

PUBLIC SECTOR-GOVT. - STATE ENTERPRISE

1996

JANUARY - APRIL

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# IBA grants (260)

## 82 licences

*Howe Jan 2/19/96*

By Lulama Luti

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

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

And if all goes according to plan, South Africa might have at least 12 private radio stations next year — this from moves to sell SABC radio stations.

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

Hearings for the granting of temporary radio licences to communities previously discriminated against began in earnest in June 1994 after the IBA received more than 100 applications.

# Broadcasting: Changes in the air, on the air

(260) ARG 2/11/76

## Staff Reporter

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

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

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

Also to be considered is the amount of local programming broadcast and whether newspapers could be involved in broadcasting, without giving rise to fears of the news being monopolised. The IBA held nu-

merous hearings and issued a report at the end of August.

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

Private broadcasters would have to play 40 percent local music by the year 2000 while community and public broadcasting music stations had to play 55 percent local music.

## Fallon

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

month.

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

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

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

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

The report is now with parliament for consideration.

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



Molefe

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

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

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

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

Mr Molefe said the government could not afford the retrenchment packages valued at more than R400 million

# IBA: A year of smoke and mirrors?

Despite its vision for the future of South African broadcasting, the IBA has taken a protectionist line with regard to the SABC, argues **Mike Doctor**

**O**n December 21 1995, the Independent Broadcasting Authority issued a statement reviewing the achievements of the year and setting out its programme for 1996. Clearly, the greatest achievement of the IBA to date has been its extensive and far-reaching Triple Inquiry Report which reflects a vision for the broadcasting industry in South Africa which would add to the growing diversity of voices in our media.

It was brave of the IBA to have proposed that the South African Broadcasting Corporation be downsized to two terrestrial channels and one satellite channel, and that room should be made for commercial licences both in the radio and television field. However, the IBA fettered itself in this recommendation by proposing that there should be a moratorium on new television broadcasting licences for another two years,

thus opening the way for the international satellite broadcasters to plunder the South African advertising cake with no local commercial competition until 1998.

Moreover, the news in relation to the moratorium on new commercial television licences had caused the collapse of at least three consortiums that had positioned themselves for a competitive licensing environment in 1996.

Much work has gone into the building of these consortiums and it now seems that the vain hope of those who remain committed to building independent television stations is the unbundling of NNTV from the SABC stable.

However, one look at the smile on the faces of top SABC executives at the Parliamentary Portfolio Committee Hearings into the Triple Inquiry Report

(which took place at the Union Buildings at the end of 1995) confirmed the consistent reports that the SABC had successfully lobbied the committee. From all the indications, it would appear that the portfolio committee will recommend to Parliament in the early part of this year that the SABC keep its third terrestrial channel.

Unless Parliament reverses the position of the portfolio committee, which is highly unlikely, the prospects for 1996 and 1997 are that there will be no new terrestrial television opportunities in South Africa, and the SABC will remain the single dominant player in free-to-air television, other than the ailing and struggling Bop TV.

Unfortunately, in the field of television, the IBA appears to have been successfully outplayed.

So we turn to commercial radio. In its press announcement of December 21 1995 the IBA proudly announced that "the Authority has targeted April 1996 as the month in which applications for

private commercial radio stations will be invited". The critical word here is "invited". From the labourious manner in which the IBA has regulated in the past, we can expect at least a year's period from the time in which applications are invited, to the time in which licences are actually awarded. And so, 1996 will probably yield no new commercial radio stations.

In any event, the six radio licences that are going to be made available during 1996 do not amount to an enormous set of opportunities. Two FM licences of five kilowatts each are offered for the Johannesburg area, together with a 50kW in medium wave. But all these are regionally based, extending no more than 30km in Cape Town, two similar FM licences are offered and in Durban one.

There is an intriguing sentence in the IBA press release which refers to a parallel process of "selling the SABC radio stations" which, according to the IBA, has commenced and "will require the ongoing attention of the Authority as well as formal hearings to be held in the second half of the year".

Why, one asks, is the IBA involving itself in the sale of the SABC radio sta-

tions? Wasn't the IBA set up as a regulator and an umpire? Surely its approach should be to let the SABC sell these radio stations, and to regulate the new controllers as and when the SABC announces that it has done the deals.

**W**hen the formation of the IBA was announced some two years ago, the media industry had high hopes for a new diversity of voices. Although the IBA Report was encouraging, and the process of licensing more than 70 community radio stations was to be applauded, progress on the commercial front has fallen victim to a protectionist position in favour of the SABC.

The IBA has unfortunately seen fit to protect the SABC rather than the public broadcasting services in principle, with the result that the commercial broadcasting sector remains moribund and dwarfed by the ever monolithic SABC.

Mike Doctor is a pseudonym for a media player who cannot be named, but will be contributing occasional articles for this page.

(260) MHC (Bm) 5-11/1/96

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# IBA Bill to prevent govt influence in broadcasting

(260) 20 5/1/96

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## SAA to introduce new check-in system soon

Stephané Bothma

SELF check-in systems for SAA passengers trav-

## BMW happy with patrol

Theo Rawana

THE success of the recently formed Gauteng

The Post and Telecommunications

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# Bill seeks broadcasting independence

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

The aim of the bill, which was released yesterday, is to "establish the independence of public broadcasting services with a view to ensuring impar-

tiality and the expression of a diversity of opinion".

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

The bill states that public broadcasters should provide information, education and entertainment,

functioning "without any political bias or undue or improper political interference and without undue or improper interference from commercial and other interests".

The bill proposes that public service broadcasters should be "distinctly and predominantly South African in the provision of the service", reflect the

linguistic, cultural and spiritual diversity of the public and their common identity", and take into account the need for staff "to reflect the composition of society".

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

(260)

Star 5/1/96

# Bill for 'air' independence

(260) CT # 5/11/96

## POLITICAL STAFF

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

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

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

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

may be set up in future

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

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

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

Interested parties should make representations on the bill before January 25.

NEW LOOK TV NEXT MONTH

# English-speakers lose out

CT 8/1/96 (260)

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

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

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

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

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

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

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

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

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

Sentech had made some suggestions about this, he said.

Our Johannesburg correspondent reports that the R10-million relaunch of SABC television on February 4 will irrevocably alter

the service viewers have known for over 20 years

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

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

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

this transmitter

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

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

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

However, the revamp has not been met without criticism and the reduction in Afrikaans language airtime — reportedly as little as 1,3% of total viewing time over 24 hours — has prompted dissatisfaction from Afrikaans cultural organisations as well as advertisers — Special Correspondent, Staff Reporter



# Top jobs filled

## at BBC

(260) Sowetan 9/1/96  
New recruitments under way after retrenchments

By Pamela Dube  
Political Reporter

**J**UST WEEKS after retrenching over 700 employees of the troubled Bophuthatswana Broadcasting Corporation, the new management is involved in a major recruitment drive.

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

The controversial Nyaka first hit the public eye in 1993 when he was fired by *The Sunday Star* newspaper after a political row over his membership of the African National Congress.

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

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

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

Other top new appointments include musician Mbongeni Ngema's former engineer, Mr Kentse Mpahlwa. Mpahlwa comes from Radio Transkei and is the BBC's new sound engineer.

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

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

That would also be the case with Radio Bop and Radio Mmabatho, Mahlali said. Radio Sunshine would be sold and run as a community radio station, she added.

# No plans to control media

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

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

However, greater media diversity and his being quoted as saying intervention "might be necessary", meant

helping poor rural communities to set up "perhaps a radio station or a newspaper"

He said it did not mean interfering with the private sector

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

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

- Sowetan Correspondent

(260) Sowetan 9/1/96

# Govt bid to address labour fears over restructuring of state concerns

Renee Grawitzky

GOVERNMENT will seek to accommodate a number of labour's concerns over restructuring, including the negotiation of a "social plan" to cushion workers affected by retrenchments.

It also supports the appointment of labour representatives to participate in these negotiations at the state-controlled enterprises, and the appointment of labour advisers by unions. During restructuring talks, advisers would be partially paid by government.

This emerged from government's draft framework agreement handed to organised labour on Friday — a copy of which was acquired by Business Day.

Draft framework documents were exchanged on Friday between Public Enterprises Minister Stella Sigcau and labour, outlining the respective positions on the objectives and the process for implementing restructuring.

Negotiations on a national framework agreement are due to start on Thursday, when all parties are due to officially release their documents.

Government's draft document, although not substantively different to the report approved by the Cabinet at end-August, provides for more comprehensive consultation and negotiation with labour, in line with commitments made during talks last month.

The document, which recognises that organised labour should "participate in all policy formulation processes", acknowledges that the underlying approach of the parties is that the "restructuring of certain state assets" should not occur at the expense of

workers in state enterprises. Where restructuring potentially "has negative consequences for workers, a social plan must be negotiated with the relevant unions at enterprise level which takes account of the workers' interests".

Government proposes that all policy documents and materials it uses in formulating mandates, and information developed by advisers, would be made available "strictly in terms of the normal confidentiality agreements". However, "sensitive information will be edited from documents circulated"

## Privatisation

Continued from Page 1

framework agreement level would be subject to "budgetary constraints".

The document sets out several broad objectives for the restructuring of "certain state assets" (not privatisation) which could refer to "joint ventures, strategic alliances, commercialisation, operating rules, financing and privatisation".

The broad objectives outlined previously ranged from funding of the RDP, and facilitating economic growth to the creation of wider ownership in the economy. Government envisages structures at three levels which would guide the process for policymaking on restructuring.

Once a deal is reached on the national framework agreement it would be referred to the executive council of the National Economic, Development and Labour Council.

Flowing out of the national framework agreement, a forum or structure would be set up to act as "a strategic and guideline formulating structure". This would include equal representation for labour and government.

Structures at an enterprise level would be established where negotiations would take place on decisions taken at the national framework agreement structure level. Disputes arising out of these negotiations should be resolved in terms of Labour Relations Act procedures.

However, policy and strategic disputes would be referred to the national framework agreement structure.

Labour demanded that labour representatives be appointed at enterprise level and that government partially pay for the appointment of professional advisers by labour. Government has proposed through the board of directors, "the form, appointment and number of advisers to labour at an enterprise level", with money being made available by the enterprise. But payment for the appointment of advisers to labour at the national

Continued on Page 2

## Dismay over govt's 'leak' of document

(260)  
Renee Grawitzky

BD 10/11/96

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

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

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

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

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

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

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

## Eskom workers on strike

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

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

ET 10/11/96 (260)

Reshuffle to accommodate minority language groups could boost M-Net's coffers

# Advertisers sceptical on SABC shake-up

(260) CT (BR) 11/1/96

BY FIONA LENEY

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

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

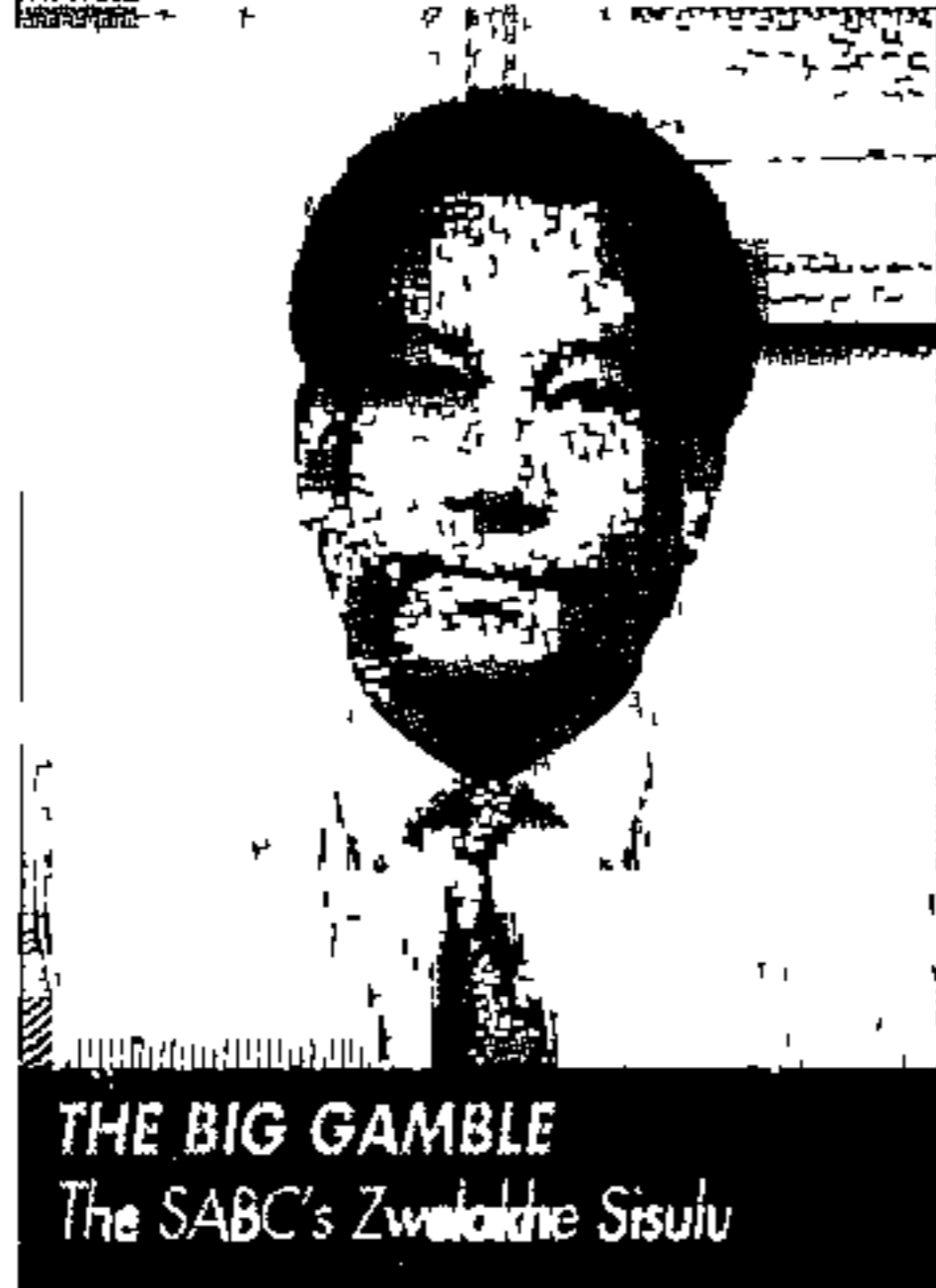
At stake is the huge share that the SABC takes of South Africa's advertising business, of which SABC's flagship, TV1, currently has the lion's portion

M-Net, however, is rapidly increasing its revenues, overtaking the SABC's second channel, CCV, according to the latest industry figures for the year to October 1995

Advertisers say that M-Net's programming and wealthy, urban audience profile has been so successful that the company has been able to halve the discount it offers big clients for slots broadcast in open rather than coded time

It is in the middle of this battle for revenue that SABC has made the decision to relaunch its channels — an operation costing about R15 million, or 38 percent of the corporation's programme marketing budget. The actual cost of programme-making for the new service will run to many times more than this.

The channel reshuffle — SABC 1, SABC 2 and SABC 3 — which replace TV1, CCV and NNTV respectively, will broadcast



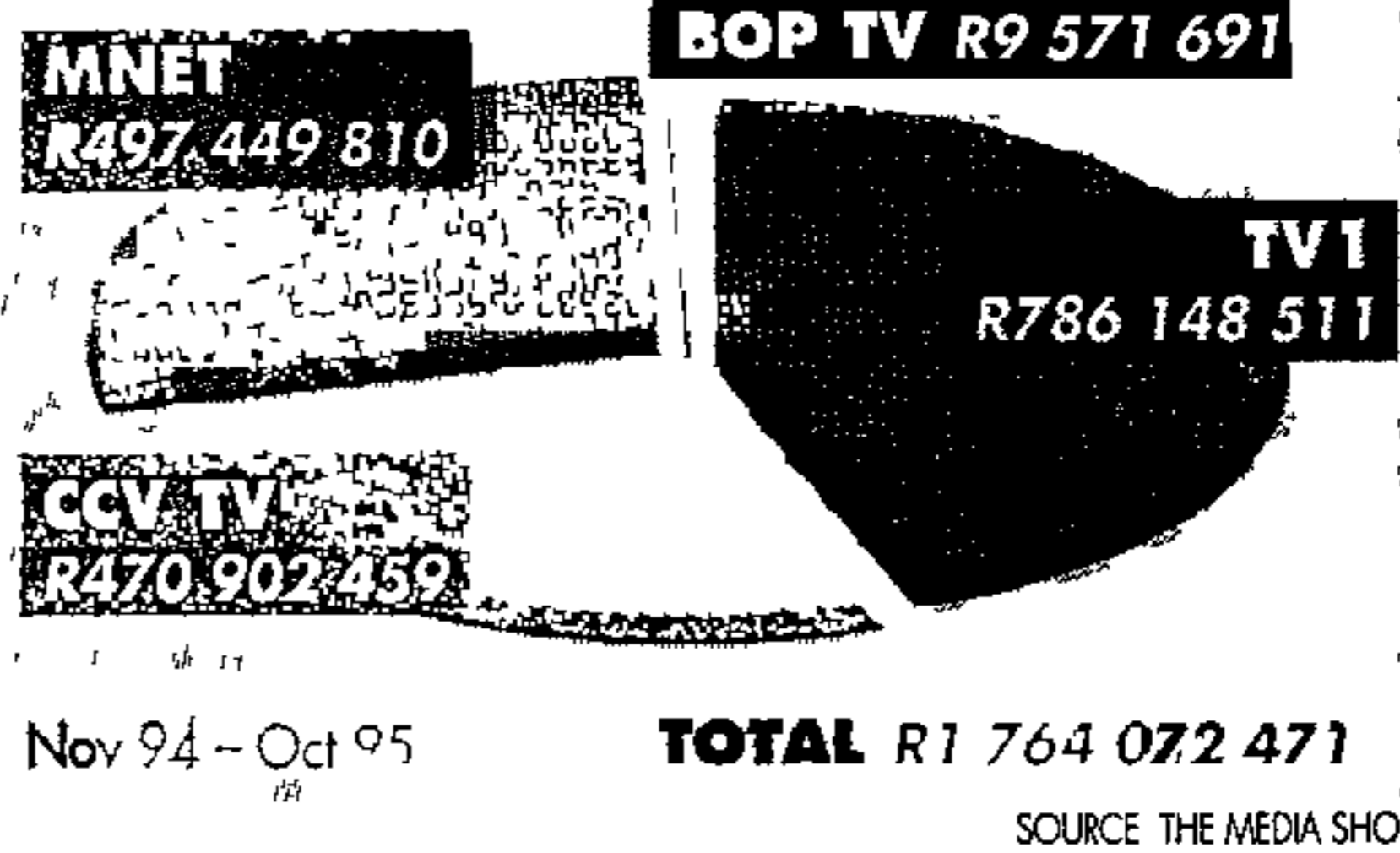
from 4 February SABC 1 and 2 will focus on entertainment via a mix of languages. SABC 3 is intended as a quality station, offering traditional public service fare such as educational and environmental programmes, mainly in English, but with some community programmes in Italian, German, Greek and Portuguese

The reshuffle is arguably the biggest gamble taken by the SABC's Zwelakhe Sisulu since becoming chief executive in 1994.

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

According to John Barham, the managing director of independent media agency Media Shop, the changes could double the cost of reaching target audiences on SABC. "None of the channels are branded, the audience won't

## Television advertising expenditure



know what they want to watch, with programmes switching between languages and topics. They'll channel hop, which will be bad for advertisers, since they'll do it during the advertisements," he said. Barham believes that the changes will drive wealthier white viewers into the arms of M-Net, and, he says, advertisers will follow them.

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

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

Industry support for the SABC changes rests on the negative effect it may have on advertising tariffs. Brian Butler, the managing director of the media arm of

advertising agency Lintas, is delighted with the changes.

"This will stop advertising prices going through the roof.

"M-Net is oversold. Competition from SABC is the best thing that's happened for a long time."

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

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

The corporation has to generate more than R700 million this fiscal year. Senior executives are working on pay-TV and satellite projects with a view to supporting the increasingly costly public service. The SABC depends on advertising for 85-90 percent of its revenue.

# Labour seeks pledges on restructuring

(260) (~~232~~)  
Renee Grawitzky  
BD 11/1/96

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

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

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

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

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

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

The Federation of SA Labour Unions reaffirmed its position, yester-

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## Restructuring

(~~232~~) (260)  
Continued from Page 1  
BD 11/1/96

day not to participate in the strike, but indicated this did not imply its affiliates "accept wholesale privatisation".

Cosatu general secretary Sam Shilowa said the only goal of restructuring should be to ensure the delivery of efficient, affordable and quality ser-

vices. "Ownership should not be the determining factor in the delivery of services", therefore, labour's definition of restructuring did not include any form of privatisation such as the partial sale of state assets.

Government's draft document acknowledges that restructuring should not occur at the expense of workers in state enterprises. It proposed the negotiation of a social plan to cushion the effect of retrenchments.

# SABC's new scheduling angers Afrikaans cultural group

Jacquie Golding-Duffy

**T**HE Junior Rapportryersbeweging (JRB), an Afrikaans men's-only cultural youth movement, will object against the SABC's new proposed schedules in a bid to get the Independent Broadcasting Authority to hold a hearing (260)

If the IBA decides that the submissions by the JRB are "serious enough", it could stall the process for the SABC by giving the Afrikaner movement a chance to have oral submissions.

The deadline for submissions to the IBA regarding the SABC's "new look" is February 2; two days before the "new SABC" is supposed to hit the screens. MTG 12-18/196

JRB vice-president Johann Marais said not only would the movement lodge complaints with the IBA, but they would "most definitely" haul the SABC before the constitutional court for "undermining the Afrikaans language" in its schedules.

Afrikaans is currently only allowed 3,9% of airtime across all three channels while English has been allocated more than half of SABC's broadcasting time.

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

SABC spokesman Pat Pillai said the 3,9 percent was based on equitability and proportionate in terms of demographics. "As a public broadcaster, we are open to scrutiny," he said.



# Deal on framework for restructuring

Renee Grawitzky

BO 12/1/96  
LABOUR and government agreed last night on the basis for a national framework to restructure state assets, with government agreeing not to make any further decisions or announcements on the issue and labour indicating it would evaluate mass action in light of the developments

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

Continued on Page 2

## Framework

~~(232)~~ (260)  
Continued from Page 1

BO 12/1/96  
Public Enterprises Minister Stella Sigcau said that the framework agreement would speed up the process of restructuring. Cosatu general secretary Sam Shilowa said he did not believe the major area of government's approach entailed wholesale privatisation. However, government would use "various tools" at its disposal for restructuring and these would be discussed in the various structures to be established.

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

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

Meanwhile, more than 500 Post and Telecommunications Workers' Associ-

ation members — bearing placards saying "Cosatu suspend the allegiance" and "politicians plus workers equals weak bond" — marched on the Gauteng legislature yesterday to protest against privatisation.

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

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

Picture: Page 3

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# Accord on state assets close

(233) (260)

ET 12/1/96

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

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

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

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

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

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

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

formation of our country"

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

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

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

Both sides were committed to deep and meaningful transformation, he added. — Sapa

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## Convener of media task group named

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

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

At a meeting yesterday the group

chose Val Pauquet, of the Peace Accord Trust, as its spokesman.

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

The committee is scheduled to meet again on January 29 - Reuters

(260) Star 13/1/96

# COSATU'S PRIVATISATION HOT LINE TO THE CABINET

ST 14/1/96



THABO MBEKI

The government has been slow to identify assets it wishes to sell off



STELLA SIGCAU

Plans to privatise Sun Air, Transkei Airways and Telkom are set to be vetoed by Cosatu



SAM SHILOWA

By RAY HARTLEY  
Political Correspondent

FIFTEEN months after Deputy President Thabo Mbeki announced government's legendary "six-pack" of plans to shore up its finances, its privatisation plans are mired in a tangle of bureaucracy.

In terms of an agreement reached with Cosatu this week, the cabinet now finds itself hound to consult Cosatu before making any further decision on privatisation — or "restructuring", as the union federation prefers to call it.

In exchange for its extraordinary role in vetting what the cabinet

may or may not discuss, Cosatu announced it would "suspend" the day-long strike it had threatened to undertake this Tuesday.

First set to be vetoed under the decision are plans to privatise Sun Air, Transkei Airways and Telkom, which were announced by Mr Mbeki in December.

"The government has also indicated that the cabinet will not make further announcements until there has been agreement on the

National Framework Agreement," Cosatu's executive committee said.

A spokesman for the Ministry of Private Enterprise, Douglas McClure, said "We've agreed on the basic principles for a mechanism that will facilitate consultation."

The Cosatu agreement is not the only thing holding up the privatisation initiative — government itself has been slow to identify which assets it wishes to sell off.

In October 1994, when Mr Mbeki announced his "six-pack" aimed at restructuring government

finances, he said it represented a "bold and imaginative shift in the government's approach to the role of the public sector".

He said that privatisation could help with the empowerment of black businesses and announced that the Minister of Public Enterprises, Stella Sigcau, would head up the initiative.

Ms Sigcau established a management committee to co-ordinate the efforts of "sector task teams" to evaluate privatisation options.

The task forces were supposed to report in

December on which state assets to sell.

Only the Minister of Transport, Mac Maharaj, was able to meet the deadline, leading to the early decision to sell off Sun Air and Transkei Airways.

The latest row between the government and Cosatu was sparked by Mr Mbeki's announcement in December of the government's plans for the two airlines and Telkom.

The announcement immediately drew a threat of a two-hour work stoppage and a one-day strike from Cosatu.

The transport industry

was brought to a halt by 40 000 SA Railway and Harbour Workers' Union affiliates, leading to intervention by Ms Sigcau, and the first concession by the government — that it would accord Cosatu a special place in decision-making on privatisation State enterprises, including Eskom, Telkom, Transnet and Denel, are worth about R100-billion — about a quarter of the gross national product.

The Democratic Party's Kobus Jordaan has said that the government has a 52 percent share of fixed-capital stock.

# Decentralisation of SABC starts with tenders out for radio stations

BY ADAM COOKE

Star 15/1/96

(260)

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

These include two prominent Gauteng stations - Highveld Stereo and Radio Jacaranda

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

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

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

Other stations up for sale are Radio Algoa in the Eastern Cape, Radio Oranje in the Free State, East Coast Radio, in KwaZulu Natal and KFM in the Western Cape

The Independent Broadcasting Authority says in an advert next to the SABC's that it approved the sale and would invite applications for licences needed by those buying the radio stations

But the tenders are subject to a deci-

sion by the Parliamentary Portfolio Committee Standing Committee on Communications

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

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

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

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

"We hope the sale of these six stations represents the first wave of new broadcasting players," said Sisulu.

The report included proposals on the amount of local content in broadcasting, the nature of the public broadcaster and cross-media ownership

Potential buyers have been requested to submit notice of their interest by February 5 and the SABC has also announced a two-phase tender process for the sale.

01 51 55

# Goldin considering offer of top position at DBSA

(260) (260) CT (P/R) 15/1/96

BY NEIL BEHRMANN

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

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

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

In terms of ability, Goldin appears to be more than qualified for the job. He has considerable experience in development economics and the workings of international institutions and politics. Between 1988 and 1992 he was a research and programme director at the Organisation for Economic Co-operation and Development (OECD) in Paris.

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

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

Goldin joined the reconstruction bank, which funds projects in eastern Europe and

the former Soviet Union, in April last year. As senior economist he travels extensively in eastern European countries and advises on their economic situation and the feasibility of proposed projects.

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

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

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

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

Jacques Atali, the former chief executive, was forced to resign from what was regarded as his private empire. Over the past two years its new head, Jacques de Larosiere, the former managing director of the IMF, has been cutting costs.

# SABC lands in hot water with the IBA

(260) Star 16/1/96

By MICHAEL SPARKS

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

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

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

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

In terms of the IBA Act, the body is empow-

ered to prevent further "illegal" broadcasts, impose a fine and, in the most serious circumstances and after an extended period of hearings, revoke the broadcaster's licence.

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

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

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

# SABC's relaunch in the balance

*Sowetan*  
17/1/96  
260

**T**HE Independent Broadcasting Authority yesterday threw the SABC's plans of relaunching its television service into disarray

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

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

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

## The IBA insists on first holding hearings in the nine provinces

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

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

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

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

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



# TV switch-off threat if SABC ignores the IBA

(260) Star 17/1/96

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

By MICHAEL SPARKS

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

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

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

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

It is understood that the SABC

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

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

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

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

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

Some Afrikaner groups are already highly critical of the new schedules, which will greatly re-

duce their language's share of air time to allow greater use of African languages. English would have the lion's share.

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

The new channels - SABC 1, SABC 2 and SABC 3 - are to replace CCV, TVI and NNTV respectively.

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

SABC 3, "a quality programming channel with a focused metropolitan audience", will be mainly in English with community programmes in German, Italian, Greek, Portuguese and in sign language.

Broadcaster could face switch-off (260)

# IBA, SABC clash over TV relaunch

BD 17/1/96

Ingrid Salgado

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

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

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

SABC spokesman Ken Modise said some changes in language distribution and programme scheduling would still occur but could not give details. The SABC hoped to obtain IBA consent — without the need for public hearings —

before the launch date for adjustments to its signal distribution network that would enable it to target different language groups more accurately.

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

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

De Klerk said the IBA appreciated

Continued on Page 2

SABC

(260)

Continued from Page 1

that the SABC had made public announcements about the relaunch and that its ruling would affect advertising. "Regrettably the authority is bound by the law prescribing procedures for the amendment of broadcasting licences."

He dismissed claims that the IBA was "quibbling" on minor issues. Disregard for lawful procedures could set precedents for other broadcasters and its approach to broadcast regulation had to be consistent for public, private and community broadcasters.

The IBA's decision had nothing to do with pressure from cultural groups

opposed to the SABC changes, De Klerk said. Its primary concern was to protect public interest and enable the public to participate in transforming the national public broadcaster.

The thrust of the SABC's proposed language shake-up included:

- TV1 (to be known as SABC2) to cater for English, Sesotho languages and Afrikaans,
- NNTV (SABC3) to provide programming mainly in English, and
- CCV (SABC1) to cater for the Nguni languages.

The NP welcomed the IBA's ruling. The SABC's conduct had created the impression it believed laws to protect the public's right to debate issues concerning the national broadcaster could be ignored, NP spokesman Marthinus van Schalkwyk said.

## Labour releases draft on restructuring state assets

~~238~~ (260)  
Renee Grawitzky

BD 17/1/96

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

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

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

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

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

Jeff van Rooyen, special adviser to Public Enterprises Minister Stella Sigcau, said government did not anticipate problems in ratifying the document as a high-powered government delegation had participated in the negotiations on the agreement.

CT 17/11/96

# SABC relaunch amended as IBA demands hearings

(260)

## SPECIAL CORRESPONDENT

JOHANNESBURG Intervention by the Independent Broadcasting Authority (IBA) has forced the SABC make last-minute changes to its much-publicised, R15-million relaunch of its three television channels

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

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

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

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

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

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

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

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

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

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

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

Afrikaner groups, which have been vociferous in their opposition to the proposed changes, are certain to be keen participants at the hearings

## SABC, IBA to meet in bid to resolve impasse

(260) Star 18/1/96

BY MICHAEL SPARKS

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

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

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

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

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

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

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

► Two sides to bungle

# Two sides to the television relaunch bungle

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

(260) Star 18/1/96

BY MICHAEL SPARKS

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

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

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

Some people are questioning whether the whole affair is not a



PETER DE KLERK

power struggle between the public broadcaster and the Independent Broadcasting Authority, saying there is a possibility that the IBA is taking the "Authority" part of the title far too seriously.

After all, according to this line of thought, all the SABC wants to do is change the channels on which some languages are being broadcast.

Does this really make such a big difference, particularly since

the changes comprise of many recommendations made by the IBA itself, and seem certain to make television more representative of the new, democratic South Africa?

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

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

The IBA also disputes the claim by the SABC that changes to the channels are minor.

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

De Klerk warns that while the

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

The IBA and the SABC insist they were engaged in continuous talks towards the end of last year. De Klerk says the IBA continually reminded the corporation that no formal application to amend the licences had been made, and that it was a time-consuming process.

Yet if that is the case, how can a misunderstanding, with such significant implications for the relaunch and for the prospect of getting advertisers to support the new-look, public broadcaster, occur?

De Klerk believes the problem arose from the interpretation the SABC had regarding that for which it actually needed to apply to the IBA, as well as the urgent need it felt to implement programming changes.

The SABC is being very tight-

lipped about what led to the problem, with even high level management, apart from insisting that it was not a mistake and that it should not be a problem, refusing to be quoted on their speculation.

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

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

As National Association of

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

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

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

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

# SABC to go ahead with launch

*260*  
*source 19/11/96*

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

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

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

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

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

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

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

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

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

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

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

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

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

(260) ARG 19/1/96

## The Argus Correspondent

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

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

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

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

"The IBA has agreed that if these new language proposals

are in compliance with the existing licence, there will be no barrier to their implementation by February 4 1996."

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

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

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

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

Alluding to earlier differences between the two organisations, Mr Sisulu conceded

that there might have been a breakdown in communication and a difference in the interpretation of communications between the two.

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

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

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

The statement was issued while an SABC team headed by the corporation's chief Zwelakhe Sisulu was meeting the IBA.



SABC TV: Rapportryers' threats spark power battle

# Is TV relaunching

Jacque Golding-Duffy and Justin Pearce

**T**HE grand plan for a spectacular relaunch of the SABC to shake off the last vestiges of its heritage as a bastion of Afrikaner nationalism, has been dampened by a last-ditch bid by the language lobby. When the Rapportryers and other bodies dedicated to the protection of the Afrikaans language signalled that they would fight — through the courts if necessary — any downgrading of their language on the national broadcaster, the Independent Broadcasting Authority had to sit up and take note. In the interim Constitution the Afrikaans language lobby has a powerful weapon, and the Independent Broadcasting Authority (IBA) which had been relaxed about the formalities of SABC's planned changes, would be vulnerable to legal attack if it did not follow the letter of the law and hold public hearings, which



Jill Chisholm 'Running into IBA sensitivities about authority'



Ken Modise 'No individual is responsible for misunderstanding'

would allow the language lobby to pursue its objections. That sparked off this week's power struggle between the two premier bodies of South African broadcasting both of which are determined to show that they are in charge of reshaping

the public broadcaster. The SABC for the moment lacks IBA approval to amend its television broadcast licences in such a way as to allow the corporation to spread South African languages equitably across all three new channels as it

## New channels won't lose

Justin Pearce

**A**DVERTISERS have nothing to fear from the SABC's reorganised television channels, for the simple reason that the most popular programmes will still be found on the new channels. This is the view of advertising agencies, who are confident that SABC TV will continue to attract advertising once viewers have got used to the revamped scheme.

"If programmes pull in the audiences, they will get the ads," commented one agency media planner. However, agencies feared a drop in advertising revenue for the corporation in the few months after the February 4 changeover, as advertisers predict audience confusion will lead to a temporary reduction in viewership. "Clients are generally sceptical about February and March, and some may hold back on adspend until things have settled down," said James

Monteith of Young and Rubicam. He pointed out that a typical evening's viewing will in future involve more channel switching than is the case at present, and that it might take audiences some time to adjust their viewing habits. Agencies are confident that once the situation has stabilised, the SABC will regain its share of the advertising market, and that the coming months will see new patterns emerging in media planning.

## News viewers vote with their remotes

Jacque Golding-Duffy

**T**HE SABC's news and actuality coverage — the mainstay of the broadcaster's operation — has lost more than a quarter of a million viewers over the past year. The corporation's eight o'clock English news slot has suffered a drop of a minimum of 100 000 viewers, while the equivalent 30-minute Afrikaans bulletin lost 200 000 viewers. The new, "improved" *Agenda* Newline also suffered a decline of about 100 000 viewers, but it is not

clear from market research where the audience has moved to. There has been a "steady decrease" in the number of people who watch news and actuality, said SABC news and actuality research manager, Dr Stoffel Blaauw, adding that people either watch only half the news, change channels, or just switch off their television sets for the night. Blaauw said the decline began when the SABC shifted from being a commercial broadcaster to becoming a public broadcaster, adding that the drop of 300 000 viewers was a "minimum average" of the total number of

people lost to news and actuality. "The drop began as early as September 1993, when the political agenda of the SABC changed and it had to adapt to a changing South Africa by ridding itself of the stereotyped black television channels — the former TV2 and TV3 — and market a television service that was more representative of the broader spectrum of South Africans," Blaauw said.

He said the SABC's top brass was trying its best to broadcast to all language groups but, because it was a mammoth task and one could not be all things to all people, certain local English and Afrikaans groups were becoming "increasingly annoyed" with the drop in standards of television, especially news and actuality. With about 10.5-million households connected to television, a steady decline of this nature could see a drop of close to a million viewers by the time the next elections are due. Blaauw predicted that people would be increasingly incensed to find that, with the relaunching of channels, the corporation was using material which was "currently on the shelf" because of time and budgetary constraints. He said top management was despite having its own agenda open to suggestions gathered from research conducted and keen to improve the image of the SABC, but added that the "new look" SABC would be a case of "let's wait and see what happens".

between the broadcaster and the IBA

# ... or re-sink



Zwelakhe Sisulu 'IBA said change would be a technicality'

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

## revenue

"The demographic nature of the population is more catered for than before," said Indigo Media's managing director Stephen Hahn-Griffiths, reflecting a feeling in the industry that the new arrangement offers opportunities for targeted advertising which were not present under the old system. With the full potential of the black consumer market as yet untapped, agencies do not anticipate any difficulty in filling the advertising slots to accompany an increased number of black-language programmes.

**W**hen it comes to reaching white consumers, there are concerns about the disappearance of the existing TV1 format, which has up to now offered advertisers a high concentration of relatively affluent white consumers watching a single channel.

"Previously, one could reach the entire high-income audience simply by choosing TV1. Now that audience is going to be more fragmented," said one media planner. Accordingly, agencies predict clients will in future insist on slots next to particular programmes which they know to be popular, rather than simply buying time on a particular channel.

While there is some concern that the SABC will lose Afrikaans viewers with the decrease in Afrikaans TV airtime, most agencies were confident the losses would not be serious. A widespread feeling was that while Afrikaans speakers might express indignation about the changes, at the end of the day they would watch English programmes rather than switch off.

Fears of a flight of advertising revenue from the SABC to M-Net also appear to be unfounded, since M-Net's advertising time is already in heavy demand. "Open time is already fully subscribed, and the thought of droves of advertisers moving to M-Net is not realistic," said Peter McKenzie of M-Net's advertising division.

The only way in which M-Net might benefit from the changes at the SABC would be if the new format led viewers to abandon the SABC in favour of M-Net, which would allow the pay channel to increase its advertising rates, McKenzie said.

(260) M+G  
broadcast licences mean the corporation now has two weeks to revise schedules which took months to compile.

The IBA and SABC accuse each other of provoking this crisis. The SABC said it had held discussions with the IBA as early as September and that the regulatory body was "well aware" of what was coming.

IBA sources in turn said the authority had repeatedly informed SABC top management of the need to make a formal application to amend its broadcast licence.

The SABC further alleges that based on discussions held between the parties, there "did not seem to be a problem" until earlier this week when press reports alerted the SABC to the IBA's decision against granting an immediate amendment. The possibility of legal irregularities in the SABC's plans was first made public when Afrikaner organisations threatened the SABC with court action.

The Rapportryersbeweging said programme restructuring and language changes by the SABC were being done 'single-handedly' by the corporation. The Rapportryers threatened to take the SABC to court and to make submissions to the IBA regarding the planned relaunch.

The IBA was alerted and the SABC was informed that it would have to comply by amending its licence and allowing for public scrutiny.

SABC chief executive Zwelakhe Sisulu said the launch on February 4 was not challenged by the IBA at the parties' last meeting in mid-December, adding that the corporation was "made to understand that the amendment would be a minor technicality". The IBA denied this.

Some sources see the IBA-SABC wrangle as a misunderstanding due to bad communication, others believe it is a power struggle over who has the greater authority, while others insinuate that were it not for the stir caused by the Afrikaner men-only movement, the stand-off between the parties would have been averted.

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

The question that remains is whether the two had agreed in principle on the amendment being granted as a mere formality and whether plans were upset by a small Afrikaans fringe group insisting on its democratic right to scrutinise the new SABC changes.

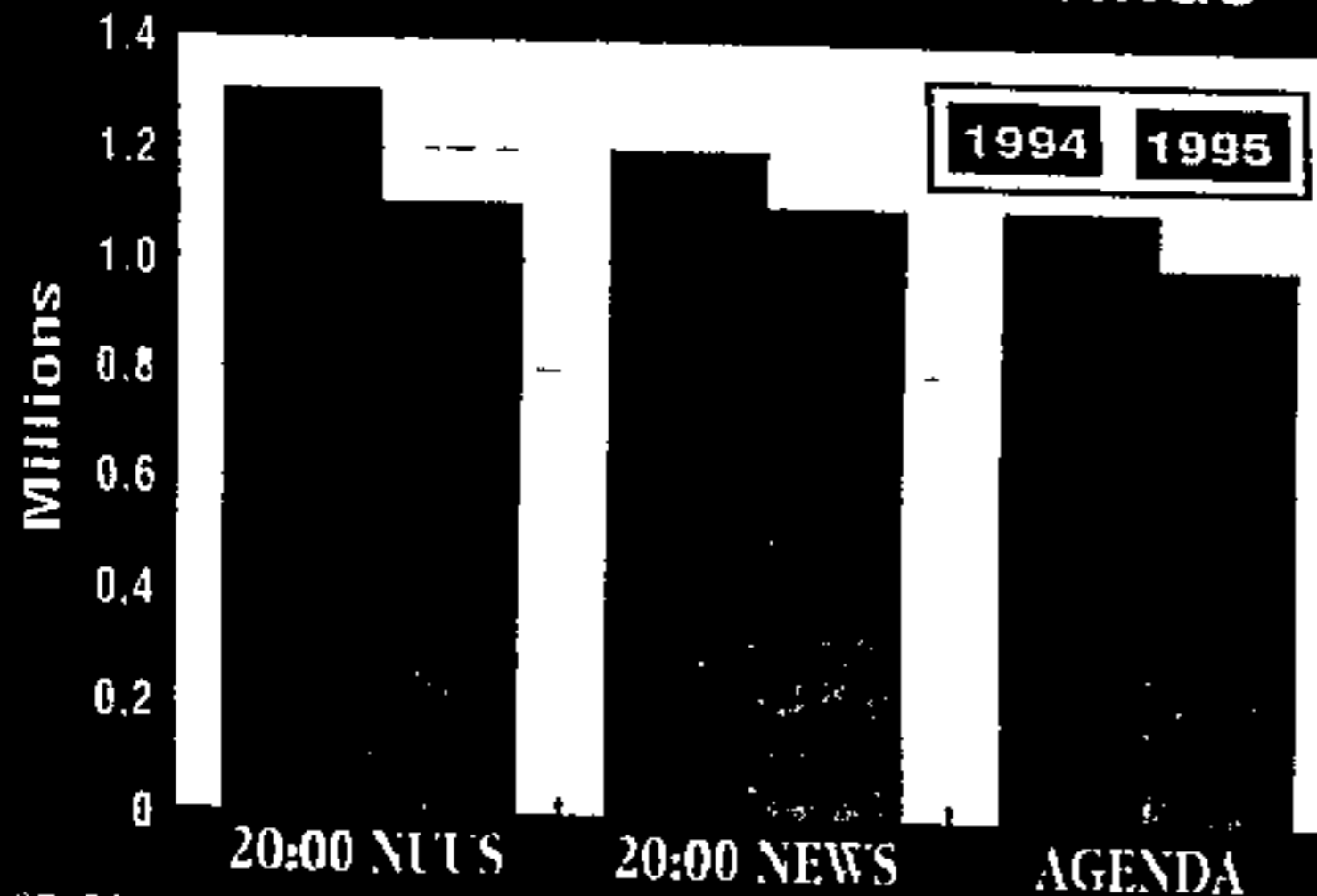
SABC communications head Ken Modise insisted that no individual was responsible for the misunderstanding, since each meeting between the parties was attended by at least three representatives from each organisation.

IBA spokesman Amos Vilakazi denied that there was a power struggle between them, adding that the IBA was merely doing its regulatory duty.

The SABC is adamant that it was complying with the Broadcasting Act by handing in its application for an amendment when it did. According to one SABC official the IBA had dragged its heels in getting the application gazetted and this contributed to the delay in notifying the public of imminent changes within the SABC.

### SABC'S DWINDLING VIEWERS

#### MONTHLY AUDIENCE RATINGS



SOURCE: AMPS RATINGS

ster and the IBA

# -sinking?

(260) NMG 19-25/1/96

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There is a feeling within the SABC  
 that the IBA was whipping up a logis-  
 tical storm in a teacup and that it did  
 not have the right to dictate the lan-  
 guage preference used on the SABC.  
 The IBA, however, felt that the  
 handing in of the application two  
 months ago—in early October rather  
 than in mid-December—would have  
 been more acceptable and would have  
 allowed for public scrutiny.  
 "The effect of the application is that  
 it transforms public broadcasting in  
 this country and, while we are not  
 opposed to the SABC, we are opposed  
 to the procedurally incorrect manner  
 in which it has gone about doing it,"  
 an IBA source said. He stressed the  
 IBA was merely doing its job as a  
 media regulator.

In the wake of this week's fiasco,  
 SABC management has asserted its  
 commitment to public consultation,  
 and has argued that going ahead with  
 its revised plan was the best way to  
 give the public an idea of what the  
 changes involved.  
 "We believe the public will be better  
 informed once they have seen what is  
 offered," Modise said.  
 Modise confirmed that the corpora-  
 tion is to go ahead with its February 4  
 relaunch while still abiding by the  
 terms of its existing licences. This will,  
 however, involve a rearrangement of  
 the schedules in order to keep the  
 dominant languages on each channel  
 the same as at present.

SABC sources suggest the corpora-  
 tion paid little attention to the need to  
 seek a formal licence amendment,  
 lulled into false security by the fact that  
 the IBA had raised no objections when  
 African languages were introduced  
 into TV1's *Good Morning South Africa*.  
 However, licences stipulate the  
 dominant languages for each chan-  
 nel. While the GMSA changes did not  
 change the status of English and  
 Afrikaans as the dominant languages  
 on TV1, the changes that were  
 planned for February 4 would have  
 reached much further.

Briefing TV staff on Wednesday, Jill  
 Chisholm, head of Television News  
 Production and acting head of televi-  
 sion, pointed out there was no preced-  
 ent for a South African broadcaster  
 applying for a licence amendment as  
 opposed to a fresh licence, hence the  
 lack of clarity over correct procedure.  
 Chisholm also expressed disap-  
 pointment that changes which "are  
 part of a root and branch transforma-  
 tion" of the SABC had been stymied  
 by the problems raised by the IBA,  
 when in fact the IBA and SABC were  
 in agreement on the kind of transfor-  
 mation which the corporation needed  
 to undergo.

Stressing the need for discretion,  
 Chisholm expressed concern  
 about "running into IBA sensi-  
 tivities about power and authority".  
 Wednesday's briefing was the first  
 time that staff who will be implement-  
 ing the new programme format had  
 been officially informed of the plans.  
 Chisholm apologised to staff for the  
 fact that they had heard about the  
 changes in line-up in the press before  
 being briefed by the SABC. The brief-  
 ing was intended to take place earlier  
 but had been delayed.

Staffers have in the meantime voiced  
 frustration at what they see as the  
 superficial nature of the changes  
 planned at the SABC, at the confusion  
 over the lines of managerial command,  
 and at the corporation's tardiness in  
 informing them about the changes.



## IBA stands firm on SABC changes

Ingrid Salgado

SD 19/1/96 (260)

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

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

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

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

Agreement was reached on propos-

Continued on Page 2

## SABC

Continued from Page 1

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

Details of the language breakdown across the three channels were still required.

The thrust of the new language proposals entailed retaining the Sesotho group of languages on CCV (to be known as SABC1) but reducing the time allocation and moving a portion of the programming to TV1 (SABC2). The original plan was to move most Sesotho programmes to TV1.

Earlier yesterday, the SABC ap-

peared to absolve itself of blame for the legal bungle which forced it to halt plans for the TV relaunch.

SABC management had acted responsibly and in good faith during negotiations with the IBA to amend its existing TV licences, the SABC board's executive committee said.

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

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

The committee also said that printed copies of the SABC's proposed new programme schedules had been in the IBA's hands since early last November.

## Green light for some changes

(260)

From Page 1

Star 19/11/96  
poration would violate its existing licence conditions if it proceeded. It then insisted that a four- to six-week public consultation process was needed before the changes could be approved and implemented.

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

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

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

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

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

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

## Green light for some changes at SABC

Star 19/11/96

By MICHAEL SPARKS

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

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

(260)  
new language proposals are in compliance with the existing licence, there will be no barrier to their implementation by February 4 1996," they said, adding that the proposed changes "seemed to comply with their current licence conditions".

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

The SABC's plans to relaunch its television services on February 4 were thrown into disarray this week when the IBA said the cor-

► To Page 2

FEB 4 TV RELAUNCH LIKELY TO GO AHEAD

# SABC-IBA language changes 'compromise'

ET 19/1/96

(260)

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

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

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

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

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

The IBA re-affirmed its need to continue to hold hearings on the matter.

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

## Call to revamp board

### POLITICAL STAFF

A CALL for nominations for a revamped board of control for the SABC was made yesterday by the chairperson of the National Assembly's portfolio committee on communications, Mr Sali Masezo.

The new SABC board will have to be reconceived as an institution so that it reflects and is consistent with the new broadcasting dispensation.

The terms of office of the current board end in May and

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

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

Nominations should be submitted to the chairperson of the portfolio committee on communications, Mr Masezo, PO Box 15, Cape Town 8000.

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

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

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

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

between the two.

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

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

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

# SABC begins its fine-tune of TV programmes for relaunch

By ELIZABETH KINGHORN

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

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

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

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

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

It is not clear how there was a communication breakdown between the IBA and the SABC. Both organisations were reluc-

tant to point fingers after reaching a solution on Thursday, but industry players believe neither party is blameless.

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

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

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

If the IBA decides that public

hearings should be held in all nine provinces, it will have to fit them into an extremely tight agenda for 1996. Aspirant commercial broadcasters - who after two years are still unable to apply for licences - fear this process will delay the granting of licences further. The regulation of satellite broadcasting and the granting of more community radio licences is also on the IBA agenda for 1996.

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

By yesterday, advertisers did not seem concerned by the dispute, believing there would not be any more audience uncertainty than there would otherwise have been with the changes. Most advertisers had already adopted a wait-and-see approach. Despite speculation that advertising schedules would be seriously disrupted, it appears that the SABC will retain almost all the planned programming.

STAN 20/1/96 260

# Catching the new air waves

## Bankers inundated by bids to buy popular W Cape radio stations

■ Cheque books are out as prospective buyers queue for the SABC's radio station sell-off.

**MICHAEL MORRIS**  
Staff Reporter

POTENTIAL buyers are queuing to bid for popular Western Cape broadcasters, Good Hope Radio and Radio KFM, as Auckland Park gets set to sell off some of its hottest stations

A week after the SABC posted the sell-off in newspaper advertisements, merchant bankers Investec said they had been inundated with calls and faxes

"There has been substantial interest," said Investec's Bruce McRobert

But details of the bidders — understood to include individuals and consortiums — are being kept firmly under wraps

Potential buyers have until February 5 to register their interest

In fact, some uncertainty still surrounds the sale of the stations — six, possibly eight, altogether — because parliament's portfolio committee on communications has still to ratify — and fine-tune — recommendations of the Independent Broadcasting Authority (IBA) It is due to consider the recommendations in March

The committee will, among other things, have to approve the disposal of KFM, Radio Algoa, Radio Orange, Highveld Stereo, Jacaranda and East Coast Radio, decide on the future status of Radio Good Hope and Radio Lotus, and set limits for cross-media control

Ultimately, the stations will be sold through a two-phase "select tender" process

Prospective owners will be vetted in terms of the Independent Broadcasting Authority Act of 1993

The first sales are expected later this year, if parliament approves the IBA's recommendations

The sell-off is widely expected to breathe new life into the commercial radio sector, long dominated by the state, and leave the SABC to concentrate on its primary role as the public broadcaster

Media-watchers believe the move could help revitalise the whole media industry, from advertising to the print media and television, creating new demands for skills and sharper competition

Newspaper groups — keen to reinforce their stake in the media industry through investment in the electronic sphere — will keep a close eye on the setting of cross-media ownership limits



(260) ART 20/1/96

□ **ALL TIED UPI** Tournament toff Van Phillips, left, tees off during the Phillips SA Open at the Royal Cape — tie and all his contract with a tie company compels him to wear a tie, but maintains it does not worry him. This young spectator, centre, insists on her comfort, using a shooting stick, while contender McLardy, right, blasts his way out of trouble The last two rounds are being played today and tomorrow. Entrance is R20 and there's safe parking at R5 a car at the Youngsfield military base nearby

Pictures BRENTON GEACH, Staff Photographer



# SABC's Ivy says she is bugged

CP CORRESPONDENT

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

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

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

"The allegation is aimed at causing division," she said. "I am sure that



**ALLEGED CAMPAIGN . . . Dr Ivy Matsepe Casaburri says a campaign of personal harassment is being waged against her.**

it won't succeed in driving a wedge between me and the SABC management

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

Matsepe-Casaburri also referred to the accu-

sations that she had told lies about her academic qualifications and that this had brought about her appointment as chairman. She said she regarded this behaviour of existing interest groups as an attempt "to depict us as unqualified and inefficient. But we will not bow to it"



# Regulating in whose interest?

(260) M+G(PAM)22/12/95-4/1/96

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

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

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

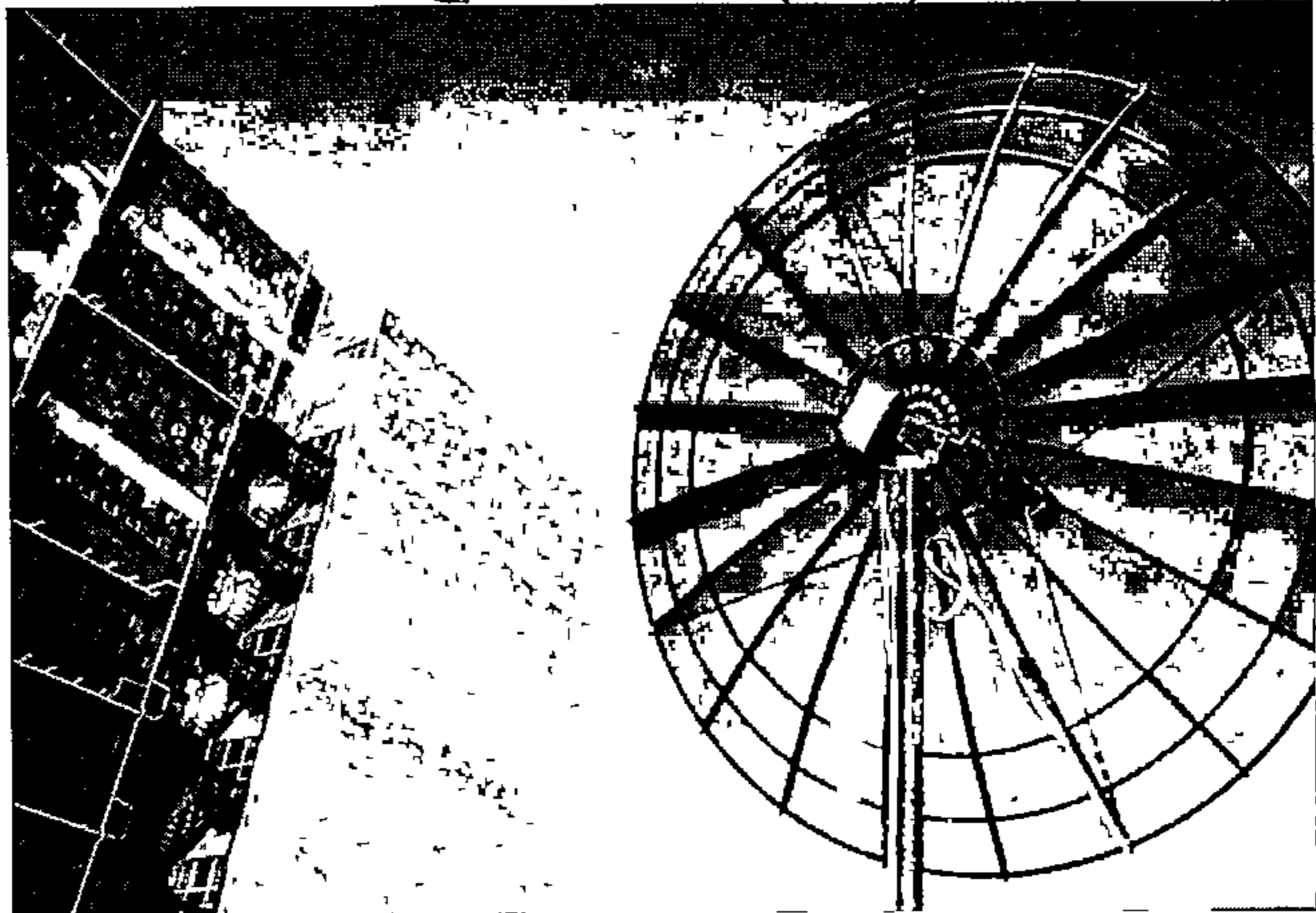
Regulatory bodies around the world such as the IBA have fought mostly losing battles to regulate all broadcasting within their jurisdictions. Rapid technological change, fast-changing media markets, convergence and interactivity find regulators caught flat-footed. Often regulations are introduced only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

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

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

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

It is with this in mind that the IBA has



Heart of the matter. Satellite signals fall outside the traditional broadcasting frequency bands and this suggests that the IBA will be unable to regulate satellite TV

PHOTOGRAPH ADAM BEINASH

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

Marques says if necessary the IBA will back up its power to regulate by suggesting that further legislation be introduced. Examples of such laws could include those which have the effect of limiting South African advertisers from advertising on foreign satellite channels without an IBA licence. Other ideas include limiting foreign satellite operators from getting their subscription fees out of the country.

Adspend directed at satellite TV will mean less for commercial terrestrial TV, an enterprise that the IBA would dearly like to see succeed. The problem is all the more acute if one takes into consideration that South Africa will get commercial TV the wrong way around.

**When private terrestrial TV is launched in 1998, adspend will already have been happily allocated to satellite TV**

In Europe, a relatively established terrestrial TV sector was in place when satellite TV hit the viewing market. In South Africa, private terrestrial TV will only be launched — if the IBA has its way — in 1998, and it will almost certainly be laden with local content and public service obligations. Adspend

would have already been happily allocated to satellite TV. It will take a brave heart to set up a terrestrial TV station.

Kobus Scholtz, Multichoice group managing director, believes that although the IBA may have a role in regulating terrestrial TV, satellite TV does not need the same sort of regulation. "Because the BSFB is a limited resource, the IBA has a place in ensuring that it is used to promote a diversity of broadcasting for the benefit of all," he says. "The satel-

lite frequencies, on the other hand, are practically unlimited and there is no reason for a body like the IBA to regulate them at all."

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

**T**he IBA, adamant in the correctness of its approach, has consulted senior legal counsel, which has offered this opinion: the transmission of a signal from space constitutes broadcasting and therefore can only be done with a licence issued by the IBA, but the IBA cannot issue a licence for broadcasters transmitting their signal outside the BSFB. Therefore, the definition of BSFB should be extended to include the frequencies used by satellite TV.

Marques says the IBA has discussed extending its authority over this part of the frequency spectrum with the Postmaster General who has agreed to it in principle.

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

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

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

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# SABC to retain Afrikaans news

BD 22/1/96 (260)

Ingrid Salgado

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

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

These changes — subject to amendment — complied with the broadcaster's existing licence conditions, which stipulated that programmes be predominantly English and Afrikaans. Modise said the SABC's TV1 licence did not stipulate the broadcaster had to provide English news bulletins.

The times of TV1's news bulletins would also change. The SABC would offer two daily broadcasts at 6.30pm and 8.30pm, alternating between Sepedi, Tswana, Afrikaans and Sesotho.

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

Modise said English bulletins would probably be transferred to

NNTV (or SABC3) screened nightly at 8pm.

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

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

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

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

## Danish royal visit to cement ties

Dianna Games

BD 22/1/96

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

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

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

medium enterprises

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

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

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

The queen, who was invited by President Nelson Mandela, will spend a week in SA, visiting politicians and Danish aid projects.

# Dispute over agreement on state assets

(252) (250)  
Renee Grawitzky  
BD 22/1/96 (260)

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

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

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

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

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

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

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

Continued on Page 2

## Privatisation (260)

Continued from Page 1  
BD 22/1/96

isted as to whether the primary aim of restructuring was to improve "competition" in the parastatals or to improve their "competitiveness".

The parties have officially agreed to refer the different positions back to their principles. Cosatu general secretary Sam Shilowa said there was no reason why an agreement could not be reached this week.

□ **John Dlodlu** reports from Brussels that the EU is to consider establishing a funding scheme for countries, includ-

ing SA, that implement privatisation.

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

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

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

The EU council has approved a budget for the programme of 250-million euros until 1999.

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BD 22/1/96

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surprised while stealing chickens nearby at 8am and had tried to escape across the river when they

A desperate call wa  
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## Casaburri slates media groups

JOHANNESBURG: Some media groups were waging a "campaign of misinformation" against the SABC, board chairman Dr Ivy Matsepe-Casaburri said at the weekend, claiming she had also suffered harassment.

She said the claims were "not only a figment of someone's imagination — it is part of a general campaign against the SABC by some media organisations".

Matsepe-Casaburri also denied press reports about a "vervreemding", or souring, of her relationship with the corporation's chief executive, Mr Zwelakhe Sisulu. — Own Correspondent

(260) CT 22/1/96

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# SABC's grand plan has flaws

By Sharon Chetty

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

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

The current CCV will become SABC1 and will carry broadcasts in isiZulu, isiXhosa and English. SABC 2 (now TV1) will cater for Setswana, Sesotho, Sepedi, Afrikaans and English and SABC 3 (now NNTV) will have English as the primary broadcast medium.

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

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

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

"No one seems to know what the hell's happening," complained one current affairs journalist.

"When I work on things, I can't tell people I want to interview where it will be run, at what time or in what language. How are we expected to prepare for a launch if there's so much confusion?"

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

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

"It's like asking the head of Anglo American how one of his mines is running. He'd have no clue about the day-to-day problems of the workers - it's the same here."

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

They are therefore keen to make big changes soon, but are sacrificing quality in doing so. For example, there is a Pedi radio station, but no money has been set aside for a

(260) Sowetan 23/1/96  
Work on the new service is being hampered by poor organisation



Zwelakhe Sisulu ... Next month will see the first major overhaul of the SABC under his leadership.

current affairs programme

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

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

Ms Ida Jooste and Ms Ina Joubert will be responsible for the English programmes, while Mr Freek Robinson will do the Afrikaans. The rest (the black language programmes) will be left to inexperienced staff.

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

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

"There'll be the usual presenter,

visuals and a panel but no attempt is being made to improve the quality," said an *Agenda* staffer.

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

There is also no current affairs head since Mr Ameen Akhalwaya left in the middle of December 1994. The programme is expected to change its name. One suggestion was *Indaba* but it has not been accepted, so it is back to the drawing board.

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

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

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

extensive research was done to ensure that it is a success.

Resources have been channelled into the African language service, he said, and its management has been hiring staff with the intention of building up the service.

"There will be continuous communication with both the staff and public," said Modise.

# Unnecessary bickering...

By Sharon Chetty

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

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

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

Instead, they bickered in Press statements and, after three days of to-ing and fro-ing, met and made up late on Thursday night.

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

But if it was merely that, surely the two would have been able to sort out the mess before it became a public fight?

After all, both sides have high-powered legal teams and professional staff who are supposed to be accustomed to working at these issues.

However, the high-profile row gives rise to the question: Why did it happen in the first place?

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

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

The SABC, adamant that it would go ahead with the R15 million relaunch of

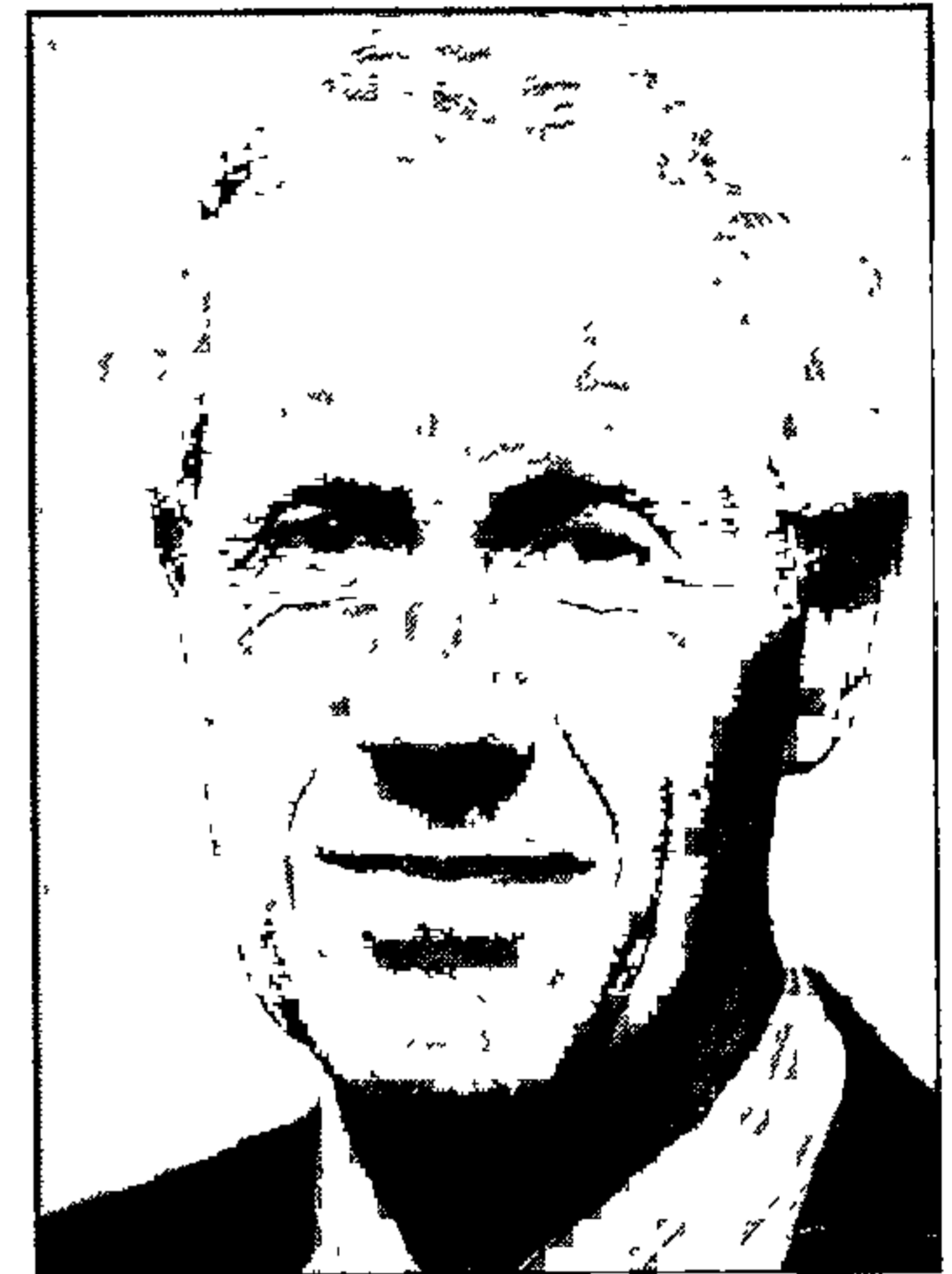
its service, protested.

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

Besides, the IBA's task was not to deal with programming, they said, and they were led to believe that applying for an

amended licence was a "minor" procedure that would involve minimum formality.

All they needed was to have their application for the amendments to their licence in before the end of December and everything would be fine, thought the SABC. They were assured then that their plans were in the process of



IBA co-chair Peter de Klerk ... sure the SABC will follow proper procedures in future.

being approved.

Senior SABC staff point to a transcript of a December 12 meeting with the IBA to support this claim. However, the IBA remains firm in its contention that they constantly alerted the SABC to the application deadline.

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

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

of its channels with a few amendments to its plans.

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

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

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

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

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# SABC head 'was being observed'

(260) BD 23/1/96  
Ingrid Salgado

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

Matsepe-Casaburri said yesterday the surveillance was part of a campaign of "intensified personal harassment" she had had to endure in the past few months.

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

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

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

sepe-Casaburri said.

The apparently distressed Matsepe-Casaburri has vowed not to "succumb" to the harassment. "I am sure it shall not succeed in driving a wedge between SABC management and me."

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

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

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

During the past year, more than 540 people opted for retrenchment packages which cost the organisation more than R30m.

## Govt seeks new SABC board to 'reflect new dispensation'

May 23/1/96

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

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

(260)  
chairman Saki Macozoma.

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

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

Correspondence should be addressed to: The Chairperson, Portfolio Committee on Communications, c/o Masibulele Xaso, Box 15, Cape Town 8000. - Sapa



# Foreign utilities keen to buy Eskom stations

Mungo Soggot

260  
BD 23/1/96  
ÉLECTRICITÉ de France (EDF) as well as Germany's Rheinische-Westfälische Elektrizitätswerke (RWE) were among the foreign utilities keen to buy three power stations Eskom had earmarked for possible sale, industry sources said yesterday.

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

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

Eskom decided in 1994 to investigate selling the stations as they were "no longer economical to

keep in storage".

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

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

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

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

Du Plessis said that the structure of SA's Eskom-dominated power generation sector could be revamped, following the shake-up of the distribution industry.

ARG 25/1/96

260

## Catholic bishops angered by cut in religious air-time

### Staff Reporter

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

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

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

"The SACBC have it wrong," he said.

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

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

This proposal would be put to a meeting of the SABC's Religious

Broadcasting Panel on February 6, after which a Press conference would be held to ensure that people were informed of the decision.

Explaining the background to the issue, Bishop Ndungani said that in 1994 the SABC agreed to 380 minutes a week devoted to Christian faith broadcasting, and extra time to the other faiths. This had resulted in total air time of 675 minutes a week for religious programmes.

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

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

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

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

He said of the new proposal of 425 minutes a week: "There has to be a cut because of the across-the-board budget cuts at the SABC and the policy of language equity."

# Ward dispute may end up in Electoral Court

Linda Ensor

BD 24/1/96

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

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

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

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

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

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

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

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

## SABC, Mdlalose in talks

Business Day Reporter

(260) BD 24/1/96

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

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

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

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

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

## Overcrowding at schools

Ingrid Salgado and Farouk Chothia

BD 24/1/96

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

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

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

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

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

The province's education acting superintendent-general Sidney Shabalala said 1 373 new teachers had been employed in the former KwaZulu education department and another 600 in the former education and training department.

# Media union objects to SABC's launch plans

(260) Star 25/1/96

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

### STAFF REPORTER

At least one of the trade unions at the SABC is concerned about the plans for the major relaunch of all three television channels at the beginning next month, believing staff have not been adequately informed of

their role in the process. Broadcasting, Electronic Media and Allied Workers' Union president Nick Douglas said the union was also concerned at the amount of money being spent on the relaunch, especially since it was taking place just a week or two before wage negotiations

Douglas said there was a lot to be said for spending the R15-million earmarked for the marketing of the new channels on productions and improving the lot of the staff. However, he did concede that he was unaware of where the money was to be spent, and what such

a marketing strategy would cost. It is understood that the corporation is flying staff to Johannesburg from its coastal bureaux in Cape Town and Durban and possibly also Port Elizabeth to the launch for its staff at the Standard Bank Arena on Friday

February 2. Then a second launch event is scheduled, to which about 3 000 people have been invited, which will include the actual revised relaunch of the television channels on February 4. This will take place at Waterkloof Air Force Base in Pretoria. So far, the

SABC is keeping details of the relaunch events under wraps, including their cost. SABC spokesman Pat Pillai said to describe the relaunch event as a party was not accurate, since that suggested frivolity and a waste of money. "What we are planning is more a celebration

for the relaunch which will be very much a marketing event," Pillai said. The union represents about 50% of SABC employees. The Media Workers Association of South Africa and the South African Union of Journalists could not be reached for comment.

# Bop still in the broadcasting business

(260)

MTG 26/1-1/2/96

Vuyo Mvoko

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

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

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

MEC for Arts, Culture and Public Media in the North West, Dr. Molefi Sefularo, confirmed yesterday that the provincial government was for the moment funding the BBC, to the tune of R93-million a year.

Whether the funding would continue in the coming financial year,

he would not say.

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

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

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

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

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

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

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

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

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

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

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

# SABC blunders again

(260) MtG 26/11-1/2/96

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

**T**HE SABC's application for an amendment to its television licences — hastily submitted during a stand-off with the Independent Broadcast Authority — is fraught with errors and will be declared null and void.

The corporation will then attempt, for a second time, to lodge an accurate, all-combined application with the IBA.

The incorrect application which appeared in a special *Government Gazette* two weeks ago had, among other errors, its proposed language amendments wrong and the names of two of the channels did not correspond with the SABC's existing licence conditions.

Answering queries from the *Mail & Guardian*, the IBA said this week that the SABC had also requested the wrong amendment for two of its services, and one of the languages that had been catered for, had been left out.

"These errors in the application can only be attributed to the fact that it was put together in haste. Due to time pressures, there seems not to have been time to check the application thoroughly once it was prepared," the IBA statement said.

need to be gazetted, publicly scrutinised and, if necessary, hearings will have to be held in accordance with the Broadcasting Act. This is a necessary procedure for the SABC not to be in contravention of its licence before the full-blown relaunch of programmes and re-shuffling of languages goes ahead.

The IBA said that before it gazetted the SABC's initial application, but only after it had been sent to the government printer, did the SABC's attorney inform the regulatory body of certain errors in the application, adding, however, that the SABC considered them to be minor and immaterial. The IBA said it was too late at that point to correct such errors before the application was published.

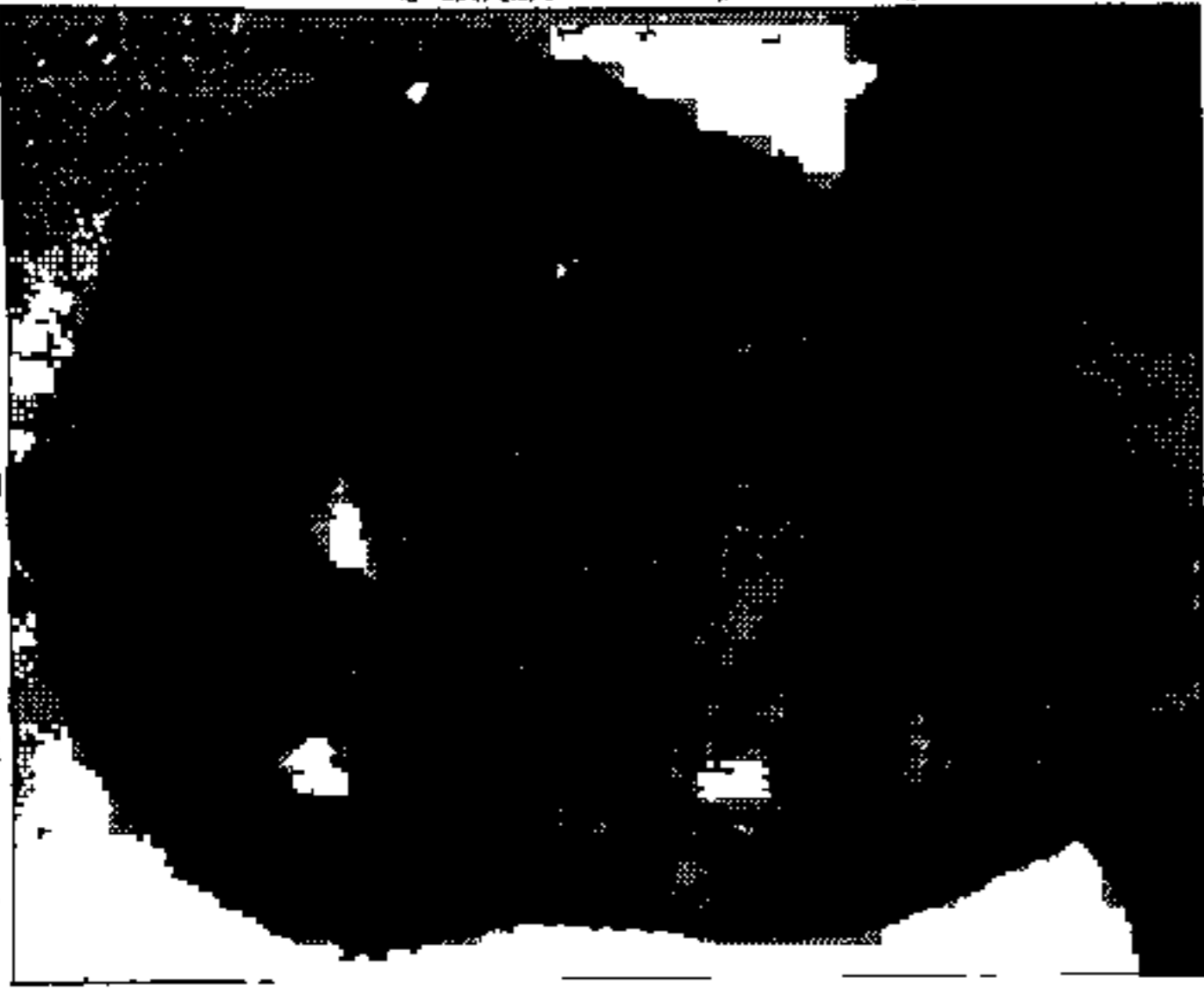
A meeting between the SABC and the IBA on Friday was intended to further discuss the handing in of an improved application by the SABC. The new application, which the SABC's legal team must formulate with the assistance of the IBA, will

be in contravention of its licence before the full-blown relaunch of programmes and re-shuffling of languages goes ahead.

The IBA is, therefore, by law, obliged to hold public hearings and it intends to do so, a senior IBA source said.

Legal counsel for the SABC denied that the application was "incorrect", adding that talks between the parties were being held in a bid to draft an all-inclusive application which would carry relevant technical details regarding transmissions in the nine provinces as laid out in the corporation's footprint.

The counsel said nothing had been finalised with regard to the new licence application, adding that submissions made by groups in response to the first application would not be disregarded but carried forward for the IBA to study.



**Zwelakhe Sisulu: The SABC chief's great plans temporarily thwarted**

Legal counsel for the SABC denied that the application was "incorrect", adding that talks between the parties were being held in a bid to draft an all-inclusive application which would carry relevant technical details regarding transmissions in the nine provinces as laid out in the corporation's footprint.

The parties are involved in ongoing talks to try and resolve this and "find the best way to proceed," the IBA said, adding that the delay in formulating a second application would not affect the launch of the new-look SABC on February 4.

The SABC currently lacks the IBA's approval to amend its television broadcast licences in such a way as to allow the corporation to spread the 11 South African languages equitably across all three new channels as it had initially planned. According to the IBA, however, it can still forge ahead with a semi-relaunch within the parameters of its existing licences.

# SABC-IBA

## clash looms

### on satellites

(260) Star 26/1/96

BY MICHAEL SPARKS

The SABC's plans to foray into satellite television later this year, possibly with Rupert Murdoch's News Corporation, could clash head-on with the Independent Broadcasting Authority.

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

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

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

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

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

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

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

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

However, if severe conditions are placed on local broadcasters it could easily open the way for overseas broadcasters to corner the market.

# IBA ASSERTS ITS AUTHORITY

FM 26/1/96  
(266)

## But SABC retains three channels

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

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

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

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

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

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

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

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

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

De Klerk denies this. "We

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

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

"Apart from the due processes of the law, there is also a moral issue. If you are going to change languages, you have to make sure the people affected by that are consulted. The SABC wanted to change the language mix, rename the channels and also change the footprint. And they wanted to do that without any further ado. We said 'You have to apply for an amendment to your licence conditions because it materially affects your licence'."

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

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

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

"What is politically correct is not always to the detriment of the market"

SABC media manager  
PAT PILLAI

"To set licence conditions and enforce compliance is one of the main tasks we have. We are the authority over the broadcasting field"

IBA co-chairman  
PETER DE KLERK



Peter de Klerk



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

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

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

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

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

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

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

The SABC has, also without dissent from the IBA, turned NNTV (now known as SABC3) into a commercial station. This is not a move that will be welcomed by the would-be broadcasters who are waiting for the IBA to consider the granting of licences.

The three-channel holding is a key element of the strategy, which visualises a

single TV service, with complementary scheduling, across three channels. The idea, says SABC communications head Ken Modise, is that any viewer will always

be able to find something in his home language, a familiar language or English.

"...e thought it would be  
...nor technicality"

SABC CE  
**ZWELAKHE SISULU**



Zwelakhe Sisulu

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

The solution was national services in six indigenous languages, as well as regional services in the four smaller indigenous lan-

guages, with English as the international and majority choice as second language.

Complementary programme choices are sought to keep everybody happy. Thus while there is soccer or boxing on SABC2 (the old TV1 footprint), there will be rugby or cricket on SABC1 (formerly CCV). Ironically, the SABC's transgression was of regulations from the apartheid days grandfathered into existence for the established broadcasters.

The key issue is language. The licences issued by the IBA specifically requires TV1, for example, to broadcast "predominantly in English and Afrikaans," CCV pre-

dominantly in English and five ethnic languages and NNTV predominantly in English.

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

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

"...some SABC proposals were  
...intent on securing a  
...channel than on  
...its language and  
...operational problems"

DENE SMUTS

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

But most ad agency media directors welcome the changes.

"Under fairly difficult circumstances, the SABC has done the best it possibly can," says Ogilvy & Mather Cape media director Yvonne Johnstone.

"I am not overly negative. For a while, viewers will be a bit lost but I can't imagine they will stop watching TV."

"Our clients are continuing to go on TV. We are buying carefully and being cautious about projecting rates."

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

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

Even before this embarrassment, the SABC had experienced an alarming decline in TV viewing among whites, in particular Afrikaners.

Many viewers are apparently unhappy with the changing political and social ethos of the SABC. What is politically correct, it seems, is not always correct in marketing.

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

# French eye Eskom's power

STAFF WRITER

(260) CT(BR) 26/1/96

Johannesburg — Electricite de France (EdF), the state-owned French electricity utility and Europe's biggest supplier of nuclear power, said yesterday it might bid on "one or more power stations" likely to be sold by Eskom.

The statement comes hard on the heels of an announcement by Danone, one of France's largest foods groups, that it is negotiating to buy a significant stake in Clover Holdings, the South African dairy group.

Reports this week said a number of power stations in the Sasolburg and Newcastle areas that had been mothballed several years ago had been earmarked for possible sale.

Alan Saniez, the head of EdF operations South Africa, said yesterday that feasibility studies were under way and no decision had been reached whether to put in a bid. The new regulatory framework concerning independent power production, which must still be finalised, could also influence EdF's decision.

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

"A positive sign is that all players in the industry have been asked to provide input into the proposed

## Crisis meeting called:

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

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

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

Malcolm Rifkind, the British foreign secretary, has written to his EU counterparts urging them to make a speedy offer to South Africa. He says the study must not drag on so long that it delays the negotiations — John Fraser

new regulatory framework," said Saniez. "We are active participants in the discussions about the future format of both the power generation and distribution industries."

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

According to Saniez, though, there was surplus generating capacity, electricity was reaching less than



**MOTHBALLED** Idle power stations have been earmarked for sale

half the population.

"This country's projected long-term economic growth will eventually outstrip its current power-supply capacity," he said.

Saniez said South Africa's lead-

ing role in southern Africa and the part it was likely to play in economic development throughout the region, would increasingly boost the need for electricity.

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

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

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

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

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

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

A number of French companies have transferred their African operations centres from Francophone Africa to South Africa, which they see as a more useful springboard.

# SPIES ON THE AIRWAVES

(260) ST 28/1/96

## Intrigue and suspicion stalk the corridors of the SABC

**IVOR POWELL** looks at the behind-the-scenes tensions that have erupted into open conflict between the Independent Broadcasting Authority and the SABC

the SABC should have erupted into open conflict

The fight came two weeks ago when the IBA rejected the SABC's application for licence amendments on the grounds that insufficient time had been left for public hearings required by law.

But the real problems go far deeper than just the SABC's rescheduling of its television channels

As one source, who asked not to be named, described



lately to stand on the letter of the law hinted broadly that it was the Afrikaans language lobby which had precipitated the crisis, transcripts of meetings between the IBA and the SABC make it clear that this was not the case.

In a meeting on January 11, when the crisis was precipitated, the issue of Afrikaans was raised only once — and dismissed

By contrast, the first 20 pages or so of the meeting's transcript turned — for the most part petulantly — to the perceived flouting by the SABC of the IBA's authority. IBA councillors Sebiletso Mokone-Matabane and Lyndall Shope-Mafole, especially, returned again and again to a suggestion that the SABC had a second agenda in its proposed relaunch

With the parliamentary committee still considering the IBA's report, the IBA heaved the relaunch was trying to pre-empt its deliberations — as if the SABC had already secretly been given the nod by Parliament.

**C**URIIOUSLY, it was the IBA's own William Lane who suggested a compromise. In view of the SABC's outlay of R15-million

**A** TEAM of specialists equipped with arcane space-age devices recently cut a swathe through the Independent Broadcasting Authority's offices in Rosebank. They hustled the occupants of the office block out onto the streets while they swept every wall, light fitting, plug point and nook and cranny for concealed listening devices.

Such are the levels of paranoia that grip the IBA, though, that nobody was quite confident, once the experts had departed, whether they had been debugging the place or planting bugs.

It is no different at SABC headquarters in Auckland Park. Secret files are reportedly kept by top officials on perceived opponents within the organisation and beyond. The IBA, allegedly, has its spies there, as does the Afrikaans Language Lobby, dominated by the old guard.

Industrial espionage is rife and witch-hunts against those suspected of leaking information to the other side — or to the press — are the order of the day. Everybody, it appears, suspects everybody else of bad faith and of pursuing a hidden agenda.

In such a climate of intrigue it should come as no surprise that simmering tensions between the IBA and

been operating from inside the SABC's pocket. Now it is trying to climb out. That is the real problem here, but it's been coming for many months.

It has been coming since August, to be precise. It was then that the IBA, in submitting its Triple Report to Parliament on public broadcasting and local content ownership, recommended that "the public broadcaster reduce its channels from three to two quality, terrestrial channels by the end of 1997" and that "in January 1998 a new private channel be licensed".

Justifying the recommendation, the IBA argued that the advertising cake was not large enough to sustain three public broadcasting channels and private sector interests should be allowed to enter the market.

**O**N THE basis of a report that was commissioned from the financial consultants Deloitte and Touche, the IBA also drew attention to the estimated costs.

On the two channel-model, it projected, the SABC could fulfil its mandate as public broadcaster for about R600-million in 1998, whereas three channels would cost the taxpayer an unconscionable R1-billion.

But the proposal found little favour with SABC management, which has consistently argued that to broadcast in 11 national languages over two channels is a recipe for disaster.

It says it needs the third channel — which will broadcast predominantly in English — not only to relieve the language crush, but to generate revenues to subsidise the other two channels.

SABC managers commissioned their own research into costing and came up with projected figures substantially lower than those calculated by Deloitte.

It was only after November, however, when the parliamentary committee on communications held its own public hearings on the IBA's Triple Inquiry, that matters came to a head and the IBA saw fit to renege on previous agreements with the SABC on its relicensing proposals.

In part, sources said, the IBA's change of attitude reflected a perception that the parliamentary committee hearings (which were dominated by the two-channels issue) amounted to a second-guessing of its report and were the result of undue influence exerted by senior SABC officials on their parliamentary counterparts.

