahora Bassa and Zimbabwe is imminent and those between Zaire, Zambia and Zimbabwe now appear viable.

"It even looks as though the Zaire River could connect southern and northern African grids

"You have 17 countries with 200 million people and only 10 percent of them have electricity That's a base from which fantastic economic growth can take off



Ian McRae . . . fantastic economic growth.

"I believe that economic growth is the key to southern Africa's future and that the energy base is essential to economic growth."

McRae admits that some of the projects, both locally and elsewhere, might not make exciting returns immediately, "but job creation and sales growth will be there and many utilities would love to have our potential in that regard"

McRae, who turns 65 this year, retired at the end of February as chief executive and chairman of the management board of Eskom

"When McRae started articulating his vision of electricity for all in the mid-1980s, few people took him seriously and when his vision of an interconnected grid in Southern Africa became known, some experts spoke openly of a pipe dream," Professor Wiseman Nkuhlu, chairman of the National Electrification Forum, said when making a special award to McRae last November

"In the face of opposition from cynicism of some of his peers, colleagues and masters, he persisted in communicating his visions with such sincerity and conviction that he actually influenced thinking and often turned their opinions around

"Millions who received electricity over the past few years can thank him for his vision and courage. Millions more will get electricity much sooner than one could have dreamed," Nkuhlu said.

President FW de Klerk, presenting McRae with the gold award for meritorious service last year, said McRae "strives to use electricity as an agent for peace, and to create an organisation which is productive and developing all of its people at the same time"

As proof of his commitment in this regard, McRae ranks affirmative action high on his list of developments over the past nine years

"He was one of the first people to be committed to affirmative action, before it was the politically right thing to do," says Dawn Mokhobo, Eskom's senior general manager, human resources, and the Executive Businesswomen's Club 1993 businesswoman of the year

"He saw that South Africa could only be served by all South Africans, not only by a segment of the population."

While McRae is happy with the general direction and changes of attitude in the affirmative action programme, he maintains: "We have come a long way — not far enough."

He feels Eskom is well placed to do the job it has to do and meet the challenges that lie ahead It is also highly regarded internationally and has built up trust and credibility in Africa.

"So my feeling in handing over the baton (to Allen Morgan) is that Eskom is in good shape to meet the future and this is the appropriate time to change its leader"

Having spent his entire working life at Eskom — he rose through the ranks from apprentice fitter in 1947 — he is likely to have a busy retirement

"A person of his calibre still has a strong leadership role to play within the Eskom corps," Mokhobo says, echoing views expressed both internally and externally urging him to remain active in the field of electricity supply and beyond, as well as to continue serving on Eskom's electricity council

In addition to his Eskom posts, McRae is a chairman of the SA Foreign Trade Association (Safto) and the SA National Committee of the World Energy Council

He is a board member of the Atomic Energy Corporation and serves on the advisory board of the Urban Foundation (Development Strategy and Policy Unit Board) He is also a council member of the SA Foundation

New recommendation on independent radios

CT 6/4/94 (260)

JOHANNESBURG — The Inter-party Liaison Committee of the Independent Electoral Commission yesterday recommended independent broadcasters should be allowed to restart transmission within 48 hours and continue broadcasting until after the election

The independent radio stations were ordered off the air within a 48-hour period from March 27 in terms of a recommendation by the Independent Media Commission — Sapa

Hands-on approach reduced Eskom's risks

BY ENSURING funding requirements were actively managed and appropriately hedged, Eskom was able to reduce the risks associated with fluctuations in the financial markets and their bottom-line products, according to the electricity utility's annual report.

Electricity Council chairman John Maree said Eskom was able to borrow modest amounts in Europe and to satisfy the balance of its funding requirements locally without putting pressure on the SA capital markets

He said the utility took advantage of prevailing favourable conditions in the local markets during 1993 and launched the Electrification Participation Note (EPN), which was designed to provide a vehicle for investment in socially responsible projects

"Eskom also launched a new bond, the E172, which has been well received and well traded since inception Continued support by existing overseas investors and a material increase in new investment in Eskom bonds towards the end of last year demonstrated a new wave of investor interest in SA"

Outgoing CE Ian McRae said the year was characterised by extremely high volatility in the local capital market because of unrest, economic uncertainty and the lifting of sanctions He added that turnover in the capital market was markedly higher than in previous years

"Against the background of such uncertainty, the Frankfurt office continued to meet the information requirements of Eskom's foreign investors. The launch of the EPN was well received and the first tranche of R600m was placed successfully with institutional investors.

MICK COLLINS

"The EPN has been designed to share risks between Eskom and investors. It features a fixed coupon of 6% a year and a variable element, consisting of a payment equivalent to a proportional share of 30% of turnover generated by the electrification programme."

He said the EPN was considered an appropriate funding mechanism, given the relatively low affordability levels of end users

"Investors will initially receive a low return which will gradually build up over the life of the investment. This return will be affected by affordability levels, consumption patterns, tariffs and the general level of economic activity in the country"

Referring to the E172, McRae said it complemented existing medium-dated bonds with a maturity date of September 1 2001 and a coupon of 8%.

"The total authorised nominal value is R4,5bn with R700m being issued on the first day. The bond has been well received and well traded since inception."

He added that 1994's funding requirements would include R500m to be raised in the foreign capital market by way of a dedicated electrification bond denominated in dollars R1,8bn would be raised on local markets.

TV producer killed

(260)

DURBAN — Ms Kate Macniven, 21, a South African producer with Worldwide Television News, was killed in a car accident near here yesterday She was on her way to Ulundi when the crash happened at an intersection

Reports by Staff Reporter, Own Correspondent Sapa Reuter AP and UPI

CT. 7/4/94

Radio licences may be restored

JOHANNESBURG — The Independent Electoral Commission is considering asking the Independent Broadcasting Authority to reinstate 15 temporary radio broadcasting licences which lapsed last month (260) ANC 7/4/94

This follows a unanimous resolution by the Party Liaison National Committee — the statutory consultative structure between the IEC and the 26 political parties registered for the election

The IEC said the committee had taken the view that suspension of the licences impeded seriously the political campaigns of smaller parties, as the advertising rates of the "suspended stations" were the only affordable ones for them — Sapa.

Clash over licences looms

B Day 8/4/94

LLOYD COUTTS

THE Independent Electoral Commission (IEC) yesterday appeared to be heading for a clash with the Independent Broadcasting Authority (IBA) over restoration of temporary licences to independent radio stations.

The IEC's party liaison national committee on Tuesday resolved to urge its parent body to intervene to have the temporary licences restored, but the IBA said yesterday this could not be done without an amendment to legislation regulating broadcasting.

The licences lapsed on March 27, 48 hours before the Independent Broadcasting Authority Act came into operation. The IBA had said it would not be able to issue licences before elections.

Yesterday the IBA said the IEC had not formally requested reinstatement of the 15 independent stations' licences

IBA spokesman Jack van der Merwe said the IBA could not issue licences until an inquiry into the issue of broadcasting had been held The IBA would call in a notice in the Government Gazette next Friday for submissions for the inquiry. Hearings would be conducted and guidelines for the issuing of licences would be drawn up

Sapa reports that rightwing Radio Pretoria's latest attempt to obtain a broadcast licence failed yesterday when a Pretoria Supreme Court judge said he was not prepared to grant the station one. (260)

Judge E Stafford expressed concern that the IBA had "not truly got off the ground yet" and urged the IBA, the Transitional Executive Council and government to consider such applications as soon as possible.

Radio Pretoria legal representative At van Wyk said he would advise his client to stop its broadcasts.

☐ Yet another radio station is to go on air soon. Radio Karoo spokesman Olwyn Wessels says the Beaufort West-based station would have no political affiliation but would be "cultural and educational" and help "the healing process in SA"

Iscor invests in Chinese port

Star 8/4/94

■ BY NORMAN CHANDLER
PRETORIA BUREAU

South African iron and steel giant Iscor has invested R35 million in the development and expansion of the Qianwan iron-ore harbour in the Qingdao port complex on China's north-east coast

It is believed to be South Africa's biggest investment in the People's Republic of China since the two countries normalised trade relations earlier this year

The harbour development arises out of a co-operation agreement signed between Iscor and the Qingdao Harbour Bureau, which administers the port

The investment provides Iscor with a facility for the discharge, storage and reclamation of some 300 000 tons of iron ore. The harbour is designed to handle 100 million tons of ore. (400)

Iscor general manager iron ore business Johan Deetlefs said Iscor became involved in China because the country was likely to overtake Japan — currently Iscor's largest customer — in steel production growth by the end of the century

"China has experienced substantial economic growth over the past five years, and as our latest customer for Sishen iron ore, we want to be part of this dynamic development opportunity," he said. (200)

Qingdao is China's fourth largest port.

NP accuses Debi of ANC bias

wm 8-14/4/94

260

Chris Louw and Stephen Laufer

THE controversy over the Democracy Education Broadcasting Initiative (Debi) has entered the political arena, with the National Party this week accusing the organisation of bias and calling for Debi to suspend its voter education programmes in the media.

Debi chair Ruth Teer-Tomaselli hit back at NP spokesman Marthinus van Schalkwyk, saying he was "on very thin ice, his cheap shot won't go far".

While the politicians argue, it is still not clear who is going to pick up the tab for Debi's debts, accrued in its efforts to tell South Africa's voters about democracy and how it works.

The *Mail & Guardian* revealed last week that Debi — established to embark on a voter education campaign — had run up debts amounting to more than R3-million.

This week the NP called for the suspension of Debi's activities, arguing that the initiative favoured the ANC. Van Schalkwyk said his party would lay a formal complaint before the Independent Electoral Commission, asking for Debi to be suspended.

But Tomaselli said Debi was "not even thinking of withdrawing its programming". Accusations of bias towards the ANC fell wide of the mark because "many of the 51 organisations which make up Debi are sympathetic to the NP".

The NP has also criticised Debi for featuring personalities associated with the ANC, such as American film star Danny Glover and Archbishop Desmond Tutu. Said Tomaselli: "We immediately pulled the Glover ad when we became aware of his associations with the ANC. Tutu has not been active in party politics for some time, and we must ask where civil society starts and ends if we shouldn't be using him to educate voters."

The ANC responded to Van Schalkwyk's call by accusing the NP of being opportunistic and bent on denying millions of South Africans access to voter education programmes.

"The NP was involved right from the start in setting up Debi to provide non-partisan and fair voter education. Using bias as a reason to suspend Debi's programmes at this late stage is simply an excuse to rob millions of people the right to voter education and hamper free and fair elections," the ANC said.

A joint venture of the SABC and 51 non-governmental organisations, Debi claims it was told by the Ministry of Home Affairs R11-million would come from the multiparty forum or whatever body was set up to manage the transition — this turned out to be the IEC. It has been given R3-million as "bridging finance", but further funds pledged have not been forthcoming.

"We will work out payment to the SABC," said Tomaselli. "The IEC should be paying for this voter education."

Rebel radio loses appeal

Star 8/4/94

BY MICHAEL SPARKS

Radio Pretoria's application to continue broadcasting was dismissed with costs in the Pretoria Supreme Court yesterday

The station had applied to have the Postmaster-General's notice to stop broadcasting declared invalid

A spokesman for the illegal operation said management was to have met last night to decide whether to continue broadcasts

(200)

The Independent Broadcasting Authority said Radio Pretoria would be liable to prosecution and fines of up to R500 000 if it stayed on the air

Sasol's fiery debate

ST Times (Buss) 10/4/94

SASOL should be run as a non-profit organisation, says a study for the Government by the Energy Research Institute of the University of Cape Town.

By KEVIN DAVIE

Richard Dutkiewicz says in a study for the Department of Mineral and Energy Affairs "Since there are no economic or other grounds for closing down Sasol or Mossgas the question becomes what subsidy should be paid to make them competitive with liquid fuel suppliers.

"Theoretically the sunk cost should be covered by the Government and the two bodies should be operated as non-profit organisations"

Professor Dutkiewicz recommends that a subsidy system be introduced to ensure that Sasol and Mossgas continue, but without harming the profitability of the petroleum industry unduly.

Sasol says that as a privately owned company it, unlike Mossgas, cannot be run on a non-profit basis

"At the time of privatisation, the State undertook to provide a measure of tariff protection at times of low international oil prices

"The State has invested R4,9-billion in Sasol projects for which it received more than R14-billion in loan repayments, interests, dividends and shares

"The argument of a sunk cost does therefore not apply in Sasol's case"

Sasol was privatised in 1979. Low oil prices have lifted its protection payments to more than R1-billion a year.

Its future is being hotly debated by the industry and analysts are calculating the effect deregulation might have on its finances.

The fuel industry intends to place itself on a fully competitive footing, but says arrangements will have to be made for Sasol's uneconomic synfuel operations

Considerable debate is likely about these arrangements, especially the price oil companies pay for Sasol fuel

An analysis by an industry expert concludes that Sasol's synfuel operations would incur a large loss in a deregulated environment, wiping R1-billion off pre-tax profit.

Business Times has a copy of this study, which says that even partial deregulation would adversely affect Sasol — ranked one of the world's most-profitable industrial corporations by Fortune magazine.

The study calculates Sasol's 1993 synfuel profit before interest and tax (PBIT) at R896-million.

Stripped of protection, Sasol would have lost R266-million.

Even if its profitable chemical operations were included, Sasol would have lost R27-million.

The synfuel study says Sasol's coal and chemical operations should be included to give a better picture of its overall finances.

This is because 95% of Sasol's coal is used by Sasols I, II and III Chemicals are largely a by-product of synfuel operations.

The analyst says "all the stockbrokers, including Sasol, are admitting that the degree of protection Sasol is enjoying is reaching embarrassing levels"

It says rising oil prices and falling rand exchange rates could rescue the synfuel operation, but are not part of the analysis

Sasol says this analysis presents "highly improbable worst-case scenarios".

It says the reputable consultancy, Petroleum Economics, has estimated an oil-price increase of $3 to $4 a barrel for Sasol's next financial year "with a corresponding decrease in the level of protection". (260) (333)

Sasol adds: "A summary of six international crude oil forecasts shows a price range of $20 to $27 for the year 2000 (in 1992 dollars)

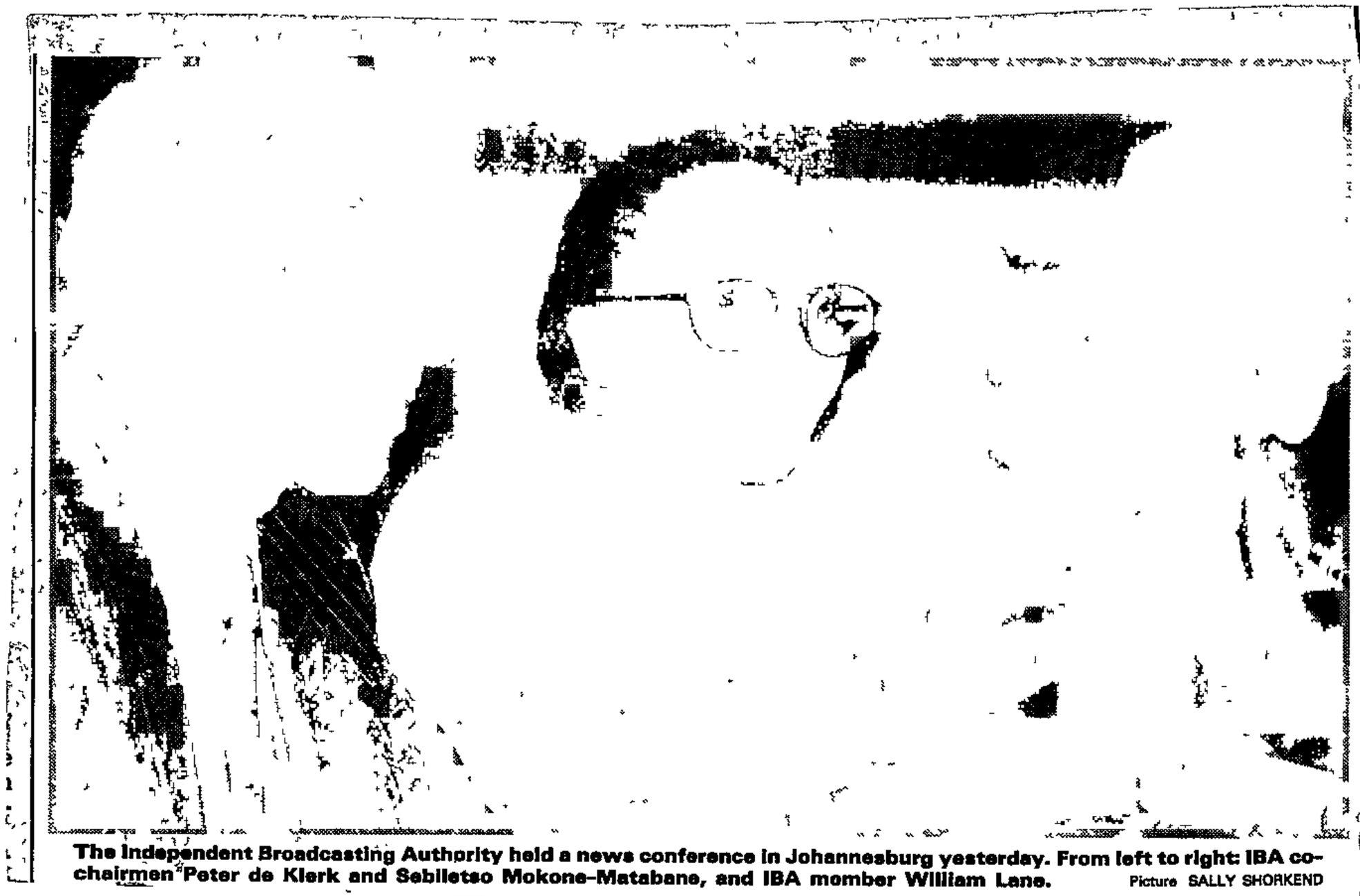
"This would indicate the gradual phasing out of tariff protection over the medium term."

Spokesman Jan Krynauw, who disputes the analysis, says: "It is evident that the analyst quoted is very much out of touch with possible scenarios being discussed as part of the National Economic Forum (NEF) negotiations

"The analyst assumes that no tariff protection is given in a deregulated industry. This is a false assumption

"Tariff protection afforded to any local industry (80% of SA industries enjoy protection) is an issue quite separate from deregulation

"It is our understanding that most of the participants in the NEF acknowledge the contribution of synfuels and the scenarios being discussed there are far more realistic and favourable."



The Independent Broadcasting Authority held a news conference in Johannesburg yesterday. From left to right: IBA co-chairmen Peter de Klerk and Sebiletso Mokone-Matabane, and IBA member William Lane. Picture SALLY SHORKEND

Broadcasting body promises prompt work

WILSON ZWANE

THE recently established Independent Broadcasting Authority (IBA) said yesterday it would work expeditiously towards formulating a policy which would enable interested South Africans to get broadcasting licences.

But the organisation lamented its late inception, saying it would be unable to issue any licences — temporary or permanent — before the election.

The organisation, which came into being on March 31, is charged with ensuring that all South Africans get the "fairest and best possible broadcast services, free of undue bias and protected from government interference". In terms of the Independent Broadcasting Authority Act, the organisation's primary function is to promote the development of public, private and community broadcasting services which are "responsive to the needs of the public". (260)

The broadcasting authority will consider specific applications only after it has studied available frequencies and attended to the "development of a spectrum plan as required by the Act".

IBA co-chairmen Peter de Klerk and Sebiletso Mokone-Matabane said at a news conference at the World Trade Centre yesterday. "We are determined to ensure that the spirit of the Independent Broadcasting Authority Act, as well as the letter, is honoured. This demands that we consult the public before we act in its name"

Mokone-Matabane said that in keeping with the letter and spirit of the legislation, stations such as Radio Pretoria would not be given special treatment when licence applications were considered

De Klerk said there would be notices in the Government Gazette on Friday which would formally call on interested parties to make submissions on, among other things, the ground rules that should apply for the issuing of temporary community broadcasting licences and the limitations on cross-media control of private broadcasting services.

Report by W Zwane, TML, 11 Diagonal St, Jhb

TEC to pay SABC election costs

B/Day 13/4/94

PRETORIA — The Transitional Executive Council (TEC) has agreed to pay R31,5m to the SABC to cover the costs of the corporation's election coverage and advertising.

The SABC had threatened to withdraw Democracy Education Broadcast Initiative (Debi) advertisements if an outstanding account of R3,5m was not paid. It also told the TEC that it was owed R18m "to cover election costs" and R10m in lost advertising revenue.

DP TEC delegate Colin Eglin said the TEC was sympathetic to the SABC's claims, although a "hard-nosed business approach" would be adopted when scrutinising the accounts (260) (304A)

One delegate said the Debi advertisements should be withdrawn as they made no sense and only confused voters

SABC group finance GM Steven Schu-

ADRIAN HADLAND

bach said advertisers were reluctant to place advertisements in, or on either side of, political programmes such as Agenda They were particularly concerned about being identified with political spokesmen appearing on these programmes

The extensive election coverage planned for this month and next, including political debates and polling station coverage, was expected to result in a R10m loss in advertising revenue

Schubach said the SABC could not absorb an estimated R18m in election reportage expenditure Hiring vehicles, staff overtime, satellite feeds and communication lines were some extra costs likely to be incurred during "the biggest election

☐ To Page 2

SABC costs

B/Day 13/4/94

☐ From Page 1

this corporation has ever covered".

The TEC's decision to award the SABC R31,5m was "very good news", he said

The TEC also heard a request from the interparty liaison committee for R54m for political parties' transportation costs (304A)

The committee, made up of representatives of all parties fighting the elections, said non-partisan buses and taxis should be made available for ferrying voters during polling It asked if the Independent Electoral Commission (IEC) could co-ordinate the proposed transportation system (260)

The TEC said it would be difficult to negotiate "such a huge amount of money" from the State Expenditure Department and control of such a system would be a "logistical nightmare". It asked for more information from the committee

Meanwhile, the IEC reported that it had been unable to raise the R47m needed from international sources to top up the state electoral fund. The TEC agreed that, as the State Expenditure Department could not accommodate the full extent of the difference, political parties would be awarded the equivalent of R2 a voter, or R44m, instead of the expected R3, or R69m.

Report by A Hadland, TML, 216 Vermeulen St, Pta

TEC goes to 'rescue' of SABC and Debi

(260) CT 13/4/94.

PRETORIA — The TEC has agreed to pay R31,5m to the SABC to cover the costs of the corporation's election coverage to make up a loss in advertising revenue and to pay an outstanding Democracy Education Broadcast Initiative (Debi) debt.

The SABC had threatened to withdraw Debi broadcasts if an outstanding account of R3,5m was not paid

It also told the TEC it was owed R18m to cover election costs" and R10m in lost advertising revenue

DP TEC delegate Colin Eglin said the TEC was sympathetic to the SABC's claims, though a "hard-nosed business approach" would be adopted toward scrutiny of the accounts

SABC group finance general managaer Mr Steven Schubach later explained that advertisers had become reluctant to place advertisements in, or on either side of, political programmes such as Agenda Advertisers were concerned about being identified with political spokesmen appearing on these programmes

The extensive election coverage planned during late April and early May, which was to include political debates and polling station coverage, was expected to result in R10m in advertising revenue being lost.

On the costs of election reportage, Mr Schubach said the SABC could simply not absorb an estimated R18m in expenditure which included hiring vehicles, staff overtime and satellite feeds

The TEC's decision to award the SABC R31 5m was "very good news", he added

● The TEC's weekly meeting also heard a request from the inter-party liaison committee for R54m for political parties' transportation costs

The committee made up of representatives of all the parties participating in the election, said non-partisan buses and taxis should be made available for ferrying supporters and voters during polling

● Meanwhile, the IEC reported it had been unable to raise the R47m it needed from international sources to top up the state electoral fund

Iscor spends R35m at Chinese port to raise iron-ore exports

By DON ROBERTSON

ISCOR's R35-million investment in an iron-ore storage facility at Qianwan on the northeast coast of China was made after a strategic decision to protect what is expected to be a growing market The facility came into operation this month SITimes

China's steel production, 80-million tons compared with 60-million only five years ago, is expected to exceed Japan's 100-million by the end of the century (Buss)

China's iron-ore imports grew from about 18-million tons a few years ago to 33-million in 1993 and are expected to reach 38-million this year

Iscor exported 15-million tons of iron ore from its Sishen mine to 14 countries last year About 4-million tons went to China Chinese imports from SA are expected to rise to 5-million tons this year

The new complex at one of China's largest ports can hold 300 000 tons of iron ore It has offloading and reclaiming machines

A total of 15 000 tons of iron ore can be offloaded in a day at Iscor's Qianwan base It is for the use of Iscor ships only and should help to reduce freight costs, making ore from Sishen more competitive with shipments from Australia and India Shipments from SA have often been delayed outside the port, adding to costs

When not fully used by Iscor, the storage bins will be leased to other ore exporters 17 14 94

The facility will also benefit Safore, the shipping venture between Iscor and Safmarine. Safore owns two vessels of more than 100 000 tons each But because of their size, they have been unable to enter several Chinese ports (260) ( )

Iscor iron-ore marketing manager Johan Koen says that as a result, ships of between 40 000 and 60 000 tons had to be used. They are susceptible to freight-rate volatility

Safore plans to charter four vessels of about 100 000 tons each to supply about half of Iscor's shipments to China

Mr Koen says "We have contracted one vessel and are looking for another three This will allow us to set tariffs for a full year at a fixed rate"

Ships will have free and immediate access to the offloading complex at Qianwan

Mr Koen says the investment will protect and safeguard this market, which is second only to Japan A need for improved facilities in Chinese ports for the supply of ore to steel mills was recognised three years ago Several suggestions were considered, and construction of the storage facility was considered the best

The Sishen mine has reserves for about 40 years at current recovery rates of about 23-million tons a year Exports in 1994 are forecast at 16,5-million tons

Although Iscor would be happy to increase sales to China, the railway line between Sishen and Saldanha harbour is running at near capacity

To supply more ore to China would mean reducing exports to other countries Iscor does not wish to do that, says Mr Koen

The possibility to increasing mine production and improving the railway is being considered.

Iscor spent R20-million on a feasibility study to establish the economics of a semis steel plant at Saldanha It would require additional ore from Sishen

'Funding will decide the SABC's options'

Star 16/4/94

A RESTRUCTURED SABC which does not compete with private broadcasters for advertising revenues is favoured by the National Association of Broadcasters (NAB)

In a speech to the Johannesburg chapter of the International Advertising Association, NAB chairman Stan Katz said the SABC had two options in the new broadcasting environment: it could focus more on public service broadcasting while retaining certain commercial elements, or it could focus exclusively on public service broadcasting without any commercial elements.

"The decision is patently complex and will be determined perhaps overwhelmingly by the available funding solutions Philosophically the NAB favours a public service broadcaster that does not compete against the private sector for advertising revenues," he said

One of the first tasks of the newly established Independent Broadcasting Authority would be a formal inquiry into the role and funding of the SABC.

The broadcasting industry would face three problem areas in the years ahead, Katz said These were (200)

■ Unity "If broadcasters are not united on the major issues, they will have difficulty indeed in influencing the Government, the IBA and others to act in a manner fair and beneficial to all broadcasters."

■ Piracy Unlicensed broadcasters that grabbed broadcasting frequencies willy-nilly, to the detriment of an ordered broadcasting spectrum, must be stamped out

■ Protection of freedom of speech and expression "Broadcasters must be constantly on guard against any attempt at gagging or manipulation by the Government or any political organisation If our new South African democracy is to succeed, it must succeed on the airwaves as well "

Mossgas may need R3bn in state funding

ST Times (BUSS)
17/4/94

By KEVIN DAVIE

A R3-BILLION plan for the Mossgas fuel-from-gas plant is being put together to extend its life beyond 1998 when its gas reserves are expected to run out.

The plan could cost the taxpayer R3-billion to convert the 30 000-barrel-a-day (bpd) synthetic fuel plant into a 80 000 bpd conventional refinery.

This is in addition to the R700-million Mossgas is seeking from Parliament to develop a second gas field.

The survival strategy — only in conceptual form now — is likely to run into major opposition. The reason is that oil companies agreed to market Mossgas fuel because it comes from indigenous raw materials

The agreement does not extend to fuel refined from imported crude oil Development of service stations for Mossgas could cost R1-billion.

Roy Pithey, appointed Central Energy Fund (CEF) and Mossgas chairman on April 1, says a feasibility study for converting Mossgas into an oil refinery will be undertaken at a cost of about R3-million

Mr Pithey, former senior executive director at Sentrachem, says the new government will have to weigh up this expenditure against socio-economic and other priorities.

"It's not for me to say we should or should not make this investment. But the initial studies I have been shown appear economically attractive.

"We will provide the government with the best options we can come up with.

"Like it or not, every South African is an owner of Mossgas."

The R700-million to extend gas supplies until 2006 is also controversial as this investment would give a much longer life if invested in a conventional refinery.

Mr Pithey says that if Mossgas becomes an oil refinery, it could form the nucleus of a multibillion-rand cracker and petrochemical complex

The state would probably have to be a lead investor in the refinery, taking a 20% to 40% stake International interest has been expressed in the project

The cracker and petrochemical projects would be private-sector investments. The gas could be put to other uses, such as heating

Mr Pithey says Mossgas saves foreign currency and produces 30 000 bpd of fuel.

Sasol and Mossgas, criticised this week by Engen's Rob Angel for the R1,6-billion they will get this year in direct support, are "distinct animals"

"The one is extremely successful with a 40-year track record and is privately owned. The other is state-owned, dramatically overcapitalised and there is considerable doubt about the life of its raw materials."

Sentrachem recommended to the De Waal Commission that Mossgas be stopped and the then R5-billion investment be written off. But the government went ahead with it.

Mr Pithey was appointed head of CEF by Mineral and Energy Affairs Minister George Bartlett. CEF's sole shareholder is the state

Included in CEF companies are the Strategic Fuel Fund, which manages the oil stockpile, and Soekor.

Mr Pithey says Soekor's activities are now mainly limited to finding more gas for Mossgas in the Bredasdorp Basin. Its budget has been scaled down from R200-million a few years back. He says Soekor may have political value in the new SA, helping neighbouring countries in energy exploration

Although oil companies say crude procurement should be their domain, Mr Pithey says the stockpile should be actively managed This would include continued oil procurement.

COMPANIES

Sasol ponders gas project funding

MUNGO SOGGOT

18/4/94

FUEL producer Sasol had still to decide how to fund its stake in the Pande gas project on the Mozambique coast, mineral and energy resources GM Peet Steyn said at the weekend

Sasol and Empresa Nacional de Hidrocarbonetos de Mocambique (ENH) — who were jointly testing the waters for the project — had appointed Morgan Grenfell International as their financial advisers.

The project would get the go ahead only once gas reserves had been fully explored and feasibility studies completed. Industry estimates suggested the project could cost about $850m

Morgan Grenfell had estimated that the project — which would eventually supply most of its gas to SA — would generate $5,8bn in sales during its lifespan.

If the project was given the green light, Argentinian gas and oil exploration company Pluspetrol could run the gas field,

Steyn said Sasol and ENH hoped to select a further partner by the end of the year to invest in and operate the pipeline, he said

This would determine the eventual stake Sasol held in the scheme.

Pluspetrol had been chosen because an international company which was experienced in gas exploration" was needed to run the field.

"We will be able to carry out feasibility studies only once we have established that there are sufficent gas reserves.

"So far we have only begun negotiating contracts with the interested parties," he said.

The pipeline route had not been finalised, but was likely to enter SA south of the Kruger National Game Park in the eastern Transvaal town of Secunda.

Economic scales swing in Sasol's favour

ST Times 24/4/94

By LEAN STRAUSS

NEGOTIATIONS at the National Energy Forum (NEF) on a new dispensation for the fuel industry continue Remarks in the media aimed at Sasol by some participants, whose commercial interests might be at take, should be evaluated and treated with circumspection

For example, an unnamed analyst's views in Business Times (April 10) were not only fraught with error, but reached conclusions based on highly unrealistic worst-case scenarios The analyst was out to prove that Sasol would not be profitable in a deregulated fuel environment

The improbable scenarios selected — they ignored further weakening of the rand — were based on 1992-93 results The rand-dollar exchange rate then was on average 2,98 — currently 3,55 An analyst who understands Sasol's business will appreciate the importance of the rand-dollar exchange rate on its results — Sasol is one of the best hand-hedge investments

The analyst, who ignored this, said that stripped of tariff protection, Sasol would have incurred a loss in 1992-93 This is, of course, totally wrong For that year profit before tax was R1,8-billion, which would have left a pre-tax profit of R1,2-billion without tariff protection

The international consultancy firm, Petroleum Economics, forecasts an increase in Brent prices to $3 to $4 a barrel in Sasol's next financial year An upturn in oil prices is already evident A summary of six international crude-oil forecasts shows a price range of $20 to $27 for the year 2000 (in 1992 dollars)

At current very low oil prices, tariff protection, based on a reference price of $21,85, is high The expected increases in crude-oil prices will show corresponding decreases in the level of tariff protection They will phase out tariff protection for Sasol in the medium term Scenarios for business analysis should be based on longer-term trend expectations and not a snap-shot basis

Sasol was the first oil company publicly to advocate deregulation — in a phased manner — to maintain job security for thousands of pump attendants

Sasol welcomes the outcome of the Uruguay Round of the General Agreement on Tariffs and Trade negotiations and the agreement's phasing-in over five years A similiar dispensation for the protection of the synfuels industry is in line with Sasol's thinking on how tariff protection in the industry should be dealt with (260)

Tariff protection is not an alien concept devised to boost unfairly Sasol's income It is a worldwide method to promote investment in indigenous industries that contribute significantly to a country's welfare

Some 80% of SA manufacturing industries enjoy tariff protection (1985)

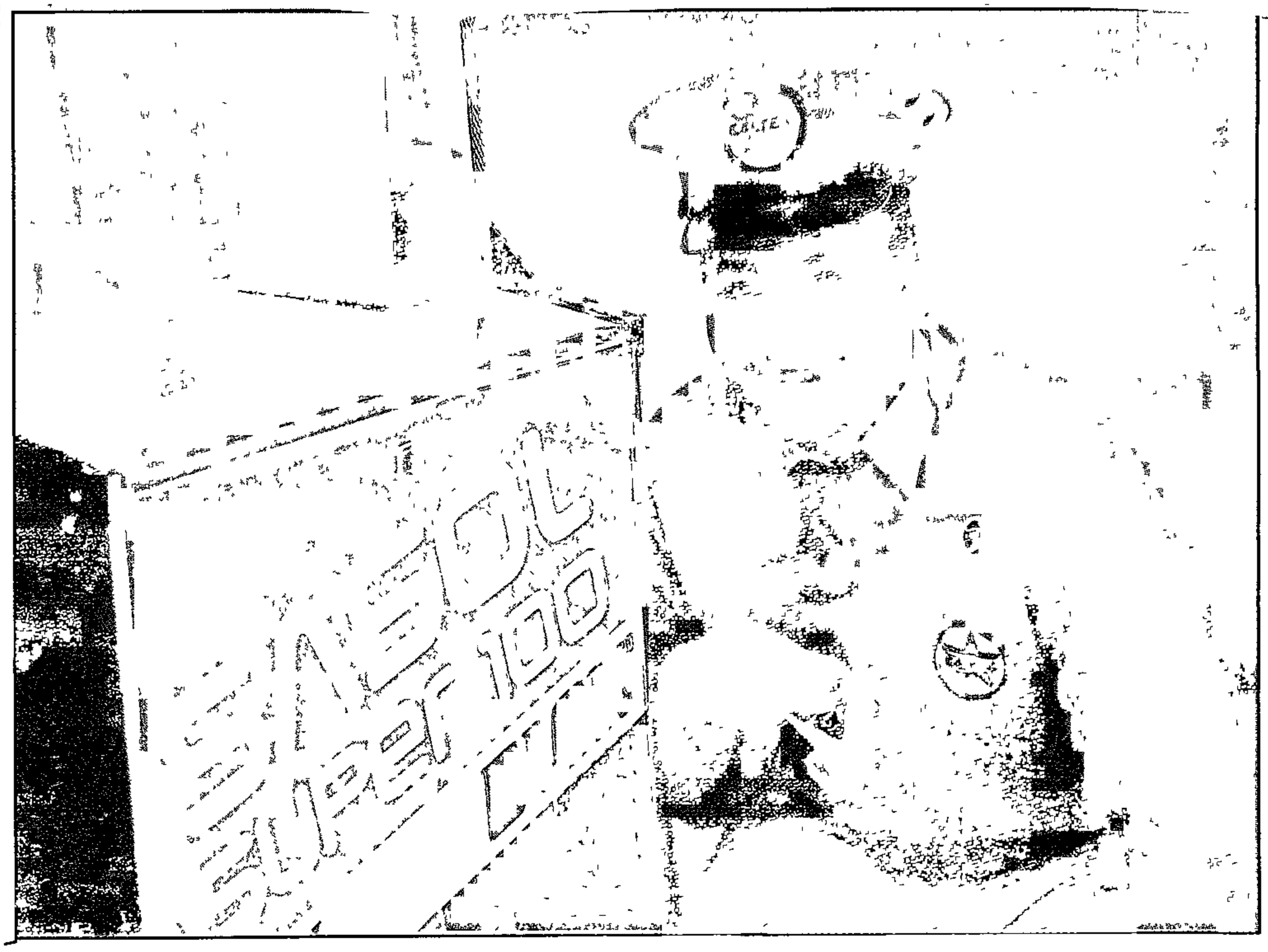
Tariff protection and the regulatory framework applying to an industry are separate issues Some highly protected industries operate in a totally unregulated market — for example, the motor industry

Sasol has made a substantial contribution to the SA economy

- ☐ It has shown what can be achieved by beneficiating low-grade coal, one of SA's abundant natural resoures
- ☐ It has more than repaid the state's investment of R4,9-billion — the total is now R14-billion Furthermore, the state earned R134-million last year in dividends alone Sasol provided R366-million in taxes in the half-year ended December 1993
- ☐ It directly and indirectly provides 160 000 jobs
- ☐ If SA had to import all the oil and chemicals Sasol beneficiates from coal, its balance of payment problem would be greater, reducing the rand's value even further Sasol saves and earns R4 000-million a year in foreign exchange and this will grow as more projects come on stream
- ☐ Sasol directly creates another R4 000-million in new wealth — three times as much as the rest of the oil industry

Sasol supplies about a third of SA's liquid-fuel needs from coal and is also the largest producer of chemicals Sasol's confidence in SA's future is shown by a R4 500-million investment programme over the past three years — more jobs, more money coming into the country through exports.

Lean Strauss is Sasol's manager for refining and planning



FUEL WORKS Lifting retail price maintenance could cost 70 000 forecourt jobs, says the ANC Picture: COBUS BODENSTEIN

SABC will tell broadcasting authority: We are different

BDay 26/4/94

CHARLOTTE MATHEWS

THE SABC's submission to the Independent Broadcasting Authority (IBA) will be based on the premise that the SABC will have to continue subsidising its public broadcasting system with a commercially-driven service, according to group CE Wynand Harmse.

The IBA, which regulates broadcasting in SA in the interests of the public, will require holders of public broadcasting licences such as the SABC to apply for new licences within the next 12 months.

The latest issue of the SABC's Interkom says Harmse told 200 of the corporation's managers it was untrue the SABC was no longer interested in a business-orientated approach and that financial discipline was no longer important.

"On the contrary, in the more competitive broadcasting environment, advertising has become more important than ever," Harmse said

Special adviser to the group, CE Sakkie Burger, said yesterday the corporation's submission would be put to the SABC board on May 18 He declined to elaborate on its contents.

However, in a separate article, Interkom said the SABC's submission would explore the implications of competition for a national public broadcaster and the funding dilemma facing the SABC as a result of factors other than new competition

Harmse told the managers' meeting there were reasons to be positive and have faith in the future of the corporation.

The SABC was part of a growing industry in which it was the dominant player Its radio services at present earned 90% of the spending on radio advertising.

"Even if we should lose 30% to 40% of this income in a new, more competitive broadcasting environment, the SABC will still be the main player," Harmse said

The SABC also had an essential role to play in education, in Africa and in uplifting all people in the country. (240)

"This role will become even more important in the future and, as the major carrier of the message of unity, no government can afford to let the expertise and skills of the SABC go down the drain"

The restructuring of the organisation into business units over the past three years had put management teams in place to meet future challenges, Harmse said

R2,7m grant for radio development

(260) (C 27/4/94)

By BARRY STREEK
Political Staff

A SUM of R2,7 million has been granted for the development of radio in South Africa over the next 12 months, the Open Society Foundation announced in a statement yesterday

The foundation, founded in 1993 and supported by Hungarian-born financier Mr George Soros, hoped to allocate similar amounts in future years, director Professor Michael Savage said yesterday

"Recognising that radio is the medium of communication that can serve the majority of the people most effectively, the OSF-SA will provide comprehensive support of radio in South Africa," the foundation said in a statement

The grant would assist with the planning and development of new community radio stations, provide training, experience and internships, award grants for equipment for new stations, and has allocated R1 million for equipment grants.

It would also help to meet the training needs for station management, programming and programme production

"This is an extraordinary opportunity to help create a new system of radio in South Africa, and we want to ensure that it is built upon a firm foundation," Professor Savage said

Call to expand function of IDC

CJ 28/4/94

From MICK COLLINS

JOHANNESBURG. — A new government would need to expand the role of the Industrial Development Corporation (IDC) if it wanted to bring about required industrial growth, IDC MD Carel van der Merwe said yesterday.

Van der Merwe said the corporation had already met the ANC's economic planning department and other senior ANC and Cosatu officials He said he had no reason to believe that radical changes were envisaged for the IDC by a new government

But the ANC's reconstruction and development programme had outlined a more pro-active approach to a structured industrial policy. This would need the IDC to concentrate more on the manufacturing sectors identified as offering the best growth prospects

He said the IDC had always been a politically neutral organisation serving the government of the day The optimal approach in future would be one where clear policy guidelines and objectives were agreed between the IDC and government (through the Department of Trade and Industry) "and the IDC is delegated to follow them with relative independence".

" The IDC has not received any funds from government for the last 40 years and has, in fact, contributed more than R2bn to government funding in tax and dividends This is more than twice the amount invested by the government in the initial years, Van der Merwe said.

Van der Merwe said the IDC had held off reshuffling its board until this could be discussed with the new government.

"The new government will be the de facto owner of the IDC share capital and we foresee changes to the IDC board to make it more representative of the population as soon as possible."

Van der Merwe said he did not foresee major changes in the IDC's financing schemes and existing incentive schemes

Every effort would be made to step up job creation "but it must be borne in mind that the IDC can only support economically viable projects".

He said there was likely to be greater regional initiatives under the new constitutional dispensation and the IDC would cooperate fully in helping establish new viable industries.

Van der Merwe said the IDC was in the third year of a major expansion programme. It was participating in large projects such as the expansion of the Alusaf aluminium smelter, the Columbus stainless steel project, the Namakwa Sands heavy minerals project and the expansion of Sappi's cellulose pulp facility.

Several other projects were being investigated, and would be funded from the corporation's own resources

However, he added that the IDC's participation in large projects would not be at the expense of small and medium-sized enterprises.

World oil prices dip

SABC excels in election coverage

Sowetan 29/4/94

By Elliot Makhaya

■ **FEW HICCUPS** 3 000 people involved in successful networking:



'For the first time all African language stations ran programmes as extensive as Radio South Africa and Afrikaans Stereo'

'We must readily agree that given the circumstances, they acquitted themselves well'



The aged came in large numbers to KaNya-mazane near Nelspruit to cast their votes this week

PIC : LEN KUMALO

The current runs against deregulation

When the 200-strong National Electrification Forum meets again next month to consider the restructuring of SA's multibillion-rand electricity industry, Eskom officials should find it easy to deal with representatives of an ANC-dominated government They already have so much in common

It's apparent that the two power brokers agree that the State — through Eskom, which generated 98% of SA's electricity and had R13,8bn in turnover last year — should retain tight control of the generation and transmission of electricity

They also agree that the current system of electricity distribution — about 450 local authorities charging more than 1 000 different tariffs distribute 45% of the country's electricity — should be realigned into a limited number of regional distributors There's even some sentiment for one giant, monopoly distributor (*Business* December 17).

The third major area of agreement is that Eskom, rather than the State, should shoulder the approximately R12bn cost of electrifying some 2,5m households over the next six years That is why these costs were not included in the ANC's proposed R39bn bill for reconstruction and development The money would likely come from special electrification bonds, capital market and foreign loans, and subsidies from the current customers

Wits University commerce dean Duncan Reekie suggests an alternative source of funding — privatisation — though it's not likely to find much favour in a forum dominated by central planners "If a new government wants to provide uneconomic services to its disadvantaged populace, this should be recognised as a political decision driven by social-welfare considerations And it should be paid for by the fiscus, not through enforced subsidisation by existing users To pay for this, a new government should also strongly consider the privatisation route — billions could be generated by selling Eskom's power stations as competing generators of electricity"

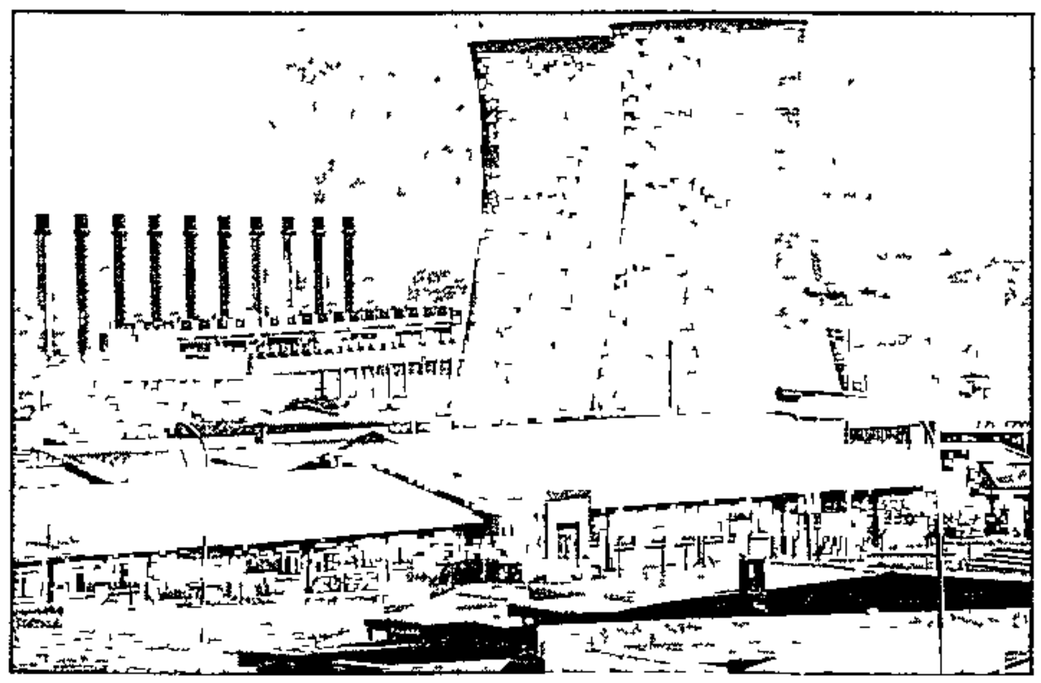
Much more likely is that with a more centralised distribution system, customers will be hit with the double whammy of higher municipal property taxes to replace the R1,3bn annual revenue that local authorities now make on the resale of power bought from Eskom (white municipalities routinely tack on 15%-20% to electricity bills) and user fees to help pay for the huge electrification programme

Says Eskom executive director Jan de Beer. "The forum feels that many local authorities generate surpluses from electricity distribution that are beyond reasonable norms and that these surpluses should help to pay for the costs of electrification"

Mark Pickering, analyst at the ANC-linked Minerals & Energy Policy Centre, suggests raising domestic rates by about 33% and adding a levy He also sees a need for a national regulator to oversee the tariff structure "What we are looking at is lifting the average national domestic tariff of about 15c/unit to about 20c/unit, while additional levies may be charged to help pay for electrification costs We would also prefer a single national distributor"

Johannesburg city councillor Paul Asherson, who is a member of the forum's management committee, is against asking existing customers to pay for electrification for new users "The man in the street already bears more than 40% of SA's tax burden How can he be expected to also shoulder the costs of electrification?"

Asherson says the ANC is growing less enthusiastic about abolishing the local authorities' control over electricity tariffs as the reality dawns that shortly they may be in control of these bodies "After all, if you buy a shop, it's better to take over the stock and goodwill than to first get rid of its assets"



Powering a nation *and municipal budgets*

UCT electrical engineering professor Charles Dingley, who is a member of the forum's working group on structure and regulation, argues that local authorities do not deliver "Some 500 electricity distributors (mostly municipalities) serve 3,5m customers — on average about 7 000 customers each — making the SA distribution sector (very) fragmented This structure is inefficient and locks resources into wealthy areas The disparity in service provision that resulted from this structure is there for all to see."

Dingley feels that the best size for an electricity distributor should be determined by a balance between economies of scale and responsive service "Global practise is to have large distributors to take full advantage of economies of scale, with good service being achieved through decentralised organisation This is not only so in most developing countries, but also in countries such as the UK, where privatised suppliers have up to 2m customers each, and in the US, where Southern California Edison serves 3,5m The biggest of all is the French national supplier, which has 25m customers."

Reekie believes that it's the UK's example of deregulation and privatisation that SA should follow There, transmission lines are common carriers for all competing generators throughout the country and individual power stations now compete freely with one another "New generators have sprung up, using alternative power sources such as North Sea gas, while freely imported SA and Australian coal forced the closure of uneconomic British coal mines. Power is freely imported from across the channel, while an electricity spot market has been created in London for anyone wishing to buy or sell surplus power at spot rates"

Dick Dutkiewicz, director of UCT's Energy Research Institute, says Eskom's transmission network should become a wholesaler of electricity, buying power from a range of generators (including imports from neighbouring states) and selling it to distributors "The distribution sector should consist of an overall planning and standard-setting body with regional components"

Asherson recommends that the proposed regulator scrutinise Eskom's transmission function to see whether its rates are competitive "After all, if private hauliers could take on SA Transport Services and beat it in the field of cargo transport, the same principle should apply in the transmission of electricity Jobs could be created by allowing competing transmitters to take on Eskom"

There is some sentiment at Eskom and the forum for allowing some competition

"While I would favour a continuation of the economies of scale provided by Eskom's dominant generation and transmission roles in the immediate future, competing generators should be allowed to offer their services, as already happens in municipal areas such as greater Johannesburg," says former Eskom CE Ian McRae, now the new chairman of the forum's management committee "But experience shows that while smaller competing generators can operate in competition with Eskom, they often cannot continue these services because the running costs prove beyond their capabilities

"SA is a developing country and neither Eskom nor the forum sees great advantage in splitting Eskom's generation and transmission functions The real sensitive issue is distribution."

Debi does the SABC

wm 31|3– 7|4|96(60)

A row has broken out over who is responsible for paying the enormous debts of Debi, the voter education campaign on television and radio, reports Mark Gevisser

THE Democracy Education Broadcasting Initiative (Debi) has run up debts totalling R3,5-million, and a major dispute has broken out over who is responsible for settling its bills

Debi claims that the Ministry of Home Affairs pledged it up to R11-million for its voter education campaign on radio and television, and that the Independent Electoral Commission has now inherited this obligation The IEC has already given Debi R3-million, and it is not clear whether it will pay any more

According to the IEC voter education director Albert Mokoena, Home Affairs has allocated a total of R21-million for voter education, but he does not yet have control over these funds

With only four weeks to go to the election, there is thus still much confusion over who is paying for voter education, and how The row cuts to the heart of who bears responsibility for bankrolling the electoral process, and raises questions as to how the IEC is managing state electoral funds

IEC commissioner Helen Suzman, who serves on the body's voter education subcouncil, has been called in as trouble-shooter. "I will do everything in my power to get to Debi the money owed to it," she said

Debi, a joint venture of the SABC and 51 non-governmental organisations, has already had to cancel much of its programming

"The IEC has a moral and legal obligation to fund voter education," said Debi chairman Ruth Teer-Tomaselli, who is also a member of the new SABC board According to Teer-Tomaselli, the Ministry of Home Affairs pledged R3-million to Debi as "bridging finance" and made it clear the organisation would receive up to a further R7-million to pay for its production and broadcasting costs

Debi has finally received the R3-million in "bridging finance" via the IEC, as well as a R1-million grant from the SABC But further funds pledged have not been forthcoming The IEC seems to be either unable or unwilling to pay Debi any more money — which means that the SABC itself will have to pick up the tab

Barry Gilder, a member of the Debi working group and director of communications at the Matla Trust, said it was a "scandal" that Debi was not receiving state funds promised it "This is a clear-cut case Debi was set up before the IEC was even in the picture to oversee voter education on TV and radio The state is obliged to pay for this "

In January, IEC chairman Judge Johann Kriegler told Debi the IEC viewed voter education as a "priority" and that it saw Debi doing the IEC's work in this sphere, the IEC would simply "fill in the gaps" Since then, however, the IEC has put into place its own voter education department, with a staff of over 70 people There is much confusion as to what has happened to Home Affairs' R21-million and as to whether more of this money should go to Debi

Mokoena insisted it was not up to him, but up to the commissioners themselves, to decide whether Debi received more funding He also said that, even if more money were not given to DEBI, Home Affairs' R21-million "would not be enough to do the work we as the IEC need to do"

Most of Debi's R3,5-million debt is owed to Safritel, the SABC's in-house production company "This is a major headache for us," said SABC finance director Steve Schubach "If Debi does not find the funds, we will have to absorb the loss and make up for it by cutting costs elsewhere "

The SABC has lodged its own claim with the IEC — it needs at least R18- million in extra funding to cover the election, and Schubach estimates that at least R10-million in advertising revenue will be lost due to election coverage

The problem with Debi, said Schubach, was it "commissioned products without having the money in the bank to pay for it"

Teer-Tomaselli acknowledged that "we were stupid and naive not to get anything in writing from the Department of Home Affairs", but countered that "if we had waited for money in the bank there would have been no voter-education programming on the SABC We had to go on promises that were made to us That's the political reality "



Debi do .. Puppets for democracy at a National Party convention
PHOTO STEVE HILTON-BARBER

■ Report by Mark Gevisser, 139 Smit Street, Johannesburg

Afrikaans to stay on TV, says SABC chief

ARG 30/4/94

MARK STIEBEL (260)
Weekend Argus Correspondent

IN the wake of reports that the SABC has been neglecting Afrikaans in its broadcasts, the corporation has defended its language position, claiming that it was not removing the importance of Afrikaans but rather being sensitive to other languages

SABC group chief executive Mr Wynand Harmse said it was true that, for practical reasons, English was becoming "the more general language of use" He denied Afrikaans was going to be removed from SABC services

He pointed out that Afrikaans Stereo broadcast only in Afrikaans and that all seven regional services still had Afrikaans divisions

Mr Harmse said there was no plan to remove Afrikaans from TV 1 and illustrated this by pointing out that the SABC had just sanctioned two new Afrikaans dramas

Regarding political debates, Mr Harmse said the political language of communication was English which meant that television debates had to be conducted in that language. He said this was not the SABC's fault, but a consequence of the political climate

Mr Harmse said the SABC was forming a language policy and added that this was not a simple and rapid process It would be altered with the formation of the new regional governments

"The SABC still is striving for linguistic justice and satisfying the linguistic needs of its audiences," he said.

At management level, greater use was being made of English as this would reduce practical problems of interpretation for staff members.

The Rev Hawu Mbatha, general manager of the SABC in Durban, said he felt that as Afrikaans was spoken by a large group of people it should be treated as any other language.

He added that it appeared many people had not yet accepted the changes which gave the other 11 official languages a role

An M-Net spokesman said that because most of its programmes were from the United States and Britain, they were in English

3 held in radio station raid

PRETORIA — Three people were arrested in a police raid on Radio Pretoria yesterday.

Police impounded 10 guns, three home-made shotguns and ammunition during the raid in which Mr Christo Bekker, Mr Lodewikus Putter and Mr Nico van Rensburg were held.

The three later appeared in the Cullinan Magistrate's Court on charges of illegal possession of firearms and ammunition and were released on R1 000 bail each. The case was postponed to May 24 — Sapa

Commission slates broadcast media

BD Day 3/5/94

MARK ASHURST

THE SA broadcast media's lack of professionalism in its election reporting has caused greater problems than its unfair coverage of political parties, says Independent Media Commission official David Niddrie.

His comments yesterday followed IMC chairman Judge Ramon Leon's ruling at the weekend which upheld complaints from the Federal Party that it had received inequitable coverage from the SABC

SABC coverage of all the "smaller parties" in the election had been inequitable. (260)

Niddrie felt that, with the exception of isolated incidents, the commission had been "relatively successful" in ensuring that coverage during the election period was equitable and that state-owned media did not promote state policy.

The commission had referred Radio Pretoria to the TEC on three separate occasions, although unlicensed broadcasters did not fall within the IMC's jurisdiction.

The commission would recommend that legislation be revised to allow the Independent Broadcasting Authority to arbitrate in disputes at the next election.

IMC state publications directorate chief Dirk Hartford added that "narrowly drafted legislation" and a "lack of definition" in the Independent Media Commission Act had frustrated the commission's work.

Charges against the KwaZulu Communications Offices of misusing state publications during the election period had been dropped after the Independent Media Commission refused a condition of anonymity for witnesses, said Hartford

Although KwaZulu offices were found to be handling "massive quantities" of Inkatha Freedom Party printed materials during the election period, the commission ruled that granting of anonymity to witnesses would contravene the principle of transparency

IMC staff were unable to confirm the exact number of cases heard by the commission since its inception in January The state publications directorate successfully brought one case to a hearing, the broadcasting directorate brought three or four. A final hearing was expected this week.

No proper complaints had been brought by political parties Both men said the number of hearings did not reflect the work of the commission.

The IMC's period of monitoring came to an end when the last vote was cast on Friday April 29. The deadline for complaints had been extended to 7pm on May 1, and the commission was expected to wind down by the end of the week.

Future uncertain for SABC radio

MARCIA KLEIN

THE 22 radio stations run by the SABC and the TBVC states' services were extravagant considering the degree of duplication and the resources required to run them successfully, new SABC radio CE Govin Reddy said in the latest commercial radio services publication.

But no decision had been taken on internal restructuring

The SABC's business unit structure had been financially successful and it would be "unwise" to tamper with it until the problem of funding the corporation's stations had been settled, he said.

SABC radio's future would depend on decisions by the Independent Broadcasting Authority (IBA). But because of the funding problems surrounding public broadcasting, the SABC was likely to continue as "a kind of hybrid broadcaster, funded partly by its commercial arm, which will exist in tandem with its public broadcasting arm"

If this route was not taken, there were other options These included licence revenue, a combination of licence revenue and a state grant, some form of indirect taxation or a levy on new commercial radio stations

If SABC radio was able to continue as it had in the past, the commercial wing — currently including Highveld Stereo, Radio Metro and Radio 5FM — could increase in importance because advertising revenue would decline.

"If the public and the state are committed to having a public broadcaster, then it is their responsibility to provide the funding" he said

It was simplistic to presume that state funding implied state control This was not the case in a number of countries, "and the independent SABC board guarantees this will not happen".

Reddy said commercial stations Highveld Stereo and Radio Metro "quite clearly fitted into different niches" in the future SABC structure

But Radio 5's niche was not clear It was the kind of station "that could be forfeited and sold off in a rationalisation effort"

Commenting on the future of new radio stations in a deregulated environment, Reddy said that as many as 50% could go under within a short time

Newly appointed senior GM Solly Mokoetle said the SABC's regional radio services should reflect the whole of SA In the past, radio has not catered properly for people at grassroots level For every person who read a daily newspaper, there were five who listened to the radio

Mokoetle said the IBA would ultimately decide which of the SABC's services should continue

Eskom workers in dispute

By Joe Mdhlela

AT least 50 East Rand workers, who claim to have been forced to take a retrenchment package by Eskom last year, are now demanding their jobs back.

Shop steward and member of the National Union Metal Workers of South Africa Mr David Mabuse said they were asked by management to take the package because of a cost-cutting exercise by the company.

Claim denied

Company representative Mr Altus Mulder denied the claim.

"The truth is that these workers on their own decided to take voluntary severance packages. At no stage did the company force them to do so," he said.

Mulder said negotiations were under way to resolve the issue.

Mabuse appealed to all retrenched workers to contact him at (011) 736-8572

SABC posts R99m surplus

THE adoption of business principles and the restructuring of the SABC into business units saw the corporation report a 33% higher surplus of R99m (R74,6m) for the year to September 1993

Chairman Ivy Matsepe-Casaburri said in the annual review that this was made possible "by the sound business principles that were applied in all the business units of the corporation"

But there was concern over projections for the coming year "owing to increased competition and a significant drop in income from licences because of piracy and licence payment boycotts" Matsepe-Casaburri said "The position is so serious that the 1993/94 budget will be reviewed after the results of the first quarter".

CE Wynand Harmse said the 10% rise in operating revenue to R1,2bn consisted mainly of advertising income supplemented by licence fees and sundry income

Television contributed about 67% of the advertising revenue, compared with 33% from radio.

MARCIA KLEIN

The net cash surplus of R28,3m, equal to one week's financing requirements, would come in handy in the coming year "when deficits are expected"

Harmse said it was important to manage the SABC on sound business principles to ensure that the corporation's wide range of services could continue to operate in a professional and affordable manner.

Harmse said the legitimacy of the licence system had been compromised and was great cause for concern. There was an increase of 13% in debit order payments, but this was neutralised by a 13,6% drop in the number of licences on the back of the economy, the uncertain political climate and "the politically motivated boycotts".

In the year to September, more than 34 500 pirate viewers were tracked down, and more than R6,5m in licence fees and fines was collected — significantly higher than in the previous year.

Members of W Cape parliament

(260) ARG 6/5/94

Staff Reporter

THESE are the 42 members of the Western Cape parliament.

National Party: Hernus Kriel, Lampie Fick, Gerald Morkel, Willem Doman, Arnold de Jager, Pieter Marais, Ryno King, Adriaan Jordaan, Kobus Meiring, Patrick McKenzie, Martha Olckers, Piet Meyer, Quarta du Toit, Aletta Rossouw, Johnson Ngxobongwana, Annette Reinecke, Pierre Gerber, Anwar Ismail, Nic Isaacs, Mali Hoza, Themba Nyati, Antoinette Versfeld, Cecil Herandien.

African National Congress: Allan Boesak, Cameron Dugmore, Vincent Diba, Lerumo Kalako, Johnny Issel, Hilda Ndude, Chris Nissen, Ebrahim Rasool, Tashneem Essop, Leonard Ramatlakane, Lynette Brown, Russel McGregor, Roseberry Sonto, Cecilia Ramotsamai.

Democratic Party: Hennie Bester, Richard van der Ross, Joe Marks.

Freedom Front: Eleanor Lombard.

African Christian Democratic Party: Michael Louis.

Police swoop on Radio Pretoria

(ZLC) ARGT 1/5/94

The Argus Correspondent

PRETORIA. — In a ground and air swoop, police today launched a pre-dawn raid on the Radio Pretoria premises and Fort Wonderboom after receiving information that explosives and illegal weapons were being stored there.

Pretoria police spokesman Evan Johnson said arrests were made and "certain items" were confiscated from the premises.

He could not confirm how many people had been arrested or what was seized.

A spokesman for Radio Pretoria said 14 people had been arrested, adding that "the Boerekommando has thrown our name away".

A spokesman at the station's headquarters, 50km away in Sinoville, confirmed that police helicopters had landed, but said head office staff were in the dark and unable to give details of the raid as the phones at Radio Pretoria were not being answered

Fort Wonderboom is an old abandoned fort north of Pretoria where rightwing Boerekommando leader Willem Ratte sought refuge after leading the Fort Schanskop occupation last year

The raid comes a day after Radio Pretoria called on all media to support its effort to gain a broadcasting licence to further speech freedom

Station head the Rev Mossie van den Berg said it was the vocation of the Boere-Afrikaner culture to keep Afrikanerdom alive — in the interests of all the people of the sub-continent

Only by maintaining the Afrikaner culture alive would there be peace, progress and prosperity for South Africa, he said.

Mr Van den Berg and Conservative Party leader Ferdi Hartzenberg referred to the right to freedom of speech as enshrined in the new constitution as justification for their demand for a broadcasting licence

Mr Van den Berg said the radio station had gone off the air on April 26 and the station's supporters had given it two weeks to apply for a licence.

"On May 13 we will have to decide whether we will go on air and broadcast illegally or not," he said.

Dr Hartzenberg referred to the United Nations human rights commission on indigenous populations, which has a draft document before it which recognises the rights of indigenous people to establish their own media.



RADIO FREQUENCIES

Fm 6/5/94

Regulating the airwaves

(260)

To the disappointment of the upstart radio stations, the recently formed broadcasting regulator, the Independent Broadcasting Authority (IBA), refused to grant or renew temporary radio licences in time for the election Instead it has set in motion a long, bureaucratic procedure that will include an inquiry, public input and a frequency plan study before any licences are granted This process may take at least several months

While the authority's effort at transparency may be laudable, it is debatable whether there is any need for such an authority With the emerging digital compression technologies, any effort to allocate the radio spectrum could be rendered pointless

Proponents of keeping the airwaves as free of regulation as possible say technologies such as the Steinbrecher radio, CDMA and TDMA allow a number of users to employ the same frequencies without interfering with each other With an increasing array of low interference technologies available, there should, therefore, be no need for a section of the spectrum to be allocated exclusively to a single user

The Steinbrecher digital radio can survey any existing swath of spectrum and determine almost instantly which channels are in use and which are free Users can utilise the spectrum as much as they like, as long as they don't collide with anyone else or pollute it with high-powered noise

According to *Forbes* magazine's technology supplement "In the Steinbrecher model, you employ the spectrum as you use any public right of way You are responsible for keeping your eyes open and avoiding others You cannot just buy a 10-year lease and then barge blindly all over the air, depending on government to keep everyone off your territory and out of your way"

Though in SA frequencies are allocated, not bought, there is no doubt that the 15 radio stations whose licences were terminated just before the authority was established on March 31, would endorse this argument

But local experts believe that there is a place for a regulator They say that while digital technologies use the spectrum more efficiently, there is still a danger of interference A spokesman from the Department of Posts & Telecommunications says that though digital techniques make it possible for more broadcasters to be accommodated simultaneously in the available broadcast bands, there is a limit on the total number of simultaneous radio and TV broadcasts that can be accommodated He says there is still a need for proper planning to ensure no harmful interference among broadcasters



Smuts *a 10-year wait for digital technology*

Others maintain that a regulator is needed to right past wrongs "In the past, the allocation of the airwaves has been unsatisfactory," says Sentech MD Neel Smuts "Because we've never had a proper regulator, we don't know what air space is available The IBA is right to take its time If it issues licences in an ad-hoc manner, its credibility would suffer in the long run It cannot issue new licences until its infrastructure is in place" Wholly owned by the SABC, Sentech is the country's largest signal distribution company It carries the SABC and M-Net's broadcast signals

Smuts says protectionist policies have distorted the allocation of frequencies For instance, licences for the high-quality FM frequencies were issued only to the SABC in the past Independent radio stations were forced to get their licences from the TBVC states As a result, Radio 702 broadcasts on the lower quality medium wave frequency from the former Bophuthatswana "The IBA now has a clean slate It should use this to create a more balanced industry"

One of the IBA's first tasks is to compile a broadcast frequency plan, says one member, Lyndall Shope-Mafole The plan will show who the current users are and what airspace is available for future broadcasters It must adhere to International Telecommunications Union agreements A specialised UN agency, the ITU plans and co-ordinates broadcasting frequency bands to avoid interference between neighbouring countries

"Our constraints are more economic than technical," Smuts says "SA, like the US, could technologically support hundreds of broadcasters But the size of our economy limits us Because our spending power is less, our broadcasters do not have the same potential in terms of advertising and subscriptions" Referring to emerging technologies, he says consumers will have to replace their existing TV and radio sets with new digital equipment This is pricey now

A digital audio broadcasting radio, for instance, may be the latest in radio broadcasting but it costs around R10 000 and is too bulky to be fitted into the dashboard of a car

"Many of the digital innovations are still in the developmental stages," Smuts says "SA will only start adopting these technologies once world volumes have increased and prices have dropped It will take at least 10 years before the new digital technologies will be commercially available in SA"

The main benefits of digital technology is improved sound quality and more efficient utilisation of the spectrum Digital compression technology allows at least 10 TV and radio channels to be broadcast from the same transmitter, substantially lowering the infrastructure costs of signal distribution But broadcasters should remember that most users are satisfied with the existing analog radios and will convert to digital only if the price is right

Smuts says broadcasters should consider simulcasting in the new and existing technologies "Initially the market penetration of digital will be low But over time, if the price is right and if there is a perceived benefit to the user, consumers will convert to digital radio in much the same way that they moved from tape and records to CDs"

But regardless of what new technologies may eventually arrive here, radio stations are itching to start broadcasting around the country now Most would like to broadcast on the FM band because this offers the best quality Says Radio 702 technical manager Andre du Toit "We have wanted an FM licence for the past 14 years" Smuts anticipates that some of the licences will be issued in the medium wave frequency range, which is under-utilised

While in the short term it seems that broadcasters will have to make do with existing analog systems, it is important that the IBA does not build a protectionist infrastructure that will limit future developments There are no technological reasons why SA should not turn to information superhighways By merging radio, computer and telecommunication technologies, these superhighways will eventually allow users to transmit interactive full-motion video over the airwaves

Marina Bidoli

itchell is sceptical, citing big adminis- problems, but does say transport ers could be administered by com- for their employees "just like housing es" Forum secretary Ntise Mathloko ees "A user subsidy is something you 't be able to control"

ne forum is considering other ways of ng minibus operators, including exemp- from licensing fees and Vat, fuel re-, reduced interest rates on vehicle pur- special insurance fees, reduced toll and free parking, all of which, as the points out, are a form of subsidy ators will also get relief from high e prices if the proposal to cut the motor istry's tariff protection is implemented arkman argues that free parking could ally worsen the problem of taxi-rank ce Because no-one is seen as the right-owner or renter of public taxi-rank areas, one feels entitled to use — and fight — whatever space they want He be- s having operators pay for curb space is ucial part of the effort to reduce minibus ce "Property rights on the road are not defined To me, the violence is a proper-ights issue"

there were parking meters at taxi ranks, methods for taxi operators to rent rank, e from local authorities, would taxi driv- honour each other's property rights? "I there's a bigger chance of them hon- ng that kind of system (than the current)," Markman says

Whatever the problems — and possible s to riders — of finding an effective way helping taxi operators, the push to do so is proving hard to resist "It is not difficult if there is a will," says Boetie Letsoale of the SA Long Distance Taxi Association "One hopes the incoming government will find mechanisms" ■

AVIATION INDUSTRY

What goes up ...

Airplane crashes are taking their toll on the insurance industry In the five years to the end of 1992, the world's airlines paid US$3bn in premiums and underwriters paid out $6bn in claims That probably explains why premiums for good risks will go up by 20%-50% when policies are renewed this year Some very bad risks will increase by as much as 500%, according to Henry Tours, MD of MIB Aviation Insurance, one of the biggest brokers in the field

The claims include some losses that ran into hundreds of millions of dollars, such as the China Air Boeing that went off the runway in Hong Kong and was a total loss

White-knuckle flyers may find some comfort in knowing that commercial aircraft crashes are still the exception The Department of Civil Aviation's Rennie van Zyl says "The majority of accidents still occur in the private or sporting environment Significant reductions are possible only by changing attitudes and improving the safety awareness of pilots"

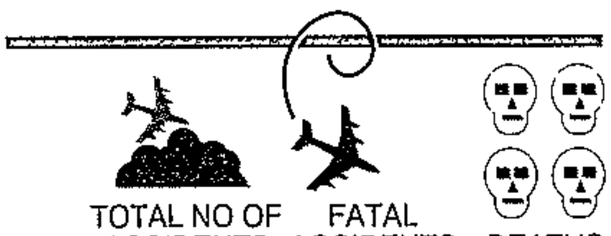
A common cause of accidents is overconfident or novice pilots who fly in bad weather conditions without the proper training on instruments Carelessness is another major factor Civil Aviation's list of reasons for accidents include "helper struck by propellor, killed by rotor on ground, flew into mountain, flew into sea, uncontrolled spin, stalled, low flying, wire strike" Aerobatics is mentioned several times

With the demise of General Accident and IGI last year, there are only four aviation underwriters left SA Eagle, Standard General, Santam and Aviation Insurance Co

Perhaps it's because of the increasing cost of insurance, but commercial operators are seriously trying to improve their pilots' skills and safety records A number of groups, such as the Charter Operators' Association, have been formed to address the problem

And due to the high cost of flying, maintenance is under pressure There haven't been any accidents recently that could be attributed to poor up-keep, Tours says, but there is little doubt that many light-aircraft owners are skimping ■

Aircraft accidents



	TOTAL NO OF ACCIDENTS	FATAL ACCIDENTS	DEATHS
1988	131	11	54
1989	143	8	14
1990	150	10	21
1991	172	19	39
1992	175	19	27
1993	187	13	28

Source DEPT OF CIVIL AVIATION

dvertisers have forgotten how to sell

Sieg, now retired, was creative direc- of the *Reader's Digest* marketing depart- for more than 20 years. He is a consult- on marketing, copywriting and

dvertising was once an extension of the lling process It is still meant to be, but a ty of many current advertising cam- gns causes one to wonder whether they e achieving their objective — to *sell* the oduct or service

Car advertising, for example, particularly TV, seems mostly to rely on two concepts s sliding on wet surfaces, and body shape nd ads for female hair shampoos and con- ioners all include models swinging their ads back and forth

Apart from the dubious selling and per- sive value of these commercials, they also roduce a sameness that makes it difficult remember the product or brand name

A useful rule-of-thumb assessment of an dvertisement is whether its message will ompt people to rush out and buy the prod- ct, believing that their life would be inad- equate without it This is a somewhat exaggerated measure but perhaps one that advertising and marketing managers should apply to creative proposals offered by their professional practitioners

Would you want to buy a car that is shown spinning around in circles in a rain-soaked parking lot? Do you remember the name of the shampoo in the last hair-treatment commercial you saw on TV?

"What's in it for me?" is the question in any prospective purchaser's mind Answering this question is what advertising should be about

What are the product or service benefits that will persuade your prospect that this is the right choice? Or that your product or service is superior to that of competitors?

Car manufacturers are sure to have research that lists buyers' priorities in choosing a car I'm prepared to bet that price, economy and reliability are high on the list, yet advertisements that home in on these benefits seldom form part of the creative strategies employed

Making the message persuasive is the first priority, making it memorable and inexorably linked to the product or service is the second

One of the best examples of advertising that expertly achieves these two objectives is the TV commercial for Cremora In one brilliant swoop of creativity a major benefit of the product — that it doesn't need to be refrigerated — is linked to a line that incorporates the product name, and has become a catch phrase in our local culture "Where's the Cremora? It's not inside, it's on top!"

It's astounding that so many marketing executives approve the wasteful expenditure on spectacular TV productions that are no more than self-indulgent ego trips by their creators Unfortunately, it's often well-nigh impossible to single out the effectiveness of the advertising itself Too many other factors influence the final result pricing and mark-up, distribution, dealer attitude and effectiveness, and packaging

At the end of the day what really counts are the persuasiveness of the message and the purchasers' recall of the product or brand name

Information bill ready

(260) **Political Staff** (35) 6/5/94

A FREEDOM of Information Bill giving individual citizens the right of access to government information has been drafted by the Independent Media Commission, a member of the commission, Ms Zubeida Jaffer, disclosed yesterday

The bill places the onus on the government to provide valid grounds for refusing to disclose information to individuals, Ms Jaffer said during a panel discussion on Peace Radio

The proposed measure will be similar to the Freedom of Information Act in the United States, which has opened up previously secret government files to the public.

Ms Jaffer said the public's right to information should be entrenched in law However, the IMC, which is to be dissolved today, had not drawn up any proposals on the ownership of the media or measures to stimulate the diversification of newspapers and the electronic media

Poll coverage: 'No SABC bias'

JOHANNESBURG — The Independent Media Commission found no bias favouring a political party by the SABC in its election coverage, IMC chairman Mr Justice Ramon Leon said yesterday.

Presenting its findings on SABC election coverage, Judge Leon said broadcasting focused on ANC president Mr Nelson Mandela and President F W de Klerk's electioneering.

He said the focus was on "personalities and not the issues" — Sapa

Eskom demand and cost control boost Amcoal

B/Day 11/5/94

MUNGO SOGGOT

AMCOAL, Anglo American's coal business, reaped the benefits of greater demand from Eskom and tight cost controls to push attributable earnings to R255,7m (R240,6m) for the year to March

The company, one of SA's largest coal producers, pushed turnover marginally forward to R1,9bn, with domestic and export tonnages showing gains

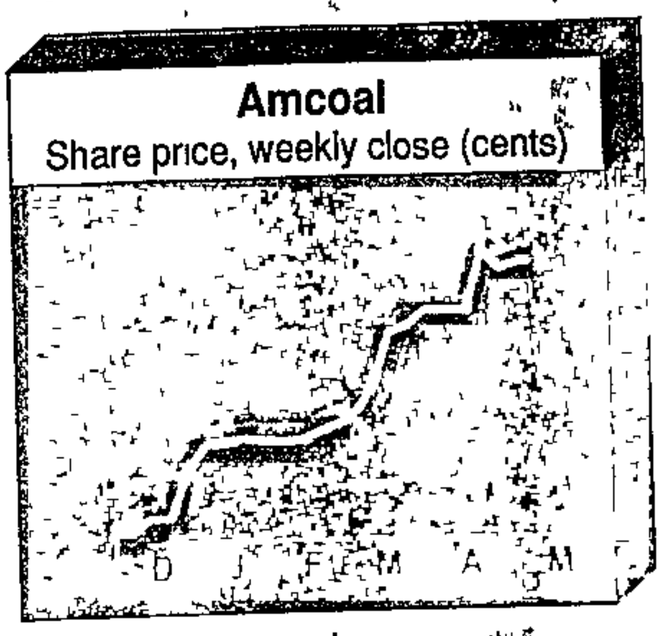
Earnings rose 6,3% to 1 015,1c a share from 955c a share before abnormal items last year The total dividend was lifted 7,5% to 500c

Chairman David Rankin said earnings from collieries supplying Eskom rose because of "the contractual escalation of investments in those collieries"

Although dollar export prices remained under pressure for much of the year, conditions had shown a sharp improvement in the final quarter

The continued recovery in international prices and a domestic pickup were likely to lead to a "satisfactory improvement" in earnings this year, Rankin said

Sales to Eskom had risen 3,2-million tons to 31,3-million tons, mainly due to an increase in Eskom's electricity sales Eskom had increased its coal consumption to make up for a drop in its hydro output and a reduction in the electricity generated by Koeberg



Amcoal had agreed to invest a further R71,7m in New Vaal colliery in return for the amendment of certain terms of the coal supply agreement.

Export sales increased 0,9-million tons to 12,1-million tons, and export earnings were expected to show a significant improvement.

The improvement in international demand was expected to see Richards Bay Coal Terminal hit its annual capacity of 60-million tons within two or three years

The industry had also benefited from a jump in CIS freight charges which had prompted many European buyers to

☐ To Page 2

Amcoal

B/Day 11/5/94

☐ From Page 1

switch to SA coal. And Colombian coal — which had been competing with SA coal on the European market — had entered the US market.

Colliery unit working costs dropped 5,1%. Rankin said Amcoal's cost containment programme included a more effective deployment of labour and more productive mining methods.

After charging R95,7m for amortisation and depreciation, operating profit slipped 6,2% to R374m. Profit after tax dipped 7,7% to R441,4m

The bottom line for 1992 had been lifted by a R221,3m abnormal item, stemming from a drop in the company tax rate which affected the deferred tax balance.

Gross capital expenditure topped R182,7m, of which R24,6m was funded by Eskom. Amcoal's capital expenditure commitments — of which a significant chunk was to be funded by Eskom — were estimated at R270,9m. Most of this would be spent on the New Denmark colliery.

Amcoal was concerned about the National Electrification Forum's suggestions that the supply of electricity to major consumers be routed through municipal distributors. Rankin said this system could prove expensive and unreliable.

Broadcasters proceed with plans to expand

BIDAY 16/5/19

MARK ASHURST

BROADCASTERS frustrated by the Independent Broadcasting Authority's failure to begin its assessment of broadcasting licence applications are pursuing plans for expansion in the hope that licences will be granted.

The Bophuthatswana Broadcasting Corporation has launched an expansion drive into Africa to broaden its income base, despite confusion about its former homeland status.

And Radio Pretoria, while respecting a court interdict which forced it to temporarily end its transmissions, has no plans to shut down even if its licence application fails.

A Bophuthatswana Broadcasting Corporation spokesman said a recent deal with the Multichoice satellite network to broadcast to African subscribers outside SA had lessened its reliance on state income. "We are forced to go this route because we are denied access to SA viewers," he said.

IBA spokesman Jack van der Merwe confirmed on Friday that more than 100 submissions from broadcasters applying for permanent licences are still to be registered (200)

The closing date for submissions from broadcasters seeking consideration for permanent licences is June 10. To date, the IBA has only registered submissions for temporary licences. The closing date for submissions was May 6.

Meanwhile, Radio Pretoria management discussed contingency plans on Friday night to ensure the station's survival irrespective of the IBA's decision concerning its application for a permanent licence. The station stopped broadcasting on April 30 after a court bid by the authorities.

Radio Pretoria chairman Mossie van den Berg said the IBA Act was very slow and impractical. The delay in allocation of licences was expensive to minority broadcasters.

The station had decided to apply for a licence through the proper channels because "on the surface" the IBA Act was fair and nobody had a better case than Radio Pretoria. However the station would not accept a negative result, he said.

Radio Pretoria administrator Wim Wilhemus said the station would resist any attempt at "an SABC type purge". The station would continue to broadcast even if it meant squatting on its own premises.

He said once the haphazard method of licensing was resolved, Radio Pretoria would introduce a more disciplined and structured approach.

He said a message broadcast in March that AWB members were assembling to "defend" the Mangope government in Bophuthatswana should not have been broadcast without formal approval from the station's management.

"It is not the intention of the Afrikaner to go to war. Radio Pretoria is a defensive structure," he said.

Backtracking on Clifton

COMPANIES

Iscor's bid to cut costs jeopardised by burnout

BT Day 18/5/94

MICK COLLINS

STEEL giant Iscor's bid to cut R1bn from its costs had been jeopardised by the furnace burnout earlier this year at its Newcastle works, MD Hans Smith warned yesterday.

The "negative" factor stemming from the incident and the prospect of recovering lost cash flow through insurance cover had made the cost-saving target difficult to achieve.

"We have adequate insurance cover for the burnout, but it depends on when the insurance claim is settled. It is a large sum. We are still calculating the losses but they will run into hundreds of millions."

Temporary repairs to the furnace had it running at 70% of capacity. It would be out of action again in September for a major overhaul and back in commission by January 1995.

The furnace suffered a hearth burn-through in January, after being relined at a cost of R149,2m.

Smith said the main contractor for the relining — Hoogovens of the Netherlands — was also adequately insured. However, Iscor was responsible for the first R50m of any cost incurred — through loss of production or repairs to the furnace itself.

"This amount will not come off our bottom line as we have a contingency fund for occurrences such as this."

The total loss in production to final repair could be 300 000 to 400 000 tons of steel. Exports had been cut back, but local customers would not be affected as the induction furnace and other facilities at Newcastle had sufficient capacity to service the local market, he said. Pool iron could also be obtained from the Vanderbijlpark works.

An analyst said he did not expect the shutdown to have any significant effect on Iscor's earnings. "Most of the lost production would have gone to exports where it would have been sold at a loss," he said.

IBA officials get down to business

THE first step has been taken on the long road to broadcasting deregulation, says Louis de Villiers

The daunting task of the Independent Broadcasting Authority (IBA) to enable the establishment of a balanced and unfettered broadcasting regime in South Africa has started in earnest The IBA's first task is to formulate the rules for the granting of temporary community radio broadcasting licenses

IBA officials have started to evaluate submissions, and will report back to the board this week. Once agreement has been reached on the rules and procedures, licence applications will be invited.

This is the first step in what promises to be a long and very public road to broadcasting deregulation Public hearings seem a certainty, so does the opening of some IBA board meetings to the public

June 10 has been gazetted as the closing date for submissions for the three separate inquiries to establish regulations pertaining to cross-media ownership, the protection, viability and funding of public broadcasters, and local content requirements

The most important inquiry is perhaps the investigation into the funding of the public broadcasters, the SABC and Bop TV Without a fundamental change in the way in which the SABC dominates both radio and TV in terms of advertising revenue collection, a vibrant private broadcasting sector would not be viable

IBA sources regard the freeing up of the airwaves, both in terms of political influence and the SABC's dominance, as prerequisites to the deregulation process

Contentious issues will have to ruled upon Should the SABC, as a public broadcasting service (PBS), be allowed to accept advertising? If the corporation should cease to dominate TV advertising revenue collection as it does at present, the question of funding becomes paramount SABC sources admit that the present form of TV licence administration has all but broken down

Another contentious issue to be resolved relates to licence fees for commercial broadcasters. Although commercial broadcasters such as M-Net and Radio 702 are assured of licences, they are not exempt from any other regulations which the IBA may impose

With the licence fee precedent set in the cellular telephone market, where network operators had to pay R100 million over five years, it is perhaps not unreasonable for M-Net, which operates a much larger business than either MTN or Vodacom, to fear the imposition of high regulatory charges

The two people jointly heading the IBA are Peter de Klerk, who has an advertising and marketing background, and Sebiletso Mokone-Matabane, who has gained wide exposure to PBS radio and TV during her 26 years in the United States

De Klerk's appointment has been widely welcomed in the advertising and marketing fraternity

Matabane, on the other hand, has made it her business to champion the cause of those excluded from mainstream society for so long

"The broadcasting ethos in South Africa has to change I want to see my people reflected on the TV screens, hear myself on the radio It is absurd that the bulk of vernacular programmes broadcast are mere translations — you cannot even begin to speak of freedom of speech in such an environment," says Matabane

Matabane is no starry-eyed broadcasting idealist. She has a great deal of grassroots knowledge about the type of community and public service broadcasting which South Africa needs, gained *inter alia* from sitting on the advisory council of a PBS station in Austin, Texas, and her position on the Austin cable committee, where she headed that body's public access committee

When she talks about "community access to broadcasting", she does not mean free-for-all unsophisticated products being screened free of charge on national TV stations Rather possible permutations of the systems used in the US, where cable stations and low-power TV broadcasters have to provide channels and broadcast facilities to schools and colleges as part of their licence requirements

De Klerk and Matabane have already established a working relationship which both say is excellent. Both share the vision of a broadcasting dispensation in South Africa which provides for a balance between a vibrant PBS, commercial and community sectors.

De Klerk stresses that the IBA's workings will be public and transparent "Because there is so little understanding of the issues, the IBA will inform people and invite submissions through advertisements and press releases. If anybody's voice is not heard in this policy formulation phase, they would have nobody to blame but themselves."

Radio 'not joining in protest by listeners'

ARG 19/5/94

PRETORIA. — Radio Pretoria's management committee has distanced itself from a planned "volksvergadering" at the station's Donkerhoek site on May 28 to decide on resuming broadcasts.

The rightwing radio station has been off air since the end of April in terms of a Supreme Court ruling.

This has caused a division between the radio's management committee, which wants to obtain permission from the Independent Broadcast Authority to resume broadcasts, and listeners demanding the station go back on air regardless.

In a statement yesterday, management committee chairman Mossie van den Bergh warned of a rising anger among Afrikaners "which would not be possible to contain any longer".

Listeners were furious that their right to express their culture had been suspended by "shortsighted" IBA laws.

The "volksvergadering" had probably been arranged by the same people who protested last Saturday against the suspension of broadcasts and who tried to establish an alternative management body, he added.

He urged listeners to support his committee's attempts to obtain a licence through peaceful means rather than to give the "enemy" the opportunity to ruin Radio Pretoria under the cloak of applying the law. — Sapa

Govt ready to act against monopolies

GOVERNMENT would consider acting against broadcasting monopolies by restricting cross-media ownership, Posts, Telecommunication and Broadcasting Minister Pallo Jordan said yesterday

Speaking via a satellite link-up from Cape Town to a conference in Johannesburg, Jordan said SA newspapers were monopolised by three media giants.

"We would not want to see this reproduced in the electronic media We would want to ... restrict the possibility of cross-media ownership," he said.

Jordan said he favoured the establishment of an independent trust to distribute government funds to community radio stations.

Answering a question on the issue, he said he believed the government should make a contribution to community radio.

"But I am wary of them (the government) having a handle on community radio."

An independent trust administered by the recipients of funds could ensure the government did not acquire undue control in this area

Jordan said he was in favour of public service broadcasting being funded in ways other than commercial advertising. A number of ideas were on the table.

He said the bottom line for his department was freedom of expression, freedom of the airwaves "as much as possible" and access for South Africans to news about the world they lived in

"I am confident of the democratic credentials of the .. government But our experience is that governments cannot be trusted I would not want temptation to be there before us," he said — Sapa

Peace Radio 'flouts' law on Radio 2000

BDay 25/5/94

CAPE Town's Peace Radio station is broadcasting illegally using SABC frequencies after abandoning its own frequency in terms of the Independent Broadcasting Authority Act.

The station is buying air time on Radio 2000, the SABC's "facility" radio service

"They are flouting the law, and we will investigate the issue as a matter of urgency," said IBA co-chairman Peter de Klerk yesterday. He denied that Peace Radio was exploiting a loophole in the Act

The station was one of several — including Radio Pretoria — to go off the air when temporary broadcasting licences issued by the IBA expired in March (2100)

Peace Radio currently broadcasts four-and-a-half hours a day, Monday to Friday, primarily from the station's Waterfront studio in Cape Town

Radio 2000 programme manager Leon van Heerden said the legal situation was unclear when Peace Radio transferred to SABC's Radio 2000 frequency in February "We have set a precedent," he said

He said Peace Radio was paying "much, much less than R1 500 an hour for the service The nominal tariff is R3 500 per hour Radio 2000 is financially dependent on the purchase of frequencies by a number of broadcasters outside the SABC"

Meanwhile, De Klerk told broadcasters at a conference in Johannesburg yesterday that renewed temporary licences would not be available for at least another month

MARK ASHURST

The IBA had not yet begun to develop the policies to determine the allocation of permanent licences, which would not be available this year The authority "would not be hurried", he said.

Independent Broadcasters' Committee spokesman Dario Bettencourt said the IBA was in "a crucial stage of development" and should grant interim licences to independent broadcasters.

The industry had not been consulted on the Act, which discriminated against independent and minority stations. "We are not trying to rush the authorities, but we are losing money by the day," he said.

Sapa reports SABC CE Wynand Harmse told the conference public broadcasting needed to create a spirit of reconciliation and to make South Africans feel good about being South African

He rejected the idea that public broadcasters were doomed because of increased commercial competition "Not as long as public broadcasters do more than simply produce healthy balance sheets. Not as long as people pursue higher values."

The SABC had committed itself to an impartial role "sensitive to the diversity of SA society and the need for reconciliation".

Public broadcasting needed to "heal, reconstruct and help build a new nation".



Independent Broadcasting Authority co-chairmen Sebiletso M speeches at the IBA seminar in Johannesburg yesterday.

'Major challenges face education'

LINDA ENSOR

LONDON — The best educational policies in SA would come to naught unless the education administration's inertia and

Sch
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THERE was

[illegible] particular sector of the community.

"We have to tangibly show we are supporting the socio-economic reconstruction and development process under way in South Africa."

People problems

Stumpf is confident the HSRC has an important role to play as he believes the major problems which South Africa will face in the next decade will be primarily people related

The ability of the broader population to live and work together will be critical, as will the move to democratisation and equalisation in a previously skewed society These people problems need to be solved if the other needs such as economic growth and technology transfer are to be fulfilled.

The HSRC research priorities relate to the issues of poverty and deprivation, socio-economic inequality, community empowerment for development, human resource capacity and potential, conflict management and resolution, national cohrence and reintegration, sustainable development and economic growth, democratic accountability and environment and development

It also aims to expand on the providing of base information for planning and decision making, as well as on providing research support systems and data bases

Promoting the human sciences and research projects and developing research capacity, especially among the historically disadvantaged communities, are other concerns

Involvement

The focus will largely be on the developing sector which will involve close co-operation with development agencies, NGOs and other researchers

Stumpf explains "We see ourselves involved in research aimed at identifying relevant development projects and then ensuring successful transfer of such projects to the communities concerned"

Reflecting the HSRC's closer involvement in communities, the organisation recently opened its first township office in Mamelodi, outside Pretoria

This office will be working with the civic organisations in the area to obtain information on the development needs of the region and thus ensure development funds are correctly applied.

In keeping with the HSRC's aim of empowering communities, the organisation has developed a sophisticated data base of social sciences research within the South African context which is available for decision makers to apply in their particular scenario.

It has also gathered together a skills base which enables it to play a vital role in stimulating critical think-tank operations within South Africa.



At the helm ... Dr RH Stumpf, president of the HSRC says his organisation has developed a sophisticated data base of social sciences research available to decision makers.

Stumpf comments "We believe the HSRC can play a crucial role through the provision of analysis and data base information

"For instance, we have what is probably the only comprehensive data base on violence in the country, which has been an important input to such organisations as the Goldstone Commission on violence and the Peace Secretariat"

Changes

The HSRC is placing considerable emphasis on enhancing the ability and capacity to carry out social sciences research in South Africa and this effort incorporates an active affirmative action programme within the HSRC itself

To ensure the profile of the organisation better reflects the structure of the South African community, Stumpf adds: "We hope foreign funding will become available as it becomes clear that the HSRC is not a Government lackey but rather serves society in a meaningful way."

