



**EVERYWHERE
FOR EVERYONE,
ALWAYS.**



CORPORATE PLAN
FY2024/25 to FY2026/27



"We have been
doing it from
generations to
generations."



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87
Years of
Broadcasting

**EVERYWHERE
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ALWAYS.**

FOREWORD BY THE CHAIRPERSON

In a world fractured by conflict, divided by powerful interest groups and disrupted by technology, the case for a capable, impartial and relevant public broadcaster has never been stronger. Yet, there has also never been a time when the SABC's struggle for its continued existence, in particular for its assured financial sustainability, has been as challenging. The financial constraints facing South Africa, now and in the immediate future, have forced the government to make some hard choices and sadly, it would appear that funding for the public broadcaster going forward is not assured. The perfect storm of a harsh economic climate, increasing resistance to paying license fees, an analogue switch-off and ever-increasing global competition for audiences, has set up an intense battle for the SABC's sustainability, and ultimately its survival.

But it is not all gloom and doom. Despite the odds, the SABC is still South Africa's leading media brand, with an audience reach across our country and into Africa that is unsurpassed by any other broadcaster on the continent. In terms of audiences, our radio stations are the biggest in South Africa and rank first and second in Africa itself.

Our resilient, talented people have weathered the storms of adverse publicity, budgets that have been cut to the bone and the volatility inherent in a rapidly changing world, to continue to connect South Africans to their heritage, their unique cultural traditions and to the external world. For their never-say-die spirit and unflagging commitment to the SABC and its role as a proud public broadcaster, we, the Board, place on record our deep, heartfelt appreciation.

It is at times like this that leadership courage, strength of conviction, character and fortitude are required. It is therefore with great pride that the Board welcomes to the helm of the SABC an experienced businessperson with strong commercial acumen, a wealth of experience in digital business and the media, and a deep passion for South Africa and its people. Nomsa Chabelli assumed the role of Group Chief Executive Officer, with effect from 1February 2024. The Board joins me in wishing her all the best and in expressing our confidence in her ability to lead the SABC through this next chapter in its long history.

Our Board has enjoyed a short tenure since its appointment in April 2023. However, we are proud of a number of short-term achievements that we believe will position the SABC well for future success. Leadership churn at the SABC has been stabilized, a new culture of integrity and ethical behavior has taken root, and a new strategy has catalyzed a clear focus about what needs to be done in the short, medium and long term to ensure success. This has been a collective effort and we would like to thank the whole SABC leadership team for their contribution to these achievements.

The reality is that there are no shortcut or 'silver bullet' to solve the SABC's challenges. Digital innovation and disruption continue to relentlessly drive efficiency through automation at both process and cognitive levels. They enable the establishment of new

media channels and platforms that engage audiences across an 'always on' approach to the consumption of information, sport, news and entertainment, using a range of different devices and screens. They stimulate creativity and innovative content creation amongst a new ecosystem of content creators, influencers and professional producers.

Embracing digital transformation, innovation and new emerging technologies is a clear and critical area of focus for the SABC. However, doing so also requires significant financial investment in these technologies 'ahead of the curve', and in upskilling and equipping our people to use them wisely and effectively.

The SABC Strategy and Corporate Plan address these and many more of the complex, multi-faceted issues that confront the SABC. As a Board, we offer our full support and commitment to the SABC to enable it to weather the current storms and to emerge as a renewed media powerhouse that delivers capably on its public interest mandate going forward.

Thank you to the SABC employees at all levels, who have not ceased to work hard for the organisation so as to achieve the SABC's public service mandate, despite the many challenges faced by organisation. With all of us working together, the SABC will continue to deliver on the shareholder mandate, even in the face of extreme market instability and revenue challenges.



Mr Khathutshelo Mike Ramukumba

Chairperson of the Board

29th February 2024



FOREWORD BY THE GROUP CHIEF EXECUTIVE OFFICER

'It was the best of times, it was the worst of times.'
- Charles Dickens

It is true that taking the helm at the SABC at this moment in its long history is a daunting task and not one for the faint hearted! However, it is a challenge that I relish and commit to with the full knowledge that I have the unwavering support of the SABC Board and the leadership team behind me.

It was fortuitous that I joined the SABC at the same time as the strategy and planning process was gaining traction. It meant that I have been able to immerse myself in the challenges and opportunities facing the SABC and to contribute to the thinking and decision making that underpins the content of our new, innovative Strategy and Corporate Plan. The SABC leadership team has demonstrated wisdom and strategic insight during this process and I will hold them collectively and individually accountable for achieving the outcomes and results that we have all agreed to deliver.

I am always mindful of the powerful saying that 'Organisations don't execute strategies - people in organisations do!' A renewed focus on our people is therefore crucial. In the short-term, the faith and trust of the SABC's people needs to be earned. Past interventions have impaired the SABC's ability to attract, develop, promote and retain talented people. This issue is of utmost importance and it will be addressed with urgency.

We cannot function effectively without our people believing in the SABC and its mandate and being empowered to deliver to their full potential. This will require us to strengthen our Human Resources capability and to invest in the talent management systems and processes that will support our people in delivering on what is required. We will ensure that our structure, competencies and culture are fit for purpose for tomorrow's digitally-transformed world and we will align, enlist and activate all of our people to act collectively to deliver what is required for success.

It is true that the SABC's financial sustainability is a vexing, complex legacy challenge. What makes us unique as a broadcaster in South Africa is that we have both a public and commercial mandate to fulfil. These two are not mutually exclusive. We believe that we are able to offer compelling public interest content across our platforms and we will strive, wherever possible, to gain the financial support of government and other interested parties to be able to do so.

We also believe that we are commercially competitive. We offer our commercial partners an unparalleled opportunity for marketing across our diverse, well-segmented platforms, channels and audiences with the creation of bespoke solutions tailored to their needs and requirements. We are backing up this conviction by strengthening our Sales, Marketing

and commercial teams, so that they are able to meet our customers' expectations and to drive strong revenue growth in the future.

On its own, this will not be enough to sustainably fund our short-term operating costs, however, or to enable us to invest in the future digital technologies that are mission critical to future success. The SABC urgently requires a new, innovative funding model that will deliver both short term capital for investment and ensure that we are able to budget, plan and invest with confidence. We need to be able to do so with the assurance that we operate in an enabling regulatory environment that contributes meaningfully to our ability to deliver on our mandate. We will work with ICASA and other regulators, as a matter of urgency, to inform a strong, fair and equitable enabling regulatory foundation.

This year marks an important milestone in the history of our country: the 30th anniversary of the dawn of our democracy. Together with the rest of our country, the SABC will celebrate this important historical event with a clear message that a democracy cannot ever be taken for granted, and that it needs to be cherished, celebrated and defended at all times. We cannot, and will not, forget the sacrifices made by so many that have enabled us to enjoy the fruits of our democracy. Their stories need to be told and their sacrifice honoured.

This is especially important this year, as South Africa citizens go to the polls in May for Election 2024. Once again, the SABC will be there, advocating the need to vote and for the voices of citizens to be heard in the democratic process. Our coverage will be wide and will include all parts of our country. And it will be impartial, as we reflect the views and opinions of all across all our languages.

All of these important events and initiatives require the SABC to have a clear growth strategy and a positive leadership mindset that enables us to leverage our strengths and advantages for success. Growth also requires that we partner meaningfully with others, not just in terms of content creation, but also in the area of technology enablement, signal distribution and leveraging our legacy content. We cannot do it all on our own with the limited resources at our disposal. A spirit of partnership is required as an ethos to underpin all that we do.

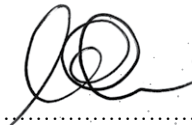
I am proud to be at the helm of the SABC, an iconic institution that plays a vital role in the lives of our people, in particular those who are not able to afford the subscription fee for OTT or streaming services. At the heart of our mission is to inform, educate and entertain by producing and delivering content that is compelling, positive, aspirational and impactful to the kaleidoscope of South African society from the cities to the most remote, far-flung places in our country and beyond. We recognize the power of the SABC in shaping perceptions, inspiring dreams and being a

catalyst for change. We are committed to using this power for the greater good of our society and we cannot fail in this most critical of endeavors.

As a public institution, the SABC does not exist in isolation, but has become an important and remarkable entity because of the valuable contribution of key stakeholders. I strongly believe in collaborative work geared towards ensuring the long-term existence of a resilient and financially sustainable SABC.

Much appreciation is due to our Board for its sterling leadership. A special thank you goes to the Minister of Communications and Digital Technologies, the Honourable, Mr Mondli Gugu bele, for his support and guidance. Thank you to all SABC employees at all levels, who have not ceased to work hard for the organisation in order to achieve the SABC's mandate despite the many challenges we face as an organisation.

With us all working together, the SABC will continue to deliver on the shareholder mandate, even in the face of increased competition, macro-economic and revenue challenges.



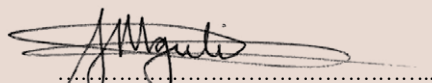
Ms Nomsa Chabeli
Group Chief Executive Officer
29th February 2024



OFFICIAL SIGN OFF

It is hereby certified that this Corporate Plan:

- Was developed by the management of the South African Broadcasting Corporation (SABC) under the guidance of the SABC Board.
- Considers all relevant policies, legislation and other mandates for which the SABC is responsible.
- Accurately reflects the outcomes and outputs that the SABC will endeavour to achieve over the period FY2024/25 to FY2026/27.



Mr Ziphzenkosi Mguli

Head: Corporate Strategy

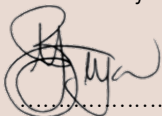
29th February 2024



Mr Lungile Binza

Acting Chief Operations Officer

29th February 2024



Ms Yolande Van Biljon

Chief Financial Officer

29th February 2024



Ms Nomsa Chabeli

Group Chief Executive Officer

29th February 2024



Mr Khathutshelo Mike Ramukumba

Chairperson of the Board

29th February 2024

GLOSSARY OF TERMS

AAVCS	Audio and Audio-Visual Content Services	ICT	Information Communications and Technology
AG	Auditor General	IDC	Industrial Development Corporation
AI	Artificial Intelligence	IFRS	International Financial Reporting Standards
ASO	Analogue Switch-off	IM	Information Memorandum
BAC	Bid Adjudication Committee	IMT	International Mobile Telecommunications
B-BBEE	Broad-Based Black Economic Empowerment	IP	Internet Protocol
BCCSA	Broadcasting Complaints Commission of South Africa	King IV	King IV Code of Corporate Governance for South Africa™
BCEA	Basic Conditions of Employment Act	MOI	Memorandum of Incorporation
BDM	Broadcast Digital Migration	MOU	Memorandum of Understanding
BEC	Bid Evaluation Committee	MTEF	Medium-Term Expenditure Framework
BRC	Broadcast Research Council	NDP	National Development Plan
CAPEX	Capital Investment	NIA	National Intelligence Agency
CFO	Chief Financial Officer	NPS	Nett Promoter Score
COO	Chief Operating Officer	OCR	Organisational Capital Readiness
COVID-19	Corona Virus	OTT	Over-the-Top
CPI	Consumer Price Index	PBS	Public Broadcasting Services
CSI	Corporate Social Investment	PCS	Public Commercial Service
CXM	Customer Experience Management	PFMA	Public Finance Management Act No. 1 of 1999
DAF	Delegation of Authority Framework	PMO	Programme Management Office
DCDT	Department of Communications and Digital Technologies	PR	Public Relations
DEL	Department of Employment and Labour	PRECCA	Prevention and Combating of Corrupt Activities Act
DOH	Department of Health	PWC	Price Waterhouse Coopers
DSTV	Digital Satellite Television	QSE	Qualifying Small Enterprise
DTH	Direct-to-Home	R&D	Research and Development
DTIC	Department of Trade, Industry and Competition	RAM	Radio Audience Measurement
DTT	Digital Terrestrial Television	ROI	Return on Investment
E&M	Entertainment and Media	SA	South Africa
EAP	Economically Active Population	SABC	South African Broadcasting Corporation (SBC) Limited
ECA	Electronic Communications Act	SABS	South African Bureau of Standards
EME	Exempted Micro Enterprise	SAPS	South African Police Service
ERM	Enterprise Risk Management	SARS	South African Revenue Services
ERMF	Enterprise Risk Management Framework	SCM	Supply Chain Management
ERMP	Enterprise Risk Management Policy	SME	Small and Medium Enterprises
EU	European Union	SMME	Small Medium Micro Enterprise
EXCO	Executive Management Committee	SONA	State of the Nation Address
FCC	Final Control Centre	Stats SA	Statistics South Africa
FM	Frequency Modulation	SSA	State Security Agency
FPB	Film and Publication Board	STB	Set Top Box
GCEO	Group Chief Executive Officer	SVOD	Subscription Video on Demand
GDP	Gross Domestic Product	TAMS	Television Audience Measurement Survey
GIA	Group Internal Audit	TOM	Target Operating Model
GRAP	Generally Recognised Accounting Practice	TR	Treasury Regulation
HCR	Human Capital Readiness	TV	Television
ICASA	Independent Communications Authority of South Africa	UGC	User-generated Content
		VE	Video Entertainment
		VOD	Video on Demand
		WSP	Workplace Skills Plan

OVERVIEW AND BACKGROUND

As South Africa's national public broadcaster, the SABC exists to bring South African citizens a broader understanding and appreciation of themselves, in the context of both South Africa and the world. Through its expansive and varied programming, the SABC unrelentingly endeavours to always reflect South African attitudes, opinions, ideas, values and artistic creativity and talent. It offers a plurality of views and a variety of news, information and analysis from a South African point of view, whilst at the same time advancing the national and public interest. Our citizens and residents turn to the SABC to help them connect to the broader South African experience, on the platform and in the language of their choice.

SABC content is available through a variety of platforms and services. The SABC strives to keep expanding its services to all through various advancements in technology. This ensures compliance with the universal service mandate of the SABC. To fulfil this extensive mandate, especially given the SABC's current funding model, is a considerable challenge. Increased competition for viewers and listeners has resulted in intense financial pressure on the broadcaster's business model.

Concerns about media concentration and the need to enhance diversity of editorial content are becoming increasingly important. Equally important is the ever-growing phenomenon of 'fake news'. In this context, it is critical for the Corporation to be seen as a credible source of a wide range of voices and perspectives in South Africa.

Over the period that this Corporate Plan is in effect, the SABC will continue in its efforts to re-shape itself to respond to these challenges. The Corporation seeks to fundamentally transform its programming, operations and management, in an effort to fulfil its mission and realise its vision.

1. THE SABC STRATEGIC INTENT

The SABC's **Strategic Intent** describes our over-arching reason for existence (**Purpose**) as well as our high level aspiration for long term success (**Vision**).