As the IBA saw it, the way was being paved to take the SABC's part, and its own authority and integrity was being questioned. Though sources on both sides in the fracas which ensued when the IBA chose be-



on production of the new, 000 and the nearly R3-million already allocated for the launch, Mr Lane suggested that a temporary licence be granted to the SABC pending hearings. This, he argued, would allow the public to respond to what was presented on the new SABC.

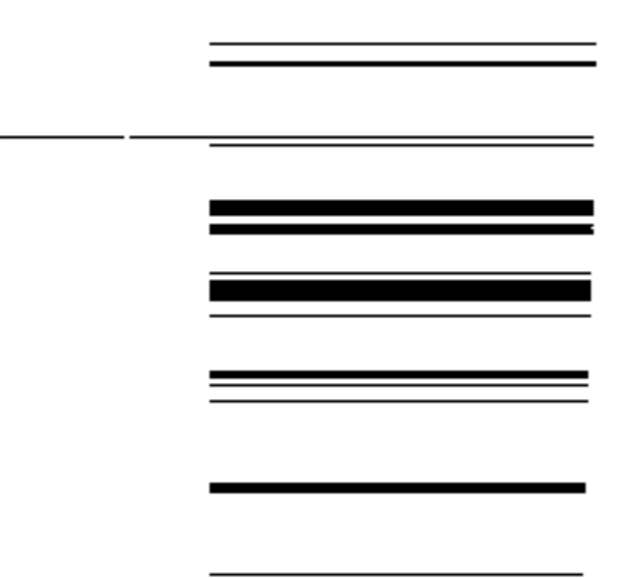
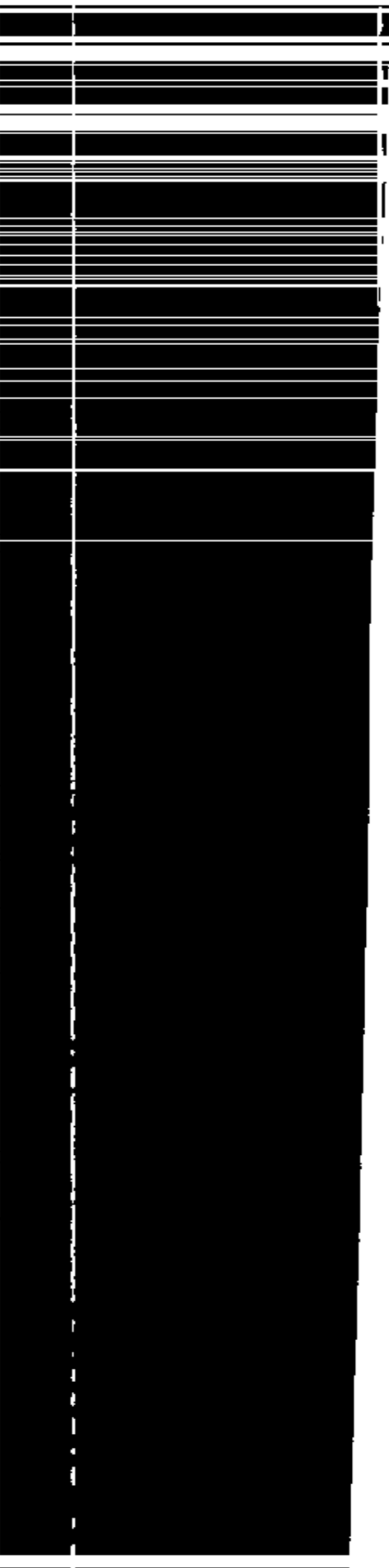
But, although the suggestion was enthusiastically received by the SABC's legal counsel, Lauren Jacobson, there was nothing doing.

Dr Mokone-Matabane and Ms Shope-Mafole shot the notion down, saying it would compromise the credibility of the IBA and set a precedent. The latter half of the argument was somewhat irrational, considering the IBA had already set a precedent by granting temporary licences to the SABC's satellite operation.

And so it goes on. Despite the compromise reached last week allowing the SABC to change its programming while leaving the issue of signal distribution to later public hearings, nothing has been resolved.

Nor will it be resolved until the parliamentary committee meets early next month to consider the documentation before it.

Meanwhile, all the parties continue to look over their shoulders and strain to pick up snippets of one another's conversations.



# Plan to start an Afrikaans channel <sup>(260)</sup>

ST 28/1/96

By IVOR POWELL

BOLAND BANK chief Christo Wiese could be the SABC's partner in its proposed new Afrikaans pay channel.

Senior SABC sources told the Sunday Times that Mr Wiese heads up an Afrikaner business consortium which will be putting up the money for the Afrikaans-language channel announced yesterday.

The third partner is not decided, but the Sunday Times understands that negotiations for satellite facilities are continuing with Rupert Murdoch's NewsCorp, South Africa's Multichoice and NBC.

A business plan has already been drawn up with the Wiese consortium, but awaits final ratification from the SABC board at its February 8 meeting.

Mr Wiese's other holdings include Pep Stores and Shoprite-Checkers.

The pay channel will be one of eight or nine satellite options which will begin broadcasting in September or October.

# Go-ahead given for TV relaunch

Ingrid Salgado

(260)

MD 29/1/96

late its licence conditions.

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

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

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

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

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

These were temporary measures until the IBA had held public hearings on the SABC's proposed changes.

## Govt. unions in pact on parastatals policy

Mungo Soggo

(260)  
BD 29/1/96

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

The draft of the pact, thrashed out during the past month, will be referred

back to the negotiators' principals, Cosatu and Cabinet.

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

Continued on Page 2

## Parastatals

Continued from Page 1

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

The six task groups, which were looking at the future of Telkom, Eskom, Transnet and other state assets, could recommend privatisation, but any such recommendation would then have to be thrashed out in the commit-

tees set up under the national framework agreement.

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

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

An example of services overlapping was Eskom's and Transnet's own telephone operations, which sat alongside those provided by Telkom.

## Union opposes megabuck SABC party splurge

By MICHAEL SPARKS

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

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

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

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

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

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

An additional R1,5-million is to be spent on the staff launch on February 2, which would include a staff motivation campaign lasting until September.

Star 30/1/96



# SABC will give viewers multiple choices when it goes satellite route

(260) Star 30/1/96

By MICHAEL SPARKS

The SABC plans to introduce a three-tier system later this year for viewers who want to watch its satellite television transmissions, enabling people to pay only for the broad categories of programming they want.

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

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

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

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

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

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

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

The basic three-channel subscription service would cost about R75 a month and would include a 24-hour music video channel in-

cluding local music; a general entertainment channel with soap operas, sitcoms and some movies, and a 24-hour news and information channel, including both local and international news.

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

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

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

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

► Union opposes parties

# Three-tier TV system for viewers

(260) ET 30/1/96

**SPECIAL CORRESPONDENT**

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

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

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

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

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

The subscription service would be divided into three tiers with each additional tier available at an extra cost. The basic three-channel subscription would be about R75 a month, the second tier about R110 and the third about R145.

# Bop TV won't integrate

(260) M&G 2-8/2/96

Bop Broadcasting is forging ahead with new programmes despite the prospect of losing its government funding, reports **Jacquie Golding-Duffy**

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

Representative of the North-West premier Willie Modise said BopBC were intending to hold on for "at least another two years"

Modise said Premier Popo Molofe and BopBC were "looking at a number of options from the private sector to retain its viability", and that the premier was "keen for regional autonomy"

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

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

The provincial government was, for the moment, funding BopBC to tune of R93-million a year. Whether the funding would continue in the coming financial year is not clear. Acting MEC for broadcasting and media in the province, Dr Molefe Sefularo, last week said it would not be easy to disband Bop TV as it was the only other major player in television with the SABC

Former M-Net corporate affairs

manager, Cawe Mahlati, who is BopBC's acting chief executive officer, was appointed by Sefularo. But it is unclear if her mandate was to slowly wind-down the station's operations, to establish it as a competitor to the SABC, or to make it a strong independent provincial broadcaster

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

Disgruntled staff members at Bop TV and radio are under the impression BopBC is planning to close down and join forces with the SABC. But a 10-day overseas trip by Mahlati and others to allegedly buy new programmes has indicated to staffers the corporation has other plans

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

**B**ecause of alleged ill-treatment by BopBC executives, non-retrenched workers have formed a committee to represent them in talks with management. In a memorandum submitted to Mahlati and Sefularo, workers said "certain" preparations by BopBC "clearly indicated" the station was intent on forging ahead with provincial broadcasting in one form or another

The statement said the station was, "at considerable expense" relaunching itself, with new logos, new programmes for which sets had to be built, new employees, and a bid to have its signal extended. BopBC last month employed journalists, Francis Majola and Sefako Nyaka as head of radio and television news respectively

A Bop TV executive producer who refused to be named for fear of losing

his job said many people had resigned because they were disillusioned with the new management. Among the resignations were two female deejays, two cameramen and an executive producer

Mahlati and Sefularo refused to comment on any of the allegations despite repeated requests from M&G

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

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

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

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

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

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

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

## SABC staff at each others' throats

**Marion Edmunds**

**A** BLACK female SABC employee, Hope Zindle, has been charged with assault and intent to commit grievous bodily harm after she grabbed a white colleague, Janet Szabo, around the throat.

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

The case has provoked a race row in the SABC's external broadcasting

service, Channel Africa, where both women work. A senior SABC staffer said that the case was a thermometer showing how high tensions among staff were running.

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

Sources in Channel Africa say that

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

Channel Africa's executive editor Lebona Mabowa said that he could not comment because it was *sub-judice* and because it was a matter for the SABC to investigate

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M&C

2-8/2/16



Cawe Mahlati Single-handedly making the decision about BopBC

PHOTOGRAPH GUY ADAMS

SABC ENTERS NEW ERA

# Switch-on for rainbow TV

CJ 2/2/96 (260)

**SALES OF AERIALS AND SATELLITE DISHES, necessary to receive the all-English channel, have soared as viewers gear up for the changes the SABC is making to its service from Monday. DAN SIMON and LISA TEMPLETON report.**

SATV will be revamped from next week — ending the 20-year dominance of Afrikaans and English language use by the public broadcaster.

From Monday SABC1, SABC2 and SABC3 will carry entirely new viewing formats for the country's 11 language groups.

The new channels replace CCV, TV1 and NNTV respectively and will be located on the same signals.

The "brand new SATV" as it has been dubbed, will be ushered in on Sunday night when a preview of the new service is beamed live by satellite from Waterkloof Air Force Base to the country's major centres.

Local celebrities, politicians and businessmen are expected to attend, including President Nelson Mandela and Posts and Telecommunications Minister Pallo Jordan.

**FOR NEXT WEEK'S NEW SCHEDULED PROGRAMMES**

See

Top of the Times

Also on the guest list are US megastar Stevie Wonder and Johnny Cochran, who became one of the best-known faces on US television as the head of C1 Simpson's legal team.

Although the R5,8-million re-launch appears to be going ahead without a hitch, the process leading to the moment has not been without controversy.

● The SABC and the Independent Broadcasting Authority crossed swords over the corporation's NNTV licence conditions and on whether open hearings should have been held before the revamp.

● English and Afrikaans viewers voiced serious concerns over the new format and the language spread.

● Viewers were angered by the decision that would see the main

CCV becomes SABC1

TV1 becomes SABC2

NNTV becomes SABC3

For the first time language groups will be represented on TV. On February 5, the SABC will launch three new channels to replace the existing CCV, TV1 and NNTV as part of a process of transformation. **NO RETURNING IS NECESSARY.**

**SABC1**

● Broadcasts in English, Xhosa and Zulu

● News in English Monday to Friday 10pm Xhosa and Zulu 7-8pm

● Much the same programming as the present CCV

● Family viewing

**SABC2**

● Broadcasts in Afrikaans and Sotho languages Except GMSA predominantly in English between 6am and 8am.

● Previously 50% Afrikaans/50% English

● Includes some of the same programming as the present TV1

● Community channel for entertainment and education

● Introduction of regional news programmes, focusing on human interest issues and events.

● News in Afrikaans, Sepedi, and Tswana

● On Sundays a 30 minute programme on parliamentary issues

**SABC3**

● All broadcasts in English. Newscast nightly at 8pm

● Modern channel featuring news and entertainment

● Schedule matches as per the former NNTV channel

**NEW-LOOK SABC MADE SIMPLE**

**PROGRAMME CHANGES:** From Monday the South African Broadcasting Corporation is rescheduling all its programmes on three new channels to accommodate the country's 11 official languages. This graphic gives you an overview of the main changes to the programming. Details are available in the Top of the Times.

which were due to be run by John M. Net and the SABC. Mean while, TV aerial and satellite dish dealers have enjoyed a boom in sales as English television viewers rush to set themselves to watch the all-English SABC3 channel, formerly NNTV, on Sunday.

To catch SABC3 broadcasts you need a UHF (ultra high frequency) aerial as opposed to a VHF (very high frequency) aerial, according to

recent news reports. Viewers had expressed concern in the past three months that they would not be able to receive NNTV/SABC3 but Peter Garthoff, manager of an electronics outlet, said there were very few areas where viewers could not pick up the signal once a UHF aerial had been installed.

City wholesaler Raymond Berkman, said sales of UHF aerials and satellite dishes had increased six-fold

in the past three months. This is definitely due to the SABC, we expect an even bigger boom next week. Satellite dish sales had been slow, but they receive all three channels. Sports channels will be particularly attractive to be broadcast by the SABC later this year.

Television houses for the Western Cape

# TV bonanzas for the Western Cape

## ALLISTER SPARKS

THE main thrust of the SABC's big television re-launch on Sunday is to enable viewers to get their news and current affairs broadcasts in their own languages in regular slots at the same times, without having to channel surf or hunt through printed programmes to find them.

With that goes a major revamp of programming to

make prime-time viewing livelier and more informative. But the big emphasis is on news. There will be more news bulletins than ever before – 98 a week compared with the present 89 – and 12 new current affairs and magazine programmes.

Morning television is also being revamped. GMSA is being cut from three hours to two – people don't have time for more – and will focus strongly on hard, breaking news. There will be two three-minute bulletins in each language each hour, with headline slots every 15 minutes.

What viewers won't notice, but which I think is important nonetheless, is that all the news, in all our languages, will be produced by a single, integrated news room instead of the racially segregated news teams of old. This is a structural as well as a programme transformation.

The expansion of current affairs and magazine programmes is the biggest change. The old line-up of Agenda-Newsline programmes has been reformatting under the name *Focus* to serve seven language groups on all three channels.

New programmes include foreign documentaries, a weekly political review, a round-up of events in Africa, a shortened version of *Two Way* focusing on current issues, and interviews with news makers and celebrities.

One particularly striking new programme is a 14-part series called *Africa Express*, which focuses on the other side of Africa that the world hears little about – a continent with a vibrant artistic, cultural and intellectual life.

The series, co-produced by the SABC and an independent British company, has already been screened on Britain's Channel 4 and acclaimed by reviewers.

Another new programme, *Chronicles of Change*, looks at what transformation has meant to the lives of five South Africans.

The old *Collage* programme has been revamped into a much livelier one-hour arts and culture programme called *Arts Unlimited*.

The Western Cape gets a special bonus. It is one of two start-up areas for the SABC's new regional TV broadcasts (the other is Mpumalanga/Northern Province).

Starting at 6 pm each Monday to Friday on Channel Two (present TV1), there will be 27 minutes of Western Cape news, current affairs programmes and entertainment, broadcast in English, Afrikaans and Xhosa.

2/21/96 (260)

Packaging the news and current affairs programmes in regular, easy-to-find slots sounds simple, but in fact it has been extremely difficult. As the public service broadcaster, the SABC is obliged to broadcast in all 11 official languages – something no other television station in the world has ever attempted to do.

To handle that, plus many other public service obligations such as religious and educational broadcasts, and still compete in the market place with commercial broadcasters who have no such constraints, is a formidable challenge.

The way the SABC is tackling this is to separate the languages in groups on the three channels, so that people know where to find the language of their choice.

This grouping will be mainly at prime time – between 6 and 9.30 pm, when the main news and current affairs programmes are broadcast. Out of prime time, there will be greater variety to help each channel develop a character of its own.

The grouping brings what are known as the cognate languages – those with common roots that are mutually understandable – together.

Thus the Nguni languages (Xhosa and Zulu) are grouped together with English on Channel One (present CCV), while the Sotho-Tswana languages (Sesotho, Setswana and Sepedi) are grouped together with Afrikaans on Channel Two (present TV1).

Tsonga, Venda, Swazi and Ndebele, are being catered for in the regional programmes for Mpumalanga/Northern Province.

Channel Three becomes the English channel. Research has shown English is every South African group's first choice after its own language, which makes it the *lingua franca* for the whole country.

Channel Three is therefore everybody's alternative channel. It is also the channel with the smallest footprint – the present NNTV, which reaches only 57% of the country. The most unfortunate of the dead areas that fall outside the footprint is the old 1820 Settler region of the Eastern Cape, an English-speaking heartland. Parts of Natal do too.

The SABC has tried to fix this by getting Senteck, the signal distribution company, to adjust the footprint to include these regions. Unfortunately, the dispute with the IBA over the procedures for amending the SABC's licences means the adjustment has been delayed. But it should be completed by the end of February.

Allister Sparks is a member of the SABC's Board of Directors and a Contributing Editor of the *Cape Times*.

■ Tomorrow night is the big switch-on for the new look SABC Television service — but only time will tell if the revamped look may not lead to a switch-off by viewers countrywide. Television Reporter GILL LORD takes stock.

# Time right for people's TV

EXAMBERG

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(260) RRG 3/2/96

EXAMBERG

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EXAMBERG

MUCH growing and complaining has accompanied the SABC's plans to transform itself. The question is how well will it succeed.

The IBA and the SABC have been at loggerheads, different language groups complain bitterly of being discriminated against, there's the sustained perception that the SABC is still a parastatal organisation and therefore biased, and the belief that the public have had no say in the transformation process and will basically be fed a similar diet.

Meanwhile, it's an air of controlled panic at the SABC. The new people in power are fired up and wired, to say the least. There's a point after which there's no going back. They know that, and it's got to work. As a failure it would be too costly to contemplate.

In terms of visual changes the SABC looks as different as it does the same. There's still the same type of disagreeable auntie in the canteen, with blue mascara and bad attitude, but those men in grey shoes who did everything in silence and in secret are gone. Everybody is going to great lengths to be transparent. Everybody says they have the best of intentions.

Which they'll need because, before the pudding has been proofed, there's a lot of dissatisfaction from the paying public, including previously loyal licence payers who are threatening to stop paying.

But the fact of the matter is that it's a big change and there's no pleasing everyone. There are, however, answers to some common complaints. In some areas they are satisfactory; in others there is a "grin and bear it" approach.

For a start, there are those who complain that English viewers are being discriminated against. NNTV — SABC3 from tomorrow — has been earmarked as the channel for mainly English programming. While English will have its place on the other two channels, it will dominate Channel 3 and especially at prime time. This is the channel with the smallest national reach. Many people — even in cities — can't receive it.

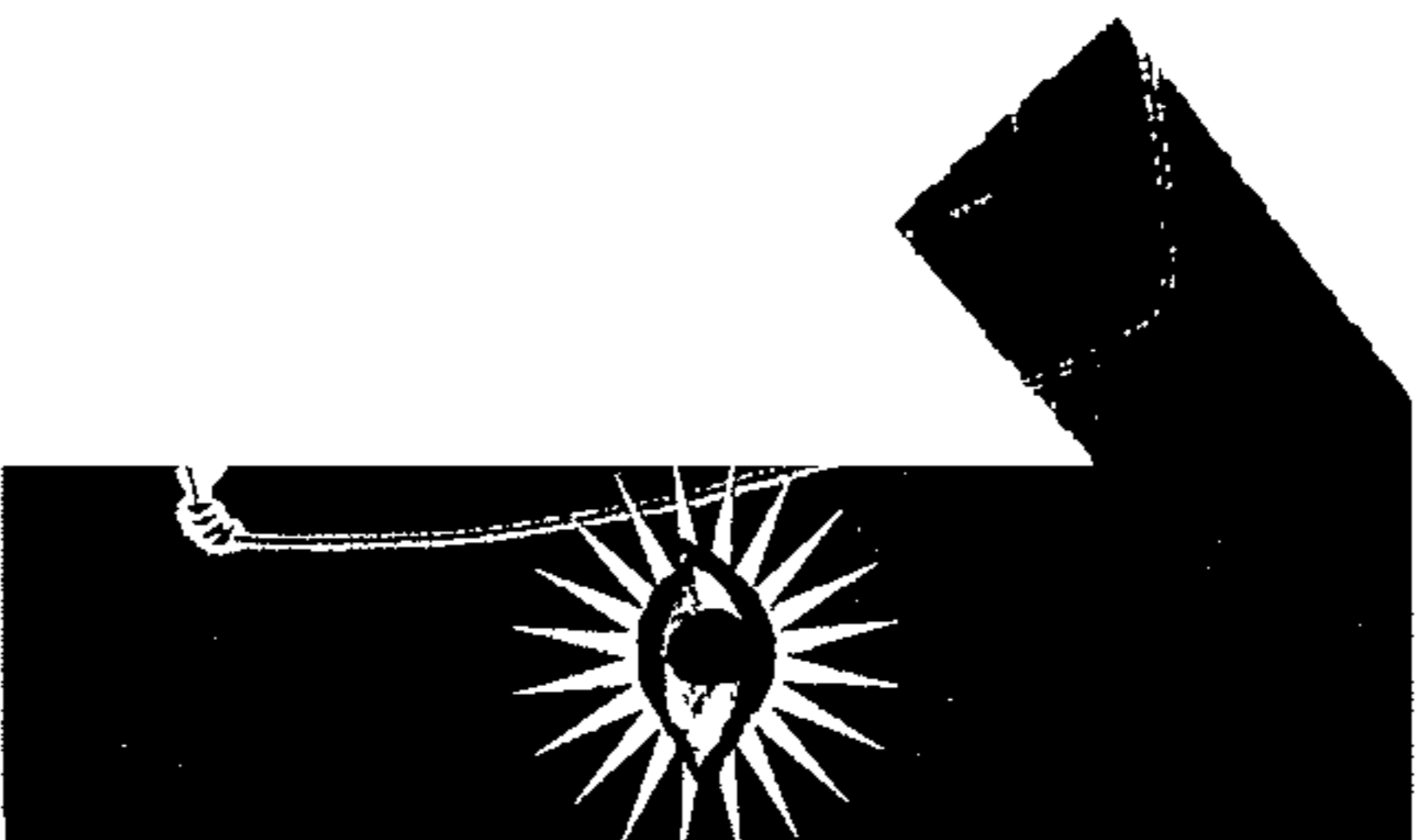
For many English-speaking viewers to get their fill in future, they are likely to have to buy an additional satellite dish — at a cost of some R1,500 — to resume a similar service to the one they were getting for their licence fee alone.

Previously the most indulged of us all, Afrikaans-speaking viewers will also have to pay more for an exclusive service — something I suspect was a last-minute decision, possibly sparked by a bigger outcry than expected.

However, it's a big change to a previously unfair system, and for the first time the SABC service will be targeted at the majority of the population. That's the important point.

Jill Chusholm, acting chief executive for the TV division and head of the TV news division, sees it thus:

"As far as English programming goes, there's still a huge amount on other channels, it's really



just prime time that's affected. A lot of the programming on SABC1 and SABC2 has been brought in from other countries and is in English. But the English population also have to accept that, while we're not being penalised, the broadcast scenario has to be re-divided. We can't protect those who've had special privileges in the past."

However, the SABC is currently negotiating with the IBA for permission to switch transmitters, especially at prime time. If this comes about, this could mean that SABC3 will reach a wider audience. This, says Louis Raubenheimer, head of SABC3, will specifically affect viewers in the Eastern Cape and KwaZulu.

Raubenheimer, who also headed the scheduling committee responsible for the "new look", points out that some viewers in the Cape are unaware that SABC3 signals are available on UHF, meaning a different antennae and in some cases an adjustment to existing equipment. And David Niddrie, head of the SABC's Satellite Project, emphasised other ways in which the reception problem could be solved.

"There are currently something like 700 self-help units in the country which pick up the signal through microwave and re-broadcast it. This is prevalent in isolated communities and the likes of forestry stations, for example. Also, communities can club together and, at a relatively low cost, put up a satellite dish and get the channel



they want."

However, the message is clear. For many viewers there will be no option but to pay more. That can only lead to dissatisfaction from a public already taxed and charged to the hilt.

The plus side is that satellite is the way of the future. It connects us to the world, its quality is superior to a terrestrial system and it gives viewers far, far more choice.

For those who take the plunge and get the dish, there's lots to look forward to. Besides the huge variety that Multichoice does and will offer, the SABC has already been negotiating with Rupert Murdoch's organisation, for one, in an effort to enter the market with a strong, experienced partner.

And then there's the possibility of a private channel. David Niddrie confirms that Sentech has already acquired a fourth half-transponder (which is basically broadcast space on satellite) "for business reasons."

"Satellite is a revenue generating mechanism," Niddrie pointed out, "and we've told the IBA we are looking for something to generate revenue to fund our public broadcasting duties. We'll be doing it in partnership due to the expertise and experience of other broadcasters."

And there's more to come from the existing set-up. "In about 12 weeks, a spare channel, broadcasting free-to-air, will be upgraded and offer a sports, news and entertainment package, free —



consisting initially of internationally gleaned material. There's also the possibility of a fifth transponder, to be utilised as a democracy channel. This could broadcast the likes of parliament and the truth commission live," he said.

How people react to the new look SABC will soon be evident. To change the very nature of the national broadcaster — particularly one so large that's catered for a favoured group so small — is no easy task.

Judging by the schedules, channels will have much more clearly defined personalities. Besides just entertainment, there will be a strong thrust towards educational programming and informative reporting. A huge effort will be made to give the SABC new credibility in the eyes of viewers.

A confident, upbeat Jill Chusholm summed up the challenge facing the SABC thus: "We consider ourselves independent of any government or any other organisations. Building trust and credibility will take some time. We can't just declare ourselves trustworthy. We have to prove ourselves, make ourselves worth it and establish credibility in terms of quality."

After the soap addicts have found their new fix, the local drama fans have got themselves back on track and everybody can get the sport they want, it'll be business as usual. Remember the fuss when the coinage was changed? Well, who still can't tell the difference between the old 20c piece and the R2 coin?

# Laser (260) beams light up fresh face of SABC TV

Star 5/2/96

By MICHAEL SPARKS

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

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

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

President Nelson Mandela described the changes at the SABC as the shedding of the gage of a pre-eminent org. the country.

## The main goal is to heal nation's wounds

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

The broadcaster had led the transformation which many other public organs had followed.

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

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

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

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

He said the protection of the SABC's independence and integrity could only be achieved in forging a partnership between the broadcaster and the public it served.



VETERAN PRESENTERS BITTER ABOUT 'INSENSITIVE' TREATMENT

# AXING'S MARNEU TV

CT 5/2/96 (260)

**JOHANNESBURG:** Veteran SATV presenters dismissed by the SABC have complained bitterly about the insensitive way in which their services were terminated, just before the corporation's high-profile relaunch.

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

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

Afrikaans television personalities told that their services were no longer needed were Goeremôre Sud Afrika co-host Eon de Vos and news readers Jan van Niekerk and Clarence Keyter

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

So has news reader Norma Odendaal

Several of those dismissed have complained bitterly about the way in which they learnt of their axing with Van Niekerk telling Rapport he only learnt his contract was being terminated when he found his name was not included on the February duty roster

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

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

Many of the celebrities who attended the occasion arrived in an SAA 737 jet which taxied into the aircraft hangar housing the celebration under psychedelic lights and a purple haze of smoke

Applause came for the parade of South African and American celebrities, including lawyer Johnny Cochran, and entertainers Robert Guillaume, Shari Belafonte and Stevie Wonder, but the loudest

cheers of all were reserved for the national soccer team and the national cricket team.

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

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

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

He said he and other government representatives were "not here to compromise your autonomy, but to acknowledge and re-assert your independence, without which democracy cannot be sustained"

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

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

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

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

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

The reason given was that she was due to marry shortly

Some of those whose services

were ended complained about the insensitive manner in which the dismissals were carried out

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

Veteran news reader Keyter said the news of his axing after a long career with the SABC had left him "heart sore".

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

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

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

However, the work load had now trebled and that more experienced staff were needed. — Staff Reporter, Special Correspondent

Journal

## Buyers queue up for share of SABC radio sell-off

(260)

Star 6/2/96

BY MICHAEL SPARKS

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

A spokesman for the bankers said they had been very satisfied by the large number of people who had shown interest in the six regional radio stations, which are being sold, along with three other stations that will broadcast for a limited time daily. Yesterday was the deadline for prospective buyers to register.

The stations will prob-

ably be sold in the third quarter of this year. In the meantime, interested parties will be contacted and asked to pay a R2 500 deposit. A standard confidentiality letter will have to be signed by the parties.

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

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

"There will be enough information to enable the buyer to make an offer," the spokesman said.

# Public positive about relaunch, claims SABC

(260)

Corporation defends glitzy event,

while many warn of boycotts

over fuzzy reception of SABC3

Nov 7/2/96

STAFF REPORTER

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

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

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

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

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

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

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

Fed-up viewers warned yesterday that fuzzy reception of

SABC3 and poor-quality shows would result in advertising boycotts and half-paid licences.

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

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

## American guests weren't paid to perform

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

According to an SABC spokesman, the SABC had for a long time been planning to go live on camera, rather than having voices doing continuity announcing. About six months ago, voice announcers were given verbal warning of the plans to go live, which was confirmed in a formal letter two months ago stating that the contracts of freelancers would not be renewed.

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

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

**Keep it clean!**

icking-points on a number of issues. Just how sharp may be judged by the latest threats from the majority African National Congress to use the referendum sledgehammer to knock them off. This political bludgeon should, if possible, be avoided. It is important for the new edifice of the constitution to be cemented by broad consensus - and that will come only by carrying on talking.

individuals or the areas in which they live poverty if such basic services are not provided. use this idea that certain areas may be identified as a basis from which to direct action against maps that would indicate such areas of need pertaining to the previous section, could be in these areas by highlighting who is responsible. This has however not been possible due to the current level of service provision in the area. Information relating either to how much of well as information that might indicate the certain local areas is at present unobtainable. were made to attain such information discovery.

- Lwandle
- Kapa Municipality (Which includes
- Marconi Beam (Milnerton)

Information pertaining to a limited number of acquired Fairly comprehensive sets of data sets exist for the remainder of this project but it is hoped that although achieved, that it will specify where additional information is available. In this section the aim is to illustrate what the necessary information is available.

# 'Unfair on Afrikaners'

The SABC is taken to task in this submission to the Independent Broadcasting Authority on the position of Afrikaners in the new TV schedules

(260) RALY 7/2/96

**The SABC's planned analogue (satellite) channel for Afrikaners**

Taberna has grave doubts about the SABC's planned analogue (satellite) channel for Afrikaners. Questions are as follows: Should the SABC see such a commercial channel as a source of income, does it not constitute exploitation of Afrikaners speakers' sentiments? Why should Afrikaners speakers incur extra expenses to receive more programmes in their own language?

SABC chooses to ignore the following facts and possibilities: The income of Afrikaners speaking people, Licence holders and the market for advertisers, The contributions that the private sector (Afrikaners-speaking) can make in the interest of preserving Afrikaners programmes on SABC-TV, Programmes in Afrikaners afford the SABC the opportunity to meet its obligations in terms of local content.

The SABC is using the false argument that no help with respect to Afrikaners may be

**Time allocation to Afrikaners**

Time allocation to Afrikaners is in conflict with the letter and spirit of

1996 schedules. Summarily viewed, the SABC's practical planning and policy implementation is based on an ideologically driven and anti-apartheid reaction whereby Afrikaners is scaled down in the name of affirmative action. More specifically, Taberna is basing its objections and protest on the following:

**The role of the SABC in the new South Africa**

TABERNA\* (Action Group for the Empowerment of Afrikaners Viewers) is an inclusive movement aiming to serve the needs and interests of all users of Afrikaners in the television medium.

We therefore understand and appreciate the two goals underlying the changes that have recently taken place at the SABC: affirmative action and the establishment of a public service broadcaster which will do justice to all language and cultural groups.

cerned, the same sensitivity does not apply. According to perceptions of Afrikaners speakers the new scheduling implies a disregard for the functions and status acquired by Afrikaners as official language over more than 70 years. It is also a universal truth that television has the power to give status, naturally to language as well. Apart from the fact that the SABC may be acting unconstitutionally or illegally, the IBA should also show understanding for the negative feelings created by the scaling down of Afrikaners on television.

## The role of the SABC in the new South Africa

TABEMBA\* (Action Group for the Empowerment of Afrikaans Viewers) is an inclusive movement aiming to serve the needs and interests of all users of Afrikaans in the television medium.

We therefore understand and appreciate the two goals underlying the changes that have recently taken place at the SABC: affirmative action and the establishment of a public service broadcaster which will do justice to all language and cultural groups.

However, over and above this aim, the SABC also made it clear in its language policy of October 20 1994 that reconciliation and nation building should remain a priority in a divided society.

It is in this spirit that Tabema submits its proposal and delivers criticism, but wishes to co-operate with the SABC planners in future in the interest of a more acceptable language dispensation.

### SABC and other promises are not in accordance with practice.

FIRSTLY, Tabema would like to point out to the IBA that the chairperson of the SABC board repeatedly gave public assurance that Afrikaans on SABC-TV had nothing to fear.

On Saturday January 13 this year the State President gave an audience of white Afrikaans-speaking men (Afrikaners) the assurance that their language had nothing to fear, and that Afrikaans should also be treated fairly in the SABC.

The new turns the above statements into a farce and nothing but mere rhetoric.

### English as an anchor language and a totally privileged language

The SABC is a public service organisation which, according to a declared policy (including its published language policy of October 20 1994), would like to bring equity to all language groups in a democratic and non-racial fashion.

At the same time, the SABC is a national broadcaster and, not an international broadcaster. Therefore, there is no reason why English should be elevated to a so-called anchor language and benefit at the expense of all the other languages.



LANGUAGE LANDMARK: The Taal Monument in Paarl - built as a tribute to the Afrikaans language

### Affirmative action unduly applied to Afrikaans

Tabema would also like to point out that should the SABC want to use its technological infrastructure and expertise properly, the drastic changes to the scheduling would prove unnecessary.

Tabema strongly objects to the planned and published February

1996 schedules

Summarily viewed, the SABC's practical planning and policy implementation is based on an ideologically driven and anti-apartheid reaction whereby Afrikaans is scaled down in the name of affirmative action. More specifically, Tabema is basing its objections and protest on the following:

### Time allocation to Afrikaans

Time allocation to Afrikaans is in conflict with the letter and spirit of the Interim Constitution, the mandate of the SABC and the Public Service Broadcaster, as well as the Broadcast Act.

Time allocation to Afrikaans does not take into account the extent and use of Afrikaans as modern developed, but native language on all levels of society. Therefore the planned schedules (and in the immediate future, English) will present a completely warped and one-sided image of South African society.

In applying its proportionality formula, the SABC is ignoring the following facts about Afrikaans:

Afrikaans is a user language for well over 15 million South Africans.

As a mother-tongue group, Afrikaans is the third largest language group (15 percent) of the population whereas only 9 percent of the population are English mother-tongue speakers.

As public service broadcaster with obligations not only towards potential TV viewers, but also towards licence holders, the SABC is ignoring the relative portion which users of Afrikaans are contributing to its licence income, as well as the market Afrikaans viewers constitute for advertisers.

In its ideologically driven obsession to scale down Afrikaans in the name of affirmative action, the SABC is in the case of Afrikaans-speaking people, ignoring the universal principle of effective credible communication which can be achieved only through use of the mother tongue.

The impression is created that because so many Afrikaans-speaking people in the country can also understand English, their language can be scaled down on TV, or because English is an international language, it should dominate South African TV.

In its new schedule, the SABC did not take into account the economic/financial realities in society. Except for the argument that English programmes bought from America are much cheaper, the

SABC chooses to ignore the following facts and possibilities:

The income of Afrikaans speaking people, licence holders and the market for advertisers.

The contributions that the private sector (Afrikaans-speaking) can make in the interest of preserving Afrikaans programmes on SABC-TV.

Programmes in Afrikaans afford the SABC the opportunity to meet its obligations in terms of local content.

The SABC is using the false argument that no help with respect to Afrikaans may be accepted from the private sector, or that Afrikaans may not be favoured above the other native languages. In the meantime however, there is no hesitation in filling the allocated time with English - Hollywood products - due to the lack of programmes in other African languages.

In its drastic changes to schedules and channels, the SABC has ignored the viewing public and their established viewing patterns (habits).

As far as Tabema is concerned, the universal principle that all people prefer to be informed and entertained in their mother tongue, has not been seriously considered in the practical planning, in so far as users of Afrikaans, and more specifically, Afrikaans/mother tongue speakers are concerned.

The new schedule implies a blatant disregard of Afrikaans-speaking people, and therefore for the needs and interests of more than 26 percent (3 187 000) of the SABC's television audience.

The plans are based exclusively on a one-sided and highly simplistic view of affirmative action by the public broadcaster, while the universal principles and practices of broadcasting in a multicultural country are being ignored.

For example, instead of following the basic communicative principle of allocating a fixed channel/window/time slot to each language or language group according to the current pattern or system, the idea of a "rainbow nation" is being applied in a "user unfriendly" way.

All of this leads to English receiving separate and preferential treatment. The term "anchor" language does not exist in either linguistic or communication science. The coinage is a euphemism for "dominating language". The Constitution of 1993 explicitly prohibits domination by one language.

### The SABC's planned analogue (satellite) channel for Afrikaans

Tabema has grave doubts about the SABC's planned analogue (satellite) channel for Afrikaans. Questions are as follows:

Should the SABC see such a commercial channel as a source of income, does it not constitute exploitation of Afrikaans speakers' sentiments?

Why should Afrikaans speakers incur extra expenses to receive more programmes in their own language?

What about the large percentage of Afrikaans speakers who cannot afford the additional expense?

Is it not merely a method of the SABC to rid itself of its obligations towards Afrikaans on its terrestrial channels? And to become more Anglicised in the process?

### The effect on race relations

Tabema needs to point out to the IBA that the practical implementation of the SABC's policy has already had a serious effect on race relations in South Africa.

There has already been unreasonable reaction and even conflict with which Tabema cannot or will not identify itself.

The fact that many Afrikaans speakers, and after this month, possibly English speakers too, refuse to pay their licence fees should force the SABC planners to a level of serious introspection and replanning. Instead TV viewers and the public are greeted daily by hollow rhetoric and proud promises.

The struggle against apartheid and the so-called "illegitimate" local authorities was characterised by a "culture" of non-payment for services, and by boycotts. The SABC should also see this non-payment of licences from this perspective. In this context an advertising boycott on SABC television will therefore also not be strange.

In more general terms and viewed from a broader community perspective, the cause of all conflict can be reduced to differences in race, religion and language. South African society is no exception.

In its policy of affirmative action the SABC shows great sensitivity towards race (colour) and religion, but apparently, as far as Afrikaans and the potential for language to lead to conflict is con-

cerned, the same sensitivity does not apply.

According to perceptions of Afrikaans speakers the new scheduling implies a disregard for the functions and status acquired by Afrikaans as official language over more than 70 years.

It is also a universal truth that television has the power to give status, naturally to language as well. Apart from the fact that the SABC may be acting unconstitutionally or illegally, the IBA should also show understanding for the negative feelings created by the scaling down of Afrikaans on television.

It is no cliché that language is an "emotional issue", least of all when it comes to public broadcasting.

### On the level of broadcasting, modern technology is on the side of language and cultural diversity

In the spirit of reconciliation and meaningful nation building in a multicultural and multilingual society, Tabema remains convinced that especially on the level of electronic broadcasting, equality is practically possible without the need to scale down Afrikaans or favour English disproportionately.

According to Tabema these possibilities were not properly exploited by the SABC in its impetuous and non-transparent planning.

For this type of planning, Tabema would like to place its expertise and experience in broadcasting, and more specifically television, at the disposal of the SABC planners.

Tabema has already made various submissions to the SABC in this regard, but to date no reaction has been received. Tabema is also aware of existing expert reports which thoroughly take into account the possibilities already offered by technology. Therefore, via the IBA as authoritative body and in line with the SABC's policy of democratic and transparent planning and "partnership" with its viewers, we appeal to the SABC to make use of the offer extended by Tabema.

Tabema hereby appeals to the IBA not to approve the type of schedules put forward by the SABC until such time as these schedules no longer reflect domination by one language of all other languages.

\*Taakgroep vir die Bemagtiging van Afrikaansgebruikers op Televisie

# Pact sets out rules for restructuring

Tim Cohen

BO 8/2/96

(260)

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

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

The pact set out detailed ground rules for restructuring state enterprises and set up structures for further negotiations. Government also agreed to fund studies of the effects of restructuring, to be conducted under the auspices of the labour movements.

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

Cosatu first vice-president George Nkadimeng said that while the union was implacably opposed to retrenchments, "these structures (in the agreement) will be able to deal with these issues". Although Cosatu stated at the outset that it opposed outright privatisation, Nkadimeng said the union would not adopt a rigid position in industry-by-industry negotiations. He noted that nothing in the pact removed the unions' right to industrial action.

Deputy Finance Minister Alec Erwin said the accord contained agreements on the objectives of restructuring, laid down guiding principles and set up structures like the strategic implementation committee, which would also operate as a dispute resolution

Continued on Page 2

## Labour pact

Continued from Page 1

mechanism. He said the size and nature of state enterprises varied widely and suggested union movements had correctly argued that entire sectors, not only particular industries, be considered in restructuring.

Among the agreement's general principles is a commitment from government and labour to affordable, quality basic services for all.

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

resources and markets.

The guiding principles of the document, to be tabled before the National Economic, Development and Labour Council, say "every effort should be made to retain employment. Where restructuring potentially has negative consequences for workers, a social plan must be negotiated with unions at enterprise level." Workers redeployed within or between state enterprises will not lose benefits.

"Ownership is not the determining factor for efficient operations" and "where appropriate, restructuring proceeds may be used along with improved financial management systems to reduce state debt", the document says.

# Proposed electrification policy suggests sales levy

BY BRENDAN BOYLE AND JOHN SPIRA

Cape Town — A draft paper on electrification policy has been slammed by Eskom

The paper, ostensibly emanating from a group of academics, proposes the establishment of a national electrification fund, a development levy on electricity sales and full tax liability for the state-owned utility Eskom

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

It also proposes a step back from the government's pledge to provide 2,5 million new domestic connections by 1999 by applying a cost-effectiveness test

The draft, prepared by the department of mineral and energy

CT (BR) 9/2/96  
affairs, proposes that a national electrification fund be established by August, funded from a levy on bulk electricity sales, donor grants, government grants and loans

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

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

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

(55) (260)  
Allen Morgan, Eskom's managing director, said the paper had "no status whatsoever"

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

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

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

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

The minister of finance was examining the financial structure of the country's parastats and until finality had been reached, any funding proposals were nothing other than pure speculation.

# Unions given 'decisive voice' in privatisation

BY PATRICK BULGER  
AND DONWALD PRESSLEY

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

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

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

Stella Sigcau, the public enter-

prises minister, said the privatisation and restructuring programme was "now on the move".

She signed the agreement with representatives of the three main trade union federations.

The accord commits the government and the unions to a co-ordinated and negotiated approach to restructuring which would minimise job losses, redistribute wealth and promote economic growth.

The agreement follows an uproar by trade unions after Deputy President Thabo Mbeki announced in December that the government had decided to privatise some state enterprises outright and invite international partners to take shares in major state corporations.

The government's policy at the time was to privatise Sun Air, Auto-net and Transkei Airways. Mbeki

also invited strategic equity partners to inject capital technology and management expertise in Telkom, SAA and the Airports Company.

But the parties will now focus on internal restructuring to make certain enterprises more efficient. These include Portnet, Spoornet and the Rail Commuter Corporation.

Other areas of negotiation will be the regulation of monopolies and the prevention of excessive tariffs for Portnet and Petronet.

George Nkadimeng, the vice-president of Cosatu, and Erwin said that the agreement did not rule out job losses or industrial action after negotiations had been exhausted.

Restructuring should not occur at the expense of the workers and "every effort should be made to retain employment", the agreement said.

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# Eskom shrugs off leaked proposal on tax

(260)

BD 9/2/96

**Mungo Soggot**

ESKOM and government yesterday shrugged off a leaked report which proposed taxing the parastatal, imposing a levy on electricity sales and setting up a national electrification fund.

Reuter reported the draft white paper on electrification policy also proposed ditching government's pledge to make 2,5-million new connections to the national grid by 1999. It suggested only making cost effective connections.

The mineral and energy affairs department said the report was a discussion document written by the Energy for Development Research Centre of the University of Cape Town — an organisation appointed to explore energy policy by the department. Eskom CE Allen Morgan said the issues raised in the paper had to be seen within the context of the wide-ranging shake-up of the industry currently under way.

The electricity working group, which includes the recently formed National Electricity Regulator, has proposed setting up a single decentralised distributor with regional operating arms. The new company would house all SA's electricity distribution assets, most of which belong to Eskom

and the rest to about 400 local authorities — developments which, Morgan said, would obviously affect the policies outlined in the draft white paper.

The working group's proposal has been touted as the only solution to inefficiency in the fragmented sector.

Reuter said the report proposed that a national electrification fund be set up by August and be funded by a levy on bulk electricity sales, donor grants, government grants and loans. The fund would steer electrification planning and seek "to arrest the unchecked, often inappropriate and inequitable subsidisation presently occurring, primarily by Eskom". Eskom currently meets the bulk of government's annual electrification target at a cost of about R1bn.

The report's proposed levy would be shared between domestic and other clients, should provide a third of the annual investment in electrification programmes but would have a negligible effect on industrial and commercial consumers.

A clause on restructuring electrification has as a target injecting more flexibility into the commitment to provide 450 000 new connections in each of the first five years of the current dispensation.

# Foot-dragging at the SABC?

(243) (260) M+G (RSM) 9-15/2/96

Some film-makers feel the SABC is not being fair and equitable to both in-house and independent producers, reports **Jacque Golding-Duffy**



**W**HILE the SABC is committed to independent production, some independent film-makers are frustrated and are accusing the corporation of foot-dragging its implementation of commissioning procedures

A commissioning procedures task group, with representatives from the SABC and the independent production sector, met last year in a bid to ensure that commissioning took place within programme categories and that commissioning procedures were fair and equitable to both in-house and independent producers

But independent producers feel the SABC is not implementing the proposed restructuring quickly enough

The chairman of Marula Pictures, an independent production company, Mvundi Vundla said the aim of talking to the SABC was to engage them in a process of "professionalising" the acceptance of proposals by SABC editors.

"I think the SABC is opposed to local production as some people see local content as a burden slapped on to them by the Independent Broadcasting Authority. The decision to implement the agreed commissioning procedures lies with the head of television"

Vundla said that commissioning editors had to be highly specialised in their specific areas and that the SABC agreed to advertise posts for commissioning editors publicly but reneged on their agreement, he said

"The posts were advertised internally instead and I have gathered that the entire process has been frozen Unless you are an independent producer of stature, you are at a loss as to who to go to with your proposals at the SABC Nothing has changed despite an agreement having been reached," Vundla said

Some independents now feel the ball is in the SABC's court

Suburban Bliss: 104 episodes were commissioned before a single episode was screen tested

## No bliss for independent film-makers

**Hazel Friedman**

**T**HE SABC's drama department is filled with intrigue, but not of the scripted variety. The mystery revolves around the criteria used to commission scripts for drama series and sitcom programmes.

Independent film-makers claim they are being discriminated against as they are SABC outsiders, while the SABC drama department insists everything is being done to accommodate new and independent talent.

At the core of the conflict is the SABC's Commissioning Task Report which sets out guidelines for the commissioning of dramas and comedies to film-makers. According to commissioning task team members, the proposed document stipulates that new television series should not be given endless runs and the commissioning editors must promote the influx of scripts by independent film-makers.

But no one knows when the report will be released. According to SABC's

chief commissioning editor Jill Chisholm, "it will be in the near future", but task force members are less sure. And eyebrows are being raised over the commissioning of 104 episodes of family sitcom *Suburban Bliss*, even before a single episode was tested in front of television audiences.

By contrast, the popular sitcom *S'Gudi S'Nice* was commissioned for a mere 14 episodes when it was first shown in 1985. Three years later — after its ratings remained high — it was granted another 26 episodes and a third season three years later.

**E**ven the successful *Going Up* was tested extensively before being allowed to be screened for 12 episodes in 1992. In 1994 it was commissioned for another 26 episodes and in 1996, it will screen 26 more.

Says independent film-maker Eddie Mbalo of Dynamic Images, who was a member of the commissioning task team: "We agreed on many principles which would change the existing com-

missioning processes and criteria but I am worried the report will not be implemented as there are so many structures at the SABC that no one really knows what decision to take. We are also worried that SABC insiders might have more say in getting their scripts accepted without having to go through the due process."

At present, all potential scripts for SABC1 and SABC2 are directed to executive script editor Clara Mzima in the form of a synopsis. If the synopsis is approved, the scriptwriter is contracted to write scripts for 13 episodes. However, 30% collateral of the cost of the episodes is required before the SABC gives the go-ahead. This makes it difficult for new scriptwriters to get their work into the production stage.

"There is so much talent out there," says Mbalo. "Yet until the SABC actively encourages new work and provides more financial assistance, the potential to elevate our local drama and sitcoms above their present mediocre levels will remain untapped."

nothing has been frozen I am committed to independent production and it will be encouraged by the SABC It is essential in ensuring diversity in the industry," Chisholm said

Independent producer Jeremy Nathan said it was a "great pity" that eight months of negotiations, where a positive agreement was reached to the benefit of film-makers and audiences, has come to nought

"It's a commonly held view throughout the world that independent film-makers are an important part of the television and film industry, and it is more cost-effective because if independents fail, they don't get more work," Nathan said.

He added that the cornerstone of the talks was an attempt by the SABC to usher in a new era of openness and transparency but "exactly the opposite" was happening.

**O**n the one hand, one has to be fair to the SABC to allow them the time for restructuring, but we are looking for the new relaunch and new management to implement agreements that have already been reached," Nathan said

"There's a great fear in the industry that the programme managers of the past will merely be replicated in the future This will be detrimental to the audience which both the indepen-

dents and the broadcaster serves. "Independents are negotiating for the improvement of programmes and their diversity and the continuous dragging of feet is ultimately in nobody's interest," Nathan said

Former task group chairman and television magazine programme editor, Eric Nhlapho, said the SABC had the right to utilise its internal production to the full but it did recognise the right of independent film-makers to increase diversity in the industry

"The SABC believes it can work well with independent producers and thus successfully concluded an agreement which it is fully committed to implementing," Nhlapho said.

# Electricity

## tax this year?

ARG 10/2/96

(225) (235) (260)

DOMESTIC consumers face a double blow this year if a secret draft white paper on energy circulating at parliament is adopted by the government.

The confidential draft, of which Reuters has a copy, proposes a strategy to achieve social equity, efficiency and economic competitiveness of electricity supply in a market economy, but allows for state intervention "where market failures prevail".

University of Cape Town researcher Grove Steyn, who wrote the draft, said it was "an early rough draft of the electricity section of the proposed energy policy paper".

"As such, this document has no status," said Steyn, who is a member of a team mandated to draft an energy white paper for the Department of Mineral and Energy Affairs.

Two aspects of the proposal would hit established domestic consumers and rural communities waiting to be switched on could find themselves further back in the queue.

The draft white paper calls for a levy on electricity bills to fund a National Electrification Fund (NEF) that will manage the electrification of areas neglected under apartheid.

Domestic consumers will pay half the levy, with commercial users paying the rest to take the total levy up to one third of the cost of electrification projects.

"The levy, together with the termination of internal cross-subsidies, will have a negligible effect on industrial and commercial consumers," the document says.

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

The draft also proposes that Eskom should lose its tax-exempt status, a move that would add to the electricity bills of existing consumers.

An Eskom official said the utility "pays no conventional companies tax because we are a non-profit organisation. Obviously, if we are to pay tax,

■ A draft white paper calls for a levy on electricity bills to fund a National Electrification Fund (NEF) that will manage the electrification of areas neglected under apartheid.

the cost of electrification would have to be offset against it."

Proposals that could affect disadvantaged communities waiting to be switched on include one to step back from the ANC's pre-election promise to electrify 2,5 million homes in the first five years of democracy.

The white paper suggests that Eskom should not be obliged to provide electricity on uneconomical terms, but should be encouraged to develop alternative energy sources.

"Eskom will be able to lower its target if it does not have access to appropriate areas to electrify," the document proposes.

The document also proposes a R4 000 ceiling on the unit cost of rural connections, which would rule out new electricity supplies to farms or remote communities.

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

The department proposes that all available subsidy funds should be channelled through the NEF, which will allocate them in a transparent and equitable manner to promote RDP objectives.

Steyn said his draft would be reworked, probably extensively, after comments from other energy experts and would then be sent to the parliamentary portfolio committee on mineral and energy affairs for scrutiny and public comment.

Parliament is expected to receive a final Energy Bill in August, for passage during the current legislative year. — Reuter.

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# Finalising electricity tariff a 'massive job'

Mungo Soggot

THE electricity industry faced a gargantuan task in creating a uniform national tariff without depriving local authorities of the R1,7bn surplus they enjoyed from electricity sales, Eskom CE Allen Morgan said last week.

Morgan said the administration of subsidies to local authorities which stood to lose out from the changes to the industry — those which derive sizeable income from electricity sales — was a crucial issue being explored as players finalised the shake up of SA's electricity distribution sector.

The electricity working group, which includes the National Electricity Regulator, has proposed setting up a single decentralised distributor with regional operating arms.

The new company would house all SA's electricity distribution assets, most of which belong to Eskom, and the rest to about 400 local authorities.

The proposal has been touted as the only solution to inefficiency in the fragmented sector. The creation of a single tariff structure — instead of the 2 000 existing ones — is one of the regulator's key goals.

Morgan said it would be ideal to simply create regional distribution companies, but the industry was too immature to be run without central control. However, the regional divisions of the proposed new set up would have a high degree of autonomy.

Morgan said the cost of subsidising local authorities could not be pinned down more accurately until Eskom and other industry players had worked out the details of the new set up. "To balance them all it will cost between R1bn and R2bn a year."

The money would be spent on local authority distributors currently selling electricity at more expensive rates than others as well as those with large electrification commitments.

He hoped for clarity on the details of the new set up by mid-year.

About half of Eskom's 40 000 employees would work in the proposed new distribution company. The industry had undertaken not to force any retrenchments during the restructuring. He agreed with the regulator's proposal to not grant foreign companies distribution licenses for a few years until the local industry was sorted out. But this did not rule out joint ventures with foreigners during that period.

He said the industry would be exposed to foreign competition in generation within the next 10 years, during which time the regulator was likely to award foreign companies generation licenses.

When SA needed new generation capacity — which would be in about 2003 if the current 5% electricity growth rate continued — Eskom would probably have to compete with foreign companies to build the new power stations.

BD 12/2/96 (260)

## SABC staff turnover double the 1994 level

(260)  
Lukanyo Mnyanda

BD 12/2/96

ALMOST 20% of the SABC's staff left the corporation last year in the run-up to its relaunch, with staff turnover more than double the 1994 level.

Figures released by the SABC at the weekend show that 901 of its 4 585 staff left last year — 83% of them white — as the organisation reshaped prior to the relaunch earlier this month.

The SABC retrenched 575 mainly administrative staff, against 70 in the previous year, with more than one third of those leaving ranked as management, the SABC said.

The corporation declined to give the cost of the losses, although it said last year that cutbacks would eventually save about R73m a year.

A spokesman said the launch of the new-look SABC had rendered some positions redundant as there were "too many administration people and not enough programme-related positions."

The retrenchments had been largely voluntary, and no more retrenchments were planned this year.

The corporation said 4 543 staff were employed, following appointments in 1994 and last year.

The SABC committed itself at the end of 1994 to a three-year affirmative action programme to ensure black staff accounted for 50% of staff, and to greater female representation at senior levels.

Recruitment last year was 544, against 479 the previous year.

The percentage of black appointments fell slightly to 50% of the total (52%), while white recruitment rose to 33% (32%). The gender percentages remained almost static at 53,1% male, 46,9% female.

The SABC said that 58% of its staff were white, and 35% black.

More than two thirds were male.

## Radio station accuses IBA of vendetta just before hearing on community programming

(260) Star 13/2/96  
By MICHAEL SPARKS

Community radio station CANI FM has accused "some officials" in the Independent Broadcasting Authority (IBA) of waging a personal vendetta against it and endangering media freedom.

In a statement, CANI claims the IBA is overstepping its role by policing the airwaves, instead of simply regulating them.

This constitutes a violation of the radio station's freedom of speech and choice, as enshrined in the constitution, the station claims.

It adds that, while the IBA has expectations of what programming community stations should carry in relation to community information and participation, "they have never specified exactly what kind of programming community stations should have."

The statement claims that CANI is providing an "exceptional service to its target community."

It adds the station is abiding by the licensing conditions upon which it was granted access to the airwaves.

The Broadcasting Complaints and

Monitoring Committee of the IBA has called CANI to attend a hearing on Friday for not carrying sufficient community programming.

IBA legal adviser Glen Marques denied the case was in any way connected to press freedom.

"This case is simply to determine whether there is sufficient community programming and whether there is sufficient provision for community participation. It relates to their licence conditions," Marques said.

"Our monitoring has shown the format to be overwhelmingly (like) that of a commercial music radio station," he added.

Marques said the allegations of a personal vendetta were very serious, since they were entirely unsubstantiated, and the IBA would consider them in a very serious light.

He agreed there were very few guidelines on the kind of programming the station should carry, because "a genuine community station would not need us to tell them what kind of programming they could broadcast."



SABC (260)

exodus

doubled

last year

Star 13/2/96

STAFF REPORTER

More than 900 people left the SABC in 1995, up from 430 people the year before, with 500 more retrenchments arising from an efficiency drive accounting for the substantial increase.

The broadcaster is trying to reduce the number of administrative staff and increase those who produce programmes.

Close on two-thirds of those who left last year were support staff and the remaining 36% were programme staff.

From figures released by the SABC, its stated policy of affirmative action is being implemented, with about 68% of new appointments over the past two years being black.

But the corporation's stated policy of having 50% of staff black and 50% white by the end of 1997 still has some way to go, as 58% are white.

Across the gender spectrum, affirmative action also needs more attention: close to 65% of staffers are male, with the majority of African staffers (78,9%) also male.

Most of the staffers leaving the corporation have been white, accounting for more than 80% of those who left over the past two years.

The SABC said most of the retrenchments had been voluntary and that no more were planned.

## State asset plans 'continuing'

Business Editor

(260)

ARG 13/2/96

PLANS to restructure state assets had not been put on hold, Minister for Public Enterprises Stella Sigcau said today

The programme had only been delayed during the negotiations with the trade unions, which had resulted in last month's National Framework Agreement, she told a briefing in parliament

Work was now going ahead at enterprise, sectoral and ministerial level.

Answering questions, Ms Sigcau said the government was not being "held hostage" by the unions on the restructuring issue. Workers' fears had been put in the forefront of the government's concerns because they would be most affected by changes.

But this did not mean that other interest groups such as consumers and business would not be consulted

Unions and the government had agreed that the central issue in restructuring was economic growth, Ms Sigcau said



# SABC welcomes decision to retain third channel

(260) ET 15/2/96

JOHANNESBURG The SABC yesterday welcomed a parliamentary committee's decision that it should retain its third channel to satisfy its public broadcasting mandate.

The parliamentary portfolio committee on communications decided that although the SABC would retain its third channel, a new private channel would be licensed by July next year.

Soon after this a second private channel would be phased in. One of the new channels would consist of a network of regional stations rather than a single national station.

In its reaction, the SABC said the private channel would have some public service, language and local content obligations to meet.

"The SABC, as a public broadcast-

er, will continue to provide a full range of entertaining, informative and educational programming across the schedule," it said.

The corporation said the parliamentary committee was also receptive to a funding-mix proposal by the SABC and the Independent Broadcasting Authority, on condition the public broadcasting service be funded through a mix of advertising, sponsorship, licence fees, public grants and other income.

Another condition was that public funding would only be for specific projects that were intended to help the SABC satisfy its mandate as a public broadcaster.

Examples were educational programmes, increasing African languages and local content TV programmes — Sapa

# Community station under attack

mtg (pym) 16-22/2/96 (260)

The IBA has accused Cani FM of not broadcasting enough community-based programmes, writes **Jacque Golding-Duffy**

**C**ANI 98.2FM is a community radio station with a difference. Besides being the first community station, equipped with a full legal team, to be hauled in front of the Independent Broadcasting Authority, the station's technical equipment is very advanced for a small self-sustained operation.

Programme manager Sandy Fletcher said the community radio station was one of few stations to receive its news bulletins via satellite.

Cani stands for Constant and Never-ending Improvement and was derived from a motivational book.

The radio station was issued a temporary one-year licence on July 1 last year and broadcasts in Sandton/Alexandra and surrounding areas. Cani FM claims that its listener base is between 120 000 and 180 000. The only radio station to broadcast horse racing, it claims has secured a horse racing following of anything between 80 000 and 100 000 listeners. However, the *August/September 1995 Amps Diary* reflect an average day listenership on community radio across the country of 190 000.

Cani FM's transmission comes off the Illovo water tower and has 100W power. The station, which runs 24 hours daily, has been accused by the IBA of not broadcasting enough community-related issues.

Fletcher denies this. "We have an immense interest in broadcasting community-related issues and we regularly broadcast programmes in this regard. We have *Family Focus*, a daily half-hour slot which touches on teenage pregnancy, learning responsibility to parenting skills and building a good marriage. We also have a half-hour programme on disabled people, as well as arts and culture and environment-conscious programmes.

"Another community-related slot is called *Contemporary Women* which handles talk on cervical cancer and other health issues to business opportunities for women," Fletcher said.



**Never-ending improvement: Sandy Fletcher believes Cani FM will continue broadcasting**

PHOTO: NAASHON ZALK

He said the number of community-related programmes were endless but that the station also had an extensive entertainment package.

**T**he most successful drawcard of the station, aside from horse racing, is their dedication line where listeners can call in, choose a song they like and dedicate it to family and friends. "The dedication line has been a great success among the youth but in addition to this, we have gotten feedback from all quarters regarding our programmes," Fletcher said.

Listening to Cani FM, one is struck by how many teeny-boppers phone to say how much they enjoy the music but they have nothing more to say.

DJ Dennis the Menace asks the question: "Do you like Cani FM? If so, why?" A teenage caller responds: "I like Cani FM." "Why do you like Cani FM?" asks the DJ. "Because er... I don't know. I just like Cani." Next caller, same question. "I like Cani FM because you are so sexy."

What is apparent, is very few resi-

dents from Alexandra call in but that, said Fletcher is because their resident radio station — Alex FM — "is immensely popular". He explains what a mammoth task it is for Cani FM to try and reach both Alexandra and Sandton audiences. "We are attempting to reach listeners from the most affluent areas in Sandton to the poorest in Alexandra. To broadcast programmes both sides will find interesting is difficult, but that is what we are striving toward," Fletcher said.

The community radio station also runs a community talent showcase in a bid to attract youth from all quarters. The show runs during the graveyard shift which is from 2am till 6am. "During these four hours, anyone who is interested in becoming a DJ or was always keen to run their own show, has the opportunity to do just that with the help of one of the professionals," Fletcher said.

"This talent showcase has revealed many potential success stories with some trainees having been apprenticed to work here at Cani. At present, we have four guys who are actually working here," he said, adding that about 120 people had gone through the talent showcase programme.

Cani FM has five permanent staff and operates with mainly freelancers. "These people are not paid vast sums of money. They are merely paid a token salary for their contribution in running

**We are attempting to reach listeners from the most affluent areas in Sandton to the poorest in Alexandra**

the station," he said.

He believes the station will survive the IBA hearing and will not be pulled off air. Following a meeting held last week, it became clear that there was a lot of confusion surrounding the issue of what we can and cannot broadcast, Fletcher said.

"We are fully prepared to present our side of things and believe the IBA will listen to reason," he said.

## 900 more quit SABC

The Argus (260)  
Correspondent

JOHANNESBURG —

More than 900 people left the SABC last year compared with 430 the year before.

Five hundred more retrenchments arising from an efficiency drive accounted for the substantial increase, the SABC said. It is trying to reduce the proportion of administrative staff and increase that which produces programmes.

Close to two thirds of those who left last year were support staff while the remaining 36 per cent were programme staff. ARG 13/2/96

# Restructuring a means to address poverty

Greta Steyn

~~(260)~~ (260) BD 21/2/96  
PUBLIC Enterprises Minister Stella Sigcau appealed to local and foreign investors yesterday to find ways to empower disadvantaged communities to own some of the state's assets up for sale

The restructuring of state assets would be a means to address poverty, as part of the proceeds would be used to finance infrastructure investment. Job creation would result, and people's quality of life would improve, she said.

Sigcau also reassured them that "this is the year in which there will be results" after years of preparation.

She told the Frankel Pollak investment conference that restruc-

turing of state assets, which would include full or partial privatisation, provided an opportunity to achieve a more dispersed ownership of equity in SA.

A major constraint faced was the limited access to capital by disadvantaged communities.

"This audience must note that this could be where we need to put the most attention. It is vital the private sector supports government's initiatives."

She said the trade and industry department was looking at ways to improve the access of small entrepreneurs to capital. Also under consideration were employee share ownership schemes.

Government was also "looking at people in the banking fraterni-

ty" to help solve the problem of a lack of capital. As an example of an opportunity that existed for small entrepreneurs, she mentioned the many restaurants managed by Telkom.

Sigcau said a Cabinet committee would meet tomorrow to discuss the appointment of advisers on the restructuring process.

The committee would consider the levels at which advisers would be needed — such as at managerial level in enterprises and in government — and also how the advisers would interact with the task teams.

"We are at a stage where we can say the process will begin to unfold and start showing results," Sigcau said.

## Radio station clears up licence trouble

(260)  
STAFF REPORTER

Star 20/2/96

A meeting between Cam FM community radio station and the Independent Broadcasting Authority averted the need for a formal hearing, when it became clear the radio station had misunderstood the community broadcasting requirements of its licence.

The radio station, broadcasting to Sandton and Alexandra, had been given notice last month that it was not complying with the terms of its licence by not providing sufficient community programming on the station and by members of the community not having enough opportunity to take part in the broadcasts.

A formal hearing was scheduled for last Friday, but a meeting before then had resolved the problem, the IBA said.

# Competition Board calls for CSIR probe

Amanda Vermeulen

BD 21/2/96

232  
260

THE Competition Board has recommended to the trade and industry department that it investigate the CSIR, claiming the research parastatal has acted unfairly in its competition with the private sector.

Board chairman Pierre Brooks said yesterday that the role of all parastatals needed to be redefined, and stricter guidelines drawn regarding their competition with the private sector.

Brooks' recommendation last month to the department followed complaints against the CSIR by Jeremy Kirsch, MD of Scientific Design Plant & Process, which is competing with a CSIR licensor for a tender put out by Tongaat-Hulett company African Products.

Brooks said the board had recommended an investigation, but it was not clear whether the CSIR was acting legitimately within its enabling legislation. Previous investigations had cleared the CSIR of accusations of anti-competitive practices, but Brooks said this was a different issue to unfair advantage.

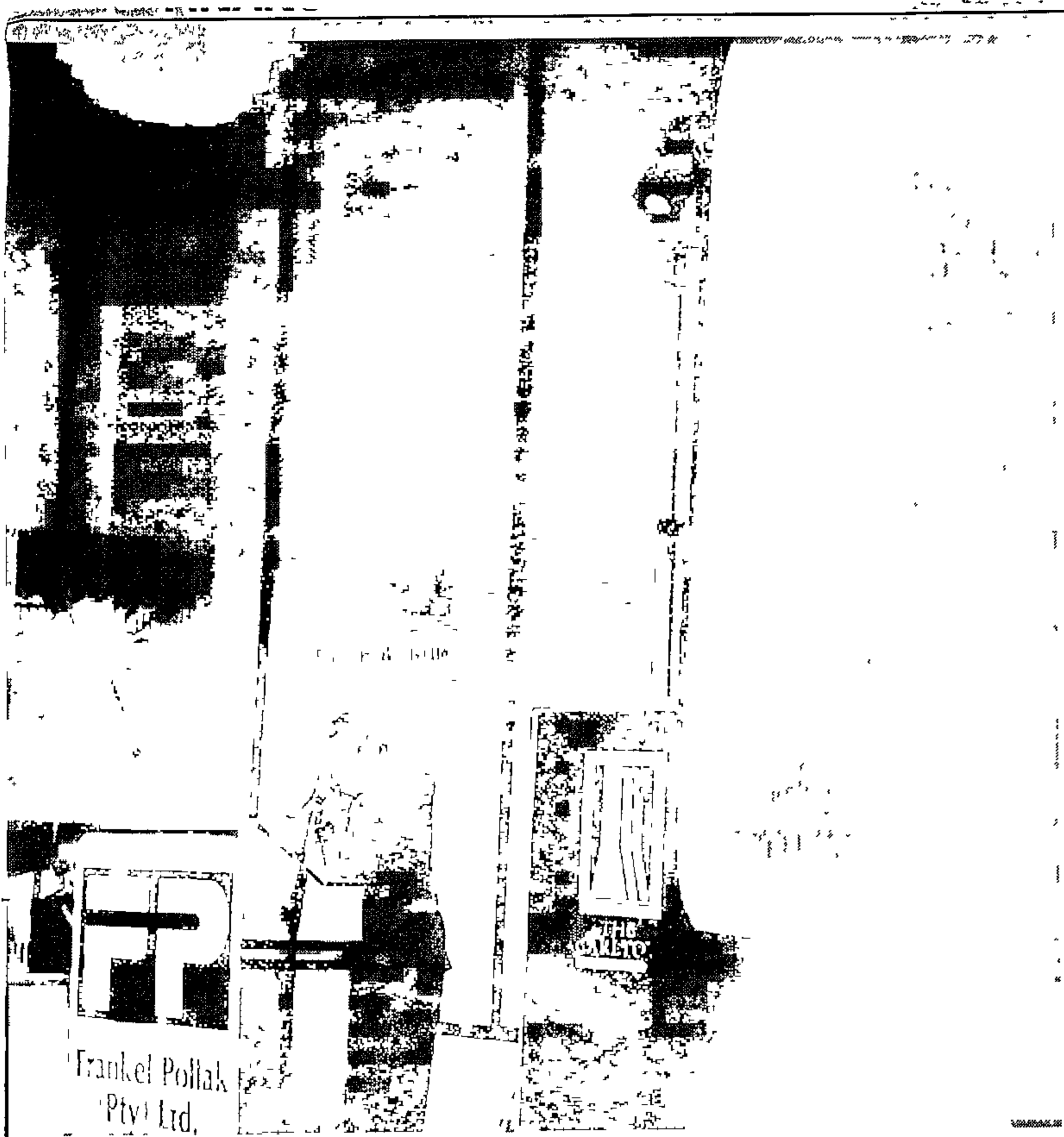
Brooks said the CSIR operated under a number of advantages, including government subsidies, and did not have to fear bankruptcy.

Parastatals were also not under the same pressure as private sector companies to make the same returns, and did not have to bid at market-related prices, but could under-cut competitors.

The issue, although not contained within proposed competition policy, was gaining momentum for resolution, particularly against the backdrop of previous investigations into other parastatals.

However the board as well as the arts, science, culture and technology, and trade departments were currently looking at this issue, and ways to resolve the emerging conflicts, he said.

Brooks said the ministers responsible for each parastatal needed to put more pressure on them to comply with guidelines to protect business from suffering from an unfair advantage.



Reserve Bank governor Chris Stals addresses the Frankel Pollak Annual Investment Conference at the Carlton Hotel in Johannesburg yesterday. Picture GARTHLUMLEY

## SA 'could make itself the electricity valley of the world'

**Adrienne Giliomee**

ESKOM had structured a creative deal by linking the price of electricity to the price of aluminium on the London Metal Exchange, CE Allen Morgan said yesterday.

He told the Frankel Pollak investment conference SA could become the electricity valley of the world if it entered into innovative pricing deals such as linking the price of electricity to industries with price-sensitive commodities.

One of the many areas where SA had a competitive advantage was reliable and internationally competitive electricity.

But low-cost electricity was not enough to attract foreign investors. Other direct and indirect investment opportunities, including portfolio investments such as Eskom bonds, were required.

Foreign involvement could be in the form of capital projects or operation and maintenance contracts. A possible opportunity also

existed for a joint venture between Eskom and a foreign utility to electrify a residential area.

Fifty-six percent of SA households were without electricity, but Eskom planned to reduce this to 35% by 1999. This would involve electrifying about 2.5-million houses at a cost of R12bn.

Eskom intended to extend the electricity grid into Africa. "The long-term vision is to have an interconnected electricity grid from the Cape to Cairo," Morgan said.

(260) BD 21/2/96

# Broadcasting authority report says technical issues head complaints list

(260) Star 21/2/96

Stations which contravened their licence conditions upset the public most

## STAFF REPORTER

Most complaints about community radio stations received by the Independent Broadcasting Authority (IBA) have been about technical issues rather than content, according to a report released last week.

The report of the IBA's Broadcasting Monitoring and Complaints Committee (BMCC) dealt with complaints it received between May and December 1995, and were mainly in connection with broadcasters contravening their licence conditions.

The task of the BMCC is to ensure that broadcasters actually broadcast on the frequencies they are granted, within the radius and power specified in their licence,

and that the stations are non-profit making and that members of the community are able to participate in programming.

The station is required to keep tapes of all its broadcasts for 40 days to assist the IBA in verifying the accuracy of any complaints.

Complaints included one by a member of the public who objected about a man interviewed on Radio Pretoria who claimed to be an actuary.

He said the Government was implementing a policy to withhold medical care from old people so they could die earlier.

The complainant said that was "nothing more than murder".

Radio Pretoria then invited the complainant to discuss the issue on air with the guest speaker, a re-

sponse which satisfied the committee.

While some people complained that presenters on the radio were abusive and dishonest, leading to disciplinary action against them, others complained about the kind of music broadcast.

Many complaints were also received from broadcasters, complaining that other stations were interfering with their signal.

While in some cases the signal of some stations was too powerful, in a number of instances the signal was on the border or beyond the planned signal reach of the broadcaster and no action was taken.

Members of the public who believe a broadcaster is guilty of

misconduct may lodge a complaint with the BMCC within 30 days of the broadcast, and the committee sends a copy of the complaint to the broadcaster concerned.

If the complainant is not happy with the response, he or she may appeal to the chairman of the BMCC.

He will make a final decision on whether the issue requires a formal hearing, at which point a decision will be taken on what, if any, sanctions are necessary.

Listeners with complaints about community radio stations which they feel are contravening their licence conditions or the IBA's code of conduct are invited to call the BMCC at (011) 447-6180 or toll-free on 080-1133-667.



# Afrikaans satellite TV will carry sport

Star 22/2/96 (260)

Research has indicated that a subscription channel for this language group which relies on sport, especially rugby, will be heavily subscribed.

By MICHAEL SPARKS

Despite losing the lion's share of the rugby to M-Net, the SABC has no plans to scuttle the Afrikaans subscription channel on its satellite service — a service which is expected to rely heavily on sport to draw new viewers, according to satellite project head David Niddrie.

He was reacting to strong indications from other SABC sources who were concerned that the Afrikaans channel might fall through after M-Net's deal with Rupert Murdoch's News Corporation (NewsCorp), since the rugby was to act as a major 'drawcard' and source of revenue to help fund the Afrikaans channel.

The Afrikaans Business Consortium, headed by Boland Bank, is known to have expressed concern because fewer people would subscribe to the Afrikaans service if there was not more on offer than on the other channels.

The corporation's head, Zwelakhe Sisulu, and executive manager of operations and satellite, Gert Claassen, were in London last week negotiating with NewsCorp to try to secure the Springboks' home tests against Australia and New Zealand.

Topsport general manager Robin Kempthorne confirmed they were negoti-

ating the rights to screen the home tests of the *Amabokoboko*, adding that he was confident the negotiations would prove fruitful.

Research before the project began indicated that an Afrikaans channel could be a viable option if it were linked to other popular programming, including sport, and in particular South African rugby.

The consortium is aware that, because of the high costs of setting up a satellite service, it was important to provide excel-

lent programming to ensure increased demand for the receivers.

With more people buying the satellite equipment (costing about R1 700) it would increase the likelihood of people buying the

Afrikaans service as well, where costs would be higher because of the need for a higher proportion of expensive local programming.

Niddrie agreed that sport is a very important drawcard for the corporation's satellite service in terms of increasing the viewership, with rugby forming a substantial part of that.

He said while M-Net's deal clinched the lion's share of the rugby, SABC would also have access to it. Although M-Net's

deal would result in plans for the channel having to be reassessed, the business plan was based on very conservative figures.

## Concern after M-Net Murdoch deal

# Aspirant stations slam the IBA

M+G (PM) 23-29/2/96 (260)

Broadcasters have attacked the IBA for not acting against a 'commercial' community station, writes Gavin du Venage

COMMERCIAL broadcasters are furious that a Sandton-based community radio station has been allowed to broadcast a commercial format by the Independent Broadcasting Authority.

Cam FM, a community radio station which was hauled before a hearing by IBA offshoot — the Broadcast Monitoring Complaints Committee (BMCC) — last Friday, succeeded in holding on to its licence despite alleged licence infringements.

Cam had been accused of violating its licence conditions and blurring the line between commercial and community radio. However, a settlement was reached prior to the hearing and BMCC chairman Jules Browde told the hearing Cam was free to continue its broadcasts.

Details of the settlement were not made known, although Cami committed itself to stick to its licence conditions and to "improve the quantity and quality of its broadcasts".

The settlement outraged representatives of aspirant commercial stations who had attended the hearing in force. An uncomfortable looking IBA co-chairman Peter de Klerk had to endure jeers and insults from representatives of would-be radio stations.

The underlying issue for broadcasters was the ease with which the BMCC accepted Cami's explanation of its alleged violation while, at the same time, not providing a clear basis for the settlement. The independents have had a long-standing grievance with the IBA, which they accuse of being inconsistent in regulating the industry while steadfastly refusing to grant them licences.

Tony Sanderson, whose Solid Gold FM was forced off the air almost three years ago, told De Klerk the hearing was "a bloody farce".

Speaking after the meeting, Sanderson said the independent broadcasting industry had reached the end of its tether with the IBA. He said broadcasters had a right to know the details of the settlement, which could provide operating guidelines for commercial broadcasters.

"I am against piracy, but I think it is reasonable to expect some direction from the IBA after three years," he said.

He said commercial radio stations were close to open rebellion and the IBA's dithering, along with its inability to provide clear guidelines, made piracy look attractive.

Failure to censure Cam, and the IBA's retreat from its threat to shut down the SABC after it went ahead with its launch despite failing to conduct public hearings, indicated an ineffectual body incapable of running the industry, he said.

"I think we have reached the point where we will have to test the IBA in court," he said, adding that he had called on other independent stations to join him in challenging the IBA.

Radio 702 strategic planning director Peter Matlare said he was disappointed by the outcome of the hearing.

"I was not sure what to expect from the proceedings, but what took place was certainly not what I expected either," he said.

"We are not asking the IBA to be heavy-handed, but they should be clear about how they reached their conclusions."

Matlare added that the industry needed clear policy guidelines if it was to become competitive.

BA complaints monitoring department director Bronwyn Keene-Young said it was "blatantly untrue" that the IBA was keeping details from the public. She said the hearing had been prompted by the IBA itself and not the public.

Keene-Young said the IBA was "sympathetic" to the plight of independent broadcasters, but it would soon begin a process of workshops and public hearings in the run-up to calling for licences.

She said the aim was to give broadcasters time to prepare proposals and meet IBA requirements.

## CSIR denies claims of unfair competition with private sector

BY ROY COKAYNE

(260) CT(BR) 23/2/96

Pretoria — The Council for Scientific and Industrial Research, the research parastatal, has refuted claims that it competes unfairly with the private sector

This follows the competition board's recommendation to the trade and industry department that the council be investigated

The council said yesterday that it was fulfilling its mandate in terms of the Scientific Research Council's Act, "taking into account the importance of sustaining a sound technology base in support of economic growth and social upliftment in South Africa

"We act strictly in accordance with our statutory mandate and have no reason to believe that we compete unfairly

"Not one of the complaints made to the competition board has been found to have substance," the council said

The council said that it did not believe the media was an appropriate place to discuss its response to comments made by Pierre Brooks, the chairman of the competition board

It said it would address the issues with him in due course

Brooks said that the role of all parastatals needed to be redefined and stricter guide-

lines drawn up regarding their competition with the private sector.

His recommendations follow a complaint about the council, made by Jeremy Kirsch, the managing director Scientific Design Plant and Process

In a letter published in Business Report this week, Kirsch said the council was not threatened by bankruptcy as other businesses were and did not have to deal with bankers in a normal business manner

Kirsch said the council should stick to the introduction of new technology and play by the same rules as the private sector if it wanted to plug established technology

Brooks said yesterday that the competition board had passed the issue to the trade and industry department, which was responsible for the council's administration.

He said the department was still considering the competition board's recommendation

Brooks referred to competition between parastatals and the private sector, saying that the department would have to take this into account and co-ordinate its various policies in line with the effective utilisation of technology and small business promotion

## New board chairmen of four parastatals named

Cape Town - The chairmen of the new boards of the Atomic Energy Corporation (AEC) and Council for Nuclear Safety were announced by Mineral and Energy Affairs Minister Pik Botha yesterday.

Botha also named the chairmen of two other parastatals, Mintek and

the Council for Geoscience

The chairman of the AEC board will be Real Africa Investments executive director Don Ncube (49). Chairing the Council for Nuclear Safety will be John Martin (59), applied mechanics professor at the University of Cape Town.

Gibson I. Thula (62), a

financial and political consultant at Vela International, will chair the Mintek board.

Vusi Khanyile (46), whose working experience includes deputy registrar at UCT and ANC finance head, was appointed chairman of the Council for Geoscience - Sapa.

(260) Star 27/2/96

## Constitutional challenge to MEC's powers coming to court

BY HELEN GRANGE

Constitutional Court Correspondent

The long-standing challenge by a group of political parties to clauses in the Gauteng Education Bill which give Education MEC Mary Metcalfe veto powers over public school policies is to be heard by the Constitutional Court tomorrow.

The NP, DP and FF opposed the bill when it was tabled in the Gauteng legislature last June, but it was eventually passed by 42 votes in favour to 25 against.

The controversial clauses being challenged focus on Metcalfe's powers to

■ Establish, maintain and close public schools.

■ Change syllabuses and admission conditions

■ Establish and dissolve governing bodies (made up of parents, teachers and students)

■ Direct that the language policy of a school be "reformulated".

■ Grant exemption from school fees.

The bill's clause on language policy, which prohibits public schools from implementing language competence testing for the purposes of admission, was found to be particularly objectionable to the NP and FF on the grounds that it made it difficult

for communities to establish a school around a specific language or religion.

The NP said Metcalfe's power violated the rights of South Africans to choose education for their children according to culture, religion or language. The FF is also unhappy about unlimited access to schools, notwithstanding the payment of fees.

The court must decide whether the bill infringes the constitutional right to establish education institutions "based on a common culture, language or religion" provided there is no racial discrimination - and whether it is practicable.

(260)

Star 27/2/96

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## Languages again in IBA spotlight

Public submissions to the Independent Broadcasting Authority (IBA) on the Public Broadcasting Services Bill have focused on requirements of SABC television's treatment of languages, especially Afrikaans

In hearings in Johannesburg yesterday, individual submissions made in their private capacity centred on whether the provision in the bill that languages be treated in an "equitable and reasonable basis" on a national level was sufficient.

Prof F I J van Rensburg, a retired Rand Afrikaans University professor of Afrikaans, contended it was not

Van Rensburg said, while the bill referred to equitable and reasonable treatment, the interim constitution referred to "equal treatment", which had a very different meaning

He said that in the past there had been equity between English and Afrikaans on television.

According to Van Rensburg that equity should be maintained and the use of both languages should be brought down to make provision for the other nine official languages - Staff Reporter

(260) (10) Stan 27/2/96

# Parastatals should be more competitive

ET (BR) 28/2/96 (260)

BY ROY COKAYNE

Pretoria — Improving the competitiveness of public enterprises, and enhancing the competitive economic environment in South Africa are key to the restructuring process of parastatals, Douglas McClure, the parliamentary services director of the ministry of public enterprises, said yesterday.

He was reacting to a Business Report enquiry about the ministry of public enterprises' attitude to Competition Board comments

about competition between parastatals and private-sector enterprises

McClure said the ministry was aware of the Competition Board's comments, but that the process of restructuring public enterprises was only beginning

He stressed that the manner in which the restructuring process would take place still had to be fully explored

In its 1994 annual report, the Competition Board's most recent, it requested that the government

clarify its approach to problems arising from the competition between private-sector firms and parastatals

The board added that a policy statement by the government was required to ensure coherence and consistency

In this regard, the Competition Board said it believed it would be helpful if the government endorsed general guidelines for the activities of enterprises. It said these should include asset transfers, taxation and tenders, which fell, directly or indi-

## Eskom seeks support for multi-tiered supply plan

(260) BD 29/2/96  
CAPE TOWN — State electricity utility Eskom yesterday outlined a multilevel supply strategy designed to contain the unit capital cost of rural electricity connections and limit the subsidisation of new customers by bigger clients

Hendrik Barnard, Eskom's electricity pricing manager, told the Senate committee on mineral and energy affairs that without intervention, 10% of non-residential consumers' bills would go to sponsor small users within five years. Eskom sought government and public support for a tiered supply strategy for rural areas, starting with a free 2,5-amp connection capable of running lights, radio and television at a flat rate of R15

The main supply level would be a 20-amp connection costing R50, rising to R300 by 2000, and capable of running common appliances as well as a stove and geyser separately at 27c a kilowatt-hour unit. The top residential system would be a 60-amp connection at R300, rising to R1 000 by 2000, capable of running appliances, stove and geyser simultaneously at 37c a unit, he said

"Government support for this philosophy is critical," he said

The capital cost for a connection in rural areas was at present far in excess of the target ceiling of R2 500 — sometimes as high as R20 000. — Reuter.



A multicoloured mural painted on the M1 near Parktown, Johannesburg is a gigantic tribute to the rainbow people of SA sponsored by British Airways.

Picture GARTHLUMLEY

# Eskom faces funding shake-up as govt revamps its parastatal policy

Mungo Soggo

ESKOM's funding needs — a key capital market factor — face a major shake-up amid imminent changes to the electricity supply industry and a revamp of government parastatal policy which could include taxing Eskom for the first time.

Finance director Willem Kok said on Tuesday that Eskom was gearing up to give more money to government, which was seeking to tax and reap dividends from parastatals in its drive to improve the way it used available cash in the state sector.

But the effect could be offset by the looming changes to the industry, which should see Eskom transferring its distribution operations and concentrating on generation and transmission.

The restructuring would cut its funding burden, with elements such as its distribution wing — which handles the R1bn-a-year mass electrification programme — being transferred to a new body.

The electricity working group,

which includes the national electricity regulator, has proposed shifting Eskom and local authority distribution assets into a decentralised national distributor.

Kok said that Eskom's capital market funding plans for the current year remained in line with market expectations.

He said it would not be raising much money on the local market for its R5bn capital expenditure programme.

It would focus instead on the international markets.

It had already wrapped up its funding for this year, but the outlook next year was less clear.

Kok said the exact makeup of the new industry structure had still to be debated.

It was also difficult to calculate the impact of government's parastatal plans because the scale of tax write offs and dividend payouts had not been set.

