

SABC CHALLENGES LICENSING REQUIREMENTS

MISA Broadcast Updates (26 May 2004)

The South African Broadcasting Corporation wants to change some of its licensing conditions to compete head to head with commercial broadcasters for audience and ad-share. The SABC, which receives funding from government and television licence fees receives almost 76% of its revenue from advertising. The commercial division of the SABC is expected to generate profit to assist the public service division fulfil its mandate. In its application to ICASA, the SABC provided figures that demonstrate licence fees account for 15 percent of the corporation's revenue, while government subsidies have declined from R206 million in 1999 to R90 million in 2003.

In the last three years, commercial public television station, e-tv's advertising earnings have grown by to 20,5% of national television ad-spend while SABC's total ad-share dropped by about 8,5%.

According to Section 11(1) of the Broadcasting Act, the commercial service division of the SABC is subject to the same policy and regulation as commercial broadcasting services. In addition, the commercial division of the SABC is bound by its public service nature "in the provision of programmes and services". It is felt that these regulations restrict the ability of SABC's Public Service Commercial stations to compete on an equal footing with independent commercial radio and television for revenue to sustain its operations and services. Of particular concern to the SABC is the suggestion that the regulatory authority would be entitled to approve programme content, thus interfering with the broadcaster's right to enjoy "freedom of expression and journalistic, creative and programming independence as enshrined in the constitution" (section 6(3)).

Over the last decade, the public service broadcaster has been guided by the Independent Broadcasting Authority's (precursor to ICASA) Triple Inquiry Report, which aimed to turn the SABC into a financially viable, effective broadcaster. To this extent, public broadcasting services were to be funded through advertising, sponsorship, licence fees, government grants, merchandising and the leasing of facilities. In terms of the two separate operational divisions, the SABC's public service division will include two television channels and 15 radio stations, while the commercial division will include one television channel, SABC3, two national radio stations 5FM and Metro FM and one regional station, Good Hope FM. One of the most contentious proposals in the SABC submission is to decrease its local content quota on SABC 3 and its three public service commercial radio stations to boost audience and ad-share to subsidise its public service mandate that will also soon include two regional television channels.

To click on this link to read the SABC's application to ICASA from [ICASA's website](#).

Deadline for comments is 9 June 2004.