It clarifies what makes the SABC different from other broadcast media sector participants, including the nature of the value it intends to deliver (**Value Proposition**) as well as the broad parameters of how its long term aspiration will be achieved (**Mission & Values**).

Our **Strategic Pillars** describe the foundations that we need to put in place to execute successfully on our Strategy. The following illustration sets out an integrated view of the SABC's Strategic Intent.

1.1. Our Purpose – Why We Exist

To maintain, enhance & preserve our unique South African identity through universal access to credible programming and content that reflects our diversity and unity as a nation and the equality of our people.

(Purpose is derived from Chapter 1 - Fundamental Principles & Interpretations. Broadcasting Act, 1999, Act No. 4 of 1999)

1.2. Our Mission – How We Will Deliver On Our Mandate

'Inspiring, empowering content delivered across compelling platforms & devices.'

A digitally enabled, commercially viable public broadcaster that delivers engaging, relevant content across a range of platforms and devices throughout South Africa and beyond.

1.3. Our Vision – The Difference We Make In The World

Inspiring minds, empowering lives!

A trusted, credible and revered public broadcaster, inspiring minds and empowering lives!

1.4. Our Strategic Value Proposition

Unparalleled access and reach!

We are South Africa's no1, most trusted media brand with **access** to the largest media audiences in South Africa.

Through our unparalleled **reach**, we inform, educate, and entertain our audiences in their official language of choice, on their platform of choice, and afford our customers the same means to communicate and engage with South Africa.

Our **unique value** is strengthened through the way we successfully align and deliver our combined commercial and public interest mandates.

- We **engage** and **connect** with our diverse audiences in ways that generate unique insights into who they are, their hopes and dreams as well as their lived experience.
- We therefore understand the evolving needs, requirements and preferences of our diverse **Audiences** and **Customers**
- We are **credible** in what we say, what we do and in how we conduct business
- We are **Audience-centric**, focussed on delivering public value in creative, entertaining and engaging ways
- We evolve our **platforms** in line with our **Audience** expectations and preferences.
- We develop unique promotional solutions for our **Customers**, cutting across our platforms, channels and programming
- We are committed to the success of the **creative communities** who craft and develop our compelling, unique content.

1.5. Our Values / Guiding Principles

TRUST: To always demonstrate honesty, impartiality and consistent reliability in our interactions in and outside the SABC.

RESPECT: To respect the public mandate to which we have been entrusted and conduct ourselves respectfully in all our engagements internally and externally.

INTEGRITY: To act ethically and in the interest of the SABC and its audiences in all the decisions we make.

QUALITY: To aspire to and provide the highest standard of quality in the work we produce and experiences we exchange.

"We stay
connected
by isintu that
brings us closer
to our roots."



PART A: OUR MANDATE

2. SABC MANDATE

The South African Broadcast Corporation was established in 1936 by an Act of Parliament. This followed the government's acquisition of the privately-owned African Broadcasting Company, originally established in 1927. After the advent of democracy in 1994, the SABC was restructured with the transfer of SENTECH, its signal distribution arm into an independent SOC and a subsequent realignment of its programming to reflect the aspirations of the new democratic order.

The South African Broadcasting Corporation (SOC) Limited (SABC) is a Schedule 2 (major public entity) entity in terms of the Public Finance Management Act No. 1 of 1999 (PFMA), as amended. The Corporation is subject to a list of legislation regarding its operations and the Broadcasting Act No 4 of 1999 (the Act) is the SABC's founding statute. In terms of the Act, the SABC's obligations are captured in the Regulations provided by the Independent Communications Authority of South Africa (ICASA) and the license conditions for the Corporation's five television channels and 18 radio stations.

The business of the SABC is further defined by the Act in terms of two distinct services, the Public Broadcasting Services (PBS) and the Public Commercial Services (PCS). Each radio station and television channel is licensed independently by ICASA and each is required to adhere to its respective licence conditions and the provisions of the Act.

2.1. Public And Commercial Broadcasting Mandate

The mandate of the SABC, as a public broadcaster, is embedded in a range of statutes, regulations, policies, codes of conduct and licence conditions. The SABC's statutory framework includes:

- Constitution of the Republic of South Africa No. 108 of 1996, as amended.
- Broadcasting Act No. 4 of 1999, as amended.
- Independent Communications Authority of South Africa Act No. 13 of 2000, as amended.
- Electronic Communications Act No. 36 of 2005, as amended.
- Companies Act No. 71 of 2008, as amended.

In executing its mandate, the SABC is also guided by:

- The Public Finance Management Act (PFMA), No 1 of 1999, as amended.
- Companies Act No. 71 of 2008, as amended..
- The King IV Code of Corporate Governance for South Africa™ (King IV).
- South African National Treasury Regulations. And
- The SABC's Delegation of Authority Framework (DAF).

In addition to the legislative and regulatory requirements, the SABC Board is charged with control and direction of the affairs of the Corporation, as defined by the company's Memorandum of Incorporation (MOI), as amended from time to time, and codified in the shareholder compact, incorporating a materiality framework. This ensures that the Corporation complies with the statutory and public policy prescripts.

The SABC Charter

The Broadcasting Act prescribes the following objectives for the SABC:

- to make its services available throughout the Republic;
- to provide sound and television broadcasting services, whether by analogue or digital means, and to provide sound and television programmes of information, education and entertainment funded by advertisements, subscription, sponsorship, licence fees or any other means of finance;
- to acquire from time to time a licence or licences for such period and subject to such regulations, provisions and licence conditions as may be prescribed by the Authority;
- to provide, in its public broadcasting services, radio and television programming that informs, educates and entertains;
- to be responsive to audience needs and account on how to meet those needs;
- to provide other services, whether or not broadcasting or programme supply services, such services being ancillary services;
- to provide television and radio programmes and any other material to be transmitted or distributed by the common carrier for free to air reception by the public subject to section 33 of this Act;
- to provide to other bodies by such means and methods as may be convenient, services, programmes and materials to be transmitted or distributed by such bodies and to receive from such other bodies services, programmes and materials to be transmitted by stations of the Corporation for reception as above;
- to commission, compile, prepare, edit, make, print, publish, issue, circulate and distribute, with or without charge, such books, magazines, periodicals, journals, printed matter, records, cassettes, compact disks, video tapes, audio-visual and interactive material, whether analogue or digital and whether on media now known or hereafter invented, as may be conducive to any of the objects of the Corporation;
- to establish and maintain libraries and archives containing materials relevant to the objects of the Corporation and to make available to the public such libraries and archives with or without charge;
- to organise, present, produce, provide or subsidise concerts, shows, variety performances, revues, musical and other productions and performances and other entertainment whether live or recorded in connection with the broadcasting and programme supply services of the Corporation or for any purpose incidental thereto;
- to collect news and information in any part of the world and in any manner that may be thought fit and to establish and subscribe to news agencies;
- to carry out research and development work in relation to any technology relevant to the objects of the Corporation and to acquire by operation of law, registration, purchase, assignment, licence or otherwise copyright and designs, trademarks, trade names and any other intellectual, industrial and commercial property rights;
- to nurture South African talent and train people in production skills and carry out research and development for the benefit of audiences;
- to develop, produce, manufacture, purchase, acquire, use, display, sell, rent or dispose of sound recordings and films and materials and apparatus for use in connection with such sound recordings and films;
- to develop and extend the services of the Corporation beyond the borders of South Africa.

5 TV
Channels and
18 Radio
stations

EVERYWHERE
FOR EVERYONE,
ALWAYS.

2.2. Legislative and Policy Mandates

The SABC is involved in various policy and regulatory processes that are intended to culminate in new legislation that will have implications for the SABC's revenue generation and business operations. Below are the related pieces of legislation and policies currently under review.

Legislation / Regulation	Commentary
Audio and Audio-visual Content Services (AAVCS) - Draft White Paper	The 1998 Broadcasting Policy has been under review for some time. The review process has, however, been delayed. The SABC and other broadcasters have been involved in the shaping of the AAVCS Draft White Paper, which the DCDT published for public comment. The Draft White Paper addresses policy imperatives applicable to the current broadcasting environment and the disruptors in the digital and online spheres. In February 2021, the SABC made a comprehensive submission in response to the content of the Draft White Paper and further made an oral submission at the hearings held by the DCDT in June 2021. However, the process was put on hold and restarted in 2023. The SABC under the guidance of the new board made another submission on the Draft White Paper on 9 October 2023 and is awaiting for a directive from the DCDT on the next steps.
SABC Bill	<p>Parallel to the AAVCS Draft White Paper, the DCDT initiated a process to repeal the Broadcasting Act of 1999 by publishing the SABC Bill on 16 July 2021. The SABC made a submission to the bill and participated in the hearings, however the process was also put on hold. The bill process was restarted in 2023 and the SABC made its submission on 16 January 2024.</p> <p>Amongst others the SABC has made the following key submissions in response to the Bill:</p> <ul style="list-style-type: none"> • Revised key definitions. • Governance framework guided by court judgements. • Provision for the editorial independence of the Corporation. • Establishment of a new prescribed public media levy, and the setting out of the determination, enforcement and collection thereof. • The collection of the levy by SARS, dominant subscription broadcaster and the SABC • The development of a funding models for the SABC within 18 months • Retention of of the provision for separate public and public commercial divisions to bolster commercial activities of the SABC and fund the unfunded mandate. • Alignment of the SABC Act with the amendments to the Electronic Communications Act, 2005. <p>The next step is for the SABC to present its submission to the PCPT.</p>
ICASA Discussion Document on the Market Inquiry into Signal Distribution Services	<p>ICASA published the Discussion Document on the Market Inquiry into Signal Distribution Services in South Africa on 22 April 2022, for public comment. The SABC submitted its written representation to ICASA on 28 June 2022.</p> <p>Thereafter, ICASA convened public hearings on 26 and 29 August 2022 and the SABC made oral representations on 29 August 2022.</p> <p>The SABC's presentation focused on the anti-competitive behaviour of Sentech and its monopoly in the signal distribution market, lack of transparency on signal distribution tariffs and the need for the regulator to impose pro-competitive conditions on Sentech as provided for by the Electronic Communications Act.</p> <p>The next step is for ICASA to publish a Findings Document and /or Draft Regulations, to which the SABC will advance further submissions.</p>
ICASA licencing process for International Mobile Telecommunications (IMT)	<p>On 1 November 2019, ICASA published a notice inviting comments regarding the licencing process for International Mobile Telecommunications (IMT) spectrum in respect of the provisioning of mobile broadband wireless open access services for urban and rural areas using the complimentary bands IMT 700, IMT 800, IMT 2300, IMT 2600 and IMT 3500 ("the memorandum"). The SABC has been operating its analogue and digital television services in the band 694 - 854MHz among other Very High Frequency (VHF) and Ultra High Frequency (UHF) bands. ICASA allowed new licensees to occupy some of the SABC frequencies prior the finalisation of the digital migration process and / or the Broadcast Digital Migration (BDM) process.</p> <p>The SABC has made a series of submissions in relation to the IMT</p> <p>Licensing process. To date, ICASA has licensed telecommunications operators in these bands and has operationalised them. This has resulted in harmful interference to SABC signals. In November 2022, the SABC sent a letter to the ICASA Chairperson, with copy to the DCDT, regarding the harmful interference from IMT operations. The DCDT and all broadcasters have up to 31st December 2024 to finalise the BDM process and to terminate all analogue TV transmissions. This will enable all IMT license holders to operationalise their licenses throughout the country.</p>
Must Carry Amendment Regulations	On 31 March 2022, ICASA published the Must Carry Amendment Regulations ("the Amendment Regulations") for implementation. In the main, the Amendment Regulations are now aligned to section 60(3) of the Electronic Communications Act, which empowers public broadcasting services and subscription broadcasting services to negotiate carriage fees for the Must Carry arrangement, without interference from ICASA. However, the regulations fall short of clarifying the consequences in the event the ICASA's CCC process fails. ICASA in terms of the regulations can only make a determination of the reasonableness or otherwise of the parties negotiating and cannot interference in the commercial dealings of the parties.
Review of Sports Broadcasting Services Regulations	<p>In 2018, ICASA began the process to review its Sports Broadcasting Services Regulations of 2010. The review process came as a result of an outcry from various interested stakeholders, including the SABC. To this end, the SABC participated in the public consultation processes until the Sports Broadcasting Services Amendment Regulations were gazetted on 31 March 2021 (the Amendment Regulations).</p> <p>During the public consultation process, the SABC pleaded with ICASA to develop a fair and transparent regulatory framework which ensures accessibility of sports rights by free-to-air broadcasting services, for the benefit of the public. However, when ICASA issued the Amendment Regulations on 26 March 2021, they were still unfavourable to the SABC, in that they did not make the rights to national sporting events accessible to free-to-air broadcasters. Consequently, the SABC had to lodge a complaint with the Competition Commission with respect to anti-competitive behaviour of SuperSport. The matter is still under consideration by the Competition Commission.</p>
Ban on Alcohol Advertising	The Department of Trade and Industry and Competition (DTIC) has published the Draft National Liquor Policy and the National Liquor Amendment Bill, which propose advertising restrictions on both TV and Radio between 6am and 10pm and the removal of content that glamorises liquor on the broadcasting platform. The legislation development process is underway and thereafter the DTI will issue regulations for public comment. The SABC will participate in the regulation development process. The SABC stands to lose over R800m should the advertising restrictions be implemented.
Unhealthy Foods advertising regulations	The Department of Health (DoH) has published the Unhealthy Foods Advertising Draft Regulations. The regulations prohibit advertising of unhealthy foods on TV or Radio from 6am to 9pm. The SABC has submitted its written representation to DoH. The matter is still under consideration by the DoH.