One option mooted by a finance department team was for Eskom to pay one-third of its income as an annual dividend to government. Eskom's net income was R2,2bn in 1994. Kok said Eskom's funding

programme was not under pressure from the plans — it was heavily underborrowed in the local money and capital markets.

He said its current funding plan indicated an annual borrowing requirement of R2bn a year for the next three years.

"Tax and dividend payments are not expected to increase this materially and the total new requirement will definitely not be more than 1994's borrowings of R4,7bn."

Finance Minister Chris Liebenberg has already spelt out plans to change the way government manages cash in the state sector.

Liebenberg was expected to announce exactly how much this would mean to central government in the Budget.

These changes to cash management would also affect Telkom — which has paid government a higher than expected dividend of R525m in the latest financial year — Transnet and the Central Energy Fund.

See Page 5

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See Page 5

to join the Russian Space Programme as a gesture of friendship and goodwill to the new South Africa. According to this offer young South Africans will be trained to join Russian space flights.

Furthermore, a Science and Technology agreement was signed in June 1996. Under this agreement geology and geophysics have been identified as prime areas of collaboration with Russia, and satellite technology has been mentioned as possibly the most important source of new earth data. Discussions and active planning in this area are proceeding.

He accepted the offer, believing that sending a South African cosmonaut in space, together with Russian cosmonauts, would not only strengthen our relationship with the Russian Federation, but would stimulate and generate enormous interest in science and technology, especially amongst young people in South Africa.

South Africa's participation in manned space flights will contribute a great deal in public awareness, consciousness and understanding of the power of science and technology.

He also believed that this would enormously enhance the image and stature of our country in the continent and internationally.

Cabinet accepted this offer in principle on 29 November 1995. This was followed by a Note Verbal to the Embassy of the Russian Federation accepting the offer.

Subsequent to this, a Ministerial Committee was constituted to pursue this project, with the Ministry of Science and Technology as the lead Ministry. The Ministerial Committee in turn constituted a Technical Sub-Committee to look at the technical and scientific aspects of the offer.

We are expecting a report from the Ministerial Committee soon. On the basis of this report further negotiations with the Russian Federation and the Russian Space Agency will be entered into to conclude an agreement which will be the basis on which this project is carried out.

I believe that this project offers great opportunities for South Africa to generate interest in science and technology which in turn will enhance our economy.

It is my belief that our science and technology initiatives must further the goals of our national growth and development strategy on which we are working. In partnership with our scientific community we must re-prioritise and orient our research system and our national system of innovation towards development and global competitiveness. Our growing science and technology relations with the Russian Federation and with other nations will promote this aim.

No agreement has yet been signed on this matter. An agreement will be signed only once details of the project have been agreed upon. In the light of this, sections (a) and (b) of the question falls away.

Dr F J VAN HEERDEN, Mr Speaker, arising from the reply given by the hon. the Deputy President, in which he said quite correctly that this was a gesture of goodwill from Russia towards South Africa, I would like to ask him whether he does not agree that it was not only a gesture of goodwill, but was possible also because of the advanced space initiatives taken over the years in this country by South African scientists and technologists.

The EXECUTIVE DEPUTY PRESIDENT (Mr T M Mbeki): Mr Speaker, I think that the hon. member is quite correct. There was a lot of very good and advanced work done in this country by South African scientists and engineers. It would be my belief that we need to expand our contacts with other scientists in this area, whether Russian, American, or whatever. That would enable the enhancement of our own capacity in this regard, but certainly the contribution of South African scientists in this project will be very important. Hence those scientists have been very much part of this discussion that has been taking place under the leadership of the hon. the Minister of Arts, Culture, Science and Technology.

Mr J H VAN DER MERWE, Mr Speaker, arising out of the reply by the hon. the Deputy President, I wish to ask him whether the Government has so far considered the names of any South Africans to be sent into space. If not, I wish to propose the name of Mr Tony Yengem. [Laughter.]

The EXECUTIVE DEPUTY PRESIDENT (Mr T M Mbeki): Mr Speaker, so far we have received only one request, and that request to go out into space came from Mr Koos van der Merwe. [Laughter.]

Dr F J VAN HEERDEN, Mr Speaker, I have another question for the Deputy President arising from his reply. Would I be correct to deduce that what we can look forward to now is a revival of the advanced space technology that we have? If so, would the Deputy President be prepared to admit that the so-called apartheid regime did indeed achieve something, at least in this regard, otherwise the gesture from Russia would not have come? [Interjections.]

The EXECUTIVE DEPUTY PRESIDENT (Mr T M Mbeki): Mr Speaker, I do not believe that we should politicise this question. There are indeed very many, very talented South Africans in all sorts of fields who were able to develop and make important contributions despite the existence of the apartheid system.

#### New questions

\*1 Dr B L GELDENHUYSEN—Executive Deputy President (Mr T M Mbeki) [Withdrawn.]

Media Task Team: terms of reference (260)  
\*2 Ms M SMUTS asked the Executive Deputy President (Mr T M Mbeki)

(1) Whether the Media Task Team has been appointed, if not, what is the position in this regard, if so, what are the formal terms of reference of this team,

(2) whether the said team has been given any other briefs apart from those falling within its terms of reference, if so, what briefs?

NI12E

The EXECUTIVE DEPUTY PRESIDENT (Mr T M Mbeki)

(a) Yes, the Communications Task Group has been established in accordance with the recommendations of the conference of Government Communicators held in Arniston in August 1995. The Communication Task Group is composed of 10 people.

The brief of the Communication Task Group has been formulated using the decisions of the conference as a guide.

It has been briefed as follows:

• To review existing government communications policy, structures and facilities at national, provincial and local level.

• To review relationships between government communication functions at national, provincial and local level.

• To review the existing government budget with the intention of identifying any duplication as well as rationalising the use of resources with special reference to personnel, operations and equipment.

• To review relationships between government communication structures and non-governmental information providers.

• To deal with the training of government information functionaries and to make recommendations with regard to capacity building with special emphasis on affirmative action.

• To look at the ownership and control of South African media and how this facilitates or impinges on the ability of government to communicate with the citizenry.

• The Communications Task Group should examine existing information delivery mechanisms and make appropriate recommendations.

• The Task Group should examine international communication experiences with special emphasis on the dissemination of information by other democratic countries with the purpose of drawing some lessons that could be useful for our purposes here in South Africa.

• The Task Group should research on government communication policies in developing countries.

• The Task Group should make recommendations on new government communication policy, functions, structures, personnel and budget at national, provincial and local level.

(b) The Communications Task Group has no brief other than the one I have just set out.

Ms M SMUTS, Mr Speaker, arising out of the reply of the hon. the Deputy President, given the fact that the reason for the existence of the media is obviously not in the first place to give effect to Government communications, I wish to know whether, by including this review of ownership and how it impinges on Government communication policy, there is not a danger of killing the

messenger or of maiming the messenger—the media—instead of following the laudable approach which is clearly taken in the rest of the brief, which is how to improve the Government's own communications performance

It seems strange to me that the ownership and control of the media are included under these particular terms of reference, especially given the standing of the Arnison conference, which would appear to us to have no particular standing to recommend the investigation of media ownership and control. Is there not such a danger?

The EXECUTIVE DEPUTY PRESIDENT (Mr T M Mbeki) Mr Speaker, I do not know what the hon member means by the conference not having standing. The conference included Government communicators and senior people from the privately owned, nonstate media who participated in this process.

In the course of the discussions about all these issues, the conference felt that one needed to look at the privately owned media, as the terms of reference say, to see in what way ownership, structure and functioning impact on this. I think it is a very legitimate question. The term of reference has nothing to do with seeking to change the ownership of the privately owned media, or anything like that. It is to assess, given the structure, how this impacts on the Government's own efforts to communicate. I think that the hon member should have no fears that there is any intention on the part of the Government to take any action which compromises the ownership or independence of such media. That is not the task of this task group.

Ministers

\*1 Mr A H NEL—Mineral and Energy Affairs [Withdrawn]

\*2 Mr G M E CARELSE—Transport [Question standing over]

#### Economic growth: jobs created

\*3 Mrs P DE LILLE asked the Minister of Finance

(a)(i) How was the figure of a growth of 3% in the economy determined, (ii) which sectors of the economy were responsible for the said growth and (iii) how many job opportunities were created as a result and (b) what is the effect of the current tax system on unemployment at the margin of unemployment?

N109E

#### The MINISTER OF FINANCE

(a) (i) The figure (2,7% in the fourth quarter of 1995) was calculated as the percentage change of the fourth quarter of 1995 on the third quarter of 1995 at an annual rate. The actual figure is compiled/calculated by the Central Statistical Service.

(ii) The non-agricultural sector was the mainstay of economic growth in the fourth quarter of 1995. The non-agricultural sector grew by 1,9% whilst the agricultural sector declined by 2,4%. Although the secondary sector declined by 1,5% the tertiary sector grew by 4,0%. Encouragingly, mining also showed an increase of 2,5%.

(iii) Whereas GDP figures lag about two months, employment figures lag about nine months to one year. It is therefore not possible to answer this question.

From available figures it is, however, evident that although South Africa's economy entered its current growth phase in the second quarter of 1993, employment creation got off to a relatively slow start with only 52 000 jobs having been created up to the first quarter of 1995. Although a lag between the business cycle and employment trends is not uncommon, the present lag is longer than usual. It should be noted, however, that the official labour statistics do not satisfactorily cover employment creation, especially in present circumstances where, for example, consulting, subcontracting, contract-employment and "piece-work" practices seem to be becoming increasingly common in the formal sector. Official statistics, furthermore, do not cover employment creation in the agricultural and informal sectors.

(b) An adequate tax system must strike a balance between, on the one hand, the tax burden and its distribution through the economy and, on the other hand, the delivery of services especially where appreciable backlogs exist. Within the tax

structure a fair balance must also be struck between the respective burdens of direct and indirect taxes. Experience has for instance shown that indirect taxes result in a relatively smaller misallocation of resources. It has also shown that tax incentives, inter alia for employment purposes, narrow the tax base, burden tax administration and result in tax avoidance and tax evasion thereby limiting the ability of government to render other essential services.

The interaction between the tax system and unemployment implies that the tax system should not discourage taxpayers from employment and/or investment. Our present tax system and recent relief measures in respect of individual and company income tax were attempts to prevent this from occurring and, as far as investment and employment are concerned, also to achieve international competitiveness.

Interaction between taxes and unemployment is also influenced by the level at which income becomes taxable, the tax rate and social security benefits. If taxes associated with an increase in personal income outstrip declining income-related social benefits, a so-called "poverty trap" may develop. The incentive to take up paid employment is reduced and there may even be an incentive to give up employment in order to qualify for social benefits. However, given the structure and functioning of the social security system and the level at which incomes become taxable in South Africa, the "poverty trap" situation is not viewed as a problem.

Mrs P DE LILLE Mr Speaker, arising out of the hon the Minister's reply, I would like to know whether he has any intention of establishing a mechanism to measure economic growth in relation to job creation. It is our perception, and also mine as a lay person, that if the economy grows it creates jobs, but the figure of 53 000 is disappointing.

The MINISTER OF FINANCE Mr Speaker, the figure of 52 000 is very disappointing. It related to a period when the growth rate was significantly lower than the 3% that we are talking about. I referred to that as the first quarter of 1995.

Are we taking steps to address the unemployment problem? In the national strategic vision that our colleague Jay Naidoo is preparing with a view to a 6% growth rate in 2020, as we discussed over the past two days, we should concentrate on building the Ministries and all the various support systems that we have in order to resource and support that vision. In that context, the financial, economic, fiscal and monetary aspects will have to be organised in such a way as to create jobs and that growth rate of 6% in 2020.

Mr D H M GIBSON Mr Speaker, I rise on a point of order. The point of order relates to the previous question, which was Question 2. It transpired that the Minister of Transport was not present in the House. The ruling from the Chair was simply that the Minister was not here and that the question therefore fell away. The point of Question Time is that this is where Ministers are held accountable to Parliament and to the people of South Africa. I would like to ask you to rule that when Ministers are not here, they should make arrangements with one of their colleagues to represent them. Ministers are important and busy people, and we understand that sometimes they cannot be here, but they should not simply be absent and a question should then not simply fall away.

The DEPUTY MINISTER FOR WELFARE AND POPULATION DEVELOPMENT Mr Speaker, my apologies to this House. Unfortunately I was engaged in a serious discussion when the question came up and did not hear it being announced. I was requested to present an apology on behalf of the Minister of Transport, who is unable to take questions today owing to other very serious commitments impacting directly on the work he is doing. He will take the question during the next Question Time. It was a fault on my side, and not on that of the Minister of Transport.

†Mr J W MAREE Mr Speaker, further arising from question 3, may I ask the Minister of Finance, with regard to job creation, whether the problem is not, in his opinion, that trade unions are influencing the economic situation to such an extent that, although there is economic growth, industrialists now prefer to invest in capital goods by buying machines to do the work rather than employing people? Is this not having an adverse effect on job creation?

†The MINISTER OF FINANCE Mr Speaker, I think this is a new question. There are, however, several aspects in the entire job-creation situation which influence job creation. It is undoubtedly

Government, in an attempt to pro- of negotiations.

# AEC denies radiation danger

BD 4/3/96

(260)

Ingrid Salgado

ATOMIC Energy Corporation (AEC) CE Waldo Stumpf yesterday dismissed as "sensationalist" weekend reports that the corporation's nuclear waste disposal site Radiation Hill was emitting dangerously high radiation levels.

Radiation emission from "a few spots as big as a saucer" had been identified. However, this could be cleaned up in half an hour, as soon as the corporation got the green light from the Council for Nuclear Safety, he said. "It is not emitting dangerously high radiation. It's a storage place with levels you would find at any uranium mine in SA." There was no danger to residents, workers or the environment.

The Sunday Independent reported yesterday that radioactivity levels at the site were 100 times higher than the safety limit, and said nuclear council officials were shocked at contamination levels.

The council's project manager in charge of licensing the AEC, Schalk de Waal, confirmed radiation levels were

higher than maximum safety levels. However, this did not mean the area was dangerous. All work around the affected area had been stopped, and no workers were allowed at the site.

The contamination happened last year when the AEC dug up a container which contained uranium waste levels higher than originally thought, in so doing contravening its licence conditions. Spillage occurred in the process. The corporation has admitted wrongdoing in failing to obtain the council's approval for the excavation.

De Waal said the AEC would not be penalised for contravening its licence. However, the council expected the corporation to clean up the spillage. It was awaiting a report on safety precautions the corporation would take during the clean-up operation. The council rejected an AEC safety report last November and told the corporation to suggest additional precautions. The area could have been cleaned up had the AEC re-submitted the report, De Waal said.

Stumpf, however, said the go-ahead was in the council's hands.

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## Nuclear leak is 'low level' - AEC

By TARYN LAMBERT

The Atomic Energy Corporation has attacked the Sunday Independent for "sensationalism" over its reporting of the Pelindaba nuclear waste site, but confirmed "a low level" radiation leak.

In a statement yesterday, the AEC denied that the nuclear waste dump, 20km outside Pretoria, posed any threat to the nearby population or to workers at the dump, called Radiation Hill.

The AEC said a nuclear occurrence in April last year involved "only low-level waste and the effect of the spillage was confined to only a few metres around the lip of the trench".

But the Sunday Independent yesterday reported that radiation levels at the dump were 100 times higher than the legal limit. Geiger counter readings on Thursday were 2 000 counts per second, whereas the licence limit is 20 counts. A Council for Nuclear Safety official, whose experts visited the site, said he was shocked at the contamination level.

"The misrepresentation of the facts and selective use of only some one-sided data without placing the occurrence in its proper context borders on irresponsible journalism," the AEC said.

250  
span 4/3/96

# Eskom surges to a record

ARG 6/3/96

(55) (260)

## Political Correspondent

ESKOM has exceeded its targets for new household electricity connections in the past two years and plans another 300 000 this year

This was disclosed by the Minister of Public Enterprises, Stella Sigcau, in reply to Senator Abraham Balie (NP)

In 1994 the supplier set a target of 250 000 new connections, and carried out 254 383. Last year, it installed 313 179 new connections, compared to its targeted number of 300 000

Meanwhile Radio KF increased its listenership by almost 100 000 between

1994 and last year, according to Pallo Jordan, Minister of Posts, Telecommunications and Broadcasting, while its advertising revenue soared from R6 million to almost R12 million

Safm listenership plunged from 414 000 to 250 000, and ad revenue fell from R14 million to R10 million

Good Hope FM listenership rose from 490 000 to 627 000 but ad revenue fell from R28 million to R26 million

Radio Xhosa listenership fell from 2 403 000 in 1994 to 2 329 000 last year but advertising revenue rose from R16 million to R19 million

# Thousands of TV-viewers in Peninsula will have to

PETER DENNEHY

THOUSANDS of southern suburbs and Cape flats television viewers who are unable to get SABC 3 adequately, or even at all, are going to have to buy themselves second aeri-als.

This is the unwelcome message SABC spokesperson Mr Pat Pillai conveyed at a media conference in Cape Town yesterday.

The Cape Times invited callers to phone in this week with questions and comments about the TV service since the relaunch a month ago. We then took questions to the SABC press conference.

Most readers who can get SABC 3 satisfactorily were happier with the re-organised SABC than they were with the old, while most who cannot get it, were less happy.

The most frequently asked question from those less fortunate was: Does the SABC intend to do anything to improve the strength of the SABC 3 signal?

The answer is no, not in this area. It would cost R1,5 million to replace a transmitter with a more powerful one, and Greater Cape Town has 15 transmitter sites. But even if the power of the signal is increased, those using the wrong aeri-als for SABC 3 will not see much of an improve-

ment. Instead, the SABC is to launch an infor-mation campaign about the right aeri-als.

In the Eastern Cape and KwaZulu-Natal SABC 3 may be transmitted on SABC 2 transmitters, if the IBA allows it, because people in those areas want their programmes of second-choice to be English.

Can SABC 3 and SABC 2 not be switched around in the Western Cape?

No, because then the lack of adequate recep-tion will merely be moved from English-speak-ers to the vastly more numerous Capetonian Afrikaans-speakers.

Could we please have more British pro-

grammes, and fewer American programmes?

The answer is yes, we will gradually have more British programmes, especially on SABC 3

SABC complaints manager Mr Malan Otto said the South African viewing public in general had grown used to American programmes, in which the humour tended to be slapstick. Upmarket, discerning viewers preferred British humour. More British programmes were being brought to our screens, but slowly. There were also excellent programmes available from Canada, Australia and New Zealand.

The reason for yesterday's press conference was that the SABC is aware of problems in large

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areas of Cape Town, in getting satisfactory reception of SABC 3 (formerly NNTV) — the English-only channel which still carries the 8pm news.

This has long been a problem in this city. But resentment about not getting the channel properly, and interest in getting it, has risen markedly since the SABC relaunch a month ago. Many Cape Town viewers who did not go out of their way to get NNTV now want SABC 3.

The good news is that virtually nobody in Cape Town will need a satellite dish to get all the SABC channels, including SABC 3. Pillai says the SABC 3 signal is at least in Cape Town,

even if it is not strong enough to be received without a second aerial.

The required new conventional aeri-als will probably cost between R80 and R120. The best type of aerial resembles a braai-grill. It is known as a wide-band UHF aerial, is coded white and can receive signals across the entire spec-trum of UHF transmissions. Red, yellow and green-coded aeri-als are each able to receive only part of the spectrum properly.

Getting a professional to install a "braai-grid" aerial on your house and connect it up could cost R600, or even more if extra equip-ment such as an amplifier is needed.

buy second aeri-als



## Three new IBA appointments named

By MICHAEL SPARKS

The parliamentary select committee on broadcasting has released the names of three people expected to be appointed to the Independent Broadcasting Authority (IBA), although the appointments have still to be confirmed by President Nelson Mandela.

The new councillors are set to be Raymond Louw, Pietie Lotriet and Maishe Maponya. Councillor Lyncall Shope-Mafole had her term on the council renewed.

Louw is a former editor of the Rand Daily Mail, and is currently

editor and publisher of Southern Africa Report and chairman of the Freedom of Expression Institute.

Lotriet received his BA from Stellenbosch University before joining the SABC as a news reporter. He is currently employed as a consultant to the public broadcaster.

Maponya is a theatre director, poet, playwright and performer and is a co-founder of the Bahumutsi Performing Arts Co-operative in Soweto. He is a lecturer at Wits University.

Shope-Mafole has held various positions relating to the media and broadcasting and is also on the council of directors of the CSIR.

Star 7/3/96

(260)

# A perky life for broadcasting watchdogs

(260)

Star 7/3/96

Independent Broadcasting Authority

co-chairs earn as much, or perhaps

even more than cabinet ministers

By MICHAEL SPARKS

The co-chairs of the Independent Broadcasting Authority (IBA) could be earning as much, or even more than, cabinet ministers, if all their perks are taken into consideration.

And IBA councillors are not much worse-off, earning as much as speakers of provincial legislatures for the duration of their terms.

Questioned by The Star, IBA spokesman Amos Vilakazi said co-chairs earned a basic salary of R201 696 a year, but this did not include a 13th cheque of R15 631, nor did it include the pension payments of R83 745 which the IBA makes on behalf of the two co-chairs.

In addition, all councillors are entitled to make additional pension contributions, to which the IBA will also contribute.

Vilakazi said the total of R301 072 for the co-chairs did not include "other normal benefits" like a car allowance, a housing allowance and the IBA's contribution to medical aid.

However, he refused to disclose what those figures amounted to.

Taking into consideration the 10% cut in cabinet ministers' salaries announced by President Nelson Mandela in October 1994, ministers currently receive a total package of R352 800.

Vilakazi said the salary of the six councillors was R155 328, with a 13th cheque of R12 037 and a pensionable allowance of R65 070.

This amounts to a basic package of R232 435, but this also did not include the undisclosed car and housing allowances or the medical aid contributions made by the IBA.

By comparison, a speaker for any of the provincial legislatures receives a total pay package of R286 750.

When calculated as a monthly salary, the co-chairs net R16 808, while the other councillors' basic pay packages are R12 944.

While the 13th cheque is guaranteed, there is no merit component in the pay package, Vilakazi said. This was in line with other public servants.

Vilakazi said that when councillors and other IBA staffers travelled away from their Johannesburg headquarters, they were paid a daily allowance for food, while the IBA paid for transport and accommodation on a bed-and-breakfast basis.

The daily amount for councillors was R65 within the country which, he said, was equivalent to directors in the public service, while that paid to the co-chairs was equivalent to the amount paid to directors-general.

For international travel, the allowance varied according to the strength of the rand against the country's currency.

Councillors and certain other staffers also had an expense account to pay for meals, if they were related to business, and other incidentals, but they were required to show the expenses were work-related.

## Macozoma resigns after allegations of favouritism

(260) BD 7/3/96  
Tim Cohen

CAPE TOWN — Parliamentary communications committee chairman Saki Macozoma resigned yesterday from the Association of Ex-Political Prisoners, denying allegations that his parliamentary position would help the association gain a radio licence.

Meanwhile, Sapa reports Macozoma may quit politics in favour of a corporate post, possibly with a parastatal. Macozoma said he could not comment.

His resignation as a steering committee member of the association follows reports in a Scandinavian newspa-

per that a consortium involving the Scandinavian Broadcaster Kinnevic and the association would have an advantage over other applicants in its attempt to buy one of the SABC's regional radio stations.

Macozoma said this report was totally incorrect. "At no time has it been my understanding ... that my presence in the (association) will or is intended to advantage the joint venture between the association and Kinnevic."

The committee last month approved an Independent Broadcasting Authority proposal that the SABC sell six of its regional radio stations.

# Media activists slam IBA set-up

By Pamela Duhe

(260) Sowetan 11/3/96

Media activists have slammed the Independent Broadcasting Authority (IBA) set-up, claiming it is a 'shell' designed to silence critics of the government.

The IBA, which is supposed to regulate the broadcasting industry, was established last week. It is headed by a former member of the National Party (NP) government, Mr. M. M. M. M.

The activists, who are part of the Media Rights Centre (MRC), say the IBA is a 'shell' designed to silence critics of the government. They claim that the IBA will be used to control the media and to prevent the public from hearing different views.

The MRC says that the IBA is a 'shell' because it is not independent. They claim that the IBA will be controlled by the government and that it will be used to silence critics of the government.

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# Radio *seweta* stations *11/3/96* to merge *(260)*

By Coudjoe  
Amankwaa

THE process of integrating broadcasting services of Radio Transkei, Radio Ciskei, Radio Thohoyandou and Transkei Television with the SABC will be completed by the end of this month

SABC spokesman Marj Murray said Radio Transkei and Radio Ciskei would be integrated with Radio Xhosa, while Radio Thohoyandou would be integrated with Radio Venda

The process involves integrating the staff of these four units into SABC posts. People are presently being interviewed for positions in the Eastern Cape and Northern Province. The total number of staff from these services, including Radio Bop, is 230.

A three-pronged strategy has been adopted to ensure that every staff member of these institutions is placed in a pool, from which a selection process will be initiated to fill posts at the SABC.

The interim coordinating body has been asked to approach the Government for funding for retrenchment packages for those staff members who will not be absorbed into SABC.

An agreement has been reached with the unions that staff members from the institutions will be transferred through a selection process into posts at the SABC as soon as possible.

# Electricity suppliers opt for regional distributors

BD 11/3/96  
Mungo Saggot

PLANS for the shake-up of the electricity supply industry were shifting away from centralised control and towards carving it up into regional distributors, industry spokesmen said at the weekend.

The Electricity Working Group, which is steering the revamp, said it would present its plans to government by next month. The group would propose either forming one national decentralised electricity distributor or carving up the current set-up into several regional distributors.

Other industry sources said whereas the group had initially favoured having a decentralised national distributor, it had been confronted with evidence suggesting that regional distributors were also viable.

Eskom itself favoured having as

~~(260)~~ (260)  
much decentralisation as possible in a range of regional distributors and others in the group were coming around to their point of view, one said.

Whichever way the working group goes, all Eskom's and local authorities' distribution assets will be put under one umbrella organisation. Although there is friction in the industry over how much centralised control to exercise over the new body, there is agreement that the current set-up has to go.

The status quo is seen as being riddled with inefficiency and, lacking transparency.

One source said the proposal to government would recommend having as many regional distributors as was financially viable. He said it appeared the regional approach would give the best results, enabling more efficient electrification drives and more transparent pricing and cross subsidisation.

# IBA members take flak, but hold on to their

Tardiness in granting licences is due to lack of delegation, writes Michael Sparks



Since its inception, nearly two years ago the Independent Broadcasting Authority (IBA) has come under fire for acting too slowly in holding hearings and granting licences.

Their defence has always been vigorous. Their hands are tied by the IBA Act, which prescribes how much time must elapse from the notification of a hearing to receiving written submissions, before the hearings could be held and licences granted. Initially, the IBA said it needed to hold hearings around the country as part of its

inquiry into the nature of the public broadcaster, cross-media ownership and local content. That triple inquiry report was initially due out in early July last year but was finally released at the end of August, a delay that had everyone, including Broadcasting Minister Pallo Jordan, fuming.

What IBA councillors need to learn to do is to delegate authority so that not every councillor has to sit in on every public hearing. Clearly their task will be made substantially easier when the three new members of

(260) Arar 13/3/96  
the Authority take their seats in the near future, bringing the IBA to its full strength of eight councillors for the first time since it was created.

Surely the most logical thing to do would be to divide the councillors into core groups which then specialise in a number of aspects on which the Authority works.

The allocation of who would specialise in what could be done on the basis of both expertise and interest. Having sat through a large number of the hearings, it is clear to me that some of them are substantially more important than others, though, of course, everyone deserves to be heard.

But the stories that abound within the corridors of the Authority suggest that what is, in fact, happening is a power play within the Authority with councillors not wanting to relinquish even the smallest aspect of their power.

Proper delegation of responsibility would lead to a more speedy resolution of issues and the granting of licences for, among others, private commercial radio and television and satellite television.

The IBA process for satellite television licences is a good example of ongoing delays,

with the hearings originally scheduled for the end of November last year. Now, apparently, those hearings are scheduled for some point in the future with licences only granted later.

That creates a situation where contracts and agreements between broadcasters are signed on the basis of their interim consent, enabling the transmissions to take place, creating channels that viewers are becoming accustomed to.

It will be extremely difficult for the IBA to hold hearings on satellite broadcasting and then grant licences that would require changes on the part of the broadcaster.

POWER

## IBA gives SABC 3 go-ahead to reach wider audience

(260)

By MICHAEL SPARKS

Star 15/3/96

Television viewers in the Eastern Cape and KwaZulu Natal will soon be able to watch SABC 3 for a large portion of the evening, after the Independent Broadcasting Authority (IBA) granted interim consent to allow SABC 2 and SABC 3 to switch from 6pm until midnight.

SABC group manager of public policy Enoch Sithole said the SABC had applied for the switch because, in large areas of the two regions, some viewers could not receive programming in English, giving them no choice of programming in a language they could understand.

"We received a petition from Queenstown with 20 000 signatures, which had a covering letter from the mayor complaining about the programming which we took to the IBA last week," Sithole said.

He emphasised that while not all areas of the country received all the networks, in most other areas people usually had an option.

The IBA said in a statement yesterday that the interim consent was dependent on hearings on the applications which are expected to be held early next month.

It said legal opinion on whether the consent could be granted without a formal hearing differed, but the IBA had decided to agree to the request in the public interest.



● Taxpayers fork out R30-million a year for broadcasting authority

● Fat salaries officials who

# Gravy train takes to a

HIGH-FLYING executives on the Independent Broadcasting Authority are earning some of the highest salaries in the civil service — up to R400 000 a year.

A Sunday Times investigation has revealed that officials charged with regulating the airwaves — only half of whom have broadcasting experience — are living it up in luxury hotels, flying first class and driving top-of-the-range rented cars.

The organisation, which is to hire 20 to 50 more staff members, is also planning to expand into a second office block in Johannesburg's pricey Rosebank suburb.

Now, amid a storm of criticism that the authority is dragging its heels on granting licences, Parliament is set to enter the fray.

On Wednesday the Minister of Posts, Telecommunications and Broadcasting, Dr Pello Jordan, will be asked to account for the R30-million a year cost of keeping the regulatory body in place.

A separate investigation into the broadcasting authority's financial affairs has been called for by the Independent Broadcasting Commission.

Last week, the Democratic Party's communications spokesman, Dene Smuts, tabled questions in Parliament. Ms Smuts wants to know how much is being paid and by whom.

This week parliamentarians privately expressed concern that they had been unable to prevent a gravy train developing. Among the allegations of broadcasting authority excesses include claims that:

- Co-chairman Dr Sebitso Mokone-Matabane had an air ticket paid for by the US government upgraded from economy to first class at the broadcasting authority's expense.
- Hotel facilities have been rented for meetings for two people, and
- Officials moved into luxury hotels to prepare written submissions, leaving their offices empty.

Co-chairmen Dr Matabane and Peter de Klerk receive salary packages that place them significantly above top-earning public servants such as judges, and in the same league as SABC chief executive Zwelakhe Sisulu, who is contracted to the SABC for three years at a cost of about R1-million.

Mr de Klerk and Dr Matabane are paid a package of around R400 000. This includes a basic salary of R201 000 a year, along with a guaranteed 13th cheque of R15 631. On top of this, they receive a pension contribution of R83 000, a car allowance of more than R8 000 a month, as well as a small housing subsidy and a daily subsistence allowance of R65.

Ordinary councillors earn somewhat less, with a basic salary (including 13th cheque) of R167 000, along with a pension contribution of R65 000, and fringe benefits on a slightly lower scale than the co-chairmen.

For both chairmen and ordinary councillors, the package can be boosted by paying additional pension contributions — which would then be matched by the employer.

Even IBA councillors John Matson and William Lane have reportedly proposed salary cuts in council meetings.

Neither was prepared to comment.

for free-spending  
ive in lap of luxury  
**IRAWAVES**

"I am asking questions about salaries from top to bottom," said Ms Smuts this week. "I don't think we should begrudge paying high salaries for the requisite expertise Endorsing the need for an independent authority, another source noted that Australian broadcast regulators are paid salaries set higher than judges, but, at the same time, were required to have significant experience, and standing within the sector.

Meanwhile, the broadcasting authority's communications chief, Amos Vilakazi, has confirmed that, on occasion, the organisation rented the boardrooms of luxury hotels for meetings — although its own premises boast a boardroom and a conference hall.

Mr Vilakazi said this happened only when there were double bookings. However, sources in the IBA said that meetings had taken place at the Rosebank Hotel while the organisation's own boardroom stood empty.

At other times councillors have left their offices empty and gone to luxury hotels to produce reports.

## IBA probe dismissed (260)

THE chairman of Parliament's communications committee, ANC MP Saki Macozoma, has dismissed suggestions that his committee was set to probe alleged lavish spending by the Independent Broadcasting Authority and was set to call a minister to account.

Describing weekend press reports as "gutter journalism", he said criticism levelled against the salaries and benefits of co-chairmen of the IBA Dr Sebitso Mokone-Matabane and Mr Peter de Klerk was unfair as they were doing an important job of transforming the nation's airwaves. Their packages of about R400 000 a year should be compared with similar posts in the rest of the world, he said.

CT 18/3/96

# Regional power plan under fire

BD 18/3/96

(260)

Mungo Soggot

KEY industries have hit out at the handling of the electricity supply industry carve-up, rejecting the move to create several regional distributors which they say would fuel inefficiency and not bury it.

The energy end users' forum — representing companies including Sentrachem, Afrox, Sappi, Mondi, Tiger Oats and Consol — said at the weekend that the electricity working group had failed to include major electricity users in its deliberations.

It said the only motivation for creating regional distributors was a political one — it would protect local authorities which depended on revenue from electricity sales, whereas the other available options would not.

Forum chairman Johan Hees said it was absurd that the working group was charging ahead with its plans without adequate consultation with industry.

There was only one industry man in the group, and he worked for Alusaf, which has a special deal with Eskom.

Hees said the working group often asked for official reaction from the forum, but never acted on it. He scorned the working group for pretending to be transparent.

The working group, which is about to present its recommendations to government, includes Eskom, the national electricity regulator and government represen-

tatives. After initially favouring the idea of shunting all Eskom's and local authorities' distribution assets into a decentralised national distributor, it has swung around to the idea of having several regional distributors.

The regulator, Eskom and local authorities involved with electricity supply are adamant the current setup, with its plethora of tariffs and widespread inefficiency, has to be shelved, but are divided as to which route will be best for the customer and the mass electrification programme.

Hees said the forum was convinced a national distributor was the only route to improving quality, cutting prices and eliminating cross-subsidisation.

It was a fallacy that SA's electricity was the world's cheapest. With help of cut-price coal, SA's generated electricity was cheap. Yet once Eskom and local authorities had added transmission and distribution cuts, it was on a par with most developed countries.

The move to regional distributors would exacerbate these inefficiencies, he said.

Hees said the forum believed it was crucial that cross-subsidisation was eliminated — simply by changing the way local authorities handled their billing. Local authorities could itemise the cost of services currently subsidised by the electricity price.

The regulator could not be reached for comment.

# IBA plans language development fund

BD 19/3/96 (260)

Ingrid Salgado

THE Independent Broadcasting Authority (IBA) has proposed that private radio stations contribute a percentage of their gross revenue to a language development fund.

In a discussion paper on private sound broadcasting services, released last week, the airwaves regulator also proposed that radio stations which broadcast in a second language other than English received a rebate on their annual licence fees. The broadcast of additional languages would attract a further rebate.

The IBA would "not normally specify" the broadcast language of a station, but had to encourage broadcasting in languages other than English, it said. The proposed licence fee should be 1% of annual turnover. Additional fees were being considered for licence applications, issue, renewal and amendments to licences.

Aspirant broadcasters and interest groups have until March 29 to make submissions on private radio regulations. The authority hopes to publish final regulations for private radio stations in May. It is set to open private radio licence applications for KwaZulu-Natal and Western Cape in May and for Gauteng late in June.

In terms of local content for radio, the paper proposed that 20% of music broadcasts were of local origin. Radio stations which dedicated more than 15% of air time to music broadcasting should be governed by this regulation, the paper said. While the authority had to be satisfied that applicants had secured access to initial funding, it would not necessarily select applicants with the highest potential profitability.

Other selection criteria included diversity of ownership and proposed manage-

ment structures, "general financial soundness" of proposals, an applicant's ability to provide all necessary resources, including adequate staffing levels, and demonstration of the station's social value.

Applicants should produce detailed projected cash flow statements, projected income and expenditure statements, projected annual operating expenditure and guidelines for balance sheets. A comprehensive market study should be undertaken.

The authority suggested criminal sanctions and financial penalties for entities which breached regulations on cross-media ownership. However, exemptions would be granted in cases where there was good cause for this.

The communications parliamentary portfolio committee recently recommended to Parliament that no one who controlled a newspaper be entitled to control a radio or television licence in an area where the newspaper had more than 20% of total newspaper readership if there was an overlap of 50% or more with its circulation area.

The paper said the authority would consider placing restrictions on alcohol advertisements during certain programmes. However, further discussion was needed on whether to allow advertising during children's programming and on developing a set of standards for advertisements directed at children to avoid gender stereotyping, racism and cultural insensitivity.

The authority would also consider limiting advertising for public broadcasting but not for private broadcasting.

Extensive sponsorship limitations were also being considered. This included not allowing sponsored business and financial reports that contained interpretation or comment about the sponsor.

of raising foreign...

# Electricity body denies accusations

(260) ~~260~~  
Mungo Soggot

THE National Electricity Regulator yesterday shrugged off accusations that the electricity supply industry is forcing through plans for an industry shake-up without adequate consultation.

Regulator spokesman Johan du Plessis said the electricity working group, which includes the regulator, government officials and Eskom, had consulted industry and taken any suggestions seriously. But the shake-up could not please everyone.

The revamp would involve all Eskom's and local authorities' distribution assets being turned into either several regional distributors or a decentralised national distributor. The working group was about to present its plans, which included both options, to government. Cabinet would decide which route would be best to keep prices competitive and guarantee the success of the mass electrification programme.

Du Plessis was responding to accusations from the forum for energy end users, which represents several major companies, that industry was being ignored. The forum rejected the idea of creating regional distributors, which, it said, would not help improve the industry but merely safeguard a key source of income for local authorities. It was a "political" option which would destroy the industry's competitiveness.

Du Plessis said the forum did not represent industry. There were many other important players which had very different views. He added that the forum's fears were premature — the proposals could include plans for both regional distributors or a national distributor with regional arms. Although most of the supply industry believed regional distributors were the ideal, it might not be feasible to get there in one step.

BD:19/3/96

# Koeberg 'expensive and unnecessary'

~~(55)~~ (260) ~~(58)~~  
EUNICE RIDER  
STAFF WRITER

CT 20/3/96

THE Koeberg nuclear power plant is "probably an expensive and unnecessary source of power", a British scientist said in a report released by UCT yesterday

Nuclear economics expert Mr Steve Thomas, of the University of Sussex, said a detailed analysis of the plant's operating performance showed it was "unreliable" by international standards and had about 30% less output than similar plants elsewhere.

This unreliability could have serious implications for the safety of the plant if it reflected poor standards of maintenance.

His report, released by the UCT Energy and Development Research Centre (EDRC), raised questions about whether South Africa should be devoting scarce resources of skilled labour and finance to nuclear technology when the returns were so poor.

Coal power plants would be cheaper for South Africa, he said

Mr Tony Stott, Eskom's generation nuclear assurance manager, said yesterday that Eskom, which runs Koeberg, had not yet seen the report and so could not comment

Eskom had been trying to get a copy of the report since last week to establish on what grounds Thomas made his claims. EDRC promises to fax him a copy in Johannesburg had not been kept.

He said, however, that Eskom was surprised at allegations that the plant was "unreliable" Koeberg was part of the Eskom network of power stations — not an isolated station — and so was operated to conform to the requirements of the network

"We consider it highly unprofessional of a research organisation such as the EDRC to publish and publicise a paper such as that of Mr Thomas, without verifying the facts, which they could very easily have done by approaching Eskom," Stott said

## Minister raps IBA on the knuckles

(26) BD 20/3/96  
CAPE TOWN — Posts and Telecommunications Minister Pallo Jordan has asked the Independent Broadcasting Authority to comprehensively review its R41,5m 1996/97 budget and to effect "economies" where necessary.

This follows weekend media reports that IBA executives are living in the lap of luxury.

IBA co-chairmen Sebiletso Mokone-Matabane and Pieter de Klerk were summoned to account to Jordan at a meeting in his Cape Town offices yesterday.

They had assured him IBA expenditures had been audited as was customary in state institutions, Jordan said.

The auditors' report would be made available when the IBA reported back.

This financial year's budget had also been discussed at length with the department of state expenditure.

Salaries paid to the IBA co-chairmen were "on par with those of civil service director-generals". The IBA co-chairmen earned, with benefits, R411 520 a year. IBA councillors earned, with benefits, R320 000 a year. — Sapa.



On the air ... Joanna Ghiggeri (left) is helping train community broadcasters. With her is National Association of Broadcasters' director Daniella Goldman.

## US expert praises black co-operation

Star 20/3/96

(260)

Joanna Ghiggeri, sent to SA by the US National Association of Broadcasters, listened to people around her before making recommendations

By MICHAEL SPARKS

Unlike many "experts" who flit into a new country and start pronouncing on how the country can solve its problems, Joanna Ghiggeri spoke to South Africans and observed their interaction before she came up with possible solutions

That attitude has been very important to her in winning the support of the 15 representatives of community radio stations she is involved in training as broadcasters, after she was brought out from the United States by the National Association of Broadcasters (NAB)

Her observation skills taught her many things about South African society that are important in the way a community radio station should run.

"Look at that," she said, pointing to a spaza selling curios "We can all learn something from people like that I have learnt that in black society many decisions are taken by consensus, which has implications for the way you run a radio station, on how decisions about buying microphones and equipment are made," Ghiggeri said

Her broadcasting experience includes running multicultural radio stations for the Hispanic community in New York, where she said one of the greatest problems was in assessing listenership figures, a problem similar to that experienced by community radio here

This led her to watch consumer trends in various parts of the city to gauge purchasing power in each community, using that to encourage companies to spend

their advertising money on stations within those communities.

NAB executive director Daniella Goldman said the approach was very welcome in South Africa

"It is great that Joanna has come out here so non-judgmental in her approach. Having spent some time here she has had a chance to identify some of the problems, and can now try and implement her ideas," Goldman said

Ghiggeri typified her approach when she said "It has been wonderful for me. The people I have dealt with have been such great teachers of cultural wisdom I have learnt so much"

Ghiggeri expressed concern about the very low-power transmitters the Independent Broadcasting Authority (IBA) was granting to community stations

"Such low-power transmitters will effectively create a new apartheid of the airwaves. Each radio station will only be able to transmit to people within that community. It leaves no scope for people in one area to learn about the cultures of people in different areas," she said

To illustrate this she used the example of Soweto as a haven for creative black musicians. But if Soweto's community radio stations cannot broadcast beyond the boundaries of the township, no-one else will have the opportunity to experience and enjoy that music

Not only would the community stations broadcast township music into the white suburbs, but Ghiggeri believes it could play a role in bridging the cultural divisions in the new democracy and help to unite the country



# Broadcasting authority told to tighten its belt as budget spirals

Information emerges of high IBA salaries and huge rents as spending

takes off from R17-million to a proposed R41-million (260)

By MICHAEL SPARKS  
Cape Town

Broadcasting Minister Pallo Jordan has ordered the Independent Broadcasting Authority to tighten its belt after a meeting with the co-chairs in Cape Town yesterday.

A statement released by Jordan's office said: "The Minister has requested the co-chairs of the IBA to undertake a comprehensive review of their budgetary proposals, with a view to effecting economies where necessary, and to report to him as soon as possible."

The Minister had asked the co-chairs of the IBA to urgently give him information on salaries and budgets at the authority.

The statement added that the IBA had proposed a budget for the 1996/97 financial year of R41,54-million, an increase from R30-million in the last financial year and R17 million in its first year of operation. It is still unclear what the final budget allocation will be.

The co-chairs told the minister the IBA currently had a staff complement of 88 and the IBA Act prescribed that the salaries of its personnel be market related to prevent poaching by the private sector.

That makes the Chief Administrative Officer Harris Gxaweni the highest paid official at the IBA, with a basic salary of R230 000 per annum, while co-chairs earn R201 698 and councillors earn R155 326 as a basic

salary

The co-chairs also told the Minister the IBA paid annual rental of just over R2,5-million for Khasho House, its premises in Johannesburg's exclusive suburb of Rosebank.

In addition the IBA used to rent premises across the road at Sanlam Arena, at an annual cost of just over R270 000.

However, the IBA would be vacating these premises at the end of the month, and would move to President Place in Lower Baker Street, Rosebank at an annual rent of R838 214.

According to IBA spokesman Amos Vilakazi, the IBA had arranged for renovations to Khasho House because the premises proved too small, forcing the legal and policy de-

partments to take offices in Sanlam Arena.

Those departments were now back at Khasho House, but the offices were again too small and the councillors and their support staff would be moving to President Place.

When asked why the councillors did not move to the cheaper, and more closely located, Sanlam Arena, Vilakazi said that the landlord at Sanlam Arena had already rented out the space that had been vacated by the IBA.

Vilakazi added it was important for the councillors to be located close to Khasho House, and the more than R800 000 annual rent was the going rate for suitable office space available in the area.

Star 20/3/96

# Atomic energy body 'not in business of secrets anymore'

By TAMSEN DE BEER

The Atomic Energy Corporation (AEC) has entered an era of public transparency, head of nuclear management Brian Hambleton-Jones told residents at an information session on the nuclear waste issue at Radiation Hill yesterday.

"We are not in the business of secrets anymore," he said, adding that the public would immediately be informed of any incident that affected them.

The policy shift follows recent media coverage of the excavation of trench 7 on Radiation Hill after an exclusive story by The Sunday Independent.

The incident was interpreted as a major nuclear incident, although the public's watchdog on nuclear activities, the Council for Nuclear Safety (CNS), said there was never any risk to the public, only a breach in procedural regulations when the trench, containing low-level radioactive waste, was erroneously excavated last year.

"Yes, the decision to excavate the trench was a mistake," Hambleton-Jones told residents

But once Pelindaba management discovered the error, excavation was suspended and the CNS informed, he said

A moratorium has been in place for a year since then, suspending any further excavation of the trench.

The AEC also announced the formation of the Pelindaba Communication Forum, to discuss and address residents' concerns surrounding the about 30-year-old site.

The first meeting of the forum, to include community representatives and environmentalists, is due in April.

Residents asked that water samples be taken from a greater cross-section of areas in the vicinity of Pelindaba, and that an analysis be done on the level of incidents of cancer and genetic deficiencies, the main consequences of radiation exposure, in the Hartbeespoort dam area

But AEC environmental manager Dr Cairns Bain responded by saying levels of radiation were so low that such additional measures were not necessary

Radiation levels measured in milk, and the water, fish and sediment in Hartbeespoort dam were "one thousand times below the recommended limit", he said.

"We contribute less than one-hundredth of what the average person is exposed to in terms of radiation," he added.

Mineral and Energy Affairs Minister Pik Botha's address in Parliament coinciding with the briefing of residents included a suggestion that the name, Radiation Hill, be changed

"But that doesn't mean we want to hide behind a nicer-sounding name," AEC chief executive officer Dr Waldo Stumpf told residents

Reading extracts from Botha's address, Stumpf said people were exposed every day to radiation levels from natural sources that constituted 70% of their total ex-

posure

Medical x-rays constituted more than 25% of the remainder, with rays from television making up 3,4% of the total

■ Nuclear drums excavated at Radiation Hill last year had been in breach of the AEC's licence obligations, although there had been no intentional negligence, Botha said yesterday.

Speaking during an interpellation by Marcel Golding (ANC), the minister said the workers had been properly protected and supervised in the presence of a health physics officer

However, there had been a breakdown in communication between the supervisor and health physics officer, and therefore the excavation had failed the AEC's licence obligations.

The personnel involved had been reprimanded.

Golding said there was no doubt that a serious breach of the licence conditions had taken place and senior management should take the blame. - Sapa.

Star 21/3/96

## IBA offers to open up accounts and denies overspending

(260) Star 21/3/96

### STAFF REPORTER

The Independent Broadcasting Authority has rejected allegations of overspending public funds, saying it is prepared to motivate every item of expenditure

Co-chairmen Peter de Klerk and Sebitso Mokone-Matabane said yesterday they would discuss their proposed budget for 1996/97 in detail with the finance and communications committees to answer any questions that committee members

may have relating to the IBA's use of public funds

They were responding to a statement released earlier this week by Broadcasting Minister Pallo Jordan in which he called on the IBA to tighten its belt where possible and account for its R41-million budget

The IBA said some of the spending was to speed up the establishment of a broadcasting environment, including the Triple Inquiry Report, satellite regulation, licence hearings for community broadcast-

ers, and other projects

It said the budget took account of start-up costs of substantial technical work, including frequency planning and monitoring in compliance with technical standards and licence conditions

The statement added "Some of these costs will not be repeated, while others are recurrent." The authority's budget and costs compare favourably with equivalent broadcast regulators in other democracies."

Move 'a step towards privatisation'

# State set to minimise debt guarantees

Mungo Soggot  
and Paul Richardson

GOVERNMENT is to cut its exposure to parastatal borrowing by winding down the guarantees it grants against state bodies' debt.

Finance department sectoral policy and public debt chief director Coen Kruger said this week the move — approved by Cabinet on Wednesday — sought to reduce the state's massive debt exposure and to make public sector institutions more accountable.

Analysts said the decision to wean public sector bodies from central government could also be seen as a move towards privatisation.

Kruger said government's guarantees on parastatal borrowing had risen R3bn to R56bn last year. The step would affect Eskom, Transnet and Telkom. "We need to look critically at our exposure, particularly with regard to public enterprises."

Government would now charge fees for guarantees, which were essentially a "hidden subsidy, as parastatals use the guarantees in their (debt) pricing policies". The structure and scale of the fees would be discussed with the bodies concerned. Government had yet to set the date for implementation.

Kruger, briefing capital market players in Pretoria on funding strategy, said the move would affect general

government bodies as well as a few private organisations. Government's total exposure through debt guarantees last year amounted to R65,3bn, down on the previous year's R72,2bn.

Reserve Bank capital market GM Andre Kock, also speaking at Wednesday's briefing, said government's funding burden for the current fiscal year would be lightened by extra cash carried over from 1995/96. "Don't expect the big bang in April. There is no pressure on government to fund because we have plenty of money in the kitty."

Later a finance department official said hefty rollovers would help government carry over at least R3bn into the current fiscal year. This would ease the load when funding began in April.

Government intends to raise R39,6bn in the local capital market — the lion's share of its R45bn borrowing requirement for 1996/97.

Finance director-general Estian Calitz said efforts to cut the Budget deficit could be helped by privatisation proceeds. "We have good reason to believe that after negotiations with the unions some funds might come through to help the deficit."

Finance Minister Chris Liebenberg said in his Budget speech he was not counting on any privatisation cash, but economists said he was probably being

Continued on Page 2

## Debt guarantees

Continued from Page 1

excessively conservative.

Calitz said government would source extra revenue from parastatal dividends — another source of revenue Liebenberg did not count on when setting the deficit target of 5,1% of GDP.

Finance deputy director-general Maria Ramos said government was planning to release a report in May on

its cash management operation, which would seek to make better use of the money in state bodies and parastatals. Government was reviewing its capital market operations, particularly its role as market maker, and was considering appointing market makers from the private sector.

Public debt management and administration director Johan Redelinguys said government was planning a new long-dated stock, the R184, which would carry a coupon of 12,5% and mature in December 2006.

FRIDAY  
MARCH 22, 1996

## BUDGETS WERE AUDITED

# IBA ready to account for use of public funds

(26) CT 22/3/96

**WE'VE NOTHING** to hide, says the Independent Broadcasting Authority. **DAN SIMON** reports.

**T**HE Independent Broadcasting Authority (IBA) is willing to appear before two parliamentary standing committees and fully account for its use of public funds

Following the furore last weekend over revelations that IBA executives were living the high life with salary packages of up to R400 000, IBA co-chairpersons Dr Sebileto Mokone-Matbane and Mr Peter de Klerk said the IBA was ready, if required, to account to the joint standing committees on finance and communications and answer "any questions" relating to the IBA's use of public funds

"We will discuss our proposed budget for 1996/7 in absolute detail with the committees and answer any questions committee members may have relating to the IBA's use of public funds and the motivation of each and every expenditure item," the two said in a statement yesterday

On Tuesday Posts and Telecommunications Minister Dr Pallo Jordan asked the IBA to "comprehensively review" its R41,5-million 1996/97 budget and effect "economies" where necessary

Jordan said Mokone-Matbane and De Klerk had assured him that previous IBA budgets and expenditures had been audited as was customary in all state institutions. The forthcoming budget had also been

## Efficacy of parliamentary 'watchdogs' queried

STAFF WRITER

**D**EMOCRATIC PARTY spokesman and communication minister MS Dore Smut has questioned whether the parliamentary standing committee on finance and communications are efficient and effective parliamentary watchdogs

Smut tabled a question about IBA's expenditure and salary packages and although he could not divulge the salary paid to one IBA member, there is nonetheless a total salary package which needed to be looked into

He overheard although there is concern on the parliamentary standing committee on finance and commun-

discussed at length with the department of state expenditure

Following the meeting, Mokone-Matbane and De Klerk said the IBA has had to incur certain expenditure in order to speed up the processes necessary for the establishment of the broadcasting environment and for attending to other complex issues within the regulatory framework

They said the IBA budget took

into account the start-up costs of establishing the ability to do substantial technical work including frequency-planning for the country, monitoring compliance with technical and other standards and licensing conditions, and planning the new broadcasting environment

The IBA's budget and costs compared "more than favourably" with equivalent broadcast regulators in other democracies.

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# All aboard the IBA gravy train

MTG (BM) 22-28/96 (260)



The Mail & Guardian has received exclusive documents detailing IBA salary packages.  
**Jacquie Golding-Duffy reports**

**C**HAIRMAN of the Portfolio Committee on Communications, Saci Macozoma, emphatically denied this week that a gravy train existed at the Independent Broadcasting Authority.

He said his committee would not be drawn into the salary issue and would not get involved in any investigation into the IBA's salary packages. "I don't consider there to be a gravy train at all and reports in this regard are intended to create an unnecessary situation," Macozoma said.

However, documents handed exclusively to the *Mail & Guardian* providing detailed accounts of the salaries paid into the banking accounts of IBA chairs, councillors, heads of departments and general workers, would seem to contradict him.

IBA co-chair Peter de Klerk earned R30 164,61 for the month of December after deductions, but including his 13th cheque. Dr Sebileiso Mokone-Matabane earned R30 252,88 for the same period.

Councillors also did well, with councillor William Lane earning R23 633,08, John Matisonn R24 331,27 and Lyndall Shope-Mafole earning R24 331,27.

Broadcast Monitoring Group head Bronwyn Keene-Young came out with R18 074,90 while IBA representative Amos Vilakazi earned R20 431,51. Head of the IBA library Ruth Muller earned R14 464,83. The IBA's senior administrator, Harris Gxaweni, earned R21 605, 53, while Human Resources manager Tsepo Matubatuba earned R17 530,78. Head of Frequency Management Unit Koenie Schutte earned R18 173,07 and legal counsel for the IBA Glen Marques earned R13 700,99.

Posts, Telecommunications and Broadcasting Minister Pallo Jordan summoned a

**'I don't consider there to be a gravy train at all and reports in this regard are intended to create an unnecessary situation'**

meeting of the IBA co-chairs earlier this week to discuss their controversial salary packages and the authority's R41,5-million budget proposal.

Jordan denied that he was addressing Parliament to discuss the regulatory body's use of taxpayers' money as reported in the *Sunday Times*, but said he would respond in writing to a question posed by the Democratic Party with regard to the IBA's finances.

He said the IBA came forward with a

budgetary proposal for R41-million for the coming year, but stressed that "no money has been handed out as yet".

"I am considering the proposal but it is ultimately up to Parliament to accept or reject their proposal," Jordan said.

Vilakazi said he believed the initial proposed budget for the current financial year had been cut down to R30-million and that there was to be no further discussion. He said the R30-million allocated budget was R6-million up on the regulatory body's previous year's budget.

As far as he knew, "nothing has to be decided since we already have a budget".

As for councillors' salary packages, Vilakazi said the authority will not conduct an investigation "if there is an investigation, it will be by an independent body".

IBA councillors have, however, assured Jordan that expenditures were audited as was customary in state institutions.

The auditors' report would be made available to the ministry when the IBA next reported to Jordan.

Two of the four nominees for the IBA's councillors' posts — which still have to be rubber-stamped by President Nelson Mandela — said they could not say whether they would con-

sidered they didn't know what their salaries would be.

Drama lecturer at the University of the Witwatersrand Mause Maponya suggested the question of salary cuts be put "to the current councillors and not to us nominated to replace them".

"Maybe one should not be asking about salary cuts, but rather a cut-back on the alleged extravagances," Maponya said.

**C**hairman of the Freedom of Expression Institute and member of Thabo Mbeki's 10-member task team, Raymond Louw, is also one of the nominees for a councillor's post. Louw said it was "extremely sad" that the IBA was brought into disrepute as a result of alleged lavish practices.

He said the issue had to be looked at critically and dealt with speedily. In response to salary cuts, Louw said neither his appointment nor his salary was officially confirmed, and, therefore, he could not fully comment on a possible salary cut. He added that the intensity of the job also had to be examined before cuts could be considered.

According to the statement released after the meeting between Jordan and the IBA, the authority's chairs reported that their salaries were on par with those of directors general in the civil service — about R411 520 a year with benefits, while councillors earned R320 000 a year with benefits.

# Radio doyen wins first round against SABC

JEAN LE MAY (260)  
Staff Reporter

(SAB) ARG 23/3/96

POPULAR broadcaster Leslie McKenzie, axed by the SABC when it restructured Radio South Africa last March, has won the first leg of a case he brought against the corporation in the Cape Town Industrial Court.

The court found that he was an employee in terms of the Labour Relations Act. If he succeeds in the second leg, he could collect damages for wrongful dismissal.

The action could set a precedent for other cases involving part-time or free-lance workers.

Mr McKenzie, who is now with Fine Music Radio (FMR), hosted two shows on Kfm, the hour-long *Talkabout* every weekday and the weekly *Traveller's Check*. There was huge public protest when Mr McKenzie and other popular broadcasters were axed. They included Marilyn Holloway, Stella Heyer, Jeremy Dawes, Christopher Bennett, Paul Desmond, Roy Williams and Bob Law.

SATURDAY Argus understands that other cases may be pending.

After the court's finding last week, Mr McKenzie's lawyer Piet Faber told SATURDAY Argus the matter would be set down for a decision on whether his dismissal was fair and was based on proper commercial considerations.

Pieter de Klerk, president of the Industrial Court, said that it was common cause that Mr McKenzie was a free-lance contributor who produced and presented two programmes for the SABC.

He was not a member of the permanent staff and his engagement extended over six years.

Originally, there were contracts with standard fixed provisions for each programme, said Mr De Klerk, but when the relationship ended there was no contract for *Talkabout*.

In the absence of a contract, the matter could be decided on how the parties conducted themselves, he said.

"Mr McKenzie was invited to attend and actively took part in staff meetings. He was paid monthly and received an annual increase. He was given paid leave or time off and devoted all his productive capacity over a period of six years to his tasks. He even kept office hours on a similar basis to staff who were permanent staff members."

Although Mr McKenzie produced other programmes on an *ad hoc* basis, they were all for other divisions of the organisation. The SABC was his only source of income, said Mr De Klerk.

"He was regarded as a co-employee (part of the furniture) which was not the case with ordinary free-lance contributors. These considerations are incompatible with the notion of an independent contractor."

## IBA out to pull plug on cross-media ownership and foreign control of private broadcasting

By WILLIAM-MERVIN GUMEDE

(260) Star 23/3/96

The Independent Broadcasting Authority came out strongly against cross-media ownership and foreign control of private broadcasting services in a discussion paper released this week.

The regulation authority proposes that no person who controls a newspaper may acquire or retain a financial control in either radio or television.

"No person who is in a position to control a newspaper may be in a position to control a radio or television licence in an area where the newspaper has an average issue readership of more than 20% of the total newspaper readership in that area, if the radio licence overlaps substantially with the circulation of the newspaper," the paper says.

Substantial overlap means having a stake of 50% or more. The effect of this proposal would mean that a newspaper will still be able to acquire a financial stake in a radio or television station but may not be in control of such a licence.

The paper says one or more foreign persons shall not exercise control, directly or indirectly, over a private broadcasting licence and suggests that a 20% foreign stake be the limit.

The IBA says it will encourage ownership and control of broadcasting services by people from historically disadvantaged groups. "The IBA encourages equal opportunity employment practices by all licensees, and intends to ensure that private and broadcasting community licences are controlled by persons or groups from a diverse range of communities," the discussion paper says.

It says the IBA considers it important for broadcasting licence applicants to demonstrate an intention to invest in the development of the historically disadvantaged.

The IBA argues that companies in possession of private broadcasting licences must supply full and extensive disclosure of their shareholding and financial structures. It suggested harsh criminal sanctions and financial penalties for those breaching its regulations.



# IBA rejects gravy train allegations, saying those pointing fingers are irresponsible

(260) Star 23/3/96  
By WILLIAM-MERVIN GUMEDE

The Independent Broadcasting Authority has rejected claims that it is just another "gravy train" where free-spending officials are paid high salaries.

Earlier this week Broadcasting Minister Pallo Jordan called on the IBA to tighten its belt and account for its R41-million budget.

An investigation into the broadcasting authority's financial affairs has also recently been called for by the Independent Broadcasting Commission.

Communications chief Amos Vilakazi said the IBA was not dragging its feet on granting licences, and pointed out that the organisation had, in fact, granted 20 licences to community radio stations. "The IBA is criticised for not delivering in

time to grant licences to private radio stations, but the same people forget that 20 community radio stations have been granted licences so far," he said.

Vilakazi said claims that the IBA's R41-million budget was excessive were shortsighted as "these people do not realise that the organisation has to regulate a media industry worth more than R2-billion on this amount."

Co-chairmen of the IBA, Peter de Klerk and Sebetso Mokone-Matabane, said they would motivate every item of expenditure and discuss the proposed budget for 1996/97 with the finance and communications communities.

"They said some of the spending had been used to speed up changes in the broadcasting environment, including the Triple Inquiry Report,

satellite regulation, licence hearings for community broadcasters, and other projects.

They said the budget took account of the start-up costs of substantial technical work, including frequency planning and monitoring in compliance with technical standards and licence conditions.

Jordan said yesterday the IBA was allocated R6,5-million less than had been asked for in 1996/97.

In a written reply to a question from Democratic Party MP Dene Smuts, he said the IBA had proposed a budget of R41,5-million.

The Department of State Expenditure, however, had recommended that the amount be reduced to R35-million - the amount allocated to it in the national Budget announced this month by Finance Minister Chris Liebenberg.

# Luxury lifestyle for top IBA councillors

By IVOR POWELL

INDEPENDENT Broadcasting Authority councillors are to move into new luxury office suites at an estimated cost of R70 000 a month — just two weeks after being told by the government to cut expenses

The suites will each house a councillor, a personal assistant and a special legal assistant. Each has its own fridge — and showers are laid on.

In the same week that Pallo Jordan, the Minister of Posts, Telecommunications and Broadcasting, ordered a full audit of the authority's affairs, it was discovered that

- A top job was given to a man indicted by an inquiry for defrauding his former employers,

- The authority held a week-long "bosberaad" last year — at a cost of around R30 000 to the taxpayer — barely 10km from their offices,

- After the "bosberaad", two councillors stayed at the resort for an extra week at the authority's expense, and

- The same pair spent nights at the Carlton Hotel during hearings, despite living in Johannesburg.

Harris Gxaweni, the authority's chief administrative officer — and former company secretary of the Transkei Broadcasting Corporation — had previously been investigated for allegedly running a private business from the corporation's offices. A Transkei commission of inquiry found the claims to be substantially true.

However, after Mr Gxaweni challenged the matter in court, the committee was found to have been improperly constituted, and charges were dropped.

A second inquiry was held. Although its findings were not made public, official reports released after demands by Transkei unionists, said it had come to the same conclusion as the first.

In 1995, when Mr Gxaweni was being

interviewed for the job he now holds, certain councillors strongly opposed his appointment. However, the majority insisted that he get the job.

Defending the decision, councillor Lyndall Shope-Mafole admitted she had not seen the report, but said a letter sent to the authority by one of the committee members strongly supported his innocence.

While the IBA was holding public hearings in Johannesburg last year, IBA co-chairman Sebileto Mokone-Matabane and Ms Shope-Mafole moved into the Carlton Hotel at a cost of nearly R3 000, although their homes are a few kilometres away.

"We had documents to read," said Ms Shope-Mafole.

"Also, against the background of black aspirations, it was important for us, as the only two black councillors, to set an example."

In similar high-flying style, the two councillors stayed on for about a week at the Heia Safari Lodge in Honeydew at the end of an IBA "bosberaad" held in the middle of last year. This was in order to discuss documents and exchange ideas, Ms Shope-Mafole

said. "We were preparing the Triple Inquiry report at the time I felt everybody should stay, but most of them went home."

- In a letter to the Sunday Times this week, IBA co-chairmen Peter de Klerk and Sebileto Mokone-Matabane described the characterisation of the authority's councillors as high-flying executives earning some of the highest salaries in the civil service, and driving luxury rented cars, as a "total distortion of the facts".

The letter insisted the authority generally used three-star hotels, and only occasionally, when those are not available, four-star. Similarly, business-class flights were the norm for councillors, and economy for staff. This was contrasted with the flight arrangements of directors general of government departments, who were entitled to fly first-class.



**MOKONE-MATABANE**  
Expensive habits

# 'No need' to justify IBA budget

Ingrid Salgado

THE communications portfolio committee had not summonsed the Independent Broadcasting Authority to answer questions on its R41,5m budget for 1996/97, committee chairman Saki Macozoma said at the weekend

There was no need to call the broadcast authority to justify projected expenditure, he said.

He had attended a functions committee meeting when the IBA's budget was discussed and said he was convinced its budget was consistent with government policy and the use of government resources.

It was normal practice that the authority appeared before the finance portfolio committee to ex-

plain and justify its expenditure, Macozoma said

All government departments with allocated budgets were required to do so

Posts, Telecommunications and Broadcast Minister Pallo Jordan last week called on the authority to "comprehensively" review its budget and effect economies where necessary

The IBA expressed willingness last week to appear before both committees to justify its use of public funds

Macozoma also denied the committee would ask the authority to justify the salaries of the IBA's co-chairmen, who received basic salaries of more than R200 000, inflated to more than R400 000 with benefits.

(260)  
Macozoma said the salaries were within public service standards, although they were at the higher end of the scale

DP MP and communications committee member Dene Smuts said it might be desirable for the committee to meet the IBA since public dissatisfaction with its budget had been expressed.

However, the authority had an "almighty and demanding task" ahead of it, he said. The telecommunications revolution was tremendously important to SA's economy and it was vital that IBA officials received market-related salaries in order to attract quality employees.

Smuts said it might be necessary to review the IBA officials' benefit packages.

BD 25/3/96

... basis  
... achievement of  
... production targets be-

# RDP turns to parastatals to beef up management

STEPHEN LAUFER

FENCED in by a public service commission hoarding new senior posts like Pergord truffles and frustrated by a public service short on implementation skills, the RDP has quietly turned to the private sector and parastatals to beef up its managerial muscle.

Eskom and Telkom, Murray and Roberts, Armscor, and the science and industrial research councils are among those to have seconded experienced staff.

Their job is to manage what in "Jayspeak" is known as the "performance cycle" of a range of "hard" and "soft" projects from infrastructure measures to redesigning the October household survey. One seconded Eskom employee manages RDP deputy director-general Bernie Fanaroff's office.

The cycle involves monitoring projects from inception via business plans to regular progress reports. There are roughly 3 000 projects under way, of which about 100 are

deemed major and therefore require some sort of national RDP office support.

The problem, says the RDP's (seconded) head of the private sector/parastatal programme, Roy Page-Shipp, is that few public servants in charge of development projects outside of the water affairs department have the necessary project management skills.

This is in part because the grading of government posts often puts middle level bureaucrats in charge of huge projects, and because government was traditionally oriented towards administration rather than service.

Page-Shipp cites the example of the RDP's primary school nutrition programme, which went wrong in its initial phase as contractors failed to deliver while millions disappeared into private pockets. "It is astonishing to me how one can give a R500m project to a manager below director level," he says, referring to

an official at a maximum pay grade of R109 000 per year.

The feeding scheme is now being put back on track, with RDP project managers keeping a watchful eye on local implementation. Yet, being spread across the country's neediest areas, school feeding cannot be micro-managed from Pretoria.

Instead, the project has become an example of the oversight role given to the seconded staff. "Their job," says Page-Shipp, "is not implementation on the ground but monitoring, control, and seeing to it that local managers — whether public servants or not — deliver on brief, on budget, and on time."

The attitude is exemplified by Brian Monteth, seconded by construction grant Murray and Roberts. Unlike public servants, for whom caution is next to godliness, he says his attitude can be com-

pared to that of the Jesuits.

"Act now and ask for forgiveness later," is an approach which gets things moving, Monteth says.

The seconded managers are paid by their home companies, and Page-Shipp says he doubts any would apply for jobs with similar responsibilities at government pay grades.

There are few long term career prospects in managing RDP projects at present, Page-Shipp believes. If the RDP is to attract skills rather than pre-pensioners or young people looking for a stepping stone, it will continue to rely on outside support for as long as the transformation of the public service takes.

The RDP office in Pretoria has five private sector/parastatal managers, and it is expecting another three to join soon. Besides those from Murray and Roberts, most are from parastatals — the private sector has thus far been reticent in offering skills. Responsibilities are divided ac-

ording to specific expertise, but the programme management group of ten works across disciplines, which could account for some of the RDP's apparent successes recently. Health, rural development, safety and security, and education are among the areas of particular focus for the group.

The Transkei task team launched by Deputy President Thabo Mbeki last month is a product of the group's attempts at finding innovative approaches to the transformation's most intractable problem: plans and money are available, but local blockages are preventing progress.

Page-Shipp, who returns to the CSIR next month after 18 months at the RDP office, says the job is getting more exciting now as things begin to work. The key to success, he says, is the ability to be flexible and resourceful — qualities not regarded highly in the as yet largely unreconstructed public service.

BOOKS

# Row over sale of radio stations

Wyndham Hartley

CAPE TOWN — A row is brewing between the NP and the SABC over the corporation apparently "confidentially" proceeding with plans to sell off some of its radio stations without waiting for parliamentary authority.

Guidelines issued by the SABC, through its merchant bank Investec, went to selected potential buyers with a "confidential sale memorandum". These guidelines stressed that the closing day for offers on radio stations to be sold off was March 15.

It also says that Investec will advise potential buyers "whether or not they have been selected to participate in phase two".

"The selection will be made at the sole discretion of the SABC," the document says, and that the SABC is under no obligation to accept any particular offer whether or not it is the highest purchase price offered.

NP spokesman for broadcasting Martinus van Schalkwyk said the guidelines made it clear the SABC was

BO 26/3/96 (260)  
making documents available to a limited number of potential buyers. The NP had received complaints from interested parties that some potential buyers were being given an "inside track", he said.

The "sole discretion" clause made a mockery of the SABC and government's commitment to transparency. Because Parliament had not yet approved the selling of the stations and the IBA report had not been fully debated, "the fact the SABC is proceeding with the selling of the stations undermines the authority of Parliament".

SABC CE for radio Govan Reddy said the NP's information was wrong. He said the intention to sell the stations was advertised in all major newspapers and all potential buyers who signed the confidential sale memorandum were included on the list from where the choice would be made.

He said the SABC would look at the offers and decide which it wanted to accept. This would then have to be approved by the IBA which would grant the licences to the new owners.

# Pay of top SABC and IBA staff probed (260)

SAPA

Capetown

Star 28/3/96

The salaries of Independent Broadcasting Authority councillors were approved by himself and had been unchanged since 1994, Broadcasting Minister Pallo Jordan said yesterday.

They were market related as stipulated in the IBA Act, he said during an interpellation on IBA and SABC executives' salaries.

Referring to the SABC, Jordan said the salaries earned by several top SABC officials were being investigated.

SABC chief executive Gert Claasen was earning R370 000 a year, while acting chief Zwelakhe Sisulu was earning R460 000. Radio chief Govin Reddy was earning R350 000 a year and acting television news head Jill Chusholm R250 000.

Salaries for the strategic planning general manager, acting finance chief executive and human resources chief were also being investigated.

Marthinus van Schalkwyk (NP) said these salaries were "astronomical" and larger than those of MPs.

He asked Jordan to have allegations of mismanagement and theft in the IBA and its salary structure investigated.

The NP would not support any state funding of the SABC while the situation continued, Van Schalkwyk added - Sapa

Media cross-ownership will not be tolerated

# IBA draws up short-list for radio

BY FIONA LENEY

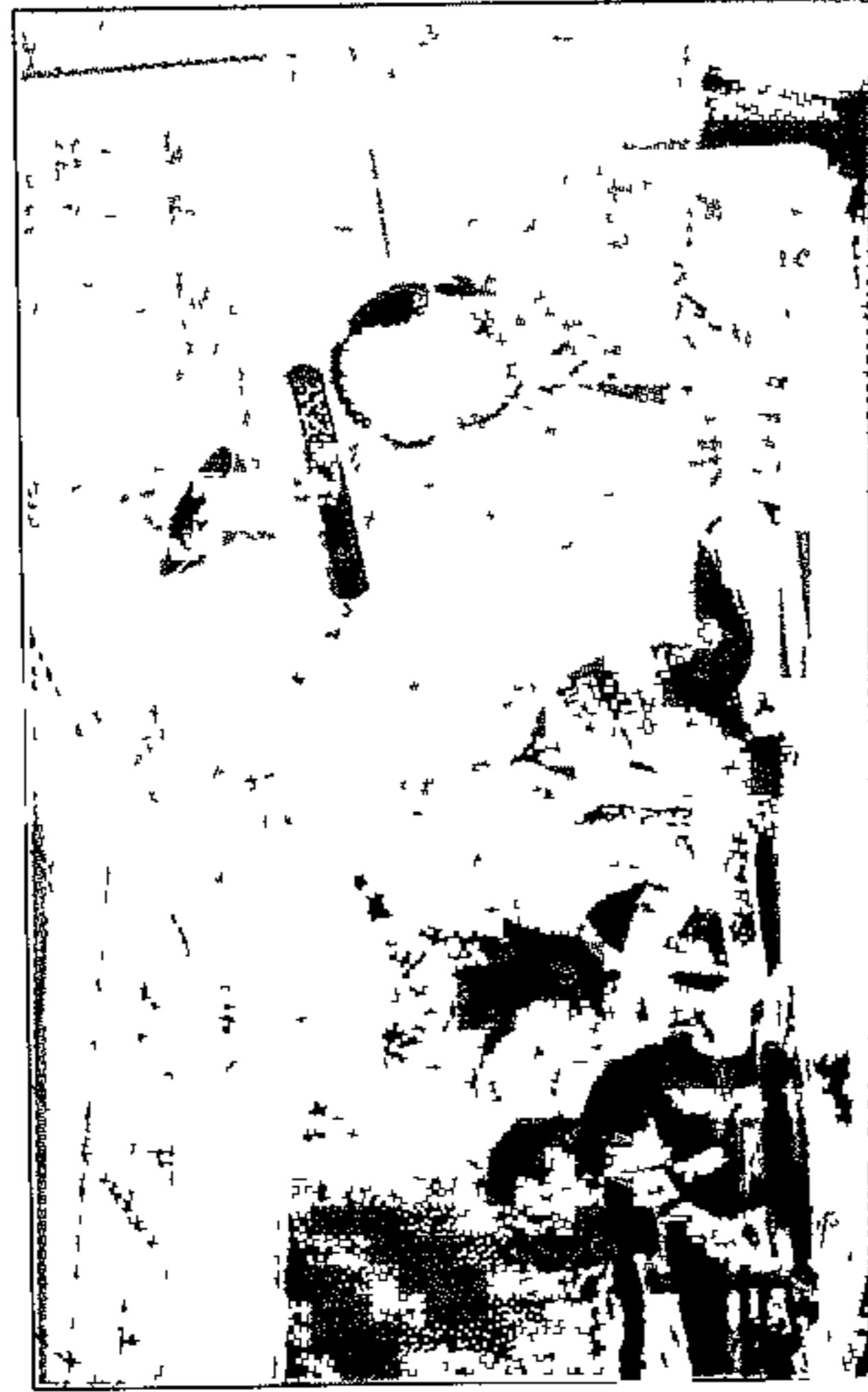
Johannesburg — A short-list of 22 potential buyers has been drawn up for the six SABC radio stations announced for sale in January, the Independent Broadcasting Association (IBA) said yesterday.

The bidders, who have requested anonymity, will now be given access to SABC files and personnel to perform due diligence studies.

Peter de Klerk, a co-chairman of the IBA, said the authority would require the SABC to choose at least three potential buyers for each station. The IBA would then hold public hearings to select one licensee from each group.

The system is designed to prevent complaints that the SABC will be choosing its own competitors, De Klerk said.

The sale of existing stations is the first phase of an ambitious plan to create 12 commercial stations by the middle of next year. Applications for the six new radio



**GETTING RADIOACTIVE** IBA councillor Lyndall Shope-Matofole, left, co-chairman Sebileto Mokone-Matabane and Peter de Klerk, and councillor John Matisonn announce the details of their discussion paper on private radio regulations. They emphasised that they will act strongly to prevent any cross-ownership.

PHOTO JOHN WOODROOFE.

licences are being invited by 17 May, and the IBA hopes to have them allocated by the end of the year.

Lyndall Shope-Matofole, an IBA

tries — particularly the United States — suggests that if someone says they can't make it work on the available revenue, there is always someone else out there who can," she said.

The IBA will aim to award licences only where the market is strong enough to ensure viability.

The authority also published a discussion paper yesterday on the regulations and conditions that should apply to the South African commercial radio industry.

The paper emphasises the importance of bringing historically disadvantaged communities into radio, promoting a diversity of South African languages and culture through the medium, and ensuring that control cannot be concentrated in the hands of a political or business elite.

It proposes, for example, that a minimum of 20 percent of music broadcast on music stations be of South African origin.

Sebileto Mokone-Matabane, a

co-chairman of the IBA, denied that the document made unreasonable demands on bidders or that it excluded traditional business.

"We have shown the paper to US experts and they think it is incredibly mild," she said. "Everyone who applies for a station will be considered. It is a question of what people have to offer. If a group meets all the criteria and can offer added value on top of that, they will obviously have an advantage."

The IBA has made it clear that it will scrutinise applications closely for details of the ownership of the potential stations. IBA councillors said they would expect complete transparency about other interests held by potential bidders, and act strongly to prevent cross-ownership of the media.

Insiders say the authority is determined to learn from the British experience. There, Rupert Murdoch has accumulated newspapers, publishing interests and satellite television stations.

J (PAR) 28/10/96

## Free health care catches Cape off guard

Linda Ensor

CAPE TOWN — Health Minister Nkomo Makhazana Zuma took the Western Cape health department by surprise with his announcement this week that the free primary health care programme was to commence on April 1.

The department was expecting the R5,3bn programme to come into operation several months later and was caught unprepared.

Health MEC Ebrahim Rasool said the programme would have a significant effect on the department's income in a context of a declining annual Budget. However, he welcomed the national free health care policy which, he said, would also help ease the load on

BD 29/3/96 (260)  
big hospitals.

"While we do have until 1 July to implement this, the indications are already (there) that expectations of fees being waived are high. Already people are reluctant to pay. We would therefore have to examine implementation by April 1," Rasool said.

He said that the policy would have major implications for the clerical staff at primary health care centres, many of whom would become redundant.

Also, nursing and other clinical staff would have to handle an increased patient load.

Rasool said he assumed that the R5,3bn allocated for the programme this year would be made available to the provinces



# Big switch off sparks 'panic' at the SABC

ST 31/3/96 (260)

By IVOR POWELL

THE much-vaunted "new" SABC is a big switch off according to English- and Afrikaans-speaking viewers.

The latest Amps figures released by the Nielsen research agency this week, show that, on average, English and Afrikaans-speaking viewers are watching about 20 minutes less television a day than they did a year ago — and more than 40 minutes less than they did two years ago.

This means that about 20 percent of the predominantly white English and Afrikaans-speaking viewership has been lost to the public broadcaster in two years.

Nor has the SABC gained among black viewers what it lost among whites. The number of Nguni and Sotho viewers has barely remained constant since the same time last year.

But, says the SABC, the Nielsen figures are misleading.

Under the old dispensation of TV1, CCV and NNTV, the largest footprint was possessed by TV1, which broadcast exclusively in English and Afrikaans — with a signal distribution which covered nearly 80 percent of the country.

Now the only channel which broadcasts predominantly in the two languages is

SABC3 — which, until the beginning of this week, had a footprint more or less restricted to metropolitan areas and a total distribution of just over 50 percent

"In terms of the targets set when the SABC changed over, we are fulfilling expectations," said SABC media liaison co-ordinator Don Seokane.

"In fact, audience ratings have been climbing since February 5 when the changeover took place.

"As far as advertising revenues are concerned, it is only SABC3 which is not coming up to scratch at this point. But predictions by station management were that it would grab a far greater share of audience than it actually has."

In fact SABC3 has increased its market share from only three percent in February to around 14 percent today. But management predicted it would be far more.

Insiders at the SABC said that the corporation was in a state of "panic" over its performance since the relaunch. They noted that, within the corporation, the idea was that the relaunched SABC3 would attract enough advertising to offset losses on the other channels.

The background to this prediction lies in the fact that while whites can only account for a fraction of the channel's viewership, they continue to attract the lion's share of the advertising market, by virtue of continuing to control around 80 percent of the country's wealth.

The total advertising pie for television is estimated at around R800-million annually. At present, the SABC is down by well over 30 percent on last year's figures, sources said.

But the bad news for the SABC does not equal good news for its competitors.

M-Net has also lost out in the ratings, shedding about 10 percent of its viewership since 1995.

## PLETT - KNYSNA

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# IBA appointments on ice

(260) Sowetan 1/4/96

By Sowetan Correspondent

PARLIAMENT has frozen the appointments of three new councillors to the Independent Broadcasting Authority in what appears to be an attempt to give the body more black representation.

In a resolution passed on Friday night, it was agreed that the names of the nominees - Pieter Lotriet, Raymond Louw and Maishe Maponya - be referred back to the parliamentary select committee on broadcasting.

The fourth nominee, a current IBA councillor, Lyndall Shope-Mafole, had her appointment renewed and approved by Parliament.

The resolution said the refer-back should be in terms of the legislation governing the IBA, which provides that it should be broadly representative of the South African population.

If Lotriet, a former SABC news executive, and Louw, former editor of the *Rand Daily Mail* and current chairman of the Freedom of Expression Institute (FXI), were to be appointed to

the IBA, it would have been "a very white organisation", according to a source in the broadcasting industry. Other sources consider it likely that Maponya, who is a theatre director, playwright and Wits University lecturer, will have his appointment confirmed by the committee.

The positions of Lotriet and Louw could be more problematic. The NP would undoubtedly push to have Lotriet's nomination confirmed. If there has to be a trade-off, Louw could be the victim, say the sources.

WHERE GRIEVANCES ARE AIRED

# Radio Atlantis turns people on



**COMMUNITY VOICE:** Radio Atlantis has been making waves with a series of callers phoning presenter Bernie Beukes — seen here interviewing policeman Captain Arthur Romon — to tell of wife beatings in the community

PICTURE: NIC BOTHMA

**RICHARD DUDMAN**, retired veteran Washington correspondent and owner of three US radio stations, was most impressed on a visit to Radio Atlantis. Dudman also works for The Institute for the Advancement of Journalism.

A NEW radio station in the isolated township of Atlantis, 32km north of Cape Town, is so popular that women factory workers went on strike because their boss switched off the radio in their workshop

When local gangsters signed a peace treaty, Radio Atlantis (Rada) put the gang leaders on the air with senior police officers to talk out their differences

Union shop stewards broadcast workers' grievances and the next day factory managers told their side of the story

In its seven months of operation, Rada has made itself one of the leading community radio stations in the new South Africa

It demonstrates how a tiny group of people with shoestring financing can use radio to settle disputes, build the economy, fight crime, solve family problems and give a community new hope and spirit

What particularly turned the factory women on was a two-hour afternoon programme called Heartbeat of the Community

"Especially on Tuesdays, when the subject is gender equality — focused on women, of course," says Ms Eva Georgia, Rada's 28-year-old general manager

"Women had been hiding verbal and physical abuse for years because they never had a way to tell it," she says "Now a woman will call in and tell how her husband has beaten her up

"She gives the husband's name and tells where he works. You can imagine the trouble at the factory. The women want to kill him. They scream at the radio set, 'Don't let him beat you like that!'

At the HK clothing factory things got so chaotic that the machines slowed down and work almost ground to a halt

Management switched the loudspeaker to one of the old-line national stations

That's when the women went on strike

Radio Atlantis, never one to miss a trick, put the strikers and management on the air for some practical conflict resolution. The workers agreed to keep quiet and keep the machines going. Management

ET 1/4/96 (260)

agreed to turn the local station back on at the plant. The community station, for its part, began telling listeners "Keep working. Keep your job. But stay listening."

Atlantis had become known as the "lost city of apartheid" when it turned into one of the greatest failures of that system of statutory racial separation. The old Nationalist government planned the community as a combination industrial park and residential area for "coloured" workers.

Private companies got free land and government subsidies as incentives to move in.

But when the subsidies ended in the mid-1980s, most private companies took their profits and left. Suddenly there were no more jobs in the supposed model community.

The turnaround began in 1993, when community and business leaders of all races began a series of meetings aimed at correcting the township's negative image. This development forum was a forerunner of a present system of forums that are conducting a massive Reconstruction and Development Programme for the new South Africa.

Enter Eva Georgia, then a freelance newspaper reporter who had grown up in Atlantis and had been working as a United Nations peace monitor in the townships around Johannesburg. She joined the Atlantis development forum, helped in its work but soon saw that the community needed an additional boost to its self-image.

"I woke up one morning and decided I wanted to start a radio station," she said. She and her housemate, Ms Rachel Visser, an organiser for the South African Clothing and Textile Workers Union, got guidance from the nearby Bush Radio — the pioneer community station in the Western Cape — and money and equipment from Australia, Sweden and the United States.

They also approached everyone in their community to find out what they wanted from their radio station.

## Afrikaans cultural group to sue SABC

Ingrid Salgado

BD 2/4/96 (5) (260)  
THE SABC would defend a court challenge by Afrikaans cultural group Junior Rapportryers to halt the public broadcaster's recent television language changes that has resulted in reduced airtime for Afrikaans programming, the corporation said yesterday.

However, the SABC had not yet received a summons reportedly issued last week, SABC spokesman Ken Modise said. The Rapportryers have indicated they would sue the SABC for failing to give Afrikaans the airtime required in its TV licences and would apply for an interdict to force the SABC to increase Afrikaans airtime until the court case. Modise said the SABC was operating within the bounds of its TV licences.

The percentage of airtime the Rapportryers wanted devoted to Afrikaans was not in the criteria outlined in the licences, he said.

# Upbeat Eskom lifts net earnings 19%

(260) BD 4/4/96

Edward West

ESKOM, which yesterday reported a 19% increase in net earnings to R2,72bn in the 12 months to December, said progress had been made in reaching all the targets it had set itself in the past financial year.

The utility had bettered its aim of connecting 300,000 homes last year, but electricity arrears had risen 34% to R1,18bn during the past year.

Eskom CE Allen Morgan said at the release of Eskom's financial results that 313 000 homes had been provided with electricity last year in spite of difficulties, including being denied access to certain sites.

