

Profits, promises
and primetime
viewing
Introducing

e.TV

By Ruth Teer Tomaselli

Hospitals and media firms are favourite places for television serials. WKRP in Cincinnati, The Naked Truth, Ink and ENG – the media make for great media – full of drama, intrigue, pace, money, sex and gossip. Particularly gossip. Factor in South Africa's own IBA with its fair share of scandal and gossip about money (have those outstanding amounts ever been paid back?), corruption, and self-promotion – and it is little wonder that the latest episode in the licensing of South Africa's liberalised broadcast landscape has generated such a furor. And such gossip. Particularly gossip. Winners, Midi TV, are prepared to speak to anyone, and have not lost an opportunity to place themselves squarely in the media spotlight.

Speak to almost anyone who was not a winner, and they are immediately more coy. "Don't quote me, but ..." was the repeated response I received while researching this article. So in the end I decided to write less about what we know (we've all read that in the newspapers by now) and air some of the speculations about the issues we don't know.

The facts ...

We know that Warner Brothers, a subsidiary of the international conglomerate Time-Warner, holds 20% of the consortium equity. Apart from Warner Brothers, with their massive back-list of film, video and television programming, Time-Warner owns Home Box Office (HBO), CNN and the Cartoon Network, as well as a host of broadcast and cable channels in America. This powerful base will afford the new e-TV a huge range of first-option programming, once the existing contracts with South African channels have run their course.

Domestically, the majority of the investment equity comes from the mobilisation of trade union investment. Hosken Investment, an empowerment consortium trading on the JSE, hold 26% of shares. Hosken includes the financial arms of the National Union of Mineworkers as well as the South African Clothing and Textile Workers Union. Vula Communications includes the Communications Workers' Union and the National Union of Metalworkers of South Africa. Small and medi-

um black businesses are represented through the African Pioneer Investment Trust, a beneficiary network covering more than 400 small businesses based in the Eastern Cape. Three black controlled television and media management companies have been included in the form of Mopani Media, Medumo Media and RM Productions.

To add all-round political correctness to this impressive array of investors, the consortium includes the Youth Development Trust and the South African National Civics Organisation, as well as the Disabled Employment Concerns Trust, an investment vehicle for South Africa's seven national disabled people's organisations.

Underscoring the point, the official Midi briefing notes state primly "the disabled sector is, with women and black South Africans, constitutionally defined as being previously disadvantaged".

The new channel is headed by Nomazizi Mtshothisa of Vula Communications. The Managing Director, Jonathan Procter, we learn from an interview published

e.News: what to expect

Here's what e.TV told the IBA: "South African audiences evince a high level of interest in the world around them, demanding access to the intellectual tools to enable them to actively participate ... This trend requires a broadcaster response more in keeping with the original Reithian approach to services which simultaneously inform, educate and entertain, than with the more mechanistic interpretation favoured in recent decades by South African free-to-air television of viewing the three components as distinct programming types."

And their researchers, Community Agency for Social Enquiry (CASE), commented (in response to criticism): "The preferences for (the collapsed categories of) news/information/education on the one hand, and entertainment/relaxation on the other, hide deep demographic differences. Two-thirds of black viewers fall into the first preference category; two-thirds of white, Indian and coloured viewers fall into the latter category."

e.TV told the IBA it planned to have 11 hours a week of news programming during prime time. In its application, it

argued that: "The shift from television to newspapers as primary information sources is essentially a function of the inaccessible and formal forms of communication adopted by existing free-to-air broadcasters, at odds with international trends in news delivery. If television tells stories which are informative but not entertaining or interesting, audiences will inevitably do what South African audiences have been doing for the past 18 months: turning to other sources for their information."

"South Africa has a long tradition of

in the Sunday Times Business Times, is "extremely reluctant to talk about himself, preferring to let the limelight fall on chairman (sic) Nomazizi Mtshotshisa". Little wonder. Midi have punted themselves as a consortium with an 80% black shareholding (the other 20% belonging to their international partner, Time-Warner). With its emphasis on black empowerment, Procter would prefer to remain invisible. Other "invisible" players are Pierre van der Hoven and David Niddrie, who left the SABC when that organisation promised to self-destruct some time ago to join the "black-controlled television company", as financial director and head of news respectively, while Dave Stewart (ex-Bop Broadcasting) will serve as operations and technical director. Black executives, apart from the chairperson, include Richard Magau as deputy MD and Pat Thekisho heading foreign acquisitions.

The promises ...

Midi television intends to broadcast as e.TV from 1 October this year. In order to do this, they expect to invest R450 million. Technologically, they will be the most sophisticated channel in the South African media landscape, with 100% digital broadcasting.

In their bid to the IBA, they have promised two per cent local content, excluding news, in their programming, thus exceeding the required hours laid down by the IBA. However, most programming will be done in English, and no provision has been made for regional broadcasting of any sort. In an innovative strategy, broadcast space will be made for independent productions. A late night slot, aimed at the 18 to 25-year-old market, will provide upbeat programming which is relatively cheap. It is hoped that new talent will be discovered through this means.

Foreign acquisitions will be headed by their entrée into the Time-Warner list. At the same time, the sentiment has been expressed that Time-Warner will act as a conduit for SA programming to be exported to the rest of the world.

The opposition ...

So who did Midi beat in the licence stakes? From the outset, it appeared that there were really only three contenders for the licence, Midi, Station for the Nation, and Free to Air. Community Television retained an outside chance, while Afrimedia (who suggested using Bop facilities), Island TV and New Channel (interestingly, with an international partnership with TF1 France), were never really considered as serious bidders.