Legislation / Regulation	Commentary
Subscription broadcasting services regulations	In 2017, ICASA initiated a process to review the current subscription broadcasting services market and regulatory framework to assess the state of competition in the sector. The SABC has made submissions with respect to other regulations that create unfair competition in the television market and has suggested that sector-specific regulations in the area of subscription broadcasting services should be developed, with a view to safeguarding the sustainability and viability of public broadcasting services or free-to-air services. The SABC further made submissions on ICASA's Draft Findings Document on the Inquiry into Subscription Television Broadcasting Services and participated in the subsequent public hearings held in January 2021. However, on 9 May 2022, ICASA published its intention to consult further on this inquiry. The SABC looks forward to further engagements with ICASA on this inquiry when public consultations resume.
Digital Terrestrial Television – Broadcasting Digital Migration	The regulations on digital terrestrial television (DTT) advocate the “use it or lose it” principle in respect of spectrum, which implies that unused radio frequencies will be forfeited. Furthermore, the prescribed allocation split of direct to home (DTH) at 16% and DTT at 84% deprives the SABC of the ability to optimise DTH transmission benefits. The SABC continues to engage ICASA and DCCT on the negative implications of these regulations. The SABC has provided input to the AAVCS Draft White Paper in this regard, by advocating for the principle of platform neutrality in the policy and regulation, and is looking forward to finalisation of the policy on this matter. Further engagements with the DCCT and ICASA will continue.
Radio Frequency Assignments	The SABC has been in talks with ICASA to resolve challenges regarding the SABC radio frequency assignments and related to coverage spillages into neighbouring countries. The SABC will continue to engage ICASA as this matter affects the Corporation's universal service mandate.
Review of Advertising Sponsorships and Infomercials Regulations	ICASA published a Discussion Document on the Review of the Advertising Sponsorships and Infomercials Regulations on 26 March 2020. The SABC responded to the Discussion Document, arguing for a review of the regulations for various reasons, such as digitalisation in the audio-visual industry, which saw new revenue streams and a gradual shift in advertising from traditional to digital media, and the advent of OTTs and new players in the market that were not in existence at the time when the current regulations were introduced. The SABC further submitted that the review of the regulations should ensure regulatory parity amongst players in the industry. Of significance is the review of section 60 (4) of the ECA, which provides for advertising restrictions on pay television. The SABC revenue generation opportunities may be compromised if the SABC does not participate in the review process. To this end, the SABC participated in the public hearings on 11 July 2022. ICASA issued the final regulations on 29 June 2023. The regulations did not deal with most of the proposed provisions as ICASA maintained that there was legislation limitation in terms of the scope of the inquiry. It is worth noting that the White Paper Policy on AAVCS has directed that in the future following legislation review, ICASA should hold inquiry on advertising regarding subscription broadcasting.
ICASA Elections Draft Regulations	In preparation for the 2024 National Elections, ICASA will develop draft regulations for public comment. Section 57(3) of the Electronic Communications Act enjoins ICASA to consult the SABC about existing concerns regarding programming and financial challenges that may be incurred, as a result of the Elections Regulations. The SABC has made its submission to ICASA and subsequently participated in the hearings on the draft regulations for 2024 elections. ICASA has committed to issue the final regulations before end of March 2024.
FPB Online Content Regulation/ Policy	The Films and Publications Amendment Act of 2019 (FPAA) came into operation in March 2022. In September 2022, the FPB published the FPB Online Content Regulations (Regulations) for implementation. Prior these publications, the SABC participated in the public consultation processes to advance the interests of the Corporation. In terms of the FPAA and the Regulations, all online content must be pre-classified in line with the FPAA Regulations or be subjected to a self-regulatory system finalised by the FPB. However, other online content services, including broadcasters, are exempted from the pre-classification obligation. The SABC, together with the National Association of Broadcasters, are engaging the FPB to clarify the scope of the legislative exemption for broadcasters. The SABC stands to incur compliance costs, in the form of registration costs (R700k) and the incalculable classification costs, if this matter is not addressed.
Copyright Amendment Bill	On 10 August 2015, the Department of Trade, Industry and Competition (DTIC) published the Copyright Amendment Bill for public comment. Parliament had approved the Bill for approval by the President, but he returned it to Parliament for review, mainly because of reservations about its constitutionality. The DTIC has reworked the Copyright Amendment Bill and Performers' Protection Amendment Bill, and the process is currently under review by the National Council of Provinces. Interested parties were required to make comments on these Bills by 27 January 2023. In the main, the Bills seek to promote intellectual property rights of South African citizens, introduce the obligation to pay repeat fees, and prescribe the obligation to pay royalties for digital usage of intellectual property along with the introduction of draconian penalties.
ICASA digital licensing framework	The SABC has recommended that the current, analogue-based, licensing model should be amended. The SABC can deliver its services much more effectively if the licensing model is aligned to the digital, multichannel environment. ICASA will soon embark on the inquiry into the DTT broadcasting licensing framework and the SABC will engage ICASA during the inquiry process.

2.3. Basic Conditions Of Employment Act No.75 Of 1995

On 11 December 2019, the Department of Employment and Labour (DEL) published a notice of its intention to amend the Basic Conditions of Employment Act (BCEA), with a view to deem persons in the film and TV industry as employees for the purposes of some parts of the BCEA and Labour Relations Act. The net effect of the amendment may push up the cost per minute rate charged by content providers. The DEL is considering alternative measures of protecting the interests of artists within the TV and Film industry, as proposed by production houses and organisations..

2.4. Code For Persons With Disabilities

ICASA began the review of the Code for Persons with Disabilities in 2018. The Draft Code sought to ensure universal access of broadcasting services for people with a disability. The Draft Code prescribed minimum requirements or quotas for subtitling, audio captioning, audio description and closed captioning. These increase incrementally over a period of three years, for each tier of broadcasting. The penalty for contravention is a fine not exceeding R5m or 10% of the licensee's annual turnover for every day of contravention. The SABC submitted its written representation to ICASA in January 2018. In 2019, ICASA conducted workshops on the matter and later requested the SABC to submit information regarding the cost of audience assistance services. ICASA published the revised Draft Code in June 2020 and the SABC submitted its written representation on 14 August 2020. Thereafter, ICASA published the amended Code on 9 April 2021 for implementation. The Code became effective 18 months after the date of publication (i.e. 9 October 2022).

3.RELEVANT COURT RULINGS

No court rulings that affect the SABC mandate have been issued during the 2023/24 financial year.

"Our nation
is our home.
Built by
our heritage."



PART B: OUR STRATEGIC FOCUS

4. SITUATIONAL ANALYSIS

4.1. External

The year 2023 continued to be a difficult one for most South Africans. There has been on-going loadshedding, the repo rate was increased to 8.25% in May and the prime interest rate was raised to 11.75%. The fuel cost was unprecedentedly high, reaching over close to R25 per litre by September 2023, inflation was still running high at 5.5% in December 2023, and all in all, by the end of the year South African's were feeling the pinch.

It is unlikely that the situation is going to improve much during 2024. Global economic growth is expected to provide some support to the SA economy, with the Monetary Policy Committee (MPC) highlighting the likelihood of only a mild slowdown in global growth in 2024, to 2.6% y/y (versus 2.9% y/y in 2023) - so not a recession - and lifting to 3.0% y/y in 2025. South Africa's economic growth outlook for 2024, at 1.2% and 1.3% is stronger than 2023's annual growth of 0.6%¹ but still. While the unemployment rate has reduced slightly, it is still very high, standing officially at 31.9% in the third quarter of 2023, slightly up from the 32.9% in 2022.², although the youth unemployment rate is still very high is over 43.4%.³

The economic challenges have all combined to create extremely tough trading conditions characterised by shrinking advertising spend, not just for the SABC, but for the media industry in South Africa as a whole.

In order to continue operating effectively in these difficult circumstances, the SABC is going to have to be innovative and imaginative in how its operations are run, while still prioritising content that adheres to policy and legislation and still being accessible, educational, inclusive and entertaining. Retaining and employing knowledgeable staff should allow the SABC to compete more aggressively from a content perspective and to operate at an optimal level.

Managing the revenue-expenditure spread better will insulate the SABC against any income that may be lost. Accelerating the growth of its digital products and tailoring content to prevailing market demands should make the pursuit of clients more successful. Proactive and adaptive responses to the ever-changing environment will help the Corporation to survive. The SABC needs to have suitable plans to navigate impending economic and market challenges, while taking full advantage of all emerging opportunities, and learning and adjusting to the current precarious economic situation.

¹ Statement of the Monetary Policy Committee. 25 January, 2025

² <https://www.statssa.gov.za/publications/P0211/Presentation%20QLFS%20Q3%20Q3%202022.pdf>

³ ibid

⁴ <https://www.bizcommunity.com/Article/196/810/236954.html>

Salient shifts that may influence the implementation of the SABC's Strategic Plan are discussed in the sections on the external and internal environment below.

Ongoing Loadshedding - Loadshedding has had a severe impact on the creative industry, particularly the audio-visual sector, which relies on constant and uninterrupted power supply for content production and delivery to broadcasters. Delay in completing productions, resulting in decline in viewership and subsequently advertising spend, is a big blow to broadcasters and content producers alike.

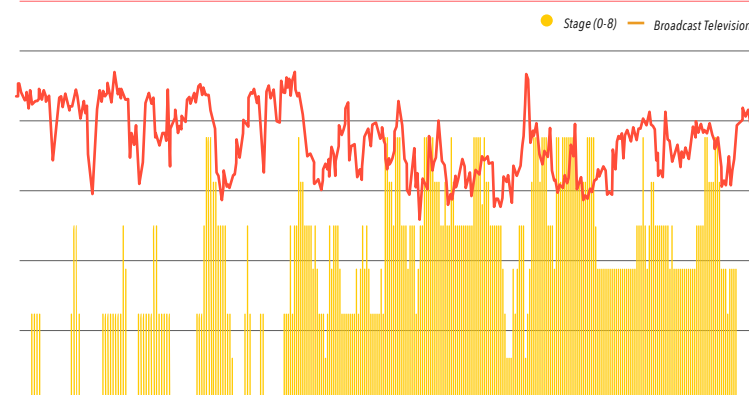
Coined 'the end of prime time' by Leslie Adams, loadshedding is 'wiping out television's Prime Time, as we know it. While it may come as a surprise to no one, the SABC's annual performance plan shows a direct link between increasing power outages and the decrease in the amount of time viewers spend watching TV.⁴

Because of on-going loadshedding, viewers have shifted to video-on-demand as they continue to follow their favourite shows. This shift, which was first witnessed during Covid-19, has also meant that broadcasters have to follow the audiences with new value propositions with over the top offerings, anywhere where the audiences are and always.

Loadshedding is harsher on small and medium enterprises and individual content producers who do not have the luxury of uninterrupted power supply and inverters. Failure to deliver content on time can be devastating not only to them but also to broadcasters who are not able to deliver favourite programs to audiences, resulting in repeat shows.

The graph below depicts a correlation between loadshedding and television audience viewership.

GRAPH 1: Loadshedding And Audience viewership



Sources: BRC Loadshedding Dashboard / TAMS

UKHOZI FM
takes the lead with
7596 000
listeners

**EVERYWHERE
FOR EVERYONE,
ALWAYS.**

4.1.1. Demographic Factors

The South African population grew to 62.02 million people (48.5% male, 51.5% female), as per the Census 2022, up from 60.6 million people, which is an increase of 19.8% from 2011 to 2022. Black population constitutes 81.4% at 59.5 million, followed by 8.1% Coloured people at 5.4 million. Whites constitute 7.3% of the population at 4.5 million, whilst are 1.7 million at 2.7% of the population. Noteworthy is young people below 35 years of age who constitute 61.2% of South Africa's population. Life expectancy is estimated to be 64.9 years.

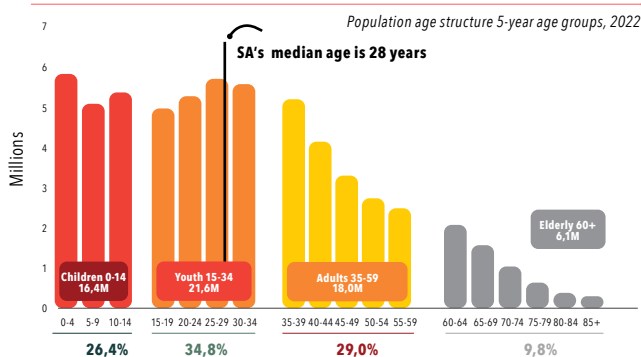
Census 2022 also presents interest for the SABC, particularly on the number of households and internet connectivity. There are 17.8 million households, averaging 5 persons per household, of which only 21.1% have no access to the internet, whereas 60.5% use mobile phones or other mobile devices for connectivity. This is an important factor for the SABC, particularly on their campaign message – Everywhere for Everyone. Always – as this suggests that the audience consumes content on the move.

Census 2022 shows that Black Africans have the highest proportion of the population among those aged 0-34 years, while the white population group has the lowest in the same ages. The white population shows the highest proportion of older persons (50-85+) among all the population groups. The Indian/Asian population group had the highest proportion of persons aged between 35 and 44 years.

The three largest language groups in the country remain isiZulu at 24.4% of the population, followed by isiXhosa at 16.3% and Afrikaans at 10.6%. (languages spoken most often in the household). Those in the age group 0-4 (9.4%), 25-29 (9.2%) and 30-34 years (9%) had the highest proportions nationally, while those in the age groups 80-84 and 85+ were the lowest.

SABC programming and value offering must take note of the population age structure to ensure that it offers content that talks to the specific age groupings, as per the following graph:

GRAPH 2: SA's Age Distribution



Distribution Of The Population And Percentage Change By Province, Census 1996-2022

TABLE 1: Age Distribution by Province

Province	1996	2001	% Change (1996-2001)	2011	% Change (2001-2011)	2022	% Change (2001-2011)
Western Cape	3 956 875	4 524 335	14,3	5 822 734	28,7	7 433 019	27,7
Eastern Cape	6 147 244	6 278 651	2,1	6 562 053	4,5	7 230 204	10,2
Northern Cape	1 011 864	991 876	-2,0	1 145 861	15,5	1 355 946	18,3
Free State	2 633 504	2 706 775	2,8	2 745 590	1,4	2 964 412	8,0
KwaZulu-Natal	8 572 302	9 584 129	11,8	10 267 300	7,1	12 423 907	21,0
North West	2 726 828	2 982 064	9,4	3 509 953	17,7	3 804 548	8,4
Gauteng	7 834 620	9 390 528	19,9	12 272 263	30,7	15 099 422	23,0
Mpumalanga	3 124 203	3 365 957	7,7	4 039 939	20,0	5 143 324	27,3
Limpopo	4 576 133	4 995 462	9,2	5 404 868	8,2	6 572 721	21,6
South Africa	40 583 573	44 819 778	10,4	51 770 560	15,5	62 027 503	19,8

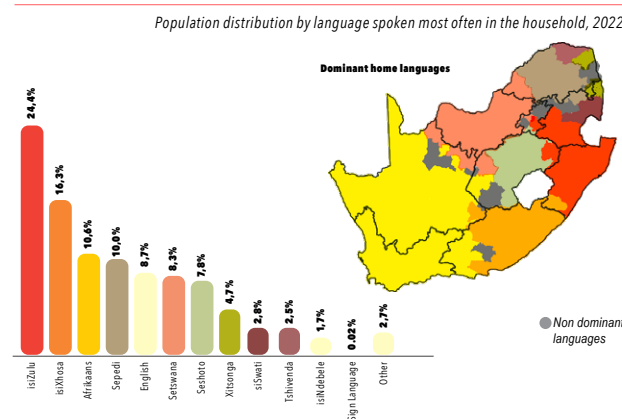
Nationally, the results showed the largest percentage change occurred between 2011 and 2022 at 19.8%. There was a 10.4% percentage change between 1996 and 2001 and 15.5% between 2001 and 2022. Except for Northern Cape (-2.0%) which recorded a negative change between 1996 and 2001, all other provinces recorded positive change over the years. The Western Cape (27.7%), Mpumalanga (27.3%) and Gauteng (23.0%) provinces recorded the highest percentage changes, while the Free State (8.0%) and North West (8.4%) recorded the lowest change between 2011 and 2022.