Eskom's financial health continued to improve during the year.

Modest sales growth of 2,8% and a 4% price increase resulted in revenue increasing 11% to R17,11bn.

The average electricity price increase for this year was again 4%. Electricity Council chairman John Maree said the undertaking in 1994 to reduce the real price of electricity by 2000 was on track and was expected to be met.

Operating expenditure was 13,6% up at R11,32bn after a provision for arrear debts of R302m and medical aid and post-retirement benefits of R151m. The debt to equity ratio improved to 1,44 last year from 1,73 the year before.

Morgan said in the annual report that non-payment remained a "significant threat" to Eskom, especially considering the growth of the committed local consumer base. Of the total non-payment about half was owed by municipalities which on-sold power to constituencies and were responsible for

Continued on Page 2

## Eskom

Continued from Page 1

collecting payments. The remainder was from individual electricity users contracted to Eskom and from the former homelands.

However, the numbers belied an improvement in the scale of non-payment and collections in "problem areas" had risen to about 40% nationally from about 10% three years ago. Maree said

he did not see non-payment as a long-term issue and ways were being designed to tackle arrears.

Plant generation performance exceeded targets with the unit capability factor rising to 84,3% from less than 80% in 1994.

Morgan said commissioning of the Majuba power station in 1997 and power from Cahora Bassa were expected to result in an extra 450 megawatts.

Eskom would have to consider acquiring further capacity only by 2003, Morgan said.

## Engen 'must share blame'

(183) (260)  
BD 4/4/96  
Nicola Jenvey

DURBAN — Eskom hit back at Engen yesterday, claiming the oil company had to share the blame for the power supply problems which had cost the company R10m in lost production.

The parastatal was working with Engen and Durban Electricity to alleviate the power dip problems, Eskom key customer relations manager KwaZulu-Natal Hugh McGibbon said.

But Engen had not taken steps to minimise the effects of minor dips in electricity, he said. Such measures included using battery generation as a back-up and installing metering warning systems.

Eskom had offered Engen a research team to draw up plans to limit its vulnerability.

Durban Electricity transmission director Tony Dold said the problems Engen had experienced happened internationally and plants could make themselves less vulnerable to minor dips.

Several projects had been initiated in recent years to improve quality of supply and international consultants were assessing the corporation's quality.

# Eskom sees slow growth as 'progress'

(260) CT (BR) 4/4/96

BY JAMES LAMONT

Johannesburg — Eskom yesterday announced a rise in net income to R2,72 billion for the year that ended on December 31, from R2,27 billion the previous year.

Net income on a current value basis was R676 million, resulting in a real return on assets of 4,28 percent.

Eskom's directors said last year had been financially healthy with a modest 2,8 percent growth in sales and a 4 percent price increase.

Revenue for the year rose by 11 percent to R17,11 billion.

A price increase of about 4 percent was also expected this year.

Allen Morgan, the utility's chief executive, said Eskom had expected higher sales growth, but the increase was still "progress".

Operating expenditure rose by 13,6 percent to R11,315 billion, including net provisions for arrears debts of R302 million and medical aid post-retirement benefits of R151 million.

The debt-to-equity ratio fell from 173 percent in 1994 to 144 percent last year.

Though operating costs seemed fairly high, core expenditure remained below the inflation rate, Morgan said.

Non-payment remained a significant threat, he said, and total



**SEEING THE LIGHT** John Maree, chairman of the electricity council, and Allen Morgan, Eskom's chief executive

PHOTO JOHN WOODROOF

outstanding arrears rose to R1,175 billion by the end of last year, up from R873 million in the previous financial year.

Of the total non-payment, about half was owed by municipal

customers.

The directors would not commit themselves to privatisation, saying they were awaiting clarification on restructuring from the government.

# 'Mandela vs Jordan over SABC policy' - ANC reacts

PRESIDENT Nelson Mandela had no desire to interfere with the independence of the South African Broadcasting Corporation, said the African National Congress

It was reacting to Press reports citing differences between the president and former Broadcasting Minister Pallo Jordan on the approach to the public broadcaster

Dr Jordan was axed from the cabinet last week in a major reshuffle following Finance Minister Chris Liebenberg's resignation

The Mail and Guardian newspaper said Dr Jordan's firing had more to do with clashes with the president and senior ANC leaders over what was meant by "civil liberties" and "independent broadcasting" than his performance on the job

In reaction to the article the ANC's information and publicity department said

"It is an understatement to say that this is a shocking insult to the president and presumes that he is ignorant of fundamental ANC policy, the constitution and various legislation on this matter"

The article - it was felt - also ignored statements Mr Mandela himself had made concerning the SABC's independence

■ President Mandela had no desire to interfere in the independence of the SABC, says the ANC. The party was reacting to recent Press reports alleging the reason for Pallo Jordan's axing was a clash with Mr Mandela.

The newspaper claimed that Dr Jordan had clashed repeatedly with the president and that he nearly was dismissed last year after opposing proposals that the constitution's bill of rights be watered down to facilitate the police role in fighting crime

The article claimed Dr Jordan had angered Mr Mandela by refusing to take a "hands-on" approach to the SABC and had opposed the president over his "Indian Option" - a list of candidates the president had drawn up for the ANC national executive committee elections in 1994 - which the former minister allegedly felt was "undemocratic"

Dr Jordan also was under fire allegedly from ANC colleagues for his stance on the privatisation of Telkom

He had also allegedly disagreed with the government's

economic-growth strategy, the newspaper said

These claims were all "off the mark" and failed to appreciate the "broad consensus in government on these issues", the ANC statement said

"It is therefore an insult to the president, to the ANC and to Dr Jordan to construct a picture of a docile organisation under the spell of the president and with a hapless Pallo Jordan standing up to him"

Although the ANC acknowledged the right of the newspaper to speculate on the president's decision to relieve Dr Jordan of his duties, it said it was essential that the record be set straight for the benefit of the newspaper's readers and the public at large, the statement said

A meeting between Mr Mandela and Dr Jordan about his new assignment had been postponed, said the office of the president

Mr Mandela - on holiday in the Transkei - might phone Dr Jordan over the long weekend, spokesman Parks Mankahlana said

Dr Jordan said he might make a statement about his political future after meeting with Mr Mandela

He declined to say whether he had rejected an offer to be ambassador to Japan - Sapa

(260) ARG 7/4/96



Marsheel has been given... on competition in South... It must also pro-... the go-ahead by the Com-

# Despite arrears, Eskom manages to boost profits

ST (BT) 7/4/96

260 (ES)

By THABO KOBOKOANE

DESPITE a "healthy" 1995 financial year for Eskom, continued non-payment of arrears is "bleeding" the utility and could retard its drive to electrify 300 000 houses a year.

Allen Morgan, the utility's chief executive, said Eskom has lost R1,175-billion in arrears since the start of the rent and services boycott.

Presenting Eskom's financial results for the year to December 1995, Mr Morgan said there was a 40% rate of non-payment of areas in "19 problematic areas". However, this was an improvement from a 90% non-payment rate three years ago. Soweto, one of the "most problematic", had increased payments to 70% from only 20% three years ago.

Mr Morgan said Eskom

was looking at ways to stem the losses and this included cutting off electricity to non payers and finding solutions with local government on how to deal with the debt problem.

Eskom, the fifth largest utility in the world, reported a 19% rise in income to R2,7-billion (1994: R2,3-billion) on the back of a modest 2,8% increase in sales.

An Eskom price increase of 4% resulted in an 11% increase in revenue to R17-billion (R15,4-billion).

Operating expenditure rose by 13% to R11 315 after provision for arrears debts of R302-million and medical aid post-retirement benefits of R151-million. The debt to equity ratio improved to 1,44 last

year from 1,73 in 1994.

Willie Kok, financial director at Eskom, said the utility's financial health "continued to improve" and that Eskom was in "good shape".

John Maree, chairman of Eskom, said the utility had met three main targets set for 1995. These included being able to reduce the real price of electricity by 4% — and Eskom is on track to reduce the cost of electricity by 15% by 2 000, in line with its 1994 projections and to electrify 313 000 households.

He said 16% of the workforce was black, in line with a target of 50% by 2 000.

This year, the utility hopes to reduce the cost of electricity by 4% and connect a further 300 000 people to the national grid —

which will bring total number of houses electrified since the drive to electrify 300 000 houses a year began in 1990 to over 1-million at an estimated cost of R2,9-billion.

Dr Maree said Eskom had a very good year technically as generation plant performance exceeded all targets with a unit capability factor of 84,3% — which was an all-time high for Eskom.

"If we can attain the UNIPEDA best quartile performance for a coal fired plant of 91,2% and also sustain it, we would be able to defer indefinitely the construction of one 3 600 Mw power station at a capital cost saving approximately R10-billion. Improved technical efficiency is a strong focus for management," he said.

By DAN DHLAMINI

THE SABC has been accused of bias against the North West and Free State provinces.

This was the charge made by Willie Modise, spokesman for North West premier Popo Molefe, when he explained his government's foot-dragging on the question of integrating the Bophuthatswana Broadcasting Corporation (BBC) with the SABC.

Modise also said that integration with the SABC surfaced last month at a one-day meeting of the two provinces in the Free State's Viljoenskroon.

There is little coverage of events in the Free State and North West rural areas. Our province is 60 percent rural and developments in these areas do not receive enough coverage," said Modise. Modise said the North West was not being rebellious when it delayed the integration process, and negotiated between his government, the Independent Broadcasting Authority (IBA), the central gov-

## Provinces claim SABC bias against rural areas' NEWS

(260)

ernment and other role players such as the private sector were consulted.

But BBC insiders claim that if the corporation was sold to the private sector, it would be highly commercial and the rural areas would suffer even more.

Modise said the R50 million budgeted for the BBC for this financial year by the North West government was to keep the BBC running while integration negotiations continued.

He said it was decided at the Viljoenskroon meeting that provinces affected would be invited to form a committee.

Spirit Monyobo, spokesman for Free State Premier Patrick Lekota, confirmed that delegates from his government and those

from the NW government were concerned about the lack of television coverage in the rural parts of their provinces.

The Northern Cape Premier Manne Dipico's advisor, Dr Pat Matlou, said "We hardly receive any TV coverage in this part of the country. We invited SABC TV to cover the opening of our parliament on March 15, but they did not respond. It would appear that when the BBC integrates with the SABC we will not have any coverage at all."

The BBC's acting chief executive officer, Cawe Mahlati, could not be reached for comment.

Independent Broadcasting Authority's (IBA) representative Aмос Vilakazi told City Press the IBA's role was to facilitate the in-

tegration.

He said the national parliament had given the IBA unquestionable jurisdiction over the former Transkei, Bophuthatswana, Venda and Ciskei (TBVC) broadcasters.

SABC spokesman Pat Pillai denied that the SABC was biased. "We do not decide which parts to cover and which not to cover. We actually cover the entire country but the IBA regulates the transmitters and frequencies," said Pillai.

According to an SABC statement, an urgent meeting between the Ministry of Post and Telecommunication and Broadcasting, the Joint Integration Management Committee, the Postmaster General's Office and other stake holders had been scheduled for April 16.

The April 16 meeting would be to find methods to accelerate the integration process.

A detailed integration report would then be handed to the Minister and the Cabinet.

# SABC asks R450-m for stations

The Argus Correspondent

(260)  
ARG 10/4/96

The fate of the employees of six SABC radio stations up for sale hangs in the balance while experts say the broadcasting authority is highly unlikely to be paid the hundreds of millions they are currently asking for the stations.

According to sources, the SABC hopes to receive R450-million for the sale of six of their radio stations - Radio Highveld, Jacaranda Stereo, Radio Oranje, East Coast Radio, Radio Algoa and KFM - but experts believe they will be lucky to get 10% of their asking price.

Broadcasting, Electronic Media and Allied Worker's Union head Hans Dieter Winkens said he did not believe the SABC would manage to sell the

stations for R40 million.

"All buyers are getting is a licence to broadcast and even that is subject to revision. The staff are not part of the deal and neither is the equipment," he said.

Mr Winkens said the 22 short-listed buyers had strategically bid very high in the first bid to guarantee themselves a place as one of three buyers for each station, but were now under no obligation to buy.

"Now only do they get a good look at the stations, behind the scenes, see what makes each station tick and its actual income," Mr Winkens said.

A source claimed the SABC expected R100-million for Radio Highveld alone.

"They are essentially buying old nags with out-dated technology."

# R450-m radio sale price 'too high'

(260) AR 10/4/96  
The Argus Correspondent

JOHANNESBURG - The fate of the employees of six SABC radio stations up for sale hangs in the balance, while experts say the broadcasting authority is highly unlikely to be paid the hundreds of millions it is currently asking for the stations.

According to sources, the SABC hopes to receive R450 million for the sale of six of its radio stations - Radio Highveld, Jacaranda Stereo, Radio Orange, East Coast Radio, Radio Algoa and KFM - but experts believe it will be lucky to get 10 per cent of that. Broadcasting, Electronic Media and Allied Workers Union head Hans Dieter Winkens said he did not believe the SABC would manage to sell the stations for even R40 million.

All buyers are getting is a licence to broadcast - and even that is subject to revision. Staff members are not part of the deal and neither is the equipment.

## Eskom faces hidden costs in low price bid

Robyn Chalmers

ESKOM's aim to provide SA with the cheapest electricity in the world had hidden costs which would have a huge effect on the future environment, according to a study under the Cosatu-linked industrial strategy project.

The study, conducted by the University of Cape Town's energy and development research centre researcher Clive van Horen, said hidden costs included injuries and mortalities in coal mines and the effects of air pollution on health

There was also the threat of greenhouse gas emission which could lead to SA facing internationally imposed emission reduction targets, and the cost of state subsidies to the nuclear industry

The main reasons for SA's low price of electricity were the abundance of coal reserves close to power stations and the high level of expertise in Eskom.

However, Van Horen said the electricity price was artificially low because inadequate attention had been paid to the environment and the associated health costs of generating it

Trade and industry department director-general Zavareh Rustomjee said it was vital to consider the medium- and long-term consequences of neglecting the environmental effects of electrification

Van Horen said should Eskom continue to meet its target on price reduction, the average electricity price in 2000 would be 60% of 1987 prices.

"This is likely to encourage a heavily energy- and resource-intensive growth path which, once taken, could be difficult to redirect," he said

# Reshuffle a blow to community groups

Theo Rawana

THE impending closure of the RDP office following the recent Cabinet reshuffle had thrown community-based organisations into confusion over the fate of a funding mechanism former minister Jay Naidoo was to co-ordinate, the groups said yesterday

National Community-Based Development Organisations Network secretary-general Shuffle Mokwele said the network's envisaged participation in a task group had been dealt a blow by the Cabinet reshuffle. The task group was to work towards the establishment of the National Development Agency when the Transitional National Development Trust's period of existence expired after two years

"Although the establishment of the NDA task group has taken an unnecessarily long period of time, it was always hoped that the RDP ministry would continue to facilitate its establishment. With the closure of the RDP ministry, it is no longer clear as to who or which department will take the responsibility to co-ordinate efforts towards the ultimate establishment of a funding mechanism for non-governmental and community-based development organisations' projects and programmes," Mokwele said.

The networks seek clarity on this matter as the NDA process is viewed as

its lifeblood, he said.

Mokwele said his organisation was also opposed to the Independent Development Trust and the Kagiso Trust being the sole players in the task of communicating with the communities in the area of development.

"The network is opposed to a situation where only the IDT and the Kagiso Trust will be responsible for consultations within communities while community structures are passively looking on. In the view of the network, this will be against the principle of a people-driven process which the RDP is all about"

He said the network had made a submission to the transitional development trust, whose secretariat comprises the IDT and Kagiso Trust, to consider the decentralisation of the trust's process.

Although the network and other stakeholders had participated in the establishment of the trust, the organisation could not form part of the secretariat as it had no resources. There were also no funds which the trust could use to employ the services of the network

Mokwele said central and provincial government had an obligation to assist community-based organisations to be sustainable. "To this end, they should be considerate to the plight of these organisations without prejudice," he said

Eric Molobi, chairman of the trustees who decide on the issue, was not available for comment yesterday

# Broadcasting Complaints Commission's job is to field those often-unsporting gripes

BY CHERYL HUNTER

(260) Star 12/4/96

A woman's voice spat shrilly from the telephone with the warning that there was a bomb in the Broadcasting Complaints Commission's building and people were going to die

Why? She was irate because they dared to let the cricket coverage spill over into the time allotted to her favourite soap, *The Bold and the Beautiful*

This - and many other strange complaints - is what the Broadcasting Complaints Commission's Rene Conradie has to deal with. Last year, the commission received 700 complaints.

The commission celebrates its third anniversary in August, although the public still seems confused about its function

"People are just looking for help and don't know where to start so we land up with some very odd complaints," Conradie says

She talks about some of the let-

ters she has to answer from behind a desk littered with mail

"I receive letters from prisoners who believe they have been treated unfairly, from the victims of loan sharks and even Bophuthatswana pensioners who can't get their pensions"

Others complain about changes in scheduled times, no

decisions about policy matters like programme scheduling, choice of programmes, presenters or time slots," Conradie said

What the commission can do, however, is make sure your comments about the content of programmes are heard

The public can complain about excessive violence, indecency, broadcasts that are harmful to children or race relations, material offensive to religious convictions or untruthful news reporting and biased commentary

Public hearings are held and the broadcasters are obliged to publish the findings and make a public apology if necessary. The commission is also able to fine them

When the SABC held its re-launch party earlier this year, the commission had 124 complaints.

To contact the commission about the content of programmes which may be seen as offensive or biased, call Conradie on (011) 788-7910 or 788-7933 (fax)

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**We do get  
some odd  
complaints**

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99

apologies for movie re-runs and poor advertising of movies, but mostly it's senior citizens whose daily soaps have been rescheduled or missed because of sport

"What no one seems to understand is that we cannot make de-

(260) (260)

# 'Power' to the masses comes first

MTG 12-18/4/96

The need for electrification may outweigh the environmental factors, but there is a trade-off between economics and the social costs. **Madeleine Wackernagel** reports

**S**OUTH AFRICA pays a high price for its cheap electricity, according to a new report published by the Industrial Strategy Project, a Cosatu-linked think-tank.

Clive van Horen of the Energy and Development Research Centre at the University of Cape Town, who conducted the study, says South Africans are already paying the price in terms of the impact on the environment and the population's health.

"We cannot afford to carry on ignoring these external costs," says Van Horen. "Nor can we go around raising the price of electricity willy-nilly. There has to be a trade-off between economics and the social costs."

Eskom is the fifth-largest electricity utility in the world, and power costs in this country are the second-lowest, only New Zealand is cheaper. On this basis, Van Horen believes the South African experience bears comparison with developed countries,

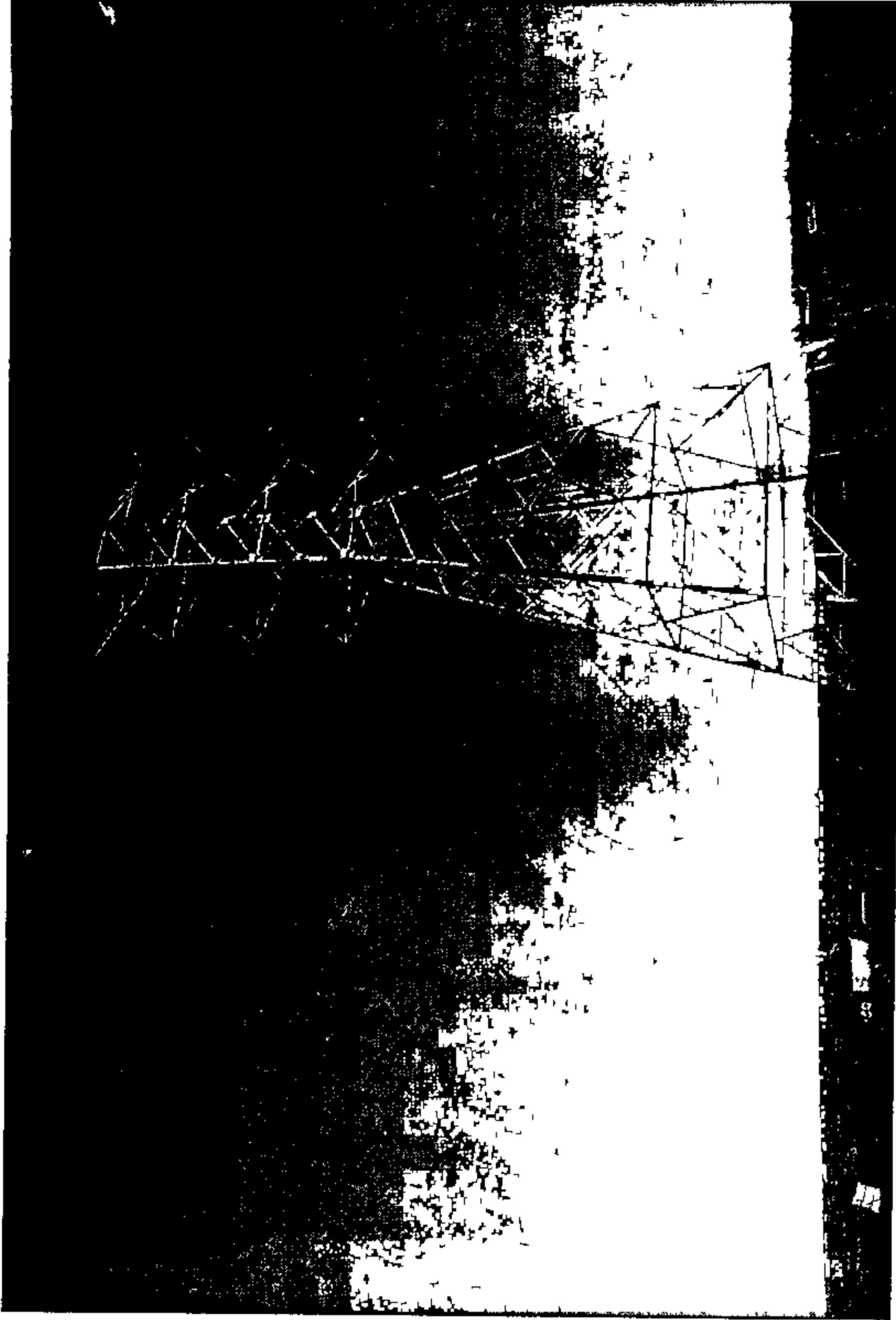
rather than the less sophisticated industries of Mexico, Brazil or Malaysia, which are similar middle-income developing countries.

And by that standard, South African electricity is absurdly cheap. Prices in Germany and Japan are up to three times higher. But is this a reasonable comparison when most of the population has no electricity at all and electrification should be the top priority?

Dr Steve Lennon, research manager at Eskom, believes the external costs of not having electricity outweigh the environmental factors. Not that Eskom is ignoring the impact its emissions have on the atmosphere or people's health.

Indeed, most of its power stations burn low-sulphur coal, complying with international standards of acceptable pollution levels. And Eskom's second environmental performance report, released today (Friday), will show an overall improvement in standards, says Lennon.

Environmental standards and con-



High price for cheap power: The priority is getting electricity to as many people as possible' PHOTO RUTH MOTAU

cerns have changed dramatically in the past 20 years; the next generation of power sources will reflect these factors, says Lennon. Eskom is already looking at the options of hydro-power, clean coal technologies and natural gas sources off Mozambique and Namibia.

But for now, says Lennon, the priority is getting electricity to as many people as possible. The cost of retrofitting a power station with scrubbers to cut down on emissions would add 30% to the price, Lennon believes it would be more effective to use that money on electrification.

Bringing electricity to the townships and rural areas does not nec-

essarily eliminate the pollution cost, says Van Horen. Coal and firewood are still the favoured energy source in many areas.

**V**an Horen believes Eskom cannot afford to clean up its power stations and continue with electrification at the same time. As more people fall victim to the effects of emissions, the social cost to society as a whole outweighs the benefits. He calculates the health effects of air pollution at about 4% of average electricity tariffs, excluding the long-term costs of acidification on buildings, crops and forests. Reducing emissions would cut the health

cost by about 70%.

But Lennon insists South African standards are not out of line with international experience and to compare us with First World countries is unrealistic. Australia, for instance, has not a single plant fitted with scrubbing equipment, retrofitting one power plant in Britain cost \$500-million.

John Loewen, an analyst at Ivor Jones Roy, agrees "Eskom cannot afford a clean-up exercise at this stage. Right now the money is better spent elsewhere. And raising the price of electricity to pay for it is also not viable, the poorest would be hit hardest."

# SABC independence in the balance

Mail & Guardian reporter

**T**HE independence of the South African Broadcasting Corporation will be in the balance in the next few weeks as the political haggling over the appointment of a new board of directors gets under way.

According to the Parliamentary Portfolio Committee on Communications, 105 nominations have been received for positions on the board.

Seven of the 23 current SABC board members are known to have reapplied to serve again, including board chair Ivy Matsepe-Casaburri, and board members Colin Hocking, Professor Arnold de Beer, Sheila Sisulu, Anna Boshoff, Professor Potgieter and Professor Njabulo Ndebele.

Closing date for the SABC board nominations was March 27 and a short list, compiled by the committee, has to be finalised by May 15.

Interviews with short-listed nominees are scheduled from May 15 to 24 in Cape Town. After the interviews, the sub-committee again sits down for discussions, draws up a final shortlist which is presented to Parliament and must be approved by the entire house, before being rubber-stamped by President Nelson Mandela.

MTG 12-18/4/96 (260)

However, with portfolio committee chair Saca Macozoma relinquishing his position on April 15, a new chair has to be found before the interviews can be held and a new board established.

The selection takes places shortly after Parliament rejected the portfolio committee's nominations for new members of the Independent Broadcasting Authority. The committee nominated four candidates to the IBA, Lynn

Other SABC nominations received are that of Guy Burger, Carl Lotter, Násima Badsha, Thero Setloane, Mbitelo Mzamani, Derrick Swartz, Tami Bonga, Namané Magau, Christina Qunta and Rev G Setloane

dall Shope-Mafole, Raymond Louw, Piéte Lotriet and Mause Mabonye. Parliament accepted only Shope-Mafole, and the committee now has to start the selection process anew.

In rejecting the IBA nominations, Parliament has shown a willingness to interfere in the process of expert selection — and may be tempted to do the same with the SABC board.



## SABC asks Mbeki for extra funds

Stephen Laufer

(260)  
BD 15/4/96  
SABC CE Zwelakhe Sisulu has appealed to Deputy President Thabo Mbeki for substantial additional funding to ensure adequate coverage of the truth commission hearings which begin in East London today.

Friday's last minute request to Mbeki in his role as political head of the SA Communications Service comes against a background of indecision at the SABC and on the commission over TV and radio broadcasts of the hearings. Each side apparently hoped the other would make funding available.

Industry sources said the SABC may ask for as much as R20m to ensure comprehensive coverage.

Sisulu is understood to have approached Mbeki with the support of commission chairman Archbishop Desmond Tutu.

Although coverage of the hearings had been discussed for several months, the institutions involved focused on the enormity of the task only last week.

Continued on Page 2

SABC

(260)  
BD 15/4/96  
Continued from Page 1

Proposals for extensive live coverage and international fundraising were submitted last year, but the broadcaster finalised planning only on Thursday.

Planned coverage, as yet unfunded, would include a daily four-hour package of selected testimony broadcast at midnight and again at 9am, and a weekly 45-minute prime time wrap including interviews. News coverage would be ongoing, and dramatic developments could be reflected in SABC TV's Focus broadcasts scheduled at short notice. Sources said senior Focus producer Max du Preez would lead the SABC team.

The commission's parallel amnesty and human rights violations committee hearings around the country required the use of outside broadcasting units and TV coverage could cost between R15m and R20m for 18 months.

But with funding still unresolved, the SABC has committed itself only to covering today's opening live. TV cameras will be present for a month, with further coverage centred on news bulletins until the commission has finalised its timetable and the SABC has an overview of the cost implications of full coverage, senior sources said.

Non-governmental organisations representing victims said they had offered to raise funds internationally for comprehensive coverage, but had been unable to get decisions from the commission or the SABC. At stake were not just live broadcasts, but a video and audio record of the commission's proceedings for future use by historians, victims, and educators.

Commission spokesman John Allen said the commissioners were committed to having cameras and microphones in the hearings because they wanted the victim's stories to become part of the shared experience and understanding of the nation. However the commission had a duty to protect the dignity of victims who testified.

# Looking for a breath of fresh air

BY ANITA ALLEN  
Science Writer

Eskom is winning and losing the battle against air pollution from its coal-fired power stations, according to its 1995 Environmental Report

On the one hand, emissions of particulate matter – visible smoke – decreased in 1995 despite an overall increase in the amount of electricity generated.

On the other, emissions of the main greenhouse gases have increased relative to the amount of electricity generated.

No explanation for the decline in performance on gaseous emissions of carbon dioxide, sulphur dioxide and nitrous oxide was given.

But, the report said "Research on alternative generation and operation technologies to reduce gaseous emission levels is a long-term strategy receiving continuous attention

"It includes nuclear and hydroelectric alternatives."

This is the second year that Eskom has produced an environmental report.

(17) (150) (260) Mar 15/4/96  
The major significance of the 1995 report is that Eskom has been able to quantify its performance against targets set last year.

Emissions of particulate matter showed an average decrease of 7 kilotons, from 122 kilotons in 1994 to 115 kilotons last year.

In the same period, electricity generated increased from 148 000 Gigawatt hours in 1994 to 152 000 GWh last year

The improved overall performance in terms of air quality shows that in 1994 Eskom's coal-fired power stations produced 0,83kg of particulate matter per Megawatt hour of electricity produced, compared with 0,77kg per MWh last year – an overall improvement of 0,06kg per MWh.

In terms of air quality trends on the Mpumalanga highveld, the report showed that the decline in air quality of the region was continuing its trend from a high in 1984.

Eskom's power stations have also shown improved water consumption for electricity generated, down from 1,41l per kilowatt hour in 1994 to 1,38l per kWh last year.

In terms of meeting Reconstruction and Development goals, Eskom has exceeded targets, supplying electricity from the grid to 313 179 homes in 1995, against a target of 300 000.

In addition 893 schools and 37 clinics were supplied with electricity.

Eskom reinforced its commitment to the environment by appointing a corporate environmental affairs manager to be responsible for co-ordination and balance in addressing environmental matters, chief executive Allen Morgan said in his preface to the report

"Environmental management is one of five core research areas regarded as critical to the long term health of Eskom and its customers," he said

Of the R4,2-million allocated to capacity building and training at universities and technikons last year, about 20% went to environmental support programmes

In addition, of the R10-million allocated to tertiary institutions for contract research, some 30% went to research on environmental projects.

# Concern over tax proposal

Robyn Chalmers

(260) (45)  
ESKOM's ability to finance its electrification programme would be affected by government proposals to tax the parastatal and implement a dividend payment system, chairman John Maree said in the 1995 annual review

Maree said the electrification programme, and Eskom's other commitments to the RDP such as further reducing the price of electricity, had long-term social and economic benefits for SA

"In-depth consideration will have to be given to the treatment of monies spent on the electrification under a different tax and dividend dispensation so that (these undertakings) continue as planned," he said

During the year ended December, Eskom increased net income to R2,7bn from R2,3bn for the previous year on an 11% increase in revenue to R17,1bn

Maree said Eskom had achieved its target of making 300 000 new connections last year against 250 000 in 1994 despite being prevented from working in a number of urban areas for lengthy periods

"It is estimated that the lives of about

BD 15/4/96  
1,5-million people have been changed as a result (of the electrification programme). Research has shown that for every 100 homes electrified, between 10 and 20 new economic activities are started," he said.

Eskom also continued to make inroads into reducing the real price of electricity during the year ended December 31, with a price increase of 4% for the year against an inflation rate of 8,7% leaving a real reduction of 4,7 percentage points

Maree said the increase for this year was again 4% with an anticipated real price reduction of a further 4% Eskom was on track to reduce the real price of electricity by 20% between 1992 and this year

The parastatal's international borrowing capability had been boosted by an improved credit rating by Standard and Poor's rating group while the new depository receipt programme for SA debt securities had been well received

Discussions are being held over the shake-up of electricity distribution and Maree said the electricity working group's recommendations were being considered by government and an announcement was expected soon.

# New radio stations for Cape Town

ARG 16/4/96 (260)

**JOSEPH ARANES**  
Staff Reporter

THE face of private radio broadcasting is set to change dramatically in the next year with at least six new stations, including two in Cape Town, being granted commercial licenses

Independent Broadcasting Authority councillor John Matisonn said that in addition, six SABC stations, including Cape Town's KFM, would be sold to private broadcasters bringing the number of private radio stations to 13. At present only Radio 702 operated as a commercial station.

"The past year we dedicated to community radio stations and issued more than 80 licenses. This year we plan to resolve the private broadcasting question.

"During the next year the face of commercial radio will change very fast and the IBA will probably get complaints that the whole process is too fast," Mr Matisonn said.

At the IBA's first hearing on private radio broadcasting at a Sea Point hotel, Nick Taylor of City TV said the whole idea of regulations for private broadcasters was un-African and out of step with the changes that had been taking place in the country.

He suggested to the hearing that

the entire process of regulation needed to be reviewed and that the IBA should be facilitating rather than regulating the process.

"People must be given the chance to regulate themselves and we should not have a central authority like the IBA to control them. The IBA Act should be changed so the future of broadcasting can reflect the changes that took place."

He said an IBA discussion paper on broadcasting services was flawed.

"A lot of the ideas in the document come from the Canadian broadcasting model and that is a problem as Canada is one of the last remaining countries with a lot of regulations still in place to regulate their broadcasting industry," Mr Taylor said.

Broadcasting consultant Kyle Hamman said his concerns were also related to the IBA's involvement in the make-up of the private broadcaster.

"A private broadcaster should remain just that and only be influenced by market forces which should determine what the private broadcasting industry should be like."

He said while the IBA had a role to play in the regulation of community radio stations they should not use similar principles to govern private broadcasters.

*Tearaway gives broadcast authority a drubbing*

(26)

CT (MR) 16/4/96

## Broadcaster slams IBA

By FIONA LENEY

Johannesburg — Tony Sanderson in a rage is an alarming sight

At the moment the man behind Solid Gold Radio has the Independent Broadcasting Authority in his sights and, it seems, he is not concerned about the diplomatic niceties

"They are incompetent

"They are trying to tell people of very great expertise in the radio industry how to earn a living when they have absolutely no experience of their own, and they are bringing their social reformists' hot-pot into the market-place," he says

Sanderson relishes playing the reckless tearaway, but his strategically expanding media interests suggest a cool head

His existing television and video production businesses and media consultancy have kept his favourite baby, Solid Gold Radio, alive through a three-year battle for a commercial licence. His strategic alliances with the black business group Thebe and the South African National Civic Organisation suggest a clever tactician

Nevertheless, he could have a lot to lose by rubbing the licensing authority up the wrong way

He is bidding for one of the six new radio licences on offer with the aim of finally getting Solid Gold on the air. He is also bidding for at least one of the six existing SABC radio stations that are up for sale

The IBA could thwart both ventures

"People ask me if I'm not concerned that the IBA will victimise

me for speaking out. They would be very stupid to do so," he says

Sanderson's beef is that the IBA councillors not only lack expertise in the industry, but have refused to turn to players who do have that expertise for advice

"If the IBA says it has consulted our industry, it is deluded," he says

"It publishes its paper and asks for submissions, but there's no feedback. I have begged for meetings with it, and got no reply"

Sanderson says that had the IBA taken any notice of representations from industry, it would never have limited the licences for new frequencies available in Gauteng to two.

The IBA argues that it has deliberately limited the availability of Gauteng licences to give the new stations the best chance of success. Rather begin with a few that work, than flood the market with little stations that cannot survive the competition, IBA councillors say

This sort of regulation is anathema to Sanderson

"It is not for them to say whether we are viable. They must learn what the free market means," he says

"They have inherited this sort of paternalism from the previous regime"

It is hard to distract Sanderson from his pet theme — even the apparently unconnected topic of musician's royalties, for example, somehow leads back to the IBA's proposal that 20 percent of music on commercial stations should be South African

This is the cue for another eruption

"That's absurd. Have you heard much local music? A lot of it is atrocious. You just can't make up 20 percent of your output with it. People will merely switch off and musicians will lose out again," he says

"Rather phase it in over three years, allowing people to get used to it. Then you'd be stimulating new talent"

Monitoring compliance with all the IBA's similar strictures would be a nightmare, he adds

"You're going to end up with policemen listening to everything"

It is an image that tickles Sanderson, who, during his time at the SABC under the old regime, was banned for refusing to read racist advertisements

His credentials, then, should be impeccable for the new South Africa. Typically, however, Sanderson goes out of his way to slaughter the sacred cow of affirmative action

"I am totally against affirmative action because it has failed in the rest of the world and its interpretation — for example quota systems — is totally wrong here

"But I am totally committed to black empowerment — education and training — at a far more rapid pace than it is being done in this country," he says

The IBA, Sanderson says simply, is trying to thrust education and social reform down audiences' throats when what listeners really want from a commercial station is entertainment



**CONCERNED** Chris Gibbons of Radio 702

PHOTO JOHN WOODROOF



**BROAD VIEW** Peter de Klerk, the co-chairman of the IBA

PHOTO JOHN WOODROOF

# Warning on over-regulation

ET(BR) 16/4/96 (260)

BY FIONA LENEY

Johannesburg — Executives from Primedia, the broadcasting and publishing company which owns Radio 702, yesterday appealed to the Independent Broadcasting Authority not to stifle commercial radio by over-regulation

"Do not kill off the goose before it can lay the golden egg," said Stan Katz, the chief executive officer of Primedia Broadcasting

Katz was speaking at a hearing of Primedia's submissions to the IBA, with regard to the IBA's discussion paper on the regulation of the commercial radio industry

He said that new commercial radio stations, in particular, had to be given time to build up audience levels and secure profit before

conditions attached to community service and local content were enforced

Most worrying, he said, was the emphasis which the IBA placed on advertising regulation

"If advertisers are not allowed to use the radio station of their choice, because of limitations on the amount or type of advertising the station can carry, the advertiser will turn away from radio altogether," he said

Katz criticised IBA figures which suggested that the international norm for advertising time on radio stations was between six and 30 minutes

"That is wrong. It is from six minutes to no limit. And it works," he said

"The market is self-regulating

Radio stations know that fewer ads mean more listeners, and act accordingly," he said

Peter Matlare, Primedia's director of strategic planning, appealed for, what he called, light-touch regulation, saying it would be more effective to have fewer regulations that were properly enforced

While the IBA appeared sympathetic to Primedia's submissions, Peter de Klerk, IBA's co-chairman, said that the IBA's challenge was to cater not only to the needs of private radio, but to those of listeners

"We have to see to the broader needs of the country," he said

De Klerk emphasised, however, that the IBA discussion paper was intended to be open-ended, and that the authority would welcome further suggestions

# SABC radio revenue soars

CT (BR) 16/4/96 (260)

By FIONA LENEY

Johannesburg — The SABC said yesterday its radio stations had recorded an impressive 24 percent increase in advertising revenue in the first quarter of this year compared with the same period last year.

Unfortunately for the state broadcaster, most of the increase came from advertisers switching away from the SABC's relaunched television channels, said Coen Gous, the marketing director of the corporation's air-time sales unit.

Uncertainty about channel format changes and falling and fragmenting television audiences contributed to the increased radio revenue, Gous said.

"Media planners and buyers felt secure with the stability of our radio audiences," Gous said.

The strongest growth, he said, was recorded by Cape Town's Radio Kfm, whose revenues shot up 84 percent.

Other strong performers were East Coast Radio, which recorded a 54 percent rise, Radio Metro with a 46 percent increase, and

Radio Jakaranda, up 41 percent. Gous said major radio advertisers, such as Edgars and SAB, had increased their spends markedly in recent months.

Industry sources speculated that the release of the figures may also have been calculated to stimulate interest in radio stations, such as Jakaranda, that are being put up for sale.

"The SABC is counting on getting a very high price indeed for Jakaranda," one source said.

## Shout

"Some would say unrealistically high, so they will be very keen to shout its attractions from the rooftops."

Gous said improved formatting of the radio stations played a part in their performance, as did the cost effectiveness of the stations represented by his unit.

"An average 30-second flighting comes in at under R300 — and this for a portfolio of 22 stations which reach 24,5 million listeners every week," he said.

# IBA accused of 'controlling' as NP did in the past

Star 16/4/96

(260)

BY CHERYL HUNTER

The Independent Broadcasting Authority (IBA) should use less stick and more carrot in their approach to regulating private radio stations. This was the opinion voiced in presentations at the authority's hearing yesterday.

Primedia News Director Chris Gibbons accused the IBA of behaviour similar to that of the National Party when it still controlled SABC broadcasts.

Responding to an IBA suggestion that regulation was needed because there was, for instance, little or no news from Africa broadcast in South Africa, he responded: "If the audience wants news from Africa then yes, we will provide it, but do you just think this is a good idea so we ought to cover it? Then you are doing the same thing the National Party did - you are telling us what we must broadcast."

This set the tone of the hearing

with presentations concentrating on the "democracy of the dial" - if private radio stations weren't providing what listeners wanted, they would tune out, losing the station advertising revenue and profits.

"The regulator of private radio is the listener" was the view of

## Six additional licences for radio stations to be granted

both Primedia and Solid Gold, who made their presentations at the hearing.

The IBA will grant six additional licences this year for private or commercial radio stations, as opposed to community and public service stations, in addition to the six SABC stations currently for sale.

The competition is fierce and contenders believe the regulations suggested by the IBA in a discussion document released in March will damage the prospects for a viable radio industry through the "heavy touch" of the authority.

Primedia Broadcasting chief executive officer Stan Katz said he believed the commercial radio stations would be over-regulated.

"It will be fatal if we don't have room to manoeuvre to meet the changing needs of the market place," Katz said.

"Radio 702 started out as a music channel, but changed into talk radio to meet the diverse needs of its listeners," he said.

Primedia and Tony Sander's Solid Gold both presented the case for having more voices on the airways to ensure diversity and truthful, accurate news.

Worried about an IBA suggestion on limiting advertising time, Katz said this was the lifeblood of a station and could damage their

long-term viability.

"The more advertising, the more the audience switches off and channel-surfs. That's what keeps the balance and forces the industry to regulate itself," he said.

Solid Gold's Gavin Kennedy said the IBA was confusing the

## Too many ads the cause of channel surfing

public service broadcaster with private radio.

"The public service broadcaster has to fulfil certain obligations because they are not taxed, but we need to make profit."

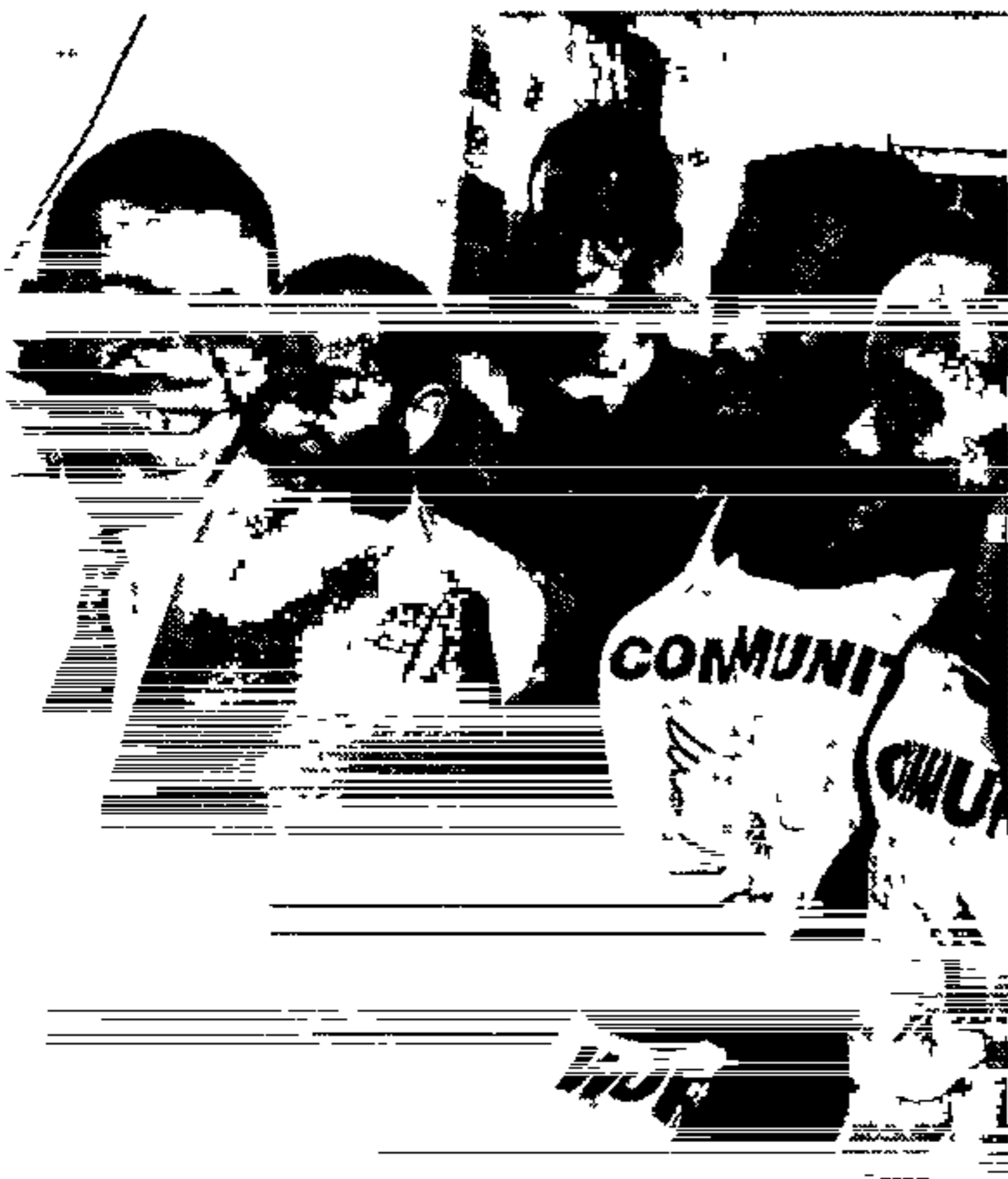
"You talk about social responsibility, but what about entertainment too?"

Hearings continue today



Europe	DM/\$	Currencies	R per \$	R per \$	Lon PM	R/oz	Lon PM	R/oz	Lon close	R/oz

REPORTS Business Day Reporters, Own Correspondents, Sapa-AP-AFP-DPA, Reuters, AP-DJ  
 EDITORIAL OFFICES  
 and started eating them.



Sydney Mufamadi discusses community policing efforts in Daveyton on the East Rand yesterday. Members to develop local strategies. Picture GARTH LUMLEY

# SABC backs language regulations for radio

Ingrid Salgado

(200)

17/4/96

THE SABC came out in favour yesterday of stringent regulations governing language obligations for private radio stations, but at the same time urged the Independent Broadcasting Authority to refrain from overregulating.

In a submission at the IBA's second day of hearings on regulating private radio, the SABC said the authority should specify in private broadcasters' licences how much time they should devote to languages other than English and Afrikaans.

Alternatively the authority should stipulate that a portion of the 12 new private radio licences to be issued later this year would go to stations broadcasting the other nine official languages, a written submission said.

However, SABC radio chief Govin Reddy told the hearing the IBA should not be "too prescriptive" when determining broadcast languages for stations. Instead, it should provide incentives, he said.

The IBA had earlier proposed grant-

ing rebates on annual licence fees to private stations broadcasting in a second language other than English. The SABC said this would not ensure sufficiently that private broadcasters contributed to all official languages.

The corporation recommended that Afrikaans be excluded from incentives since it had been as privileged a language as English in the past.

IBA councillor Lyndall Shope-Mafole said all languages other than English should be afforded special protection, but the authority would probably target only previous unofficial languages and marginalised African languages.

Reddy warned against restricting advertising time on public radio. The SABC needed to be free to "compete aggressively" for advertising.

He said the corporation believed private radio regulations were not directly relevant to the SABC in most respects. However, the SABC's written submission asked that all conditions applying to private radio should apply to the SABC's two commercial stations.

## cleaning contract terminated

A Durban newspaper quoted Zulu as saying he had terminated the services of Snellers as pupils should clean their own schools — "just like black pupils were doing all along". KwaZulu-Natal union chairman Edwin Pillay said the state should consider employing the cleaners directly, and Zulu's comments were "callous and racist".

## Metlife

Continued from Page 1

negotiations. "Nail has come into the consortium as an equal partner along with all the other black empowerment organisations which are members and guidelines have been agreed upon for the future working of the consortium."

Nkuhlu said options were being considered on how Johnnic's assets, which include stakes in SA Breweries, Premier Group, Toyota SA and Omni Media, would be dealt with if the bid was successful. Certain restructuring and some sales could occur.

Meanwhile, SACP secretary-general Jeremy Cronin said there were risks involved and potential conflicts between workers and the management and ownership function.

National Union of Metalworkers of SA general secretary Enoch Godongwana said a distinction was needed between ensuring workers controlled where their pension and provident fund contributions were invested, and the move by unions to become company shareholders. He said his union had adopted a cautious approach. Such a move could have a long-term effect on

the labour movement's character and could lead to its bureaucratisation.

National Council of Trade Unions (Nactu) general secretary Cunningham Ngcukana said Nactu would ensure that instead of empowering a few individuals, unions would be empowered as institutional organisations.

Tim Cohen reports Cosatu has reacted cautiously to ANC secretary-general Cyril Ramaphosa's decision to join Nailwhile the DP warned of possible conflicts of interest. Cosatu said it regretted Ramaphosa's decision because his trade union experience meant he would be well placed to "champion our cause in Parliament". While it supported the need for economic empowerment, Cosatu favoured genuine majority empowerment "as opposed to the current situation in which only the elite benefit". Cosatu hoped Ramaphosa's move did not imply the ANC was endorsing only one black business venture.

DP adviser Robert Defmarais said if the Johnnic deal went through, Ramaphosa would be expected to resign any formal ANC position as there would be clear conflicts of interest. Perceptions of the impartiality of Johnnic's media interests could be affected as well as the integrity of news gathering.

ANCE:  
 ERS  
 AN'S STATEMENT

# Power dips cost SA industry R1,2bn

BD 17/4/96

(55) (260)

Nicola Jenvey

DURBAN — Power dips cost SA industry R1,2bn a year, representing about 10% of Eskom's sales.

Key customer relations manager KwaZulu-Natal, Hugh McGibbon, said voltage depressions were caused by lightning, burning of sugar cane or veld fires near transmission lines and failures at plants. The US incurred losses of R102bn or 12% of total sales.

Eskom measured voltage dips at 130 locations on its high voltage transmission network

Eskom and the National Electricity Regulator were drawing up acceptable supply standards.

The real cost of delivery of underground cabling would rise tenfold, while coal transportation costs discounted building power stations in KwaZulu-Natal

The province experienced about 46 power dips annually compared to the Northern Province at 55, Eastern Cape 48, Mpumalanga 44 and Gauteng 23.

Eskom recently completed a R39m project to replace insulators on coastal KwaZulu-Natal lines



# IBA delays Rapportryers' presentation

Ingrid Salgado

THE Independent Broadcasting Authority (IBA) averted court action yesterday when it agreed to a request by Afrikaans lobby group Junior Rapportryers to postpone Rapportryers' presentation at the start of public hearings on licence amendments to the SABC's three television channels.

Lawyers for the group earlier told the IBA they would not hesitate to take the matter to court for review if the broadcast regulator refused a postponement. They complained the Rapportryers had not been given sufficient notice of when the hearing was to take place.

But the IBA, together with

the SABC, is set to battle the Rapportryers in court on a similar issue.

The group has charged that the SABC is contravening its TV licence conditions, and has also challenged the constitutionality of further proposed language changes to the corporation's three stations.

The group also claims that the IBA authorised the alleged licence contravention.

The Rapportryers' legal representatives said the group should halt the court action should 27% of air time on SABC1 be devoted to Afrikaans.

Thus, they believed, could be settled by the IBA after the hearings were concluded.

The Rapportryers were not

a group of people throwing their toys out of the cot because of a new dispensation.

The group wanted to be heard as a body of Afrikaans-speaking youngsters, although it wanted to be part of the new SA and admired President Nelson Mandela.

The Rapportryers would not "pick up the account" of elders who had politicised the Afrikaans language.

IBA co-chairman Peter de Klerk agreed to a postponement of the group's presentation but said a new date should be set "very urgently".

The Rapportryers insisted the postponement was not a delaying tactic.

Attorney Johann van Huys-

steen said the Rapportryers wished to call witnesses to the hearings to give evidence on the geographic, demographic and technical implications to Afrikaans of the SABC's proposed changes.

Population distribution, linguistic and communications experts would be called.

It was possible the group would request the IBA to subpoena SABC board chairman Ivy Matsepe-Casaburri and SABC CE Zwelakhe Sisulu.

Van Huyssteen said the 11 official languages should have equal treatment in terms of the IBA Act and the interim constitution. It recognised that Afrikaans languages needed to be uplifted but this should not occur

at the expense of Afrikaans

(260) 18/4/96

# Minister Naidoo reveals strange case of R1,4-m retrenchment funds at Capital Radio

(260) Star 18/4/96

**BY JOVIAL RANTAO**  
Political Reporter

The managing director, financial manager, a tea lady and a messenger at the Eastern Cape's Capital Radio received almost 95% of the R1,4-million meant to fund retrenchment packages for about 36 staff members.

The discrepancy has been

unveiled by Post, Telecommunications and Broadcasting Minister Jay Naidoo, hardly two weeks after he took office.

Staff at the station, which the Independent Broadcasting Authority has recommended should be sold, have threatened to go on strike after the non-payment of their March salaries.

Naidoo has requested the of-

ice of the auditor-general to investigate the circumstances behind the non-payment of staff.

The Ministry of Post, Telecommunications and Broadcasting said the Eastern Cape government transferred the remainder of the Capital Radio budget - R1,4-million - to the station in December last year.

The transfer was requested

by management at the radio station who wanted to use it to fund retrenchment packages.

"It has emerged that the retrenchment packages to the value of R964 181 were paid to only four employees, including the managing director, financial manager, a tea lady and a messenger," the statement said.

The ministry is involved in

talks with the Eastern Cape government, the national Ministry of Finance and the Department of State Expenditure to address the outstanding payments owed to Capital Radio staff.

"If there's any misappropriation of funds or misconduct by any officials at Capital Radio the law should deal firmly with those involved," Naidoo said.

# SABC 'will not demean any language'

BD 18/4/96 (260)

Ingrid Salgado

THE SABC undertook yesterday not to demean any of the 11 official languages in its broadcast coverage and insisted that proposed language changes to its three television channels would enable all languages to be represented more fairly and equitably

SABC acting broadcast chief Jill Chisholm was speaking at the start of Independent Broadcasting Authority (IBA) public hearings on an SABC application to amend its TV licences

The SABC has requested that SABC2 cater for English, the Se-

sotho group of languages and Afrikaans, that SABC3 provide a programming mix of material predominantly in English; and that SABC1 broadcast primarily in the Nguni family of languages

It has also requested changes to its signal distribution network so as to target different language speakers more accurately

The hearings come after the IBA squashed SABC plans to relaunch its TV channels in February in the proposed mix of languages. The IBA insisted that the amendments could be considered only once national hearings were held on the matter

The broadcast regulator's ruling forced the SABC to amend the relaunch

SABC CE Zwelakhe Sisulu told the hearing the SABC was aware that languages which were "commercially viable" could receive more exposure than others. There was a danger of responding to commercial interests

The SABC's coverage of marginalised languages was "only the beginning", he said. However, there were financial limitations.

Chisholm said the SABC was to move towards greater multilingualism that entailed greater flow between languages

# At last, SABC names its new top dogs

(260)  
By WALLY MBHELE

ep 21/4/96

AMID INTERNAL mumblings and rumblings about the pace of transformation, the SABC this week finally announced senior appointments aimed at a major shake-up of its television news coverage.

The SABC confirmed on Friday that the current editor-in-chief of TV news, Jill Chisholm, has been appointed chief executive of TV news – and her deputy, Joe Thlooe, editor-in-chief. Specialised political correspondent Phil Molefe becomes political editor.

While Thlooe's appointment has been predicted for some time, Molefe's rise to a position of enormous responsibility has come after months of internal bickerings.

Political editorship has been a fiercely contested area in the SABC. Inside sources say there have been disagreements among senior officials about whom to appoint.

The candidates included *Sunday Independent* political correspondent Esther Waugh and former SABC senior political journalist Sefako Nyaka, who is now press secretary for Gauteng Premier Tokyo Sexwale.

Others included *Beeld* deputy editor Tim Du Plessis and *Sowetan* political editor Mathata Tsedu.

Molefe studied at the Thompson Foundation for the Study of Journalism in Britain. Named 1991 Education Reporter of the Year, he was deputy news editor of *The Star* before joining the SABC shortly before the 1994 general elections.

He will be the SABC's first black political editor.

# IBA could be strongest airwaves watchdog

Ingrid Salgado

THE Independent Broadcasting Authority was probably the most powerful broadcast regulator in the world as it had to formulate airwaves policy which fell outside the ambit of regulators in other countries, IBA councillor Lyndall Shope-Mafole said yesterday.

Foreign countries' broadcast ministers tended to have review powers over regulators, but this was not the case in SA, she said at a telecommunications and broadcasting summit in Johannesburg.

When the IBA granted licences to broadcasters, this became law although the authority could be challenged in court on the decisions it made.

The IBA had been forced to formulate policy on "many issues which should have been dealt with by others", she said.

This meant that IBA public hearings to determine policy is-

sues on licensing broadcasters were vitally important, she said.

IBA co-chairman Peter de Klerk said SA's terrestrial broadcasters would have to examine the sharing of resources and the rationalisation of transmission facilities as they moved from analogue to digital technology.

They would face increased costs if they maintained analogue technology, but at the same time would fork out substantial capital in upgrading to a digital system.

Terrestrial broadcasting would remain dominant in SA for the next 10 to 15 years.

Although satellite was a "rapidly maturing adolescent" internationally, it remained an infant in SA, he said.

The IBA had recognised the inevitable growth of satellite broadcasting, and had granted interim consent to satellite broadcasters to operate until the authority was able to formulate satellite broad-

casting policy.

De Klerk said responsible, balanced and sensitive regulation for both terrestrial and satellite broadcasting was needed at this stage. The IBA would consider placing advertising restrictions on satellite, if in the public interest.

SABC deputy CEO Gert Classen said the SABC was "more and more convinced" that its decision to opt for analogue technology for its satellite channels was correct. Analogue would remain the cheapest technology for consumers for a "long time to come".

He denied the SABC was introducing "old technology". The quality of analogue and digital signals was on an equal footing and analogue had a low entry cost.

The SABC would introduce its six-channel satellite pay-TV bouquet this October, preceded by the launch of two free-to-air channels next month and two other free-to-air channels later this year.

(260) 100 23/4/96

# Broadcasting industry fearful of IBA proposals

BD 23/4/96

(260)

Jacqueline Zaina

THE Independent Broadcasting Authority (IBA) proposals to regulate the radio industry, including restricting advertising and sponsorship, could jeopardise the sale of the SABC stations, which the authority is overseeing.

SABC radio CE Govin Reddy said that bidders might have been made more wary by the IBA's intended regulations, which would affect the profitability of all radio stations.

However, he said that potential buyers should assess the value of the stations on the basis of the scarcity of commercial licences being made available. The IBA would be granting only 12 commercial licences, six of which would be for stations currently being sold by the SABC.

A spokesman for Investec, which is managing the sale of the SABC stations, said the IBA proposals to regulate the radio industry would remain an issue for potential buyers of the SABC stations, until the authority clarified its intentions.

He said Investec had discussed the proposed regulations with the bidders, who generally agreed that the IBA should withdraw them.

Sources close to the bidding process said that prospective buyers had no way of determining the financial viability of the stations, as they had not yet been allowed to conduct due diligence audits. With final bids expected to be placed by May 5, buyers were in the dark when it came to valuing the stations.

Private broadcasters, in response to the IBA proposals contained in a discussion paper on private sound broadcasting, presented a case for "light touch regulation" last week. Primedia Broadcasting, which owns Radio 702, said the authority risked damaging the prospects for a viable radio industry through the "heavy touch regulation" it proposed.

The IBA said it was considering placing limitations on the amount and nature of radio advertising and sponsorship in order to serve fair competition, economic viability and the public interest.

It proposed setting a maximum limit on advertising time of between six and 13 minutes an hour

and restricting advertising during prime time.

In terms of sponsorship, the IBA proposed that no promotional reference to any sponsor or to any product or service should be allowed within programmes to ensure editorial independence of the broadcaster.

The authority also said it was obliged to ensure that broadcasters provided regular news services, in terms of which diversity of news sources and job creation would be considered in the assessment of licence applications.

Licences would be granted on the basis of format and language to promote a diverse range of broadcasting services.

Primedia expressed concern that this would limit commercial operators' room to manoeuvre to meet the changing demands of the marketplace.

Radio Metro station manager Zolifile Mapipa said the proposed restrictions on advertising would kill the industry. "As a commercial station, our mandate is to make money. The IBA's intention to regulate advertising would chase business away. It does not augur well for the radio industry," he said.

Reddy said that, in the short term, existing stations which had established advertising bases, such as those being sold by the SABC, would be harder hit by the proposed limitations on advertising. It would take new commercial stations some time to build up advertising revenues before they were affected by upper limits on advertising time.

"While I think the IBA's objective to redistribute adspend to other stations is a noble one, whether it is achievable is questionable," he said.

He said the IBA was trying to level the playing fields to ease the entry of new private broadcasters into the sector.

Although the SABC in principle was opposed to overregulation, it agreed that there should be a high degree of intervention initially to facilitate the entry of new players into the broadcasting arena. He hoped that the regulations would be reduced, as the industry evolved.

Primedia news director Chris Gibbons said it was uncertain whether any "overflow" in advertising currently going to the established stations would filter down to the new stations, as they would have to prove themselves before winning the confidence of advertisers. Advertising people were professionals who researched the alternative media types and placed adverts strictly on the basis of credentials, he said.

Gibbons said advertising on the new commercial stations was expected to get off to a slow start. The fixed inventory nature of the business meant that heightened demand for airtime on existing stations could drive up rates, contributing to media inflation and ultimately to greater costs for the consumer.

David Blood, an aspirant private broadcaster, said that in some overseas countries, public broadcasters were not permitted to carry advertising. He advocated that only the public broadcaster and community stations, which could also rely on community involvement for income, be regulated.

The IBA's proposed regulation of commercial stations, which relied on advertising as their sole source of revenue, could leave private broadcasters in serious financial difficulty, Blood said.



## Financial future of community radio shaky

Ingrid Salgado

(260)  
BD 24/4/96.

A QUESTION mark hung over the future viability of community radio broadcasters since there was no mechanism in place to ensure their financial sustainability, Freedom of Expression Institute executive director Jeanette Minnie said yesterday.

SA needed a strong media diversity trust to ensure the broadcasters' survival and to provide technical training and management skills, Minnie said after a telecommunications and broadcasting conference.

The newly restructured Independent Media Diversity Trust — established in the mid-1980s to assist the

alternative Press — was well placed to manage a fund for community broadcasters and newspapers.

The trust had rid itself of its former image that it operated to the exclusion of community media, with its primary focus now directed towards community media funding.

Australian Broadcasting Authority member Tim O'Keefe warned that a fund should, from its outset, be non-political. The alternative would lead to funds being channelled only to broadcasters that supported the dominant political view.

He said SA had made great strides in regulating the airwaves in a short time.

## Suitors line up for the jewel in SA broadcasting

(26) CT (BR) 25/4/96

BY FIONA LENEY

Johannesburg — Rather like the veiled bride at an arranged marriage, the long-promised licence for South Africa's first "regular" television channel is drawing suitors from far and wide, eagerly vying for what they hope will prove to be the jewel in new South African broadcasting.

Two big players have already declared their hands and more are expected. Quentin Green, the former chief executive of SABC television, said last year he had assembled a consortium — widely thought to include Australian media tycoon Rupert Murdoch — to bid for the licence.

Yesterday, a group led by Thebe Investments and including Murdoch's great rival, Kerry Packer, officially stepped into the ring.

The danger lurks, however, that like the bride, the licence terms, to be unveiled by the Independent Broadcasting Authority next year only, may prove less attractive than hoped.

The prize on offer is big — a large slice of the viewing public in a growing television advertising market, worth R40 million last year. But so are the pitfalls, according to media analysts.

They cite the fundamental conflict between meeting the social and community commitments which the IBA will impose, and the need to make the new station a commercial success — particularly if foreign backers, impatient for returns, are involved.

And a foreign stake, albeit with an IBA-imposed ceiling of 20 percent, is likely to be necessary to get any successful bid off the ground. Foreign expertise in regional broadcasting — a major component of any new station, and in selling local productions abroad to generate extra revenue, is seen as vital.

The IBA has already made it clear that it intends to impose a minimum — probably 30 percent — of local programming, which costs about R8 000 a minute to produce, compared to R800 a minute for bought-in material. The IBA will also

require more than a 24-hour diet of sport and entertainment, according to one media analyst.

"Thebe, by its choice of Packer and his sports television interests, has made a strategic error," said the analyst.

"Thebe has assumed news will be secondary.

"But the IBA is going to insist on the importance of news. It wants comprehensive programming," he said.

Although it would be difficult to make money from a mix of education and entertainment on the station, it should not be impossible, however.

Industry sources believe South Africa's traditionally low level of television advertising spending is set to rise, stimulated by the country's return to the international financial community, and changes within the television industry.

An IBA investigation into the pay-channel M-Net is imminent, according to sources.

Such a hearing could result in M-Net's "open time" — the period each day when the channel can be received without a decoder — being removed.

This is one of the channel's prime advertising times, and its loss could drive advertisers into the arms of a new, openly available terrestrial station.

"The new licence is very valuable, as much as anything, because there is no prospect of another one being issued," said the analyst.

"Also, outside investors eyeing South Africa are aware of how influential commercial terrestrial television is in other countries, and they are keen to get in early here."

But whether South Africa, in the form of the IBA, was so keen on foreign media moguls, was also doubtful, he added.

"Murdoch is resented for what he did over bidding up World Cup Rugby rights and pushing up the cost of television sports rights in general. He is also on record as busting every regulator he has come across. Packer has a similar reputation.

"I don't think their inclusion in consortia will improve their partners' chances," he said.

## SABC approves 12% increase for permanent staff members

May 25/4/96

(260)

The SA Broadcasting Corporation has approved a 12% across-the-board increase for permanent staff for the 1996/97 financial year, the broadcaster said yesterday.

SABC management and the Broadcasting and Electronic Media and Allied Workers Union agreed to a 10% increase, backdated to March 1, to be readjusted to a 12% increase from May 1.

Housing subsidies were increased by between R100 and R150, backdated to March 1.

The SABC and the Media Workers Association of SA agreed to a 12% in-

crease on basic salaries from May 1 and a housing subsidy increase of between R100 and R150 backdated to March 1.

Negotiations with the SA Union of Journalists were not yet complete.

Other conditions of service would be negotiated in a forum representing SABC management and the three unions and would be included in the 1996/97 budget.

Non-affiliated members would receive a 12% increase effective from May 1 as well as increased housing subsidies which will be backdated to March 1. - Sapa

NEWS POLITICS

# Someone blundered badly at the IBA

*Sowetan 25/4/96*

**By Rafiq Rohan  
Political Correspondent**

SOMEONE at the Independent Broadcasting Authority has blundered badly and political parties in Parliament are not amused.

One of the people allowed to function as a councillor has not officially been appointed to the position by President Nelson Mandela. This

means that Ms Lyndall Shope-Mafole should not have been allowed to vote on important decisions that might have been taken.

If, for instance, the IBA took decisions about the granting of radio or TV licences, it would open itself to legal action.

"This is a very serious issue that we cannot treat lightly," Mr Marthinus van Schalkwyk of the National Party said at the portfolio committee on commu-

nications in Parliament yesterday. The announcement by IBA chairman Pieter de Klerk that Shope-Mafole's appointment had not been ratified by the President, clearly came as a surprise to all political parties present.

The ANC, IFP and NP demanded that the matter should be sorted out by the end of the week.

"All decisions that were taken at meetings could be declared illegal," a

clearly upset Van Schalkwyk said. "This situation is very serious," Melanie Verwoerd (ANC) said and suggested that the committee needed a written report from the IBA explaining the *faux pas*.

De Klerk appealed to the committee to give him till next Friday to sort the matter out.

Contacted by the *Sowetan* yesterday Shope-Mafole said that the political parties were correct to be outraged

but they had to contextualise the situation. Her name, she said, was recognised by the IBA at the time when the a new minister was appointed to head Post and Telecommunications.

However, she did not think that the situation was too serious. "There's just a delay and I hope that the President will appoint me."

She said that she had been involved in meetings where important decisions were taken.

# Unions challenge Eskom privatisation

(260) Renee Grawitzky

BD 29/4/96

COUNTRYWIDE anti-privatisation marches by thousands of National Union of Miners (NUM) and National Union of Metalworkers of SA (Numsa) members take place today — as part of a prolonged programme of action — to ensure the restructuring of Eskom and the broader electricity supply industry remains in state hands.

Joint Numsa and NUM action today is intended to oppose any form of "privatisation in the name of restructuring and to draw attention to the fact that restructuring is going on, on the quiet" at Eskom behind government's back.

This action follows a number of proposals by the national electricity regulator that electricity distribution be taken away from Eskom and that an independent company distribute and ensure payment of electricity.

Numsa said the campaign was to ensure that the electricity supply industry remained a national asset and that Eskom be given a permanent licence to "generate, transmit and distribute electricity throughout SA".

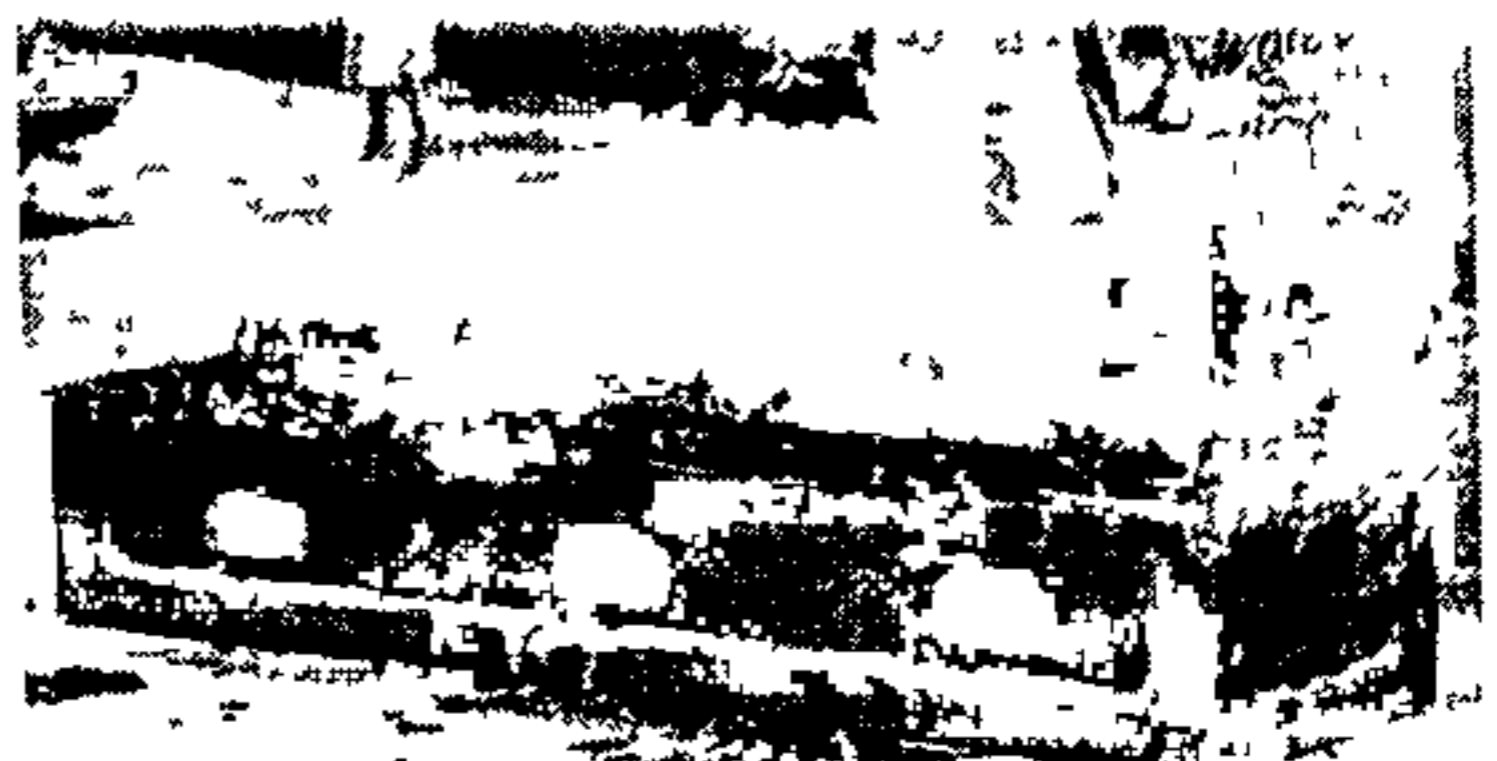
The launch of this campaign comes in the wake of the failure of the national electricity regulator to carry out its mandate from both the Cabinet and the national electrification forum, Numsa said. Instead the union said it requested government to appoint the electricity working group of employers to design the future model of the electricity supply industry.

The NUM said: "We also want to see an immediate change in the management board of Eskom. It is dominated by the 'old guard' and it is time for real change to bring Eskom in line with the new SA."

Meaningful influence by trade unions had been removed, the union said, because conservative elements in the management board and structure had "taken over".

The union said the planned selling of power stations to private owners was being done under the pretext of introducing competition. If electricity demand warranted recommissioning stations, Eskom should recall thousands of retrenched workers.

The selling of all support services should be stopped immediately and restructuring of Eskom should instead focus on "efficient delivery of affordable electricity", the NUM said.



Southwestern Joint Civic Association Women's League members, top left, protested outside the SABC's Johannesburg offices at the weekend over the "poor" portrayal of the coloured community on television. SABC spokesman Ken Modise, lower left, received a memorandum from association representative Alice Mybergh, while police tried to put out the flames consuming a coffin set alight to symbolise the death of television in SA. Picture ROBERT BOTHA

## Dissent over TV portrayal

Nomavenda Mathiane  
 29/4/96  
 SIMUNYE means equal air time, a group of southwestern joint civic association women's league members told SABC spokesman Ken Modise at a protest held outside the SABC building on Friday.

The coloured women, who proclaimed that television in SA was dead, set a coffin alight at Artillery Road, in front of the SABC TV centre, before handing Modise a memorandum.

They said they did not want coloured people to be portrayed as "skollies, drunkards and wife beaters", and wanted the SABC to project them in a positive light.

Meanwhile the Johannesburg Tenants Association (Jota) yesterday led a march to Gauteng safety and security MEC Jessie Duarte's office in Braamfontein to protest against landlords' treatment of tenants. Jota president Zack Mankge said the memorandum to Duarte was to highlight discontent at collusion between police and landlords. He said Jota had proof police were siding with landlords and refused to carry out court orders.

# SA denies launching an initiative with Libya

Tim Cohen

CAPE TOWN — The foreign affairs department has denied SA had launched a new bilateral initiative with Libya in relation to the Lockerbie air disaster.

The department said that Foreign Minister Alfred Nzo had simply endorsed the compromise proposals put forward by the Organisation of African Unity (OAU).

Reacting to allegations that SA's position on Libya had been one of the reasons for the collapse of the rand, foreign affairs spokesman Pieter Swanepoel said, contrary to perceptions, SA had not launched any new initiatives in relation to the Libyan situation.

The joint statement released after the meeting between Libyan leader Col Muammar Gaddafi and Nzo had merely reiterated the position adopted on the issue by the OAU at its meeting last year.

Reports on the statement gave the impression SA was launching a new initiative because the link with the OAU position had been omitted. This impression was incorrect, Swanepoel said. The issue had been presented out of context.

He said the history of the interaction was Libya had accepted a compromise which would deliver the two suspects in the bombing of the Pan-Am aircraft over Lockerbie in 1992 to the International Court of Justice in The Hague for trial under Scottish law.

The proposal had been rejected by the US and Britain and as a result the issue had become deadlocked.

The OAU subsequently established a pressure group which proposed support for the lifting of sanctions and the holding of a free and fair trial either at the International Court of Justice in The Hague or any other "neutral venue".

SA accepted the legal maxim that a party can be punished only for a crime if it was proven beyond doubt through the process of law it had committed that crime.

Consequently it supported the OAU's position and SA had gone no further than to reiterate this position in the statement issued after Nzo's meeting with Gaddafi.

Also, SA had not endorsed Gaddafi's claims on development of a chemical weapons plant in Libya. It mentioned only that Nzo had raised the allegations and noted Gaddafi's denial.

Swanepoel said Nzo had visited a number of north African and Middle East countries during his recent trip, including Iran, Tunisia and Egypt, where an African nuclear free zone had been established.

Nzo had spent a total of one and a half days in Libya during the three-week tour.

Swanepoel said Nzo's trip to Libya was long overdue.

Gaddafi had accepted an invitation to visit SA, but no dates had yet been set for the visit, he said.

## Economy

Continued from Page 1

increase in Bank rate on it not make much difference. "Economies in situ have had to implement increases in interest rates. Rates went to 600% from 9% den, interest rates went to

He applauded the fact of urgency had developed. "There is a sense that government's response to the crisis" He nouncements on privatisation change controls were also store faith in SA's economy.

German-owned West Bank spokesman Chris Ke Bank rate increase would positively "But it is not enough to appreciate the broader concerns for remained exchange contro

## Attack

Continued from Page 1

democracy", he said.

A non-ANC source close to the committee, chaired by Constable Minister Chris, no progress had been made. A stand-off had developed between ANC and IFP representatives.

The ANC's Mike S said he was adamant that elections would be held or staggered, while the IFP insisted that it be held out of the province on May 2.

The source said the prevailing "divided opinion" being expressed by President Nelson Mandela.

# BopBC won't let go the reins

(260) M+G (MM) # 29/3-3/4/96



Without financial back-up and in defiance of Parliament and the IBA, BopBC is going it alone, reports **Jacquie Golding-Duffy**

**W**ith only days to go before the Bophuthatswana Broadcasting Corporation (BopBC) is obliged to integrate with the SABC, the broadcaster, once the mouthpiece of Lucas Mangope, is defiantly going it alone, outside of the Independent Broadcasting Authority's (IBA) recommendations and in defiance of Parliament

Central government funding is cut off. The Ministry of Posts, Telecommunications and Broadcasting refuse to give BopBC a single cent. The IBA stands by its recommendation that all Transkei, Bophuthatswana, Venda and Ciskei (TBVC) broadcasters integrate into a single national public broadcasting service.

The SABC supports this. Parliament has approved the IBA's recommendation of integration, and even the African National Congress's National Executive Committee apparently sent a representative to persuade BopBC to give up its fight.

But the queen bee of BopBC, acting chief executive officer Cawe Mahlali, is holding on tightly to the station.

At present, Mahlali holds the microphone for solo singer, North West Premier Popo Molefe and back-up vocalist, province MEC for broadcasting and media, Dr Paul Sefularo.

This week, Mahlali twice slammed down the phone on *Mail & Guardian* enquiries about the issue of integration. However, she is believed to be taking full advantage of alleged loopholes in the IBA's Triple Inquiry report and is refusing to integrate under a single national broadcasting service.

Mahlali's six-month contract is supposed to expire at the end of March, but BopBC staffers say she is not clearing out her office and seems to be "permanently settled". She left her corporate affairs management position at M-Net to take up the six month contract at BopBC.

**L**eslie Xinwa, chairperson of the Joint Integration Management Committee established last October by the IBA, approved by Parliament (after the IBA report was released) and responsible for overseeing the integration process, said BopBC "has become a political issue".

"The issue of BopBC has become political and we have done everything that we can to facilitate the process," Xinwa said.

He said Minister Palo Jordan had to "step in to deal with the issue", since there was no sign that BopBC was going to budge towards integration.

"We believe all the assets of these former homeland broadcasters to belong to the state and to the national public broadcaster, who needs it to satisfy its broadcasting requirements, but there is nothing we can do to ensure that BopBC be included in the process."

Sources on the committee say Mahlali specified at a meeting held a couple of weeks ago that she was only prepared to give the SABC, at her discretion, what assets she believes it needs and she intends to keep the



**Palo Jordan: 'If some choose not to integrate they must live with the consequences'**

PHOTO: NAASHON ZALK



**Popo Molefe: 'Many groups are interested in BopBC'**

PHOTOGRAPH: RUTH MOTAU



**Cawe Mahlali: No comment**

PHOTOGRAPH: HENNER FRANKENFELD

rest of the assets, especially the television station, for the province.

Minister Palo Jordan says he has "no legal instruments" at his disposal to compel broadcasters to do anything they did not want to do. "We encourage all the ex-TBVC broadcasters to integrate to form one national broadcasting system and if some choose not to take that course, they have to live with the consequences of that," Jordan said.

The Joint Management Committee said the integration process of TBVC broadcasters was supposed to be completed by the end of this month. However, aside from BopBC, the committee could not finalise the process with regards to the other three broadcasters because of the

failure by government — especially the Telecommunications Ministry — to give a written undertaking on paying the retrenchment packages of those people who are unable to be absorbed into the SABC.

"They [government] have not been forthcoming with the money for the 210 employees made redundant from the Transkei, Venda and Ciskei broadcasters," the committee said.

It is clear that the ministry is not going to fork out any money to BopBC and they have no money available to pay those employees made redundant. However, if the ministry was forced to choose between the two, the people who were made redundant would get the money and BopBC would be left high and dry.

With the latter a strong possibility, sources close to BopBC say the North West premier is cutting deals with private investors in a bid for revenue to sustain BopBC. If that fails — it needs funding to the tune of about R93-million a year to continue — speculation is rife that Molefe may find himself digging into the province's kitty to keep the Mahlali two-bit band on air.

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

Molefe says claims of him clinching deals with private businesses and allegations that he may dip into the province's budget are "absolute rubbish".

"These claims are being made by bastards who are intent on discrediting me and the province."

But two weeks ago Mahlali told a *M&G* journalist that she was given R54-million by the province for the coming year. She then sent out a flutter of press releases declaring BopBC back in business.

**L**ast month, the premier's representative, Willie Modise, said Molefe and BopBC were "looking at a number of options from the private sector to retain its viability" and that the premier was "keen for regional autonomy". Modise said BopBC was intending to hold on for "at least another two years".

Molefe did admit this week that he was awaiting a joint business plan from Sefularo and Mahlali, and he [Molefe] could not understand why they refuse to provide the *M&G* with comment. "Many groups are interested in BopBC, but they have not come forth with any proposals yet," he said.

Where BopBC staffers a month ago were under the impression that the station would integrate, they now have a clear indication that BopBC will not hand over the reins.

IBA representative Amos Vilakazi said President Nelson Mandela signed a law last week which gave the IBA clear jurisdiction over the TBVC states. "There is now a law in place which clarifies the situation," Vilakazi said.

"The IBA now has unquestionable jurisdiction over BopBC. This means the regulatory body can make clear-cut decisions on licencing, enabling it to grant or not to grant a licence to those broadcasters wishing to continue outside of a national broadcaster."

"We have made recommendations surrounding all TBVC broadcasters and it seems the only way to conclude the issue surrounding BopBC is by some political involvement," Vilakazi said.

He added that the IBA is responsible for regulating frequencies and if BopBC wants to continue on its own, it would have to reapply for a licence and present its case to the IBA.

Recommendations by the IBA in its Triple Inquiry report to Parliament clearly state that all television studios "should be rationalised to ensure the most cost-effective use" by the national public broadcasting service [the SABC] for "both internal production and as a revenue-generating resource through use by private broadcasters".

It also states that BopBC's external broadcasting obligations be assumed by the national broadcasting service and its facilities be used for the proposed national broadcasting satellite and external services.

# 'Hookey' councillor Viljoen leaves IBA

(260) M+G 29/3-3/4/96

Justin Pearce

STELLENBOSCH University vice-rector Christo Viljoen leaves the Independent Broadcasting Authority this week, amid rumblings from within the IBA that he rarely turned up for duty in Johannesburg although he received a full-time salary for seven months.

Viljoen, a former chairman of the South African Broadcasting Corporation—he also did that job part-time—was appointed as a councillor when the IBA was established in March 1994. He was appointed to serve the IBA in a part-time capacity on the basis of his expertise in the technical side of broadcasting and his experience with the SABC of old.

Councillors who were appointed to the IBA were given the option of full- or part-time service. Viljoen opted for part-time service owing to the demands of his top executive position at Stellenbosch.

Initially he received a full council-

lor's salary. Viljoen said he was on full salary only for the first two months of his period of office. But IBA representative Amos Vilakazi said Viljoen had continued to receive full payment until September 1994.

Viljoen said that he had received a full salary in the beginning because things were "deurmekaar" at the IBA then. He said during his first few months of office he had devoted at least as much time to IBA duties as the full-time councillors.

Salary payments to Viljoen were stopped after dissatisfaction from within the IBA that he was receiving remuneration in the same league as full-time councillors who were devoting long hours to IBA duties.

Vilakazi said Viljoen's salary was stopped at such a point that his total earnings over his two-year period of service would be equivalent to a 40% salary of a full-time councillor.

Yet while Vilakazi said the IBA was

satisfied with the way Viljoen had discharged his duties, dissatisfaction remains that Viljoen was not pulling his weight on the council.

"This year he only attended half the meetings he was supposed to", said an IBA insider.

Viljoen insists he had fulfilled his duties on the IBA, often working from his office in Stellenbosch, just as he had served the SABC first as a board member and latterly as chairman.

He said, however, that he had decided not to make himself available for a second term of service on the IBA council because "I found it was not possible to attend to my part-time duties."

Viljoen said he had never received any of the fringe benefits such as car and housing allowances which are enjoyed by other councillors. "This is not a gravy train," he insisted. But Vilakazi said Viljoen, while he was receiving a salary, had received a package of R320 000 per annum, including benefits.



# Rival unions unite to protest against Eskom privatisation

(260)  
APR 30/4/96

*Historic event sees former foes march together for a common cause*

**ESTELLE RANDALL**  
Labour Reporter

ESKOM workers from rival unions have joined forces for the first time to protest against proposals to privatise the company's electricity distributor

This comes on the eve of the call by the Congress of South African Trade Unions (Cosatu) for a general strike

Members of the Cosatu-affiliated National Union of Mineworkers (Num) and the all-white Mineworkers Union (MWU) held a joint protest in the conservative centre Bellville

The two unions approached the protest quite differently

Num members gathered early in a nearby car park to prepare last-minute placards and go through the

basic procedures to be followed during the march

"No remarks to the police, comrades - we won't stand for that.

"They are only doing their job," was one of the many instructions the hundred or so marchers got before they were allowed to make the way along Voortrekker Road, Bellville's main thoroughfare

The march, it turned out, proceeded without incident

Onlookers peered from the windows of tall office blocks or gathered at shop doorways to watch the procession

Meanwhile, the MWU had gathered outside the Eskom offices - blue and white banners aloft - chanting the name of their union

"We support them," ex-

plained an MWU member, "but marching is not in our culture"

With encouragement from the Num, the MWU mixed in with the crowd

In a show of unity, the vivas - which throughout the march had been reserved for the Num and Cosatu - were shared among the two unions

Mike Goussard, full-time shop steward for the MWU, was ushered to the front to give workers his message

"It's time we stood together," he said to enthusiastic cheers. "If we don't, we will be divided and we can't allow that"

"We all want a better life for our children and we all want to get the best out of Eskom and make Eskom the best," he said

Soon after the Num's Pius Zondo had read the memorandum outlining the workers' grievances, Cosatu secretary-general Sam Shilowa arrived

His speech was delayed somewhat by requests that he pose with MWU members for photographs

In his address Mr Shilowa said the workers' display of unity around a common grievance should translate into unity over Cosatu's dispute over the final constitution

"Workers are asking one question," he told them. "Whose constitution is it?"