Potential funders will be comforted by the clean bill of health given to the HSRC by the Auditor-General for the 1992/1993 financial year Tight financial discipline, regular computerised financial reports and projections are the order of the day

A sophisticated management system yielding information in all projects under way is also in place

Stumpf says the organisation is more efficient and effective Activities are bieng refocused with a trend toward outsourcing rather than completing all activities in-house

Challenge

Now the HSRC is making greater use of task groups which comprise only a core of HSRC people and incorporates researchers from universities, technikons, community organisations and non-Government organisations This helps ensure that the research is being driven from the outside rather than from within.

Stumpf predicts "I see far greater use of this joint venture approach with HSRC researchers working in co-operative programmes This cuts down on the size of the HSRC research team that is needed."

Stumpf sees the HSRC going the way of similar organisations abroad which are not as highly centralised as the South African body He adds: "We are working to establish the kind of service attitude which is found in the private sector"

It's obvious there's an overreaching culture change under way in the HSRC It should ensure a vital role for the HSRC in the changing milieu of the new South Africa.

Some figures

The HSRC has an annual budget of approximately R100 million It employs some 700 people, 300 of whom are directly involved in research. Others are supporting the research work or provide a number of services. Annual production includes some 150 publications, 450 research projects, and the provision of approximately 200 different products or services

■ For further information or details on any aspect of the Human Sciences Research Council, telephone Robert van der Kooy (012) 202-9111 at the HSRC's offices in Pretoria

supplied by advertisers and opinions are those of the sponsors.

An overreaching culture change is permeating the organisation

HSRC ready for vital new role

Star 25/5/94

South Africa's leading human sciences research organisation, the Human Sciences Research Council (HSRC), has positioned itself to meet the needs of the changing social fabric

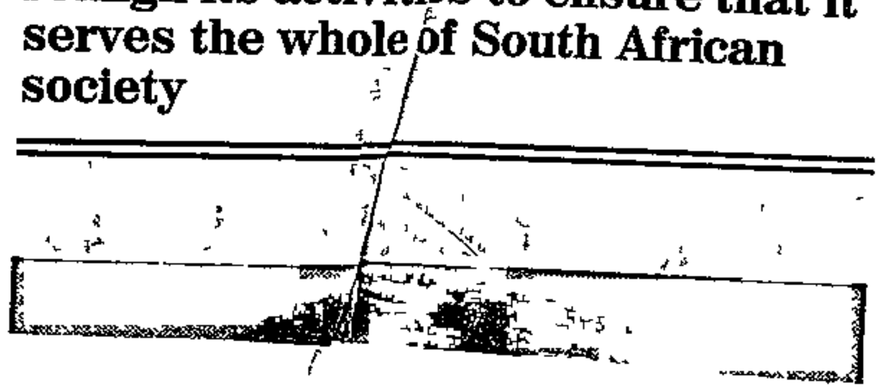
Established in 1969 with the aim of disseminating and promoting research in the human sciences, the HSRC has been funded mainly by Government

Consequently its work did not fully address the needs and interest of the whole population

HSRC president Rolf Stumpf expands: "We had to go through a fundamental change to redirect our activities to ensure we serve the whole of society.

"We have to prove the HSRC can meaningfully enhance the quality of life of all South Africans

THE Human Sciences Research Council is currently undergoing a fundamental change to redirect and realign its activities to ensure that it serves the whole of South African society



the board of the HSRC indicated its willingness to step down.

(260)

It has embarked on a process of reconstitution which will be more in line with the population distribution and more representative of all stakeholders

In future the HSRC board will also include representatives from non-Government and community organisations, labour and business, representing the full gamut of organisations which the HSRC serves

The HSRC also intends to reduce further its dependence on Government which currently accunts for 70 percent of its funding needs.

Serving

Pallo's views on radio, TV

Star 25/5/94

■ BY MICHAEL SPARKS

The country's broadcasting system inherited by the new Government was very confused and needed to be rationalised, according to Dr Pallo Jordan, Minister of Posts, Telecommunications and Broadcasting 2(x0)

Speaking yesterday from Cape Town via a satellite link to a conference on broadcasting in Johannesburg, Jordan said "The Eastern Cape has two broadcasting systems which were nominally independent — in Transkei and Ciskei — and these will have to be rationalised

"The Bophuthatswana broadcasting is based in one region, but is currently broadcasting across four provinces"

He added that the process of rationalisation would take time, and care needed to be taken to ensure that central Government and the regions had some broadcasting technology, with out one province being advantaged over another

Jordan also spoke of the need to establish a community radio trust, which the Government would provide funds for but would not control

"Control must remain in the hands of the community," he said, emphasising that the Government wanted to leave broadcasting regulation to the Independent Broadcasting Authority

"Our experience as a country is that Government cannot be trusted with this immensely powerful tool called broadcasting, and its control

"Much as I have faith in the ANC, I would not want those temptations to be there There must be distance between Government and the regulatory body," Jordan said

It was also important that there were some limits to cross-media control, he said.

Khayelitsha radio waits . . .

(260) ARG 25/5/94

A COMMUNITY radio station devoted to grassroots health care in Khayelitsha is just one of the dozens of infant broadcasters awaiting licences from the Independent Broadcasting Authority.

Before it went off the air in compliance with the stipulations of the IBA, Radio Zibonela — "we're in this together" — was broadcasting from a mobile station housed in a truck with a handkerchief-size mixing desk, a 4km to 5km frequency radius and an audience of about 20 000.

Addressing the "New Radio Station" conference in Johannesburg yesterday, community radio expert Sue Valentine said Zibonela was run by the people of Khayelitsha.

Before it came on the air each Tuesday morning a truck with a loudspeaker would tour the township reminding people to tune in.

The format was informal talk radio hosted by patients who had suffered or were suffering from diseases related to their threadbare lives in Khayelitsha, and by grassroots health workers.

"The response has been unequivocally enthusiastic. The only complaint is the programmes are not long enough," said Ms Valentine.

Zibonele is now off air in accordance with IBA instructions and is waiting, along with dozens of other community and commercial broadcasters around the country, to be issued with a permanent licence. — Sapa.

Govt won't run SABC, says Jordan

Star 27/5/94

■ BY KAIZER NYATSUMBA
POLITICAL CORRESPONDENT

Cape Town — Posts, Telecommunications and Broadcasting Minister Dr Pallo Jordan has given a categoric assurance that the Government will not seek to control the SABC or turn it into a propaganda arm of the Government

In an interview with The Star in Cape Town yesterday, Jordan said his ministry, which had a political responsibility for the giant corporation, would keep its distance from the SABC board.

"I am very much for a hands-off approach with the SABC

"The relationship that has been established now between the ministry and the SABC should be the order of the day"

Jordan told The Star the new Independent Broadcasting Authority was now solely responsible for the granting of broadcasting licences to people from the private sector eager to enter the broadcasting industry

However, he also felt that the integrity of the SABC as a public broadcaster had to be protected.

Jordan said he believed "a more intelligent way" of funding the public broadcaster had to be found to wean the SABC off from an over-reliance on advertising revenue. 200

He would prefer that advertising revenue be left to "the private players" while the corporation was funded in other ways

The former ANC information and publicity chief said a decision had yet to be taken on the future of public broadcasters, such as Bop-TV, based in the former TBVC homelands

He said there were far too many of these stations, and that rationalisation which might involve integration or decentralisation might be necessary

nber ●Pirates and Chiefs facing charges

Sibiya slams SABC board

Sowetan 27/5/94

■ **UNDER FIRE** Members not serving mandate of people who nominated them:

By Lulama Luti

THE RELATIVELY NEW SABC board has come under fire from a disenchanted former member, Dr Gordon Sibiya, who resigned last week

Sibiya, who was appointed to the board in a much publicised selection process in June last year, told *Sowetan* this week that he resigned because he was dissatisfied with "the manner in which the board has been conducting its affairs"

Contrary to the board's claims that Sibiya resigned because of time constraints, *Sowetan* has since established that this was in fact not the case

Sowetan has reliably learnt that the board's lack of control over the SABC management and the content of programmes could have led to his decision to quit

Sowetan also learnt that the SABC board had incurred debts running into millions of rands and that its cost-cutting drive had failed dismally

In a letter to board chairperson Dr Ivy Matsepe-Cassaburi, Sibiya said he felt the board did not address the needs of the people to which the SABC broadcast.

"I complained that the board spent too much time on what I considered to be polemic and scholarly debates, and that we had somehow lost sight of what the real task of the SABC board is," he said

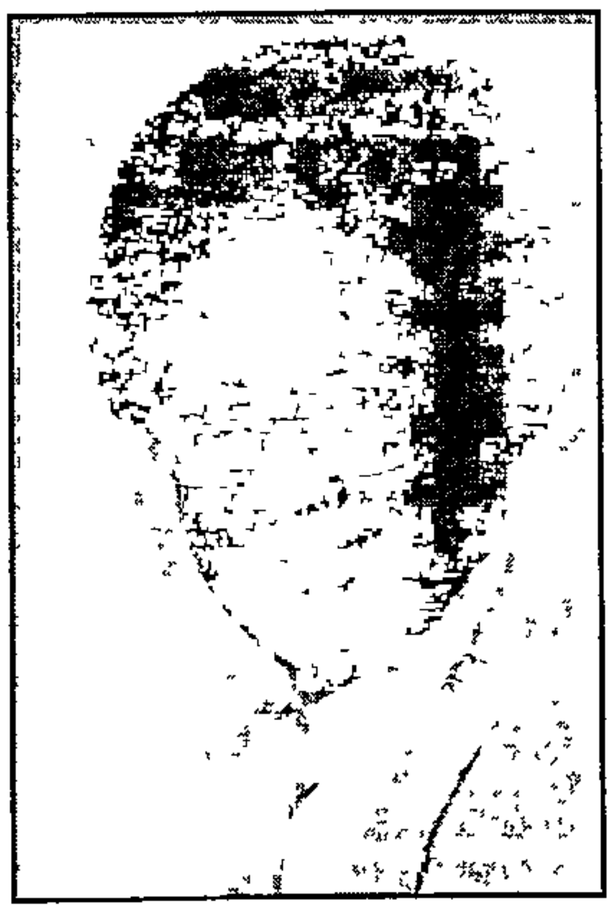
Sibiya added that he did not see the present board serving society in terms "of the mandate that the people who nominated us into positions on the board expected us to"

Out of touch

"In my opinion, we had become yet another self-serving and self-justifying entity that is out of touch with the reality of issues that the general public that we broadcast to appears to be concerned with

"While I agree that I have numerous other commitments in the industrial and professional worlds, it is not true to say that I resigned because of time constraints

"What is true is that I would rather spend my limited resources pursuing matters that make greater sense to me," he said in the letter



Dr Gordon Sibiya

The SABC Board Says:

Sibiya took this decision because he felt the consultative nature of board meetings was rather cumbersome and time-consuming (200)

He regrettably decided that he therefore could not spend any more time as a board member in view of his numerous commitments

He stressed that he was not at loggerheads with the board, only that he felt things could be done differently

The board went on to point out that in terms of the Broadcasting Act it was the one that controlled and managed the affairs of the corporation

Board members were not fulltime and therefore appointed staff to carry out its policy and to follow guidelines it laid down.

It would be impractical and would create an impossible situation if the board were to get involved with individual programmes.

It is not true that the board has incurred a debt running into millions of rands

The board is expecting specific cost-saving and efficiency evaluations to be done before the 1994-95 budget which gets underway in June.

'SABC will not be propaganda arm'

(260)
ARG 27/5/94

Political Staff

POSTS, Telecommunications and Broadcasting Minister Pallo Jordan has given a categoric assurance that his government will not seek to control the SABC or turn it into its propaganda arm

Dr Jordan said yesterday his ministry would keep its distance from the SABC board

"I am very much for a hands-off approach or, at the very least, an arms-length relationship with the SABC"

Dr Jordan said the new Independent Broadcasting Authority was now solely responsible for the granting of broadcasting licences to people from the private sector eager to enter the industry

But he also felt that the integrity of the SABC as a public broadcaster had to be protected

Dr Jordan said he believed "a more intelligent way" of funding the public broadcaster had to be found to wean the SABC off from an over-reliance on advertising revenue He would prefer that advertising revenue be left to "the private players", while the corporation was otherwise funded

The former ANC information and publicity chief said a decision had yet to be taken on the future of public broadcasters like Bop-TV

He said there were "far too many" of these stations and rationalisation, which could involve integration or decentralisation, might be necessary

Sasol seeks ways to spend R2bn

MICK COLLINS

PETROCHEMICALS group Sasol had set aside R2bn for capital expenditure and various options were being studied, the company said yesterday.

The figure included a possible R600m phase two and three development at its new alpha olefins plant at Secunda which produced comonomers for the plastics industry The plant's phase one had recently been commissioned at a cost of R300m, and a decision on its expansion was expected by the end of the year.

Apart from chemicals, Sasol said it was active in oil and gas exploration in Namibia and Mozambique respectively. It was also investigating the feasibility of a coal export project.

The company said that during the sanctions period it had surged ahead with its capex programme and had spent R6bn in the past five years

"The current year's figure is estimated at R1,6bn and expenditure is expected to remain at this level for the foreseeable future."

It said its synfuels and synchemical undertakings were the most lucrative means of adding value to an annual 40-million tons of low-grade coal which could not be exported.

Some of the more significant projects that had recently been commissioned included the R333m anode coke plant at Sasol Two, the R370m Natref oil refinery upgrade and the R820m Sasol One renovation which increased production of industrial gas, wax, phenol, creyslic acid and ammonia

Other projects were the R200m "seventh oxygen train" project at Sasol Three which was commissioned last week. A R400m acrylic fibre project — a joint venture with the Industrial Development Corporation — was commissioned during the second half of 1993

The company said other projects which were progressing well included the R120m pipeline from Secunda to Middelburg which would enable Gascor to supply the Columbus stainless steel project with industrial gas Pipe construction was completed on June 1

The joint venture with AECI, Polifin, recently announced a R530m PVC conversion project which would convert the existing facility to using ethylene instead of carbide-based feedstock.

Other projects to be commissioned next year included a R300m plant to produce acrylonitrile (the basic feedstock for acrylic fibres) from propylene and ammonia, and the R123m Sasol advanced synthol (SAS) reactor. The new technology used in the SAS reactor was more energy- and cost-efficient and required less maintenance than the exisiting synthol technology.

Long road to freedom of the airwaves

(260) WM 3-9/6/94

Mark Gevisser

THE Independent Broadcasting Authority's Peter de Klerk announced last week that permanent licences would probably be issued early next year — but his co-chair, Sibeletso Matabane, believes this is "highly optimistic".

Hearings on temporary broadcasting regulations will only be held in July, after which time temporary broadcasters will have to apply formally. Then, towards the end of this year, hearings will be held on local content, cross-media ownership and how the public broadcaster will be financed.

"We have to follow a schedule stipulated by the Act," says Matabane. "We cannot issue permanent licences until we draw up a frequency plan, and we can't draw up a frequency plan until we have decided what is to happen to the public broadcaster."

For example, commercial and community broadcasters can only be slotted into regional frequency plans once it has been decided whether the provinces will take over responsibility from the SABC for regional public broadcasters. (The constitution stipulates that public broadcasting is a national power, but many provinces may not have the capacity to do this.)

The process is complicated by the fact that parliament needs to approve the IBA's public broadcasting recommendations before passing new broadcasting legislation. This could mean frequency plans might not be finalised until next year and that new permanent licences would not be issued until later in 1995.

The process can only be accelerated if Broadcasting Minister Pallo Jordan puts the ball back in the IBA's court with new legislation which short-circuits the lengthy process outlined in the IBA Act.

"The ball is in Jordan's court," a broadcasting specialist notes. "If he does the political will to make things happen more quickly. If things take as long as is predicted, the public will begin to experience the frustration of the airwaves will get very frustrated and they will seriously erode the IBA's credibility. We cannot afford another SABC-style delay."

But broadcasting law expert David Abramowitz cannot understand why the process should take so long. He believes that even within the framework stipulated by the current IBA Act, temporary licences can be granted almost immediately and a frequency plan be finalised by the end of the year. "The Act is quite competent to deal with all the problems presented," he said.

Matabane notes another problem: that the IBA will not be able to begin servicing the spectrum until it has a full complement of staff. It estimates that it needs about 120 people. "We need at least six months to put this staff together," she says.

UNIVERSITY OF CAPE TOWN

Masters Programme in Clinical Psychology 1995

Child Guidance Clinic, Dept of Psychology

Applications are invited for admission to the above programme, the successful completion of which leads to registration with the SA Medical & Dental Council as a Clinical Psychologist

The programme involves a year of intensive clinical training at the UCT Child Guidance Clinic, a one-year paid internship involving placement at major psychiatric units and in community settings in the Cape Town area, and a dissertation

Applicants should have a good honours degree in Psychology. Experience in clinical or related fields will be a recommendation

The medium of instruction is English. As a substantial proportion of our clients, however, speak indigenous languages (chiefly Xhosa and Afrikaans), basic fluency in some indigenous languages will be a recommendation for South African applicants.

The programme is able to offer special funding assistance on merit to selected black South African candidates. Some funding is also available to contribute towards the travelling costs for black South African candidates from outside the Western Cape to attend selection interviews, provided they are called for such interviews.

In addition, all postgraduate students may apply for financial assistance through the usual University channels

The closing date for receipt of applications and three referees' reports is 15 July 1994. **Please note that late applications will not be considered.**

Further information and application and reference forms can be obtained from The Secretary, Child Guidance Clinic, University of Cape Town, Chapel Road, Rosebank 7700. Telephone (021) 650 3901, fax (021) 689 1006; email:cgcls@protem.uct.ac.za.

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Women on the move ... Sibeletso Matabane and Lyndall Shope-Mafole PHOTO: THEMBA HADEBE

IBA belles don't only look good

They're the only two women and the only two Africans on the new Independent Broadcasting Authority — and they're determined to make this work in their favour (260) WM 3-9/6/94 **Mark Gevisser reports**

WHEN Sibeletso Matabane and Lyndall Shope-Mafole received their invitations to last month's presidential inauguration, they had a "big debate" about what to wear.

It was not, insists Matabane, a "frivolous discussion". They are the only two women and the only two Africans on the new Independent Broadcasting Authority (IBA) — Matabane is the co-chair and Shope a councillor. And so, says Matabane, "we were extremely conscious of our responsibility, as role models, to all black women."

Certainly, Shope's husband, Tlego Mafole — who has recently been appointed director of Deputy State President Thabo Mbeki's office — was not sitting around having the same agonised discussion with his boss. But that, says Shope, is the point. "Society looks at women in a way they don't look at men, certain things are expected of us. So why not use the issue of women and clothing to promote something?"

Matabane and Shope — two cosmopolitan urbanites, the former a PhD and the latter a telecommunications engineer — arrived at the Union Buildings in traditional Ndebele and Tsonga attire respectively. Together with Nkosazana Zuma, who did the Zulu thing, they provided a rural women's stage-piece amid the couturier style and ethno-chic of the inauguration. The anecdote says much. They might have polished exteriors, but these women talk — and act — without the stifling know-it-all braggadocio of white men in power: they think aloud, they like to work things through. They hold power and public office in their hands as if it were a fragile and rather curious egg.

Shope (38) left South Africa with her parents — activists Mark and Gertrude Shope — when she was four, and was raised in Zambia, Czechoslovakia and Cuba. Matabane (49) left in her early teens, and studied and lived in the United States.

In the IBA's short tenure, Shope has already gained a reputation for being feisty and outspoken. Her opinions clearly go beyond the technical skills for which she was appointed.

Softly spoken Matabane, on the other hand, appears in public — next to her assertive co-chair Peter de Klerk — to be sometimes painfully tentative. Privately, however, she bubbles with intellect drawn from a lifetime of scholarship. "It's just dawning on us," she says, "what public office means." Indeed, the IBA councillors will decide this week on a code of conduct that could require them to declare all their personal assets and interests and prevent them from meeting alone with interested parties in the broadcast world.

"I look at my friendship with Ivy Matsepe-Casaburri (chair of the SABC)", says Matabane. "It's a friendship that goes back for decades, that long predates our current positions. But now, I cannot discuss anything with her that might bias my independence or give her privileged information." She laughs. "Actually, it goes further than that. I have to quit having lunches with her or going to the movies with her!"

Both women are passionate about popularising the process they are to oversee: putting in place a new broadcast order. "Of course we feel the urgency," says Matabane, "the pressure of getting our task done as quickly as possible. But we have to do this properly, for South Africans will live with our decisions for decades to come."

"Doing it properly", adds Shope, means hearing from as many people as possible before making final decisions. "We want the public to have ownership of this process, because the airwaves are a public asset. So we'll actually go out there and hold meetings where ordinary people tell us what they think. The MD of M-Net and a TV owner somewhere in Soweto must both feel equally powerful and represented by the process."

Both women admit that there is some confusion on whether the IBA or parliament has final say over what happens to the SABC and the TBVC public broadcasters. Ultimately, it is parliament, and not the IBA, that will write the new legislation governing the SABC. If parliament, under Broadcasting Minister Pallo Jordan's guidance, accepts the recommendations of the IBA, there will be no problem. If it doesn't, there could be a crisis.

Shope returns to her perpetual touchstone, the people: "If the public knows who we are, identifies with what we are doing, and has confidence in us, that's half the job done. Parliament will be quite clear about what the public wants."

But, she adds: "We will also have to do some serious lobbying, particularly if we are to ask parliament to fund the public broadcaster with an allocation from the budget."

And here's how she would do it: "The Act doesn't require us to look at nation building, but this is a responsibility we must take on. And so we have to go to the ministers of education and health and say, 'Do you realise what broadcasting can do to advance your programmes?'"

If Matabane and Shope have their way, a new broadcasting order will be very much part of South Africa's larger reconstruction and development programme.

At this point, the free marketeers of the commercial broadcasting sector will hear alarm bells. Won't an emphasis on nation building, for example, be in conflict with freedom of speech? Does playing golden oldies constitute nation building? Will commercial broadcasters have to balance their schedules with an hour of "how to vaccinate your infant" programming a week?

"Given this country's history," says Matabane, "our primary rule has to be not to violate freedom of speech. We're looking at giving commercial broadcasters a range of choices. For example, they could put money into a public broadcasting fund, or they could commit themselves to training black producers, or they could do a certain amount of public service broadcasting a week."

She emphasises that no decisions will be made until all points of view are heard and assessed during the public hearings. One thing is certain, there will be some local-content stipulations. But, Matabane adds, "one of our responsibilities is to make sure that there is a healthy and viable commercial sector, and so commercial broadcasters should rest assured that we'll be acting in their interest too."

Herein lies a dilemma for the IBA, given that the SABC and commercial broadcasters will compete with each other, how can one body protect the interests of both? In many countries, like Britain, for example, there are different regulatory authorities for public and private broadcasters.

Shope offers one solution. "I like the idea of a viewer saying, 'I choose the public broadcaster because it's mine.' Even if you watch M-Net all week, come Sunday you should have the feeling that you need to touch base with the public broadcaster. So we need to build an identity and a loyalty for the public broadcaster." She cites the example of Canada, where there was a public outcry when funding for the public broadcaster was cut. "People were saying, even if we don't watch it all the time, it's important that it's there, because it's *ours*."

Both Matabane and Shope are painfully aware that, as "affirmative action" appointments, they are going to be closely scrutinised. Says Matabane: "If people see me as an affirmative action appointment, that's their problem. And besides, what about the 'old boys' network that men use? Is that not affirmative action?"

Shope takes a characteristically more buoyant approach. "Yes, I'm a product of affirmative action, and I'm proud of it! My whole life has been affirmative action, all the way back to when I was a little girl and my father said to me, 'Do as well as the boys do.' If I get appointed to a position partly because I'm black and a woman, it's because being black and being a woman is seen as a positive quality. That's great!"

Publications Board policy to change

DURBAN — South Africa's censorship laws are set to change as the country heads into a new era

The fabric of the Publications Control board will change, largely due to the introduction of a Bill of Rights, said board director Dr Abraham Coetzee

"We realise there are certain clauses and sections in the Publications Act which could be incompatible with freedoms guaranteed in the Bill of Rights," he said

But not all controls would go as the constitution made provision for such controls

The board was awaiting a decision by the as-yet unformed constitutional court

The board would continue to examine material and indicate to the public what is undesirable for children under 18

Dr Coetzee said with 65% of the 110 censors being white, the board was unrepresentative but this situation had not arisen by choice

Rather, the board had had been able to make use of only those people of colour who had made application for positions

● People would increasingly have to be their own censors and control the type of publications and films to which they and their children were exposed, Publications Appeal Board chairman Prof Dan Morkel said yesterday.

Speaking in Bloemfontein he said they could not rely on "protection" from the state

On the eve of a new century and a new technological era control of publications would be increasingly difficult

Prof Morkel noted the artist also had a right to depict the broken, sinful world — Sapa

ESKOM Fin 3/6/94

The big get bigger?

The ANC and Eskom appear to be moving towards a system that could see Eskom eventually put in charge of distributing almost all electricity, according to developments at last week's National Electricity Forum meeting

Though it generates and transmits nearly all electricity, Eskom now distributes only 55% of the supply, with about 450 municipalities and other local and regional authorities distributing the rest For the past year the forum has talked about taking distribution away from the local authorities and setting up a number of regional distributors that would charge more uniform rates and end the large differences in rates from city to city (*Business* April 29)

Now the ANC is hinting that Eskom — already the world's fourth largest electric utility — should do all the distribution, giving it a complete monopoly

Says forum secretary Johan du Plessis "It is conceivable that Eskom could form the core of a national distributor that would eventually take over the total electricity distribution function" (SE)(260)

At the meeting, the ANC's Mark Pickering pushed for an early decision on whether the entire electricity distribution should fall under one organisation, probably Eskom Then, once the forum has reached a consensus, it should lobby for legislation to be enacted as quickly as possible, he said

No mention was made of the proposed regional distributors, that plan is apparently dead As for the local authorities, which tack on surcharges to their electricity bills in order to keep down property rates, the news is not good. They may still be allowed to distribute electricity for a few more years — before Eskom takes over — but they would lose their cash cow because their rates would have to be approved by a national regulator

Said Pickering "Local authorities (could) continue with their operations, provided they meet the regulator's strict conditions on standards and quality of service, tariff levels, taxation and electrification"

Fin 3/6/94



McRae

Understandably, the local authorities are quite upset over what they see as a power grab by the ANC and Eskom "Electrification is the issue, not rationalisation," said Cape Town city electrical engineer Fred Berwyn-Taylor "My impression is that the ANC wants to bottle up the debate. In fact, their power play for centralised control can be seen as a virtual declaration of war But this would also be a recipe for paralysis Why mess around with a structure that works? The motto should be 'If it ain't broke, don't fix it' Possibly their aim is to get their hands on the R1,9bn surplus generated on electricity sales by local authorities If this happens, Cape Town, for one, would have to increase property rates by 18% to make up for the lost revenue"

Other critics point to the hypocrisy of the ANC's threatening to break up what it claims are monopolies in the private sector while pushing simultaneously for the strengthening of Eskom's monopoly. They also say that while Eskom has for decades enjoyed a monopoly over generation and transmission — indeed, competing against Eskom is barred by law — the only result has been a stagnant, complacent electricity industry that has been unable to electrify more than 30% of the country

Says Wits University senior lecturer in business economics, Henry Kenney· "This is what one could expect from the ANC — I am surprised only that they have decided to show their true colours so soon They reject private monopolies but believe in public monopolies The whole issue is jobs for pals, not the quality of service to the customer. Like the Bourbons, they have learnt nothing and forgotten nothing — they obviously do not believe that socialism has collapsed"

But rather than being embarrassed over the contradiction, Pickering cites centrally controlled power monopolies — such as France's EDF — as the ANC's model Former Eskom CE Ian McRae, now the forum's management committee chairman, also favours the French model. "EDF, as well as the statutory electricity monopolies in South Korea and Taiwan, are doing a good job While the method of creating a national distributor still has to be finalised, I definitely support the principle"

Supporters of solidifying Eskom's monopoly cite the potential economies of scale, but critics argue that the best way to ensure efficiency and quickly electrify the country would be to break up Eskom into competing private power companies They point to the two private cellular telephone companies which — because there's competition — are racing against each other to set up national networks first If Eskom had to race against someone, they say, the country would be electrified quicker Putting Eskom in control of every aspect of electricity will only slow electrification, they contend

McRae, however, is pushing ahead anyway He says his committee will make recommendations soon to Mineral & Energy Affairs Minister Pik Botha on the creation of a national distributor (SE)(260)

McRae believes that SA, as a developing country, is not ready for Eskom's privatisation because shareholders would demand maximised returns, which would run counter to the social demands for subsidised electrification

Everyone at Eskom may not be completely sold on the ANC's new proposal Acting Eskom CE Jac Messerschmidt warns that changes shouldn't be made just for the sake of change "It is essential to keep the whole electricity-supply industry as stable as we can and to use the most sensible way to achieve our goal Any other way is fraught with problems"

Another Eskom executive agrees that accelerated electrification is the real aim and this is more important than rushing to create new structures "We must first give the new local-government structures that will be created under the Local Government Transition Act a chance to do the job properly." ■

Sisulu tipped for top

(260) ■ From page 1 ARG 4/6/94

JOHANNESBURG — In an internal letter to all staff yesterday, Mr Harmse said he had told the chairman of the board not to consider him for re-appointment as group chief executive, after the expiry of his contract

"Prior to the expiry of my initial five-year contract last year I indicated to the board my intention to leave at that time, but under the circumstances prevailing at the time I was prepared to extend my service"

He said he had a very good relationship with the SABC board and working with the current board had been "an enriching and valuable experience"

"As a broadcaster, it has indeed been an honour to serve the corporation over a period of almost 32 years, especially during the past 6½ years in my present post

"I will leave the corporation with the conviction that the structure of the business units, a much stronger business approach and financial discipline, as well as strong brand-building of programme services over the last four years will assist the corporation in facing successfully the competition from private broadcasters in a new dispensation" — Sapa.

SABC top man Harmse resigns

ARG 4/6/94

SABC chief executive Wynand Harmse announced last night that he would leave the SABC in September when his contract ended.

His understudy, Zwelakhe Sisulu, is tipped to take the top job.

(26)

■ Full statement page 5

Only a few are paying up for power

Soweto, Eskom losing millions

Star 7/6/94

ELECTRICITY is cut from an average of 3 000 Soweto homes a month as only about 8 percent pay bills

■ BY ABBEY MAKOE
SOWETO BUREAU

Eskom and the Soweto Council continue to lose millions of rands every month as residents ignore pleas — including one from President Nelson Mandela — to pay their monthly rentals and electricity bills.

The Star has learnt that as recently as January, only 0,88 percent of householders paid their rent, contributing R59 000 to the council coffers instead of the estimated R3,8 million the council was entitled to.

The figure rose sharply in February after Mandela and the Soweto Civic Association urged residents to pay for the services.

But only 17,14 percent paid their rent — a total of R736 497 — and the figure fell back to only 13,18 percent in March.

In April a mere 7,84 percent paid for their services, and the amount collected was only R331 840.

Eskom's West Rand manager Paul Mare said the company was switching off power to an average of 3 000 households a month because of non-payment

Mare estimated that of the 125 000 electricity connections in Soweto, about 40 000 were illegally connected to backyard shacks.

Initially Eskom billed residents at a flat rate of R3,80 a month. But as it upgraded the service, it began to charge its clients according to their actual consumption.

Council treasurer Fred Viljoen said that if all the 86 000 formal structures in Soweto paid their monthly R45 for services rendered, the Soweto Council would be collecting R3 870 000 a month. (127) (260)

Soweto Civic Association president Isaac Mogase yesterday said both the council and Eskom had, to a large extent, only themselves to blame for the non-payment of services

"Residents have been complaining about late statements that Eskom sent to the consumers, and so far there hasn't been any improvement in that regard," Mogase said

"People have also said they have never seen Eskom's electricity meter-readers."

Mogase said that when the civic called on residents to pay in February, council workers were on strike

"No one was at the cash counter to receive payment from our people," he said.

SOWETAN Thursday June 9 1994

WEST RAND Squatters to benefit from Eskom's move ● New evidence in train murder case

R54-m facelift

By Joshua Raboroko and Mzimasi Ngudle

ESKOM is to spend R54 million to upgrade electricity supply to about 18 000 homes, including squatter settlements, in Soweto.

The project, to be launched this week, will involve the installation of meters in every house and business site.

Eskom sales manager Mr Ted Young said this week shack dwellers and people staying in backyard rooms would be expected to pay their own electricity bills.

This move is likely to cause friction between landlords and their lodgers over who should receive payment for lights.

Most lodgers pay rent of between R50 and R200 to their landlords. This money includes electricity and water bills.

Eskom is to use black sub-contractors to install meters and other electrical devices.

Young warned that Eskom would continue to cut electricity supply to people in arrears. It has already cut supplies to about 500 houses in Orlando East.

It has also threatened to cut supplies to more than 20 000 defaulters.

The president of the Soweto Civic Association, Mr Isaac Mogase, has appealed to residents to pay outstanding electricity bills to avoid having their supplies cut.

Eskom's sales and customer manager Mr Paul Mare said there was no reason why people should boycott payment.

He said Eskom had met all its obligations agreed upon with the civics and community-based organisations.

Meanwhile, Orlando East residents yesterday expressed anger over alleged high electricity bills and frequent power cuts in the township.

"I feel like saying to Eskom: come and take your electricity," a resident, Ms Sophie Tema said.

Residents converged on the local rent offices to demand an explanation from Eskom official Mr Ken Green.

Green admitted there were faults in Eskom's network. These, he said, were being attended to.

He said some residents connected electric appliances incorrectly and extended cables to backyard shacks

Foreign Affairs to stay Channel Africa's boss

BIDay 9/6/94

MARK ASHURST

THE SABC's pan-African radio service has secured annual government funding of R31,2m for the next two years without being subject to any independent regulation. (260)

Channel Africa, the SABC external broadcaster, is financed almost entirely by the Foreign Affairs Department Its revenue from advertising this year will be less than R300 000, making it the most costly radio station in the SABC fold

The Independent Broadcasting Authority (IBA) had no mandate to regulate broadcasts outside SA, although SABC submissions to the IBA have included information on Channel Africa, said IBA co-chairman Sibuliso Matobane

In future, an Independent Telecommunications Authority would seek common guidelines for southern Africa that could enable an extension of the IBA's mandate to include external broadcasters, she said

However BBC Southern African World Service producer Penny Richards said any regulation of foreign service broadcasts on short wave frequencies would be unprecedented

The low profile of Channel Africa both in SA and across the continent was a reflection of its budget, which was too small to support independent coverage of African news The station has no foreign part-time correspondents and generates most of its material at the SABC broadcasting centre in Auckland Park.

Channel Africa replaced the apartheid propaganda station Radio RSA in 1992 and remains financially accountable to Foreign Affairs.

Foreign Affairs spokesman Jacques Malan confirmed the station was created "to strengthen the diplomatic arm of the state". The department exercised no editorial control and themes suggested by Foreign Affairs remained 'within the discretion' of Channel Africa.

No changes in departmental funding for the channel were being considered, and there was no intention to incorporate its budget into the greater SABC budget.

"The question of control over external broadcasting is problematic, but Channel Africa seems to be effective in explaining events in Africa to the rest of the continent. The service was not created to serve as a government propaganda tool," he said

Channel Africa last week abandoned its television distribution network The station has been administered by the SABC commercial television unit, Television News Productions (TNP), since the mid-1980s.

Concentrating solely on radio transmission was logical for an external service as radio was "the African medium", said former SABC radio chief executive Carel van der Merwe However, Channel Africa was an agency of government and should be separated from the SABC and run as a public utility, he said

Current radio chief executive Govin Reddy was opposed to isolating the channel from the SABC but claimed its current administration by Television News Productions was illogical "Radio Australis is part of the Australian Broadcasting Corporation, and it makes sense to include Channel Africa in the SABC radio division."

Channel Africa's executive editor Lionel Williams said television production had been axed and the station's new budget was R2m down on last year A re-evaluation of SABC structures would be welcome, he said

Sources confirmed there was widespread relief at the station that the budget cut had been caused by a R400m budget reduction at Foreign Affairs.

Both Foreign Minister Alfred Nzo and Posts, Telecommunications and Broadcasting Minister Pallo Jordan listened to the former Radio RSA in exile, and their hostility towards the station was an open secret in the industry.

Channel Africa will continue to broadcast 205 hours a week in seven languages across Africa, said Williams The station's existing structures created "the ideal situation for motivated, positive and productive journalism"

Pop baby faces the boom

(260) wm 10-16|6|94

■ From PAGE 38

Radio Metro has a roster of over 15 presenters, 13 of them men, all of them employed on a freelance basis. The two women announcers on the station are both well known: Shado Twala, who presents a breakfast slot, and Chichi Mabuse, who hosts a Sunday morning gospel music show.

Will the quota change? Radebe says he would like to see many more women at Radio Metro, but "they have got to prove themselves. I am not prepared to babysit anyone."

"It is unfortunate," he adds, "that in this country the radio industry is dominated by men."

The station has been slated for disregarding African music, especially local, with its presenters preferring to play mostly American music. The station, Radebe says, is in a difficult position, for it has to consider both the need to promote African culture and also to address its marketing niche.

When Radio Metro was launched, he says, "we had to have an overdominance of foreign music because African music already dominated the playlists of the nine other cultural (ie, African language) radio services. For us to duplicate what they already were playing would have been unreasonable." And sometimes, he says, local music is "just not good enough"

He feels Metro fulfils its contribution to local culture with interviews with local artists and the promotion of shows and festivals.

The privatisation of Radio Metro has been mooted, but Radebe would like to see it stay in the SABC stable, and doesn't mind paying for the privilege. "Metro is quite sensitive to the role it has played in subsidising the other public service stations; if you take the station out of the SABC there will be a scarcity of funds to support those services."

Metro gears up for competition

(260) WM 10-16/6/94

Radio Metro has had the black urban English-speaking market largely to itself But with deregulation looming, the situation and the station could change. Bafana Khumalo reports

IT'S six o'clock on a cold Highveld morning The place. SABC Radio Park, Auckland Park A dread-locked man sits in a basement studio talking into the microphone The studio is no different from the dozen others around except for posters on the wall announcing the station's name, a half-hearted attempt to give the studio an identity This is Radio Metro — the SABC's black English language pop baby

In the slow process to actual deregulation, this cash crop of the SABC — it is one of the most successful operations of the corporation, garnering R21,2-million in revenue last year and subsidising other, non-profit making stations — is gearing itself up for the competition to be unleashed by the Independent Broadcasting Authority whenever it issues licences to new broadcasters

"We are looking at things that we neglected in the past, addressing the quality of our news and trying to increase the frequency," says station manager Koos Radebe "When the station was launched it was intended to be purely a commercial music station, but in our development we have added on talk shows and news coverage " Although he sees the station continuing as a music-driven entertainment broadcaster, "we are looking at and strategising around the new competition and we might have to make some difficult decisions "

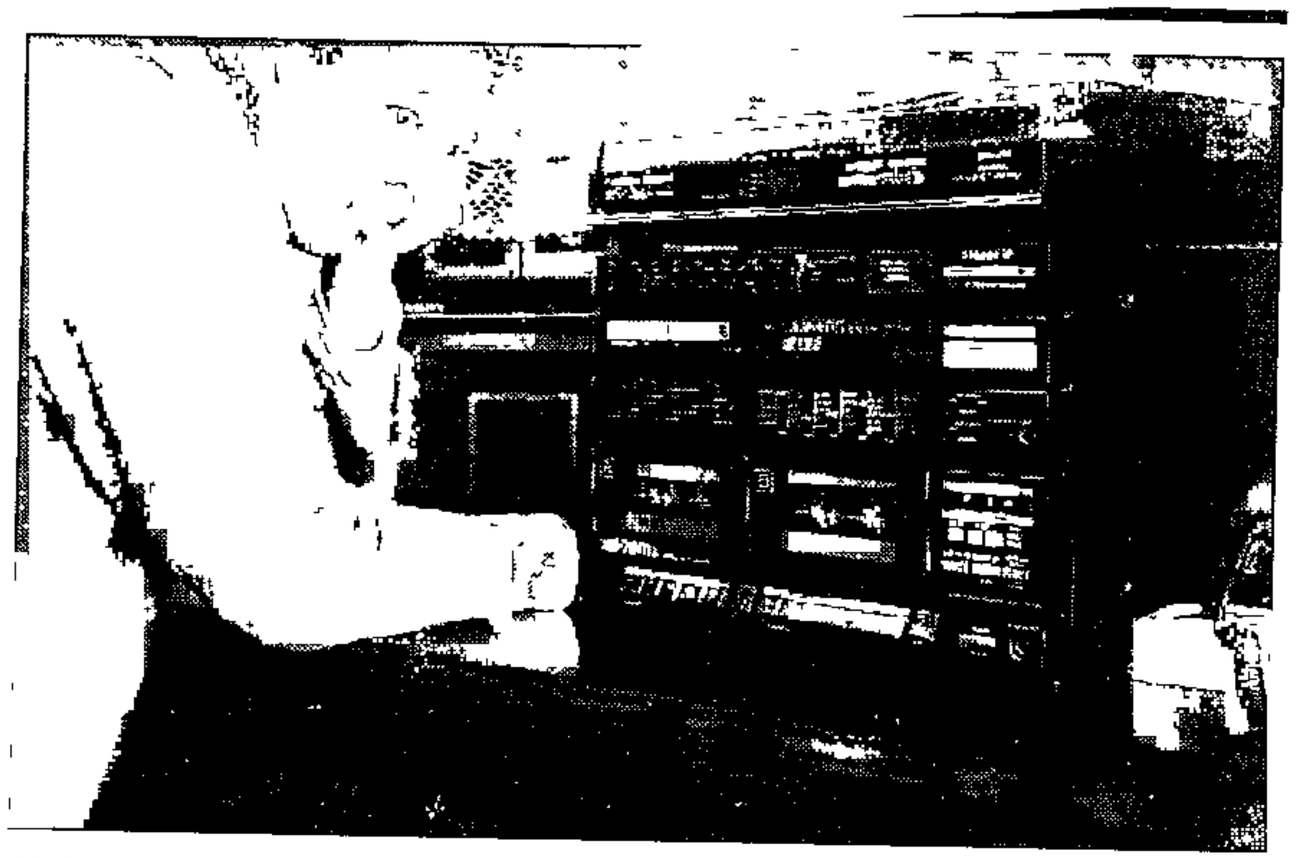
The seven-year-old-going-on-eight station has been either praised as the success story of black broadcasting — its listenership hovers around the three million mark — or criticised as made up of a group of apathetic self-hating natives desperately trying to be American and failing dismally Its announcers have a penchant of whining and rolling their delivery, in a way very few people speak, not even the Americans

Radebe doesn't deny the American wannabe criticism Instead, he puts a socio-political spin on it "We are all victims of apartheid It taught us that whatever we were we had to hide, so I suppose some of the people who work here are part of the trend as well "

Moreover, he points out, Radio Metro broadcasters work in a language which is not their home language. While conceding the criticism might be valid and noting that the station is constantly "discussing it", Radebe says "we have not received much of that criticism lately "

One remedy could be to decree that announcers on the station speak in a particular manner, but then "you are imposing on them and you end up stifling their creativity" He hopes instead that with "more and more black children attending multiracial schools, there will be more people comfortable with the English language and a new breed of broadcaster will grow out of that"

Launched in 1986, the station took on a formula pioneered by Radio Bophuthatswana churning out popular music, mostly soul, rhythm and blues, with anchors presenting in English to a predominantly black



Voice of the city: But Metro's urban monopoly is about to be challenged
PHOTO RUTH MOTAU

PWV listenership For some time there was healthy competition between the two but, because Metro is part of the SABC, the station was awarded a national FM licence and the listenership shot up, from the 750 000 mark to its current three million

"We benefited from the SABC monopoly," Radebe concedes, but privileged access to nationwide transmitters does not necessarily imply success "You can have all those facilities, but you will not succeed if you do not have the right product " That product is now music, predominantly by black artists, and two talk shows where all manner of subjects are discussed — from the state of the nation to the problems of buying furniture through a hire-purchase lease The highlight of these talk shows was a link-up with an American radio station during the April elections

To PAGE 40

IBA probe set to get off ground

Star 11/6/94

IN TRYING to deregulate South Africa's broadcasting regime, the Independent Broadcasting Authority faces some daunting problems. New legislation might be needed to disentangle the legacy of TBVC policy, writes LOUIS DE VILLIERS.

SUBMISSIONS for the Independent Broadcasting Authority's inquiries into funding public service broadcasting, regulation of cross-media ownership and local content closed yesterday

"It is expected that all interested parties, including broadcasters, the print media, bodies such as the Film and Television Federation, independent film producers and prospective television and radio licence applicants, will have made submissions

Although the IBA is committed to transparency, IBA co-chairman Peter de Klerk says submissions will be open to public scrutiny only when public hearings are held

In trying to deregulate South Africa's broadcasting regime, the IBA faces some daunting problems One is the fate of the TBVC broadcasters such as Bop TV and Capital Radio

These broadcasters, which belonged to homeland governments, are now owned by the new South African State Current legislation assures them of licences — for another eight years in the case of Bop TV and Mmabatho TV, and for six years in the case of homeland radio stations

IBA sources say these stations, which continually incur substantial losses, are being funded from State coffers

Another anomaly which is said to be touched upon by the SABC in its submission to the IBA is pay-television channel M-Net's unencrypted transmissions It is calculated that M-Net earns up to half its advertising revenue during its open-time broadcasts

An IBA source says current legislation, which allows M-Net's licence conditions to remain unaltered for eight years, might have to be amended

However, De Klerk says it is premature to speculate "We have not even started to discuss issues such as amendments to legislation"

The SABC's submission is believed to have been amended substantially from earlier drafts, which were labelled "too defensive" (260)

Those drafts, prepared by chief executive officer in waiting Zwelakhe Sisulu and former SABC news chief Sakkie Burger — now retired — proposed deregulating broadcasting in three phases

During the first, lasting 12 months, IBA inquiries would run concurrently with internal SABC restructuring

During the second phase, which was to have lasted until March 31 1999, a "restricted" free-market approach would be adopted in awarding new radio licences, while no new television broadcasting licences would be granted.

During phase three, which would have kicked in after the current Government's term of office had expired, the IBA "could consider a total free-market approach"

However, these proposals have been amended "fundamentally" by SABC board chairman Ivy Matsepe-Casaburri's special policy adviser Geoff Heriot, the Australian Broadcasting Corporation's business strategy manager

Heriot, who returned to Australia on Thursday, was reluctant to disclose details of the SABC's final submissions.

"The new submission is very different The old document assumed the status quo and was fairly defensive The new document more clearly defines the SABC's role as a public broadcaster and addresses issues such as the finance and funding of the corporation," he said

Sources suggest the SABC has proposed that its reliance on advertising be scaled down to 50 percent of total revenue At present, with the licence fee collection system in disarray, the corporation earns between 75 and 80 percent of revenue through advertising

SABC sources say the corporation's advertising income will not be scaled down by shedding commercial television or radio stations but will occur naturally as competition enters the market

Pirate radio stations threat

JOHANNNESBURG — Members of the Independent Broadcasters Committee yesterday said they were on the brink of starting pirate radio stations because the Independent Broadcasting Authority was dragging its feet issuing licences.

The committee said the IBA had still not announced the date of a meeting — promised before the end of June — to discuss the matter.

NEWS

Sowetans to start repaying arrears

Eskom, residents sign agreement

Star 15/6/94

■ BY JUSTICE MALALA

The Soweto Civic Association (SCA), the ANC and Eskom yesterday signed an agreement aimed at normalising the supply of electricity to the township and resolving non-payment for the service

The Soweto rent and electricity crisis has continued despite pleas by various organisations and President Mandela that payments be made.

The latest agreement comes after Eskom's West Rand manager Paul Mare said last week that the company was switching off power to an average of 3 000 households every month. He said that of the 125 000 connections in Soweto, about 40 000 were illegally connected to backyard shacks.

The agreement, signed by SCA president Isaac Mogase, the ANC's Norman Prince and Eskom Johannesburg district manager Ken Green, is made up of an undertaking from both Eskom and residents.

In the agreement, Eskom undertook to immediately restore the supply to those residents who have been cut off for never having paid and waive the deposit of R100 in the interim.

Eskom also undertook not to take any action against customers who are in arrears, provided that monthly repayments against the arrears are received.

To remedy the allegation that bills always arrive late, Eskom undertook to use an alternative distributor for a three-month trial period (~~129~~ 260)

The SCA undertook to ensure that those whose power was cut off would pay a R55 reconnection fee by July 7, failing which power would again be disconnected.

Residents also agreed that no debt would be written off. Residents will immediately start to repay their arrears at a minimum of R40 a month.

Emphasis on commercialisation

Govt rules out privatisation of parastatals

BDay 15/6/94

ADRIAN HADLAND

PARASTATAL companies had a special role to play in government's reconstruction and development programme and would not be privatised, Public Enterprises Minister Stella Sigcau said yesterday

As providers of vital foreign exchange and suitable conduits for the implementation of affirmative action initiatives, parastatal groups falling under Sigcau's ministerial ambit, such as Denel, Eskom, Transnet and Safcol, would be commercialised but not sold to the private sector

This was a change from the former government's policy which was to commercialise public enterprises with a view to eventual privatisation, she said in Pretoria. "While we have appreciation and understanding for the role of privatisation in the more sophisticated economies, we remain justifiably wary of privatisation along similar lines in SA's unique context"

Privatisation could lead to share ownership being transferred to "an exclusive group" without granting the nation as a whole the opportunity to benefit from the process For the moment, the emphasis would be on commercialisation as well as ensuring transparency and accountability in the governing of public enterprises

While affirmative action programmes had already been instituted in the parastatals, Sigcau said she would be taking a keen interest in how these were developed, particularly with regard to women

Eskom's objective was to achieve a "fundamental shift" in its race and gender profile by the year 2000 Until December 1996, Eskom's recruitment of employees, bursars and trainees would give preference to black South Africans (200)

Transnet's Turn Strategy, which had been in operation for two years, had similar aims and objectives

Denel had committed itself to training 500 technicians, 200 computer programmers and had agreed that 30% of its management would be from under-represented groups within three years

Sigcau said affirmative action programmes would have to be sensitive to the aspirations of non-black staff "There will still be promotions of white South Africans and no white employee will lose his job because of affirmative action"

But she warned that while every effort would be made to implement affirmative action in a sympathetic way "no one will be allowed to frustrate its objectives"

Sigcau also said government's policy on acquisitions would prevent, "if at all practicable", the continuing concentration of markets Competition policy would emphasise the "protection of competition, rather than of the competitors".

Picture: Page 3

Move to have licence fees replaced with direct State funding

Raise taxes – SABC

Star 16/6/94

260

■ BY LOUIS DE VILLIERS

The South African Broadcasting Corporation wants to replace licence fees with direct State funding through either an increase in personal income tax or a rise in value-added tax.

Faced with an estimated shortfall of R420 million the SABC has proposed to the Independent Broadcasting Authority (IBA) that the State funds the corporation by one of the following

■ An increase of 1,2 percent in personal income tax.
■ A 0,25 percent rise in the VAT rate
■ A levy of between 2,5 and 3 percent on electricity consumption.

Collection through the tax system is proposed as the first option A levy on electricity is offered as a poor option.

In a submission to the IBA, the SABC argues that the inefficiency of its licence collecting system and wide-scale piracy, coupled with increased competition as a result of deregulation, will cause the estimated R420 million deficit.

PROPOSALS made to Independent Broadcasting Authority in the light of expected R420 million shortfall

The SABC's submission, "Delivering Value", says it is essential that the corporation gains access to an alternative means of public revenue collection if it is to maintain its capacity to support public broadcasting programmes

An analysis of SABC finances shows that the corporation's television services are effectively running at a loss of R200 million a year.

TV1 is almost breaking even

Despite having earned well in excess of R220 million in advertising revenue last year, CCV-TV can function only with an allocation of about R100 million a year from licence fees

NNTV is costing the corporation an additional R100 million.

Public programme services such as Radio South Africa, Afrikaans Stereo, certain vernacular radio stations and the National Symphony Orchestra show a revenue shortfall of about R70 million This, contends the submission, is fully subsidised from the commercial profits of stations such as 5FM and Radio Metro

At present, 75 percent of the SABC's income is derived from advertising.

The corporation's total budget for advertising revenue and sponsorship for this financial year is R960 million, of which television contributes

▶ To Page 3

SABC in bid to increase taxes

◀ From Page 1

R670 million and radio R290 million

The SABC calculates that the issuing of licences to newcomers to the radio and television market will effectively cause a loss of advertising revenue at the SABC of between R260 million and R380 million

Some SABC sources suggest that the corporation's submission borders on taking a protectionist stance

In what some consider to be the SABC's "patriotic trump card", the corporation argues that broadcasting in the public interest should be distinguished from purely entrepreneurial activity

The SABC document has not had a smooth passage within the corporation itself. Earlier drafts of the submission were written in conjunction with a consultative forum, which comprised representatives from SABC trade unions, management and non-aligned staff members.

SABC board chairman Ivy Matsepe-Casaburri, however, had aspects rewritten These changes, however, were effected without consulting the consultative forum. Union officials and SABC management have been locked in discussion all week.

IBA policy standing committee chairman John Matsoso indicates that the committee has received 33 submissions for its three separate inquiries into the funding of public service broadcasting and the SABC, regulations on cross-media ownership, and local content requirements

It is expected that public hearings on the IBA's first inquiry — into the rules for temporary community broadcast licences — will take place in various centres around the country early next month

Public hearings for the other three inquiries will take place later this year

Says Matsoso: "We're having problems with the (IBA) Act — it is causing delays.

"We may have to go to Parliament for an amendment to the Act to speed up the process I will only regard our body as being successful once we start issuing licences"

SABC tax-for-licence call considered

CAPE TOWN — A proposal by the SA Broadcasting Corporation (SABC) that licence fees be replaced by taxation is one of several submissions being considered by the Independent Broadcasting Authority

IBA member John Matisson said yesterday the IBA would summarise all submissions and present these to public hearings

He said members of the public could obtain copies of submissions from the IBA at a nominal fee, or view the originals at its office at the World Trade Centre

The SABC has proposed that licence fees be replaced by direct funding through either an increase in personal income tax or a rise in value added tax.

In its submission, the SABC argues that the inefficiency of its licence collecting system and wide-scale piracy — coupled with increased competition as a result of deregulation — will cause it an estimated R420m deficit

The SABC's proposal was condemned by the NP, which said the SABC should rather look at privatising more of its functions.

SABC bids to scrap licences

CT17/6/94 (260)

Proposal for state funding via tax

A PROPOSAL by the South African Broadcasting Corporation that licence fees be replaced by state taxation is one of several submissions being considered by the Independent Broadcasting Authority (IBA).

An IBA counsellor, Mr John Matisson, said the IBA would make summaries of all submissions and present these at public hearings around the country

Members of the public could obtain copies of submissions from the IBA at a nominal fee, or view the originals at its office at the World Trade Centre, he said.

The submissions had been made in response to a notice in the Government Gazette

The SABC has proposed that licence fees be replaced by direct funding through an increase in personal income tax or a rise in value-added tax

A levy on electricity consumption is proposed as another "poor" option.

In its submission, the SABC argues that the inefficiency of its licence-collecting system, widescale piracy and increased competition from deregulation will cause an estimated R420 million deficit.

The Minister of Broadcasting, Dr Pallo Jordan, was not available for comment yesterday and his office referred inquiries to the IBA

Copies of submissions can be obtained from the IBA at Box 307, Isando 1600

The SABC's proposal that it be funded through an increase in personal income tax was condemned yesterday by the National Party

"It is inconceivable that the SABC proposes this at a stage when the taxpayer is already overtaxed and possibilities are being considered to lessen the tax burden," it said.

"It is clear the SABC is looking in the wrong direction for answers The solution does not lie in the SABC's becoming totally dependent on state funding"

The party said the SABC should rather look at privatising more of its functions

This would not only make it a more effective service but would also limit its dependence on state funding — Sapa

Public view 'essential'

JOHANNESBURG — The Independent Broadcasting Authority says it has received 40 submissions in response to its request for comments on the regulation of broadcasting services

A wide range of organisations had submitted their comments on the funding of public broadcasting, local content in broadcast programming and cross-media ownership, IBA council member Mr John Matisonn said yesterday

The IBA would process the submissions as soon as possible and set dates for hearings

The views of the public and of interested parties played an essential part in opening up the airwaves for independent broadcasting, he said

Meanwhile, the Weekly Mail and Guardian distanced itself yesterday from the threat by the Independent Broadcasters Committee to launch pirate radio stations

Mail co-editor Mr Anton Harber said the movewould prejudice the orderly granting of licences

The Mail is a member of a consortium which is bidding for a radio licence — Sapa

IBA CO-CHAIRMEN

If a thing's worth doing

"A regulator's life is hell," said Independent Broadcast Authority co-chairman Peter de Klerk (55) at last month's "The New Radio Station" broadcast conference He and other half Sebiletso Mokone-Matabane (49) are taking flak from would-be broadcasters who want them to speed up the licensing process — and from critics who say the IBA is in danger of becoming just another bureaucracy

Blame it on the IBA Act, the twosome suggests. the 42-page document mandates the numerous inquiries and exhaustive hearings they've been employed to conduct before the IBA can license new radio and TV stations After all, as Mokone-Matabane puts it "Decisions that we make we'll have to live with for decades to come"

She's tight-lipped about what these may be regarding regulations, frequencies and local content of radio and TV — just a few of the things the IBA Act empowers her and the other members of the body to decide — not to mention who gets the coveted broadcasting licences

But her high-powered CV — with three degrees from US universities and more than 20 years' media-related work in the US — shows an emphasis on using the media for educational purposes Her 1986 University of Texas PhD is in educational administration and she has had numerous jobs in media development, administration and teaching on college campuses

Before that, Sophiatown-born Mokone-Matabane, who left SA in 1965 "for political reasons," underwent brief stints at the UN, a Boston radio station and two New York film production companies Since 1992 she has been project manager at Tertiary Education Support in Johannesburg, working in educational development and making recommendations for US aid funding and project activities

That's in sharp contrast to her co-chair's well-known career in advertising, marketing, business and finance Cape-born De Klerk has just retired as director-general of the Association of Advertising Agencies (AAA) and CE of the AAA School of Advertising Before holding executive posts in a number of agencies, he spent 10 years in marketing with Caltex, Reckitt & Colman and Warner Lambert

He has an MBA from UCT and, in the early Eighties, he helped float the first franchise truck rental in SA, Super-Rent He's been on advisory committees at the University of Pretoria, RAU and Wits, all in marketing and business economics, and still consults for Mercedes-Benz, among others



De Klerk



Mokone-Matabane

As for the criticism that the IBA is working too slowly — temporary broadcasting licences will only be issued by the end of this year and permanent broadcasting licences are to come some time next year — De Klerk is unfazed "Time constraints will not be the determinant of our deliberations We'd rather run the risk of being unpopular than doing shoddy work" Adds Mokone-Matabane "I appeal to you to be patient We are working as smart and as hard and as fast as we can" ■

Fin 17/6/94

SABC Fin 17/6/94

Signs of a rift

(260)

Top management of the SABC has decided not to attend board meetings any more The decision was taken unanimously by the team, including Zwelakhe Sisulu, heir apparent to CE Wynand Harmse, and head of radio services Govan Reddy This is the first sign of a rift between the board, chaired by Ivy Matsepe-Casaburri, and management



Harmse



Sisulu

Harmse's recent decision not to seek to extend his contract is also seen as the result of pressure from members of the board

The management decision was handed to Harmse and agreed to by the board Reason for the move is thought to be management concern that Matsepe-Casaburri relies mainly on foreign advice and that its (management's) time is not used productively

An example is her recent decision to ignore a lengthy report compiled by Sisulu and ex-SABC manager Sakkie Burger The result of a three-month study, the report was meant to be a policy guideline to be presented to the Independent Broadcast Authority

Three days before the report was to have been handed to the board, Matsepe-Casaburri commissioned an Australian broadcaster, Jeff Harriet, whom she met on her Australian trip last year, to rework it Burger, who had retired but stayed on for three months to assist Sisulu, then apparently withdrew (260)

Harriet was appointed by Matsepe-Casaburri for a six-month period as personal adviser on strategic matters He left for Australia last week

Matsepe-Casaburri's reallocation of the report sparked protests from other quarters, among them various trade unions consulted by Sisulu and Burger The SA Broadcasting Staff Association (Sabsa) has threatened the SABC with an interdict To try to avert a crisis, Matsepe-Casaburri and Sisulu were to have met representatives of Sabsa, the Media Workers' Association of SA and SA Union of Journalists this Tuesday but the meeting was postponed for a week

The main union complaint is that ignoring the report, which was apparently finalised with union approval, is a breach of trust

Harmse and some of his management team are accused in some quarters of having done nothing to stop the report being discarded He has also recently been criticised by Afrikaner cultural bodies for what they see as a lame stance against alleged moves to use less Afrikaans in the SABC (260)

Board members who have put up some sort of fight for Afrikaans include ex-chairman Christo Viljoen and Potchefstroom communications lecturer Arrie de Beer

Harmse denies that he is reluctant to speak his mind on the language issue "I have been working hard to establish a fair language policy which would benefit Afrikaans as well" He also denies that he was forced out "I had one year left of my contract and decided it is better to look for other opportunities than try to secure a longer contract I was the one who proposed the appointment of Zwelakhe Sisulu Would I have done that if I feared for my job?"

It is not certain that Sisulu will succeed Harmse An SABC insider says the board may yet advertise Harmse's post *Eddie Botha*

June 17 to June 21 1994

New religious policy for SABC

Southeaster (Suppl to South)

BY EDWINA BOOYSEN

A NEW religious broadcasting policy in the SABC will ensure all religions get a fair share of radio and television coverage.

If the new policy is accepted by the SABC board, programmes like TV1's "Compass" and "Thought for the Day" will also include Islam, Judaism and Hinduism

This is expected to start in January next year

A sub-committee on religion has been appointed by the SABC board to draw up the new policy

"We are revising the existing policy," Professor Fatima Meer, a member of the religion sub-committee said

"Up to now the SABC thought religion meant Christianity We have given them a new interpretation and they have accepted that religion means many faiths," she said.

Professor Meer said the format of religious programmes will also be discussed (200)

"It might be a problem to record a service in a Muslim mosque or Hindu temple and we will have to look at different ways of presenting the teachings," she said

Muslim Judicial Council (MJC) administrator, Imam Gassan Solomons, said his organisation was part of the independent forum for religious broadcasting.

"Religion should and can play an important role in the reconstruction and development of the country," he said 17/6 – 21/6/94

"We feel the voice of religious groups should be heard in every facet of society and national television is one way of achieving that."

South Africa's Chief Rabbi, Rabbi Harris, said all religions should be catered for on television

"It is true that most people in South Africa are Christians and Christianity is entitled to priority, but it is not entitled to exclusivity Coverage should be given to other religions also," he said

Airwaves battle

MICHAEL MORRIS (260)
Weekend Argus Political Correspondent

THE battle for the airwaves is about to begin in Cape Town as the Independent Broadcasting Authority (IBA) lines up a schedule for public hearings on temporary broadcast licences.

ARG 18/6/94

Six local radio stations are among many who will be making submissions on the deregulation process at hearings in the city next month.

They are Bush Radio, Peace Radio, West Coast Radio, Radio Tygerberg, Tygerberg Community Radio and Radio Fish Hoek.

Other submissions are expected from Argus Newspapers Ltd, Naspers and the Cape Town Symphony Orchestra, as well as from a number of individuals

Broadcasting body faces big challenges

SUBMISSIONS for the Independent Broadcasting Authority's inquiries into funding public service broadcasting, regulation of cross-media ownership and local content closed yesterday

Although the IBA is committed to transparency, IBA co-chairman Peter de Klerk says submissions will be open to public scrutiny only when public hearings are held

It is expected that all interested parties, including broadcasters, the print media, bodies such as the Film and Television Federation, independent film producers and prospective television and radio licence applicants, will have made submissions

In trying to deregulate South Africa's broadcasting regime, the IBA faces some daunting problems. One is the fate of the TBVC broadcasters such as Bop TV

These broadcasters, which belonged to homeland governments, are now owned by the new South African State Current legislation assures them of licences — for another eight years in the case of Bop TV and Mmabatho TV, and for six years in the case of homeland radio stations

In trying to deregulate South Africa's broadcasting regime, the Independent Broadcast Authority faces some daunting problems. New legislation might be needed to disentangle the legacy of TBVC policy, writes our Johannesburg correspondent LOUIS DE VILLIERS.

IBA sources say these stations, which continually incur substantial losses, are being funded from state coffers

Another anomaly which is said to be touched upon by the SABC in its submission to the IBA is pay-television channel M-Net's unencrypted transmissions It is calculated that M-Net earns up to half its advertising revenue during its open-time broadcasts.

An IBA source says current legislation, which allows M-Net's licence conditions to remain unaltered for eight years, might have to be amended.

However, Mr De Klerk says it is premature to speculate

The SABC's submission is believed to have been amended substantially from earlier drafts, which were labelled "too defensive"

Those drafts, prepared by chief executive officer in waiting Zwelakhe Sisulu and former SABC news chief Sakkie Burger — now retired — proposed deregulating broadcasting in three phases

During the first, lasting 12 months, IBA inquiries would run concurrently with internal SABC restructuring.

During the second phase, which was to have lasted until March 31 1999, a "restricted" free-market approach would be adopted in awarding new radio licences, while no new television broadcasting licences would be granted

During phase three, which would have kicked in after the current government's term of office had expired, the IBA "could consider a total free-market approach"

However, these proposals have been amended "fundamentally" by SABC board chairman Ivy Matsepe-Casaburi's special policy adviser Geoff Heriot.

SABC's controversial funding proposals set to be

IBA probe gains momentum

subject of heated debate

Star 18/6/94

SUBMISSIONS made this week to the IBA on funding of public service broadcasting have already caused waves in the broadcasting world, writes LOUIS DE VILLIERS. 260

THE proposal by the SABC that taxes be raised to replace the current licence fee system to raise an expected shortfall of R420 million, has placed the IBA inquiries into the funding of Public Service Broadcasting (PBS) and the SABC rules governing media cross-ownership, firmly on the national agenda.

In general, the thrust of the SABC submission to the Independent Broadcasting Authority (IBA) has been greeted with dismay from fellow broadcasters.

None, however, are keen to go on record at this early stage, because they, together with the SABC, are part of the National Association of Broadcasters (NAB) They contend, however, that the SABC document "reeks of self-interest".

IBA policy standing committee chairman John Matisonn confirms that a separate submission has been received from the NAB

In all, 33 submissions have been received this week, while a number of late submissions were still being awaited. Among those which have been received are from the SABC, M-Net, Radio Pulpit, Kwazulu/Natal premier Frank Mdlalose, Dispatch Media, Wits University, the NAB, David Blood, Capital Radio, Independent Film Makers, the SA Council of Churches, Toron International, the Broadcasting Development Group, the Newspaper Press Union, the ATKV, the Weekly Mail & Guardian, the Bop Broadcasting Corporation and Solid Gold FM.

Matisonn indicates that these submissions will be summarised and available for public scrutiny at the IBA's offices in a "short while".

Although no date for public hearings has been set, it is expected that open public debate on broadcast funding and other issues may take place during August.

Apart from the controversial funding proposals and protectionist tone of the SABC submission, entitled *Delivering Value*, other issues raised by the corporation are bound to be the subject of heated debate.

In a seeming contradiction, the SABC declares itself firmly against freedom in cross-media ownership.

Despite having a virtual radio monopoly and a dominance in television, which it says the industry regards as excessive, the SABC says in its submission: "The SABC suggests that the ownership and/or control over more than one medium (radio, television, print) should be avoided or restricted. Necessary rules in this regard should be laid down and enforced even in regard to existing situations.

"This should be given immediate priority. International practices should be researched to help find the most appropriate option for South Africa. Both 'geographic restrictions' and 'limited shareholding' should be considered."

It is known that M-Net, for one, is unhappy about the wording of this SABC suggestion — the pay-station regards the reference to "existing situations" as a veiled reference to itself

Another issue which is bound to be controversial is the SABC's proposal that it take over the TBVC broadcasters, such as Bop-TV, for two years. The corporation, however, demands that the state subsidises the losses incurred at these stations for this period.

The SABC's submission states: "The SABC is willing to accept conditional responsibility for the TBVC broadcasters which are national media assets These would be incorporated within the SABC and maintained for a period of up to two years, subject to the corporation being subsidised for the net costs of their operations

"Within the maximum period of two years, these media assets would need to be rationalised, with decisions being taken to maintain, amalgamate, privatise or close services. In proposing this, the SABC acknowledges that prospective buyers of TBVC operations may not necessarily wish to take over all employees or physical assets, but rather their brand names and licences."

Thus the SABC has fired the first salvos in what is bound to be an intense public dialogue on its role and future of broadcasting.

The corporation admits that its proposals offer only an "initial positioning statement"

The submission, says the SABC, "assumes there will be continuing dialogue with the Authority and the need for the SABC to make other submissions on particular issues in more detail".

COMPANIES

Iscor plans R1bn titanium project

By DON ROBERTSON

ISCOR plans to develop a titanium slag-mining project and a 200 000-ton-a-year smelter near Richards Bay which could cost as much as R1-billion over six or seven years.

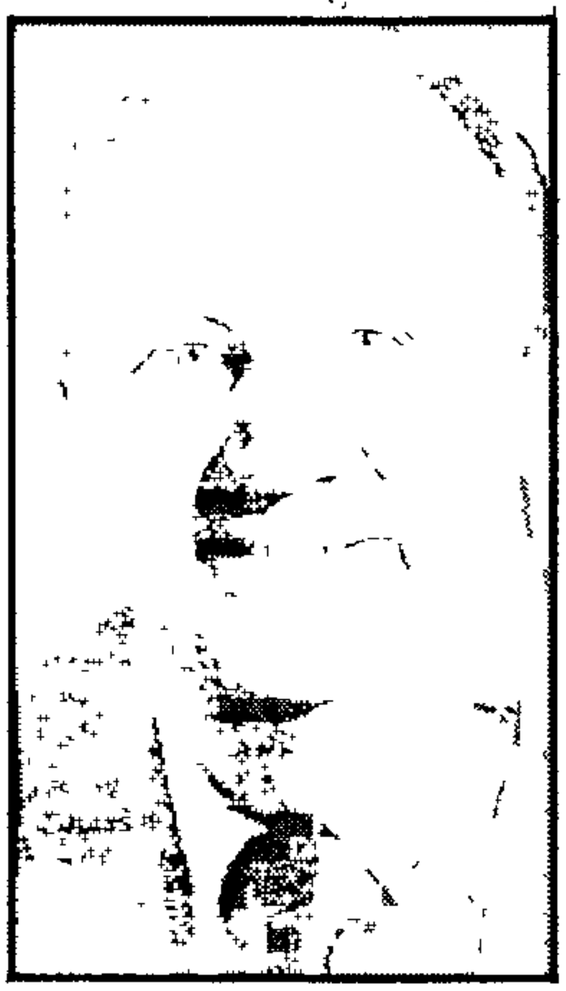
The titanium deposits, in KwaZulu-Natal and Transkei, were bought this week from Shell SA and Rhombus Exploration (Rhoex) for R30-million.

The KwaZulu-Natal titanium deposits are inland and mining them is not expected to harm the environment They stretch within a radius of 10km to 30km from Richards Bay, from Hillendale to Fairbridge The Transkei deposit is at Wavecrest, near the Kei mouth. The reserves near Richards Bay have a life of about 20 years at the planned rate of recovery. Iscor also has titanium reserves near Phalaborwa

The acquisition of these mineral rights gives Iscor most of the remaining titanium reserves in SA with low radio-activity — a major consideration in producing chlorinated titanium slag.

A R20-million, two-year feasibility study has begun, emphasis being on technology for the smelter It will be at least five years before the smelter is commissioned

Executive director, mining, Ben Alberts, says: "We are one of the few SA organisations with the technical know-how, infrastructure and ability to develop the smelting technology. We have conducted successful smelting trials with the material



BEN ALBERTS

"We have done our own research and are confident we can develop the technology without resorting to a licensing agreement with an overseas partner"

It is planned to mine the easily recoverable sand deposits in the Richards Bay area for about 10 years Only then will the Transkei deposits be considered. Titanium mined at Phalaborwa could require a second smelter

The world has only a few producers of titanium slag. About 75% of it is used in paint.

Shell has handed the results of its extensive titanium market research to Iscor. The main marketer of titanium slag is Quebec Iron Company in Canada

Iscor intends finding its own customers, as will Anglo American for Namaqua Sands output.

The main buyers are Dupont, SCM, Kronos Group, Kemira and Tioxide The current price of chlorinated titanium slag is $320 a ton.

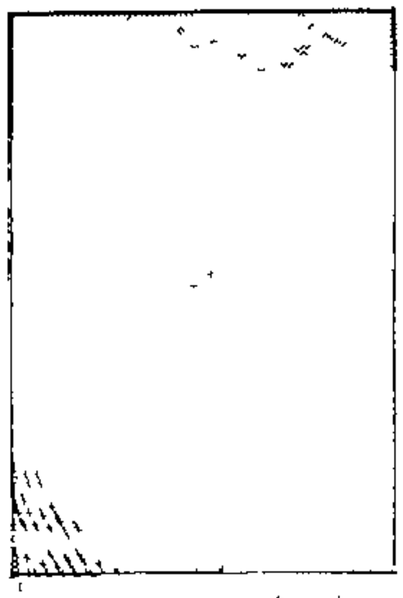
The titanium project fits in with Iscor's new policy of developing more of its mines.

Iscor will start drilling next month at a 700-million-ton coking-coal deposit in Queensland, Australia. South Africa's coking-coal reserves are dwindling and about half of the Australian operation's annual output of 1,5-million tons will be for Iscor's use.

Iscor is also expanding Safore, a shipping venture with Safmarine. A 170 000-ton vessel is nearing completion in Romania and will join Safore's growing fleet. Subject to negotiation, Safore vessels could carry coal from Australia

Iscor has invested R35-million in a depot in Qingdao port, China, which began receiving iron ore from Sishen in April Ore exports to China are expected to increase to about 5-million tons this year

THE Richard McNeill INTERVIEW



stamping heelies for a set of impatient radio applicants, most of whom have already been broadcasting, legally or illegally.

Mokone-Matabane says bluntly that these people are, perforce, from the white urban minority She is determined that the new broadcasting dispensation will also mean involving rural people, including white rural people, who may want to become broadcasters, in however small a way Even if that means going to them in the first place to explain that the opportunity is there.

"Consulting people takes time It's an inclusive procedure On June 29, we will be starting a series of public hearings as part of a kind of road show which will visit every province

"We'll be trying to hit as many small towns as we can and traditional rural communities to feel the texture of the different regions. We'll be seeking convergence"

At 49, Mokone-Matabane is a latecomer to SA public life She scoffs at suggestions that she is an affirmative-action appointment

"I presume that whoever nominated me knew that I had a media background, knew that I had taught, so that they thought that I not only had the qualifications but also the experience to make a contribution"

SHE was born and raised in Sophiatown, Johannesburg, and opted for exile at the tender age of 20 — going first to Botswana, then Zambia and finally the US "I've spent more time in America than I have here"

She took a BA in political science, followed by her master's degree in TV and radio studies, at Syracuse, New York. She taught and worked in media, later moving to Austin, Texas, where she graduated PhD in educational administration

"I always intended to return to South Africa, hopefully before I was too old to give something back to the community My combination of interests seemed to be a sensible one, given the extent of illiteracy in South Africa and the part the media can play in education and training"

She is married to an Eskom consulting engineer, and lives in Woodmead, north of Johannesburg They have no children. She confesses to being a jazz fan (Coltrane, Miles Davis, indigenous) who would love to be able to play piano, but hasn't the time.

She likes cooking, "but only for large numbers", and abhors junk food — give her a yoghurt, bran muffins and a salad and she's happy.

She talks about her job with a lively seriousness and laughs readily

"In many ways radio is much more important than TV to our developing society It's cheaper to operate and maintain, and quicker to start up That's where the IBA is getting the pressure from radio people in a hurry at the moment

"On television, I feel current affairs is too slanted towards the PWV area If I lived in Cape Town or Durban or Pietersburg or Kimberley I might resent it — not because I wanted equal time, but because I wanted to make sure my part of the world is represented.

"Focusing on more local events is easier than it used to be because TV technology is getting smaller, cheaper, sharper and more lightweight all the time.

"I have a thing about local productions In many parts of the world people are moving away from high-overheads operations. You rent a studio or an editing suite when you need it You don't have to have permanent staff waiting around all the time to maintain the facilities

"Similarly, I think dubbing is wasteful and costly. Why translate all those foreign programmes into Afrikaans? Why not have authentic Afrikaans cultural programmes?

"In any case," she adds, "subtitles are better and cheaper, although you have to be able to read — that's a drawback. I enjoy watching a French or Italian movie with subtitles. It retains the ambience of the original, the wonderful sound of the language"

Would she support, say, Xhosa programmes with English subtitles? "Why not? Many people around the world learn English by watching American TV and talking with their friends. This could be a method of spreading our languages," she says

"The other most important thing is local content We're hoping to get a lot of feedback from the public on that Are we talking music? Sport? Drama? Current affairs?"

Mokone-Matabane sees regulation — rather than the deregulation some people want — not only as essential but inevitable

"We will probably have to insist that private TV stations screen X amount of local content at a specific time, otherwise some of them may be tempted to put it on at midnight

"But in general I hope that private broadcasters would have a sense of social responsibility Even as they make money they would give something back to the community"

SHE is optimistic that the IBA, which she co-chairs with advertising man Peter de Klerk, will have a positive influence.

"The IBA Act is a good start because it says there is a need to strike a balance between public and private broadcasting But we need to say somebody has to help educate and train people, to inform them

"Coming out of colonisation and apartheid, we need to found this new society that will look at diversity as an enriching, not a divisive, element.

"The media can play a prominent and beneficial role, even as they entertain and inform. I'm not saying we should have boring educational programmes. They can be made entertaining. We need comic relief, to love and laugh at ourselves."

260

Here is the news about the future of TV, from a woman helping to shape it

IF Sebiletso Mokone-Matabane has her way, a typical night's viewing on TV1 by the end of next year might end up looking something like this:

6pm: News and local magazine programme. *Mainly English*
6.30pm: Mathematics for fun and profit. *North Sotho*
7pm: Township drama series *Tswana, English subtitles*
8pm: National and international news. *English*
8.40pm: Provincial and rural news bulletin. *Regional languages*
9pm: Afrikaans drama series. *Afrikaans*
10pm: The Cosby Show. *Xhosa subtitles*
10.30pm: The Two Ronnies (British comedy). *Zulu subtitles*
11.00pm: Local jazz and reggae

I should say immediately that Mokone-Matabane didn't draw up this schedule — I did But I suspect, after talking to this slightly built but tough-minded co-chairman of the Independent Broadcasting Authority, that it is one which is close to her ideals

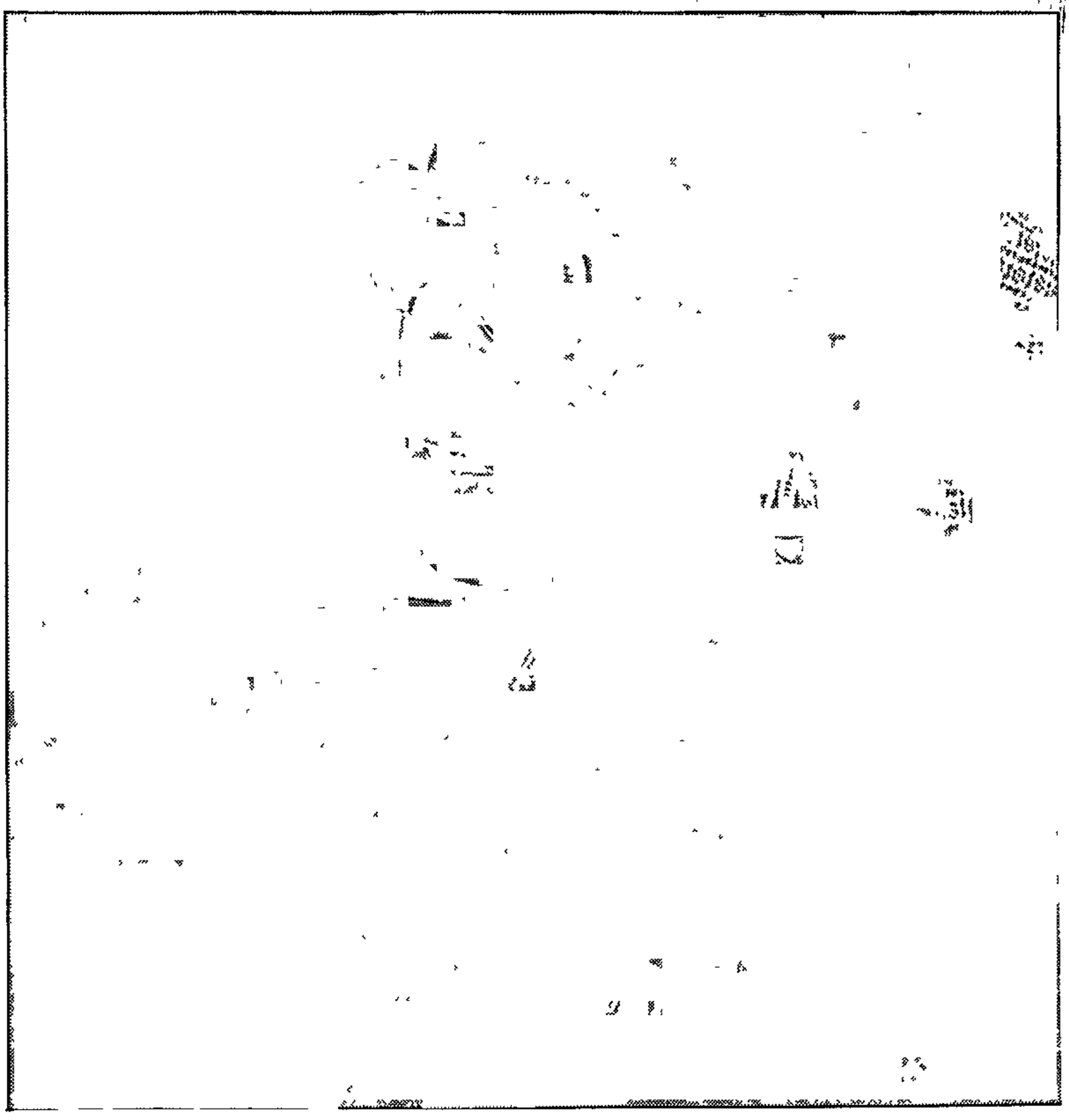
South Africa must, she says, stop behaving like a First World country We are not an adjunct of Europe or America We're a developing land in Africa — part of the Third World

Mokone-Matabane is at pains to emphasise that her ideas are only *her* ideas — "my vote is only one vote" in an authority with seven other members Many issues have yet to be decided

She is not yet sure how the "public service" part of broadcasting is going to work, how the SABC will be treated, and what role advertising and licence fees will play Much study will have to take place and some 40 submissions from interested parties, including one from the cash-strapped corporation itself, will have to be assessed

The IBA is, of course, the body set up to licence and regulate our TV and radio services It will ultimately recommend to the government how many stations there should be, and where, and who should own them, how they should be financed, what their frequencies should be, and under what guidelines and restraints they should operate

IT is a task, she maintains, which involves more than just rubber-



TOUGH .. Sebiletso Mokone-Matabane is co-chairman of the IBA **Picture CHRISTINE NESBITT**

Delay until September for temporary radio licences

Star 21/6/94

■ BY MICHAEL SPARKS

Draft legislation would be put to Parliament within 10 days to speed up the process of issuing temporary broadcasting licences, according to Independent Broadcasting Authority co-chairman Peter de Klerk

The draft legislation was currently being prepared by the IBA, De Klerk told a press briefing in Kempton Park yesterday.

But even if the amendments to the IBA Act were passed, said fellow board member John Mattison, the IBA would not be able to start issuing temporary community radio licences before September (200)

Other legislative changes required included extending the IBA's authority to include the former TBVC states, which were not specifically included in the current legislation, he said

These and other processes required by the Act, plus the setting up of a new frequency plan accounted for the delay, he said.

He added that all of the 200 applications for licences had been for space on the FM band, where space was limited

However, lots of space remained on the MW band, which was underutilised Many overseas talk show programmes were on the MW band where sound quality was not as important as it would be for music



PWV public safety minister Jesse Duarte and Witwatersrand police liaison officer Col Dave Bruce inspect one of four high-tech media response vehicles deployed yesterday to facilitate the speedy release of information at crime scenes. The minibuses will be deployed on the Reef and Vaal Triangle

Picture ROBERT BOTHA

Interim community radio licences to be issued soon

KATHRYN STRACHAN

TEMPORARY broadcasting licences to operate community radio stations will be issued from September, the Independent Broadcasting Authority (IBA) said yesterday.

At a briefing for aspirant broadcasters and the media, IBA counsellor John Matisonn said the public had been invited to submit views about how this should be done. Countrywide public hearings into the rules, regulations and criteria to be applied in granting the temporary licences would begin in Johannesburg on June 29.

Matisonn said the major challenge was to formulate a new frequency plan for the country.

While medium wave was wide open, there was little vacant space on the FM band, especially in certain areas Nearly all of the 200 organisations which had made submissions had indicated they wanted to operate on the FM band, mainly because its clearer sound was preferred for broadcasting music.

IBA co-chairman Peter de Klerk said while the IBA wanted to facilitate the process, there were certain obstacles causing delays

A summary paper of the public submissions made said affirmative action in favour of non-English languages seemed to be warranted and should be a strong consideration in the issuing of licences.

The summary paper said surveys showed most South Africans professed to be Christians. Christian radio stations could therefore play an important role in national reconciliation and the formation of a peaceful SA.

In defining a "community radio", the IBA added a broadcaster could serve the needs of, and make worthy contributions to, its community while still showing an operating surplus.

☐ Radio 702's investigations into the possibility of running a music station would not affect its talk show format, MD Stan Katz said yesterday.

Radio licences to be issued

CT. 21/6/94

JOHANNESBURG — The Independent Broadcasting Authority will begin issuing temporary community radio licences in September, IBA representative Mr John Matisonn said yesterday

His colleague, Mr Rex Gibson, said draft broadcast amendments would be put before Parliament in the next 10 days

They were addressing an update briefing at the World Trade Centre on the criteria for the granting of temporary community licences (260)

A summary paper said the deregulation and privatisation of the broadcast industry should be implemented in such a way "it does not detract from the full realisation of the needs of all cultural groups"

The paper said affirmative action in favour of non-English languages should be a strong consideration in the issuing of licences

Surveys showed most people professed to be Christians Christian radio stations could therefore play an important role in national reconciliation and the formation of a just and peaceful country

It should be appreciated that a broadcaster could serve the needs of its community and make worthy contributions while still showing an operating surplus

IBA representative Mr Willie Lane said "community" radio station profits would have to be channelled back into the organisation and not distributed to shareholders — Sapa

focus on broadcasting

Sowetan 21/6/94

The Independent Broadcast Authority will issue a paper on the debate surrounding the issuing of temporary licences, chairman Peter de Klerk tells **Elliot Makhaya:** (260)



THE Independent Broadcasting Authority has received over 100 submissions in response to its request for input on the granting of temporary radio broadcasting licences

Mr Peter de Klerk, co-chairman of the Independent Broadcasting Authority says the next step will be to compile an issue paper regarding the extent of the debate surrounding temporary licences

"These licences would be dealt with as soon as possible in the most public and transparent way, and to this end we intend setting up public hearings regarding temporary licences over the next few weeks," he says

"The IBA has the responsibility of ensuring that the airwaves are open to all We have to ensure a fair and equitable distribution of the airwaves so that everyone has access to this resource"

De Klerk says that it will simply not be fair to impose a moratorium and allow current applicants to broadcast

"We must give the communities that have not had admittance to the airwaves a chance"

Speaking about temporary broadcasting licence holders, De Klerk says he is pleased that President Nelson Mandela made it clear to Eugene Terre'Blanche that he had no jurisdiction over the granting of temporary licences Mandela said Radio Pretoria was the responsibility of the Independent Broadcasting Authority

Bought time

The president also made it clear that the IBA will not be challenging the fact that Peace Radio had bought time from an existing and legitimate licence holder, Radio 2000

"They are therefore doing nothing illegal," says De Klerk

De Klerk also reminds the public that the IBA is awaiting submissions for the second inquiry The deadline for input on this inquiry is noon on July 10

Written submissions can be forwarded to the Independent Broadcasting Authority, World Trade Centre, Kempton Park, or mailed to PO Box 307, Isando 1600 The fax number is (011) 397-2211 Specific areas that the IBA will address in this inquiry are

- The ground rules for protection and viability of public broadcasting services and financing,
- The limitations on cross media control of private broadcasting services, and
- The imposition of specific licence conditions regarding local television programme content and the required minimum percentage of South African content on local television

"We are well aware of the impatience among potential broadcasters to get the airwaves opened up We in fact view this in a positive light The new broadcasting environment promises to be extremely challenging and exciting," says De Klerk



Peter de Klerk ... likely to grant temporary licences.

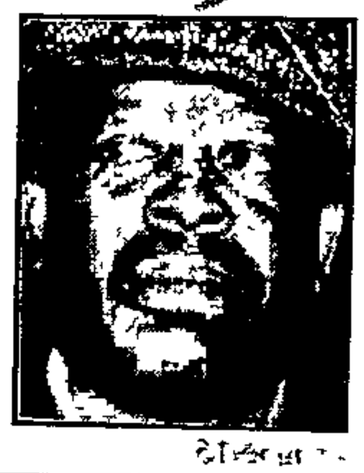
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focus on broadcasting

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De Klerk says that it will simply not be fair to impose a moratorium and allow current applicants to broadcast.

"We must give the communities that have not had admittance to the airwaves a chance."

Speaking about temporary broadcasting licence holders, De Klerk says he is pleased that President Nelson Mandela made it clear to Eugene Terre'Blanche that he had no jurisdiction over the granting of temporary licences Mandela said Radio Pretoria was the responsibility of the Independent Broadcasting Authority

Bought time

The president also made it clear that the IBA will not be challenging the fact that Peace Radio had bought time from an existing and legitimate licence holder, Radio 2000.

"They are therefore doing nothing illegal," says De Klerk.

De Klerk also reminds the public that the IBA is awaiting submissions for the second inquiry. The deadline for input on this inquiry is noon on July 10

Written submissions can be forwarded to the Independent Broadcasting Authority, World Trade Centre, Kempton Park; or mailed to PO Box 307, Isando 1600. The fax number is (011) 397-2211. Specific areas that the IBA will address in this inquiry are:

- The ground rules for protection and viability of public broadcasting services and financing;
- The limitations on cross media control of private broadcasting services; and
- The imposition of specific licence conditions regarding local television programme content and the required minimum percentage of South African content on local television

"We are well aware of the impatience among potential broadcasters to get the airwaves opened up. We in fact view this in a positive light The new broadcasting environment promises to be extremely challenging and exciting," says De Klerk



Peter de Klerk ... likely to grant temporary licences.

"These licences would be dealt with as soon as possible in the most public and transparent way"

"We must give the communities that have not had admittance to the airwaves a chance"

Ms.

Leftist SABC employee reinstated

Political staff

A "LEFTIST" SABC employee, who was secretly filmed in the editing suites and was subsequently fired, has been reinstated by the senior SABC executive who used to produce a weekly Portuguese programme, "bias" by a member of the management last November.

Her reinstatement came after she was cleared by a commission of inquiry appointed to investigate the allegations of surveillance practices at the SABC.

The SABC spyunit, which spread unfounded "troublesome" rumours about employees, was established by Joint Mass Nogueira, the commission said had been pleased that the commission had wished to eliminate the "for-mer Broadcast-ing Complaints Commission of South Africa" from the Radio Act.

The commission said it had found that the SABC had "failed to comply with its own code of conduct in that it had conducted surveillance of persons and organisations without the consent of the persons concerned and without authorisation by the chairman of the SABC".

The commission found that the SABC had failed to comply with its own code of conduct in that it had conducted surveillance of persons and organisations without the consent of the persons concerned and without authorisation by the chairman of the SABC.

'No racial quotas at SABC'

CT 22/6/94

Staff Reporter

THE SABC board has appointed 156 black and 79 white new staff members this year, chairwoman Dr Ivy Matsepe-Casaburri said yesterday

In a press conference in Johannesburg, Dr Matsepe-Casaburri denied the board had a racial quota policy

"It would be more accurate to say that some targets have been suggested These will have to be discussed with staff before we accept any policy on affirmative action," she said

The SABC's language committee had considered 4 500 submissions from the public on language policy The board would consider a draft proposal in August

(210)

Asked if the time allotted to Afrikaans would be significantly reduced, Dr Matsepe-Casaburri said language policy would be resolved in the context of reconciliation

"Some languages will gain, others will lose We can't be vindictive on this issue because it won't lead to reconciliation"

She said the SABC wanted to move away from being a PWV organisation only

Dr Matsepe-Casaburri said the SABC had established a central complaints office to make the SABC more "accessible, transport- and user-friendly" The number of the complaints office is (011) 714-2541, fax 714-4508

Casaburri hoped to achieve more in year

SABC's image crisis 'partly corrected'

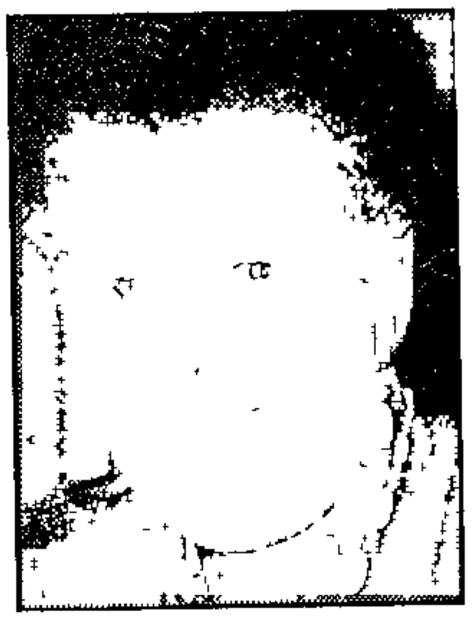
Star 22/6/94

■ BY MICHAEL SPARKS

The new board inherited an SABC that was going through a crisis of image, but board chairman Dr Ivy Matsepe-Casaburri told a Johannesburg press conference yesterday that she was confident the election coverage had gone some way to correcting that image

She said that after one year in office she had hoped the board would have achieved more, but with the massive amount of energy that had been absorbed during the coverage of the election she understood why it had not.