As regional population balances can change due to in-country migration, as well as immigration, SABC strategy needs to target markets at the regional level, taking cognizance of differences in language, culture, outlook and aspirations in different areas, and how this change.

4.1.2. Languages

The mandate of the SABC as a public broadcaster, and broadcaster of news, is to broadcast its programmes in all South African languages for

Graph 3: Population Distribution By Language

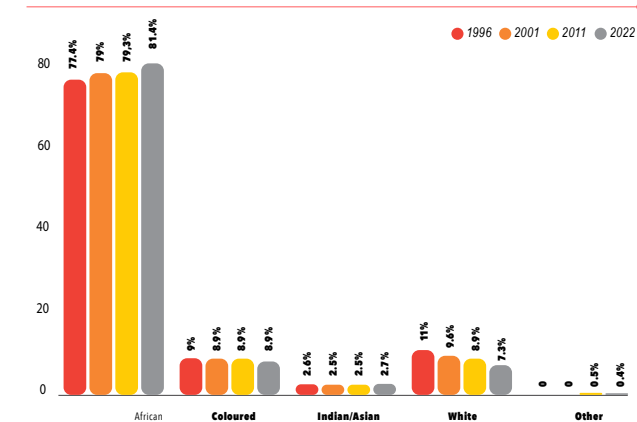


diversity and universal access. The SABC's own Editorial Policy clause 6.13.5.1 states that: "The SABC provides television news content in all official languages". S6(2) of the Constitution makes obligations for the elevation and advancement of indigenous languages.

Results information presented above shows that isiZulu remained the most spoken language in the country, constituting almost a quarter (24.4%), followed by isiXhosa (16.3%) and Afrikaans (10.6%). The findings showed a downward trend in persons who speak Afrikaans (from 14.5% in 1996 to 10.6% in 2022), followed by isiXhosa speakers.

The proportion of persons who speak English, Xitsonga and Tshivenda, remained relatively stable. The results further showed that less than 1% of the population communicated using sign language in both Censuses 2011 and 2022. Sign language was promulgated as South Africa's 12th official language in July 2023. As such, it is recognised by law as one of the official languages.

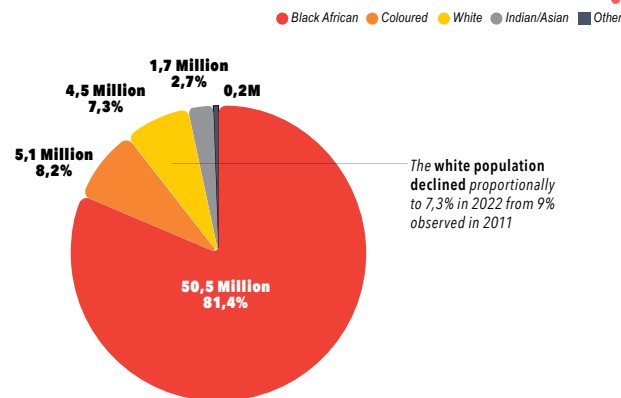
Graph 4: Percentage Distribution By Population Group



The previous graph shows that black Africans remained the highest population group, increasing from 77% recorded in 1996 to 81.4% in 2022. On the other hand, the white population group declined from 11% in 1996 to 7.3% in 2022, whilst the Indian/Asian population is stable across the four censuses, and the coloured population constituting 8.2% of the population in 2022.

This is further articulated below, showing black Africans constituting the largest population, followed by coloureds at 8.2%. Again, the SABC content and programming strategy cannot be devoid of this reality.

GRAPH 5: Population Groups



Language proficiency, particularly by the new cohort of editorial staff poses serious challenges as most of them are not proficient in African languages. This has been a major point of disconnect with the communities, the majority of which are reliant on SABC News as a source of news in their own languages.

Unless the SABC attends to this crisis urgently to mitigate the risk, the capacity to provide content in all languages is limited. This, of course, will largely depend on budgetary consideration for recruitment of multilingual staff and training of the current staff. The challenge for the 24-hour news channel in African languages will be the ability to attract and recruit staff who are proficient in these languages.

Should the SABC fail to pay attention to this risk, the competition has realised the commercial viability of languages and will take the advantage. Soon after SABC News announced its intention to establish a multilingual 24-hour news channel, Primedia and Newzroom Afrika followed this strategy by announcing their own intention to launch similar platforms. The latter has been recruiting most of the editorial staff from the SABC News's isiZulu and isiXhosa desk, thus crippling one of the

critical desks with the largest audience. There is a risk of alienating the 14 million currently watching SABC News bulletins and current affairs shows on FTA analogue platforms in African languages.

With sign language having been declared the 12-language, SABC News is expected to provide and cater for this language as a matter of urgency. SABC News should and must retain and defend its position as the market leader given its mandate, size and criticality of its role. But it is at the risk of losing this position unless there is urgent attention and focus paid to:

- Critical skills shortage
- Maintaining and upgrading its facilities
- Recruitment and retention of best talent
- Financial sustainability
- Continental expansion
- Successful digital migration
- Digital audio-visual strategy
- Defence of its editorial independence

4.1.3. Technology And Digitisation

The progress of inevitable digitisation in a time of data management and protection priorities for public sector institutions, organisations and citizens has created a demand for a more dynamic view of technological services to overcome growing challenges. In general, technological advancement can be geared to product innovation and superior customer experiences. To this end, traditional media, entertainment and advertising services demand a more advanced view of methods to stimulate buy by reaching pertinent clients and end-of-line consumers with better products.

The SABC is in prime position to catch up to current South African market developments with digital migration while improving its data management endeavours through digitised repositories and more relevant client needs assessments. Offering new products under the Adventure banner suggests a deliberate effort to defend classic revenue and adapt to newer revenue streams.

Broadcasting is about technology and very costly technical resources, without which the Corporation does not have a business. The SABC's financial crisis poses serious risk to its ability to provide quality broadcasts. Unfortunately, the ability to provide these depends heavily on capex budget. Failure to upgrade or introduce new technology means that the SABC could lose its competitive edge and ability to provide quality news and other programming and interact with its audiences effectively.

4.1.4. From Analogue To Digital Broadcasting

Completing analogue switch-off is now set for 31 December 2024. Thus far, the analogue switch-off (ASO) in some parts of the country has had a devastating effect on the SABC platforms, with a massive loss of audience. With millions of TV households getting cut off from analogue to digital terrestrial television, the audience drop also had, and will have, a negative effect on revenue generation. The ASO will also influence the service's capacity and ability to generate revenue, grow audiences and sustain itself, as viewers will not be able to continue viewing their favourite channels on FTA analogue platforms.

In September 2023 it was mentioned in the press that over a million STBs are still sitting uninstalled in at warehouses, costing government R56 million per year. In an effort to accelerate installation of set-top boxes (STBs), Cabinet has approved that decoder installers be appointed at local municipality level. The challenge related to the availability of set-top boxes could prove to be a serious impediment to reclaiming this lost audience.⁵ The competition, eMedia, is aggressively targeting this audience to subscribe to their cost-efficient decoders that offer alternative programming.

4.1.5. Connectivity

From an advertising perspective, it is the Internet advertising segment which will see the largest gains in revenue terms across the five-year forecast period to 2026. This is a trend seen across South Africa, Nigeria and Kenya, and also at a global level.

79.7% of Entertainment & Media revenue gained in South Africa through to 2026 will come from Internet advertising and Internet access, as consumers and advertisers prioritise digital. The pandemic accelerated the uptake of e-commerce, advertising spend then followed and by 2026 internet advertising will become the second largest segment in the overall South African market. In Kenya, rapid gains in Internet advertising will mean that, by 2026, this segment will be just US\$1.2m behind traditional TV and home video, paving the way for Internet advertising to overtake this segment in later years.

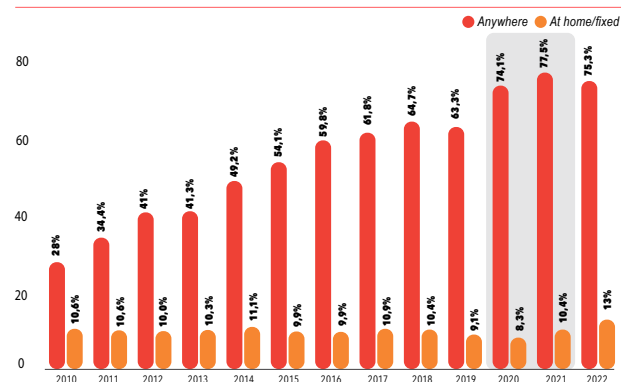
4.1.6. Internet Connectivity And Consumption

The chart below from the Stats SA 2022 General Household Survey shows that the percentage of households who could access the Internet through a fixed connection (be it dial-up, ADSL or, more recently, fibre) has remained relatively stable between 2010 and 2021, before increasing slightly to 13.0% in 2022. By contrast, mobile broadband – connecting to the Internet through a cell phone – increased by 47.3 percentage points over the same period, growing from 28.0% in 2010 to 75.3% in 2022.⁶

⁵ <https://www.itweb.co.za/article/govt-switches-up-set-top-box-installation-model/VgZeywJABgZgdjX9>

⁶ <https://www.statssa.gov.za/publications/P0318/P03182022.pdf#page=65&zoom=100,90,474>

GRAPH 6: % Distribution Of Households Access to Internet



Source: Stats SA 2022 General Household Survey

Data consumption continues to grow rapidly across the world, and African markets are no exception, with both South Africa and Nigeria seeing faster growth in 2021 than the global average. Internet access in South Africa is achieved predominantly through mobile devices (79%), while 20% of the market from web traffic is generated via laptops and desktops, with tablets and consoles trailing at 1.2% and 0.02% respectively.⁷ About one in three South Africans use a smartphone. It is anticipated that smartphone users will increase by about 5 million over 2023.⁸

Internet access is the largest E&M segment in South Africa, more than three times the size of the traditional TV and home video segment, which takes the second spot. Over the next five years, this hierarchy is set to change, with Internet advertising expected to overtake traditional TV and home video in 2026. Of the E&M revenue gained in South Africa through to 2026, 79.7% of it will come from Internet advertising and Internet access, as consumers and advertisers prioritise digital. Other tipping points include OTT video overtaking OOH in 2023, and music, radio and podcasts overtaking newspapers and consumer magazines in 2024.⁹

As seen in the chart below there is still significant room for growth within the African OTT video streaming market, with South Africa posting the highest OTT revenue on the continent. African streaming platforms have tailored themselves to African viewers with local content to compete with services that boast an established global footprint.¹⁰

⁷ <https://www.statista.com/statistics/1229072/web-traffic-by-device-in-south-africa/>

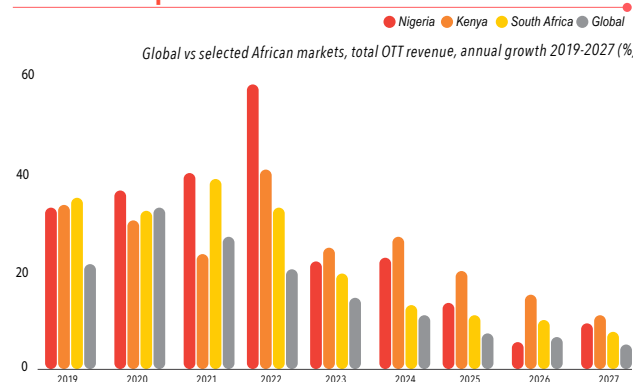
⁸ <https://www.statista.com/statistics/488376/forecast-of-smartphone-users-in-south-africa/>

⁹ <https://www.pwc.co.za/en/assets/pdf/entertainment-and-media-outlook-2022-26.pdf>

¹⁰ <https://www.pwc.co.za/en/assets/pdf/pwc-africa-entertainment-and-media-outlook-2023.pdf>

¹¹ <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/technology-media-telecommunications/us-tmt-2023-me-outlook.pdf>

GRAPH 7: Comparative African E&M Markets



Source: PwC, Omdia

South Africa's E&M annual market growth stabilised to 8.8% in 2022, down from 15.4% in 2021.

Total industry revenue will increase from R176,7bn in 2022 to R231,2bn in 2027, representing growth at a 5.5% CAGR. This will outpace the global average growth rate.

Revenue gains will be driven by the internet access segment and growth in over-the-top video (OTT) and cinema.

TABLE 2: SA E&M Spend

South Africa, entertainment and media spend by segment, 2018-2027 (R millions)

	2018	2019	2020	2021	2022	2023	2024	2025	2025	2027	22-27 CAGR%
Business-to-business	8 893	9 175	6 382	7 340	8 610	9 153	9 553	9 841	10 048	10 201	3.4%
Cinema	1 758	1 759	305	635	1 142	1 460	1 605	1 732	1 841	1 925	11.0%
Internet access	52 317	61 188	68 002	78 349	86 180	93 850	101 155	107 931	113 941	119 745	6.8%
Internet advertising	11 119	13 074	14 603	20 286	22 897	25 325	27 388	29 299	31 093	32 777	7.4%
Music, radio and podcasts	6 843	6 879	4 829	5 436	6 629	7 406	7 803	8 156	8 506	8 875	6.0%
Newspapers, consumer magazine and books	11 964	11 717	9 619	9 151	8 742	8 522	8 326	8 156	8 001	7 859	-2.1%
OOH	2 735	2 942	2 500	2 626	2 834	2 926	2 984	3 013	3 024	3 034	1.4%
OTT	1 341	1 802	2 379	3 280	4 345	5 181	5 852	6 466	7 075	7 647	12.0%
Traditional TV	31 068	30 367	29 448	32 000	32 268	32 675	33 628	34 456	35 173	35 933	2.2%
Video games and esports	4 017	4 454	4 843	5 943	6 440	7 295	7 955	8 539	9 517	9 517	8.1%
Total	130 568	141 442	140 703	162 328	176 669	189 833	201 724	212 507	222 083	231 196	5.5%
Annual growth		8.3%	-0.5%	15.4%	8.8%	7.5%	6.3%	5.3%	4.5%	4.1%	
Total excludes double counting											

Source: PwC Africa Media & Entertainment Outlook 2023-2027

4.1.7. Mobile Gaming For African Consumers

African markets' young, tech-savvy populations are the driving force behind the video games sector across these nations. Forty percent of South Africa's population play games, compared to 23% in Nigeria and 22% in Kenya. Gamers across these African markets overwhelmingly prefer to play via mobile devices.