Mr Shilowa said trade unions in the Federation of South Africa Labour Unions (Fesatu) and the National Council of Unions (NCU) and others agreed with Cosatu's concerns

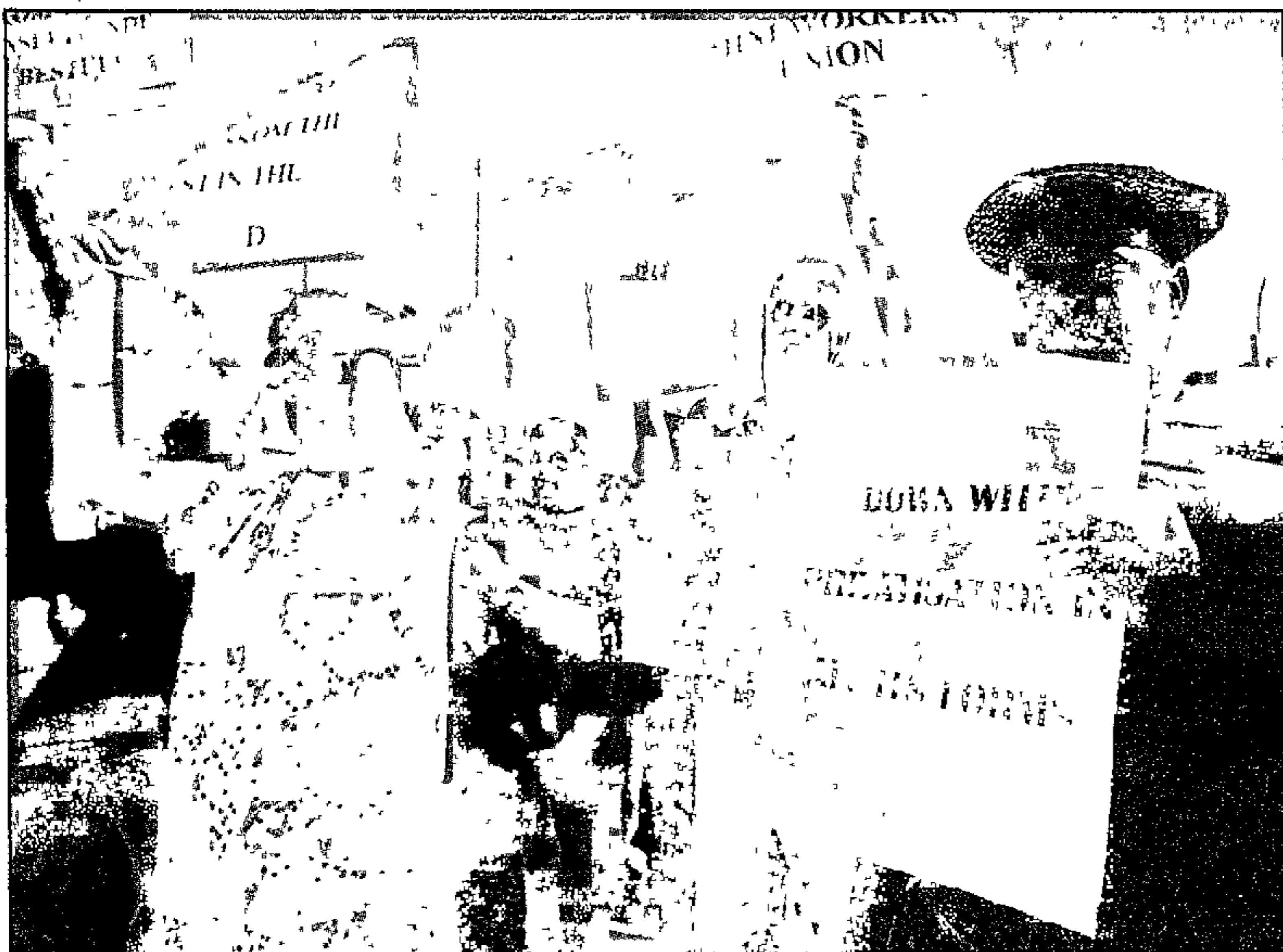
"But the key question is - what are we prepared to do?" he asked

Developing an air of suspense and confidentiality, he said he was going to share something with the audience that he had not yet discussed with his executive

He said he planned to meet Freedom Front leader Constand Viljoen to persuade him to support Cosatu's demand that the lock-out clause be dropped from the constitution

"I'm going to say to him that he was elected by white workers who don't want the lock-out clause in the constitution," said Mr Shilowa

With the workers of two rival unions standing side by side in the hot sun, Mr Shilowa's comments seemed to capture the spirit of the occasion



**CROSSING THE LINE:** Members of the all-white Mineworkers' Union join the National Union of Mineworkers in Bellville to protest against plans to privatise Eskom. This was the first time the workers had taken joint action

# 80 temporary community radio licences granted so far

Ingrid Salgado

ALL community radio stations should be required to broadcast news and would need permission from the Independent Broadcasting Authority (IBA) to use programming from network operators, an IBA discussion paper on community radio broadcasting services released yesterday said.

The paper comes ahead of IBA plans to hold public hearings at the end of next month on licence conditions for community radio. The broadcast regulator has granted more than 80 temporary community radio licences and is soon to grant four-year-long permanent licences.

The paper recommends that network operators should obtain IBA permission to provide programming to community stations. Many stations currently make use of Sapa's community radio news service, while plans are in the pipeline for Radio 702 to offer a similar service.

The IBA says community radio licences should be granted to stations that are either geographically based or that are founded on common interest. The geographic size of stations should be divided into urban, peri-urban and rural areas to ensure services are spread and accessible throughout SA.

But "community interest" stations

SD 30/4/96 (260)  
may cater for several communities spread throughout a vast geographic area.

They would provide services to communities which were linked by a particular interest.

The paper proposes that licence applicants provide proof of financial viability, and asks for a non-refundable fee of R2 500 from applicants.

The potential broadcaster should prove the station has sufficient funds to operate for at least three months after going on air, while evidence is required that further funds would be forthcoming for the station to survive for an additional three months.

The paper recommends a prohibition on dividend payments or bonuses to station members, although the authority would not prevent "payment in good faith of reasonable remuneration" to employees.

In the event of stations dissolving, assets would be transferred to other community associations with objectives similar to the stations.

The IBA said it would not normally require stations to share frequencies, but could consider this option where frequencies were limited and if it was in communities' interests to receive services from competing stations.

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# Eskom marchers protest over restructuring

Star 30/4/96 (260)

By JUSTICE MALALA  
Labour Reporter

Hundreds of electricity workers marched on Eskom offices in Bellville, Cape Town, yesterday to protest against plans they claimed management was making to restructure the parastatal unilaterally, and warned that further mass action on the issue would follow.

The action by the National Union of Mineworkers (NUM) and the National Union of Metalworkers of SA (Numsa) was said

to be the first salvo in a campaign that will include various actions at Eskom plants across the country.

Workers elsewhere in the Cape and in Bloemfontein also marched to Eskom regional offices to present memoranda on the issue.

The unions feel that privatisation is going on quietly at the parastatal, despite a freeze being put on such moves by the Government until further consultation has taken place.

Numsa said at the weekend that Eskom as a whole had to re-

main a state-owned enterprise and had to be given a public mandate to take over the entire electricity supply industry in SA.

The NUM's Thomas Sedutla said the protests were aimed at resisting any privatisation in the name of restructuring and to draw attention to what was going on "on the quiet" at Eskom.

"We also want to see an immediate change in the management board of Eskom. It is still dominated by the 'old guard'," he said. Eskom human resources direc-

tor Bongani Khumalo said the Government had not given Eskom any mandate to pursue privatisation.

"It must be stressed that all and any final decisions to do with the restructuring of public enterprises, including Eskom, are the prerogative of the Government.

"We acknowledge the perception around certain 'conservative elements' in the structures of Eskom, especially at the top, who are viewed as obstructing the process," he said.

PUBLIC SECTOR - GOVT. STATE ENTERPRISE

1996

MAY - JULY

# Claims of 'racism' rock the CSIR

*Sowetan*  
2/5/96

(260)

Scores of resignations and many more to follow in the next few weeks

By Shadrack Mashalaba

**S**CORES OF BLACK professionals are leaving the Council for Scientific & Industrial Research amid allegations of racism at the institution.

A source, who preferred to remain anonymous, has told *Sowetan Business* that black professionals in the CSIR – a state-aided research organisation – are deliberately and systematically being made to feel redundant in the organisation.

The recent resignations are said to be a tip of the iceberg as a massive exodus is expected in the coming weeks. On average approximately five professionals are said to leave the organisation every month.

#### Raw deal

The resignations at the CSIR follow hot on the heels of resignations of black professionals at the South African Reserve Bank who also felt they were getting a raw deal in that institution.

The source says there are black people who have powers such as the authorisation of cheques as low as R500, but because of structural suppression alleged to be executed by senior personnel they are impeded from exercising even such powers.

Intensifying the frustrations of black professionals at the institution is that some of them do not have job descriptions and, as a result, people come to the office and sit idle for days without being given any work by their seniors.

*Sowetan Business* has also learnt that attempts to resolve black professionals' concerns at a number of meetings – as many as five last year – proved fruitless as resolutions taken at these meetings were not implemented.

The source also claims that while they enjoy equal fringe benefits, there are still disparities based on racial lines when it comes to salaries.

Historically the CSIR has been dominated by Afrikaners until 1994 when it started embarking on a major drive to bring black professionals into the fold.

Before 1994 black workers were concentrated in peripheral positions of messengers and cleaners. Out of a total of 3 000 workers within this

parastatal, about 250 are black.

"We are treated like irresponsible kids, even when there are meetings we are not informed. You will just learn after days that there was a meeting. Even critical RDP-related conferences we are excluded – how are we expected to perform efficiently if we are not involved in decision-making forums?" asks the source.

Another within the institution says there are elements from the old order who feel threatened by the presence of black people in the parastatal.

"I do not intend moving out of the organisation because I have a mission to complete, but 'racism' is an entrenched feature of the whole structural set-up here.

"Even though they claim to have an affirmative action programme in practice it is non-existent," he said.

He adds that while there is one senior black professional, his involvement is not felt as he is overshadowed by the old guard bent on nourishing their status quo.

Attempts to reach the office of the CSIR president Dr Geof Garrett proved fruitless.

#### Allegations dismissed

CSIR media liaison officer, Amie Hunter, dismisses allegations that black staff members are leaving CSIR.

"As far as I am concerned there has never been and there is no massive exodus of staff from the organisation," said Hunter.

Initially Hunter promised to respond on Monday afternoon, but later she promised a detailed response the following day.

On Tuesday the comprehensive response to the allegations did not come, instead Hunter told *Sowetan Business* about CSIR's "employment equity" programme.

"CSIR employment equity policy enjoys wide support in the organisation, from board members to employees, and there are workplace forums in place in all operational units," she said.

She concluded by suggesting that she believed an "on-site visit" by *Sowetan Business* to discuss CSIR's policy and procedures would be an appropriate way of dealing with the employment equity issue.

# Eskom in R650m Namibian project

Robyn Chalmers

260 (25)  
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ESKOM has agreed to construct a R650m, 900km power line with Namibian electricity utility Swawek, the first such interconnection following the creation last year of the southern African electricity power pool.

The line will be constructed from the Aries substation near Kenhardt to the Auas substation near Windhoek.

Swawek MD Leake Hangala said studies showed the most viable option was to build a line which would interconnect with Eskom's network and make electricity available to the pool.

An Eskom spokesman said the parastatal believed it could benefit in the longer term from the trade of elec-

BD 3/5/98  
tricity in the region rather than from immediate financial returns.

The spokesman said the finished line would make it theoretically possible to negotiate power supply agreements with Zesco from Zambia and from Inga in Zaire. Zesco was expected to join the power pool soon.

At least one SA company would be in the running for the international tender for the line and equipment.

Hangala said Eskom and Swawek would each finance that section of the line in its own country, with Swawek's share at between R450m and R500m.

The line, with a target completion date for the first leg of 1999, would be able to transmit about 400MW once complete, but could be upgraded.

## 10 SOUTH AFRICA

# SABC hit by resignations <sup>(260)</sup>

MTC 3-9/5/96

As SABC's radio division prepares for a major relaunch, staffers complain of burgeoning bureaucracy. **Philippa Garson** reports

**T**HE departure of three senior SABC radio executives could not have happened at a worse time for the government broadcaster's radio division. Set to relaunch itself amid ongoing internal problems and looming competition from independent radio stations, the last thing the division needs is a spate of resignations, say a number of disaffected members of the corporation.

Safm head Jack Mullen, an internationally recognised radio playwright; Coen Gous, dynamic head of the advertising division, Radio Active; and Radio Xhosa manager Tembela Mhlengi have quit the service within days of each other. The resignations will compound problems for

the station gearing up to relaunch itself with fanfare in October. Staffers complain of a lack of leadership and burgeoning bureaucracy of both the "old" guard and the "new", which hinders the transformation of the division.

"The division is imploding on itself. It has not transformed properly. Nor is it capable of meeting the competition which is about to hit it," commented one insider who asked not to be named. Six of the SABC's regional stations are being sold and by the end of the year 12 new private radio stations could be up and running in direct competition to the public broadcaster.

Despite a government grant of R40-million to the corporation to get educational programming for radio and television, neither departmental heads nor staff were in place to meet the July deadline. But, radio chief Govin Reddy said the three education positions will be filled shortly.

Reddy said management was "very excited" about the "repositioning of several stations" in October, which would signal new names and

programme content for the language stations. Unlike staffers who responded with shock to the news of the three resignations, Reddy was sanguine, saying the resignations were "not really significant. We have 23 stations and only two station managers have resigned in the two-and-a-half years I've been there."

Reddy said the resignations had to be seen in their individual contexts: Mullen resigned for "a change", but was still committed to the SABC, and Mhlengi resigned because of a dispute with staff and unions at the station.

Mullen told the *Mail & Guardian* he was leaving because he "had had enough of being in management". He said he was not a "natural manager" and wanted to return to creative writing.

Colleague *Talk at Will* presenter Will Bernard said it was time "management saw the difference between managing the editorial and managing the administrative side. Creative people should not be spending their days in meetings discussing the colour of carpets."



Jack Mullen: 'Not a natural manager'

PHOTOGRAPH HENNER FRANKENFELD



Here to stay? Geraldine Bennett of *Business Day Tonight* may remain on our TV screens if the SABC enters into a new contract with Times Media Limited, but the logo will have to go

PHOTOGRAPH ROBERT BOTHA

# SABC's business barter

(260) M+G (PM) 3-9/5/96



The SABC is considering commissioning a business programme from Times Media Limited. Is this a poor reflection of the broadcaster's own economics desk? **Jacquie Golding-Duffy** reports

business show and they are paying us a fee to do this," Jacobsohn said. He adds that although there will be no commercial sponsorship of the programme, standard advertising before and after the show will continue as usual.

**T**HE SABC, with no immediate plans to develop its own business show, is considering commissioning a new business programme from Times Media Limited (TML), whose *Business Day Tonight* contract expires at the end of June.

SABC 3 general manager Louis Raubheimer says the SABC will not be renewing the contract of TML's *Business Day Tonight* — the first nightly independent business news television programme aired on SABC 3 — but will possibly be entering into a new contract with the newspaper house.

Some sources within the industry say it is the broadcaster's failure to rebuild and improve its own economic desk that has spurred its decision in favour of TML.

However, Television News Production (TNP) editor-in-chief Joe Thloloe says this is not the case. "Although there are no immediate plans to develop a half-hour business show ourselves, the SABC is in the process of strengthening and rebuilding its economics team."

But critics within the SABC are adamant that failed attempts to cover business news have forced the broadcaster to abandon plans of having a full-blown economics programme of its own.

Thloloe, however, stressed that the offer from TML is "being considered" and if it was accepted, this should not be regarded as a poor reflection on the SABC's own economics team.

Some within the SABC argue that an in-house programme would focus more on economic and labour issues and the impact the market has on the person in the street, while *Business Day Tonight* caters for the "upper strata of business and corporate people."

While there has been more business news coverage on both the 8pm and 10pm news bulletins, media observers see the role of *Business Day Tonight* as supplementing the SABC's news programmes rather than challenging and

competing with its short snippets of business news produced in-house.

Earlier plans to pull the plug on the joint venture by TML's *Business Day* newspaper and *Financial Times* (FT) Television were sparked by a SABC policy which prohibits outside sponsors from paying for the production of news and actuality programmes, as is being done by Trust Bank for *Business Day Television*.

*Business Day Tonight* was set to be ditched by the SABC after its contract expired unless it was able to get around the sponsorship issue.

According to Raubheimer the issue of sponsorship "has been sorted out".

**'We at the SABC are going to commission a programme from outside and this ensures that the editorial control lies entirely with the SABC'**

SABC, at the time, felt it was jeopardising its editorial control by allowing outside sponsorship of programmes, but agreement has been reached between TML and the SABC that the new contract will not be commercially sponsored.

"It is not a matter of adapting the sponsorship to provide for editorial control. We at the SABC are going to commission a programme from outside and this ensures that the editorial control lies entirely with the SABC," Raubheimer says.

TML electronic media director Neil Jacobsohn says although the SABC understands the "value and credibility of the *Business Day* and *Financial Times* logos", it was agreed that the show will be redesigned and the *Business Day Tonight* logo will be replaced by a generic business logo.

"The SABC is commissioning us to produce a

*Business Day Tonight* is a wrap-up of the day's business and economic news events. Besides the local news provided by *Business Day*, a tailored feed of international news relevant to South African business people is prepared daily for viewers by FT Television.

Jacobsohn says there are plans to expand the somewhat lean staff complement and generally improve the look of the show.

Raubheimer says talks between the parties are proceeding to finalise the contract price and finer details of the new contract. "A decision still has to be made as to whether the SABC is going to buy the programme as an entire package from TML or whether production is going to be in-house or outside," he said.

Jacobsohn says it is likely that TML will rent the SABC's production facilities providing the price is reasonable and that the entire business show will still be produced by the *Business Day Tonight* team.

"The contract price for a year also has to be finalised," he said.

Thloloe says there are "no immediate plans" by the public broadcaster to launch a half-hour show of its own, because it did not yet have the manpower, among other factors.

Jacobsohn says TML offered a year ago to train SABC staffers in business news coverage, but the broadcaster has failed to respond to the offer.

"We offered to train potential business reporters in the *Business Day* newsroom and the *Financial Times* has also agreed to host a couple of reporters in its studios in London, but the SABC has not yet accepted our offer," Jacobsohn said.

Thloloe says the reason for not taking up the TML offer was because the economics desk is "thinly stretched" and the SABC cannot afford to release any of its journalists for training.



# Broadcasting watchdog's power to fade

(260) Mar 8/5/96

Regulation, not policy, is to be the  
future role of the IBA as Posts and  
Telecommunications takes over

By JOVIAL RANTAO  
Political Correspondent

Jay Naidoo, the new Posts, Telecommunications and Broadcasting Minister, has announced a revamp which scales down the power of the Independent Broadcasting Authority (IBA) from making policy to serving only as a regulatory body also issuing TV and radio licences.

In his first major policy speech, he said in Johannesburg yesterday: "The IBA as a regulator has perhaps been unfairly burdened with conducting this policy inquiry at the expense of its regulatory obligations to open the airwaves to a diversity of public, private and community broadcasters."

Naidoo also announced that he had initiated discussions to fast-track the process to merge the IBA and the South African Telecommunications Regulatory Authority into a single regulatory body for telecommunications and broadcasting in line with the projected convergence of technologies.

"In accordance with the requirements to tighten our belts and in the light of the society's demands for efficiency, we're compelled to seek to merge the two bodies as soon as possible. I urge the industry and other stakeholders in this sector to present pro-

posals on the most efficacious way to achieve this objective," he said.

Naidoo added a forum had been established to co-ordinate the planned integration of former TBVC broadcasters.

He revealed that the IBA was inquiring into the granting of commercial radio licences and would then proceed with the granting of a commercial television licence.

He also presented for discussion the draft bill on telecommunications, which he said reflected the policy framework of the white paper in respect of universal service, liberalisation and regulation.

Naidoo said a strategy must

evolve which would address, among others, the traditional imbalances in the deployment of the telecommunications services.

"As Government, we are committed to addressing these imbalances by the establishment of a reliable network that will reach both rural and urban communities. Provision of universal services must relate to meeting the basic needs of our people for telephones, distance education, the Internet and the enhancement of other business systems."

He said Government was committed to partnerships that would address issues of job creation and economic growth.

**Committed  
to a reliable  
network for  
urban and  
rural areas**

# Advice to govt on restructuring soon

20 9/5/96 (260)

## Rebyn Chalmers

THE sectoral task teams looking into the restructuring of state assets would advise government on the time frames for restructuring by the beginning of next month, Public Enterprises Office head Siphoshe Shabalala said yesterday.

This follows mounting criticism about the slow progress being made on government's restructuring plans, and indications that six-a-side meetings between the state and labour had become bogged down.

There appears to have been little progress on the asset restructuring process since the national framework agreement was signed in February, but Shabalala said that much was being done behind the scenes.

"We are trying to create a new culture of co-operation between government, labour and management, which has taken time."

Shabalala said significant work had been done on analysing the effect of restructuring by the various sectoral teams and the restructuring and transformation committees. There was generally a poor level of understanding of the complexities involved in restructuring state enterprises.

However, Shabalala said, government had given top priority to accelerating the process of restructuring.

He expected Public Enterprises Minister Stella Sigau to make a significant statement on restructuring soon.

It had been agreed at a meeting of the interministerial committee

for the restructuring of state assets, held on May 1, that the finance ministry would, during the next three weeks, develop a protocol for the corporate governance of all state-owned enterprises. This was to ensure there was accountability and transparency in the management and running of these enterprises.

The restructuring process was placed under the spotlight once again this week with the announcement by Posts, Telecommunications and Broadcasting Minister Jay Naidoo that finding a strategic equity partner for Telkom was an urgent priority.

Naidoo said it was essential that government now determined the conditions under which investment by a strategic equity partner in Telkom took place.

# IBA gets taken down a notch

The IBA will no longer formulate telecommunications policies, writes **Jacquie Golding-Duffy**

**T**HE announcement early this week by Posts, Telecommunications and Broadcasting Minister Jay Naidoo that his department will take over the task of developing telecommunications policies has met with mixed response.

While some in the industry are apprehensive about the independent Broadcasting Authority (IBA) shedding this responsibility, others have

formulation and decision-making by the ministry could extend to meddling in the actual broadcasting function.

Although Naidoo gave assurances that this will not be the case, Louw argues that the issue of policy decision-making by the ministry could lead to "temptation" where the ministry decides on the content of programmes and "policy is possibly used to dictate to the public broadcaster its programme content."

"Creating policy so as to improve the environment and make it conducive to broadcasters flourishing is

(260) MTG 10-16/5/96

desirable. But attempts to control programme content is undesirable," Louw says.

IBA co-chairperson Peter de Klerk says Naidoo assured broadcasters that policy formulation by the ministry will not extend to content but will be concentrated on policy which is of national interest — instances where government can play a major role in addressing imbalances by establishing a reliable network that will reach both rural and urban communities.

SABC's chief executive of television Jill Chisholm says she has had assur-

ances "from the president onwards" that the independence of the SABC is valued by government and therefore does not believe there would be any intervention in programme content.

Executive director of the National Association of Broadcasters, Danelia Goldman, says there is "so much policy that still needs to be developed and the IBA is not the appropriate institution to handle policy formulation."

"The IBA should be guided by policy and not be formulating it. Although I can understand people are uncomfortable with the dangers involved in the ministry formulating policy, provided the ministry is transparent and closely consults with broadcasters and others in the industry, there shouldn't be a problem."

# Molefe first black TV political chief

**BARRY STREEK**  
POLITICAL WRITER

(260)

CT 16/5/96

THE SABC has appointed its first black head of politics for television — the dynamic Mr Phil Molefe

He stressed yesterday that SATV "dare not be seen as pandering to the whims of political parties" and "I will be submitting myself to the people, not politicians"

Molefe, 38, who was detained for 12 months under the state of emergency regulations in 1986, took up his new position on May 1

He was previously a specialist journalist covering politics for SATV and he succeeds people like

Mr John Pretorius, Mr André le Roux and Mr Kieran Maree

The teacher-turned-journalist said yesterday his position was a challenge but "I feel great about it"

The pressure of television was great because it was such a powerful medium, "but one hopes we will be able to live up to the principle of journalism — objectivity"

Molefe said he was born into politics as he was born in Sharpeville two years before the massacre there, trained as a teacher, and then started teaching in Soweto in 1977, when the disturbances in black schools were still taking place

"I got into those fumes of tear-

gas and burning. I was initiated into teaching at the height of the uprising"

He started working for the SABC in 1981, left after two years to join the left-wing political journal Saspu National, and was later detained. He then joined the Weekly Mail and the Star before returning to the SABC in 1994

"Electronic media are the future," said Molefe. "That is where technology is taking us."

"My office will be a service to the people. Our approach should be people-centred. We should be of service to the people, rather than to politicians

"The daily experiences of ordi-

nary people and their aspirations will be the driving force of the news coverage

"When the minister says we've got R40 million to build houses, that's not the story. Does it address needs? What do the people feel about it and how will it affect the people?"

"We should be able to report on what the ministers are saying and what people on the ground are thinking about it. You have to have balance

"The traditional approach was to churn out what the minister said and ignore what the people thought about those announcements," Molefe said

# Eskom puts sale of stations on hold

BD 16/5/96

260

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Robyn Chalmers

ESKOM's plans to sell three decommissioned power stations have been put on hold while talks with labour get under way and the possibility of the stations being refurbished is considered.

Fuel and technical services senior GM Mike Deats said yesterday there had been overseas interest in the stations, and a number of proposals from foreign utilities had been received.

The entry of foreign players could signal a major step towards private sector involvement in the generation game. It could also coincide with the looming shake-up in the power distribution sector.

"The possibility of refurbishing the power stations and bringing them back into operation was recently mooted, and we are considering this as an option," he said.

Sources close to Eskom said trade union groupings had objected to the proposed sale and this had delayed the process.

The power stations are Taabos and Highveld in the Free State, and Ingagane in KwaZulu-Natal. Eskom said earlier this year it

had earmarked the three for possible sale, and the parastatal had set a February 16 deadline for proposals on buying the stations.

Several proposals had been received, but the selection process had been put on hold while the talks continued with labour and on the refurbishment issue.

Deats said Eskom did not need the additional capacity so the timing of the refurbishment would be important. He declined to comment on which foreign utilities had put in proposals, but earlier reports suggested Electricité de France, Germany's Westfälische Elektrizitätswerke and the UK's Midland Electricity were among those interested.

Deats said any successful candidate would have to apply to the national electricity regulator for a licence under the new legislation governing the industry. The new rules would now expose Eskom's operations to regulation.

Sources said options open to foreign buyers would include selling the electricity to Eskom, supplying large customers, exporting to a neighbouring country or exporting the power station.

# IBA opts for 'light touch' in broadcast regulations

BD 17/5/96

(260)

Ingrid Salgado

THE Independent Broadcasting Authority (IBA) has chosen not to impose heavy regulations on private radio broadcasters, opting instead for self-regulation of the industry and extensive consultation with all role players.

The broadcast authority released its position paper on private radio yesterday — a final paper that does not need Parliament's ratification — amid sighs of relief from private broadcasters.

The authority did not limit advertising and sponsorship time and declined to establish a language fund, to which all private broadcasters would have been forced to contribute to develop marginalised languages.

Instead it urged all broadcast-related industries to set up a forum that would "speak with one voice". The regulator would consult this forum on constraints on advertising and sponsorship, the language fund and revision of broadcasters' code of conduct.

It also called on the industry to set up a body representative of all broadcasters. This would be "an indispensable move towards self-regulation", IBA co-chairman Peter de Klerk said.

The IBA also increased to eight the number of private radio licences it would issue by year end. Applications open today for three FM licences in Johannesburg, one AM station in Gauteng, one FM licence and two AM licences in Cape Town and one Durban-based FM station.

This takes the total number of private radio licences to 16, including Capital Radio, Radio Bop and the six SABC stations being sold to private bidders. The IBA said licences would be made available in other areas if bidders expressed interest by December.

The authority stipulated that all stations had to provide news totalling at least 30 minutes of an 18-hour day on a regular basis throughout the day.

Continued on Page 2

IBA

(260)

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Continued from Page 1

It did not lay down requirements on the origination and diversity of news sources but said this would be taken into account when selecting licensees. It would not specify the broadcast language but would encourage broadcasting in all SA languages.

Broadcasters would have to pay an annual licence fee of 1% of annual turnover, less agency fees and other deductions to a maximum of 20%. Other fees included a R30 000 application fee, a R2 500 licence-issuing fee and a R30 000 fee to apply to amend licences.

Any private station devoting more than 15% of air time to music would be required to observe a local content quota of 20%.

The authority said its commitment to self-regulation stemmed from its belief that interest groups were inherently inclined to produce radio broadcasting of the highest standards. A culture of self-regulation would best "take root" when the industry was in its formative stage.

The Association of Marketers and Primedia Broadcasting welcomed the IBA's "light-touch" regulation.

Primedia said the authority had shown flexibility on controversial proposals and this would enhance the industry's prospects.

The association said it was pleased the authority had listened to the industry's concerns during public hearings on private radio regulations last month. Solid Gold FM's Tony Sanderson said he was "relieved" by the outcome of the process. "For a change I'd like to congratulate the IBA," he said.

# IBA relaxes rules for broadcasters

ET 17/5/96 (260)

**JOHANNESBURG** The Independent Broadcasting Authority (IBA) is to relax the regulations for commercial radio licences.

IBA co-chairman Mr Peter de Klerk told a press conference here yesterday "South Africans urged us to exercise caution in our approach to the regulation of commercial radio and we have heard

IBA public hearings in recent months were reflected yesterday in a paper containing the IBA's decisions on commercial radio licences. This position paper will be a guide to the drafting of licensing regulations.

We decided to lighten regulations to make radio stations more commercially viable. De Klerk said.

The IBA paper urged the industry to establish a broadcasters' association to facilitate self-regulation, a step that was recommended repeatedly during IBA hearings.

The paper also said there would initially be no time-related limitations on advertising and sponsorship, but added that the IBA would consult the proposed association about

future policy on this.

The IBA set the minimum length for news broadcasts on each station at 30 minutes a day.

It said the proposed industry association should make its own decision on the contentious issue of a language development fund — long a bone of contention between the IBA and the industry.

The number of available commercial radio licences was increased to 16 — the six SABC stations currently for sale, another eight stations spread throughout the country, and Capital Radio and Lophuthatswana Radio.

The IBA position paper is intended to assist potential broadcasters in preparing their licence applications.

Solid Gold Radio's Mr Tony Sanderson, a long-time critic of the IBA, yesterday expressed relief at the IBA's new hands-off policy.

● **Posts** Telecommunications and Broadcasting Minister Jay Naidoo said yesterday his ministry's name would be changed to the Ministry of Communication — Own Correspondent.

# IBA relaxes rules for broadcasters

CA 17/5/96 (260)

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IBA co-chairman Mr Peter de Klerk told a press conference here yesterday. South Africans urged us to exercise caution in our approach to the regulation of commercial radio and we have heard

IBA public hearings in recent months were reflected yesterday in a paper containing the IBA's decisions on commercial radio licences. This position paper will be a guide to the drafting of licensing regulations.

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We decided to lighten regulation to make radio stations more commercially viable. De Flerk said.

The IBA paper urged the industry to establish broadcast criteria, a solution to fight the self-regulation system that we recommended repeatedly during the hearings.

The paper also said there would initially be no time-related limitation on advertising and sponsorship but added that the IBA would consult the proposed association about

future policy on this. The IBA set the minimum length for a broadcast on each station at 30 minutes a day.

It said the proposed industry association should make its own decision on the content of a fund - for a development fund - on the basis of consultation with the IBA and the industry.

The number of available commercial radio licences will increase to 10 - the same as the current number for all other radio stations spread throughout the country and Capital Radio and Top Radio in the Cape.

The IBA position paper is intended to assist potential broadcasters in preparing their licence application.

Solid Gold Radio's Anthony Sanders on a long-time critic of the IBA's to-day's proposal that the IBA's should set policy.

● Ports, Telecommunications and Broadcasting Minister F. de Vries said yesterday that the ministry's name could be changed to the Ministry of Communication - Own Correspondent.

# Electricity regulator's pay under fire

Amanda Vermeulen

BD 17/5/96  
THE National Electricity Regulator has come under fire after proposing salaries for its senior executives which are double those of their colleagues in the electricity industry, with some pay-outs topping R500 000

The regulator, from which SA's estimated 250 electricity authorities have to obtain licences, was formed to rationalise electricity tariff structures and overcome the problems of supplying electricity to black and rural areas

Funded by licence fees levied on electricity generators, it plans to pay its financing, pricing and tariffs executive manager up to R540 923 annually — almost double the salary of Johannesburg city council's chief director of electricity

The packages are also up to 30% higher than those of mineral and energy affairs senior officials and 50% higher than the top salary of an Eskom manager at a similar level

In the salary proposals, gazetted on March 8, the regulator said the packages were designed to attract top people who were earning competitive salaries elsewhere

In a letter to Mineral and Energy Affairs Minister Pik Botha, Finance Minister Trevor Manuel and the regulator's board, the Mineral and Energy Policy Centre said the wage proposals were out of line with government practice. "There is a clear moral obligation for government to ensure equity between the regulator and mineral and energy affairs department staff wages. The assertion that the proposed salaries are market-related is astonishing"

The centre, an autonomous policy research body chaired by ANC secretary-general Cyril Ramaphosa, said

Continued on Page 2

## Regulator

Continued from Page 1

BD 17/5/96  
although the "excessive and unwarranted" proposed pay packets would come from off-budget finances, they were still sourced from public funds. The centre also objected to the proposed structure of the regulator, saying "Our chief concern is that it appears very weak in the area of economic regulation." The skills base was "wholly inadequate" and seemed to be

based on the regulator having little experience of serious economic analysis, placing too much focus on customer support and services

A plan to employ 10 trainees would increase the load on senior staff, the centre said "The regulator will have to implement affirmative action but this should be done by employing people to do real jobs rather than hiring people as trainees in an institution clearly not equipped to provide effective training."

Eskom, the regulator, Botha and Manuel could not be reached for comment

# Relief as IBA relaxes radio licence regulations

(260) Star 17/5/96

By CHERYL HUNTER

A flood of application forms are expected to follow the news yesterday that the Independent Broadcasting Authority has decided on relaxed regulations for commercial radio licences

Speaking at a press conference in Johannesburg, IBA co-chairman Peter de Klerk said "South Africans urged us to exercise caution in our approach to the regulation of commercial radio and we have heard you"

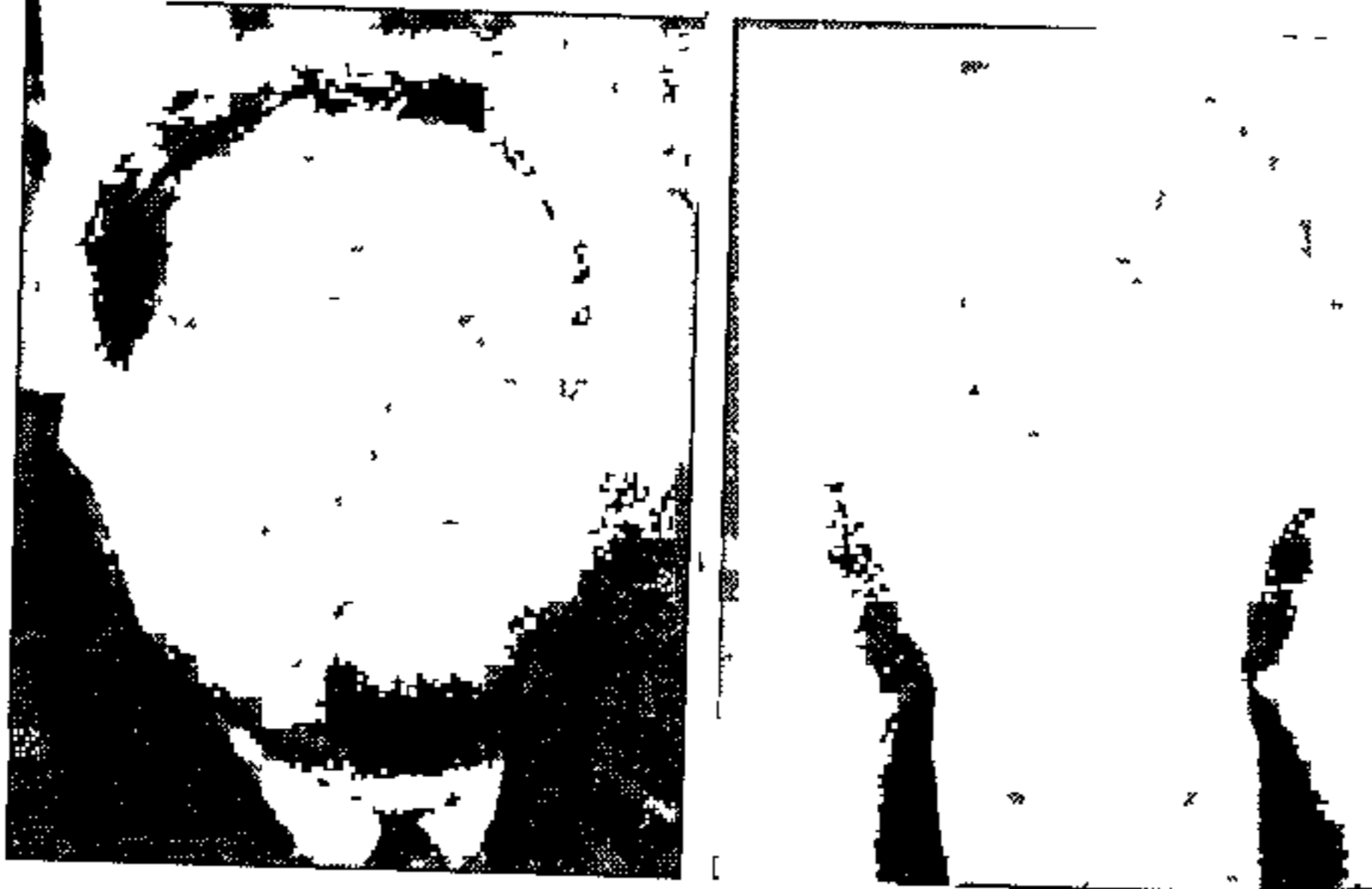
The result of the public hearings over the past months were presented yesterday in the form of a position paper which contained the decisions of the IBA on commercial radio licences and from which the licensing regulations will be written

"We decided to lighten the regulations to make radio stations more commercially viable," De Klerk said

The paper called on the

industry to establish an association of broadcasters in a move towards self-regulation, a request heard repeatedly during the hearings

It also said there would initially be no time-related limitations on advertising and sponsorship, but that the IBA would consult with the association regarding future policy in this regard



Position paper presented... Solid Gold's Tony Sanderson, long-time opponent of IBA (left), and IBA co-chairman Peter de Klerk.

The time for news on a station was set at a minimum of 30 minutes. No rules were laid down regarding the origin of the news

It was left to the association to make decisions on the issue of a

language development fund - long a bone of contention between the IBA and the industry - and the annual licence fee was set at 1% of 80% of annual turnover

The number of available commercial radio licences was increased to 16 - the six SABC stations currently for sale, another eight stations spread throughout the country, and Capital Radio and Bophuthatswana Radio

Even Solid Gold's Tony Sanderson, a long-time opponent of the IBA, was surprised by the hands-off policy of the document

"I am very relieved to see the outcome of this paper and congratulate you," he said

The position paper is aimed at helping potential broadcasters in their applications for licences by outlining the requirements

The closing date for applications is July 2 and forms may be collected at the IBA's offices in Rosebank, Johannesburg



Radio waves: Michelle Constant, of the Breakfast Show, is seen in action at one of SABC's radio stations. Six regional SABC radio stations are up for sale, but 'would-be buyers are not guaranteed the licence to broadcast'

PHOTOGRAPH THEMBA HADEBE

# SABC withholds names of bidders

(260) MtG (PM) 17-23/5/96

## Jacquie Golding-Duffy

THE Independent Broadcasting Authority (IBA) says it will closely scrutinise the shortlist of bidders pitching for the SABC's six regional radio stations.

The SABC has agreed to deliver details of the unsuccessful applicants to the IBA — but only at month-end, after it has chosen the successful candidates.

Based on the offers made by the deadline (May 24) and other criteria related to cross-media ownership, the SABC will choose new owners from among the current 22 bidders on the SABC's shortlist.

SABC representative Marj Murray says "only once this final list of bidders is compiled after May 24, then only will the IBA be getting a list".

She says the 22 would-be buyers will have to commit themselves to firm offers before the closing date.

Only when a firm decision on the new radio owners is made, will the

IBA get an opportunity to scrutinise both the successful and unsuccessful candidates.

The May 3 deadline for final bids for the six regional SABC radio stations up for sale was extended to May 24 because of information contained in the IBA report on the regulation of commercial radio ownership, to be released this week.

"Because of the information contained in the report and the impact it is likely to have on bidders making final offers, we decided to extend the deadline," Murray says.

The SABC's selection procedure, she says, is in line with the IBA's guidelines on ownership which cover, among other things, cross-media ownership, catering for previously disadvantaged communities and price. "Although the first round of bids was artificially high, it is not binding," she says.

IBA representative Amos Vilakazi says successful bidders still need to apply to the IBA for broadcast licences. This means the sale by the

SABC does not guarantee would-be buyers the licence to broadcast.

Posts, Telecommunications and Broadcasting Ministry representative Cornue Molusi says the department received individual complaints of dissatisfaction by various people on the manner in which the shortlisting process was handled. The SABC will offer minister Jay Naidoo a detailed briefing in the near future. Molusi says Sunday newspaper reports that the briefing would occur earlier this week were incorrect.

"The entire process has first to be fully understood before public policy pronouncements can be issued and before we can say that we will intervene in the proposed sale of the six regional SABC radio stations."

The SABC radio stations up for sale are Radio Highveld, Radio Jacaranda, the Western Cape's KFM, Radio Algoa, East Coast Radio and Radio Oranje.

It has been reported that Radio Highveld, the only station believed to be showing a clear profit, received

bids of well over R100-million, with Radio 702's holding company, Primedia, bidding nearly R150-million.

Primedia Broadcasting chief executive Stan Katz would neither deny nor confirm the bid made, saying bidders had agreed not to divulge any information until month-end when the SABC announces the successful bidders.

The 22 bidders rumoured to be on the shortlist include the following:

- Primedia and the Mineworkers Investment Company are rumoured to be on the list for Radio Highveld and the Cape station Radio KFM

- Worldwide Investments and Dimension Data consortium for Radio Highveld and KFM

- Kagiso Trust Investments for Radio Oranje and East Coast Radio

- Absa and Natal Newspapers for East Coast Radio and Highveld.

- Thebe Investment Corporation and Nasionale Pers for East Coast Radio and Oranje.

- New Africa Investments Limited, for East Coast Radio and KFM

# Rules of the radio game

(260) MtG (PM) 17-23/5/96



The IBA has slashed its proposed radio regulations, writes councillor **John Matisson**

**O**n March 12, the Independent Broadcasting Authority (IBA), published a discussion paper on private (commercial) radio. It consisted of 27 pages of possible policies, along with various annexures.

We asked for comment from the public. The responses were varied, but broadcasters spoke forcibly in opposition to heavy regulation of this fledgling industry.

The IBA has accepted the view, by and large, that for commercial radio to get on its feet successfully, it should not be overburdened with regulation.

Ten of the 27 pages have been slashed (That's on my draft. The printed copy may use a different type size.) This includes removing any time limitations on advertising or sponsorship, which the industry said was the key to the profitability of the industry.

It also includes removing any requirements on news departments of licensees, other than a requirement for a total of 30 minutes news time during the course of a day as well as increasing the number of stations where we were asked to and where we felt we could — while still maintaining our planned timetable to licence progressively throughout the latter part of 1996

For some time now, we have set out deadlines and published them, and said that, while people have been complaining that we were too slow, we fully expect they will complain just as loudly now that we are going too fast.

No matter. The dates were set then. There's been plenty of time. Let's get the job done. These are the new licences that will be offered as part of round one of the commercial radio licencing process.

● In Johannesburg, we offered two FM licences and a Medium Wave (MW). In the light of the submissions, we have increased that to three FM stations and one MW. And we are open to discussion with the successful applicants on the exact parameters of the stations. Of course, the IBA retains the right to reject applicants' proposals.

● In Cape Town, the predominance of submissions was along different lines. The argument was made that MW solves the particular problems of Table Mountain and the sharp drops in other parts of the peninsula, which creates problems for FM, whose sound waves more or less follow line of sight. As a result, we decided to offer two MW licences in the Cape Town area instead of one, as well as licencing one

FM station there

● In Durban, we will offer, as planned, one FM licence, but we also intend to dispose of the Capital Radio matter as soon as is feasible.

These are the key dates.  
● May 24 is the closing date for final bids for the sale of the six SABC stations.

● July 2 is the closing date for the new Durban and Cape Town licences  
● August 16 is the closing date for the new Johannesburg-Gauteng licences

The IBA will try to complete the gazetting and hearings required by law soon enough thereafter to be able to announce most of the decisions by December. That includes most of the SABC radio sales and the new private radio licences.

December 1 is the closing date for expressions of interest by those parties wanting to apply for new private radio station licences in any part of the country other than the three areas being licenced in this first round.

Based on the feedback received from parties, we will plan the second round. This will be done by looking at the technical and financial feasibility of running successful stations in the areas where interest has been expressed.

These then are the rules of the game  
● a 20% minimum South African music content on all music stations

● The applicant decides what format the station will have

● The IBA may take format into account in determining the successful applicant. Thus, significant changes in format will require IBA approval

● A minimum 30 minutes a day of news with no direct requirements for its nature

The IBA decided, in principle, to reduce its role in regulation and leave more to the industry to regulate itself

Two immediate issues come to mind — seeing whether the code of conduct contained in the IBA Act needs to be revised to account for different technologies and new circumstances, and how additional languages might be encouraged on the air.

There is already strong evidence that the licencing of community radios last year was a substantial success. Seventy new radio stations are on the air, offering a wide variety of programming that affects the lives of hundreds of thousands of people in all walks of life, including those in remote areas far from the interest of the metropolitan media. There is also strong evidence that the IBA's announcement that local music content on radio has been set a minimum of 20% has boosted the South African music industry.

Now it's time to get the new commercial radio stations on the air. Any one who is interested in the subject must read the complete Private Sound Broadcasting Services Position Paper which is available from the IBA.

John Matisson is an IBA councillor and has won awards for radio and television correspondence in the United States

# New Afrikaans TV pay channel begins to recruit its staff

By Christo Volschenk

Cape Town — Plans for a new Afrikaans television pay channel have reached the stage where managing, marketing and financial directors are being recruited.

"An announcement on a new pay channel, which will air its programmes almost exclusively in Afrikaans, will be made in the next few weeks," Henk Rossouw, the managing director of Boland Financial Services, said yesterday.

"A consortium of about 10 companies and the SABC will be shareholders in the new pay channel, which will screen news, sport, entertainment programmes, music, movies and sitcoms."

Boland Financial Services, which is part of Boland Bank and performs merchant banking functions, has been working on the project since late last year.

The SABC will be a minority shareholder. Management responsibility will rest in the hands of the consortium.

The channel is expected to start broadcasting by October.

"We have completed a feasibility study and discussed the project with potential investors," Rossouw

(260) (BR) 21/5/96  
said "The SABC has a few important decisions to make regarding its involvement. We expect the decisions to be made soon, after which an official announcement will be made."

"The shareholders will comprise a cross-section of the business community — not only Afrikaans companies. It will be a profit-driven venture with advertisements being the main source of income."

"Only in exceptional cases will programmes not be screened in Afrikaans."

**'Shareholders will comprise a cross-section of businesses'**

The programmes will be broadcast by satellite to give coverage to even the remotest areas of South Africa. Viewers will have to pay a

subscription of about R60 a month, which is less than M-Net's R95 subscription charge.

The channel will first screen programmes for four hours a day, from 6pm to 10pm. Later, the viewing time will be lengthened to six hours a day.

"We plan to give viewers with dishes and decoders free access to the new Afrikaans channel between October and the end of the year," Rossouw said.

## 'Drop extra Eskom tax'

(260)  
Linda Enso

BD 22/5/96  
CAPE TOWN — The

electrification industry in SA would be unable to sustain taxes as well as having to bear the cost of funding municipal surpluses and the electrification programme.

This warning was issued yesterday by the national electricity regulator's legal advisor, Kevin Morgan. Any additional tax on Eskom would be unsustainable for consumers, Morgan said at a presentation to public enterprises.

Government had suggested a tax rate of 35% and a 33% after-tax dividend, but this, Morgan warned, would "send the electrification industry into a nosedive"

"Government should think very seriously before imposing taxes on Eskom because it will have a significantly detrimental effect on electricity consumers," Morgan warned

He noted that the profitability of the industry was highly skewed. In 1994, for instance, Gauteng alone made R777m, almost half the national surplus of R1,72bn, he said

Public Enterprises Minister Stella Sigcau told the delegates "mistakes had been made in the past" by not incorporating stake-holders into discussions on the restructuring of Eskom's distribution networks, and she said "they should be brought in as a matter of urgency"

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CF 22/5/96

## Eskom owed over R1-bn

ESKOM'S clients owed R1,25 billion by the end of the last financial year, chief executive Mr Allen Morgan said yesterday.

This translated into a two percent increase in electricity costs, he told the House of Assembly Public Enterprises committee.

National Electricity Regulator (NER) chairman Dr Ian McRae acknowledged that significant problems arose when it came to billing end-users

Some electricity distributors did not even have a customer database, and there were cases where people were billed at different rates and where meters were not read.

The NER's Mr Ian Morgan said the electricity industry was highly fragmented, and with nearly 400 distributors in operation there were wide disparities in prices paid by customers.

In the Eastern Cape, for example, domestic users were paying between 12 and 43 cents per kWh.

Electricity pricing structures were exceptionally complex, and it would take about a year to address the wrongs, Mr Allen Morgan said

— Sapa

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# Electricity body's salary demands under fire

(260) (22/5/96)  
BY TROYE LUND

National Electricity Regulator (NER) senior executives have asked to be paid salaries that are R117 000 more than those of cabinet ministers and double those of their colleagues in the electricity industry

Outgoing Minister of Mineral and Energy Affairs Pik Botha has already considered the proposal and has sent it for final consideration to Minister of Finance Trevor Manuel.

The proposal has come under fire from the Mineral and Energy Policy Centre, an independent policy research body. In a letter to Botha, Manuel and the NER board, the centre warned: "If this is approved it will only strength-

en perceptions of a runaway gravy train, as the NER's proposed budget will be paid out of what is essentially public money - levies from generators. The assertion that the proposed salaries are market related is astonishing"

The NER was formed in July last year to rationalise electricity tariff structures and deal with supply problems to black and rural areas. The body is also responsible for regulating the industry to prevent any generator or supplier gaining a monopoly

The NER has been run by an interim board with nine people sitting on it. Earlier this year, the regulator submitted a business plan to Botha which would give it a budget and full-time professional staff complement

It proposes that its top three executive managers - financing, pricing and tariffs - receive up to R540 923 a year, R117 000 more than a cabinet minister and double the salary of the Johannesburg council's chief director of electricity

The top three packages are 30% higher than those of mineral and energy affairs senior officials and 50% higher than the top salary of an Eskom manager at a similar level

The regulator motivates the packages by stressing in the proposal how they are designed to "attract the strongest, highest calibre of people with suitable qualifications, and experiences". The stakes are high in an industry with an annual turnover of R2-billion

# Outcry over R540 000 pay for officials

ARG 23/5/96

*Electricity executives spark row*

The Argus Correspondent

JOHANNESBURG - National Electricity Regulator (NER) senior executives have asked to be paid salaries which are R117 000 more than cabinet ministers and double those of their colleagues in the electricity industry.

Outgoing Minister of Mineral and Energy Affairs, Pik Botha, has already considered these salaries and has sent them for final consideration to Minister of Finance Trevor Manuel.

The proposal came under fire this week from the Mineral and Energy Policy Centre, an independent policy research body.

In a letter to Mr Botha, Mr Manuel and the NER board, the centre warned: "If this is approved it will only strengthen perceptions of a runaway gravy train as the NER's proposed budget will be paid out of what is essentially public money - levies from generators."

The NER was formed in July last year to rationalise electricity tariff structures and deal with supply problems to black and rural areas. The body is also responsible for regulating the industry to prevent any gen-

erator or supplier gaining a monopoly.

The NER has been run by an interim board with nine people sitting on it.

Earlier this year, the NER submitted a business plan to Mr Botha, which proposes that its top three executive managers receive up to R540 923 a year, which is R117 000 more than a cabinet minister and double the salary of the Johannesburg council's chief director of electricity.

The top three packages are 30 percent higher than those of mineral and energy affairs senior officials and 50 percent higher than the top salary of an Eskom manager at a similar level.

NER spokesman Johan Du Plessis said the body would make sure the packages offered to successful candidates were "broadly in line with public and private sector equivalents".

Mr Manuel's office confirmed that Mr Botha's office had considered the proposal and had handed it to them for approval. Mr Manuel's spokesman was not able to say whether the minister had considered the plans yet or what his adjustments would be as he is out of the country.

# 22 firms, syndicates bid for SABC stations

(260) CT 23/5/96

## STAFF WRITER

ALTOGETHER 22 companies and consortiums have bid for six SABC radio stations up for sale, with final offers due in tomorrow before the SABC makes a decision and refers its choices to the Independent Broadcasting Authority (IBA) for approval.

Industry sources said the four major contenders vying for Cape Town's popular and profitable Radio Kfm were the Kfm staff syndicate, including a number of major local businessmen, Independ-

ent Media and Nasionale Pers, the National Empowerment Consortium, Primedia, owners of Radio 702 in Johannesburg; and New African Investments Limited (Nail), a wholly black-owned company.

The Primedia bid is seen as an effort to introduce a Radio 702-type station to Cape Town, but Kfm staff point out that Kfm has 377 000 listeners in the Northern and Western Cape as opposed to Radio Kfm's 220 000 in Gauteng.

Mr Mervyn Gers, the programme manager for Kfm, said he

and the staff hoped the new owners would not change the running of a successful station which has been shown to work, and one that was breaking records all the time.

He said staff would obviously like to see us continue running the way we have been.

Sources in Johannesburg estimated offers for the six stations — Radio Highveld, Radio Jacaranda Stereo, Radio Oranje, East Coast Radio, Radio Algoa, and Radio Kfm — ranged from R350 million to R450 million.

This matches the SABC's initial asking price, but they said these

amounts would be cut as initial offers were inflated to indicate seriousness as a means to get on to the shortlist.

Other SABC sources said the total amount only came between R100m and R200m, while offers for Kfm were said to range from R30m to almost R100m.

IBA communications head Mr Amos Vilakazi said staff of the radio stations and even the public were welcome to submit objections to any bids they disagreed with if objections were valid, they would be taken into account.

# New look at restructuring of state assets

(260)

An agreement between labour and Government has removed obstacles

By JUSTICE MALALA  
Political Staff

Star 23/5/96

Public Enterprises Minister Stella Sigcau will kick-start stalled talks on the restructuring of state assets, valued at R95-billion, in her policy speech to be delivered to Parliament next month after labour protested to Government's proposals on the issue in December last year.

Speaking at an ANC media summit in Midrand on Tuesday, Sigcau said whether Government privatised an asset or not would depend on which entity was being dealt with.

"In an entity like Sun Air, I think privatisation is the way to go. I think it needs to grow, and there will not be any job losses there," Sigcau said.

She said restructuring would occur across the line, mostly to make parastatals more efficient. The policy speech, to be delivered on June 21, would show where the Government intended to go in terms of restructuring, she said.

The ministry is in charge of mining concern Alexkor, and of Aventura, Denel, Eskom, Safcol and Transnet.

The debate on the restructuring of the assets stalled in December last year when organised labour, led by the Congress of SA Trade Unions, objected to Government's proposals to sell off parts of SAA and Telkom.

After threatening mass action, the Government and labour

signed a national framework agreement (NFA) that guaranteed consultation between the two on the issue.

Labour warned that privatisation of the assets would lead to job losses and take away an important part of the state's control of delivery to disadvantaged areas.

The NFA allows the cabinet to make all final decisions on the proposals put forward, subject to parliamentary approval, where necessary.

Sigcau said now that progress was being made in policy formulation by the different ministries under which the parastatals fell, it was easy for her to move forward with an enunciated policy.

"Most of the obstacles to the successful restructuring of public enterprises have been overcome, especially with the signing of the NFA. One may expect new obstacles to emerge when discussions within the NFA structures gain momentum," she said.

She said if the Government did sell off any of its assets and there were job losses, a "social plan" would be put in place to cushion the effects of such losses.

"I cannot overstate the importance of these reforms. If we get them right, they will benefit every South African - those without homes or jobs, those in desperate need of basic service, people who are already contributing to the wealth of our economy and people whose enterprise can create new jobs," she said.

(260)  
**Broadcasting authority takes defiant radio station to court**

*Star 24/5/96*  
The Independent Broadcasting Authority will face its first court clash with an illegal broadcaster on Monday, when Radio Donkerhoek appears in the Pretoria Magistrates' Court on criminal charges.

According to the IBA's legal department, it laid charges with the police after picking up illegal broadcasts by the radio station and

monitoring them for some time.

The radio station was raided by police earlier this year following complaints from the IBA, but went back on air the next day - and continues making daily broadcasts.

Radio Donkerhoek management could not be reached for comment, but have said in the past

they do not recognise the IBA or the ANC government, and will continue defying the order to stop broadcasts.

Radio Donkerhoek's founder, Willem Ratte, is serving five years in prison for illegal possession of weapons, explosives and ammunition. He is currently on a hunger strike. - Staff Reporter

# Probe of executives' huge salaries invited

BY TROYE LUND

*Star 24/5/96 (260)*

The National Electricity Regulator has invited its critics to launch an inquiry into the proposed pay packages for its top three executives, which exceed those of cabinet ministers by R117 000

The NER, which was formed to rationalise electricity supply and deal with problems in black and rural areas, came under fire this week from the Mineral and Policy Centre, an independent research body.

The centre wrote letters to Minister of Mineral and Energy Affairs Pik Botha demanding that the "runaway gravy train" salaries be refused.

The MEPC letter emphasised that the top three packages of

R540 923 were more than 30% higher than senior mineral and energy affairs officials and 50% higher than an Eskom employee of a similar level.

But NER spokesman Johan du Plessis replied "Our board has accepted that in order to attract and retain competent staff, it will have to offer competitive packages."

He said they were worked out by a professional remuneration company that had evaluated the positions.

Du Plessis said that when appointments were made, the packages would be tailored to the individual employees.

He welcomed an inquiry. "We will ensure that packages are broadly in line with public and private sector equivalents."

# Bidders rush to meet SABC deadline

Mail & Guardian Reporter

**A** NUMBER of potential new media owners were this week rushing to meet Friday's deadline for final bids for the six SABC stations up for sale.

By noon, the bidders, having completed due diligence examination of the stations, will have to register their final, non-retractable bid with the SABC's merchant bank, Investec.

SABC will then make a choice and forward this to the Independent Broadcast Authority, who has to approve any change in licence ownership. There is agreement that the SABC will also submit the losing bids, allowing the IBA to scrutinise the choice they have made.

Up for sale are radio stations Highveld, KFM, Orange, Jacaranda, East

Coast and Algoa. The sales are likely to give the SABC a cash windfall of at least R350-million.

Whatever the outcome in this final round, it will change the media scene radically. Not only is the country due to have a number of private, commercial regional music stations for the first time, but there are certain to be a number of important new media players in the industry.

The new Broadcast Act puts empowerment and diversity high on the criteria for licences, with the result that the bidding is being led by a number of black-dominated consortiums, most of them involved for the first time in the media industry.

Among the major new players, who got through the first round of bidding and are likely to divide the bulk of the stations among themselves and their

consortium partners, are Nthato Mohlana's New Africa Investment Limited (Nail) group; Kagiso Trust Investments, which channels its profits into Kagiso Trust for development work; Wiseman Nkuhlu's Worldwide Investments, in partnership with Dimension Data, Thebe Investments Corporation with Naspers; and Oscar Dhlomo, former secretary general of the Inkatha Freedom Party, with Natal Newspapers.

The bids will raise tough questions for the SABC and IBA. For example, it has been reported that Issy Kirsch's Primedia will bid an extra R40-million to R50-million above others to try to secure the biggest station on offer, Radio Highveld. But this will give Kirsch, who controls Radio 702, dominance in both AM and FM in the country's richest province, which

many will argue would be contrary to the spirit of the Act in encouraging diversity and new entrants to the industry. But can SABC withstand the temptation of an extra R40-million because of such principles? Primedia is also expected to bid for KFM in Cape Town.

Other issues will be whether Nail falls foul of the rule that prohibits any connection between a broadcast licensee and a political party because its executive deputy chairman is the ANC secretary general, Cyril Ramaphosa, "deployed" by the party to do this job.

And the IBA will have to consider whether Dhlomo's alliance with Natal Newspapers, which dominates the province's print media, falls foul of cross-ownership rules in its bid for East Coast Radio.

● The Mail & Guardian's parent company, M&G Media Limited, has a stake in the bid being led by Kagiso Trust Investments.

262 (KFM) MHS 24-30/5/96

# Mixed reactions to new channel

Will the new Afrikaans pay channel be able to sustain itself if advertisements are not forthcoming, asks **Jacque Golding-Duffy**

**A**DVERTISING agencies have expressed mixed reaction to the new Afrikaans pay channel expected to broadcast by October

The pay channel, they say, may not be able to sustain itself if advertisements are its main source of income. However, Boland Financial Services vice-president of corporate finance André Coetsee says: "The main source of income will be subscriptions, and advertising will, of course, also play a role."

Plans for the new pay channel, which will air its programmes almost exclusively in Afrikaans, is "understandable" says Jupiter Drawing

Room media director Belinda Vosloo, but whether it will be commercially viable, she does not know.

"There has long been increasing sensitivity around the issue of Afrikaans programmes and this pay channel could be a force to be reckoned with if marketers regard it as a viable niche market."

Lindsay Smithers-FCB media director Tony Banahan says a certain section of marketers will welcome a niche market of Afrikaans-speaking viewers, but adds that the Afrikaans market is often reached via English commercials. "The crux of the matter is that if there is an audience, we will buy commercials and the pay channel will provide a definite audience."

SABC chief executive of operations and satellite Gert Claassen says the SABC is planning to offer a "bouquet of six channels of analogue TV off satellite", of which one of the channels will be a family channel. It is on the family channel for now,

that six hours of prime-time Afrikaans programmes will be flighted.

Claassen stresses that the Afrikaans programmes will be produced by a separate production company with the SABC as a minority shareholder in the private sector venture.

He says negotiations are still continuing with Boland Financial Services and once a decision is reached on who the investors will be, then only will the SABC have clarity on its shareholding.

The final decision on the parties within the consortium is under the auspices of Boland Financial Services.

The recruiting of managing, marketing and financial directors is "not being done by the SABC but by Boland Financial Services", Claassen says.

A separate consortium is also being established with the SABC for the six analogue television channels, outside of the Boland Financial Services consortium.

SABC representative Mari Murray says the cost for all six channels will be R110 excluding the Afrikaans programmes. "The Afrikaans service will cost an additional R35 per month," she says, but adds that the costs are "still under discussion".

Hunt Lascaris media director Lyndall Campher says "fewer and fewer people want to make commercials in Afrikaans" since English is regarded as the *lingua franca* of the country.

Advertisements, she says, are moving towards reflecting the demographics of the country and commercials made in English tend to reach across the spectrum of viewers.

"Advertisements for a specifically Afrikaans television channel will incur additional production costs for agencies with perhaps not the required response Agencies, I think, will therefore opt to use Afrikaans adverts on Afrikaans community radio slots rather than television because it is more cost-effective."

(260) MHG (BMM) 24-30/5/96



## Rural areas switching on

(260)  
Nicola Jenvey

DURBAN Eskom  
would spend R190m on  
electrifying more than  
53 000 rural homes in  
KwaZulu-Natal this  
year, while local govern-  
ment would electrify an-  
other 28 000 households,  
Eskom area manager  
Kurt Dedekind said at  
the weekend

Dedekind said more  
than 85% of projects  
scheduled for 1996 were  
already under way

However, provincial  
connection costs per site  
exceeded the national  
average of R3 568 by  
nearly R1 400, he said

Electricity connec-  
tions were cheapest in  
Gauteng — at R2 475 —  
and the most expensive  
region was the Eastern  
Cape at R4 397 There  
were about 1-million  
homes in KwaZulu-  
Natal without power

# Plan to build powerline

260  
By Tom Wiltshire-Robbins

NAMIBIAN and South African electricity authorities have announced plans to build a 400 kilovolt powerline between the two countries

"A feasibility study is being conducted and so far it looks like the project will go ahead," says an Eskom representative who does not want to be named

The 900km line will extend from Windhoek to the Northern Cape

According to a Namibian electricity official Nina Viall, it is estimated that the project will cost about R750 million

She says the plan is based on projected growth in Namibian electricity consumption.

Studies conducted by Swawek, Namibian electricity authority, found coal, gas and wind-driven power sta-

tions would be uneconomical

Eskom officials says Namibia will be able to export electricity in the long run

Each country will finance its own section of the line and because the distance is longer on the Namibian side, Swawek will finance the bulk of the project

The target completion date is May 2000

## Interconnection

The line will become the first interconnection between electricity networks in Southern Africa since the establishment of the Southern African Power Pool (Sapp)

Sapp is made up of all members of the Southern African Development Community with the exception of Zambia

"When completed, the line will

Swawek 27/5/96  
make it possible for Swawek to negotiate power supply agreements with Zambia or even Zaire, where surplus hydro-electricity is available," says Viall

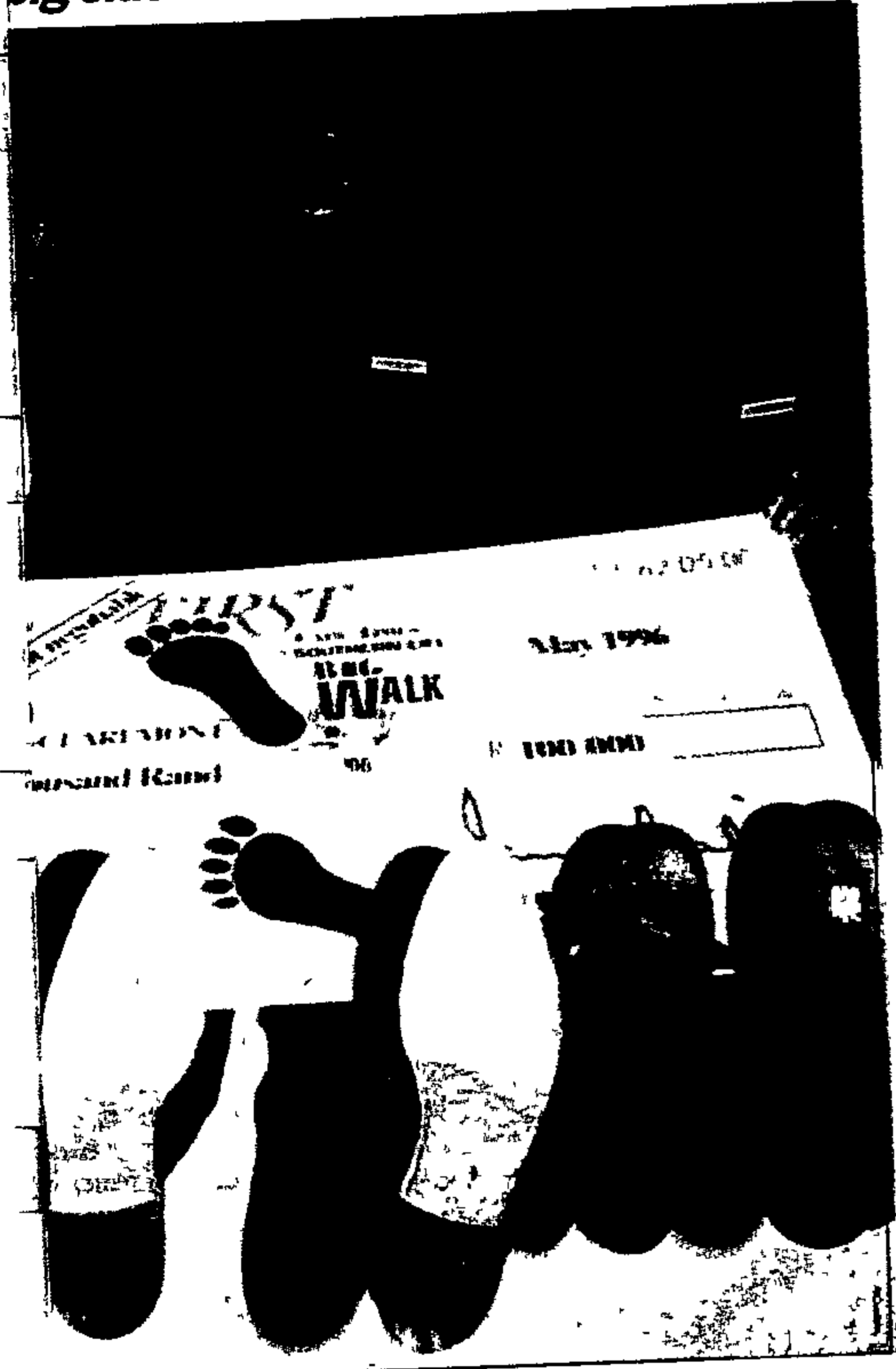
At Present, there is an electricity link between Zaire and Ndola in northern Zambia. Zimbabwe is connected to the link and it, in turn, links the connection up with South Africa

Southern African electricity supply experts believe that a hydro-electric scheme built at the Inga Falls on the Zaire River could produce a capacity between 50 000 and 120 000 megawatts

According Eskom, Africa's total consumption is only 45 000 megawatts

If such a project gets of the ground surplus electricity could be exported to the Middle East and Eastern Europe -  
*Africa Information Afrique*

big side



Party editor Ryland Fisher, Southern Life's Mr Graeme Lillie and Claremont chairman Mr Chns du Plessis put their best feet forward at the launch of first night. The annual event, to be held on October 13, is organised by Rotary. Southern Life presented Rotary with a cheque for R100 000. PICTURE: ALAN TAYLOR

## imes

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 er last year.

## Shared radio frequencies becoming 'problematic'

(260) CT 28/5/96  
 THE Independent Broadcasting Authority will review its policy of permitting community radio stations to share frequencies, following complaints. IBA co-chairman Mr Peter de Klerk said this in Sea Point yesterday at a public meeting to hear representations on its discussion document Community Sound Broadcasting Services. De Klerk said a number of issues about community radio stations came under discussion, among them their access to funds and to sponsors and advertisers. However, a big bone of contention among community stations was the sharing of frequencies. "We will have to take another look at the policy, as the sharing of frequencies has become problematic," De Klerk said. — Staff Writer

## Eskom plans new West Coast substation

(S) (260) CJ 29/5/96

ESKOM plans to build a major electricity substation along the West Coast, on a 150ha site near Melkbosstrand

The new substation, called Omega — about twice the size of the Acacia Park substation — is part of the upgrading of the electricity supply to meet the region's growing demand for power. The site, Groot Olifantskop Farm, is between the R27 and the N7, inland from Melkbosstrand

The draft Bloubergsvlei Sub-regional Plan has allocated the area for conservation and agricultural use. The site will have

to be rezoned for general industrial use before the substation can be built

Eskom planners predict the Cape region will need about 3 000 megawatts of power by the turn of the century

Though Eskom may not start construction for another eight years, it needs to buy the land now

Eskom will hold a public meeting on the proposal at 7pm on June 4 at Koeberg's visitors centre. For further information telephone Kim Kruyshaar at 782-2192 — Environment Writer

## SABC submits bids to IBA

(260)  
Ingrid Salgado

BD 31/5/96

THE SABC would submit a shortlist of bidders for six of its radio stations to the Independent Broadcasting Authority today, it said yesterday.

Three bidders per station had been selected for Radio Algoa Radio Oranje, East Coast Radio, KFM and Jacaranda Stereo. It was possible that Highveld Stereo's third bidder did not meet SABC credentials, leaving two contenders in the running for one of the corporation's most profitable radio stations.

The IBA is to hold public hearings when considering the licence applications. The SABC may make public the bidders' identities and bid offers today.

# 'Pie in the sky' SABC faces financial disaster

(260) ET 31/5/96

## SPECIAL CORRESPONDENT

JOHANNESBURG A double-blow of a loss of revenue due to declining advertising and unpaid television licences could spell financial disaster for the SABC before the end of its fiscal year in September.

Several sources have said that since the February 4 relaunch of the three channels — SABC 1, 2 and 3 — viewership had dropped because audiences were "confused".

Advertising agencies concur, saying their clients were not getting the promised viewership in terms of the core market, which led to poor advertising ratings.

SABC officials remained tight-lipped about the financial crisis. But director of communications Pat Pillai, speaking on behalf of television boss Jill Chisolm, confirmed viewership had dropped since the relaunch.

To date, only 1 699 493 people, out of an estimated 5,5-million, have paid

their television licences, said SABC television spokesman Marj Murray.

In an effort to make savings before time on the current fiscal year runs out, the SABC is selling off the 32-storey Radio Park building in Auckland Park. It was also looking at privatising its outside broadcast units, said SABC spokesman Don Seokane.

Irma Verwey, media manager for Sonnenberg Murphy Leo Burnett, said SABC-TV had lost a major part of the viewership from white, coloured and Asian audiences, which clients regarded as the core market.

Mr Hugh McKelvey, buying director for Eurospace Africa, said the SABC had presented "pie in the sky" predictions about audience figures and target markets.

● For the second time in four months, SABC3 revamps its programming and will come out with a new television schedule tomorrow in a bid to bring back lost viewers. SABC2 will also be reshuffled soon, said Verwey.

# SABC faces cash crisis as viewers switch off

By PRISCILLA SINGH

The SABC is considering selling its 32-storey headquarters building in Auckland Park, Johannesburg, and privatising its outside broadcast units, according to spokesman Don Seokane.

The steps would be an attempt to balance the national broadcaster's books, which showed a R40-million deficit for last year.

It has been losing viewers, and as a result advertising revenue, since the television channels were relaunched in February. And it is

losing more millions "because viewers are not paying for licences.

The loss of advertising revenue and unpaid TV licences, which is alone estimated at R700-million, could spell financial disaster by the end of its fiscal year in September.

So far only 1 699 493 of an estimated 5,5 million viewers have paid their television licences, says television spokesman Marj Murray.

Irma Verwey, media manager for an advertising agency, says television has lost a major portion

of the white, coloured and Asian ("WCA") audiences, which her clients regard as the core market.

But Seokane said the SABC was "not largely concerned about the loss of the WCA audiences, as the black viewership figures more than make up for the loss".

The 5,5 million homes receiving SABC services should have generated up to R1-billion in licence fees last year. Instead the station got only R235-million.

► SABC 3 on the line

falling behind schedule

CEO Harris Gxaweni says the authority should have overseen the sale of four SABC stations and licensed four of the six new private stations planned by the end of this year

National Association of Broadcasters executive director Daniella Goldman remains sceptical "The IBA is a bumbling bureaucracy," she declares "At best, I expect to see the first private radio licence issued only at the end of this year"

Even if she is being too pessimistic, only two licence applicants, Primedia and Solid Gold, have broadcasting infrastructures Since Primedia already has a private radio station, 702, its chances of winning another licence look slim

Solid Gold's Gavin Kennedy reckons anyone else will probably take six months to get on the air after receiving a licence No-one, he says, will hire staff and rent premises before getting a licence

Jay Naidoo will not be pleased if the private radio stations start operating only well into 1997 He recently took over from Pallo Jordan at Posts, Telecommunications & Broadcasting

When Jordan was in office, the IBA was told by Finance Minister Chris Liebenberg it would get only R35m this year, against the R43m Gxaweni says it asked for Naidoo has already asked it to try to keep this year's spending below R35m

Gxaweni says the IBA's staff, which will soon number about 120, is "tremendously overworked" The process of consulting the public and interest groups country-wide is also costly, he says By the time travel, hotels, rent for auditoriums and transcribers have been paid for, he says, a single hearing on a given matter may cost R30 000 or more and has to be replicated in the eight other provinces

It's debatable whether IBA salaries are too high — councillors' packages are worth R32 000, heads of departments' a little over R200 000 What, anyway, should the country be prepared to pay for the task entrusted to the IBA?

That task is defined in the IBA Act, which embodies a vision for broadcasting that is hard to square with commercial realities. The Act wants to see a broadcasting industry that overturns

SA's racist past, as embodied in the Afrikaner-controlled SABC, by bringing blacks in through community and private broadcasting stations, as shareholders, broadcasters and operators

In pursuing democracy, the Act also wants to see a diversity of news services The provision of one which includes the employment of a station's own reporters as well as the use of wire services, will be one of the criteria in deciding who gets a private radio licence Take into account the IBA's stand against cross-media ownership (major publications with a significant share in private broadcasting stations) and it becomes clear that running a private station is going to become an expensive business

The IBA will, therefore, scrutinise licence applications for financial feasibility If an application fails to meet this criterion, it is likely to be rejected

How do you help the feasibility of newcomers faced with an entrenched SABC? And how do you protect the SABC's profitability (one of the IBA's tasks) while encouraging strong competition?

In a recently published discussion document, the IBA observes "The authority may consider limiting only the public broadcaster's advertising, not that of private broadcasters" The SABC would presumably have to be compensated for a compulsory reduction of its advertising time with a government subsidy, which could be precisely what the IBA, like the SABC, is after

It is because of the complexity of the licensing task that the IBA has a large policy development division employing lawyers, accountants and economists Hence, too, its latest discussion document and meetings with would-be licensees and others

As satellite and computer-based broadcasting expands, it will become harder for the IBA to meet the brief set for it by the Act. Commercial realities will make short shrift of political ideals

That's not to say broadcasting stations largely run by and aimed at blacks could not run profitably But their success, like that of any broadcaster, will come through satisfying consumer markets The IBA's theorists are not likely to have any insight into those ■



Jay Naidoo

BROADCASTING

## THE EMPIRE STRIKES FLAK

(260) AM 10/5/96  
The Independent Broadcasting Authority (IBA) constantly has to revise its deadlines for licensing the first new private radio stations because it keeps



# SABC denies its in financial crisis

(260) Star 1/6/96  
By ELIZABETH KINGHORN

The SABC has denied it is facing financial disaster by the end of its fiscal year in September, and that the sale of its 32-storey headquarters building in Auckland Park, Johannesburg, and the privatising of its outside broadcast units were steps towards balancing its books.

At a press conference yesterday, group manager of communications Enoch Sithole said the SABC was financially responsible, would remain financially sustainable and would not incur losses. While Sithole could not cite overall figures to clarify the corporation's financial status, he said that last year there had been speculation the SABC would suffer a R2-billion loss, when in fact it had made a surplus of R100-million.

Details of the corporation's

current financial situation are expected to be made public within the next couple of weeks.

Sithole said the corporation was involved in a process of reviewing its resources to establish whether they were relevant to its core functions - providing the public with information, entertainment and education.

This meant that major "right-sizing" of the SABC's facilities and resources could be on the way - including the sale of the RadioPark building. Privatisation of departments would be considered as a measure towards competing in the new markets and beefing up core services, Sithole said.

He denied the SABC would be selling assets and resources because it needed money in the short term. "The right-sizing process has nothing to do with a search for financial resources."

Sithole confirmed that measures were being taken to make up for the more than R40-million lost through the non-payment of television licences. "A number of systems are being looked at to make the public pay."

In response to questions about the loss of advertising revenue since the restructuring of the SABC's three television channels in February, outgoing group manager of communications Ken Modise said the corporation was "clearly home and dry by around R12-million" because of an increase in revenue from sponsorships during the first three months of this year.

Don Seokane, the SABC's television media analyst, said the public broadcaster had expected a slight drop in advertising revenue since its relaunch in February, and that viewership appeared to have stabilised.

# Sponsors boost SABC coffers

(260) ST 2/6/96

By CHRIS BARRON

THE SABC has come out fighting in response to growing public perceptions that it is financially on its knees and bleeding.

While readily admitting this week that barely one in five television owners was paying licence fees, the SABC claimed that revenue from advertising and sponsorship over the first six months of the financial year had left it with a higher surplus than expected.

And, while viewership figures during the three-month period following the launch of its new TV channels this year showed a marked drop, advertising agencies believe the worst is over.

"We have big clients investing more money in the SABC this year than last year," said the media director for Hunt Lascaris, Lyndall Campher.

The SABC's chief executive of finance, Tahib Sadik, admitted only R168-million of a total R900-million had been collected in licence fees in the first six months of the financial year, but he said the corporation had only budget-

ed for R312-million for the year, and expected to bring in a total of R270-million by the end of the financial period, on September 30.

This would constitute a shortfall of R42-million.

He said the surplus in non-licence fee revenue for the first half of the year was more than twice the budgeted surplus for the entire year of R6-million, although it was considerably less than the R100-million surplus last year.

He said the fact that the surplus was more than budgeted for reflected a growth in sponsorship in line with a worldwide trend of private companies sponsoring programmes rather than placing ads.

While advertising revenue for the first three months of 1996 had suffered as a result of the launch of the new TV channels, at R2,5-million less than over the corresponding period last year, sponsorship had grown by R15,2-million.

He admitted that the projected cost of running the three channels was R130-million more than their revenue, but said this excluded revenue from licence fees.

# Sigcau in new corruption row

ST 2/6/96

(252) (253A) (260)  
By RAY HARTLEY  
Political Correspondent

A FRESH scandal has hit the Minister of Public Enterprises, Stella Sigcau. She has been accused of allowing advisers to abuse air tickets and a senior member of her team to flout public service regulations.

Deputy President Thabo Mbeki this week cleared Miss Sigcau of bribery involving a R50 000 payment to her by former Transkei leader, George Matanzima, when she was still a bantustan cabinet minister.

Now she has been charged with turning her ministry into a "sick environment" where her advisers have been acting as a law unto themselves

Miss Sigcau's management services director, Steve Theron, said in a letter to a ministerial aide, Professor S R Shabalala, that he objected to "the continuous interference of the minister in the management of the office"

Mr Theron said tickets were being issued in the name of a ministerial employee, but were being used by somebody else.

"Over and above that, this is fraud I am not prepared to work in such a sick environment where everybody abuses the system," he said.

"If this goes through I will have no option but to report it to the auditors and, if necessary, to the people investigating fraud in the Public Service.

"The administration of this office is going for a loop if we carry on like this," he said.

In a memorandum written in April, Mr Theron complained about the appointment of a man known as Sivuyile as Miss Sigcau's messenger because "he cannot drive, although he is in possession of a licence"

Mr Theron cited poor discipline by ministerial consultants as a matter of concern

"There is no way in which advisers can be controlled. They come and go as they wish. I never know when leave forms must be filled in —

although they have meetings at private venues"

Mr Theron said his memorandums concerning problems with the "renting of cars at cost" were responded to "in a rude and undisciplined manner instead of trying to rectify the problem".

"The advisers perform as if they have the ultimate say, even their private staff members have an attitude of 'we tell you how and when'"

Mr Theron ended his letter by saying that he had applied for a "horizontal transfer" to the Department of Home Affairs

"There are many more things that could be mentioned, but it will take too long and there's a lot of work to be done," he said.

Asked for comment this week, Mr Theron, who is still an employee in Miss Sigcau's ministry, refused to talk about the letters, saying only: "It's an internal matter."

A ministerial spokesman said that only Professor Shabalala, who was in London on business, would be able to comment on the matter.

# Eskom's one-millionth switch-on celebrated in rural area of Eastern Cape

By **PATRICK PHOSA**

South Africa's national electricity supplier has made its millionth electricity connection in the country, at Lencane near Idutywa in Eastern Cape, since the start of the electrification programme in disadvantaged areas 1991.

Celebrations were held in the village on Friday, when attention focused on the switch-on at the Dnuswayo home.

An elated Paul Dnuswayo (49) said his dark living conditions would become brighter. "I run a sewing business. Now I will buy an electric sewing machine to boost and expand my small business," he said.

The family were presented with a starter pack of electric appliances comprising a two-plate stove, a kettle, an iron and a coupon of electricity units for their prepaid meter.

Speaking at the occasion, Deputy President Thabo Mbeki said it was important that Eskom's millionth switch-on happened in a rural area because "it must be the central objective of Government to change the conditions of people, particularly in the countryside. We measure the better-life-for-all objective by the progress we achieve in the rural areas."

Mbeki said the installation of electricity should "give hope that industrialisation will become possible in this remote rural area."

He said the fact that it had taken so long to electrify Lencane indicated that development in rural areas had been stagnant for many years.

Eskom's electricity council chairman John Maree said electricity contributed to economic development countrywide. "For every 100 homes we connect up, between 10 and 20 informal businesses are started. This provides people with incomes, relieves poverty and impacts on unemployment."

13 Aug 1996 Professional Secretarial & Office Skills.

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Outgoing SABC communications head Ken Modise, right, and incoming head Enoch Sithole announced on Friday that Posts, Telecommunications and Broadcasting Minister Jay Naidoo would scrutinise the SABC's final list of bidders for six of its radio stations. The SABC declined to make public the identities of bidders or final bid offers.

Picture GARTHLUMLEY

## Govt cautioned on radio stations' sale

Ingrid Salgado

THE Independent Broadcasting Authority has cautioned government to take heed of the licensing criteria when the Cabinet selects buyers for six SABC radio stations on Wednesday.

The broadcast regulator said at the weekend a procedural conflict could arise if the Cabinet selected a buyer which the IBA refused to license.

IBA spokesman Amos Vilakazi said although government had a right to sell the stations to the bidder of its choice, the IBA had to adhere to correct licensing procedures. The two procedures had to "meet along the line" to avoid a run-in.

Post, Telecommunications and Broadcasting Minister Jay Naidoo received a short list of bidders from the SABC for Highveld Stereo, Radio Jacaranda, Radio Algoa, East Coast Radio, KFM and Radio Oranje at the weekend.

But bidders were disappointed when the SABC refused to divulge the identities of the short-listed bidders, the value of their bid offers or the number of short-listed bidders a station.

The IBA earlier asked the corporation to select three final bidders a station. The IBA is to hold public hearings to decide which bidder it would license, while bidders that failed to make the short list could lodge objections. Each licence applicant would pay a R30 000 application fee.

Naidoo's spokesman, Connie Molusi, said there was no "conflict of interest" between the Cabinet and IBA. It was "hypothetical" to assume government's choice would not coincide with the IBA's choice.

In making its decision, government would be informed by the national interest and the need to open up the airwaves to people who had previously been denied access. The value of bid offers was only one factor to be taken into account.

Weekend reports put Primedia's bid for Highveld Stereo, one of the SABC's most profitable stations, at R285m. Sources said government's choice could be made difficult by rumours that the next highest offer for Highveld stood at less than half this amount.

Kagiso Trust Investments, M&G Media Limited, Nail and Thebe Investment Corporation have also made bids for the stations.

The SABC acknowledged that revenue from the sale would not necessarily be retained by the corporation. However, it had the option of requesting additional funding from government.

Spokesman Ken Modise said if the SABC retained the proceeds of the sales, it would for the first time have capital that could generate interest. The corporation realised it needed to beef up its other radio stations in order to compete with private players.