"I would have liked to have achieved more in terms of programming policy and affirmative action," she said, but much of those energies were absorbed in covering the election.



Matsepe-Casaburri .. more to be done.

Speaking more directly on affirmative action, she said that while no quotas existed, targets had been suggested, but added that black advancement was much easier in some divisions than in others. (260)

In response to a question she said there were currently 28 senior positions that needed to be filled, but appointing people had been delayed because many candidates had been involved in organisations such as the Independent Electoral Commission.

"Affirmative action is important, but it is not just a case of hiring black people, it means that our product must reflect our society," she said



SABC chairman Ivy Matsepe-Casaburri with SABC CE Wynand Harmse, centre, and vice-chairman Colin Hickling at a news conference in Johannesburg where the board reported on its first year in office. Picture ROBERT BOTHA

SABC pledge to work on a commercial basis

BIDay 22/6/96

KATHRYN STRACHAN

IT WAS not possible for the SABC to divest itself of its commercial activities, SABC chairman Ivy Matsepe-Casaburri said yesterday in response to submissions before the Independent Broadcasting Authority (IBA) calling for this.

She told a news briefing the corporation would have to retain the commercial activities that supported its role as public broadcaster In response to a comment on the SABC taking up 60% of media adspend, she said she did not believe it was an excessive proportion, given the corporation's duty to serve the national interest

"The board is committed to competition, but we have to balance competition with the national interest," she said

She also denied the SABC was being protectionist by proposing that the corporation be subsidised through increased taxes A subsidy was necessary as an assessment of the various regions indicated that many lacked the resource base to sustain a public broadcaster

Great challenges lay ahead for the SABC. Most importantly, it needed to address changes which would soon be brought about through new broadcasting legislation, and to examine future funding.

A further task was to overcome the "image crisis" which the new SABC board had inherited, and to expand news coverage so that it reflected all the country's regions The board hoped to obtain new technology which would facilitate this task (260)

As part of the national policy to develop languages, the SABC would encourage the production of local dramas, rather than dubbing foreign dramas in SA languages

She said the SABC had made good progress on affirmative action this year, with the percentage of white staff dropping from 73% to 69% Of the new appointments this year, 156 were black and 79 white.

☐ Our Durban correspondent reports that an internal commission of inquiry into spying at the SABC in Johannesburg has condemned covert surveillance of employees It also recommended that former director and producer of the SABC programme Contacto Portugues, Helena Nogueira, be reinstated She had lost her position after SABC authorities monitored her last year using electronic devices

The SABC board said it had accepted the commission's general findings but could not immediately reinstate Nogueira as her position was occupied. But Nogueira and the SABC issued a joint statement saying the issue had been settled

Cape Eskom workers strike

CT 23/6/94

WORKERS at Eskom depots in the Western Cape have embarked on a strike after Tuesday's wage dispute go-slow, it was reported yesterday

The workers are demanding a 13% increase, while management is offering seven percent

The regional organiser of the National Union of Mineworkers, to which most of the striking workers belong, said certain sub-stations in the region had been damaged by heavy rain Talks with management would determine whether they would be repaired (260)

Eskom regional spokesman Mr Charles Cooper said there had been only isolated incidents of work stoppages and denied NUM reports that several sub-stations in the province had been damaged in this week's storms — Sapa (452)

UNIV.OF O.F.S

rlines chairman Richard Branson. Picture GARTH LUMLEY

Consortium calls for broadcasting diversity

BIDay 23 16 194 2100

THE process of opening up the airwaves is about to begin — but before licences can be granted, issues such as cross-ownership of media and how to ensure diversification have to be resolved by the Independent Broadcasting Authority

These concerns are expressed in a submission before the IBA by New Radio Consortium, which has signed an agreement for the rights to rebroadcast the BBC World and Africa services in SA The consortium intends using this material, mixed with local programming, to create a new radio station.

The Consortium is a partnership between the publishers of the Weekly Mail and Guardian, Kagiso Trust Investments, Newco (a subsidiary of Publico) and Durban Videovision Entertainment, a film company owned by Anant Singh

The consortium said it was in favour of greater diversity in the broadcast industry, rather than purely restrictive cross-ownership regulations.

Constructive moves were needed to ensure the current domination of the printed media was not simply carried over into the broadcast media.

KATHRYN STRACHAN

At the same time, regulations should not be so wide that they prevented independent publishing concerns, in particular those that produce small and specialist media, from entering broadcasting

The submission said larger newspaper groups had already been allowed to enter the broadcast media through M-Net to offset their loss of revenue to the broadcast media.

Independent publishers like Weekly Mail and Publico, however, did not benefit from the move. Therefore, to bring diversity to the broadcast sector, the IBA should facilitate the entry of previously excluded small and niche publishers, the submission said.

In a separate submission, Dispatch Media said it would be unfair to exclude local independent newspapers from broadcasting when its sphere of business was restricted to a limited circulation area

It would lead to the closure of many smaller newspapers which would not survive against "protected competition" for local advertising revenues.

The Newspaper Press Union also added its voice, saying the IBA should devise steps to encourage investment — in particular by smaller publishers and newspapers which would be most vulnerable to erosion of their advertising base by the introduction of new broadcast media.

Confusion ove

DURBAN — While the state of emergency in KwaZulu/Natal has lapsed legally, police in the region say it still stands, and Cabinet has yet to decide on whether to maintain it.

The SANDF said at a news briefing yesterday that while the security legislation lapsed 21 days after the new government came to power, the emergency

Levy

(4

capable of generating great through heavy reinvestment o

M-Net rejects proposed funding mix

LICENCE fees should be the principal source of revenue for the SABC, with government funds used only for educational programmes, subscription channel M-Net said in a presentation to the Independent Broadcasting Authority (IBA) released yesterday.

The document proposed advertising, which currently contributes 70% to the SABC budget, should become a source of "top-up" revenue to cover outstanding operating costs.

"Advertising primarily rewards ratings and diverts public broadcasters from meeting public service objectives."

The IBA has released representations on the restructuring of the SABC submitted by broadcasters, universities and other interested bodies — including print media organisations and KwaZulu/Natal premier Frank Mdlalose

Recommendations have ranged from privatisation of commercially successful stations

MARK ASHURST

to shifting the funding mix to include levies on commercial broadcasters, and an SABC tax.

The M-Net document rejects levies as punitive, comparing its own annual tax burden of R89,9m with the tax exemption enjoyed by the SABC. It also rejects a government-managed tax on the grounds of "general concern that he who pays the piper, calls the tune"

As the only commercial television station in competition with the SABC for advertising revenue, M-Net's support for licence-based funding will have an effect on the IBA's series of nationwide public inquiries to debate the future of broadcasting. The first inquiry opens on Monday at the Carlton Hotel in Johannesburg

Besides the role of the SABC, the inquiries will discuss the future of Sentech — the state-owned distributor of radio and television signals The current frequency plan was devised to suit the requirements of the SABC and is dominated by Sentech

Proposals governing cross-media ownership in the private sector, and licence conditions relating to local television and music content will also be presented at inquiries.

However, the IBA has no authority to cross-question witnesses at inquiries, board member William Lane confirmed yesterday.

"It was a significant omission in terms of the Act," he said

Responding to repeated calls from aspirant broadcasters for interim radio licences, Lane said the IBA could seek an amendment in the Act to enable the allocation of new frequencies on a provisional basis

These could be changed in terms of a revised frequency plan when the SABC's future role as a public broadcaster is determined.

Tying up the airwaves

Fin 24/6/94

260

Showtime Music Radio broadcaster Alan Munro ducks his head to fit through the door of his caravan-cum-radio station at Greenside, Johannesburg It's lined with packing foam for soundproofing, and was built, he says, "from nothing" over 14 years and six previous temporary broadcast licences Now the little lights on the CD players are out, the phone lines quiet and the ON AIR sign, screaming red when lit, is a dead grey

"We're hanging on by a spider's thread to try not to collapse," Munro says "It's that bad"

Sad, but not quite the tear-jerker that is Radio Zibonele, a tiny station that used to broadcast from a hospital bed in Khayalitsha, where health-care workers passed the microphone from hand to hand giving health tips to fellow township dwellers and squatters for an hour a week on Tuesdays They've shut down, too, to comply with the Independent Broadcasting Authority Act

The seven-member IBA says be patient, these people and more will all get their chance But will they? Because of the four inquiries and exhaustive hearings that the IBA Act requires before the authority decides who will get licences, co-chairs Peter de Klerk and Sebiletso Mokone-Matabane say temporary radio licences won't be issued until September, permanent radio licences maybe by the second quarter of next year and permanent TV station licences by the third quarter, at the earliest This will postpone for yet another year the thousands of jobs that opening up the airwaves — and increasing the opportunities for advertising — would create The countrywide public hearings on issuing temporary licences will finally start on Wednesday at the Carlton Hotel, Johannesburg No dates are set for hearings on permanent licences

"Many (potential broadcasters) have gone insolvent because they can't wait around, maybe that's a way of weeding them out," says David Blood, a former Radio 702 talk-show host who has had an application in for his own permanent licence since 1986 "The way I read it, only the wealthy and the conglomerates are going to be able to broadcast in this country It's never going to be accessible to the disadvantaged"

But it will be, Mokone-Matabane says, through funds for equipment and training from outside sources such as Unesco, private foundations and foreign governments "Aid funding for those who are disadvantaged — this is the price of the democratic process" Munro disagrees He says he could be training people in radio right now "But I can't train for nothing We could subsidise (trainees) by being on the air"

Wait a minute, De Klerk says "If we keep putting the emphasis on the process (mandated by the IBA Act) disadvantaging some people, then we're off on a bum steer The process was devised specifically to advantage more people than ever before" True, but that's not saying much, given that until now the SABC has had a near monopoly Critics also charge that the IBA could work faster "It could all be done well before the end of this year," according to media attorney David Dison, one of the members of the committee that drafted the IBA Act "Democracy is cumbersome," counters Mokone-Matabane "We feel very strongly that this process cannot be rushed"

In addition to who gets broadcast licences, the IBA will decide on the funding of government-owned SABC, on how much local content radio and TV programmes should have, and on whether there should be limits to cross-media ownership Rightfully, De Klerk says, that should take awhile "The timetable (for licences) is the likelihood Just leave it at that We don't want people to hold guns to our heads and say, 'You told (this date for licences) to (the press) Now I've gone and bought myself a transmitter What the hell's going on here?'"

That's been the question for the past year The original goal was to strip the SABC of its monopoly outside the homelands and award new radio licences quickly enough so that there would be a diversity of voices during the election campaign Instead, all 14 of the privately owned, temporary radio stations were shut a month before the April poll when the IBA took office The ANC, critics say, was apparently no longer very interested in airwave diversity because it was gaining control of the SABC through the new board, chaired by ANC member Ivy Matsepe-Casaburri So the ANC-dominated Transitional Executive Council, which was running the country then, quietly amended the IBA Act to require a long inquiry before any more temporary licences could be granted That put paid to any hopes of new radio stations before the election and, most likely, any time soon

Mac Maharaj, who was a top official at the TEC and is now an ANC Cabinet Minister, defended the TEC's action "If we had extended the temporary licences (through the election period), those with the perception that they could be grandfathered in would be strengthened in that view, and those who were left out of the process would defy it But no-one can defend the unintended consequence (of the SABC election-coverage monopoly) as free and fair"

A TEC panel also took an inordinately long time to appoint the IBA members and when it finally did, it appointed a long-standing friend of Matsepe-Casaburri's as co-chair — Mokone-Matabane That is certain to raise conflict-of-interest charges from other broadcasters, but Mokone-Matabane promises to be careful about the relationship "I cannot discuss anything with her that might bias my independence or give her privileged information," she told *The Weekly Mail & Guardian* this month "I have to quit having lunches or going to the movies with her" De Klerk dismisses charges of conflict

"If any of us is found guilty of favouritism the public guillotine will come down It is left to us in the Act to decide that we are not in conflict We have satisfied ourselves that we are not"

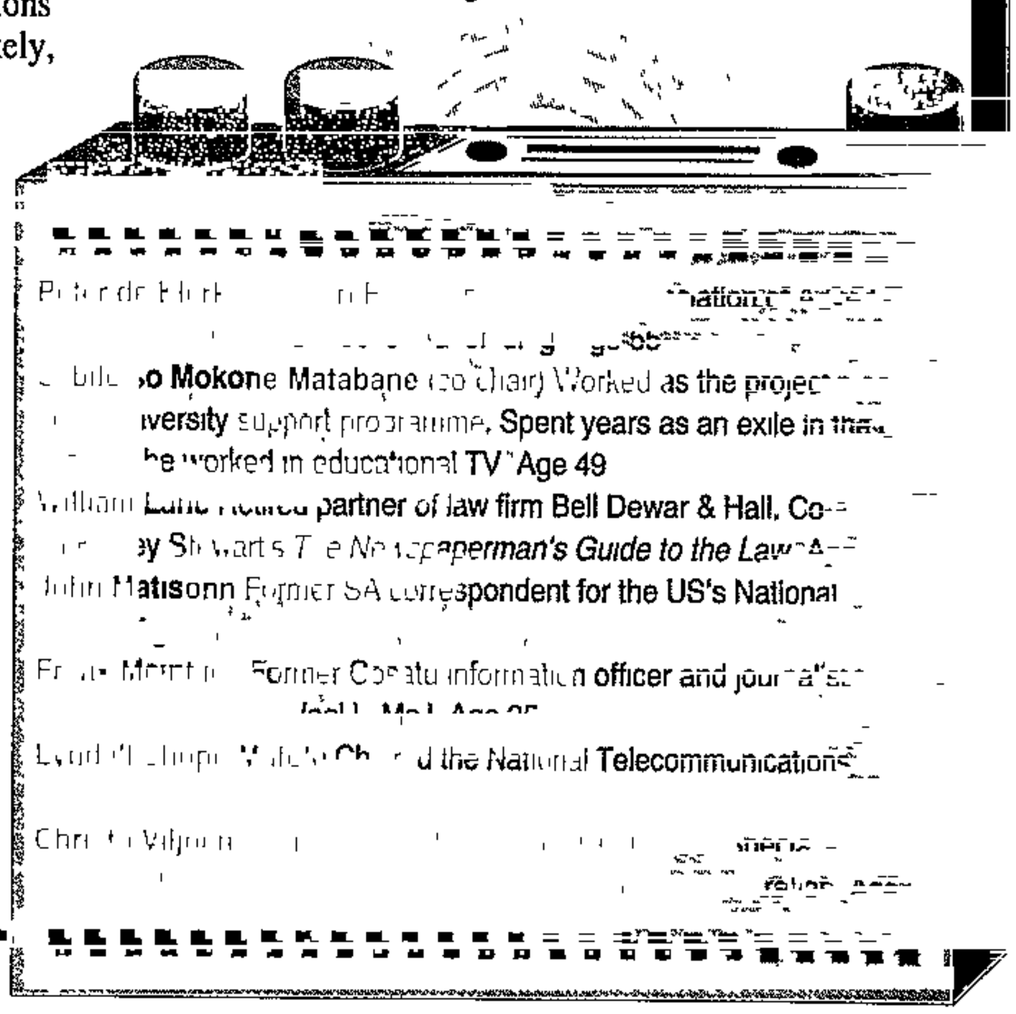
In any event, the members will have their hands full In fact, they are renegotiating their salaries — R205 000 for the co-chairs and R156 000 for the other members — because they will now be working full time But critics question whether the vast powers handed to the IBA will lead to regulatory overkill They say all the IBA really needs is the authority to prevent one station from interfering with the frequency of another, let as many stations as possible use the airwaves and let the public decide by turning the dial

That way, Showtime Radio's Munro says "The public has ultimate control If you don't like it, switch off If I don't get listeners, I don't get advertisers and I collapse"

Why not just try that while we're waiting for the IBA to finish its inquiries? Says De Klerk "You'd have to change the Act And that will take as long as what we're doing now"

Nancy Seljas

The Independent Broadcasting Authority: Who's who



Peter de Klerk (co-chair) Worked as the project [illegible] University support programme. Spent years as an exile in the [illegible] he worked in educational TV Age 49

Sebiletso Mokone Matabane (co-chair) Worked as the project [illegible] University support programme. Spent years as an exile in the [illegible] he worked in educational TV Age 49

William Lane Retired partner of law firm Bell Dewar & Hall. Co-[illegible] by Shwarts *The Newspaperman's Guide to the Law*

John Matisonn Former SA correspondent for the US's National [illegible]

Frank Mdlalose Former Cosatu information officer and journalist [illegible] Age 35

Lyndall Shope-Mafole Chaired the National Telecommunications [illegible]

Christo Viljoen [illegible]



CD-ROMs

Coming into their own

A big buzz word in the computer industry now is multimedia — the merging of text, sound and video on one device — and it has been made possible by the compact disk, or in computer jargon, the CD-ROM (compact disk — read only memory)

"CD-ROMs have been around for longer than most people imagine, almost 10 years," says Microdata technical director Mike Meredith For much of that time, however — what Meredith terms the bleeding-edge phase, where development was continuing — they were expensive and used almost solely for providing technical information to the computer industry

It is only during the past three years that they have become less bleeding edge and more widely available

So much so, Meredith says, "that in SA most big corporates now use CD-ROMs and the majority of people buying a PC will also buy a CD player with it"

CD-ROMs — identical to the traditional music CDs — were bound to make an impact in the computer industry because of their low cost and high storage capacity Costing about US$1 a unit to produce (not including the costs of making the master), they can store nearly 700MB of information, or the equivalent of 200 000 A4 pages

They are, however, only as little as 1/20th as fast as hard disks in retrieving information, despite advances in readers — dual speed readers with a low speed for audio and a higher speed for text have been available for about a year and a three-speed drive is now being developed — that are leading to some improvements in performance

The computer industry is still a big market for CD-ROMs, "principally as sources of high-volume technical information," Meredith says All the main computer magazines published worldwide are available on CD — a subscription provides not only the latest issue but those for the previous 11 months Databases listing available hardware and software, manuals — "all the Microsoft technical manuals, which would be required for software development, are available on one CD," Meredith says — and software itself are also all available on CD-ROM

Similarly, within the corporate environment, CD-ROMs are now utilised principally for their high information content Says Dave Walker, manager for complementary services at Old Mutual, a division that provides add-on services to networks and has computer-related titles and manuals on CD-ROM "A recent survey shows that each respondent accesses CD-ROMs on average three times a week"

The biggest market now for CD-ROMs, however, is in games, where the capabilities of the device are able to provide the high-quality images and stereophonic sound demanded by players

But this is likely to give way soon to what Meredith terms the next boom market of edutainment — educational entertainment — which is seen as a way of expanding the use of computers in the home

"Take the Compton's Encyclopaedia and look up 'whale' for example," Meredith says "Not only do you get the descriptive text, but also a short video clip of a whale swimming as well as the sound of the whale"

That is just the tip of the iceberg of what is available educational games and magazines such as *Time* as well as others that are available only on CD such as *Nautilus,* an up-market publication along the lines of *Esquire* "In the CD review section, one gets a short cut of the CD to listen to," says Meredith

There is also music The CD-ROM of Beethoven's Ninth Symphony, for example, contains the music just like the standard CD, but also includes facts about the life and times of Beethoven, a copy of the score and other material

"The new SA is poised for edutainment," Meredith says, "because of the pressures on the education system and the desire of many parents to give something extra to their children"

Ideally, the facility should find its way into the classroom but in practice it is likely to prove too expensive for many schools Though CD players now retail for under R1 000 (a PC player can also double up for playing the standard music CDs but the opposite is not yet the case), they require a 486SX PC for use, giving a total system cost, including speakers, of around R8 000

Within the next year, there is also likely, as the necessary software becomes more widely available, to be significant growth in inhouse mastering of CD-ROMs "It is the cheapest way to buy storage," says Aquarium Technology MD David Nathan-Maister, who envisages that CD-ROMs will be used increasingly by companies wanting to distribute large amounts of data to various locations and that they will replace paper and other archival systems such as microfilm as a storage medium

"Prime companies are those that distribute large parts catalogues or reference manuals," says Nathan-Maister, "and one could then also include video clips showing how to install particular components, for example"

Book publishing is an area that CD-ROMs will find increasing application but so far Jutastat is the only publishing company in SA to be using them, putting out legal material, including the country's statutes, law reports and a tax library "We have now reached the point where advocates take a notebook PC with CD reader into court and can instantly have access to the required information," says Welna Kruger, manager of the Johannesburg branch of Jutastat

The best method for making repeat copies of the same CD-ROM depends on the numbers that are required and, according to Nathan-Maister, the breakeven comes at around 250 copies Below this number it is cheaper to make individual copies inhouse but above — and the process now has to be done overseas because no local company has yet invested in the necessary technology — it is more cost-effective to have a "glass master" fabricated, from which pressings are made

One thing is clear the full potential of CD-ROMs has yet to be exploited "They are opening up a completely new world," says Nathan-Maister ■

TECHNOBYTES

☐ **Electronic Data** Systems (EDS), the facilities management group formed by Ross Perot and now part of General Motors, will enter the SA market in conjunction with JSE-listed outsourcing company ABS, say industry watchers ABS recently issued a cautionary announcement that negotiations are underway which could affect its share price Chairman James Fitzgerald will not comment

☐ **Sweden's US$7bn** telecommunications company Ericsson appoints Control Instruments as its SA agent for cellular phones

☐ **The fire** that engulfed nine floors of the SA Agricultural Union building in Pretoria could have a potentially disastrous impact on some businesses housed there that lost data and documentation Metrofile MD Norman Webster says the fire reaffirms the importance of offsite data and documentation storage "With a disaster recovery plan firms can stay operational and avoid the crippling effects of financial loss and time spent recovering years of invaluable data" ■

Debate starts over Sentech

JOHANNESBURG — Debate has begun on the future of Sentech, the country's main radio and television signal distributor, the Independent Board of Authority said yesterday. — ST 24/6/94

IBA representative Prof Christo Viljoen said Sentech's frequency plan of the past had been drawn up to suit the SABC, but the new plan had to be "subservient to (the new) broadcasting policy". — Sapa

Table 1 5: Distribution of RESIDENT individuals in households interviewed by old boundaries and race - Weighted by enumeration AND census (Percentage)

Province	African	Coloured	Indian	White	Other	Total	Number
Cape	32 30	45 54	0 74	21 36	0 06	100	6 367 597
Natal	40 53	4 27	31 44	23 76		100	2 526 122
Transvaal	66 98	3 25	1 76	27 97	0 04	100	9 928 738
Orange Free State	80 87	3 18		15 95		100	2 306 426
Kwazulu	99 94			0 06		100	5 870 876
Kangwane	100 00					100	828 000
Qwa-Qwa	100 00					100	364 278
Gazankulu	100 00					100	1 013 842
Lebowa	100 00					100	2 912 347
Kwandebele	100 00					100	429 336
Transkei	99 59	0 41				100	3 706 557
Bophuthatswana	99 85			0 15		100	2 393 664
Venda	99 40		0 60			100	597 396
Ciskei	100 00					100	903 000
All/S A	76 19	8 52	2 54	12 73	0 02	100	40 148 179

NOTE Based on Questionnaire Section 1 (See note to interviewer)

BROADCASTING

Fri 24/6/94

Paying the piper

260

Market research indicates that there are 3,4m TV households in SA but the number of licences issued is only about 2,2m An estimated 84% of white TV households have licences but the numbers fall to 65% for Asian households, 50% for coloureds and less than a third for blacks This, in a nutshell, is the biggest problem in funding TV services and why many people feel the simple answer is to go totally commercial

That is not the route favoured by the Film & TV Federation (which represents the independent film, video and TV production industry) and Media & Broadcasting Consultants. In a joint submission to the Independent Broadcasting Authority on the future of broadcasting these bodies propose a similar structure to that in Britain

It would turn the SABC into a national public broadcaster funded not by advertising revenue but wholly by a reorganised licence system and State subsidy

Commercial TV stations would be licensed only regionally but be free to form a network to share programming, resources and transmission

Subscription TV and radio would be free to develop according to market forces.

Same revenue

The licence fee would be collected as a levy on domestic electricity bills — but only in TV households If collected in this way, clearly the amount of the fee could be reduced by about 35% and still produce the same revenue

There is a catch, though. if you do away with advertising on SABC, you have to increase your fee and/or subsidy revenue fivefold, since advertising accounts for 80% of SABC's revenue The bottom line would thus be a more than tripling of licence fees.

The submission argues that in order to fulfil its new mission as a national public broadcaster committed to nation building, reconstruction and development, the SABC should no longer depend on the goodwill of advertisers The question the IBA will have to answer is whether the price is too high

The IBA has received 40 submissions from interested bodies concerning the future of broadcasting, from such organisations as the SABC, M-Net, the Newspaper Press Union and the National Association of Broadcasters.

But its first step in a long, tedious and involved process begins on Wednesday when it starts public hearings on temporary radio licences It is also sitting on 200 letters of intent from would-be broadcasters

A spokesman says, however "We won't be dealing with the applications for permanent licences for some time" ■

UNIVERSITY OF CAPE TOWN

Southern Africa Labour & Development Research Unit

Research Division School of Economics
Robert Leslie Building University of Cape Town
Private Bag Rondebosch 7700
Telephone 650-2750
Fax No (021) 650-4053

13th August 1993

Dear Sir/Madam,

Regrettably, due to recent changes to the Bank Act, I have to return your cheque for made payable to SALDRU All cheques should be made payable to the University of Cape Town I should be grateful if the necessary changes could be made and the cheque returned to us by return mail I apologise for any inconvenience coursed

Yours sincerely,

Brenda Adams
SECRETARY

SALDRU

The University of Cape Town is committed to policies of equal opportunity and affirmative action which are essential to its mission of promoting critical inquiry and scholarship

THE SABC

Fm 24/6/94

Eyeing higher taxes

Submissions to the Independent Broadcasting Authority (IBA) are all in and guess what the SABC is recommending for the democratic, post-Nat era of broadcasting?

Rounding up more advertising (it's roughly 80% ad-funded now) to reduce the burden on a nation facing a whopping reconstruction bill and to ensure that it delivers what the public wants, rather than relying on licence fees that come in no matter what it puts on the tube? Or maybe an end to its tax and import duty exemptions as a State corporation to enable emerging private broadcasters to compete? (260)

In our dreams. The SABC, in what is a controversial document within the organisation, is recommending a new tax — a 1,2% increase in personal income taxes, a 0,25 percentage-point rise in Vat or a 2,5%-3% levy on electricity consumption — to replace licences With just over half of TV owners paying up, the licence fee has been one tax

Fm 24/6/94 (260)

people have ignored

Another submission is even more radical, and stubborn, say critics The Film & Television Federation, supported by the SA Council of Churches, Lawyers for Human Rights and other activist groups, proposes that the SABC should be funded completely by the State through licence fees and other taxes but without any national advertising

Critics note that one signatory to the federation's submission is the Sached Trust, which nominated IBA co-chair Sebiletso Mokone-Matabane to the authority (see the broadcasting feature on page 67) They warn of favouritism in the IBA's deliberations on public broadcasting Yet a federation spokesman says. "Dr Mokone-Matabane, as a skilled, highly intelligent and formidable person, will be able to differentiate"

The chance that taxes in one form or another could go up to finance the overstaffed and underachieving SABC is causing alarm Says DP MP Tony Leon "It's a dangerous precedent if it gets anywhere It is saying that one arm of government should be funded by special taxes If you extrapolate that to other issues, such as health, we'll have so many special taxes that the tax rate will effectively double for the ordinary South African The SABC should get its own house in order"

"It's a public duty" to finance a public broadcaster through licence fees or the State and commercial broadcasting should develop separately, the federation says It also recommends that the SABC should run two TV stations and about 10 radio stations "to cut down a gargantuan broadcaster to a manageable entity" The SABC has three TV and 22 radio stations

Public broadcasting is notorious worldwide for being nice in principle but low on viewers or listeners Competitors such as Sky in Britain and myriad cable stations in the US have seriously eroded public TV audiences But Britons and Americans can afford to support public broadcasters (especially when public TV stations such as PBS in the US get hefty contributions from private corporations) even if they don't watch them Can South Africans?

That is what the IBA will decide over the next few months of hearings on broadcasting It will have a large say over how the SABC is funded Stay tuned ■

Friday June 24 1994 SOWETAN

Warning on pirate radio

Sowetan
24/6/94

By Elliot Makhaya

THE Independent Broadcasting Authority says any illegal broadcasting will be a major setback in the process of opening the airwaves in South Africa

The IBA has also reiterated that the process of hearings relating to temporary licenses will continue throughout July The IBA was reacting to threats by members of the Independent Broadcasting Committee that they were considering starting pirate radio stations

The committee is accusing the IBA of dragging its feet on the issuing of licenses

The pirate route

IBA co-chairman Peter de Klerk said "The IBA urges all aspirant broadcasters to obey the law and refrain from embarking on the pirate route This is a recipe for broadcasting chaos and will severely damage the concept of free and independent broadcasting

(260)

"We also do not want broadcasters to jeopardise their chances of being granted licenses by operating outside the law"

De Klerk says that in the interest of making sure the license-granting process is properly managed, members of the IBA are prepared to meet the IBC

"The new broadcasting environment promises to be extremely challenging and very exciting Therefore we are determined to make sure that aspirant broadcasters have a fair shot," he said

Openness with media is the key

ARG 25/6/94 (260)

■ The media can't be given freedom — it has freedom which can be taken away by repressive legislation or by its own sycophancy, says ministerial media adviser Tony Heard.

JEAN LE MAY, Weekend Argus Reporter

ANY government that did not encourage healthily critical media would find itself hopelessly at sea in assessing public opinion, says ministerial media adviser Tony Heard.

A former editor of the Cape Times and now adviser to Minister of Water Affairs and Forestry Kader Asmal, Mr Heard said a few years ago he "would not have got within 1 000 metres of a government job", but he had "no problems being closely associated with the present government because of its impressive swing towards openness"

"If I didn't believe there was a commitment to openness right from the top I would not have accepted the job Incidentally, I dislike the word 'transparency' which can have a negative connotation," he said in an interview.

"Openness carries it own risks, but there are even greater risks in secrecy

"It also carries its own rewards An example of this is the way in which Mr Asmal negotiated an agreement in the Eastern Transvaal this week which solved a long-standing water problem which threatened supplies to 200 000 people

"He invited everybody, however remotely involved, to the meeting and he invited the newspapers as well Now everybody knows what was talked about and what the government is doing about the problem."

Bureaucrats had to understand that by robbing themselves of publicity they were acting against their own best interests, said Mr Heard.

"It is an unfortunate problem of government — all governments — that officials prefer to operate in secrecy Some of the most open governments in the world still have closed corners — Whitehall is remarkably secret and even in Washington there are intelligence operations to which only some members of Congress have access

"This is unfortunate in itself because it implies that some members are more equal than others As for our own secret defence funds, they too will not be made public, although they will be discussed by the appropriate parliamentary committee."

But this was a far cry from ordinary day-to-day openness in government, said Mr Heard

"Officials have to understand that newspapers are institutions and not adjuncts of other institutions Talk of newspapers having their own agendas is uninformed"

"Great care is needed in how media freedom is dealt with in framing the constitution, because the media can't be given freedom — they have freedom which can only be taken away by repressive legislation or by their own sycophancy."

The whole issue of openness in government was "a matter of practicality and mistakes will probably be made".

"But we must remember that openness is a great safeguard. The awful things that are now coming out about the CCB relate to a period when secrecy was the order of the day

"I'd like to believe, and I do believe, that it can't happen again."

M-Net says

SABC should get government grants for specific projects

State funding on carpet

Star 25/6/94

A MORE efficient system of licence fee collection and a clampdown on pirate viewing is seen as a way to boost public service broadcasting funds, writes LOUIS DE VILLIERS.

PAY television station M-Net says it believes State funding for the SABC in a deregulated broadcasting environment is inappropriate because it could lead to undue bias in reporting and political interference in public service broadcasting

M-Net's funding proposals for the SABC follow the corporation's suggestion to the Independent Broadcasting Authority (IBA) that it receive State funding to the tune of R420 million to replace its inefficient licensing system and another R260 million to R380 million to compensate for advertising revenue lost to new commercial broadcasting

In a submission to the IBA, M-Net suggested that public service broadcasting be funded by way of a basket of sources, of which licence fees should be the biggest part

"In the local context, we believe more efficient mechanisms must and should be found for the collection of licence fees and the enforcement of payment of such fees Piracy of the SABC in South Africa is estimated at 29 percent of television households Assuming that piracy could be reduced to more modest proportions, say 5 percent, this would yield a further annual revenue stream of R147 million for the SABC"

An independent consultant had estimated the SABC's collection costs as equal to 32 percent of gross licence fee income

The BBC estimated licence fee collection costs at 6 percent M-Net calculated that a further R65 million would flow into the SABC annually if it adopted a collection system approximating the BBC's efficiency.

According to M-Net, two other factors render the licence fee route attractive The potential growth of television households in South Africa was great — of 20 countries analysed by the pay station, the percentage of television households in the total population was much smaller than in Mexico, Israel, Brazil and Argentina, and on a par with Egypt

(260)

The current SABC licence fee was modest when compared with fees in other countries, so, as the number of television households in South Africa grew — boosted by electrification programmes — and the SABC increased its licence fees, its income potential would increase Other sources of income for the SABC should take the form of specific government grants for aspects such as educational programming, sponsorship and advertising

While the SABC suggested it would continue to dominate South Africa's media, taking 25 percent of total advertising spending and 60 percent of the electronic market, M-Net believed advertising should be allowed only as a "top-up" mechanism to meet public service broadcasting operating costs not covered by licence fees and grants

M-Net said "Advertising primarily rewards ratings and market share, and accordingly should not be or become the primary funding mechanism of a public broadcasting service Advertising creates a conflict of interest in as much as it diverts the public broadcasting service from meeting public service objectives, while at the same time attempting to be a commercial broadcaster" Experience from abroad suggested important aspects of the service — notably education — might suffer as dependence on advertising grew

WEST RAND Electricity supply restored after Rand Supreme C

Soweto man wins case against Eskom

Sowetan 28/6/94

By Joshua Raboroko

COURT ORDER Pensioner says Eskom and council had no right to switch power off:

THE Rand Supreme Court has ordered Eskom and the Soweto Council to restore electricity supply to the house of a Soweto family after it was cut earlier this month

Pimville pensioner Mr Robert Miyen had his electricity restored after his lawyers had reached an out-of-court settlement with the two parties The settlement was later made a Supreme Court order.

A spokesman for the lawyers representing Miyen yesterday confirmed the settlement, saying electricity to Miyen's home had been restored following the agreement

The lawyers would not say whether the case could set a precedent for thousands of residents whose electricity had been cut by Eskom as a result of the nonpayment of services in the townships

In papers before the court, Miyen had argued that Eskom and the Soweto Council had no right to switch off his electricity supply

He said the Johannesburg City Council had installed electricity in his house in 1977 but that the Soweto City Council had switched it off on May 18 1994 without notice

He contended this action was a violation of his agreement with the Johannesburg City Council.

"I enjoyed the supply of electricity to my house without undue interruption of that supply I had a peaceful and undisturbed possession of the supply to my house," he said

After the supply was terminated, he notified Eskom and demanded that the supply be resumed but was unsuccessful

"The outcome of the case may set an example for future fights against authorities," Miyen said

Pleas for more radio freedom

IBA listens to views on licences

■ BY MICHAEL SPARKS

The Voice of Soweto made a strong plea for limited regulation of the airwaves for community broadcasters during its representations to the Independent Broadcasting Authority (IBA) in Johannesburg yesterday

Voice of Soweto board member Nsimbi Buthelezi said this would allow maximum community involvement, since the radio station ultimately was there to provide what the community wanted

Like many of those who gave oral evidence at the first IBA hearings, Buthelezi said he believed that public broadcasters should have the option of being able to advertise in order to get income, but that the IBA should also leave such decisions, and those of language policy, up to the broadcaster

"Since Soweto has people from across the country who speak different languages, it would be foolish to impose a language policy We would like to use the language as it is used by the people, even if it is not recognised by the constitution," Buthelezi said.

He said that since the country had no history of community broadcasting, temporary licences for community stations were important to give listeners an opportunity to respond to the medium

"Temporary licences would give us practical visibility," Buthelezi said, adding that the licences should be valid for six months, but then be renewable for a further 90 days if the IBA was not then in a position to grant permanent licences

The Rev Mossie van den Bergh of Radio Pretoria was also in favour of effectively granting temporary licences that would last until permanent ones could be issued



Allergy . . . the Rev Mossie van den Bergh (left) of Radio Pretoria said yesterday that he is "allergic" to interruptions caused by temporary licences. With him is Wim Eek, also from Radio Pretoria. PICTURE: RUV-N BOSHOFF

Speaking initially in Afrikaans, which was translated into English by a black interpreter, Van den Bergh said the problem with granting temporary licences was that large sectors of the community had made a considerable investment in setting up their radio station

"We are allergic to interruptions from these temporary licences, because the longest time we ever had a temporary licence for was one month, and the shortest time was six day You can never be financially viable if that is how you are forced to work," he said

Van den Bergh arrived with an entourage of people whom he said represented the various satellite right-wing stations around the country He added that his organisation had created a board of directors for the 15 satellite stations.

Right-wing radio has no air time for blacks

(260) CT 30/6/94

Own Correspondent

JOHANNESBURG — Black Afrikaans speakers seeking to broadcast on right-wing Radio Pretoria were misguided, the station's technical manager, Mr Wim Eek, said yesterday

He was speaking after the first day of public hearings by the Independent Broadcasting Authority.

"Speaking English does not make me an Irishman," Mr Eek said "The history of black, coloured and Indian Afrikaans-speakers is not the history of white Afrikaners"

SA Student Press Union spokesman Mr Nazeem Pather had asked whether blacks who identified with Afrikaans language and culture would be allowed to broadcast on Radio Pretoria if it were granted a licence

Mr Eek said Radio Pretoria promoted the "Protestant, Christian, Western heritage of the Afrikaner"

Radio Pretoria said it accepted the code of conduct in the Independent Broadcasting Act



Radio Pretoria spokesmen Mossie van den Berg, left, and Vim Eek address IBA member Lyndall Shope-Mafole and co-chairman Sebiletso Mokone-Matabane, right, at a public hearing in Johannesburg yesterday to canvass opinion on the issue of temporary broadcasting licences

Picture: ROBERT BOTHA

Broadcasters state their case

MARK ASHURST

THE Independent Broadcasting Authority (IBA) should avoid attaching strict editorial guidelines to the issue of community broadcasting licences, aspirant broadcasters told the IBA yesterday

Addressing the first in a series of public hearings to canvass opinion on community broadcasting licences, speakers said the role of community radio as a "catalyst for social transformation" would be impaired if IBA policies on language and programme content were inflexible.

"Street dialects in Soweto are no respecter of formal language policy," said Voice of Soweto spokesman Nsimbi Buthelezi

Portuguese Radio Cicade chairman Dario Bettincourt said his station would be limited by a standard programme format

Radio Cicade had a responsibility to play African music for Portuguese-speaking immigrants from Angola and Mozambique, while other listeners depended on the station as a source of Portuguese culture

All the applicants at the hearing supported licences that allowed them the option of seeking revenue from advertising and state funding.

No voice for black Afrikaners on station

BLack 30/6/94

MARK ASHURST

BLACK Afrikaans speakers seeking to broadcast on Radio Pretoria frequencies were misguided, station technical manager Wim Eek said yesterday after the first day of public hearings hosted by the Independent Broadcasting Authority.

"Speaking English does not make me an Irishman. The history of black, coloured and Indian Afrikaans speakers is not the history of white Afrikaners."

SA Student Press Union spokesman Nazeem Pather had asked whether blacks who identified with the Afrikaans language and culture would be entitled to broadcast on Radio Pretoria if it were granted a licence

Radio Pretoria chairman Mossie van der Berg said applications would be considered in terms of the principles and constitution of the station.

However, Eek said the question had been "loaded" The station's objective was to promote the "Protestant, Christian, Western heritage of the Afrikaner"

About 20 representatives from satellite stations attended the hearing in support of Radio Pretoria's bid for a licence. (260)

Radio Pretoria's directors decided yesterday morning to establish a board of control consisting of two representatives from each of the satellite stations. The board would establish a network of stations, each registered as a Section 21 public utility, if licences were granted.

Van der Berg hoped editorial policy for community stations could be resolved internally without formal restrictions.

Radio Pretoria had acted in good faith by investing in the industry, and it was unreasonable to expect any authority to lay down effective guidelines during this "experimental stage."

The station accepted the code of conduct in the Independent Broadcasting Act, but Van der Berg said it was "intolerable" that assurances from former Home Affairs Minister Danie Schutte to consider licence applications by the end of 1993 had not been honoured.

Kwazulu/Natal desires flexibility

BLack 30/6/94

ADRIAN HADLAND

DURBAN — The "tug-of-war" developing between central government and the provinces was to be expected with the creation of a new tier of government, but did not constitute a serious problem, ANC Natal leader Jacob Zuma said yesterday.

But Provincial Affairs Minister Roelf Meyer had been told this week that greater flexibility was required towards the region.

KwaZulu Natal premier Frank Mdlalose said the piecemeal delegation of powers together with a central government scheme to exercise financial accountability in the provinces was "grossly unfair, unreasonable and bureacratic".

The problem was that central government was treating all the provinces as though they were equally developed and were infrastructually and administratively similar

"Not all the provinces are the same There is an asymmetry; each has its own idiosyncrasies."

Zuma said central government had tried to work out "a formula" for assisting the creation of provincial government. "We need a different, more adjustable formula," he said

One aspect of the formula, which has been criticised by the KwaZulu Natal cabinet, is the appointment of new directors-general in each province by July 1.

The directors-general, for whom posts had been advertised recently in the national media, were intended to become the principal accounting officers for each region, responsible for withdrawals from the Provincial Revenue Fund. They were also responsible for the allocation to projects and administrations

KwaZulu Natal had 13 accounting officers, 12 from former KwaZulu government departments and one from the Natal Provincial Administration, Mdlalose said

"We can't accept that one person, an interim acting director-general, can step in and take control of a R10bn budget."

The piecemeal granting of powers had also affected the work of KwaZulu/Natal Joint Services boards.

Meyer and his deputy Valli Moosa, who visited Ulundi this week, had also been told that provincial governments required the power to appoint deputy ministers.

Further unhappiness was about central government's interference in local government structures while bypassing the provincial tier.

Sasol extends fuel alcohol deal to R400m

BiDay 11/7/94

SASOL Oil has extended its fuel alcohol contract with Brazil, bringing the value of the export deal to about R400m over 18 months

The company said at the weekend it would supply an additional 120 000m³ of alcohol over and above the initial 300 000m³ contract which was concluded in February It hoped to develop exports to Brazil beyond the 18-month period

MICK COLLINS

A spokesman said the contract's foreign exchange benefit for SA exceeded R150m

Fuel alcohol, a co-product of Sasol's synthol process, would supplement the sugar cane-based ethanol produced in Brazil

During the past three months more than 55 000m³ of fuel had been exported

The export of the alcohol would result in the complete withdrawal of fuel alcohol from petrol supplied by Sasol "This will, however, have no impact on the availability of petrol to the local market The fuel alcohol will be replaced by increased production of petrol from Secunda by way of higher productivity as well as an increase in crude oil refined by local refineries"

Rightwing radio on the move

(260) WM 1-7/7/94

Jan Taljaard

YOU simply can't keep an enthusiastic broadcaster down Willem Ratte, ubiquitous hill climber and driving force behind the now practically defunct Radio Pretoria, is at it again.

Amid rumours that he had gone to Unita's aid in Angola, he suddenly reappeared recently with plans for yet another rebel station.

Various rightwingers have heard of the plans or have been involved in fundraising for the new station

In an ostensible attempt to dumbfound the powers that be, the transmitter will be mobile Some sources say it will be hidden in a truck camouflaged as a delivery van In that way the transmitter can be moved around as broadcasts continue Other rightists say the transmitter will be stationary while broadcasting, but will move from area to area

But Ratte won't say much — even to faithful listeners of the old Radio Pretoria According to them he would not even divulge the wavelength, saying only that they should keep tuning their sets over weekends

Broadcasts were supposed to have started last weekend, but so far no-one has been able to pick them up Keep tuning!

Sisulu kick-starts change at the SABC

(260) WM 1-7/7/94

Change has begun at the SABC with the creation of a 'shadow management' team led by Zwelakhe Sisulu. **Mark Gevisser** reports

THE shake-up at the SABC has finally begun. After a year of delays and argument, the national broadcaster's "Mr Change", Zwelakhe Sisulu, moved boldly this week to kick-start the transformation of the organisation

The SABC has created a "shadow" management, called the Transformation Unit, with the specific task of overseeing the changes needed in the SABC It is headed by Sisulu, the former *New Nation* editor who is special assistant to group chief executive Wynand Harmse. Sisulu, who is tipped to take over the top position when Harmse retires in September, will lead a hand-picked team of about six senior managers responsible for transformation

The unit, which had its first meeting on Monday, is believed to be Sisulu's brainchild Sisulu is currently abroad and was unavailable for comment, but another senior manager noted that the initiative was intended to pull the SABC out of its current logjam.

For the past year, the SABC board has been enmeshed in internal disputes about how quickly the SABC should change, and management has, according to a board member, "shown little willingness to change". By placing itself between the board and management, the Transformation Unit intends to translate board principles into workable policies to be implemented by management.

Well-placed sources within the corporation expect that, in the short term, the unit and the current management will operate as "parallel structures", with the former doing the "thought work" and the latter the day-to-day running of the corporation

But the unit has also been described as "Zwelakhe's shadow cabinet" and it is possible that, after Harmse's departure in September, there will be a restructuring that turns the unit into the senior executive

No formal appointments have been made yet, but it is believed the team will include former *Agenda* producer Hein Ungerer (tipped to be head of training), labour relations chief Christo Pretorius and John Makhene, from the human



'Mr Change' ... Zwelakhe Sisulu

resources department. External consultants will also be hired.

The greatest emphasis within the unit will be on staffing Portfolios will include Affirmative Action, Training and Development, Recruitment and Appointments, Labour Relations and Group Communications. Unions within the SABC will also be brought on board, and the intention will be to pull the SABC out of its personnel crisis: the corporation is riddled with doubts, fears and even intransigence.

"The trick," commented a senior manager, "will be to make the changes that need to be made while regaining the confidence of current staff. If Sisulu can do that, he's three-quarters of the way there."

Major problem areas are in Television News Productions (the SABC's news and magazine unit) and, ironically, among middle and senior black personnel, many of whom feel they are being overlooked in favour of outsiders.

There will also be a portfolio for Radio and TV News/Information and Programming. One of its first tasks will be to sort out the crisis in the SABC newsroom, where, with the resignation this week of former chief editor Christo Kritzinger and the imminent departure of Ameen Akhalwaya, there is no clear system of control

Kritzinger has resigned after a heart attack earlier this year. Akhalwaya was appointed last year as assistant executive director of current affairs and chief editor of *Agenda*. He has, however, come into severe conflict with some of the *Agenda* staff, and has taken four weeks' leave Both he and the SABC have acknowledged it is uncertain whether — and in what capacity — he will return

The board's plan to integrate TV and radio news also seems to have come to nought. It appointed Sisulu, radio head Govan Reddy, and Television News Productions (TNP) head Johan Pretorius to oversee this integration, but the troika has yet to begin operating.

No news person has yet been appointed to the Transformation Unit, but it is believed it may either be Andre le Roux, acting editor of TNP, or that Sisulu will bring in an outside person.

One senior manager notes that "the establishment of this new unit is bound to ruffle feathers, but something needs to be done. This place is a shambles And this unit seems to be the best way to do it — it's the least bloody and most humane approach "

Another adds that "we must act now. Not only to pull the SABC together, but so that we can begin preparing .. for whatever it is the IBA (Independent Broadcasting Authority) chooses to do with us. We have to do this now In six months' time it will be too late "

But some argue that it is too late already "There was a gap around election time and it wasn't taken," notes an outside observer "So you have a situation where there are staff who know they're going to have to go, and who've had a long enough time to find ways to ensure they stay "

SABC receives a bumpy ride at the IBA hearing

Times 3/7/94

By CHRIS BARRON

THE SABC was a victim of apartheid like everybody else, said a member of the Independent Broadcasting Authority (IBA) yesterday.

IBA panellist Lyndall Shope-Mafole was responding to criticism of the state broadcaster during IBA hearings at a Johannesburg hotel.

"The efforts and sincerity of the SABC to change should not be doubted and people have a right to tell the organisation how is should be run," she said.

A member of the small audience attending the hearings to determine criteria for the granting of temporary community broadcasting licences had remarked that "for too long the SABC has been talking change, but we do not see this change".

He was commenting on a statement by the SABC that no more frequency space was available on FM for new broadcasters.

"We doubt their sincerity in saying this," he said.

In hearing submissions from well-known radio personality Tony Sanderson, the IBA's John Matisonn expressed the fear that broadcasters granted licences for community stations would "graduate" to commercial use. (200)

Mr Sanderson, whose Solid Gold station is one of those queueing for licences, raised a cynical laugh from the floor when he asked, "Is there anything wrong with a child becoming an adult?"

Television news reform 'in turmoil'

RESTRUCTURING of public service television had been jeopardised by weak management of the SABC's Television News Production (TNP) unit, senior sources at the SABC said yesterday.

Personality clashes and an unrealistic approach to affirmative action had frustrated reform of TNP, which had become increasingly isolated within the public broadcaster.

However, TNP assistant executive editor Andre le Roux said TNP's affirmative action programme was "a long way ahead of any other business unit within the SABC"

The SABC's flagship current affairs programme Agenda was in a state of turmoil after senior editorial

MARK ASHURST

staff openly criticised executive editor Ameen Akhalwaya, the Sunday Times reported yesterday

Akhalwaya — a former newspaper editor — replaced former presenter Freek Robinson as executive editor of Agenda in August.

The appointment was reported to have exacerbated tensions between editors comfortable with the traditional management style of the SABC and other journalists eager for a greater share in decision-making.

Allegations made by staffers on the programme that Akhalwaya's lack of experience in electronic media made him ill-suited to the post were dismissed by the founder of Agenda, former deputy director-general of programming Carel van der Merwe. BIDay

The high profile of television news made it the most volatile unit in the SABC fold and compounded the need for enlightened management at TNP, he said 4/7/94.

Besides conflicts over editorial policy, sources claimed Agenda's problems were complicated by "the prima donna factor". (260)

Akhalwaya's appointment as an assistant executive editor — although one of six top management positions within TNP, had never been likely to resolve personality disputes within Agenda, they said

why 10 million people a day use it to

Modise alleges internal sabotage in SABC ranks

CONSERVATIVE elements within the SABC were using the Press to discredit members of its board and to sabotage the culture of accountability it was seeking to promote within the organisation, SABC board member Billy Modise said yesterday

Sensational handling of stories leaked to the media by SABC staffers had frustrated attempts to create a culture of transparency in the public service broadcaster Leaks had become the basis of several reports that were "politically or racially motivated", he said

His criticisms were not aimed at journalists collectively, but at elements of the media "with an axe to grind" who had been "less than objective in using leaks from the SABC to attack board members"

SABC chairman Ivy Matsepe-Casaburri was attacked by the media last year after SABC staffers alleged she had confused Sydney and Perth and had disembarked at the wrong

MARK ASHURST

airport on a visit to Australia The confusion had occurred within SABC administration, Modise said

Subsequent media coverage of the new SABC board, including reports that senior SABC staff had used racist language to describe Matsepe-Casaburri, had caused Modise to doubt the integrity of journalists

He declined to discuss the internal problems of the broadcaster before there had been "sufficient input" from staffers and board members, but claimed the SABC would benefit from a period of "quiet diplomacy"

This was unlikely because "there will always be leaks and the SABC is coming from a history of permanent quiet diplomacy" However, the lack of transparency in reforms at the SABC was exacerbated by "sensational" media coverage

The media had a duty to "keep board members on their toes, but by the same token they should not protect staffers"

Modise's comments followed an article in last week's Sunday Times comparing recent criticism by Modise of television coverage of SA's readmission to the UN with interference in SABC editorial policy by former president PW Botha

Modise, a former ANC representative in Stockholm and director of the ANC-founded Matla Trust, was described in the headline as an "ANC official". He claimed a pattern was emerging in the media of "clobbering the ANC through members who are trying to operate honourably in a different capacity" (260)

"As a citizen and a board member I complained that the SABC had not covered (Foreign Minister) Alfred Nzo's speech in an 8pm news bulletin I hold no position in the ANC and professionally I do not act on its behalf This was not a party political issue," Modise said

He confirmed his intention to raise the issue with the SABC board

BROADCASTING

(260) ARG 5/7/94

Panel tunes in to views on community radio

ACHMED KARIEM
Staff Reporter

COMMUNITY radio stations should be given a chance to broadcast extensively on a temporary basis before entering the final process of applying for permanent licences

This was suggested yesterday by Radio Fish Hoek general manager Don Glass in his submission to the Independent Broadcasting Authority (IBA) hearing in the city

The IBA is soliciting the views of interested parties on the rules and criteria for granting temporary community broadcast licences

The hearing was conducted by a three-person panel of IBA councillors consisting of co-chairman Sebiletso Mokone-Matabane, John Matison, and Lyndall Shope-Mafole They were joined by Christo Viljoen

Mr Glass said bona fide community groups needed to determine if they had a radio listenership and had established themselves

"Applications for this licence should not be related to a specific event, but rather be granted as an encouragement to start the process of free broadcasting in South Africa," he said

Licence fees should be kept as low as possible — R1 000 to R5 000 — to suit the community

However, said Mr Glass, a temporary licence would also be required permanently for specific events This would effectively be a second licence

These application and licence fees should be kept low and possibly be based on the degree of local content.

A temporary community licence should be granted for any period up to a maximum of 28 days, with an accumulated maximum of 70 days a year

Professor Viljoen asked Eddie Meyer of Tygerberg Gemeenskapsradio if broadcasters should pay for the right to use the airwaves

Mr Meyer said if airwaves were put out to tender this would favour large organisations with money

Asked if temporary licences should be issued for limited periods only, Mr Meyer wondered whether the IBA would in turn study stations' performance to determine criteria for a permanent licence

Responding to another question, Mr Meyer said community broadcasters hoped the IBA would stipulate about 18 to 24 hours broadcasting a day.

A Bush Radio spokesman said the principle of participation should form the basis of judging whether a radio station was community oriented

The language style would be determined by the listeners

"Where else can one hear Kaapse lingo?" asked the spokesman

Empowering communities through actuality debates would be an essential component of Bush Radio's strategy

The hearing continues today at the Cape Sun

Spirit of community radio alive, hearing told

(260) ARU 6/7/94

Staff Reporter

THE spirit of community radio is alive in Cape Town, Peace Radio presenter Neil Johnson told an Independent Broadcasting Authority hearing in the city.

On the final day of the IBA hearing to receive submissions on criteria for granting temporary community radio licences, Mr Johnson said yesterday that it was endearing to see so many young people involved.

Peace Radio co-presenter Martin Baillie privately said it was unfortunate that some community radio stations were using the hearing as an opportunity to publicise their stations

This was confirmed by IBA co-chairperson Sebiletso Mokone-Matabane, who said the IBA was not yet ready to issue licences.

Mr Baillie said a community radio station should either fulfil a need in a localised community or a wider community — to exchange ideas, beliefs, dreams and lifestyles.

"It's not the place of community radio to garner an audience of listeners to deliver to an advertiser. It's there to serve, to be a part of, and to satisfy the needs of the community it purports to represent," he said.

Muslim radio representative Imaam Noor Davids said the Muslim Judicial Council would help facilitate the setting up of their broadcasting structure.

In answer to a question from IBA councillor Christo Viljoen, he said the Islamic community was a homogeneous community and would allow other Muslim groups a platform.

But in reply to a question from the floor, Mr Davids said groups like the Ahmedias and the Bahai were not Muslim.

Radio Tygerberg, a Christian service that had operated for five weeks, said their aim was to proclaim the Christian message.

Radio Tygerberg representative Louis Joubert said religious broadcasting could play a significant role in stabilising, enhancing and promoting moral standards in society.

He said community radio should not seek financial gain and should re-invest profits in the community.

Radio C-Flat FM, a community radio participation initiative serving the Cape Flats, said their aim was to reach township residents to empower and to aid reconciliation in South Africa

Spokesman Jeffrey Kleinsmith said the community should be encouraged to take part.

He said those who sought "excessive" legislative protection, state support and funding did not realise the long-term consequences of their request.

The opening of the airwaves had to serve the interests of all South Africans.

Radio Tygerberg said they wanted to uphold democratic values and disseminate non-partisan information.

Eskom kicks off power grid plans

BDay 7/7/94

NICK COLLINS

ESKOM has taken the first major step in its plans to establish a sub-Saharan electricity grid, with contracts of about R400m placed in collaboration with Zimbabwe.

The company said yesterday the contracts — placed in SA and Zimbabwe — depended on a down payment by the European Investment Bank (EIB) which was financing the Zimbabwean leg of a 410km, 400KV line between Matimba and Bulawayo.

Zimbabwe was responsible for 60% of the cost of the project on its side of the border which was being financed through foreign loans.

The completion date was the end of 1995 and it would connect SA at high voltage with Zambia through Zimbabwe. On the Botswana/SA portion of the grid Eskom had placed a letter of intent with the line contractors.

Eskom power system planning manager Pierre Rubbers said Eskom was working with Portugal to rehabilitate links between SA and Cahora Bassa in Mozambique. This would cost about R250m with Eskom and the SA government being responsible for some of the cost.

"It is in the interest of Electricidad de Mozambique, Eskom and the Portuguese authorities to have the scheme rehabilitated as soon as possible. A project completion date for early 1997 has been proposed."

The purpose of the interconnections was to create "a kind of a common market" for electricity.

Major extensions of the grid would, in the medium term, span Zimbabwe, Zambia, Mozambique and Zaire and, in the long term, Tanzania, Uganda, Kenya and Angola. (2000)

Eskom envisaged reinforcement of existing agreements and creation of multilateral agreements with neighbouring corporations with the backing of governments.

Each country would finance its leg of the grid but would require cash from bodies such as the World Bank, African Development Bank, the EIB and others.

The grid would bring social and economic benefits to the region and provide economies with a major boost through demand for technical and consumer goods.

Eskom predicted electricity supply opening up among the region's 200-million population, only 10% of whom had access to electricity now.

In the process SA electricity prices would benefit, initially because Eskom would be a net exporter of electricity absorbing over-capacity. Later it would be possible to import cheaper hydro power, thus cushioning capital expenditure demands and production costs.

Eskom had a maximum demand of 24 500MW and generated about 80% of electricity in southern Africa.

Airwave policy 'behind'

(26) ET 9/7/94

Staff Reporter

SOUTH AFRICA is decades behind other democracies in developing broadcast licence policies, Independent Broadcasting Authority council member Mr John Matisson said in Cape Town yesterday

He told a press briefing that the Independent Broadcasting Act provided for three types of radio — public radio, community radio and private (or commercial), and criteria had to be developed

Dr Sebiletso Mokone-Matabane, IBA co-chairperson, said they were soliciting views from the nine provinces and the exercise would be completed by September

IBA member Mr Fred Meintjies said the aim of the IBA was to provide national, regional and community radio for various groups

"The diversity of our country has not come through," he said

Balanced judgment

the key to licensing

Star 9/7/94

(260)

WHY is the issuing of radio licenses taking so long? Chief Reporter JOHN PERLMAN spoke to IBA councillor Frank Meintjies.

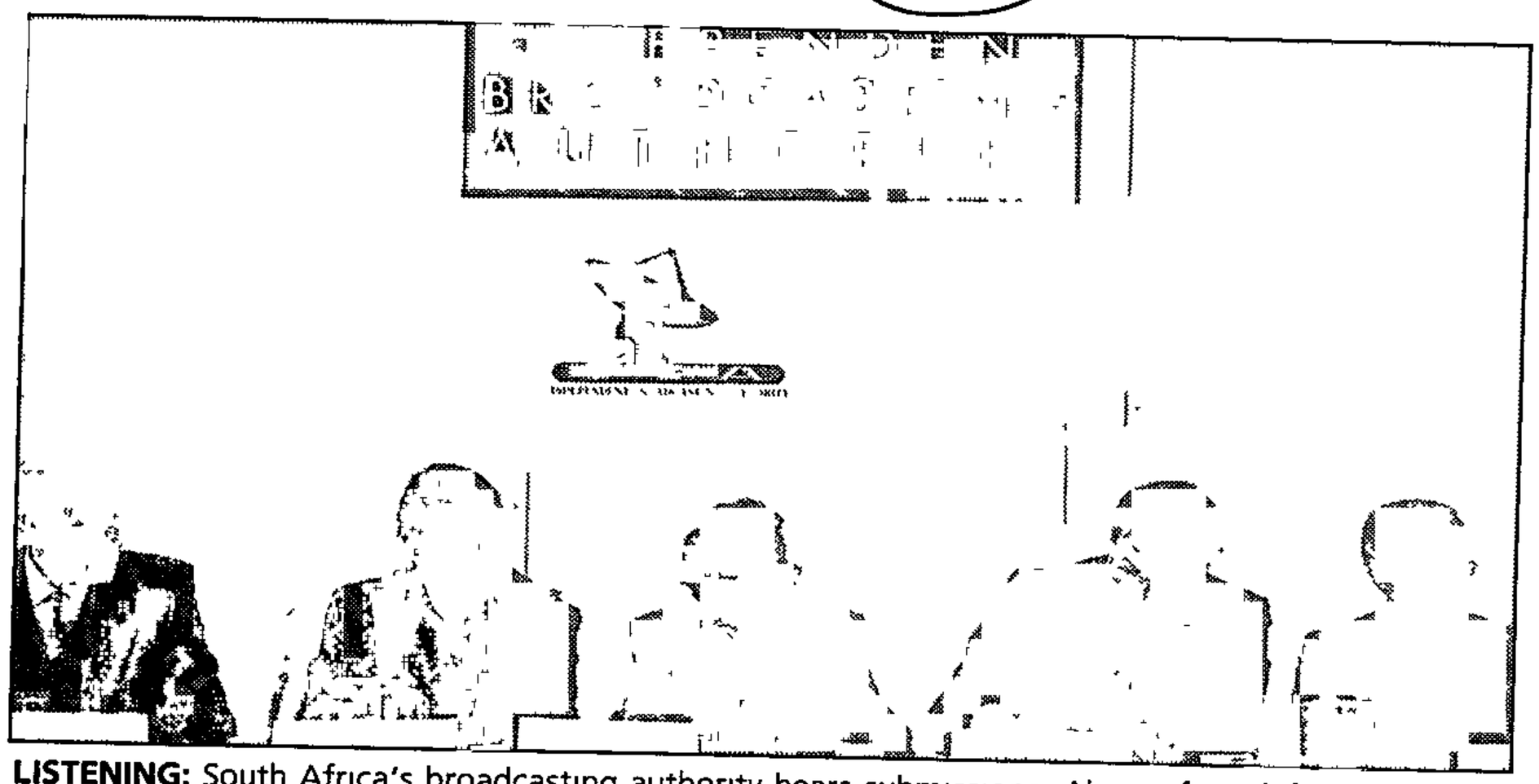
DON'T bother touching that dial — at least not just yet The time might well come when you'll be able to prowl up and down the frequencies, perhaps picking up a new station devoted to promoting Soweto as a tourist destination, another with good news for Christians, a third in Portuguese

There'll be plenty of others, too But however anxious would-be broadcasters might be to get yacking, the process of opening up South Africa's airwaves looks set to be long and complex.

Submissions

"There is a tension between speed and balanced judgment," says Frank Meintjies, one of seven councillors heading the Independent Broadcasting Authority (IBA), charged with restructuring South African radio and television services

"It would be folly to rush headlong into something you then have to straighten out We have to take longer-term objectives into account"



LISTENING: South Africa's broadcasting authority hears submissions Above, from left, are Peter de Klerk, Lyndall Shope-Mafole, Dr Sebiletso Mokone-Matabane, John Mattison and Frank Meintjies

IBA councillors are in Cape Town hearing submissions on draft regulations for the issuing of temporary broadcasting licences After the draft regulations have been published for comment, final regulations will be issued and applications for licences will be invited — probably in September

More hearings will follow Much will depend on a "frequency plan" being drawn up to establish what space is available on the airwaves Meintjies says "Medium wave is wide open, but we need to know how much space there is on FM There seem to be about six spots in the Johannesburg area.

"People say 'Why don't you have one hearing and then issue these licences?' The people who were temporary broadcasters under the old government want to go on air immediately But the IBA Act says the IBA must promote diversity" Many of the new licence-holders are from the white community Assuming licences are dished out immediately, those people would be at the head of the queue, he says

"The country is crying out for new voices and new images We want to see that change but we also want to restructure so that the spirit of the Act, in terms of diversity, is upheld," Meintjies says

Support

"The Act also asks us to look at other things like technical and management capability, and requires us to give licences to groups that look more sustainable"

Issues that appear straightforward are complicated by what Meintjies sees as the IBA's "developmental" role "We want to support community broadcasting and initiatives for training We also want to try to develop a funding aspect to our work through a separate body which would operate like a foundation"

The hearings, which will run for a month, are also uncovering other complexities

Last week's sessions in Johannesburg heard submissions from a Voice of Soweto, a Radio Soweto and from two opposing groups both claiming to speak for the Mofolo Park Community Radio Project

This prompted Meintjies to ask "How should the IBA determine which groups really do have community support?"

The inquiry will by no means finish off the IBA's work Three more inquiries are in progress, all will affect the final shape of broadcasting One will examine the future of the public broadcaster, another, cross-media ownership, and a third, local content

"In the past, people have said 'let the audiences judge' But closer evaluation shows that the situation is a little more complex than that"

Meintjies recently returned from a study trip to Australia, where, he says, "good-quality local productions have been outstripping American imports in popularity

Perspective

"The mood has swung strongly in favour of people seeing themselves on television, their own images That also creates jobs and makes use of talent"

While in Australia, Meintjies says, he got a fresh perspective on the pace at which the IBA is moving "The Australian local content inquiry took three years Their broadcast authority has a staff of 140 We have a full-time staff of two"

'Boer radio station' probed

260 ARG 9/7/94

ACHMED KARIEM
Weekend Argus Reporter

THE Independent Broadcasting Authority (IBA) has confirmed it is investigating allegations that a rightwing radio station has started broadcasting in the Pretoria area

Speculation is that Radio Donkerhoek, led by Boer Kommando leader Willem Ratte, has restarted transmissions using Radio Pretoria's equipment

IBA panellist William Lane said the probe had commenced but they could offer no further comment

The full IBA council met in Cape Town yesterday to brief the media on the IBA's activities and to encourage public discussion.

Present were co-chairpersons Peter de Klerk and Sebiletso Mokone-Matabane and members William Lane, John Matisonn, Frank Meintjies, Lyndall Shope-Mafole and Christo Viljoen

The second stage of the IBA's public hearings to invite views from interested parties on the broadcasting industry ended this week in Cape Town.

The hearings concerned the formulation of guidelines for granting temporary community licences The IBA said it had more than 100 written submissions

Ms Shope-Mafole said the IBA was impressed by the level of participation — 14 community radio stations and interested parties — and especially that of women in Cape Town

"This will ensure a richer media environment for the public," she said

However, Mr Matisonn said South Africa was several decades behind other democracies in terms of the establishment of IBA bodies.

The IBA panel goes to Grahamstown for the next leg on July 11 to hear broadcasting experts and interested parties.

Applications for temporary community broadcast licences will be invited once the IBA report is completed

Slowly but surely airwaves will fill

(269 ALG 9/7/94

JOHN PERLMAN
Weekend Argus Reporter

DON'T bother touching that dial — at least not just yet. The time may well come when you'll be able to prowl up and down the frequencies, perhaps picking up one new station devoted to promoting Soweto as a tourist destination, another with good news for Christians, a third broadcasting in Portuguese

But for a few more months the process of opening up South Africa's airwaves looks set to be slow and complex, however anxious would-be broadcasters may be to get yacking.

"There is a tension between speed and balanced judgment," says Frank Meintjies, one of seven councillors appointed to head the Independent Broadcasting Authority (IBA) charged with restructuring South African radio and television.

It would be folly to rush headlong into something then have to straighten it out, and unfair to the broadcasters themselves."

Mr Meintjies and other IBA councillors are currently in Cape Town, hearing submissions from broadcasters and others about draft regulations for issuing temporary broadcasting licences. After the draft regulations have been made public for comment, final regulations will be issued and applications for licences will be invited, probably in September.

More hearings will follow and much will also depend on a new "frequency plan" being drawn up which will establish what spaces are available on the air.

This process has its critics. "People ask 'Why don't you have one hearing and then issue these licences?'" Mr Meintjies says. "The people who were temporary broadcasters under the old government want to go on air immediately. But the Independent Broadcasting Authority Act says that the IBA must promote diversity.

"Many of the new licence-holders come from within the white community. Assuming we just dished out licences immediately, those people would be in the forefront.

"The country is crying out for new voices and new images. We want to see that change but we also want to restructure so that the spirit of the Act in terms of diversity is upheld."

Diversity is just one issue the IBA has to consider. "The Act also asks us to look at other things," says Mr Meintjies, "like technical and management capability and requires us to give licences to groups that look more sustainable."

The hearings, which will run for a month, are also uncovering other complexities. Last week's sessions in Johannesburg heard submissions from the "Voice of Soweto", from "Radio Soweto" and from two opposing groups, both claiming to speak for the Mofolo Park Community Radio Project.

This prompted Mr Meintjies to ask the hearing: "How should the IBA determine which competing groups really do have community support?"

Cross-media ownership urged

(260) ET 12/7/94

JOHANNESBURG. — The Independent Broadcasting Authority should promote diversity in broadcasting by regulations that encourage, rather than limit, participation by the print media, says the Newspaper Press Union.

In an 18-page written submission to the IBA, the NPU argues for cross-media ownership in the broadcasting industry.

It concedes that circumstances might arise in which it would be in the public interest to deny a broadcasting licence to a newspaper publisher, but says the opposite might also apply.

It says the opening up of the broadcasting industry will prejudice smaller newspapers that rely heavily on local retail advertising.

"Allowing new private broadcasting services to be launched while denying local newspapers the right to significant ownership of such services may well lead to the closure of a number of print titles at the regional, local and community level"

This will result in fewer voices being heard, instead of increasing the diversity of published opinion, and will undermine efforts to increase literacy. — Sapa

Iscor to spend R45m increasing output

MICHAEL URQUHART

ISCOR would spend R45m to expand tinplate production by 50% at its Vanderbijlpark works, it said yesterday.

Capacity would be increased by converting its tin-free steel line to a tinplate line.

The horizontal halogen process tinning line at the works had an annual capacity of 260 000 tons a year.

Iscor took the decision to increase production after market research showed that demand would lead to tinplate imports this year of 45 000 tons, while the tin-free steel market continued to decline.

Iscor estimated that being able to produce the tinplate at its factory could save SA R126m a year in forex.

Tinplate was used predominantly in SA as a metal packaging material, and according to Iscor market growth should continue for at least the next 10 years

Language row

BLOEMFONTEIN — The Federasie van Afrikaanse Kultuurverenigings will no longer tolerate Afrikaans being scaled down by the electronic media in favour of English, it was decided yesterday. (58) (260)

Drastic steps against the SABC will be considered if it stressed English as the national language — Sapa

ST 15/7/94

Offshore buyers boost Sappi, Iscor and Sasol

Bday 20/7/94

GEOFFREY WIDAN

STRONG offshore buying was behind Sasol, Sappi and Iscor's recent gains to record highs, analysts said yesterday

An analyst said the shares were previously undervalued and were moving upwards on fundamentals. (260)

Last week Sasol peaked at R28,25, Sappi R52 and Iscor 403c, before coming off slightly yesterday in line with the weaker trend on the JSE. The counters have been moving up strongly this month, registering further gains from the last quarter of 1993

Sappi's share price had soared mostly due to better international pulp and paper prices and a weaker rand, said analysts

Investors had accepted chairman Eugene van As's view that earnings for 1995 would improve greatly.

German subsidiary Hannover Pápier- was expected to break even or produce a profit this year, Sappi finance director Bill Hewitt said earlier this year.

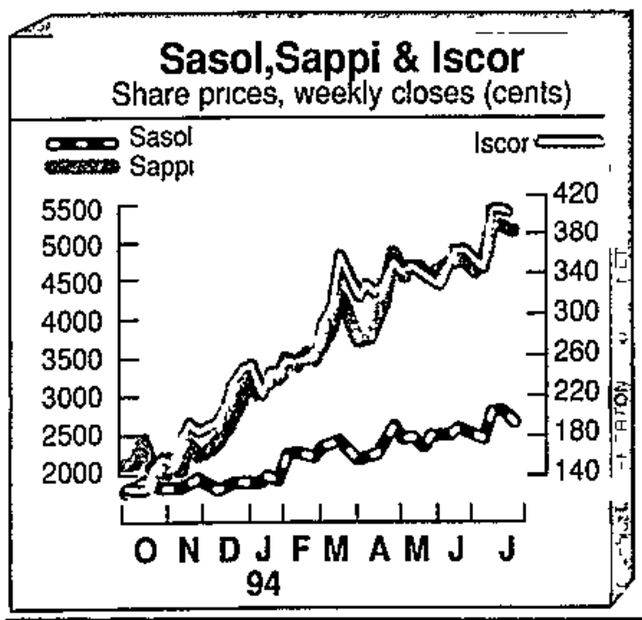
Sasol ended its 1993 financial year with an 11,2% increase in operating income to R1 955bn. An analyst said a depreciating rand would encourage export sales

Further good news this month was that it's fuel contract with Brazil was increased 40% to nearly R400m over 18 months, and Sasol hoped to export beyond this period.

The share's run was heightened when liquid fuels task force members of the National Economic Forum said last month government involvement in Sasol was unlikely to change Government supported Sasol with R622,7m from it's Equalisation Fund in the year ended March 1993.

Iscor benefited from improved local and international economies, resulting in increased demand for steel

Rand depreciation, added to expanded output, had strengthened the outlook for earnings Restructuring and rationalisation have strengthened confidence in the share, with analysts expecting earnings a share of between 25c and 30c — up to double that of last year



MASS ELECTRIFICATION

Fin 22/7/94

How to carry the cost

(260)

Electrification of millions of homes must not be a political football

The cost of electricity is about to explode again as a major political issue, as it did in the mid-Seventies when the price went up on occasion by more than 20% a year Then middle-income consumers had to pay for the political advantage the Nats saw in having kept the cost of electricity in the Sixties below the cost of major generating inputs, such as coal The poor simply had to do the best they could with wood and coal fires

Now middle-income consumers and commerce and industry will have to pay for extending a cheap electricity supply to some townships and many country folk who will not in the foreseeable future be able to pay anything like a commercial rate To the romantic that may be fair retribution But sound economics for future prosperity is seldom compatible with retribution

Now — as in the Sixties — the rationale is political a means of buying peace among those deprived by apartheid and the liberation struggle from jobs and the normal processes of progressive rural development

The cost of past folly will not only be high in terms of the squeeze on household and corporate budgets, it will be reflected in lower economic growth as local undertakings have yet another impediment placed on their ability to compete abroad They will have to face the cost of a major industrial input most likely growing faster than earnings

The short-term political need is difficult to gainsay, whether presented as the achievement of equity or as retribution But that will not overcome the economic cost which could create worse political problems in future

However, economic folly and political opportunism can be mitigated First, by leaders who understand and can point out that immediate sacrifice may be worth longer-term economic advantage In the unlikely event of that happening, transparency of purpose, careful financing and adroit management may be able to draw some of the string

Electrification of millions of homes is an understandable aspect of social improvement and one of the keys to political stability Black urban areas are the first major goal, though rural electrification remains very much on the agenda A good start has been made, largely through Eskom's extension of its retailing function — one it assumed reluctantly and only because of the collapse of black local authorities

Eskom's role as retailer has been buttressed by the fact that the civic associations and ANC are dubious about local authorities' will to reticulate electricity sufficiently widely at what they would regard as a reasonable price

But while Eskom may enjoy the trust of the newly enfranchised, the extension of power to those who cannot fully afford either the capital cost of the connection or the running costs is a problem that promises to become much larger, if not critical Reticulation into these areas is already resulting in cross-subsidies from other consumers, including industry and mining, where international competition will increasingly be felt

As the electrification programme gathers momentum, the cost of cross-subsidies will rise Eskom's pricing chief Hendrik Barnard, who is helping the National Electrification Forum (Nelf), calculates that the cumulative impact of Eskom's total programme to date has needed a subsidy from customers equal to about 2,5% of all tariffs, at the true cost of supply This includes an allowance for surplus generating capacity



McRae

Serious and urgent debate is required about the soundness of present financing methods There has been far too ready an acceptance of the ANC's view, put forward in the RDP, which calls for electrifying an additional 2,5m households by the year 2000 This is estimated to cost about R12bn, with annual investment peaking at R2bn — to be financed within the industry as far as possible via cross-subsidies

Nelf secretary Johan du Plessis says the forum's management committee has accepted that electricity supply should move to a national tariff system — presumably under the direction of a proposed national regulator This would reflect more cost-related tariffs for general domestic customers and subsidies for poor customers

High usage customers now being subsidised by some local authorities would pay more For some consumers, increases of 30% or more are possible However, increases would be phased in over a reasonable period Time-of-use tariffs would also be offered, which would enable consumers to manage loads to minimise the impact of the increases

Barnard says Nelf is adopting Eskom's present domestic pricing policy, which requires domestic customers generally to pay cost-reflective tariffs These should include a two-part tariff (fixed charge plus energy charge) as well as a time-of-use tariff to reflect higher costs at peak periods

Within the electrification programme, most consumers are poor and use small quantities of power, so are being offered a subsidised tariff As consumption rises to exceed about 400 KWh/month, depending on each situation, the subsidy will disappear

Chart 2 shows the extent of the subsidy and reflects the shortfall of the customer s monthly payment related to power used against the requirement of covering fixed and variable costs of supply

Du Plessis concedes that some local authorities may find it difficult to obtain funding for electrification If they can't meet their obligations, they would have to concede their right of supply either to Eskom or to another local authority

Another means of meeting these costs could be a general levy on electricity, but Nelf doesn't envisage this for the near future Should it be needed, an undertaking would have to be created to raise, manage and allocate revenue, some fundamental thinking would have to be done on who would pay and who would benefit

Where necessary, says the RDP, government should provide concessionary finance for electrifying poor households in remote rural areas, while a national tariff structure with low connection fees should be applied to promote affordability The RDP also argues for a national electrification fund, underwritten by government guarantee, to raise bulk finance

The vigorous programme now initiated has 1994 targets of 250 000 connections for Eskom and 100 000 collectively for local authorities Barnard says the industry electrified 506 000 homes between 1991-1993 Of these, Eskom suplied 414 000 at a total cost of R1,1bn Eskom's plan for 1994 will cost R796m and the future annual target of around 300 000 should cost around R1bn The programme does not envisage the poor being able to pay full capital and operating costs in the foreseeable future

Whatever may be said of past Eskom planning, a big generating surplus means that capital costs of increasing generation will be modest However, Barnard says this must be qualified Though transmission networks can provide electricity to many areas, extensions and strengthening are needed to township boundaries, inside townships and, of course, individual connections

Furthermore, technical staff to install networks will have to include outside contractors To attain quality service, large numbers of people will have to be trained Resources will be stretched to their limits

Though non-payment of electricty bills is still an issue, this is small relative to other electrification costs It is more significant with existing township customers This problem is only likely to be solved when new, non-racial local authorities are established and service improves

But that raises another vexing question Impending fundamental restructuring of local government has to take into account that profits on electricity are often used to subsidise other services This policy, says Barnard, has kept municipal prices for large customers high and — in conjunction with a wide range of pricing practices — caused diversity in domestic tariffs (see chart 1)

There is strong support in Nelf for the view that retail supply of electricity should eventually be taken away from municipalities and placed in the hands of a national agency Ian McRae, chairman of Nelf's management committee, says several advanced industrial countries, including New Zealand, have successfully followed this route But Barnard says opinion is split on the final structure, though there is agreement that the industry should be rationalised to address present insufficiencies and spread the cost of electrification

At the very least, argues McRae, we need a national regulator of retail prices, to prevent irrational divergences in tariffs. For the present, Nelf accepts that power should be supplied by a combination of municipalities and by Eskom where local government has proved inadequate

However, we should not assume that major metropolitan centres will easily surrender present powers and sources of revenue Indeed, considering the administrative machines built up over many years, it would be folly to dismantle them

Johannesburg city treasury spokesman Grant Easton argues that in metropolitan areas Eskom's role should diminish, not be extended He says Nelf initially contemplated ring-fencing municipal electricity surpluses for electrical upgrading It was opposition to this from local government — specifically from the embryo Central Witwatersrand metropolitan government — that initially caused Nelf "to fall flat " His view is that use of electricity surpluses for cross-subsidy will have to continue in some form

Tariffs will still have to be structured locally, regardless of whether a national tariff is imposed "Local" authorities will be metropolitan rather than local and cater for a larger portion of the community But, argues Easton, all of Johannesburg's services are already metropolitan in nature Electricity should not be funded in isolation from other services, as it is only one of many provided by local government

Simply, if the cities are deprived of this income, rural poor may be given access to cheap electricity, but there'll be urban decay where the bulk of the population resides — and aspires to reside

He maintains the Central Witwatersrand Metropolitan Forum intends upgrading and reconstruction to form part of a holistic process, whose funding must take priority over funding of individual services Where that funding is to be found is being examined

Easton believes that local government should not recede from electrification as it provides — for the most part — the ideal delivery mechanism for both the national and provincial RDPs

If that be so, there should be great wariness of an eventual national retail distributor By its very nature a national body would heighten the politicisation of supply, for it would focus dissent away from local conditions, which might differ substantially from national objectives, and offer opportunities for political patronage

This issue is likely to remain academic for years, longer even than Nelf itself acknowledges Apart from the likely shortage of staff to run a national retailer, to deprive local authorities of electricity retailing as a major source of revenue (probably in aggregate in the region of R1,6bn annually) would cause a grave crisis in municipal finances

So Nelf, without much choice, has decided on an interim period in which electricity will be retailed much as now Major city (or future metropolitan) councils are recognised as efficient administrative units, and will continue to operate as retailers In many cases, black urban areas will be supplied by Eskom As Eskom hands over urban areas to future local authorities, it will divert its efforts to the rural areas

This defers the issue of uniform pricing Nevertheless, creation of new units of third tier government will create disparities in the numbers of affluent and disadvantaged residents This in turn would set up divergent financial demands on the new units — that is, if many local authorities retain their role as retailers of electricity The enormous and complex task of creating new provincial and third tier governments should tell us that any interim arrangements will endure far longer than optimistic planners dream

The cost of electrification must also be addressed in the national macro-economic context Smuggling in a further tranche of subsidised redistribution through Eskom's budget and local government is undesirable and distorting

In particular, it increases the already substantial financial burden on the business community and middle class The other possibility open to third tier governments of loading rates would hardly be an improvement, especially in relation to industrial costs and the incentive mechanism for the already hard-pressed middle class

To limit political dissent and foster economic discipline, financing through subsidies must be transparent so that the total burden of redistribution can be fairly and constantly evaluated and clearly seen as part of the cost of the RDP As the capital cost of supplying electricity is normally included in the cost of a new house, one route could be the national housing account

The RDP proposal for a national electrification fund could have merit Not only could it serve as an accounting device for isolating costs, it could also help in obtaining long-term foreign finance which, though the burden of repayment on future generations will be heavy, will give time to accomplish widespread electrification without sacrificing too much immediate economic growth

A substantial electrification bond floated abroad designed to capture aid and other humanitarian financial flows could help government out of difficulties arising from conflicting political and economic objectives It could be presented to investors as a sign of government's confidence in its own policies

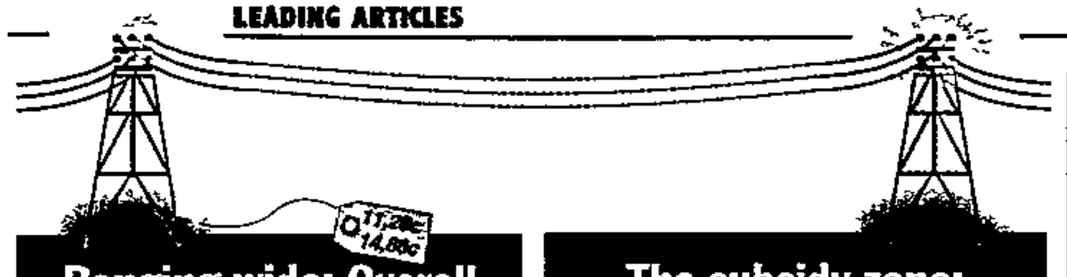
But nothing would overcome the problem of financing massive expansion of electrification over a specific period, without constricting economic growth unduly, other than the injection of permanent equity capital

The sensible means of doing this is to identify undertakings that could be progressively privatised That might require careful consideration and substantial compromise But to reject it out of hand is to identify ideological prejudice rather than an overwhelming desire of government to achieve its electrification and other social objectives ■

LEADING ARTICLES

Fin 22/7/94

(260)

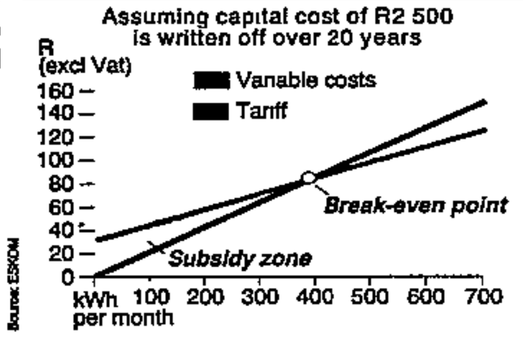


Ranging wide: Overall average electricity price

INDUSTRIAL AND COMMERCIAL CONSUMERS, cents per kWh

	1993	1994	% increase
ESKOM	10,56	11 28	*6,99*
JOHANNESBURG	13 34	14,88	*11,60*
DURBAN	12 88	14,32	*11,32*
PRETORIA	12,57	13 80	*9,58*
CAPE TOWN	12 51	13,49	*7,97*

The subsidy zone: Cost/revenue analysis



Mini-series draws IFP ire

CT 22/7/94

DURBAN. — KwaZulu/-Natal Premier Dr Frank Mdlalose joined the IFP yesterday in condemning a television mini-series on political violence.

Dr Mdlalose slammed CCV's broadcast of The Line, saying he was "disgusted" by it. (260)

"We do not need shows like this at a time when we are working to ... bring about peace."

Earlier the IFP Youth Brigade demanded the programme be scrapped and threatened a sit-in at the SABC's offices.

Produced by British, German, Dutch and Finnish television companies and shown overseas before the April elections, the series depicts the terror of political violence.

The producers of the controversial series expressed alarm yesterday that a political party could interfere in broadcasting decisions. — Sapa

SABC boss outlines problems

Business Day Reporter

THE SABC board had to spend too much time intervening in the management of the corporation during its first year in office, according to the chairman of the board Ivy Matsepe-Casaburri

Interviewed in the internal quarterly magazine Radio and TV, Matsepe-Casaburri said board decisions were not always implemented at management level

"Unfortunately, the board has to take final responsibility for all policy matters, and their implementation, so we had to become involved in the management side"

Too much time had been spent on such activities and that had hampered the board's actual task.

Because of the time and effort put into covering the election, very little time had remained for monitoring the implementation of the values and visions of the board.

Mechanisms had now been put in place to monitor the process, and initial indications were that some of the values had become firmly entrenched while others had been neglected.

Matsepe-Casaburri said the lack of visible changes at the SABC could be attributed to the nature of change

"We are continously working on change, but in many instances this is a slow process because we do not want to make overhasty decisions we may regret later This is especially true in a position where you feel accountable for these decisions"

She said the election coverage had been one of the major achievements of the new board The presence of foreign advisers had limited the number of flaws

However, mistakes were made in the coverage of the inauguration of President Nelson Mandela.

"With the inauguration — after the foreign advisers had left — our weaknesses came to the fore," Matsepe-Casaburri said

urday, July 23 1994 ★

Storm as CCV drops series

CT 23/7/94 (260)

Drama is a threat, says IFP

By IVOR CREWS

A STORM has erupted over the suspension of the last two episodes of the controversial three-part drama series The Line on CCV after concerted pressure by the Inkatha Freedom Party.

Ms Pearl Mashabela, publicity manager of CCV, said it would be decided within the next few days when the rest of the series would be shown The first episode was screened on Wednesday night

The series, set against the political violence during the transition to democracy, tells the story of a young poet who flees Soweto with his girlfriend after he witnesses a train massacre He is afraid he will be the next target after he recognises one of the killers

Ms Mashabela said CCV head Mr Madala Mphahlele decided to postpone the showing of the last two episodes after the Inkatha Youth Brigade and an IFP Transvaal leader, Mr Temba Khoza, felt it was a threat to peace and reconciliation and implied hostel dwellers were responsible for the violence

She denied CCV had bowed to political pressure but said some viewers were disturbed by the content.

"We feel audiences have the right to choose what they want to see We are against censorship

"It is disturbing the film has been judged on only one episode, but seen in its entirety, the story is put in perspective," she said.

Reacting to the suspension, the producers expressed alarm that a political party could "interfere in broadcasting decisions", saying it did not bode well for the future of SA television

This was after the IFP attacked the series for depicting the party in a bad light

Producer Mr Jeremy Nathan and director Mr Brian Tilley said if the spirit of transparency was to permeate the new culture of reconciliation, then all South African audiences should be allowed to decide for themselves.

The Media Monitoring Project described the CCV decision as "outrageous" It said the worst fears of the public were confirmed that the SABC continued to run a political tightrope and was not run as a public broadcaster

"The contempt shown by CCV's Mr Mphahlele to the viewing public and CCV's weakness in the face of political pressure seriously calls into question the commitment of the SABC to public service ideals, and highlights the incapacity of SABC management to resist political pressure," it said

The SACP said CCV's decision "showed an appalling lack of moral fibre", saying the series dealt with the "real lives of the majority" in an open-minded way

However, the Media Workers' Association of SA has welcomed CCV's decision.

Sisulu to deal with TV crisis

(260)

SABC to ask for overseas advice

ARG 23/7/94

LOUIS de VILLIERS
Weekend Argus Correspondent

JOHANNESBURG. — The South African Broadcasting Corporation's chief executive officer-elect, Zwelakhe Sisulu, is to play a pivotal role in efforts to restore calm and competency to the corporation's troubled television news and actuality division, TNP.

Mr Sisulu confirmed yesterday the SABC wanted to employ a foreign broadcasting consultant, probably from the British Broadcasting Corporation or the Australian Broadcasting Corporation.

The consultant would assist André le Roux, the man acting in the position of TNP editor-in-chief following the announcement that Johan Pretorius was to retire early, he said.

The new TNP top management will report directly to Mr Sisulu who describes the plan as an "interim arrangement" to ensure that a consultative process is embarked on to rid TNP of its paralysis.

"We are not looking only at stabilising the situation We want TNP to improve, to become better," said Mr Sisulu

SABC staffers, meanwhile, said morale in the corporation's corridors had sunk to a new low. It was still unclear why 180 staffers signed a petition last week expressing no confidence in TNP management, with some exceptions

An anonymous caller alleged the petition was sparked by a management decision to refrain from taking disciplinary steps against a recent affirmative-action employee who embarrassed the SABC in public.

It was alleged this staff member fell asleep while covering a court case. Her snoring became disruptive to the extent that the judge had to have her ejected from the courtroom.

The judge, it was alleged, telephoned Mr Le Roux to complain.

"No judge called me about any incident," said Mr Le Roux. "I recall, however, an incident where management had to protect a member of staff who had fallen ill"

Senior SABC sources, however, cautioned that this incident should not be taken out of perspective.

"To pinpoint the exact cause of discontent at TNP has become impossible It has become a diffuse situation — a general malaise," said a source.

Mr Le Roux indicated that a number of steps were being taken to get TNP back on track.

He said the media may be contributing to the unit's problems by disseminating inaccurate information.

"You are listening to the wrong people," he said

Bid to tackle malaise in SABC news division

Star 23/7/94

LOUIS DE VILLIERS

THE South African Broadcasting Corporation's chief executive officer-elect, Zwelakhe Sisulu, is to play a pivotal role in efforts to restore calm and competency to the corporation's troubled television news and actuality division TNP (260)

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BUSINESS

Iscor likly to turn in improved profits

Star 26/7/94

■ BUSINESS STAFF

After some brittle years investors in steel group Iscor can brace themselves for a reinforced profit in the year to end-June.

E W Balderson analyst Louis Venter is predicting a strong 66 percent increase in earnings a share to 25c (previously 15c) for the steel giant.

He estimates a dividend of 9c (5c) will be paid for the year — an 80 percent increase on June 1993. (260)

Exactly a year ago Venter was spot on in his earnings forecast for Iscor's 1993 financial year. (1993)

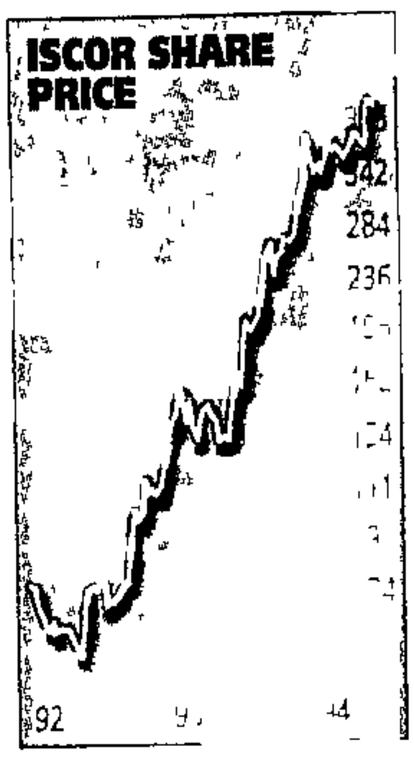
He attributes the strong showing to the lower rand/dollar exchange rate (boosting export revenue), the improved local economy and a substantial reduction in debt.