Streaming video, social media and gaming are at this point considered categories on their own, but as they move closer together, they may combine as platforms, demanding broader strategies, more robust partnerships and greater agility.¹¹

In South Africa, 40% of the population plays mobile games. These are largely played on cell phones and are a major source of media entertainment. Mobile phones are also the most popular format for data consumption, which is growing fast in South Africa.

4.1.8. TV Penetration

According to the report "General Household Survey 2022" provided by Statistics South Africa, around 81.5% of households own a television, down from 89.2% in the 2020 report. Thus, with the decrease in

television penetration in households in South Africa, the market could witness a reduction in growth in the forecasted years. Conversely, as per the data provided by World Bank, the per capita income in the country is rising at 3.6% annually. Thus, with the increasing per capita income, people will have more purchasing power which could increase the uptake for television sets and could positively impact the TV broadcasting market in the country.

According to Research and Markets (September 5, 2023) the South Africa TV Broadcasting Market is poised for significant growth in the forecasted years due to growing demand for local content and the rise in pay TV membership. Technological advancements have led to brands offering TV broadcasting services through IPTV, utilizing the Internet for live and on-demand TV shows and videos.

The surge in sports popularity, such as cricket, football, and rugby, is also contributing to the growth of the TV broadcasting market. The expansion of the South Africa television broadcasting market is expected due to the rising demand for high-quality video content and the emergence of technologies like the Internet of Things. The market for television broadcasting services is also set to develop as businesses aim to reach larger audiences and potential clients. The rising usage of smart TVs and evolving lifestyles are fuelling the demand for digital content and cable subscriptions, while cable operators lead the revolution by airing popular TV shows, films, documentaries, news, sports, and other programs.

As can be seen in the chart below the number of households viewing content through TV sets and streaming had increased from 15.9m to 16.5m. Viewing on a TV set only was 66% of households, 25% were viewing on both a TV set and streaming, and 9% were streaming only.

TABLE 3: TV Household Viewership

Note: this is an apple with pears comparison as the questionnaire has changed significantly.

	CURRENT	NEW
The TOTAL number of households in SA has increased by 5%	17.3m	18.2m
Total households viewing (TV and streaming):	15.9m (92%)	16.5m (90%)
Viewing on TV sets only		66%
Viewing both on TV and streaming		25%
Streaming only		9%
People are watching as much video as they always wer but it is happening very differently now. This reflects international trends		
The TAMS household universe (linear only) has reduced in this environment	15.9m	13.9m

Source: Stats SA 2022 General Household Survey

¹² <https://finance.yahoo.com/news/south-africa-tv-broadcasting-market-094800055.html>

4.1.9. OTT Players Africa

OTT revenue is set to rise rapidly over the next five years, with revenue growth to 2026 expected to outpace increases in TV subscription revenue across all three markets. But this is from a relatively small base, meaning that revenue itself will remain low. In Kenya, OTT revenue will total just US\$8.9m in 2026, whereas TV subscription revenue will total US\$420m. A similar story can be seen across Nigeria and South Africa, as traditional pay-TV packages command a higher ARPU than OTT services and don't require reliable Internet access, unlike OTT.

4.1.10. Growing Pay TV Subscribers

According to MultiChoice Group Ltd, a market player in the TV broadcasting market, the number of households with a linear pay-tv subscription for the group reported a 5% decline in 90-day active customers to 8.6 million (3% of which can be attributed to the decision to end the short-term campaigns implemented in the prior year to support customers during load-shedding), with active customers amounting to 7.8 million, but the demand for TV broadcasting in South Africa is increasing due to there being more competitors.

One of the growth trends is because of the growing desire for local program that reflects the culture and values of the country in the local language as well as an increased investment in the local entertainment industry by broadcasters and production companies." To grab a large viewership, many channels have started focusing on local content, which is significantly forcing people to buy pay-TV subscriptions, further affecting the market of TV broadcasting in South Africa. It is projected that the country will add around 18-20 million Pay-TV subscribers by 2027. With the rise in pay TV subscribers, the market for TV broadcasting in South Africa will also accordingly rise

4.1.11. Market Dynamics

4.1.11.1. Drivers

- Rising Number of Television Households
- High Demand of Local Content
- Increasing Number of Pay TV Subscriber

4.1.11.2. Market Challenges

- Rising popularity of sports channels
- Surging demand of VOD (Video-On-Demand)
- Integration of Artificial Intelligence
- Surging demand for subscription mode
- Content Piracy
- High Competition from Streaming Platforms

4.1.11.3. South African TV Broadcasting Competitors

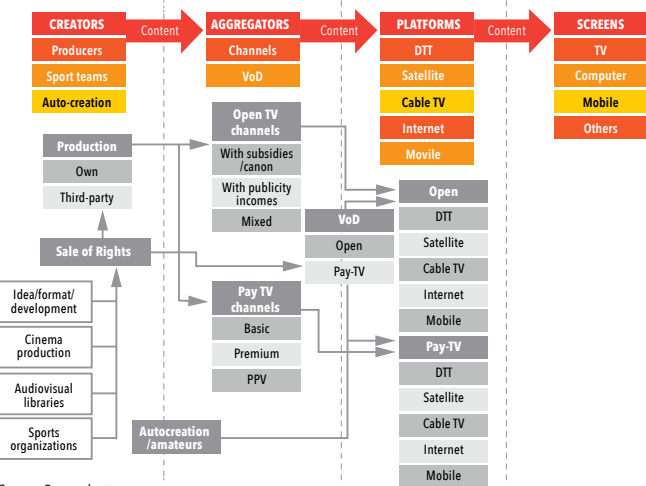
The major companies present in South Africa TV broadcasting market:

- MultiChoice Africa (Pty) Limited
- Electronic Media Network (Pty) Ltd
- OpenView (PTY) Ltd
- StarTimes Media South Africa (Pty) Ltd (StarSat)
- The South African Broadcasting Corporation (SABC)
- Zee TV South Africa (Pty) Ltd¹²

Competition to the SABC does not come only from other providers of traditional media such as radio and television. OTT has made inroads throughout Africa. The other major platforms are Prime , Netflix and Showmax, which is MultiChoice's OTT offering. Showmax has many original African productions and global sports coverage that pulls in viewers, augmented by special deals with telecom providers.

4.1.11.4. Global And Local Changes In The Traditional TV value Chains

GRAPH 8: Global And Local Changes In Value Chains



Source: Researchgate

The generic or traditional value chain arose from the television industry and OTT players enhanced/ disrupted the model and are squeezing our the margins previously enjoyed by paid-TV players with social Media now also impacting the traditional model.

The main players seek customer value by competing more widely across the value chain:

- eg Youtube aggregating (offers other subscriber options); now paying for content
- Aggregators like Netflix offering own content
- Content producers like Disney going direct to market
- DSTV selling Disney, Netflix ('super aggregator')
- Disney bundle can include Disney, Hulu and ESPN+
- Sentech seeking to be a broadcasting aggregator
- Multichoice including ISP services.

Source: BMIT

4.1.11.5. Current Video On-Demand Content Ventures in SA

Below are some of the most prominent on-demand content ventures in South Africa.

GRAPH 9: On Demand Content In SA



South African Based

1. Multichoice
 - DStv: Linear and streamed. Local sport and other content
 - Showmax: primarily movies and shows. Local content
 - Box Office: pay per view movies
2. TelkomOne: Launched Nov 2021, discontinued and replaced by SABC+

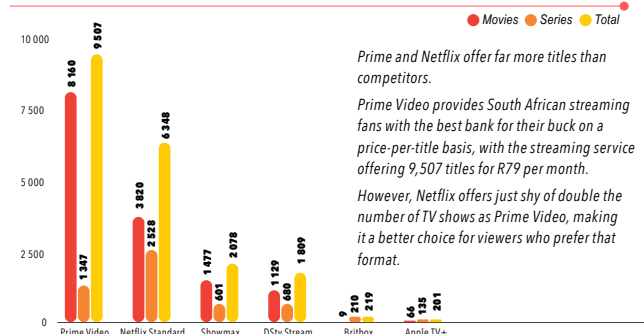
Global (OTT) Players in SA

1. Netflix: Dominant overseas player, having had an early start. Is investing in local content
2. Disney: Launched recently but strong global uptake, relying on strong title content (some removed from Netflix)
3. Hulu: Established global player
4. HBO: Strong global player (to merge with Discovery+ in 2023)
5. Apple: Includes use of its own device
6. Amazon Prime: Integrating with its shopping presence. Still expanding.
7. YouTube: Google has strong local presence for mature CDN's. Has expanded offering to advert-free. Music offering is free with advert-free. Youtube has a 'Youtube TV' option in some (other) geographies.
8. Spotify: Very strong local music content player. Has worked alone and with eg. MTN
9. eMedia Openview: DTH, free-to-view
10. ESPN+: premium sports channel
11. Britbox: content/archives from BBC and many specialist channels (e-sports, documentaries etc.)
12. F1 Formula1 motorsports

4.1.11.6. Competition From Streaming Services

The illustration below compares the content offerings available from each streaming service.

GRAPH 10: Streaming Service Content



Source: <https://mybroadband.co.za/news/broadcasting/515433-video-streaming-service-show-down-in-south-africa.html>

4.1.11.7. Social Media Is Gaining Importance In Media / Content

In the table below we can see nearly half of South Africa's online users accessing social media, more than half of those use Facebook and YouTube (both of which enable entities to build and monetise followers. TikTok has seen substantial growth in usage, growing 83.6% in a year.

TABLE 4: Social Media Penetration In SA

Platform	Users	% of SA pop'n	% above age in brackets	% of internet users	% Female
All	25.8m	42.9%	out of a total of 72.3% internet penetration		
Facebook	22.15m	36.8%	48.9% (13y)	50.9%	50.8%
Youtube	25.8m	42.9%		59.3%	50.0%
Instagram	5.65m	9.4%	12.5% (13y)	13.0%	54.0%
Tik Tok	11.8m*		29.6% (18y)	27.2%	56.1%
LinkedIn**	11.0m	18.3%	27.5 (18y)	25.3%	48.1%
Snapchat	5.85m	9.7%	12.9% (13y)	13.5%	78.7%
Twitter	3.65m	6.1%	8.1 (13y)	8.4%	34.7% (est.)

Source: Social Media SA Stats. Jan 2023 as reported by <https://datareportal.com/reports/digital-2023-south-africa>.

* TikTok allows advertising to users from 13 years old but only reports those users 18 years and older

** LinkedIn reports on all members rather than active members for that month (as other platforms do)

4.1.11.8. The Rise Of Social Media Influencers

Social Media has enabled a significant distributed media/content platform with top influencers have similar impact to some companies which is influencing the shift of advertising spend. Social media has advantage of 'community', 'word of mouth' and 'shoppable' opportunities.

GRAPH 11: SA Influencers

We're in shock at how much Cristiano Ronaldo makes per Instagram post

By Reuters
August 10, 2022



Social Media Influencers are their own content networks
Approximately 60% of the global population uses social media. By time spent on social media, Nigeria uses social media the most. Nigerian users spend over 4 hours a day on social media platforms.

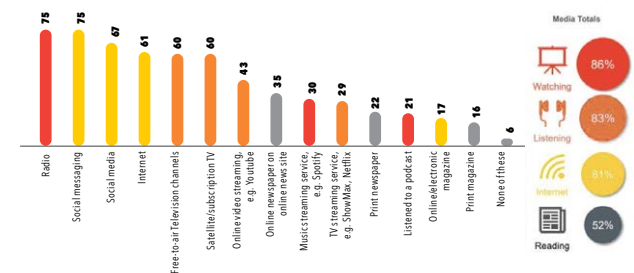
4.1.11.9. Radio Still Thrives In SA

Radio continues to be a very important communication medium both in South Africa as well as throughout Africa.

GRAPH 12: Radio Position in Media Landscape

P7D Media Usage. Total Population 42,571. Q1 2023 database n=37 196.

Radio holds a position of dominance within the media environment, buoyant in an array of media formats. However visual formats (Watching) lead as collective.



'Almost 70% of South Africans are listening to the radio but increasingly using their phones, computers or even TV sets to tune in.

This is one finding from the new "Infinite Dial" survey, conducted by Edison Research, which explores the penetration of online digital audio and social media in SA, as well as the online platforms and technologies used'.

Source: <https://www.businesslive.co.za/redzone/news-insights/2022-03-24-radio-thriving-in-sa-as-podcasts-grow/>

In August 2023 it was reported that Cristiano Ronaldo, is the most-followed person on Instagram with **596 million followers**. according to Hopper HQ, a global marker of online influence. Ronaldo earns **\$3.23 million per Instagram post**.

Top Instagram influencers in South Africa.

1. Boity Thulo (@boity) with **6.2M followers**
2. Refiloe Phoolo (@casspernyovest) with **6.1M followers**
3. Zinhle Jiyane (@djzinhlle) with **5.3M followers**
4. Natasha Thahane (@natasha_thahane) with **5.2M followers**
5. Minnie (@minnieclamini) with **5.1M followers**
6. Bonang Mathebe (@bonang_m) with **5.1M followers**
7. Somizi (@somizi) with **5.1M followers**
8. Amanda du-Pont (@amandadupont) with **4.8M followers**
9. Zinhle Jiyane (@djzinhlle) with **4.7M followers**
10. Binna Waal (@nasty_csa) with **3.9M followers**
11. Thando Thabooty Thabethe (@thando_thabethe) with **3.7M followers**
12. Pearl Moadiadie (@pearlmodiadie) with **3.5M followers**.

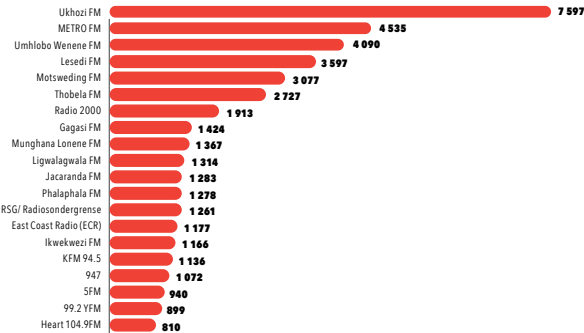
Source: Ronaldo Is King of Instagram Top Earners. Here's the List (the18.com). <https://supplygem.com/social-media-statistics/>

4.1.11.10. Ukhozi Listenership

As can be seen below Ukhozi listenership is well ahead of competitors.

GRAPH 13: Top 20 Commercial Radio Stations in SA

P7D Top 20 000's. Total Population 42,571. Q1 2023 database n=37 196.



