SOUTH AFRICAN NATIONAL EDITORS' FORUM
It's about South Africa.

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23 February 2021

To: Mr Reuel Khoza, chairperson: Public Investment Corporation

Mr Abel Sithole, CEO: Public Investment Corporation

Dear Sirs,

We write to you on behalf of the South African National Editors' Forum (SANEF), a non-profit organisation whose members are editors, senior journalists and journalism trainers from all areas of the South African media.

SANEF, that turns 25-years old this year, is committed to championing South Africa's hard-won freedom of expression and promoting quality, ethics and diversity in the South African media.

At our council meeting of 13 February 2021, the Management Committee of SANEF was mandated by council to raise with you deep concerns we have about recent developments at the Independent Media Group, of which you are a major shareholder and creditor.

For purposes of background, it is important to note the following historical facts:

- In 2013, Sekunjalo Independent Media (SIM), controlled by Dr Iqbal Survé, purchased the group from Irish-businessman Tony O'Reilly for about R2-billion, largely funded by a PIC loan. SIM owns 55% of the Independent Media Group; the PIC directly acquired 25% and the remaining 20% is owned by a Chinese consortium.
- In March 2015, Survé launched the African News Agency (ANA) to replace the South African Press Association. 79% of ANA is owned by Sagarmatha Technologies and 21% by a vehicle of the Survé family trust. SIM owns 20.5% of Sagarmatha and the Survé family trust 79.5%.

- In October 2016, Independent Media withdrew its titles from the Press Council of South Africa and established its own internal ombudsman. South Africa has a proud system of media co-regulation where the public and the press are represented on the Press Council and during proceedings of the Press Ombudsman.
- On 12 November 2019, the PIC filed liquidation proceedings in the Western Cape High Court.
- In January 2021, Judge Kathy Satchwell released her report into media ethics for SANEF and criticised numerous examples of editorial interference at the hand of Survé that led to an exodus of senior editors and journalists from the group.
- On 27 January 2021, Dr Sydney Mufamadi testified at the Zondo Inquiry into state capture that ANA had received R20-million from the State Security Agency to write positively about the regime of former president Jacob Zuma.
- On the same day, ANA CEO Vasantha Angamuthu confirmed the transaction, saying ANA had a contract with the SSA in 2016/17 "to provide multimedia training for SSA analysts and interns across Africa, and to use its platforms, in particular the African Independent newspaper, to carry positive stories about South Africa and the South African government".
- Until it became a glossy magazine, African Independent was a newspaper in the Independent Media group. Its inaugural editor was Jovial Rantao. He was succeeded by Adrian Ephraim.

We have to state upfront that SANEF has never and will never attempt to interfere in the editorial freedom of media houses. We fully subscribe to and support the Constitutionally enshrined principles of freedom of expression.

What has prompted us to turn to you, as key shareholders of the Independent Media Group, is the revelations before the Zondo Inquiry that the State Security Agency planned to influence the public narrative of the Zuma government in a positive way by co-opting members of the media, including the ANA.

SANEF is deeply concerned by the revelations emanating from the Zondo Commission. We note that the allegation that ANA was subverted by the State Security Agency has been denied by Ms Angamuthu. However, the fact that ANA took significant funds from the State Security Agency (which is not a government communications agency) and that testimony at the Zondo commission indicates that the purpose of the funds was to influence the content of stories, gives rise to a reasonable suspicion that ANA may have engaged in chequebook journalism, which is the anthesis of ethical journalism.

The PIC is a state-owned enterprise that manages funds deposited by public sector clients. The type of clients that the PIC invests in, and how it uses its position as a shareholder in those clients, is accordingly a matter of public concern. SANEF is of the view that the PIC should not countenance the subversion of fundamental democratic principles, such as freedom and independence of the media, under its watch. On the contrary, the PIC should use its position as a shareholder to advance constitutional principles.

As SANEF, we request you to consider introducing mechanisms that will safeguard *bona fide* journalists and journalism in the group. We do not wish to prescribe to the PIC, but these are some of the suggestions the SANEF council came up with:

- Requiring a return to the Press Council of all Independent Media titles with immediate effect. This will restore a measure of trust by the public in the journalism produced by the group.
- Instigate a forensic investigation into the payments by the SSA to the group, through ANA and other titles, to establish the correct facts about what transpired and take the necessary remedial actions based on the outcome of the investigation.
- Ringfence the newsrooms of the Independent Media titles by introducing a "Chinese wall" between the management of Dr Survé and the editors of the titles. This could be in the shape of an independent editorial board, assisted by a public editor that does not report to Sekunjalo management.

Our second concern is the risk posed by the liquidation proceedings you have instituted against Sekunjalo Independent Media in 2019 to the livelihoods of hundreds of journalists who are employed by the group. Independent Media has a proud history of delivering some of the finest journalists the country has produced, and for delivering probing journalism to generations of English and isiZulu readers. It would be a tragedy if the group and its titles disappear from the shrinking media landscape because of poor management by the current proprietors.

If you so wish, the SANEF Management Committee is available for further discussions about any matters raised in our letter.

Kind regards

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Sibusiso Ngalwa

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