Venter added that new managing director Hans Smith had been an extremely succesful appointment, adding zest to the beleaguered group through numerous innovations.

But he stressed: "Don't forget former managing director Willem van Wyk, who laid the foundation for Iscor's recovery."

Venter sees Iscor's recovery continuing through to June 1995, and his early forecast is for earnings of 36c a share.

Iscor has recently clinched some viable offshore business, including a R45 million partnership deal to develop a Chinese iron-ore harbour and three-year coal exploration rights in Australia.



SABC does not want to be dictatorial, says chairman

THE SABC is ideally suited to take responsibility for the broadcasting services of the former TBVC states, but does not want to be a dictatorial, all-powerful broadcaster in SA, says SABC board chairman Ivy Matsepe Casaburri.

Interviewed in the SABC's quarterly magazine Radio and TV, Matsepe Casaburri said a decision on jurisdiction over former homeland broadcasters did not rest with the SABC

"We don't want to be the all-powerful broadcaster in SA, and we don't want to dictate. But, if requested, we are quite prepared to accept this responsibility. This decision, however, rests with the Independent Broadcasting Authority, the Minister responsible for broadcasting and the state," she said.

A major challenge facing the SABC was the rapid development of satellite technology, but Matsepe Casaburri said this prospect should not immobilise the corporation because it could be used to the SABC's advantage

Business Day Reporter

"Despite the fear that we will lose audiences to others due to satellite technology, there will always be people who would prefer to experience SA as South Africans first rather than tuning in to international services BDay

"The greatest challenge therefore, is to place a sharper focus on what we do best, on our role as public broadcaster 25/7/94

Satellite technology would also make regional broadcasts, such as regional news programmes, possible and open up advertising opportunities for smaller entrepreneurs at local level (260)

"We are also busy with the development of our local product, and the chamlenge facing us in this regard is to produce good quality local productions.

"We need to show SA and the world that relatively inexpensive productions produced for mass consumption need not be of a poor quality"

NEWS

No language policy yet, says SABC

Star 26/7/94

■ BY MICHAEL SPARKS

The SA Broadcasting Corporation has not arrived at any language policy for the corporation, according to a statement from the chairman of its board, Dr Ivy Matsepe-Casaburri.

She was reacting to press reports which stated that the SABC planned to drop Afrikaans from TV1

"The language committee of the board, is the one that has been mandated to draft such a policy after consultation with a wide spectrum of stakeholders," the statement said.

Discussed (260)

It added that "the matters or recommendations which have been the subject of media speculation have not been discussed by either the language committee or the board itself".

According to Matsepe-Casaburri, the language committee would have to take the Interim Constitution, the Independent Broadcasting Act and the board's vision and values into consideration before coming to a decision.

Meanwhile, legal experts said yesterday that if the SABC did decide to downgrade Afrikaans on TV1, concerned groups could bring the issue before the Constitutional Court, although they would have little chance of success

SABC to unveil radical plan to restructure radio

BDay 27/7/94

RADICAL proposals for the restructuring of SABC radio would be announced next week, divisional CE Govin Reddy said yesterday.

But a staff petition, which calls for the creation of a transformation unit to oversee the restructuring, could scupper the proposals.

The petition will be submitted to SABC management later this week. It demands the establishment of an interim committee to advise the SABC board on restructuring the radio division.

The draft petition said problems within radio were more acute than those facing TV because Reddy had retained discredited managers as advisers and journalists had no confidence in editorial staff.

Reddy said while proposals for the future of SABC radio would be unveiled before a meeting with

MARK ASHURST

unions on August 9, there was "no question of ideas being presented to the board without their approval". The plan needed to be endorsed by the unions. (260)

There was enough time for consultation and proposals from staff, Reddy said. He would delay his final recommendations to the SABC board if staff had legitimate objections.

Several union sources said, however, that a lack of consultation had eroded the goodwill that greeted Reddy's appointment in January

Resentment was fuelled last week when Reddy issued a press statement claiming a climate conducive to change prevailed in SABC radio.

He said tensions within the SABC's television news department had been precipitated by rapid change and an affirmative action programme that failed to take training needs into account.

Meanwhile, after a meeting yesterday with acting executive editor Andre le Roux, staff said that the appointment of a TV transformation unit by assistant chief executive Zwelakhe Sisulu was the first sign of a commitment to consultation from management.

Staff attributed the change to intervention by Sisulu, who is tipped to succeed Wynand Harmse as the SABC's CE later this year.

"He has realised his reputation is at stake. In the past we only had a show of consultation," said one well-placed source.

☐ Sapa reports that Azapo warned yesterday of a TV and radio licence payments boycott because plans to introduce Afrikaans to CCV would reduce the already limited time on the channel for black languages.

Gov- have push ettes mas- ling, nair- said nual ex- much that pac- ttes cut rev- ex- ense an- but Ru- rm- be to ast nd r.

nav turn to police | **AWB men guilty** | Mandel

This week Independent [illegible] members completed the first round of public hearings on the rules and criteria for the granting of temporary community radio licences

A draft report will soon be presented to the full IBA council and by mid-September the public will hear their recommendations

Soon afterwards submissions for temporary licences will be considered

The IBA — the body charged with the task of deregulation — still has to look at the funding of public broadcasting, local content in programming and cross-media ownership

The SABC, premier of the KwaZulu-Natal government, several universities, Radio 702, the Newspaper Press Union, Afrikaanse Taal en Kultuur Vereniging, unions representing broadcasters, journalists and artists, Nasionale Media and a variety of radio and television companies have made submissions on this matter

According to an IBA briefing document, most submissions assume there will be a public broadcaster in the form of the SABC

Incorporation

Many also argue that broadcasters from the four former TBVC states be incorporated into the public broadcaster on a provincial basis

The submissions recommend that the public broadcaster's viability be protected, at least in the short-and-medium term

They argue that the deregulation of the airwaves, the changing political and constitutional environment and changes in broadcasting internationally, will impact on public broadcasting and the SABC should not collapse under these pressures

The regulation of broadcasting should allow for public and private broadcasters to exist side by side

in the new dispensation:

And while there is agreement that the public broadcaster should exist, nearly all say that it has to be restructured.

It should also be free of government interference

The SABC should be restructured — especially to reduce the running cost of the corporation and enable it to deliver a better and more public-orientated service, they say

Currently, 70 percent of SABC revenue is from advertising, 25 percent from licence fees and five percent from other interests

Future funding of the corporation is a crucial question.

Some recommend that the SABC should continue to rely on advertising as well as licence fees This would mean that the profits from its commercial stations would be used to cross subsidise its loss-making stations

Revenue earners

Others argue that there should be a combination of licence fees and taxation and that advertising should be dropped

Several argue that commercially profitable stations should be sold either partly or entirely to bring private entrepreneurs in the market

There is also debate on the future of Sentech, the country's main distributor of signals for radio and television, which is wholly owned by the SABC

The SABC has proposed outside directors to Sentech's board and says the ownership and control of the unit is the subject of continuing discussion

Others have called for Sentech to be separated from the SABC as there will always be a question over whether independent broadcasters receive equal treatment

The second inquiry will deal with the cross ownership of private broadcasting services

Hectic debate is expected as many want the issue of the SABC as South Africa's biggest media monopoly to be sorted out first.

Many submissions argue that there should be limitations on cross media control

There should be greater diversity as far as ownership of licences is concerned

At present, media ownership is concentrated and there is a need to restrict cross-media ownership by the major press groups

The third inquiry will deal with local content on television and radio

Single quota

A large number of submi[illegible]sions argued against im[illegible]ing a single quota that would apply to all stations, while there are some who would like to see a quota of up to 50 percent

The definition of "[illegible] African music" was also a problem

Should it be determi[illegible] by the artist, producer, geographic location or by ownership of the production?

More television d[illegible] should be produced locally as that would stimulate the industry, submissions sa[illegible]

However, the high cost o[illegible] these productions, co[illegible] also threaten the viability [illegible] some broadcasts

IBA starts process to free airwaves

■ BREAKING GROUND

Broadcasters — public and private — should be allowed to exist and complete side by side

By Sharon Chetty

FOR DECADES, the dictators at Auckland Park — with consent from their Cabinet masters — decided what we listened to and watched on the small screen

But with the imminent deregulation of the broadcasting industry, we can look forward to a greater variety of stations on our airwaves

Guardians of the IBA

BY the time the Independent Broadcasting Authority completes its mammoth task, the multimillion rand industry will be undergoing significant changes. And the people chosen to be guardians of this process are specialists who will ensure that no arbitrary decisions are made and the public's interest is protected. They include:

- [illegible] ...1979 ... education ... education ... broadcasting ... books on ... Vilioen is a ... roadcasting ... d frequency ...
- Corbett ... corporate busin... Executiv... ...er chief ... councils of ...
- Br... John Matthews ... the Public ... mer ... Campaign for Open ... and has been South... correspondent for National Public ... was also a Washington bureau chief for the Morning Newspaper Group.
- ... chairperson of ... ons forum that was launched ...
- ... professor of social ... University of Cape Town ... former Residential Fellow ... has also been ... Commission on ... and is author of two books on Zulus in South Africa.
- Former ... *Witness* journalist and ... lumnist, Frank Mcintyies was also previously the information officer of ... executive ... or of the community based development programme.
- ... m Lane is a recently retired partner ..., Dewar and Hall and has held sundry ... of companies ... former chairman of the ... tive Dispute ... ation of SA

Row erupts at SABC

Sowetan 29/7/94

By Mathatha Tsedu
Political Editor

A ROW has broken out within the SABC over the implementation of affirmative action

A TNP transformation committee appointed by assistant chief executive Mr Zwelakhe Sisulu — which includes former *Sowetan* managing editor and now television news editor Mr Joe Thloloe and news reporter Sefako Nyaka — has been rejected by workers

Workers say the appointment of the committee was unilateral

At a meeting of members of the Media Workers Association of South Africa, angry TNP workers accused management of overlooking them and of lack of consultation They demand that the committee should include representatives of the union

These demands are to be presented to Sisulu and other senior officials at a meeting on Monday Attempts to reach Sisulu yesterday were fruitless He is overseas

However, a senior official said the committee was to provide workers with a platform to discuss their ideas of transformation He said workshops with workers, to enable them to make inputs which would then be taken to the board, were to be held (200)

The official felt that apprehension by underqualified black employees, who saw the inflow of print journalists as a threat to their own jobs, lay behind the resistance to the committee

Whites, on the other hand, see affirmative action as taking away their jobs

Death threats for The Line producer

(260) CT 29/7/94

JOHANNESBURG. — The National Hostel Residents Association yesterday threatened to kill the producer and actors of the television series The Line if SATV continues with its planned screening of the full series at 8 30pm tomorrow.

In a strongly-worded telephonic statement Nahora spokesman **Mr Phulani Mlotshwa warned the SABC "that to continue televising The Line will not just perpetrate new train violence, but the lives of the producer of the series and of the actors are in jeopardy".**

"We see no problem in removing the lives of unruly elements (the producer and actors). We would like to remove them from the face of the earth."

Meanwhile the Inkatha Freedom Party Youth Brigade is considering protests against the SABC because of the screening. — Sapa

DATE. ___ / ___ / ___

CHANGE SET NO·

SECTION 9 : PERCEIVED QUALITY OF LIFE

FILE # 33

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Inkatha Youth Brigade threaten sit-in over showing of 'disgusting' docu-drama

ARG 30/37/94 (260)

■ *The Line* will be shown, in spite of threats by the National Hostel Residents' Association to kill the producer and the cast and a march by the Inkatha Freedom Party Youth Brigade on the SABC's headquaters in Johannesburg.

DALE KNEEN
Weekend Argus Reporter

KWAZULU/NATAL premier Frank Mdlalose has called *The Line* "disgusting" and the Inkatha Freedom Party Youth Brigade demanded the programme be scrapped and threatened a sit-in at the SABC's offices.

When the series was withdrawn, other political interest groups criticised the SABC's decision, which already has a tarnished reputation with regard to censorship

The Line, a joint venture by the SABC and British, Dutch and Finnish television stations, is set in the context of the Inkatha-African National Congress conflict and is intended to show how the lives of ordinary people are affected by violence

It was written and directed by Brian Tilley and produced by Jeremy Nathan, whose company Afravision produced the five-part history of the ANC, *Ulibambe Lingashone* (Hold Up The Sun)

The action centres on 22-year-old Sowetan, Bongani (played by Vusi Kunene), who is forced to flee his home after witnessing a train massacre He takes his lover Mpho (Grace Mahlaba) with him to Hillbrow, where they move in with his uncle Zakes (Ramalao Makhene)

The colourful characters who live in the same block of flats as Zakes and his new roommates include a Mozambican gun-runner, a clairvoyant, a prostitute and a black gay couple

"By televising this drama, we have been accused of fomenting violence and stirring old hatreds," CCV management said in a statement after deciding to screen the rest of the series

They said they were "not obligated to succumb" to political pressure groups and felt that the SABC needed to rebuild the bridges of trust with the South African public.



□ **ASSASSIN:** Duma, the killer, played by Jerry Mofokeng.

Violence show 'did not breach code'

DAVID YUTAR
Weekend Argus Reporter

THE Broadcasting Complaints Commission has ruled that CCV did not breach any policy code by broadcasting the first part of the series, *The Line*, a week ago

The commission found CCV did not contravene the code which requires the electronic media to present material containing brutality or violence with due sensitivity

Given the constitutional protection for freedom of the arts, it would be inappropriate for the commission to prescribe how a theme should be developed or a story end, said the commission

It found CCV did err in not broadcasting the series in one session CCV plans to screen the entire film tonight



☐ **STAR PAIR:** Bongani (played by Vusi Kunene), is forced to flee his home after witnessing a train massacre, with his lover Mpho (Grace Mahlaba)



☐ **KINDLY UNCLE:** Zakes (Ramalao Makhene), who takes Bongani and Mpho in to his Hillbrow flat.

TV stars' lives on the line

Cracks in ANC-Cosatu alliance

PAT CANDIDO and MICHAEL MORRIS
Weekend Argus Reporters

CRACKS in the ANC's bond with its powerful union ally, Cosatu, appear to have deepened in the movement's Eastern Cape heartland over a dispute about how to handle a looming strike in the automobile industry.

This emerged yesterday when Cosatu national president John Gomomo made it clear that any possible strike in the automobile industry would be handled by the automobile workers on their own.

His remarks followed ANC Eastern Cape leader Linda Mti's statement that the tripartite alliance would try to help avert a strike in the automobile industry.

Hostel dwellers plan to kill if SABC goes ahead with screening

Weekend Argus Reporters

THE television crew and actors of the controversial drama *The Line* have fled their homes and sought police protection after being disturbed by sinister death threats and harassment.

They are laying charges against hostel dwellers for issuing death threats for the roles they play in the mini-series which deals with train violence

Outcries from the Inkatha Youth Brigade and the Pan Africanist Congress, and threats from the National Hostel Dwellers' Association (Nahoda), followed CCV's decision this week to screen the full series at 8.30 tonight

The Broadcasting Complaints Commission ruled that CCV did not breach any policy code by broadcasting the first part of the series *The Line* a week ago, although it had erred in not broadcasting simultaneously all three parts

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Late yesterday, producer Jeremy Nathan and director Brian Tilley of the three-part series on township violence were in a meeting with CCV executives regarding the co-ordination of security for the crew.

They had been in contact with Minister of Safety and Security Sydney Mufamadi who advised them to lay charges with the police.

They did so yesterday, they said.

CCV spokesman Molese Mokgatle said the crew had been advised to vacate their homes and keep a low profile until the outcry died down.

The television station was also considering guarding the crew, said Mr Mokgatle.

Nathan, Tilley and actors in the locally-produced drama, including Grace Mahlaba

***The Line* will be broadcast on CCV at 8,30 pm tonight— See page 3**

and Vusi Kunene — who plays a young Soweto poet forced to flee his home with his girlfriend (Mahlaba) after witnessing a train massacre — received telephone calls at their homes.

The caller, describing himself as "Phulani', a representative of Nahoda, threatened to kill them if the series was screened as scheduled, Nathan said.

Thulani Mlotshwa, another spokesman for Nahoda, was quoted yesterday as saying, " . the lives of the TV crew and the actors are in jeopardy".

"It won't be any problem to remove the lives (sic) of these unruly elements completely from the face of the earth. We have already identified the homes of the actors."

An Inkatha youth march to the SABC's headquarters in Auckland Park, to protest against the screening of the series, is expected to take place today.

Nahoda yesteday repeated its threat to the lives of the producer and actors of *The Line*.

Mr Mlotshwa said. "Definitely, the lives of these people are in danger."

He claimed hostel residents were often blamed for violence they did not cause.

"This time we want to be blamed for something we have done," he added.

Mr Mlotshwa issued a statement on the telephone on Thursday warning the SABC that if it broadcast *The Line* "we will not just perpetrate new train violence, but the lives of the producer of the series and of the actors are in jeopardy".

Yesterday, Mr Mlotshwa said the statement was passed on Wednesday night by a full Nahoda central committee.

It could be changed or withdrawn only by another central committee meeting. This was unlikely, however, unless the SABC did not screen the programme.

He said the committee would sit again today, immediately after the start of *The Line*, to consider its next actions.

IFP PWV chairman Humphrey Ndlovu said "The IFP is a non-violent political party, but we have realised anger at the grassroots is high. Angry men can talk."

Board meets to talk of TV language plans

ARG 30/7/94 (260)

LOUIS DE VILLIERS
Weekend Argus Correspondent

JOHANNESBURG — The SABC's draft language policy will be discussed in depth at a board meeting on Wednesday.

Well-placed sources told Weekend Argus broad principles may be agreed upon at this meeting, but much work was still needed before the board's language sub-committee would be able to present a final document.

SABC chief executive officer Wynand Harmse said: "We are fighting a battle over something which has not reached a stage of any finality There are models on the table The one which has been reported on could, perhaps, appear to be the best to carry the SABC into the future, in the financial sense.

"But it's up to the board to say 'hang on, there are other factors, such as language, which outrule the workability of this model'. We are not at a point where the public can crucify us."

Senior SABC executives pointed out that references to Afrikaans being taken off TV1 in a new, restructured SABC television set-up had been reported out of context and were inaccurate.

The reports have all referred to TV1, CCV and NNTV, but the proposal in question merely referred to "TV channels"

In this context, the proposal suggested that the NNTV channel, which has a far smaller reach than TV1, could become a fully-fledged commercial channel using English only.

The channel with the biggest reach, on which TV1 is broadcast, was proposed as the so-called "Rainbow" channel where all the official languages could receive "equal" treatment.

The CCV channel was mooted as the ideal vehicle for a non-commercial public service broadcasting station

In broad terms, the language sub-committee is grappling with the practical implications of the terms "equal" and "equitable" when applied to models for radio and television restructuring.

That the 11 official languages should be treated equally is beyond dispute in the SABC corridors.

"Equal and equitable are not the same thing," said a language sub-committee member.

"Equitable has to do with the allocation of resources There are many more Zulu speakers, for instance, than Venda speakers

"The size of a language should, ideally, be a determinant in the allocation of resources."

In this context, Afrikaans speakers have perhaps been alarmed unduly After Zulu, Afrikaans is the language which most people claim as their home language.

While English is the most widely understood language, Afrikaans, in the draft language policy's current definition of "equitable" treatment, will be afforded the status, resources and airtime worthy of the second biggest language

Cosatu eyes Sasol's profits

By KEVIN DAVIE

THE nationalisation of part of South Africa's chemical sector has been proposed as an option to supply feedstocks at world prices so that employment growth in manufacturing can be developed.

The proposal was made by unionist Rod Crompton in a 300-page study of South Africa's chemical sector for Cosatu's Industrial Strategy Project.

Key policymakers, including Deputy Finance Minister Alec Erwin and Zavareh Rustomjee, adviser to Trade and Industry Minister Trevor Manuel, are understood to support the soon-to-be-published ISP document.

"This option would involve the nationalisation of Sasol's Secunda operations and a part of its Sasolburg operations, together with AECI's Coalplex and Midlands as well as Safripol, the joint venture between Sentrachem and Hoechst.

"The advantage of nationalisation is that it obviates the need to meet blue-chip-shareholder expectations and allows resources to be redirected downstream."

Nationalisation is one option. A preferred option is to reform tariffs to reduce prices.

The ISP favours shifting emphasis from the capital-intensive upstream to the higher value-added and labour-intensive downstream.

Mr Crompton criticises the high level of Sasol's subsidies and inflated plastic feedstock prices which have negative implications for competitiveness, employment and exports.

South Africa has a negative chemicals trade balance and lags behind world trends in exports.



ROD CROMPTON

Feedstock prices in South Africa have been 20% to 60% higher than those in the US and Europe over the past five to 10 years.

Sasol is "siphoning wealth away from motorists and taxpayers and into the pockets of Sasol and its shareholders", says Mr Crompton.

Separated from its "ensconced regime", Sasol "may not be viable, whether nationalised or not".

Mr Crompton says Sasol overcharged for ethylene by R173-million during 1991 compared to world prices.

Even without the R173-million, Sasol would still have been the most profitable (as a percentage of sales) chemical corporation in the Fortune 500.

Sasol's coal-based technology produces ethylene at 55% of world prices.

Reducing Sasol's supports will lead to lower petrol prices and profits, which it has been using to finance a wave of investments.

Reduced profits are likely to cause Sasol to turn to usual market means to raise capital (debt or equity) and restrain its "investment splurges".

"Sasol shareholders require clarity about the extent to which their investments are at risk."

Mr Crompton, who represents labour on the National Economic Forum's liquid fuels task force, says he favours a mix of deregulation and re-regulation for the fuel sector.

Deregulation will lead to oligopolistic power where companies will set their own prices. Government should "govern the market", as in the high-growth East Asian economies.

Tariff reform will bring down prices but "where other mechanisms can be found to achieve lower prices behind tariff barriers, these would be preferred".

Disincentives may be used where potential exporters refuse to co-operate. "The Korean expedient of terminating an offender's electricity supply seems unlikely to be within the powers granted to a future Department of Trade and Industry.

"Publicising offenders is a less harsh but sometimes telling form of censure."

The state played a leading role in creating Sasol and should now redirect the industry away from its unsatisfactory situation.

The needs of the plastics industry could be regarded in the same light as agriculture, which got R5-billion during the 1992/3 drought.

A negotiating forum could distribute expenditure equally between deserving employers and unions, avoiding "rent seeking and unnecessary industrial action".

Sasol borrowed a copy of the ISP report this week, but not in time to comment in detail. It says it is particularly concerned about statements regarding re-regulation of the industry.

The report "has some controversial interpretations and conclusions, many of which we strongly disagree with".

Afrikaans on TV1 defended

CT 1/8/94 260

Staff Reporter

SABC board member Professor Fatima Meer said yesterday Afrikaans should not be axed from TV1 and that all official languages should be used on all three SABC channels

She denied a report yesterday that she had a power base backing her to have Afrikaans excluded from TV1 or scaled down as an official language

She said English was understood by about 65% of the total population. About 98% of coloureds and white Afrikaners were able to understand English, she said, while only about 30% of all South Africans could understand Afrikaans

Prof Meer wants the SABC to stop dubbing programmes into Afrikaans, saying it was not necessary, as Afrikaans viewers were proficient in English

The controversy is based on the SABC document which proposes

'Dubbing should be stopped'

that Afrikaans be removed from TV1 and that it share a place with five other official languages on CCV and NNTV

Professor A C Nkabinde, chairman of the language committee of the SABC board, said he would propose on Wednesday that the Afrikaans question be made public and openly debated

SABC board chairman Dr Ivy Casaburri-Matsepe said the board had not yet taken a decision on Afrikaans

A compromise plan to keep an Afrikaans presence on TV1 as well as CCV and NNTV is likely to be submitted to the SABC board on Wednesday

Part of the restructuring plan — details of which have not yet been finalised — provided for the transfer of Afrikaans from TV1 to CCV

Afrikaans cultural organisations and individuals were outraged at the idea, claiming that the spirit of the constitution prevented the downgrading of the language

SABC chief executive officer Mr Wynand Harmse told staff the proposal was only one of several being considered and he was waiting for recommendations from the corporation's language committee

The SABC had not yet formulated a language policy

The CP recently reacted strongly to the proposal, saying that the removal of Afrikaans from TV1 was motivated by "blind hate" of Afrikaaners

SABC may face action

PRETORIA. — The Freedom Front would take the SABC to court if that proved to be the only way to protect Afrikaans, the party said in a statement.

Spokesman Pieter Mulder said he had obtained legal advice and it was clear the SABC would be contravening Clause 3 of the constitution if it went ahead with the scrapping of Afrikaans on TV1.

Dr Mulder said the SABC was a public institution which meant it had to abide by the stipulation.

"A court case would also be a test to find out whether the constitution can indeed offer Afrikaans any protection."

Apologies to TV crew

(260) CT 2/8/9(

JOHANNESBURG — The National Hostel Residents' Association yesterday apologised to the producers and actors of the television series The Line for threatening their lives

Nahora spokesman Mr Thulani Mlotshwa said in a statement it "would like to give security assurance to all film participants"

He said Nahora had not given up its campaign against the series, but added "Whatever action we will take after meeting the SABC management will be less violent"

Mr Mlotshwa said Nahora had viewed the entire series, and concluded it was "very, very bad", especially in view of steps toward peace and reconciliation between hostel and other township residents

● The body of Mr Michael Molefi was found near a railway line on the West Rand on Saturday

Police suspect he was thrown off a train after being robbed — Sapa

Afrikaans: SABC takes legal route

(260) ARGS 5/8/94

ANDREA WEISS
Staff Reporter

THE SABC board announced today it was taking legal advice on the language issue to clarify how it should be treated constitutionally

The announcement came after a row broke out over suggestions that Afrikaans would be banished from TV1

Chairperson of the SABC board Ivy Matsepe-Casaburri said the corporation wished to take people into its confidence A draft language policy document containing principles, policies and implementation guidelines would be made public soon and comment would be invited

The widespread publicity on the issue of dropping Afrikaans from TV1 "had created the false impression that Afrikaans would be specifically neglected in future SABC broadcasts"

The board had not considered this move

Dr Matsepe-Casaburri and group chief executive Wynand Harmse conceded that there was a morale crisis at the broadcasting corporation because of uncertainty

Mr Harmse said that once policies were in place, matters would become clearer

In terms of language policy, the SABC board said that home language was of particular importance, especially with regard to basic programme services in official languages

Dr Matsepe-Casaburri said the SABC wished to avoid an "ethnic language war"

She said they were not committed to one language group, but Afrikaans speakers had the same rights as Zulu or Xhosa speakers

The board felt broadcasts should reflect the spirit of the constitution and take cognisance of the Independent Broadcasting Authority Act It should be fair and equitable to all languages, contribute towards healing and reconstruction and foster a "common South Africaness"

The needs of language groups should be addressed by providing an accessible broadcasting service

Implementation guidelines, which were in the process of being finalised, would address language equitability during prime-time viewing

In a further move, the board announced that it had approved an affirmative action policy this week This included the target of at least 50 percent of people employed to be black by December 31 1997, and greater representation of women.

It described affirmative action as a deliberate "systematically organised process of correcting historical imbalances".

On the morale issue, Mr Harmse said the SABC was at the forefront of change in South Africa There was uncertainty among white employees that they would lose their jobs or be passed over for promotion

Black employees were afraid outsiders would be brought in and they would be discriminated against for having been part of the old establishment

He said there was also uncertainty on whether it would become a public broadcaster, which would affect commercial staff

SABC gets a new head —Zwelakhe Sisulu

WSM 5/7-11/7/94

(260)

The SABC may be getting a new boss but the wrangle over Afrikaans on TV1 continues — while radio has quietly solved the problem, reports Mark Gevisser



New SABC head Zwelakhe Sisulu

SABC board chairman Ivy Matsepe-Casaburri is set to announce today the appointment of Zwelakhe Sisulu as the corporation's group chief executive The board is also considering a radical language model for the SABC's 22 radio stations

At a meeting on Wednesday night, the board agreed to appoint Sisulu to take over from Wynand Harmse, who will retire in September. Sisulu, former editor of *The New Nation*, is currently head of the corporation's Transformation Unit and acting editor-in-chief of Television News Productions

Matsepe-Casaburri was unavailable for comment, but senior SABC sources noted there were two outstanding issues surrounding Sisulu's appointment. whether he should have a deputy because of his lack of experience in broadcasting, and whether Harmse should remain on as a consultant

The board has also, finally, filled the post of director of human resources, which has been vacant for months The new appointment is Maki Ndlhovu, who was the Independent Electoral Commission's director of human resources in electoral adminstration.

Meanwhile, as the furore over the status of Afrikaans on TV1 grows, radio executives have quetly been formulating a language model for SABC radio. The model, believed to have been drafted by head of regional radio Solly Mokoetle, was discussed with SABC unions yesterday and is under consideration by the board's language sub-committee

The new model provides for 11 national unilingual public broadcasting services, one for each of the official languages Mokoetle commented "It seeks to redress the historical imbalances whereby only English and Afrikaans are seen as national languages and were given the resources to broadcast nationally Now all 11 languages will be uplifted to the level that they provide services to their people in a comprehensive manner."

There is bound to be controversy over Radio South Africa. SABC radio head Govin Reddy, for example, envisages RSA as the SABC's flagship radio service. But if this model is adopted, Radio South Africa and Afrikaans Stereo will be assigned exactly the same status as all nine African-language services

Central to the scheme is a network system giving each language a national service operated from the region where it is most spoken, and regional transmission-splits in other areas where at least 5 000 people speak it as their first language. For example, Radio Zulu's national service will be run from Durban, but there will also be regional broadcasts from Northern Natal and the PWV

Multilingual regional production centres will feed each national service with local news and programming If you are Zulu-speaking and live in the PWV, you will be able to pick up national Zulu programming originating from Durban and regional programming, broadcast during split-transmitter time, from Johannesburg.

While you listen to Johannesburg programming, Zulu-speakers in Northern Natal will be able to listen to local programming broadcast from Newcastle The Newcastle regional production centre will also provide regional programming for the Sesotho and Swazi services.

Before the model can be put into practice it must first be costed Regional operations must be strengthened, and a transmitter network grid worked out In addition, an extensive demographic study has to be done to assign locations for the regional production centres, the transmission splits and contributing bureaux

The model does not deal with the fate of the SABC's commercial stations such as 5FM and Radio Metro, but notes that two additional public service stations will have to be started These, and all other final decisions, rest with the Independent Broadcasting Authority Mokoetle noted that "this model forms the basis of what we will present as a submission to the IBA.

"The SABC cannot survive with 22 radio stations in this new environment where we are under pressure to allow new players to come in Right now the SABC is hybrid, and doesn't really know whether it is a commerical or a public broadcaster But our mandate requires us to be a public service broadcaster And so this model is the minimum of what we must deliver."

POLICY DOCUMENT

Fm 5/18/94

After the event

The suggestion that Cosatu might propose the nationalisation of large parts of Sasol is sensational but unlikely It was made in a *Business Times* article of July 31 and was based on a report submitted to Cosatu by Chemical Workers' Industrial Union secretary Rod Crompton

The report set out a series of policy options to enable the plastics fabrication industry to overcome what it regarded as a serious problem in breaking into export markets, namely the high cost of two important feedstocks, ethylene and propylene, which Sasol produces as part of its synthetic fuel operations

But the document is dated March 1993. And, as Sasol GM Pat Davies points out, there have since been important changes, in the political arena (with nationalisation apparently not on the agenda) and in the chemical industry So it appears to be largely irrelevant.

Fm 5/18/94

The report predates (and the article overlooks) decisive subsequent developments in the petrochemical industry which have effectively overcome the barrier to the export of plastic products represented by the cost of feedstocks The formation last year of the 60:40 Polifin joint venture by Sasol and AECI constitutes the sort of vertical integration Crompton suggests.

Davies says Sasol provides Polifin with the crude feedstock from which it produces ethylene Polifin then sells the ethylene to its plastic manufacturing plant and to Sentrachem subsidiary Safripol

SA ethylene prices are lower than the average for the US and Europe. And the "netback" price used for the manufacture of polyethylene for export is not only much lower than average world prices but often stands at a 50% discount to the local market price

Sasol has also sold its propylene and polypropylene facilities to Polifin. Davies says that propylene and other feedstocks such as ammonia have no tariff protection and their local prices are in line with international levels.

Sentrachem director Glen Carter confirms his group now has access to ethylene at a "competitive" price on which to base its exports A deal concluded with Polifin to supply propylene will also ensure supplies of this at competitive prices.

In Sentrachem's 1993 annual report MD John Job says exports grew by 29% and stood at 13% of sales — on the road to the long-term goal of building exports to 25% of sales The trend will be reinforced by the new arrangements.

Polifin's Derek Lake says local polymer (polyethylene and polypropylene) prices have been higher than international prices because of the high protection afforded by formula tariffs, now being phased out in terms of the Uruguay Round of Gatt

He notes the ethylene price has been set at 56% of the polyethylene price; so the polymer price drives the ethylene one, not the opposite as implied by Crompton.

Lake believes the international ratio is 60% — somewhat higher than the quoted average historical ratio of ethylene and polyethylene prices in north-western Europe and the US

Outstanding policy issues affect the liquid fuel industry, notably Sasol These include marketing arrangements and tariff protection (which some prefer to call subsidies) dating to the days of oil embargoes and policies of self-sufficiency These features of the fuel market should be rationalised through adopting free market policies, including the sale by the state of its remaining shareholding

The Crompton report was a flawed document that relied heavily on socialist direct controls and even nationalisation of important parts of Sasol's operations and other segments of the chemical industry Admittedly, it suggests nationalisation could be followed by reprivatising

What's more, it appears to have been compiled by one individual, based on his research and a series of interviews It has been kept under wraps since March 1993 and has not been debated with petrochemical manufacturers nor the National Economic Forum for discussion

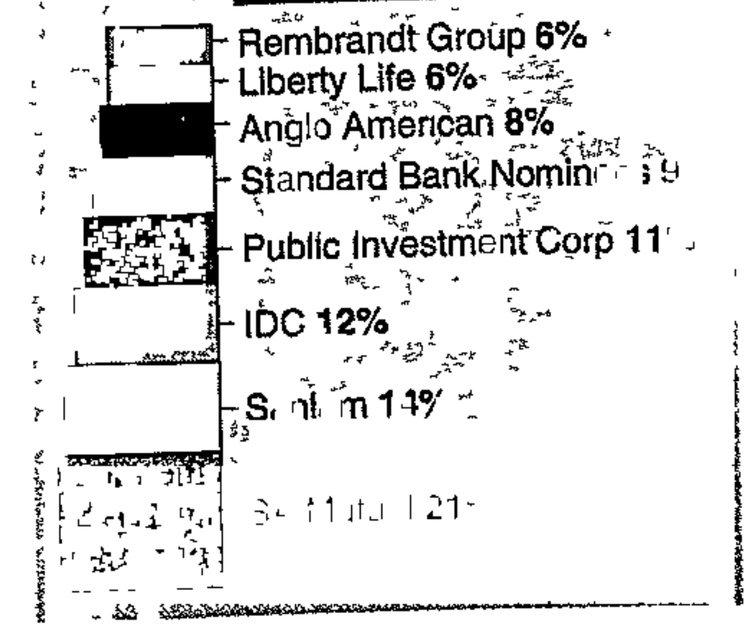
The report claims Sasol serves the interests of blue-chip shareholders But the interests of the life assurance companies identified amount to 41% (see table), while other institutional holdings are concealed through nominee companies These would include mutual funds and pension or life companies These, in turn, are trustees for many small investors, including Cosatu membership through pension funds. ■

Fm 5/18/94

WHO OWNS SASOL?

MAJOR SHAREHOLDERS

HOLDING COMPANY



Sisulu's son is SABC chief

JOHANNESBURG — The former editor of New Nation, Zwelakhe Sisulu, has been appointed the South African Broadcasting Corporation's (SABC) group chief executive

His post becomes effective from next month when Wynand Harmse retires

"Zwelakhe Sisulu will take over as group chief executive officer from Wynand Harmse in the middle of September," said SABC Board chairwoman Ivy Matsepe-Casaburri at a Press conference

Mr Sisulu was appointed to the SABC in February as a special executive to Harmse.

He set up a "shadow cabinet" of senior journalists to manage the SABC's transformation from a commercial broadcaster into a public broadcasting service

Mr Sisulu, son of African National Congress veterans Walter and Albertina Sisulu, was founding editor of New Nation newspaper

Ms Matsepe-Casaburri denied his appointment was politically motivated (260) ARG 6/8/94

She told the news conference the board had ratified an affirmative action policy aimed at reaching a black staff complement of at least 50 percent by the end of 1997

The corporation's August staff newsletter put the figures at 69 percent white staff and 31 percent black Seven months ago 73 percent of employees were white

"We are painfully aware of that we are waiting for a staff audit so that we can see where women are located within the organisation so that we can set realistic targets for ourselves"

She indicated new appointments of women could be expected soon

Asked about newspaper reports of staff resentment, factionalism and indecisive management within

■ Turn to page 5

Sisulu named SABC chief executive

Star 6/8/94

MICHAEL SPARKS

ZWELAKHE Sisulu has been appointed as group chief executive of the SABC, it was announced by the chairman of the board, Dr Ivy Matsepe-Cassaburri, at a press conference yesterday

Sisulu will be taking over as chief executive from the middle of September, replacing Wynand Harmse who will be leaving the SABC.

His appointment was confirmed during Wednesday's board meeting, but announced only yesterday

Sisulu was appointed as special assistant to Harmse in February, and was widely regarded as the man who would step into the top management position

But he was not without his critics, who ranged from those who believed he had insufficient broadcasting experience, to others who believed he was too closely linked to the ANC and that things would remain the same at the SABC, with a new puppeteer pulling the same old strings

He has quickly gained the respect of many within the corporation, in particular for his role as head of the transformation unit.

In this position he has been widely seen as consulting with staffers about issues at the corporation, and then acting on suggestions — bringing a new culture to the corporation

Before moving to the SABC, Sisulu was the founding editor of the New Nation newspaper, and has been a journalist for more than 15 years

He was under house arrest in the early 1980s and was detained in the late 1980s under the state of emergency for his views on press freedom.

Senior appointments

He is due to return from an overseas trip today and was not available for comment (260)

Other senior appointments at the SABC include the promotion of Radio Metro manager Koos Radebe as general manager of commercial radio, replacing Pietie Lotriet, Robin Kempthorne was promoted to general manager, sport from production director TV sport after the retirement of Piet Theron, and Trevor Evans has been appointed executive manager of radio facilities and broadcasting centre following Francois Jordaan's retirement

Ex-editor to take over as new head when Harmse retires

■ From page 1

the SABC, Mr Harmse told the news conference the corporation was at the forefront of change in South Africa

He attributed the uncertainty and fear to affirmative action and the debate on commercial and public service broadcasting as well as the corporation's funding through licences

(260) ARG 6/8/94

"It has been very difficult to address because we don't know what the Independent Broadcasting Authority will decide

"We hope we will soon get answers on the new broadcasting debate and the total funding question," Mr Harmse said

Ms Matsepe-Casaburri agreed there was an "uncomfortable mood around the SABC"

"As a board we are concerned about it, and we are quite prepared to be leading and making painful decisions if we need to," she said

On language policy and the issue of whether Afrikaans would be dropped from TV1, Mr Harmse said 51 percent of TV1's viewers were Afrikaans-speaking and brought in more than 40 percent of the advertising revenue

"You can't neglect that for commercial reasons," he said

Ms Matsepe-Casaburri said the board had asked for legal advice on the interim constitution's language clauses and would welcome public discussion

Three other appointments have been ratified by the SABC board

☐ Radio Metro manager Koos Radebe becomes general manager of commercial radio

☐ TV sport production director Robin Kempthorne is promoted to general manager of sport

☐ Development manager for radio in studio technology Trevor Evans becomes executive manager of radio facilities

Mr Sisulu was widely regarded as the man who would step into the top mamagement position

But he was not without his critics Some believed he had insufficient broadcasting experience while others thought he was too closely linked to the ANC and that things would remain the same at the SABC, with a new puppeteer pulling the strings

NO

. . . but some in the SABC are not pleased

C/Press 7/8/94

260

By SANDILE MEMELA

A TIDAL wave of fear and uncertainty is sweeping over senior white employees at the SABC – following the appointment this week of Zwelakhe Sisulu to the post of chief executive officer

Meanwhile, long-serving black senior SABC employees are also deeply disturbed by the appointment of outsiders in top-ranking positions

Board chairperson Dr Ivy Matsepe-Casaburri said this week that fears were growing among white senior staffers that their careers were in jeopardy.

Morale was also being affected at the lower levels because of the implementation of affirmative action, which has seen outsiders being brought in to take up senior positions

This emerged at a national press conference addressed by Matsepe-Casaburri and outgoing group chief executive officer Wynand Harmse on Friday

Deep rumbles of discontent have followed the implementation of the affirmative action programme, which has tilted the racial imbalance as the corporation goes out of its way to appoint blacks and women to senior positions

Over the last few months since January the SABC has appointed new staff at a ratio of two blacks to one white – so far this year 156 new black staffers have joined, compared to 79 whites

This week the board approved an affirmative action policy developed under the guidance of Sisulu.

Members of management, staff organisations, the Media Workers Union of SA and the SA Union of Journalists were also involved approving the policy

Sisulu takes over from Harmse who has resigned with effect from next month.

It is understood that Sisulu, who returns tomorrow from a two-week visit to the BBC in London, will lead the transformation of the SABC into a "true people's service"

Sisulu will host a meeting of National Broadcasters of Southern and Eastern Africa on August 19 which will encourage regional co-operation.

In another dramatic development, Radio Metro manager Koos Radebe has been promoted to commercial radio group manager (see below)

And Maki Ndlhovu – formerly of the Independent Electoral Commission – has been appointed director of human resources

More blacks are expected to fill other heavyweight posts soon

As far as middle and senior management is concerned, seven months ago only 14-percent of the SABC's managers were black. Now the figure has increased to 17-percent

At the conference Matsepe-Casaburri announced that the SABC was committed to achieving a target ratio of at least 50 percent black employees



AT THE HELM . . . Zwelakhe Sisulu will transform SABC.

Board sets affirmative action target for 1997

MARK ASHURST

AT LEAST 50% of SABC staff in all positions would be black by December 31 1997, according to affirmative action targets announced on Friday by the SABC board

The SABC aspired to be "a true people's service" and would therefore "ensure staffing structures equitably reflected the demographic structure of SA society as a matter of urgency", the board said

Africans, coloureds and Asians, women and other marginalised groups would be given priority in the corporation's promotion and employment policies. An internal monitoring committee would provide monthly feedback on new appointments to the board.

Line managers would be assessed by their capacity to help develop historically disadvantaged employees, although the board recognised that the 50% target ratio might not be achievable in all divisions

Salary scales and benefits would not be discriminatory and the principle of equal pay for work of equal value would pertain

Differentiation in salary scales would pertain only to the status, responsibilities and level of performance of incumbents, or in cases where there was a scarcity of applicants

Promotions would take into account the "potential of incumbents from historically disadvantaged groups in lieu of the experience denied them" The affirmative action programme would be transparent and "by its nature a temporary measure", said the SABC statement

The corporation was also committed to greater representation of women at senior levels, although the policy would "neither mean the exclusion of white male employees nor obligatory retrenchment merely for being white"

SABC labour relations director Christo Pretorius said the corporation was aware that a lack of professionalism among staff was an obstacle to improving programme quality

"Training and development is a central part of the package. Affirmative action will improve quality because programme makers will understand the relevance of their material to the communities they serve The SABC aspires to be programme-driven," he said.

But SABC GM Fred Coupe, currently acting human resources and training head, said there was a need to redefine the SABC's training programme and pinpoint areas for development

The future of any affirmative action programme would depend on the appointment of senior managers in positions that had been vacant for more than a year "I am doing three jobs at once," he said

The board had interviewed three candidates to head training and would hold further interviews on August 17

Zwelakhe Sisulu new SABC head

BDay 8/8/94

MARK ASHURST

SABC special executive Zwelakhe Sisulu will succeed Wynand Harmse as chief executive of the public broadcaster next month, the board announced on Friday

Sisulu, son of ANC vice-president Walter Sisulu and former editor of the New Nation newspaper, joined the corporation in February

Earlier this month, he succeeded Johann Pretorius as editor-in-chief of the SABC internal business unit, Television News Productions (TNP).

Sisulu was attending meetings with the BBC in London at the time of the announcement, which was made simultaneously to the media and SABC staff across the country via a live studio link from Auckland Park

Sisulu was scheduled to return today

He had been acting in his capacity as "chief executive-elect" when he set up a transformation unit to co-ordinate restructuring of TNP last month, TNP editor of news gathering Joe Thloloe said

Sisulu joined the SABC as an understudy to Harmse, and his appointment as chief executive "had been on the cards for a long time"

He was expected to assume the office in mid-September

Harmse will leave the corporation on September 9, although his contract does not expire until the end of the month

The announcement by the SABC board caused little reaction among staff at Auckland Park

Labour relations director Christo Pretorius claimed this was a sign of confidence in the appointment

Thloloe said day to day administration of TNP would remain in the hands of its acting executive editor, André le Roux

Sisulu had become editor-in-chief of TNP by virtue of his position on the SABC executive A permanent appointment would not be made until a clear policy of restructuring had been agreed on by the transformation unit

Before taking office, Sisulu will convene a meeting of national broadcasters of southern and eastern Africa at the SABC on August 19 (260)

Delegates from Angola, Kenya, Malawi, Mauritius, Seychelles, Uganda, Zimbabwe, Botswana, Lesotho, Mozambique, Namibia, Swaziland, Tanzania and Zambia had been invited

The agenda would include regional cooperation, international broadcast rights, news and information, regional events, training and development and technical co-operation

SABC spokesman Willie Visagie said Sisulu's proposals heralded a new approach to pan-African broadcasting, and were designed to capitalise on "the new openness" towards SA from which broadcasters would benefit.

"The change in government has already led to new co-operative initiatives in the fields of rail transport, electricity and general trade

"It was therefore decided that the national broadcasters of this region should likewise explore a range of issues of common concern," the board said.

IBA to probe 'shared' transmission frequencies

BIDay 8/18/94

MARK ASHURST

THE Independent Broadcasting Authority would investigate charges that the splitting of existing SABC transmission frequencies to accommodate new radio stations was in breach of the IBA Act, board member John Matisonn said on Friday

Independent Broadcasters' Committee chairman Tony Sanderson said last week that the use of SABC frequencies by possible competitors constituted an "unfair trade restraint". His comments followed the launch of Radio Morula, which broadcasts on SABC frequencies in the Northern Transvaal

But Matisonn said the SABC had claimed that use of existing transmitters to broadcast both Radio Morula and the Border station BRFM was not the same as "creating new radio stations"

The former Cape station Peace Radio is also broadcasting as Peace 2000 on the SABC station Radio 2000.

Although IBA co-chairman Peter de Klerk has confirmed the legality of Peace 2000 purchasing SABC airtime, Matisonn said the splitting of SABC frequencies for use by SABC stations would be examined as a separate issue

Sanderson accused the IBA of failing to address the fears of aspirant broadcasters, who were under pressure to broadcast illegally "Not a whisper has been heard from the IBA," he said

Sanderson's Solid Gold FM station is one of more than 100 applicants for radio licences, which the IBA says it will issue in September

Meanwhile, De Klerk rejected an application from Sanderson for a temporary radio licence to broadcast during the Pretoria Show later this month (200)

The IBA did not have a legal right to grant temporary licences until it had evaluated representations made at its nationwide hearings.

"Mr Sanderson appeared before those hearings, and is familiar with the process His application will be given due consideration along with all the others," said De Klerk

Sources said IBA board members had discussed amendments to the Act to streamline the IBA's work with Posts, Telecommunications and Broadcasting Minister Pallo Jordan in Cape Town last week

These amendments were likely to be tabled in Parliament as a matter of urgency

Draft legislation would be completed this week, the sources said

Govt gives Eskom Cahora Bassa loan

BDay 8/8/94

TIM COHEN

CAPE TOWN — Government has granted Eskom an R84m loan for the rehabilitation of the Cahora Bassa hydro-electric scheme after a Cabinet decision last week to support the project. (200)

Mineral and Energy Affairs spokesman Roland Darroll said the loan demonstrated SA's commitment to re-establishing the electricity link between the Cahora Bassa scheme and SA. The link, devastated during Mozambique's civil war, would effectively allow Mozambique to export electricity and obtain a much-needed source of hard currency

The move follows a Cabinet decision to help rehabilitate the scheme. Cabinet also granted Mineral and Energy Affairs Minister Pik Botha a mandate to act further on the matter The scheme also falls within an agreement signed by President Nelson Mandela and Mozambican President Joaquim Chissano.

Darroll said a tripartite meeting was being planned between SA, Portugal and Mozambique to discuss the matter further

He confirmed that doubts still existed about the commitment of Italy, one of the project's original sponsors, to the rehabilitation of the scheme. With a change of government in Italy, it was not certain whether that country would still be involved in the project

Darroll also said the department was preparing legislation to extend SA's mineral laws to the former TBVC countries.

The Bill will repeal minerals legislation in the homelands and extend the existing SA minerals legislation to those territories in what Darroll described as a move to promote "good housekeeping" The legislation would also result in the incorporation of existing parastatals into single entities

The change would result in more clarity and certainty on SA's minerals and energy policy

The principle of continuity would apply, as with other institutions involved in the transition, and hence no major changes were expected as a result of the legislation

Passing the legislation will effectively delay the introduction of other legislation as government advisers had argued that this omnibus legislation was a necessary predecessor of other legislation

It was previously reported that the department was preparing seven separate pieces of legislation

SABC employing debt collectors for licence money

(260) (227) ARG 10/8/94 ARGT 10/8/94

VUYO BAVUMA,
Political Staff

NEARLY half the country's television users do not have licences, and the SABC is now using debt collection agencies in an effort to recover the money owing, parliament has heard.

Broadcasting Minister Pallo Jordan announced a 7,5 percent licence increase in parliament yesterday, taking the fee from R176 to R189 from October 4

Speaking during the broadcasting services vote, he said pensioners and those who qualified for concessionary licence fees would pay R54 — R4 more

Ordinary licence holders would pay the equivalent of 52c a day more, which was "very, very cheap", he said

The SABC considered the increase to be in line with the inflation rate and the SABC's commitment to improve efficiency

The SABC was aware of the tough economic climate and enormous financial pressure on ordinary households

Dr Jordan said the corporation had a major problem because there was a piracy figure of almost 50 percent

"This is a matter of great concern to me and I have requested the SABC to pay urgent attention to the efficiency of the present licensing system"

The SABC was consulting broadcasters in Western Europe about the matter and had engaged the services of debt collection agencies

The SABC's revenue from licence fees was at present R300 million a year

The deregulation of broadcasting would bring increased competition which could take away the SABC's revenue

The Independent Broadcasting Authority faced the "biggest challenge" in investigating the funding of public broadcast funding in the long-term strategy, he said

TV licences up 7%

CT 10/8/94

Political Staff

TV licence fees are to be increased by R13,00 — 7,5% — from October 1, Broadcasting Minister Dr Pallo Jordan announced last night

With VAT, TV fees will increase from R176 to R189, said Dr Jordan in Parliament during debate on the Broadcasting Services Vote

Dr Jordan said the effect of the increase would amount to a total fee of 52 cents a day

He also said concessionary licences, mainly for pensioners, would go up from R50 to R54

These increases had been approved by the cabinet

Dr Jordan said the 7,5% increase was reasonable and was in line with the inflation rate as well as the SABC's ongoing commitment to improving efficiency

The SABC was aware of the current economic austerity that placed many households under enormous financial pressure, and this had been taken into account when the new fee was fixed, he added

Auto strikes 'cost R100m each day'

CT 10/8/94 **Business Editor**

STRIKES are costing the car industry R100 million a day in lost sales — and the government about R100m a week in tax revenue — Mr Bert Wessels, president of the National Association of Automobile Manufacturers of SA, said yesterday.

Mr Brand Pretorius, managing director of Toyota Marketing (SA), said continued strikes were hitting SA's export markets as well as domestic sales.

● **Supply shortages stall new car sales growth — Page 8**

focus on **broadcasting**

Sowetan 11/8/94

There is simmering tension at the SABC as efforts begin to transform broadcasting in South Africa. Political Correspondent **Themba Molefe** takes a close look at the situation:



(260)

THE BATTLE to transform broadcasting in South Africa has begun in earnest and is indeed an uphill struggle for both the Government of National Unity and the new faces at Auckland Park.

South African voters who ushered in the new order on April 27 are waiting for the revolution of the South African Broadcasting Corporation and former bantustan services.

Their bottom-line expectations are worthier television and radio services that are rid of the sordid past.

Minister of Posts, Telecommunications and Broadcasting Dr Pallo Jordan shoulders this task coupled with overseeing a completely independent and unshackled broadcasting service That is his political brief

In Parliament on Tuesday he made what became an "unpopular" announcement when he declared that SABC television licence fees would be increased from R176 to R189, including VAT.

Jordan acknowledged the corporation had a major problem collecting fees

"The high piracy figure of almost 50 percent is a matter of great concern to me and I have requested that the SABC pay urgent attention to the efficiency of the present licensing system," Jordan said.

"We consider the increase to be reasonable and in line with the inflation rate and the SABC's ongoing commitment to improving efficiency."

He said the SABC believed in the advent of political democracy and thought this would "wear down resistance to the payment of TV licences".

This was to be expected. It is politics in progress

But this announcement is just another dimension in the SABC saga.

The real issue at SABC is the reconstruction programme, which includes merging the administration of racial-ethnic CCV-TV and TV 1 as well as appointments to senior executive posts.

These appointments, insiders point out, are central to the implementation of affirmative action

It is against this background that *Sowetan* learnt tensions are simmering at Auckland Park.

Significantly, a decision still has to be taken about 32 senior positions in television news production which have been put on hold since last October when the old SABC administration began to give way to the new.

In the middle is group chief executive officer-elect Mr Zwelakhe Sisulu, a journalist of considerable repute and former anti-apartheid activist He is taking over from Mr Wynand Harmse, who headed the corporation when it was "its master's voice" of the National Party

Sources at SABC headquarters say Sisulu has to become a ball-juggler and steer the transformation Sisulu either heads or is a member of several committees appointed by the SABC board to usher in change.



Zwelakhe Sisulu



Pallo Jordan

But sources also said the SABC hierarchy was considering recruiting abroad, especially from the British and Canadian Broadcasting Corporations

In the meantime Sisulu is said to have apologised to workers at the SABC after they objected to the appointment of a reconstruction committee that included former print journalists who they said "know little about the SABC"

Whether developments at the SABC will eventually become a hot potato for Jordan and the fledgling GNU rests on Sisulu's juggling abilities, the independent SABC board under Dr Ivy Matsepe-Cassaburi and future recommendations of the Independent Broadcasting Authority

It still remains to be seen whether Jordan's pledge that the SABC "be transformed into an autonomous public broadcaster independent of the State" will be effected

Also brewing in the GNU cauldron is the future of Bophuthatswana Broadcasting Corporation in the North West Developments in the former "independent" homeland could have a significant influence on the future of broadcasting in formerly independent Transkei, Ciskei and Venda.

The Media Workers Association of South Africa, which represents more than 800 workers at the BBC, seeks answers from Jordan and is set to meet him in Cape Town next Tuesday.

North-West premier Mr Popo Molefe's appointment last month of African National Congress activist Mr Ben Kotane as BBC director-general laid the GNU open to attack from workers.

They viewed it as a political appointment and as such, smacking of the old recipe of government control.

Mwasa general secretary Mr S'thembele Khala stopped short of accusing the GNU of playing a double-standards game; of ensuring the SABC board gains public approval while assuming control over the BBC

After wide consultation in Mmabatho on Monday, Jordan did not rule out future total control of the BBC but said the matter would be referred to the IBA for recommendation.

Is this to become another hot issue for the GNU?

THE WEEKLY MAIL & GUARDIAN
August 12 to 18 1994

Hot-wiring Jordan's 'bloody tropical forest'

(260) WM 12-18/8/94

Is regional public broadcasting the responsibility of the SABC or of the provinces? The first salvos have been fired in a heated dispute between the premiers and central government, writes Mark Gevisser

A RAGING controversy over North-West premier Popo Molefe's decision to appoint one of his provincial government's advisers as director general of the vast Bophuthatswana Broadcasting Corporation (BBC) has prompted Minister of Broadcasting Pallo Jordan to step in.

Jordan visited Mmabatho this week following near-mutiny from the BBC staff after the North-West government's unilateral appointment of former ANC information and publicity official Solomon Kotane.

The appointment raises questions — as yet unanswerable — about the future of broadcasting services in the former TBVC states, and about whether it is the responsibility of the SABC or of the provinces to provide regional public broadcasting.

Jordan acknowledged this week this was an "area of constitutional woolliness and greyness", compounded by the fact that "the bantustan inheritance is an impenetrable maze, a bloody tropical forest". As a matter of urgency, he intends holding a colloquium soon, at which all interested parties — the provinces, the ex-TBVC broadcasters, the SABC, the Independent Broadcasting Authority (IBA) and himself — will hammer out a solution.

But, although sources within the broadcasting world say Jordan is unhappy with the North-West's action, he defended it as "a holding pattern, a pragmatic stopgap until final decisions are made. Kotane's appointment is only a six-month contract and, by then, hopefully we will have some clarity."

Just how arcane the bantustan inheritance is was made clear to Jordan by the fact that on June 17 the national government issued a proclamation transferring control of the BBC to the North-West province without his knowledge — although he is the responsible minister. "I saw it in the statute books. I was not consulted."

Kotane noted that, given the fact that the Bophuthatswana Broadcasting Act was officially handed over to the North-West by the new government, there is nothing untoward about his appointment.

"It is at the discretion of the North-West's MEC for media and information to appoint a head, and that is what happened. It is not an ideal situation but in the absence of an amended Bop Broadcasting Act, a chaotic situation was brewing here, with lack of accountability, the disappearance of property and the grouping of different factions all trying to control the place. It needed urgent attention," he said.

But the manner in which he was appointed has been slammed for its lack of transparency by the BBC staff and by the Freedom of Expression Institute (FXI), which said it was an action "characteristic of a totalitarian regime", making "a mockery of the government of national unity's professed commitment to the independence of the broadcast media" and presented "a major reversal of democratic media policies established over the past two years".

FXI vice-chairman Raymond Louw finds the manner in which Kotane was appointed reminiscent of the way former Bop president Lucas Mangope operated. "Just as has happened at the SABC, there should have been the open and independent appointment of a board of governors first, and this board should have appointed the director general. That way, the independence of Bop broadcasting would have been assured."

SABC regional radio head Solly Mokoetle expressed serious concern about the move. "We have to challenge the decisions by regional premiers to seize control of facilities, for it violates the independence of the public broadcaster. We fought so hard against national state control of the SABC. We can't allow a situation now of provincial government control."

Some observers believe the BBC news services have already become propoganda organs for the new government. "It's as if Mangope has just been replaced with Mandela and Molefe," said a broadcasting source.

Kotane is adamant, however, that there will be no government interference in his running of the corporation. "I am a professional journalist and interference in editorial policy is something I loathe. Molefe has repeatedly assured me that there won't be any such intervention."

According to Mokoetle and others at the SABC, the Eastern Cape and Northern Transvaal provinces have similar designs on Radio Ciskei, Radio Transkei and Radio Thohoyandou. But Mokoetle emphasised that "these provinces are not the successors to the TBVC states. And if premiers like Molefe view broadcasting facilities as a terrain they can access and manipulate, then don't all regional premiers have the right to do it? Tokyo Sexwale might as well march in here and say, 'the whole of Auckland Park is mine'."

Already, Free State premier Patrick Lekota has written to the SABC board asking for Sesotho Stereo to be moved from Johannesburg to Bloemfontein, because it is not adequately covering the activities of his government.

Lekota, who recently received a drubbing on CCV *Newsline* and sesotho Stereo for his alleged lack of transparency, was unavailable for comment. But Mokoetle acknowledged that while the Free State premier might have a point about SABC radio's lack of regional coverage, "our new model for 11 national stations will take care of it".

He said there were as many seSotho speakers in the PWV as in the Free State, "so you cannot make a decision to move the station in a vacuum".

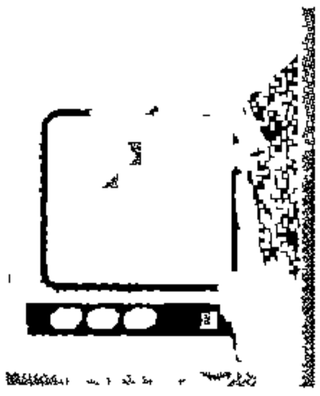
According to the constitution, regional governments do have "concurrent competence" over public broadcasting. And, given that charismatic regional premiers like Molefe and Lekota are known to be dissatisfied with the scant resources available to them, their actions are, perhaps, the first salvos in a growing dispute between the provinces and central government over control of facilities.

Fin 12/8/94

THE SABC

Back to the bad old days

The board thinks it knows best — but the taxpayer will foot the bill



The irony of the SABC in a new SA is that it seems on the verge of setting back the clock at least a decade, politically and financially Much of the progress recently towards commercial prudence and political independence is about to be undone If the new SABC board persists in its suspicious rejection of broadcasting that is driven by the market — and that means popular acclaim — for the first time since 1936 the corporation will have to be funded by an already overburdened taxpayer

The appointment of Zwelakhe Sisulu as CE at the SABC to succeed Wynand Harmse was no surprise — he had been ostentatiously placed in the wings But it is the most visible evidence of a purge of those who, while of the *ancien régime,* were committed to liberal reform We know, too, that Sisulu (like SABC board chairman Ivy Matsepe-Casaburri) comes straight from a background of strong emotional and intellectual sympathy for the ANC and has little practical experience at running anything of this magnitude



Matsepe-Casaburri

It was obvious from the moment of Nelson Mandela's release from prison that the NP's iron rule of the airwaves would come to an end The only question was, what would replace it? That is becoming clear now

When NP leader F W de Klerk was State President and under enormous political pressure to level the playing field before the general election, he tried to remove the SABC from Nat control without handing it to the ANC — and failed hopelessly His chosen device to achieve this was the appointment of former Leader of the Opposition Frederik Van Zyl Slabbert to chair the board At first Slabbert declined the job, then took it on temporarily, and then resigned before completing the period he had set for himself

Suddenly and unexpectedly, the way to the powerful top job was cleared for the hitherto obscure vice-chairman Matsepe-Casaburri, a known ANC supporter with enough of the authoritarian ideals of an egalitarian fanatic to be an immediate threat to aspirations of liberal independence

Those who claim that the SABC is an independent body are only correct in the sense that it is not funded by government it derives its income from licence fees and advertising But its board is appointed by the State President — and the latest board members were chosen by lawyers with an obvious bias to the new order, supposedly to represent various interest groups The outcome is a directorate of those who for the most part know little about broadcasting but can be relied upon as commissars



Sisulu

For all but 12 years of its existence until last year, when the new board was appointed, the SABC chairman has answered to a Nat government It is not yet clear whether the new regime will expect the SABC to be as compliant But from the choice of programmes, the toadying of presenters, the curious news sense of the journalists, the choice of panel participants and the boredom of the election coverage, the indications are ominous

Certainly there is no thought of privatising the SABC it is clearly too important a means of thought control for an ANC government even to contemplate such a course It gives unrivalled access to the population by 1992, 95% of whites and 50% of urban blacks had TV, while 85% of all blacks had access to radio.

In order to exercise the kind of control enjoyed by the Nats, the new board will have to be reactionary After De Klerk came to power in 1989 the SABC came to enjoy something close to independence At that time the board regarded it as both possible and desirable to devolve more authority internally, but just as compelling was the need to place the corporation on a sound business footing, because its financing was fragile

The SABC first faced severe financial problems in the mid-Eighties In 1983 it recorded a reasonably comfortable operating surplus of R17,7m By 1984 this had been turned into a deficit of R1,6m, with the weakening of the rand and soaring costs, things were expected to get worse Under director-general Riaan Eksteen, rationalisation was started the permanent staff complement was steadily reduced (see graph)

Further major restructuring followed in the early Nineties under chairman Christo Viljoen and Eksteen's successor as DG, Wynand Harmse Many activities were rationalised into business units More emphasis was placed, in both radio and TV, on giving the market what it wanted and therefore delivering better prospects to advertisers. Programming was revised according to market research, with popular programmes given prime time and those for minority interest groups relegated to early or late slots The three moribund regional radio stations — Highveld, Good Hope and Port Natal — were split into seven stations in order to make more money through serving local markets, a new commercial English-language station for urban blacks, Radio Metro, was created and has never looked back

Mistakes were made in the attempt to make the SABC more conscious of business principles, but there were important advances After a quiet start as DG, Harmse broke with SABC tradition by going outside to fill vital posts In particular, he moved marketing specialist Quentin Green to run TV, and brought in Steve Schubach as financial director It was and is significant that both Green and Schubach are financial-trained executives who are compelled by the bottom line, they have had the backing of Harmse, himself a former financial director of the SABC

The corporation needs such expertise For while it is expected to raise money from sources other than licence fees, it must also offer public service broadcasting (PSB) In







Eksteen, Viljoen, Harmse *much was achieved*

STRIKES

A heavy cost indeed

is all very well for the ANC, union leaders and labour yers to write off the acrimony, violence and cost of the sent strikes as being that time of the year for industrial ion and part of the new democratic process The nsequences are profound and they are going to be with for some years yet

The costs, which are unlikely to be quantifiable, are ainly going to be heavy and they will ultimately be paid consumers, with the lion's share falling on the poor For poor buy proportionately more food and consumables the rich and, because of the extended family system, ve more mouths to feed

Studies some years ago showed that one of the main sons for the increase in food prices, at that time a major ntributor to inflation, was the practice among retailers of sting margins to recoup the cost of strikes that had taken e some two years before These costs arose not so much om higher wage settlements — in the previous major Pick Pay strikes the strikers were no more successful than they e this time — but from the loss of turnover and physical age

Because of the need to rebuild turnover in a highly mpetitive market, retailers keep their margins narrow mediately after strikes but begin to widen them as they c signs of recovery The impact on the inflation rate is erefore at first muted and then progressively becomes ich more discernible

Because of the vagaries of the weather recently, product seases and protective barriers, food prices are at present oving up quite fast Once the impact of the retail sector ikes are felt, along with other inflationary pressures owing from a weaker currency, the rise in the cost of living dices will be gaining momentum

The broader economic implications are no less serious Despite the modest wage settlements, the impact on business nfidence domestically and on foreign investment enusiasm is substantially negative And as the trade balance egins to narrow towards the end of the ar, growth in this economy is going to become even more dependent on apital inflows If these inflows do ot materialise, the capital account ill have to be protected again by an crease in domestic interest rates And that, in turn, is going to knock expected growth in the economy way below 3%

Nobody has benefited from these ikes, least of all the strikers who ppear to believe that their violent d selfish behaviour is part of the ew democracy It may be that colective bargaining within civilised onstraints is part of the democratic rocess — or at least it seems so the recently enfranchised But the claims they make on the resources of other stakeholders are not necessarily democratic demands

One of the frustrations among organised labour is that in negotiating collective wage increases, the owners of the enterprises concerned tend to regard labour's collective endeavours as simply a factor of production, dehumanising the workers as individuals And that is substantially true But it is a dehumanisation brought upon themselves, usually at the behest of trade union bosses who invariably prefer wage hikes to deals that enable workers to share in profits, especially through productivity agreements

A worker who is also a part owner has increasing motivation — manifested in his or her own efforts, efficiencies, innovations and initiative — to raise personal remuneration The more this is allowed to happen, the less individual workers will feel that they are hopeless pawns in the hands of intransigent owners or managers who will not allow them to share in business decisions It fosters the restoration of individual pride and self-respect

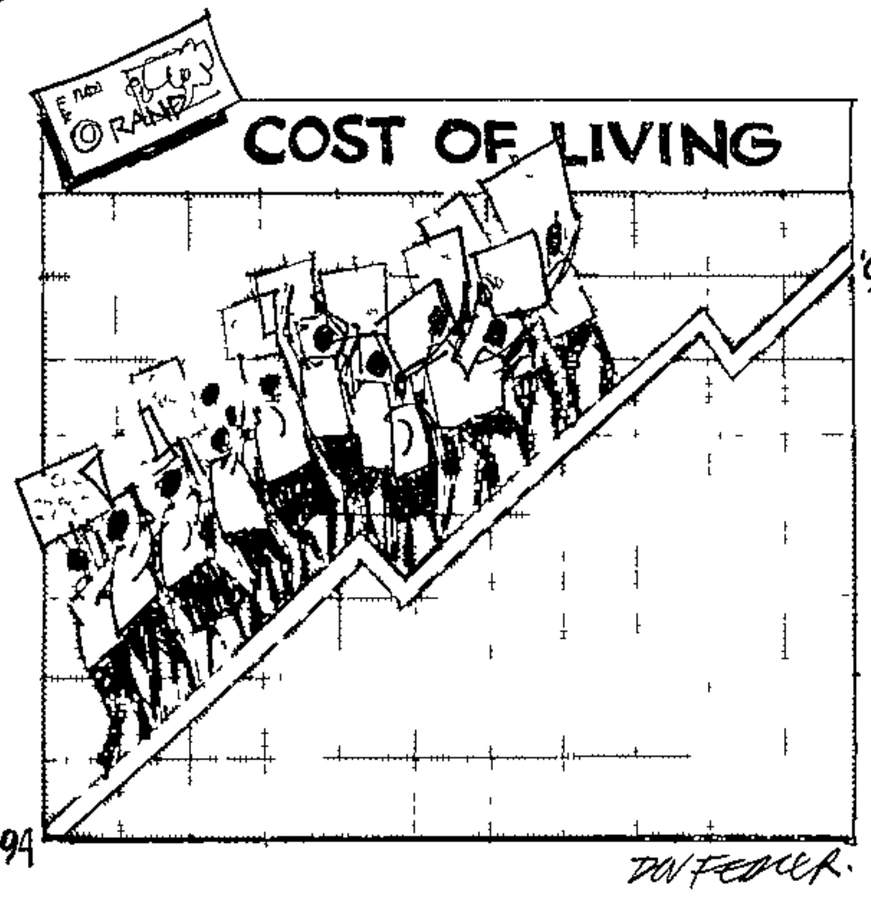
Trade union bosses invariably argue that those are middle-class values that are inimical to the collectivist advantage of the brotherhood of workers And that may be true But they are also values that are of increasing importance to millions of aspirant black voters who in recent years have taken personal advantage of the deregulation endeavours of the outgoing Nat government

Elsewhere in this edition, we spell out the trend in black incomes and clear aspirations towards the lifestyles of the well-off whites, whose real incomes have for some time been static or declining That is a political phenomenon that trade union bosses ignore at their peril, especially at a time such as this when union membership is falling

Nothing educates men and women faster than affluence And as the rising black middle class sees that its continuous prosperity is increasingly threatened by union violence and high wage demands, it will react politically against them — not in front of the retail store but at the ballot box

Our estimate is that those with middle-class values already comprise about 25% of the population Deduct from 30m those who are too young to vote or who are trapped in rural poverty, and the middle-class vote becomes a formidable force in politics That vote will support liberal democratic values as it becomes less racially self-conscious

But the political process will not stop there The unemployed in middle-class families will increasingly vote for those with credible job creation policies, so that they can regain the self-respect that permanent employment and rising prospects bring The strikes have done nothing for the trades unions among these people



other words, it must carry minority programmes which either attract no advertising or insufficient to cover their costs

But, in addition to this, the cost of producing minority programmes locally (and they are often of dubious quality) is inordinately high an imported high quality English drama series can cost as little as R400/minute, whereas a local production like *Konings* can cost R9 000/minute — 22 times more expensive

This is exactly where the SABC has not been allowed to shake off its past How can it run as a business properly if it is expected to carry, without any subsidy, highly unprofitable services? And deregulation of the airwaves, while it may be good for broadcasting as a whole, will only exacerbate the SABC's problems because it will probably lose advertising and market share as it attempts to satisfy the peculiar tastes of minorities

That in turn could lead to restrictions, such as a minimum quota of PSB, being placed on new private stations in order to protect the SABC — and then bang goes the free market.

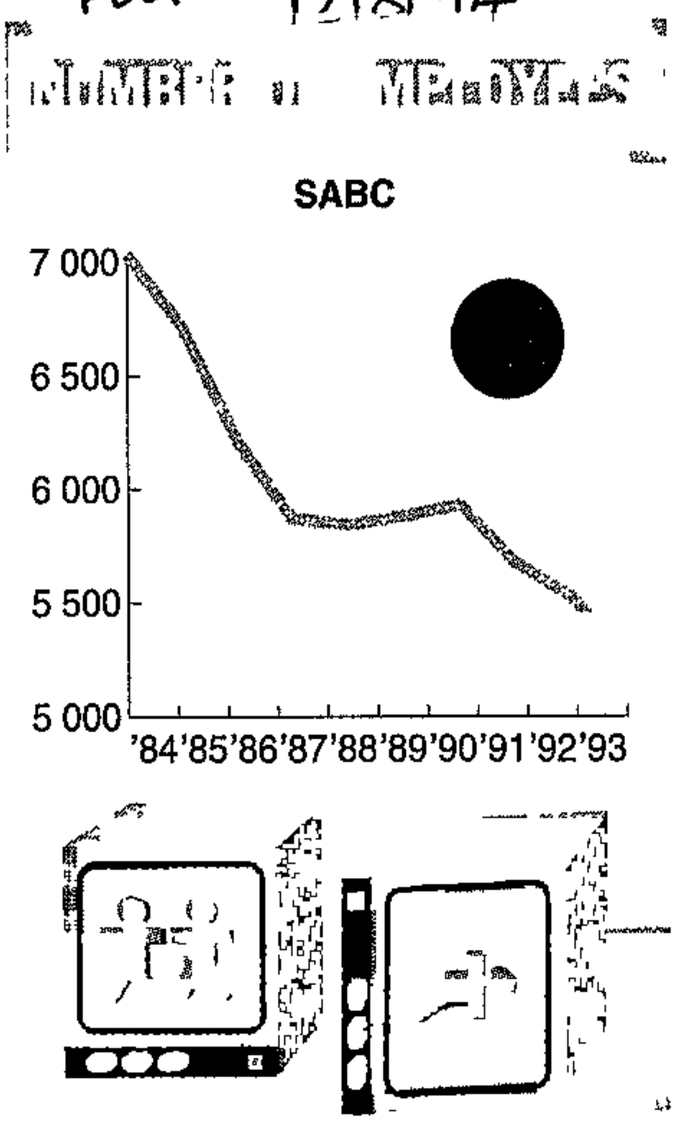
If the new board insists on more affirmative action broadcasting, to cater for various minority languages and interest groups, there will inevitably be a need for the taxpayer to subsidise the SABC

Total operating revenue for 1993 was R1,2bn, up 10% on 1992, total operating expenditure was up only 8,8% and the year ended with a net surplus of R99m On the face of it, a healthy performance — but less than a quarter of revenue comes from licence fees, which leaves the SABC extremely sensitive to the marketplace As Harmse expressed it in the 1993 annual report "The corporation depends mainly on market forces" Hence Green's crisp summary of his strategy for TV "Stay in tune with the market" The aim of present management has been to give the market what it wants, not what the *apparatchiks* think it needs

But markets are not embraced enthusiastically by the new board It knows better how to entertain and instruct the public So there is likely to be mounting pressure from the top to carry even more uneconomic programming and to retain costly services like dubbing

As affirmative action staffing continues, with the stated aim of achieving a 50 50 white/black ratio within a few years, rising costs are inevitable And if programming is infused with political correctness, rather than driven by the needs of the market, advertising revenue could be affected — even a drop of 10% would cause a crisis So the monopoly is likely to endure

Already, say insiders, the programme *Good Morning SA* is losing advertising because viewers find it too politically orientated And there are proposed regulations for radio cigarette advertising which would force clients to allocate at least 25% of a commercial's air time to a



health warning If cigarette companies then decided to withdraw from radio, it would cost the SABC R34m annually So anticipation of growing advertising revenue would be dangerous

There is theoretically much scope to improve the policing of fee collection, because only 12% of licence fee income is paid by blacks But new CE Sisulu appears already to have resigned himself to the culture of nonpayment in black townships — the kind of stance which, apart from being defeatist, will only encourage further nonpayment and put SABC finances under more pressure

That leaves the only other politically correct source of revenue the taxpayer A broadcast tax could take the form of a direct annual payment by government to the SABC, another suggestion is a levy on electricity consumers Whatever the system, a tax would directly or indirectly cause the diversion of scarce funds from other activities, notably the Reconstruction & Development Programme

A broadcast tax would also have grave implications for the SABC's fragile aspirations to political independence, when it comes to news and analysis He who pays the piper calls the tune

It was Sakkie Burger, a top SABC news commissar in the Eighties, who pointed out that a Minister cannot decide the content of a news bulletin But then the Minister doesn't need to what he has to do is ensure, through a co-operative board and DG, that the right man is in charge of news and all elsé will follow

The way some of the old guard at the SABC have fallen over themselves not to offend their new masters is instructive

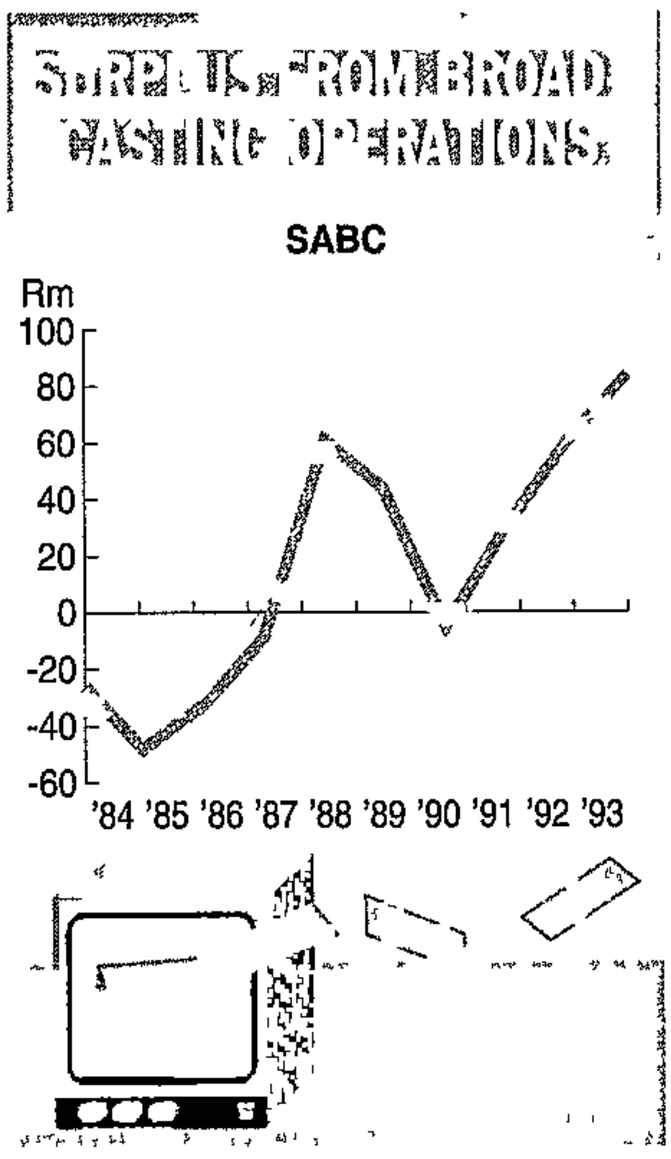
Even so, it is clear that affirmative action is proceeding apace, with visible and audible impact on broadcasting standards The hand of affirmed inexperience was evident when senior staffers received an absurd instruction that every panel on the *Agenda* discussion programme had to include a woman and a black, regardless of the topic There is reluctance to reduce the amount of time given in prime time to political discussion programmes like *Agenda*, despite research findings that viewers want less politics

Some presenters have told the *FM* of instructions that affirmative action must come before the maintenance of broadcasting and reporting standards — and that is patently clear to viewers And some black journalists have produced memoranda accusing white department heads of racism when they have been pulled up for slipshod work or absenteeism

Some senior executives are unwilling to speak out in favour of a market-orientated approach for fear of appearing disloyal, those who do are feeling increasingly isolated Conversely, there are some of the old guard who remember the days when the bottom line was not mentioned and money was no object — and are quite happy to revert to that blissful condition

Of course, there was always going to be a purge at the SABC when a new government took over And the cost of getting out the *apparatchiks* was always going to be high Some are entering the private sector with more than enough in their pockets to ease the passing

It is even possible to be sanguine about a temporary decline in standards and the demise of Afrikaans But what is hard to take is the return of the nanny mentality inherent in public sector broadcasting the board knows best what we should listen to or watch, and in which language And the sting will be reserved for the taxpayer ■



RACE AND CLASS

Fin 12/8/94

Closer than we think

Wealth has long been moving from poorer whites to richer blacks

The new age didn't start in April 1994 There are blacks — surprisingly many — who didn't wait for the political kingdom They began roping in the material benefits of a liberalising society long before its symbolic triumph at the polls

These are the entrepreneurs, small-business owners, opportunists, home buyers and the just plain lucky who began battering down the walls of apartheid as each crack appeared through the Seventies, Eighties and Nineties

To call them the black middle class is perhaps too narrow and political a phrase, for here we are really talking about stakeholders — people whose interests are directly vested in the growth of the nation, rather than those who seek merely to fatten their pockets And there are enough black stakeholders, says HSRC economist Andrew Whiteford, to render nearly meaningless the old race-based analyses which showed simply that whites were rich and blacks were poor

It is true that the rich are getting richer and the poor poorer the poorest 40% of all households earn less than 4% of total income, while the richest 10% earn more than half But it is equally true that the better-off blacks have been getting richer faster than anyone else (see graph) In fact, the income gap within the black community has grown almost as wide as that between blacks and whites — and both gaps are among the biggest in the world

"The reality is that we are already moving from a race-based to a class-based society," says Whiteford His research with University of Natal economist Mike McGrath shows that the richest 20% of black households — representing about 5,6m — enjoyed a 40% growth in income from 1975 to 1991 The incomes of the richest whites, by contrast, remained constant, while the poorest 40% of white and black households dropped equally by about 40%

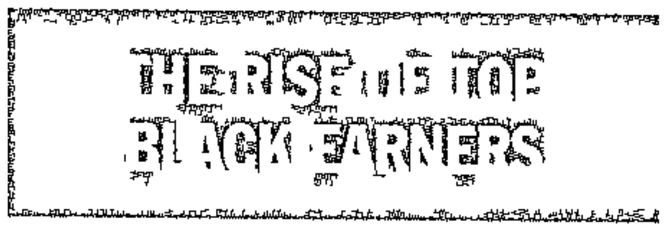
Indians and coloureds, meanwhile, showed the broadest growth, improving 20%-38% across the board, except for the poorest coloured households, whose incomes dropped slightly

The top 10% of black households, which 20 years ago were earning less than the vast majority of whites, now earn the same or more than half of their white counterparts, says Whiteford The fact that black households average more than six members and white households fewer than four means that each member of a black household shares a smaller proportion of the unit's income than do the whites Nonetheless, Whiteford's & McGrath's research suggests that 2,8m blacks now share household incomes equal to, or better than, those shared by some 2,5m whites

The purpose here is not to compare black and white incomes That would merely result in a restatement of the fact that enormous disparities still exist Rather, it is intended to go some way towards delineating the black middle class — a group that politicians and government officials often ignore when speaking of stimulating the economy or redistributing wealth This group will continue to grow in numbers and influence By the year 2000, seven in every 10 matriculants will be black, already blacks account for 39% of students at universities and technikons — a full 8% higher than in 1990, according to National Education Department figures

It is not only by income and education, however, that the black class of stakeholders should be measured Individual ambition and self-identity are important political factors The informal sector, for example, though relatively poor, has a considerable stake in maintaining and improving its share of the economy — often to the chagrin of organised labour

Whatever Cosatu secretary-general Sam



Shilowa may say about the ANC's supposed debt to the unions, when seeking government allegiance he may have to stand in line with hawkers, spaza shopkeepers, taxi operators, home owners and businesspeople — people whose interests, in many cases, are not those of unionised workers Though labour muscle undoubtedly helped to carry the ANC to power, the party won as many votes as it did because the middle class, the unemployed and rural millions bought its promise of jobs, peace and prosperity

Apartheid may have divided South Africans, but in the process it forged uncommon solidarity within those separate racial fiefdoms For all their differences of language, tribe and political creed, apartheid gave blacks no choice but to get along or be damned — the rich with the poor, the middle class with an increasingly radicalised proletariat

To get by, each group paid dues to the other The well-off supported the less fortunate and, in exchange, could count on the revolt of the masses to force through their demands for political and economic empowerment It forged a social seamlessness unknown in the white society

But the days of black solidarity are numbered The proven readiness of organised labour to challenge its former ally, the ANC in government, and the widening gap between black haves and have-nots are bound to shatter the old race alignments The political fragmentation that has been under way since the early Eighties will give way to new economic alignments and conflicts, and eventually overcome race as the main determinant of social divisions

Meanwhile, more and more blacks are moving into white suburbia One finds them shopping the glittering malls, driving smart cars and dropping their children at expensive schools and day-care centres Bearnard O'Riain, Transvaal MD of Seeff Residential Properties, finds that blacks now account for 20%-30% of purchases through his company in once-white suburbs, particularly to the south and east of Johannesburg "It began as a trickle at about the time Nelson Mandela was released," he says, "and while it hasn't become a flood, it is a steady flow"

New order

White areas bordering on black townships are the most popular choices for blacks moving upmarket, he says Not only are they more affordable than other white suburbs, but they offer proximity to friends and relatives in the townships And as more blacks move in, the suburbs take on a comforting "black" character, while also turning into upmarket townships

Waiting in the wings for their chance to move up are millions of urban blacks that the Integrated Marketing Research (IMR) company describes as the "emergent" and "new order" segments of society They comprise about a third of the nation's established urban population, says the IMR, and earn R1 500-R2 000 a month Most

SABC's intent 'proven'

(260)

JOHANNESBURG — A document distributed yesterday at an SABC meeting proved the corporation was considering reducing Afrikaans in its television services

The document, dated August 1, was released at a language policy meeting chaired by SABC chairwoman Dr Ivy Matsepe-Casaburri.

The paper constitutes the professional opinion of a senior advocate of the Johannesburg Bar in reply to an SABC inquiry on whether the corporation would be in breach of the interim constitution if it reduced Afrikaans in its television services

The advocate said he believed the corporation was not obliged to provide the same amount of broadcasting time to each of the 11 official languages, one of the reasons being it was not a state organ ET 12/8/94

He said the constitution did not grant anyone the right to insist on a certain percentage of broadcasting time in their language

● Political parties and provincial representatives were yesterday invited to submit further recommendations to the SABC within the next month to enable it to formulate a language policy — Sapa

Sasol takes 50% stake in fertiliser firm

PETROCHEMICALS company Sasol has bought a 50% stake in independent Delmas Fertilisers for an undisclosed amount

The company said the move formed an integral part of Sasol Fertilisers' strategy to expand its products and service range

The agreement included building a liquid fertiliser plant at Secunda. Construction had begun and the plant was expected to come on stream in September

A Sasol spokesman said utilisation of existing equipment at the Secunda plant had kept the cost of the new plant to less than R1m The main market for its products would be in the Eastern Transvaal.

Delmas Fertilisers, based at Delmas in the Eastern Transvaal, had established

MICK COLLINS

production facilities at Potchefstroom, Endicot and Pongola

Sasol Fertiliser MD Pieter Viljoen said the company was entering the market mainly because its customers would derive one major advantage — a fertiliser which was less labour intensive as it was easy to handle.

"In addition, Sasol will present farmers with the opportunity to buy high quality granular fertilisers as well as enable them to avail themselves of the excellent service from its liquid fertiliser plants."

All raw materials, the main ingredient being liquid ammonium nitrate, were available at Secunda and Sasolburg

Newcastle braces for Iscor retrenchments

B/Day 16/8/94

Own Correspondent

DURBAN — Newcastle is bracing itself for a series of retrenchments from Iscor as the company moves into a radical cost-cutting operation in an attempt to improve its profits in the international steel market.

Iscor spokesman Neels Howatt said it was uncertain how many people would be affected, but sources close to the company said it could mean a reduction of almost 25% of the staff Howatt declined to confirm the figure

"The Newcastle plant is selling its product on the international steel market and has to stay competitive Unfortunately, the product is not competitive and we have embarked on a cost reduction scheme"

He said the company was interested in increasing productivity with lower overheads and as steel was a labour-intensive product, staff would be retrenched

It is uncertain whether the retrenchments will be in management positions or on the work floor

Newcastle Chamber of Business chairman Trevor Smith said Iscor was the largest employee in the Newcastle community and retrenchments would affect all the population.

"Whatever the outcome of the final retrenchment plan, no one can deny it will negatively affect local commerce and secondary industry"

He hoped the retrenchments would not affect black workers too severely as Newcastle already had a great many unemployed blacks.

"We can only hope the figure of 25% being bandied about refers to cost-cutting in salaries and not staff.

"If it refers to staff, we hope it will be effective mainly in upper management and won't affect too many individuals, as spending power will be affected," he said

Smith said one positive spin-off from the retrenchments might be that certain work normally undertaken by Iscor might be given out to the private sector (260) (388)

"That will be good news for certain workers, including engineers."

Iscor management and union officials meet today to thrash out a retrenchment plan.

Sasol signs chemical deal with Japanese

B/Day 17/8/94

MICK COLLINS

PETROCHEMICALS company Sasol had signed a contract with Japan's Sumitomo Corporation to distribute its chemicals to Japan and other East Asian markets, it said yesterday

Sasol Phenolics — a division of Sasol Chemical Industries — said the deal involved the marketing and distribution of meta- and para-cresols and xylenol blends. (260 words)

Sasol is the world's largest producer of cresols

A Sasol spokesman said the contract was "relatively small" at this stage but "we foresee it growing as our cresols export business grows".

He said about 85% of the group's phenolic products were exported The gross value for 1994 would amount to R125m.

The venture augured well for Sasol Chemical Industries and SA as phenols represented an important source of foreign revenue.

"Sumitomo is actively engaged in developing trade relations with SA"

It was one of the world's leading integrated trading companies, trading and distributing commodities and products worldwide to business and consumers .

"It also invests in ventures which promote the global flow of trade and technology."

He added the deal emphasised the importance of having an efficient and dependable global distribution and sales network.

Sumitomo employed 8 800 people in 43 offices in Japan and in 152 offices worldwide.

Sasol's phenols, which included cresols, were recovered from the company's coal gasification process in the form of depitched tar acids

The new purification plant at Sasolburg had placed Sasol in a commanding position internationally

The spokesman said Sasol Chemicals had already secured significant market share worldwide

The company exported natural phenol to more than 30 countries.

Big contracts for black businesses

Sowetan 25/8/94

By Joshua Raboroko

■ **ESKOM MOVE** Meters to be moved off streets and into homes:

ESKOM has granted big contracts to black businesses to install electricity meters in thousands of Soweto homes (260)

The decision follows an agreement between the company and residents that meters be moved of the streets and into individual properties

Eskom sales and customer service manager Mr Ken Green said yesterday that part of the project would be awarded to experienced larger contractors, and the rest to local contractors.

The move was an effort to build the capacity of local business

The company intended providing significant support to these contractors through training to develop skills in materials management, supervision and supplying tools.

"Part of the project would be awarded to experienced firms and the rest to local contractors"

The first part of the project began towards the end of June and has given temporary work to more than 400 skilled, semi-skilled and unskilled Soweto residents.

The work is expected to be completed by December.

The second phase of the project is expected to be completed by June 1996.

"We realise that we are asking our customers to wait a little longer for the meters to be moved, but we believe they will be patient," said Green.

Koeberg offers a ray of hope for energy policy

TEN years ago, on August 18, the Koeberg nuclear power station north of Cape Town first began generating power commercially.

Since then it has been running without any reported problems, in the process setting a record for longest operational period of any Eskom generator.

In terms of worldwide reliability this reflects well on Koeberg

Apart from a reported ANC statement in February, since lost in post-election events, no government policy has emerged on the future of Koeberg or nuclear power in South Africa.

This is unsurprising. Eskom has a 4 000MW coal-fired generation surplus and the country has sufficient coal to last until 2040 — the question of future power stations need not be raised right now.

By TERRY MACKENZIE-HOY

However, all is not roses for Eskom and Koeberg. Questions have been raised over the real cost of Koeberg power.

Eskom will not say what its costs are per Koeberg kilowatt hour and this reluctance may be for reasons other than commercial secrecy.

According to a paper published by the University of Cape Town's Energy Research Institute, there appear to be unanswered questions about the costs of Koeberg's nuclear fuel, which Eskom has purchased from the Atomic Energy Board (AEC) since 1988.

The AEC receives two-thirds of its R707-million budget for 1994/95 from the Department of Mineral and Energy Affairs. ($260)

According to a paper published by the University of Cape Town's Energy Research Institute, there appear to be unanswered questions about the costs of Koeberg's nuclear fuel, which Eskom has purchased from the Atomic Energy Board (AEC) since 1988.

Such a subsidy can only come from income derived from consumer electricity sales.

Should Eskom continue to contract to the AEC for nuclear fuel and pay a premium for doing so, the new government could decide that the AEC should disband and that either Koeberg must buy fuel internationally or close down

In the short term this would have little effect on Eskom generation resources. Political benefits would be a R469-million windfall and that the government would be "seen to be green".

The only casualties would be the AEC (and thus whatever nuclear expertise South Africa has) and a less secure power supply for the western Cape.

At present, neither Eskom, the govenment nor the Mineral and Energy Policy Centre (whose board comprises interested members of industry, government and others) is saying anything.

The AEC (according to UCT) is going ahead with plans to build a cheaper enrichment technology.

