

Dispatch Media

35 Caxton St. East London 5201 South Africa
 ☎ 131 East London 5200 South Africa
 ☎ 435010 TA: Dispatch SA 25-067718

Fax:
 Edit: 435155
 Admin: 434630
 Adv: 435159

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The Task Group on Independent Broadcasting
 and State Media
 Multiparty Negotiating Forum

Attention: Ms Melody Emmett

Dear Sirs,

Comments on Draft Broadcasting Bill

We are concerned about certain aspects of the draft Bill on Broadcasting and submit the following comments for your consideration:

1. While the Bill clearly acknowledges that newspaper owners may, in certain circumstances, also participate in electronic media, Section 47 of the Bill seeks to prohibit any meaningful interest in a broadcasting licence by the owner of the only newspaper or only newspapers "associated" with a particular licence area.

The very survival of regional newspapers depends on local advertising revenue, which has been in decline due to the prolonged recession. If that same strained source of regional advertising has to be shared in future between competing print and electronic media, both will suffer material losses.

Dispatch Media Limited is an independent company which is locally owned and controlled. It is not part of any major newspaper grouping in South Africa. By definition of "Associated Newspaper" in the draft Bill, Dispatch Media may be disqualified from participating in a broadcast service in its circulation area. However, if Dispatch Media is allowed to invest in local radio, print and electronic media will complement each other as it will be able to offer advertisers more choice and wider exposure without undue risk to long established businesses. Utilisation of Dispatch Media's existing resources and infrastructure will provide a local radio station with a much greater chance of financial success, which will ensure continuity well into the future. On the other hand, if Dispatch Media is precluded from meaningful participation in a local radio station, a situation of unfair competition is created. As there are other newspapers circulating in Dispatch Media's area, the opportunity will exist for the owners of such newspapers not "associated", by definition, with Dispatch Media's circulation area, to obtain and exercise control over a local radio station, thereby undermining the viability of Dispatch Media's business operations.

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We therefore ask that the Bill be amended to allow local newspapers which do not form part of a national group, the freedom to acquire and hold meaningful investment in local electronic media broadcasting, even if this is confined to their circulation area.

2. "Deemed control" as defined in section 3(1) of Schedule 4, is too restrictive with regard to persons wishing to have an interest in both newspapers and electronic media.

We request that the Bill be amended to provide that a person be regarded as being in a position to exercise control of a company only when that person has company interests in a company exceeding 25% (not 15% as provided in the draft Bill).

3. The status of the electronic media in the TBVC states, especially Ciskei, is of particular concern to Dispatch Media.

At present the draft Bill is silent on this matter and it seems that the Multiparty Negotiating Forum has failed to cover this aspect of future broadcasting. If this question is not addressed before the Bill becomes law, the media in the TBVC states will seemingly operate under a totally different set of rules to those governing the media in the present RSA.

We ask that this matter be raised in the Technical Committee and for a satisfactory solution to be found, in order to level the playing fields between the TBVC media and ourselves.

Yours faithfully,



E.A. Beaumont

Financial Director