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**06 August 2015**

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Dear Mr Mailula,

**SABC SUBMISSION ON STANDARD TERMS AND CONDITIONS REGULATIONS -  
INDIVIDUAL LICENCES, AS PUBLISHED ON THE 26 JUNE 2015, GOVERNMENT  
GAZETTE 38918**

Attached hereto, please find the SABC's submission on the Draft Standard Terms and Conditions Regulations - Individual Licences, Government Gazette No. 38918, published on 26 June 2015.

Yours sincerely.

A handwritten signature in black ink, appearing to be 'Ngoka Judicia Monyela', written over a horizontal line.

**NGOKA JUDICIA MONYELA  
ACTING GENERAL MANAGER :  
POLICY AND REGULATORY AFFAIRS**



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**SABC SUBMISSION ON  
STANDARD TERMS AND  
CONDITIONS REGULATIONS -  
INDIVIDUAL LICENCES,  
AS PUBLISHED ON THE  
26 JUNE 2015,  
GOVERNMENT GAZETTE 38918**

**06 August 2015**

**South African Broadcasting Corporation Limited SOC:** Registration Number: 2003/023915/30  
**Non-Executive Directors:** Prof M O Maguvhe (Chairperson); Ms L T Khumalo (Deputy Chairperson);  
Mr V G M Mavuso; Ms N M Mhlakaza; Mr K Naidoo; Dr N A Tshidzumba;  
**Executive Directors:** Mr F L Matlala (Group Chief Executive Officer); Mr G H Motsoeneng (Chief Operations Officer); Mr J R Aguma (Chief Financial Officer); **Company Secretary:** Ms T V Geldenhuys

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## **1. Introduction**

The SABC would like to thank the Independent Communications Authority (“the Authority”) for the opportunity to make a written submission on the Draft Standard Terms and Conditions Regulations - Individual Licences, Government Gazette No. 38918, published on 26 June 2015 (“the Draft Regulations”).

## **2. SABC mandate and services**

The SABC is divided into two operational divisions, a public service and a commercial service division. The public service division is comprised of fifteen radio stations and two full spectrum multilingual television channels (SABC1 and SABC2). The commercial service division is comprised of three radio stations and one television channel, SABC3, which provides entertainment and information for viewers predominantly in English. Each of these services holds a public service broadcasting licence issued by the Authority. The SABC also currently has a 24 hour news channel with the recent addition of SABC Encore on the Pay TV platform as well as 18 Radio stations.

## **3. Areas of concern**

### **3.1 Substitution of regulation 9 of the Regulations**

In the Draft Regulations (Regulation 4(5), it is stated that “In the event where the Licensee or its representative refuse or fail to provide the Authority with requested information in terms of sub-regulation (1), the Authority may, after reasonable attempts, refer the matter to the Complaints and Compliance Committee.”

The SABC is of the view that the collating of information on its part may be lengthy considering the number of radio stations and television channels it will have to source information from. Thus, the SABC submits that the Authority should consider matters such as these when dealing with licensees responding to a number of requests at a time. Generally, it will be easy for a licensee with one radio station to collate information within a short space of time whilst it will take more time for the SABC to do same. It is therefore, recommended that the Authority's time frames for the submission of information should be reasonable and cognisant of the services carried by the SABC.

The SABC finds it difficult to meet the deadlines set out in the Regulations and Licence conditions due to internal systems such as acquiring approval from the Shareholder and Parliament before the auditing process gets finalized.

Time allowance for financial auditing process is needed, especially for an organization as big as the SABC which needs to audit all 18 stations, 3 free-to-air channels, SABC Encore and SABC 24hour news channel. The advent of DTT will further put pressure on the SABC's auditing chain hence the pressing need to discuss this matter with the Authority.

It is, therefore, recommended that for the purposes of annual audited financial statements, the SABC should be given six to seven months from the end of the financial year to complete its auditing process.

### **3.2 Substitution of regulation 14 of the Regulations**

Draft Regulation 6(1) provided for the substitution of regulation 14 of the current Regulations and states that "any person that contravenes regulations 6, 7, 9, 10 and 12 is liable to a fine not less than R100 000, 00 (One hundred thousand Rand) but not exceeding R5 000 000,00 (Five million Rand) or 10% of the Licensee's annual turnover for every day or part thereof during which the offence is continued."

The SABC is of the view that the R5 million penalty is too steep for any broadcaster to pay at any given time. The SABC will always work within the parameters of the Acts, Regulations and Policies that are put in place, however, a fine as heavy as that will have a major impact on the SABC's financial standing in the future.

The SABC submits that the Authority should consider each case on merit. It should also consider alternative non-monetary punitive measures in cases of deliberate violation of the conditions.

#### **4. CONCLUSION**

The SABC hereby commends the Authority for its quest of ensuring that the compliance and monitoring processes are efficient for both the licensees and the Authority. The SABC would like to participate in oral hearings if the Authority intends to initiate such.