If the UCT report is correct it must be asked how will it be fuelled and who will pay. Only when these are answered will the next 10 years of operation be off to a good start.

Koeberg has a good safety record. Despite microscopic "vessel head penetration cracks" (not considered serious by the French designers or Eskom), the safety of Koeberg and the safety record of its operations rank among the best.

Environmentally, the government might address fears of what will happen to the waste from Koeberg but these fears are unfounded as the lifetime waste from Koeberg (including the reactor contents) can be stored in a 10m deep pit the size of a rugby field.

Worries about such waste contaminating ground water can also be easily dismissed — large areas of South Africa have little or no rain — and in any event, with the exception of low-level waste stored at Vaalputs in the northern Cape, Koeberg stores waste in ponds where it can be managed until some future technical disposal solution presents itself.

In comparison with coal stations, Koeberg is more environment-friendly. While Eskom may have surplus coal-fired power, coal power produces tons of carbon dioxide, adding to the greenhouse effect. The costs of cleaning up such flue gases may make nuclear power financially more attractive than at present.

The green movement may suggest alternatives like tidal, wind or solar power but these are not options for South Africa, which does not have enough wind in the right places nor the right tides.

Furthermore, the biggest solar station in the world generates just over half the power of one of Koeberg's two units and costs more than this county could afford

Thus, the best government nuclear power policy may be to do nothing at present and not to discount the possibility of a wider role for nuclear power in the future

Terry McKenzie-Hoy is a consulting electrical engineer

parastatal sector, the SABC after all, was the first state organ to attempt transformation — the process started there with the appointment of a new "board of national unity" in May 1993

Now, over a year later, the corporation finds itself in a messy interregnum that seems interminable Here's what the SABC did wrong over the past year it made a lot of noise about change — and then did nothing This led to intense anxiety about job security, loss of faith by those willing to change, and the opportunity to sabotage by those unwilling to change

Blame must be shared by all parties involved. a board too involved in its own project of "national reconciliation" and too cautious to move quickly, an old management that has not yet come to terms with the prerogatives of public broadcasting, new managers unwilling to ruffle feathers and dig their hands deep into the messy entrails of the corporation, and unions torn between the imperatives of transformation and the need to preserve the jobs of their members

The tragedy is that so many people at the SABC — on staff and in management — believe profoundly in a new order They want change as desperately as we, the viewers, do They just don't know how to begin battling the behemoth — and there's no one to give them any guidance

That's the crux a void where vision should be This fact is painfully evident in all three of the much-publicised crises of the past two weeks

●By first suspending and then reinstating *The Line* — one of the finest pieces of local drama to be produced yet — a vacillating CCV graphically underscored the lack of coherent vision and policy at Auckland Park

●The premature leak of a document proposing the relegation of Afrikaans to secondary status made Auckland Park so jittery that group chief executive Wynand Harmse took the unprecedented step of setting up an on-line address to SABC staff nationwide. The ensuing storm highlights the SABC's lack of control over both its staff and policy-making process

●The turmoil at Television News Productions, resulting in a 180-strong petition protesting against TNP management and the "resignation" of TNP editor-in-chief Johan Pretorius, was the direct result of an utter absence of leadership in the SABC newsroom The dissatisfaction has spread to radio news, where a similar petition is circulating

The TNP brouhaha is perhaps the best example of the consequences of a lack of vision Like any good newsroom the world over, the SABC is filled with opinionated, difficult, egocentric personalities

But, unlike in other good newsrooms, there has been no one around to pull everyone together and say, "Listen! This is where we are going and this is what we need to do to get there "

Without that direction, energy has been misdirected into personal feuding, suspicion and bile have replaced good programming One senior journalist says he has been so involved in politicking that he hasn't filed a report for over three weeks No one has even noticed

Finally, though, there is movement at TNP Johan Pretorius is out, and Zwelakhe Sisulu, the corporation's heir apparent, will himself act as TNP's editor-in-chief for the next two months Beneath him, Andre le Roux will function as its executive editor, responsible for the day-to-day management of news

Change at TNP will now be driven by yet another committee. a transformation unit consisting of staffers and management which will develop a plan for transforming TNP The unit, which was presented to staff on Tuesday, consists of Le Roux, Isak Minnaar of GMSA, training chief Hein Ungerer, religion head Solly Mabelane, new manager Joe Tloloe, and journalists Amina Frense and Sefako Nyaka

But this new structure begs as many questions as it hopes to answer

Can a news unit be run democratically? If this is a way of giving TNP staff effective participation in planning the future, is it at the expense of productivity and efficiency — and thus programming? Is the transformation unit, ultimately, just a smokescreen obscuring the fact that there is still no one in control? Who, ultimately, carries the can?

These days, all fingers point to mild-mannered Sisulu

He was responsible for jettisoning Johan Pretorius and initiating the TNP transformation unit. He was the one who engineered the turnaround over *The Line* and made the channel put the drama back on the air. He is the one who has set up a "shadow cabinet" at senior managerial level — a corporation-wide transformation team to do the policy-work that the board has proven itself incapable of delivering

Sisulu seems to be the only senior manager at SABC able to inject the corporation with "the vision thing" His mantra is "a programme-driven SABC" It is fascinating to see how many people, throughout the corporation, have already taken this concept on

But Sisulu seems to be enveloping himself in a haze of committees and consultants, as if he is not prepared — or ready — to wield the hatchet himself

And he is spreading himself thin

How can he run the corporation-wide transformation unit while also trying to keep the volatile TNP house in order?

Even now, two weeks of the new TNP regime Sisulu is nowhere to be seen

He is trailing a BBC honcho in London

Meanwhile, phone any extension at random at the SABC, and you'll be offered a sob story, a rant and probably a leaked document or two

This week the board sat through yet another series of policy-drafting

The affirmative action policy document is in its sixth draft

Talk, talk, talk

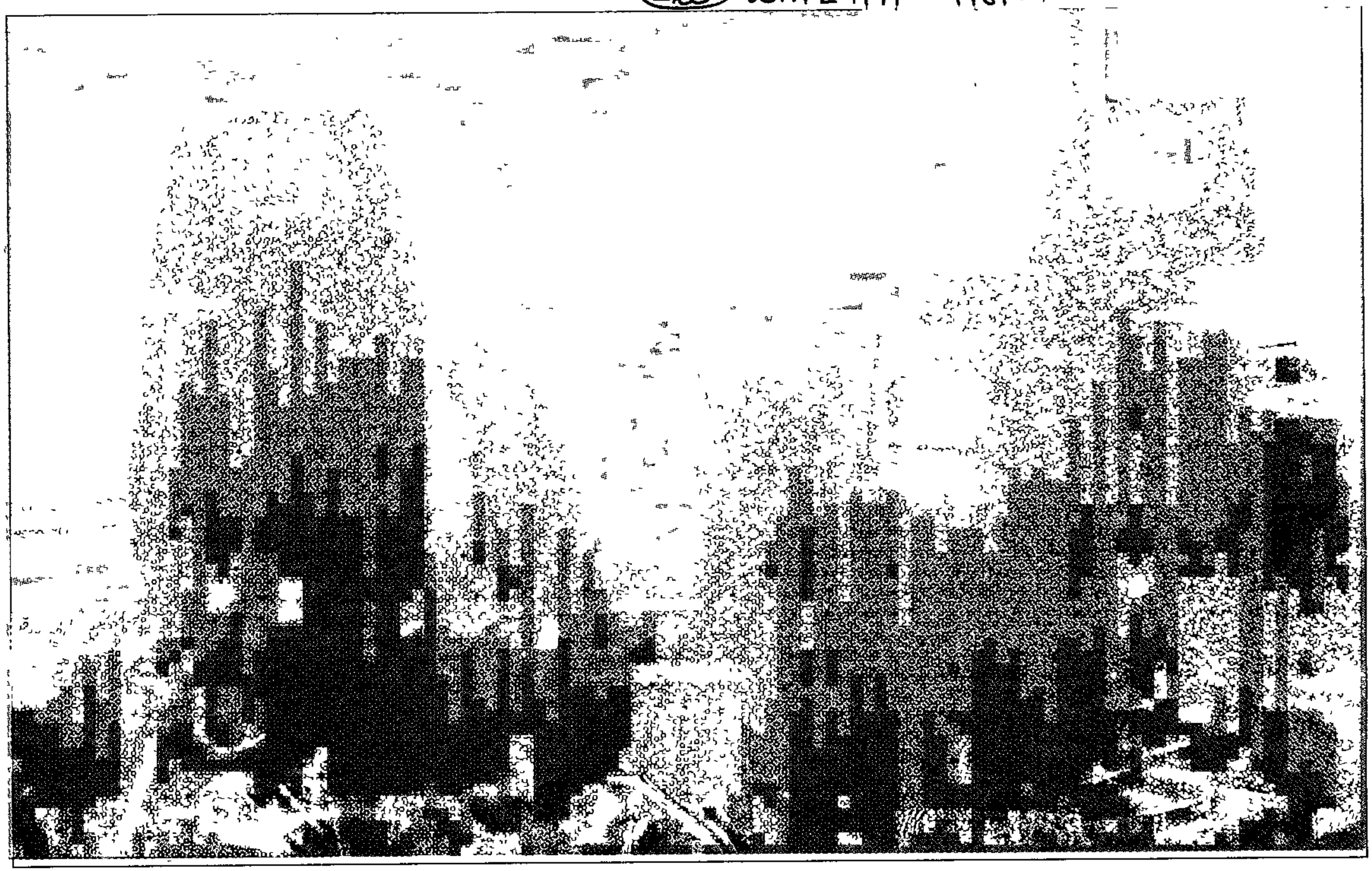
Action will be taken, one is told by a resigned public relations official who cannot even name the number of board sub-committees that have been set up, "sometime in September"

It may be too late.

SABC's reputation is on the line

(260) WM 29/7/-4/8/94

The SABC's floundering attempts to transform itself from a propaganda machine to a public broadcaster reflects the problems facing parastatals and the civil service, writes **Mark Gevisser**



No news, only questions .. Can the SABC transform itself into a public broadcaster or is it all just talk?

PHOTO STEVE HILTON-BARBER

'WE are accountable to you and you alone " With these stirring sentiments, CCV concluded its public statement to the people of South Africa, issued on Sunday over the controversy surrounding the suspension of *The Line* It was a brave and belated attempt to restore public confidence in an SABC battered by a series of crises over the past two weeks

Brave declarations and indignant obfuscations aside, the truth is this the SABC has been woefully unsuccessful at managing its transition into a public broadcaster

And, as the fiasco over *The Line* has demonstrated, it is in terrible danger of losing the sympathy and support of its raison d'etre and cash cow its viewing and listening public

It is worth looking at the dynamics behind these crises, not only because the SABC remains South Africa's information and entertainment lifeline, but because the chaos there offers us an object lesson about brewing transformation strug-

NEWS FEATURE Harmonising Eskom's relationship with the community is not easy

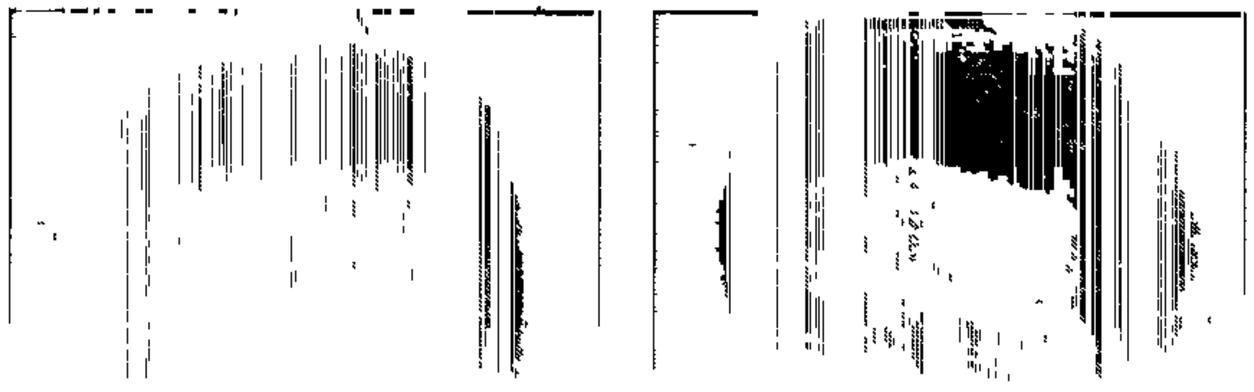


Electrification process in the black townships will form part of the Reconstruction and Development Programme.

Dawn Mokhobo's balancing act

■ VIGOROUS

Eskom takes a giant leap into the



"I always act by challenging those who display hostility towards me If I allowed myself to adapt to this environment, I would start experiencing levels of stress that would paralyse me," she says.

Her other responsibilities are to run workshops and identify problem areas, including the areas manifesting themselves in resistance to change

accept the changes and challenges facing the nation.

"People have the will to work together, even though one must accept that this will not be without pain," says Khumalo.

The electrification process currently taking place in black townships and the rural areas is central to the Reconstruction Development Programme.

By Joe Mdhlela

HARMONISING ESKOM, hitherto a white-dominated electricity giant, will not be without pains.

But it is a task that will have to be pursued with vigour and determination as the process is in line with political changes sweeping the country

The transformation process at Eskom started when Mrs Dawn Mokhobo joined the company about three years ago

Mokhobo, a social worker by training, was appointed senior manager of human resources and charged with the implementation of the company's "social harmonisation programme"

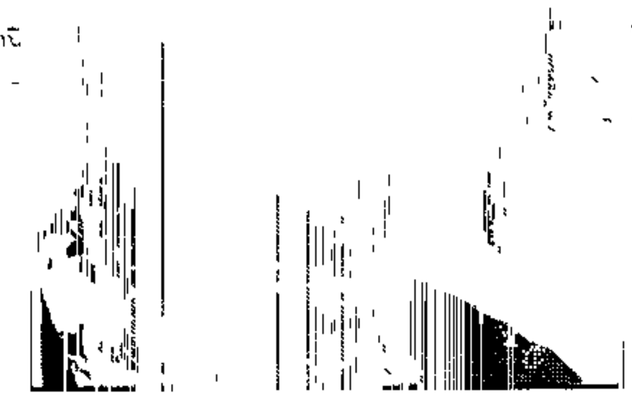
She was recruited from Anglo-American Corporation where she held a senior management position

Speaking about her early years as a social worker, Mokhobo says she soon got frustrated when her skills just "went to waste" She says she had to deal with unreasonable magistrates who would not accept her intervention as a social practitioner

"The magistrates were ignorant and prejudiced and did not take into account any of our recommendations," she says

Working as a probation social worker had its problems She says often magistrates did not realise there was something wrong with a system that produced wayward children

"I often got depressed when magistrates disregarded our advice Despite our suggestions, teenagers would often be sent to jail," she says.



Dawn Mokhobo

Talking about affirmative action, Mokhobo says the programme is not meant to kick whites out of their jobs. She says it has more to do with ensuring that blacks, who have been disadvantaged because of apartheid, are considered for senior positions in the workplace.

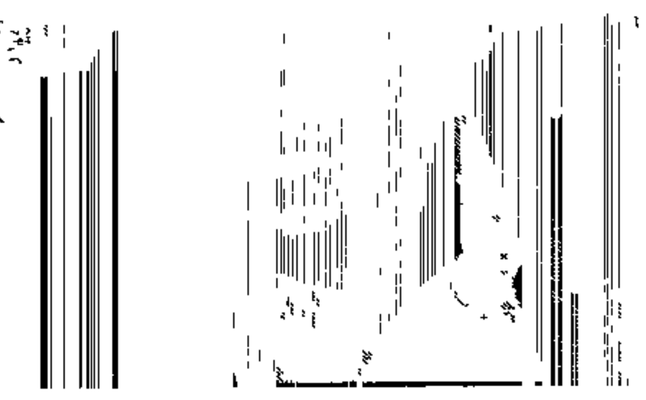
Readjust their minds

Mokhobo says it is impossible to transplant affirmative action within a hostile environment. Hence her involvement in holding workshops, mentally preparing people to readjust their minds to the emerging political scenario

She says it is important that while changing the culture within the organisation, differences in people's culture must be recognised.

The affirmation that South Africa is a diverse society, with 11 languages, must be seriously thought through, if affirmative action is to run its full course

Also, Mokhobo asserts that gender issues have to be addressed if affirmative action is to be implemented in its entirety



Bongani Khumalo

"Eskom has a responsibility to harmonise itself, and relate itself with the community," she says.

Often Mokhobo senses hostility, but that does not bother her as she is able to understand anger and deal with it constructively.

[illegible] tion requires new perspectives and appreciation of the new dynamics brought about by political change.

A personnel executive at Eskom, Mr Bongani Khumalo, confirms what Mokhobo says about changing the attitudes of the workforce, especially whites

"Black people have to change the world view of their white counterparts," Khumalo

Khumalo says the workforce will have to deal with stereotypes, the misconception about people across the colour line.

He says the process the country is going through is "a painful one", with some people more ready than others to to build a strong economy that will be a basis for stability," he says.

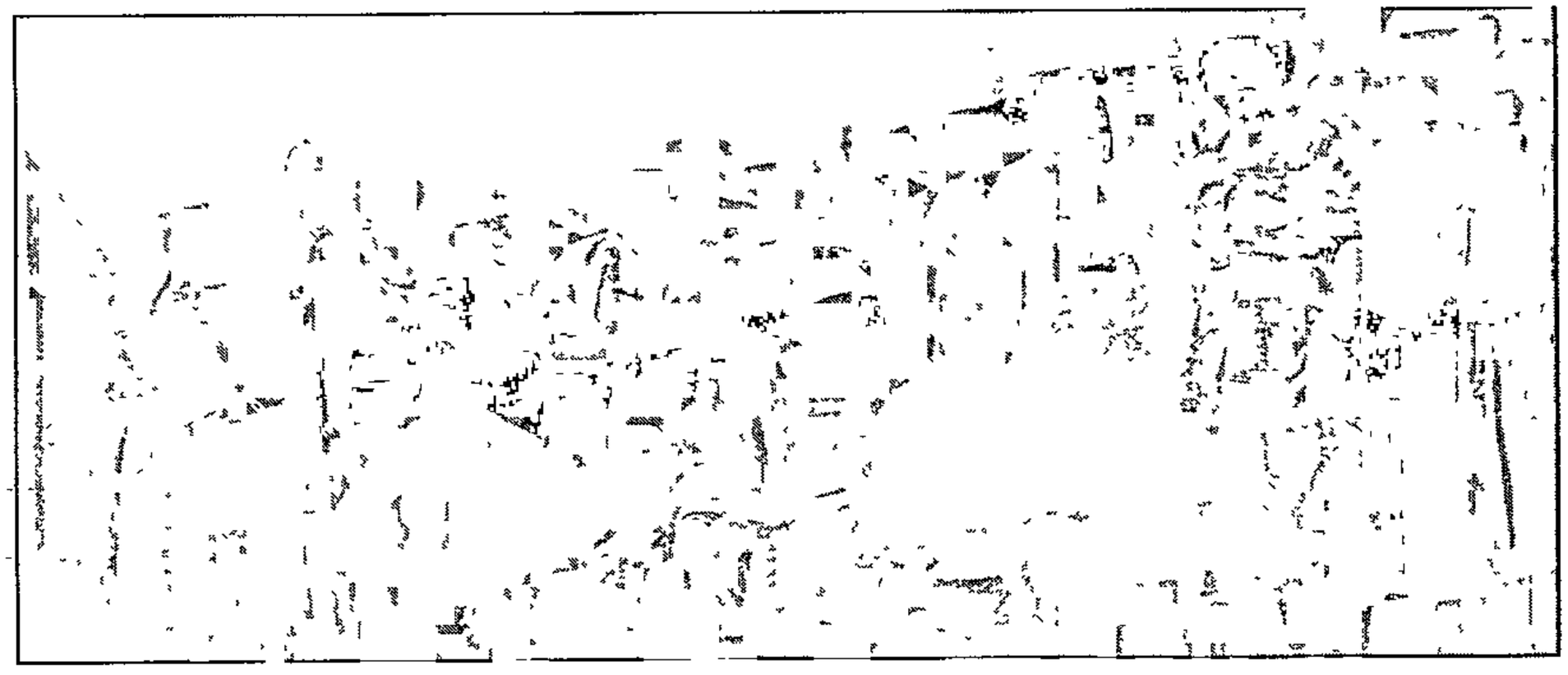
Clearly, Khumalo's exposition is consistent with Mokhobo's argument that for the RDP to be fully realised the corporation has a role to play

"Therefore, repositioning Eskom to support the new society and the RDP is crucial to the wellbeing of our economy," she says

As a parting shot, Mokhobo showered praises on President Nelson Mandela and his RDP

"I am really excited about Mandela and his process of reconstructing South Africa," she says

● For more on Mokhobo, watch NNTV at 9pm tonight.



Ongoing training to improve skills at Eskom continues.

This space was made possible by the support of the Positive Development News Initiative, which seeks to document a unique development model that is evolving in South Africa where people from all walks of life — Business, Labour, Grassroots, Democratic Structures, Development Agencies and Communities themselves — are coming together in focused alliances, to play a powerful role in reconstruction and reconciliation to build a common future that will provide the foundation of a peaceful and prosperous inclusive society in this wonderful land of ours.

Core founders of this initiative are:

Eskom
Facet Film & Television
Independent Development Trust
Kagiso Trust
Murray & Roberts
Nampak
Nedcor Chairman's Fund
The Anglo American and De Beers Chairman's Fund
The D G Murray Trust

NTV More Than Just TV

R371

Language tussle: SABC proposal to downgrade Afrikaans is unlikely to fly

Speaking in tongues. But which one?

WM 29/7-4/8/94 (260)

Drew Forrest

ENGLISH language chauvinists beware — if the number of English-speakers in South Africa is the yardstick, it is the language of Shakespeare, not Hendrik Verwoerd, that should be downgraded in our public life.

Official figures indicate that only eight percent of South Africans speak English as a first language, and 30 percent as a subsidiary language For Afrikaans, the figures are 16 percent and 35 percent or more respectively

What protects English-speakers — notoriously the least multilingual of South Africans — is the world dominance of the United States in commerce and popular culture

It is commercial, not political considerations which lie behind the controversial proposal by SABC television management to downgrade Afrikaans on TV, reshaping TV1 as an all-English affair and relegating Afrikaans to one of 10 language media on CCV

Spearheaded by arch-commercialiser Quentin Green, head of SABC-TV, the proposal is premised on the fact that foreign English-language programmes are on average four times cheaper than those made at home Afrikaans programmes also have lower ratings

The proposal is unlikely to fly, for the simple reason that the new SABC bosses recognise that public broadcasting is about more than turning a profit. But the controversy has turned a spotlight on the place of Afrikaans in a black-ruled South Africa

Constitutionally, the position is clear the interim constitution entrenches the current standing of both Afrikaans and English, calling only for South Africa's indigenous languages to be developed to the same level. There were suggestions this week that any move to downgrade Afrikaans on TV would violate language rights

At the same time, Afrikaans acquired overweening status under successive National Party governments The Education Ministry, for example, subsidised an Afrikaans dictionary unit to the tune of R1,2-million last year, while ignoring African languages It retains its symbolism as the language of the security policeman, the hanging judge and the administration board official

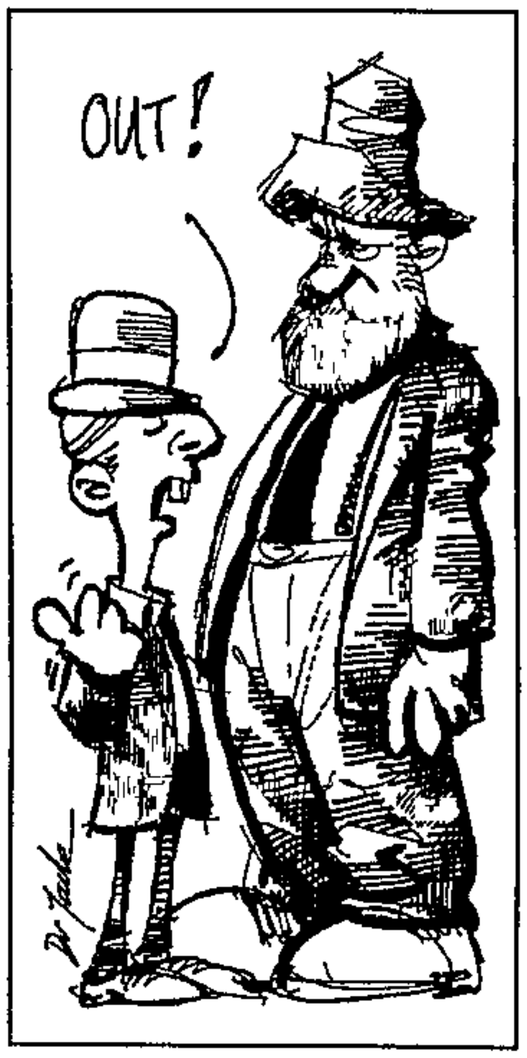
RAU academic Susan Booysen dismisses the outcry over the broadcasting proposal as "new South African pseudo-resistance politics, which invokes the constitution and national reconciliation to protect minority privilege" Rev Henno Cronje, chief executive of the Afrikaans cultural watchdog the FAK, disagrees "It must be accepted that it is a major language — 16-million can use it, while one or two of the black languages have fewer than a million speakers

"The problem is that English is so strong To make TV1 an English-only channel would further strengthen it against all other local tongues"

For University of the Western Cape academic Hein Willemse, a member of the ANC's language commission, the role of Afrikaans in broadcasting is part of a much larger conundrum that of ensuring democratic access in a multilingual society Namibia had failed by entrenching English as the sole broadcasting medium in a country where only four percent of Namibians spoke it.

Breadth of access had, however, to be squared with commercial viability "We will have to negotiate a balance between the commercial interests and language responsibilities of the public broadcaster," Willemse said

In education, the dilemma lies in granting the universally acknowledged human right of mother-tongue education in a country with 11 official languages and others, like Gujerati and Hindi, in wide use Arguing that Afrikaans universities will continue to have a place — although "the future will decide their numbers" — Cronje sees Soweto '76 as an object lesson in the dangers of imposing any language as a teaching medium



Afrikaans universities have diverged under the new pressures RAU, for example, has broken ranks by phasing in English lectures from next year

A White Paper due out shortly will clarify government policy on language in education Likely to differ from region to region, it will have to tread a delicate line between cultural needs and the practical requirements of society "Realistically, this is going to mean the introduction of English at a certain level with the option of the mother tongue as a second language," Willemse remarks

In many areas, for example, the public service, affirmative action and the destruction of Afrikaner political hegemony will naturally erode the dominance of Afrikaans

Sources say the workload of the language services unit in the Department of Arts and Culture, which translates government documents, has doubled under the new official language policy They add that a departmental task group, due to report back at the end of August, will "inevitably" recommend a shift towards the fostering of black languages

The ultimate aim, most Afrikaner intellectuals argue, must be to strip Afrikaans of its apartheid prominence while recognising its stature as a language, the profound sensitivities which surround it and the fact that it is not the exclusive property of right-wing whites

"We must be careful here Language is a powerful medium for reconciliation," said "coloured" poet Adam Small, who confessed himself "hurt" by suggestions that Afrikaans, his mother tongue, should be downgraded

Broadcasting delay slated

JOHANNESBURG — The Independent Broadcasters' Committee says it is "utterly dismayed" that commercial broadcasting licences will not be issued for at least a year

The IBC was responding to the announcement by the Independent Broadcasting Authority that the first licences for non-profit making community radio stations would be issued in November.

260

IBA co-chairman Dr Sebiletso Mokone-Matabane said that by granting these licences the IBA had not closed off the opportunity to grant new FM licences for other services, such as commercial radio, in the same areas "once we are legally able to do so".

ARG 1/9/94

However, because of the magnitude of the IBA's task, licences for commercial radio and other services would probably be granted only in a year's time, she said — Sapa.

Broadcasters slam IBA ruling

BIDay 11/9/94

AMANDA VERMEULEN

THE Independent Broadcasting Authority (IBA) yesterday ruled out granting commercial licences for at least another year, enraging independent broadcasters who claimed the move was merely an attempt to protect the SABC's commercial stations.

The IBA said it would start granting temporary community licences by the end of this month. But co-chairman Sebiletso Mokone-Matabane said the huge task of restructuring the broadcasting industry would prevent the issue of commercial licences for at least 12 months (260)

The Independent Broadcasters' Committee slammed the IBA's decision, saying that it would probably be two years before commercial stations started broadcasting.

Chairman Tony Sanderson said the committee would challenge the IBA in the Constitutional Court. He called on Posts, Telecommunications and Broadcasting Minister Pallo Jordan to amend the Broadcasting Act as "a matter of urgency"

The IBA had lost credibility by adopting a bureaucratic approach which perpetuated the protection of the SABC Sanderson challenged the IBA to announce its intentions for SABC's NNTV, whose temporary licence expired last night.

The IBA said it would allow community radio in congested areas to broadcast over a 20km diameter, while in less congested areas, the area would be larger.

Mokone-Matabane said up to six FM licences would be granted in the Johannesburg-Soweto area and about four in the Cape Peninsula Granting these licences

☐ To Page 2

IBA

BIDay 11/9/94

☐ From Page 1

did not imply that the IBA had closed off the opportunity to grant new FM licences for other services such as commercial radio in the same areas. (260)

"We will retain frequencies for purposes other than community licences."

Two types of temporary licences would be granted — short period licences of one month, and licences for anything from one to 12 months. In some circumstances short period licences could be granted without formal hearings They would probably be used for special events, but the IBA had not ruled out the possibility that they would be used for other purposes

Radio Pretoria administration and technical manager Wim Eek said he could not speak on behalf of the station, but the 20km restriction was "ridiculous"

"Our people live all over the country"

He also said the IBA's decision to take over frequency planning from the SABC's technical arm, Sentech, could result in small independent broadcasters being squeezed out of the frequency spectrum to protect the commercial viability of the SABC's stations. While Radio Pretoria would make every effort to get the IBA to review its decisions "we will go back on the air whatever happens".

Thursday September 1 1994 SOWETAN

SABC vulnerable to fraud — manager

Sowetan 1/9/94

By Joe Mdhlela
Political Reporter

A SENIOR manager at the SABC disclosed yesterday that the corporation's accounting system was vulnerable and even the best auditors could not have stopped the defrauding of the establishment.

The SABC's legal adviser, Mr Leander Gaum, said the R1,7 million fraud, allegedly, masterminded by Mrs Smangele Dlikilili, would not have been prevented by any audit system in the company.

He said Dlikilili had allegedly authorised fictitious claim invoices by staffers

Gaum said the scam at the SABC was the work of "a syndicate" which was confident it would not be exposed because it had the backing of "the manager"

"The problem is that people in authority have misused their power In that sense, even the best of audits would not have brought any detection," he said

Dlikilili was employed as production manager "and wielded immense authority" in the corporation's production unit, Safritel

Gaum said arrests were expected within days but this depended on police completing their investigations

The SABC revealed in a Press release that Dlikilili had allegedly authorised 75 transactions.

The scam included the creation of fictitious winners of competitions and several fictitious transactions A total of 19 transactions involving R530 000 are being investigated

The fraud also allegedly authorised payments to non-existent artists (2 to)

The chairman of the Performing Arts Workers Equity, Mr Dan Robberse, said his organisation took a dim view of what was happening at the SABC

New radio licences welcomed

(260)

CT 1/9/94

By WILLEM STEENKAMP

THE granting of temporary broadcasting licences to community radio stations from early November was welcomed last night by local community stations

Provision will be made for at least four city stations to broadcast on the FM band, the Independent Broadcasting Authority (IBA) said

An IBA official said yesterday applications for the licences, which would be valid for a year, would be accepted from September 30

CTFM spokesman Mr John Butterfield said the IBA "seemed" to be aiming to make community radio more viable

Bush Radio spokesman Mr Edric Gorfinkel said the announcement had "been a long time coming".

Exports help boost Iscor earnings 81%

BIDay 1/9/94

MUNGO SOGGOT

STEEL producer Iscor posted earnings up 81% at R512m for the year to June as local and international demand hoisted its performance above expectations.

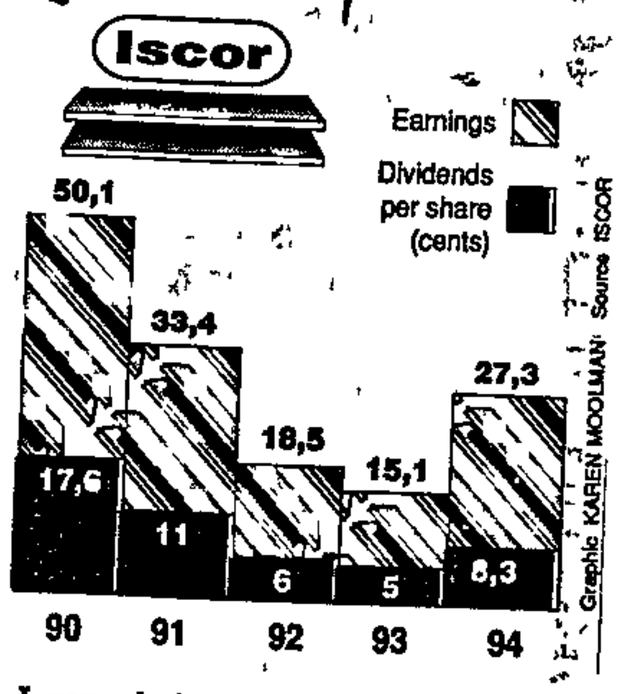
Despite the blast furnace hearth burnout at the company's Newcastle works, earnings a share were 27,3c (15,1c), while turnover was up 9% to R9,8bn. A final dividend of 5,02c was declared, bringing the total to 8,26c (5c).

Yesterday the share touched 418c before closing at 414c, down from a high of 423c on August 24. (+394) (200)

MD Hans Smith said local steel sales had risen 6,4%, while average export prices were up 6,3%. Iscor's rand earnings for exports had been boosted by a 14,5% average drop in the rand/dollar exchange rate. This had also made up for a 10,9% fall in iron ore export at dollar prices.

Iscor had reined in costs by increasing productivity and improving efficiency. The company's capex bill had dropped 20% to R498m (R622m).

The company had reported a positive cash flow for the first time since its listing, with net debt down R401m to R1,7bn. Gearing had improved to 24,9% (33,2%).



Income before tax was R545m (R298m), while Iscor's tax bill rose to R31m (R19m).

Iscor had lodged a preliminary R400m claim against the insurers of the Newcastle works to cover material damage and loss of earnings. It was unlikely that the claim would be resolved without litigation as it was being disputed by the insurers

Smith said 2% to 3% growth in real GDP would trigger domestic demand for steel. The international steel market was also

☐ To Page 2

Iscor

BIDay 1/9/94

☐ From Page 1

expected to improve. Dollar prices for steel were likely to firm, while the rand/dollar exchange rate would probably weaken further. (200) (+394)

If these predictions were borne out, Iscor would show real earnings growth in the next financial year, he said.

As with the interim dividend, Iscor was offering a share capitalisation award instead of a final dividend. The shares would be awarded in the ratio of 1,2 new shares at R1 each for every 100 ordinary shares held

The group intended to change its accounting policy in respect of deferred tax from the partial allocation to the comprehensive basis from July 1 to comply with international accounting standards.

Iscor earnings rise 88 percent

Star 11/9/94

■ BY DEREK TOMMEY

Iscor had another outstanding performance in the six months to June, with attributable earnings rising 88 percent to R297 million.

This was despite a furnace burnout at Newcastle in January, which left it running at 70 percent capacity.

The 88 percent rise follows a 72 percent increase in the six months to last December.

Earnings for the full 12 months rose 81 percent from R283 million to R512 million, and earnings a share from 15,1c to 27,3c.

Once again Iscor is choosing to issue shares instead of paying a dividend to conserve cash.

It is issuing 1,2 new shares (worth just under R5 at last night's closing price) for every 100 held (~~R5.47~~) (2100)

It made a similar issue in March, but at that time the value of the 1,2 shares was only 324c.

This reflects the sharp growth in Iscor's share price since the beginning of the year from just over 200c to 414c. Twenty months ago the shares were standing at 60c.

Turnover rose by 9 percent to R9,8 billion.

For the first time since Iscor's shares were listed four years ago, the company has had a positive cash flow, and was able to reduce net debt by R401 million to R1,7 billion.

It is MD Hans Smith's aim to reduce the debt to R1 billion by the end of 1994

He says the improved results follow the upturn in local sales of steel, which carry a higher margin than exports.

Local steel volumes rose by 6,4 percent. Average export dollar prices were 6,3 percent higher.

The 14,5 percent decline in the rand against the dollar also helped increase export earnings and compensated for the 10,9 percent fall in iron ore export prices in dollar terms.

Iscor was able to contain operating costs through improved efficiency and higher productivity. These came after fairly substantial retrenchments

Smith says that a preliminary claim of R400 million has been lodged with the company's insurers to cover material damage to the Newcastle blast furnace hearth and loss of earnings for the period to December 1994. About R200 million relates to the 1993-4 financial year.

However, the claim is being contested and no account was taken in the 1993-94 figures of the expected insurance settlement

Smith expects Iscor to show real earnings growth again in 1994-5.

Six new radio stations for Reef

■ BY MICHAEL SPARKS and DUNCAN GUY

Johannesburg and Soweto will have six new community stations following an Independent Broadcasting Authority (IBA) decision announced yesterday — but aspirant commercial stations will have to wait at least a year before their applications are even looked at

This has angered the Independent Broadcasting Committee (IBC) which has called on the Broadcasting Act to be changed, threatening a "switch on".

The community station licences would enable stations to transmit within a 7 to 10 km radius in urban areas Those in more sparsely populated areas would be allowed a greater range

IBA co-chairman Dr Sehletso Mokone-Matabane said in Johannesburg yesterday that temporary licences would be granted for community radio by mid-November

The licences would be valid for at least a year and licenceholders could apply for new temporary licences before the old ones expired

In addition to the six licences — all on the FM band — licences would also be available for medium wave and short wave if there were applications for these

Mokone-Matabane said temporary community television licences would also be considered

Meanwhile, IBC chairman Tony Sanderson has called on Post, Telecommunications and Broadcasting Minister Pallo Jordan to urgently change the Broadcasting Act

"We are aware that the changes to the Act are with Dr Jordan and to date the Minister has not acted on such changes," the IBC said in a toughly worded statement which also accused the IBA of intentionally or unintentionally providing "absolute protection" to the SABC

Sanderson told The Star that if such changes were not forthcoming, the IBC would demand a round-table conference with the IBA.

"Otherwise we will have to all just switch on "

Sanderson called on the IBA to announce its intentions regarding NNTV, whose temporary licences would have expired at midnight last night

In the meantime, the IBC has called on all interested parties to attend a meeting on September 8

Mokone-Matabane said the deadline for final comments on the IBA draft proposal was September 16, with applications for licences opening on September 30

Iscor turns in top level earnings

(260)

CT 1/9/94

from MUNGO SOGGOT

JOHANNESBURG Steel producer Iscor posted earnings of R1 [illegible] for the year to September 30 1993, a level and interpretation it said would be tested by performance above expectations.

In line with the [illegible] turnaround [illegible] earnings [illegible] R98m [illegible] declared [illegible] (15,

Turnover [illegible] high [illegible]

The [illegible] [illegible] [illegible]

Chemical exports fuel Sasol profit

Bday 21/9/94

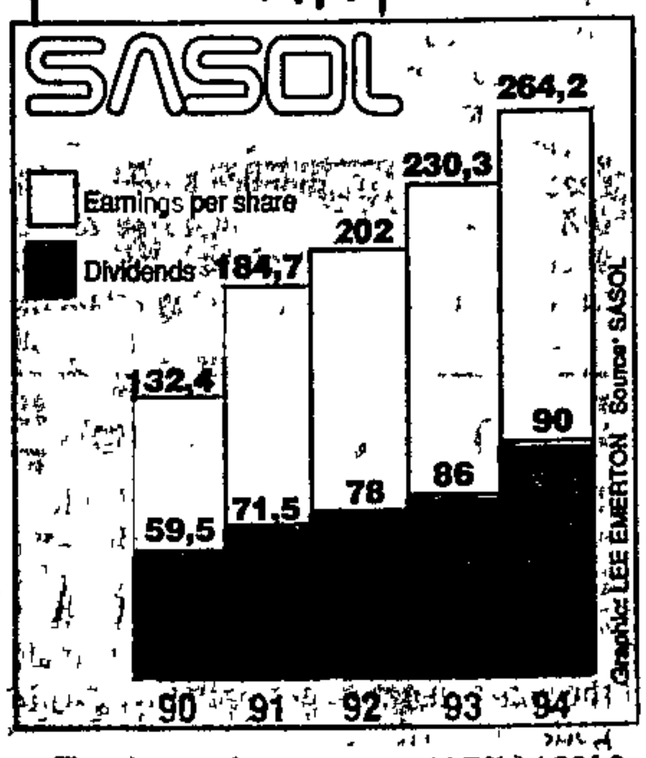
MICK COLLINS

PETROCHEMICALS company Sasol increased attributable profit 15% to R1,5bn in the year to June, following improved chemical sales volumes especially in export markets

Turnover was 11% higher at R9,8bn as results from a better performance in its synfuels division fed through. Increased dollar refining margins and a favourable exchange rate also helped boost results.

Operating income was up 29% at R2,5bn as lower interest charges of R75,3m (R120m) kicked in. The group was continuing to pay off government loans for the development of Sasol III.

Pre-tax profit came in at R2,45bn (R1,84bn), but a near tripling of the tax bill to R912,5m (R347,9m) drove the effective tax rate to 37% (19%). In order to cushion the impact the group transferred R50m to profit from its tax equalisation fund. Tax allowances relating to the Sasol III project and the Syferfontein mine project were fully used in the year. (183) (260)



Earnings a share were up 14,7% at 264,2c and a dividend of 48c was declared, bringing the total for the year to 90c (86c).

Shareholders have been offered a scrip alternative to the cash dividend and the

☐ To Page 2

1 1

Sasol

Bday 21/9/94

☐ From Page 1

number of shares to be awarded for every 100 Sasol shares will be announced soon.

MD Paul Kruger said Sasol could look forward to a satisfactory profit increase in the current financial year despite pressure on oil refining margins and reduced tariff protection. The reduction in protection had cost the group R100m this year and was expected to detract R250m from the bottom line by next year. The group did not expect any further protection reductions.

The group's oil-from-coal synthetic fuel business contributed R1,2bn or 47% to group profits. But without tariff protection (R1bn) the division's contribution would have been R199,7m. (183) (260)

Sasol is compensated by government for any loss in synfuel revenue calculated on the gap between world oil prices and a $21 a barrel crude oil reference price.

Kruger said Polifin — the group's joint plastics venture with AECI — would seek a JSE listing in the first half of next year. The venture was profitable but the effect of its earnings would be felt only once the PVC project had been completed in 1996.

Sasol Mining's contribution to operating income dropped to 14,4% (20,8%) at R364m. Sasol Oil maintained its contribution at 20,5%, bringing in R515,8m, while contributions from Sasol Chemical Industries rose to 17,2% (15,3%) at R435m.

Kruger said coal prices were moving up and the group's evaluation of its export project would be finalised by the end of the year. It had not yet decided if it would buy in export capacity at Richards Bay or opt for the Coalex project.

Exports, boosted by a large alcohol sales contract to Brazil, rose 38,4% to R767m and were running at R1bn a year.

Chairman Johannes Stegmann said the highlight of the group's performance was the successful conversion of its first Sasol I synfuel plant to chemicals production.

Iscor's Saldanha probe nears completion

JOHANNESBURG — Iscor said the current R20m feasibility study into the possible establishment of a steel plant at Saldanha Bay on the West Coast would be completed within the next two to three months

The project is currentlyy costed at about R4bn.

Iscor exports 15,5 million tonnes of iron ore through the Saldanha Bay harbour and the investigation was to decide if a high-technology steel-making plant was feasible in adding value to the ore before exporting, a spokesman said

Iscor's partners in the probe are the Industrial Development Corp, Sweden's Voest Alpine and Holland's Hoogevens — Reuter

Call for broadcast proposals

CT 2/9/94

(260)

Political Staff

POSTS, Telecommunications and Broadcasting Minister Dr Pallo Jordan called on independent broadcasters yesterday to propose amendments to the Broadcasting Act.

But the Independent Broadcasting Authority said it would not move any quicker even if legislation was changed.

Dr Jordan asked the Independent Broadcasters' Committee to submit amendments to allow the allocation of licences.

● Foreign ownership of private broadcasting services was limited by law, Dr Jordan said yesterday in reply to a question tabled by Mr Marthinus van Schalkwyk (NP).

CCV achieves big turnabout in its fortunes

Accused by the advertising industry of being unfocused, SABC rainbow channel CCV has lagged behind its competitors, TV1 and M-Net, in ad earnings. But now CCV is rising and may reach break-even in two years, writes **Louis de Villiers.** 260 ARG 3/9/94

BARELY two months ago, the SABC said in a submission to the Independent Broadcasting Authority that CCV could survive only with an injection of R100 million from licence fee income

In the advertising industry, the fact that CCV, the station with the largest audience in South Africa by far, was unable to rival pay-station M-Net in ad revenue was seen as something of an indictment of SABC management

That may have been true for 1993. A remarkable turnabout at the television station charged with public broadcast duties in vernacular languages has occurred since then.

CCV marketing director Pete McCloy estimates that CCV will need half that amount this year — in the region of R54 million from licence fees — to break even.

"If we are allowed to continue as we are, we may become fully self-sufficient in two years' time," says Mr McCloy.

Adindex and Constant Watch figures show the extent of CCV's assertiveness in the market since July 1993. In that month, TV1's share of television advertising revenue was 50 percent and M-Net's was 26 percent

CCV languished in third position with a share of 22 percent. By July 1994, TV1's share had dropped to 44,2 percent, M-Net was down to 25 percent while CCV had leap-frogged the pay-station to claim second place with a share of close to 30 percent

In money terms, CCV's ad revenue was up from R130 million for the first six months of 1993 to R196 million for the corresponding period this year — an increase in earnings of 50,7 percent M-Net increased its ad revenue by a respectable 34,6 percent, while TV1 managed growth of only 10,4 percent, albeit from a much larger base than its rivals

Two factors have contributed to CCV's surge. Media analysts such as Dick Reed at The Media Shop attribute the station's increased ability to pull ad revenue to the greater emphasis by marketers on communicating with multi-ethnic audiences.

Mr McCloy, on the other hand, points to CCV's pricing policies.

"In the past, there was tacit acceptance that CCV was pitching its rates too low," he said.

"In the beginning of this year, we upped rates by 35 percent in two stages. Our pricing is now on the correct levels — the existing rate card has been frozen till the end of March next year.

"In future, we would like to bring price stability to the market by introducing one rate increase per year, preferably lower than the media inflation rate

"Transformation process at the SABC may result in an even greater emphasis on public service broadcasting

"As it is, CCV is bearing a heavy financial burden in carrying programmes such as local soccer, vernacular dramas, educational programmes in vernacular languages and vernacular news and actuality programmes

"For the moment, we are running CCV as a business under the existing mandate.

"The board, though, has made it clear that the corporation's core business is public service broadcasting We are not intimidated by this — it does not frighten us one bit.

"If the SABC is looking to increase its public service broadcast content, it will need the cash to do so CCV is showing that hybrid stations — part commercial and part public service broadcasters — are a viable option"

Shares take a shine to Iscor's plans

ST Times (Buss)
H 9/94
260

By JULIE WALKER

ISCOR could be producing stainless steel a year to 18 months' hence if the group takes a decision to go ahead with the project.

At a presentation of Iscor's results in Johannesburg on Thursday, Iscor managing director Hans Smith told the audience Iscor was "dead serious" about entering the stainless steel business

He says that a few things need to be finalised but he estimates that production would be between 40 000 tons and 60 000 tons a month at Iscor's Pretoria works

The market liked what it heard from South Africa's principal steelmaker, ore exporter and miner. The price added 10c on Friday from an already new high to hit 435c a share

In the first year under Mr Smith's charge, Iscor has managed completely to shed its parastatal image It was privatised in 1989 when shares were issued at 200c After a promising start, the group suffered several years of low growth and the share price suffered It was as low as 61c last year

Mr Smith says the restrictions on the percentage holdings of foreign and local shareholders will be reviewed at the annual general meeting in November

He is not quite sure why they were imposed in the first place, but notes that it might have been a good thing when market capitalisation was R1,2-billion, foreigners could have bought the whole of Iscor through the financial rand for about $300-million. Now valued at over R8-billion, it is time to scrap the limits

About a third of the group's shares changed hands in the last 12 months Mr Smith notes that not only do the employees of the group know the exact share price, they know the volume of trade as a culture of working for shareholders has taken hold.

According to the share register, barely 0,1% of Iscor is held by foreigners But Mr Smith says Standard Bank Nominees' 16% stake is believed to disguise a substantial foreign interest, perhaps 10% In the year to June 1994, Iscor lifted its earnings a share by 81% to 27,3c He says the more important issue is that group cash flow turned strongly positive — from minus R167-million to plus R401-million during the year

Iscor will issue 1,2 capitalisation issues per 100 shares, being the equivalent of a cash dividend of 8,26 cents a share

He is especially pleased with the way operations at Newcastle fared after the blast furnace burn-through disaster early in the financial year. No expected insurance claims settlements have been taken into account; the preliminary claim is for R400-million, half of which relates to the 1994 financial year

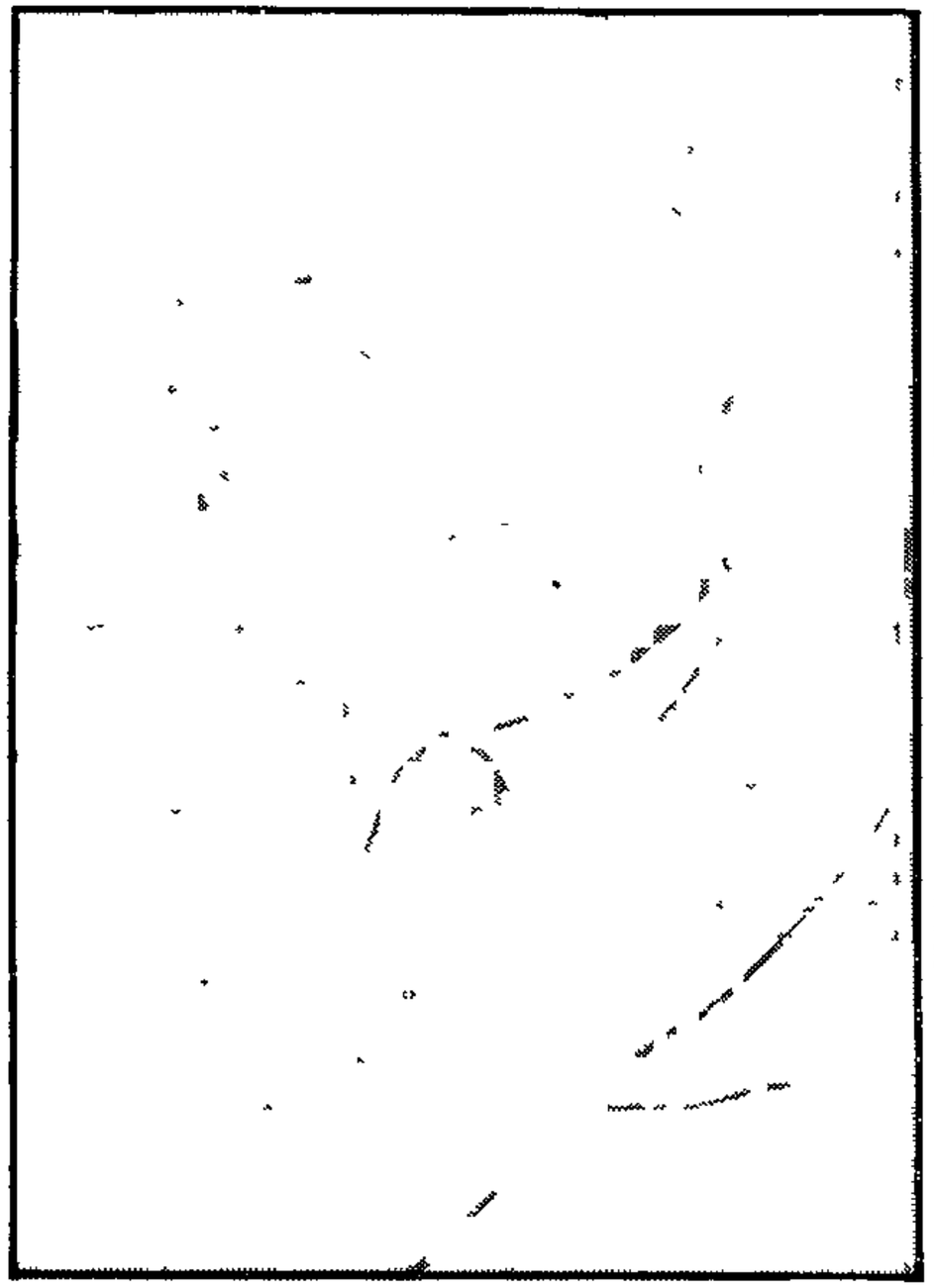
Iscor intends to repay all R1,7-billion debt ahead of the next expected economic downturn so as to avoid a large financing cost — R296-million in the 1994 financial year The debt will be repaid out of own funds, Mr Smith says a rights issue is not the way to go "It is the most expensive because the new shares have to be serviced forever."

Nevertheless, capital expenditure will need to rise to above R600-million a year so that Iscor can remain a state-of-the-art, low cost producer Independent research by London group Commodity Research Unit ranks only South American company Usiminas a cheaper producer; Mr Smith says Usiminas is subsidised, making Iscor the cheapest Iscor will also adopt a fully comprehensive provision for deferred tax from this year on

More than half of Iscor's steel is exported, for which Gatt and the General Export Incentive Scheme are critical issues

The steel division's Kevin Robertson says the agreement on steel import tariffs signed at Marrakesh earlier this year is for a maximum of 10%. Since South Africa's import duty on steel is only 5%, a doubling suits Iscor as it makes imports less competitive coming into South Africa, yet allows it better access to countries where import tariffs are up to 80%

The R136-million Geis "freebie" received by Iscor has come to an end. However, Iscor effectively gave South Africa steel exporters R260-million and Mr Robertson expects it to be better off without Geis



DEAD SERIOUS Hans Smith, Iscor's MD

Iscor plans to convert plant for stainless steel

BTday 5/9/94

MUNGO SOGGOT

STEEL producer Iscor said at the weekend it intended converting the steel plant at its Pretoria Works to produce stainless steel.

Executive director, steel, Kevin Robertson said the converted plant could produce 40 000 tons of stainless steel a month.

Analysts said that at capacity the plant would be able to compete with Columbus Stainless Steel, SA's biggest stainless steel producer

Robertson said the conversion would make the Pretoria Works more profitable.

A feasibility study had been approved and a detailed study would be finalised before tenders for the job were issued.

Robertson said the main feature of the conversion would be the installation of a vacuum oxygen decarburiser

He said the company was confident of being able to market stainless steel.

"We are also looking at adding further value to the product by additional processing either at the Vanderbijlpark Works or at the Pretoria Works," Robertson said.

Iscor could produce the stainless steel within 12 to 18 months of project approval.

"Pretoria Works has been under pressure for a number of years. This project will greatly enhance its profitability."

Columbus Stainless Steel said last month the R3,5bn expansion project at its Middelburg operation was on track to be finished by March 1995 The project would boost Columbus's output from a forecast 177 000 tons in 1995 to 307 000 tons in 1996 and about 600 000 tons in 1999

Columbus Stainless CE Fred Boshoff said the price of stainless steel looked set to rise, but cautioned that benefits from a rise in the steel price could be offset by a drop in the nickel price — which counted for between 40% and 50% of input costs.

However, the Deutschmark price of stainless steel had not changed since the 1960s. "In this business you can't rely on a rise in the steel price, but can only compete on cost of production and efficiency"

Columbus Stainless is a joint venture between the Industrial Development Corporation, Samancor and Highveld Steel and Vanadium. (260)

Samancor finance and administration GM Chris Norval said recently that worldwide stainless steel demand looked set to reach its 1988/89 peak of 13,3-million tons this year, with analysts predicting a growth of 3% to 3,5% a year

But Boshoff said that to remain players in the international stainless steel market, SA companies would have to be given an export incentive in place of the general export incentive scheme (GEIS)

Boshoff said GEIS — which will be scrapped in March 1995 — had played a pivotal role in the development of the SA iron and steel industry

But he said the feasibility study for Columbus's expansion had counted on GEIS being phased out in March 1995

SABC man resigns post

CT 5/9/94

JOHANNESBURG — Mr Frans Kruger, who was appointed SABC radio news head before the closing date for applications for the post had expired, has withdrawn from the position. (260)

In an inter-office memo distributed among SABC employees on Friday and released to the press on Saturday, he said the manner of his appointment had damaged his personal credibility and the transformation process.

He said his application for the post remained and would have to be processed along with the others.

It had been agreed that the selection process would be completed by September 14 — Sapa

SABC battles temptation to adopt commercialism

BDay 6/9/94

MARK ASHURST

SELECTING board members for the Independent Broadcasting Authority (IBA) this year, Posts, Telecommunications and Broadcasting Minister Pallo Jordan invited candidates to outline their vision of public service broadcasting.

It was a multiple choice question. Should the income and frequencies of the mighty SABC be protected from the ravages of the market, or was the commercially driven model, embracing independent broadcasters at minimal cost to the fiscus, better suited to a developing multicultural democracy?

As the successful applicants were quick to point out, there was a third model: northern Africa, where cheap imported television and ever expanding satellite networks had all but wiped out domestic production.

The big question for the SABC is how to secure the future of public service radio and television once the floodgates of a truly competitive market are opened. The chief mission of the IBA is to help them. If they fail, the northern Africa spectre will invade Auckland Park under the mantle of commercial viability, and the SABC will serve a diet of American soaps, game shows and glamorous but uninformative international news magazine shows.

There are signs that the SABC is preparing for battle, exemplified in recent initiatives from CE-designate Zwelakhe Sisulu to pool the resources of Southern and Eastern African broadcasters. The domination of much African news by CNN, Sky, Reuter et al indicates the struggle ahead, even in the hard news arena, if local broadcasters are to win back their territory.

Recent events at the Bophuthatswana Broadcasting Corporation do not augur well for the future of public service broadcasting. For all the rhetoric about the importance of a credible state-owned broadcaster, neither the SABC, the IBA nor the Minister have taken a public stance on The Bop Question. The brainchild of former President Lucas Mangope, Bop Broadcasting is arguably the most sophisticated broadcaster in Africa.

Its "homeland" status has been strictly enforced by the SABC, which controls the national frequency plan.

But for all its isolation, Bop's strategy is much the same as that being drafted for the SABC. Its regional Setswana stations are subsidised by the commercial English language networks. The Setswana stations provide the corporation's "social responsibility" programmes and educational television, Edutel.



☐ MOLEFE

Unlike the SABC, Bop managers have not been thrown into turmoil by SA's transition. Since Mangope's demise, they have continued an ambitious programme of commercial expansion.

Later this year, it will begin terrestrial rebroadcasts in other African countries in the form of pay-TV.

Here, Bop TV is now available to anyone with a Multichoice M-Net decoder, thereby building a more lucrative audience profile for advertisers. Meanwhile, Bop is bidding for a national transmitter network.

If this goes ahead, access to wider advertising will lessen Bop's drain on the fiscus and it will be well on the road to commercial viability.

Arguably, Bop's obligations as a public service broadcaster have been subordinated to increasingly commercial objectives. But these claims are weakened by the growing emphasis on commercialisation at the SABC

Strategies to lessen the dependence of public broadcasters on indirect tax revenue from licence fees are an international phenomenon. But they have added urgency here as a consequence of the SABC's autocratic past and broadcasters' concern that "he who pays the piper calls the tune".

It is ironic, then, that while Bop lobbies for a national SA version of America's MTV music television as the core of its commercial service, Northwest premier Popo Molefe has appointed his former communications director Solly Kotane as its new director-general.

Prior to Kotane's appointment, Bop Broadcasting was administered by an internal representative council beset with the kind of factional power struggles similar to those now dividing Zwelakhe Sisulu's transformation unit at the SABC. The appointment of an outsider to head the corporation has restored order and a sense of unity.

Under the circumstances, Molefe made a logical decision But his ready usage of the dubious powers enshrined in Mangope's Bophuthatswana Broadcasting Act is disappointing.

Kotane admits he is "ANC personnel", but says Molefe's government was acting to avert disaster when it appointed him without advertising the vacancy.

The SABC has acquitted itself less impressively by failing to insist on Bop's responsibilities as a public service broadcaster.

In doing so, it has strengthened Kotane's hand. He argues that the SABC "must set its own house in order" before proclaiming itself a worthy guardian of public service broadcasting. This view is vindicated by the ease with which the Northwest has taken over the reins of Mangope's propaganda machine.

Moreover, there is as yet no reason to assume that the aggressive marketing of Bop TV will prevent other parts of the corporation from evolving into the kind of credible public service that the IBA is expected to deliver. If not, Jordan is rumoured to have other designs for the corporation.

It is, at most, a small exaggeration to say that political transition liberated a R700m state-of-the-art broadcasting facility from the grip of the former homeland. The real cause for concern is that none of the major players entrusted with the future of SA broadcasting seem to want it.

SABC not an ANC mouthpiece — Jordan

Political Correspondent

THE SABC will not be a government mouthpiece, the Minister of Posts, Telecommunications and Broadcasting Mr Jordan said yesterday.

He said the IBA would promote broadcasting and development of public media. Jordan said there had been a commercial broadcasting Authority (IBA) and the future shape of broadcasting.

He said the IBA would have to be truly effective if it to be developed and tolerance and fostering pluralism.

Mr Jordan said the IBA to speed the issuing broadcasters. Jordan said the SABC was private property, by most people as use and to-

He urged that the SABC should be a process of consultation for communi-

Dr Jordan said the SABC because it was seen, correctly, as public as public which the SABC had been con-

The management of the task be-

Issues with language used in broadcasting had a difficult company, a public service expected to be a public

The SABC would play a key role in development and reconstruction and fostering a sense of nationhood.

But the corporation was also expected to provide entertainment to keep its audiences. He said private broadcasters would face financial problems when oth-

Dr Jordan said the SABC would not direct soon after its unbanning; broadcasting to suit preferences and civil servants could a campaign to ensure politicians had equal

In response to claims that the corporation was an ANC mouthpiece, Dr Jordan said any member of any citizen to appoint had had nothing to do with appointing the SABC board. This panel of jurists presided over by former Chief Justice JF Wade Klerk.

Independents set radio broadcast deadline

BDay 7/9/1990

AMANDA VERMEULEN

INDEPENDENT radio broadcasters have vowed to take to the airwaves on October 1 if attempts to end the deadlock with the Independent Broadcasting Association (IBA) over commercial licences is not resolved on September 12.

Station manager of independent radio station Solid Gold, Cal Kennedy, said yesterday the Independent Broadcasters' Committee would meet the IBA next Monday in a final effort to resolve the problem

"If no common ground is achieved, committee members will probably begin broadcasting on October 1"

He said the author of the Broadcasting Act, attorney David Dyson, had admitted it was a mistake, therefore Parliament should intervene to "save what has become a farce"

Committee members would invoke their constitutional rights to freedom of the media as the situation was now beyond a joke, he added

"In every country in the world where an IBA has dragged its heels, broadcasters were forced into piracy. We will not pirate but will be forced to resort to invoking our constitutional rights."

Meanwhile committee chairman Tony Sanderson has launched another scathing attack on the IBA, criticising its "disregard" for the expertise that local broadcasters had made available to them by importing foreign consultants to advise them

He called on the IBA to consult the committee on technical matters in order to avoid further delays in the granting of licences

"This issue is of vital importance to the broadcasting industry and cannot be dealt with by an IBA with limited experience," he said

200

SABC selection body formed

CT 11/9/94 (2D)

JOHANNESBURG — A selection committee will deal with the appointment of an SABC national news and current affairs editor following the premature appointment of Mr Franz Kruger to the post.

Mr Kruger was appointed to the position in August, even though the deadline for applications was September 5.

Steel sector's robust recovery well established — analysts

MICK COLLINS

EVIDENCE that the robust recovery in the steel sector was well established had emerged over the past week as share prices of high profile corporations continued to soar, analysts said yesterday.

Market commentators said positive sentiment had driven the shares to new highs with Iscor and Highveld Steel & Vanadium leading the way.

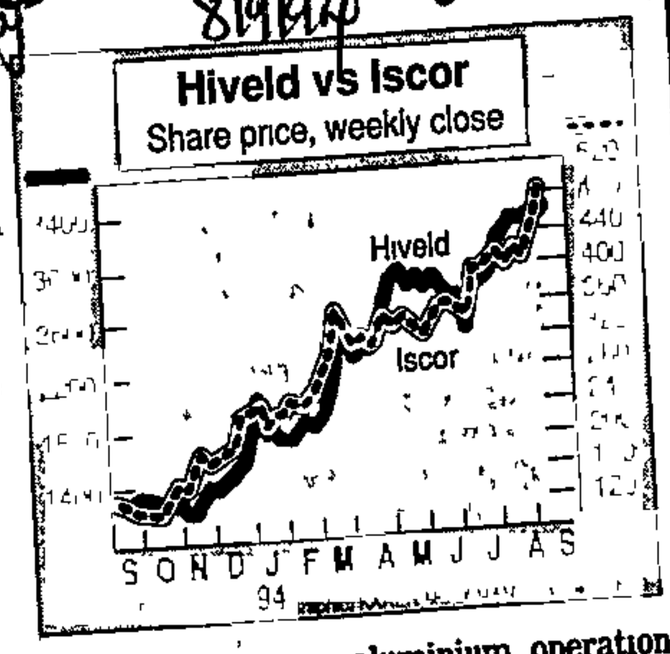
Iscor closed yesterday at a new high of 485c on heavy local buying, taking market capitalisation to R9bn. The share was priced at 114c a year ago.

The Amic-owned Highveld also closed at a new high of R33,25 from last November's R12, which analysts ascribed to a "kick" from the Columbus project.

Market sources said there had been a change in fortunes for the local steel market, with an uptick last year of 9% in volume. This was "good news" as the companies earned more on the local market than on foreign markets.

The supply/demand situation in world steel markets had improved significantly.

Referring to Highveld, one source said that the Columbus project was positive for the company. Its contribution to bottom-line profits could be expected to grow to 25% within two to three years.



The Rheem can aluminium operation was also positive.

Another advantage Highveld was enjoying was that Iscor had closed its heavy mill at its Pretoria works last year, which meant the company was picking up additional local sales.

Iscor said at the weekend that it intended converting its Pretoria works for the production of stainless steel. The company said the plant would have a production capacity of 40 000 tons a month.

Analysts said. "The demand/supply situation for vanadium has also been sorted out. There is also good demand for manganese alloy products.

ISCOR Fm 9/9/94

Looking abroad?

(260)(R4)

With profitability and cash flow now climbing rapidly, Iscor's management is looking to the future and is preparing to step up capital investment again After capex was cut to the bare minimum during the downturn, more will be spent in the 1995 year on upgrading and maintenance — and, more to the point, some large new projects could soon be approved

This is yet another measure of the steep swing in the steel and mining group's fortunes since last year There are numerous other such signals earnings for the year to June 1994 were up by 81%, much in line with market expectations Borrowings net of cash were down by some R400m at year-end and cash flow moved from a negative R167m to a positive R401m

Probably the best indicator of rising profitability is the improvement in the operating margin, from 1993's 6,9% to 8,6% This enabled pre-interest income to jump by almost 36% on a turnover advance of just 8,7% and was achieved despite the burn-through during the first half of the year at the Newcastle blast furnace hearth, which dragged production volumes down

Reasons for the widening margin include higher product prices, especially in export markets, further increases in export tonnages of mining products, a more profitable sales mix, with a higher proportion of steel going to the domestic market, and benefits from the cost control programme pursued since Hans Smith took over as MD a year ago Fm 9/9/94

Modest recovery

Considering that steel markets have only recently started to recover, it is salutary to note that the margin is still well below the levels of a few years ago In 1989, at the peak of the last cycle, the operating margin was 19,5%, more than double the latest figure; it dropped to 16,1% in 1990 and 10,8% in 1991 Even though the current recovery may well be more modest than the upswing of the late Eighties, the historical margin pattern underlines the potential that still exists (260)(R4)

Further improvement in the operating performance would be achieved largely through asset management and firming markets. Current volumes of mining and steel production are expected to be maintained for the 1995 financial year. Steel output will continue to be restrained by the burn-through at Newcastle this furnace is being relined and will be out of production for 45 days, at 5 000 t/day, production of about 225 000 t would be lost as a result (though it would be partly made up elsewhere)

However, the profitability of steel sales should continue to rise as a higher proportion is sold into the local market, which carries higher margins than exports In 1992

FOX

Fm 9/9/94

and 1993, 53% of Iscor's steel sales was exported, 47% went to the local market (down from 63% in 1989 and 1990) In the 1994 year 51% of the total steel production of 2,75 Mt was exported With domestic demand firming, management is forecasting exports will drop below 50% this year

At the same time, dollar prices for export steel should harden. Weighted average export prices to the Far East are forecast at about $325 fob for the third quarter of the 1995 year, about 10% up on the $295 for the year-ago quarter US export prices are expected to rise over the period from $405 to $425 fob, and for European export prices, an increase from $360 to $387 is predicted

Not all plain sailing

Similarly, mining division head Ben Alberts is estimating dollar prices of iron ore exports will rise by about 10% during this financial year.

These could have a large impact on Iscor's profits Smith notes that a 1% domestic steel price movement means R51m for Iscor (there were increases of 9,2% in January 1993 and 8% in January 1994), a 1% international steel price movement, R31m; a 1% international iron ore price movement, R12m, and depreciation of the rand from R3,60 to R3,70, R100m

It won't all be plain sailing A 1% movement in labour costs affects Iscor by R25m However, the cost-cutting programme continues — the overall head count has dropped by some 5 500 over the past year and is still falling. And the aim is still to cut debt by a further R600m over the next year.

Capital spending was cut to an historically low R500m last year, but is planned to be about R600m-R700m in 1995, much of this going into upgrading and modernisation at the Vanderbijlpark works

None of the present capex or debt projections take into account the large new projects that may soon be approved For the steel division, these are the conversion of the Pretoria works to a stainless steel producer and a semis plant at Saldanha Bay Official cost estimates have not been disclosed yet, but the investment will be substantial And the mining division is planning a titanium mine and smelter at Richards Bay, which could cost R500m-R700m.

Even allowing for the greatly strengthened cash flow, Iscor would presumably have to make special financing arrangements for such projects Management apparently is cool on a rights issue, but that may not rule out a limited placing of equity with institutions (260)(R4)

Or, more specifically, after the successful international forays by Liberty Life and Pepkor, Iscor may soon mount a fund-raising programme overseas. After release of results last week senior management left for a roadshow in the UK and US.

It is probably no coincidence that the AGM will be asked to approve a proposal lifting all restrictions on shareholdings. These now state that no foreign shareholder may own more than 10% and foreign shareholders in total not more than 20%; no local shareholder may hold more than 20%. A well-structured funding exercise in dollars, for example, could do much for the growth prospects.

The price climbed this week to a record high of 455c, on a p:e of 16,7. The share is still well worth holding. *Andrew McNulty*

ON THE REBOUND

	1993	1994
Turnover (Rbn)	[illegible]	[illegible]
Pre-tax profit (Rm)	[illegible]	[illegible]
Attributable (Rm)	[illegible]	[illegible]
Earnings (c)	15,1	[illegible]3
Dividends (c)	[illegible]	[illegible]

* Capitalisation share award.

Columbus faces threat from Iscor conversion

BIDay 12/9/94

MICK COLLINS

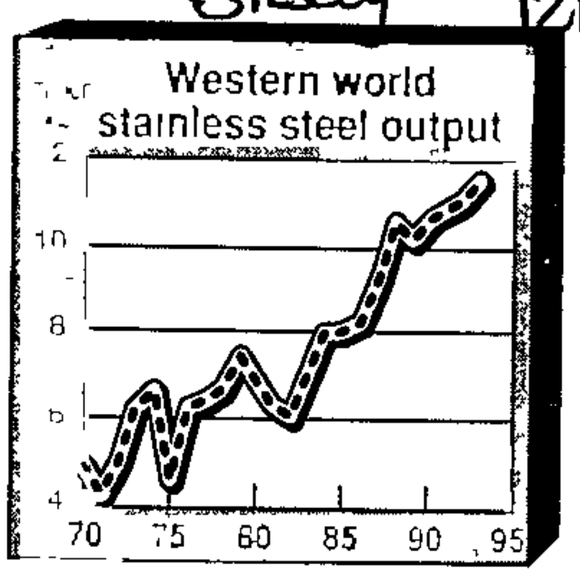
STEEL producer Iscor's plans to convert its Pretoria Works to stainless steel production would place the R3,5bn Columbus Stainless Steel plant under pressure, analysts said at the weekend.

They said the total cost of conversion for Iscor would be about R120m and output from the plant was expected to be about 40 000 tons a month — close to production levels expected from Columbus.

"This new project will add 5% to the supply side on the global stainless steel market, diminishing the attractiveness of the Columbus project," one analyst said.

In a year's time the world market would be above 13-million tons and the combined output from Iscor and Columbus would add more than 1-million tons at full capacity. "It will be negative for the market as Pacific Rim producers are also expanding. The addition of another supplier must put the Columbus margins and yields under pressure."

A spokesman said Iscor was busy with a feasibility study to confirm cost estimates. "We have to go back to the board early in November with exact figures." He said initial indications of capex requirements were between R100m and R150m.



He said all the production would be for export. "We believe there is a place for both Iscor and Columbus in the market. Stainless steel is a growing market. As far as we are concerned we are not trying to push Columbus out." A Columbus spokesman declined to comment.

Another analyst said Iscor might phase production in gradually, as Columbus had indicated it would do. The output from Columbus would climb from a forecast 177 000 tons in 1995 to 307 000 tons in 1996 and 600 000 tons by 1999.

But he added that by spending between R100m and R150m, Iscor could only go two-thirds of the route that Columbus was taking with its value added products. (Ref#P)(260)

He said the Iscor project would support ferrochrome and nickel prices by creating demand for these products. Although there was an overhang in ferrochrome capacity, the additional supplies needed by Iscor should put the markets in better balance. "Iscor must have already secured supplies as Columbus has, but future requirements will see upward pressure on prices."

Global demand was expected to grow by 3%-4% a year over the medium to longer term and steel producers had felt positive about market capacity until the news of the Iscor project broke. World stainless steel demand was expected to grow from the current 13-million tons a year to about 14-million tons by 1997.

Local stainless steel sales are steady at about 48 000 tons a year.

One market commentator said the new facility could possibly add as much R200m to Iscor's bottom line within two years. By 1999 more than R1bn would be added to profit.

Columbus Stainless is a joint venture between the Industrial Development Corporation, Samancor and Highveld Steel and Vanadium.

Speed up broadcast act change, govt told

JOHANNESBURG. — Broadcasters and the Independent Broadcasting Authority (IBA) have asked the government to speed up dealing with an amendment to the IBA Act that would enable it to grant commercial radio and television licences (260)

The IBA met officials of the Independent Broadcasters' Committee and the South African Local Broadcasters' Association yesterday to discuss the future of broadcasting and the steps needed to speed up the granting of licences. CT 13/9/94

It was agreed the IBA could not yet grant licences in terms of the act.

They said the act required that a triple inquiry be held. The IBA said an amendment was submitted to the government three months ago — Sapa

Sasol to focus on boosting group's chemicals division

MUNGO SOGGOT

PETROCHEMICALS producer Sasol hoped to boost its chemicals division's turnover so it would contribute about half of the group's total operating profit by 2000, the company said.

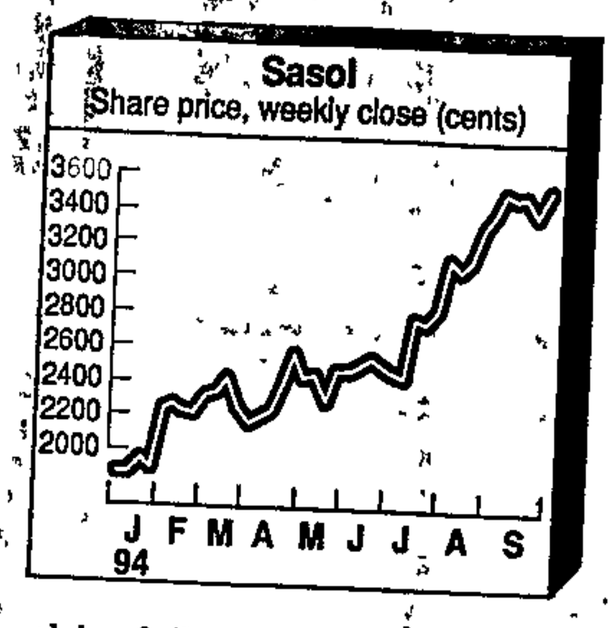
A spokesman said the increased contribution from the chemicals division would come from Sasol itself and from Polifin — the joint venture with chemicals group AECI in which Sasol has a 60% stake

The spokesman said Sasol hoped to expand the division's operating profit to equal that of its synfuel operations, depending on international market prices and demand

The company said the chemical division's turnover could grow one-third this year as long as international chemical prices continued to strengthen.

Management was taking an optimistic view of world prices, he said.

Sasol's chemical industries were likely to show improved operating profit in the coming financial year because of the first contribution of its



alpha olefins; improved results from its explosives and fertiliser businesses; the fruits of its cost containment programme; and an improved contribution from Polifin.

Polifin combines Sasol's monomer and polymer businesses with AECI's plastics and chlor-alkali businesses

Sasol deputy chairman Paul Kruger said last week Polifin would be listed on the JSE in 1995.

In the medium term, the division was set to benefit from an upswing in the world petrochemical price cycle and the growing southern African markets which would cut offshore exports.

In 1996 Sasol would convert its PVC facilities to ethylene which would translate into an operating cost saving of R140m a year.

Sasol hoped the long-term prospects for the division would improve through increased recovery of petrochemicals from the coal to synfuel conversion process

Sasol currently recovered 23% of the synfuels which could be used for petrochemicals.

The division would also benefit from the commissioning of new plants — for acrylonite, alkylamines and increased PVC capacity, as well as further beneficiation including the production of specialty waxes.

Sasol reported a 14,9% increase in attributable income to R1,5bn for the year to June, compared with R1,3bn last year.

Earnings a share were 264,2c (230,3c). The final dividend was unchanged at 48c a share bringing the total for the year to 90c (86c).

The company said the jump in earnings stemmed mainly from improved exports.

Industry call for Sasol unbundling

BDay 16.1.1994

CAPE TOWN — Sasol should be unbundled so its oil division could operate on an equal footing with other oil firms, SA Petroleum Industry Association chairman John Drake said.

He told the parliamentary mineral and energy affairs committee that this would remove tensions between Sasol and other oil firms and clear the way for Sasol to join his association, established recently to represent industry interests.

Drake said Sasol wanted to enter the retail market but the industry was against this unless it hived off its synthetic fuels operations, which he said received a subsidy of R1,5bn a year although the company was highly profitable.

Sasol argues that it does not receive a subsidy but enjoys relatively moderate tariff protection in the same way as many other local manufacturing industries.

Drake also said SA could easily cut its strategic oil reserves from seven to three months' supply and use the proceeds for development. Most countries had only a two- to three-month strategic stockpile.

He said consideration should be given to allowing the private sector to manage the strategic reserves.

The oil industry would also like to be able to use the substantial storage facilities of the state strategic fuel fund which manages the reserves.

The National Economic Forum was examining ways in which the industry could be deregulated, but he doubted that it would ever be completely deregulated.

This was because of fears of job losses in service stations if they moved to a self-service system and smaller and less viable service stations closed in the face of competition from large outlets.

Plans to introduce a monthly fuel price review would make the public more aware of factors affecting pricing, BP SA manufacturing supply manager Richard Feinberg told the committee.

He said the aim would be to make the pricing mechanism more transparent "and show that it is not manipulated" by the oil industry.

It would remove confusion about fuel pricing, said Feinberg, who is the SA Petroleum Industry Association representative on the National Economic Forum, which has recommended the monthly fuel price review to the Cabinet.

He said the fuel price changed daily depending on movements in the price of oil and exchange rates.

A slate was kept of the changes and when the real price was "too much out of kilter" with the set price, fuel prices were increase or decreased.

"But the public is not in touch with what is happening," Feinberg said.

It was therefore proposed that fuel prices be published daily, reflecting both exchange rate movements and the price of oil. — Reuter.

Eskom's 4% price rise 'lowest in 20 years'

BIDay 16/9/94

EDWARD WEST

CAPE TOWN — Eskom's 4% annual price increase next January would be the lowest annual increase since 1974, confirming the corporation's potential to become the lowest producer internationally, chairman John Maree said yesterday.

The price increase was in line with Eskom's undertaking to reduce the real price of electricity by 20% between 1992 and 1996. Maree said inflation was forecast at about 10% in 1995 and a 6% price reduction in real terms would be achieved next year

Eskom planned to hold the 1996 adjustment to six percentage points below inflation. In terms of the reconstruction and development programme, Eskom had committed itself to a 15% real reduction in prices by the end of the century and Maree was confident the strategy of below-inflation price increases could be maintained

The utility would electrify about 250 000 homes for the RDP this year, rising to 300 000 next year (260) (53)

Eskom finance executive director Willem Kok said the utility had achieved a 20% increase in productivity. The cumulative below-inflation real price reduction amounted to minus 5% in 1992, minus 1,7% in 1993 and minus 1% in 1994.

Next year's increase was based on expectations of 3,5% GDP growth compared with 2,5% this year, an inflation rate of 9,5% compared with this year's 8% and forecast producer price inflation of 8,5%.

☐ To Page 2

Eskom

BIDay 16/9/94

☐ From Page 1

Eskom's estimated revenue requirement was R16,48bn compared with this year's projected R15,21bn. The difference between this and next year amounted to a 3,2% increase in cents per kilowatt hour

Kok said the difference took into account forecasting risks, a planned R100m drop in arrear debts, risks associated with the electrification programme — which would cost about R1,1bn next year compared with R841m this year — the need to factor in costs of taking over supply from the former homelands and ensuring price stability (260) (53)

CE Allen Morgan said the viability of the electricity supply industry depended on a reversal of the non-payment situation by domestic customers. The outstanding debt was about R830m, of which about half represented bulk users such as towns and municipalities while the rest was owed by individual customers. Negotiations would be held with bulk users.

Eskom charges 4% up

Star 16/9/94

■ OWN CORRESPONDENT

Cape Town — Eskom increased its electricity supply charges yesterday by 4 percent — sticking to its promise to keep increases well below the rate of inflation.

But Eskom has warned that the viability of the electricity supply industry was still threatened by service payment boycotts

The direct impact of the increase on individual consumers will only be known when city councils and other bulk buyers announce rate adjustments.

Eskom chairman John Maree said Eskom had kept the increase as low as possible to meet the undertaking that price increases between 1992 and 1993 would reduce the real price of electricity by at least 20 percent — that is, the nominal price less the inflation rate.

Afford

Maree said with an expected increase in inflation to 10 percent for 1995, "we will achieve a price reduction in real terms of 6 percent for the year"

But Eskom chief executive Allen Morgan said the country could not afford to provide services for which no payments were received.

He also appealed for a "peaceful environment" to allow Eskom to push ahead with township electrification plans without endangering its technicians

Maree said although there were inflationary pressures, price increases were being kept to a minimum. Eskom was continuing to strengthen its balance sheet to ensure its ongoing financial soundness in the years ahead.

Knives are out for Sasol in fuel battle

S Times (Buss)

SHELL, BP, Caltex and local partner Engen have launched an unprecedented attack on synthetic fuel producer Sasol.

The SA Petroleum Industry Association (Sapia), representing multinational and local refiners, says. "You cannot have free competition while Sasol is receiving protection at R100-million a month."

Sapia chairman John Drake says Sasol's protection this year "is equal to the combined profits of the rest of the industry".

Sasol has hit back, accusing the oil industry of serving its own interests. "We find it strange that they negotiate agreements in the National Economic Forum (NEF) on the one hand and continually attempt to harm Sasol on the other," says Sasol's Pat Davies

NEF sources say the oil industry's attack follows a breakdown in negotiations regarding the upliftment of fuel from Secunda.

Added tension comes from a dispute over who will supply the 25 proposed taxi fuel installations Sasol has developed a good working relationship with the taxi industry, but the oil industry sees this as a threat to a key market segment.

Mr Drake says according

By KEVIN DAVIE

to Fortune 500, Sasol is one of the world's top 500 industrial companies by return on sales and assets

"Sasol is one of the most profitable companies in the world We find it strange that it should need the protection of taxpayers and motorists"

Sasol says it was not even listed in the latest Fortune 500 It says Sasol Synthetic Fuels' return on assets is substantially lower than that of the oil companies

Mr Drake says if the NEF recommends it, "the crude oil refiners are amenable to scrapping resale price maintenance"

Mr Davies says "If Sapia is now advocating a rapid deregulation, this is not only contrary to (NEF) agreements, but would appear to serve their interests and not those of the country."

He says deregulation should allow garage owners to operate without undue influence from oil majors

Mr Drake says synfuel production may have to be isolated and provided with a subsidy to be able to break even "With all competitors having equal obligations to buy synfuel production, true competition could begin."

Mr Davies replies that synfuels tariff protection currently costs the motorist 6,5c/litre compared to oil companies' marketing margins which are 17,5c/litre.

Mr Drake says Sasol's history would give it an unfair advantage for years.

"It received billions of rands from motorists and taxpayers in protection since 1980 (R8,2bn)"

Among the advantages allowed to Sasol was that fuel companies were compelled to buy every drop of its production and it "therefore had the assurance of running at full capacity"

Mr Davies says Sasol was first to advocate deregulation but believes that this should be done in a phased and orderly manner to minimise loss of jobs.

The fallout between Sasol and the oil industry has developed during the last two to three weeks.

An August 15 document prepared by the business delegation in the NEF shows the oil industry and Sasol had agreed to a two-year phased deregulation to bring full competition to the fuel industry

The NEF decided in June that the oil industry and Sasol should have agreed by August 30 on a set of principles regarding upliftment and pricing arrangements from Secunda.

This has been a bilateral negotiation, the negotiators being required to report monthly to the NEF on their progress But the deadline has been passed without agreement being reached

The two-year phased deregulation, agreed by the business delegation, is being resisted by the labour delegation, NEF sources say

The plan envisages a new pricing mechanism to apply for the duration of the deregulation process.

It calls for finalisation of the new roles of the Strategic Fuel Fund and industry in crude procurement and the management of the strategic stockpile

Renegotiated agreements between the oil industry and Sasol would then be implemented and a new upliftment agreement with Mossgas finalised. 18/9/94

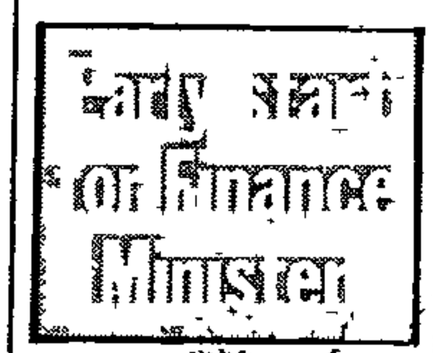
The lifting of restrictions on self-service fuel stations, the elimination of the Ratplan, lifting of import control, the commercialisation of transport tariffs and, finally, the lifting of resale price maintenance, would follow

Mr Drake briefed the standing committee on Mineral and Energy Affairs this week.

Mr Davies says Sasol will approach the committee to "attempt to rectify any misleading perceptions that may have been created by the oil companies regarding synfuel protection"



TAKING HEAT ... Paul Kruger, managing director of 'super-subsidised Sasol'



FINANCE Minister-designate Chris Liebenberg will take over as Minister

Bring out the b GSB Imme

Sisulu reassures production staff

BIDay 20/9/94

MARK ASHURST

NEW SABC group CE Zwelakhe Sisulu yesterday promised job security to all staff committed to restructuring, but warned shortly afterwards that the corporation's bloated administration would have to be pruned.

In a televised address to staff countrywide, Sisulu said: "No one who commits himself or herself to changing the SABC, and who is willing to work hard and strive for excellence, need feel fear for his or her future

"There will always be a place for you at the SABC."

But after the screening, he said his remarks applied mainly to programme makers: "There is no weight to be lost on the programming side."

Staff cuts would be required only in the SABC's administrative structures, he said.

Sisulu said the SABC should replace ignorance with understanding, fear with certitude, and its old logo with new colours

"I am not sure it is appropriate for the SABC to be marching under the colours of a flag which no longer exists as this country's banner .. but if we do decide to change it, we must realise our standing in society will not be judged by symbols but by the programmes we produce"

Sisulu characterised the SABC as being "like the society it serves divided by mistrust, fear and intolerance".

But he expressed confidence that a central consultative process involving departmental transformation units, management, union and staff groups, would win the support of staff.

In his first address to staff since he succeeded Wynand Harmse on September 12, Sisulu said he had joined the SABC at what was "possibly the most difficult time in its history".

While struggling to adapt to political change in SA, the corporation faced unprecedented competition from prospective community radio, commercial radio and television stations, as well as international media.

It was the SABC's duty to resist the cultural invasion of other languages, music and art which had reached the level of an "international flood". The "very South Africanness (of our culture) is under attack", he said.

For most South Africans, the SABC was their sole source of information and their primary recreation

The SABC's news and current affairs should be "more accurate, more reliable and more accessible than anyone else's", while its development of localised programmes should trigger a cultural renaissance in all the creative arts and disciplines, he said.

The challenge to management was to restructure the SABC as a programme-driven broadcaster by increasing the opportunities available to programme-makers "I want the cream of SA journalistic and creative talent to line up at our doors, waiting for the chance to work in the SABC."

He would launch an economy drive to narrow wage differentials between the highest and lowest paid staff, and cut "unnecessary and wasteful perks" enjoyed by management.

After the screening, he cited an exclusive management canteen as an example. There was "no question" of extending current privileges enjoyed by some managers — including home entertainment allowances and Diners Club cards



SABC CE Zwelakhe Sisulu talks to journalists in Johannesburg yesterday, after the screening of his first address to his staff across the country.

Picture ROBERT BOTHA

NP defends Ithuba deal

STEPHANE BOTHMA

A R10 000 sponsorhip by Ithuba had not played a role in the decision by the Health and Welfare Department of the former NP government to permit the organisation to continue its scratchcard lottery, NP executive director Fanus Schoeman said yesterday

Games Africa, administrator of Ithuba, had sponsored a hole at an NP fundraising golf day last year, Schoeman said.

Reacting to weekend reports hinting at irregulari-

Regional revival is the key to SA's growth — Liebenber

ADRIAN HADLAND

CAPE TOWN — The economic rejuvenation of the southern African region could play an important role in SA's own prospects for recovery and growth, Finance Minister Chris Liebenberg said yesterday.

Speaking shortly after he was sworn in to office, Liebenberg said the examples of South America and the East suggested regional revival was an important aspect of economic gains made by many countries

A regional outlook in which SA took note of "how the whole region can benefit" should therefore be adopted, he said.

Other trends exhibited by rapid-growth nations included moves towards "less government, more private sector" and the acceptance

by Deputy President Thabo Mbeki and Enterprises Minister Stella Sigcau in the ANC had no problem in principle w concept — "if they can be shown that pri tion can help the country, without maki cor, Anglo and Barlows bigger"

Privatisation discussions were "prog very nicely", he added

The crucial question of public servi ries and staffing levels needed to be ex urgently if SA's consumption expendit to be held in check, Liebenberg said

Government spent 54% of its total ture on salaries, placing it in the botto ter of nations

Sisulu reassures production staff

BIDay 20/9/94

MARK ASHURST

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260

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For most South Africans, the SABC was their sole source of information and their primary recreation

The SABC's news and current affairs should be "more accurate, more reliable and more accessible than anyone else's", while its development of localised programmes should trigger a cultural renaissance in all the creative arts and disciplines, he said

The challenge to management was to restructure the SABC as a programme-driven broadcaster by increasing the opportunities available to programme-makers "I want the cream of SA journalistic and creative talent to line up at our doors, waiting for the chance to work in the SABC"

He would launch an economy drive to narrow wage differentials between the highest and lowest paid staff, and cut "unnecessary and wasteful perks" enjoyed by management

After the screening, he cited an exclusive management canteen as an example There was "no question" of extending current privileges enjoyed by some managers — including home entertainment allowances and Diners Club cards



SABC CE Zwelakhe Sisulu talks to journalists in Johannesburg yesterday, after the screening of his first address to his staff across the country.

Picture ROBERT BOTHA

Earnings up 15% to R1,55-bn

Highly successful year for Sasol

Star 21/9/94

■ BY CHARLOTTE MATHEWS

Sasol improved earnings 15 percent to R1,55 billion in the year to June after what chairman Joe Stegmann called a highly successful year

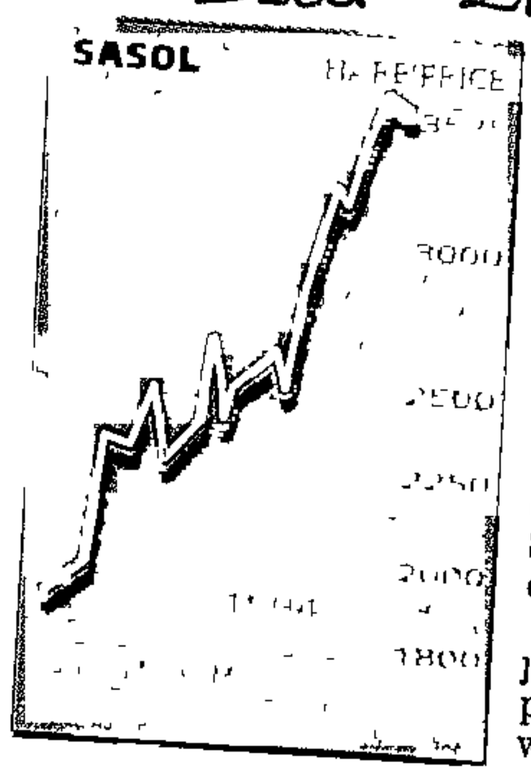
Turnover rose 11 percent to R9,8 billion, which included R1 billion of tariff protection, equivalent to 5,5c paid by motorists for a litre of petrol Turnover was boosted by a 39 percent rise in exports by group companies to R770 million

Operating income grew 29 percent to R2,5 billion and the interest bill declined to R76,7 million from R122,0 million previously

An increase in the tax bill to R912,5 million from R347,9 million, reflecting a rate of 37 percent from 19 percent in 1993, resulted from the exhaustion of all allowances on the Sasol Three project and the Syferfontein mine project

Although a capitalisation award rather than a dividend is being offered, the tax rate has been calculated as if all shareholders chose the cash dividend

To cushion the effects of the tax rate increase, R50 million was transferred from the R100 million tax equalisation reserve



Earnings after the tax equalisation reserve transfer were 14,7 percent higher at 264,2c, but before the transfer were only 3 percent up at 255,4c.