Station for the Nation's consortium based their empowerment claims on Thebe Investments, and Moribo Investments with Kersaf. Further local capital was based in Financier Trust, who since 1997 have had interests in Kaya FM, an independent radio station in Gauteng.

The international arm was Nine Network International Limited, an Australian company. The bid was headed by Vusi Khanyile of Thebe Investments. Station for the Nation's philosophy was predicated on a regional broadcasting network with local content of 34%, increasing to an eventual 50%, plus sport.

Front runner, Free to Air, punted Sisani as their "empowerment" hopes, together with Welcome Msomi and Nedbank Investment. Part of their difficulty lay in the disqualification of Kagiso Trust, who were bound by



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a restraining order when they defected from SFTN.

Part Primedia, the octopus-media company, which already controls Cape Talk, Radio Highveld Stereo and Radio 702, Station for the Nation was in a strong position to launch a first-class indigenous news service. The foreign partnerships boasted British United News and Media and Fox Sports, a subsidiary of Rupert Murdoch's media empire.

Free to Air was fronted by Quentin Green and Brenda Koorneef, the pair who launched the SABC into the world of commercial television in the early 1990s. Their programming philosophy included the use of four languages, an ambitious project which would be achieved through a wide physical network of 70 transmitters nationally, intended to transmit several regionally-directed programmes simultaneously. Content would show an emphasis on sport, with nearly one half of the transmission time devoted to sport.

In common with the licence-winners, Midi, Free to Air stressed that they saw themselves as a broadcaster rather than a production channel - local programming would be commissioned from independent producers.

The gossip ...

So why did Midi receive the licence? On the face of it, the consortium boasted the most politically correct empowerment consortium, which together with a powerful foreign partner and high local content, seemed to

ensure it would make a success of the venture.

The disappointed applicants are not so sanguine, however. Threats of litigation by rival bidders against the IBA's decision were voiced almost as soon as the announcement of the licence was made.

Although not the basis of any legal claim, accusations of political interference, "improper pressure" (as if pressure could ever be proper) and favouritism by the IBA towards Midi were rife. These claims were not helped by the fact that chairperson, Nomazizi Mtshotshisa, is the ex-wife of Cyril Ramaphosa, who as ex-secretary general of Cosatu, chief architect of the ANC's pre-election strategy at Codesa, and now seen by many as the ANC's commercial commissar, is a powerful figure in the political-economic landscape.

Nor is it clear why some of the IBA councillors changed sides. On the Friday before Monday's announcement, votes were 4 to 3 in favour of another consortium. Gossip and innuendo as to what happened over that fateful weekend causing the councillors to change their collective minds is richly varied. Although the final vote was not unanimous, the IBA denies any political pressure.

Unhappiness was expressed about the in-camera and confidentiality clauses concerning some of the programming arrangements with Time-Warner. Most damaging to the IBA's case are the allegations that the Midi consortium contravened the IBA Act, which requires full disclosure of business plans and share holdings at the time of the application. Rival bidders allege that Midi changed its business plan and introduced new shareholders at the hearings on its application.

A legal challenge to the decision will not necessarily result in the decision being reversed.

However, the courts could find that the IBA did not properly apply its mind to the application and order that the entire process be restarted. In a statement issued on 30 March, the Free to Air consortium noted that Midi tabled a new business plan on day two despite the fact that 5 September was the final day for applications (with complete and final business plans).

The revised plan, which included a new broadcast schedule, differed financially in the region of R20 million. It has been claimed that it is difficult to see how the IBA could have accepted this amount as a "minor adjustment".

The speculation ...

What happens now? Will e.TV go ahead and broadcast as promised by October? Will the whole process be stalled by a court intervention, and begin again? Will the disappointed bidders band together to buy into the SABC's Channel 3, as has been suggested?

We will have to watch our screens to find out the answers. ENG was never this good.

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environments in which large numbers of individuals, very often with a great deal of useful information to impart, are packed into studios and given very little time to address the audience.

"Equally, South African television has developed the unfortunate habit of seeking to offer audiences different perspectives on an issue by bringing together two or more individuals with conflicting views and highlighting the conflict rather than seeking to elicit the nature of the differences.

"e.TV commits itself to provide a diversity of views over time, rather than on any single bulletin, in keeping with accepted international practice. e.TV also commits itself to giving on-air access to a real diversity of opinion by allowing individuals, as far as possi-

ble, to speak for themselves, rather than through supposed experts speaking on their behalf.

"e.TV has identified four key skills shortages in the South African television sector: script writing, specific production skills, components of television news presentation, and on-air interviewing techniques.

"The channel will deliver news bulletins in the morning as the core component of a breakfast television package and as three separate packages during prime time. This will include two bulletins in languages drawn from the two major indigenous language families, Nguni and Sotho (evening news is from 7pm to 7.30pm).

"e.TV has initiated a project to simplify and contex-

tualise economic and financial news. The project will involve identifying three archetypal South African families from different social strata - a blue-collar family, a lower-middle class, white-collar family and a family with an executive level bread winner. These families will be used consistently and become familiar faces to e.TV viewers as the vehicles through which the personal relevance of important economic and financial developments are explained. The idea of bringing major decision-makers to explain and motivate their decisions into the families' living rooms offers dramatic television opportunities."

According to Midi, it will spend the equivalent of R15 000 per employee, a total of R2.7-million, in its first year, on training.