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SUID-AFRIKAANSE FILM- & VIDEO INSTITUUT
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SOUTH AFRICAN FILM & VIDEO INSTITUTE 1685

26 February 1992

Dr Zach de Beer
Chairman : Steering Committee
CODESA
P O Box 307
ISANDO 1600

Dear Sir,

The SA Film & Television Institute acts for more than a hundred companies and individuals within the South African film production and distribution community and is responsible for most television and feature film productions. It is one of two bodies which acts for this industry, the other being the Film and Allied Workers' Union. These two organisations regularly meet in what is called a Film Forum. The SA Film & Television Institute provides employment opportunities for more than ten thousand people.

A wide range of activities falls within our sphere, inter alia, production, direction, facilities and dubbing. The Government has a subsidy scheme for independent local film producers which is based on local theatre attendance. Insofar as television production is concerned, however, there is no subsidy scheme and producers depend heavily on the SABC and M-Net.

We believe that we are not only supported by common law, but also by the Broadcasting Act and the Maintenance and Furtherance of Competition Act 96 of 1979, when we submit that we have a right to produce at least 30 - 40% of the local television product. During the last ten months, and especially in regard to the current SABC financial year (1 October 1991 to 30 September 1992) the amount of work received from the SABC has been minimal and the prospects for the rest of the year seem hopeless.

We believe that the SABC, especially as a result of the founding of an own production company called SAFRITEL, is engaging in unfair competition practices. We recognise and definitely approve of the SABC's policy to run its affairs according to solid business principles; this policy, however, does not give them the right to monopolize the local product scene by, for example, requiring producers of past successful series to now come in merely as directors on the same

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series to be produced by SAFRITEL. Other examples can also be mentioned. This policy is leading to the total ruin of the local television industry which, and this is common cause, has produced the most successful local television productions during the last fifteen years.

We believe that we have a contribution to make to especially Working Group 1 of CODESA, which deals with the media and request the opportunity to address you. The points which we wish to raise are the following :

SABC

1. The commitment by the SABC to local content in the past has been admirable and affordable.
2. The SABC is extremely lowly geared by any standards. Cash-flow problems are subjective and depend upon spending priorities other than local programming. The notion that local production is primarily responsible for SABC's cash-flow problem needs to be rejected.
3. The SABC acquired equipment and facilities through government concessions plus non-redeemable and soft loans. "Business units" of the SABC are now competing with private enterprise on an unequal playing field.
4. The most highly rated and successful local productions produced over approximately the last ten years have all been produced by independent producers and directors. For the SABC to now exclusively, without these independents, determine what is good or bad television for the whole of South Africa, is untenable.
5. Internationally, local programming consistently outrates imported programming.
6. The SABC is a national broadcaster and therefore has obligations beyond exclusively increasing profitability.
7. The SABC-executive is appointed by the SABC Board, which in turn is appointed by the State President, who is elected by parliament and therefore the people. This accountability needs to be enforced, i.e. "sound business" is not a pseudonym for enriching the coffers of the various business units at SABC. In an attempt to make these business units attractive privatisation prospects, the SABC is cutting back on "expensive" production. Local production and cultural commitments will **always** be more expensive than imported production.
8. A number of imported programmes are being "dumped" on the South African market at prices considerably below cost and market value in its home territory.

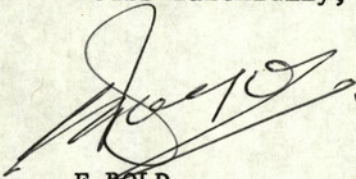
M-NET

1. M-Net has acquired over 600 000 subscribers and is exceeding forecast profits for the coming financial year. Concessions continue to be granted to M-Net "in order to achieve profitability".
2. M-Net's open time concession costs the SABC, its licence payers and therefore the public, approximately R40 million per annum.
3. M-Net's commitment to local content in open time is marginal and arbitrary.
4. M-Net's commitment to local content in encrypted time has never been subject to debate by parliament, the public, or the local production industry.

OTHER

1. The Film and Television Production Industry has been singled out as virtually the only local manufacturing industry that has survived without any legislated local-content requirements or import duties and surcharges on foreign imported product.
2. There is a desperate need for the establishment of an independent statutory body to regulate the broadcasting industry and hold broadcasters accountable.
3. CODESA needs to decide to have such a body appointed as soon as possible. Appointees to such a board should be qualified to legislate, monitor and execute regulatory measures that are in the interests of all South Africa's communities and must reflect its cultural richness.

Yours faithfully,



E BOLD
CHAIRMAN

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