A capitalisation award is being offered or a final cash dividend of 48c, unchanged from 1993, bringing the increase for the year to 4,7 percent, or 90c from 86c

MD Paul Kruger said yesterday SA's tariff protection structure was unusual because its protection fell as the oil price fell

In the past year Sasol Synfuels contributed nearly half of group operating income, equivalent to R1,2 billion The second-biggest contributor was Sasol Oil, at 20,5 percent, followed by Sasol Chemical Industries with 17,2 percent and Sasol Mining with a 14,4 percent

Stegmann said Polifin, the joint venture with AECI, had performed above budget and would be listed in 1995.

A satisfactory profit improvement was likely in the current financial year as a result of a weaker rand — expected to average R3,65/dollar from R3,41 in the past year — and lower interest as the Sasol Three loan was repaid Petrochemical prices were also showing signs of lifting from their historically low levels

Sasol shares closed 40c higher at R35,15 yesterday and are on a P/E of 13,3, similar to Engen's but below AECI's 17 They have risen steeply since the beginning of July, when they were R24,50

Sasol share earnings below par — analysts

BIDay 22/9/94

MICK COLLINS

PETROCHEMICALS company Sasol's yearly results yesterday drew mixed comment from analysts who said the 14,7% increase in earnings a share (eps) was below expectations

Growth at the after-tax level was 3% and with debenture interest and minorities share unchanged, the growth at eps level was achieved entirely through "manipulation" of the tax equalisation reserve, one market commentator said.

Another analyst said the small final dividend of 90c was questionable in the light of Sasol's low gearing (5,9%) and its large bank balance of R1,3bn

"It seems odd that they could be saving cash for capex purposes given that cash flows are so strong," one industry source said

He added the move was probably in line with government's Budget objectives in introducing the secondary tax on companies (STC), designed to force companies to retain income and reinvest

Also hitting market sentiment was the increase in the effective tax rate from 18,9% to 37,3% This translated to R565m and was due largely to the exhaustion of tax allowances as well as higher STC and the transitional levy.

"But Sasol has indicated the rate will come off in the future and I forecast a rate of 30% to 32% depending on the number of shareholders who take the capitalisation award," an analyst said.

Three factors weighed heavily on the future performance of the company These were the rand/dollar exchange rate, the state of the petrochemicals industry and Sasol's protection from government

The issue of protection continued to plague the company Sasol received R1bn in assistance from government in the 1993/94 year. Ignoring the benefits of the claw-back provision regarding the Central Energy Fund interest, the R1bn assistance pre-tax equated to about 110c at eps level. Discounting this reduction into the PE ratio would take it from 13,2 to 22,7 (260)

"While this worst case scenario is highly unlikely in the short term, it does provide a base case against which other alternatives can be measured," one market source said.

Prospects for the company were difficult to predict due to the uncontrollable constraints underpinning its operations "Assuming a phased deregulation process, a further weakening of the rand dollar exchange rate and growth in petrochemical prices, I forecast eps to grow 18% to 313c for the year to June 1995. This would put Sasol on a forward PE of 11,2 which indicates moderate growth."

Another analyst said the R1bn received in tariff protection had been expected given the level of oil prices and the weakening rand.

Sasol shed 15c on the JSE yesterday to close at R35 with 368 000 shares traded valued at R13m in 47 deals.

Affirmative action for Eskom, Denel

CLIVE SAWYER
Political Correspondent

TRANSNET, Eskom and Denel are among parastatals targeted for affirmative action restructuring.

Public Enterprises Minister Stella Sigcau told the national assembly that restructuring would provide "maximum stimulus" to the economy while redressing past inequities.

She said Eskom's goals for the next five years were:

- **Ensuring half of all its management, professional and advisory staff were black South Africans by the year 2000.**
- **Cutting the electricity price by 15 percent, to become the world's cheapest supplier of electricity.**
- **Electrifying a further 1,75 million homes.**
- **Enabling all Eskom employees to own a home.**

Arms manufacturer Denel had said its three-year goals were:

- **Doubling exports and foreign exchange earnings to R1 300 million.**
- **Ensuring 30 percent of management came from "under-represented" groups, including women.**

Training programmes for technicians and computer programmers were among its other goals.

The parastatals are Alexkor, Aventura, Denel, Eskom, Safcol and Transnet. Their combined assets are valued at more than R1 billion.

ESKOM Fin 23/9/94

Window of opportunity

There was good news for electricity consumers when Eskom announced its new rates last week, tariff increases for 1995 are being held down to a mere 4% — almost 6% below the inflation rate

The corporation can afford to be generous A multibillion rand power station capex splurge in the Eighties left a 25%-30% surplus in generating capacity

Now, Eskom is aiming to reduce electricity charges in real terms by an effective 20% below inflation over a five-year period, ending 1996 In 1992, Eskom committed itself to a "compact" with consumers in terms of which it undertook to pass on the benefits of its surplus generating capacity, its improved productivity and reduced capex requirements

Eskom CE Allen Morgan says Eskom's conservative, below-inflation tariff policy has meant that about R28bn will have been "ploughed back into the economy over the past seven years" giving SA a major competitive advantage in global terms SA's electricity is now the second-cheapest in the world — after that of New Zealand

"This gives SA a 10-year window of opportunity — until our next big projects start coming on stream by around 2007 Even at that stage, we would have a choice of plugging into the regional power grid with its cheaper hydro-power or building economic gas-powered generating capacity

P.T.O.

Fin 23/9/94



Morgan

at the coast," says Morgan

Eskom has budgeted for additional electrification expenditure of R841m in 1994 and R1 098bn in 1995 It plans to electrify about 300 000 new households each year, compared with the RDP's target of 150 000 a year for all local authorities over a five-year period It is also taking over the supply of electricity in the former homelands

Unfortunately, the electricity utility is sitting with R800m in accumulated arrears — largely from the nonpayment of township services charges This it plans, somewhat optimistically, to reduce by R100m in the coming year However, the nonpayment of electricity charges remains a major difficulty for the corporation

Says Morgan "We have managed to reduce our debt equity ratio to a factor of two and plan to bring it down to a factor of one by 1998, as we have no further major capex requirements, outside of electrification costs, to the end of the century Growth in sales is estimated at 2% for 1994 to a total of about R15bn

"This is expected to surge further to around 5% next year, when Alusaf's new plant starts drawing its 800 MW requirement By mid-1997 Cahora Bassa's 1 450 MW should start flowing into our grid — though Zimbabwe is entitled to draw off 500 MW to the year 2003"

The recent political developments in SA allowed the country to join the Southern African Development Community, opening the door for the creation of a southern African power pool with a grid linking SA with the rest of sub-Saharan Africa

Continued on page 83

Continued from Page 81 Fin 23/9/94

"The 500 MW capacity transmission line linking Matimba in the northern Transvaal with Bulawayo in Zimbabwe will be ready in 1996 We should be in a position, by 1997, to start drawing off from Zambia's estimated 500 MW -1 000 MW surplus capacity on the Kariba scheme, subject to tariff negotiations," Morgan says

Once the grid is in place, SA will have a choice of selling surplus capacity to other pool members or pressing a switch at peak demand hours to draw off cheaper hydro-power from its regional pool partners

Ian McRae, National Electricity Forum management committee chairman and chairman of SADELECT, a nongovernmental southern African organisation which has set itself the task of identifying regional electricity projects and obtaining finance from donors for them, says "Our first board meeting will be in the first week in October We will be looking at implementing some projects which have already been identified ■

SASOL

Fm 23/9/94

More in the pipeline

(260) (263)

Sasol's strong operating performance for the year to end-June was fuelled by a record performance in synthetic fuel production at Secunda, and the successful turnaround of the loss-making Sasolburg synfuel operation to a producer of petrochemicals, which added R200m to operating profit

The increased contribution from synfuels (see table) naturally raises again the whole controversy about Sasol's tariff protection It's probably best to get it out of the way, to provide a clearer view of the underlying operations — something some investors seem to have been doing over the past year, as the share price appreciated over the period by 93%, to close at R35,15 after results were announced on Tuesday.

MD Paul Kruger says tariff protection added nearly R1bn to turnover in financial 1994, compared to about R629m the previous year — a result of the lower average international prices of crude oil That cost the motorist 5,5c a litre of petrol.

However, the lower reference price on tariff protection, reduced from US$23 a barrel to just over $21, will cost Sasol's operating profit R250m, Kruger says, about R100m before tax and clawback benefits from Sasol Three, dampening latest results. The matter will be referred to the Board on Trade & Tariffs for review That might lead to a futher reduction in the reference price, but it's unlikely the protection structure will be much altered in the short term

The exception to an otherwise solid performance was from Sasol Mining, where stagnant local prices and an amended coal price formula for coal quality reduced income Kruger expects operating profits to rise from higher selling prices, cost containment and productivity improvements.

Board approval for Sasol's coal export project is expected before the end of the year.

Kruger says Sasol Mining will initially export about 3 Mt of coal (40 Mt were mined last year)

Completion of the upgrade at the Natref refinery has resulted in up to 92% white product yield. More important, though, is the improved refining margins Sasol will get Liquid fuel production dropped slightly from 2,38m m³ to 2,29m m³ due to the start-up phase of the upgrade

The outlook for refinery profits is not too encouraging this year, however Kruger says pressure on dollar refining margins could reduce operating profit, though the full effect of the refinery upgrade should partly offset this

Chemicals, now housed in Sasol Chemical Industries, began to come into its own last year. This business has largely been the focus of earlier capital spending by Sasol and, with firming international chemical prices, should become an increasingly important contributor to group profits.

Sasol is not releasing any financial information yet on Polifin, in which it holds 60% in a joint venture with AECI But chairman Joe Stegmann says Polifin will be listed in 1995, in the first half of the year if possible.



Kruger

He adds that Sasol would be prepared to reduce its shareholding with the listing, but presumably not below 50%

The big benefits from Polifin are not expected until 1996, when conversion from carbide-based feedstock to ethylene feedstock is completed

First contributions from the alpha olefins, acrylic fibres and anode coke plants were received in financial 1994, but significantly improved operating results and increased volumes are expected this year

Capital spending of R1,5bn is planned for this year, up on 1994's R1,3bn. That will help to keep Sasol's effective tax rate, sharply up from 19% to 37%, stable The increased tax charge, R913m compared to last year's R348m, would have severely retarded earnings growth were it not for the R100m Sasol tucked away last year in anticipation of the higher tax rate A R50m transfer from this reserve smoothed EPS growth to 14,7%

Interest payments should also continue to reduce this year, as Sasol repays a further R400m on its Sasol Three loan.

That, with improving chemical prices and an expected further weakening of the rand (with about 80% of its products priced in non-rand currencies, favourable exchange rate movements are a common theme in most of the businesses, where exports are currently running at R1bn/year) points towards continued profit growth for Sasol.

STILL SYNTHETIC

Contribution to operating profit

	1993 Rm	%	1994 Rm	%
[illegible]	[illegible]	47	1 220	43
Mining	[illegible]	21	364	14
Oil [illegible]	[illegible]	21	516	21
[illegible]	[illegible]	15	435	17
Other	[illegible]	[illegible]	6	0,3
Total	[illegible]		2 520	

In addition, new projects are coming on stream which should pump up volumes

The strong rand hedge element in the share is an attraction, but the driving force behind the share price during this year has probably been the realisation that Sasol was underpriced relative to its medium-term growth potential Foreign buying of the counter has probably helped too Investors' views are complicated by the protection stigma and the uncertainties about deregulation of the petrol industry, though this does not seem to be having any particularly bearish effect on market perceptions of the share now.

Still, it seems surprising that, with confirmation of the listing of Polifin, Sasol now seems to be blowing cold on any further "unbundling" and separate listings. Kruger says the matter remains under consideration, but will only be done if it is clearly in the interests of shareholders. That seems to imply the board is keeping its options open, perhaps waiting for clarity on aspects such as deregulation

Despite the recent surge in the share price, the protection issue must still be dampening the rating of the share. On latest results, the p:e is 13,3 and the dividend yield 2,6% — hardly expensive in the current industrial market Some analysts feel it remains undervalued, possibly up to around R40.

Even so, surely it would benefit shareholders to separate the rest of the business from synfuel production? Generating an operating profit of R1,2bn, it's big enough to stand on its own and would enable the other businesses to be valued on their underlying strengths without the protection

FUELLING GROWTH

Year to June 25	1993	1994
[illegible]	388	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	30	50
Earn [illegible]	[illegible]	[illegible]
Earnings (c) [illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

MINORCO

Question of timing

With its results for the 12 months to June 30 (the year-end has been changed to December), Minorco can be examined in its new form created by the US$1,1bn re-

Nats unhappy with SABC

(260)

CT 24/9/94

Not getting square deal — claim

From LINDA ENSOR

EDINBURGH — The National Party was unhappy with the treatment it was receiving from the SABC and believed it was being discriminated against, Deputy President F W de Klerk said at a press briefing yesterday

"My party is not getting a square deal," he said "I think it is a form of sheer discrimination which, unless there is another explanation which I have not heard, must be politically inspired"

On the other hand, the ANC had no reason to complain

Mr De Klerk, in the UK to deliver a series of keynote addresses at various conferences, said the National Party was not given sufficient exposure by the broadcasting corporation

As an example, Mr De Klerk said that last Friday he made two public appearances attended by the SABC, which conducted interviews with him in two languages on the highly topical issues of the day

The Education Minister was discussing his vote in Parliament on that day and everything Mr De Klerk did on that day concerned education He gave a speech at a university and later met with a group of 50 black educationists for a conference on education

"Nothing at all was reported on that day and that happens from time to time" Mr De Klerk said the NP would propose a code of conduct for the public broadcasting industry to ensure that all parties received a fair deal

Discussing the National Party, he said it was "on the warpath" in a political sense

"We will be fighting the next election to win and have the potential to grow," he said "Watch us, we are on the warpath politically speaking"

A two-day meeting of the party leadership will take place next week, to focus on the role of the party, a programme of action and how to expand its support base

The NP had achieved a clear majority among whites, Coloureds and Indians during the elections and the 500 000 to one million black voters for the party came from a section of the black community which was growing

He dismissed the rumours of tensions in the National Party saying it was having to adjust to performing a double role as a constructive and co-operative partner in the government and as the main opposition party

As for his own future, Mr De Klerk said that at 58 he was young for a politician and had "no withdrawal symptoms whatsoever"

Questioned later by analysts attending the annual conference of the European Federation of Financial Analysts Societies, Mr De Klerk said there was a depth of leadership within both National Party and the ANC should he or President Nelson Mandela vacate their leadership roles for whatever reason

"No political leader is ever irreplaceable There are good people waiting in the wings" he said

The SABC failed to respond to queries on the matter yesterday, and an ANC spokesman could not be reached for comment

'Beware the invasion'

We need home-spun challenge to foreign culture — new SABC chief

(260) ARLT 24/9/94

MICHAEL SPARKS
Weekend Argus Correspondent

■ The SABC's new chief has firm ideas on how he wants to change things at the corporation, but he meekly changed his clothes when TV producers told him he looked like something from *The Great Gatsby*.

JOHANNESBURG — Zwelakhe Sisulu has found to his surprise that apartheid did not just oppress black people, but also oppressed the oppressors

More importantly for his new job as chief executive of the South African Broadcasting Corporation, he believes apartheid oppressed creativity

"If all I can achieve in my time here at the SABC is the release of that energy and that creativity, then I feel I will have achieved what I set out to do," he says

Mr Sisulu admits to lacking experience in managing a large corporation, but says his experience managing the small newspaper New Nation has stood him in good stead "My advice to any aspiring manager is don't go to Harvard University for an MBA," he says "Instead work at a small, under-resourced organisation Necessity makes you far more inventive"

He has been criticised for his close links with the ANC He is, after all, the son of Walter Sisulu and a prominent anti-apartheid figure in his own right Won't the new government simply follow the rules of the old, calling the shots and stepping in to stop programmes it sees as unacceptable?

"We all carry a history," he says "But I take the view that I must be judged on the basis of what I do, and not be prejudged"

While Mr Sisulu expresses great confidence in his ability to do certain things, he knows full well that he faces bigger challenges in other areas

He freely admits he is nervous in front of the camera And when he recorded a broadcast to staff this week — with the simple aim of getting a message across to SABC workers as part of a "new openness and transparency" — the producers told him his yellow tie and cream jacket made him look like something out of *The Great Gatsby*, and would not look good on television He eventually borrowed a red tie and dark blue jacket to go with his blue shirt

Mr Sisulu was a founder member of what became the Media Workers Association of South Africa (Mwasa)

That union involvement, he says, gave him "an insight into the working class struggle and the struggles of journalists I came with a great sense of balance and have not found it difficult to work with the unions The style I want is co-managing but I have no intention of surrendering management's prerogative to manage the organisation"

One of the strong messages which came out of the broadcast to staff was the need to produce better local programmes to counter what he calls a "foreign cultural invasion"

"There is no way the SABC can compete with the foreign programming on the more than 20 channels that are going to start coming with satellite television next June We have to take a different approach and produce quality programmes locally, which viewers will not be able to get via satellite," he says

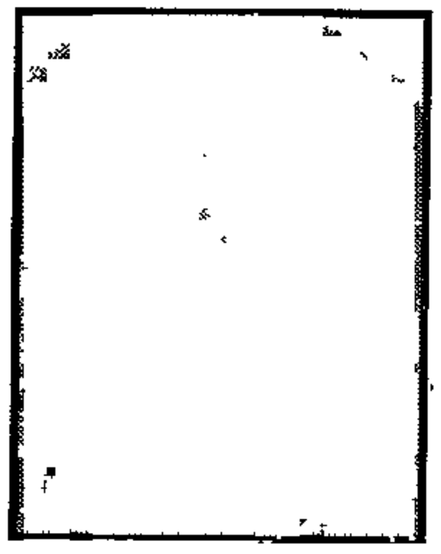
But this presents the SABC with its greatest challenge — producing a programme locally costs nearly 10 times more than buying one overseas

And funding is one of the critical issues which the SABC will have to face Mr Sisulu notes that the corporation is hamstrung until the Independent Broadcasting Authority (IBA) has conducted its three related inquiries into cross-media ownership, local content and the nature of the public broadcaster

The IBA's report is not expected before mid-1995 at the earliest, leaving many existing and potential broadcasters in limbo

Key to that inquiry is how the public broadcaster will be funded. "We really are hamstrung until we know how we are going to fund ourselves," Mr Sisulu says

Mr Sisulu has clearly taken the SABC's role as public broadcaster to heart, saying he enjoys the programming on NNTV But he adds "I find I watch a lot more television now, but with a far more critical eye, so I enjoy it much less than I used to It is no longer relaxing, it is a continuation of work," he says



SABC CHIEF: Zwelakhe Sisulu would like to see more sport from Africa and is excited by the growing co-operation between broadcasters in southern and eastern Africa That could lead to exchanging programmes and news, something which he believes will increase the independence of national broadcasters

Sasol foresees rise in profit

ST Times (Buss)

By ZILLA EFRAT

SASOL should show a satisfactory rise in profit in the current year despite a cut in its tariff protection, says managing director Paul Kruger. 25/9/94

The improvement could come on the back of a weaker rand and improved prices for chemicals.

Ongoing cost containments and the commissioning of new projects will also help even though crude oil prices and refining margins are expected to be weaker

The group this week announced a 14,7% growth in earnings to 264,2c a share in the year to June. A final dividend of 48c was declared. (210) (88)

Sasol's share price has been running at record highs recently and hit a peak of R36,25c earlier this month. It came off slightly, however, after the results were announced and were trading around R35 on Friday.

In the year to June, Sasol benefited from a favourable exchange rate, improved production, better refinery margins and new projects coming on stream.

It countered a jump in its effective tax rate to 37,3% from 18,9% by taking R50-million out of the tax reserve it created last year.

Mr Kruger says cost cutting has now become a way of life as the level of tariff protection enjoyed by the group on synfuels has fallen to $21 from $23 a barrel.

Despite this, Mr Kruger expects Sasol's synfuels company to show a marginal improvement in earnings

It should benefit from higher volumes, production improvements and from the export of alcohol products and coal — expected to be on-stream sometime next year Sasol's tariff protection amounts to R1-billion a year.

Broadcasters slam Radio 702

260

CT 26/9/94

JOHANNESBURG. — The Independent Broadcasters' Committee yesterday slammed Radio 702's imminent listing on the Johannesburg Stock Exchange and called on the Independent Broadcasting Authority to stop the establishment of new monopolies in the industry.

Radio 702 is due to be listed on the JSE this morning as part of a group called Prime Media.

"While potential independent broadcasters wait patiently for licences, Radio 702 has already decided what the outcome of the commission of inquiry into cross-ownership of media will be, and has launched a drive to raise the necessary capital to open two AM radio stations, two FM radio stations and a TV station," IBC chairman Mr Tony Sanderson said.

He said Radio 702 had "ridden on the back of the apartheid system by obtaining a licence through the Bophuthatswana government".

On re-incorporation into South Africa the station was "rewarded for being a part of the system by being included in a clause in the IBA Act, which allowed them to continue broadcasting outside the condition of the act and answerable to the Minister of Broadcasting Dr Pallo Jordan"

"It is deplorable that certain areas of an industry are allowed to continue and expand, plan, monopolise and strengthen their power-base while the rest of the industry remains hamstrung," Mr Sanderson said — Sapa

Iscor expected to lift prices

BIDay 26/9/94

ISCOR was expected to announce price hikes across a range of products today, drawing accusations from industry that the steel producer was making a pre-emptive bid to compensate for the impending abolition of export incentives.

The company confirmed that a weighted average price increase of 5,9% on its steel product mix would come into effect on January 1. The price hikes for different products ranged up to 8,7%. An increase in transport costs was also expected from January 1.

Hot rolled plate would increase 6,8%, floor plate 8,7%, hot rolled sheet 8% and cold rolled sheet 5,5%. Other product prices to be increased included blooms and billets (8,7%), wire rod for general use (4,5%), rope wire rod (6,5%) and welding

MICK COLLINS

wire rod (6,5%).

"The average price increase compares well with the expected 9% to 10% rise in the producer price index for 1995," a spokesman said. (2100)

But Econometrix economist Tony Twine pointed out that the move had come shortly after last week's announcement by government that a reduction in the General Export Incentive Scheme (GEIS) would be implemented from October 1, followed by the complete abolition of the scheme for steel producers from April 1 next year.

"Iscor is a major beneficiary of the GEIS system." It was by far the largest recipient of total GEIS payments of about

To Page 2

Iscor

BIDay 26/9/94

From Page 1

R2bn last year. Investment analysts estimated that Iscor received R258m in the past year. (2100)

Twine said all Iscor's customers were "pinned" by the increase because of the protection Iscor enjoyed and the heavy tariffs on imported steel. "With adjustments to protection around the corner because of GATT, Iscor could be more limited in hiking prices from next year."

Sources said the increases would hit the secondary steel sector, which was traditionally "a low return on sales industry".

"Everybody will suffer. The impact will see the continuation of the price spiral. They (Iscor) don't explain the rationale to secondary manufacturers, they just go ahead and increase prices," Twine said.

Sectors which would be hardest hit would be the fabrication and building industries. But Iscor also announced that during October, November and December it would grant price concessions of about R4,5m on sales of its Ekonogalv galvanised sheet used extensively in the roofing and cladding of houses.

Iscor executive director, steel, Kevin Robertson said the concessions should be seen as a "manifestation" of Iscor's commitment to the reconstruction and development programme.

UNIVERSITY OF CAPE TOWN
SALDRU LIBRARY

outrage

ARG 26/9/94 (260)



Armed supporters storm SABC

The Argus Correspondent

DURBAN — At least three carloads of armed and angry supporters of Mangosuthu Buthelezi swooped on SABC studios in Durban soon after the televised confrontation between him and Sfiso Zulu

They demanded access to the building.

"If I had been in the studio when the guy (Prince Sfiso) pulled a gun on the chief minister I would have shot him," said one man, with an automatic gun

He identified himself as Toti Zulu, an Inkatha Freedom Party member. But he later showed members of the South African Police Services a KwaZulu Police identity card

By then Prince Sfiso had left by a rear exit Chief Buthelezi, his wife Princess Irene, daughter Princess Phumizile and entourage were still inside.

Other members of the gang were carrying knobkerries, and the only barrier between them and the entrance to the building were SABC security staff.

Cabinet set to debate TV fracas

MANGOSUTHU Buthelezi's behaviour on television last night is expected to be discussed at Wednesday's cabinet meeting.

African National Congress MP Carl Niehaus said today he was investigating the setting up of an ad hoc parliamentary committee to probe the home affairs minister's behaviour

The National Party said Chief Buthelezi had "not promoted his own image, the idea of an exchange of opinions or Press freedom".

President Mandela's spokesman said he was aware of the incident but no steps were likely to be taken against Chief Buthelezi until a full report had been received — Political Staff

Studio

TENSIONS are rippling through the government after IFP leader and Home Affairs Minister Mangosuthu Buthelezi stormed uninvited into a television studio while a political rival was being interviewed live.

A gun was brandished during a scuffle that broke out in SABC's Studio 1 in Durban as Chief Buthelezi exchanged heated words with Zulu royal house spokesman Prince Sfiso Zulu, who was being interviewed on *Agenda* last night about the Shaka Day controversy.

The fracas is set for reverberations in the national and KwaZulu-Natal parliaments.

In Cape Town opposing MPs were calling for parliamentary censure of Chief Buthelezi, and African National Congress MPs in KwaZulu-Natal signalled that they would not let the matter rest.

There were doubts last night,



In the wake of the scuffle, that provincial ANC MPs would travel to Ulundi today for the second sitting of the provincial parliament

Shocked reaction has come from political and other sources The ANC and the National Party slammed Chief Buthelezi's behaviour as unbecoming a cabinet minister and have called for him to be disciplined

The Democratic Party said that following the incident there was grave concern for freedom of expression The incident was "eerily reminiscent of P W Botha's actions towards TV news"

Acting leader Tony Leon said "No politician, no matter how prominent and powerful and how injured his feelings are, should be able to disrupt a TV programme in the way in which it appeared the Minister of Home Affairs did."

The South African Union of Journalists has called on Chief Buthelezi to apologise. "The SAUJ strongly opposes attempts to prevent the public broadcaster informing the people of this land about all sides involved in this conflict"

SABC chief executive Zwelakhe Sisulu asked for a meeting with Chief Buthelezi and the corporation said legal action was being considered.

The incident was broadcast worldwide by CNN, Sky and the BBC and was reportedly also covered on American domestic radio and television networks

ANC members of the Kwazulu-Natal parliament said they would boycott the SABC until it had sorted out its internal security

ANC Southern Natal secretary and KwaZulu-Natal transport minister S'bu Ndebele said he would refuse to be interviewed at the SABC until he was reassured about his safety.

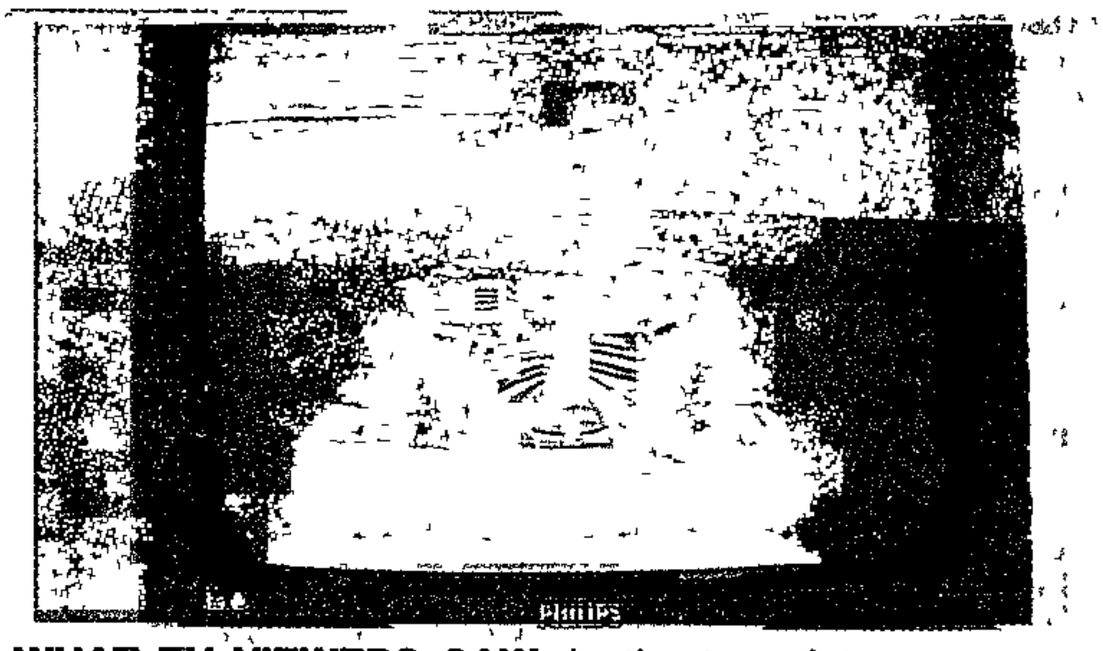
"This is not Zaire or Idi Amin's Uganda. This kind of thing is unheard of," he said

It was "inexplicable" that people carrying guns should be allowed past SABC security

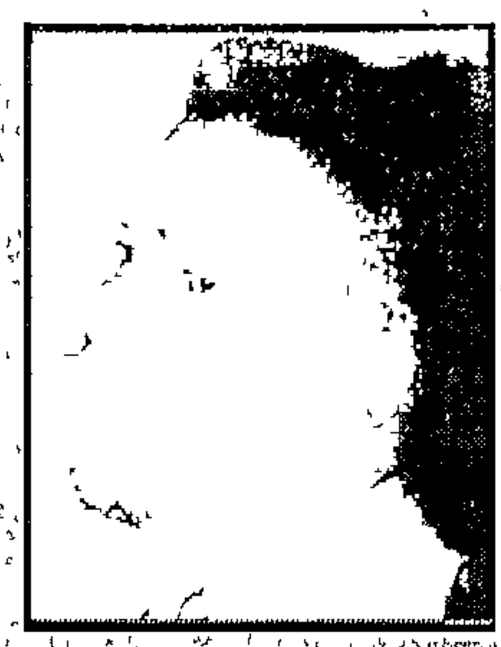
ANC MPS left Durban for the parliamentary sitting in Ulundi this morning in a heavily escorted, 20-vehicle convoy.

There was no word today of Prince Sfiso Zulu's whereabouts.

Prince Sfiso had been outspokenly rebutting Chief Buthelezi's claims as life-long traditional prime minister to the Zulu monarch.



WHAT TV VIEWERS SAW: In the top picture a man wearing a brown patterned cardigan reaches for his gun. In the middle picture he brandishes the weapon (centre left) as a scuffle breaks out in the studio. At the bottom, Chief Buthelezi is seen being interviewed in the studio after Prince Sfiso Zulu was hastily bundled out of the building.
TOP RIGHT SABC security guards bar supporters of IFP-leader Mangosuthu Buthelezi from entering the corporation's Durban headquarters.



LYING LOW: Prince Sfiso Zulu

Leslie Mashokwe, producer of CCV's *Newsline*, who was called to intervene in the fracas, said "It could have been horrific"

He was called to the TV1 studio where Chief Buthelezi told him he thought Prince Mcwayizeni Israel Zulu was speaking on the *Agenda* programme, and went to greet his cousin.

"When he saw it was Prince Sfiso he started asking him why he was saying those things about him," he said.

Mr Mashokwe said Chief Buthelezi had said he thought he was off the air when he entered the TV1 studio

"Chief Buthelezi alleged Prince Sfiso pulled a gun on him and then his aides roughed up Prince Sfiso," said Mr Mashokwe

Meanwhile the handgun that figured in the confrontation has gone missing. A police spokesman said inquiries were still being made about the firearm and who had taken it

Iscor knocked for 'pre-emptive' price compensation

From MICK COLLINS

JOHANNESBURG — Iscor was expected to announce price hikes across a range of products today, drawing accusations from industry that the steel producer was making a pre-emptive bid to compensate for the impending abolition of export incentives CT 26/9/94

The company confirmed that a weighted average price increase of 5,9% on its steel product mix would come into effect on January 1 The price hikes for different products ranged up to 8,7% An increase in transport costs was also expected from January 1

Hot rolled plate would increase 6,8%, floor plate 8,7%, hot rolled sheet 8% and cold rolled sheet 5,5% Other product prices to be increased included blooms and billets (8,7%), wire rod for general use (4,5%), rope wire rod (6,5%) and welding wire rod (6,5%) (260 ~~1589~~)

"The average price increase compares well with the expected 9% to 10% rise in the producer price index for 1995," a spokesman said.

But Econometrix economist Tony Twine pointed out that the move had come shortly after last week's announcement by government that a reduction in the General Export Incentive Scheme (GEIS) would be implemented from October 1, followed by the complete abolition of the scheme for steel producers from April 1 next year

"Iscor is a major beneficiary of the GEIS system" It was by far the largest recipient of total GEIS payments of about R2bn last year

Investment analysts estimated that Iscor received R250m in the past year

Twine said all Iscor's customers were "pinned" by the increase because of the protection Iscor enjoyed and the heavy tariffs on imported steel. "With adjustments to protection around the corner because of GATT, Iscor could be more limited in hiking prices from next year."

Sources said the increases would hit the secondary steel sector, which was traditionally "a low return on sales industry"

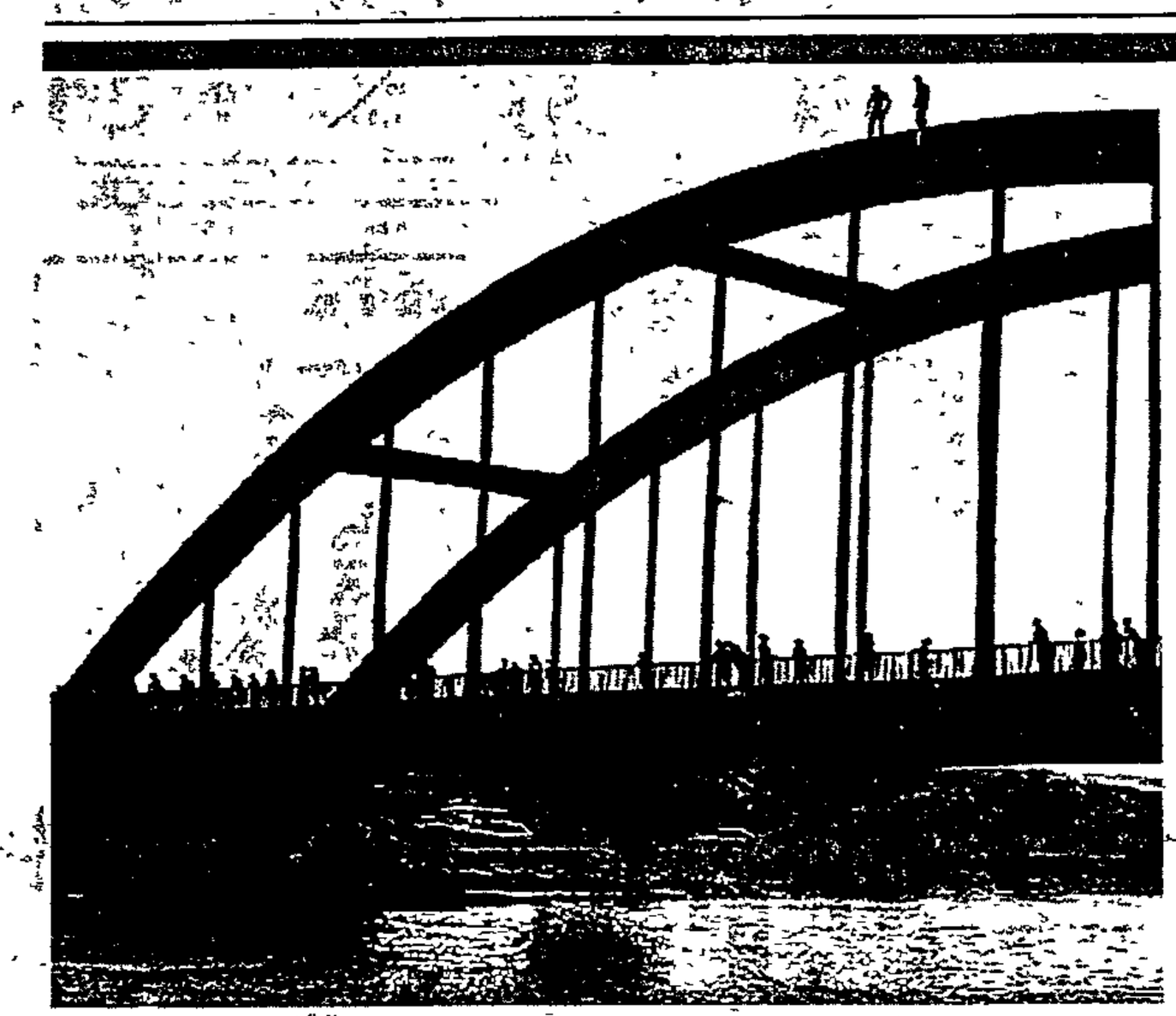
"Everybody will suffer The impact will see the continuation of the price spiral They (Iscor) don't explain the rationale to secondary manufacturers, they just go ahead and increase prices," Twine said

Sectors which would be hardest hit would be the fabrication and building industries But Iscor also announced that during October, November and December it would grant price concessions of about R4,6m on sales of its Ekonogalv galvanised sheet used extensively in the roofing and cladding of houses

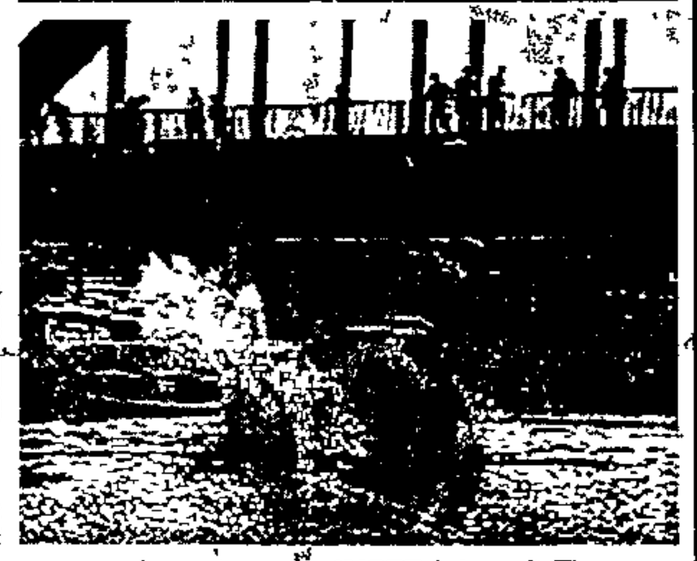
Iscor executive director, steel, Kevin Robertson said the concessions should be seen as a "manifestation" of Iscor's commitment to the reconstruction and development programme

Pid

Chief storms studio







DEATH JUMP - Student Mr John Leahy's dive to tragedy He and a companion get ready to jump from the arch **INSET (above)** They dive, Mr Leahy in the "belly-flop" position, the other man just visible lower down, dropping straight. **(Below)** They hit the water, Mr Leahy making the big splash on the left.

Pictures RYAN WATT

Guns out in live TV hijack

CT 26/9/94 (260)

A PISTOL was waved in the SABC's Durban studio last night when Inkatha Freedom Party president Chief Mangosuthu Buthelezi stormed into a live broadcast interview and confronted Prince Sifiso Zulu on the Agenda programme about Shaka Day.

SABC chief executive Mr Zwelakhe Sisulu said the SABC's editorial integrity and independence had been "seriously undermined by what can only be described as an invasion of our television studio and the forcible takeover of our Agenda programme"

He is to consult the corporation's attorneys and has requested an urgent meeting with Chief Buthelezi

The debacle began as SABC presenter Mr Freek Robinson was interviewing IFP Transvaal leader Mr Themba Khoza in Johannesburg and the picture suddenly switched to the Durban studio where Prince Sifiso Zulu — who was introduced as a member of the Royal family "interim committee" — was waiting to speak.

Instead of the prince, viewers saw a confused melée in which Chief Buthelezi was demanding in Zulu: "What are you saying about me . Someone else was saying ... e the gun"

ZULU NATION IN 'A DARK TUNNEL'
See PAGE 2

Mr Robinson, from his studio in Johannesburg, implored Prince Sifiso and the IFP leader to sit down.

When Chief Buthelezi did sit down he was briefly reprimanded by Mr Robinson for breaking into his interview and then asked what was going on.

The IFP leader said he had taken strong exception to what the prince was saying about his not being the king's rightful adviser When he had confronted him about this, he said Prince Sifiso had "pulled a gun"

In a later interruption of the scheduled broadcast, Mr Robinson told viewers Chief Buthelezi had been a guest in a nearby studio where he was appearing on CCV's News Line

He had remained to watch a monitor displaying the live Agenda programme where Prince Sifiso was appearing

SABC staff said that when he (Chief Buthelezi) saw Prince Sifiso "he demanded to go to the studio"

Chief Buthelezi, accompanied by his bodyguards, entered the studio and a scuffle broke out.

Chief Buthelezi had confronted Prince Sifiso, who had "jumped off his chair"

A cameraman inside the studio said the prince had been overpowered by Chief Buthelezi's bodyguard "They just went for him," the cameraman said.

The National Party condemned Chief Buthelezi's actions.

It was "unheard of" that Chief Buthelezi should walk into a television studio in the manner he apparently had

ANC Western Cape chairman the Rev Chris Nissen said the ANC condemned Chief Buthelezi's actions, viewed the incident in a very serious light and called for him to be disciplined — Sapa

Censure Buthelezi — MPs

SABC dispute hots up

Sowetan 27/9/94

260

By Ismail Lagardien and *Sapa*

THE CABINET HAS STEPPED into the row involving Chief Mangosuthu Buthelezi's storming of a live TV interview to demand a public explanation of his actions.

ANC MPs yesterday expressed their "outrage and disgust" at what they called "intolerance and denial of free speech".

During an exchange of words in the studio between Buthelezi and Prince Sfiso Zulu, who was a studio guest, a firearm was drawn

Zulu was overpowered by other people in the studio. He was taken to safety by police.

Government sources said Buthelezi would be asked to explain his behaviour to his Cabinet colleagues. This came as ANC MPs sent an open letter to the secretary of Parliament, asking that the issue be brought before Parliament after the short recess. The MPs said they wished to consider what steps should be taken and in order that members "reassert our unequivocal commitment to Press freedom".

SABC sources yesterday said attempts to get hold of Buthelezi failed after group chief executive Mr Zwelakhe Sisulu's earlier statement that he wanted to meet him over the incident.

Meanwhile, the IFP caucus of the KwaZulu-Natal legislature accused Zulu of trying to assassinate Buthelezi. The IFP said in a statement



Prince Sfiso Zulu... See page 5.

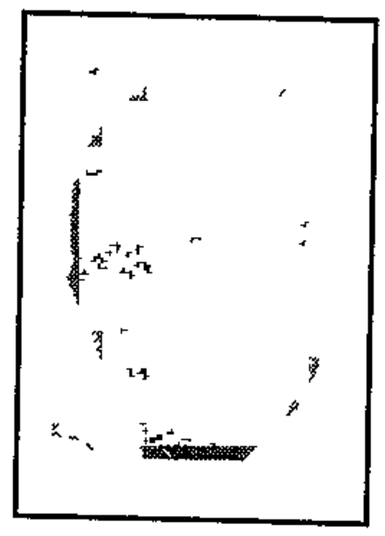
the police should immediately arrest Zulu, whom the party alleged tried to draw a gun on Buthelezi during the live TV interview.

"It is imperative that the police establish why this ANC member was armed in the studio. More so since the SABC knew full well that the IFP president would be in the building for an interview at the same time." ANC spokesman Dumisani Makhaye said Zulu was not an ANC member

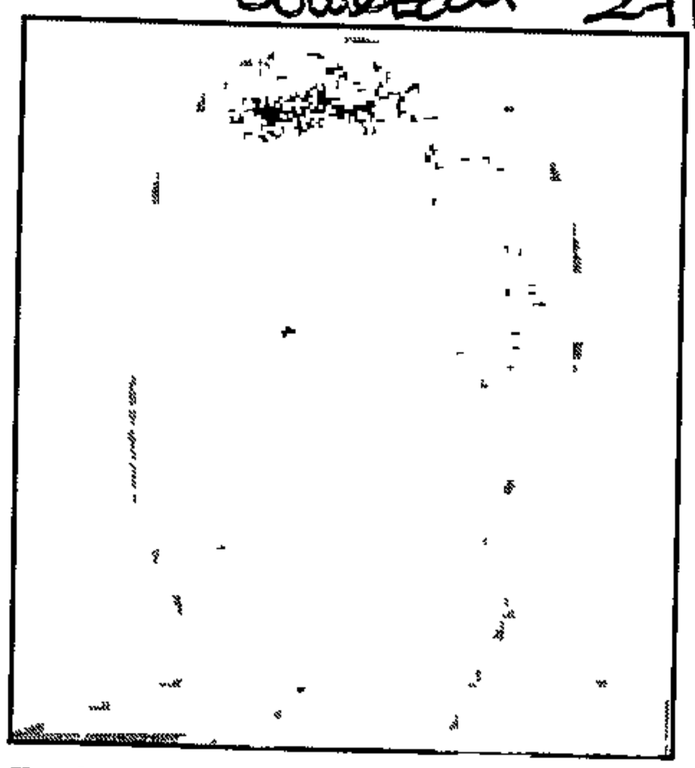
Zulu has alleged the gun was planted on him by Buthelezi's bodyguards in the studio.

focus on SABC

THE SABC is undergoing a cultural renaissance aimed at achieving a true reflection of South African society. Political Correspondent **Themba Molefe** spoke to the corporation's new chief, Zwelakhe Sisulu:



Sowetan 27/9/94



Zwelakhe Sisulu

ZWELAKHE SISULU'S APPOINTMENT as head of the SABC makes him the most powerful man in South Africa's radio and television establishment

His predecessor, Mr Wynand Harmse, gave way last month closing a chapter in the history of an institution that was synonymous with white, Afrikaner domination

Sowetan interviewed Sisulu in his 28th floor office at Radio Park, the headquarters of the SABC in Auckland Park

In a wide-ranging interview, the SABC's first black chief executive said ridding the airwaves of "foreign cultural invasion" was a priority

He described the invasion as both political and technological, spanning four decades of apartheid and its effects on creative development The predominance of English and Afrikaans as well as dependence on foreign programmes — largely from the United States — necessitated a rethink on cultural policy, especially language, Sisulu said

He acknowledged that there was a great deal of sensitivity around language, with fears that Afrikaans could be banned from the airwaves

"However, people should realise that there is even greater sensitivity around those languages not catered for at present One thinks quickly of Venda and Tsonga, among others," he said

While calling on critics to start thinking as South Africans and not as "Afrikaners, English or Venda," Sisulu said a "cultural Codesa" could be one of the solutions to the language problem

He had already made contact with several Afrikaans cultural organisations for input on future SABC programmes

Sisulu said a solution to the language problem could be found in regional broadcasting

This meant that Afrikaans would be accommodated at national level, just like other languages

A new policy, pending consultation within the SABC, could be in place by November

"There shouldn't be any fear about the new SABC's cultural development programme," said Sisulu

Technology had made it possible for South Africans to have access to 25 television channels from abroad via satellite by next May

"It is thus important that the SABC — both television and radio — be programme-driven with emphasis on local content which cannot be provided by the foreign channels "

It was vital that local creative talent was not only used but tapped and developed

Transformation was as essential a keyword at the SABC as reconstruction was to the new Government of National Unity

Sisulu said staff appointments and change should reflect the true nature of the society

He believed his appointment was on merit and had nothing to do with his political leanings or the fact that he was black (200)

"I don't regard affirmative action as a mere movement of bodies but as a process of empowerment based on the need to improve rather than lower standards "

He said resources would be re-routed to bolster the education and training of staff to ensure proficiency and maintenance of high standards

One way of doing this would be cutting down on "unnecessary perks" for senior management

Salary structures for the lowest and highest paid staff members would be reviewed There was a great disparity in salaries and this had affected morale

Sisulu said he was aware of "some element of resistance" to change and that it was cause for concern

"Naturally, people are worried about the future," he said

He dismissed "with contempt" any suggestion that the SABC would, as in the National Party era, be a mouthpiece of the African National Congress "No, we will not be 'his master's voice' The SABC is a democratic institution We have put in place a code of ethics which makes it clear that journalists will take independent editorial decisions "

A former journalist of repute himself, Sisulu made no bones about recruiting what he termed the "cream of journalists" to the SABC

He paid tribute to black journalists who were vocal against oppression and fought for freedom and democracy

● Since an independent board of directors took over last year, the SABC had been plagued by conflict, especially oppositon to the increasing appointment of experienced print journalists to top posts

● There have also been a number of fraud cases uncovered at the SABC

Sisulu said an investigative team had been formed to look into fraudulent deals to ensure a clean and open administration

MPs call for action after Agenda saga

(260) ARG 27/9/94

THIRTEEN African National Congress MPs have accused home affairs minister Mangosuthu Buthelezi of violating the government's commitment to freedom of expression and have called for parliamentary action against him

The MPs, including Carl Niehaus, Bulelane Ngcuka, Wally Serote and Jan van Eck, said in an open letter that Chief Buthelezi's bodyguards had overpowered Prince Sfiso Zulu, who was taking part in a live *Agenda* programme debate on Sunday night in a Durban studio of the SABC

"Chief Buthelezi's behaviour was a denial of freedom of expression and violates the government's commitment to press freedom," they said

The MPs said they would demand a parliamentary inquiry into the incident after the three-week recess, which ends on October 17

They also criticised *Agenda* presenter Freek Robinson for putting Chief Buthelezi on the show after he had burst into the studio — Reuter

Media people 'disgusted'

JOHANNESBURG — The Media Workers' Association (Mwasa) said it was disgusted and disappointed by home affairs minister Mangosuthu Buthelezi's disruption of the television programme *Agenda* and called for a public apology

Mwasa said the disruption endangered the safety of media employees and the association took exception to "unkind words" directed at the media by Chief Buthelezi recently

"He has been blaming the media for what he sees as the media taking sides with the Zulu king", Mwasa said — Sapa.

at he had people in the Stellenbosch Town my integrity"

reconstruction and development Agenda TV debate

Buthelezi act: Probe wanted

CT 28/9/14 (260)

Chief of SABC calls on cabinet

Own Correspondent

JOHANNESBURG — SABC chief executive Mr Zwelakhe Sisulu called on the cabinet yesterday to hold a public inquiry into Home Affairs Minister Chief Mangosuthu Buthelezi's interruption of Sunday night's SABC television interview with Prince Sifiso Zulu in Durban.

"The cabinet (is) the appropriate body to deal with an incident involving one of its members," Mr Sisulu said.

His report of the incident rejects Chief Buthelezi's claim that he had not known the cameras were rolling in the studio.

Posts, Broadcasting and Telecommunications Minister Dr Pallo Jordan will present the report to the cabinet at its meeting in Pretoria today.

Mr Sisulu said the incident had undone months of work to transform the SABC into an independent, national broadcasting service "If cabinet ministers can literally take over SABC programmes, the corporation's claims of independence are meaningless. We have asked the cabinet to act fast and firmly on this matter"

But Mr Sisulu accepted criticism from the Independent Broadcasting Authority that the incident highlighted "the apparent lack of a responsible editorial judgment in the Durban studio"

Mr Sisulu's report does not corroborate the claim by the SABC's Natal regional manager, Mr Hawu Mbatha, that Prince Sifiso produced a gun during the fracas, but states that "a member of Buthelezi's entourage emerged from the melée with a firearm — and with a second visible under his cardigan".

Durban cameraman Graham Reardon is quoted as saying "At no stage did I see a firearm being drawn by Prince Sifiso"

Chief Buthelezi is expected to be present throughout today's cabinet discussions, and will present his version of events to the cabinet, said President Nelson Mandela's spokesman, Mr Joel Netshitenzhe

Maties wish to continue in Afrikaans

CT 28/9/14

By CHRIS BATEMAN

MATIE Rector Professor Andreas van Wyk has rebutted suggestions by President Nelson Mandela that the university's policy of Afrikaans as an educational medium be adjusted to broaden access to the campus.

Speaking in Stellenbosch after President Mandela addressed students there in his first speech on an Afrikaans campus since his inauguration, he said more than 60% of the demographic student area was Afrikaans speaking.

The campus had also recently adopted policies aimed at recruiting more black academic and non-academic staff.

Afrikaans as a medium of instruction was regarded as an "opportunity" rather than an "obstacle", Prof Van Wyk said.

Nearly 20% of students on campus had home-languages other than Afrikaans, he said

The university had always been flexible in its language policy and would remain so, he contended.

He said· "Mr President, we wish to remain Afrikaans in an inclusive sense, as an open institution .. not an exclusive one."

Mr Mandela told his 350-strong Matie audience that whatever language policy they followed, it should "enhance rather than limit this university's ability to share your resources with the broader community".

Mthomboti appointed editor of radio services

(260)

JOHANNESBURG. — Mr Barney Mthomboti has been appointed editor-in-chief of radio news from November 1, the SABC announced yesterday

Mr Mthomboti is day editor of the Sowetan

His background includes service as Africa correspondent for Argus newspapers and two years with the BBC's World Service He has been awarded both the Reuter and Nieman fellowships

Other senior appointments are CTZ 8/9/74

Mr Franz Kruger has been appointed national editor of news and current affairs.

Mr Alwyn Kloppers, previously audio news editor, has been appointed managing editor — Sapa

Buthelezi apologises for TV row

(260)

ARG 28/9/94

PRETORIA — Home Affairs Minister Mangosuthu Buthelezi today publicly apologised for storming into a live interview on state television on Sunday.

"I publicly apologise to anyone I offended during Sunday's incident," Mr Buthelezi, flanked by President Mandela, told a news conference here.

Mr Mandela said he and his cabinet had accepted the apology and the matter was closed.

"As far as the cabinet is concerned we are going nowhere," he said when asked if any more action would be taken against Mr Buthelezi, president of Inkatha and home affairs minister in the cabinet.

Mr Buthelezi said he had been prepared to resign if he had been an embarrassment to Mr Mandela and the national unity government.

"I was prepared to resign, before I met the president yesterday. I made it quite clear to him that I was prepared to resign if I was an embarassment to him and his cabinet," Mr Buthelezi said after a cabinet meeting to discuss the incident.

Mr Mandela said he had "prevailed" on Buthelezi not to resign.

"I prevailed on him to remain and I am happy that he was able to co-operate and make it possible for us to continue working as before," said Mr Mandela.

A cheerful Mr Buthelezi said he was satisfied with the way the matter had been handled by the cabinet.

Butheleзi 260

Cabinet acts to defuse row over

ARGT 29/9/94

☐ Censure for TV disruption but apology accepted

Political Staff

JOHANNESBURG — The cabinet has moved to defuse the increasingly bitter debate over Mangosuthu Buthelezi's intervention in a television interview at the weekend, accepting his apology but severely censuring the home affairs minister, who is also leader of the Inkatha Freedom Party.

A government source said yesterday the interests of reconciliation in the government of national unity had been prominent in President Mandela's deliberations during a cabinet meeting The cabinet had to balance this desire with the need to act firmly against a clear breach of the spirit if the constitution

Chief Buthelezi has emerged from the debacle with his portfolio intact, though the cabinet censured him for his actions

But Mr Mandela was in conciliatory mood after yesterday's special discussion of the issue during the cabinet meeting He emphasised that condemnation of the IFP leader's actions during last Sunday's *Agenda* programme did not reduce his value to the cabinet

The African National Congress said it was "delighted that Buthelezi humbled himself and apologised publicly to the nation". But debate in the KwaZulu/Natal legislature yesterday became a mud-slinging contest between ANC and IFP members

Sapa reports that Arthur Konigkramer (IFP) accused the ANC of meddling in the affairs of Zulu King Goodwill Zwelithini He claimed there was "a sinister plot" behind Sunday's confrontation at the SABC studios in Durban between Chief Buthelezi and royal family spokesman Sifiso Zulu

Mr Mandela and Chief Buthelezi emerged from the cabinet meeting to sit side by side at a press conference in the Union Buildings

The president said that although the cabinet had strongly condemned the minister's behaviour, it would not be contemplating legal action

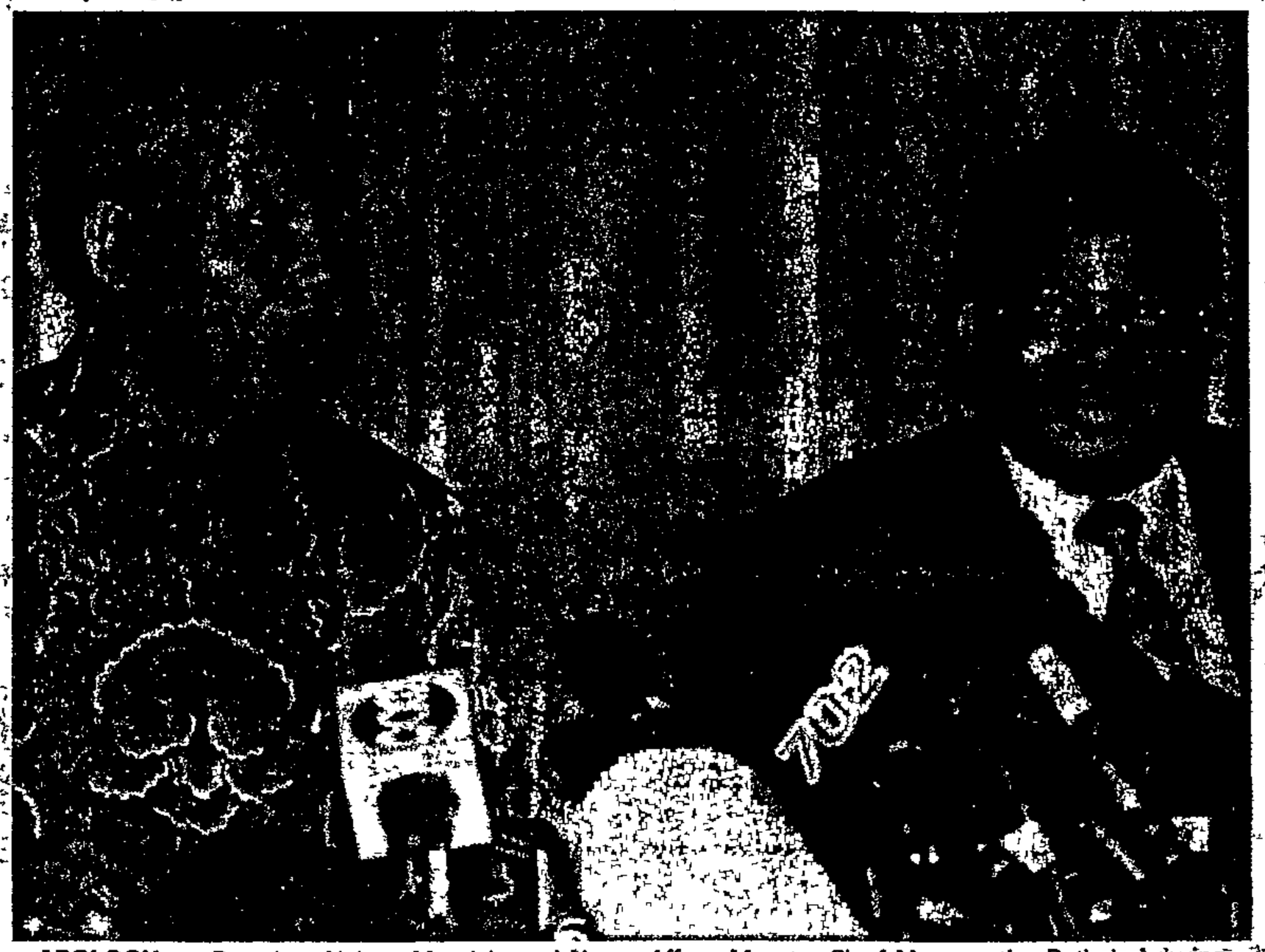
Chief Buthelezi, in turn, tendered a public apology. "Whoever I offended in the nation . I give this apology" Earlier he apologised to the cabinet and the president

Mr Mandela said Chief Buthelezi was prepared to make a "very constructive" contribution to the government, adding that in such a tripartite government "bumps" were inevitable

Once again explaining his actions, Chief Buthelezi said he had been under the impression that the *Agenda* interview had been completed "I'm not such a bumbling fool that I would go into a live studio and interfere with a broadcast deliberately," he added.

Chief censured

ET 29/9/94 (260)



APOLOGY ... President Nelson Mandela and Home Affairs Minister Chief Mangosuthu Buthelezi during yesterday's cabinet meeting. Chief Buthelezi was censured by the cabinet for his storming of the studio during Agenda on Sunday night. He apologised to the government, the SABC and the public for his actions.

Picture AP

By BARRY STREEK and Sapa

HOME AFFAIRS Minister Chief Mangosuthu Buthelezi escaped with his cabinet career intact yesterday, but only after agreeing to an unconditional apology for commandeering an SABC studio during a live broadcast on Sunday night.

The cabinet, at its routine bi-weekly meeting, passed a motion of "severe censure" on Chief Buthelezi for his action in storming a studio while a rival, Prince Sifiso Zulu, a spokesman of the Zulu royal house interim committee, was being interviewed.

In an unprecedented statement, the cabinet also said his action was a direct challenge to the very constitution to which all ministers of the government are sworn to protect and respect.

"The cabinet resolved that this action constituted a serious violation of the right to freedom of speech and of freedom of the press. It also posed a threat to the safety and security of citizens."

"Accordingly, the cabinet passed a motion of severe censure on Chief Buthelezi for conduct inimical to good government and the protection of fundamental human rights."

The cabinet said it had accepted Chief Buthelezi's apology.

SABC group chief executive Mr Zwelakhe Sisulu expressed regret that the government had not appointed a public inquiry into Chief Buthelezi's action.

"The incident was a gross violation of a public institution and we believe the public had a right to see that justice was done," he said in a statement.

"In particular, it highlights the need for new legislation to entrench the independence of the SABC," he said, adding that claims by Chief Buthelezi that the SABC report was "one-sided" were without foundation.

Minutes after the cabinet meeting at the Union Buildings was over, Chief Buthelezi, accompanied by President Nelson Mandela, repeated an apology he had earlier made to his cabinet colleagues.

Speaking in the presence of scores of domestic and international journalists, he said "I did apologise then (Sunday) to the public in general and to all the viewers, and I would like to take this opportunity to repeat my apology to the nation as such."

His apology, while unconditional, was accompanied by an attack on Posts, Telecommunications and Broadcasting Minister Dr Pallo Jordan.

Dr Jordan's report on the incident, based in the main on a report from Mr Sisulu, had not presented both sides of the story, and was "one sided", Chief Buthelezi said.

He again insisted he had not known the cameras were rolling when the incident occurred.

"I'm not such a bumbling fool that I would go into a live studio and interfere with a programme deliberately," he said.

President Mandela, who interrupted a holiday to deal with the crisis, said Chief Buthelezi had "co-operated very well with the cabinet" and he complimented him for being "big enough" to apologise.

Chief Buthelezi said he had been "quite prepared to resign if I was an embarrassment to the President and the cabinet".

Mr Mandela said he had "prevailed on him that I want him to remain in the cabinet".

● Full cabinet statement — Page 2

King rejects IFP peace cows

Own Correspondent

DURBAN — The Zulu royal family has rejected the two cows Chief Mangosuthu Buthelezi sent to King Goodwill Zwelethini as an apology for the invasion of the Enyokeni palace by IFP members before the Shaka Day celebrations.

This was said yesterday by ANC MP and senior royal family member Prince Mcwayizeni Zulu at a press briefing. He said the members of the royal family wanted Chief Buthelezi to appear before the king and members of the royal family and explain the reasons for his apology.

Prince Mcwayizeni also confirmed that Prince Sifiso Zulu was a member of the royal family and descendant of King Mpande and said Chief Buthelezi knew him.

He also said the interim committee whose existence has been questioned by Chief Buthelezi was a legitimate mouthpiece of the royal family.

Cape joins race for TV, radio rights

Licence authority in city on Monday

(260) ARG 30/9/94

Staff Reporter

THE race is on for the broadcasting of independent television and radio in the Cape.

As many as 10 new radio stations and two Cape TV stations could be up and running by the end of the year.

The starting pistol was fired today with the publication of licence application forms for community broadcasters in today's Government Gazette

Members of the Independent Broadcasting Authority (IBA) will fly to Cape Town on Monday to hold a workshop for potential applicants.

Short-term stations — those wishing to broadcast for a month or less — can apply for licences immediately, IBA council member John Mattison said

Stations seeking longer licences will be awarded access to the airwaves in November

"There is going to be a great number of radio applicants in Cape Town — we're concerned that there might even be more applicants than space on FM frequencies," said Mr Mattison.

The IBA intends to adopt the "American model" of frequency allocation in order to squeeze the maximum number of broadcasters onto the airwaves — particular frequencies will be shared by local stations broadcasting to different parts of the Peninsula.

He said the IBA would also consider granting licences for small, one-watt transmitters that have a broadcasting range of 2km, and would encourage broadcasting on under-used medium wave frequencies

More than 800 radio stations use one-watt transmitters in Australia

The IBA will be ready to grant at least one community television licence by late November, and if a new TV station is able to raise enough money in time it will be able to beam its footage into viewers' living rooms before the end of the year.

Commercial broadcasters are expected to follow the community stations as soon as the law governing the IBA is suitably amended

"We sent a proposed amendment to Telecommunications Minister Pallo Jordan three months ago, and we expect the IBA Act to be amended in the next session of parliament," Mr Mattison said

This could pave the way for the establishment of the R25 million Table Mountain Television (TTV) station, which has been initiated by Bellville media company Pronam Partnership.

Gun: SABC clears prince

260

DURBAN. — Prince Sifiso Zulu has been cleared by SABC chief executive Zwelakhe Sisulu, who says the royal family's official spokesman did not produce a gun in the Durban television studio as alleged by the Inkatha Freedom Party and Mangosuthu Buthelezi.

Mr Sisulu said the gun was produced by a member of Chief Buthelezi's entourage. He apologised to the prince for the breach of security. — Sapa.

ARG 30 | 9 | 94

PUBLIC SECTOR - GOVT STATE ENTERPRISE

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OCT. — DEC,

MEDIA SPOT

Broadcasters seek relief from local content rules

BDay 4/10/96

THE private broadcaster sound committee and private broadcaster TV committee of the National Association of Broadcasters will ask the Independent Broadcasting Authority (IBA) not to apply local content regulations to their stations

The two committees have called for an IBA local content policy which would take into account the diverse interests and range of service responsibilities of the various categories of broadcasters.

"With regard to private radio and TV broadcasters, we feel there should be no intervention and no local content mandates," the national association's executive director Daniella Goldman said

She said private broadcasters were market driven and subject to acceptance by audiences Setting local content requirements went against all free market principles, and would impose inappropriate conditions on these broadcasters, who already broadcast a meaningful volume of local content programming

However, the situation of the SABC and Bop Broadcasting Corporation as public broadcasters was different

"The SABC and Bop fully accept their role of public service and have

Reports by
AMANDA VERMEULEN

recognised the historical imbalances that existed"

Goldman said the SABC and Bop had indicated that they were happy to meet local content requirements, provided they were set at realistic levels and, if necessary, phased in.

The same conditions would apply to community broadcasters, who would be licensed to serve specific communities 2100

The association also rejected calls from certain sectors of the TV production and music industry for local content requirements of up to 60%

"We believe this figure is unrealistic, and that the industries concerned will not be able to deliver. The quality of material available from local producers must be an important factor in setting up local content requirements"

Media and broadcasting consultants, however, have made a convincing case for local content requirements, particularly for radio

They cited the case of Australia which, they said, had "the most successful experience" of local music content regulation

In 1992, after almost 20 years of statutory mechanisms to promote the broadcasting of Australian music, the country reverted to a self-regulatory code of practice

"The Australians have proved that the enforcement of local music quotas is a means to an end

"The progressive implementation of these requirements led to an explosion in Australian popular music during the 1970s"

This led to increased investment in the local industry by record companies, and an improvement in the quality of Australian recordings.

Research conducted by the Australian Broadcasting Tribunal showed that within the first 10 years of statutory quotas, Australian performers achieved international recognition and success

In addition, the quality of recording studios improved to such an extent that they were now comparable with the world's best, and there was significant growth in the local manufacture of recordings from all sources

Radio fees for Australian compositions more than doubled, and the share of gross record company revenue increased sharply, as did expenditure on the production and promotion of local recordings

SABC ponders new options to fund operations

Star 7/10/94

■ BY MICHAEL SPARKS

The SABC is being forced to consider new funding options in the light of reductions in advertising revenue as well as the unexpected hostility to the proposal of a small increase in VAT to fund the public broadcaster.

According to a source investigating funding options, the SABC is having to review submissions it made to the Independent Broadcasting Authority (IBA) in June, because of significant changes in the data since then.

At the time the SABC said it expected to lose between R260 million and R380 million when new broadcasters entered the market.

But that figure is expected to be lower now, partly because CCV is not losing as much money as it was at the time.

The source said the SABC was hoping for funding from three possible sources — commercials, State funding and the public sector.

The obvious problems of funding from the private sector were the existing difficulties of raising funds from television licences

One option being given serious consideration is a levy on residential electricity users

While commercials were currently the predominant source of income, this was certain to be reduced.

There was also strong opposition to large amounts of State funding, since this could perpetuate the impression that the SABC was under Government control

The possibility of funding for educational programmes was being considered, because it was unlikely to infringe on its independence.

The IBA will start taking oral submissions on the public broadcaster, local content and on cross media ownership, commonly know as the triple inquiry

Those hearings are set to begin in Johannesburg at the end of the month. (200)

According to a document compiled to summarise the submissions to the IBA, most of the 23 corporations, groups and individuals argued strongly that funding from advertising for the SABC should be greatly reduced, if not eliminated.

SABC in for tough time as issue of funding looms

(260)

ARG 8/10/94

LOUIS de VILLIERS

THE next three months will be trying for the SABC as it fights for its turf during public hearings on the funding of public broadcasting

The Independent Broadcasting Authority (IBA) is knuckling down to the task of untangling the broadcasting legacy of apartheid

On October 18 all interested parties in broadcasting — and that's just about everybody in the media, telecommunications and publishing world — will be invited to discuss procedures and rules which will govern the inquiry into the funding of public service broadcasting, the rules which should apply to cross-media ownership and local content

The target date for the first public hearings, says IBA joint chairman Peter de Klerk, is October 31

"The first hearings will probably run for two weeks, four days a week. We may then step out of it and have another round at the end of November leading into December," says Mr De Klerk

In a sense, these inquiries come at the worst time for the SABC On the one hand, the corporation is undergoing major restructuring and transformation

On the other, increased competition from satellite broadcasters in June next year will have an unquantifiable impact on its audience base

The SABC's share of total media spending in South Africa is about 40 percent, which the corporation says in its submission "is regarded as excessive within the industry"

The issue of funding for the SABC is probably the key area of deregulation — if the State is to remain the dominant force in the commercial media industry, there will be little point for entrepreneurs to embark on costly electronic media start-ups

"It's a good thing that the SABC will have to fight for its turf," says IBA councillor John Matisonn And fight for its turf is something it will have to do

If the SABC wants to scrap its inefficient licence fee system and tap into the tax base in some form or other, it will have to convince the IBA councillors, and by definition the public, that it warrants State funding

The SABC will have to negotiate tricky waters stirred up by its own transformation process

SABC sources indicate that in the process of radio and television news restructuring where executives have to reapply for their jobs, the criteria of competence and experience for appointment have been scrapped at the insistence of the unions

Although this makes sense from an SABC perspective — how were black executives supposed to gain experience in the old dispensation? — the taxpayer could argue that it is unfair to expect from him to pay for somebody who is, by his own definition, incompetent

Similarly, those who perceive the SABC as neglecting their communities, such as Afrikaans pressure groups, could make a strong case that it would be unfair to expect their constituency to contribute to SABC funding

These and other issues will be debated in public later this year

Mr De Klerk says the IBA is now really swinging into action He maintains that criticism that the body has been moving too slowly is unwarranted

"We have been up and running for only 5½ months and are already in the process of awarding community radio licences In places such as Canada, they are astounded at what we are achieving.

"The regional office of the regulatory body in Vancouver has double the staff we have — and they say what we are doing in months would have taken them two to three years."

The IBA's big test, however, lies before it Mr De Klerk admits that many areas, vital to the future of the industry, are still murky

One such issue is satellite broadcasting. Will the IBA protect the SABC from foreign competition?

IBA sources indicated that the body was on a collision course with M-Net/Multichoice signal distribution company Orbicom, which will have the capability of relaying the signals of 24 channels digitally to South African homes equipped with an inexpensive satellite dish by June next year

"One of my people spoke to you out of turn," says Mr De Klerk "I don't know of anybody in the world who has resolved the satellite issue

"We will, however, be ahead of the game come June and will act in a transparent manner. It's clear, though, that the SABC, in terms of the IBA Act, cannot be protected.

"We have to formulate a policy — the ideal would be if we were able to bring satellite in any shape or form under the umbrella of the IBA Act"

Mr De Klerk indicates that the IBA will not approach satellite broadcasting in a heavy-handed fashion

SABC forced to fight for its turf as public

IBA inquiry to

Star

broadcasting funding comes under spotlight

IBA inquiry to action

LOUIS DE VILLIERS

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In a sense, these inquiries come at the worst time for the SABC On the one hand, the corporation is undergoing a major restructuring and transformation exercise; on the other, increased competition from satellite broadcasters in June next year will have an unquantifiable impact on its audience base.

The SABC's share of total media spend in South Africa is about 40 percent, which the corporation says in its submission "is regarded as excessive within the industry"

The issue of funding for the SABC is probably the key area of deregulation — if the State is to remain the dominant force in the commercial media industry, there would be little point for entrepreneurs to embark on costly electronic media start-ups.

"It's a good thing that the SABC will have to fight for its turf," says IBA councillor John Matisonn. And fight for its turf it will have to. If the SABC wants to scrap its inefficient licence fee system and tap into the tax base in some form or another, it would have to convince the IBA councillors, and by definition the public, that it warrants State funding

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Similarly, those who perceive the SABC as neglecting their communities, such as Afrikaans pressure groups, could make a strong case that it would be unfair to expect their constituency to contribute to SABC funding

These and other issues will be debated in the full glare of public scrutiny later this year For De Klerk, the IBA is now really swinging into action He maintains that criticism that the body has been moving too slowly is unwarranted.

"We have been up and running for only five-and-a-half months, and are already in the process of awarding community radio licences. In places such as Canada, they are astounded at what we are achieving The regional office of the regulatory body in Vancouver has double the staff we have — and they say that what we are doing in months would have taken them two to three years."

The IBA's biggest test, however, lies before it De Klerk admits that many areas vital to the future of the industry are still murky

One such is satellite broadcasting Will the IBA protect the SABC from foreign competition? IBA sources indicated last week that the body was on a collision course with M-Net/Multichoice signal distribution company Orbicom, which will have the capability by June 1995 of relaying the signals of 24 channels digitally to South African homes equipped with an inexpensive satellite dish. "One of my people spoke to you out of turn," says De Klerk of a report in WeekendStar

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Even the 'poppies' are dancing at the SABC

WM 30|9-6|10|94 (260)

The seemingly impregnable infrastructure of the SABC is under attack — and it's crumbling. **Mark Gevisser** reports on changes at Auckland Park

AN SABC journalist, bleary-eyed from one too many late-night meetings of her transformation committee, looks up from the stack of organograms scattered around her. "Yes," she says wearily, "things are changing here. In the old days, if you challenged your manager you were hauled before a disciplinary committee and demoted. Now, if you challenge your manager, you're drafted on to a working committee."

Transformation-fever has hit the SABC, and these are its symptoms: organograms, workshops and blitz of interactive posters, sullying the previously unassailable infrastructure of Auckland Park, bearing legends like "The Transformer is here. It will break down the walls of . . ", on which staffers are invited to scrawl their own wish-lists.

Another poster reads. "Things are going to change around here. What should change?" Underneath is a blank cartoon bubble. On one of collars of management but utterly at home with the tactical manipulations that will be required of him as transformation-unit co-ordinator. A policy buff, he is earmarked for the permanent post of general manager of strategic planning. Pretorius, the corporation's affable and butter-smooth industrial relations chief, takes the credit for building up the SABC's fractious unions and bringing them on board. Sprawling out beneath them are a plethora of transformation committees, transformation action

I was appointed, my first task was to reproduce myself, and through this process I have managed."

Over at Television News Productions (TNP), the 700-strong staff has been locked in workshops for six weeks now. Andre le Roux, head of TNP's transformation committee, estimates that each of the staff's 92 representatives has put in an average of 85 hours' work on the division's transformation proposal.

At TNP alone there are 40 working groups, and all have been brought

The price of change

WHAT'S the cost of transformation? Well-placed senior sources claim that the transformation process has already cost R500 000, the lions' share of which has been spent at Television News Productions.

One group of facilitators was reportedly paid R200 000 for the work they did facilitating workshops at TNP; three days of workshops in the radio division brought in another R75 000. Add to this the costs of running the transformation unit, of employing an outside consultant (David Niddrie), and of travel to hold workshops in the regions, and the figure bumps against half a million.

Group chief executive Zwelakhe Sisulu confirmed the total figure of R500 000 and said: "The cost of this process has been well worth it. This wasn't just consultation, but also training and development. Looked at in that light, the sum is not untoward."

Asked to comment on these figures, Transformation Unit co-ordinator Niddrie added: "If one looks at comparable organisations like Escom, their process have been far more costly. The price might seem high, but change doesn't come cheap.

"This is fundamental change — no one is wining and dining on the money. No individual will benefit, but the public will. It's worth every penny."



UNIVERSITY OF CAPE TOWN

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Applications close on 31 October 1994. For an informative brochure, application forms

has written "We should stop changing and start working"

It's appropriate that such caution has been penned outside the lifts on the 18th floor, for here is to be found the nerve-centre of transformation If new chief executive Zwelakhe Sisulu is the messiah of change up on the 21st floor, then his two primary disciples, David Niddrie and Christo Pretorius, are to be found beavering away three floors below, the New Blood and the Old Guard bound inextricably by the mantras of transformation, "a programme-driven SABC" and "consultative management"

Niddrie, a bluff chain-smoker, is visibly uncomfortable in the starched shops

The SABC has become, at last, a talking shop Now, when you are whisked up to the dizzy heights of senior management by one of the legion of Afrikaans secretaries, she will, quite unprompted, unleash a tirade of vitriol upon one of the bosses of the *ancien regime* In the old days, the crimplene brigade kept their heads down and got on with their jobs, now, laughs one new staffer, "even the poppies are dancing"

Sisulu is "very satisfied with the process Apart from everything else, it has thrown up new leadership potential throughout the corporation Once have come up with a 55-page document to be presented to top management "It's a many humped, many legged, many coloured camel," admits one drafter Indeed, it does seem to try to be all things to all people, the classic product of consultative democracy Among its more significant proposals is a streamlined new management structure

But, notes Le Roux, "this should not be seen as a final proposal It is a synthesis of the diversity of opinions that exist in TNP that will be presented to Sisulu It is up to the group executive to take our ideas and run with them"

Like all the members of his transformation committee, Le Roux speaks about the process with missionary zeal. "TNP is further advanced than anyone else at SABC in this process of transformation, and we are convinced this is the right way of doing it" He warns that "the corporation will ignore staff input of this intensity and quality at its peril the staff just won't tolerate it drifting into the sand"

Problem is, though, that many of Le Roux's own staffers see it already as being hopelessly mired in the quicksand of bureaucracy and the kind of democracy-speak that often masks firm and decisive leadership A case in point. almost no one from the current affairs department, which set the whole ball rolling by rising up against its management in late July, attends the drafting meetings

Every time Sisulu speaks, he seems to utter the words "programme-driven" But, notes a TNP staffer, "while I really approve of the idea of a programme-driven SABC, I fear that this has become a meaningless buzzword We're not working on programmes We're working on organograms."

Their master's voice: Zwelakhe Sisulu addresses staff at the SABC
PHOTOGRAPH STEVE HILTON-BARBER

look on with befuddled bemusement at the intensity of the transformation process over there

Over at radio there are two transformation committees, one dealing specifically with radio news and the other with general radio transformation Both are more contained, more controlled — and seem to have produced more solid, attainable proposals

The former committee approved a new management structure which has put into place a new triumvirate of Barney Mtombothi (the *Sowetan's* day editor) as editor-in-chief, Franz Kruger (formerly editor of the Eastern Cape News Agency) as national news and current affairs editor, and old-guarder Alwyn Kloppers as managing editor

The latter committee has approved the blueprint of Solly Mokoetle, head of regional radio, which calls for 11 national unilingual radio stations, and has taken the strong stand that the SABC's commercial and public broadcasting responsibilities should be separated the SABC's commercial stations (like 5FM and Metro) should be allowed to continue, unhampered by any public broadcasting responsibilities, to finance — and thus protect — the viability of the public broadcasting stations

But while there has been much frenetic activity at TNP and in radio, there is one area of the SABC that seems to be immune to transformation fever television programming Apologists would have it that this is because of the technological and economic complexity of the area, critics have not bought in to the notion of public broadcasting

Sisulu has acknowledged this problem, and has instructed his transformation worker bees to set up a TV transformation committee as a matter of urgency But the fact that there are no decisions (or even solid proposals) on the SABC's future channel-portfolio means that all of TNP's late-night work might well go out the window

Says one staffer "What happens to the channels cannot but affect the way we are structured Once they decide that, we're going to have to start all over again"

A radio staffer acknowledges that there has been "a wave of creative energy unleashed, and we who believe in transformation are riding its crest But the problem with the SABC has always been a lack of creative management If management can't harness this energy into meaningful change, the wave will dump us all and the silent majority will prevail"

At which point, all eyes turn, once more to SABC's very own Nelson Mandela, the new boss whose eyes twinkle with vision — a scarce commodity indeed in the upper reaches of the Piet Meyer Building TNP staffers took heart, this week, at Sisulu's rapid response to Mangosuthu Buthelezi's tyrannical behaviour in the SABC's Durban studios

Sisulu might not yet have performed the alchemy of tranformation, but he has got the SABC talking His genius was not to launch a staff-driven transformation process — it happened spontaneously in the news divisions of radio and television — but rather to systematise a series of iso-

SABC agrees on advert cuts

CT 11/10/94 (260)

IBA looks at plans for radio

Staff Reporter

THE SABC has agreed that advertising should be eliminated as a means of funding

The Independent Broadcasting Authority (IBA) also heard yesterday that the corporation's commercial radio stations should either be scaled down or used for black empowerment

Submissions from over 20 stakeholders in the media industry, including Radio 702, Community Television Network Holdings, the Broadcasting Association of SA, M-Net and the South African Union of Journalists, are being considered by the IBA in its probe into the viability of public broadcasting

It was widely argued the SABC's giant share of the advertising market, about 90% of radio and 75% of television advertising, constituted unfair competition and stifled growth in the private broadcasting industry

The SABC agreed it should not depend on advertising revenue (75% of its income)

However, it argued "the nation needs to have a strong national public broadcaster to help enhance public understanding of major political, economic and social dilemmas"

The SABC called for state compensation of up to R380 million which it expects to lose in market share when new broadcasters enter the industry

Alternative funding could also be obtained from direct and indirect taxation, a levy on commercial broadcasters and taxes on radio and television commercials, it suggested

M-Net said state funding was appropriate for issues such as education but argued the SABC should be largely funded from licence fees

Several organisations proposed the scaling down or elimination of the SABC's commercial stations because of unfair competition or the distortion of the public broadcasting ethic

The Station for the Nation (SFTN) proposed a 50% shareholding in the SABC's commercial radio stations be made available to enable black entrepreneurs, unions and community groups to buy a stake in them

More apply for licences

CT 11/10/94 (260)

THE Independent Broadcasting Authority (IBA), which granted its first community radio broadcasting licence last week, has received nine more applications, IBA co-chairman Mr Peter de Klerk said yesterday

These included ones from Radio Pretoria for a 12-month licence and from the Johannesburg City Council for Radio Solid Gold to broadcast during the Johannesburg Jamboree

Mr De Klerk said the IBA also had inquiries from an educational group that wanted to set up a community television station

He said the nine applications would be processed in the next two weeks

The IBA will hold a series of public hearings for oral submissions on the future of radio and television broadcasting in South Africa

The first hearings will start in Johannesburg on October 31 and adjourn on November 10 They will reconvene on November 28 and continue until December 8 — Sapa

Moody's thumbs up for Eskom

260 ST 12/10/94

From ROBYN CHALMERS

JOHANNESBURG. — International credit rating agency Moody's Investors Service has given Eskom a favourable long-term credit rating of Baa3, paving the way for the utility to issue new debt on world markets by the year-end

Eskom executive director Willem Kok said the company would wait for government to lead the way with an issue of new debt on international markets.

The rating, which is considered investment grade, formed an integral part of Eskom's strategy to diversify its international funding activities.

It was the same grade as the rating recently given to SA by Moody's.

"Previously, international bond issues were essentially limited to the various Euromarkets The Moody's rating will enable Eskom to widen its investor base through geographic and currency diversification In addition, the rating will provide the mechanism for finer pricing strategies. It confirms that Eskom is regarded as a well-managed company in international financial circles," Kok said.

Meanwhile, Eskom will sign a loan agreement today with the Bank of Taiwan for a loan of $30m, spread over five years

This followed a visit in August by a special Taiwanese trade and investment delegation looking for ways of supporting the SA government's reconstruction and development programme

Kok and Bank of Taiwan MD David Chang will sign the agreement.

A press release issued yesterday by the Taiwanese Embassy said: "Through this loan, the government of the Republic of China hopes that the electrification of rural areas in South Africa can be furthered."

IBA caught in row over homeland broadcasters

B Day 12/10/94

THE struggle between Posts, Telecommunications and Broadcasting Minister Pallo Jordan and provincial governments for power over radio and television stations created by the former homelands has generated new criticism of the Independent Broadcasting Authority

IBA member William Lane said yesterday it had no jurisdiction over former homeland broadcasters, and was waiting for Parliament to grant it licensing powers over the former TBVC states. (200)

But he insisted the question of the ownership of former homeland broadcasters was outside the IBA's jurisdiction. "The Bophuthatswana Broadcasting Corporation, Radio Ciskei, Radio Transkei and other stations are state assets. It is not for us to decide who owns them," he said.

However, industry sources said the IBA's failure to assert its authority as a national licensing and regulatory body had enabled provincial governments to lay claim to powers inherited from former homeland governments.

"The interim constitution provides that provincial governments have power over provincial public media This does not mean these governments can license provincial broadcasters," said one consultant. "The IBA has national jurisdiction over broadcasting services' frequency bands. Therefore, it is the sole licensing authority in the country."

Lane disputed the criticism, and said the IBA had submitted draft amendments to Jordan in early July, and was waiting for the new legislation "I admit we do seem to be backpedalling and making excuses a lot of the time . but I have circulated the legal opinion that we have and nobody has come to challenge it."

MARK ASHURST

The amendments would grant the IBA greater powers of summons and inquiry during its "triple inquiry" into the future of the SABC, cross-media ownership and local content, and grant it formal jurisdiction over homeland broadcasters

Parliamentary select committee on communications chairman Saki Macozoma said no amendments had been tabled before Parliament. "I am aware that (Jordan's) department is planning amendments. But these must be approved by Cabinet first. I don't see how they can become law before Christmas."

In September, Jordan appealed to provincial governments "for forbearance and patience" on the question of broadcast licences issued by the former homelands

One industry source urged the IBA to adopt a more open interpretation of laws regulating public media, rather than "take refuge" behind "a process of amendments totally lacking in transparency".

Submissions to the IBA from the KwaZulu/Natal government, Bophuthatswana Broadcasting Corporation and others have argued for the decentralisation of public media by devolving ownership to provincial governments — a right guaranteed in the interim constitution.

But Jordan told Parliament: "Allowing the provinces to grab the broadcasting facilities which happen to lie within the boundaries of their provinces would be a dangerous precedent to set and it could cause terrible problems in the future"

No comment was available from Jordan's department yesterday.

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Three youths 'killed Biehl'

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IBA in appeal for new regulatory powers

B Day 14/10/94

MARK ASHURST

THE Independent Broadcasting Authority (IBA) has appealed to Posts, Telecommunications and Broadcasting Minister Pallo Jordan for new powers to regulate broadcast signals from space and revise the licence conditions of the SABC, M-Net and Radio 702

Proposed amendments to the IBA Act include a new definition of "space station", a revised definition of "broadcasting service" to include "a service broadcast by means of a space station", and jurisdiction over licences granted to existing broadcasters

In terms of the existing Act, frequencies occupied by the SABC, M-Net, Radio 702 and other established broadcasters are "grandfathered" until at least the turn of the century.

But draft proposals submitted to Jordan in July, and released yesterday by the IBA following criticism that the process lacked transparency, would enable the authority to revise the conditions of those licences

The other amendments — which include greater procedural and evidentiary powers for the IBA during its "triple inquiry" into the future of public service broadcasting, cross-media ownership and local content — do not detract from the "grandfathering" of established broadcasters in the current Act (200)

But broadcasting consultant David Dyson told a Freedom of Expression Institute conference in Johannesburg yesterday the IBA was "attempting to establish a bargaining provision vis-a-vis the grandfathered licensees"

IBA board member Lyndall Shope-Mafole reassured broadcasters they had "nothing to fear" from the amendments "Our concern is to implement the Act in a manner that is equitable to everyone there were no major debates on the amendments because we just wanted to speed up the process," she said yesterday.

The proposed amendments were not intended to regulate broadcasting from space, but to protect the SABC-owned Sentech frequency plan

"It was not our intention to extend our jurisdiction to satellite broadcasting, but to prevent foreigners from operating a rival frequency plan. Signal distribution networks must be SA-owned," she said

But Dyson said the IBA was intent on "bringing broadcasting satellite services within the jurisdictional ambit of the IBA" before satellite broadcasting to Africa from the proposed PanAmSat IV satellite begins next year

One of the architects of the current IBA Act, Dyson criticised proposals for in camera hearings during the IBA inquiry These were "unacceptable" to all those who upheld the rights of freedom of expression

SABC unveils plans for radio and television

MARK ASHURST

HALF of the SABC's public service television will be broadcast in black languages if draft reforms announced yesterday go ahead

Two of the SABC's three television channels will grant equal status to SA's four major language groups — Nguni, Sesotho, English and Afrikaans — with a focus on local content and the under-21 age group, CE Zwelakhe Sisulu said yesterday.

But the changes would depend on cross-subsidisation from a third commercially driven TV channel broadcasting in the languages most attractive to advertisers English, Zulu and Afrikaans

Sisulu said commercial services would not be downgraded, and the SABC would consider state subsidies to finance its public service obligations if independence from government could be guaranteed.

On the public service channels, priority would be given to news and current affairs, which when measured across both channels would provide more coverage in Afrikaans One of the channels would be a hybrid "rainbow" service that would include commercial programming but, to retain three TV channels, the Independent Broadcasting Authority (IBA) would have to renew the NNTV licence, which was not "grandfathered under the IBA Act.

Sisulu said the proposals, which were subject to IBA approval, were "transitional" with a lifespan of two to three years In the long term, the SABC would depend on funding decisions taken by government on the basis of IBA recommendations

Television CE Quentin Green said the production of programmes in several languages would increase, although low-cost imported programmes in English — which were 25 times cheaper than local material — would still dominate off-peak commercial services (200)

The SABC would continue providing national radio stations in each of the 11 official languages, but production would be decentralised and provincial bureaus set up

The only additions to the current radio

☐ To Page 2

SABC

☐ From Page 1

portfolio were an Indian cultural station, Radio Lotus, and a youth service for under-21s on the frequency held by Radio 2000. This group, which made up the majority of South Africans, would also be targeted by public service television.

Contrary to reports, no changes to commercial radio stations would be countenanced that entailed a loss of revenue.

The financial implications of the proposals would be finalised within six weeks, said Sisulu. The announcements were intended to stimulate public debate before the IBA's public hearings into public service broadcasting on October 31.

Radio CE Govin Reddy doubted that current SABC revenue would cover the costs of an expanded public service. "If people want a national public service broadcaster, it is incumbent on government to come up with viable proposals."

● Picture: Page 3

Eskom to raise billions on local and foreign markets

BIDay 17/10/1994

CAPE TOWN — State electricity utility Eskom will have a net financing requirement of between R2bn and R3,5bn a year in the next few years.

Reuter reports Eskom financing manager Thomas Potgieter, in a paper presented on Friday to the World Energy Council's regional forum on the utility's medium-term financing strategy, said Eskom would raise between R750m and R1bn a year from foreign capital markets, and the balance locally.

The net financing requirement included servicing of existing debt and repaying maturing debt.