Source: <https://www.businesslive.co.za/redzone/news-insights/2022-03-24-radio-thriving-in-sa-as-podcasts-grow/>

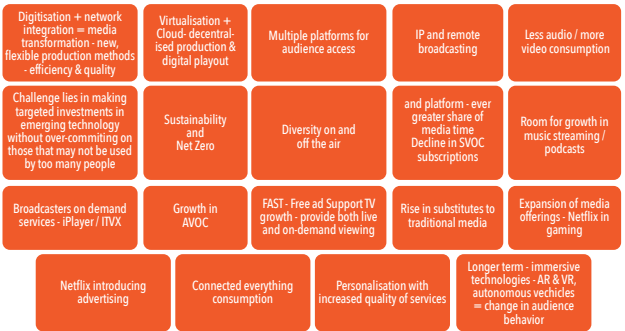
4.1.11.11. Other Trends And Forces

- Video on demand (VOD) dominates amongst younger people with affordable broadband.
- Set top devices are simpler to use and more affordable (smartphones, smart TV's, Amazon Fire, Google Stream etc).
- Local content is the most popular (quality depending) (potentially in SABC's favour) with global large players spending more on content generation (more competitive).
- Overall gains by international OTT players, eroding local base (numbers and ARPU).
- Traditional TV news is under threat with more and more news being on social media, sourced from both media houses and independent journalists/private citizens, aggregated by bots, often enabled by smartphones and independent journalists/private citizens, aggregated by bots, often enabled by smartphones.
- Online advertising is highly contested across fixed and mobile (especially by social media)
- Gaming is niche but gaining popularity (games often hosting their own communities)
- Revenue models are evolving with TV licencing fees are reducing year on year- new funding and payment models needed.
- Tariff plan principles (by non-licensed viewers) are established as follows: Premium; Standard; Ad supported; Pay-per-view; Family subscriptions.
- Leading players are using advanced data analytics/AI and this is for marketing/targeting, and for predicting content uptake.

4.1.11.12. Global Broadcasting And Media Trends

The chart below summarises the global broadcasting and media trends that are and will drive South African trends going forward. We need to include IP and Remote Broadcasting in the list below.

GRAPH 14: Global Broadcast & Media Trends



4.1.11.12. Public Broadcaster Funding

Public broadcasters are funded in many countries, although the mechanism may vary. Countries usually have functional funding models aimed at providing high-quality, diverse and independent content, targeting all households and reflecting or promoting the diverse cultural values of a country. State funding for public broadcasters takes various forms around the world, ranging from licence fees to general payments from the government fiscus, or combinations.

TABLE 5: Government Funding For Public Broadcasting - Population size

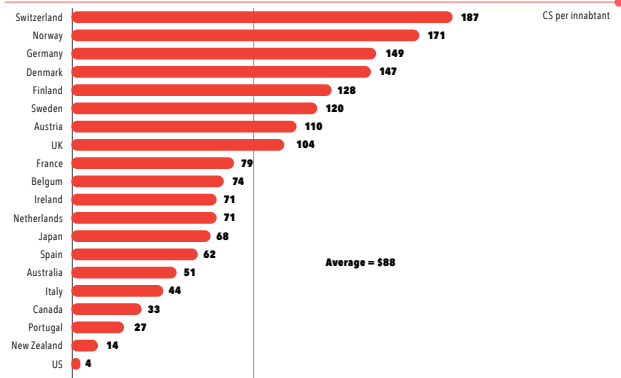
Country	Population	Total gov't expenditure (home currency M)*	Exchange rate	G C\$ (M)	Public funding for PSB (2018)	Total public funding in C\$	Per capita public funding (C\$)	Licence fee ratio**	Adjusted gov't expenditure (C\$M)	Public funding share
Australia	25 170 000	720 125	0.969	697 802	A\$ 1 323 738 000	1 282 702 122	50.96	1	697 801	0.184%
Austria	8 822 000	187 648	1.530	287 101	€637 100 000	974 763 000	110.49	0	288 075	0.338%
Belgium	11 400 000	239 636	1.530	366 643	€552 411 657	845 189 836	74.14	0	367 488	0.230%
Canada	37 057 765	824 678	1.000	824 678	C\$1 207 749 000	1 207 749 000	32.59	1	834 678	0.146%
Denmark	5 371 120	1 144 150	0.197	225 169	DKK 4 293 700 000	845 000 160	147.44	0	226 014	0.374%
Finland	5 513 000	124 400	1.530	190 332	€461 771 000	706 509 630	128.15	1	190 332	0.371%
France	64 737 769	1 318 613	1.530	2 017 478	€3 361 490 000	5 143 079 700	79.44	1	2 017 478	0.255%
Germany	82 790 000	1 490 498	1.530	2 280 462	€8 088 795 818	12 375 857 601	149.48	0.16	2 292 838	0.540%
Ireland	4 830 000	82 169	1.530	125 718	€223 875 000	342 528 750	70.92	0	126 006	0.272%
Italy	60 480 000	854 602	1.530	1 307 541	€1 758 041 000	2 689 802 730	44.47	0	1 310 231	0.205%
Japan	126 500 000	222 053 040	0.01219	2 705 998	¥703 416 787 000	8 572 027 182	67.76	0	2 714 570	0.316%
Netherlands	17 180 000	325 504	1.53000	498 021	€802 187 000	1 227 346 110	71.44	1	498 021	0.246%
New Zealand	4 841 000	109 973	0.897	98 646	NZ\$75 166 000	67 423 902	13.93	1	98 646	0.068%
Norway	5 295 619	1 735 757	0.159	275 985	NOK 5 707 750 000	907 532 250	171.37	0	276 893	0.328%
Portugal	10 290 000	88 606	1.530	135 567	€179 191 000	274 162 230	26.64	0	153 841	0.202%
Spain	46 600 000	501 497	1.530	767 290	€1 901 601 800	2 909 450 754	62.43	1	767 290	0.379%
Sweden	10 120 000	2 407 453	0.149	358 710	SEK 8 173 924 000	1 217 914 676	120.35	0	359 928	0.338%
Switzerland	8 544 500	232 591	1.325	308 183	206 400 000 CHF	1 598 480 000	187.08	0	309 781	0.516%
UK	66 440 000	877 806	1.730	1 518 604	£4 012 357 000	6 941 377 610	104.48	0.02	1 525 407	0.455%
USA	327 700 000	7 779 324	1.296	10 082 004	US\$1 026 887 000	1 330 845 552	4.06	0.78	10 082 297	0.013%

Source: Nordicity analysis of data from CBC/Radio-Canada annual report, Statistics Canada, annual reports of public broadcasters, Eurostat, OECD and national statistical agencies.* includes all levels of government ** The percentage of the public funding (i.e. licence fee, grants, industry levies) that flow through government accounts before being disbursed to PSBs.

A Nordicity study in 2020 (see Figure below) revealed that the level of state funding (of countries researched) can be as high as USD\$138 per capita (Switzerland), with the Nordic countries all higher than \$85 and the UK at USD\$77 per capita. The funding ranged from 0.01% of all government spend (in the United States, to 0.54% in Germany). The United States funding is low, but the broadcaster enjoys significant philanthropic donations.

The comparative funding of public broadcasting by different governments around the world, relative to their population size, is reflected in the table below. An indication is also provided of the relative contribution of licensing to this funding.

GRAPH 15: Per Capita Funding Of Public Broadcasters



4.1.12. Conclusions From The External Analysis

Based on the external environments analysis, **several key conclusions** can be drawn for the SABC, including the following:

4.1.12.1. Revenue Challenges And Funding

The economic challenges in South Africa, including load shedding, increased fuel costs, high unemployment and inflation, contribute to tough trading conditions for the media industry. Economic growth is projected to remain low, further impacting household and enterprise budgets.

Funding from TV licenses is declining, as payment evasion rates remain high. Alternative public funding models, which are essential for the sustainability of the SABC, remain under discussion. Even if a model is finalised soon and then implemented, there will still be a shortfall in the short and medium term, even as the SABC needs to invest in new technologies, skills and content.

This is by contrast with the many countries which have functional funding models aimed at providing high-quality, diverse and independent content, targeting all households and reflecting or promoting the diverse cultural values of a country.

Advertising spend is constrained by the economy, by strong competition in the media industry and by shifting spending patterns by advertisers towards digital platforms. Loadshedding not only slows economic growth but also has a direct impact on viewership and revenue, as advertisers seek to recover costs from the SABC based on lost viewership.

4.1.12.2. Market Dynamics And Competition

The SABC faces increasing competition not only from traditional broadcasters but also from Over-the-Top (OTT) platforms (local and international) offering streaming video content. These players enjoy economy of scale with respect to technology platforms and content.

Understanding the market drivers and challenges, as well as the emergence of new technologies (such as artificial intelligence) in the broadcasting landscape is essential for staying competitive.

4.1.12.3. Technological Upgrades And Digital Migration

Upgrading technology and completing the Analog Switch-Off (ASO) by December 2024 are imperative for maintaining the SABC's competitive edge, whilst addressing the challenges related to STB availability and digital migration is essential to reclaim lost audiences and therefore revenue.

4.1.12.4. Adaptation To Changing Viewer Behaviour

Demographic factors, such as the youth population and language preferences, should guide content strategies to remain relevant and appealing to diverse audiences, bearing in mind the popularity of local content, provided it is good quality.

Load shedding has helped shift viewers to Video on Demand (VOD), encouraging the SABC to adapt and follow audience preferences.

4.1.12.5. Partnerships And Collaboration:

In line with global trends, SABC is, and will increasingly need to partner with other broadcasters and platforms: We will need to collaborate on content production, distribution, and technology development to share resources and expand reach. We will also need to engage with influencers and social media platforms, e.g. developing strategic partnerships with influencers and platforms to reach wider audiences and leverage their reach. We also explore international partnerships - partnering with African and international broadcasters to expand newsgathering and content reach.

4.1.12.6. Evolving Revenue And Funding Models

Activities responding to the evolving models could include the following:

- Accelerating the growth of digital products and tailoring content to market demands can enhance the success of client pursuits and offset declines in traditional revenue streams.
- Evolving revenue models, decreasing TV licensing fees, and the need for new funding and payment models pose challenges that require strategic planning and adaptation.
- Exploring alternative funding models, such as pursuing public-private partnerships, seeking sponsorships, and expanding merchandise sales to supplement traditional advertising revenue.
- Prioritising digital advertising - developing strong digital advertising strategies to capture the growing online ad market.
- Diversifying offerings - providing a wider range of media solutions beyond traditional advertising, such as sponsorships, branded content, and data analytics.

4.1.12.7. Category Specific Outcomes

For specific areas, the following implications were seen to arise from the external analysis, as follows:

Radio Specific:

- **Digital focus:** Shift focus to "digital first" content production to expand reach and create new revenue streams through podcasts, app content, and targeted advertising.
- **Niche offerings:** Cater to diverse audiences with specific interests through partnerships with content distributors.
- **Leverage existing strengths:** Capitalise on the popularity of existing radio stations and personalities to attract advertisers and sponsors.

Television:

- **Local content:** Maintain a focus on strong local content that resonates with South African audiences.
- **Multi-platform distribution:** Ensure content is available across various platforms (linear TV, DTH, SABC+, streaming) to reach wider audiences.
- **Strategic partnerships:** Collaborate with other broadcasters and platforms for content distribution and revenue sharing.

News:

- **Digital expansion:** Grow digital presence through SABC News app, social media, and SABC+.
- **African expansion:** Expand newsgathering and content reach across the African continent.
- **Data-driven approach:** Utilise audience data to optimize content and advertising strategies.

4.1.12.8. Internet And Mobile Trends

The rise of Internet advertising and increasing Internet access highlights the need for the SABC to align its strategies with digital trends. Embracing the growth in mobile gaming and understanding consumer behaviours related to Internet access will be critical for content delivery.

4.1.12.9. Social Media Influence And Emerging Trends

Since social media plays a crucial role in the media industry, with influencers impacting advertising spend., the SABC needs to identify which social media channels are eroding the advertising revenue and put in place mitigating strategies.

4.1.12.1. Content Prioritisation

Given the importance of content and its relevance, the following possible action points emerged from the external analysis:

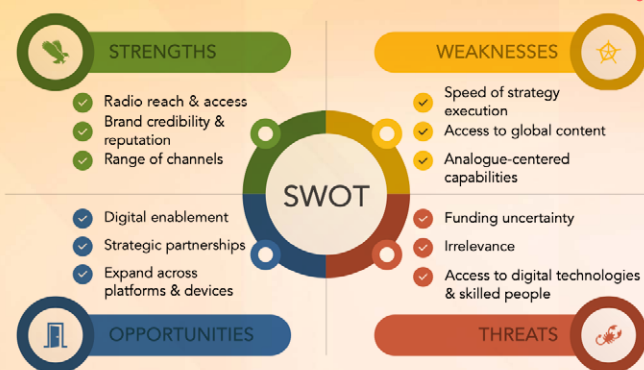
- Create high-quality, engaging local content: Invest in diverse content that caters to different demographics and interests, focusing on educational, inclusive, and entertaining programming.
- Experiment with new formats: Explore innovative content formats like interactive shows, docu-series, and mobile-specific content.
- Leverage data-driven insights: Understand audience preferences through data analytics and tailor content accordingly.
- Prioritising content that adheres to policy and legislation while remaining accessible, educational, inclusive, and entertaining is crucial for maintaining audience engagement.
- Prioritise digital content creation and distribution: Focus on podcasts, app-based offerings, and social media content to reach new audiences and generate revenue through targeted advertising and subscriptions. This will mean greater investment in technology and infrastructure: Upgrade infrastructure to support seamless digital content delivery and adapt to changing viewer behavior (e.g., VOD trends).

4.2. INTERNAL ENVIRONMENT

4.2.1. SWOT Analysis

The following SWOT analysis represents the top three Strengths, Weaknesses, Opportunities and Threats facing the SABC as it enters into its FY2024/25 to 2025/26 Corporate Plan.

GRAPH 16: Primary SWOT Analysis



The most obvious threat to the SABC is its lack of certainty regarding funding. Currently, there is a significant projected shortfall of revenue / funding to cover operating expenses. This challenge is addressed through this Strategy.