## Market

Continued from Page 1

ment's R145 bond. They said the central bank, as government's debt manager, had handled the redemption in a way that had eased market conditions.

Earlier there had been fears that the redemption of the bond would have no positive effect on the money market.

Some bankers said conditions were still tight, but it seemed the pressure for another increase in the prime over-

draft rate was waning, but that home loan rate was still high.

The good news was that the bond had pierced the 10% barrier on the JSE, the most important volume trade. It was last quoted on Thursday. The investor interest in turning, deal-

## Anglo

Continued from Page 1

nance director Mike King said the sales were represented mainly by the disposal of "non-strategic" investments in marginal mines and residual holdings in industrial companies.

Investments worth R712m were acquired, which included buying more shares in Southvaal Holdings, Driefontein Consolidated and Kloof and in rights offers by Eastvaal and Western Areas, as well as additional capital invested in the new mining project in Mali, Société d'Exploitation des Mines d'Or de Sadiola.

After the year-end Anglo and its associates acquired 7,3% of Lonrho, with a right to acquire 18,4% more.

The reason Anglo and not its offshore arm Minorco had acquired the

Lonrho stake was indicated in the report on mining and non-mining in Africa, said King.

A real decline in expenditure in exploration was also noted.

Anglo's interest in mining rose up 39% to R1,1bn, of which much more came from mining industrial inter-

A segment of the market showed a decline in earnings. Platinum, bringing interest while gold fell to 6% (11

## Barlows

Continued from Page 1

positions, cash and short-term investments stood at R656m for the six months to March against R896,3m at the September 1995 year-end. Interest-bearing debt was R1,18bn, from R917m in September last year.

But the group has pinned its hopes on a 25% rise in earnings for the current financial year, partially on strong

contribution from the foreign operations. The foreign operations include J Bibb and pillar dealerships in South Africa. The group lifted the group's earnings by 19% in the first six months, up 15% on sales up 15%.

Operations in other parts of the world were also strong. The economy was a factor in the circumstances of the industrial or e-

## Election

smaller parties. In Tygerberg, on the coun-

# New IBA policy makes waves

OWN CORRESPONDENT

JOHANNESBURG Community radio stations will have smaller broadcasting areas than their commercial counterparts, as in other parts of the world, the Independent Broadcasting Authority said yesterday in reaction to recent complaints from community stations.

Radio Today voiced anger this week at the poor reception its listeners were experiencing, and at the reduction in radius of its broadcasts from about 40km in the middle of the radio dial to about 20km on the top end where they were recently moved.

An IBA spokeswoman said yesterday that this move was inevitable as the middle of the band was to be utilised by commercial stations. According to international standards, these had to broadcast to a larger area to draw advertising revenue.

"The community stations don't have to rely on advertising. They are also open to sponsorship, grants, and subscriptions from communities who want the station to remain in that area," she said.

The IBA has already agreed to allow larger broadcasting areas for community stations on the AM band, which has been under-utilised in the past.

Usually community stations have a broadcast radius of about 10 to 14km as they are aiming at a specific community, but the stations on AM are reaching between 15 and 20km.

A technical expert said that in other countries the higher radio frequencies were allocated to community stations, usually for financial reasons. "The higher the band, the shorter the antennae need be and this saves the stations huge amounts of money."

et 3/7/96 (260)  
"An antennae for a station in the middle of a band can be 150m high and cost the earth," he said.

Those stations who are applying to be re-licensed and have been broadcasting in the middle of the band for a year, face financial losses.

"This is bad news for us. We will lose thousands of rands in advertising and a large number of listeners," the station manager of one of the community stations said.

The IBA realised that this may be a problem, but said the stations were originally placed on the middle frequencies at a time when the IBA had no frequency plan. "Because of the youth of the IBA we had to start procedures without all the policies in place," the spokesman said.

Those who come on board now, face no further changes. They will be placed on an appropriate frequency where they will remain.

# Eskom, local authorities negotiate R1,2bn arrears

(260) BD 5/6/96

**Robyn Chalmers**

ESKOM is negotiating with municipalities and consumers to recover some of the estimated R1,2bn owed by local authorities to the parastatal

A spokesman said yesterday that the group's restructuring and transformation task team — set up to look into options for restructuring — was also considering the issue, and was on target to give government a thorough report by September

Eskom had decided several years ago not to write off any of the debt, but it was becoming increasingly apparent that certain consumers and local authorities would never be able to repay their debt

"If local authorities are clearly bankrupt, we will consider writing off the debt, but will only go this route after full discussions with government and other relevant stakeholders, and

where there is a clear legal basis to do so

"We do not want to set a precedent for the writing off of debt, and it will be done only as a last resort," said the parastatal's spokesman

National electricity regulator chairman Ian McRae estimated recently that about 150 local authorities out of 420 were facing financial difficulties and could become unable to pay their bills to Eskom

McRae said that restructuring the electricity supply industry — as contained in a report recently given to government — would lead to a more efficient and effective industry. This would go a long way towards meeting customers' requirements and dealing with the non-payment issue

Depending on what strategy government decided to adopt, several regional electricity distributors could be created or a

single decentralised national distributor could be established.

Regulator customer services manager Johan du Plessis said non-payment of electricity had a massive effect on government plans for 450 000 new connections by 2000. A comprehensive strategy was needed to address non-payments

He said a number of actions needed to be undertaken across the board, including upgrading of electricity supply in areas where it was inadequate, so as to make distribution consistent

Once the electricity supply was being efficiently undertaken, customers had to be educated on their rights and responsibilities regarding payment, du Plessis said

Consumers proving to be uncooperative should have their supply of electricity cut off, but the question of arrears had to be dealt with, in order to retrieve funds owing to Eskom.

# SABC ownership of transmission grant ends

Ingrid Salgado

THE SABC and Sentech signed a master transmission agreement yesterday, bringing an end to SABC ownership of the signal transmission grant.

Sentech would become an independent commercial state enterprise under the post, telecommunications and broadcasting ministry. It would be the world's largest signal transmission company with an annual turnover of R216m and assets worth R350m.

The SABC would remain Sentech's largest customer with Sentech continuing to provide trans-

mission facilities for SABC terrestrial and satellite television and radio broadcasts, the corporation said. Agreement to use Sentech services was indefinite, although the SABC could withdraw from part of the services if it absorbed the cost of transmitters built for SABC purposes.

SABC board chairman Ivy Matsepe-Casaburni said the move ensured Sentech was not "compromised or viewed with suspicion by incoming broadcasters" that might use its services. The SABC could focus on broadcasting.

The SABC would, in the future, seek to expand its terrestrial and

satellite networks. This made continued co-operation with Sentech essential. Expansion included delivery of new services and improvement of existing TV and radio services.

Sentech board deputy chairman Colin Hickling said Sentech had developed "tremendous technical expertise".

The company aimed to provide commercial services for the business community using satellite technology, make radio and TV signal services available to the rest of Africa and meet the needs of SA's community and commercial broadcasters.



ATTENTION B7

# Community radio station is not so smart

The Independent Broadcasting Authority has taken Smart FM to task for overshooting its signal power limit **Mungo Soggot** reports

**R**ADIO station Smart FM, battled to live up to its name recently when it gave three contradictory explanations for why it overshot the signal power limit set it by the Independent Broadcasting Authority.

During the latest round of IBA hearings, Smart FM made an application for another one-year licence.

The radio station was grilled by the IBA panel which probed its previous contravention of licence conditions.

The panel questioned Smart FM's candour after the Johannesburg

community radio station struggled to bat off the IBA's claims that it was inconsistent in providing reasons for contravening the licence conditions.

Smart FM, which aims to promote road safety, suggested it had been forced to pump up its power as it had been impossible to work within the constraints set by the IBA.

If it was granted a higher power limit for its signal it would not have exceeded the power cap, it said — an indulgence which saw it hauled before the authority's Broadcast

(260)

M+C (Ram)

3/15-6/6/96

Monitoring and Complaints Committee for violating the IBA Act

However, IBA councillor John Matson reminded Smart FM that a few months earlier it had told Acting Judge Jules Browde of the complaints committee that a "defective cable" had caused the overshoot. And before that, Smart FM had blamed all on a "lightning bolt".

"So in the first case it was not deliberate because there was a lightning strike and in the second case it was not deliberate because there was a defective metre?" Matson asked.

Heynick, the station's lawyer, replied "With respect, the allegation or the insinuation is too vague in content to give you a specific reply, but I will say that at the moment for the

record it is not being denied by the applicant that the limitation on the power that were given to it has been extended."

**B**ut his comments failed to bury the matter, for IBA legal adviser Glen Marques then stepped in to remind the radio station that at one of the previous hearings about the breach some of Smart FM's other board members had claimed to have been "unaware" of the breach, whereas now it was acknowledging it had been deliberate.

Earlier on, IBA co-chairperson Peter De Klerk said the station would have to prove it had the equipment and the management to ensure it did not repeat such a serious breach of the Act.

It was then that the station's representative, Alan Munro, explained that had Smart FM been given half of the one kilowatt it had asked for with its previous licence — and not the 10 Watt it had been given — it would never have breached its licence conditions. In a lengthy monologue, he listed a range of possible punishments for himself if the station did end up breaching the Act if it got enough power.

At first, he said he could be fined or jailed. But later he said "I am prepared to stake my own personal life on that."

To which De Klerk replied: "Mr Munro you didn't actually have to stake your life because we haven't got the powers to hang you."

Dr C W Louw	BSc, MSc, PhD	To assist with Development and Formulation of SA Nuclear Energy Policy	June 1995 until July 1996	R70 000
Adv H W L Kugel	BLC, LLB, LLM	Drafting of new Electricity Regulation Bill and related legislation	November 1995 until July 1996	R162 500
Prof P J Brown	BSc (Eng) Pr (Eng) M (Eng)	Training of Pupil Inspectors	January 1996 until January 1999	R48 000
G J Retief		Training of Pupil Inspectors	January 1996 until March 1997	R187 572
Prof I J Lambrechts	D Com, MBA	To evaluate contributions by Labour, Business and Government on the liquid fuels industry and the restructuring thereof	15 March 1996 until 31 May 1996	R60 000
L P vd Berg	B Com	To evaluate changes in Government's approach to the liquid fuels industry	15 March 1996 until 31 May 1996	R50 000
Dr R Crompton	PhD (Economic History)	To evaluate the contributions by Labour to the restructuring of the liquid fuels industry	15 March 1996 until 31 May 1996	R25 000
Europe Energy & Environment (H R C Harrison)	BA, LLB	RDP Integration and Planning	October 1995 until January 1996	R42 936
(2) (a) No	(b) No	(c) No	(d) (i) No	(d) (ii) No
(e) No	(f) No	(g) No		
(3) (a) Yes—CEF (Pty) Ltd, in respect of Dr P J Hugo and Mr H R C Harrison, mentioned below,	(b) No	(c) No		
Dr P J Hugo	BSc (Geology) BSc (Hons) (Geology) MSc, DSc B Com	Convener of the Mossgas Task Team	15 December 1995 until 15 September 1996	An amount not to exceed R800 000
H R C Harrison	BA, LLB	Member of Mossgas Task Team	15 December 1995 until 15 September 1996	

#### Theft of software

412 Col N GRAMAREMISA asked the Minister for Safety and Security:†

How many persons were taken into custody by the commercial unit of the South African Police Service in connection with the theft of software during the latest specified period of 12 months for which information is available

The MINISTER FOR SAFETY AND SECURITY:

No persons were taken into custody by the Commercial Crime Component of the SAPS in

connection with the theft of software in the period 1 May 1995 to 30 April 1996. However, one person was arrested in Gauteng for the illegal distribution of computer software during the given period.

#### Violent death of SAPS members

482 Mr D M BAKKER asked the Minister for Safety and Security:†

How many members of the South African Police Service died violently in South Africa in (a) 1994 and (b) 1995? N836E

The MINISTER FOR SAFETY AND SECURITY:

- (a) 1994—255  
(b) 1995—237

#### Upgrading of State assets

489 Mr L D CHUENYANE asked the Minister of Public Works.

- (1) Whether any requests have been made for the upgrading of State assets, if so, how many,  
(2) whether he or his Department will consider making use of disadvantaged contractors to undertake such upgrading; if not, why not, if so, what are the relevant details?

N843E

#### The MINISTER OF PUBLIC WORKS

- (1) My Department's programme for the repair and renovation of State-owned assets is compiled on the basis of requests received as well as from other sources. Requests received from politicians, complaints from the public and user Departments and reports from the technical staff

of my Department all play a role. No specific record is kept from which the source of any particular repair and renovation service can be determined. As approximately 1 000 services are dealt with annually, it would be a time-consuming and costly exercise to peruse each file for the purpose of determining whether or not a service resulted from a request.

(2) I and my Department are fully committed to the principles of both the RDP and NPWP in the endeavour to promote and expand the use of emerging contractors. With day-to-day maintenance, which has been delegated to user departments, extensive use is being made of emerging small, medium and micro enterprises (SMME's) for quotation services up to R1 500 in value per case.

To render the tendering system more accessible to SMME's a data base of all suppliers (SMME's) is being compiled for service of less than R7 500 in value per case, so that price quotations can be invited on a rotation basis in order to distribute the work evenly.

*Hansard*

# Broadcaster under scrutiny

(260) 7-13/6/96 MTG (BM)

An SABC suffering financial setbacks has set up a watchdog group to ferret out mismanagement and clamp down on expenses  
**Jacque Golding-Duffy** reports

**W**ITH a shift in audience ratings on all three channels, an uncertainty among advertisers and more than 900 000 unpaid television licences, the SABC has begun to tighten its belt

The planned sale of SABC's 32-storey Radio Park building and the close monitoring of staffers by the corporation's internal investigations unit are part of its streamlining efforts

Now an internal investigations unit — the Group Internal Audit — has been re-established to choke off waste and mismanagement

According to Audit head Andy Sello, the auditing group is the "ears and eyes of the SABC board" and prides itself on being an independent body, although employees are paid by the SABC

During the early days of South African television (the Seventies and Eighties), the Group Internal Audit was a department which catered to the whims of the old guard management with no desire to operate as an independent auditing department

The department — reborn six months ago — has three sub-divisions homing in on specific areas such as the auditing of finances, scrutinising of cellphone accounts, allowances, use of SABC equipment and financial arrangements with external production companies.

Its 14 staffers report directly to the Audit committee, comprised of SABC board members including SABC chief executive officer Zwelakhe Sisulu and board chair Ivy Matsepe-Casaburn as well as outside auditors

The main function of the Group Internal Audit is twofold

- to monitor mismanagement of funds and human resources in a bid to cut down on unnecessary expenses, and

- if required, to investigate certain incidents of mismanagement that have occurred in the past, by present SABC employees. The second function will only be performed if the audit department is requested to do so

"If we are approached to investigate certain people in order to assist [an internal] truth commission, then we



Andy Sello. The auditing group is the 'ears and eyes of the SABC board'

PHOTOGRAPH RUTH MOTAU

will do so. We will not simply say let bygones be bygones," says Sello

According to sources at the SABC, the internal truth commission has been established where staffers are encouraged to come forth with information pertaining to, among others, the defacing of tapes, banning of certain programmes and the misappropriation of funds

Investigations conducted by the Internal Audit Group often result in employees appearing before a disciplinary hearing. About 80% of these employees are dismissed because they are found to be guilty of mismanagement.

Among the people allegedly involved in mismanagement and who, some say, were investigated by the Group Internal Audit are former

Channel Africa head Lebona Mosia and commissioning editor for SABC variety programmes, Percy van Rooyen. Mosia has been dismissed and Van Rooyen suspended. The latter is still under investigation

"Our task is not limited to fraud and checking balance sheets, but extends to areas where people feel equipment is being misused, sold illegally to outsiders and used for personal gain. Equipment stretches from audio-visual to cellphones," says Sello

SABC representative Pat Pillai says the corporation has embarked on a "resources review" as part of its intention to reposition itself and become more cost-effective and competitive.

Pillai says the role of the Group Internal Audit is key in following up

leads from sources within and outside of the SABC in an effort to cut down on expenditure. "We want to readdress the type of behaviour which was rife within the SABC before the changeover. There is a lot still to be done but we are aiming to become a more flexible and dynamic organisation. To do this, we have to dispense with our top-heavy, bureaucratic and unwieldy image."

He adds that various mechanisms have been put in place to look at ways the corporation can be streamlined and proposals passed by the SABC board include a cutback on allowances when taking business trips locally and abroad, a cutback on accommodation and on car hire

Although the SABC chairperson (Matsepe-Casaburri) and group chief executive (Sisulu) stay in five-star accommodation or the equivalent, all other board members and chief executives stay in four-star accommodation. Other personnel stay in three-star hotels

The same applies for car-hiring and flights. Only Matsepe-Casaburri and Sisulu travel first class. Board and group executive members travel business class and all other personnel travel economy class

Pillai says these cutbacks will save the corporation millions of rands. Although the above policies have already been put into effect, the benefits, says Pillai, will only be noticed at the end of the financial year

A green paper discussion document was recently released by the resources review task group, headed by senior general manager of strategic planning Solly Mokoetle. The process initiated early this year includes lengthy consultations with all SABC employees through their unions, but is likely to take months before being finalised

Commercialisation and privatisation of some of the SABC units are among the options facing the task team. The resources under review by the task group and various internal SABC committees are, among others, Henley Facilities and Studios, some radio facilities and accompanying studios, regional facilities and the SABC's Broadcast Centre in Auckland Park.

Management, however, says it is determined to prevent job losses through its rationalisation. Steps to prevent this include substantial shareholding by staffers. The shareholding, says the SABC, will be held in enterprises that result from privatisation

# Sigcau adviser to sue official

By CAROL PATON

A SPECIAL adviser to the Minister of Public Enterprises, Stella Sigcau, is to sue a senior member of her department who last week alleged that her ministry was a "sick environment" riddled with fraud and mismanagement.

Jeff van Rooyen said allegations made by the department's management services director, Steve Theron, that air tickets were being issued fraudulently and that there was a "lack of control" over ministerial advisers were false.

"The allegations are false and malicious. No evidence substantiating the claims has as yet been presented.

"I must conclude, therefore, that the official has acted mischievously in attempting to discredit and undermine my position," he said.

Mr Theron's allegations were published in the Sunday Times last week.

He said air tickets were being issued in the name of a ministerial employee but were being used by someone else.

"Over and above that this is fraud. There is no way in which advisers can be controlled. They come and go as they wish and have meetings at private venues," Mr Theron said last week.

Mr van Rooyen said that he had initiated legal proceedings so that the allegations could be "tested in court".

1129

MONDAY, 10 JUNE 1996

1130

**Eskom outstanding payments owed by bulk consumers**

three calendar years for which information is available?

413 Mr J J NIEMANN asked the Minister for Public Enterprises †

N724E

What was the amount in outstanding payments owed to Eskom by bulk consumers in each of the provinces in each of the latest specified

Outstanding payments by bulk consumers in each of the provinces over the latest three calendar years are as per schedule

**OUTSTANDING BULK PAYMENTS FOR THE PROVINCES**

Province	31 December 1995 (Rm)		31 December 1994 (Rm)		31 December 1993 (Rm)	
	Excluding interest	Including interest	Excluding interest	Including interest	Excluding interest	Including interest
Gauteng	565	888	475	666	456	592
Mpumalanga	62	79	43	54	34	40
Northern Province (VEC)	58	60	0	0	0	0
North West	23	35	20	29	16	19
Northern Cape	0	0	0	0	0	0
Western Cape	7	8	4	4	0	0
Eastern Cape	47	51	13	14	0	0
Free State	26	54	26	54	26	39
KwaZulu-Natal	0	0	0	0	0	0
Total	788	1 175	581	821	532	690

**Export of deciduous/citrus fruit**

414 Mrs M J BADENHORST asked the Minister of Agriculture †

in the (a) 1993-94, (b) 1994-95 and (c) 1995-96 financial years?

What was the total income derived from the export of (i) deciduous fruit and (ii) citrus fruit

The MINISTER OF AGRICULTURE

N725E

	(a) 1993-94	(b) 1994-95	(c) 1995-96
(i) Deciduous fruit	R1 900 567 100	R2 076 111 932	R2 300 000 000
(ii) Citrus fruit	R 991 000 000	R1 337 000 000	R1 632 000 000

**White collar crime**

420 Mr D M BAKKER asked the Minister for Safety and Security †

The MINISTER FOR SAFETY AND SECURITY

(a) How many cases of white collar crime were reported in the (i) 1993-94, (ii) 1994-95 and (iii) 1995-96 financial years and (b) what was the total amount involved in each of these financial years?

(a) (i) Comparable figures are not available for the 1993-94 financial year as records have been kept in their present format only since January 1994

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(ii) In the 1994-95 financial year, 53 600 cases were reported to the Commercial Crime Component of the South African Police Service

(iii) In the 1995-96 financial year, 52 386 cases were reported to the Commercial Crime Component of the South African Police Service

(b) 1993-94

The monetary value of these crimes in the 1993-94 financial year is unavailable because records have been kept in their present format only since January 1994

1994-95

The total amount involved in cases reported to the Commercial Crime Component of the SAPS in the 1994-95 financial year is R3 855 797 494

1995-96

The total amount involved in cases reported to the Commercial Crime Component of the SAPS in the 1995-96 financial year is R2 623 462 956

However, it must be noted that the above monetary values are based on the values initially reported, that is the estimated loss at the time of the crime being reported to the SAPS. The monetary value involved in these cases could, therefore, have either substantially increased or decreased during the course of the investigations

**Broadcasting Monitoring and Complainants Committee: budget**

260

439 Ms M SMUTS asked the Minister for Posts, Telecommunications and Broadcasting

(1) (a) What amount has been or is to be budgeted for the Broadcasting Monitoring and Complainants Committee until 1999, (b) how many (i) members and (ii) other specified staff members of the Committee are employed by the Committee, (c) what annual salary is being paid to each of the (i) members and (ii) staff members of the Committee and (d) from which premises is the Committee currently conducting its operations,

(2) whether the members and/or staff members of the Committee are entitled to any

(a) car, (b) travel, (c) subsistence and/or (d) other specified allowances, if so, what allowances in each case,

(3) whether the Committee has purchased any premises from which to conduct its operations, if so, (a) which premises, (b) at what cost and (c) what other expenses were incurred or are being incurred as a result of this purchase, if not,

(4) whether the Committee is renting any premises, if so, what is the annual rental? N754E

**The MINISTER FOR POSTS, TELECOMMUNICATIONS AND BROADCASTING**

(1) (a) For the 1996-97 financial year, an amount of R300 000 has been budgeted for remuneration and a sum of R73 800 for travel and hearing expenses

(b) (i) Five (5) members (including IBA co-chairperson, Mr P de Klerk) (six co-opted members) (ii) None. All work for the BMCC is undertaken by the staff of the Monitoring and Complainants Department along with their IBA functions

(c) (i) R84 000 in total to the Chairperson, R1 000 per hearing to the other members excluding Mr P de Klerk, the IBA Council representative on the BMCC (ii) Not applicable

(d) IBA offices in Rosebank, as and when the need arises

(2) (a) No

(b) Travel expenses incurred by the Committee in attending hearings and meetings are paid for by the IBA. Each expense has to be motivated and there is no travel allowance as such

(c) No

(d) No

(3) The BMCC has purchased no premises, and thus no costs have been incurred

(4) The Committee only meets on a part-time basis. It has no premises of its own and used the IBA's offices for meetings and hearings

*Hansard*

# Energy negotiations will be 'tough'

Robyn Chalmers

RECOMMENDATIONS to carve up the electricity supply industry should go before Cabinet by the end of August, despite a lack of consensus among industry stakeholders, government sources said at the weekend.

The mineral and energy affairs department said the interdepartmental committee set up last month to study the implications of restructuring electricity supply had tough negotiations ahead of it.

Several players in the industry had differing views on the restructuring of the current electricity supply set-up.

The energy users' forum — representing companies such as Sentrachem, Afrox, Sappi, Mondi, Tiger Oats and Consol — have accused government of failing to consult major

electricity users in its deliberations

"There are also a number of trade unions that appear to be sceptical of the proposed shake-up, and there will have to be wide-ranging talks with union representatives before the process can move forward," a department spokesman said.

The major unions represented in Eskom and the related electricity supply sector include the National Union of Mineworkers, the National Union of Metalworkers of SA and the Independent Municipal and Allied Trade Unions.

Sources said that there was little consensus within the unions themselves, let alone within the industry.

However, the spokesman said government representatives in the talks had been given a mandate to have recommendations on the table within two-and-a-half months

(260)  
The talks will revolve around a report submitted to government two months ago by the electricity working group, which includes representatives from Eskom, the national electricity regulator and government.

The current proposals suggest either placing all of Eskom's and the local authorities' distribution assets into a decentralised national distributor, or else setting up several regional distributors.

The spokesman said there were a number of international and local consultants who could be called in to assist with the negotiations — a scenario that was likely should talks become bogged down.

Only once consensus has been reached on the way forward can government move ahead with restructuring — a task which sources said could take years to achieve.

# Officials rally to defend IBA budget

Star 11/6/66

(260)

Parliamentary committee told there is sufficient control over spending in the organisation, and that staff are not being overpaid but are entitled to perks in line with their positions as senior people

By **CHERYL HUNTER**

The Independent Broadcasting Authority defended its R33-million budget yesterday amid criticism that its staff are overpaid and that there is insufficient control over spending.

Appearing before Parliament's finance committee, IBA co-chairman Peter de Klerk said the IBA's budget had been raised by only 12.5% since last year. His defence follows accusations at the weekend that councillors employed too many assistants and refused to cut costs.

He said councillors flew business class because they were entitled to do so. Councillors were senior people who were used to

having such facilities, and if the IBA failed to provide them, it would battle to attract competent people, De Klerk said.

A source revealed to The Star last week that when councillors were approached recently to pool their frequent flyer points in order to cut costs, they had refused. It was also revealed that councillors had bought an expensive Norkate dinner service for their Rosebank, Johannesburg, offices.

"Yes, we have bought a Norrtake dinner service. It was acquired to service the whole building because we entertain overseas people and ministers here. At Stuttafords the set cost R21 000, but we bought it wholesale from Adams for R13 000 including the

## Budget was upped by only 12.5% this year

De Klerk said He explained that every councillor — of which there are to be eight — had a personal assistant, a special assistant and access to a secretariat of four people.

"This is a worldwide phenomenon and regulatory councillors overseas also have special assistants who are professional people, like attorneys who work through a myriad documents," he said.

The IBA was a new organisa-

tion, De Klerk said, and was still trying to understand its mandate and determine what resources it required.

He had originally requested a budget of R43-million based on tasks the IBA would have to perform this year. The cuts would mean less staff could be employed and the number of open hearings held would have to be decreased.

IBA councillor Lyndall Shope-Mafole said salaries earned by senior civil servants were taken into consideration when determining appropriate remuneration for senior staff. Salaries, while market related, were nowhere near those paid by institutions such as the SABC or Telkom.

The finance committee agreed

that in future the IBA's budget should be considered by Parliament's posts and telecommunications committee.

DP MP Ian Davidson said at the weekend "Looking at the cost structure of the IBA, it has become clear to us that the IBA might be fulfilling a worthwhile function, but whether the cost of this organisation can be justified is questionable."

NP media director Johan Steenkamp said he had grown tired of the explanations for the IBA's "extravagances."

"They say they have to maintain a certain standard but this is preposterous and, accompanied by their arrogance, we find it repulsive," he said.

## SABC 'ideal to convey govt communications'

Star 11/6/96 (260)  
**By PATRICK BULGER**  
Parliamentary Correspondent

Cape Town – Deputy President Thabo Mbeki yesterday identified the SABC as the vehicle to convey government communications to the public

Mbeki, whose proposal to have a dedicated government communication slot on television drew a howl of criticism last year, told the National Assembly yesterday the public broadcaster had a duty to keep the public informed about the Government's activities

The Independent Broadcasting Authority is the statutory regulatory body for the SABC and was established to remove control of the airwaves from the ex-

clusive preserve of the Government as was the case under the previous regime.

Mbeki said "Matters concerning editorial independence would have to be addressed. But if we are serious about responding to the needs of the people and building a genuinely participatory democracy, we cannot run away from the need to ensure that the public broadcaster carries out its responsibilities as defined by the IBA"

He said the legacy of media ownership in the country meant that the "political tendency represented by the liberation movement is by and large not represented in our media". The public broadcaster also had a role to play in rectifying the imbalance caused by skewed media ownership



# Mbeki wants stronger state media role

ARLT 11/6/96

(243) (260)

**CLIVE SAWYER**

Political Correspondent

DEPUTY President Thabo Mbeki wants a public broadcaster with a stronger role in conveying government news and opinion

He believes most people want to hear directly from the government, in addition to other sources such as privately owned media and the South African Broadcasting Corporation.

Mr Mbeki was speaking during the SA Communication Services budget vote in the national assembly yesterday

He said citizens could play a meaningful role in government only if they had access to information and knew fully the aims of their elected representatives

"It is only an informed population that would be able to curb the excesses of government where these occur"

The new democracy was still struggling to break with a past in which the government thrived on secrecy and the use of communication not to inform but to manipulate and intimidate

The new government had so far not been able to communicate with citizens satisfactorily

This was not because of a lack of will, but because of the realities into which the new democracy had been born

A task team on government communications would report on these issues by September, with the report being publicly available about a month later, he said.

He said a central issue was that the government communicator had no vehicle for mass communication

The government did not want the public broadcaster to abandon its duties, as outlined by the Independent Broadcasting

Authority, to inform people about the activities of the government

Carl Niehaus (ANC) said journalists to whom he had spoken still wanted a neutral government communicator, a concept he dismissed as a "mythic figure"

He said relations between the ANC and the media were at a low

The media was too white and too conservative, particularly in senior editorial positions

This did not absolve government from the duty to communicate through the established media

Dene Smuts (DP) said the impression endured that the transformation of the media was as much on the task force's agenda as was the improvement of government communications, in spite of denials by Mr Mbeki that the government intended interfering with the Press

## IBA defends

## R33m budget

(260) CT 116/96

SENIOR Independent Broadcasting Authority officials defended the organisation's R33 million budget yesterday, denying staff were overpaid or that there was insufficient control over spending.

Appearing before Parliament's finance committee, IBA co-chairman Mr Peter de Klerk said the authority's budget had only been upped by 12,5% since last year and not 100% as widely reported.

While the authority's allocation was R17,3 million in the previous financial year, an amount rolled over from the previous year brought its budget to about R30m.

Most of the organisation's costs were staff-related, De Klerk said.

IBA councillors, now five, flew business class while support staff flew economy class, De Klerk said.

Councillors were senior people who were used to having such facilities, and if the IBA failed to provide them it would battle to attract competent people.

IBA councillor Ms Lyndall Shope-Mafole said salaries were market-related — Sapa

Wednesday June 12 1996

NEWS

Media in SA  
'still in  
white  
hands'

By Rafiq Rohan  
Political Correspondent

THE Government is still of the firm view that the media, particularly print, are still largely being controlled by whites, reflective of a certain political viewpoint and that the current Government is still not getting a fair Press. Deputy President Thabo Mbeki said at a briefing on Monday "We come from a situation, where the majority of the people were excluded all round from the economy and politics

"A major segment of political opinion is not represented in the mass media and it is for this reason the Government needs the services of a restructured body, like the South African Communication Services"

All viewpoints

Had South Africa possessed media that reflected all viewpoints, it might not have been necessary for a body like SACS, Mbeki said.

However, it is not clear what form the SACS will take. Its future is dependent on proposals that the Government Communication Task Team will come up with. The team consists of several media experts, including *Sowetan* political editor Mathatha Tsedu.

Mbeki said while it was necessary for the Government to communicate with and inform citizens, it had thus far been unable to harness human and material resources to do this and had not been able to build the required capacity.

This had occurred not because of a lack of will but because of the objective realities.

General rule

Turning to the media in general, he pointed out that it was a fact that the majority of Africans were denied access to it.

He also pointed out that there was nothing unusual about newspapers openly supporting one political party. This was a general rule in established democracies.

Mbeki said he did not want to deny those already "well represented but we should be working towards creating equity".

ANC MP Carl Niehaus also emphasised the need for the Government to get a fair Press.

"There can be no doubt that the media are still too white and conservative, particularly in senior editorial and management positions."

The ANC head office feels the Government needs a more effective way of providing the public with information.

## Budget fails to spell out state assets policy

(260) (302)  
Linda Ensor

20 12/6/96

CAPE TOWN — Members of the public enterprises portfolio committee, which met yesterday to consider the departmental budget, expressed confusion over the committee's role in the absence of clear policy guidelines over what was to be done with state assets.

The committee was to be briefed by minister Stella Sigcau yesterday evening.

Members expressed frustration at the fact that while the committee's task was to oversee implementing restructuring, it had learned from a presidential announcement in Germany that the ANC's policy was privatisation.

There was also concern that the amount allocated fell far short of what would be required were restructuring to get under way.

Committee chairman Mandla Msomi said the committee had rejected the budget's explanatory memorandum on failing to provide details and failing to articulate policy framework, as was required of budgets.

Personally he felt the budget should send a clear signal both locally and abroad about government's intentions. Instead it was sending out a misleading and poor signal of a dangerous paralysis.

Department deputy director-general Prof Siphosiso Tshabalala said the department was basing its activities on the restructuring objective outlined last year until the ANC's privatisation policy was adopted by government.

# Tax proposal draws Eskom tariff threat

(260)

Robyn Chalmers

BD 13/6/96

GOVERNMENT proposals to tax Eskom or introduce a dividend policy could force it to choose between raising tariffs or reducing RDP electrification targets, Eskom CE Allen Morgan warned yesterday.

Morgan said he doubted a decision would be rushed into, but the effect on the industry could be immense.

"We could be forced to raise tariffs if we wished to move ahead with our target of electrifying 300 000 households a year until the turn of the century, which will have a huge effect on SA's economy," he said. "Alternatively, we could downgrade our electrification programme, which is such an important component of government's intention of uplifting the disadvantaged."

The finance department had indicated that it was considering taxing Eskom as part of a wider plan to tap parastatals' coffers. A tax rate of 35%

and a 33% after-tax dividend have been suggested unofficially in the past, which analysts believe will send the electricity industry into turmoil.

Morgan said Eskom already had to bear the brunt of R1,3bn in outstanding electricity bills owed by local authorities which had been accumulating since the late 1980s.

Eskom would have to take a tougher line with consumers who refused to pay their bills, particularly after negotiations with municipalities and consumers to recover some of the debt.

National electricity regulator chairman Ian McRae has estimated that about 150 local authorities out of 420 are in financial difficulties and will be unable to pay their bills.

Morgan said Eskom was losing an estimated R30m a month due to theft by consumers. This was occurring largely as a result of consumers by-passing prepaid electricity meters and pirating overhead electricity lines.

# Talks over asset restructuring

Renee Grawitzky  
and Robyn Chalmers

GOVERNMENT, business and labour held the first six-a-side meeting on Sunday since the signing of the National Framework Agreement earlier this year in a bid to speed up talks on state asset restructuring. Government sources said the meeting, initially scheduled for June 15, had been moved forward as it was the only gap in the schedules of the various parties involved.

Reuter reports that Public Enterprises Minister Stella Sigcau told the sub-Saharan oil and minerals conference that a process to carry the restructuring programme forward had been agreed upon at the meeting.

Sigcau said government believed it was necessary to get strategic equity partners in the sale of some state assets, like SA Airways and Telkom. She has pledged to make a major announcement on the restructuring of state assets on June 21 in her budget speech.

Sigcau said yesterday that subcommittees would be established to investigate privatisation in various sectors.

The parties identified five sectors — communication, transport, mineral and energy, trade, industry and defence and water, agriculture and forestry — in which negotiations on restructuring would take place.

Labour's co-ordinator, whether privatisation for state asset restructuring, Vusi Nhlapo, said government had proposed an additional leisure sector while labour had proposed a sector for housing.

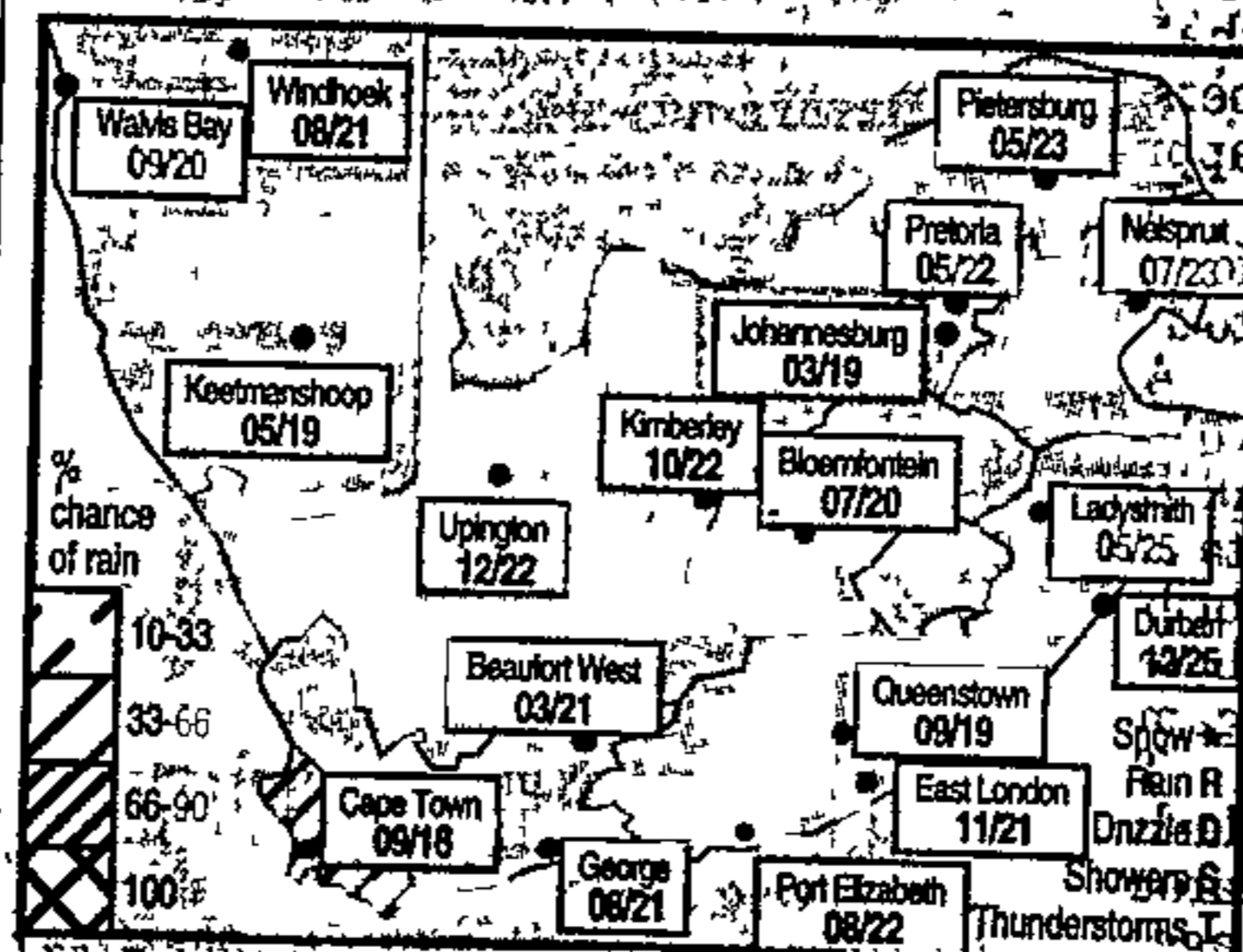
He said labour had proposed a housing sector, as the delivery of low-cost housing had been slow.

Labour's position was not driven by ideology, but by the debate over restructuring.

whether privatisation was correct in a particular instance

Nhlapo said if strategic equity partners could bring about efficient and affordable services to previously marginalised communities, it would be considered. He said between now and the end of next month, the various parties had to meet on a number of occasions to negotiate each sector's restructuring.

## TODAY'S WEATHER



GAUTENG	NORTHERN CAPE
NORTHWEST	EASTERN CAPE
NORTHERN PROVINCE	WESTERN CAPE
MPUMALANGA	KWAZULU-NATAL
FREE STATE	NAMIBIA

## Global temperatures

City	Min	Max
Amsterdam	12	22
Brussels	16	27
Lisbon	17	33
London	14	22
Rome	17	33
Sydney	14	22

# IFP and ANC moving closer to peace for KwaZulu-Natal

Farouk Chothia

DURBAN — The peace initiative between the ANC and IFP in KwaZulu-Natal took another step forward yesterday with the announcement that a series of committees had been formed to deal with vexed issues such as winning the support of traditional leaders and grassroots followers, and drafting a code of conduct to govern the behaviour of party members.

Premier Frank Mdlalose said a seven-member steering committee would hold discussions on the peace initiative with local leaders, and to "prepare grassroots people for peace".

The committee was made up of ANC and IFP hardliners, including the IFP's Thomas Shabalala and David Ntombela, and the ANC's Dumisani Makhaye and Sifiso Nkabinde. The committee would be led by provincial public works MEC Celani Mtetwa. Mdlalose said ANC KwaZulu-Natal transport MEC Sibusiso Ndebele and finance MEC Senzele Mhlungu (IFP) had been asked to draft a code of conduct to govern the behaviour of mem-

bers of the two parties. Ndebele said the code should guarantee that parties would suspend or expel members who engaged in violence. The ANC and IFP tended to react to "silly things", thus exacerbating tensions. The parties should consider stipulating in the code that problems would be "quarantined" and resolved, Ndebele said.

Meanwhile, Safety and Security Minister Sydney Mufamadi, Defence Minister Joe Modise and deputy intelligence minister Joe Nhlanhla visited the strife-torn areas of Donnybrook, Wembezi and Eshowe yesterday.

Modise said there was a decline in violence in the area and central government welcomed the peace initiative as the security forces alone could not end violence.

Mufamadi said he would meet security chiefs in Pretoria today, before announcing new security measures to sustain the successes made thus far.

Meanwhile, Sapa reports that police had followed up on claims that IFP and ANC paramilitary training camps were operating in KwaZulu-Natal, but had found nothing.

## ANC 'backs SABC stand'

Wyndham Hartley

CAPE TOWN — The editorial independence of the SABC would be respected in any plan for a government slot on national television, ANC spokesman Carl Niehaus said yesterday.

He told reporters the ANC supported the SABC's statement that it would have to retain independent control over presentation. It would not simply be a propaganda slot.

He said there were no details on how the broader dissemination of government information through the national broadcaster would work.

It was possible legislation might be needed. The decision would be taken on the basis of Deputy President Thabo Mbeki's task team probing government communications.

Niehaus's remarks come in the wake of Mbeki's renewed call on Monday for government air time on SABC.

Mbeki said the SABC had a role to play in disseminating government information as government had neither the resources nor the capacity.

Niehaus said the lack of media diversity in SA made the role of the national broadcaster even more important in effective government communication with the public.

## DP rejects M-Net offer to parliamentarians

EMPANGENI — The DP yesterday rejected pay-television channel M-Net's scheme to make satellite dishes and decoders available without charge.

"A potential conflict of interest could arise when Parliament is required to consider broadcasting regulatory matters while MPs are in receipt

considerable comment, has been referred to Parliamentary party caucuses.

"Members of Parliament need to set an example of propriety and take careful heed of public concern over corruption and the potential misuse of public office for personal advantage.

"I believe that MPs need to be seen

and Australian  
Hickson have  
timber venture.

Services in Durban

Nicola Jeff

redeplo

# Power utilities urged to embrace private sector

ET (NR) 13/6/96 (260) 23 (55)

By James Lamont

INDUSTRIAL EDITOR

Johannesburg — Southern Africa could become the "electricity valley of the world" if it brought competitive principles and private sector finance into its power utilities, Andries Calitz, Eskom's senior transmission manager, said at the Sub-Saharan Oil and Minerals conference yesterday.

Calitz identified six priorities for the private sector for reform of the sub-equatorial African electricity sector, over and above the linking of transmission systems into an integrated power pool.

He proposed that a framework be adopted for independent power production; that large consumers be given a choice of energy supplier and that private sector finance be used to build and operate new transmission lines.

He also said power utilities should be commercialised, proper pricing policies should be implemented and the industry should be broken up into generation, transmission and distribution sectors.

"There are mechanisms to bring in finance that did not exist five years ago," said Ian Goldin, the chief executive officer of the Development Bank of Southern Africa, addressing the same conference. "Private finance for infrastructure is becoming more and more the norm."

He said that although Africa's 2 percent share of global capital flows was expected to decline, finance of infrastructure could increase by 10 percent a year from \$1.5 billion to \$5 billion by the end of the century.

Common problems that beset the southern African power sector, he said, were governments' unwillingness to raise tariffs, contributing to the disastrous financial performance of utilities, the use of prices



Andries Calitz, Eskom's senior transmission manager

PHOTO JOHN WOODROOF

to give subsidies to customers and the underperformance of electricity plants.

He said the bulk of African populations had not had access to electricity and that a culture of non-payment prevailed that included government departments.

In most sub-Saharan countries less than 5 percent of the population has access to electricity. Because of an electrification programme begun in 1992, about 48 percent of South Africans receive electricity.

However, Calitz questioned the commitment of the South African government to restructuring its larger assets, including Eskom. He said the restructuring of Eskom had been restricted to identifying separate distribution entities.

Calitz said Eskom offered major industrial customers with continuous operations a price of between 2c and 3c a kilowatt hour and maintained a 2:1 ratio between the prices of residential and industrial electricity.

He said the board of Eskom had recently agreed that Eskom become a net importer of electricity from next year.



# Speedy licensing of stations urged

**BARRY STREEK**  
POLITICAL EDITOR

CT 13/6/96

(260)

The licensing of the six SABC radio stations that were being sold should be speeded up and completed by the end of next month, the Minister of Post, Telecommunications and Broadcasting, Mr Ja Naidoo, said last night.

He urged the members of the Independent Broadcasting Authority to speed up the process and complete the licensing by the end of July.

He said during the Broadcasting Services Vote in the National Assembly that while it was important to ensure the transparency and independence of the IBA, it was also important to ensure a firm foundation of certainty for the huge investment that the public and private broadcasters are making to open our airwaves.

The chairperson of the Portfolio Committee on Communications, Mr Sam Moyo, congratulated the IBA for the contribution it had made in bringing about democracy in South Africa.

The licensing of 82 community radio stations, the development of regulations to govern permanent community radio licences and the completion of the process leading to the emergence of new commercial radio entrepreneurs would provide a range of opportunities to people in townships, different religious groups and immigrant communities.

● Radio 4 has effectively ended the strike against SABC and will be heard during the same debate.

Radio 4 has 60 million listeners but only has 20 transmitters compared to Afrikaans Stereo serving 641 000 listeners with 129 transmitters. Radio 4 has a staff of 10 and generates a profit of P15 million compared to Afrikaans Stereo with a staff of 60 making a loss of P1m. The same imbalances existed in television where the average cost of a 52-minute English or Afrikaans drama is P14 000 compared with P260 000 for an Afrikaans language production.

# Labour and state reach accord on assets

By James Lamont

INDUSTRIAL EDITOR

Johannesburg — The government and labour agreed last Sunday to form task teams to decide which state assets should be privatised, Stella Sigcau, the public enterprises minister, said yesterday.

The move came ahead of the expected release of a new macro-economic package later this week.

Addressing the Sub-Saharan Oil and Minerals Conference, she said the task teams were being formed to examine restructuring proposals in each sector, including telecommunications, transport, minerals and energy, trade and industry, and defence. The task teams would present their findings next month and in August.

The government would consider privatising easy assets that would not have a social effect, such as SunAir and Abacor, she said. But she stressed that the restructuring of state assets would have an "appropriate development orientation" and create jobs.

She said that debate over the broader telecommunications industry would not rule out Telkom and South African Airways taking strategic equity partners. She said that both parastatals needed financial injections and new technology supplied by international partners.

Gwede Mantashe, the deputy secretary-general of the NUM, said that the labour movement had persuaded the government to



**RESTRUCTURING** Stella Sigcau welcomed the labour movement's more positive approach to privatisation

PHOTO JOHN WOODROOF

scale down its intended privatisation programme. He said the labour movement objected to the government taking a back seat in the provision of public services and falling under the sway of international economic trends.

"Our democratically elected government cannot be relegated to the role of nightwatchman for capital," he said.

He argued that privatised enterprises would not deal with the ills of post-apartheid society.

Sigcau failed to discuss the fate of larger state assets. She said decisions would be made once the government had dealt with the macroeconomic policy and regulatory environment.

Sigcau said the government

had found its hands tied by the commercialisation process, which led to a decrease in jobs for blacks, undertaken by the National Party in the late 1980s.

She said that the government's thinking had to be governed by the effect it would have "on the man on the factory floor".

However, she identified a shift in the response to restructuring by the labour movement. Its request that privatisation be considered a tool for restructuring state assets and for a macroeconomic policy were positive signs.

Sigcau said the government was committed to negotiation on the issue. But she warned the "government is going to have the last word on the issue".

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CT(BR) 13/6/96

(260)

## Almost a R1-m for eight months at the SABC

(260)  
By **PATRICK BULGER**

Parliamentary Correspondent

Star 14/6/96

Cape Town - A businessman earned nearly R1-million at the SABC for eight months' work last year, Broadcasting Minister Jay Naidoo told Parliament yesterday.

He said in reply to a question from the DP's Dene Smuts that Adam Klein had been paid R861 840 for "consultancy services" between March 1 and October 31 last year.

In February this year Klein was fined R100 000 or two years in prison for contravening exchange-control regulations, with a further two years conditionally suspended.

In addition charges of fraud, forgery and theft were dropped.

Klein was president of the University of the Witwatersrand Students' Representative Council in the early 1970s before going into self-imposed exile in the United States.

He returned to South Africa in the early 1990s and had a top job with building company Boumat before being charged and convicted for contravening exchange-control regulations.

He is at present in the United States.

Naidoo said the SABC had no intention of employing Klein in the future, either as a full-time employee or as a consultant.

He said the SABC now had a "consultants policy in place to ensure that proper procedures are followed prior to the appointment of consultants".

# IBA near deadline to license up-for-sale radio stations

(260)

'I set tight time-frames,' says Naidoo, announcing that broadcasting authority has until end of July to complete process

SAPA  
Cape Town

The Independent Broadcasting Authority has been given until the end of July to complete the process of licensing the six SABC radio stations in the process of being sold, according to Posts, Telecommunications and Broadcasting Minister Jay Naidoo.

"If it is necessary to amend the IBA Act to give the IBA greater flexibility regarding time-frames for the public process for issuing licences, then we will approach this Parliament," the minister said during the broadcasting budget debate this week.

In terms of the constitution, existing broadcasting legislation in the former TBVC territories re-

mained in force until repealed by a competent authority.

"I set very tight time-frames to complete this process within the next few months.

"I have urged the IBA to expedite the processes of licensing the six SABC radio stations currently being sold, and to complete the process by the end of July 1996," Naidoo said.

While it was important to ensure the full transparency and independence of the IBA, the department had to create an environment of certainty for the investments being made by private and public broadcasters to open the airwaves.

"We need decisive action to achieve our common goal of universal service to our people.

*Star 14/6/96*  
"This is what people and potential broadcasters expect from us and this will be key performance indicators for the IBA," Naidoo said.

On the transformation of the department, he said his ministry would not interfere with the editorial independence of broadcasters.

"Our responsibility is policy and not the content of what is broadcast. I think that distinction is important."

The transformation of the SABC to a national public broadcaster would be dealt with through separate legislation - the National Public Broadcasters Bill - which he was confident would be debated before Parliament rose this year.

# IBA's consent stuns broadcaster

Star 14/6/96 (260)

By CHERYL HUNTER

If yesterday's announcement by the Independent Broadcasting Authority that three satellite television stations were to begin broadcasting was unexpected, no one was more surprised than the applicant himself.

While the IBA said African Entertainment Corporation had been granted interim consent to broadcast three satellite channels, beginning on June 1, Asec managing director Mark Grey said he was astounded.

"We applied months ago, but the first news I heard of the decision was on the radio yesterday," Grey said.

He could not confirm an IBA assertion that Asec would be broadcasting three analogue, free-to-air channels carrying a family entertainment channel with 10% of the programming being South African, a sports channel with about 90% foreign sports

coverage and 10% local, and that the third channel would broadcast the Discovery Network.

"It is too soon for us to issue a statement and will result in misinformation," Grey said.

He also seemed to think that the broadcasts could not begin quickly, but an IBA spokesman said they had to begin before September 30 or the consent would be withdrawn.

"I cannot give you answers, because I don't even know the licence conditions.

"We're sending someone to the IBA right now to collect more information," Grey said.

In a separate issue, SMaRt FM community radio station went on air yesterday to call on its listeners to donate funds to fight an IBA refusal to grant the station a new licence to continue broadcasting.

"Full written reasons for the council's decision

will be provided as soon as possible. The council is extremely busy at present please do not attempt to communicate directly with any members of the council in regard to their decision," said a fax sent to the radio station.

"We have not been given any reasons for this and will be taking the matter further legally," station spokesman Lara Nel said.

An IBA spokesman said, however, that SMaRt FM had denied - during three Broadcasting Complaints Commission hearings - illegally increasing its broadcasting power.

"But they admitted increasing their power in their licence hearing because they claimed they could not reach the audience they wanted to," the spokesman said.

In light of these circumstances, the IBA had decided not to grant another licence, and believed it would win the case if the matter went to court.

# Naidoo pledges no meddling with broadcasters

(260) ARL 14/6/96

CLIVE SAWYER  
Political Correspondent

THE Broadcasting Ministry says it has no intention of interfering with the editorial independence of broadcasters

This assurance was issued in the senate today by Jay Naidoo, Minister of Posts, Broadcasting and Telecommunications

"Our responsibility is policy and not the content of what is broadcast. That distinction is important."

A bill to transform the South African Broadcasting Corporation into a

national public broadcaster was in the early stages. Mr Naidoo said he would soon table the Public Broadcasting Services Bill.

This would set standards and establish the independence of the public broadcasting service from any interference," Mr Naidoo said.

"We have to spend resources to correct these apartheid-created distortions by upgrading African language stations in terms of location, programme mix and quality, transmitter splits, distribution coverage, staffing and equipment," he told senators.

# Mixed response to talk station

(260) MtG (Bm) 14-20/6/96

The clue to success for an Afrikaans radio talk station will be in its marketing, reports **Jacquie Golding-Duffy**

**P**LANS by Boland Financial Services and a private consortium to launch an Afrikaans radio talk station has met with a mixed response from the advertising industry.

Lindsay Smithers-FCB media director Tony Banahan is hesitant. Although advertising potential exists for an Afrikaans talk show, Banahan is unsure about the quality of listeners.

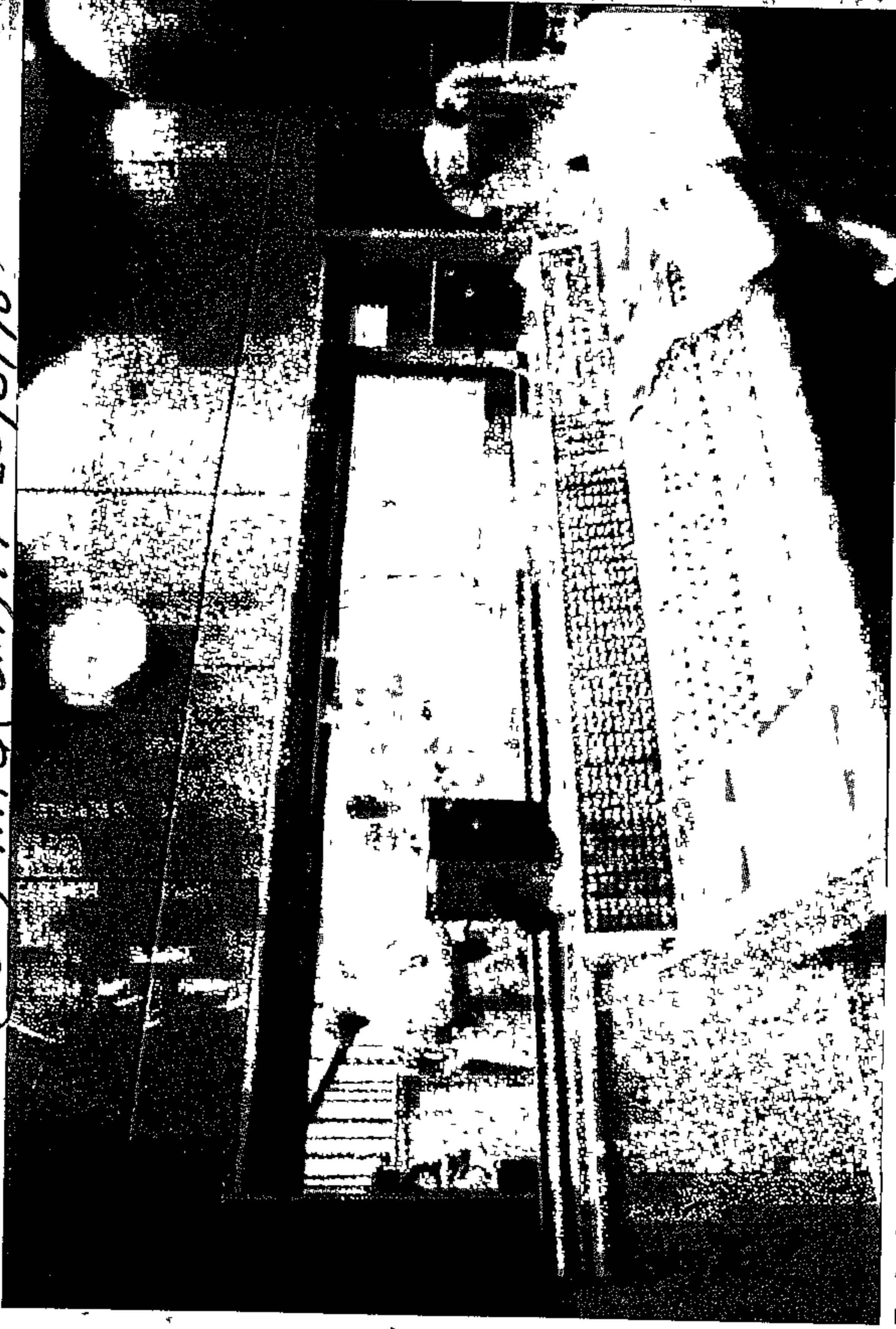
"Most up-market people are working and usually listen to talk radio infrequently, during the morning on their way to work, infrequently during the afternoon and again later in the evenings. The bulk of listeners will probably be housewives and the unemployed," says Banahan.

Young and Rubicam group media director, Piet Muller, says he cannot see any flaws with having Afrikaans talk radio. "Research has shown that people prefer listening to programmes in their home language. Any message in a home language has more impact," says Muller. He argues that an opportunity to speak to listeners in a language of their choice should be snapped up by advertisers.

However, says Muller, "marketing" of the radio station will be crucial. "It is too early to tell how they will market themselves. There is no point in having a good radio show planned and no one knows about it. The marketing has to sell it," he says.

Hunt Lascans media director Lyndall Campher agrees. Marketing plays a vital role in whether a project succeeds or fails. "The idea is good. An Afrikaans talk show will allow for people to express their views in a forum they feel comfortable with," she says.

Boland Financial Services vice-president André Coetsee says a busi-



Tuning in. Radio listenership has held steady at 78%. The new Afrikaans radio talk show hopes to tap this source

PHOTOGRAPH RUTH MOTAU

ness plan is close to being finalised.

The plan will be submitted to the Independent Broadcasting Authority for approval, he says. Boland Financial Services, together with the consortium Puntmedia, is applying for a Medium Wave frequency licence in Cape Town and Gauteng.

"The aim is to attract people all across South Africa who speak and understand Afrikaans. The radio station is not solely for Afrikaners. It aims to cater for all Afrikaans-speaking South Africans," Coetsee says.

The consortium, together with Boland Financial Services, is holding talks with "previously disadvantaged groups" in a bid to ensure a broad spectrum of shareholders, he says.

One of the Puntmedia consortium players, Ron Lewington, says the talk show was prompted by the marginalisation of Afrikaans on television. "Afrikaans-speaking people feel they are getting the short end of the stick."

It was decided that a radio station — Punt op Mediumgolf (Point on Medium Wave) — which caters for all Afrikaans-speaking people will create an opportunity for people to express their opinion on various issues in a language they feel comfortable with.

● The latest Amps figures show that radio listenership has held steady at about 78% with close to 20-million adults tuning into a station of their choice. The most enthusiastic listeners are based in Mpumalanga, where 83,7% of the population tunes

in on an average weekday. The figures for other provinces are

- 77,1% in Gauteng,
- 68,9% in the Western Cape, and
- 82,1% in KwaZulu-Natal.

Nationally, average listening time has increased over the past year to 25 hours a week.

Campher says the latest figures indicate a growth for radio stations aimed at coloured, Indian and white listeners, while listenerships for black radio stations appear to be stable.

Radio 702 showed a slight decrease as it has lost much of its black audience. SAFM has shown a growth of 44% during morning drivetime. Radio Oranje, Algoa and KFM have shifted to stronger coloured profiles, while most regional stations have become more directed towards women.

# It's time for the IBA to take the lead

(260) NTG (BM) 14-20/6/96

Gordon Muller

THE time-honoured tradition of SABC-bashing comes easy to most media decision-makers in the South African market. and let's face it, over the past 20 years "Awkward Park's" heavy-handed bureaucracy and canine commitment to "HMV" (his Master's Voice) has done little to dispel the validity of this practice.

That the SABC should once again find itself in the firing line over the alarming decline in television viewership comes as no surprise to an industry which cautioned against the lack of consistency in the new TV programme line-up.

Programming information is available in a variety of TV guides, but only terminally addicted TV viewers have gone to the trouble of plotting a route through a programming line-up whose maze-like cultural and linguistic contortions have produced some of the lowest ratings since the inception of commercial TV.

Despite this scenario, however, much of the current wave of criticism directed towards the new SABC may well be washing upon its shores in a way which is not only

the wrong shore entirely.

The Broadcast Act of 1993 sets out very clearly the framework for the restructuring of the national broadcasting grid into three tiers — Commercial, Community and Public Broadcast. The new SABC has a clear mandate as a Public Broadcast Service (PBS).

Although there is broad acceptance of the fact that a PBS may include an element of entertainment, and that the viewing public need not necessarily be subjected to a lingering death by social and cultural upliftment, the SABC's mandate remains quite clear with respect to its responsibility to the broader South African public.

While a confusing multiplicity of languages — and the less than inspiring production values of locally produced programmes — may prove an annoyance for well-heeled TV viewers, it is quite simply no longer the exclusive role of the SABC to generate the commercially viable audiences upon which advertising thrives.

Thus is, however, small consolation for advertisers who look at the diminishing returns from TV advertising with intensifying alarm. But their ire would be better directed elsewhere, to the better advertising agencies which are

The Independent Broadcast Authority's (IBA) Herculean efforts at empire-building have far surpassed any practical contribution they might have made to levelling the broadcast industry playing fields, and to timeously creating viable commercial alternatives to SABC TV.

The IBA's inability to make any kind of real impact on the restructuring of national TV broadcasting must bring into question the ongoing significance of this body.

The SABC's complete rejection of the IBA's recommendation that the national broadcaster be restricted to two channels, given credence by alarmingly vociferous backing at Cabinet level, has made it quite clear that "HMV" is still powering the national gramophone.

The IBA's sortie into the proposed regulation of satellite TV has proved equally ineffective. Multichoice and more recently, the SABC have irretrievably set the ball rolling in terms of satellite broadcast — despite the IBA's protestations.

The decision of Bop Broadcasting to challenge the IBA's and the entire

constitutional process in this country for that matter — and relaunch Bop-TV as a viable commercial TV station is another case in point.

The IBA seems powerless, or unwilling to take a leadership stance on the real issues facing the TV broadcast industry and, if its discussion paper on the allocation of private (commercial) radio licences is anything to go by, has replaced this crucial macro perspective with an apparent desire to regulate a wide range of commercial broadcast transactions, including inter alia the actual content of commercial messages and sponsorships.

Unless the IBA gets on with the real task of creating a viable and vibrant broadcast sector, as a commercial alternative to the SABC, instead of trying to set itself up as some sort of rival to the Advertising Standards Authority, committed TV advertisers are going to be left with no alternative but to carry the cost of the SABC's PBS programming.

Gordon Muller, former media director of Saatchi & Saatchi Klerck & Barrett, is now an independent media consultant.



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# COMPANIES

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## Eskom accepts need to reform

(260) CT (3A) 14/6/96

James Lamont

Johannesburg — The monopolistic South African electricity industry had some way to go before it would measure up to the competitive principles and private-sector involvement needed to transform southern Africa into the "electricity valley of the world", Andries Calitz, Eskom's senior transmission manager, said yesterday

Calitz said that of six priorities for industry reform in the region he presented at the Sub-Saharan Oil and Mineral Conference yesterday, the South African electricity industry still had to give large customers a choice of energy supplier, adopt a framework for independent private power production and attract private finance to build and operate new transmission lines

He said Eskom, the national electricity utility, was addressing its monopoly and considering private-sector participation. The national electricity regulator had commis-

sioned a task team to examine the possibility of establishing a wholesale electricity market, customer choice and of letting other electricity suppliers into the market

The task team would report its findings next month

Calitz said that Eskom had not used private finance to fund transmission lines until now, because it could borrow from international and local capital markets

He said cross-border linkups could benefit from private backing

"Eskom's report card looks good," he said

Eskom had a separate corporate identity, was self-funding and ran itself on a commercial basis

The utility received no fiscal support from the government and largely recouped the cost of supplying its customers. Eskom maintained a 2:1 ratio between the prices of residential and industrial electricity, he said

Eskom had also received three licences from the regulator separat-

ing the industry into generation, distribution and transmission

Calitz said a report had gone from the electricity industry to the government recommending the dramatic restructuring of the distribution industry.

"What could come out of it is fairly open, but it will look very different from what we have today," said Calitz

An International Energy Agency report on South Africa's energy policy, released at the oil and minerals conference, recommended that a clear strategy be developed to deal with the industry's structure and the role of local authorities in distribution

Pik Botha, the minister of mineral and energy affairs, said competition would be introduced if the country had seven regional distributors. Electricity generation could then be addressed

He said consumers had the right to know how much tax they were paying in their electricity bills

# Taxing time for broadcast boss

By ELIAS MALULEKE

THE embattled acting chief executive of the Bophuthatswana Broadcasting Corporation, Cawe Mahlati, lost two court actions this week as controversy over her leadership continued to rage.

On Friday Ms Mahlati had a court order allowing her to evict a presenter from one of the corporation's houses overturned by the Mmabatho district court. Two days previously, on Wednesday, the belongings of the presenter, Johanna Charles, had been left on the pavement after her eviction from the house.

In her second setback, Ms Mahlati failed in a bid to have two employees' court applications for reinstatement overturned. Instead, the court postponed the application by the corporation

staffers, Ms Charles and Mr Martin McGhee.

Ms Mahlati has recently come under attack from some of the corporation's staffers, who have accused her of mismanagement in several instances.

She resigned from a senior post at pay television company M-Net last November to take over the reigns at the Bophuthatswana broadcaster on a six-month contract. The post had not been advertised before she was hired.

A former "overseas emissary" for Transkei in the administrations of ex-presidents George Matanzima and Stella Sigcau, who is now South Africa's Public Enterprises Minister, Ms Mahlati was reportedly hired by the corporation as a troubleshooter.

The Sunday Times reported last month that Ms Mahlati, who earns

R40 000 a month, had not been paying tax, used more than one corporation credit card and two luxurious company cars, and lived in a corporation house.

The North West MEC for finance, Martin Kuscus, has frozen corporation funds, saying that while Ms Mahlati's contract indicated her salary was all-inclusive, she also received other financial benefits not due to her.

Her R40 000 package included transport, entertainment and housing allowances, and she had to pay tax on it.

Ms Mahlati, however, remains defiant amid the mounting pressure, and she has laid a R1-million claim for alleged damages against the Sunday Times as a result of the article that reported her non-payment of tax.

The North West MEC for Broad-

casting, Dr Paul Sefularo, said any money Ms Mahlati owed to the Receiver of Revenue would be deducted from her salary.

The Receiver and the corporation had reached an agreement on the payment of about R2,5-million owed by Ms Mahlati and other corporation staffers who had also not been paying tax. The broadcaster also had to pay a 10 percent penalty for failing to make the deductions.

Meanwhile, in an unrelated matter, North West police have begun an investigation into the theft of several vehicles from the corporation's premises in Mmabatho since January. A police spokesman, Captain Patrick Asaneng, said six cars belonging to the corporation had been stolen in the past six months while they were parked in the corporation's yard.

This was despite tight security.

Captain Asaneng said information available to the police indicated the cars were stolen by a syndicate with connections inside the corporation.

"Witnesses have come forward to give statements on the syndicate. One is a security officer."

The car theft syndicate was alleged to be working closely with certain security officers.

Captain Asaneng said Ms Mahlati's company car had also been reported stolen in Johannesburg last month, but the matter fell under the jurisdiction of the Gauteng police.

(260) ST 16/6/96

Govt pins hopes on earning up to R6bn

# Restructuring to be used to cut borrowing

Greta Steyn

GOVERNMENT is relying on about R5bn-R6bn a year by the turn of the century from the restructuring of state assets to help reduce its borrowing requirement

The amount comprises proceeds from privatisation, as well as dividend payments from parastatals

This figure emerged in an interview yesterday with Finance Minister Trevor Manuel and acting finance director-general Maria Ramos. Manuel made it clear that privatisation would stretch over years, and that it initially would not have a big role to play in reducing government debt. "The experience of other countries has shown it is a long-term process."

Manuel's package reassured investors worrying that government was not serious about privatisation

A key tenet of Manuel's macroeconomic framework, unveiled on Friday, is the reduction of government's interest bill. As a means to achieve this, government aims to slash the deficit to 4% of GDP in the next fiscal year and to bring it down to 3% by the 1999/2000 year.

Asked how the task would be achieved, Manuel said improved revenue from the SA Revenue Services would help. "There is a lot out there," he said, referring to the estimated

R9bn in uncollected taxes

Ramos said the expenditure evaluation unit had "a big task" on the spending side. In addition, the debt and cash management policies would start paying off. Central government was already saving R400m from not paying interest on public sector cash balances.

The strategy document itself does not foresee higher taxes to reduce the deficit, preferring to place the emphasis on spending cuts. The appendices to the plan hint that spending allocations in terms of the RDP fund might be cancelled.

Manuel acknowledged that fiscal stringency was difficult to sell, not only to the ANC's allies, but also to the Cabinet and to the provinces. "If there is no confidence in the SA economy, we will eventually have to knock on the IMF's door. The result will be structural adjustment and conditionalities. That is the story that sells," he said.

He agreed there was still some hard bargaining ahead, especially to achieve the social agreement on wages and prices. "There will have to be some quid pro quos," he said, indicating that business would have to bring something to the table in return for wage moderation from the unions. Talks on price restraint could be expected to fo-

Continued on Page 2

## Borrowing

Continued from Page 1

cus on, among others, banks' prime lending rates. "There is so much anger about this issue," he said. Banks' positive financial results had not gone unremarked. "If there is a bit of a chill, they hike their rates."

Another price that could be up for discussion was the fuel price increase to increase retailers' margins. A top level planning meeting of the National Economic, Development and Labour Council partners was scheduled for next week to discuss the social agreement. The agreement aims to ensure that the rand's depreciation does not translate into an inflationary spiral.

Manuel was sanguine about the markets' unenthusiastic response to

the plan, saying they were still digesting the information.

The moves to ease exchange controls announced on Friday would come into effect on 24 June. Manuel said the granting of permission to institutional investors to invest 3% of their new cash flows offshore would amount to a maximum charge of about R1,5bn against the country's foreign exchange reserves per year. He and Ramos were reluctant to be drawn on further moves to ease controls on foreign capital. "This move is not a small one. What is important is that institutions can now hold 10% of their assets offshore," Ramos said.

Ramos said a key element of the plan was the spur the weak rand would give to exports, and investment in fixed capacity to meet export demand. "When we first began putting it together, the rand looked too strong."

# Parastatal chiefs support govt's plans for 'restructuring state assets'

Robyn Chalmers

MOST of the heads of SA's parastatals are backing government plans to "restructure state assets" — with the notable exception of Transnet chairman Louise Tager.

Discussions between government, labour and business on restructuring are expected to speed up considerably following recent meetings on the way forward for partners to the national framework agreement.

The privatisation debate received

further impetus at the weekend when government said negotiations would be completed this year on the sale of a stake in Telkom.

A similar process was expected this year in other sectors including mineral and energy affairs, agriculture, forestry, leisure and transport. Industry advisers said this could mean government was lining up state-owned leisure accommodation group Avontura, the SA Forestry Company (Safcol), SAA, Transnet and Mossgas — along with Felkóm.

Tager is the only executive who has expressed outright opposition to privatisation, saying it would lead to job losses and that there was no need for a strategic equity partner in Transnet's operations.

Restructuring Transnet was a more viable option which would boost efficiencies and profitability. SAA MD Mike Myburgh declined to comment on government plans to sell a stake in the airline, but it is understood a number of international airlines have expressed interest in buying into SAA.

Telkom chairman Dikgang Mosenke said the group had been working for 18 months to get various stakeholders to agree on restructuring and the need for a strategic equity partner. Such a partner was vital if Felkóm was to fulfil its promise of 4-million lines to rural areas.

Post, Telecommunications and Broadcasting Minister Jay Naidoo made it clear at the weekend that government was committed to a strategic equity partner for Telkom.

A Safcol spokesman said talks on re-

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structuring and possible privatisation had been held with government, and he was not aware of any opposition from management to such a move.

However, Safcol CEO Tienie van Vuuren has warned government that Safcol would lose its export potential and commercial viability if split up.

Avontura MD Alan Louw estimated at the beginning of this year that the parastatal needed about R40m to get it onto a sound financial footing, so a partial privatisation was one option under consideration.

The precise dates when the White Papers will be presented to Cabinet will be determined by the time necessary to process the comments received and by the cycle of scheduled Cabinet meetings. The Department will take into account the comments received, revise the Draft White Paper as necessary and then submit them to Cabinet during August or September. Subsequent to this, these White Papers will be presented to Parliament.

**Trade and Industry: White Paper**  
\*32 Mr I D VAN ZYL asked the Minister of Trade and Industry +

Whether his Department is drafting a White Paper at present, if not, why not, if so, when will it be published? N1000E

The MINISTER OF TRADE AND INDUSTRY

The Department published a "White Paper on National Strategy for the Development and Promotion of Small Business in South Africa" in March 1995. Based on this White Paper, a National Small Business Bill was presented to Cabinet.

A "Green Paper on Customs, Tariff Policy with Regard to Agricultural Products" was jointly published for comments by the Department of Trade and Industry and Agriculture. The comments received are at present being studied. The "White Paper on Customs, Tariff Policy with Regard to Agricultural Products" is expected to be completed by August 1996.

**Mineral and Energy Affairs: White Paper**

\*33 Mr M VAN S HAMMAN asked the Minister of Mineral and Energy Affairs +

Whether his Department is drafting a White Paper at present, if not, why not, if so, when will it be published? N1001E

The MINISTER OF MINERAL AND ENERGY AFFAIRS

Yes. The Department of Mineral and Energy Affairs are currently in the process of drafting White Papers on Energy Policy and on Mineral and Mining Policy.

*White Paper on Energy Policy*

A 200 page detailed and technical Energy Policy Discussion Document was written and

which we envisage will result in a draft piece of legislation to be submitted to Cabinet.

**Supply of uranium to France**  
\*35 Mr W A HOFMEYER asked the Minister of Mineral and Energy Affairs

(1) Whether South Africa has supplied any uranium to France since 1975, if not, what is the position in this regard, if so, what are the relevant details,

(2) whether any such sales were subject to restrictions regarding the use of uranium for military purposes, if not, why not, if so, what are the relevant details,

(3) whether it has been determined whether any South African uranium was used by the French government in the recent series of nuclear tests in the Pacific Ocean, if not, what is the position in this regard, if so, what are the relevant details,

(4) whether the Government has taken or intends taking any steps to prevent the use of South African uranium in nuclear tests or for other military purposes, if not, why not, if so, what steps?

N1003E  
The MINISTER OF MINERAL AND ENERGY AFFAIRS

(1) Yes, uranium is exported to France in two forms—as ore concentrates (the so-called yellowcake), and uranium hexafluorides (UF<sub>6</sub>).

Yellowcake exports to France amounted to

1977	655 t (metric tons)
1978	227 t
1979	2 404 t
1980	3 057 t
1981	2 927 t
1982	1 487 t
1983	2 231 t
1987	900 t
1988	450 t
1989	300 t
1990	100 t
1991	133 t
1992	133 t
1993	134 t
1994	691 t
Total	15 829 t

Uranium hexafluoride exports amounted to

1995	337 t
1996	115 t (up to present, June 1996)

The total quantity therefore amounted to 16 321 t since 1975.

The quantities quoted above were obtained from the Atomic Energy Corporation's (AEC) existing records as reflected in export permits granted.

(2) In terms of the Nuclear Non-Proliferation Treaty (NPT), France is one of five nuclear weapon States (NWS). The NPT does not lay down any restrictions for the supply of uranium to NWSs.

Although SA concluded specific contracts with the UK and the USA for the supply of uranium for military purposes in the 1950s, these contracts expired in the late 1960s and early 1970s. South Africa has never had a similar contract with France.

In spite of the fact that the 1971 laws lay down any requirements for NWSs, conditions of supply were gradually introduced over the years and made more restrictive. In 1982, with the creation of the present Atomic Energy Corporation of SA, Ltd, it became policy to require recipient NWSs to give an assurance of exclusive peaceful use and to subject nuclear material to international (IAEA) safeguards. In the present Nuclear Energy Act (1993) the export of nuclear material to NWSs for non-peaceful uses is strictly forbidden. Exports must be authorised by the Minister of Mineral and Energy Affairs.

(3) France has publicly stated that its civil and military nuclear cycles are operated separately and that for the latter it uses uranium, only for powering nuclear submarines, from its own uranium mines in France.

France is a large user of uranium for the production of electricity for civil use—more than 70% of the electricity in France is produced by uranium fuelled power reactors. France imports uranium from many supplier countries, especially through French companies with activities in Niger and Gabon.

## IBA calls for Act changes

(260)  
Ingrid Salgado

BD 19/6/96  
THE body responsible for the sale of six SABC radio stations, the Independent Broadcasting Authority (IBA), was ready to begin the licensing process but said it would require amendments to the IBA Act to speed up the process.

The existing law provided "very specific" minimum times for gazetting and lodging objections to licence applications, the IBA said yesterday. Under these conditions, the authority would be able to licence the first station only within three months of receiving the bids.

It had not yet received the licence applications from Post, Telecommunications and Broadcasting Minister Jay Naidoo, who has urged the authority to complete the licensing process by the end of July.

However, the IBA expected Naidoo to hand it a shortlist of three bidders a station soon. Naidoo had indicated he would put amending legislation before Parliament, while cabinet is expected to approve the stations' sale today.

# IBA prods Naidoo to act quickly

(260)

Staff Writer

Johannesburg - The Independent Broadcasting Authority (IBA) has politely challenged Jay Naidoo, the posts and telecommunication's minister, to quickly force changes to the IBA Act through parliament so that it can meet his July deadline for licensing the first successful bidder to buy a commercial radio station from the SABC.

The challenge masks a simmering discontent in the IBA with Naidoo's handling of the sale of six SABC stations to the private sector.

The IBA said this week "the minister would like the (sale) process to be completed by July 1996. This would definitely require amendment to the IBA Act. If parliament amends the Act, the authority is ready to license the stations as soon as possible."

Sources close to the IBA said it would be almost impossible to redraw legislation, put it to parliament, take it through committees, and have it gazetted by the end of next month. The cabinet is due to view the list of bidders today.

Behind the IBA statement lies some bewilderment about Naidoo's attitude to the sale of the stations since he became telecommunication's minister earlier this year. Initially he appeared to be opposed to the sale. However, in parliament last Friday, Naidoo endorsed the sale, pushing for a deadline next month and stirring discontent at the IBA.

The authority was also taken aback by Naidoo's decision that the bids should initially go directly to him, and not, as originally intended, to the IBA.

Under the terms of the present IBA Act, the licensing process could still take at least three months before the first license is awarded. Depending on the number of objections that losing bidders raise, the process could be drawn out further.

The cabinet viewing of the bidders is expected to be a formality today, after which the IBA should be handed the bids. It is believed the IBA would then quickly release the details of all the bids directly to the public or publish them in the Government Gazette before beginning the public process of deciding which bids to favour.

# MP heads miners' bid for radio station

(260)

BY PATRICK BULGER

Parliamentary Correspondent

*Star 20/6/96*  
Cape Town - A miners' union consortium headed by ANC MP Marcel Golding emerged yesterday as partners in a multimillion-rand bid to buy Highveld Stereo from the SABC, which is selling six radio stations.

The Mineworkers Investment Company, the investment arm of the National Union of Mineworkers which is in turn owned by the Mineworkers' Investment Trust chaired by Golding, is one of three bidders.

Golding is a former NUM assistant general secretary. Releasing details of the competing bids, Broadcasting Minister Jay Naidoo said he would speed up procedures for freeing the airwaves, dominated for decades by the SABC.

Eight radio licences would be made available by October and the first private television broadcast licence would be sold by the middle of next year.

He said Government saw the exercise as an opportunity to add more media voices and to promote a black broadcasting ownership sector.

Naidoo said he had put to Cabinet amendments to the Independent Broadcasting Authority Act that would speed up the granting of licences for the corporation's six regional radio stations by the end of August.

The amendment would be tabled before Parliament when it resumes its next session in early August.

► To Page 2

# MP leads bid to buy radio station

(260)

► From Page 1

*Star 20/6/96*  
A shortlist of the bids for Highveld Stereo was released by Naidoo after they were approved by the Cabinet at its fortnightly meeting in Cape Town.

He expected the sale of the six stations - Highveld Stereo, Radio Algoa, East Coast, Radio Jacaranda, RMFM and KFM - to raise R332-million to R606-million.

Bids for Highveld Stereo are understood to be in the region of R300-million. The bidders are David Blood and Associates, Dynamo Investments, Newshelf 63 (Pty) Ltd and the World-Wide Consortium. Dynamo Investments has not made a final bid.

Naidoo said the shortlist would be forwarded to the IBA for consideration and legislation would be changed to alter the "rigidity of the current licensing procedure contained in the IBA Act."



# Sale of six SABC radio stations will raise between R332m and R606m

Tim Cohen  
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 BD 20/6/96

CAPE TOWN — Government yesterday said it would raise between R332m and R606m from the sale of six SABC radio stations.

Broadcasting Minister Jay Naidoo said yesterday government would amend laws aimed at ensuring transparency in granting broadcasting licences to speed the sale of Radio Jakaranda, Radio Algoa, Highveld Stereo, RMPM, KFM and Radio Orange.

Naidoo said the Cabinet had assented to amendments to the Independent Broadcasting Authority Act which would expedite the granting of licences by the end of August. The existing Act was "cumbersome" and the amendments would give the IBA greater flexibility in dealing with time procedures required for public commentary while ensuring it maintained its transparency and independence.

Government had taken this step to create an environment of certainty for the "massive" financial investment made by the bidders so that there would be as little delay as possible in the completion of the process.

He said the Cabinet had approved the short list of bidders for the six SABC regional radio stations recommended for sale by the IBA.

## Radio

Continued from Page 1  
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 BD 20/6/96

Newsheaf and bidders for Radio Orange are Free State Media Holdings and a consortium owned by Kagiso Trust.

Naidoo said the final decision on how the money would be spent would rest with the Cabinet, which would make the final decision on the use of the proceeds of the sale.

Two other radio stations were saved from extinction with the announcement that the Cabinet had agreed to appoint Investec Merchant Bank to process bids for Capital Radio. Further funding would be made available for the running of the radio station until the sale had been completed and the IBA had completed the licensing process for the prospective new owner.

The Cabinet said it would support Channel Africa, "albeit in a more rationalised form" as the external service of the SABC, Naidoo said.

The precise format and financing of Channel Africa would be finalised by a subcommittee which would operate under the auspices of Deputy President Thabo Mbeki and would include the foreign affairs, broadcasting, arts and culture and finance ministries.

The committee's report would be submitted to the Cabinet by October and would take into consideration reports from the task group on government communications and further feasibility studies done by the SABC.

Ingrid Salgado reports that Times Media Ltd electronic media GM Neil Jacobsohn said the print media group formed part of a "well-balanced" consortium bidding for Radio Algoa.

Algoa Consortium represented strong black interests in Port Elizabeth, professional broadcast skills, strong financial backers and years of media experience in the form of TML. He was confident the consortium's bid would be successful. TML's shareholding in the consortium would conform to cross-media ownership regulations.

Algoa and Umoya — have made a bid for the Port Elizabeth-based Radio Algoa. A third bidder, P4 Radio, did not submit a final offer.

Durban's East Coast Radio has attracted bids from Dynamo, largely controlled by Oscar Dhlomo, and Moribo Consortium. The other bidders were Newsheaf 108, which is controlled by Nail, and New Radio Consortium, whose shareholders include Kagiso Trust and musician Johnny Clegg.

Bidders for Gauteng's Radio Highveld include David Blood Associates and Newsheaf G-3, which represents the Mineworkers' Investment Trust and individuals and will be managed by the operators of Radio 702. The third bidder is World-Wide Consortium, whose shareholders include playwright Welcome Msomi.

Naledi Media Investments, New Africa Investments and Newsheaf are all bidders for Radio Jakaranda.

KFM's bidders are Crescent Consortium, Moribo KFM Consortium and

Continued on Page 2

# Naidoo fires the starting gun as he names bidders for radio stations

By Françoise Botha and Fiona Leney

Cape Town — Jay Naidoo, the broadcasting minister, began the countdown to a frantic scramble to license the six SABC radio stations scheduled to be sold off when he announced the short list of bidders for the stations yesterday.

Naidoo, who expects the sale to net between R350 million and R600 million, said the IBA Act would be amended to expedite the granting of licences because in its

existing format, the licensing procedure was rigid and cumbersome.

He said he wants the commercial stations to receive their new licences by the end of next month. Any amendments to the act would need to be tabled and passed before parliament recesses at the end of this week.

"It's quite patently impossible — merely to ensure the passage of new legislation by the end of this year, the changes would need to be drafted by the end of this

month," said one source in the industry.

Businesses bidding for the stations have criticised the Independent Broadcasting Authority and the government. They said the delay in choosing a winning candidate and issuing a new licence was hurting their operations.

The authority said on Tuesday that it was perfectly amenable to speeding up the licensing process if the government could rapidly

amend the necessary legislation.

Naidoo also said that besides price, the authority would focus on compliance with other criteria stipulated in the IBA Act, and IBA report.

These included a strong bias in favour of historically disadvantaged South Africans taking both ownership and control of the stations, and restrictions on foreign and cross-media control.

Yesterday the cabinet released guidelines for the use of the pro-

ceeds, but no final decision on allocations has been made.

The consortiums involved in the bidding included strong black empowerment shareholdings through Nail, Masakhane Development Trust and Kagiso Trust, with banks and financial service providers like Firstcorp, Standard Corporate and Merchant Bank and Nedbank in the field.

Newspaper groups also made a strong showing in the bidding consortiums.

The cabinet is expected to make its final decision on the granting of licences before the end of August.

Naidoo also said Channel Africa, SABC's external service, would continue, but in a rationalised format. A report on the financing of the service would be submitted to the cabinet by October.

Investec Merchant Bank has been appointed to process the bids for the sale of Capital Radio.

See list of bidders, Page 15

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(260) 27 (Cbe) 20/6/96

# Primedia chalks up top bid for radio licences

By Fiona Leney

Johannesburg — Primedia, the owner of Radio 702, is rapidly gaining fame as the most extravagant short-listed bidder in the battle to snap up the six SABC radio stations that are for sale.

