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F A X T R A N S M I S S I O N / T R A N S M I S S I E

FROM: M-NET TEL:(011) 889-1952 FAX: (011)886-9906

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DATUM: 17 August '93  
DATE: .....

AAN: The Technical Committee on the  
TO: Independent Media Commission

MAATSKAPPY: Multi-Party Negotiating Process  
COMPANY: .....

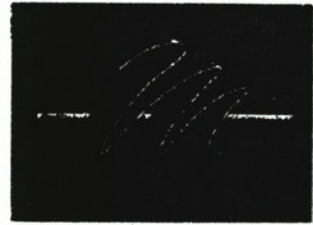
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VAN: Cobus Scholtz ~  
FROM: .....

AANTAL BLADSYE: 5  
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MESSAGE/BOODSKAP:



CHANNEL: A MEMBER OF THE  
ELECTRONIC MEDIA NETWORK  
LIMITED GROUP

The Technical Committee on the  
Independent Media Commission  
Multi-Party Forum  
World Trade Centre  
KEMPTON PARK

137 Hendrik Verwoerd Drive  
P O Box 4950  
Randburg 2125 S A  
Telephone (011) 889 1911

17 August 1993

Dear Sirs,

Reg No: 85/02853/06  
Reg Add: 11 Grove Street  
P O Box 4950  
Randburg 2125 S A

We understand that the Negotiating Council has requested a viewpoint from M-Net on the question of political broadcasts on the pay television station. We trust the following submission clarifies M-Net's position with regard to this question.

Should any further queries be raised, please do not hesitate to contact the undersigned.

With regards

p.p. 

**COBUS SCHOLTZ**  
DIRECTOR CORPORATE AFFAIRS

*We don't stop the magic*

- DIRECTORS**
- T Vosloo (Chairman)
  - D B Band
  - J P Bekker
  - D Briceland
  - J M Buitendag
  - H F Conradie
  - D C Kovarsky
  - K B Sibive
- ALTERNATE DIRECTORS**
- J Sturgeon
  - D M Craib
  - D S van der Merwe
  - L R Clark

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POLITICAL BROADCASTS ON M-NET

The question has been raised whether M-Net should not be obliged to broadcast political broadcasts in the run up to the general election in 1994. Because of specific practical reasons, M-Net wishes to record its strongest opposition to this suggestion. An obligation of this nature goes against the content of pay television and the particular relationship between private broadcaster and viewing public.

In the context of the specialist entertainment programming that M-Net provides to its subscribers in South Africa and elsewhere, broadcasts of a party-political nature would be unacceptable. In fact, when M-Net had to consider the question of news on its service, one of the strong motivating factors behind our eventual decision not to provide a news service (quite apart from restrictive conditions and financial issues) was that subscribers subscribe to M-Net because of the general nature of the entertainment service we provide, and definitely not as an alternative public broadcasting service, or scaled-down version of the SABC.

After all, it is to the SABC's TV1 that almost 8 million viewers turn every night to watch the news. M-Net, with its reach at most of 1,2 million viewers, can never hope to catch the attention of the full TV viewing public of the RSA.

By its very nature M-Net is a pure entertainment service. More than 65 % of its content is devoted to movies and mini-series and it is upon that promise that M-Net subscribers have grown to 800 000 households in the RSA. Parents subscribe to M-Net for K-TV, which comprises about 12 % of the schedule while the remaining 22 % is devoted to top international and national sports events and other specials such as Red Nose Day, music spectaculars, Miss World, Miss SA, Miss Universe, Première, Carte Blanche, etc.

Enforcing political broadcasts in the schedule as outlined above, would be tantamount to imposing party-political broadcasts in the first part of every video

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rented by the SA public, or including political programmes before the advent of every movie shown by Ster Kinekor or Nu Metro in its cinemas and drive-in theatres.

This would clearly not be countenanced by the public, as they would feel (and in our view quite rightly so) this to be an infringement on their expectations to be entertained by the celluloid medium.

For the very same reason every subscriber enters into an individual contract with M-Net. Consistent research over the past 6 years has shown that subscribers make the decisions to subscribe to M-Net almost exclusively because of movies, sport and K-TV. The inclusion of an obligatory political content would be to radically change the nature of the contract between subscriber and M-Net as well as the expectation of an entertainment schedule on the part of the M-Net subscribing public. For these practical reasons, M-Net believes that political broadcasting does not belong in its mix of programmes. We anticipate enormous churn (subscribers returning decoders, letting their subscriptions lapse) if these broadcasts are enforced upon M-Net. Subscribers may resent not only M-Net, but also political parties themselves, however well-meaning the original intention.

Unlike the television licence fee which every owner of a television set in South Africa is obliged by law to pay to the SABC, M-Net subscribers are entirely free to let their subscriptions lapse, to return or sell their decoders, and to give up the service. This fact alone makes the suggestion of enforced political content clearly unacceptable. M-Net is not part of the public broadcasting service, for which a poll tax is payable, and to which viewers may legitimately turn to receive political information and education. M-Net, as a commercial pay television operation, is more akin to Ster Kinekor and the video rental outlets.

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M-Net broadcasts to more than 30 African countries, has 18 agencies and over half a dozen joint venture operations. This represents substantial financial risk and enormous effort on the part of M-Net to establish a Pan-African pay television business. In every single instance M-Net has had to go to great lengths to reassure African governments, state officials and joint venture partners that it is in no way connected with the politics of South Africa. It will be understood that with South Africa's apartheid past, great sensitivities still surround the issue of South African politics. The company cannot afford at this juncture to alienate its African partners, on which it depends to establish the business ventures.

In summary, the vested rights of subscribers, who constitute slightly less than a third of the SA viewing public, M-Net itself, and its business associates in Africa and Europe will be severely compromised if a quota of party-political broadcasts is enforced upon M-Net. The company therefore most strongly reiterates its opposition to any such plan. We hope that this submission underlines the unacceptability of any such move.