

Free airwaves: who's tuned to catch them?

Who will benefit when the SABC monopoly is finally dismantled? How many new TV and radio stations might there be in a re-regulated broadcasting environment and what will they be like? SUE VALENTINE reports.

A CONFERENCE on the restructuring of the South African broadcast industry held in Johannesburg recently was not without its tensions and contradictions as the anomalies which have developed under the SABC's monopoly of the airwaves came under scrutiny.

Central to the question of a new broadcasting dispensation is the tension between broadcasting as a competitive, market-driven industry, and the airwaves as a public resource to which all citizens have a right.

The very nature in which the conference was convened highlighted this issue. Organised by a private company which charged delegates some R2 500 to attend the three-day event, it effectively excluded all but the wealthy and powerful from the debate on broadcasting in South Africa.

This situation prompted the National Association of Broadcasters to announce, at the end of the conference, that it would convene and sponsor an event later in the year to allow a far wider spectrum of interest groups to discuss broadcasting issues.

While there was general acceptance of three tiers of broadcasting in South Africa (public service, commercial and community), there was vigorous debate on a number of issues. These included the size of the advertising cake and opportunities for new broadcasters to enter the industry, the role of educational radio and TV, the percentage of local content programming and the likely scenario that would emerge from the unbundling of the mighty South African Broadcasting Corporation.

Not least among the questions which emerged during the three days was that of the need to address the contradictions within the SABC: whereby it was not only a public service but also a commercial broadcaster which was dependent on advertising for 70 percent of its revenue.

Given its legal monopoly on broadcasting for more than half a century, and all the opportunities this had afforded it in building up 22 radio services and three TV channels,



Wynand Harmse: SABC a "colossus" in a "lopsided" industry.

the SABC utterly dominated the industry.

This was acknowledged by group chief executive of the SABC, Wynand Harmse, who described the corporation as a "colossus" in an industry which was decidedly "lopsided" and in need of restructuring.

He said the attention devoted to the appointment of a new SABC board showed that broadcasting was more than just another industry.

He identified a number of issues which, he said, could affect the creation of a new broadcasting milieu in South Africa. These included the introduction of satellite technology (with direct satellite to home broadcasts likely by 1995), the control and regulation of the industry, and political issues such as language and the possibility of regionally autonomous stations.

He said he did not believe in a completely free-market approach, but rather in a regulated broadcasting system. He appealed for a clear plan and policy to be developed to replace the present situation in which the Minister of Home Affairs was responsible for the industry on an "ad hoc" basis.

The role of the SABC as a public service broadcaster needed to be spelt out, said Harmse. Alternative sources of income had to be explored to substitute for the anticipated loss of advertising in a restructured

environment. The SABC would need to mix its public service functions with commercial motivations in order to survive. An holistic approach was the only viable solution.

Looking ahead, Harmse said he envisaged that in a future structure, the SABC would remain the dominant broadcaster in the country, although it would be smaller and more focused on its public service function.

Harmse said the advertising market in South Africa was too small to sustain the SABC in its current format along with new private, commercial stations. He, along with several other SABC speakers, stressed that there would be no space for another national television channel in South Africa given the amount of available "adspend".

This view was echoed by the SABC group general manager (finance) Steve Schubach.

In a blunt and somewhat know-it-all presentation, Schubach painted a decidedly bleak picture of the possible financial and investment opportunities for those eager to undertake successful ventures into a re-regulated broadcasting industry.

However, later in the conference, media director for Ogilvy & Mather advertising agency, John Montgomery, challenged some of these assertions and sketched a very different scenario of the potential adspend likely to go the way of the South African electronic media in the future.

He criticised the conclusions reached by the Viljoen task group inquiry into broadcasting which cited European and north American examples to illustrate that the adspend "cake" was severely limited in South Africa and could not allow for many new broadcasters.

Montgomery said he believed they were the wrong examples because their literacy levels were far higher, their TV choices wider and standard of living far higher than in South Africa. Instead, he argued, the local broadcasting share of adspend had the potential to grow quite dramatically. In 1992, for the first time, more money was spent on advertising in the broadcast media than in print.