An industry source said yesterday that the figure Primedia has offered for Radio Highveld was R325 million — well above the widely speculated R285 million.

Primedia has consistently refused to comment on the size of its bid.

Jay Naidoo, the posts and telecommunications minister, said yesterday that he expected the total proceeds of the sale to be between R350 million and R600 million. That gives some idea of the importance of the Primedia bid.

While Naidoo emphasised that the Independent Broadcasting Authority would not make its final selection on the basis of money alone, observers said that the amount on offer must make the refusal of this bid hard to countenance.

The next nearest bid for Highveld, the only station under the hammer that is

clearly profitable, is thought to be about R100 million.

"The consortiums are mostly quite similar. They have all made an effort to incorporate black empowerment bodies to get this far, so ultimately money will have to be the decider," said a media analyst who asked to remain anonymous.

The analyst said that it was questionable whether it would be politically acceptable to allow Primedia to control both of the only commercial AM and FM licences in Johannesburg.

Anthony Ball, of Capital Partners, which was part of the World-Wide Consortium and one of the other two contenders for Highveld, said yesterday that money was not necessarily the key to guaranteeing a good service.

"World-Wide will be providing all the money for its bid itself. Its investors will therefore be more closely involved with running the radio station," he said.

John Matteson, an IBA councillor, said that the body was pleased with the way the process had proceeded to date. "It has kept on track despite all the public debate," he said.

## SABC SELL-OFF: THE FINAL SHORTLIST

ST (pm) 20/6/96

RADIO ALGOA

ALGOA CONSORTIUM  
Masakhane Development Trust 19,9%  
Zwelethu Development Trust 10,6%  
Crescent Consortium 22,6%  
Times Media 19,9%  
Standard Corporate and Merchant Bank 25%  
Existing staff 2,0%

UWOYA COMMUNICATIONS  
Hacia Broadcasting 20%  
Tabeni Investment Holdings 20%  
Management of Algoa 10%  
Fedia Capital Fund 50%

**EAST COAST**  
DYNAMO  
Station will be acquired by new entity (70% held by Dynamo)  
City Growth 60%  
Sizemam Education Trust 10%  
ABSA Merchant Bank 30%  
Management and staff 10%  
Black business groups 10%  
General black public 10%

MORIBO CONSORTIUM  
Morbo Investments 24%  
Anglovaal 20%  
Natal Newspapers 14,9%  
SANCO Investment Holdings 20%  
KZN Women's Investment 3,6%  
Maphikela Investments 3,6%  
The Musicians Union of SA 7,6%  
Chatsworth Rotary 5%  
NEWSHELF 10%

New co to be formed  
New Africa Investments Limited  
NAIL 80%  
Europe Development International SA (EDI) 20%

NEW RADIO CONSORTIUM  
Kagiso Trust 25,5%  
Durban Television Enterprises 25,5%  
Publico 24%  
Nedbank 10%  
Management 10%  
J Clegg 5%

**KFM**  
CRESCENT CONSORTIUM  
Crescent 20%  
Black/Coloured Empowerment Group 25%  
Management/staff 10%  
Firstcorp Capital Investors 45%

MORIBO KFM CONSORTIUM  
Morbo Investments 20%  
Myyama Holdings 20%  
Cape Newspapers 14,95%  
Nasionale Media 14,95%  
Anglovaal 20%  
SANCO 10%  
Channel 6 Partners 5%  
KFM  
Management/Channel 61,5%

NEWSHELF 63 (PTY) LTD  
A Zerilda Investments (Amdqamated Media Inv)  
60%  
Primedia Broadcasting 40%  
Primedia holds one preference share  
Shareholders of Zerilda are Franconlin Investments (Pty) Ltd 85%

Women Investment Portfolio (Pty) Ltd 15%  
WORLD-WIDE CONSORTIUM  
World-Wide Africa 31%  
Welcome Msoni Reg Lascares etc 10%  
Dimension Data Holdings 25%  
Capital Partners 24%  
Standard Corporate and Merchant Bank 10%

**RADIO ORANJE**  
FREE STATE MEDIA HOLDINGS  
King Management Trust 20%  
John Fourie Enterprise 20%  
Nasionale Media 15%  
Black empowerment 15%  
Public 10%  
Six Sons cc 5%  
Staff 10%

NEW RADIO CONSORTIUM  
Kagiso Trust 25,5%  
Durban Television enterprises 25,5%  
Publico 24%  
Nedbank Investment Bank 10%  
Management 10%  
Localco 10%

**HIGHVELD STEREO**  
D BLOOD AND ASSOCIATES  
David Blood & Associates cc DBA  
Rainbow Investments 25%  
Will offer SABC a shareholding

NEWSHELF 63 (PTY) LTD  
Zerilda Investments (Amdqamated Media

Investments) 60%  
Primedia Broadcasting 40%  
+ one preference share  
Zerilda Investments  
Women's Investment Portfolio 15%  
Franconlin Investments Pty Ltd 50%  
SACTWU Investment Group 50%

THE WORLD-WIDE CONSORTIUM  
World wide African Investment Holdings 31%  
Msoni Team 10%  
Didatu 25%  
Capital Partners 24%  
Standard Corporate and Merchant Bank 10%

**RADIO JACARANDA**  
NALEDI MEDIA INVESTMENTS  
SAPED 5%  
Plukani 25%  
SACGF 20%  
Cap Partners 24%  
Management 25% and other previously disadvantaged groups  
SAPF = SA Private Equity Fund funded by SA institutional investors  
SACGF = SA Capital Growth Fund  
Cayman Island registered company with passive investors

NEWSHELF 71%  
New Africa Investments Limited  
NAIL 65,1%  
Europe Development International SA (EDI) 20%  
Nasionale Media 14,95%  
S Noor Mohamed (Solly Noor) 80%  
Dewald Hattingh 20%

## RADIO LICENSING PROCEDURES TO BE SPEEDED UP

# Cabinet approves Kfm bids short list

**CAPE NEWSPAPERS**, parent company of the Cape Times, is a participant in one of the four consortiums bidding for the city's Kfm radio station. Political Writer **BARRY STREEK** reports.

A SHORT list of four bids for the city's Kfm radio station has been approved by the cabinet. It includes one that links Cape Newspapers, Nasionale Pers, Sanco and a Thebe Investments subsidiary.

One of the opposing bids involves a company owned by the South African Clothing and Textile Workers Union (Sactu), a mineworkers' investment trust and the Women's Investment Portfolio, which has 40 000 members.

The approved short list for Kfm and five other SABC-owned radio stations was released yesterday by Communications Minister Mr Jay Naidoo.

The SABC excluded Radio Good Hope from the sale on the grounds that it served the coloured community, although the exclusion has not yet been endorsed by the Independent Broadcasting Authority.

Naidoo said the short list would now be forwarded to the IBA to consider licence applications.

He felt the licensing procedure laid down in the IBA Act was cumbersome, and had therefore tabled amendments to expedite the granting of licences by the end of August.

This would give the IBA greater flexibility with time procedures and ensure the transparency and independence of the IBA.

The approved bidders for Kfm are

- Crescent Corporation, in which Crescent owns 20%, Firstcorp Capital Investors 45% the Black/Coloured Empowerment Group 25%, and management and staff 10%

- Its management includes a Mr Wilkins of Grey Advertising and ex-SABC staffers Mr Kevin Savage and Mr Tony Mallam. The management and



**FORWARDED LIST:** Mr Jay Naidoo

staff would continue running the station.

Its backers include the Investments Progress Group (including Dr Aubrey Mokoape, Mr Thembe Skweyza, Ms Joy Dlamini, Mr Mdu Lembede, Mr Wallace Lengeni and Mr Mthiyane

Myabule) and Western Cape Outreach Broadcasting, involving eight Western Cape businessmen (including Mr Lester Petem and Mr Mzelsi Deltzi), the Brimstone Investment Corporation, Mr Mustaq Brey, Mr Nazeem Khan, Mr Nisar Moosa and others.

- Moribo KFM Consortium, of which Thebe's Moribo Investments owns 20%, Myyama Holdings 10%, Cape Newspapers 14,95%, Nasionale Media 14,95%, Anglovaal 20%, Sanco 10% and Channel 6 Partners 6%

It would be managed by KFM Management, including Cape Newspapers and Nasionale Pers, would use Sixth Street Studios, would honour freelance contracts and retain management Myyama as a group of individuals in the Western Cape.

- Newshel 63 (Pty) Ltd, in which Zenilda Investments owns 60% and Primedia Broadcasting 40%

In Zenilda, Frankolin Investments owns 85% and Women's Investment Portfolio 15%. In Frankolin, Mineworkers Investment Co (MIC) owns 50% and

est 2016/96 Cape  
Sactu Investment Group 50%  
MIC's chairman is ANC MP Mr Marcel Golding. Kfm's staff will be employed for one year with Mr M Gers as managing director.

- World-Wide Consortium, in which World-Wide Africa owns 30%, Welcome Msoni Reg Lascaris 10%, Dimension Data Holdings 25%, Capital Partners 24% and Standard Corporate and Merchant Bank 10%

World-Wide has 31% and Welcome Msoni 2% of World-Wide Africa. World-Wide consists of Mr Wiseman Nkulu, Mr Maxwell Maisele, Mr Phutuma Ntleko, Ms Maud Motanyane and others. It has a management agreement with Ms Rana Broomborg of Radio Management Partners, but existing management of Kfm would be retained.

No figures for the bids were released, but Naidoo said guarantees provided by the Sanco guarantee amounted to R4 million. This suggests the Moribo, KFM Consortium bid is for R40 million, as Sanco's share of the consortium is 10%.

● See Page 13



Sebileto Mokone-Matabane and Peter de Klerk, chairmen of the Independent Broadcasting Authority, receive the shortlist of the bidders for SABC's six regional radio stations. Picture GARTH LUMLEY

# SABC hands radio bids to IBA

Kathryn Strachan

SABC CEO Govan Reddy yesterday handed over the short list of final bidders for its six regional radio stations to the Independent Broadcasting Authority (IBA), along with the SABC's recommendations as to who it believed should win the bids.

In the case of each of the six stations, the SABC recommended the highest bidder. But Reddy said that while price was a factor, the preferred bidders also met all the other criteria such as empowering the disadvantaged and cross-media ownership diversity.

However, the final decision lay with the IBA and the fact that the IBA requested a short list indicated that it was possible for the stations to go to the second bidder.

The highest bidder for Gauteng's Highveld Stereo is Newshelf 63 (R320m), which represents the Mineworkers' Investment Trust and will be managed by the operator of Radio 702. Other bidders

are The Worldwide Consortium (R130m) and David Blood and Associates (R60m).

Pretoria's Jacaranda Stereo attracted bids from Naledi Media Investments (R90m) and New Africa Investments Limited (R70m).

Bidders for Durban's East Coast Radio are Dynamo Investments Limited (R65m), controlled by Oscar Dhlomo, and Moribo Consortium (R33m). The other bidder is New Radio Consortium (R40m) whose shareholders include Johnny Clegg and Kagiso Trust. KFM's bidders are Newshelf 63 (R110m), Crescent Consortium (R65m) and the Worldwide Consortium (R45m).

Two consortiums — Umoya (R10m) and Algoa (R8m) — were short-listed for Port Elizabeth's Radio Algoa. Times Media is part of the Algoa consortium.

The Bidders for Radio Orange are the New Radio Consortium (R11m) and Free State Media Holdings (R4m).

The sale of the stations would bring in between R220m and R614m.

Reddy said that while government had set a policy stating that the proceeds of items sold by parastatals should go to state coffers, he believed government would be sympathetic to the case of the SABC.

With revenue from TV licences falling, the SABC's income base was under threat, but at the same time its public service mandate needed to be increased with the introduction of 11 official languages.

Reddy said the regional stations were initially set up to subsidise the national stations and if the SABC did not benefit from the sale of the stations it would lose both ways, it would lose advertising revenue and the proceeds of the sales.

The SABC would approach Broadcasting Minister Jay Naidoo in the next two months to consider directing the money to the SABC.

BD 21/6/96

(260)

# SABC wants to put big spenders on the air

Radio selloff looks set to bring in more than R600-million with R320-million being offered for Highveld Stereo, as all bidders meet criteria laid down by IBA (260)

By CHERYL HUNTER

The SABC would like the IBA to choose the highest bidder in the sale of each of its six radio stations - even though it would mean granting one consortium two stations

The SABC announced its preferred buyers in the sale of six of its radio stations yesterday, choosing the highest bidders for each.

Chief executive for radio Govin Reddy said the bidders had met the criteria set out by the Independent Broadcasting Authority, so the SABC could not overlook the financial implications of their choices

The Cabinet approved the short-list of bidders for Highveld Stereo, Jacaranda Stereo, East Coast Radio, KFM, Radio Algoa and Radio Oranje on Wednesday, and this list was handed to the IBA by the SABC for a decision

The IBA will have to consider whether consortia meet criteria set out in their regulations which do not look only at the price tag. These include requirements that the new owners empower the historically disadvantaged, and cross-media ownership limits are not broken

The stations look set to bring in more than R600-million if the highest bids are accepted. The SABC seems fairly confident that it will receive these funds, despite a suggestion by Broadcasting Minister Jay Naidoo that the money should be used by the State



Govin Reddy ... chief executive for SABC's radio arm.

"If the SABC makes a strong enough case for why they should get the money, we think it will be allocated to us," SABC spokesman Enoch Sithole said.

Reddy said the public broadcaster needed the funds, and that it planned to present its arguments to the minister by late July

"We need these funds because our income base is at threat as more stations begin broadcasting, yet our expenses are necessarily going to increase as we upgrade the African language stations and TV1 and TV2," Sithole said.

Highveld Stereo looks set to bring in R320-million if the SABC's choice of Newshelf G3 (Pty) Ltd as the new owner is agreed to by the IBA. The next-highest bid was for R130-million by The Worldwide Consortium Consortium representatives

said they were not dismayed by being outbid because they believed they still stood a chance of being granted a licence and "would never pay that much money for a station which is worth less than half that amount".

Newshelf G3, a consortium of Radio 702 owners Primedia, black investment consortium Nail and the National Union of Mineworkers, also secured the highest bid for KFM with its R110-million offer.

No one knows how long it will take for the first licences to be issued because the IBA Act has to be amended to hasten the process

Naidoo said this week the process for licensing the stations could not be delayed to conform to the IBA schedule which requires the stations to be all fully licensed by year-end, and this required an amendment of the Act.

Reddy said he did not believe any licences would be awarded before late August

IBA co-chairman Peter de Klerk said he should be able to lay out a proposed schedule by late next week.

There were three bidders per radio station. The other preferred bidders, with their offer in brackets, for the remaining stations were Jacaranda Stereo to Naledi Media Investments (R90-million); East Coast Radio to Dynamo Investments Ltd (R65-million); Radio Algoa to Umoya Communications (R10,1-million); and Radio Oranje to New Radio Consortium (R11-million)

Star 21/6/96

# Battle for BopBC begins again

MtG (MM) 21-27/6/96 (260)

Although the BopBC/SABC integration deal is back on track, there are a number of squabbles still to be resolved, reports

**Jacquie Golding-Duffy**

**T**HE proposed integration of Bophuthatswana Broadcasting Corporation (BopBC) with the South African Broadcasting Corporation appears to be back on track — although there are still a few outstanding issues which could derail the deal.

Two months ago, all signs pointed to an adamant acting chief executive officer, Cawe Mahlatsi, refusing to budge on integration. There was the chairman of the integration committee, Leslie Xinwa, throwing his hands up in despair, saying the committee has done everything in its power for the process to go ahead but that the BopBC issue had become a political one. Also, government, he said, had to foot the bill for integration.

Then-minister of posts, telecommunications and broadcasting, Pallo Jordan, said the ministry had no money to pay for the integration and that taxpayers could voice their disapproval of the former homeland broadcaster via the ballot box.

Integration was planned for the end of March, but this was postponed to the end of September and Mahlatsi's six-month contract was reviewed.

At the time, Mahlatsi said she was being funded by the North West government to the tune of R50-million. However, amid allegations directed at Mahlatsi of tax irregularities and extravagance at the expense of BopBC and the provincial government, funds were frozen at the end of last month by North West MEC for Finance Martin Kuscus, who said they would stay frozen until Mahlatsi paid back every cent owing to government and until stricter measures were in place to monitor expenditure.

"The provincial government has been placed in a compromising position by this behaviour and the overpayment of benefits to Mahlatsi has first to be sorted out before I consider releasing any money," he said.

Springing to Mahlatsi's defence, North West MEC for Arts and Broadcasting Dr Paul Sefularo was quoted as saying the allegations against Mahlatsi were "personal sour grapes". He held his own government and department responsible for failing to deduct tax from her salary.

Some within government found Sefularo's comments "outrageous" since no one had a personal grudge with Mahlatsi. Moreover, eyebrows have been raised about the renewal of the contract of Mahlatsi, a former Fransker emissary and M-Net's former corporate affairs manager. Thus, some are saying, smells of corruption.

However, according to Telecommunications Ministry representative, Connie Molusi, integration at BopBC is on track and will "probably be finalised by the end of September" with the absolute last deadline the end of February next year.

Although it appears the integration is going to forge ahead, there still exists a twofold squabble.

● Who is going to foot the integration bill?



Cawe Mahlatsi: How is she funding BopBC?

PHOTOGRAPH HENNER FRANKENFELD

## Broadcasters cross swords

**Jacquie Golding-Duffy**

**I**T'S a toss-up which of the two — SABC or BopBC — will be more assertive.

It all started with a SABC reporter who allegedly "was involved in an incident of unauthorised entry" at BopBC's offices in Mmabatho. According to BopBC acting chief executive Cawe Mahlatsi, the reporter was trespassing on BopBC's property and this constituted a "breach of security", resulting in the reporter being banned from BopBC facilities.

Mahlatsi sent a fax to SABC Television News editor-in-chief Joe Thloloe stating that SABC staffers are not allowed to use BopBC's facilities. Mahlatsi, however, says only "the individual involved has been denied access", while other staffers are free to continue the use of BopBC's facilities.

Mahlatsi says discussions with Thloloe are ongoing. The *Mail & Guardian* has, however, been told

that Thloloe faxed Mahlatsi stating that justice will take its course and that the SABC in turn does not expect BopBC's staffers to use any of the SABC's facilities.

In a final nudge, Mahlatsi retaliated, saying that Thloloe was breaking an agreement which allowed for BopBC staffers to make use of the SABC's facilities whenever they needed to. Despite his refusal to allow BopBC staffers access to SABC facilities, Mahlatsi said her staffers will continue to use the facilities.

It is believed Mahlatsi went to great lengths to make her point by filing a case with the local police in Mmabatho and even faxing the case number to Thloloe as proof that she had taken steps and laid charges of invasion of privacy and trespassing.

Thloloe refused to comment on the issue, while Mahlatsi refused to divulge details of the correspondence other than to say that the issue is under discussion.

● What is going to happen to those assets which are not integrated into the national public broadcasting service?

On the former, sources within the SABC say the corporation may have to foot the bill with the money it acquires from the sale of its six radio stations. However, Molusi says this would be an unnecessary burden to place on the public broadcaster.

How the money is spent, says Molusi, is not a decision for the SABC, but one for Cabinet. "There

are many options available to fund the integration costs which will probably come out of the state's revenue," he says.

SABC chief executive of finance Talib Sadik says it is "immature" to try and predict how the money will be spent. Sadik says once Cabinet has approved the process, the names of the successful bidders will be handed to the Independent Broadcasting Authority.

"The decision on where the money goes and how it is to be spent is that

of Cabinet. Government may decide to use the money for its debt or it may hand over funds to the SABC, who will then have to decide how to use it."

The future of those assets which are not integrated into the national public broadcasting service is uncertain. The North West government is assuming it has control of these assets.

**A** source within the province says the provincial government believes it will automatically acquire whatever assets are left over — the buildings, for example, in which the BopBC broadcaster is housed and the radio facilities. The source says the assets could be used to establish a North West Provincial Broadcasting Service for the region.

However, the Telecommunications Ministry disagrees, arguing that that which is "not integrated will be restructured or sold off and is not automatically owned by the North West province."

In the meanwhile, the North West broadcasting corporation has called on nominations for an interim board of directors to serve BopBC. The interim BopBC board will advise Sefularo on the disposal of assets and facilities and possibly work jointly towards the creation of a North West Provincial Broadcasting service (radio and television).

The interim board is being established in a bid to regulate BopBC in the light of the recommendations by an IBA task team that Radio Bop and Bop TV be sold off, Radio Mmabatho be integrated with SABC's Radio Tswana and that Radio Sunshine be sold off to the community.

# SABC names union-owned consortium Newshelf as preferred bidder for Cape Town's Kfm radio station

ESTELLE RANDALL

Labour Reporter

A CONSORTIUM made up of investment companies of the National Union of Mineworkers (NUM) and the SA Clothing Workers' Union (Sactwu) has been named as the preferred bidder for Cape Town radio station Kfm, being sold by the SABC.

Newshelf 63 (Pty) Ltd has been selected by the SABC as preferred bidders for both Kfm and Gauteng's Highveld Stereo.

The consortium is offering R110 million for Kfm and R320 million for Highveld Stereo.

Newshelf 63 (Pty) Ltd comprises the NUM's Mineworkers' Investment Company, the Sactwu Investment Group (Pty) Ltd, the Women's Investment Portfolio (Pty) Ltd and Primedia Broadcasting (Pty) Ltd.

The announcement that Newshelf is the preferred bidder for Kfm follows approval by the cabinet this week of a short list of four bids for the station, which is one of six being sold off by the SABC.

Besides Newshelf, the bidders for Kfm are Crescent Corporation, Moribo Kfm Consortium (which includes Cape Newspapers, owners of The Argus) and World-Wide Consortium.

Newshelf chairman Kuben Pillay expressed delight that the consortium had been elected as a preferred bidder.

"The constituency that the consortium represents will benefit immediately, through a process of skill transfer and mentorship and in the longer term financially from participation in the venture," he said.

He said the alliance between the black members of the consortium and Primedia Broadcasting represented true empowerment, as it provided those who wanted to create a new society with new opportunities for investment and attainment of skills.

"With the skills transfer we intend to emulate the success of Primedia Broadcasting," he said.

The two radio stations (Kfm and Highveld Stereo) will be the platform for other ventures into this field, still in its infancy in South Africa," said Mr Pillay.

The Mineworkers' Investment Company and the Sactwu Investment Group is also part of a consortium hoping to buy Anglo American's stake in Johnnie with its 43,2 percent ownership of Omni Media, which controls Times Media Limited, publishers of the Sunday Times and Business Day.

A summary of final, irrevocable bidding offers from all the bidders was forwarded to the Independent Broadcasting Authority (IBA) on Thursday for review during the license application process.

Disposal of the radio stations to the preferred bidders is subject to the IBA issuing sound broadcasting licences to them.

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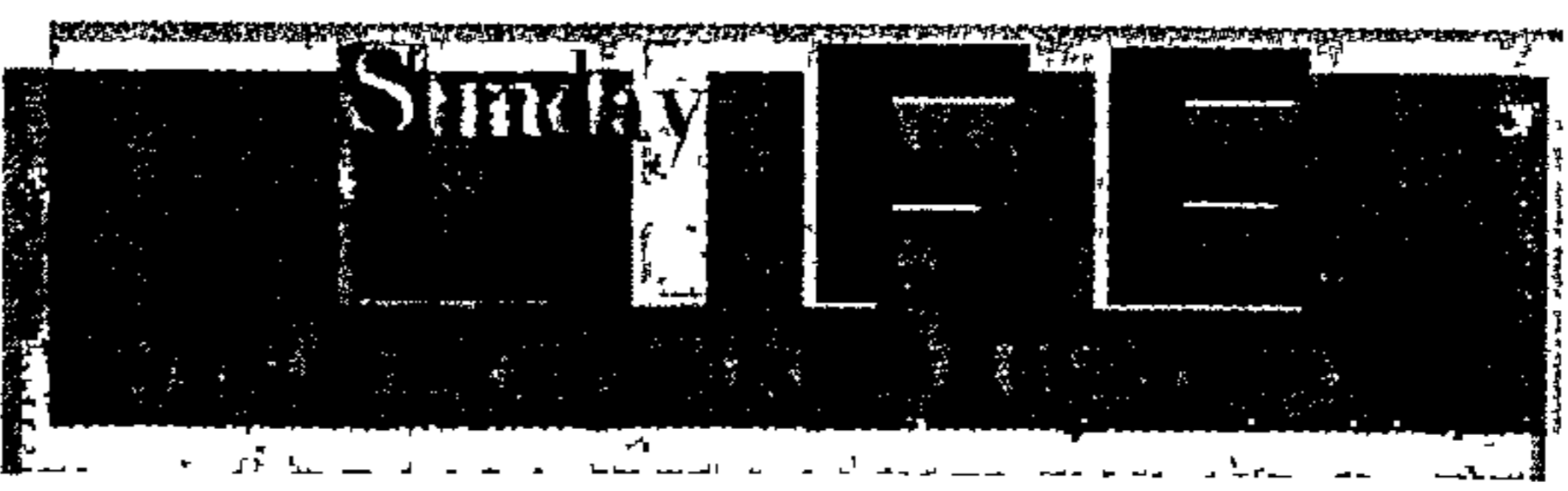
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# Eskom owed billion rands

ARL 22/6/96

(260)

**ADRIAN HADLAND**  
Financial Staff

MORE than a billion rands is owed to Eskom in electricity arrears. This has been revealed in parliament by Public Enterprises Minister Stella Sigcau

Delivering her departmental budget speech on the last day of the current session of parliament, she told MPs that non-payment for electricity in certain areas continued to be a source of "grave concern"

While Eskom was in good financial shape, solutions were being urgently sought in a bid to tackle the huge amount of outstanding payments

"The government at central and local level is working together with all stakeholders and the communities as well as Eskom to seek practical and functional solutions to this problem," she said

In a speech that was expected to clarify the government's position on the privatisation of state assets and corporations, she failed to unveil any significant new plans or initiatives.

The restructuring of state assets was an "important pillar" of government macro-economic strategy, she

Parliament heard that some communities refuse to pay their electricity bills, leaving Eskom with a burgeoning billion-rand debt. In spite of this, the power giant claims it can cope.

Public enterprises currently under restructuring review employed in excess of 300 000 and many of these were "understandably apprehensive" about the future.

"Restructuring should develop the human resource capacities of South Africa through decent employment conditions, efficient use of training and retraining, redressing previous discriminatory practices and enhancing technical and managerial capacity," said Mrs Sigcau

Restructuring could involve a number of options including the total sale of an asset and the partial sale to strategic equity partners

Mrs Sigcau said a special adviser would be appointed next week to draft a final model for the whole programme which was expected to be ready by the end of the year.

"The restructuring of state assets is not ideologically driven but constitutes a pragmatic economic imperative," she said.

It would aim at boosting economic growth, involving foreign partners in the provision of infrastructure at an estimated cost of R173 billion, reducing debt and making state corporations more efficient and competitive.

"Significant strides" had been made in plans to find a strategic equity partner for Telkom and implementation of this plan was expected in the second half of the year.

A change in the ownership of the parastatal Aventura, which provides leisure accommodation and facilities, was also inevitable with up to a quarter of the shares going to staff

Further decisions on the sale of Sun Air and Transkei Airways, as well as the reactivation of mothballed Eskom power stations - with a view to attracting strategic partners - were expected later in the year

"The restructuring programme is destined to be a protracted and carefully considered process," Mrs Sigcau told parliament

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CAUTIOUS MOVES: Minister Stella Sigcau says restructuring will be 'carefully considered'

## Eskom (260) outshines its target

ST (BR) 23/6/96

ESKOM's electrification programme had connected 1.5 million homes over the past five years, Public Enterprises Minister Stella Sigcau said on Friday.

In her ministry's budget address, she announced that Eskom exceeded its 1995 target of 300 000 new connections by 13 179. However, she was concerned at the rise in electricity arrears, now well in excess of R1 billion.

In the 1995/96 financial year, Eskom's turnover was R17.1 billion with net income of R2.7 billion, but interest-bearing debt rose to R27.3 billion. The utility planned capital spending of R5.2 billion this year.

Among other parastatals in Ms Sigcau's department, Denel continued successfully to diversify from armaments-based manufacturing. Sales last year rose by 13% to R3.4 billion of which exports to 53 countries accounted for R1 billion. Taxed income was up 20% to R380 million and the state received a R100-million dividend.

# State auditor queries IBA's huge pay rise

(260)  
ST 23/6/96

By IVOR POWELL

THE auditor general's office has blown the whistle on the Independent Broadcasting Authority's gravy train after discovering that senior officials voted themselves huge increases.

In an audit appended to the organisation's annual report for 1994/95, the auditor general says that salary increases given by IBA councillors to themselves might be illegal.

The auditor general found that, immediately after taking office in April 1994, IBA councillors decided to pay themselves a quarter more than the government specified they should be paid.

They raised their salaries by R83 000 a year for co-chairmen and R65 000 for ordinary councillors.

This was over and above the basic salaries of R201 000 and R155 000 specified by the government.

They secured written approval for the pay hikes from the then Minister of Posts, Telecommunications and Broadcasting, Dr Pallo Jordan, only 18 months later.

Even now, however, the whopping increases may stand outside the law.

"Confirmation could not be obtained," the auditor general's report notes, "that the remuneration packages were increased in consultation with the minister of state expenditure (or his successor in law) as required in Section 7 of the Independent Broadcasting Act."

The Ministry of Finance, which controls state remuneration, this week confirmed the auditor general's view.

A spokesman for the ministry, Jennifer Wilson, said that with perks and allowances added in, the top end of the relevant salary scale was fixed at R329 807 for co-chairmen and R256 965 for ordinary councillors.

According to the IBA's own breakdown, the total package payable to its co-chairmen stands at R411 520 and to its councillors at R320 000.

This means they are paid a quarter more than the Ministry of Finance allows — and a quarter more than officials in comparable bodies like the truth and hu-

man rights commissions.

The questions raised by the auditor general could lead to a full government investigation of the IBA's affairs when its long-delayed report is debated in Parliament.

The auditor general notes that although the increases were payable from April 1994, formal approval was obtained from Dr Jordan only 18 months later, in November last year.

Dr Jordan said yesterday that a multi-party committee had agreed that the IBA set its own salaries. He had been aware of the increases from the beginning.

However, his written approval was given only after the production of the annual report ground to a halt when the auditor general picked up the salary problems.

The attorney general's report shows that the IBA resolved, in the same month in which it swung into operation, to raise remuneration packages above the levels originally set by the Ministry of Home Affairs.

The decision was endorsed, the IBA claims, in a report prepared by the audit consultants Deloitte & Touche, who concluded that remuneration levels were "substantially below" market levels.

As a result, bonuses of R83 745 for the authority's two co-chairmen and R65 070 for councillors were added onto the original packages in the form of "non-contributory pensionable allowances".

The basic salaries paid to the co-chairmen were thus raised above those paid to directors general in national ministries and judges of the Supreme Court.

In response to queries this week, the IBA gave the Sunday Times a copy of a letter sent to Dr Jordan in November last year.

In the letter, the co-chairmen claim the hikes were included in the organisation's 1994/5 budget, which was approved by the Ministry of State Expenditure and passed in Parliament.

# Privatisation plan inches to next stage

(252)  
(260)  
ST(MT) 23/6/96

By SVEN LUNSCHÉ

PUBLIC Enterprises Minister Stella Sigcau on Friday announced only marginal progress in the government's restructuring and privatisation programme for public sector corporations.

In her budget address to Parliament, Ms Sigcau warned that the privatisation process was destined to be "protracted and carefully considered".

She did, however, list a block of state assets that would be sold before the end of the year or early next year: the entire holdings in airlines Sun Air and Transkei Airways and leisure group Aventura, a minority stake in Telkom as well as three Eskom power plants.

This is in line with an announcement by the government in December last year, before the programme was halted amid fierce resistance by trade unions.

Ms Sigcau stressed in an interview that "the tentative timetable we have proposed is subject to negotiations with the unions and suggestions from our advisers". She added that a special adviser would be appointed next week to draft a final model guide for the privatisation and restructuring programme.

A noticeable omission from Ms Sigcau's privatisation list were South African Airways and the Airports Company, which had been earmarked for partial sale under the December plan.

Ms Sigcau said that a decision on SAA and other Transnet divisions would have to wait until the airlines' internal restructuring had been completed. A major stumbling block was Transnet's massive pension fund deficit. She stressed that the partial sale of SAA was still on track once new management had completed its assessment.

Expectations of a major statement by Ms Sigcau had built up since President Nelson Mandela's commitment to privatisation during a visit to Germany and his subsequent rejection of objections by the trade unions.

Economists and business leaders believe privatisation is central to restoring investor confidence, badly dented by the rand's recent sharp fall.

In the debate following Ms Sigcau's budget, the National Party's Piet Coetzer

described the speech as disappointing "It appears the government has not quite made up its mind about privatisation".

Standard Bank recently estimated that the government could raise about R100-billion from the sale of assets. The assets earmarked for imminent sale by Ms Sigcau are likely to fetch about R10-billion.

The prime target for foreign investors is a 25% to 33% stake in Telkom which could raise up to R9-billion. Telecommunications Minister Jay Naidoo is leaving for Europe and the US next week to meet potential equity partners.

It emerged this week that the money received from the Telkom sale would not be held in a special fund but transferred directly to the national revenue fund.

Ms Sigcau said that utility Eskom was currently considering whether to activate and sell three mothballed power stations, which could realise a further R1-billion in foreign capital. A number of foreign utilities had already approached Eskom before negotiations were put on halt by government earlier this year.

Ms Sigcau said that in line with new corporate governance guidelines for parastatals, Eskom could soon be required to pay both dividends and taxes.

Of the other three public corporations only Sun Air is profitable and could fetch about R200-million. Transkei Airways is heavily subsidised by the Eastern Cape government while Aventura is likely to report a R3-million loss in the year to end-August. The disposal of Aventura would include the possibility of selling 25% to its workers, Ms Sigcau said.

She said the primary aim of bringing in foreign equity partners was the provision of infrastructure at an estimated cost of R173-billion over the next five years. The bulk of this amount — R81-billion — will have to be provided by Eskom, Transnet, Telkom and the Water Boards, while central government will have to raise about R62-billion.

Privatisation would also assist in reducing debt and making state corporations more efficient and competitive.

# 'Giant leap' forward as SABC rings the changes

Star 27/6/96  
(260)

New policy document is good news for filmmakers, directors

By CHERYL HUNTER

For many years the SABC remained impenetrable to all but a few South African filmmakers who struggled to compete with much cheaper overseas productions - the apparent preference of a management which largely ignored local productions

But now the film industry looks set to boom with the advent of a new policy document on commissioning procedures approved by the SABC board recently.

Described by the Film and Television Federation as "the most progressive (policy) to have been tabled by the SABC", it aims to create financial incentives, scrap inconsis-

## Film industry is set to boom

tencies and develop relationships between independent producers and the SABC

Head of programming policy planning and co-productions for the SABC, Melanie Chait, has worked non-stop on the document, "Terms of Trade for In-house and Independent Producers" for four months, and her team claims it will "make all the difference" in an under-resourced industry which lacks skills

"We have plenty of producers and directors in this country

"But they are not skilled, so what we need is additional training and quality programmes," Chait says

Independent producer Carl Fischer says he sees the policy as "a giant leap forward in the relationship between independents and the SABC"

"Credit must go to the drafters for finally recognising and isolating the problems we have experienced in the past and for looking at international precedents before making decisions," Fischer says

Historically, the SABC has a reputation for nepotism when giving contracts, as confirmed by Chait "Clearly, when one looks at the records, the same companies are getting greater amounts of work and other companies are being rejected time and again."

It has also been difficult for people starting out to contract work with the SABC.

They have been required to put up 30% of the final fee as a guarantee before beginning the project

This has often amounted to tens of thousands of rands, according to Chait's research assistant Maganthrie Pillay

The new policy should redress these imbalances, as it aims to standardise the process of awarding contracts

Training is being offered by the SABC to independent scriptwriters and drama directors at Chait's insistence, as at least 25% of the corporation's broadcasts have to be produced by local independent filmmakers

Chait says many countries, including Germany, Britain, Russia and India, have expressed interest in jointly financing films with South Africa

Not enough money is available to expand the South African industry, and the problem is further exacerbated by advertisers who prefer popular American programmes and want their adverts scheduled around these slots

"That has to change because we have to begin broadcasting 60% local content according to the IBA," Chait says

# SABC SURVIVAL THREATENED BY LOOMING CASH CRISIS

PM 28/6/96

(260)

## Public service role too costly

Parliament's recent debate of Broadcasting Minister Jay Naidoo's budget vote was bizarre. A huge question mark hangs over the viability of the SABC, yet neither he nor opposition MPs sought to discuss it.

A National Public Broadcasters Bill, it's true, will be introduced later this year. But multiparty examination of the harsh realities facing the SABC, and what it needs to survive them, should begin now. The outcome, after all, could affect not only the public purse but also licensing policy and decisions made by the Independent Broadcasting Authority.

SABC group chief executive Zwelakhe Sisulu admits that there will be a deficit this financial year (ending September 30). There could well be one next year and even the year after that, he adds.

A deficit this year of whatever order would represent a startling reversal. Last year the SABC produced a surplus of R101m and R90m in financial 1994. Sisulu talks of having to dip into reserves. That, however, is not a particularly deep pool.

At the beginning of the current financial year, the SABC had R189m in short-term investments. Between now and end-2000, though, it has to redeem R45m of interest-bearing liabilities. That reduces its effective reserves to R144m, unless those liabilities are rolled over with the help of government guarantees. Those reserves could be wiped out in just one year.

Last year about 1,6m households — from an estimated 5,5m with TV sets — bought TV licences. The number who will cough up this year by the end-September deadline is still uncertain. The SABC has hired professional debt

collectors to chase 900 000 defaulters. Their chances of success look slim. Many viewers are angry at the SABC's perceived failure to provide them with a service worth watching. They know the courts are heavily overburdened and that the threat of having their credit ratings downgraded is an empty one.

If half a million people refuse to renew their licences this year, the loss of income to the SABC would be about R100m, wiping

out last year's surplus. If, at the same time, there's no increase in advertising and sponsorship revenue, a large deficit looks certain, simply because operating costs will inexorably rise. Last year they rose by 14% to R1,539bn. A 10% rise this year would wipe out most of the SABC's short-term investments. The big question, then, is whether the SABC can increase revenue. Industry talk is that it hasn't a hope of doing so, that, indeed, TV revenue

(which accounts for more than 70% of total advertising income) is likely to be R100m less for this financial year than last year. If that forecast proves correct, the SABC could be looking at a deficit this year of R250m.

PR chief Ken Modise says advertising revenue for January-March was "just R25m below the revenue for the same period in 1995." What he neglects to explain is that much of the revenue earned from TV advertising during January-May this year will, in a sense, have to be given back to advertisers. From June,

revenue per minute of advertising time on SABC TV will be considerably less than it was earlier in the year.

That's because the service has failed to deliver promised audiences. When the SABC drastically redesigned its three TV channels in February, its rate card for advertisers, says Hunt Lascaris media director Lyndall Campher, indicated a cost per point (1% of the desired potential audience) of R1 500 for blacks and R2 100 for other races. In the event, smaller than anticipated audiences increased those two costs to, respectively, R2 500-R3 000 and R5 000. When a promised audience fails to materialise, the SABC compensates for the shortfall by giving the advertiser free air time. Those IOUs are going to be called in during the last four months of this financial year.

Meanwhile, rather than quickly reduce its advertising rates, the SABC decided to hold them until June. The latest, for crowd-pulling evening programmes, are on average 30% lower than they were. In short, from June onwards the SABC is either having to give away advertising time as compensation, or sell it far more cheaply than previously.

Even then, it could find itself with unsold time. The rate on English language Channel 3 is, says Campher, still uncompetitively high at about R3 500 a point,

while the equivalent cost on the other two channels is too high to be affordable for some advertisers. There is, in short, little cause to believe that the SABC's monthly TV advertising revenue from June onwards will be at all close to what came in during January-March.

Government's ability to bail out the SABC is severely limited. Naidoo has made it plain that government will only back specific projects, such as R40m for educa-



Zwelakhe Sisulu



Lyndall Campher

tional broadcasting

The SABC is even having to argue with Naidoo that the money raised from selling off half a dozen of its radio stations — up to R606m, depending on which bidders the IBA chooses — should come to it rather than flow into government coffers. Government has also only just been persuaded to keep Channel Africa on the air. It will continue financing it, says Naidoo, only if its R33m a year costs are significantly reduced.

Sisulu believes that the service's 15m audience could attract substantial advertising from SA companies exporting to Africa and neighbouring regions. He may be right, though some snort with derision at the idea of using anything other than local media in individual countries to sell SA products and services. The question is whether — should government support for the service prove inadequate — the SABC should take on another commercial risk.

It has decided against doing so in the ostensibly far more lucrative field of pay-to-view satellite TV. It's entering that arena, says operations and satellite broadcasting chief executive Gert Claassen, to cross-subsidise its worthy but unprofitable public broadcasting obligations. "But we cannot accept a financial risk."

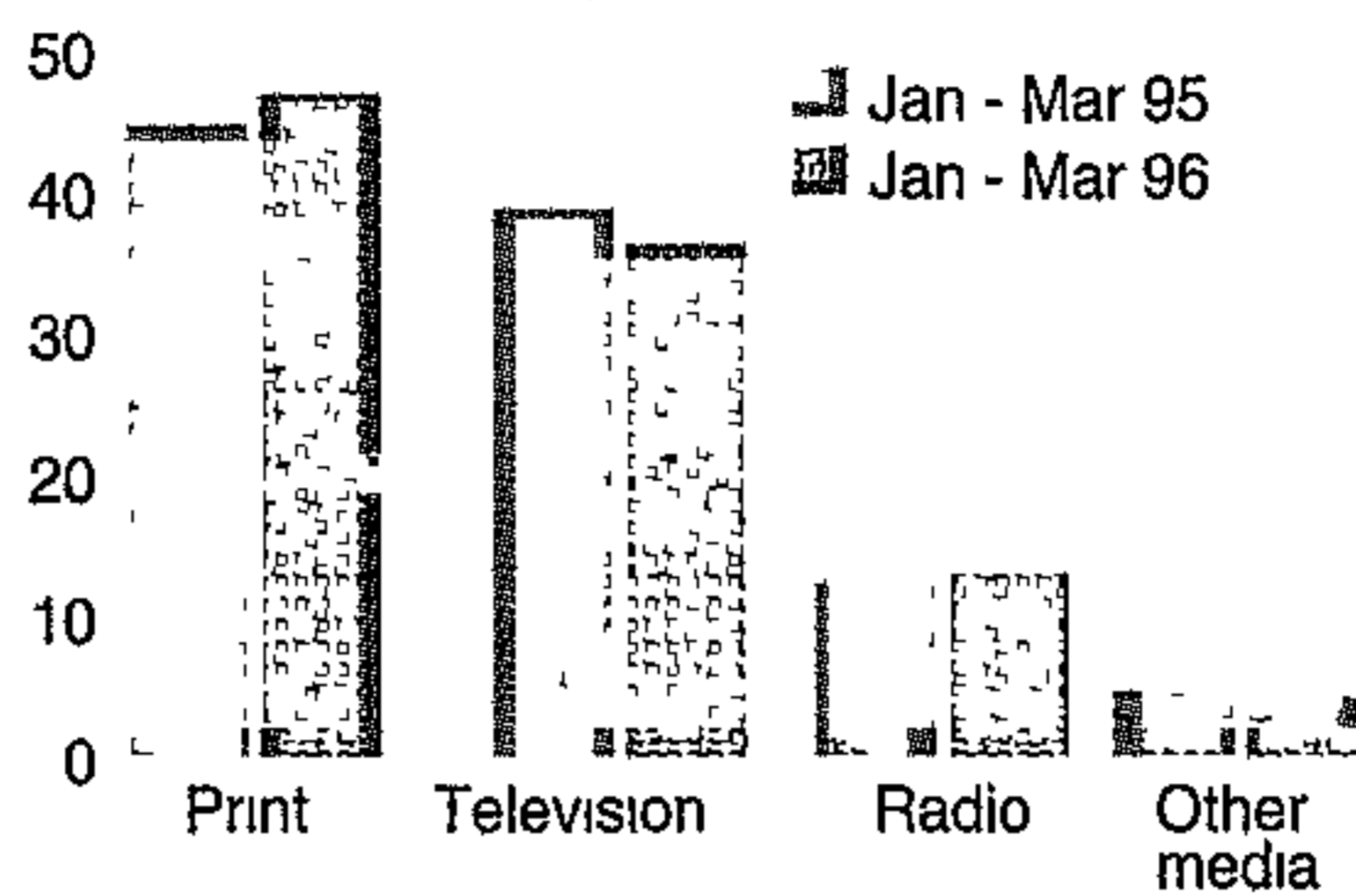
It will begin broadcasting a bouquet of satellite channels later this year, or early in 1997, in partnership with local and foreign interests. The SABC will put into the pool of assets the satellite licence it has obtained from the IBA, some programmes and the satellite transponder capacity it's already renting or has negotiated to — anything but cash. Its partners will provide that, says Claassen, as share or loan capital. That's why the SABC is ready to settle for just 40% of any profits.

Insiders are sceptical about the outcome. They say that, because of the capital and monthly subscription costs, nowhere in the world does pay satellite broadcasting account for more than 15% of the market.

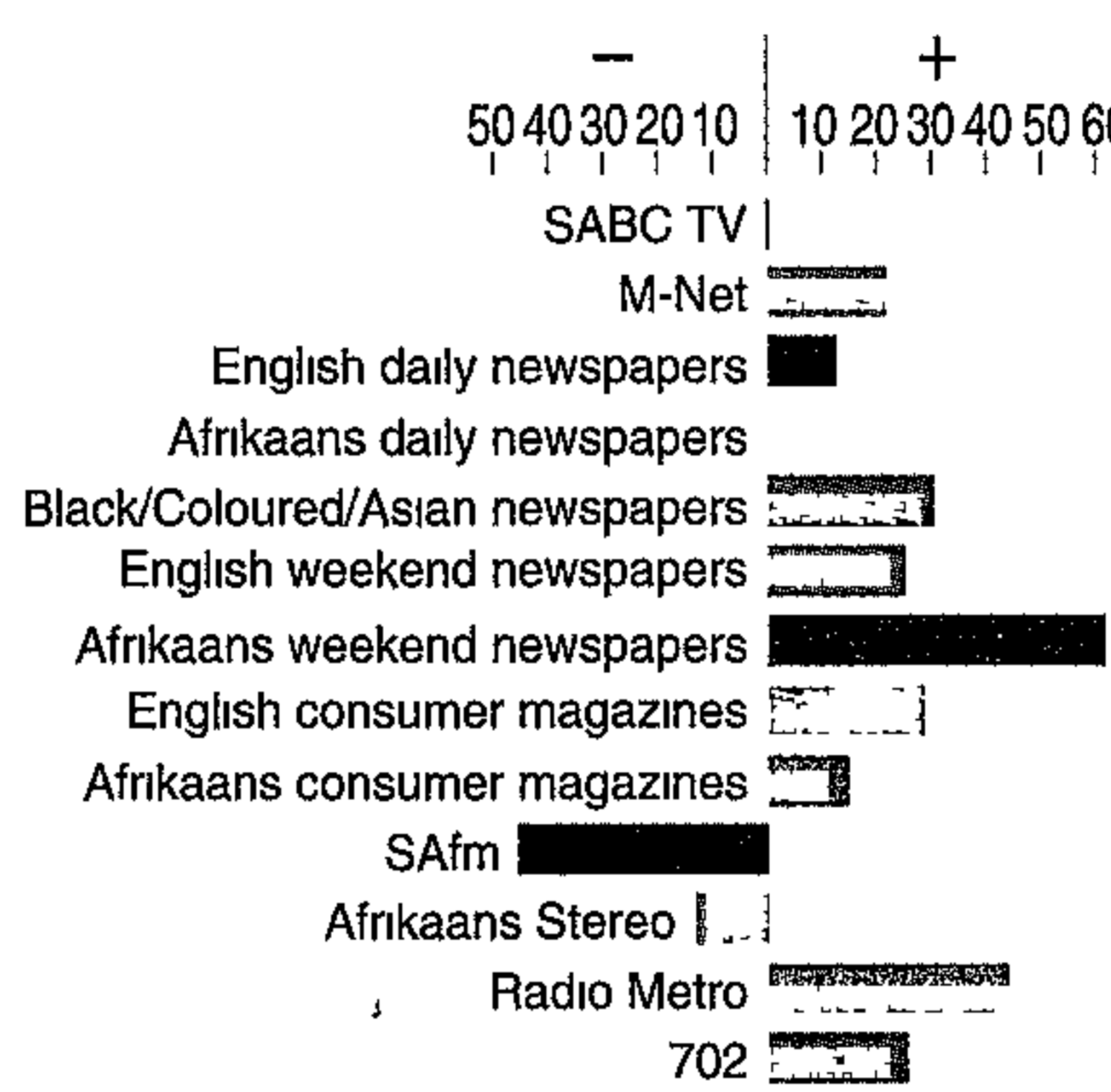
That aside, the ambition to capture the most valuable part of the black market looks distinctly dodgy. Rather than compete with M-Net for an affluent and largely white, Indian and coloured audience, Sisulu says that his six pay-to-view satellite channels will be aimed primarily at what he calls the emerging market — Africans who are materially benefiting from the broad changes SA is undergoing. Their number, he believes, will "ex-

## MEDIA MARKET MOVES

% share of adspend



% change in ad revenue (Q1 '96 over Q1 '95)



SOURCE: ADINDE



plode during the next one or two years."

Perhaps they will. But whether they will prefer the SABC's offering to those of M-Net or MultiChoice remains to be seen. Their loss to the SABC's terrestrial channels will also reduce the latter's value to advertisers. Yet the SABC will have a claim to only 40% of whatever profit they produce for its satellite partnership.

Meanwhile, the IBA plans to license a private national terrestrial free-to-air TV channel in a year or so and regional stations thereafter. There might even be more satellite channels available to local viewers, their programmes sourced from outside SA.

In short, the future of the SABC looks extremely turbulent. As the number of pay-to-view alternatives to its terrestrial TV channels increases, its moral right to licence fees will disappear.

So will its advertising revenue. The

competition is getting tougher and TV's share of adspend is declining. The only chance of its growing lies with new channels offering better fare than the SABC.

If the SABC fails to compete successfully for mass audiences, its only role will be as a public broadcaster — informing and educating — and that would have to be financed out of the public purse.

It's an important role, given that most of SA's people — being illiterate or beyond the circulation of printed media — rely on the SABC for information about current affairs. But SA probably cannot afford it.

That leaves the SABC looking redundant. Take our advice, Jay, and privatise the thing. Its R1bn-worth of assets could be divided into a number of parcels, each of which should find ready bidders.

Better a quick execution than bleeding to death. ■

# SABC getting tough with licence fee dodgers

CAROL CAMPBELL

(260) CT 2876196

THE SABC is getting tough with over one million people who have not paid their television licences by handing cases over to debt collecting agencies.

This could result in defaulters losing their credit rating.

The corporation has warned that those who don't pay will face criminal charges and be blacklisted with major credit houses.

It is understood the SABC needs R40 million to balance its books.

SABC spokeswoman Ms Marge Murray said yesterday debt collection agencies were enjoying huge successes collecting outstanding money from television owners as most people realised the consequences of dodging their licence bill were very serious.

"It costs the SABC nothing to use the agencies because they work on commission."

Despite the high number of licence fee dodgers, Murray said the SABC was determined to track them down and would prosecute offenders.

The director of the Advanced Credit Bureau Limited in the city, Mr Ashraf Gatee, said people dodging their licence bill came up with all sorts of reasons why they wouldn't pay.

"The latest one doing the rounds is that because only four percent of programmes on TV are Afrikaans, the television owner is only prepared to pay four percent of their R189 licence fee."

In one instance Mr Gatee returned a "four percent" cheque to the sender because "by accepting it, it would have seemed I was agreeing with him."

Defaulters appeared to chat with one another because the same excuse was often repeated. "People must realise they are paying for a service," he said.

One black man said he refused to pay his licence fee because no television programmes accommodated his cultural needs.

One viewer who had not paid his fee because "everything on TV is utter rubbish", said he paid quickly when he received the letter from the debt collector.

"I was scared I would be in for a lot more money than the R189 licence fee if I ignored the letter."



# IBA slates (260) newspaper

*Sowetan* 7/7/96  
By Sonti Maseko

The Independent Broadcasting Authority slated a report by a weekend newspaper on salaries of councillors as false, defamatory and a misrepresentation.

The article in question appeared in the *Sunday Times* of June 23, titled "State auditor queries IBA's huge pay rise" which was based on a report to Parliament by the auditor-general on salaries of IBA councillors.

Co-chairperson of the IBA Dr Sebiletsó Mokone-Matabané and councillor John Matisonn contend the article created an impression councillors had determined their own salaries without the approval of the minister of Posts and Telecommunications and the Minister of State Expenditure as required by the IBA Act.

Quoting from the report to Parliament, Mokone-Matabané and Matisonn stated that the auditor general had actually said the salary increases were approved by the Minister of Post and Telecommunications.

# Eskom signs agreement plan to repay arrears

(260) *Southern* 17/9/6

By Shadrack Mashalaba

ESKOM has signed an agreement with the Government to repay arrears of R100 million over a period of 10 years. The agreement was signed in Pretoria on Monday by Eskom's managing director, Mr. J. M. van der Merwe, and the Minister of Finance, Mr. J. G. van der Stoep. The agreement provides for the repayment of the arrears in 10 equal annual instalments of R10 million each, starting from 1967. The Government will also provide a loan of R100 million to Eskom to enable it to meet its obligations under the agreement. The agreement is a landmark in the history of Eskom, as it marks the first time that the company has been able to secure a loan from the Government to meet its financial obligations. The agreement also provides for the repayment of the arrears in 10 equal annual instalments of R10 million each, starting from 1967. The Government will also provide a loan of R100 million to Eskom to enable it to meet its obligations under the agreement.



Town Councillor Doctor Nkomvane

The agreement is a landmark in the history of Eskom, as it marks the first time that the company has been able to secure a loan from the Government to meet its financial obligations. The agreement also provides for the repayment of the arrears in 10 equal annual instalments of R10 million each, starting from 1967. The Government will also provide a loan of R100 million to Eskom to enable it to meet its obligations under the agreement.

Failure to perform  
Door is open

# Eskom signs agreement plan to repay arrears

By Shadrack Mashalaba

GIANT electricity supplier Eskom signed a more than R9 million bulk debt agreements at the weekend with the Pretoria metro northern substructure (Acacia/Soshanguve) and the Alberton Transitional Local Council

The agreement for the repayment of electricity account arrears was a culmination of protracted negotiations between state-owned electricity supplier, Gauteng province and local government officials.

Speaking at the official signing ceremony with the Alberton council members at Sunninghill, Johannesburg Eskom's executive director Jac Messerschmidt said he believes close collaboration with local authorities will go a long way to addressing the predicament of the arrears trap.

In terms of the agreement, the Alberton Council has agreed to pay Eskom in full for all electricity used in their area of supply from May 1

1996 onward. In exchange, Eskom has agreed to write off all arrears debt incurred before June 30 1995.

"If nothing transpires we will consider legal action against local authorities who still owe us R280 million

Next week we will be announcing plan of action to be taken against local authorities who still owe us," Messerschmidt said

## Resuscitate

The agreement comes in the wake of the government's intention to resuscitate the Masakhane campaign and local authorities' resolve to crack down on service defaulters

"All that we expect from now on was for the local authorities to perform by ensuring what is due to them was recovered. Past debts accumulated will be transferred to a suspense account which will be subject to performance," Messerschmidt added

This means that, provided full payment is maintained for 14



Town Councillor, Doctor Nkonyana.

PIC: MOTLAPELE SEGALE

months, Eskom will stop adding interest to the arrears amount and eventually write off the arrears.

Any debt incurred between the two dates, June 30 1995 and May 1

1996, will be repaid on or before April 30 1997, with interest

In the case of the Pretoria Metropolitan Substructure (MSS), they have already met the conditions and the arrears have been written off

"People will be willing to pay their debts if the services they are utilising are adequate and seen to be provided. The time has come to instil a culture of payment and this will be done if we do not operate from a distance," he said

## Door is open

He further added that the agreement did not exclude Alberton and Pretoria local councils, but their door was open to other local authorities who want the same deal, so long as they make an unequivocal undertaking to deliver Alberton town councillor Doctor Nkonyana unconditionally accepted the terms of the agreement saying it will be viable as part of their endeavour in developing local communities

Eskom said these agreements have established a mechanism for local authorities with problems over the repayment of service debts to clear themselves of the burden

## Failure to perform

They also put it straight that connection is dependent on their performance. However, any failure to perform according to the terms of the contract will result in Eskom cancelling the agreements

Eskom's senior general manager for sales and customer services, Joe Matsau said "This is a major step in the realisation of the Masakhane ideals. We trust that many local authorities will make use of this opportunity to escape from the trap in which the non-payment of bulk accounts has landed them

Currently Greater Alberton (TLC) which includes Thokoza has between 80-90 percent payment ratio, said Messerschmidt, adding that Soweto has an 80 percent payment ratio

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International Airport, Costa Rica  
at Eccelen Park yesterday before leaving for Atlanta last night.

# IBA officials deny awarding increases

Ingrid Salgado

(260)  
BD 11/7/97

#6 11/7/96

INDEPENDENT Broadcasting Authority co-chairmen and councillors denied at the weekend they voted themselves huge increases after taking office in April 1994

They said their retrospective raises had been proposed by the state expenditure department

The increases were granted after Deloitte and Touche, together with PE Consulting's salary survey unit, revised remuneration packages and brought them into line with "market-related rates", the IBA said in reaction to a weekend newspaper report

State expenditure then raised coun-

cillors' allowances in order to remove the discrepancy between "remuneration laid down by home affairs and that proposed by the financial consultants"

The two co-chairmen's annual salaries increased by R83 000 while councillors' salaries rose R65 000, bringing their respective total packages to R411 000 and R320 000

The IBA said the increases were approved by then Post, Telecommunications and Broadcasting Minister Pallo Jordan. The auditor-general's report to Parliament on the IBA verified this but said there was no confirmation the packages were increased in consultation with the state expenditure minister, as required by the IBA Act

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# Eskom writes off municipalities' debt

Edward West

(260) (S)

BD 1/7/96  
ESKOM is preparing to write off a large slice of the estimated R800m it is owed by local authorities, signalling an about-turn in its bad debt policy.

The parastatal said at the weekend it was setting up deals with local authorities in which some of the debt would be paid in exchange for Eskom writing off the bulk over the long term.

The first deal has already been cut with the Alberton transitional local

council and Pretoria northern sub-structure. All their arrears prior to June last year will be written off if the two pay for services used since May 1 for the next year. In terms of the deal, local authorities will have to pay the debt incurred between June 1995 and May, with interest, before next May.

The deal followed months of negotiations between Eskom and Gauteng government officials, who were encour-

Continued on Page 2

## Eskom

(260) (S)

Continued from Page 1

BD 1/7/96  
aged by the other provinces and their local authorities to use the agreements as a litmus test.

Eskom sales and customer services GM Joe Matsau said "We trust that many more local authorities will use this opportunity to escape from the trap in which the non-payment of bulk accounts has landed them."

A spokesman said it was unclear how much of the R800m would be written off and how many local authorities would accept the offer. The parastatal planned to unveil "punitive" measures this week for local authorities which did not repay their debt.

Eskom had previously insisted it would not write off the debt.

Local authorities accounted for a major portion of the more than R1,25bn Eskom was owed at the end of its last financial year. Eskom has said write-offs were a last resort.

# Community stations to have smaller broadcasting areas than others

BY CHERYL HUNTER

(260) Star 3/19/92

Community radio stations will have smaller broadcasting areas than their commercial counterparts, as in other parts of the world, the Independent Broadcasting Authority said yesterday in reaction to recent complaints from community stations.

Radio Today voiced its anger this week at the poor reception its listeners were experiencing and at the reduction in radius of its broadcasts from about 40km in the middle of the radio

dial to about 20km on the top end where it was recently moved by the broadcasting authority.

An IBA spokesman explained yesterday that this move was inevitable as the middle of the band was going to be utilised by commercial stations which, according to international standards, had to broadcast to larger areas to draw advertising revenue.

"The community stations don't have to rely on advertising. They are also open to sponsorship, grants and even subscriptions from communities

who really want the station to remain in that area," she said.

The IBA has already agreed to allow larger broadcasting areas for community stations on the AM band because the band has been underutilised in the past.

Community stations usually have a broadcast radius of about 10 to 14km as they are broadcasting to a specific community, but the stations on AM are reaching between 15 and 20km.

A technical expert on radio said the higher radio frequencies were allocated

to community stations in other countries, usually for financial reasons. "The higher the band, the shorter the antenna can be and this saves the stations huge amounts of money," he said.

"An antenna for a station in the middle of a band can be 150m high and cost the earth," he added.

For those stations that are applying to be relicensed and have been broadcasting in the middle of the band for a year, there will probably be financial losses.

"This is bad news for us. We will lose thousands of rands in advertising and a large number of listeners," the station manager of one of the community stations said.

The IBA realises that this may be a problem, but said the stations were originally placed on the middle frequencies because the authority had no frequency plan until recently.

"Because of the youth of the IBA, we had to start procedures without all of the policies in place," the spokesman said.

# IBA wants community cultures reflected by radio stations

ASHLEY SMITH  
Staff Reporter

"COMMUNITY diversity" should be reflected in the management of community radio stations, according to co-chairman of the Independent Broadcasting Authority (IBA) Pieter de Klerk

He said yesterday at the IBA hearings considering the re-application for licences by community radio stations. "It is no use having them (people in the community) as members, and letting them sit on the fringes"

The IBA panel, which sat at a Sea Point hotel, heard re-applications from Tygerberg Radio and the University of Cape Town campus radio station.

Tygerberg Radio, with a 72 per cent female listenership, was criticised for having only one woman, as opposed to four men, on its board

During Tygerberg Radio's presentation, Mr De Klerk remarked that the "station managers are white" and "their ideas are white"

The Rev E.J. Zevenster, station manager at Tygerberg Radio, admitted that he was concerned about the lack of blacks in senior positions at the radio station. UCT radio had only one black student, N Sidzumo, involved in the management of the station. He was in charge of programming

Local music content at UCT

radio was also said to be too low (13 percent), in comparison with foreign music (53 percent)

In response to this, UCT station manager Lisa Hall said that there had been an increase in the number of black students joining the radio station, and that local music groups had been sending in "demos", which were regularly played by the station

She said UCT radio wanted to be independent from the university administration and to achieve this a "trust committee" would be established by early next year

The radio station had still to pay back R13 000 of the R48 000 loaned by the administration, and still get a grant from the university each year

Tygerberg and UCT radio stations both had "dead spots" in their reception area, which made tuning-in virtually impossible

The IBA panel was not fully satisfied that either UCT or Tygerberg radio stations had managed successfully to produce programmes that reflected the diversity of cultures in their reception areas

Tygerberg Radio, which had re-applied for a licence as a "Geographically Founded Community Radio Station", was criticised for broadcasting predominantly Afrikaans in a reception area that had Xhosa and English speakers too

UCT Radio also came under

(260) ARG 3/7/96  
fire for not having the necessary mechanisms in place to access what those in their reception area wanted to hear

News bulletins were another area of concern for both radio stations and instances were cited by the IBA in which announcers at UCT were making comments while reading the news

Ms Hall satisfied the panel by saying that the culprits had been reprimanded and taken off the air

Commenting on the IBA hearings on Monday in which Radio C-Flat, Radio Zibonele, Cape Community FM and Bush Radio re-applied for licences, Mr De Klerk said he was pleased at the excitement and enthusiasm generated by community radio stations in Cape Town. Finances however still remained a problem for these stations, as advertisers tended to remain loyal to commercial radio stations. He expressed the hope that the recent opening of an IBA regional office in Cape Town would mark the beginning a closer relationship between the authority and community radio stations. Plans were in the pipeline to establish a regular forum in which the IBA and these radio stations could "interface"

Community radio stations in Cape Town would know by the end of July whether their re-application for licences had been successful

# R3,2m for rural news bureaux

(260)

MTG (PMM) 5-11/7/96  
existing homeland broadcasters,

The SABC's expansion into rural bureaux has provoked a mixed response from radio stations, writes **Jacquie Golding-Duffy**

**S**ABC radio news is planning to expand its operation by establishing eight rural bureaux at an initial start-up cost of about R3,2-million

SABC radio news managing editor Alwyn Kloppers says increasing the number of newsrooms in rural areas is part of an "expansion drive" by the corporation to improve radio coverage of previously neglected areas.

The bureaux, says Kloppers, should be seen as "contributing centres", which will feed news to both African language radio stations as well as English and Afrikaans stations

Increasing news resources and setting up satellite stations "are part and parcel of upgrading the SABC radio stations" and are being made in a bid to bring African language news coverage on par with that delivered on English and Afrikaans radio stations, he says

"The SABC has nine African language stations which in the past were ignored, but the time has come to improve these stations," Kloppers says, adding that the establishment of newsrooms in rural areas would enable listeners to be kept up to date with events in these areas

Kloppers, who is responsible for resourcing radio news countrywide, says the eight bureaux are planned for Soweto, Hammanskraal, Harrismuth, Upington, Newcastle, Bisho, Umtata and Thohoyandou. He says the contributing bureaux,



**Soweto Community Radio: SABC is 'jumping on the bandwagon'**  
PHOTOGRAPH HENNER FRANKENFELD

costing R400 000 each, will hopefully be set up by the beginning of next year, after the budget proposal has been approved by SABC group chief executive Zwelakhe Sisulu and SABC board members.

Two reporters will be posted at each of the bureaux.

The satellite stations planned in Bisho, Umtata and Thohoyandou will be temporary and will function as completely separate entities to the

until such time as the integration process is completed, he says. Once integration is finalised, reporters will probably be housed in the former homeland broadcasting station and use its facilities. However, SABC's plan to set up a bureau in Soweto has not been welcomed by the Soweto Community Radio station

**A**ching station manager Tebogo Poe says community radio stations have tapped into markets previously ignored by the SABC. Now that niche listenership has proved to be a viable market, the SABC is "jumping on to the bandwagon"

"I will have a problem with the SABC setting up newsrooms in Soweto if it intends to focus on finer community issues. I would encourage the SABC to stick to being a public broadcaster and leave the details of community broadcasting to community radio stations"

**Voice of Soweto** news editor Leo Manne says the corporation's intention to set up in Soweto comes as "no surprise", but is proof of community radio stations "keeping the SABC on its toes"

"I think it is a good thing to have competition and it does not threaten us in any way. It does, however, concern me that the SABC has a huge financial backing while we are trying as hard as we can on what little we have got," Manne says

Kloppers argues that the planned move does not aim to undermine community radio stations in rural areas, but aims to increase healthy competition which, he says, "can only enhance editorial production"



*Afrikaans station will be launched later*

# SABC to air six new pay TV channels

By Christo Volschenk

ECONOMICS EDITOR

Cape Town — The SABC will announce the launch of six new pay television channels today that will go on air in December, directly challenging M-Net's local domination of the pay TV market.

In the announcement, to be made by Gert Claassen, the SABC's chief executive of operations and satellite television, the national broadcaster will announce the launch of two new free-to-air satellite television channels to start broadcasting on July 15.

A new SABC subsidiary, Astrasat, will manage the channels which will be known as AstraPlus, an entertainment-orientated channel, and AstraSport, a sport-orientated channel.

Satellite dishes will give access to these channels and no monthly subscription will be payable. The SABC will also announce the launch of four new pay-television channels to go on air in December. At the same time the two new free-to-air satellite channels will revert to pay channels, bringing the number of new pay-channels going on air in December to six.

According to a source close to the SABC, the different pay-channels will specialise in news, sport,

movies, family entertainment and general entertainment.

Each of these channels will start broadcasting in December for between 18 and 24 hours a day. Viewers will be able to subscribe to one or more of the pay channels and the monthly subscription fee will vary between R65 and R120 depending on the number of channels chosen.

Viewers who subscribe to four channels will pay a monthly fee of R80 and those wanting all six channels will pay R120 a month.

The family entertainment channel will air exclusively Afrikaans programmes for between four and six hours a day during prime time. The monthly subscription to the family entertainment channel alone will cost R65.

AstraSport would, in the first few weeks after going on air, concentrate its broadcasts on the summer Olympics in Atlanta, the source said.

A spokesman for Boland Financial Services confirmed yesterday that agreement had been reached in principle with the SABC that a fully-fledged separate Afrikaans pay-channel would eventually be launched through a partnership between the SABC and a consortium of local and international companies.

CT(BR) 4/7/96 (260)

## SABC viewership stabilises in June

Ingrid Salgado

WEEKLY viewership levels for the SABC's three television channels stabilised towards the end of June while average daily viewing time for SABC1 and SABC2 increased marginally, audience ratings released by the SABC yesterday shows.

SABC1's average daily viewing time increased from 40 to 41 minutes and SABC2's rose from 46 to 47 minutes for the period June 17-23. SABC3 levels were unchanged at 17 minutes.

The ratings indicated strong support for African language programmes. Among Nguni and Sotho speakers, indigenous language programming dominated the top 10 programmes, led by the SABC1 drama *Uthando Lwami*.

Performance of news bulletins varied from channel to channel. There had been a marked viewership improvement of Afrikaans news bulletins with increases among English, Nguni and Sotho viewers.

## IBA processing 12 private radio licence applications

Ingrid Salgado

THE Independent Broadcasting Authority has received 12 private radio licence applications for three new frequencies in Cape Town and one new Durban frequency, the broadcast regulator said yesterday.

Applications closed on Tuesday and applicants' details would be made available only once the IBA had gazetted the applications. One FM and two MW frequencies are up for grabs in Cape Town.

One Durban FM frequency is available. Applications for one Gauteng MW frequency and three Johannesburg FM frequencies close on August 16.

IBA spokesman Amos Vilakazi said the authority had not yet had time to scrutinise the Durban and Cape Town applications. It was still analysing licence bids for six SABC re-

gional radio stations

The authority expected to have licensed the first batch of applicants by November while public hearings to consider bids for the SABC stations would start in September, at latest.

The authority could not speed up the process, Vilakazi said. The IBA Act required the regulator to wait a month for objections to gazetted applications while applicants had another month to respond to objections. The IBA's decision on which applicant to licence would follow public hearings.

Vilakazi said time taken for the IBA to grant licences would depend on the volume of evidence submitted.

Posts, Telecommunications and Broadcasting Minister Jay Naidoo's proposal to speed up licensing by changing the IBA Act had been put on hold, as Parliament was in recess.

## Provinces to get a voice in lotteries

Linda Ensor

CAPE TOWN — Provincial governments have been given a significant role in governing the national lottery, in terms of the Lotteries Bill tabled in Parliament yesterday.

The Bill provides for each province to be represented on the National Lotteries Board, while provincial premiers will have to be consulted over the way lottery funds earmarked for the RDP are spent. The Bill stipulates that money raised by the lottery will have to be equitably distributed among the provinces.

Sports pools, where punters forecast the result of a sporting event to win a prize, are given the green light by the Bill, opening the way for operators such as Littlewoods to enter the SA market.

The Bill proposes the establishment of a National Lotteries Board made up of a maximum of 19 members, with two representatives from central government,

one from each of the provinces, a lawyer, an accountant and not more than four with specialised knowledge of lotteries.

The board's functions include awarding a licence to a company to run the lottery, monitoring the way it is run and administering a National Lottery Distribution Trust which will receive the licence fees and funds raised.

The Bill stipulates that a licence will only be awarded to a company that shows "a clear commitment to the advancement, upliftment and economic empowerment of persons or groups or categories of persons disadvantaged by unfair discrimination".

With the concurrence of the relevant minister, the trust fund will distribute the funds raised to the RDP and to support charities, sport, recreation, the arts, culture and the national heritage.

Prescribed percentages of the funds in the trust will be allocated to each of these earmarked recipients, though the Bill does not de-

tail these percentages.

The Bill proposes that bodies receiving lottery funds should be nationally representative and active in all provinces.

Provincial and local interests, including the number of lottery tickets sold in each province, and the population and financial requirements of each province, will have to be taken into account when grants are made.

A condition for the granting of a licence is that no political party or political office bearer has any direct or indirect financial interest in the applicant company. The licence could be granted for a maximum of only five years.

The Bill recommends that small, private and society lotteries be allowed under certain conditions, but that competitions not based on a degree of skill, and newspaper and broadcasting competitions be outlawed where they offer prizes for forecasting a future event or a past event where the result is not generally known.



**PRIVATISATION PROTEST** Bheki Magagula, the Gauteng regional secretary of Numsa, and Jerry Mafereka, a shop steward, at a press conference yesterday

PHOTO JOHN WOODROOF

## Eskom accused of covert sell-off

By James Lamont

INDUSTRIAL EDITOR

Johannesburg — Eskom's management is privatising parts of the national electricity utility behind closed doors, Bheki Magagula, the National Union of Metalworkers' regional secretary in Gauteng, said yesterday.

An anti-privatisation protest march takes to the streets of Johannesburg and Durban today.

"Eskom management wants to privatise," said Magagula, "If we don't stop them now they are going to privatise all of Eskom."

Magagula said that Eskom had already hived off its housing assets and other strategic areas.

Rotek Industries, a multi-million-rand division of Eskom, was also some way down the road to privatisation.

"The government seems to be really moving forward with privatisation and is not addressing delivery," said Jerry Mafereka, a Numsa shop steward at Eskom.

The ANC-led government needed to wrest control of the utility from business interests for the good of upgrading the country, Mafereka said.

"The debates are taking place in boardrooms while we as unions are taking the issues out and making them public. Very few people understand what is going on."

Numsa was concerned that covert privatisation was being undertaken on a piece-meal basis and neither it, nor the community at large, were having a say.

But an Eskom spokesman said the union's fears were unfounded because the utility was not discussing a change of ownership with the government and did not believe it should be privatised.

CT(BR) 5/7/96 (260)



## Eskom target of anti-privatisation protest by union

(22) (260)

BY XOLISA VAPI

Star 5/7/96

Opposition to the controversial privatisation of parastatals will intensify today when Eskom workers embark on protest action across the country to demand the Government's full control of the electricity giant.

The campaign will include the handing over of memoranda to various Eskom plants and provincial premiers.

The protests by the National Union of Metalworkers of SA (Numsa) is the culmination of a campaign which began in April to ensure that the electricity supply industry remained a national asset and that Eskom be given a permanent licence to generate, transmit and distribute electricity in SA.

In Johannesburg, traffic is expected to come to a standstill when marchers toyi-toyi down Rissik Street to hand over a petition to Gauteng Premier Tokyo Sexwale before proceeding to Eskom's head office in Braamfontein. In Durban, workers are expected to present the same memorandum to the premier of KwaZulu Natal.

Numsa said Eskom should remain a state-owned enterprise with a public mandate to take over the industry.

# SABC to take on private-sector equity partner in new pay TV venture

(260) CT (Bar) 5/9/96

By Christo Volschenk  
ECONOMICS EDITOR

Cape Town — The SABC will take on a strategic equity partner in September in a deal worth "hundreds of millions of rands", Gert Claassen, the chief executive of Astrasat, announced yesterday. Astrasat is a new subsidiary of the SABC.

The SABC will reposition itself to compete head-on with M-Net from December with the capital to

be injected by the as yet unformed private-sector partner.

In what must be seen as an early victory for the SABC in the coming war of the pay channels, the public broadcaster has bought the rights to M-Net's Supersport programmes for an undisclosed sum.

The 24-hour Supersport programme will be screened simultaneously by M-Net and the SABC.

Industry sources said yesterday that they could not understand why M-Net had agreed to the deal,

because Supersport gave M-Net a competitive edge.

Russell Macmillan, M-Net's head of Supersport, said yesterday that it was "just a good commercial decision", because M-Net would receive a percentage of the subscription fees from the SABC sports channel.

From July 15 to December 1, Astrasat will manage two free satellite television channels.

In September, 60 percent of Astrasat will be sold to a consor-

turn of local and foreign companies.

On December 1, the two free channels will convert to pay channels and another four pay channels will be launched. The SABC will use its share of the profit to cross-subsidise its community-service channels.

Next October the SABC will expand its channel capacity from eight to 14 and increase the number of pay channels to eight.

A new Open Democracy chan-

nel will be launched to cover parliament and other events of public interest. Two more entertainment channels will also be launched.

The SABC expects Astrasat to be profitable within three years from December. "We aim to have 157 000 subscribers at the end of next year and 660 000 subscribers after five years," Claassen said.

"There are about 1.4 million households in the pay-channel market in South Africa. M-Net has cornered between 60 percent and

70 percent of the market, so we will have to take market share from M-Net to get to our target of 660 000 subscribers."

The venture into pay channels and the increase in the technical capacity to air 14 channels would cost "hundreds of millions of rands", Claassen said. He declined to put an exact figure to the venture, but said all the money would come from the private sector.

□ See Business Watch, Page 18

# Eskom takes tough action

*Lawetan 8/7/96*

*(10) (260)*

**By Shadrack Mashalaba**

ESKOM has announced that it intends suing two local authorities who owe the electricity giant R440 million

The local authorities concerned are Kwa-Thema and the North East Rand which also covers Tembisa

Eskom says the prosecutions will be accompanied by massive switch-offs over the next two weeks

Addressing a Press briefing in Johannesburg at the weekend Eskom senior general manager for sales Joe Matsau said to date the total amount owed to the corporation in unpaid electricity stood at R5 billion

"Eskom has reached the end of its tether now. It is also unfortunate that the industrial base of these areas - such as Kempton Park and Springs - will be affected," said Matsau, adding that Eskom hoped that the wholesale switch-offs would force the local authorities to put pressure on defaulters to pay.

The worst defaulting local authorities are found in Gauteng, although there are also

non-paying local authorities in other provinces and these include Ogies TLC, Ikapa TLC, Lwandle, Sterkspruit, Cullinan, Edenville, Greylingstad, Bothaville and Breyton TC.

The intended action comes in the wake of a R9 million agreement signed last week by Eskom and the Pretoria metropolitan substructure and Alberton Transitional local authority to ensure that people pay their electricity

The East Rand local authorities which will be affected by switch-offs, said Matsau, seemed not serious during negotiations. "We met on numerous occasions and made offers, counter-offers and concessions but to no avail

"They did not appreciate negotiations even though their accounts record show a zero percent payment rate. The last time they paid their accounts their figures were very insignificant

Eskom had in the past offered local authorities to come and negotiate with them a form of settlement so that past debts could be transferred to a suspense account

● See page B4

# Numsa

## opposes

### Eskom

### takeover

*South African 8/7/18*  
~~(200)~~ (260)

By Noxolo Kweza

TRAFFIC came to a halt in Johannesburg at the weekend when thousands of National Union of Metalworkers of South Africa (Numsa) members marched to protest against the privatisation of Eskom

Memorandums were handed to Gauteng premier Mr Tokyo Sexwale's office and senior officials at Eskom and the National Electrification Forum in Braamfontein.

Numsa general secretary Bhekile Magagula said Eskom should remain a national asset

He said Eskom should be reclaimed by the Government so as to benefit poor communities

Numsa members also demanded that Eskom accelerate the upgrading of electricity networks and standardisation of domestic tariffs in black townships

## New Zambezi scheme mooted

(260)  
Reinie Booysse

BO 8/7/96  
ESKOM has cut a deal with its Mozambican counterpart to investigate building a R6,5bn hydroelectric scheme on the Zambezi, which would supply a large chunk of its output to SA.

The parastatal said at the weekend it had agreed terms for the project with EDM, opening the door to a feasibility study should the SA and Mozambique governments approve the plans.

The proposal is based on a new dam, to be sited at Mepanda Uncua, 70km downstream from the Cahora Bassa dam. The new scheme would be able to produce 2 000MW to 2 500MW of electricity, far beyond Mozambique's projected requirements.

Mozambique currently uses about 150MW. Alusaf is investigating a proposed R4,5bn aluminium smelter in Maputo, which would require about 900MW of power by about 2003-2005. This would leave at least 1 100MW spare for Eskom and EDM to transmit to consumers in Mozambique and SA.

Continued on Page 2

## Scheme

(260)  
BO 8/7/96  
Continued from Page 1

"The new dam could go ahead even if the smelter project is shelved," Eskom system planning manager Pierre Rubbers said. "The deal has yet to be approved as a memorandum of understanding by the SA and Mozambique governments. At the level of the utilities, we've ironed out all the problems. Now we are going to put the agreement to the various ministries for approval."

The agreement allows Eskom and EDM to conduct a R20m-R25m feasibility study and to proceed with development of the dam if the study is positive. Rubbers said the partners hoped to attract foreign investors.

"Some have expressed an interest."

The project would also entail building transmission lines from the dam to Maputo via Beira and Pande, and from Maputo to SA.

Eskom is hoping the rehabilitation of the power lines from the Cahora Bassa hydroelectric station, destroyed during the civil war, will be complete by June next year. The dam has an installed capacity of 2 000MW, but regular maintenance is required on the five 400MW turbines, leaving a maximum assured output of 1 600MW. Zimbabwe has contracted to buy 500MW of the output until 2003, when the allocation returns to Eskom. The line from Harare to the dam should be complete by May next year. Another 200MW is reserved for Mozambique, and Eskom will take the rest for SA.



Unpaid municipal bills spark threat

# Regulator to block Eskom power cuts

Robyn Chalmers

GOVERNMENT's national electricity regulator has vowed to prevent Eskom implementing its threat to cut electricity supply to the East Rand and Springs.

The cuts, threatened because of huge unpaid municipal electricity bills, would hit consumers, mines, major businesses and Johannesburg International Airport.

The regulator said at the weekend that cutting off bulk supply would have huge ramifications, particularly for the health and safety of consumers.

Consumers jeopardised by Eskom's threat included much of the East Rand gold industry and businesses such as Impala Platinum, Sappi, Mondi, Engen, AECI and Carlton Paper.

"The regulator was set up to protect the interests of customers, and the implications for health and safety should supply be suspended are such that we will stop it," regulator spokesman Johan du Plessis said. It would "not sit back and allow this to happen".

Eskom said on Friday that it would enforce court judgments obtained against the Northeast Rand metropolitan council and Springs city council, which together owe R440m. This would entail cutting supply to the areas within two weeks.

The parastatal, owed R800m by local authorities, also warned on Friday

that councils in Ogies, Ikapa and Cullinan — which together owed R16,7m — were next in line for its attention.

Du Plessis said the Electricity Act governing the regulator gave it the power to halt Eskom's plans to suspend electricity supply. One option to stop the cut-off would be to revoke councils' distribution licences and to issue a licence for distribution of electricity to Eskom or another local authority.

Northeast Rand metropolitan council financial director Ben Dorfling said that halting electricity supply would have a devastating effect on the area.

He said the council had inherited massive debts when the Kempton Park council had been merged with that of Tembisa.

The council had been able to begin managing that debt only after last year's local government election.

The council did not receive sufficient funds from Tembisa end-users to cover its electricity bills, and it had to deal with illegal connections. The supply network was not up to standard.

"We have a strategy in place to stabilise and strengthen the electricity network and are currently putting in new meters, but this will take time."

A Springs council spokesman said the council would negotiate with Eskom in a bid to reach a compromise.

Picture: Page 3

BD 8/7/96

(260)

## Afrikaans-TV stake for SABC

By Christo Volschenk

CT (PR) 9/7/96

(260)

Cape Town — The SABC's new pay-channel, Astrasat, will pay about R40 million for a 26 percent stake in the Afrikaans pay-television channel to be launched in September, spokesmen for Astrasat and Boland Financial Services said yesterday.

Boland Financial Services, part of the Boland Bank group controlled by Afrikaans businessman Christo Wiese, is orchestrating the deal. The balance of the shares will be sold to South African companies for about R100 million.

Astrasat — the newly-formed subsidiary of the SABC which will manage six pay-television channels from December — will be privatised in September when 60 percent of its shares are sold to a consortium of local and international investors. The balance of the shares will be held by the SABC.

The Afrikaans pay television

channel will air its programmes between 5pm and 10pm daily, but will be managed as a separate business venture. The full spectrum of programmes to be aired include news, sport, movies and music. The monthly subscription will be R65.

Henk Rossouw, Boland Financial Services' managing director, said yesterday Astrasat would be the biggest shareholder in the channel, but agreements between the other shareholders would keep it from influencing the programmes' contents.

It would be primarily an entertainment channel. As a rule, programmes would not be political in content, though news would be broadcast.

Rossouw said that apart from Astrasat, there could be nine investors, each with a share of between 5 and 10 percent.

Astrasat would prefer many shareholders to avoid a few large ones dictating terms.

## PERSONAL VIEW

# The entrails of Eskom (260)

Tony Twine

CT(BR) 9/7/96

One may be forgiven for mistakenly imagining that last week's marches by National Union of Metal Workers members, aimed at delivering a message about the Electricity Supply Commission, had something to do with the electroplating process

But no, they were galvanised into this particular action by a far less specific concern, privatisation. You do not have to be highly skilled in steward-mancy, the art of divining the future by examining the entrails of deceased union officials, to have worked out that Eskom was going to find itself in the privatisation firing-line within a few months

Back in May this year, at a time when far more weighty items were grabbing their fair share of the headlines, such as the 11th hour passing of the Constitution Bill and the withdrawal of the National Party from the government of national unity, a debate took place regarding the restructuring of public assets

This phrase, which now deserves its place in the dictionary of South African English Usage, simply means either the partial or complete privatisation of state assets, and Eskom is, after all, a state asset. Maria Ramos, the acting director-general of finance, ruefully pointed out last week that many of these so-called assets neither pay tax nor dividends to their public sector shareholders, but state assets they most certainly remain

At the time of the asset restructuring debate, Sam Shilowa, the head-honcho of Cosatu, came out with a piece of rhetoric that was

simultaneously colourful and poignant, and which seemed to leave the gates wide open for rebuttal by those on the other side of the privatisation argument

With great economy of words, but not not necessarily a word of economic sense, he said that he would only ever be in favour of privatisation if it meant that his elderly and unemployed mother, who evidently lives in what South Africans would call the gramadoolas (roughly equivalent to the Australian outback), were guaranteed of receiving electricity

The weakness of this demand lies in its misunderstanding of probability, especially as applied to future events. Firstly, there is no such thing as a guarantee, and one can almost guarantee that state-ment A 100 percent probability for a future event is reserved for scientific laboratories, not the plans of mice and men.

The second mistake regarding probabilities that seemed to be contained in comrade Shilowa's argument was his assessment of the relative probabilities of two different outcomes. His statement in May this year implied that, if the state maintained ownership of its existing assets, his aged mother would have some reasonably high level of probability of receiving electricity

It was also implicit in his statement that he believed that privatisation of state assets would lead to a lower probability of that happening. The boot might, however, be on the other foot

Although there is no real reason to believe that a privatised Eskom may be altruistically more well-disposed towards providing sub-economic electricity to unemployed

old ladies living in the sticks, a national government that has reduced its debt burden by the sale of some of its economically viable assets may well want to do that

If the privatisation proceeds are used to reduce the level of national debt, the resulting reduction of the state's interest burden (already at 20 percent of budgeted expenditure for this year and the next) translates directly into additional discretionary spending power

Among a myriad of competing spending targets, one may well be to subsidise non-economic electricity distribution to areas where it could create an impressive upliftment of the quality of life. This is surely a more probable way of getting the benefit of electricity to his mother than is hanging on to the ownership of parastatals in the hope that the retention of government ownership will be the root of sustaining future economies on a grand scale

From this point of view, it seems organised labour is more concerned with keeping their hands on the reins of power of the sixth financial conglomerate in South Africa, the parastatals, than in arding their indigent rural forebears. If the parastatals are all dependent on the Cabinet as a kind of super holding-company board, then Cosatu has seats on that board as long as it remains part of the ANC alliance.

