

# Further consequences of SABC's financial woes?

By [Tshepiso Seopa](#)

3 Apr 2009

It looks as if it will be business unusual for the SABC's above and below the-line agencies. It emerged this week that the national broadcaster has not renewed some of its agency contracts at the end of its fiscal year - a consequence of its current financial woes?



The SABC has frozen certain contracts while the board decides upon whom to award which tender. According to an SABC staff member who didn't want to be named, there was a workshop held last week, and the top management in Johannesburg said that they were not happy with the way things were handled. Another staffer, who also didn't want to be named, said management said the use of agencies for PR was an expensive exercise that was costing the broadcaster a lot of money.

For media buying and planning company The MediaShop, the corporation has retained its services on a month-to-month basis while the tender process is being decided.

"Business went out to tender, after a three year tender had run its course," Harry Herber, The MediaShop group MD, told Bizcommunity.com. "But contracts were renewed on a month-to-month basis while everybody is waiting for the board to decide. The SABC decided to stay with us not because they like us more but because there are bookings that have to be made and business can't stop while everybody is waiting for a decision.

"I understand the board will be sitting in the next few weeks and maybe an announcement will be made then," added Herber.

## Not clear

In the meantime, it is not clear if the long-term relationship between the SABC and PR agency Total Exposure has ended. On Wednesday, 1 April 2009, Total Exposure sent out a notice to the media informing of the new changes relating to radio stations 5FM, Good Hope FM and Metro FM. Total Exposure had been under contract to handle PR for 5FM for approximately 10 years. It has also been handling the PR for Good Hope FM and Metro FM for a period of about five years now.

Karen Visagie, who has been responsible for all on-air competitions and promotions at Good Hope FM, will now be handling all the publicity for the Cape-based station. Kina Nhlengethwa, Metro FM brand executive, has had PR tasks added to her list of responsibilities. 5FM's marketing manager Justine (Cottrell) Cullin will also be responsible for PR in the meantime.

When approached for comment, SABC spokesperson Kaizer Kganyago said, "We are finalising the process required before appointing agencies.

Kganyago did not want to say as to when a decision will be made or if that will be made after the elections. "We can't tell at the moment as to when final decisions will be made; this is a lifeline process we can't put time frame to it. An announcement will be made as soon as the processes involved have been finalised it," he said.

**Update Friday, 3 April 2009, 1.55pm:** The SABC confirmed an email statement sent at 1.16pm today that its PR contract with Total Exposure for the three radio stations in question came to an end on 31 March 2009.

Stated Kganyago, "The SABC put out a tender last year for the services of a PR company for the whole organisation. This process is at the stages of being finalised. In a case where a contract has ended it will be dealt with on a case by case basis.

"Using the public domain to explain the pros and cons of either renewing or not renewing a particular contract with any our suppliers would be grossly unprofessional. It would be a violation which defies the spirit embedded in a business transaction between two entities."

The corporation is meanwhile urging the media "to allow the SABC the time and space to fully interrogate its business relationships without improper interference by third parties".

**For more on the SABC's financial woes:**

- [So is or isn't Snuki leaving?](#)
- [Minister studies final SABC report](#)
- [SABC woes continue](#)

## ABOUT TSHEPISO SEOPA

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