Eskom's goals included becoming the cheapest provider of electricity in the world, providing electricity in terms of the reconstruction and development programme, and creating an interconnected southern African grid

In terms of the RDP, a target of electrifying 2,5-million houses by 2000 had been set. Eskom would look mainly at rural areas, where a target of 300 000 households had been set for the same period

He said foreign funds could be raised through various mechanisms, including medium-term notes and the Japanese Eximbank facility

Locally, between R750m and R1bn a year could be raised through the conventional bond market. Any more would require aggressive market-making or increased funding costs.

He said it was unlikely that Eskom could dislodge the Reserve Bank as the most dominant force on the local capital market given the government's large funding needs.

Electrification Participation Notes, and other structured finance and dedicated funding mechanisms, could raise between R750m and R1,25bn as an alternative, he said

Several other local alternatives were open to Eskom, he said. These included the use of one or more standard financial instruments such as a range of zero coupon bonds or promissory notes with different maturities and priced on a zero coupon yield to meet the cashflow needs of, say, an annuity fund

These alternatives had helped Eskom reduce its reliance on local capital market funding at a time when other borrowers had become more active in this market, he said

Sapa reports Atomic Energy Corporation head Waldo Stumpf told the conference SA should plan to build two more nuclear power stations by 2030 and to extend the life of Koeberg. It would be folly to close down or phase out Koeberg, he said

Shutting it down would make it almost impossible for SA to make meaningful reductions in carbon dioxide emission levels and help reverse global warming

Figures indicated SA should rather have more than less nuclear power in its future power generation mix.

Using Koeberg rather than coal-fired power stations meant 77-million tons of carbon dioxide, 866 000 tons of sulphur dioxide and 370 000 tons of nitrous oxides had been kept out of the atmosphere in the 10 years of its operation since 1984 (260)

Nuclear energy's 17% share of the world's total electricity production avoided the annual release of more than 2-billion tons of carbon dioxide into the atmoshpere.

Maintaining the present mix of energy sources, or phasing out nuclear power altogether, would lead rapidly to disastrous levels of carbon dioxide in the global atmosphere

Concern at airwaves act changes

260

JOHANNESBURG — Delegates at a recent conference on freedom of expression were concerned about the way in which amendments to the Independent Broadcasting Authority (IBA) Act had emerged "without consultation", it was disclosed yesterday

The Freedom of Expression Institute (FXI) said this was the feeling at the conference held here last week

The conference also condemned an amendment which empowered the IBA to subpoena broadcasters to appear before it behind closed doors.

"Such a practice would be draconian and make a mockery of the concept of transparency which the IBA is supposed to uphold" CT 18/10/94

According to the FXI, delegates called on the IBA to take the proposed amendments "to the public, commercial and public broadcasters before submissions were made to the Minister of Broadcasting or to Parliament" — Sapa

Future bright for Iscor steel exports

Star 19/10/94

■ BY DEREK TOMMEY

Sharply rising demand overseas for steel and iron ore would seem to fully justify the fourfold increase from 135c to 478c in the past 16 months in the share price of Iscor, the country's major producer and exporter of these products

Iscor, believed to be the world's cheapest steel producer, is already a major steel exporter.

If it decides to go ahead with its Saldanha Bay project, it will be able to sell an even larger quantity of steel oveseas.

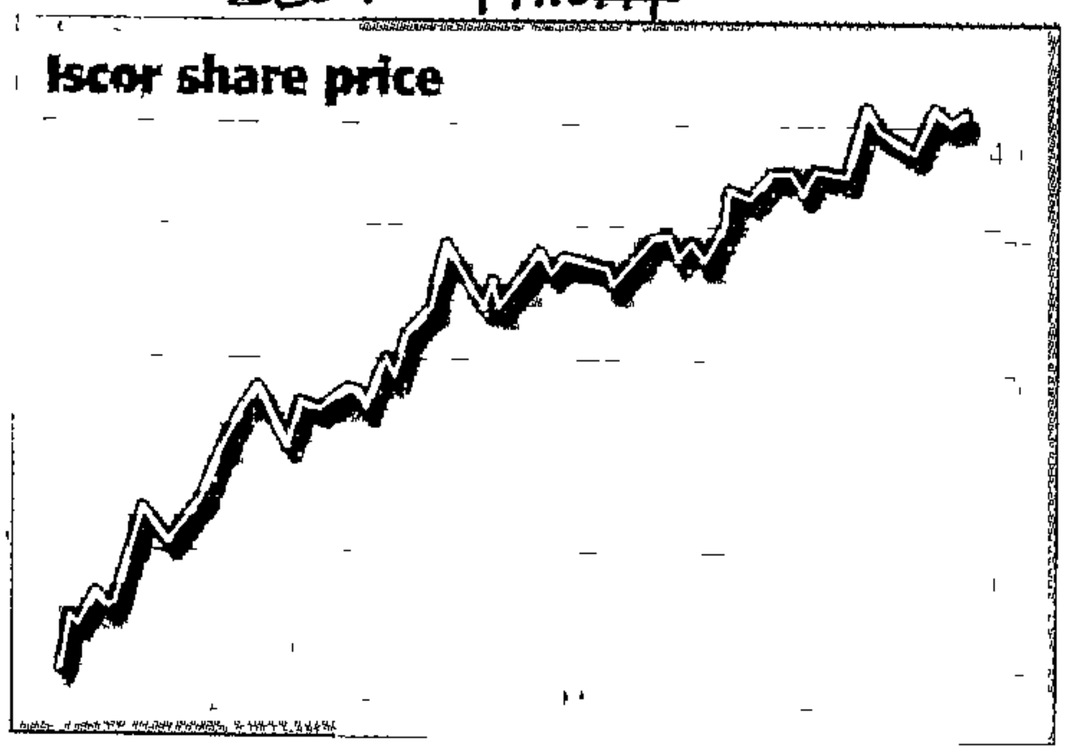
A forecast of steel consumption in the next few years by Lennhard Hulschuh, who runs the International Iron and Steel Institute to which all the world's major producers belong, indicates that the markets for Iscor's exports are likely to grow sharply. (200)(200A)

Not that Iscor will necessarily be exporting larger quantities of steel, unless the Saldanha Bay project comes on stream, but rather the same quantity of steel at higher prices.

Hulschuh says that world demand for steel this year outside the former USSR and China should grow by 6 percent.

World consumption of steel will rise from 650 000 tons in 1995 to more than 750 000 tons by the year 2000 — lifting the annual growth rate in steel consumption from its current 2 percent to 2,8 percent.

Increasing demand from developing countries, mainly in Latin America and Asia, is the reason for this.



Nearly half of the world's steel consumed in the year 2000 will be used in Asian countries, including China and Japan.

Consumption of steel in the European Union is expected to rise 6 percent this year, followed by more than 4 percent next year.

In Eastern Europe, demand is also expected to increase by 6 percent this year, followed by an even larger increase next year.

The surge in China's apparent consumption of steel, which rose by almost 50 percent in 1993 to more than 100 million tons, seemed to be continuing earlier this year.

But tight credit and import control would appear to be restricting imports to below last year's levels.

However, over the next six years China's consumption is expected to grow by about 6,7 percent a year to 140 million tons.

This forecast is more modest than many others, says Holschuh.

China is a market in which Iscor has a particular interest because it recently built an iron ore storage facility in the Qingdao port complex to improve the marketability of its iron ore.

On the other hand, the high value of the yen will probably restrict steel comsumption in Japan.

Japanese manufacturers are already shifting production to other, lower-cost countries, and not only in the Asian region. The United States and Europe are included.

As a result, the 80 million ton consumption forecast for 2000 will show little increase from 1995

Strong growth is expected in steel consumption in other countries in the Asian region, which should increase demand from 110 million tons next year to 140 million tons by 2000.

Small investors score as Iscor rolls out profits

260

ALT 19/10/94

Business Editor

THOUSANDS of small investors who bought Iscor shares at 200c a share, when it was privatised by the State in 1989, have had to exercise steely patience

Often referred to as the "people's share" because of the high proportion of individual shareholders, Iscor has not given "the people" much to be pleased about in past years Its performance has been more leaden than tempered steel — until this year that is

The mills are now rolling out profits under the new management of Hans Smith At close of the Johannesburg Stock Exchange yesterday Iscor was trading at 478c after dropping to a low of 65c last year

In the latest Iscor annual report Mr Smith is coy about his achievements but chairman Marius de Waal says "Hans Smith and his management team have put Iscor on a winning path, and the company's employees are motivated and keen to ensure future success"

Mr Smith says he has built on the legacy of his predecessors, which includes the assets that make it one of the few integrated steel producers in the world

But Mr Smith took the unwieldly and cumbersome giant, reduced staff by 5 500 people to 48 500, reduced the layers of management that had built up over the years and sharpened the focus of the company

Dr De Waal said Iscor reviewed its vision, mission, values and strategies for the future and decided to focus on four issues, which were identified as critical to success

These were

- Putting steel production on a worldwide competitive basis,
- Reducing debt,
- Managing the company so that it could manage the ups and downs, the good times, bad times nature of steel production, and
- Changing the management style to empower employees

Although he did not say it — there has been a quiet revolution in the steel mills.

And Dr De Waal says shareholders can still expect better performance, even without a better dollar price for steel and iron ore and with limited export demand

There will be further increases in productivity and underperforming divsions will be closed down

After improving the potential rewards to shareholders by 81 percent over the past financial year there is little wonder that the demand for Iscor shares is so strong

State ventures cost R30bn

CT 18/10/94

Political Staff (260)

THE value of public enterprises which fall under Public Enterprises Minister Ms Stella Sigcau amount to about R30 billion

Answering a question by DP MP Mr Ken Andrew, Ms Sigcau said the most valuable commercial government undertaking was Eskom, which was valued at R13,8bn on March 31

Transnet came second at R11,9bn, followed by Denel — valued at R3,8bn

The airlines of two former homelands also featured on the list — Sun Air, which was valued at R74 million in March last year, and Transkei Airways, which was valued at R5,3m in March in 1992

Their current values were not stated

The only other government undertakings mentioned were Alexkor, which was valued at R238m, and Aventura, which was valued at R60m

Not included on the list was the SA Forestry Company, which Ms Sigcau said still has to be valued

Shares in the company would be issued by the state, she said

14 arrested after sit-in at Grabouw

☐ Simmering unrest continues

PIETER MALAN
and ADELE BALETA
Staff Reporters

STRIFE-TORN Grabouw has been hit by another crisis after 14 people were arrested by police today after an overnight sit-in at the municipal offices.

Grabouw Community Organisation (Graco) member Julio Domingo said the 14, all Graco members, were to appear in court today

The leader of the Pan Africanist Congress in the Western Cape, Patricia de Lille, who spent the night with the residents at the municipal offices, accompanied the 14 residents to the magistrate's court and is expected to ask for an interdict restraining Grabouw transitional council from functioning.

Mrs De Lille and 100 Graco members occupied the municipal offices at 5pm yesterday, demanding the resignation of town clerk Valdor Dudley

Mr Domingo said they refused to leave the building

At 5.30am today police with dogs arrived in 12 Casspirs, six vans and other vehicles

After a two-week sit-in was called off earlier this week, the residents re-occupied the offices yesterday when Mr Dudley was seen at the offices in apparent violation of an agreement that he would take two week's leave pending negotiations about his retirement

But Mr Dudley was only in the offices to collect his personal belongings, said a spokesman for the Grabouw Transitional Council

"The council accepts its responsibility and will not ignore grievances and pleas," said the spokesman

Meanwhile, three members of the council, the body responsible for governing the town until the local government elections next year, have temporarily suspended their membership

On Monday night councillors were full of hope that the process was on track after street protests in which about 500 Graco supporters sealed off the township of Pineview

After protracted negotiations Graco members agreed to end their two-week occupation and back off from a demand that they be met by Western Cape Local Government Minister Peter Marais

But in a surprise announcement last night Graco president Dennis Marinus — who represents the Democratic Party on the council — and two Graco representatives temporarily suspended their participation until certain conditions were met.

Eskom revamps bond to raise R1,2bn in funds

BEATRIX PAYNE

ESKOM yesterday launched a second electrification bond to raise an additional R600m, bringing to R1,2bn the finance raised for its recently extended electrification programme. BIDay

Eskom finance executive director Willem Kok said the extra R600m would be used for additional projects

The instrument used to raise the finance, Electrification Participation Notes, has a small guaranteed return of 6% but offers investors no upper limit to returns.

The parastatal raised about R600m last year after issuing its first Electrification Participation Notes (EPN1) 19/10/94

Kok said Eskom had planned to electrify 150 000 homes over five years, "but we have since revised that and plan to electrify 300 000 houses a year for five years from 1995 to cope with the demands of the reconstruction and development programme".

The EPN1 would be converted into EPN2, as some technical changes had been made to the instrument The conversion would take place by buying back stock from bond holders and issuing EPN2s.

It would offer investors a two-part return through a 6% fixed interest coupon and a linked warrant for a variable amount based on 35% of turnover generated by the electrification drive. It had a 15-year life span and would mature in 2010

Current bond holders included life assurance bodies and pension funds Foreign investors were still prohibited by the Reserve Bank from investing in the bond as there was no upper limit to investor returns, Kok said The offer was not be open to public investors (260)

Life Offices' Association (LOA) executive director Jurie Wessels said its members were still willing to invest in the bond The LOA had launched the bond with Eskom last year "Institutions are frustrated

To Page 2

Eskom

BIDay 19/10/94

From Page 1

at the lack of investment vehicles in the development sector and they are keen to participate in RDP-linked projects (260)

He said the LOA initiated Investment Development Unit (IDU) had been involved in placing the paper with institutions (85)

IDU executive director Errol Benvie said the life assurance industry had taken up more than 85% of the issue with the balance being absorbed by pension funds "This indicates that the IDU's shareholders — contractual savings institutions — are committed to funding the RDP."

Reuter reports that senior fuel and technical services GM Michael Deats said Eskom expected capital spending to reach R4,1bn this year and R5,2bn next, after last year's R3,6bn.

He told the Africa Oil '94 conference in Cape Town that demographic data at the end of 1993 showed 8-million dwellings countrywide, of which 3-million had electricity. Of the 5-million without, 3-million could be connected to the existing grid

Broadcasters distrust the 'Trust Me' Act

WM14-20/10/94 (260)

Proposed amendments to broadcasting legislation have the major industry players up in arms, reports Mark Gevisser.

A major controversy has erupted in the broadcasting world over proposed amendments to the Independent Broadcasting Authority Act, now dubbed the "Trust Me" legislation

The amendments were presented to the broadcasting industry this week and will be tabled before parliament in the upcoming session

Major industry players have called the amendments "Draconian" and both M-Net and the SABC are seeking legal advice on their constitutionality

SABC group manger for strategic planning David Niddrie said "While we recognise that the IBA is currently forced to operate in terms of inadequate and flawed legislation, the SABC is extremely concerned about some of the implications of the amendment We are seeking, as a matter of urgency, a meeting with the IBA to raise our concern "

An M-Net spokesman added "M-Net is concerned about the amendments and the short time allowed for a response to the IBA, and is taking legal advice."

Contentious areas include.

- A new clause which allows the IBA to short-circuit the Act's lengthy inquiry process by granting licences before it completes its "triple inquiry" and draws up a frequency plan. While new entrants welcome it, others claim that it will result in a chaotic and unregulated spectrum
- Wide-reaching discretionary powers to determine how and when licences shall be allocated

There is, in fact, one amendment which can be interpreted to allow the IBA to make any decisions about signal distribution licences without following the Act's own prescribed criteria

- The discretionary right to hold inquiries and hearings in secret
- The right to revoke or re-evaluate already-existing licences, thereby cancelling out the "grandfather clause" which guarantees the licences of M-Net, the SABC and others for eight years
- Strong-arm language which gives the IBA the right to subpoena any individual or organisation and impose very heavy fines, of up to R250 000, for non-attendance or the refusal to co-operate
- A clause which indemnifies the IBA against any rulings it makes before the final amended Act is gazetted
- An attempt by the IBA to regulate satellite as well as terrestrial television, so as to prevent international superchannels from broadcasting in from over the regulated zone

IBA spokesman William Lane declined to comment on the amendments, saying only that "we feel it would be incorrect to air our point of view publicly, before discussing it with the industry"

But well-connected sources state that the amendments result from the IBA's frustrated attempts to obtain information concerning the SABC and M-Net's operations, and out of the intense pressure that has been put on the authority to expand access to the airwaves



Bad news for the SABC: The amendments threaten existing licences PHOTOGRAPH STEVE HILTON-BARBER

Media lawyer David Dison, the principal drafter of the original IBA Act, notes that "the IBA has a good track record and was democratically appointed, and if they are saying that this is what it takes for them to make the Act work, then there is no reason to doubt their motives"

But, says another senior industry player, "the current IBA councillors might be good guys and maybe we should trust them

"But they are not there forever, and people with more authoritarian views could replace them, and could use the discretionary powers to turn the IBA into an instrument of party-political control "

Tension at SABC over 'weak' TV proposal

(260) wm 21-27/10/94

SABC TV head Quentin Green has been accused of retaining the status quo in his proposal for the television channels, writes Mark Gevisser

THE SABC's proposed television portfolio, released yesterday, is a "compromise" that is the result of growing tensions between the "old guard" group executive and the "new guard" Transformation Unit.

At the centre of the tension, according to sources, is SABC's TV head Quentin Green, who presented a proposal to the group executive earlier this week that amounted to a retention of the status quo

According to a document written by Green, there would be three TV channels:

- A "public broadcaster" channel, providing exclusively information and education, in the major four "language groups" (English, Afrikaans, Nguni, seSotho) and paid for by licence fees, state funds and cross-subsidisation from commercial services;
- A mixed public broadcaster/commercial channel that would carry "whatever public service programming cannot be accommodated on the public service network";
- A purely commercial channel which would broadcast entertainment with a profit bottomline where "programming and language usage would be market driven". This would mean, in effect, that this channel would be overwhelmingly English, as the cheapest programming is imported overseas product.

A senior SABC source commented that "this is nothing but the current model — NNTV, CCV, and TV1. It seems as if Green is finding ways to entrench the status quo, rather than looking for a new approach to public broadcasting."

The source pointed out that "such a model sees entertainment and public broadcasting as mutually exclusive. It also gives people who speak English the opportunity to have both entertainment and information. As for the others, well, tough luck"

Another source, who holds a senior position at the SABC's in-house production facility, Safritel, noted that "the reason why the TV portfolio proposals are so weak is because Green refused to follow the consultative transformation process that the rest of this corporation did".

A senior manager confirmed this point: "The radio portfolio proposal is not only solid and well thought-out, but will be acceptable to the staff, because the staff had a say in it. The TV proposal is weak and does not have the support of the staff. It cannot but fail."

Staff members told of growing conflict between Green and SABC industrial relations chief Christo Pretorius over the mandate Pretorius had been given, by group chief executive Zwelakhe Sisulu, to set up a TV transformation committee.

Green apparently blocked this, and there is still no transformation committee in the TV department.

Neither Green nor Pretorius was available for comment on Thursday morning.

Even though the group executive approved Green's proposal, several changes were made at the last minute, allegedly at the behest of Sisulu:

- All languages — not just the four main "language groups"— will be spoken on the public service channels, and will be accommodated by regional splits;
- The entertainment/commercial channel will explicitly include local content and programming in languages other than English;
- All channels will have an entertainment component

Sisulu also distanced himself from the proposal by emphasising, during his address to the media on Thursday, that it was just a working document and not a final model

CT 21/10/94

TV, radio shake-up

UNIVERSITY OF CAPE TOWN
SALT LIBRARY
(260)

JOHANNESBURG — Half of the SABC's public service television will be broadcast in black languages if draft reforms announced yesterday are approved.

Two of the SABC's three television channels will grant equal status to South Africa's four major language groups — Nguni, Sesotho, English and Afrikaans — with a new focus on local content and the under-21s, chief executive Mr Zwelakhe Sisulu said yesterday

But the changes would depend on cross-subsidisation from a third commercially-driven TV channel broadcasting in the languages most attractive to advertisers English, Zulu and Afrikaans

Announcing proposals to restructure the SABC, Mr Sisulu said existing commercial services would not be downgraded, and the SABC would consider state subsidies to finance its public service obligation if independence from the government could be guaranteed

Public service television would be spread across two channels, broadcasting equally in the four language groups most commonly spoken and understood

Priority would be given to news and current affairs, which when measured across both channels would offer more coverage in Afrikaans than at present.

Rainbow channel

The second public service channel would be a hybrid "rainbow" service that would include commercial programming, but to retain three TV channels, the Independent Broadcasting Authority (IBA) would have to renew the NNTV licence

Unlike the SABC's other frequencies, this is not "grandfathered" under the IBA Act.

But Mr Sisulu emphasised the proposals, which are subject to approval by the IBA, were "transitional" with a life-span of two to three years

The long-term future of the SABC in a deregulated broadcast market would depend on funding decisions taken by the government on the basis of recommendations from the IBA.

Television chief executive Mr Quentin Green said the production of programmes in several languages would increase, although low cost imported programmes in English — which were 25 times cheaper than local material — would still dominate off-peak commercial services.

The SABC would continue to provide dedicated national radio stations in each of the 11 official languages, but production would be decentralised and contributing bureaus set up in all provinces Language resources would be allocated in proportion to language use.

The only additions to the current radio portfolio were an Indian cultural station, Radio Lotus, and a youth service on the frequency currently held by Radio 2000 for the under-21s. This group, which made up the majority of South Africans, would also be targeted by public service television

Contrary to reports, no changes to commercial radio stations that entailed a loss of revenue for the broadcaster would be countenanced

The financial implications of the proposals would be finalised within five to six weeks, said Mr Sisulu Yesterday's announcements were intended to stimulate public debate on the SABC before the IBA's public hearings, into the future of public service broadcasting, begin on October 31

But radio chief executive, Mr Govin Reddy doubted that current SABC revenue would cover the costs of an expanded public service "If people want a national public service broadcaster it is incumbent on the government to come up with viable proposals," he said

Mr Sisulu was confident the SABC and provincial public media would co-operate in the new broadcast environment, and the vexing question of ownership of former TVBC broadcasters would not jeopardise SABC reforms

He said Posts, Telecommunications and Broadcasting Minister Dr Pallo Jordan planned to host a conference for provincial premiers and broadcasters in December No comment was available from Dr Jordan's office yesterday

The National Party said yesterday it was shocked by the SABC proposal to end Afrikaans news bulletins on the main commercial television station, "formerly known as TV1"

Media spokesman Mr David Malatsi said in a statement the proposal implied millions of viewers unable to receive CCV or NNTV would be deprived of television news in their language

"The proposal contradicts the constitution, which stipulates Afrikaans and English must retain their status while efforts are made to develop other languages to the same level."

The Freedom Front (FF) said last night it hoped the SABC would finalise its language policy before the cut-off date for TV licence payments, so that the Afrikaans-speaking public could decide whether to pay up or not.

FF chairman Dr Pieter Mulder said in a statement all South African languages except Afrikaans had won ground in the past six months, which was unacceptable and in breach of article three of the new constitution, which stated that the rights of languages could not be curtailed

The English Academy of Southern Africa said in a statement yesterday it welcomed the SABC's draft policy

Academy president Professor Peter Titlestad said the new policy recognised the spirit of the constitution and the country's 11 official languages

The academy welcomed "the affirmative approach towards hitherto neglected languages, and the general vision of fairness and equity"

Transkei, Bop, Venda and Ciskei broadcasting corporations director-general Mr Solomon Kotane said yesterday discussions on the future of public broadcasting, and especially the future role and structure of the SABC, should be consultative and should invite participation from all existing public broadcasters

He said in reaction to the SABC's proposed new language, radio and television policies that unilateral actions like these "are likely to serve existing vested interests at the expense of the public good" — Own Correspondnet, Sapa

'Equal time for languages'



ATTACHMENT ORDER The Deputy Sheriff of the Court leaves the Zimbabwean consulate after pinning an attachment order to the front gate The consulate had refused to accept the order, brought by a city attorney and a chartered accountant, and the sheriff had to affix it to the gate instead Picture NIC BOTHMA

Zim consul building attached

By RONALD MORRIS and WILLEM STEENKAMP

THE Fawley Towers building housing the Zimbabwean consulate off De Waal Drive was attached yesterday by the Supreme Court because of R200 000 outstanding on furniture bills

The attachment by the Sheriff of Cape Town would now allow city lawyer Mr Wynne Edwards and chartered accountant Mr Timothy Odell to sue the Zimbabwean government for R200 000 plus VAT of R28 000, interest and costs

However, when the Deputy Sheriff of the Court went to the consulate yesterday afternoon officials refused to accept the attachment order, telling him their address was in Pretoria.

Undaunted, the deputy sheriff said he had been ordered to serve the order there and he pinned the documentation to Fawley Towers' gate before leaving

The Cape Times was barred entry to the consulate.

Delegations

In papers before the Supreme Court, Mr Edwards said he and Mr Odell practised their respective professions on the first and ground floors of the building Fawley Towers, in Kuyper Street.

Early in May two Zimbabwean government delegations visited the building and on May 11 the ambassador, a Mr Chigwadere, expressed an interest in buying the building. An offer of R1 million was accepted on May 20.

On June 1 the estate agent involved in the deal informed him that the Zimbabwean government had offered R200 000 for furniture and fittings

The price was disputed when payment became due at transfer on October 7

The Zimbabwean government has two months to decide if it wants to defend the action

BROADCASTING

Changing channels

(260) ARG 21/10/94

ELEANOR MOMBERG of Sapa reports from Johannesburg.

THREE "new" television channels and 11 radio stations broadcasting in the 11 official languages are planned by the SABC.

Draft television and radio policies and a draft language policy were revealed at an SABC press conference yesterday

"This is intended as a transitional model which will remain in place for two to three years," SABC group chief executive Zwelakhe Sisulu said

SABC board chairman Dr Ivy Matsepe-Casaburri and Mr Sisulu emphasised that the drafts were intended to encourage public debate

The draft language policy entails equitable treatment and greater fairness in allocation of resources for the 11 official languages, a commitment to respect diversity, to behave impartially and to address historical imbalances; to contribute to national reconciliation, and a commitment to make broadcasting services accessible to all communities

Mr Sisulu said "equitable resourcing could not possibly mean that Afrikaans would somehow be killed off"

"Afrikaans is one of the country's most widely spoken first languages and one of the big four shared languages To stop Afrikaans programming would somehow not make any sense," he said

The preliminary proposals on the SABC's new radio portfolios envisages an extension of SABC transmitter services, particularly to rural areas, a the TV stereotypes of the past when one channel was viewed as "white" and the other as "black", and a third permanent public service channel.

crease financial efficiency, they said

Mr Sisulu acknowledged that the new portfolios could entail relocation of some ad- will mean substantial cost as well as disruption for staff members," he said, adding that only administrative staff would be affected

He dismissed speculation that several commercial radio services would be shut down.

Mr Reddy, however, admitted that one of the proposals being looked at was combining four of the regional services into a national service, but these details would be released later

Youth radio would broadcast for the under 21s Radio 2000 was proposed as the channel for these broadcasts

Television was being approached more cautiously because it was a more expensive medium, TV chief executive Quentin Green said.

It also had more constraints because of the shortage of frequency space

The idea was to "block" divide each channel, with broadcasts on each one being divided equally between the four language groups — English, the Ngum languages, the Sotho languages and Afrikaans.

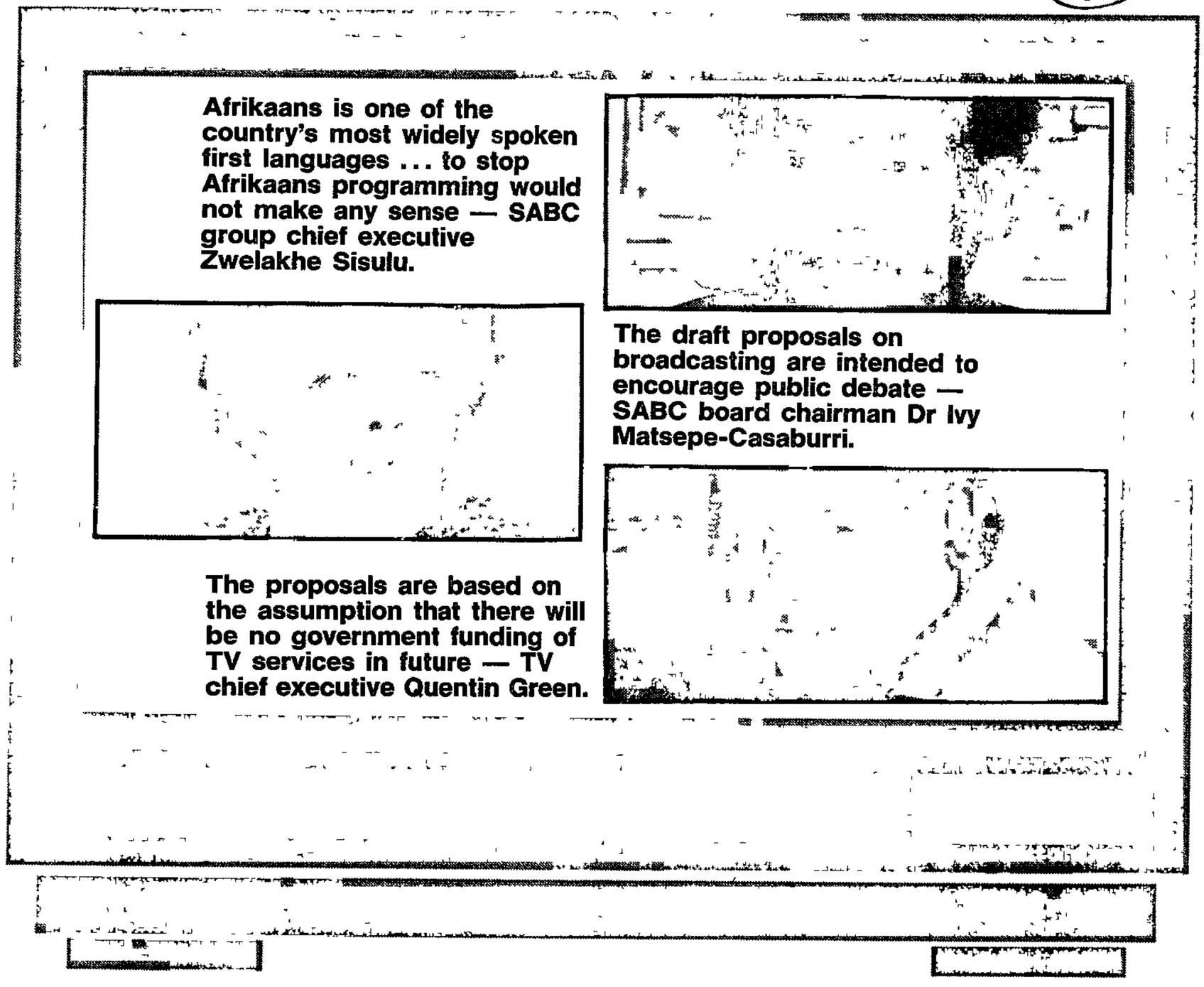
The current third channel NNTV was broadcasting on a temporary licence but a request would be made to the IBA to upgrade the status of the licence to enable the SABC to plan and operate on the basis of three fully-fledged channels, he said

Regional programming would also be a priority with channels being "split" to serve each region

Mr Green said the TV proposals were based "on the assumption that there will be no government funding of TV services in future"

The SABC was developing detailed proposals on programme scheduling and language. These were being developed in tandem as they could not be separated in practice, he said

Mr Sisulu said "We want comments from the silent majority, the millions who made no input in the past"



Afrikaans is one of the country's most widely spoken first languages ... to stop Afrikaans programming would not make any sense — SABC group chief executive Zwelakhe Sisulu.

The draft proposals on broadcasting are intended to encourage public debate — SABC board chairman Dr Ivy Matsepe-Casaburri.

The proposals are based on the assumption that there will be no government funding of TV services in future — TV chief executive Quentin Green.

Outrage over plans to cut back on Afrikaans

Sapa reports from Johannesburg.

THE National Party has been "shocked" by an SABC proposal to end Afrikaans news bulletins on the main commercial television station "formerly known as TV1"

Media spokesman senator David Malatsi said the proposal implied millions of viewers unable to receive CCV or NNTV channels would be deprived of television news in their language.

He said the NP welcomed the SABC's proposals on regional radio stations, but warned the broadcaster not to try to eventually make Afrikaans a regional language

SABC executive for television Quentin Green said earlier that if the corporation's proposals were approved by the Independent Broadcasting Authority, the broadcaster would accommodate a total of 4½ hours of Afrikaans television news daily on two of the three channels

The Freedom Front said it hoped the SABC would decide its language policy before the cut-off date for the payment of television licences so the Afrikaans-speaking public could decide whether or not to pay up.

Front chairman Pieter Mulder said that of all South African languages only Afrikaans had not won ground during the past six months.

South Africa's 11 official languages which entails formation of 11 language-based services; and a special public broadcasting service for youth.

Proposals for television are the use of so-called regional windows to ensure all languages will be spoken on television, that most South Africans will be able to enjoy news programmes in the official language they are most comfortable with; priority on TV to those languages which are most commonly spoken and understood; a break with

All these proposals are, however, subject to approval by the Independent Broadcasting Authority.

Mr Sisulu gave the assurance that no arbitrary closure of any commercial radio service was planned and admitted it was "true that we don't have the money to replace services".

He and radio chief executive Govin Reddy agreed the SABC intended to retain a stake in commercial broadcasting Any changes ultimately decided on would be shaped by the need to in-

ministrative functions, particularly with regard to radio stations.

Mr Reddy said the SABC's involvement in commercial broadcasting was only "justified to the extent that we require commerical revenue to fulfil our public broadcasting mandate"

The decentralisation of radio broadcast activities away from the main centres such as Johannesburg meant an increase in staff complement for radio, he said

"The SABC is mindful of the fact that these proposals

Snooze time



Picture DOUG PITHEY, The Argus

A SHADE EXHAUSTED: Call it a siesta or just plain "parking off" — these three city-centre dwellers paved the way for a high-noon nap by rolling out sheets of cardboard in the ever so slight shade of sun-beaten cars

New plans for English TV news

(260)

CT 22/10/94

Staff Reporter

TELEVISION news coverage will be predominantly in English in the SABC's proposals for a restructuring in the service

English news will be broadcast on the commercial television channel only, with a total of 3½ hours a week There will be no news in the other official languages on the commercial channel.

News on the public broadcast service channel and the rainbow channel will be in Afrikaans (a total of two hours and 12 minutes a week), Sotho (two hours and 23 minutes) and Nguni (two hours and 32 minutes). There will be no English news on these two channels

SATV spokesman Mr John Tolmay said from Johannesburg yesterday the existing three television channels (TV1, CCV and NNTV) would be replaced by three entirely new television channels.

They are

- The public broadcast service (PBS) channel which will be mainly information and education programmes, with a limited amount of sport and entertainment,
- The rainbow channel which will be a combination of entertainment and information programmes, with the emphasis on entertainment,
- The commercial channel which will concentrate on entertainment, with quality international and local programmes

Programmes other than news will be screened in the four main languages — English, Afrikaans, Nguni and Sotho — on all three these channels

● **The SABC's new deal — Page 5**

CP: 'Seal your TV sets'

BLOEMFONTEIN. — The disappearance of Afrikaans from TV1 was in conflict with the constitution, Conservative Party leader Dr Ferdi Hartzenberg told a public meeting of about 200 people at the Bloemfontein Showgrounds last night.

Dr Hartzenberg said the CP had no objection to other languages coming to their right, but now the time was "100% right" for Afrikaners to refuse to pay TV licences.

People who did not want to pay their licences could get information from the party on how to approach the SABC for their TV sets to be sealed.

PROPOSAL FOR DIVIDING THE NEWS INTO FOUR LANGUAGES

		MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
PBS	18·00 - 18:10	Afrikaans	Nguni	Sotho	Afrikaans	Nguni	Sotho	Afrikaans
	19 30 - 20 00	Nguni	Sotho	Afrikaans	Nguni	Sotho	Afrikaans	Nguni
Rainbow	19·30 - 20 00	Sotho	Afrikaans	Nguni	Sotho	Afrikaans	Nguni	Sotho
Commercial	19 30 - 20:00	English	English	English	English	English	English	English

Graphic FIONA KRISCH Source SABC

BOTTOM LINE ... three languages rotate on this sample roster of TV news bulletins covering the SABC's proposed new channels — but English enjoys a regular time slot

SABC bid to cool row on Afrikaans

ST Times

By RICHARD McNEILL

THE SABC has attempted to diffuse the row over the future of Afrikaans by drawing up an ingenious "white paper"

Allowing for a three-channel TV service, which effectively guarantees Afrikaans "equitable" status alongside English, Nguni and Sotho, but leaves the way open for English to dominate all three channels.

Proposals unveiled by chief executive Zwelakhe Sisulu and TV chief Quentin Green this week, provide for:

● A BBC-style public service (PBS) channel, probably on the TV1 transmitters, carrying "quality" information and education programmes, with some sport and entertainment;

● A second in-between "rainbow" channel, mixing PBS and commercial programming; and

● A third, purely commercial, channel, expected to become the SABC's main income generator, emphasising popular entertainment and recreation.

But the model is essentially the one revealed by the Sunday Times two months ago, which triggered a furious public debate. But refinements have been added to balance the requirements of dealing with 11 official languages.

In its crude form, the original plan envisaged Afrikaans sharing CCV with the other 10 languages, and English taking over TV1.

However, two crucial factors — both also foreshadowed in the Sunday Times — have enabled TV planners to take a more imaginative and flexible line in drawing up the final model.

Firstly, the corporation's legal advisers, after lengthy consultations, concluded that the SABC did not have to follow the interim constitution to the letter. 23/10/94

SABC lawyers ruled that the corporation would not infringe the constitution by varying the extent of the use of any language "provided it acts within its own constitution and in terms of the Broadcasting Act (1936 and 1976)".

The second factor was the concept of "shared" languages, which measures the extent to which a language is understood. This enabled planners to treat the four top languages on this scale — English, Afrikaans, Nguni and Sotho — as more important in terms of both first- and second-language speakers

With four, and not 11, languages to concentrate on, planners were able to draw up a meaningful roster (see chart) of news bulletins covering all three channels.

On the PBS and rainbow channels, equal news time is allocated rotationally to Afrikaans, Sotho and Nguni. But the same roster gives all seven main bulletins on the commercial channel — effectively the successor to TV1 — to English (260)

Using the bulletins as "language anchors", planners are now working on programme schedules which would assign blocks of time in three-hour segments to each language.

This would mean — using the roster as an example — that prime time rainbow channel programmes on Monday would be in Sotho, Tuesday in Afrikaans, Wednesday in Nguni, and so on.

By implication, prime time on the commercial channel would always be English, built around the English news

But Mr Green is emphatic that this does not mean the channel's entire output will be English. He points to the high level of Afrikaans viewership on TV1, and says if the demand transfers to the proposed new commercial channel, there will be Afrikaans programming to meet it.

This "market-driven" principle applies equally to Nguni and Sotho.

What is clear, however, is that outside of prime time, the SABC is going to be hard-pressed to produce blocks of local programming in whatever language.

After 9.30pm on all three channels, therefore, English-language programmes, probably imported and relatively cheap, will predominate.

Under the proposals, aimed at creating a three-year "interim" model for the SABC, the other seven official languages will be dealt with by "regional breakouts" on the PBS and rainbow channels. This would mean some languages, like Tsonga and Venda, would be used on TV for the first time.

Mr Sisulu and his team believe this "equitable", rather than "equal" treatment of all 11 languages offers the best opportunity to fulfil the spirit of the constitution's language requirements.

The SABC is now inviting public comment on the "white paper".

● Proposals for establishing public service radio channels for each of the 11 languages were also announced this week

SABC: Media freedom is at stake

(260) CT 24/10/94

Own Correspondent

JOHANNESBURG. — A ruling by the Broadcasting Complaints Commission (BCC) on claims that SABC coverage of the Zulu royal family was biased against the Inkatha Freedom Party would be "a devastating setback for media freedom", the editor of SABC's Agenda programme Mr Ameen Akhalwaya said at the weekend

Defending the SABC against charges of "systematic and targeted bias" brought by Inkatha, Mr Akhalwaya told a BCC hearing here that a ruling would "inhibit the electronic media from covering controversial issues"

He urged the BCC not to entertain the complaint

Inkatha had not raised its complaints through the established channels at the SABC, but was seeking to penalise the public broadcaster for the embarrassment caused by Chief Mangosuthu Buthelezi's invasion of an Agenda interview last month

But Inkatha legal adviser Mr Mario Oriani-Ambrosini denied the complaint was politically motivated The programme had given credence to allegations that Chief Buthelezi was not the traditional prime minister to Zulu King Goodwill Zwelethini

BCC member Mr Carel van der Merwe said any individual or political party was entitled to bring complaints in terms of the BCC code The BCC has previously ruled on political parties' complaints

SABC not after homeland sites

MMABATHO. — SABC group chief executive Mr Zwelakhe Sisulu yesterday dismissed speculation that the corporation was preparing to take over former homeland broadcasters (260)

Mr Sisulu said the proposed moving of SABC stations to the provinces did not imply it would use the facilities of former homeland broadcasters CT25/10/94

North-West Premier Mr Popo Molefe reaffirmed that his provincial legislature wanted to retain the Bophuthatswana Broadcasting Corporation as a public broadcaster — Sapa

Row in assembly over SABC language policy

☐ Issue could make or break national unity, says NP

FRC 26/10/94 (260)

CLIVE SAWYER
Political Correspondent

THE proposed SABC language policy violated the constitution by its attack on Afrikaans, Frik van Heerden (NP) told the national assembly.

Dr Van Heerden, who requested yesterday's snap debate on the SABC's policy, said the language issue could make or break national unity. English was being favoured to the disadvantage of other languages

There were many "Afrikaner haters" in the African National Congress who saw it as the language of the "oppressor".

Dr Van Heerden lashed out at the SABC for using people like Afrikaner Weerstandsbeweging leader Eugene Terre'Blanche to represent Afrikaans-speakers in television debates This was an attempt to make Afrikaners ridiculous

Water Affairs and Forestry Minister Kader Asmal (ANC) said language was a highly emotional issue, warning that stoking it up could unleash a struggle between languages (taalstryd)

"People go to law and to war over language"

The SABC's language policy was not yet final

Mr Asmal said that embroiling the policy in constitutional debate would threaten perceptions of the SABC's independence

"The surest way to imprison any language and to destroy it is to grip it in the tentacles of law"

Pieter Mulder (FF) said Afrikaans was losing ground to English

Gora Ebrahim (PAC) said there seemed to have been a lack of consultation about the policy, for example, with groups like the Media Workers Association of South Africa

The content of television and radio programmes promoted "Eurocentric values" while cartoons like *Tom And Jerry* "eulogised violence"

Jac Rabie (NP) said English was a colonial language which had been forced down people's throats

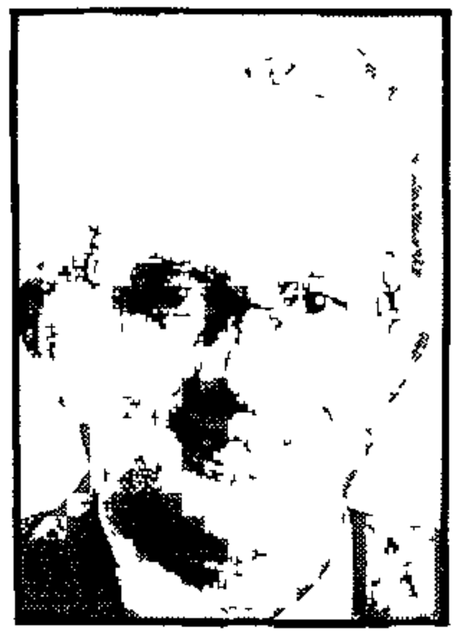
People should follow the example of Miss South Africa, who spoke seven of the official languages

Jacobus Dowry (NP) said it was not true that his party was supporting only Afrikaans in the debate

Wally Serote (ANC) asked white Afrikaans-speakers not to make Afrikaans a "spooky" language

"I love Afrikaans," he said

Andries Beyers (NP) said the ANC campaign against Afrikaans was a punitive measure against those who spoke the language who had voted for the National Party



Jac Rabie ... English a colonial language.



Gora Ebrahim ... lack of consultation

Star

Eskom in bid to cut its tariffs

26/10/1994

Witbank — Eskom plans to reduce the cost of electricity by 15 percent over the next five years, according to Electricity Council chairman Dr John Maree.

It also plans to provide more than 3 million houses with electricity by the year 2000.

Speaking at the opening of the Kendal power station near Witbank yesterday, Maree said this would create about a million job opportunities.

Eskom was connecting about 100 homes a day.

Explaining his corporation's role in the Reconstruction and Development Programme, Maree said Eskom planned to spend about R50 million a year to connect 2 500 schools and clinics in rural areas.

Minister of Public Enterprises Stella Sigcau appealed to provincial governments to speed up housing, education and health facilities so that Eskom's project would not be retarded — Sapa.

260

Eskom to cut power costs over five years

JOHANNES NGCOBO

ESKOM had committed itself to reducing the real price of electricity by 15% over the next five years as a contribution to the reconstruction and development programme, chairman John Maree said yesterday.

And the utility would spend R250m over five years electrifying 2 500 schools and clinics nationwide, Public Enterprises Minister Stella Sigcau announced.

Both were speaking at the opening of a R10bn power station at Kendal in the Eastern Transvaal.

Maree said low-cost electricity would make energy-intensive industries such as ferrochrome, stainless steel and aluminium more competitive in world markets, stimulate investment in the sector, and make electricity more affordable to the low-income sector.

Large-scale electrification was essential for economic growth, and a Pretoria University study had shown that the electrification of 3-million homes could create one million job opportunities. For every 10 homes electrified, one to two would start some economic activity. The current rate of electrification was 1 000 homes a day.

Sigcau told the gathering Eskom's commitment to empowering underprivileged people would go hand in hand with an affirmative action programme which should see blacks make up 30% of the stretegic management component of the utility by the year 2000.

Sapa reports Sigcau appealed to provincial governments to speed up the provision of housing, education and health facilities to help facilitate Eskom's project.

Eskom said the Kendal station — which took 10 years to build — was the biggest coal-driven electricity plant in the world and had already started supplying power to Mozambique, Swaziland, Botswana, Lesotho, Zimbabwe and Namibia.

The station and its mine employed about 3 000 people.

SABC top heavy with bosses

Sowetan 27/10/94

By Ismail Lagardien
Political Correspondent

THE SABC has 461 managers, including its group executive, the Minister for Posts, Telecommunications and Broadcasting, Dr Pallo Jordan has said

Responding to a question in Parliament from Mr Kobus Jordaan (Democratic Party), Jordan would not reveal the salaries of the management team members "due to the competitive environment" in which the SABC operates

"The competition is bound to increase in a regulated environment when commercial broadcasting licences become available from the Independent Broadcast Authority, Jordan said.

The composition of the SABC's management is group executive one, top management six, a chief executive in radio, television and a group manager for finance and one for human resources Others are senior management 42, middle management 224 and junior management 188

Telkom has 852 managers and 58 842 staff members while the Post Office has 212 managers and 25 538 staff members

SASOL

Fin 28/10/94

Getting the timing right

200

Activities: *Makes and markets liquid fuels and gas from coal and crude oil Also makes and markets petrochemicals, plastics, fertilisers, explosives and mines coal*
Control: *Old Mutual 21%, Sanlam 14%, IDC 12%*
Chairman: *J S Stegmann MD P Kruger*
Capital structure: *568m ords Market capitalisation R21bn*
Share market: *Price R37 Yields 2,4% on dividend, 7,1% on earnings, p e ratio, 14, cover, 2,9 12-month high, R37,50, low, R17,75 Trading volume last quarter, 17m shares*

Year to June 25	'91	'92	'93	'94
ST debt (Rm)	406	459	578	538
LT debt (Rm)	1 762	1 822	1 492	1 326
Debt equity ratio	0,37	0,13	0,16	0,06
Shareholders' interest	0,46	0,53	0,56	0,57
Int & leasing cover	5,1	7,0	9,7	15,8
Return on cap (%)	18,1	14,3	15,3	17,5
Turnover (Rbn)	7,56	7,85	8,88	9,84
Pre-int profit (Rbn)	1,90	1,79	2,05	2,61
Pre-int margin (%)	20,2	22,7	23,1	26,5
Earnings (c)	185	202	230	264
Dividends (c)	71,5	78	86	†90
Tangible NAV (c)	857	980	1 124	1 296

† Capitalisation award

Prospects for many of Sasol's diverse activities are more encouraging than they have been for years Most markets, domestic and international, in which the group operates are starting to firm And the cost containment programme of past years, with continuing investment in production, has honed efficiencies

The real cream should start coming through this financial year and next as capital projects (R1,1bn completed in 1994, R2,4bn in progress) are commissioned This should coincide with rising demand and prices, evident towards the last year-end



Kruger *boost in operating profit*

Last year's results were helped by lower interest payments — Sasol repaid another R400m of its Central Energy Fund loan for the acquisition of Sasol Three — and the transfer of R50m from its tax equalisation reserve to offset the increase in tax from R348m to R913m This reserve is an accounting device used to smooth earnings but it means reported EPS do not necessarily reflect the year's true performance

MD Paul Kruger says Sasol's effective tax rate rose from 18,9% to 37,3% because assessed losses from Sasol Three and the Syferfontein mine were used up and STC was higher

Lower average prices of crude oil and an exchange rate favourable for Sasol brought in nearly R1bn in tariff protection

Turnover increased by a muted 10,9%, though the important trend is the steadily increasing operating profit which Sasol is deriving from firming pre-interest margins (see table) A five-year view shows compound growth in turnover at 18,2%, compared with the 10,9% increase of financial 1994, operating profit grew at 28,9% compared with the 18,3% five-year average

The weakening rand also boosted operating profit The average exchange rate in financial 1994 was R3,41/US$ against the year-ago R2,97/$ That lifted the performance of all divisions and shows Sasol's exposure to foreign currencies (about 80% of its products are priced in nonrand currencies)

The balance sheet is strong but the group's real strength is its substantial cash generating ability Operating cash flow rose by 20,6% to R3,1bn in 1994 The net cash inflow was R465,5m (1993 R498,5m net outflow) Planned capital spending of R1,6bn will be funded internally Chairman Joe Stegmann says capex on new projects totalled R6,6bn over the past five years

Sasol's timing appears to be spot on The bulk of capex has been on expanding capacity and developing the downstream capabilities of petrochemicals For most of the 1994 year, world chemical prices were depressed, in some markets lower than at the bottom of the previous slump in the early Eighties The last quarter, though, saw chemical prices rise off the bottom — and they are continuing to firm

This is happening just as Sasol starts to benefit from earlier spending Major projects completed last year include the R403m Natref upgrade, which allows the refinery to process cheaper, heavier crude, resulting in higher refining margins, the R300m alpha-olefin plant, which will export about 90% of its products, the R92m gas pipeline to Middelburg, and the R280m expansion of gas production at Secunda

Current projects are the R310m acrylonitrile plant moved from Austria to Secunda, expected to start production towards the end of the financial year

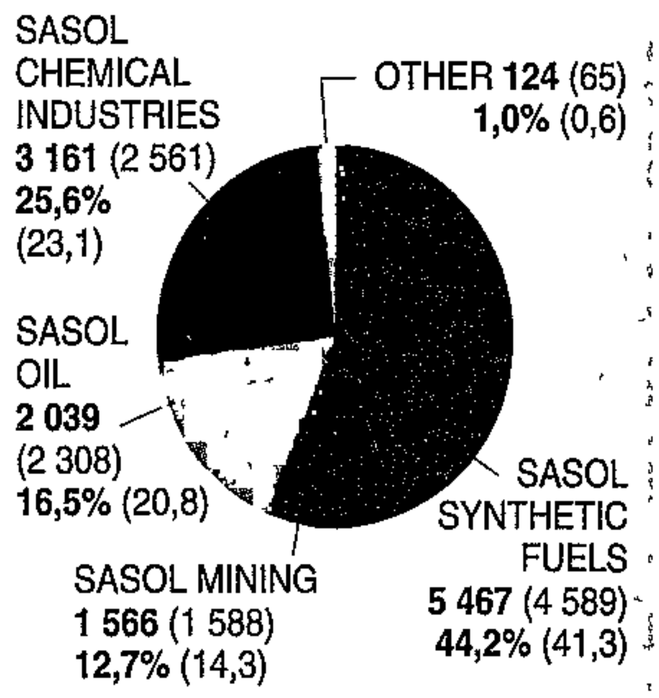
About half of the 73 000t/year capacity will be supplied to the jointly owned acrylic fibres plant in Durban and the rest exported The R53m alkyl amines plant, a joint venture with Karbochem in Newcastle, is almost complete Part of the output will be used by SMX, Sasol's mining explosives division whose exports are growing Its main market is the Pacific Rim but world

PROFIT MIX

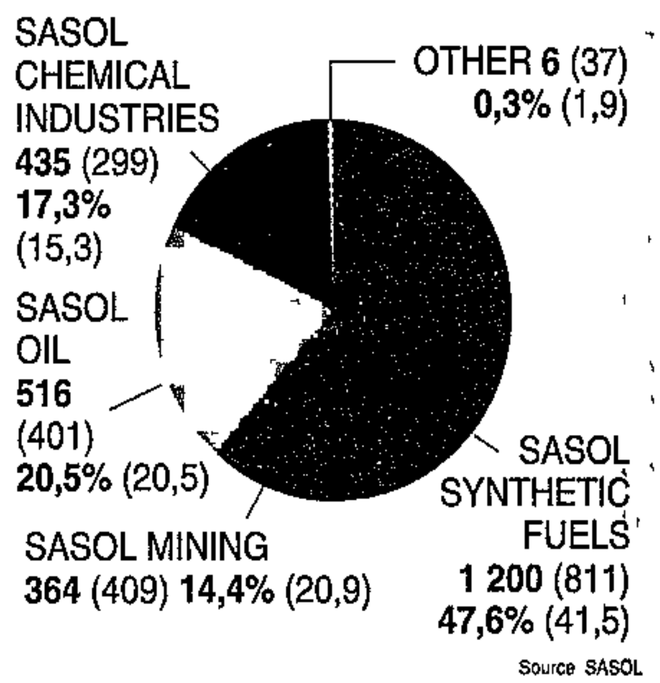
SASOL

1993/94
(1992/93 FIGURES IN BRACKETS)

TURNOVER Rm



OPERATING PROFIT Rm



Source SASOL

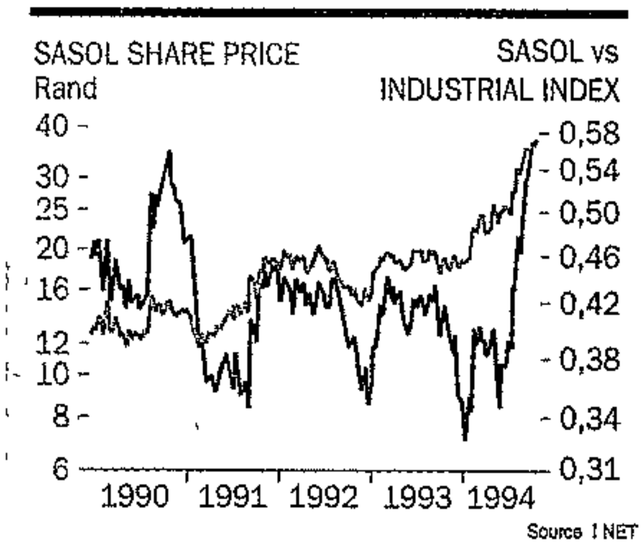
A.T.O.

interest centres on an ammonium nitrate explosive developed by SMX, which has applied for international patent protection

Polifin, Sasol and AECI's joint venture, which should be separately listed in the first half of next year, is a R535m project to convert PVC production from carbide to ethylene feedstock This should be completed by mid-1996 and Kruger says it will make Polifin internationally competitive World PVC prices showed signs of firming towards the end of financial 1994

Though Sasol is developing its petrochemicals capacity (Kruger would ultimately like half of group profits sourced from chemicals), synthetic fuels are making a growing contribution, up from 41% to 48% of operating profit Synfuels benefited from increased production efficiencies while, for most of the period, average world

Sasol



chemical prices remained depressed

But just as Sasol is using petrochemicals to spearhead an export drive, the synfuel technology is attracting international attention This could lead to joint ventures with overseas groups

Exports are a recurring theme across most divisions, increasing over the year by 39% to R770m and now at about R1bn a year They show Sasol's increasing competitiveness An example is the recent contract to export 411 000 m³ of fuel alcohol to Brazil, worth about R400m

In line with export growth is a corporate initiative to raise Sasol's international profile Senior managers recently went on a road show to the UK and the US There's the possibility of links with an international chemical company which could market Sasol's chemical feedstocks

Investors are probably still cautious about deregulation of the fuel industry and changes to tariff protection, though the current structure of protection is not likely to change radically until Sasol repays its final loans for the Sasol Three acquisition at the beginning of 1996

Since the start of the year, Sasol has strongly outperformed the Industrial index (see graph) A p e ratio of 14 still looks fair value compared with the industrial market Earnings growth should be strong for at least the next two years as prices firm and capital projects come on stream The share's high rand hedge exposure will remain an attraction

Shaun Harris

RUSPLAT/PP RUST/LEBOWA

Dangerous territory

RUSPLATS

Activities: *World's biggest producer of platinum group metals*
Control: *JCI and Anglo American (56%)*
Chairman: *P F Retief MD B E Davison*
Capital structure: *125m ords Market capitalisation R14,5bn*
Share market: *Price 11 600c Yields 1,4% on dividend, 2,0% on earnings, p e ratio, 51, cover, 1,4 12-month high, 12 600c, low, 6 500c Trading volume last quarter, 1,7m shares*

Year to June 30	'91	'92	'93	'94
Turnover (Rm)	3 425	2 910	2 968	3 118
Pre-tax profit (Rm)	1 520	757	459	455
Taxed profit (Rm)	608	407	286	287
Earnings (c)	482	321	225	229
Dividends (c)	350	*230	165	165

* Plus 249c dividend in specie

LEBOWA PLATS

Activities: *Produces platinum for the Atok mine*
Control: *JCI*
Chairman: *B E Davison*
Capital structure: *120m ords Market capitalisation R678m*
Share market: *Price 565c Yields 1,4% on earnings, p e ratio, 63, cover, n/a 12-month high, 600c, low, 130c Trading volume last quarter, 7,4m shares*

Year to June 30	'91	'92	'93	'94
Turnover (Rm)	112	112	133	148
Pre-tax profit (Rm)	15	(27)	(10)	9
Taxed profit (Rm)	10	(29)	(10)	9
Earnings (c)	8,5	(24,1)	(8,3)	7,8
Dividends (c)	—	—	—	—

PP RUST

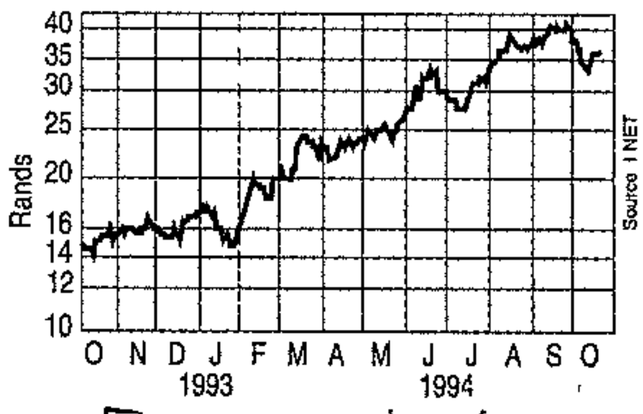
Activities: *Operates an open cast platinum mine near Potgietersrus*
Control: *JCI*
Chairman: *B E Davison*
Capital structure: *120,3m ords Market capitalisation R4,4bn*
Share market: *Price 3 650c Yields 1,2% on dividend, 1,8% on earnings, p e ratio, 57, cover, 1,2 12-month high, 4 100c, low, 1 475c Trading volume last quarter, 1,8m shares*

Year to June 30	'93	'94
Turnover (Rm)	—	247
Pre-tax profit (Rm)	—	93,4
Taxed profit (Rm)	—	77,4
Earnings (c)	—	64,3
Dividends (c)	—	45,0

When the world's largest platinum producer, in company with its two surrogates, releases its annual report analysts scurry for their pencils

This year is no different the simultaneous publication by Rustenburg, Lebowa and Potgietersrust (PP Rust) of their results for financial 1994 spark the same interest — though this time for a different reason next year they will have a new home, and what that may presage is of consuming

Potgietersrust Platinum



curiosity to users, producers and investors

Rustenburg is the colossus which bestrides the industry However, and despite its dominant position and the intelligent use of assets, its performance over recent years is unlikely to engender deep investor satisfaction

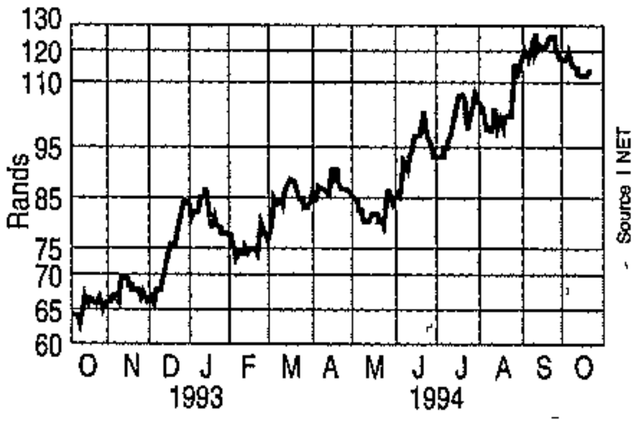
Trading margin — profit on metals sales expressed as a percentage of gross sales revenue — has dropped from its peak of 49,7% in 1989 to 1994's pedestrian 21,6% The dividend has fallen from 350c to 165c (ignoring the exceptional *in specie* contribution in 1992) Earnings show the way 482c a share in 1991, then 321c, 225c and 1994's tiny improvement to 229c

These statistics warn of difficulties and they are not concerned solely with the end price for platinum group metals (PGMs) over which producers exercise little control They speak of a long battle to contain costs In 1985, Rustenburg's costs were R649m on revenues of R1,06bn (61%), in 1994, these were R2,28bn on revenue of R3,12bn (73%) This is the arithmetic which really matters in the end, though the operation is vastly larger than in 1985

It would be remiss of me not to comment on the fees paid by Rustenburg to parent JCI in 1993 R93m, in 1994 R91m I cannot be persuaded — whatever JCI's special expertise — that payments of this magnitude can reasonably be justified This aspect of the SA mining industry structure, based on fees flowing through to the houses, is attracting increasing international criticism It is certainly demanding of mature reassessment

It is also important to draw attention to Rustenburg's powerful balance sheet There are no borrowings (though there is a loan of R99m in Lebowa's books), there is R393m cash and debtors of R473m, shareholders' equity has advanced to R2,05bn

Rusplat



Sasol backs new pricing system

MUNGO SOGGOT

PETROCHEMICALS producer Sasol had always been strongly in favour of all short-term oil price movements being reflected in petrol pump prices, chairman Joe Stegmann said in the annual report. BIDay

He said the move to do so, announced last week, would avoid the unfortunate and incorrect impression that the adjustment of petrol prices was a political decision In most cases these adjustments simply reflected the cumulative price movements since the previous changes 31/01/94

But he said full deregulation of the oil industry would have to be phased in over time and preceded by a "levelling of the playing field in the market place".

A "moderate measure of protection" for the synfuel industry was justified for as long as the low level of oil prices in play since 1986 persisted. "It bears repeating that the protection enjoyed by Sasol's synthetic fuel business since its introduction in 1979 has been very modest."

Sasol looked set to post a further increase in earnings this year. A global recovery was starting to lift petrochemical prices from historically low levels.

Projects to produce high value petrochemicals from low value feedstocks would provide a solid base for growth.

Over the past five years, Sasol's capex bill had totalled R6,6bn — an average of R1,3bn a year, Stegmann said

Synthetic fuel production at Secunda over the past year had reached record levels. Sasol's cost containment programme initiated last year had been maintained and in some cases improved on.

Sasol's chemical operations were now housed in Sasol Chemical Industries which had a 60% stake in Polifin and a 50% stake in Sasol Fibres.

Chemicals producer Polifin — in which AECI holds the remaining 40% share — had shown an "encouraging" performance in the six months to June.

Polifin had recently initiated investment projects worth R630m, including a restructuring of its PVC and chlor-alkali production facilities. These projects would significantly improve Polifin's contribution to group profit. (183) (260)

Exports by group companies during the past year were up 39% to R770m, he said.

Sasol reported a 14,9% rise in attributable profit to R1,5bn for the year to June.

SABC turns down request for discount television licences

260

ARGT 31/10/94

☐ Hotels consider getting rid of TV sets

PIETER MALAN
Staff Reporter

THE SABC says its financial position makes it impossible to grant licence concessions to hotels — even though discounts are standard practice worldwide and local luxury hotels are compelled to have a TV set in every room.

South African hotels are believed to be the only ones in the world which must pay the standard TV licence fee for each set, according to Hotelier & Caterer magazine

The corporation's continued refusal might see hoteliers pushing for amendments to the star-grading system, whereby it is compulsory for four and five-star hotels to have a set in every bedroom

Hotelier & Caterer said while the recent increase in television licence fees was aimed at increasing the SABC's income, it might have the opposite effect if hoteliers decided to get rid of televisions

It suggested the SABC was milking existing licence payers because it was incapable of running an efficient licence fee collection system.

The recent licence increase of R13 added a staggering R1 300 to the licence bill of a hotel with 100 sets. At R189 a set, such a hotel paid almost R19 000 a year on licence fees

Satour director Greg McManus confirmed the organisation, which grades hotels, had been asked to intervene on behalf of the industry to negotiate concessions with the SABC

"This dispute has been going of for many years and the public broadcaster has, up till now, flatly refused any such concession"

He suggested the average hotel occupancy for the previous year be used to determine the hotel licence fee for the next year

"If a hotel was on average 46 percent full the previous year, then it will pay 46 percent of its licence fee for the current year"

This approach, he said, was internationally acceptable and was followed in many other countries

In Namibia, hotels get a discount ranging from five percent to 40 percent, depending on the number of sets in the hotel

In reaction SABC spokesman Gideon Fourie said the corporation had noted the international trend in this regard, but "the SABC's financial position does not allow us to entertain the request"

He said the Federation of Hotel, Liquor and Catering Associations of South Africa (Fedhasa) had been discussing the issue with the SABC for several years, but the SABC board had confirmed a decision not to grant concessions

Mr McManus said "The last thing we want to do is change the star grading system which requires upmarket hotels to have televisions in every bedroom, because it would obviously not be in the interest of tourists," he said

● Ironically a survey conducted by the city planner's department earlier this year found that 86 percent of all international tourists to Cape Town complained about the unsatisfactory local television service.

SABC wants to keep position

(260)

CT 1/11/94

Own Correspondent

JOHANNESBURG — The SABC yesterday called on the Independent Broadcasting Authority to preserve its domination of the SA broadcast market and ruled out significant changes to its revenue base

"We cannot realistically expect the government to reverse the international trend by replacing our existing commercial revenue with tax rands (nor) expect members of the public to increase their contribution," SABC chief executive Mr Zwelakhe Sisulu said yesterday

But he predicted the SABC would relinquish control of its signal distribution company Sentech, which monopolises the national frequency network

IBA board member Mr John Matisonn said private sector interests had sought licences from the IBA to set up rival signal distribution networks

Mr Sisulu told the IBA's hearings into the future of the public broadcaster, local content and cross-media ownership that the commercial sector could not serve the majority of the population

The SABC was committed to the independence of its operations and editorial output, and would make its services available to all parts of the country

"The distinction between public broadcasting and other elements of the system is that public broadcasting seeks to treat its audiences as citizens, rather than as consumers"

The SABC, which receives 75% of adspend in the broadcast sector, would continue to be self-supporting and would cross-subsidise its public service programming using earnings from its commercial services It would also seek subsidies from relevant government departments for specific health and education programmes

Representatives from the commercial sector criticised the SABC for "paying lip service" to the principle of an open commercial market while seeking to retain its advertising monopoly

"They have heard from (Posts, Telecommunications and Broadcasting Minister Dr) Pallo Jordan that they won't be getting any money from (the) government," speculated one

NNTV legal, broadcast authority decides

GILL LORD
Television Reporter

THE Independent Broadcasting Authority (IBA) is satisfied that the SABC's NNTV channel is broadcasting legally, despite claims by the Independent Broadcasting Committee (IBC) that the channel is on the air without a licence.

The IBC is a privately-formed group of broadcasters and potential broadcasters. It is adamant that NNTV has been broadcasting without a licence since last month.

But, according to SABC-TV chief executive Quentin Green, the licence was automatically renewed by the Independent Broadcasting Authority after expiry.

IBA spokesman John Matisonn said due to the nature of the licence, it automatically continued "until the IBA gives NNTV three months notice of cancellation".

Louis Raubenheimer, acting general manager of NNTV, said: "There is no confusion, just a lot of noise being made by people who have some agenda of their own. NNTV has a proper licence, issued by the then-Minister of Internal Affairs Danie Schutte.

"We can continue to broadcast unless the IBA decides to stop us. Should this happen, they will have to give us three months notice. It's ongoing indefinitely unless the IBA actively interferes. I also know for a fact NNTV will form an integral part of the SABC's proposal to the IBA."

Shutting the station would be of no benefit to the viewers, John Matisonn added.

"We've got our legal advice and we're clear on the matter. Their licence continues unless the IBA gives them three months notice to cease."

"Where in the IBA Act does it state that everyone must comply with the rules — except NNTV?", IBC chairman Tony Sanderson asked recently.

He said the IBC had the right to expect the same treatment adding that there "must be collusion between the IBA and the SABC".

Mr Sanderson said there "was no transparency" and "no levelling of the playing field".

He later said the IBC "didn't want NNTV to come off, we want the same facility granted to us."

SABC

The SABC was committed to the independence of its operations and editorial output, and would make its services available to all parts of the country. "The distinction between public broadcasting and other elements of the system is that public broadcasting seeks to treat its audiences as citizens, rather than as consumers"

The SABC, which receives 75% of adspend in the broadcast sector, would continue to be self-supporting and would cross-subsidise its public service programming using earnings from its commercial services It would also seek subsidies from relevant government departments for specific health and education programmes.

Giving evidence on behalf of the SABC, Commonwealth Broadcasters' Association secretary-general Stuart Revill said there was no historical record of public broadcasters being unduly influenced by commercial interests

It was "a fact of life that governments neither can nor will subsidise public broadcasters", he said. The licence fee was unsuited to SA's narrow tax base, high unemployment and problems with collection

But he said there could be no justification for a public service broadcaster that did not provide higher-quality programming than the commercial sector

Representatives from the commercial sector criticised the SABC for "paying lip service" to the principle of an open commercial market while seeking to retain its advertising monopoly

● Picture: Page 3
● See Page 19

From Page 1

SABC bids to retain broadcast position

MARK ASHURST

THE SABC yesterday called on the Independent Broadcasting Authority to preserve its domination of the SA broadcast market and argued strongly against significant changes to its revenue base.

"We cannot realistically expect government to reverse the international trend by replacing our existing commercial revenue with tax rands . (nor) expect members of the public to increase their contribution," said SABC CE Zwelakhe Sisulu.

Speaking at the IBA's first public hearing into the future of broadcasting, Sisulu predicted the SABC would relinquish control of its signal distribution company Sentech, which monopolises the national frequency network. Sentech is the only commercial business unit within the SABC registered as an independent company.

Sentech MD Neel Smuts said separating the R320m transmission network from the SABC would encourage development of the industry and grant it the autonomy to function as a common signal carrier for all broadcasters in terms of the IBA Act

As a state asset, Sentech's future would be determined by government. "Sentech has an extensive infrastructure and there is a lot of capacity for expansion We could fall into the privatisation category, or be established as a public utility"

IBA board member John Matisonn said private sector interests had sought licences from the IBA to set up rival signal distribution networks.

Sisulu told the hearing — which dealt with the future of the public broadcaster, local content and cross-media ownership — that the commercial sector could not serve the majority of the population

To Page 2

Group tells panel to restrict SABC

JOHANNESBURG. — The SABC should be restricted to national broadcasting with two television channels and eight radio stations, the Independent Broadcasting Authority panel investigating the future of broadcasting heard yesterday

Countering various suggestions by the SABC, the group of 13 organisations representing civil society proposed SABC 1 and SABC 2 public service television channels be funded by means other than commercials.

A privately-owned third channel would rely on commercial revenue and would tie into a network of six regional stations and retain public broadcasting commitments to news and information programmes Channel four would be commercial and owned by a consortium

The group said the SABC's radio portfolio should comprise eight stations, six of which should be language-based, one youth-oriented and one educational

The hearing continues today. — Sapa

(260) CT 2/11/94

Iscor wins $7m Brazil coal deal

MICK COLLINS

ISCOR yesterday confirmed it had won a $7m contract to supply 200 000 tons of coking coal to Brazil A further option in the contract would push the eventual total to 215 000 tons

Iscor's GM coal business Jannie Grimes said the tonnage to Brazil equalled the company's entire coal export allocation for the current financial year

Grimes confirmed that Iscor had earlier exported 110 000 tons of coal to Brazil — 85 000 tons from Grootegeluk and 25 000 tons from Hlobane — after the Brazilians had carried out a series of quality tests

But a major problem was export allocation. "Even if we had a million tons of coal available, we haven't got allocated export facilities at Richards Bay to accommodate this quantity."

He said Iscor had in the past attempted to export steam coal through Maputo and Durban but this turned out to be uneconomical Fob was $4 a ton more at Maputo than Richards Bay Accordingly, Iscor's price would not be competitive should the company decide to go that route

Grimes was optimistic about Iscor's place in the international coal market

While demand for coking coal would remain low for 20 years, there would be a sustainable demand for steam coal

Steam coal had shown a projected growth of 220-million tons to 360-million by 2000 and it could go as high as 570-million tons by 2010

"Provided that Grootegeluk and Leeuwpan expand, and bigger allocations become a reality, I cannot see why we shouldn't be exporting at least 500 000 tons annually in five years' time."

Grimes also confirmed that other overseas market were being looked at A sample of Grootegeluk coal had been sent to India recently and a report had just been received that India was considering importing 100 000 to 150 000 tons a year

"The problem, however, remains — where do we export from? Everybody is fighting for a market share and we should be exporting about 500 000 tons a year. But if bigger export allocations like Coalex and the proposed export terminal at Richards Bay don't materialise, we will miss out on future opportunities"

ednesday, November 2 1994

'Restrict expansionist SABC to two channels'

BDay 2/11/94

MARK ASHURST

THE controversy over the future of public broadcasting intensified yesterday when aspirant commercial broadcasters called on the Independent Broadcasting Authority (IBA) to limit the SABC to two television stations and prune its radio portfolio to eight public service stations.

Broadcasting consultant Michael Markowitz urged the IBA to adopt an aggressive stance in its restructuring of the SABC by downsizing the public broadcaster, abandoning commercial radio and transferring existing public service stations to the provinces.

His partner, David Dison, said the SABC was "on an expansionist path" and he appealed to the IBA to instruct the SABC to make public its prospective budget for 1994/95 and its budget for the year ending September 1994 The IBA is to consider the request.

The SABC's NNTV licence should be withdrawn and SABC television restricted to two public service channels with funding from advertising revenue not exceeding 50%, he argued

A third national channel should be an open commercial service, with regional windows similar to Britain's ITV, Dison said.

Additional funding of up to R3bn a year for the SABC's public service commitments could be generated by investing funds from the sale of its assets.

In a bold submission on the second day of the IBA's public hearings on the future of public service broadcasting, cross-media ownership and local content, Markowitz accused the SABC of misunderstanding the "holistic approach to regulation" of the IBA Act and the language provisions of the interim constitution. (2c0)

SABC Radio CE Govin Reddy's proposals "incorrectly assumed the SABC must carry the whole burden of language provisions", he said

The IBA's regulatory authority over both public and private-sector broadcasting was a departure from international norms, allowing it to devolve public service responsibilities to provincial public media, Markowitz said

The determination of the SABC to cater for all 11 official language groups reflected the confusion in government over the role of provincial public media. In terms of the interim constitution, the National Assembly and the provinces exercised "concurrent competence" over these media.

"When the shopping list of provincial powers was presented to the regions, everyone knew what transport and roads and casinos meant. There was an assumption that everyone knew what provincial public media meant ... this was unfortunate," he said.

Despite doubts about the IBA's jurisdiction over former TBVC broadcasters, Markowitz said the IBA was the sole licensing authority in SA and could therefore determine the allocation of frequencies to the provinces.

It should advise government to amend or repeal all existing broadcasting legislation and propose a new Public Broadcasting Services Act, establishing a framework of common principles, standards and governing boards appointed by the standing committees of the National Assembly and provincial legislatures.

SABC staff among 'the best paid'

Star 3/11/94

■ BY MICHAEL SPARKS

SABC employees earned R90 000 a year on average, absorbing half the corporation's annual advertising revenue of about R1 billion, according to accountant Anton Hayward.

He told an Independent Broadcasting Authority hearing in Johannesburg yesterday: "This must be one of the highest per capita remunerations in any organisation in the country"

Management comprised 30 percent of staff and took up most of the salary allocation.

In an interview, Hayward added that the salary bill of other South African service organisations was seldom higher than 20 or 30 percent.

He also said the SABC's running costs were nearly double its claimed budget of about R1,2 billion a year.

If the SABC were to pay for cross-advertising, and the costs of services and infrastructure charged to business units within the corporation, the actual operating expenditure would be around R2,3 billion a year.

Hayward was appearing on behalf of the Group of 13, which includes human rights bodies, cultural organisations and community broadcasters.

Eskom debt parity set for 1999

B1 Beeld 31/11/96

MUNGO SOGGOT

ESKOM's goal of achieving a one-to-one debt to equity ratio by 1998 would be fulfilled a year later than originally planned because of funding required for the reconstruction and development programme's electrification drive, finance executive director Willem Kok said yesterday

Kok said Eskom's gearing would probably drop to about 1,7 1 by the end of the year, and fall to parity by about 1999.

He said most of the burden of funding the electrification programme was being offset by much improved operational efficiencies. Despite the electrification programme, Eskom would remain in a state of surplus capacity for some time.

The programme, being steered by the National Electrification Forum (Nelf), aims to make 500 000 new connections a year to the national grid for the next five years at a cost of about R1bn a year

Nelf chairman Ian McRae said the programme would lift electricity costs about 8% to 10%, but Eskom has said it will still be able to reduce the price of electricity by 20% by 1996 (260) (85)

Meanwhile, Kok said Eskom had resigned itself to the fact that its Electrification Participation Note (EPN) bonds would not be made available to foreign investors, since the Reserve Bank had valid reasons for restricting it to the domestic market

Last month, Eskom launched a second electrification bond, which brought the money raised for its electrification programme to R1,2bn this year. The Bank had prohibited foreign investors investing in the bond because there was no upper limit to investor returns

Kok said that when Eskom did re-enter the foreign market, it would issue an ordinary bond, unlike the EPN which linked some of its return to the performance of the electrification drive The EPN would be too intricate for a first-time issue on foreign capital markets, he said

Eskom — which was recently awarded a BBB credit rating — would wait for government to issue bonds abroad before it entered the international capital market.

Six TV stations proposed

Independent group's plea

ARG 3/11/94

(260)

The Argus Correspondent

JOHANNESBURG. — Some South Africans could end up with access to as many as six television stations if a proposal by a group of community broadcasters to the Independent Broadcasting Authority is accepted.

The proposal by the Group of 13 is broadly based on the model of the British Broadcasting Corporation, where the public broadcaster takes no advertising, something the group proposed should be phased in, with a progressive levy on electricity to fund the public broadcaster.

Its proposal entailed two public broadcasting television channels controlled by the SABC which would be available around the country, producing a variety of programmes.

In addition, there would be three commercial channels completely independent of the SABC, including one with an encrypted signal. Many viewers would also have access to a community television station.

This is different from recent SABC proposals for three state owned television channels, including one commercial channel, to fulfil the corporation's obligations to provide viewers with programming in their language of choice as laid out on the interim Constitution.

But media legal expert Michael Markovitz said it was incorrect of the SABC to assume it was its responsibility alone to fulfil the language requirements of the constitution.

The group's proposal also made provision for eight national SABC public radio stations and nine provincial public radio stations independent of the SABC.

Mr Markovitz and media expert David Dison said all broadcasters should have public service obligations, including requirements to broadcast a specific amount of local content programming.

This was something that also needed to be done by pay-television channels such as M-Net, or they should make contributions to a public broadcasting fund.

On the subject of funding the public broadcaster, Mr Dison suggested that close to R1 billion could be put into the fund from the sale of signal distributor Sentech and the sale of a portion or all of the SABC's commercial stations.

With proper investment that could net a further R300 million a year to fund the public broadcaster.

Jonathan Timm, also with the Group of 13, proposed that further funding could come from a progressive electricity levy, where the richest section of society would pay a levy of just over R15 — equivalent to the present annual television licence fee, which would then fall away. Poorer households would pay a smaller amount, while the poorest households using electricity would pay a levy of 10 percent of electricity used.

Mr Timm said if it were implemented in the near future, the system could generate nearly R445 million. This would go a long way to reducing the current dependence of the SABC on advertising for close to 74 percent of its R1,2 billion annual budget.

Parastatal board members named

By ADRIAN HADLAND

PUBLIC Enterprises Minister Stella Sigcau yesterday announced the new, more representative, board members of the Transnet, Safcol and Alexkor parastatals (260) ET 4/11/94

The eight new directors of the reconstituted Transnet board are Prof Wiseman Nkuhlu, Dr Mamphela Ramphele, Ms Patricia Gorvalla, Ms Wendy Vorster, Ms Moipone Magomola, Godfrey Hetisani, Friday Mavuso and Joseph Ndhlela

Sigcau said the incumbent chairman, Dr MR de Waal, would retire in February next year at the expiration of his contract. His successor would be named shortly.

Seven new members had been appointed to the Safcol board — Osman Ganie, Sibongile Nene, Ms B Njobe, Joyce Mariotti, Patrick Mbokodi, Mnguni Ntuli and Bridget McBean

David Gevisser, currently a board member and deputy chairperson, had been appointed chairperson designate, Sigcau announced

Five new members had been nominated for the Alexkor board — Malcolm Damon, Alfred Hearne, Nona Goso, Elizabeth Delport and Khesane Hlongwane.

Five members of the Alexcor board, including chairman Len Dekker, had been reappointed, Sigcau said.

ISCOR

Giving precedence to profitability

Fin 4/11/94

Activities: *Produces and markets steel products, associated raw materials and by-products*
Control: *Widely held, no shareholder has control*
Chairman: *M T de Waal MD H Smith*
Capital structure: *1,89bn ords Market capitalisation R8,96bn*
Share market: *Price 468c Yields 1,8% on dividend, 5,8% on earnings, p e ratio, 17,1, cover, 3,3 12-month high, 500c, low, 126c Trading volume last quarter, 121,3m shares*

Year to June 30	'91	'92	*'93	†'94
ST debt (Rm)	718	652	551	767
LT debt (Rbn)	1,10	1,70	1,84	1,24
Debt equity ratio	0,26	0,28	0,33	0,25
Shareholders' interest	0,67	0,63	0,62	0,66
Int & leasing cover	4,92	1,91	2,02	3,0
Return on cap (%)	8,3	6,6	5,7	7,8
Turnover (Rbn)	7,39	8,62	9,04	9,83
Pre-int profit (Rm)	890	748	644	804
Pre-int margin (%)	12,1	8,7	6,5	8,3
Earnings (c)	33,4	18,0	15,1	27,3
Dividends (c)	11,0	6,0	5,0	8,3
Tangible NAV (c)	349	355	340	366

* Restated † Accounting for joint ventures changed from the equity method to the proportional consolidation method

The swings in Iscor's earnings and share price since the listing in November 1989 underline the intrinsically cyclical nature of its main business. Changes now occurring in strategic and operational management could help make the swings less extreme But the historical pattern is a reminder that investors should now be considering how much of the current earnings upswing is discounted in the price and how long the upward cycle will last

In retrospect, the recovery has been even more impressive than the downswing After dropping from 50,1c in 1990 to 15,1c in 1993, EPS recovered in 1994 to 27,3c But the share, listed at R2, has soared from its 61c low set at the end of 1992 to 475c now — a recovery that added almost R8bn to the market capitalisation

Put differently, had it not been for the shareholder restrictions, the entire group could have been snapped up 22 months ago for just R1,14bn or about US$235m Last week it was capitalised at R9,1bn, ranking the share 22nd on the JSE by market value This, with the high liquidity of the stock — 405m shares were traded in the last financial year — makes Iscor a prime candidate for foreign and local institutional investors The number of individual holders continues to fall — from 200 341 at the 1993 year-end to 165 965 at June 30



Smith

At least three broad factors helped drive the price up demand for steel and, particularly, iron ore has been steadily improving (*FM* September 9), much has been achieved within Iscor to improve efficiencies and cut costs, and, whether fairly or not, attitudes towards both strategic and operational management were favourably transformed with the appointment of Hans Smith as CE last year

Smith, who entered the job with fortunate timing, was soon able to announce tangible evidence of internal advances, such as a leaner cost structure, as shown by the reduction of the payroll by 5 510 (their retrenchment packages financed by an overfunded Iscor Pension Fund) At 48 500, the number of employees has been cut by almost 10 000 in three years This year Smith also revealed a R401m paring of net debt as well as a positive net cash flow of R400m, the first inflow since 1989 Net cash outflow since then has totalled just under R2bn

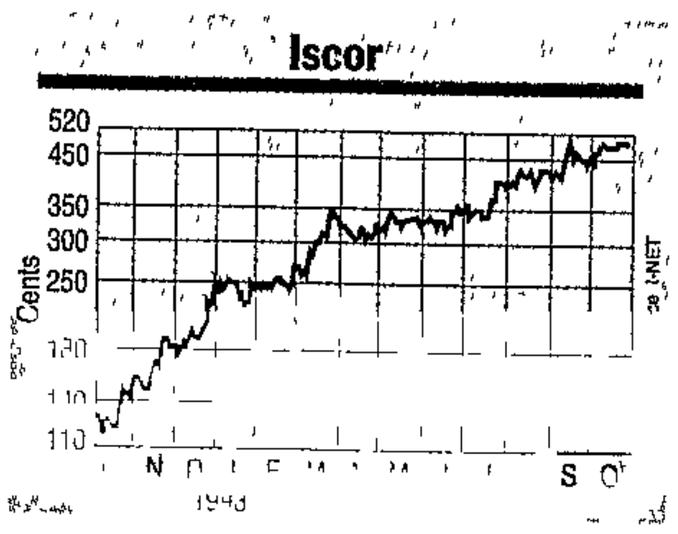
However, Smith, who had been an adept communicator as MD of Samancor, was quick to tell investors what they wanted to hear He notes in his review, for example "Our new vision of the company's direction has brought with it certain shifts in emphasis, among them the recognition that profitability must take precedence over production volumes This in turn has significant implications for the future allocation of our effort and resources"

Implications include the intention to maintain steel production volumes and to concentrate on improving the sales mix — the exceptions to the limit on steel expansion being the Saldanha semis project, which is a proposed thin-slab mini-mill for flat carbon steel products, and a possible entry into the stainless steel market

Both these would increase the value-added component of the product range and, given firm markets when they enter production, should contribute towards much-needed improvement in the operating margin This figure is rising but remains less than half of what it was at the turn of the decade Similarly, though both have improved, the returns on equity and on total assets are thin at 7,5% and 7,8% respectively

Active expansion is being pursued in the mining division, which is planned to be the main source of Iscor's real growth in the longer term Footholds were gained during the year in China (iron ore) and Australia (coking coal) The acquisition from July 1, 1994 of Natal Mineral Sands from Shell SA and Rhoex could soon lead to the development of a mine and smelter costing some R500m-R700m

These looming spending requirements — when there is still a target of cutting borrowings by another R600m over the next year — must raise the probability of a major fund-raising exercise A foreign bond issue such as that launched by Barlows last month seems the most likely route, especially as shareholding restrictions are being lifted at the AGM



Perhaps a greater foreign shareholding will encourage better disclosure Iscor still does not report segmental profits, a note to the accounts states that "the group operates as a vertically integrated producer of a wide range of raw materials and steel products and reporting by segments is therefore not deemed appropriate" Unless this is an admission of inadequate or archaic accounting procedures (it's noted elsewhere that a market-related transfer pricing policy for transfers between the mining and steel divisions has been implemented), this seems a lame explanation Even Sasol now

PRODUCTION PATTERN

Year to June 30	1991	1992	1993	1994
Liquid steel production (000t)	7 209	7 662	7 376	7 286
Steel sales (000t)	5 605	6 035	5 858	5 603
— SA customers (%)	50	44	44	49
— Exports (%)	50	56	56	51
Iron ore mining (000t)	22 864	22 095	22 985	24 590
— Sishen exports (000t)	14 297	13 558	15 063	15 446
— Sishen exports (Rm)	731	761	820	882
Total coal sales (*1t)	13,30	13,52	13,14	15,28
— Eskom sales (000t)	9 797	10 111	9 801	11 364

P.T.O.

ıne rush

(260)
ARGUS 11/11/94

■ New community radio and TV stations could be up and running soon — followed by new commercial stations.

GILL LORD
Weekend Argus Reporter

TELEVISION and radio are about to undergo major changes as a result of the extensive drive for regional news.

The Independent Broadcasting Authority (IBA) has been sitting in Johannesburg hearing community licence applications and submissions

The deadline for community radio applications is November 15. About three weeks later new radio broadcasters could be on the air, according to IBA councillor and spokesman John Matisonn

He added that prospective applicants should regard the IBA as "open for business".

About 30 applications have been received, he said

Commercial radio licences would be considered next.

The deadline for community television licence applications is also November 15

Commercial television licence applications would be heard after that.

Mr Matisonn explained that the situation was in accordance with the constitution, but he said the IBA had requested the matter be brought forward.

Mr Matisonn said there would be more than enough radio frequencies

He said the IBA had adopted the American system of frequency planning which translated into a lower power system

While Table Mountain was giving the IBA their fair share of headaches — it blocks the signal — he was generally confident the new system would work.

The lower power system would give broadcaster access to a 14 km to 20 km radius, allowing community stations to reach target audiences in various suburbs

In addition, these frequencies could be re-used

"If you're broadcasting from Alexandra township, for example, on 91.5, you could get a good reception in your area.

"That same frequency can then be re-used for broadcasting in Soweto

"This same system will apply to Cape Town," he said.

"We're also going to be using medium wave far more extensively

"This will be a higher power system and will be more expensive for the broadcaster, but it's there and it's available

"In addition, we will be offering a one watt FM licence

"This system has worked well in Australia, and would be of interest to people like campus radio stations."

Community television services could be on air by January, he added

A week after the applications have been granted, the licencees would be gazetted, then there's a two-week wait for objections before applicants could begin broadcasting.

Bill gives IBA greater powers

DRAFT legislation to amend the Independent Broadcasting Authority Act to speed up the issuing of new broadcasting licences and give the IBA greater powers, was published in Parliament yesterday

If passed, the IBA Amendment Bill will allow the body to issue new licences before the completion of its "triple inquiry" into the future of broadcasting in South Africa

The absolute bar has been a source of dissatisfaction and frustration to the IBA in its attempt to open up the airwaves, according to a memorandum on the bill — Sapa

ET 8/11/94 (260)

'Deregulation won't empower blacks'

Star 8/11/94

■ BY MICHAEL SPARKS

Deregulating the SABC would not necessarily change the face of broadcasting and bring black faces into the arena, Andile Ngcaba told the Independent Broadcasting Authority yesterday (2100)

Ngcaba, from the Centre for Development of Information and Telecommunications Policy, said that given the political and financial power of large white-owned newspaper groups it was they, rather than black businessmen, who would be first into the broadcasting marketplace.

"Apartheid may be dead but white rather than black economic empowerment is in fashion. The public sector is being asset-stripped to create new business opportunities for the already wealthy and powerful," he said.

He called for new services to be licensed "in a manner which gives a real voice to blacks who have never had a stake in the mainstream media"

On the issue of funding for the public service broadcaster, Ngcaba said one major advantage of funding public broadcasting from licence fees, and not allowing advertising, was that it increased diversity of programming

He added that the IBA also needed to look at access to television in the real sense — just beaming a signal to black areas was not enough if television receivers were too expensive for those people to be able to truly gain access to information.

Deregulation should not just be used to provide those who already have services with more choices — options such as satellite television exist for these people It should instead be aimed at serving new audiences and redressing past neglect, he said.

Agenda row: SABC news 'was fair'

(260) CT 8/11/94

Own Correspondent

JOHANNESBURG — The Broadcasting Complaints Commission of SA yesterday rejected claims by the Inkatha Freedom Party that SABC coverage of Home Affairs Minister Chief Mangosuthu Buthelezi's disruption of a live television programme in September was biased and propagandistic

But the commission reprimanded the SABC for broadcasting a subtitled translation of Chief Buthelezi's comments during the incident that was inaccurate and "derogatory in the extreme" The sensitivity of the situation should have alerted them to the need for extra caution in obtaining and verifying the translation.

SABC assistant editor of TV1 current affairs, Mr Ameen Akhalwaya, warned the verdict could "pave the way for any aggrieved politician to attempt to denounce broadcasters even before more viewpoints on a breaking story could be aired"

IFP senator Ms Ruth Rabinowitz yesterday welcomed the adjudication as a precedent that "would encourage members of the public to become more aggressive watchdogs of the state media"

The commission was unanimous that SABC coverage had taken "fair and balanced account of Chief Buthelezi's point of view".