But if the Cabinet sells off the family silver, it may open a crack or two in Cosatu's already depleted resolve to be part of the alliance — then the fat will be in the fire, or some other more appropriate electrical metaphor — Reuter

□ Tony Twine is an economist at Econometrix financial consultancy

# Sharp increases, but SA's electricity is still cheapest

Robyn Chalmers

SA CONSUMERS experienced the highest average electricity price increase, for the second year in a row, out of 15 countries participating in the annual National Utility Services SA cost survey.

However, the survey showed that despite the latest increase of 8,04% in price against an official inflation rate of 6,3%, SA still had the cheapest electricity of all countries surveyed.

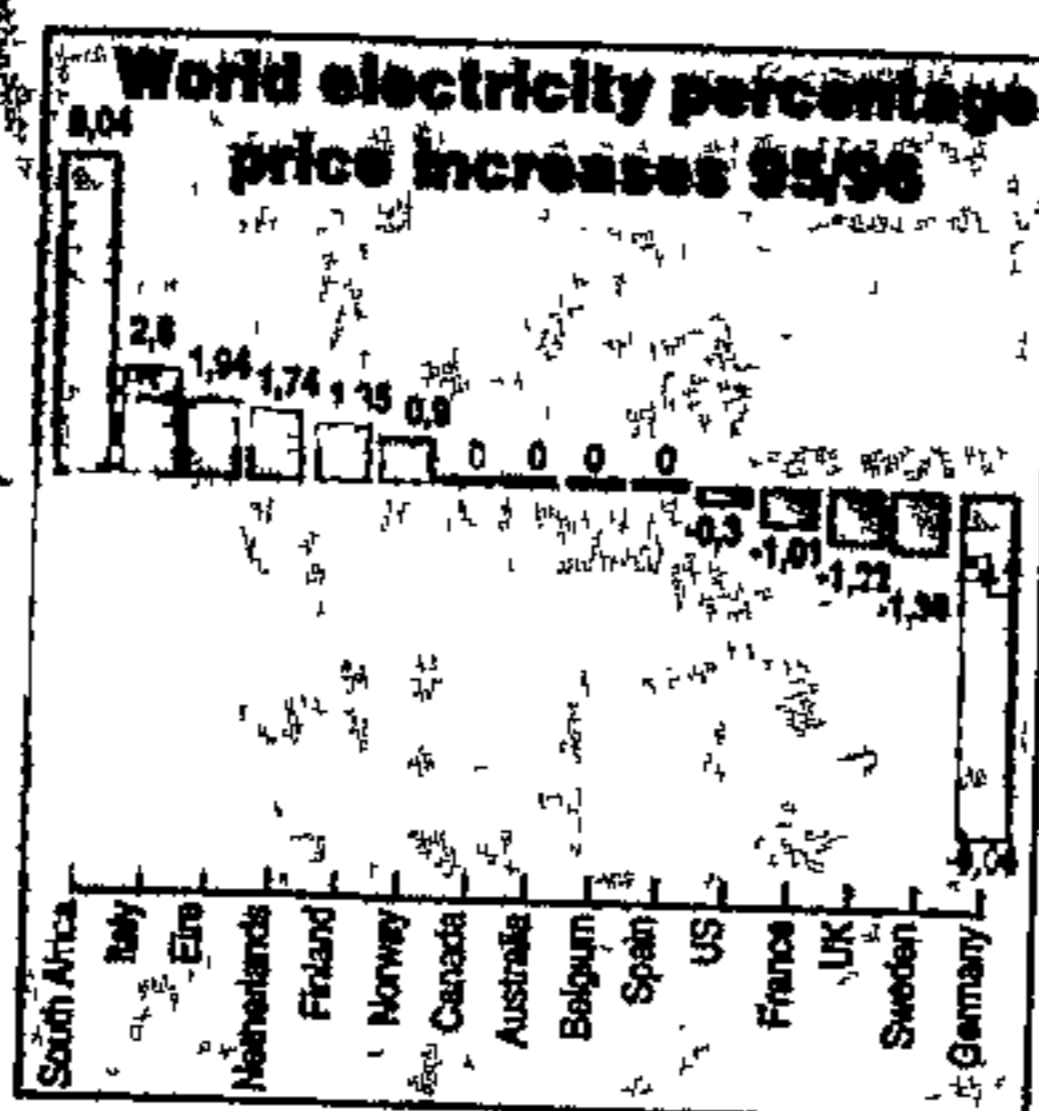
Spain has taken over from Germany, having the most expensive electricity at 42,81c a kw/hour, with the average cost a kw/hour in SA standing at 15,87c.

The survey showed although there was no change in the cost of Spain's electricity between April last year and April this year, prices in Germany had fallen an average 9,08% during the period, knocking it from the top spot.

Italy's consumers saw an increase of 2,6% which meant Italy

retained its position with the third highest electricity price, followed by Belgium, the Netherlands, Eire, France, the US and the UK.

National Utility Services SA national sales manager Rob Mackenzie said the organisation, which provided analysis on energy, water and fuel costs, was monitoring developments within the electricity distribution industry.



Mackenzie said the government-backed National Electricity Regulator's aim was to ensure electricity was made available to the whole population at equitable prices, but there were several problems to be overcome first.

Not least of these was the elimination of widespread inefficiency in the fragmented distribution system involving Eskom and more than 400 local authorities, he said.

The regulator had postponed issuing final licenses to distributors to give it more time to negotiate a more rationalised distribution model. Proposals were being assessed by a government task team.

Mackenzie said a new system was needed for business and the consumer which would "vary in many ways to the old one".

He expected more cost-related tariffs would be introduced, but businesses would still need to ensure that the new tariffs imposed were the right ones for them.

BO 9/7/96

(260)

(260)

# Plan to privatise Eskom denied

Star 10/7/76

By XOLISA VAPI

Neither Eskom nor the Government is considering privatising Eskom, the Department of Public Enterprises said yesterday.

Responding to demands by Eskom workers belonging to the National Union of Metalworkers of SA (Numsa), public enterprises deputy director-general Prof Siphoshe Shabalala said the Government had not given any mandate to Eskom to pursue privatisation.

This was confirmed by the electricity giant's chairman, Dr John Maree, who said Eskom had no programme of privatisation.

Numsa unleashed nationwide protest action on Friday, demanding that the

electricity supplier remain a national asset and be given a public mandate.

Workers demanded the electrification of rural areas, schools, farms and clinics and the takeover of electricity supply from the former homeland and self-governing territories.

They accused Eskom of collaborating with big business to undermine the Government and organised labour, and said service delivery would collapse if Eskom were privatised.

Shabalala said the Government and Eskom recognised the importance electricity played in raising standards of living and that the electrification programme was "far ahead of schedule".

# SABC chief scoffs at racism claims

*Sowetan 10/7/96* (260)  
By Lulama Luti

**A**LLEGATIONS OF RACISM at the SABC's radio services have emerged following news that commercial radio services general manager Mr Koos Radebe is to be ousted in favour of a white colleague who is his junior

*Sowetan* has learnt, reliably, of moves by SABC Radio chief executive officer Mr Govin Reddy to have Radebe transferred from his present position and replace him with current Good Hope Stereo manager Mr Nico de Kok

Reddy confirmed yesterday that as a result of restructuring of radio management, a process of reshuffling was underway. An announcement on the details of the changes will be made later in the week, he said.

Dismissing as unfounded the racism allegations, he said it was con-

Veteran radio broadcaster said to be making way for white junior

ceivable that Radebe could be moved from his position but that this was no demotion. "The new person could be white, and we could move Radebe to another position as a result of his considerable experience. Now where is racism there?"

## Good of radio

"The people who are making those allegations are mischievous and they are the enemies of the corporation. The last thing we can be accused of here is racism because we are doing this for the good of radio," Reddy said.

A highly placed source within the corporation told *Sowetan* that Radebe, a veteran radio broadcaster and former Radio Metro boss, was earmarked to

head one of two Public Broadcast Services' portfolios - this against his will. Reddy said SABC employees were there to serve the corporation.

It is understood that reasons advanced for Radebe's transfer included a proficiency in African languages.

Radebe was appointed general manager Commercial Radio Services of the SABC, around July 1994. His present position includes being directly responsible for both Metro and Radio 5 FM. The new manager would have under their management Good Hope FM and Radio Lotus.

Radebe was not available for comment at the time of going to press and his secretary said he was locked in a management meeting.

## Govt rules out privatisation

(292) (260) BD 10/7/96  
GOVERNMENT, responding to concerns raised by unions, said yesterday it was not considering privatisation of electricity utility Eskom

"The public enterprises ministry would like to emphasise, no privatisation of Eskom is on the cards," the ministry said. "Neither Eskom nor the government is considering the privatisation of Eskom. The government has not given any mandate to Eskom to pursue privatisation."

The ministry said it had been in discussions aimed at determining the best restructuring options available to Eskom.

Ministry deputy director-general Sipho Shabalala later said that the statement, responding to concerns raised by unions, did not in fact mean that Eskom assets would definitely not be sold or a strategic equity partner sought.

The ministry appealed to unions to suggest ways of meeting the challenges faced by Eskom — Reuter

# city power

LOCAL MUNICIPAL ARREARS AT R5,6 MILLION

# Eskom's threat to cut



260

CT. 11/7/96

**OWED R1,5bn by major cities across South Africa, Eskom will shut off power unless payment is made by deadlines set yesterday, writes MELANIE GOSLING.**



**E**SKOM has threatened to cut electricity supplies to Cape Town by the end of the month unless outstanding arrears of R5,6m are paid by the local municipality. The total owed by Cape Town and other major cities and towns in South Africa amounts to over R1 billion.

Cape Town municipality now includes the Ikapa council, which owes Eskom R5,6m and is high on the list of local authorities with which Eskom intends to get tough. Eskom is involved in court actions against Springs and North-east Rand councils — which owe the company R149m and R289m respectively — which Eskom says will give it the legal right to cut power supplies to these regions. Power will be cut to all suppliers in the regions, including those who have paid their bills.

Ikapa is third on an Eskom list of former transitional local councils that have massive electricity debts and are not paying their current electricity accounts in full. Cape Town inherited the R5,6m electricity debt from Ikapa — which includes Nyanga, Langa, Gugulethu and Crossroads — when Ikapa became part of the central substructure.

Eskom has said it is waiting to see what Cape Town municipality does with the multi-million rand bill at the end of July before taking action.

The company says it is serious about threats to cut power to entire municipalities, claiming that it was forced into "drastic action" after lengthy negotiations with councils over non-payment of electricity bills failed.

When the Cape Times told an Eskom spokesman in Johannesburg that it did not believe Eskom would cut power to an entire region, including airports, hospitals and other essential services, he replied, "It is a reality. We don't want to create the impression that this will never happen. There are many complex factors involved in such action, but Eskom is determined the situation (of non-payment) will be normalised.

"People must not be alarmed. We are a responsible organisation and will talk and negotiate until no other way is left but to cut supplies. It is a long way down the road, but it is a reality."

Asked why Eskom intended cutting supplies to all users, including those who had paid, the spokesman said: "Eskom has no legal right to cut off the supply to individual users. That rests with the local authorities and we can't by-pass them. Our contact is with councils and we can cut the bulk supply to them only."

Spokeswoman for Eskom in Bellville, Ms Carin de Villiers, said because the Western Cape local elections were later than those in the rest of the country, Eskom had

allowed Cape Town municipality to "find their feet".

"We are waiting to see what will happen to the Ikapa bill at the end of this month. Eskom is not unreasonable. Of course we will first negotiate with Cape Town. But somewhere along the line we have got to take a stand. We can't go on for ever with people not paying for electricity. We have bills to pay — salaries and coal.

"If Cape Town says 'no, we won't pay the Ikapa debt', we will try to negotiate, and if that fails we will go the same route that we have in Gauteng. But it will take a couple of months before that will happen," De Villiers said.

Meanwhile Ikapa treasurer Mr John Woudberg said yesterday he remembered receiving a summons for electricity money his council owed but was unable to recall the amount involved and was under the impression that the summons came from the Cape Town City Council. "We laughed at it. We have not got the money," he said.

"A summons cannot be ignored, so there was some discussion with Cape Town City Council officials, and then the whole matter was handed over to the Western Cape provincial administration."

Mr Don Early, one of the city council's engineers, said Cape Town is owed a total of R60m by individual electricity consumers in its area of supply, but this is coming down because pre-payment meters are almost universal in its poorer areas and reduce arrears over time.

Woudberg said he doubted very much that any part of the former Ikapa area would have its supply cut off. "We are now part of Cape Town, so Cape Town municipality will probably have to provide us with the money," he said.



### SABC restructuring

2011-7-96  
SABC radio has appointed former commercial radio GM Koos Radebe as public broadcasting service GM responsible for six of the corporation's 11 language-based stations and former Radio Good Hope and KFM manager Nico de Kock to the position of commercial and community radio GM

The restructuring is as a result of the sale of six regional stations. A manager for the remaining language-based stations would be appointed soon.

(260)

# Regulator tries to resolve Eskom's council switch-off

Robyn Chalmers

THE National Electricity Regulator is attempting to resolve the deadlock between Eskom and the Springs and Northeast Rand councils over the authorities' unpaid R440m bills.

Regulator spokesman Johan du Plessis said yesterday talks had covered various options, including revoking authorities' electricity distribution licences and allowing Eskom to supply direct to consumers in the region.

Businesses in the regions — including Sappi, Mondi, Impala and Johannesburg International Airport — are also likely to be pushing for a solution.

Eskom said last week that the two authorities had made no attempt to reach an agreement on paying their bills, and it would enforce court judgments against them. This included cutting off power supplies next week.

However, this week the regulator stepped in, setting up meetings to prevent the regions being cut off.

Du Plessis said Eskom could negotiate rescheduling the councils' debts, pursue normal civil remedies through the courts or terminate supply.

The third option would lead to the Regulator revoking the authorities' distribution licences, depriving them of a key source of income.

Sources said it was still not clear how quickly, if at all, Eskom would recover the debts under any of the options.

Eskom senior GM Joe Matsau said the judgments would be enforced pending the outcome of negotiations.

Eskom regarded the decision to cut off supply as a last resort. Despite protracted negotiation, neither council had attempted to remedy the situation.

Enforcing court judgments was the beginning of firm action to persuade local authorities, which owed a total of R1,5bn, to pay up, he said. Eskom warned that the Ogies, Ikapa and Cullinan councils — which owed R16,7m — were next in line for firm action.

ish with Rizes on constitution

## Marchers demand state keeps Eskom

SKAN (232) (260)  
About 1 000 National Union of Metalworkers of SA members marched to the Gauteng legislature and Eskom head office in Johannesburg yesterday to present memoranda demanding the electricity supplier remain a national asset and not be privatised

Numsa regional chairman Joseph Pepu told marchers that some of Eskom's subsidiaries had been sold to private buyers. Eskom would therefore not be able to provide cheap electrification to the masses, he said. Electricity supply should remain a national asset and be structured as a single integrated generation, transmission and distributor facility, Pepu said.

In a memorandum addressed to the premier and the ministers of public enterprises and of mineral and energy affairs, Numsa demanded Eskom be reclaimed by the Government for the electrification and upgrading of the country, especially in rural areas, townships and farms.

### Social responsibility

Numsa also demanded the mineral and energy affairs minister and the National Electricity Regulator give Eskom a permanent licence to generate, transmit and distribute electricity.

In a separate memorandum to Eskom, Numsa demanded Eskom assume its social responsibility for blacks as it had done for whites since 1922.

The union also demanded that electrification to rural areas, farms, schools, clinics and townships be speeded up in line with recommendations by the National Electrification Forum.

Eskom should also upgrade electrical networks and standardise domestic tariffs in townships. Problem areas such as Tembisa on the North Rand, which experienced blackouts every winter, should be addressed, it added - Sapa

## POWER PLAY



**PASS THE PARCEL:** Workers hand over a memorandum protesting against Eskom's privatisation. PHOTOGRAPH ANTON HAMMERL

260  
**SHOCK TACTICS**

FM 12/9/96

A crisis has erupted in electricity supply — with widespread political implications. Eskom has taken judgments against the Northeast Rand Metropolitan Council and Springs City Council for more than R440m of unpaid debts.

It says it intends to enforce these judgments, which means cutting off power to areas that include large mining and industrial customers. The National Electricity Regulator says it will prevent this.

Northeast Rand claims the problem is caused by the merger of Kempton Park with Tembisa.

The new authority inherited a situation where Tembisa was not paying enough to cover its electricity bill. One aspect of the problem was illegal power connections. A spokesman for Springs says it will negotiate with Eskom to reach a compromise.

This damaging situation was foreseeable when the Regulator was established and it became clear that government's policy was to cross-subsidise poor households' power bills at the cost of commerce and industry.

This policy was entrenched through the boundaries established for new local authorities, which merged poor areas with economically stronger entities such as mining. Many warnings were given when the Regulator was set up, not least by the FM.

FINANCIAL MAIL • JULY 12 • 1996

## 64 BUSINESS

Now the predicted problems have arrived. Consider the dilemma faced — ultimately — by government. If Eskom, by whatever means, is denied the right to enforce payment of its claims, its own profitability and creditworthiness will be impaired. So, too, will its ability to raise loans abroad. Even local borrowing could become more expensive.

Adding together nonpayment by municipal authorities and end-users, Eskom is now owed R1,2bn, equal to 7% of 1995 revenue, and well up on 1994's R873m.

As for future privatisation, possible foreign buyers will simply point to the electricity payments problem as an immovable obstacle.

If the Regulator's attitude leads to this, what is the alternative? By inexorable logic, local authorities must be able to recover electricity charges or shut off power and enforce the shut-off.

This would bring to a head the unresolved political tussle between government or, perhaps more correctly, the ANC, and the civics. It also raises the embarrassing issue of law enforcement in general in black residential areas.

If recent precedent is a guide, government will fudge the issue and end up with the worst of both worlds. It will allow Eskom's finances to be impaired and will ineffectually attempt to see its writ run in black urban areas.

What is needed is a firm decision at the highest level to change whatever needs to be changed to deal a heavy blow to the culture of nonpayment.

It is time for government to admit its Masakhane programme is a myth. Nonpayment for services cannot be allowed to impinge on the rights of business in the affected areas. Industry must not be penalised for a culture spawned by government's attitude to nonpayment.

The solution may even entail significant changes to the local government dispensation. But whatever the key, this lamentable situation cannot be allowed to continue. ■

# Radio Today targets the past

Despite a weak signal, Radio Today claims to have a substantial following and is looking forward to an even better future, writes **Sia Sanneh**

**B**URIED deep beneath the static of the airwaves and pushed right to the edge of one's tuner is a radio station which is a blast from the past, catering for the "mature adult audience"

Radio Today, approaching two weeks on the air, is a radio station which will remind many listeners of the good ol' Springbok Radio days with Captain Carr and Pick a Box.

Already this fledgling station appears to have gained a substantial following, despite minimal funding and a disappointingly weak signal preventing many Johannesburg residents from hearing its broadcasts with clarity. More than 3 500 faxes of goodwill were received at Radio Today from fans who are anxious to be able to hear their favourite station clearly. Tucked away on a frequency of 1485 AM, Radio Today targets those past the age of 40, and broadcasts entirely in English.

Radio Today chairman Peter Lotis says the radio station does not aim at an exclusively white listenership, but hopes to appeal to a "diverse English-speaking audience"

Radio Today was formed last winter, when Peter Lotis and vice-charman Bob Courtney, decided to organise a regular broadcast for a segment of the country he and others felt had not been successfully covered

The immediate response was overwhelming. Several of South Africa's best-loved presenters rallied to the cause, among them radio veterans Nigel Kane and Paddy O'Byrne. Their continued participation with the radio station has contributed greatly to the positive response of local listeners, says Lotis

All of Radio Today's broadcasters have donated their time and skills to the station free of charge and will continue to do so, said Lotis, at least until Radio Today has cornered some more sponsors.

However, according to Courtney, the broadcasters are committed to continuing to be a fairly "spot-free radio. It's by virtue of music that we'll be able to remind people of the days of old, and help to make the link between the generations stronger"

This "link," is both visible and audible, the station is adorned with pictures of famous artists of the present and the past, who are often heard on the air, such as Lena Horne, rockband Queen, and, of course, legendary Frank Sinatra.

Possibly the most unusual aspect of the station is that all its proceeds are donated to the



**Blast from the past: Peter Lotis (left) and Bob Courtney's new radio station, Radio Today, appeals to those over the age of 40** (260)

Johannesburg Association for the Aged (Jafta). The association has been providing a variety of services for citizens above the age of 65, ranging from affordable housing to entertainment.

Radio Today hopes their donations will help to fill in gaps left by cutbacks in government funding. It is this active effort to contribute to Jafta, combined with the quality and knowledge of its presenters, that has propelled the station into the limelight of the airwaves

The music selection on Radio Today ranges from jazz to classical and even pop. The station has worked hard to include what Lotis jokingly refers to as "more seasoned experts" in several musical genres, such as radio host Sam Sklair, who focuses on the station's well-loved jazz programmes

On a given evening, one might expect to hear some old favourites interspersed with the likes of Selena and UB40

The station's dramatic works have also been well received. "Very few stations run plays anymore," said Lotis, who has also recruited some impressive acting talent for the broadcasts. Actors James White and Linda Stewart have been instrumental in bringing to life Radio Today's works, say Lotis and Courtney. Some of the radio's pieces resemble soap operas, while others are more lighthearted dramas

PHOTOGRAPH HENNER FRANKENFELD

MTG (Psm) 12-18/7/96  
One of the more popular shows is a 40-episode piece written by Michael McCabe, and produced by Bridget Jardine — *Hazel's Child* explores the suspense-filled relationship between a man and woman who meet on an archaeological dig, and who may be related.

On the comedy front, the station broadcasts *Going South*, an entertaining piece that focuses on a family from England who moves to Natal

**A**lthough everything seems to be going smoothly for the people at the radio station, some of their technical issues have proved quite frustrating as the station has had trouble reaching several places in Gauteng because of a weak signal

Several factors are said to have contributed to the poor reception. According to Lotis, poor placement of the station's transmitter may have been the main cause of the trouble. Lotis and Courtney are pleased to say that the reception has already cleared up substantially.

With the reception business behind them, the folks at the station are confident they will be able to continue their broadcasting for a long time. As for plans of expansion, Radio Today is content to remain a relatively small outfit, reaching the greater Johannesburg area. Their ambitions seem well within reach, so long as their listeners are willing to persevere for a few more days and tune in, in spite of some radio fuzz

# Eskom will not be allowed to pull plug

(210) (1023) (527)

Star 13/7/96

The National Electricity Regulator has reassured consumers in 11 municipalities with unpaid electricity bills that steps will be taken to avoid cutting off bulk supply.

The regulator is trying to resolve the deadlock between Eskom and the Springs and North-East Rand councils over unpaid bills of R460-million.

NER chairman Dr Ian McRae said that, if necessary, the regulator would exercise its statutory powers to transfer licences of defaulting distributors to competent and financially sound distributors.

The Government was look-

ing at ways to restructure the electricity supply industry, and a decision by the Government was expected to be announced soon.

McRae said non-payment of electricity was placing a risk on the financial viability of the entire electricity distribution industry.

Also, those who had electricity and were not paying for it were denying those who did not have it the opportunity of getting it.

He said the NER supported the action taken by Eskom to cut off the electricity supply to individual consumers who refused to pay for it.

However, cutting off the bulk supply to whole cities, towns or areas was a different matter altogether.

"Pulling the plug will result in cutting off the supply to industrial and commercial consumers who are paying their bills, and also to the majority of residential consumers who are also paying their way - so those who pay suffer with those who don't."

McRae said Eskom had at least three options: it could negotiate a satisfactory settlement, pursue its normal civil remedies through the courts, or it could terminate the bulk supply - Sapa.

# Ministry puts a brake on privatisation

ARG 13/7/96

MXOLISIMGXASHE (260)  
Staff Reporter

THE privatisation of Eskom and other state assets run by the Ministry for Public Enterprises is definitely not on the government's cards for now, says the ministry's deputy director-general Siphon Shabalala

Professor Shabalala was responding to concerns and demands raised by the National Union of Metal Workers of South Africa in the midst of seemingly contradictory and sometimes confusing government positions on the controversial issue

Numsa's opposition to privatisation has been in line with the general labour movement's protests and resistance to government's proposed sales of some of its assets to the private sector

He said the Ministry for Public Enterprises and Eskom were both bound by the National Framework Agreement and other government guidelines on how to go about the issue of privatisation. The Ministry had been encouraged by the quality and the spirit in which the Eskom's Restructuring and Transformation Committee had been conducting its discussions aimed at determining the best restructuring options available to Eskom and the electricity distribution sector, Professor Shabalala noted

He commended the "valuable contributions" made by the Numsa, the National Union of Mine Workers and the Mine Workers Union in the search for optimal structures and processes within Eskom

The labour movement - led by the Congress of South African Trade Unions (Cosatu), and the National Congress of Trade Unions, Nactu and others not affiliated to any of the two federations, has registered its strong opposition to privatisation of companies which have for years been operating as parastatals

The unions fear that privatising these public enterprises would



Siphon Shabalala

be tantamount to selling the workers out to the bosses, especially at a time when past conflicts between labour and the bosses are still as unresolved as they have been

The unions also cite the experiences of other countries in Africa where, they argue, privatisation has brought about more hardship including widespread retrenchments

President Nelson

Mandela has, however, told investors during his recent state visit to Germany that his government was committed to privatising. That view is likely to be restated during his current visit to England.

Taking the cue from the president's position, Minister for Public Enterprises Stella Sigcau came out more unequivocally in May on privatisation, saying it was a "fundamental part of government policy" and she was confident the unions could be brought aboard

But she was mistaken and the unions were not about to give up what they considered was their fundamental struggle against social injustice.

Even former secretary-general of the National Union of Mine Workers Cyril Ramaphosa, who has now opted for a big role in black economic empowerment, has advised the business community to respond "sensitively to workers' concerns" about job losses that could result from privatisation

It is in the wake of all this controversy that Professor Shabalala responded to these concerns with a more cautious approach than was shown in his minister's statement defining privatisation as a "fundamental part of government policy".

"In the event any of the stakeholders like Numsa experiencing problems with the behaviour of any of the stakeholders or about the consultation process, the preferred approach as far as the Ministry for Public Enterprises is concerned, is to raise them with the established consultation structures and processes," Professor Shabalala said

Such an approach would help to legitimise the consultation structure and the processes it entailed "This is the appeal the Ministry for public Enterprises would like to make to Numsa," he said

Eskom had committed itself to referring all issues falling within the ambit of the NFA to the Restructuring and Transformation Committee. This included all options regarding Rotek, Ringfencing, Internal Power Pool, Recreational clubs, Human Resources, Management Board and others

Referring to Eskom's role within the provinces, Professor Shabalala said that the government was concerned that the electricity distribution industry in some of the former so-called "independent states" was not in a healthy condition and required urgent attention to avoid collapse.

"The Ministry for Public Enterprises is confident that Numsa will rise to occasion and use the available consultation and negotiation structures as avenues wherein solutions are debated and adopted," Professor Shabalala said

## SABC 'has a duty to inform'

JOHANNESBURG: Deputy President Mr Thabo Mbeki says it is up to the SABC to decide what role it should play as a public broadcaster.

He said this on Bop-TV last night when asked if he still believed the government should get prime time on SABC radio and television to put across its message.

Mbeki said that the SABC would have to examine its role in informing people as extensively as possible about what the government was doing.

"I sit on huge volumes of information about what government is doing and that impact critically on lives of people

"I am quite happy to sit with this information and take these decisions .. without the people knowing what the hell I am up to — but I am saying it is wrong. The public broadcaster has a responsibility"

The country was establishing itself as a democracy and people needed to be empowered — by being properly informed — to intervene. — Sapa

(260) ET 15/7/96



# Mondi to supply Eskom electricity poles

By James Lamont

Johannesburg — Eskom and Mondi Forests have entered a partnership to alleviate a shortage of electricity poles that had threatened to hold up the national electricity utility's mass electrification programme in South Africa's remote rural areas

The shortage arose because of the heavy summer rainfall

Mondi Forests is a commercial forestry enterprise and a wholly owned subsidiary of Anglo American Industrial's Mondi

The company agreed at the end of May to supply 4 000 poles a month to Eskom as part of a two-

ET(32)16/7/96 (260) (123) (123)  
year contract. The contract guarantees a reliable supply and has the option of being extended for two years

Eskom was unable to attach a value to the contract. The poles are used in a third of Eskom's electrification business, which is critical to the Reconstruction and Development Programme

## New customers

Eskom's electrification drive aims to connect 300 000 new customers a year. It ran into problems earlier this year when the supply of 9m to 11m electricity poles used in remote rural areas dried up because

of increased demand for power infrastructure Eskom electrified 313 179 homes last year

The poles take between nine and 12 months to dry out before they can be used and the summer's wet weather had delayed the drying process

Mondi has built a kiln in the Pietermaritzburg area to reduce the drying time to 15 days Zella Rickett, an Eskom spokesman, said many local forestry companies were unable to supply poles of the required length.

"Import of the poles has been considered, but it is better to keep it within the South African economy," she said

Call to bypass struggling councils

# Business bid to pay Eskom bills directly

Robyn Chalmers

BUSINESS is calling on the National Electricity Regulator to allow it to pay electricity bills into a special account, bypassing local authorities which face being cut off by Eskom for failing to pay their accounts.

The Forum for Energy End Users — representing companies such as Sentrachem, Afrox, Sappi, Mondi and Tiger Oats — said yesterday Eskom's threatened action against authorities would lead to production losses with "huge ramifications for SA's economy".

Chairman Johan Hees said industry was an innocent party and companies needed a fund to send accounts to if they feared local authorities — about 50 are in debt to Eskom — could be cut off. Business would pay local authorities that were not in arrears to Eskom.

The call has been triggered by Eskom's attempt to recover R440m from the Northeast Rand council and Springs. Eskom has warned it will cut the two councils' supply, though the regulator has vowed to prevent this.

The business proposal would deprive the local authorities of a major portion of the R1,7bn a year they net from premiums on electricity sales. This is used to subsidise other local authority commitments, and compensating the authorities for losing the surplus is a major sticking point in talks to

reshape the distribution network.

The regulator has previously indicated it would be prepared to let Eskom deal directly with consumers to maintain supply should the local authorities be cut off. But it dismissed business's proposal, saying it was unnecessary.

"It is the wrong approach because it will constitute a breach of the existing agreements between companies and their distributors, giving local authorities the legal right to cut off electricity supply to businesses," said regulator spokesman Johan du Plessis.

He said a meeting to find a way forward would be held today with representatives of central government, the Gauteng government, Eskom, the regulator and the local authorities. Proposals being considered by the Cabinet on restructuring electricity distribution included ways of dealing with non-payment and, if accepted, could go some way towards solving the issue.

Hees said that during recent discussions on restructuring the industry, forum members had lobbied for the electricity supply to be taken away from local authorities.

There was evidence of a growing number of local authorities not paying their accounts to Eskom, despite the payment of electricity accounts by business. The culture of non-payment had resulted in Eskom being owed R1,5bn by local authorities.

BO 16/7/96

(260)

# SABC to launch big drive against corrupt employees

Ingrid Salgado

THE SABC is to launch a major drive to stamp out corruption inside the corporation and has instructed its internal auditors to undertake an inquiry into allegations that certain SABC employees received kickbacks for commissioning programmes.

The inquiry follows the arrest last week of suspended SABC2 programme manager Kgotso Mokeng, who faces charges in connection with an alleged request for a R20 000 kickback for commissioning a production on behalf of the SABC. The production house assisted the SABC in the matter

SABC communications, marketing and public affairs GM Enoch Sithole said yesterday the SABC's internal inquiry would investigate allegations that several employees had been involved in such scams for the past few decades. It was not yet known how widespread the problem was but it

6017/7/96 (260)  
was believed to involve both radio and television sectors, he said.

The inquiry should be complete within a month.

Sithole said the broadcaster was determined to put a stop to malpractice in order to promote good, clean governance among management and staff.

Corrupt activities such as these could be costing the corporation millions of rands and may have prevented the SABC from accessing quality work.

The investigation would not be restricted to corruption in the production of broadcast material and could include other types of contracts the SABC entered into, Sithole said.

Sapa reports Sithole said internal auditors would undertake an inquiry to establish facts behind various allegations.

Last week the senior manager of Channel Africa was dismissed for abusing his company credit card while overseas.

# IBA switches on to getting stations on air

(260) Star 18/7/97

The Independent Broadcasting Authority told a media conference yesterday it expected to have issued at least 14 private radio licences by the end of January.

IBA co-chairman Dr Sebileto Mokone Matobane said hearings for private radio stations would begin on August 21.

The first hearings would consider applications for six regional stations to be sold by the SABC.

These hearings would be held in two rounds. The first would consider bids for Highveld Stereo, KPM and East Coast Stereo. The second round, in mid-September, would concern the sale of Radio Orange, Radio Algoa and Radio Jacaranda.

The IBA expected it would reach a decision on applications for the six stations by the end of September, to coincide with the end of the SABC's financial year.

In response to a question speculating that the hearings would serve only to rubber-stamp the selection of the highest bidder,

Matobane said the selection process was not connected to the financial concerns of the SABC.

"Money isn't going to be the only criterion we (the IBA) use, otherwise the licences could have been issued on the day the applications were received," she said.

Seven licence applications were received for two MW and one FM frequency in Cape Town and one FM frequency in Durban, and would be heard before the end of November. Decisions on these applications were expected to be announced by mid-December.

Hearings for frequencies available in Gauteng would begin in early December and decisions would be announced in January.

Matobane also announced that the IBA had engaged the services of experts from Canada and Australia to meet a parliamentary deadline for licensing private television stations.

"The process is on track," she said in reference to the July 1997 deadline - Sapa

# Eskom strikes deals to cut power

By James Lamont

INDUSTRIAL EDITOR

Johannesburg — Eskom is offering to pay large customers for temporarily interrupting their electricity supply so that power can be delivered to other customers during demand surges and sudden losses of generating capacity.

Eskom started offering interruption agreements two years ago with Alusaf, the aluminum producer. It now has interruptible load agreements with 26 smelters and furnaces, it said yesterday.

The power is needed during

surges in electricity demand or when generating units feeding the electricity grid temporarily go off-stream. The agreements allow Eskom to curtail the electricity supply at short notice for not more than two hours a week. In return, Eskom offers a discount on the customer's account or a lower tariff.

Andries Calitz, Eskom's senior transmission manager, said that customers normally received compensation after an interruption had taken place, but otherwise remained on a normal tariff.

The average rate of compensation for interruption is 10c a kilo-

watt hour across peak, standard and off-peak times. The peak rate is 28c a kilowatt hour during winter and 25c a kilowatt hour during summer.

This arrangement is considerably cheaper for Eskom than building additional generation capacity.

According to Eskom, the agreements virtually eliminate the need for expensive gas-turbine emergency generating plants.

The company said it hoped to make 3 200MW available through the initiative. The agreements were available to all of its large customers, Eskom said.

~~(260) (BR) CT~~ 18/7/96

# IBA announces licensing dates for radio, TV

(260) 20 18 17 196

**Ingrid Salgado**

THE Independent Broadcasting Authority is likely to license at least 14 private radio stations by January next year, while the process for licensing a private television station by July next year is on track.

The broadcast regulator said yesterday it would license new owners of the SABC's six regional radio stations by the end of September, coinciding with the end of the SABC's financial year.

Additional licences for four radio frequencies in Cape Town and Durban should be granted by mid-December, while four new Gauteng radio stations, should be licensed next January.

IBA co-chairman Sebletso Mokone-Matabane said the IBA would make a

discussion document on private TV public next month. No decision had been made on whether to grant a licence for a national TV channel or a network of regional TV stations, she said. The choice would be made after engaging the public on the matter.

The authority would also conduct an inquiry into pay TV channel M-Net to resolve the issue of pay TV terrestrial services versus free-to-air services. This would be completed before a new private station was licensed.

Mokone-Matabane said the IBA would conduct public hearings to license the SABC stations in two

phases, announcing the successful bidders after each session. Hearings for Highveld Stereo, KRM and East Coast Radio would begin on August 21 while hearings for Radio Orange, Jacaranda Stereo and Radio Algoa would start in about mid-September.

The IBA insisted its decision to license bidders for the SABC stations would not be dictated by the size of bid offers. "It's possible that someone who is not the highest bidder will win the licence," Mokone-Matabane said.

The authority had received 12 applications for the new Cape Town, Durban and Gauteng frequencies

Seven groups had applied for one FM and two MW frequencies in Cape Town. The proposals include talk radio, music stations and sport format radio. The authority had also received three applications for one FM Durban station with proposed formats ranging from music and talk radio to one that satisfied the "needs, interests, choices, tastes and outlook" of Zulu speakers.

In Gauteng, two applications for four licences had already been received — one for an Afrikaans talk radio and another for a full-service station.

Gauteng applications are due to close next month.



Independent Broadcasting Authority co-chairman Sebletso Mokone-Matabane, right, at a briefing yesterday to announce that licences for SABC regional radio stations will be granted by the end of September. With her were IBA communications head Amos Vilakazi, centre, and licensing head Jack van der Merwe. Picture: TREVOR SAMSON



## Springs wins Eskom interdict

SPRINGS City Council was granted an urgent interdict in the Rand Supreme Court on Tuesday restraining Eskom from issuing defamatory statements and from interfering with electricity supplies within the council's area of jurisdiction.

In a statement issued yesterday, a spokesman for the council said Eskom had given an interim undertaking pending finalisation of the city council's application on August 20.

He said the undertaking, in part, stated that:

"Eskom will not disseminate inaccurate and defamatory statements regarding the city council, and it will not make the statement that Eskom obtained a judgment

against the council for the sum of R150m.

"Eskom will not unlawfully interfere with the council's contractual rights with industries or businesses situated in its area of jurisdiction . . . by offering to supply electricity directly to such industries and businesses.

"Eskom will not make any public statement that it will terminate, or otherwise interfere with, the supply of electricity to the council."

The city council sought the interdict following the recent publication in the media of a threat by Eskom that it would cut its electricity supply to the council because of payment arrears. — Sapa.

20 18/7/96

(260) (157)

**DARK MOMENTS**

(260)  
FM 19/7/96

**Threats and counterthreats** by Eskom and the National Electricity Regulator serve more to cloud than illuminate the dispute over nonpayment for bulk electricity. At immediate issue is the total amount of R440m due to Eskom by the Northeast Rand Council and Springs City Council (*Business* July 12).

Eskom has threatened to cut off bulk power and Regulator chairman Ian McRae in turn threatens to revoke Eskom's licence. The total amount due to Eskom — from local authorities and individuals — is now at the dangerous total of R1,2bn, equal to 7% of 1995 revenue.

The ultimate cause of nonpayment by local authorities is that they have not been paid by an important segment of their customers. These comprise many black households in places such as Tembisa, which falls under the jurisdiction of the Northeast Rand. The problem persists despite efforts by government to end the culture of non-payment.

The Regulator now says that it supports action taken both by Eskom and municipal distributors to cut off power to non-payers. McRae argues that consumers receiving a good electricity service are prepared to pay. Further, some municipalities do not pay over to Eskom all the receipts from electricity supplies.

Eskom, says the Regulator, has at least three options to negotiate a satisfactory

settlement of its debts, pursue its legal rights through the courts or terminate bulk supplies. The last remedy the NER correctly rejects as unfair and economically destructive. Not only this, but the Regulator in the last resort will intervene to revoke the licences of defaulting municipalities, which it will transfer to Eskom or another distributor. Then the interests of consumers and Eskom can be protected as Eskom could apply effective credit control measures.

Government, says McRae, is also considering ways of restructuring the electricity supply industry. Various models are being considered.

In an alarmist response, the Forum for Energy End Users, representing threatened companies, such as Sappi and Mondi, has proposed that they should pay for power directly to Eskom. The Regulator replies that this is unnecessary. Not only that, it would also constitute a breach of contract between companies and local authorities. More practically, a meeting is being held between government and other stakeholders to deal with the problem.

It's ironic that Eskom, even as a temporary expedient, could be brought back as the electricity retailer of last resort, after much fanfare about restricting it to the functions of generation and transmission. The wheel has come full circle, as Eskom originally found itself a distributor of electricity in black urban areas through the collapse of apartheid-era black local authorities.

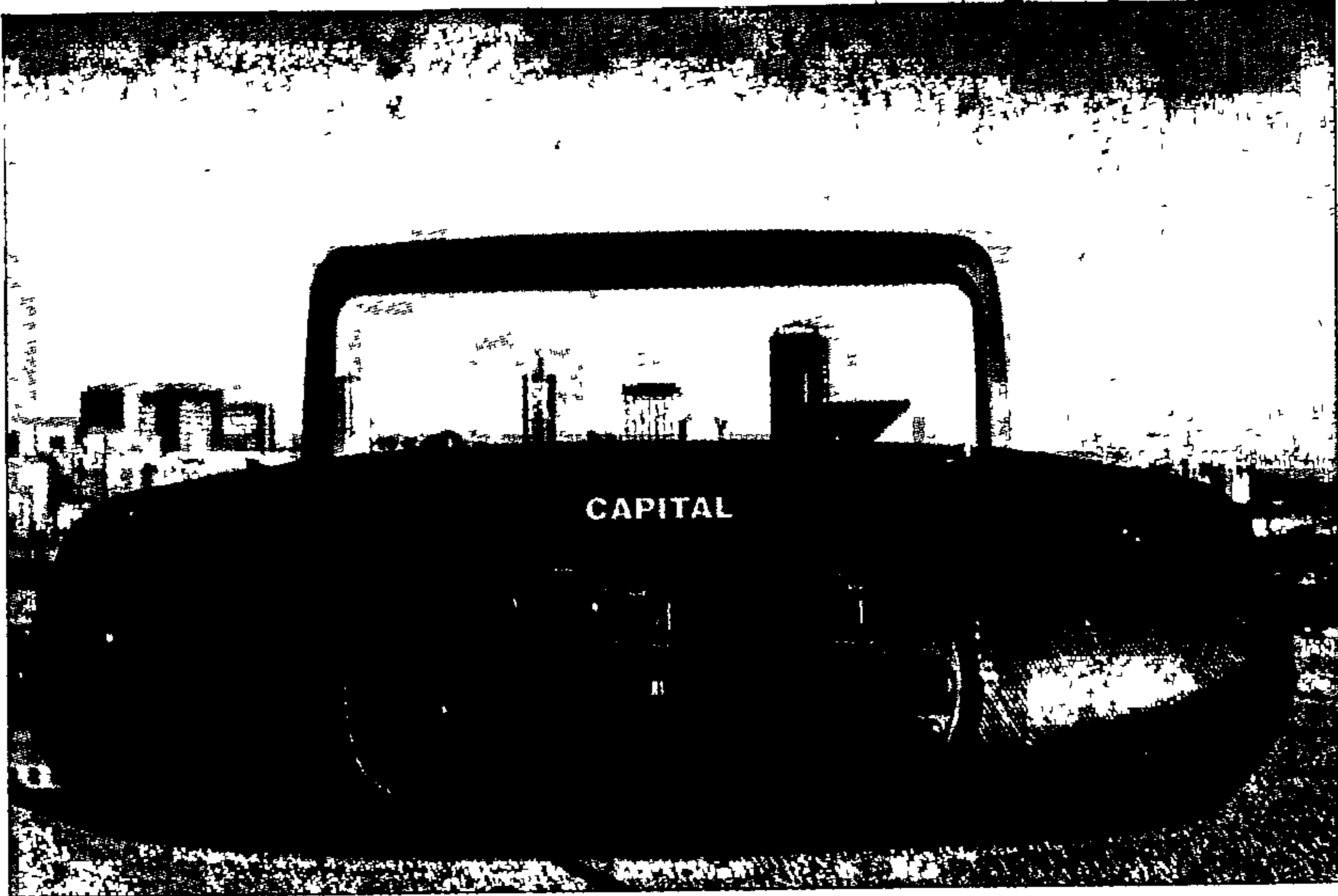
In the face of reality, the idea that cross-subsidy of electricity to poor households could be promoted through the intermediation of local authorities is collapsing.

Some good may yet come out of the issue, though Eskom itself could still be made to act as the agent of cross-subsidy. In the course of its deliberations, government must be reminded that subsidies should be made explicit and not implicit. This enables the cost of the subsidies to be made visible so that government can decide how much money to use for this purpose. Implicit subsidies foul up cost structures and their cost is difficult to determine. ■



**Ian McRae**





Not in order: Capital Radio's financial books are in disarray

PHOTOGRAPH HENNER FRANKENFELD

# Capital: Up for sale, but no takers

(260) M+G (POM) 19-25/11/96

## Jacquie Golding-Duffy

**C**APITAL RADIO, a former homeland broadcaster, is up for sale, but no bids have yet been received as the station's financial books are in disarray.

Investec Bank is handling the bidding process, as it did for the sale of the SABC's six radio stations

According to sources at the Independent Broadcasting Authority (IBA) and an insider at the Postmaster General's office, Capital Radio's financial records have not been audited for three years and its accounts are not in order.

Until this is rectified, potential buyers are unable to conduct a due diligence procedure which allows the study of the station's books to value the assets for sale

Capital Radio's worth is unknown because of accumulated debt, among

other things.

IBA representative Amos Vilakazi says the Telecommunications Ministry wanted the sale to be finalised by the end of this month, but, owing to Parliament's early recess, this was not possible

The ministry is planning to amend the Broadcasting Act, which has to be approved by Cabinet to allow the IBA to grant a licence to the successful bidder before the end of September.

Capital Radio station manager Fred Pearson and Vilakazi confirmed that the government was funding the station until the end of September

However, they were unsure how much money was being pumped into it, but some estimates are R800 000 for staff salaries and operational costs until the end of September

A board of directors was responsible for the management of the radio

station and, according to newly appointed managing director Thembekile Ndlovu, "a can of worms has been opened" with regard to the station's auditing

Ndlovu says the auditing for the 1995 financial year has been completed and work was in progress to complete the financial records for the 1996 financial year.

"My brief is to act as caretaker of the station until such time that it is sold," Ndlovu says, adding that queries regarding the unkept books must be directed to the board of directors.

Herbert Jikela, outgoing managing director and current board member, denied the books were in disarray, saying "everything is in order".

Other board members include Gordon Noda (chair), At Sigcu and Peter Cressy.

# Numsa opposes partners for Eskom

Reneé Grawitzky

(260) (232)

BD 19/7/96

THE National Union of Metalworkers of SA (Numsa) would oppose moves by government to find a strategic equity partner for Eskom as the delivery of electricity was regarded as a key area of strategic state intervention.

Union general secretary Enoch Godongwana said yesterday the union would oppose privatisation of institutions central to the delivery of basic services, and would call for nationalisation of strategic institutions in private hands. These views came from the union's national executive committee meeting at the weekend.

The question of restructuring of state assets is likely to form the basis of intense debate at Cosatu's executive committee meeting today.

Godongwana cautioned that in rejecting privatisation "we should not fall into the trap of adopting a dogmatic position. We have to find the middle ground." The middle ground, he said, supported the view that institutions such as Eskom were critical to the delivery of basic services. Government's election was based on expectation of the delivery of certain services. Its failure to deliver those services would be

Continued on Page 2

## Numsa

(260) (232)

BD 19/6/96

Continued from Page 1

seen as a betrayal, he said.

Godongwana said government's argument for selling a stake in parastatals was motivated by the need for access to technology and capital for ex-

pansion. This was not applicable to Eskom, he said, which had the capacity, knowledge and finance for making electricity available. "Placing it in private hands will derail the process."

He said, however, that "if the absence of a strategic equity partner affected the effectiveness of delivery of services", agreement would have to be reached on a strategic equity partner.

# Sale of former TBVC radio stations in limbo

By JAIMIE SEATON

The SABC's ambitious schedule which envisaged the former TBVC broadcasters integrated by the end of 1995 remains mired in government bureaucracy

The SABC announced in October it had put together an interim co-ordinating body to oversee the planning of the process, and a joint integration management committee (JIMC) to plan the implementation. The stations were to have been integrated into the SABC to form the new national public broadcaster by December 31 last year. Seven months later, the stations sit in limbo as the legislation process moves at a snail's pace.

"From our side we did everything we could to get ready for integration," says Leslie Xinwa, former chairman of the JIMC, "but now the Government has to finalise the funding, and the proposed bill has to be approved in Parliament. Until that happens, integration can't be completed."

According to Xinwa, new legislation has to be passed to repeal the broadcasting legislation in the former territories. In addition to the legal wrangling which needs to take place, Xinwa estimates that R70-million will need to be allocated to pay salaries and buyout packages in the first year of integration alone – and that excludes the Bop Broadcasting Corporation (BBC). Xinwa estimates that only 140 of a total of 210 employees will be absorbed into the national public broadcaster.

The integration process is now in the hands of Postmaster-General Andile Ngcaba's office. Ngcaba, reportedly out of SA at present, could not be reached for comment. A source in Broadcasting Minister Jay Naidoo's office

confirmed that the legislation which would provide for the transfer of personnel and assets to the SABC and Sentech (SABC's technical arm) has been drafted. The bill is due to be tabled in Parliament next month.

The source further reported that there is no fixed timetable in place for integration, but that Naidoo hopes to have the process completed in a few months.

The *Saturday Star*, however, obtained a copy of a letter sent from the postmaster-general's office to media advertisers and marketers. The June 28 1996 letter reads in part "This letter serves to confirm that due to rescheduling of the integration process, Radio Transkei, Ciskei FM Stereo and Radio Thohoyan-

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*Only 140 of 210 former TBVC broadcast employees will be absorbed by the new national public broadcaster*

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dou will remain on air for a minimum period of 12 months effective July 1 1996."

The source in Naidoo's office confirmed the content of the letter, adding that the intent was to ensure the continued advertising revenue to the stations. "Obviously the ad contracts will have to be acknowledged," he said.

While Ngcaba's letter has been interpreted by advertising and marketing sources as meaning that these stations will remain autonomous for at least another year, the source from Naidoo's office confirmed that Transkei and Ciskei stations are to be merged with SABC's Xhosa service following integration.

The future of the BBC remains unclear, as SABC and BBC spokesmen play a game of smoke and mirrors.

Industry sources – both inside and out of the SABC – report that the BBC is pushing strongly for privatisation rather than integration, and that the network has the support of the North West government.

Cawe Mahlali, CEO of the BBC, refused to answer questions pertaining to privatisation, saying "This is a policy issue, and I'd be overstepping my limits to discuss this particular issue."

According to a statement issued by the joint executive councils of the Free State and North West Province, and provided by Bop, the North West government is "committed to the process of integration and will contribute whatever is necessary in the form of assets and facilities to ensure that the new National Public Broadcasting Service is able to carry out its full mandate."

The statement further says "The North West government would like to see the disposal of these assets managed in a manner that will ensure that broadcasting activities continue to be provided from North West Province regardless of whether the facilities remain totally owned by the Government, partially privatised or wholly privatised."

Xinwa of the SABC dismissed the idea that Bop was trying to privatise, but agreed that any assets and facilities in place after integration "should go to the province for their own needs and private broadcasters."

While the posturing continues, SABC employees watch the process with amusement. "The process is a seesaw," said one. "It looks more and more like a disaster, especially Bop. It hasn't gone according to plan at all."

# Move to boost understanding of restructuring parastatals

By ESTELLE RANDALL

Two key government initiatives, to boost labour's capacity and access to information, may help to speed up agreement on restructuring state-owned Transnet, Eskom, Denel, Safcol, Alexkor, Aventura and a myriad parastatals

The Government has made about R800 000 available for the labour movement to appoint specialist advisers to assist in negotiations about restructuring state assets. Labour was also this week given letters of authority to get information about multibillion-rand parastatals

The appointment of advisers and easier access to crucial information through the letters of authority will boost labour's capacity to formulate coherent strategies for restructuring state enterprises, beyond the principled anti-privatisation stance it has adopted

Besides information it will now be able to garner, labour

could also dip into the replies to the Public Enterprises office's request for parastatals to provide information about their ownership, management, asset value and efficiency

Jeff van Rooyen, special adviser to Minister of State Enterprises Stella Sigcau, acknowledged that capacity and information had been a problem for both the Government and labour

At the end of this month the Government plans to appoint an adviser from among four short-listed investment banks - Hong Kong & Shanghai Banking Corporation, James Capel, Flemming Martin, CS First Boston, and the National Asset Initiative consortium

"The ministers were supposed to meet this week to decide on who the Government's adviser would be," Van Rooyen said. "But not all were able to make the meeting, which has now been scheduled for July 31"

He said the R800 000 for labour to appoint advisers, and

the letters of authority giving them the right to information about parastatals, would do much to "level the playing field" between the Government and labour

"The Government had access to information which labour didn't have and this caused problems. We haven't been negotiating within the same frame of reference," Van Rooyen said

"Once we're all on board, there's no way that we won't find a solution and compromise. There is agreement between the Government and labour on the objectives of restructuring, but the problem has been the strategy to achieve these"

The National Framework Agreement, concluded in January, committed labour and the Government to the provision of affordable, good-quality basic services and situated restructuring within the Reconstruction and Development Programme

It also recognised the legitimacy of the state playing a role

in productive sectors of the economy and noted that restructuring was not necessarily geared towards reducing state involvement in economic activity. Ownership was not the determining factor for efficient operation of enterprises, it was agreed

Rather, restructuring objectives were to increase economic growth and employment, reinvest proceeds from restructuring, mobilise and redirect private sector capital to develop infrastructure, reduce state debt, enhance efficiency and competitiveness, and develop human resources

Ravi Naidoo, a researcher with the National Labour Economic Development Institute - labour's policy unit - said the names of labour's advisers would be announced next week

The list would include local and foreign academics and researchers who were specialists in their field and with insight into workers' concerns and experiences

(260) (260) Star 20/7/96

## IBA throws station a lifeline

Ingrid Salgado (260)

DD 22/7/96

THE Independent Broadcasting Authority threw a lifeline to Johannesburg-based community radio station Radio Today last week, allowing the station to continue broadcasting while signal distributor Sentech worked on the station's transmitter.

Radio Today, which caters primarily for senior citizens in greater Johannesburg, began broadcasting at the beginning of the month. However, several listeners had difficulty tuning into the station's MW frequency because Sentech did not have adequate equipment for this purpose.

The IBA said the temporary transmitter would give "slightly smaller" geographic coverage than licence conditions allowed.

Sentech was in the process of importing equipment necessary for an improved signal distribution service. Radio Today would use the temporary frequency until the new equipment was installed.

The IBA said it hoped Sentech would confirm that it was able to assist the station in covering its proposed broadcast area.

"We have been anxious to assist Radio Today in order to reach its audiences and deliver the service for which it was granted a licence," the regulator said.

Earlier this year the IBA granted temporary approval to Radio Club Portuguese to use an FM frequency until the station's transmitter was in place. The authority's dealings with broadcasters do not normally extend beyond a licensing framework.

# Eskom in deal to wipe R204-m slate clean

By HOPEWELL RADEBE  
City Reporter

Eskom is set to write off accrued electricity arrears of R204-million owed by the Kempton Park/Tembisa Metropolitan Substructure, provided the council agrees to pay its monthly electricity accounts from this month.

Kempton Park/Tembisa council spokesman Henriette Weeseman said the council was expected to take a resolution on Thursday to pay all Eskom's accounts because of Eskom's undertaking

She said the North East Rand Transitional Metropolitan Council (TMC) had offered to grant the Kempton Park/Tembisa and Edenvale/Modderfontein substructures a loan to enable them to pay Eskom from the end of July.

The loan would be payable to the TMC after five years because the substructures would have normalised payment of services in the area by then.

Eskom spokesman Peter Adams said the agreement had been reached in principle, subject to council approval.

STAN 23/7/96 (120) (260)  
The proposal was the result of two weeks of negotiations between the TMC, Eskom, the National Electricity Regulator, the Gauteng government and the Department of Constitutional Development and Planning after Eskom's announcement that it intended cutting off bulk electricity supplies to the Springs and Kempton Park/Tembisa councils unless their arrears were updated.

Weeseman said the news would be appreciated by major businesses in places like Isando, Sebenza and Modderfontein.

# Copper conglomerate in privatisation talks

David McKay

ZAMBIA Consolidated Copper Mines (ZCCM) creditors were scheduled to meet in London this week to discuss the privatisation of the mining conglomerate, a company spokesman said.

He said the purpose of the meeting would be to get support for the privatisation of ZCCM.

The company, in which Anglo American and De Beers own about 27% through Zambia Consolidated Investments (ZCI), has declared only two small dividends since its formation in 1981, with only one being paid.

ZCI said in its latest annual report that declining copper production and an increasing debt burden were among reasons for ZCCM's poor performance. The privatisation of ZCCM would see the company sell majority interests in all its major operating and de-

velopment assets.

Anglo American director Jack Holmes said no decision had been taken on whether ZCI would increase its interests in ZCCM's other assets. These included the \$600m Konkola Deep project an Anglo American-led consortium was attempting to develop.

However, the consortium, in which Gencor was also involved, has run into problems, starting with the withdrawal of Australian company Western Mining. The consortium was considering whether it would replace Western with another company, Holmes said. Konkola Deep was important to ZCCM's future.

Reuter reports that Zambian Finance Minister Ronald Penza had said the government was talking to other parties about developing the project. However, government's negotiations with the consortium

20 23/7/96 (27) (260)  
were "on course". The two sides would sign a letter of understanding on the project, he said.

This letter was to be signed in March, but was deferred by Anglo until it had completed a nine-month feasibility study.

Konkola Deep has a reserve of about 100 000 to 200 000 tons of copper concentrate. It is close to the Konkola North project which could be developed by Anglovaal Minerals, which is starting a feasibility project.

# Eskom set to write off R300m in debts

Reinie Booysen

ESKOM is preparing to write off more than R300m owed by two Gauteng local authorities, less than three weeks after threatening to cut off their electricity supplies.

It said yesterday it had offered to write off long-term arrears owed by the Springs and northeast Rand metropolitan councils provided the two agreed to pay short-term arrears and future bills. The councils owe R440m.

The offer will cut R204m from the northeast Rand council's R290m bill — the amount it owes Eskom up to July last year. The council's finance executive manager, Henne Venter, said he expected the council to agree to the offer when it met tomorrow. No spokesman for Springs council — which owed Eskom R150m, most in long-term arrears — was available.

An Eskom spokesman said the offers were similar to those agreed to this

(260) BD 24/7/96  
month by Alberton and the Pretoria metropolitan council's northern sub-structure. Arrears to June last year would be written off if they paid for services used since May this year for the next year. The debt incurred between June last year and May would have to be repaid with interest by next May.

The parastatal, owed an estimated R1,2bn by local authorities, had also lined up other local authorities for cutting off of supplies.

The National Electricity Regulator said it would block the cut-offs, if necessary transferring electricity distribution licences from the authorities to Eskom to maintain supplies.

An Eskom spokesman said supplies to bulk buyers would be cut off only after other avenues, including legal action, had been exhausted.

Prior to taking legal action, Eskom would make every effort to negotiate an acceptable compromise. Cutting off power was the logical final step.



## IBA grants temporary FM frequency to Radio Today

By BEATRICE MOTSIKI

(260)  
A temporary FM frequency has been granted to Radio Today, enabling it to broadcast to its entire listening community in Greater Johannesburg.

The Independent Broadcasting Authority (IBA), said the new FM frequency would be used together with the station's current MW frequency (1 485KHz), to reach its listeners.

Radio Today listeners, aged 40 upwards, scattered all over the Johannesburg metropole, have complained that the MW frequency distribution is not clear and the coverage area has been reduced.

Sentech, the organisation responsible for fre-

quency distribution, was unable to give the radio station a clear signal.

Jenny Shepherd of the IBA said the process of obtaining and installing the new equipment from Canada would take two months. Radio Today's new FM frequency is 106,3MHz.

The IBA issued licences to the following seven community radio stations:

Radio Rippel, a Pretoria MW youth station, Radio Soshanguve, a MW station; Teks FM, a Secunda station, Radio TNT (Technikon Northern Transvaal), a campus radio station, New Pan Hellenic Voice serving the Greek community, ALX FM, serving the Alexandra community, and Soweto Community Radio.

# Eskom to cut off <sup>(260)</sup> supply to ~~the~~ defaulters

By Joshua Raboroko

ESKOM will start cutting off electricity supply to defaulters in the Vaal Triangle from August 1.

This was decided following protracted negotiations between the company and the SA National Civics Organisations.

Eskom communication officer Ms Zella Richett yesterday said the parties had urged the community to pay for services, including electricity.

Sebokeng, Sharpeville, Bophelong, Boppatong and Evaton will be affected by the electricity cuts.

Negotiations lasted more than six months during which Eskom lost thousands of rands, sources said.

"Eskom believes in maintaining financial discipline in order to support its electrification programme," Richett said.

*261/1/82 warren*

# Eskom offers to write off about R800m in local authorities' debt

sinie Booyesen

ESKOM is planning to write off about 800m in long-term debts accumulated since the 1980s by the local authorities in about 32 black, coloured and Indian townships around SA.

In exchange, the authorities concerned must undertake to pay Eskom out R500m in short-term debts plus future bills. Failure to do so would automatically reinstate the long-term debts, an Eskom spokesman said. Eskom is owed arrears of about

R1,3bn and this is growing at about R200m a year, although there are signs that the growth rate is slowing. The level of arrears accumulation fluctuates wildly, peaking in winter months. Eskom's total annual revenue is running at R18bn to R19bn.

In an effort to stem the tide of bad debts, the utility is now proposing to draw a line at all debts pre-dating mid-1995, in the hope that an improved payment culture in the townships will help it to recover arrears since then. "I just think we realised that we

were never ever going to get the bulk of our debts, so we decided to draw a line and move forwards," a senior Eskom source said.

According to a spokesman, the write-off will not affect Eskom's financial results, as the arrears are already provided for in the balance sheet. In the 1994 annual report the bad-debt provision stood at R789m, but it grew to R1,177bn last year.

Local authorities which turn down the offer face losing their electricity distribution licences — which some use

as a vehicle to generate substantial additional revenue unrelated to electricity. Eskom has said it will apply to the electricity regulator to be granted the electricity distribution licences in these areas if the authorities fail to respond to Eskom's offer and its consequent legal action to recover arrears.

The largest debtors by far are in Gauteng. The northeast rand metropolitan council owes nearly R290m, largely related to Tembisa township. The Springs city council owes R150m, mainly related to Kwa

Thema township. Their long-term debt totals more than R300m. The northeast rand council is due to decide today whether to accept the offer. Springs is still negotiating with Eskom.

Other major "problem accounts" include: Zamdela (R35,5m arrears), Ikageng (R26,7m), Embalenhle (R26,6m), Emmerdale (R25,6m), Mohlakeng (R25,4m), Kwa Guga (R25m), Lenasia (R17,8m), Ratanda (R17,2m), Wesselton (R16,1m) and Lotus (R15,5m).

# Ghost employees cash in at the SABC

(260) mtg (pm) 28/6 - 4/7/96

## Jacque Golding-Duffy

ABC staffers have to sign personally for their salary cheques after the corporation discovered that ex-employees were claiming salaries long after they had left the broadcaster.

Head of the SABC's internal inves-

tigations unit, Andy Sello, was tight-lipped relaying a message via a colleague that he is "too busy" to comment, although it is his department which is believed to have picked up on the fraud.

However, SABC television representative Don Seokane confirmed that employees are being approached to

sign personally for their salary slips.

Seokane says it is "routine" for personnel to provide proof of employment before receiving their salaries, especially since the corporation was involved in massive restructuring.

He says the screening process is being done in consultation with the

SABC's internal auditing department.

Staffers, however, argue that there is nothing routine about this exercise. It is believed that several ghost employees have been cashing in their salaries but no one at the corporation is willing to confirm or deny this.

Seokane says it is "debatable whether the allegation is true or not". No one is prepared to divulge how much has been misappropriated or how long it has been going on.

# 'Stop criticising the IBA'

mtg (pm) 28/6-4/7/96 (260)

**Stan Katz**

**T**HERE has been much criticism, debate and misinformation surrounding the sale of six SABC radio stations and the role of the Independent Broadcasting Authority in the process. This is a pity because the environment which will ultimately be created, will in all likelihood, be much healthier for broadcasters.

The IBA is faced with the difficult task, not just of re-regulating, but in effect, of creating a broadcasting industry which previously consisted of one independent and a number of state-owned radio stations. In the process, critical issues such as transformation of ownership, encouragement of free enterprise locally, the ability to compete internationally and the necessity to maintain freedom of speech, had to be addressed.

Perhaps most importantly, the IBA had to ensure that broadcasting in this country does not become a cottage or informal industry — that it attracts the necessary financial investment and human capital to make it viable and stable.

It is worthwhile noting that the IBA avoided imposing onerous conditions on this fledgling industry which could have strangled it from the outset, and has allowed it to regulate itself, the hallmark of democratic free enterprise.

What can we expect to see over the next few years? Certainly, while the SABC will remain the biggest on the block, the South African public will be serviced by a range of stations catering to a diversity of niche markets — in Gauteng alone there will be some seven commercial radio stations.

If the bidders for the stations are anything to go by, we will see a rapid transformation of ownership, which

will combine existing expertise in broadcasting and a new world view.

As an example, the consortium in which Primedia Broadcasting has a 40% stake, represents, we believe, a powerful force which has identified broadcasting as a growth industry which will best serve the interests of its constituents, and picked the best team and the best assets to achieve its vision.

These stations can be expected to have a multiplier effect in developing opportunities for support industries, transfer of skills and job creation. Adspend on radio can be expected to increase, especially in relation to a total adspend, as advertisers have access to more immediate and focused media which are competing in an open market for the advertiser's rand. This is certainly the international experience.

In Britain, for instance, broadcasting's share of the total cake has dou-

bled from 2% to 4% since the airwaves were freed up.

While there has been some criticism of the price which the consortium expects to pay for Hughveld and KFM, we in turn were amazed that other bidders set so little value on that scarcest of assets — South African radio stations with established advertising bases, formats, audiences and above all, highly profitable business.

As more stations come on line, South Africans can also expect to have access to much greater diversity of opinion, and that will act as a further bastion to our budding democracy and the principle of free speech.

Once the bidding and the licensing process has been finalised, I believe, a strong foundation will have been laid for a vigorous local industry with exciting prospects.

Stan Katz is chief executive of Primedia Broadcasting, a division of Primedia Limited which is owner of Radio 702. Katz has led the transformation of Radio 702 from a music station to talk radio.

# Needs of the deaf must be heard

MHG (RM) 28/6-4/7/96

(260)

Law, National Geographic specials, *Law*, *The Bold and the Beautiful*, *Gayfield and Friends* and *Batman*, the animated series

Australia, likewise, established a non-governmental, self-supporting, non-profit company, the Australian Caption Centre, in 1981, and its first programmes with captions went on air the following year

In Britain, subtitling is funded by the BBC licence fee, and the BBC broadcasts about 75 hours of programming with subtitles each week, which includes drama, documentaries, comedy features, consumer programmes, films, children's programmes, news bulletins and current affairs, whereas Japan, a country with 400 000 deaf and two million hard-of-hearing, has 12 hours and 50 minutes of programmes for the deaf using sign language every week.

Legislation played a major part in captioning being used far more extensively in other countries than in South Africa. In terms of the UK's Broadcast Act of 1990, 50% of all programmes on independent channels must be subtitled by 1998.

The US has no legislation pertaining to the number of programmes that have to be captioned, but the Public Broadcasting Service captions virtually all its programmes, and all programmes made by the federal government are captioned.

According to Bester, preliminary research done in the US has shown that the literacy skills of those learning English as a second language might be improved with exposure to captioned television programmes.

"In addition, closed captioning is one of the most important developments this century in bringing deaf and hard-of-hearing people into the mainstream," she says.

After two-and-a-half years of TV captioning for the deaf, how do we rate?

**Elsa Semmelink reports**

**T**HIS month it will be two-and-a-half years since the former NNTV introduced the SABC's first half-hour magazine programme for the deaf, but some people within the corporation feel South Africa still lags far behind international broadcasters.

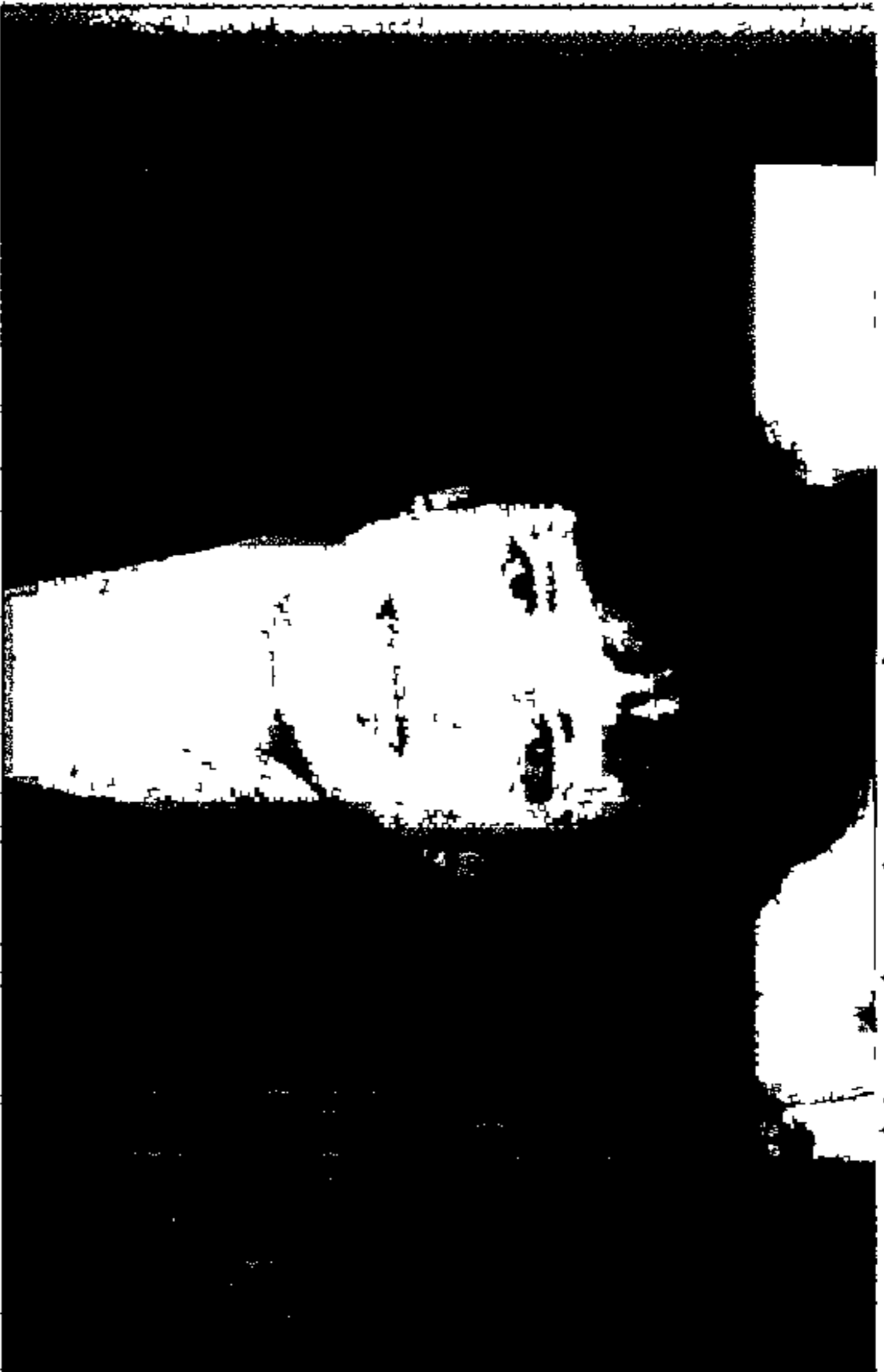
*Sign Hear!* was the first deaf programme launched on South African television, followed by *Signung Power* and *The Shakes*, which all aimed to cater for more than four million deaf and hard of hearing viewers.

"The international exposure South Africa has received since we started developing programmes for the deaf has proved that we are on a par with the rest of the world as far as our dedicated programmes are concerned. However, when it comes to captioning, we don't feature at all. Since television is made accessible to the deaf primarily by captioning, this issue requires urgent attention in this country," says SABC television programme co-ordinator for the deaf, Iris Bester.

She explains that television programmes other than those dedicated to the particular interests and needs of the deaf are made accessible to them by using different methods.

Captioning, also known as subtitling, is the most common. In open caption programmes, the text appears on the screen, but in closed caption programmes, which are more widely used, hidden data is embedded in a TV programme.

A decoder box — similar to a M-Net decoder, but much smaller — has to



**Iris Bester: 'The deaf have similar requirements to hearing viewers'**

be attached to a TV set for the viewer to see the captions.

Real time or live captioning, in which case information is made accessible to the deaf by using a sign language interpreter, is mostly used for news bulletins and live broadcasts.

"The deaf have basically the same requirements as hearing viewers," Bester says. "As regards language preference, however, the deaf have indicated that sign language is their first language. When a second language is learned, it will be either English or Afrikaans. However, most black deaf people approached by SABC TV have indicated that they do not require captions in vernacular languages, but would prefer English, since it is regarded as the language of education."

Last year Bester attended the 12th World Congress of the World Federation of the Deaf in Vienna, Austria, and the 18th International Congress on Education of the Deaf in Tel-Aviv, Israel and found that as far as cap-

tioning is concerned, South Africa is being left behind.

In the US, for example, which has more than 24 million people with hearing impairments — the federal government established the National Captioning Institute in 1979 as a non-profit corporation to develop closed captioning technology and programming.

It also supports legislation for more captioned programming and decoder subsidies, provides public relations and advertising support to increase public awareness, secures government grants to provide funding for captioned programming, and conducts research on the benefits of closed captioning as an educational tool.

During the 1992/1993 television season, NCI captions were seen on more than 770 hours of programming including programmes well-known to South African viewers such as *LA*

**W**HEN it comes to the family silverware, Eskom must rate as the most prized candelabra on the dining room table. Not only does Eskom provide practically the cheapest electricity in the world at international reliability and quality standards, it also spearheads the national electrification programme by connecting 300 000 new domestic consumers a year. Eskom is also an exemplary employer, providing good working conditions and paying above average wages.

Recent suggestions about the possibility of a strategic equity partner for Eskom have therefore raised eyebrows. However, given government attempts to facilitate private investment in SA, restructure and privatise state assets, and raise funds for social programmes, Eskom's privatisation was bound to be raised sooner or later.

In an increasing number of countries, governments are selling off electricity utilities. This is sometimes motivated by pragmatic attempts to reduce public debt, facilitate further electricity investment and improve service, but it is also often driven by pressure from international bankers and ideology.

**T**he pioneering example was the 1990 privatisation and restructuring of the electricity supply industry in Britain, described in the publication 'The British Electricity Experiment' by John Surrey. The analysis presented suggests that SA should concentrate on improving an already good system rather than risk destroying it by adopting an unproven British model.

In Britain, privatisation was informed by a new understanding of the nature of the electricity supply industry, but also by the ideological agenda of the Thatcher government. It was argued that the electricity supply industry consisted of four separable businesses: generation of electricity; high-voltage transmission; low-voltage distribution; and supply of electricity to final consumers, including wholesale power purchasing, marketing and billing.

The UK government believed that generation and supply were potentially competitive businesses and markets for them could be es-

# Is British-style privatisation the answer for Eskom?

GROVÉ STEYN and STEVE THOMAS

tablished, while distribution and transmission were natural monopolies which it would be foolish to duplicate. The prices charged for these services must therefore be set by an independent regulator. These four businesses should be owned by different companies, so, for example, a generation company could not use its ownership of the transmission system to gain unfair advantage.

However, an ideal structure in which a large number of companies competed in generation and supply could not be achieved immediately. In an attempt to protect the nuclear power sector, the power stations were to be split between only two privatised companies, National Power and PowerGen, but when the nuclear plants were belatedly found to be unsaleable, a third company, the state-owned Nuclear Electric, was hastily created. The 12 distribution companies, renamed regional electricity companies, were privatised intact without separating the supply and distribution components of their business and leaving them scope to enter the power generation market. The national transmission system was transferred to a new company, National Grid Company, but this was owned by the regional companies.

Competition in generation was to be through a half-hourly spot market known as the Power Pool and consumers were to be allowed to choose a supplier other than their

local regional company. But, to protect the system from failure while the new system bedded in, a number of restrictions were placed on these markets. Contracts between the two large generation companies and the regional electricity companies still left little scope for the Power Pool to have any influence on electricity prices, and competition in supply was initially restricted to very large users of electricity — with domestic consumers remaining captive to their local regional electricity company until 1998.

**A**s a result, the new, highly profitable, companies have encountered favourable conditions, and shareholders are understandably delighted, but domestic consumers, who have seen few benefits, are less enthusiastic. However, until markets in generation and supply become effective — there are grounds for believing this will be difficult to achieve — and the regulator is more successful in controlling the profits associated with monopoly services, electricity privatisation on the British model is far from proven. Indeed, in the long term, if competition becomes well established, it is not clear anyone will be able to justify the economic risk of building new power stations, and so the new system could break down at the most basic level of failing to keep the

lights on.

While the SA situation is very different, a number of specific lessons can be drawn from British experience. Firstly, privatisation without effective competition is unwise. While a good sales price for the enterprises might be realised, it could prove difficult to subsequently introduce competition. An uncompetitive privatised structure will make it difficult for a regulator to protect consumers.

Secondly, allowing competition for final consumers is dangerous unless all consumers have a real choice. Large consumers will tend to wring very low prices out of the market at the expense of smaller consumers. Thirdly, in a competitive market investors prefer projects with low capital costs and short lead times. High capital options such as coal, nuclear and hydro, which may offer long-term security of supply, stand little chance in such a regime.

Under these circumstances, SA will do well to delay fundamental changes. This is not to say that no changes are needed. The present crises with municipalities defaulting on bulk accounts to Eskom highlight the urgency of rationalising electricity distribution.

A useful effect of the UK privatisation was that it increased the transparency of costs and profits throughout the system. With important decisions about new generating capacity coming up in 1997, SA can

certainly do with increased transparency and public debate about Eskom's investment plans and the continued operation of Koeberg nuclear power station.

Eskom's electrification programme, though impressive in scale, should also be exposed to public scrutiny. Eskom effectively cross-subsidises the programme by approximately R1,2bn a year and is left to allocate these public resources with no effective political accountability. The subsidies, paid for by all electricity consumers, are only available to consumers in areas where Eskom has supply rights, mostly in rural areas, and is effectively only available for grid-based supplies, while consumers who could get cheap access to photovoltaic supplies go unsubsidised. These problems can be overcome by channeling subsidy funds through the fiscus.

**M**uch can be done to improve Eskom's governance to meet the challenges of providing greater transparency and increase the pressure on management to further improve efficiency and cut costs. Its antiquated two-tier board structure should be replaced with a unitary board with executive and non-executive directors. The National Electricity Regulator should be beefed up to review critically Eskom's investment plans and measure its performance by benchmarking power stations and other business units.

Given Eskom's strong financial position, it is correctly viewed as a possible source of funding for government social programmes and the reduction of public debt. As a public utility, Eskom finds itself in an exceptional position in that it does not pay taxes or dividends.

Rather than selling off the goose that lays the golden eggs, Eskom's contribution to SA can be increased by subjecting it to company tax and dividend payments, and by improving its governance.

□ Grové Steyn is programme leader: industry restructuring and governance, at Cape Town University Energy and Development Research Centre. Steve Thomas is a senior fellow at the Science Policy Research Unit at the University of Sussex.

# Radio Freedom at crossroads

By Rafiq Rohan  
Political Correspondent

**A** SUCCESSFUL JOINT initiative that started more than a decade ago to fight the evils of apartheid came to a grinding halt under a dark cloud this year.

Radio Freedom was one of the vital mediums that kept South Africans fighting against apartheid rule inside the country abreast of the activities of their comrades in exile.

An important contributor to Radio Freedom from 1983 was an organisation started by a number of concerned Dutch broadcasters called Omroep voor Radio Freedom.

Omroep's task involved securing pledges in the Netherlands, raising funds through annual get-togethers and various other initiatives involving high-profile figures and ordinary citizens of that country.

Tasks it adopted included equipping Radio Freedom staff with the necessary broadcasting skills.

## Role redefined

With the unbanning of political organisations in 1990, Radio Freedom's role was redefined. And out of this was born the Radio Freedom Institute of Broadcast Journalism.

Funds collected for Radio Freedom were rerouted to the institute, where a new building was built at a cost of R1.5 million in Johannesburg. Its focus was to provide the previously disadvantaged with broadcast skills.

Things started falling apart between Omroep - based in Amsterdam - and the Johannesburg institute towards the end of last year.

Senior figures like Mr Walter Sisulu and Ms Gertrude Shope nearly landed up in court over money the institute owed a bank (Sisulu is the chairman of the institute's board of trustees and Shope is a trustee).

There was a flurry of letters

*Sowetan 30/7/96 (262)*  
Dutch donors wanted institute's director removed from his post



**Veteran ANC leader Walter Sisulu ... nearly landed in court over money the Radio Freedom Institute owed a bank.**

between Sisulu and Omroep chairman Ms Maartje van Weegen, a well-known Dutch broadcaster. Van Weegen first aired her concerns to Sisulu in a "confidential and very urgent" letter dated November 7 1995.

"During our last board meeting, we came to some very painful conclusions which can have a long-lasting negative effect on the relationship between the Dutch broadcasters which supported Radio Freedom, the Dutch ministry of foreign affairs and the RF Institute of Broadcast Journalism," she wrote.

Her main concern was "the present style of management" of the institute central to this complaint was newly appointed director Mr Tom Seeta.

She said a number of Omroep members had worked with Seeta while he was acting director.

"During this period we came to the conclusion that the future of the RF Institute is put at jeopardy as long as Mr Seeta fulfils his present function."

His attitude, she wrote, negatively affected work at the institute and left staff demotivated. She accused him of

"gross public misbehaviour" at a ceremony to open the institute's new building last September.

A Dutch coordinator of the institute, Mr Martin Jansen, reported that staff appealed to Omroep to save the institute "from a disastrous failure".

"The past two months no salaries have been paid, the telephone is almost cut off and the institute has not been able to fulfil its obligations towards the bank for four months," Van Weegen wrote to Sisulu.

Omroep said that it would assist during the crisis, as long as Seeta was replaced by someone more able to handle the workload.

"We have to account for spending more than R2.5 million on this project."

Sisulu sent Van Weegen a note on December 15 1995, saying the matter could not be discussed by letter or fax and that a meeting should be held.

## Process of dissolving

On January 12 Van Weegen wrote back that Omroep was in the process of dissolving and that a meeting was not necessary because "all the information is in your hands" and all that was needed was for a decision to be taken.

She reminded Sisulu that after discussions with the African National Congress's department of information and publicity Omroep would support the institute for three years after which it was supposed to become self-sufficient.

"The budget for the whole project for the period until December 31 1995 was R2.8 million. Omroep donated the full R2.8 million, either in cash or in equipment. As a result of exceeding the budget by R750 000, your trust had to get a loan."

She wrote that donor organisations wanted a working committee to be established to take responsibility for the day-to-day running of the institute, but this was not done.

In his follow-up letter, dated April 11, Sisulu told Van Weegen that there

had been misunderstandings but that he now faced a legal summons for money borrowed from the bank.

"It would be a great pity if, in my capacity as chairman of the board of trustees, I appear before a court for failing to service the bond," Sisulu wrote.

In an attempt to "avert this embarrassing situation", he wrote, assistance was sought from the Dutch embassy to pay the bank its R767 672.02.

On Seeta, Sisulu said that it was "an obvious fact" that he did not have the capacity to manage the institute on his own but that a lack of funds hindered the appointment of professional personnel.

"How would the institute pay for this expertise when there is no money?" Sisulu argued.

In her final letter, dated May 9, Van Weegen pointed out her organisation's disquiet over the fact that, although asked for, Omroep never received a business plan, a budget for the period after 1995 or a formulated vision for the institute's future.

"Without a realistic budget, business plan and action programme, no bank or potential donor will be eager to solve the financial crisis. It is with great regret and frustration that we have to come to that conclusion."

Seeta told *Sowetan* that the information contains "half-truths and half-lies", and that Radio Freedom was functioning effectively under his directorship.

He said there had been problems but these related to certain individuals and not to Omroep. "They tried to impose their own new management structure."

He dismissed claims that the institute was functioning in a state of disarray and listed a number of projects it was currently engaged in. These include joint training sessions with international radio stations, technical radio training courses to empower women and a symposium on computer-aided radio programmes.

Sisulu told *Sowetan*: "I need to discuss this matter with my co-trustees and I can't speak about it until then."



# SABC playing the 'mum' game

**LISA TEMPLETON**

THE SABC is keeping the cost of taking 87 staffers to Atlanta secret in the face of enormous criticism of its coverage of the Olympic Games

The broadcaster, which is reportedly in dire financial straits, paid the International Olympic Committee about R30 million for the right to be in Atlanta. It must also have spent a minimum of R2,6m to cover the cost of sending 87 people to Atlanta for two weeks.

"The cost has been kept confidential, we don't even know what the expense has been," SABC spokeswoman Ms Marge Murray said yesterday.

The staffers in Atlanta comprise 48 people from Topsport, 15 airtime staff, 11 from television news and 13 from SABC radio

Of these, separate teams work on packages for the highlights broadcast on SABC 2 and 3, the live transmission, Good Morning South,

Africa, the evening news and a package which is broadcast to the rest of Africa.

But the coverage has been widely slated. It is not tailored for South African viewers, as the SABC is obliged to use footage taken by American network NBC

The network has bought the rights to become the host broadcasters and provide pictures and effects (background noises) to other broadcasters

SABC staffers are there to provide interviews and commentary where it is not available from NBC, according to a spokesman who asked not to be named

The broadcasting corporation reportedly needs R40m to balance its books and recently appointed debt collection agencies and threatened legal action to recover outstanding debts from more than a million people who had not paid their television licences

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CT 30/7/96

# Group set to net Radio Oranje

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Ingrid Saigado

NEW Radio Consortium is likely to become the new owner of SABC station Radio Oranje in the Free State after the station's only other short-listed bidder, Free State Media Holdings, withdrew its licence application.

However, the outcome of the consortium's bid depends on whether the Independent Broadcasting Authority (IBA) grants it a licence to broadcast.

The consortium consists of Kagiso Trust (25,5%), Durban Videovision Enterprises (25,5%), Publico (24%), Nedbank Investment Bank (10%) and a local company whose shares would be offered to disadvantaged Free State residents (5%) and the station's man-

agement (10%). The consortium put in an R11m bid for Radio Oranje.

IBA licensing head Jack van der Merwe said New Radio would not automatically be granted a licence by virtue of it being the only group in the running for a licence. It still had to comply with IBA licensing criteria.

By late yesterday, the authority had received only one objection to the consortium's bid. Lobby group Stigting vir Afrikaans was concerned that the consortium had no Afrikaans members. However, the group said ownership of the undisclosed local company could rectify the situation.

New Radio has indicated it would retain Oranje's existing management and staff.

# Eskom writes off debt of R6-m

*Sowetan*  
By **Sowetan Correspondent**

ESKOM has written off debt of more than R6 million owed by the Akasia-Soshanguve Town Council for arrears in Soshanguve

An agreement to this effect was reached between the Greater Pretoria Metropolitan Council, Eskom and the Akasia-Soshanguve council

The agreement came after efforts by the council to get Eskom to write off the outstanding debt Soshanguve

*31/7/96*  
incurred up to December 8 1994

The debt comprised an amount of R5,9 million plus interest of more than R682 000 Eskom's condition for writing off the debt was that new Soshanguve accounts would be paid on time and in full for a certain period

The organisation had accepted a proposal by Metro Council director of electricity Mr Clarence Oelofse that regular payment of account by the Akasia-Soshanguve council after December 1994 should be considered