

SABC responds to TVIEC

The SABC issued the following statement yesterday, Wednesday, 17 Jun 2009, following the recent public protest at the SABC and memorandum from the TV Industry Emergency Coalition (TVIEC).



Background

Over the last five years, the SABC has grown the local content's budget from R230m to R1.1bn.

The SABC has seen the growth of local content on television in the last three years from ratios of 60% international: 40% local, to 70% local: 30% international content at present.

Alongside that has been the growth of the independent production industry from 20 companies in 2004 to 408 in 2009, as a consequence of the SABC's strategic investment in the industry.

The SABC sources 100% of its local content from the independent producers, except for sports and reversioning, which is done in-house.

The mandate of the SABC on SA content and the commissioning of independently produced SA programming are not mutually exclusive, as we have seen the growth of local content impacting positively on the growth of the independent production sector.

In addition to the investment mentioned above, the SABC has created a specific industry development unit, to focus on developmental issues and targeted projects to assist with the growth of the industry. Listed hereunder are some of the projects:

- Sediba Programme

Provides Master Class training for commissioning editors, script writers, directors and producers on commissioned SABC programmes.

- Student Reel

Student Reel is an innovative television slot dedicated to screening films produced by students and aspiring film makers who would have otherwise not had an opportunity to have their work publicly screened. It also enables regional diversity and

[gives] women film makers an opportunity to have their content screened.

- Regional Variation

To ensure diversification of companies doing business with SABC, the SABC is preferentially procuring in the regions other than Gauteng, KwaZulu-Natal and Western Cape.

- And other projects such as Research and Development, Icons and Nabu'Bomi.

In response to the issues raised by the TVIEC in their memorandum of demands, the SABC would like to set the record straight on three major issues raised by the TV industry:

1. Payment

The SABC acknowledges the challenges faced by the industry, and acknowledges what is due to them. However, at this moment it is difficult for the public broadcaster to make a definitive commitment in terms of how much we can pay our suppliers each month. We are also working block-by-block to create more certainty to our local industry creditors.

It is difficult for the SABC to make this commitment at this stage, as the corporation's cash flow varies on a month-to-month basis.

In as much as we are facing a cash-flow problem, we have, however, made inroads in trying to process payments due to our vendors in the production industry.

Last month, the industry was owed R129m by the SABC, and this amount has been reduced to R60m. This clearly shows that we are gradually dealing with this issue.

The SABC is in the process of finalising a payment plan, which will soon be shared with the industry, as agreed upon in a meeting held on 2 June 2009 between both parties.

2. Systems and processes

Around the issue of systems and processes, the SABC acknowledges that proper systems and processes need to be in place in any organisation. Over the past five years, the organisation has invested in systems such as SAP, TVBMS and IPM, which are geared to assist with processes such as budgeting and commissioning.

We acknowledge that there will be glitches, but the SABC is committed to perfecting all systems and processes in place.

The operations subcommittee, including SABC and TV industry representatives to deal with this issue, will be revived with immediate effect.

Addendums are attached showing the administration value chain and payment.

3. Intellectual property

The corporation takes the issue of intellectual property quite seriously, which is why the SABC has funded research around this matter. A report was received in October 2008 with recommendations, and the report was shared with the production industry.

We are expecting the industry to interrogate this report, and the IP subcommittee exists to deal with these issues arising from the report.

An indaba also needs to be finalised with all stakeholders, such as the SABC, production industry and government being involved to engage the matter.

It must be stressed that it is not the SABC's sole responsibility to deal with this matter, but together with the industry we need to approach government for assistance and guidance.

Some of the issues raised in the memorandum are not the SABC's responsibility and should be referred to the relevant stakeholders. These issues are:

- Price fixing on actors' and presenters' fees (actors and presenters are not directly employed by the SABC, but by the respective production companies); therefore this issue should be dealt with collectively by all affected stakeholders (actors, presenters, musicians, producers and the SABC)
- A mandatory provision for industry representation on the SABC Board. (This matter should be referred to the Portfolio Committee on Communications in Parliament as they recommend the names of board members to the Presidency and the SABC is not involved in the selection of board members.)

The SABC supports the enquiry on a suitable public service broadcast model. However, it must be stated once again that the SABC is constantly delivering on its local content quotas as set by ICASA.

During the fourth quarter, January to March 2009, both radio and television continued to surpass the minimum requirement on local content quotas. For example, the ICASA quota is 55% for SABC 1 and 2, and 35% for SABC 3. In this regard SABC 1 had 75.01% for full day and 73% for prime time local content, and SABC 2 was at 74.93% for full day and 88.49% for prime time local content, respectively. In regards to SAB3, they performed at 46.50% for full day and 44.82% for prime time local content.

In closing, the SABC reaffirms its commitment to building a vibrant, growing and transforming production industry and appeals to the industry to assist the SABC in these trying times, because the SABC depends on the production industry, as equally as the industry depends on the SABC. The production industry must also give credit where it is due, and acknowledge the enormous work the SABC has done in the arena of promoting local content.

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