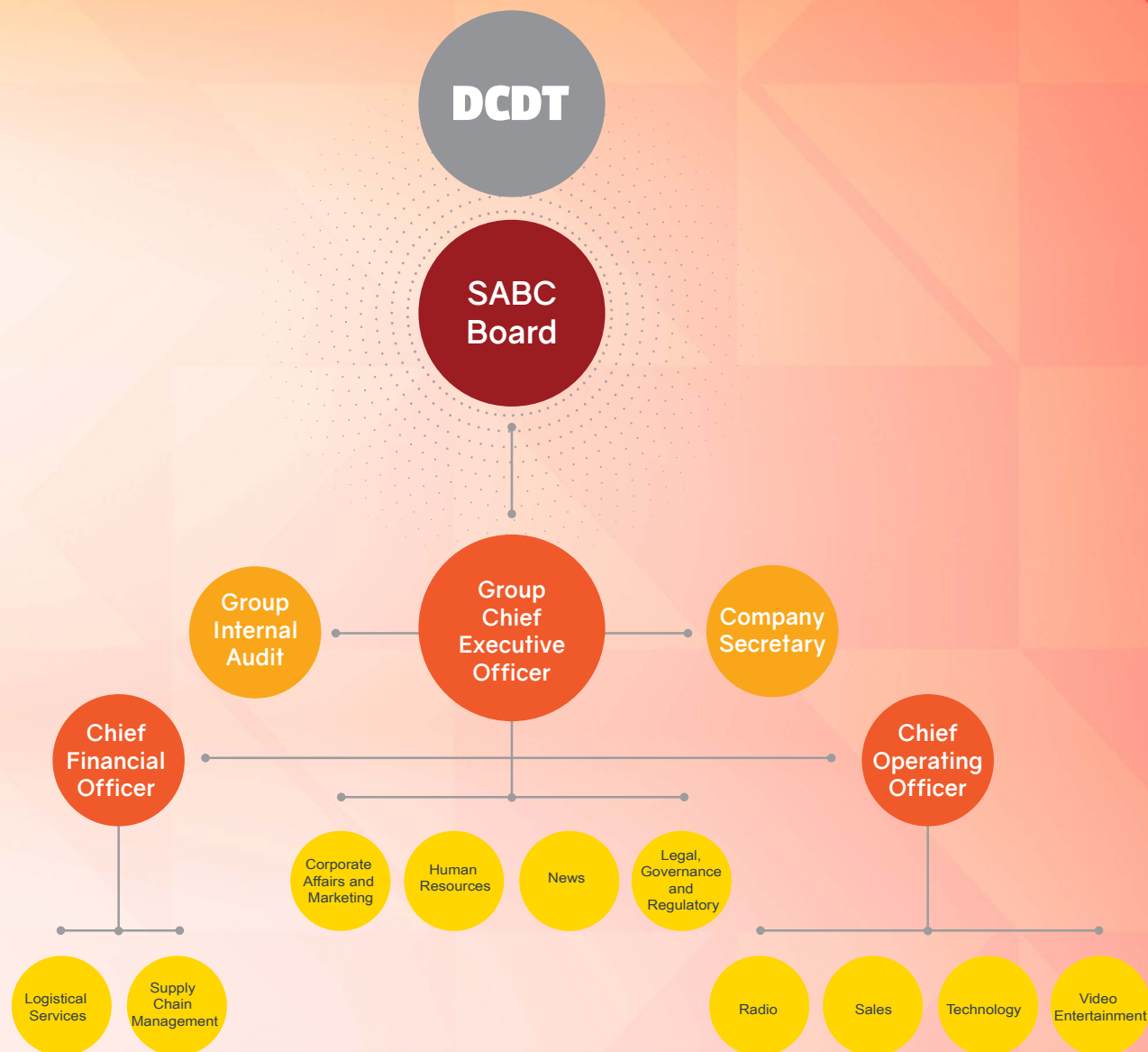
Another, fast emerging **key threat** covered by 'access to digital technologies and skilled people' is the rapid growth and adoption of Artificial Intelligence and its potential to be used to create 'deep fakes', manipulated video and audio tracks that purport to show something happening that is not, in reality true.

The SABC will urgently need to acquire the requisite technology to verify the authenticity of digital images and soundtracks to ensure that it does not unwittingly mislead the public. This is especially important during election times where the SABC's coverage should be impartial, accurate and authentic.

4.2.2. Organisational Structure

The organogram below illustrates the current combined SABC governance and executive structure.

GRAPH 17: SABC Governance And Executive Structure



SABC BOARD



1. Mr Khathutshelo Mike Ramukumba
Chairperson of the Board



2. Ms Nomvuyiso Batyi
Deputy Chairperson of the Board



3. Dr Renee Horne



4. Ms Palesa Kadi



5. Ms Phathiswa Magopeni



6. Mr David Maimela



7. Ms Aifheli Makhwanya



8. Mr Dinkwanyane Kgalema Mohuba



12. Mr Mpho Tsedu



10. Ms Karabo Motaung



11. Adv Tseliso Thipanyane



9. Ms Magdalene Moonsamy



13. Ms Nomsa Chabeli
Group Chief Executive Officer



14. Ms Yolande van Biljon
Chief Financial Officer



15. Mr Ian Plaatjes
Chief Operations Officer

4.2.3. Composition Of The SABC Board

The SABC has a unitary Board structure, which comprises 12 non-executive directors (NED) and three executive directors, as per the Broadcasting Act No. 4 of 1999, as amended. The Broadcasting Act No. 4 of 1999, as amended, provides that the SABC be governed and controlled in accordance with the Act, by a Board of Directors. The non-executive directors are appointed by the president on the advice of the National Assembly and the non-executive directors are required to appoint the executive directors independently, in consultation with the Minister of Communications and Digital Technologies.

The President has recently appointed the new Board on 18th April 2023, which has resulted in a fully quorate and functional Board. The term of the current Board will expire in 2028.

4.2.4. Non-Executive Members of the Board

DIRECTORS

1. Mr Khathutshelo Mike Ramukumba

Chairperson of the Board

MBA (Henley Business School) and currently completing a PhD (University of Pretoria).

Khathutshelo Ramukumba is a Chartered Accountant. He served as a Vice Principal: Finance and Business Enterprise/Chief Financial Officer of UNISA until 29 February 2024. Prior to that he was the CFO of the South African Post Office, CEO of CHIETA (Chemical Industry Sector Education Training Authority), and CFO and CEO of the National Youth Development Agency. Prior to this, he held various senior internal audit management roles at Rand Water. He is currently an Audit Committee member at Mpumalanga Provincial Treasury. He was an Audit Committee member and Chairperson at the Mpumalanga Provincial Legislature until his term ended in January 2024. He is a Member of the Northwest Provincial Government Audit Committee. He has also been a member of the audit committees for Limpopo Provincial Government, Sekhukhune District Municipality, Unisa Enterprise, and the Youth Development Institute of South Africa (YDISA). He was the chairman of the board of the Ekurhuleni Development Agency, a member of the board of YDISA, and served as an ex-officio member of the NYDA board.

2. Ms Nomvuyiso Batyi

Deputy Chairperson of the Board

Master of Business Leadership (University of South Africa), BProc and LLB degrees (University of Fort Hare).

Ms Nomvuyiso Batyi is the Chief Executive Officer of the newly established Association of Communications and Technology. Prior to this, she was at the Film and Publication Board (FPB) as the Interim Chief Executive Officer. She previously held the position of Head: Presidential Commission: 4IR Programme Management Office at the DCTD. She led the COVID-19 Response Project Management Office for the Communications and Digital Technologies sector and sub-sectors. Before this, she served as the Acting

Director General DCDT, then Department of Communications (DoC), until it was merged with the Department of Telecommunications and Postal Services (DTPS) to create the new Department of Communications and Digital Technologies (DCDT). Besides serving as the accounting officer for the DoC, in her capacity as acting director general she led the National Macro Organisation of Government (NMOG) process of the department. Ms Batyi worked at Primedia Broadcasting as Executive: Human Capital and Regulatory Affairs. Prior to serving two terms as an executive board member at ICASA, she was also the Acting Senior Manager: Policy Analysis and Development and Manager: Competition for ICASA, having cut her teeth as an investigator for the Competition Commission of South Africa.

3. Dr Renee Horne

BA Law, BA Honours: International Relations, and MA Politics: South African Politics (UKZN), and MSc International Politics and a PhD Political Economy (University of London).

With more than fifteen years' experience as an award-winning political journalist, war correspondent, editor and political economist, Dr Horne has been acknowledged by government, business and academics as an expert political economist and journalist on Sub Saharan Africa and the Middle East. She has advised international governments, media and business on the political and economic policies of a number of African countries and has worked extensively all over the world. Dr Horne has worked with institutions such as Transparency International, Delta Economics, Royal Africa Society, Exclusive Analysis, Royal United Services Institute, BBC, SKY, ITV, SABC and the World Entrepreneur Society and has interviewed many high-profile personalities. Since 1994, Dr Horne has been a course designer, facilitator and guest speaker on Global Business, Political Economy and International Relations in Africa and the Middle East at numerous institutions such as the School of Oriental and African Studies (SOAS), University of London, the University of KwaZulu-Natal, Rhodes and Johannesburg University, John Hopkins University, Centre for Strategic and International Studies (CSIS). Dr Horne was the Principal to Nex Rubica Capital (Africa Division), an international company based in London. She was also the Wits Business School MBA Director and International Relations Director, Head of the Gordon Institute of Business Science (GIBS) Broad-Based Black Economic Empowerment (BBBEE) Unit. She has recently founded and designed the South African Supplier Diversity Council Academy International Leadership Executive Development Programme.

4. Ms Palesa Kadi

BA Hons Political Studies and Comparative Economic Systems, Post Graduate Diploma Management, MA degree and PhD candidate in Development Studies.

Ms Palesa Kadi is Chairperson of the South African Geographical Names Council at the Department of Sports, Arts and Culture. She is an Advisory Member of the Women in Technology in Africa (WiT) group and the

Chairperson of the United Nations Group of Experts Geographical Names – Dutch and German-speaking countries. Formerly, she was part-time for the Broadcasting Complaints Commission of South Africa Commissioner. Ms Kadi has worked as a media activist, researcher and regulator in the broadcasting and telecommunications space. She served as a councillor at ICASA. She currently serves as a Non-Executive Director for the National Housing and Finance Corporation and as a Council Member of the Tshwane North TVET College. She has also served on other Boards, including the Calabash Trust, a community tourism initiative in Nelson Mandela Bay; the Eastern Province Cricket Board; the Alliance France Management Board; Commonwealth Youth Advisory Board; and the Media Development and Diversity Agency Board. Ms Kadi continues to champion the development of regulations, governance and women empowerment in the broadcasting and telecommunications sector.

5. Ms Phathiswa Magopeni

BA Hons, and MPhil ed. Degrees (University of the Western Cape), Integrated Marketing Communications HDip (AAA School of Advertising), a PGDip in Business Studies, and an MBA (GIBS, University of Pretoria).

Ms Phathiswa Magopeni is the Chief Operations Officer at Bhekisisa Centre for Health Journalism; Chair of the PBS Committee, a Menell/Duke University Media fellow and Bloomberg Media Initiative Africa fellow, a member of the World Editors Forum, a Council Member of the South African National Editors Forum and chairs the forum's Education and Training Committee. She has over two decades of strategic, operational and editorial leadership experience in the media sector, with expertise in multimedia broadcasting. She has held executive management and editorial leadership roles, including Editor-in-Chief and Group Executive for SABC News and Current Affairs, SABC Group Executive for Television, and Head of Terrestrial News Services at eNCA.

She has lectured at the University of the Western Cape and the University of Cape Town.

6. Mr David Maimela

MA Politics cum laude (University of Johannesburg).

Mr Maimela is a public policy manager, thinker and strategist with specialisations in politics, governance, international relations and foreign policy. He has more than 14 years' experience as a professional, straddling the public, research and academic, civil society and consultancy sectors. In his previous work, he served as Chief of Staff: Office of the Commissioner at the Competition Commission SA; Researcher: Political Economy Faculty at MISTRA and as Deputy Director: Policy and Governance, Office of the Premier, Gauteng; and Head of Office (Chief of Staff): Office of the MEC, Gauteng Health. He is a Member of Council at the University of Limpopo, Board Member of the Gauteng Growth and Development Agency, as well as MEGA in Mpumalanga. He was formerly a Trustee of the SABC Medical Aid Scheme. David is Director: Executive Support for

the principal and Vice-Chancellor of UNISA. He is recognised as a member of the Mapungubwe Society of Researchers (MMSR).

7. Ms Aifheli Makhwanya

Bachelor of Law, Master of Laws and Master of Arts and Culture degrees (University of Witwatersrand) and a number of management advancement and legal certificates and diplomas (various universities).

Ms Makhwanya has 19 years' experience in research, legal, management roles in the public sector and as a consultant/researcher in the cultural and creative industries. In these roles, Aifheli gained wide experience, including in policy and research, arts, marketing and governance and strategy development. She has served as a Member of ICASA's Consumer Advisory Panel and on the Department of Sport, Arts and Culture's Funding Appeals Committee. She is a Member of the Council of the Market Theatre Foundation. She is a member of the Institute of Directors Southern Africa.

8. Mr Dinkwanyane Kgalema Mohuba

BA Paed, B.Ed (UNIN now UL); Management Development Programme (Unisa SBL); Higher Education and Leadership and Management (Wits School of Governance); Executive Management Programme (Turfloop Graduate School of Leadership, UL); Executive Development Programme (University of Stellenbosch Business School); Master of Business Administration (Regenesys Business School); Certificate in Theology and Diploma in Ministries (Teamwork Bible College International).

Mr Mohuba is the former Non-Executive Director of PRASA whereby he served in several committees that included Governance, Social and Ethics Committee (GSEC), Human Capital and Remuneration Committee, Audit and Risk Committee (ARC) including serving in the ARC of its subsidiaries being Intersite Asset Investments (Pty) Ltd and Autopax (Pty) Ltd. At PRASA, he was also Chairperson of SHEQ(Safety, Health, Environmental and Quality) whose term of office ended in December 2023. He served as an Executive Director: Marketing and Communications of the University of Limpopo and was its Official Spokesperson until 2019. He was also Acting Dean of Student affairs from February 2017 to November 2018. Whilst at the University of Limpopo, he served on the governance and management structures of the Council, Audit Committee of Council, Risk Management Committee, Senate, Executive Management Committee (EMC) and the Executive Committee Senate (ECS). He served as Director of Endecon Ubuntu (Pty) Ltd (consulting engineering) for ten years and was also Chairperson: Board of Trustees for the Mpumalanga Department of Agriculture, the IDC and the UL Nguni Cattle Development Project. He served as a Board Member of the Johannesburg Social Housing Company's (JOSHCO) and was a member of its Development Committee. Mr Mohuba has a passion for community development programmes and has an excellent track record of serving two terms (six years) as chairperson

of the School Governing Body at Pietersburg English Medium Primary School in Polokwane

Mr Mohuba is Chartered Public Relations Practitioner (CPRP) of Public Relations Institute of Southern Africa (PRISA) and an Individual Member of both the Institute of Directors South Africa (IODSA) and The Business Ethics Network of Africa (BEN-Africa).