42 seek broadcast licences in W Cape

ET 9/11/94 (260)

Staff Reporter

THE Independent Broadcasting Authority (IBA) has received 31 applications for radio station licences and 11 for community television station licences in the Western Cape

The total countrywide is 184

IBA councillor Mr John Matisonn said the response confirmed an enormous demand by people from all walks of life for the right to broadcast in their own languages and to their own communities

All the applications will be scrutinised to see if they comply with the IBA Act and the IBA's regulations for community radio and television

IBA spokeswoman Ms Thandi Davids said the most important criterion for licensing is "evidence of community support"

Guidelines for applications to the IBA were centred on promoting a "community voice" that would ensure the broadcasting of local issues

Support from local civic organisations would also play a major role in determining whether or not the IBA accepted applications, because there were a limited number of FM and medium-wave frequencies available

Some might be granted licences to broadcast only in a 10km radius

Eight of the Western Cape applications for community television licences had come from the Muslim community The radio applications came from a broader cross-section of the population

The final criterion for successful applicants is proof of funding, so that money is not lost on ventures that cannot be sustained

The IBA had made it possible for advertising rights to be used for financing infant broadcasting ventures, but warned that "unless applicants have the community spirit at heart", they cannot be sure "that licences will be granted", Ms Davids said

SABC in 'First World' class

Own Correspondent

JOHANNESBURG — The SABC provided a First World quality service which should take less advertising and be funded primarily by an increased flat rate licence fee, M-Net chief executive Mr Gerrie de Villiers said

CT 10/11/94

Addressing the Independent Broadcasting Authority (IBA) inquiry into the future of public service broadcasting, Mr De Villiers said the SABC should retain a "mixed basket" of funding, but advertising should be restricted to "top-up" ~~income~~ for operational costs (260)

The scope and content of SABC programming "compared very favourably" with public broadcasters in other parts of the world Although the licence fee was the highest in Africa, it remained "pretty cheap" when seen on a global scale

Raising the licence fee to European levels and developing a more efficient collection system would secure the SABC's future

● Sapa reports the IBA received at least 46 applications for temporary community radio licences by yesterday The closing date is November 15 and the public may comment on the applicants until November 18.

POLITICS Fuel that was saved during sanctions years

Sasol is SA's big asset

By Ismail Lagardien
Political Correspondent

THE strategic oil stockpiles of the sanctions era and the Sasol plants may well become one of South Africa's bigger assets.

It was estimated that by the end of August this year the strategic oil reserves—63 million barrels, enough for seven months' domestic consumption stockpiled during the sanctions era — were worth R3,5 billion, Minister of Mineral and Energy Affairs Mr Pik Botha told Parliament this week

He said reducing these reserves over the coming months to four months' supply, a decision already approved by the Cabinet, could generate about R1,5 billion, which would be paid into the Exchequer.Sasol, on the other hand, produces a wide range of primary, intermediary and final chemical products, some of which are exported to 41 countries (outside of Africa), Botha said

During the 1993-94 financial year, the total value of these exports was estimated at R770 million.

"Sasol, in total, exports 120 products that earn South Africa R1 billion annually in valuable foreign exchange If these exports cease, South Africa will lose this foreign exchange.

"Even worse, the country will be required to pay out a further R4 billion in foreign exchange to purchase crude oil

Reunert gets boost from parastatals

(260) CT 10/11/94

Own Correspondent

JOHANNESBURG. — Network expansions at parastatals Eskom and Telkom helped electronics and electrical engineering group Reunert lift earnings 16% to 79c a share in the year ended September, although the increase in secondary tax on companies (STC) put the brakes on earnings growth

The group said earnings growth would have increased by about 20% had it not been for a rise in STC A tax bill of R126,3m made for an effective tax rate of 41,5%.

Turnover rose 48% to R3,5bn, largely because of the acquisition of Panasonic, Nashua, Airomatic and related businesses in the consumer and commercial electronics division last year.

Operating profit rose 20% to R283,8m and pre-tax income was R304m (R257,8m). A final dividend of 19,5c was declared, lifting distribution for the year 15% to 27c a share

Chairman Clive Parker said the results were not comparable with those of the previous year due to the impact of the three acquisitions and the revamp of the group's telecommunication interests, which came into effect in October last year

However, its operations in the telecommunications, electrical and commercial electronic and defence sectors remained healthy

Margins in consumer products were generally lower than those in Reunert's other businesses, which led to a moderate growth in operating profit.

Interest received dipped marginally to R20,2m (R21,3m), even though cash holdings grew by R86m to R375m

Transnet Eskom 'not for sale'

CT 11/11/94 (260)

By ANTHONY JOHNSON

ESKOM, Telkom and Transnet were not for sale, the Minister without Portfolio, Mr Jay Naidoo, told the ANC's caucus meeting yesterday.

In a special RDP progress report to the 311-member parliamentary caucus, the minister emphasised that those parastals that were key to the RDP "must remain" in state hands.

However, a systematic review of state assets was under way to decide "which assets are of strategic importance and which are white elephants".

Non-productive, non-strategic assets would be sold or reorganised, he said.

The money gained from such sales would be used to fund the RDP and reduce South Africa's debt burden, which stands at R221 billion (22% of the Gross Domestic Product) with interest payments serviced by 17,3% of the Budget.

"Resources saved through (government belt-tightening) will be used to close the wage gap in the civil service to addressing the minimum living wage, training, rationalising the grading system and affirmative action."

The priorities for the RDP fund for 1995/96 would concentrate on housing, job creation and providing water, sanitation and land.

Continued from page 31

province to decide what proportion of broadcasting should be in a particular language,

❑ Alternatives for the funding of PSB services include an electricity levy, a "fractional increase" in Vat, a national lottery, or some combination of these,

❑ Private broadcasters should contribute to PSB by contributing to an educational fund, and

❑ Licence fee income is the best system for PSB and more efficient mechanisms should be found to enforce payment

How the IBA will adjudicate between such conflicting claims — each coherent, given certain assumptions — will depend on how it regards the PSB function Perhaps it will accept the definition offered by Stan Katz of Radio 702 "Commercial broadcasting works on the principle of delivering consumers to advertisers, whereas the Public Service Broadcaster works on a different philosophy, namely, the delivery of programmes to the public." Interestingly, the SABC uses similar language "Broadcasting in the public interest should be distinguished from the purely entrepreneurial activity, providing service to people as citizens and not only as consumers"

These are glib distinctions and the IBA would do well to beware of them When is a listener a consumer and when a citizen? Much of the time, surely, the two roles coincide

The SABC has been vigorous in defending its present role — and has even argued for it to be extended It admits past sins "The national broadcaster is a product of its environment in the past, its operations and outlook were influenced by the State, its workforce and organisational culture were consciously structured to reflect white minority rule, and its monopoly status produced an internal culture that tolerated ineffficiency"

But the SABC aims to remain "the national broadcaster" and to continue subsidising PSB with commercial stations, given certain conditions But it understandably fears the potential threat to its advertising revenue from competitors with no PSB obligation The SABC also offers to take over apartheid anomalies like Bop TV, after which it would have regional broadcast structures in eight of the nine provinces, leaving out the Northern Cape For the provinces, the SABC promises greater decentralisation of management and delivery of programmes

All this will be very soothing and seductive to government The internal cross-subsidisation at the SABC may have been an ad hoc measure but it works The last thing government wants is to use taxpayers' money to fund the SABC, while all the other suggested measures to generate revenue are controversial because of possible harmful economic side effects The only genuinely fair method of public funding — the licence fee paid by users — has fallen into disrepute because on the culture of nonpayment, with piracy rampant

Discussions on the future of broadcasting often draw on the example provided by other countries The trouble is that each country has its own peculiar arrangement whatever your preferred option, you can probably find an example somewhere to support it In Germany, for example, the entire public broadcasting system was decentralised to the regions after World War 2. New Zealand has a system similar to ours at present, in that the national public broadcaster subsidises itself commercially — though the proportion of advertising is kept low In the US, substantial funding (20%) from voluntary donations helps government support the tiny PSB sector — while thousands of radio and TV stations subject themselves to the market.

So we will have to make up our own minds — and our own situation is further complicated by the assault on "Eurocentrism," not to mention the earnestly argued need for affirmative action and the protection of local content

And that raises the spectre of new entrants to the market being forced to carry a minimum amount of affirmative action programming, thus hampering their ability to meet the needs of the market Hints have also been dropped that attempts will be made to regulate incoming satellite signals, thus erecting further protective walls.

Whatever the merits of the SABC's defence of its role, it is questionable whether the IBA has the muscle or the inclination to take on the giant For a start, the SABC is *there*, with its own suburb in Johannesburg, its thousands of employees, three national TV channels, more than 20 radio stations Such a structure, built and refined over nearly 60 years, is not lightly dismantled, and there is no doubt that it provides many popular services and is widely accepted

Then there are the political factors CEO Zwelakhe Sisulu answers to an SABC board which is overtly sympathetic to the ANC, he undoubtedly has more political clout with government than the co-chairpersons of the IBA, Peter de Klerk and Sebiletso Mokone-Matabane Now that the ANC has got its hands on the national broadcasting medium, it is hardly likely to countenance the dismantling of a crucial tool of power and patronage

We suspect that the importance of PSB, while real, is being vastly overrated in order to fulfil a political agenda and to protect vested interests Certainly there is a role for a national broadcaster, but what the industry really needs is unrestricted access and privatisation wherever possible

Given the realities of power, this is not likely to happen ■



No State funding for PBS, says SABC

Star 12/11/94

LOUIS DE VILLIERS

THE SABC seems convinced that no State funding will be available to fund public service broadcasting (PBS) in South Africa.

This is despite the fact that the majority of both written and oral submissions to the Independent Broadcasting Authority have called for State funding of PBS "in one way or another"

"One cannot turn to the State or the taxpayer The only viable alternative is through commercial activity," states SABC radio senior general manager Solly Mokoetle in the latest edition of the corporation's commercial radio newsletter

Mokoetle echoes the views of SABC chief executive Zwelakhe Sisulu, who told an IBA hearing earlier that a look at the need for State funding in other areas had prompted the SABC to believe it would not receive State funds

Mokoetle believes that commercial activity is crucial to the fulfilment of the SABC's public service mandate (260)

"Each station should determine for itself two things what it wants to achieve, and how it will achieve this And everything will have to be done within the framework of its public responsibility," says Mokoetle

"One thing remains clear — the interdependence of the SABC's commercial and public broadcasting arms is undeniable This will become increasingly so, which means that the commercial stations retained by the SABC will have to become even more successful as the SABC's public broadcasting responsibilities expand"

SABC radio consultant Pietie Lotriet finds that the trend in radio and television programmes has already shifted to more educational matter He believes this trend will influence advertisers — the shift in emphasis of programming will be reflected in a parallel shift in advertising content

On a more mischievous note, the newsletter takes a swipe at the SABC's television service Mokoetle dodges a question by an anonymous writer about which stations will be retained and which abandoned, saying he was not concerned by "mechanics" but by policy

"But we are dealing with stations created with public money which are market driven. So it is only fair to the public that clarity be given as to mechanics, because it has a direct bearing on them," the newsletter says By way of example, it speculates what might happen if Highveld Stereo were to close down

Hopefully, another station would emerge to cater for this station's market "If not, the present Highveld listenership will be left with as an unpalatable a choice as the present television viewer without M-Net, who has to choose between the dull fare of TV1, CCV and NNTV"

Arguments delay issuing of licences

BIDaily 14/11/96

260

MARK ASHURST

ESTABLISHED commercial broadcasters have delayed attempts by the Independent Broadcasting Authority to speed up the issue of licences to new commercial broadcasters by insisting on more time to examine proposed amendments to IBA legislation.

The proposed amendments, intended to accelerate the issue of new licences, were tabled in Parliament earlier this month

After hearing submissions from the National Association of Broadcasters (NAB) last week, communications select committee chairman Saki Makozoma said proposed amendments to the IBA Act could not become law before February

The first draft of the amendments — revising the Act to allow the issue of new commercial licences prior to the completion of the IBA inquiry into public service broadcasting, cross-media ownership and local content — was submitted to Posts, Telecommunications and Broadcasting Minister Pallo Jordan in July

But these were revised in September after broadcasters protested they had not been consulted over the proposals, and tabled in Parliament early this month

NAB executive director Daniella Goldman said the organisation had been granted less than a week to respond to the proposed amendments

She warned they would transform the IBA "from an enabling to an invasive and controlling body". She said the IBA's refusal to allow the industry "a reasonable period" to make submissions was "undemocratic in the extreme"

The amendments propose that existing broadcasters such as M-Net and Radio 702, whose licences are "grandfathered" by the IBA Act until the turn of the century, be subject to the same regulatory conditions the IBA imposes on new licencees.

They would also empower the IBA to subpoena broadcasters to give evidence at its inquiries, extend its regulatory capacity to cover satellite broadcasts, and to hold certain hearings in secret

The latter clause would enable the IBA to examine companies' strategic business plans which broadcasters would not reveal to the IBA without a guarantee of confidentiality, IBA member John Matisonn said

Makozoma said the committee would finalise a procedure for public hearings this week The hearings would be held in Cape Town in January, after which the committee would present a final version of the amendments to Parliament

IBA co-chairman Sebiletso Mokone-Matabane urged aspirant broadcasters to prepare submissions to the committee

But Makozoma warned that the committee would not debate any extraneous issues not directly related to the IBA's proposals.

"Unfortunately democratic processes open themselves to filibustering We don't want to fight (the IBA's) battles ... we won't send away anyone who comes with a submission, but if the only voices we hear are those of the big players we will still reach a decision," he said.

Further hearings would be held in February to select an eighth IBA member To date it has operated with only seven of the eight members required by the Act

Broadcasters delay issue of new licences

(260) CT 14/11/94

Own Correspondent

JOHANNESBURG — Established commercial broadcasters have delayed attempts by the Independent Broadcasting Authority (IBA) to speed up the issue of licences to new commercial broadcasters by insisting on more time to examine proposed amendments to IBA legislation

The amendments, aimed at accelerating the issue of new licences, were tabled in Parliament this month

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The amendments propose broadcasters such as M-Net and Radio 702 be subject to the same regulations the IBA imposes on new licencees

It would also empower the IBA to subpoena broadcasters, to regulate satellite broadcasts and to hold some hearings in secret

Arguments delay issuing of licences

BIDay 14/11/94

200

MARK ASHURST

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Mining pushes for Sunday work

BIDay 14/11/94

MICHAEL URQUHART

LIFTING restrictions on Sunday work would allow the mining industry to utilise excess capacity created by the economic downturn and conditions in the industry, the Chamber of Mines said at the weekend

An extra working day would allow the mines to increase capacity utilisation by 14% and could create 28 000 jobs, Chamber economist William Houtman said.

This would also put the SA industry on a par with mining practice around the world

Houtman said Sunday work could lead to large improvements in productivity

It would allow labour and capital to be utilised more efficiently. He mentioned marginal mines such as Lorraine, where a special dispensation allowing Sunday work had "saved the mine".

Sunday work would also help offset the negative effects of the increased number of public holidays, Houtman said

The mining industry was unlikely to reach 100% capacity as at this level sudden fluctuations in the gold price would lead to sudden fluctutations in employment

But the National Union of Mineworkers rejected the proposal for Sunday work, made by Jurie Geldenhuys in his speech as outgoing Chamber of Mines president

An NUM spokesman said Sunday work had been used as a crisis strategy on marginal mines, but the Chamber now wanted to make it a condition of work

He said if the mining industry wanted to increase productivity it should concentrate on increasing the skills of its workforce, rather than on making people work longer hours.

SABC staff share in profits

Star 15/11/94

■ BY MICHAEL SPARKS

The payout received by SABC employees earlier this month was part of a one-off profit-sharing scheme, according to an internal document circulated to employees

The document said that the payment, which was approved by the board, was "in recognition of their contribution during the past year".

It was given because of the surplus achieved by the corporation for the year ending September 1994.

According to SABC spokesman Willie Visagie, the payment was to all 5 500 employees of the corporation, except those who are on a profit-sharing scheme implemented earlier this year

He added that the payment would be equivalent to more than a month's salary for the lower paid workers, while higher paid employees would receive less than a month's salary.

However, he was unable to say what the payout of the profit sharing would cost the corporation

Difficult

The document noted that the past year had been particularly difficult, with the transformation process creating a lot of uncertainty for staff members

In a separate development the Independent Broadcasting Authority (IBA) announced yesterday that it had received more than 90 applications for temporary community radio licences, and eight applications for community television stations

The closing date for applications for temporary community licences is today, with applications still pouring in yesterday.

The applications for television licences included two Christian stations and one other station for the PWV, two for Cape Town, including one run by Captour, and one each for Durban, Bloemfontein and Port Elizabeth.

The applications for radio stations include Radio Safari in the Eastern Transvaal and Tekeweni Wildlife Radio in KwaZulu/Natal, as well as the Overseas Chinese Radio Station

90 community radio applicants

CT 15/11/94 (260)

JOHANNESBURG. — The Independent Broadcasting Authority (IBA) has received more than 90 applications for one-year community radio station licences, IBA co-chairmen Mr Sebiletso Mokone-Matabane and Mr Peter de Klerk said yesterday.

In a joint statement, they said eight applications for one-year community television station licences had also been received

The closing date for community radio and television licence applications is today

They were "thrilled" at the number of applications which included Radio Safari in the Eastern Transvaal, Tekeweni Wildlife Radio in kwaZulu/Natal, Overseas Chinese Radio Station in the PWV, Voice of Soweto, Teemaneng Initiative in Kimberley, Radio Head to Head in Knysna, Radio Sedaven in Heidelberg, Family Channel in the PWV and Fine Music Radio in Cape Town

Applications for TV licences included Family TV in the PWV, Cape Town Television, a Captour community-based TV station, and Life TV in Durban, Cape Town, Bloemfontein, Johannesburg, Soweto and Port Elizabeth.

"The (application) hearings are open to the public and once the hearings for the other applicants are scheduled, the public will be notified," they said — Sapa

Last-minute radio licence applications stream in

Star 17/11/94

■ BY MICHAEL SPARKS

The Independent Broadcasting Authority (IBA) had received 30 applications for temporary community television licences and 154 applications for community radio licences when applications closed on Tuesday.

IBA member John Matisonn said he was surprised at the high number of last-minute applications

The IBA received 94 applications for radio and television licences on the final day.

Matisonn said he was also surprised by the high number of applications for community television stations, but said. "This response confirms our confidence that there is enormous pent-up demand by South Africans from all walks of life for the right to broadcast in their own languages, and among their own communities

"We had really only expected there to be more applications than available frequencies in Johannesburg/Soweto and the Cape Town areas. But it now seems frequencies in other major centres are also going to be congested"

He added that this could affect the transmission radius of those licences that are granted

It also meant that in an area where there were more applications than frequencies available, applicants would have to beat other applicants, rather than just meeting IBA requirements

He said most of the television applications arrived on the last day, adding that it would take several days to see how many could be accommodated. (200)

"It's going to be an extremely busy time, but we couldn't be more pleased. This is going to have a significant impact on communities, and even on the economy, in time," Matisonn said.

Yesterday the IBA held the fifth hearing for a community radio licence, and Matisonn said that he expected the first one-year licences to be issued next week.

Strong lobby to abolish subsidy

Sasol tariff protection under threat

BIDay 18/11/94

MICK COLLINS

TWO official probes are about to be launched into Sasol's extensive tariff protection.

Informed sources said yesterday the investigations had been mooted by two National Economic Forum committees — the liquid fuels task force and the trade and industry working group.

They said there was a "growing feeling" that comprehensive studies of the oil-from-coal and petrochemical group were needed, focusing particularly on the synfuel subsidy system.

Liquid fuels task force co-convenor Johannes Landman said: "All parties agree it is an area that must be addressed, but who should conduct the investigation has not been agreed to."

The task force is reportedly under pressure from several lobbies to immediately lower the protection for Sasol's synfuel business and abolish it in the longer term.

A Sasol spokesman said the company was not aware of any move to reduce the tariffs. "Sasol has always maintained that the Board on Tariffs and Trade should be the body to conduct an investigation into Sasol's tariff protection."

He said there was no cross-subsidisation between Sasol's coal, synfuels and chemical businesses. Feedstocks and products were sold at market prices.

Last year the tariff protection amounted to R1bn for the group.

The trade and industry working group is set to investigate cross-subsidisation between coal and synfuels, and synfuels and petrochemicals. SA levies import tariffs on various feedstocks. One lobby in the group is arguing that as Sasol provides cheap feedstocks for the manufacture of raw materials the tariffs could be cut substantially, even to zero.

Another possibility is that Sasol could soon see its floor price for oil — guaranteed at $21,85 a barrel — lowered to $20 with further decreases later. Sasol receives revenue equivalent to the difference between the prevailing oil price and $21,85.

The new moves would cut tariff income nearly 50% next year and slide to R200m by 1996.

Edey Rogers & Co inc analyst Franco Busetti said increasing pressure for the removal of protection was expected to cut the floor rate to $20 a barrel before the month-end. "It appears unlikely that the oil price will exceed even $20 a barrel by the end of 1996, so protection gains will continue, albeit at a much lower level."

In the 1995 financial year protection of R693m could accrue, despite the forecast reduction in the floor rate, but it would fall to R488m in 1996 and to R205m in 1997.

He said a drop in the floor price would severely dent protection receipts, followed by a continuing decline due to the oil price slowly rising towards the new floor level.

Another analyst said lower synfuel protection would be a key factor in lower fuel prices. The solution might be to isolate synfuel production — subsidising plants only to the extent that they broke even.

An oil industry source said Sasol's tariff protection was reflected in the equalisation fund and transport costs "The question is will the equalisation fund levy and transport costs come down to benefit the motorist?"

IBA receives 184 licence requests

BI Day

THE Independent Broadcasting Authority (IBA) has received 184 applications for community broadcasting licences, of which 30 are for community television stations

But IBA member John Matisonn warned that the number of applications had made it "likely there will be several places where the number of applications exceeds the frequencies available". 21/11/94

Seventy four of the radio licence applications were from PWV-based ventures, and a further 31 came from the Western Cape. Of the community television applications, 11 were from the Western Cape and seven from the PWV

More than half the applications were submitted to the IBA on Wednesday, the closing date for applications (260)

Matisonn said that the response had confirmed the IBA's "confidence that there is an enormous pent-up demand from South Africans from all walks of life for the right to broadcast in their own languages, and among their own communities".

During the next two weeks all outstanding applications will be published in the Government Gazette, after which public hearings for applicants will be held to determine the scope and conditions of proposed licences

MARK ASHURST

The IBA has already held hearings for five of the earliest applicants in Maritzburg, Kroonstad and Christiana in the Northern Cape.

Its decision on these applications would be announced this week, Matisonn said

Three of the 184 applications for one-year community broadcasting licences are for national licences, and included one television channel

These are Peace Radio, Radio Pulpit (both currently broadcasting on the SABC's Radio 2000 frequency) and a proposed youth television service, Y-TV

Community television applications came from all provinces except the Eastern Transvaal, where there were 13 community radio applications, and the Northern Transvaal where four radio stations were proposed

A total of four applications also came from the Northern Cape, including two television proposals: Community Broadcasting System and Northern Cape Network.

The television applications in the PWV included Jewish, German, Portuguese and Greek stations In KwaZulu/Natal there were 13 radio and two television applicants

Eskom makes service pledge

By MUNGO SOGGOT

ESKOM would not cut off defaulters until its service was up to scratch in areas where people either refused to pay their electricity bills or paid them intermittently, the national power supplier said yesterday.

Senior GM distribution John Bradbury said Eskom had started cutting off defaulters where it offered "normal service", such as Soweto.

Bradbury said that in Daveyton, the utility had recently cut off about 3 000 defaulters a month. About 800 of these had paid their arrears, while 2 000 had made arrangements to pay.

It had cut off about 500 of the 1 200 connections in Bekkersdal in the West Rand. Three quarters of those cut off had paid their arrears. There had been no cut-offs in Katlehong as Eskom was still organising records.

The utility had just started cutting off defaulters in the East Rand township of Vosloorus and was planning a major drive next month.

Eskom sales and customer service manager Paul Maré said last week about half of the 18 000 homes cut off in Soweto had since paid all or some of their arrears or had made arrangements to pay them.

Eskom was preparing to cut off a similar number of defaulters who had paid their bills intermittently.

Sapa reports Eskom is to take strict action against people reconnecting electricity supplies illegally.

Official Ken Green said it was not only illegal and dangerous for non-paying consumers to reconnect their electricity supplies, it caused financial hardship for paying customers.

Non-paying customers would have to pay R450 to have their supplies reconnected legally.

Eskom's action against Soweto's 18 000 defaulters followed the expiry of a bill payment deadline agreed on by the power supplier, Soweto civic associations and political parties.

Bradbury said since talks with Soweto civic associations and political parties began in March 1992 Eskom had been upgrading its service.

Eskom funding needs 'unchanged'

MUNGO SOGGOT

ESKOM's funding needs for next year would be "basically unchanged' from this year, thus the national power supplier's activities would not put upward pressure on money and capital market rates," executive director, finance, Willem Kok said yesterday

Eskom GM, treasury, Johan van den Berg said Eskom would next year approach the markets for about R4,95bn

Eskom's financing requirements for 1996 and 1997 were estimated to be R6,5bn and R4,2bn respectively. About R4bn would be needed in 1998

These projections included estimated funding needs for the electrification programme, in terms of which Eskom had undertaken to make 300 000 new connections a year to the national grid until 1999

Van den Berg told financiers at Megawatt Park near Johannesburg that next year's figure included maturities worth R2,4bn in the money market, maturities worth R690m in the domestic capital market and maturities worth R960m in foreign capital markets

Eskom was therefore refinancing R4,09bn and would take up new loans of R860m. For the new loans, about R2,4bn would be raised in the domestic money market and R1,3bn on foreign markets, while the total requirement in the domestic capital market had already been met in October through the issue of electrification participatory notes worth R1,2bn

Kok said "Eskom's main objective is to continue with its programme of bringing electricity to thousands of SA homes, while at the same time improving its financial health We are also improving our international competitiveness by keeping our annual price increases below inflation"

Eskom funding needs on track

Own Correspondent

JOHANNESBURG. — Eskom's funding needs for next year would be "basically unchanged' from this year, thus the national power supplier's activities would not put upward pressure on money and capital market rates, executive director, finance, Willem Kok said yesterday.

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Licence for rural radio

(260)

ET 25/11/94

JOHANNESBURG. — Rural Women's Movement Radio was granted a short-term community radio licence this week by the Independent Broadcasting Authority to broadcast to the Moutse community in the Eastern Transvaal

Post office threat on TV fees

CT 25/11/94 (260)

PRETORIA. — Television licence fees of R42 million collected by the South African Post Office for the SABC will be held back to pay for possible retrenchment packages for TV licence inspectors, the post office said today.

More than 170 posts are said to be involved.

Once the amount to be paid out had been determined the balance would be paid to the SABC.

The move follows an SABC decision to end the collection services of the post office from October 1.

The SABC's acting deputy Mr Gert Claassen said he was aware of the dispute between the post office and the SABC but said any attempt by the post office to "illegally" withhold public trust money to settle retrenchments would lead to legal action.

"We gave them formal written notice of our intentions to end the service in May and since then they have hung back and threatened us with a court interdict saying we cannot terminate the service.

"The reason we terminated the service was because they charged R18 million a year to collect licence fees while the maximum ever recovered by them in a single year was R6 million.

"In other words we were spending R12 million for 170 people to have soft jobs."

Mr Claassen said the SABC would be authorising 2 000 freelance inspectors to recover licence fees on a "commission basis". — Sapa.

SABC plans to silence stations

By RICHARD McNEILL

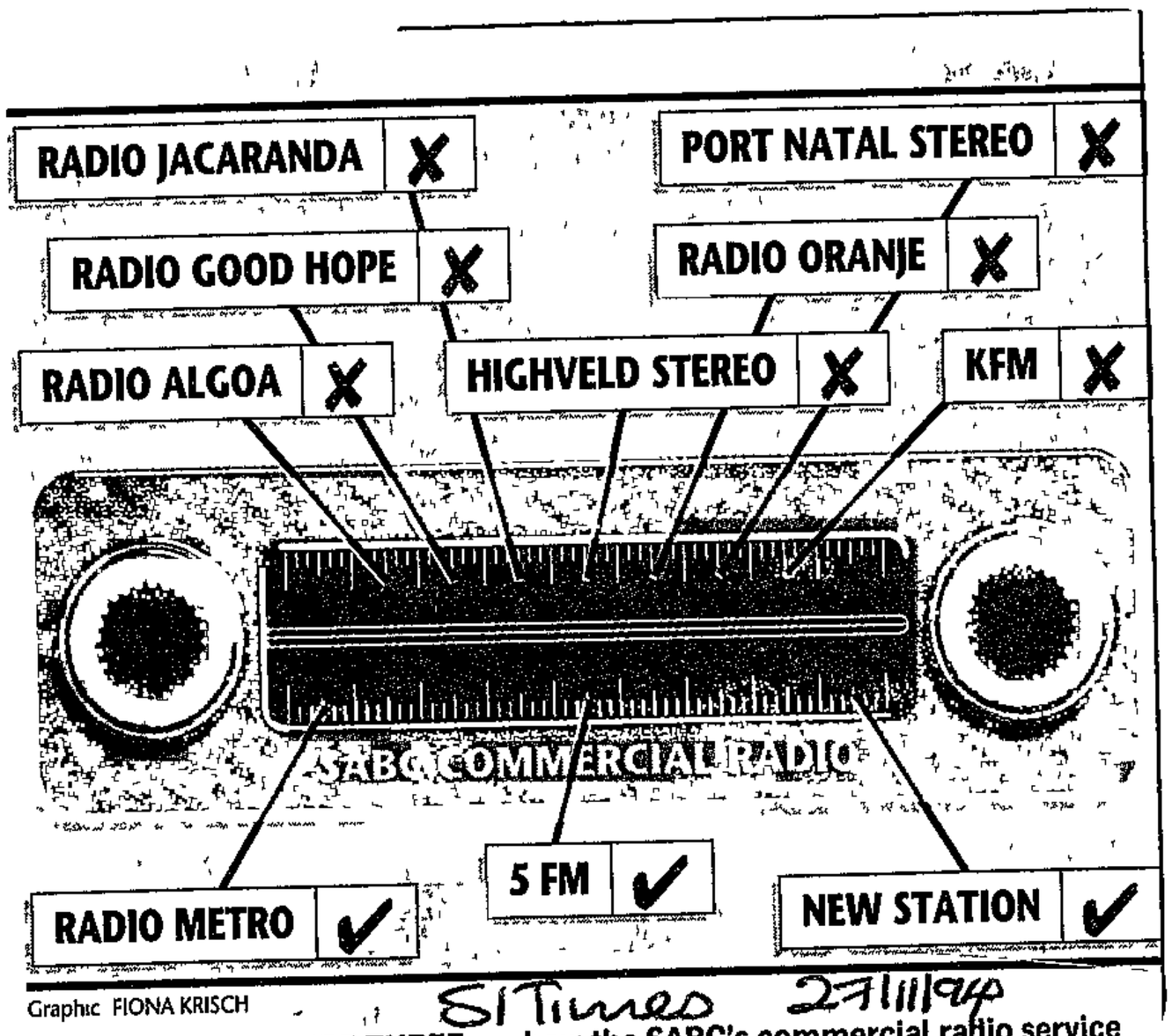
THE SABC'S seven regional commercial radio stations will be axed and replaced by a single national radio channel, according to proposals to be put before the board later this week

The new channel would join the SABC's two most popular national stations, 5FM and Radio Metro, to complete the corporation's commercial portfolio

The proposals, which would throw open South Africa's provincial airwaves to independent broadcasters, come with the heavyweight backing of senior radio management and are "almost certain" to be adopted, say SABC sources

But there is also bound to be an outcry from staff on the affected stations — Highveld Stereo, Radio Jacaranda, Radio Good Hope, Radio Oranje, Radio Algoa, Port Natal Stereo and KFM.

And once again the language issue is likely to hot up. Jacaranda, Oranje and Good Hope are considered to be "Afrikaans-oriented"



Graphic FIONA KRISCH

ST Times 27/11/94

AND THEN THERE WERE THREE . . . how the SABC's commercial radio service will be pruned if a drastic new plan is accepted

260

stations. The others broadcast varying amounts of Afrikaans

The proposed new "adult contemporary" station would be based in Johannesburg, and broadcast predominantly in English — though other languages, including Afrikaans, would feature.

The SABC is already committed to reducing the number of regional commercial stations to allow the Independent Broadcasting Authority to re-allocate frequencies to independent broadcasters.

But these proposals go beyond anything previously mooted. The most drastic plan until now allowed for five SABC commercial stations — three national and two regional. Now only three national stations remain.

Senior sources at the SABC stressed this week that the proposals had been finalised only after a careful study of other options, as well as the impact of the closures.

Said one source: "There are bound to be some job losses, but at the same time the SABC is expanding its centralised radio service, as well as its regional public services, which will offer opportunities to staff.

"But we are also on the brink of a huge expansion in independent radio. There will be a tremendous demand for skills, which only SABC staff have"

Independent broadcasters, who have been pressing for the SABC to abandon all commerical transmissions, will be delighted if the plan goes through.

Sources say although there will be some reduction in Afrikaans, this will be compensated for by transmitter "splits" which will allow greater penetration of Afrikaans Stereo into Afrikaans areas.

Like Radio South Africa, Afrikaans Stereo is one of the 11 public service language stations that do not form part of the commercial portfolio.

Decisions have still to be taken on two other public service stations: Radio 2000 and Radio Lotus. Radio bosses would like 2000 to become a multilingual "youth station", but propose letting the IBA decide what happens to Lotus

● Reddy, steady go: Page 33

Newspapers have 'skills to run radio'

CT 1/12/94 (243)(260)

Own Correspondent

JOHANNESBURG — Established SA newspapers would be able to run radio stations successfully as they had the necessary skills and financial muscle, Nasionale Pers chief executive (newspapers) Mr Hennie van Deventer told the Independent Broadcast Authority yesterday.

Dismissing the IBA panel's fears that newspapers owners would dictate the editorial policy of radio stations, Mr Van Deventer said that within Nasionale Pers there were "different voices" in the form of diverse publications such as City Press and Beeld

Newspaper Press Union spokesman Mr Cobus Scholtz also came out in support of cross-ownership, saying it would serve "in the best interests of the public" through providing a diverse range of services.

"It would be dangerous for the IBA to rigidly apply the cross-media regulations — that one person could control no more than one TV licence and two FM and AM radio licences — as this would hamper flexibility," he said

Both Nasionale Pers and the NPU asked the IBA to view each application separately and to consider the background to each case

An IBA official said the organisation was primarily concerned with the ownership and influence of the media "We don't need more of the existing media groups What this country really needs is better diversification of the media"

Call on broadcast ownership

THE Independent Broadcasting Authority (IBA) should play an active role in resolving uncertainty over the ownership of former homeland broadcasters and the restructuring of the SABC, Posts, Telecommunications and Broadcasting Minister Pallo Jordan said yesterday.

Ownership of the Bophuthatswana Broadcasting Corporation, which falls across the boundaries of the Northwest, the Eastern Cape, the PWV and the Free State, had not been decided, he said.

"Any province which owns, wants to own or has appropriated .. a public broadcaster, is subject to the IBA The IBA is in a far stronger position . to lay down the law (and) to say who owns the assets because it is empowered to decide about the fate of the public broadcaster."

But IBA member Lyndall Shope-Mafole said she believed the state should decide on

MARK ASHURST

the ownership issue. "The fact that (the IBA) has not debated this issue indicates that we probably didn't realise the scope of our brief"

The IBA has resisted pressure to take a public stance on the issue of former TVBC broadcasters, and has proposed amendments to the IBA Act to make them subject to IBA regulation

In terms of the interim constitution, central and provincial governments share "concurrent competence" for provincial public media Jordan said it was the IBA's task "to translate constitutional competence into reality"

"The IBA could say, for instance 'We think we should dismantle Ciskei (Broadcasting Corporation) and give all that

To Page 2

ARG 3/12/94

SABC tries to find out which waves the people want

LOUIS DE VILLIERS

A MAJOR corporate advertising campaign for the SABC, devised by agency AM & C, has been launched

It's a campaign with a difference, though

The first ad, which shows a close-up of a human ear, proclaims "The SABC has opened a new channel."

This ad, as well as follow-up ads, asks for public input on the role which the SABC should be playing and, for that matter, any broadcasting issue which concerns the public

Says SABC chief executive officer Zwelakhe Sisulu "The conversion from a state broadcaster to a public service broadcaster, accountable to the public, is central to the new positioning of the SABC."

The print ads will be followed by commercials on radio and television which raise issues and are aimed at provoking public comment

Phone-in opportunities on national radio and regional radio, in all 11 official languages, will be augmented by the use of television camera crews, who will run street interviews with the public to be screened in actuality slots.

The SABC says in a release that public forum opportunities will be structured on radio and television this month Specific concerns raised by the public will be addressed by senior SABC executives

Mr Sisulu told journalists this week that the public "now has to take ownership" of the SABC.

He emphasised that this was not a campaign aimed at influencing the IBA.

"We will assess the responses we get from the public in a ballot box fashion — they will give the corporation a sense of what the public's feelings are"

Mr Sisulu said this action was part of a consultative process — something which the SABC had promised when it unveiled its proposed radio and television portfolios

Will this campaign contribute towards a valid picture of public broadcasting needs and desires? Marketing experts fear not

Bop Broadcasting Corporation has been running an intensive print campaign for a number of weeks now aimed at garnering public support for its quest for a national signal

To date, only 2 000 telephone calls have been received, and less than 200 letters

"Our campaign is not intended to sway the IBA," says a Bop spokesman "Rather to stimulate public discussion and debate There is very little understanding and debate out there around the IBA and its triple inquiry"

With all the resources of the SABC behind the corporation's campaign, a much higher response will no doubt be generated than has been the case with the Bop campaign.

Market research sources point out that these responses may or may not have value

The experience at talk radio stations such as Radio 702 indicate that those responding and calling in tend to be a vocal minority

Also, if a pressure group such as, say, the Rapportryers, were to mobilise members to phone or write in, results could be skewed

"One would hope that the SABC is doing extensive market research anyway — this type of polling will definitely not be representative," says Impact Information managing director Erik du Plessis

"As research, the response gleaned by this campaign would not be valid.

"Apart from the concepts being esoteric, even to educated people, the very people which are supposed to benefit in the long run from these services will be unable to voice their opinions.

"Most of them don't own television sets at the moment and probably don't have access to telephones to make their voices heard, and they probably will be unable to write in because they are illiterate

"Even if the illiterate majority were able to voice their opinions, there are doubts about the worth of these views, because these people would be asked to comment on aspects which they have no great experience of, and would certainly not be able to compare between, say, the services of a public and a private broadcaster as currently manifested in South Africa by the SABC and M-Net respectively."

Pik makes Sasol an offer it will refuse

ST Times (Buss)

260

By KEVIN DAVIE

ENERGY Minister Pik Botha has asked Sasol to forfeit its controversial tariff payments — R1-billion last year — against cancellation of its almost R1-billion loan obligation to the state

The deal would mean an immediate termination of tariff payments to Sasol in exchange for writing off Sasol's remaining R950-million payments to the Central Energy Fund for the purchase of Sasol III

"Sasol's present form of tariff protection ought to be withdrawn," says Mr Botha

"But this will constitute a breach of contract with a private enterprise company resulting in litigation which could cost the government R1-billion or more

"In terms of the sale agreement of Sasol III, the government is obliged to continue providing tariff protection at an agreed rate until the end of 1995"

Mr Botha says preliminary investigations into scrapping the Sasol payments have revealed significant stumbling blocks.

"One of these is that the fiscus would lose something like a conservatively estimated R300-million in tax at present payable by Sasol on its profits, enhanced due to tariff protection."

Sasol's Amelia Soares says Sasol does not want any special treatment such as writing off loans to compensate for adjustments to tariff protection. 4/12/94

"It also appears to us that the negative effects on the fiscus would effectively rule out this proposal"

She says any reduction in tariff protection should be phased in over at least five years as agreed for other industries in terms of South Africa's offer to the general agreement on tariffs and trade

The ANC added its voice this week for calls to cut tariff payments to Sasol Its draft energy policy says "the current formula used in respect of Sasol has enabled Sasol shareholders to benefit unfairly"

In another development, Roy Pithey, chairman of the CEF, whose organisation is responsible for calculating the fuel price, says the system artificially inflates prices

The petrol price is to go up by 1c/*l* on Wednesday He says "market forces would give consumers a fairer price"

Mr Pithey, who is also chairman of Mossgas, was responding to faxed questions on statements by Mossgas's John Theo that the local oil industry was being subsidised by South Africa's basic fuel price, the in bond landed cost.

Mr Pithey did not quantify the extent of the subsidy but says the export price which SA oil companies pay for Mossgas fuel was 4,7c/*l* to 9,5c/*l* cheaper than SA fuel this year

The CEF, which is responsible for the structure used to administer the oil industry, has been calculating the monthly changes to the fuel price agreed by the National Economic Forum

NEF sources say the NEF did not investigate the IBLC, but accepted the assurance of the business delegation that the IBLC was a fair price

Transnet economist Mike Schussler calculates that the SA fuel price, exclusive of taxes and levies, is 25c/*l* more expensive than average European prices

This is R3,75 billion a year, a figure which accords with the R3,5 billion which Engen's Rob Angel says will be saved if South Africa moves to a deregulated market.

Mr Pithey says the IBLC, calculated from Singapore prices plus shipping, artificially inflates South Africa's true import parity price as Singapore prices already include the actual freight charges from the Gulf to Singapore.

CEF figures show the government-administered wholesale margin paid to the oil companies has increased from 1,6c/*l* in the early 1980's to the present 14,05c/*l*

This margin has increased by almost twice the inflation rate over the last six years

Mr Botha says deregulation will bring down prices but the oil companies will soon take over stations in the country resulting in an oligopoly and a price increase

He says Energy Affairs, Trade and Industry, Transport, Labour and Finance are working hard to achieve a synthesis out of the industry's antitheses



ROY PITHEY chairman of the Central Energy Fund

Eskom issue launched

260

JOHANNESBURG. — Eskom today announced the launch of the second tranche of its Electrification Participation Note, EPN2, to fund a substantially enlarged electrification programme of 1,75 million households

The first tranche, EPN1, was issued in May 1993 to raise finance for the electrification programme which at that stage targeted one million new households by 1998. ARG 19/10/94

The EPN2 launch was announced by Eskom's executive director (finance), Dr Willem de Kok

He said the EPN2 issue would once again be a private placing to institutional investors who were mainly members of the Life Offices Association.

At the same time as EPN2 was launched, Eskom would repurchase from investors the full issue of EPN1 and replace it with the equivalent value of EPN2

Total funding to be raised by EPN2 would be about R1,2 billion, which would fund about 400 000 electrification connections

The EPN is seen as the single most significant manifestation of how private sector capital can successfully be used to fund upliftment projects in the RDP. — Sapa.

Making (air) waves

ALG 6/12/94

260

Radio is perhaps the SABC's most threatened sector in the new dispensation. This is largely because it's the cheapest form of broadcasting and will come in for the greatest competition once the IBA grants community and commercial broadcast licences. How does the SABC feel about this? Tonight Reporter GILL LORD spoke to Govin Reddy, chief executive of radio, in his office in Johannesburg

You took on quite a project. Logistically, what did you find?

I inherited a public broadcasting service (PBS) radio system which was language based and currently broadcasts in 11 languages, with Radio Lotus for Indian listeners and Radio 2000 as a spare channel.

Of the 11 commercial stations, the most are in the regions — like Kfm and Radio Good Hope in the Cape. The PBS is urban based and concentrated in the PWV — in fact seven out of 13 stations are based there. After that, there are three in the Northern Transvaal, two in Natal, one in the Eastern Cape and nothing in the Western Cape and Eastern Transvaal This is lopsided

Secondly, they are based far away from their listeners For example, Swazi is spoken in the Eastern Transvaal, yet Radio Swazi is based in Pretoria

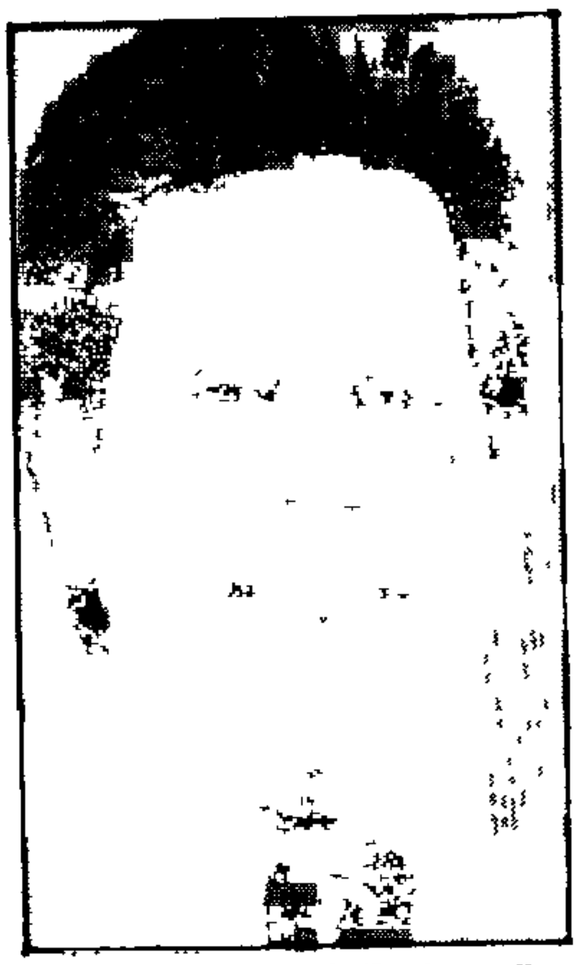
How do you plan to change this?

The plan is to satisfy provincial needs by taking the language to the listeners In addition, there's a drive to decentralise, for example we plan to move Afrikaans stereo to Cape Town as more Afrikaans is spoken in the Western Cape The plan is to put the station where the majority of its listeners are

Also, we're creating transmitter splits for the first time For example Radio Zulu will split into four different stations for about four hours a day, while Afrikaans Stereo will probably split nine ways All will cover local issues

Does this mean more staff in the field?

We'll have bureaus in small towns where there is a high concentration of language groups We plan to reach 95 percent of our target audiences as opposed to the 60 to 70 percent we're reaching at the moment



GOVIN REDDY: Radio will always hold its place

This will also mean a lot more transmitters We are not expanding, we're using our facilities to reach the most people I want to see radio access to almost all the people in South Africa

Do you have any doubts about the IBA and it's licence allocation?

No, not at all, except to say that I hope the IBA distinguishes between genuine national and public interest and self-interest Deregulation will throw up a lot of self-interested parties

How do you feel about the competition?

Oh, we welcome it It'll help us improve our standards The SABC has enjoyed a monopoly for so long, we could virtually get away with anything The new dispensation can only improve our journalistic standards.

Of course it will negatively affect us financially, with the redistribution of advertising revenue But in the end the listeners will benefit

Quality broadcasting will be the acid test We'll have to improve our quality — but Radio Zulu, our flagship, just has to keep to the high standards it's already set, for example Generally, we'll fight competition by being better than the rest

Are there plans for new programmes?

Yes, plenty Radio has a strong nation-building role to play For one thing we're creating a new youth station on Radio South Africa, We must start with the youth

Also the SABC must be committed to promoting local music I've made that clear to the IBA There must be much more local music in the future. It'll differ from station to station, but we've made commitments to various local music unions, and I've also made a public commitment, in terms of providing a rounded public broadcasting service

What of the rumours of merging stations — like bringing Kfm and Radio Good Hope together?

That's just one proposal, which unfortunately got leaked to the Press prematurely The truth is we've been workshopping and I don't know yet what the final proposal will look like.

Ultimately though, we are presenting a commercial portfolio because we have to, not because we want to. We need it to fund our PBS If we had funding for this from elsewhere we wouldn't want the commercial stations

How do you see the future of radio with television audiences growing so rapidly?

Television audiences are growing internationally, South Africa is no exception Here it will grow steadily, as electrification increases and salaries rise Yes, we will lose out to TV but radio will always continue It has the advantage of immediacy and affordability

In sub-Saharan Africa there are 95 million radio sets and 15 million TV sets We're also becoming more of a car country, and most cars have radios Many people will still use radio for its news and music. It will always hold its place because of the unique nature of its ability to communicate

Let's talk radio . . .

RUMOURS and uncertainty about radio in South are flowing through the airwaves non-stop. Nobody seems to know what the future holds, but everybody has an opinion.

With decisions about various stations such as Good Hope FM and Kfm still in the air, people are wondering what the new service will be like.

Do you want more news? More talk? More entertainment? More music? Whatever. With 1995 just around the corner, and decisions imminent, why not air your opinion before it's too late.

Letters on the subject can be addressed to The Editor, The Argus, PO Box 56, Cape Town, 8000.

SABC plans to 'do more with less'

Star 7/12/94

The South African Broadcasting Corporation is to tell the Independent Broadcasting Authority it plans to rely less on imported programmes, the SABC said yesterday.

Tomorrow and Friday the corporation is to make its final submission to the IBA inquiry into the future of local broadcasting.

The SABC said chief executive Zwelakhe Sisulu's submission would follow his earlier statement that the corporation planned to "do more with less". Viewers and listeners would be treated as citizens first and consumers second.

Sisulu said "At present SABC production staff and facilities are utilised to only 60 percent of capacity. There is scope for much more efficient use of resources. As a bonus, we will be creating programming that reflects our local situation.

"At the same time we will change the ethos of the organisation as we will increasingly become a corporation that is programme-driven.

Studies showed 36 percent of staff were involved in management or administration, although the international norm for a public broadcaster was about 15 percent.

"The move to a programme-driven model will make us a leaner organisation better capable of introducing South Africans to their country and to their fellow citizens" — Sapa (260)

SABC plans to retrench 800, and add R73m to programming

(260)

ARG 8/12/94

JOHANNESBURG. — The SABC plans to retrench about 800 employees or 15 per cent of its staff complement, chief executive officer Zwelakhe Sisulu has said.

He told a hearing of the Independent Broadcasting Authority today that the SABC would divert R73 million saved on staff cuts to programming.

The operating expenses of non-production units would be cut by 10 percent, freeing another R30 million for programming

Mr Sisulu said the SABC intended employing an affirmative action programme to achieve a ratio of 50 percent black staff over the next three years It would double its training allocation from 2,5 percent of the salary and wage bill to five percent, about R20 million a year.

Unveiling the corporation's policy proposals, Mr Sisulu said local content in programming would increase from 40 to 60 percent, Afrikaans would get a smaller share of local drama productions and the five biggest African languages would get a bigger budget

He said there would be 57 percent more news on TV and radio, and current affairs programming would increase by 92 percent — Sapa

Bop TV wants to expand

18/12/94
(260)

JOHANNESBURG — The Bophuthatswana Broadcasting Corporation wants to remain independent of the SABC.

In his submission to the Independent Broadcasting Authority, BBC director-general Mr Solly Kotane suggested the BBC be given the right to expand.

"For political reasons our transmission is unidirectional, transmitting to small sections in the North-West province. Bop TV may reach a small village a few metres from Rustenburg, but not the town.

"This is a decision made by the former Bophuthatswana government and the then South African government. In terms of the new dispensation such transmission does not make sense".

The BBC urged the IBA to recommend that a number of public broadcasters serving various needs be established in consultation with all sectors of the public — Sapa

Broadcasting inquiry 'lacks vision'

BD 8/12/94

(260)

MARK ASHURST

THE Independent Broadcasting Authority (IBA) inquiry into public broadcasting lacked vision and had not focused on the advantages of a public broadcasting system, Bophuthatswana Broadcasting Corporation (Bop) said yesterday

In his first oral submission to the IBA, Bop director-general Sollie Kotane urged it to develop "an ideal model" involving public, private and community broadcasters" as the blueprint for a broadcasting policy

Commenting on the progress of the inquiry, he said "It has appeared at times as if we are trying to put on the roof of an analogous 'perfect building' before we have started to lay bricks on the foundations"

He could not commit Bop to a long-term strategy until a new board of directors was in place A submission would be made early next year

Although Bop has indicated its desire to become a second national public broadcaster independent of the SABC, Kotane said Bop was "not in the business of creating broadcasting fiefdoms in the provinces"

He compared the integration of Bop into the SABC with the military integration of Umkhonto we Sizwe cadres into the defence force "They do not operate the same way we are looking at the best way of rationalising these assets"

Kotane said decisions made by the IBA should not be based on market or profit criteria, but considered as "an investment in people" Competitiveness would become the key factor in long-term strategy

He claimed Bop had a right to reach as many people as possible "For political reasons Bophuthatswana broadcasting transmission is unidirectional, transmitting to small sections in the Northwest province"

In terms of the new dispensation this did not make sense

● See Page 18

730 at SABC to be retrenched

Star 9/12/94

■ BY JANET SMITH

The SABC will retrench 730 people in the new year, cutting its staff by 15 percent.

This emerged yesterday when corporation board chairman Dr Ivy Matsepe-Casaburri and chief executive Zwelakhe Sisulu tabled a report to the Independent Broadcasting Authority (IBA)

And, according to the report, 550 other jobs "may need to be made available if the aim of 50 percent black representation on the payroll is to be achieved by the end of 1997".

The retrenchments — affecting mostly administrative staff — would constitute a wage saving of R67 million a year.

The submission made it clear that whites, who currently make up the majority of SABC employees, would mostly be replaced by blacks.

Details of the SABC's plans to restructure television and radio were set out

Current affairs, news and educational programming have been given priority by the SABC, which intends to boost these areas considerably

Sisulu said news programming was expected to increase by 57 percent next year.

The revamped schedule would include lunchtime bulletins and a Sunday night national news-wrap with input from reporters in all nine provinces.

Current affairs programming in the 11 official languages would increase by 92 percent

TV news would also be broadcast for the first time in Sindebele, Seswati, Tshivenda and Xitsonga, in addition to the other seven languages currently used

To serve the needs of the community, Sisulu said the SABC would seek State assistance of R150 million for its bolstered educational programming. (260)

The number of non-formal education shows would increase by 26 percent — an extra five hours a week — while formal education programmes would increase by 40 percent.

The SABC put forward its plan to retain three channels. Channel 1 (currently TV1) and Channel 2 (currently CCV) would be national full-spectrum channels with an emphasis on education and information

A third, mainly urban, channel, which would use the transmitter network operated by NNTV, would broadcast mainly in English

Sisulu's assistant, Gert Claasen, formerly the head of Broadcasting Centre, said the third channel would deliver programmes similar to TV1 at its best.

Claasen said "high-profile sport" would also be broadcast on this channel.

c2

NEWS SABC workers 'sacrificed to

SABC is to lay off 800

Sowetan 9/12/1994

■ **'WORKERS SACRIFICED'** The media unions condemn the decision:

By Mokgadi Pela and *Sapa*

MEDIA UNIONS HAVE roundly condemned the decision by the SABC to retrench 800 employees, most of them administrative staff

The decision was announced at an Independent Broadcasting Authority hearing by SABC chief executive Mr Zwelakhe Sisulu yesterday.

He said the SABC would divert R73 million saved on staff cuts to programming. The operating expenses on non-production units would be cut by 10 percent, freeing another R30 million for programming

The SABC intended employing an affirmative action programme to achieve a ratio of 50 percent black staff over the next three years

It will double training allocation from 2,5 percent of the salary and wage bill to five percent, about R20 million a year.

Media Workers Association of South Africa general secretary Mr S'thembele Khala said

"It is workers again who must be sacrificed to preserve jobs for the fat bureaucrats

"In our submission to the IBA, we made it clear that the problem was the principle and not the colour We call the SABC back to the negotiating table to refine these rough edges." 2600

The South African Union of Journalists said it would study the details of the move before issuing a statement

Acting president of the Broadcasting, Electronic Media and Allied Workers' Union Mr John Eland said his union could not support any proposal that meant a loss of jobs for workers

"Bemawu is withdrawing its support from the IBA submissions it made in consultation with Mwasa, SAUJ and other unions.

"This is because the corporation's move bears no relation to the original proposal " Eland said the union was still awaiting a response from Sisulu to its proposals.

Sisulu said the SABC had made no provision for an increase in its budget but that the scope of its activities would be increased substantially.

The SABC wanted a direct R150 million subsidy from central government for a dramatically enlarged education service

ISCOR

Becoming a different business

Fm 9/12/94

A week is clearly a long time in business. In just six days, Iscor has demonstrated its intention to change fundamentally the nature of its traditional business.

Last week, Iscor announced it will convert its Pretoria steel works from carbon to stainless steels at an estimated cost of R100m. The converted plant will produce about 480 000 t of hot rolled stainless steel slabs, these will be sold internationally to other steel mills employing technology qualities similar to those being introduced at Columbus for downstream, high value-added cold rolled product Iscor MD Hans Smith says he expects the Pretoria plant to earn about R2bn a year in foreign exchange by 1999.



Smith ... *financing proposals being evaluated*

This week, Iscor announced a R3,6bn Saldanha Steel project, to be built through a joint venture with the Industrial Development Corp (IDC). Annual production will be about 1,25 Mt of hot rolled coil, most of it intended for export. The project is expected to be in production three years from start date

In recent months, Iscor has also announced additional rationalisations which include the purchase of 50% of the equity in Cullinan Refractories (it already holds 50%) for R40m and it now intends to buy Tosa, the seamless tube manufacturer, from Dorbyl for R173m Both deals will be paid for in cash

When it was taken public, Iscor's debt was about R200m; at last balance sheet date (June 30), its borrowings totalled R2bn, of which R1,24bn was in long-term loans. Smith says his intention all along has been to reduce borrowings before starting new projects "I hoped we would be able to redeem about R1bn this year," he says

That plan was scotched when a blast furnace at the Newcastle works burnt through earlier this year, loss of profits added up to R400m. Despite that, it is clear Iscor will be able to reduce borrowings by an impressive amount this year, perhaps as much as R800m

Of the two projects, the Pretoria works conversion is easily the more eye-catching: expenditure of as little as R100m to achieve stainless steel production close to the quantity intended for Columbus (600 000 t) at a fraction of the cost (Columbus will cost about R3,5bn).

Smith, however, protests that the comparison is grossly unfair: "For a start," he says, "Columbus will go far downstream into the highest value-added areas. That involves substantial capital Second, Pretoria's advantage is that the basic infrastructure is already there and paid for" And one disadvantage is that Pretoria's stainless steelmaking capacity will come on stream rather late in the current commodity cycle.

A bonus is the stimulus it will give to local nickel production. Already the Anglovaal group is involved in delineating its Slaaihoek project in the Eastern Transvaal and the Pretoria conversion will encourage the mine's development.

If all goes according to plan, Iscor's cash generation programme will have retired most of the company's current debt just as new loans are incurred to fund the heaviest draws of the Saldanha project.

Smith is reluctant to commit himself, but concedes it is unlikely Iscor will be able to mount this programme of development and acquisitions without recourse to the market. A rights issue is clearly on the cards, though Smith says proposals for raising the finance are still being evaluated. Rand Merchant Bank has been appointed lead banker (RMB) (260)

One possibility must be to raise funds abroad through a bond issue. Smith makes a point of Iscor's foreign shareholding, now at 7,5% where it was previously zero. The attractions of raising a few hundred million dollars abroad at competitive rates and then hedging repayment terms are obviously being considered with some care.

With the counter now standing at 465c compared with its low in December last year of 187c, some investors have obviously followed the *FM*'s advice (*Fox* March 4). The latest developments confirm it remains a stock worth laying down to mature in a few years. *David Gleason*

WEEKLY MAIL & GUARDIAN
December 9 to 14 1994

SABC: The triumph of the apparatchiks

WM 9-14/12/94 (260)

The high prophets of commercialisation lost the struggle for the soul of the SABC this week, reports Mark Gevisser

TWO men were notably absent from the panel of five SABC big shots going face-to-face with the Independent Broadcasting Authority (IBA) yesterday as the corporation unveiled its plans for transformation Quentin Green and Steve Schubach

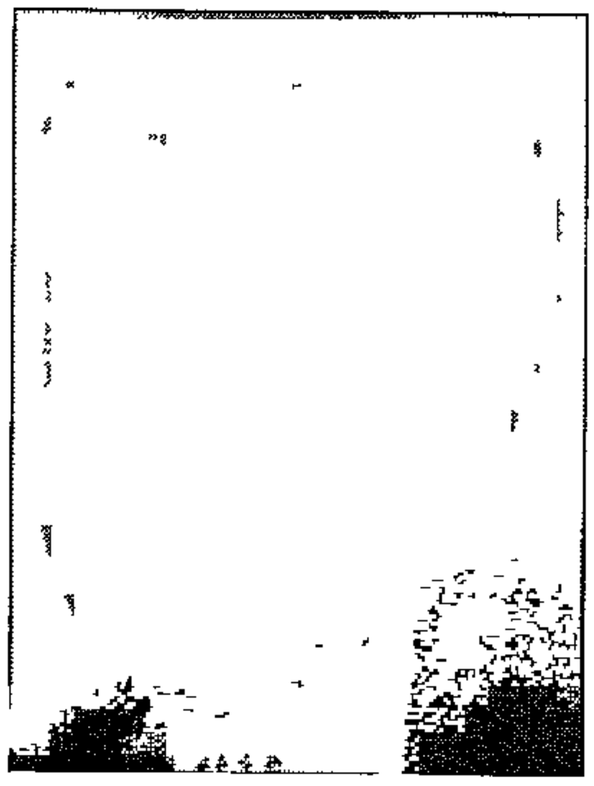
Green, head of SABC television until last week, was forced to resign after a confrontation with chief executive Zwelakhe Sisulu over his proposed TV schedules and over allegations that he was undermining the transformation process. Schubach is in charge of the corporation's finances — but has been left out, entirely, from the costings that form the basis of the SABC's proposals to the IBA. These two were the high prophets of the commercialisation of the SABC, their absence was a striking indicator of the battles lost and won in the struggle for the soul of the SABC that has been waged at Auckland Park over the past six months

Despite much talk of "downsizing", yesterday's proposals were generally about the reorganisation — rather than the stripping — of the monolith SABC wants, for example, to keep all three of its TV channels. The only difference is that public broadcasting and commercial functions will be integrated, and the purely commercial channel will use NNTV's transmitter network rather than TV1's — and will therefore be the smallest of the three

There were some radical initiatives, like the proposal to shed signal distribution company Sentech and the decision, operative immediately, to retrench 800 people and cut administrative expenses by 10 percent.

The business-unit system — set up by Green and Schubach under previous CE Wynand Harmse — will be retained but rationalised from five to three units, with much more emphasis being placed on production than administration. Currently, 36 percent of the SABC's staff is administrative, according to the SABC's proposals, this should be brought down to 15 percent.

All this restructuring will raise an immediate R100-million but will, according to the SABC's proposals, have to be supplemented by a state subsidy of least R380-million a year if



SABC strongman Zwelakhe Sisulu

the corporation is to cut its advertising budget from 75 percent to 55 percent of total revenue while at the same time realising its ambitious plans

These include a significant increase in local content (from 41 percent to 60 percent), a 100 percent increase in youth drama and a 40 percent increase in adult drama, the establishment of 11 umlingual national radio stations; the expansion of Television News Productions to provide extensive regional coverage, and the use of all 11 official languages in locally made drama and current affairs programming

Yet, just over a month ago, Sisulu told the IBA that the SABC was not even factoring possible state funding into its calculations What has changed?

"We know that it's cloud-cuckoo-land to expect anywhere near R400-million from government," noted one senior SABC source "But we need to make the point that money is the means to the end of public broadcasting We make money to broadcast. We do not broadcast to make money."

This credo is repeated throughout the SABC's submission to the IBA, which begins with the following statement "Central to the SABC's argument is that it exists to deliver public benefit and not to pursue commercial profit as an end in itself Funding is a means to the end The corporation would willingly reduce or abandon its claims on a share of available advertising revenue if it could secure public funding sufficient to meet its broadcasting objectives"

Such sentiments are in contradiction to the ideas of Green and Schubach They came to the SABC as outsiders: they were marketers interested in commerce, rather than social engineers interested in thought control And they were English speakers in an Afrikaans stronghold Together, under Harmse they transformed the SABC from a floundering *broeder* pit of Afrikaner nationalism into what appeared to be a profitable institution

But yesterday's proposals were drafted by a fascinating new coalition of powers at the SABC Principal players were head of strategic planning David Niddrie and Australian consultant Geoff Heriot. Both are firm advocates of a large SABC that integrates — rather than splits — its commercial and public broadcasting functions

The third significant player was Gert Claasen, an old-guarder who benefited from the SABC business-unit system (he ran an empire called Broadcast Centre that was dismantled this week) and who has now effectively replaced Green as TV chief, even though former CCV head Madala Mphahlele is nominally in charge.

SABC: Triumph of apparatchiks (260) WM 9-14/12/94

From PAGE 11

Also involved in the process of preparing the SABC's proposals were old-guarders who predate Green and Schubach, former apparatchiks who once ran SABC for the National Party Hennie Human and Cor Nortje of Safintel

Human, formerly head of television, was at the centre of an alleged fraud scandal involving a propoganda film about the Angolan conflict. As head of Safintel, which was denied much work under Green in favour of outside production houses, Human is now behind the SABC's controversial proposals to increase inhouse productions and cut down on external commissions to independent broadcasters

All these people have two things in common. an antipathy for Green and a belief in public broadcasting. A senior SABC manager put it bluntly "The real old-guarders, like Human, are on board much more than people like Green were They might have a tainted history, but they do believe in public broadcasting being an agent for social change, rather than just a way of delivering audiences to products"



Changing the face of the SABC: Is this enough, IBA?

Assisting them with the number-crunching was not Schubach, but Pierre van der Hoven, the young and unknown chief accountant from Safintel, the SABC's inhouse production company It was Van der Hoven, not Schubach, who answered questions about the SABC's financial future

Van der Hoven is being praised, in some quarters, as the corporation's "unsung hero": it was he who found the inconsistencies in Green's schedules that led to his demise

"It appeared," said one senior source, "that Green was attempting to lock the SABC into long-term financial commitments that were not sustainable "This, another added, had "deliberately inflated the costs of public broadcasting so as to indicate the folly of continuing with public broadcasting in a commercial environment."

Green declined to comment, saying only "I did the work to the best of my ability and I am quite comfortable with what I did " An article in *Rapport* newspaper last weekend stated, however, that Green believed the Transformation Unit, under Niddrie, was "white-anting" his division and that he was not prepared to work in such an environment any longer Whatever lay behind his resignation, one thing is certain. Green's departure was the culmination of months of tension between himself and Sisulu's appointees.

■ To PAGE 12

Sun 9/12/94

SABC

The bottom line

SABC CE Zwelakhe Sisulu and his top management team are likely to send a strong message to government If you want us to be a public broadcaster, you will have to pay for the service

At the same time it is expected that the role and future of broadcasting stations in the former homelands will be high on the agenda come Auckland Park's turn to address the Independent Broadcasting Authority (IBA) this week. (260)

Signs of strained relations surfaced this week when the Bophuthatswana Broadcasting Corporation withdrew from the first meeting of a task group aimed at promoting co-operation between the former TBVC public broadcasters and the SABC.



Sisulu

At Auckland Park there is a strong lobby which feels that public broadcasting should be under one umbrella Many of the broadcasting buildings situated in the former homelands could be sold if this happens

The future of employees of the other broadcasting stations remains a problem They have been assured that there will be no lay-offs, but funding their salaries is likely to become a very thorny issue for government. Despite handing out a 14th cheque to employees this year, the SABC is rethinking its staff complement Insiders say it is quite possible that hundreds could be retrenched next year.

There is a strong feeling at Auckland Park that to survive, some existing services might have to be sold off in future Several surplus properties have already been sold, in line with good business practice. Among them are a training farm in the Magaliesberg and apartments in Cape Town Other properties are also to go

Government realises the seriousness of the problem Broadcasting Minister Pallo Jordan has issued an invitation to interested parties to attend a three-day gathering in January to discuss the future of public broadcasting Jordan has invited the provincial premiers and their MECs, the public media and various media unions to attend Invitations have also been sent to the SABC, former homeland broadcasters and the IBA

There must be some sympathy for the new order at Auckland Park. It is a colossal organisation to run and finance In its effort to regain some of its lost licence revenue — due mainly to air piracy — the corporation has now decided to terminate the services of the Post Office inspectorate which had been tracking down licence fees from pirate viewers for 30 years The collection costs of R18m this year alone far exceed the R6m that was recovered in licence fees A lawsuit has been threatening because of the cancellation, despite a six-month notice period to Post & Telegraphs. The Post Office is withholding R42m from the SABC in licence fees. (260)

Public broadcasting in most countries is not reliant on advertising revenue. It is funded either by government directly or through licence fees ■

Sun 9/12/94

730 jobs to go in restructuring

SABC offers to ease grip on broadcasting

BD 9/12/94 (260)

MARK ASHURST

IN A proposal aimed at reducing its domination of the broadcasting industry, the SABC yesterday announced it would abandon its financial self-sufficiency and seek 15% of its funding from government

Submitting the SABC's restructuring proposals to the Independent Broadcasting Authority hearings in Johannesburg, SABC CE Zwelakhe Sisulu said the corporation would retrench about 730 staff and withdraw from its signal distribution arm Sentech

Proposing a mixed funding base for the SABC, Sisulu said the SABC's dependence on advertising revenue should be reduced from 73% to a maximum of 55% This would free a portion of the national advertising cake for new broadcasters, he said

A further 25% of SABC funding would come from the licence fee and 10% from co-productions and commercial ventures. It would ask government for about R150m to subsidise educational programming

Sisulu denied the SABC was on an expansionist path. There was no question of increasing its current budget "In all our funding scenarios we have been guided by the principle of doing more with less."

Posts, Telecommunications and Broadcasting Minister Pallo Jordan had not undertaken to support the SABC proposals for a subsidy. But SABC chairman Ivy Matsepe-Casaburri said the SABC would lobby parliamentarians to support its call

Sisulu criticised the reconstruction and development programme for neglecting the role of broadcasters. "Information has not really become an issue on the development agenda .. understanding and knowledge is at least as important to the RDP's success as the material benefits it brings."

Reducing staff levels by 15% or 730 jobs, cutting all non-programme making budgets by 10% and incorporating facilities from the SABC broadcasting centre into the radio and television divisions would free more than R100m. This would be allocated to programme making

Matsepe-Casaburri said SABC management representatives would resign from the Sentech board at the end of the year A caretaker board would take over the SABC-owned signal distributor until the outcome of the IBA inquiry.

Plans for the television portfolio had been revised to allow for two public service channels, with the current commercialised TV1 network becoming a flagship nationwide public service channel with windows for regional programming.

If the IBA sanctioned the proposals, the mainly urban NNTV network would be commercialised to provide a mainly English service. If the IBA did not grant the SABC three television channels, the costs of public service broadcasting would increase by about R300m, said Sisulu.

The plans allow for advertising on all stations, and a mimimum of two hours' daily news coverage on all permanent services by end-1995. Current affairs programming would increase 92% next year.

Excluding sport and continuity announcements, 40% of SABC programming was locally produced. This would increase to 60% over three years

SABC drive to retrench white

AN affirmative action programme by the SABC will see blacks occupying half of all staff positions within three years, and the corporation is also planning a new programming schedule to focus on regional needs

Speaking at a hearing of the Independent Broadcasting Authority (IBA), SABC chief executive Mr Zwelakhe Sisulu said about 730 employees, mostly whites, were to be retrenched next year

The retrenchments would be part of the SABC's goal of "increased cost efficiency"

Another 550 positions held by whites would have to be filled by blacks to achieve the affirmative action target

The staff cuts are part of a thoroughgoing revamp of the broadcaster in preparation for its role as a public broadcaster, broadcasting news, entertainment and education in all 11 official languages

Mr Zwelakhe's assistant, Mr Gert Claassen, said the staff cut would save the SABC R33 million in 1995, and eventually R73m

The 10% budget cuts would realise R23m, rising to R30m.

This meant an increase in the SABC's production budget of R65m in 1995 and eventual savings of R149m

Mr Sisulu said the reallocated funds would be pumped into music, variety and local drama programmes

The SABC proposed local content measured in time on television, be increased from 40% on its channels to 60% over the next three years, Mr Sisulu said.

The SABC would also sell off assets, starting with the immediate sale of a piece of land at Parow in the Cape

Sketching the proposed schedule revamp, Mr Sisulu said the SABC wanted to retain its three television channels but it would cater for all 11 language groups.

He said the closure of one channel would cost about R300m and would "add massively to the cost of public broadcasting"

The SABC was subsequently applying for three television broadcast licences. The first two channels would broadcast on the current TV1 and CCV channels

The channels would use all 11 official languages at different times.

The first would have a strong emphasis on "quality information and education"

The second would offer a "wider information-recreational mix"

The third channel would be directed at urban areas. It would be English and would feature entertainment and high profile sporting events ET 9/12/94

staff 260

Saldanha set to soar

ARG. 16-11/2/94

260

WILLEM STEENKAMP
Weekend Argus Reporter

■ The West Coast is set to boom with the development of a massive multibillion rand steel mill to be built near Saldanha.

THE West Coast town of Saldanha is set to boom with the announcement this week by Iskor of plans to build a R3,6-billion steel mill in the industrial area near the town

Town clerk John de Klerk welcomed the project and said this development would be a tremendous financial injection to the economy of the region

Hundreds of new houses will have to be built to accommodate the 600 workers who will work at the mill and hundreds of indirect job opportunities are expected to be generated

Already the Namaqua Sands factory, which opened about six months ago and which produces ceramic and other products from mineral-rich sand mined higher up on the West Coast, has created about 350 jobs

More than 150 new houses had to be built in the Vredenburg-Saldanha area and the local authority has already had substantial increases in the income from rates and taxes

Construction on the huge steel mill is expected to take about 30 months until completion and work is to start early in the new year

Mr De Klerk said everyone expected a conventional steel mill to be built in the late seventies after the Sishen-Saldanha project took off

"But for some or other reason the go ahead for that project was never given and little came of the hope that Saldanha would develop into a new decentralised growth centre

"Now it has finally happened And in retrospect we are actually pleased that it has only been approved now because we are getting a modern steel mill which will cause very little pollution in the area

"Several comprehensive environmental impact studies were done and we are satisfied that the mill will not cause unaceptable pollution in our area"

Mr De Klerk said if there had been any real danger that the new plant would cause unaceptable pollution in the area, the council would have voted against allowing the development

He denied that the council had approved the scheme because financial considerations played a more important role than the possible impact of the project on the environment

Mr De Klerk said the town's sewarage and water supply system was well geared to handle the increase in use when the steel mill comes on line.

He said years ago the Berg River Water Scheme was developed to be ready to meet the demands of the expected conventional steel mill which was to be built When plans for this mill fell through, the municipality had to levy crippling water rates on ratepayers to pay off the debt for the water scheme

"Only lately have we been able to decrease our water tariffs and now with the new steel mill which will buy its water from us and use nearly double the amount of water our town now uses, we expect the situation to improve drastically"

Mr De Klerk also rejected criticism that the plant could have a detrimental effect on tourism in the area.

"We do not believe this will happen. In fact we want to present the steel mill as an added tourist attraction and we have asked that the road which runs past the plant be upgraded so tourists can come and see the development

"We have no doubts about this development. The area needs it and the environment will be adequately protected"

Iscor seeks R4bn for finance plan

A GROUP of merchant banks, international finance houses and the Iscor management team will have a busy Christmas arranging about R4-billion for the development of the Saldanha Steel project and the conversion of the Pretoria works to a stainless steel plant, writes DON ROBERTSON.

Details of the finance plan have not yet been finalised, but will be ready by the middle of January.

The apparent haste in announcing the projects was to qualify for tax allowances in terms of Section 37E of the Income Tax Act. This allowance was removed from the Act in September 1993, but a concession was made to Iscor, which had announced a feasibility study in August of that year, provided it began construction on the site before the end of January 1995. ST Times [Buss]

The concession will allow the corporation to write off capital expenditure in the year in which it is incurred.

A start on the R3,6-billion Saldanha Steel project will begin next month and it will be completed within three years to comply with Section 37E. The initial cost of the Pretoria works conversion is less than R100-million, but this excludes working capital which could be as much as R250-million.

Although substantial progress has been made in arranging the funding package, managing director Hans Smith says he is unable to "promote" the project ahead of the finalisation of all details because of strict US regulations which prevent the "preconditioning" of an offer. This restricts a company from titillating potential investors with details of the project before they have been finalised.

Financing of the new projects will be treated as a separate capital expenditure item, says Mr Smith.

11/12/94P (260)

SABC urged to produce more inclusive proposals

BD 12/12/94 (260)

SABC proposals for the future of public broadcasting should be revised to take into account the role of former TBVC broadcasters and publicly owned provincial media, the Independent Broadcasting Authority said on Friday.

Opening the second day of public hearings into SABC restructuring plans, IBA member William Lane asked the SABC "to bring forward a plan for the whole Republic with reference to Bophuthatswana and Transkei and other broadcasters".

SABC CE Zwelakhe Sisulu said the corporation had "put our portfolios on the table for discussion" with former TBVC broadcasters at a meeting boycotted by the Bophuthatswana Broadcasting Association last week. "The other three (Venda, Ciskei and Transkei broadcasting corporations) went along with our proposals."

Responding to criticism from IBA member Lyndall Shope-Mafole that "there isn't really any hope of changing (the SABC) unless we have a mechanism (for change)", SABC managers said a new training programme was being developed.

MARK ASHURST

SABC chairman Ivy Matsepe-Casaburri said: "One doesn't know how long (transformation) will take, but there comes a point where things ... begin to happen".

Two SABC directors would leave the corporation to take up diplomatic posts in January, leaving only 19 board members.

"I am conscious that I will not have a properly constituted board on my hands come February," Matsepe-Casaburri said. The IBA would recommend terms of office for SABC board members as current appointments were indefinite.

SABC finance director Steve Schubach said the Post Office would lose its role in tracing those who did not pay licence fees. The service cost R18m a year, but generated R6m.

He also cautioned on the prospect of future SABC co-productions: "I am not aware of any international co-production we have made money on."

The SABC was committed to an increase in educational programming which would total 55 hours a week of education programmes on radio and 92 hours on television.

There was confusion over the status of the proposed SABC third channel, which would broadcast mainly in English on the frequency now used by NNTV. Acting deputy CE Gert Claassen denied this would be a commercial service, but said it would broadcast popular public service programming to urban audiences most sought by advertisers.

In contrast to statements on Thursday that the ideal revenue source for the SABC would be a dedicated state subsidy, Sisulu supported partial commercialisation.

IBA co-chairman Peter de Klerk called for more clarity on the SABC funding proposals.

...uncil's executive committee will ap- civic organisations.

IBA questions homeland's interest in radio station

BD 13/12/94

THE former Bophuthatswana homeland's interest in Radio 702 was questioned when the station's representatives appeared before an Independent Broadcasting Authority hearing in Johannesburg yesterday.

The hearing, held to consider the transfer of Radio 702's broadcast licence from Bophuthatswana Commercial Radio to Radio 702 Holdings, was told that a private investment company, Yabeng, would have a 5% holding in the new company.

The Bophuthatswana National Development Corporation, which now falls under the Northwest province, holds 40% of Yabeng's shares.

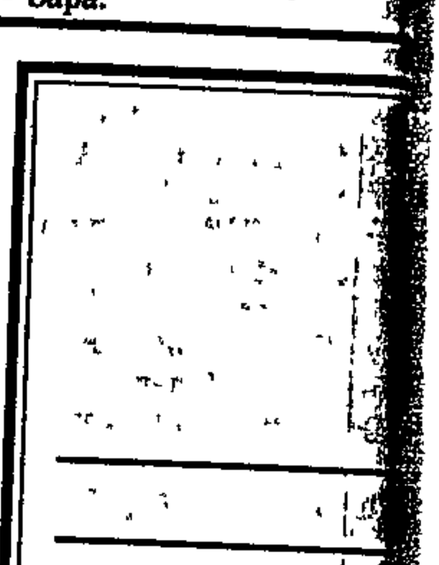
IBA member John Mattison questioned whether a development corporation, and indirectly a government, should have an interest in a private broadcaster. If a government had an interest in a broadcaster applying for a licence the IBA would, in principle, view that application "quite sceptically", he said.

Media attorney David Dison, appearing for the station, said the issue was who exercised control over the broadcaster. The IBA Act did not seek to regulate who invested in a broadcaster, he said. (260)

The licence itself was issued in terms of an agreement between Radio 702 and the Bophuthatswana government in 1980.

The Bophuthatswana government was given a 20% share in the company in exchange for the licence.

However, its share had been shifted and diluted to the Bophuthatswana National Development Corporation and later Yabeng. — Sapa.



Introduction
Mercantile Bank Limited
shares of 1 cent each
Thursday, 8 December

Result of private placi
The private placing was

Iscor to retrench 5 000 workers

BD 14/12/94

MICK COLLINS

STEEL producer Iscor would retrench 5 000 workers from its Vanderbijlpark works and spend R450m on a major revamp of the steel facility, the company said yesterday (260) (1697)

The 25% cut in the 20 000-strong workforce was part of a project which would convert the works into a 100% continuous casting operation The ingot casting line, currently producing 25% of the plant's 11 000 tons a day, would be phased out, Engineering News reported

Iscor MD Hans Smith said the new Vanderbijlpark operation would use only five of the seven coke ovens and three of its five blast furnaces Steel production would drop from 11 000 tons a day to about 9 000 tons but it would be produced 10% more cheaply The resultant shortfall in production of 1,2-million tons would be more than compensated for by steel coming out of the new mini-mill at Saldahna Bay

Said Smith, "In view of the fact that steel is a saturated market, we .. will focus on value-added products such as tin plating, electro-galvanising, cold rolled and colour-coded steel products The revamp will ensure greater cost efficiency ... and ensure Iscor a position in the lowest-cost 5% of steel producers in the world"

Analysts said the retrenchments would bring Iscor's workforce down by about 15 000 to 43 500 in 1996 from 58 000 in 1992.

□ To Page 2

Iscor

□ From Page 1

(1697) (260) BD 14/12/94

Iscor cut its staff complement to 54 000 last year and by its year-end in June had 48 500 people on its payroll.

Profitability at Iscor's Newcastle works came under pressure in August and the steel company announced it would shed 1 500 workers from its staff complement of 6 000. An internal restructuring programme last year saw early retirements across all divisions and skills levels About 3 000 staff — many at senior level — retired at the end of March.

Analysts said an attempt by Iscor to cut net borrowings could be brought about only by lowering working costs. Taking salaries and indirect costs into account, it would save about R200m a year through the early retirements

Financed by a surplus in the Iscor Pension Fund, the retirement packages were offered to all members older than 50 Employees had to exercise their option before December last year and take retirement before March this year.

During the past three years 2 500 posts were rationalised at the company's Pretoria works. After transfers, natural attrition and early retirement packages, a further 450 employees were retrenched

Iscor said it had become necessary to reduce employee numbers to ensure the company's long-term existence. It closed its Durban plant at the end of August citing the high cost of steel scrap and low international billet prices. More than 300 workers were retrenched. About 350 of Iscor's 2 200-strong Vereeniging steel division workforce were offered voluntary retirement in 1992



Market researcher Steyn Steenekamp swears to tell the truth before giving evidence on behalf of Radio Pretoria at Independent Broadcasting Authority hearings in Pretoria yesterday.

Picture NICKY DE BLOIS

Radio Pretoria would attract Afrikaner separatists, IBA told

(260) BD 15/12/94

MARK ASHURST

ASPIRANT community broadcaster Radio Pretoria would attract an audience of "Boere Afrikaners" who desired an Afrikaner homeland, the Independent Broadcasting Authority (IBA) heard yesterday.

Giving evidence on behalf of Radio Pretoria, market researcher Steyn Steenkamp said "If you turn on a station then to a certain extent you identify with what is broadcast . . . it may be the idea, the eventual longing for a homeland of their own".

The station attracted an audience of Boere Afrikaners, said Steenekamp They were "a community defined by the air without any geographical boundaries It is a vague concept, but in the minds of some people it is very real," he said.

A survey of about 600 people living in and around Pretoria, conducted by Steenkamp, found 45% had listened at least once to Radio Pretoria before it ceased broadcasting in April.

He said 88% of Radio Pretoria's listeners believed in freedom of speech. This was a concept that everybody in society had become acquainted with, said Steenkamp. He rejected allegations made by the Gauteng ANC science and technical committee that Radio Pretoria was a propaganda outlet which sought to confer respectability to violent confrontation.

"It may be exactly the kind of thing that is required in changing societies, and if there is not an outlet you could have created a much worse situation," said Steenkamp. He was not aware of a broadcast by Radio Pretoria summoning paramilitary members to defend the Bophuthatswana homeland on March 10, he said.

Radio Pretoria was a model community broadcaster, which was "greatly inexperienced" when it began broadcasting but had implemented experimental programming policy "greatly led by public demand"

The survey, which Steenkamp said was weighted to include more Pretoria residents than was strictly representative, found the number of people who had listened to Radio Pretoria was nearly equal to SABC's Radio Jacaranda audience. IBA co-chairman Peter de Klerk said the survey, which had not gauged hours of listenership, failed to identify regular listeners.

Radio Pretoria has secured guarantees worth R275 000 from the Pieter Reethlingh Foundation. The foundation is administered by former Posts and Broadcasting Minister Albert Hertzog's widow Martie.

Political analyst Jan Taljaard said the foundation existed "to further the right-wing cause" and had previously funded projects initiated by the AWB, CP and the Herstigte Nasionale Party

The station had acquired 39 3kW transmitters from the SABC-owned Sentech signal distributor through Pretoria-based Hawk Engineering company. Hawk MD Petrus Pieters is listed as a stakeholder in Radio Pretoria's licence application.

SABC chairman Ivy Matsepe-Casaburri told the IBA last week that a moratorium had been imposed on the sale of technical equipment by Sentech pending guidance from the IBA.

Criminal charges laid against Vlok

CAPE TOWN — Former Law and Order Minister Adriaan Vlok was

Voter registration to start next month

BROADCASTING

Fin 16/12/94

Pleasing the master

A new vision of the SABC — aimed at enabling it to fulfil the function of "introducing SA to itself" — was unveiled at the Independent Broadcasting Authority last week. (260)

The language of the SABC submission to the IBA is spattered with terms breathing political correctness. Thus, the prim statement that the SABC "exists to deliver public benefit and not to pursue commercial profit as an end in itself." This benefit is further defined as an improvement in "relevance," the need to "boost education services and local content," "redefining cultural identity," and seeking a "specific role in communicating RDP themes."

It might seem out of step with the national mood to question such objectives — after all, we have a multicultural nation with sharp educational disparities and a large pool of previously marginalised talent, particularly, or so they say, among musicians.

However, the proposals are extraordinarily precise when it comes to percentages. There shall be 60% local content (horrendously expensive) on TV and 25% local music on radio stations like 5FM and Radio Metro (whose black listeners evidently prefer a steady diet of US music) Simultaneously, staffing is to be cut — with voluntary and involuntary retrenchment of 730 staffers in 1995, a reduction of 15% — and this is not merely aimed at cost-effectiveness, but at achieving a 50% black staff component by 1997. This would imply a hasty programme of affirmative action Apart from anything else, it sounds rather like what the SABC thinks the IBA wants to hear.

There are several things wrong with this pious approach, not least the probability that it could lead to greater inefficiency, renewed politicisation, and revenue shortfalls. Two TV channels of a mainly didactic nature — giving time to all 11 official languages — will be subsidised by the single commercial channel Yet the intention is that advertising revenues should actually fall by about R330m a year — good news for any new commercial entrants

The main reason for this is that in estimating gross revenues, CE Zwelakhe Sisulu states that advertising revenue will account for 55% of the budget, with licence fees contributing another 25%, and the State providing the rest

There are two problems. The first is that Pallo Jordan, the Minister responsible for broadcasting, has not committed himself in any way to State funding, and the second is that people are increasingly not paying their licence fees.

SABC chairman Ivy Matsepe-Casaburri intends lobbying for funds, and the SABC proposes to take on inhouse fee collection. Leaving aside Casaburri's chances, the current "piracy" rate in SA is 46%, compared with 5% in Britain Also, the costs of collection are running at more than R50m a year, and going inhouse with this function is likely to spawn a new branch of the SABC bureaucracy

Under such a system of funding, and notwithstanding retrenchments, the SABC would still be asking government for about R380m in subsidies, specifically for educational broadcasting and the funding of local content.

But if almost half the TV owners in the land are not paying now — either because they can't afford it, or don't like the existing service — what would be their incentive for paying for reduced services, in which the entertainment content is deliberately allowed to fall? It's not that Sisulu should produce an endless diet of sitcoms and cop dramas from America on demand — but that he is approaching broadcasting with a narrow, didactic eye and seems to believe the audience and the advertisers will simply stay in place while programming gets worse

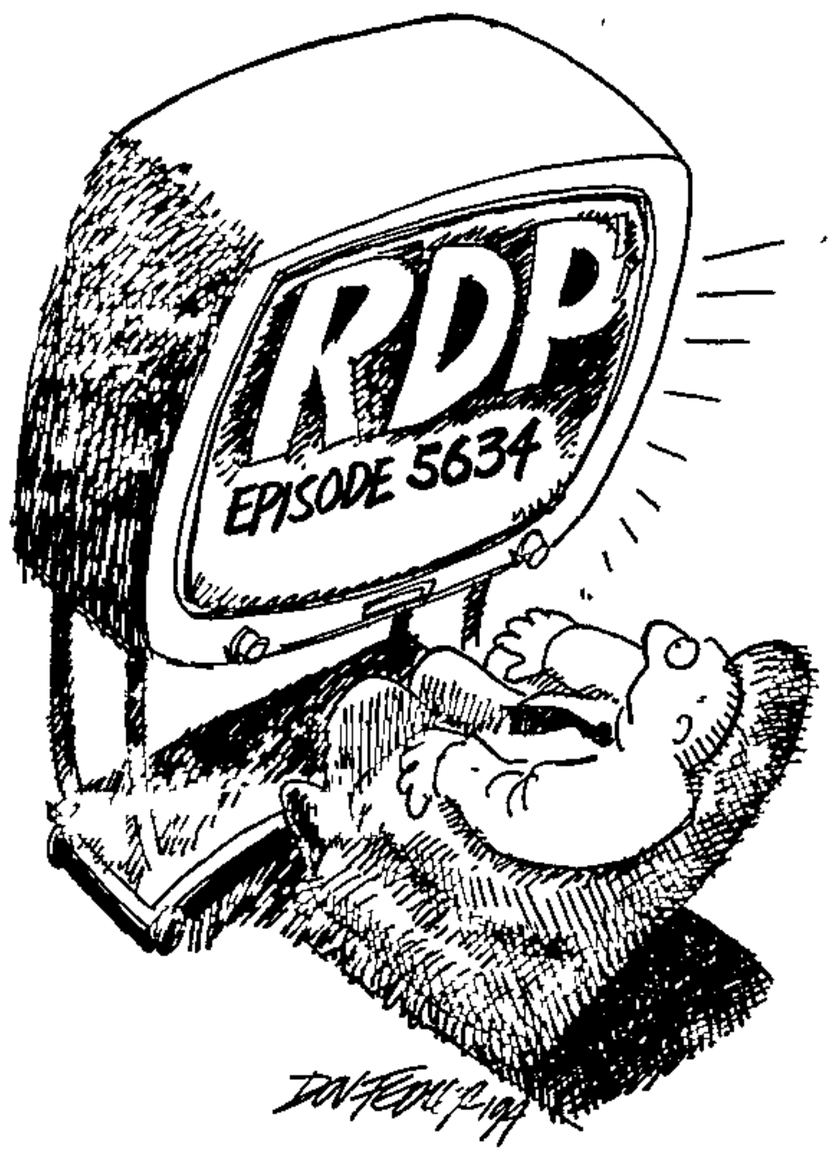
If there is a need for educational TV, a special channel should be created — but, in the interests of transparency, it should then be funded by the education budget. The point about the "lost generation" — actually, at least 18 years of black school-leavers who have had their prospects ruined by a rotten system and their responses to it — is that it is probably lost forever. The need is systematically to upgrade existing schooling, educational TV being but one way of approaching the problem.

Sisulu has not heeded the market. what is wanted is better TV — in itself educational — and not the excessive punting of local talent or explanations of the RDP. Any percentage of local content should be nurtured by demand, not drilled through the weary eyeballs of viewers in the fashion favoured by the former Soviet states.

The emphasis on "introducing SA to itself" is reasonable; the way it is proposed to be done seems fraught with the dangers of homogeneity, propaganda and compulsion.

The complementary affirmative action, conducted in a vindictive spirit — which is what quotas and targets imply — risks damage or loss of technical skills and hence a further overall deterioration in the service.

Worthy but boring would be bad enough. Unworthy, boring and inept would be the worst outcome of all — to which list could be added, flat broke before long ■



SABC spurns TV support in World Cup

(260) BD 20/12/94

LONDON — A breakdown in the relationship between the SABC and the rest of the world's broadcasters is threatening the quality of coverage of next year's Rugby World Cup

When the Rugby World Cup board awarded the event to SA three years ago, it was aware of the SABC's lack of experience in covering major sporting occasions and offered the support of ITV sports chief Bob Burrows and his technical chief, Roger Philcox, to the SABC

However, the SABC told a recent meeting of international broadcasters that it did not want outside help. It intended to produce all 32 games live, by itself.

Other broadcasters fear this attitude could rebound when the tournament takes place in May and June, with the opening match at Newlands

They note that coverage of major events — the Olympic Games and Soccer World Cup are prime examples — has increasingly become a combined effort by senior broadcasters around the world, ensuring high standards of production

Already, representatives of major networks involved in the Rugby World Cup, ITV, Channel 10 (Australia), TVNZ (New Zealand) and TFI (France) — are arguing with the SABC over camera positions

In recent years, the BBC and ITV have developed a radio hand-held camera which captures magical close-ups of players The SABC argues that it cannot afford them

Burrows refused to comment on the dispute but said the "SABC people are nice chaps who wish to do it their own way"

Sources argue that to ensure television coverage matches the quality that will be seen on the field, it would be appropriate

☐ To Page 2

SABC

(260) BD 20/12/94

☐ From Page 1

for World Cup chairman Sir Ewart Bell to meet the SABC to guarantee money for radio cameras and persuade it to accept the advice of the world's senior producers.

WILSON ZWANE reports that Piet Theron, MD of SABC's subsidiary Rugby Broadcasting, said he was surprised at reports that the SABC was having arguments with broadcasters.

He said the SABC and world broadcasters, including ITV, TVNZ and TFI, met last month and no one expressed doubts about the corporation's ability to handle the sporting event. — © Telegraph plc