He argued that comparisons should rather be drawn with South American countries which were more similar to South African society. He said if such comparisons were made, figures showed that TV and radio accounted for up to 80 percent of the adspend in most South American nations.

"Broadcasting, particularly radio, is cheap and accessible to the masses and at the moment there is limited choice for our less sophisticated market. I believe the market would welcome an expanded regional radio and television system with open arms," he said.

For those would-be broadcasters anxious to get on air as fast as possible, the news from the conference was not promising.

'The role of the SABC as a public service broadcaster needs to be spelt out'

In terms of the draft bill detailing the structure and powers of an Independent Broadcasting Authority (IBA) which was published a day before the conference, no new licences would be granted until the IBA was established. This could not happen before being passed into law during the September sitting of parliament. It was unlikely therefore that any new broadcasters would be on air before the new year.

Much of these provisions, emerging as they did after consensus was reached at the Negotiating Council, made the subsequent presentation by Home Affairs minister, Danie Schutte, somewhat redundant.

He confirmed that approximately 100 licence applications had already been received and said that the newly drafted bill should be implemented as a matter of urgency. The cost of licences, broadcasting standards and technical specifications needed to be determined as soon as possible. He said, in his estimation, the SABC was likely to reduce its services from 22 to 17 and that up to 34 new radio stations could be accommodated on the airwaves.

Asked in question time how he had arrived at the number of 34, Schutte offered no details.

He said he thought it was likely that new broadcasters might be able to enter the industry "about three months" after the draft bill was enacted. However, he did offer a glimmer of hope for enthusiastic new broadcasters.

He said that in the interim, it was possible for temporary licences to be granted to aspirant broadcasters, although he did not spell out the criteria which would determine a successful licence application.

Sue Valentine is Idasa's media director.



Talking technicalities ... legal experts Michael Markowitz and David Dison.

A framework for fair play

The fortuitous release of the draft bill on the establishment of an Independent Broadcasting Authority (IBA) a day before the conference, offered at least some concrete sense of the kind of legal framework that would regulate broadcasting in the short-term.

Two of the members of the technical committee responsible for the draft bill - David Dison and Michael Markowitz - explained aspects of the bill as well as some of the critical issues confronting an independent regulatory authority such as the IBA.

Dison said the draft bill provided for the creation of an IBA comprising five members who could hold office for a maximum period of three years. These members would need to be, among other things, people who are "impartial and who are committed to openness and accountability in public life, freedom of expression and a free and unrestricted flow of information".

The IBA would have the power to regulate the radio frequency spectrum in South Africa, licence broadcasting services, monitor and enforce all licencees to comply with the provisions of the Act and to conduct research into broadcasting policy, technology and related matters.

In terms of the draft legislation, no political parties or organisations, nor organisations or parties aiming to influence public opinion to support a particular party, shall be granted a licence to broadcast.

When considering the need to licence a range of new broadcasters, Markowitz made the point that diversity would not just

happen and could not be entrusted to the market. It had to be provided for.

He said one of the factors the IBA would consider before granting a licence for a private TV or radio station would be "whether the applicant contains or proposes to contain a significant percentage of historically disadvantaged persons on the board of directors, in the top management structure and in the total equity of the applicant".

The new bill would limit the number of stations any one person or company could own. No person may control more than one private TV service, or two FM or AM radio stations (which would have to be in different areas).

One aspect of the bill that drew several questions from representatives of the newspaper groups was that of the proposed legislation affecting cross-ownership.

As it stands, the bill prevents control of a private broadcasting station if at the same time, the person or company controls the only newspaper or newspapers in a licence area.

Anyone controlling a newspaper or newspapers whose average, or combined average, circulation is more than 300 000 copies can only have company interests in one broadcasting service and such interests may not exceed 35 percent.

The essence of the bill, said Markowitz, was "to re-regulate the broadcasting market by promoting a diversity of ownership of broadcasting services and a diversity of viewpoints and programming expressed by existing and new broadcasting services".