DK Mohuba is currently serving as a Director of Strategic Partner Africa (Pty) Ltd.

9. Ms Magdalene Moonsamy

LLB (University of Durban Westville) and currently studying Masters in Law (University of Kwa-Zulu Natal).

Ms Moonsamy is an Admitted Attorney of the High Court, a Sole Proprietor at Magdalene Moonsamy Attorneys, Funder of the Women's Justice Foundation, a former Member of Parliament, former COO of the NYDA, the Special Advisor: Legal to the Minister of Defence, and international human rights activist. She served as chief jurist at the US Tribunal for Black, Brown and Indigenous people, and was a former board member at Iziko Museums. She has worked and been active in numerous solidarity movements and continues to provide service to her country. She is an activist and has served a lengthy period of her life in leadership roles in politics. She is also a lecturer at LEAD in drafting of contracts and the deputy chairperson for the African Peer Review Mechanism.

10. Ms Karabo Motaung

B.Com Honours Degree in Economics from Rhodes University, a Post Graduate Certificate in Competition Law from the University of Witwatersrand, Masters Degree in Competition Law and Economic Regulation from the University of Johannesburg, Executive Development Programme from Graduate Business School of Business Administration, University of Witwatersrand.

Ms Motaung has extensive experience in competition and economic regulation and is currently a Principal Analyst in the Advocacy and Stakeholder Relations Division at the Competition Commission. Ms Motaung joined the Competition Commission in 2013 and has worked in most of the Commission's core divisions including: the Economic Policy and Research Division, the Enforcement and Exemptions Division as well as the Cartels Division.

Prior to joining the Competition Commission, Ms Motaung was an Operational Risk Analyst at Rand Merchant Bank where she gained experience in risk management. Ms Motaung currently sits on the Risk and Governance Committee of the Competition Commission.

Ms Motaung is an advocate for education and empowerment of young people and in particular, young women. Ms Motaung serves as an Executive Member on various organisations that are aimed at alleviating poverty, and empowering and uplifting young people.

11. Adv Tseliso Thipanyane

LLB (National University of Lesotho) LL.M (University of the Western Cape); LL.M (University of Johannesburg) and Phd candidate (GIBS).

Adv Thipanyane is the Chairperson of the Southern African Institute for Responsive and Accountable Governance (SAIRG), former Chief Executive Officer of the South African Human Rights Commission (SAHRC), and former Chief Executive Officer of the Safer South Africa Foundation. He spent over 13 years in the SAHRC as Head of Research, mainly responsible for the monitoring of economic and social rights and access to information rights, before becoming the Chief Executive Officer. He is a former researcher on criminal justice at the University of KwaZulu-Natal and former law lecturer at the University of the Western Cape (criminal procedure), Columbia University Law School, New York (African Human Rights Systems), and Ramapo College of New Jersey (African Politics and Human Rights). He has written numerous publications on human rights issues and has presented conference papers in over twenty countries in Africa, Europe, America and Asia. He was admitted as an Advocate of the High Court of Lesotho and South Africa and has served on the project committee on child justice of the then SA Law Commission. He was a Member of the Executive Committee of the Council for the Advancement of South Africa's Constitution (CASAC), and a former board member of the Open Democracy Advice Centre (ODAC).

12. Mr Mpho Tsedu

MA in Politics (International Relations) (University of Johannesburg); Bachelor of Arts (Honours in International Politics) (University of Johannesburg); Bachelor of Arts in Political Science and International Politics (University of the North) and studies Phd in Political Studies (Nelson Mandela University).

Mr Tsedu is a highly accomplished senior executive with over 25 years of extensive experience in the journalism, media, communications and marketing industries. Having worked at the SABC as a presenter for both radio and television, Mr Tsedu also served as HoD for Business Leadership South Africa, Policy Advisor at the Department of Communications and Digital Technologies, and is part of the BRICS Research Forum, as he currently leads the Institute of Foreign Affairs.

Tsedu has a diverse educational background with academic qualifications in diplomacy, political science, international politics and international relations, providing him with a unique perspective on global affairs and trends. He is currently completing his PhD, demonstrating his commitment to continued learning and professional development. He is equipped with a broad range of skills, including strategic planning, crisis management, stakeholder engagement and effective communication techniques.

4.2.5. Executive Members of the Board

13. Ms Nomsa Chabeli

Group Chief Executive Officer (GCEO)

Appointed on 1 February 2024

AIM (UCT); MBA (Henley Business School); In progress MM: Digital Business (Wits University).

Ms Nomsa Chabeli is a dynamic and transformational leader who has demonstrated consistent growth and excellence in all the roles she has held in her illustrious career.

She is a strategic leader who will be able to interpret and execute the SABC's public mandate while she ensures its financial sustainability. She joins the Public Broadcaster with invaluable experience from Multichoice where she successfully and profitably led SuperSport across various markets in the world. Armed with an MBA from Henley amongst her qualifications, she will be able to lead the SABC to much needed commercial success.

Ms Chabeli is also a serial marketer who has achieved success with multiple corporations including Edcon, Multichoice, MTN and government institutions such as Brand South Africa and Government Communication and Information System (GCIS) IS. Her role at the SABC is a worthy culmination of the strategic roles she has played in the various proudly South African corporations. The SABC is set to benefit from her extensive leadership experience and vision.

She has been involved in the evolution of marketing in this country, including marketing strategy, digital and social marketing, as well as growth hacking which make her an innovative leader who is constantly searching for tools and methods to achieve optimal success.

She is currently pursuing a Masters in Management: Digital Business with Witwatersrand University and stands to gain a skill that the SABC will need in the realm of digital revolution, currently underway across the world. She strives to continue to give back to the country, through lending her skills for the betterment of current and future generations.

14. Ms Yolande van Biljon

Chief Financial Officer (CFO)

Appointed on 25 June 2018

MCom Taxation; BCom (Hons) (University of Pretoria); BCompt (Hons) (University of South Africa); BCom Accounting (Rand Afrikaans University); CA(SA).

Ms van Biljon is the Chief Financial Officer of the South African Broadcasting Corporation. She gained in-depth and broad experience in Finance Departments of a number of small, medium and larger companies she served in previous years. Her career, which spans more than 20 years,

depicts her skills and contribution to transformation, turnaround and growth strategies and implementation thereof.

In 2014, Ms van Biljon was appointed as the Chief Financial Officer of the Road Accident Fund, where she contributed to the successful turnaround of the organisation. This is evident in the institution's achievement of four consecutive clean audits and the scores achieved against its annual performance targets.

Ms van Biljon's career also includes the seven years she spent in strategic positions at Denel Dynamics, a division of Denel SOC Ltd. She joined this company as Manager: Finance Accounting in 2007, before being appointed Chief Financial Officer in 2008. As a member of the executive team, in seven years she contributed to the transformation of Denel Dynamics from an organisation that was faced with insurmountable sustainability challenges to being able to tick off all indicators of medium to long-term sustainability including, among others, industry acceptable financial results, strong internal controls, exceptional client relations and a healthy order book. Following the completion of her articles, she had a brief stint at a Private Investment Bank in London.

15. Mr Ian Plaatjes*

Chief Operations Officer (COO)

Appointed on 1 November 2019

MBA, BA, HDip Management Practice (Nelson Mandela University); Diploma in Electronics (Telkom Technical College: Port Elizabeth); Diploma in Project Management (Newport University).

Mr Plaatjes has more than 30 years' experience in various industries, including telecommunications, mining, banking and the financial services' sector. Prior to joining the SABC, Mr Plaatjes held the position of Chief Digital Officer at the South African Bureau of Standards (SABS). Previously, Mr Plaatjes held the senior executive positions of Group Chief Information Officer (GCIO) at SBV and Chief Operating Officer (COO) for Absa Group Payments, respectively.

**Currently on special leave*

Mr Lungile Binza

Acting Group Chief Operations Officer

Appointed on 1 May 2020

PhD(c) (Artificial Intelligence, University of Cape Town); Master of Commerce (MCom) (Information Systems, University of Cape Town); Master in Business Administration (MBA) (General Management & ICT) (University of Pretoria's Gordon Institute of Business Science); Post Graduate Diploma in Business Administration (PDBA) (University of Pretoria's Gordon Institute of Business Science).

A Software Engineer by profession, Lungile attained a BSc degree in Computer Science and Mathematical Statistics and completed a

Postgraduate Diploma in Business Administration (PDBA). He holds 2 Masters' degrees, one in Business Administration (MBA) and the other in Information Systems (MCom (IS)). He's currently finalizing his PhD in ethical Artificial Intelligence (AI).

Lungile is an experienced ICT Executive with over 20 years' worth of knowledge in most sectors of the economy like Broadcasting, Investment Banking, Travel and Tourism, Retail Banking, Insurance, Central Banking, as well as Manufacturing. Previously he's held the Chief Information Officer (CIO) position for the FNB Contact Centres for 3 years and was also the CIO for South African Mint Company for two and a half years.

He is passionate about Artificial Intelligence, Digital Transformation, and ICT Leadership Mentorship and Coaching. He is a regular attendee, speaker and panellist at the Gartner, GovTech, and International Data Corporation (IDC) Summits and Conferences in South Africa.

4.2.6. SABC Divisional And Regional Structures

The SABC executive structure incorporates the following Divisional and Regional structures.

- **Group Services:** Responsible for professional functional services at the SABC, e.g. Human Resources, Legal, Governance and Regulatory, Corporate Affairs and Marketing, Finance and the Office of the GCEO. Group Internal Audit is an independent assurance provider, aimed at identifying risks that could deter and/or prevent an organization from achieving its goals/objectives, recommend enhancement of the internal control environment to help reduce/mitigate the risks or eliminate them completely where possible.
- **News and Current Affairs:** Responsible for producing and broadcasting news and current affairs and related products to ensure the South-African public is kept informed.
- **Video Entertainment:** Producing and airing on-air products on a variety of platforms.
- **Radio:** Entertaining, educating and informing the South-African public across the country.
- **Sales:** Generating revenue by selling integrated value-add offerings across all SABC platforms.
- **Regional offices:** Responsible for regional broadcasts, business operations and stakeholder relations in the various regions of the country.
- **Technology:** Responsible for ensuring an appropriate and reliable technology infrastructure for the production and delivery of broadcast programming, digital media content, and supporting commercial revenue generation.

4.3. SABC Core Business

In terms of audiences and reach, the SABC is by far South Africa's leading media brand. The following illustration sets out the respective audience sizes of its various platforms and stations.

4.3.1. SABC Radio

SABC Radio has embraced the digital revolution and uses its digital and social media platforms as new opportunities to extend its reach and to expand its content lifespan. SABC radio understands that "content is king", and thus packages content for consumption through different digital platforms and successfully uses these platforms as a powerful audio/visual extension of the radio brands. SABC Radio's digital content is tailor-made to add depth and to complement the radio experience while supporting various marketing activities. With the launch of SABC+, radio's focus will shift towards "digital first" content production to ensure that the portfolio continues to deliver compelling content for audiences to enjoy and to create new revenue opportunities.

Over the past few years, SABC Radio has built a compelling podcast offering that continues to grow. The award-winning radio drama podcasts remain extremely popular with audiences. Similarly, some of the SABC's radio brands have a considerable representation on major video content distributors such as YouTube. SABC Radio live streaming remains a tactical instrument to reach a mobile audience who access Radio through their mobile and digital devices, as well as expatriates who want to keep a connection with home.

SABC radio intends to continue investing in digital platforms to enhance our online content offering, accessibility and customer experience while keeping our diverse customers (different socio-economic measures) in mind. SABC Radio therefore aims to offer niche digital content to its consumers, ranging from the low-end device to high-end devices. This would be achieved by building strategic and mutually beneficial partnerships with both developing and leading digital content distributors to continue to expand the reach and to distribute the SABC's unique content as widely as possible.

The SABC's bouquet of offerings includes 18 radio stations, five television channels and a digital media offering. A nineteenth radio station (Channel Africa) is managed by the SABC on behalf of the Department of Communications and Digital Technologies. Sometimes, after servicing all its internal obligations, the SABC has a surplus of its outside broadcasting (OB) facilities, in-house studio facilities, in-house creative RAP studios and event venues, which it rents to the public for additional revenue generation.

To many who have limited access to information technology and other more advanced media platforms, radio remains a critical source of information, current affairs and entertainment. SABC Radio reaches 27.1 million listeners (adults 15 years and older) in all 11 official languages in South Africa each week. The PBS portfolio reaches 22.1 million (including XK FM), while PCS radio reaches 6.0 million listeners in an average week.

The SABC's radio stations continue to serve this large section of the South African population and the PBS radio stations remain a vital platform for delivering the Corporation's public service mandate. SABC's radio stations are also available via live streaming from their respective websites and social media spaces, as well as on the DSTV audio bouquet. Podcasting also remains a popular choice with listeners wanting to catch up on episodes of their favourite radio shows. The following stations constitute the SABC radio stations:

Public Broadcasting Services (PBS)



Ikwekwezi FM provides relevant information that caters to the needs and tastes of the isiNdebele speaking community. It is acknowledged by its listeners as their primary source of news and information.

Average weekly audience: 1 162 000 adults (15+)



Lesedi FM caters for the Sesotho speaking community. It is a needs-driven participatory radio station that provides programming that touches on issues that have a direct bearing on the development of its listeners.

Average weekly audience: 3 536 000 adults (15+)



Ligwalagwala FM seeks to reflect a more urban and aspirational lifestyle. It prides itself on being an up-beat radio station that speaks to young, motivated, upwardly mobile, Black, siSwati-speaking people.

Average weekly audience: 1 299 000 adults (15+)



Lotus FM's target market is the South African Indian community. The station caters for an audience of both young and old, and broadcasts mainly in English and languages of Indian origin. Lotus FM offers an engaging mix of information, education and entertainment-driven programmes that serve to reflect the strong value system of our dynamic audience whilst promoting a proudly South African radio brand within the context of "total citizen empowerment".

Average weekly audience: 238 000 adults (15+)



Motswedding FM's core philosophy is personal empowerment and development of its listeners. It is an aspirational station that embodies the ambitions of being worldly and cosmopolitan. It broadcasts in Setswana from Mafikeng and its listeners depend on the station as their source of education and entertainment. Motswedding FM has a massive spillover listenership in Botswana.

Average weekly audience: 3 106 000 adults (15+)



Mungahana Lonene FM broadcasts in xiTsonga and supports the aspirations of its listeners, whilst ensuring contemporary norms and values. The station places much emphasis on listener participation, and actively seeks expert opinion, commentary and advice on various topical issues.

Average weekly audience: 1 457 000 adults (15+)



Phalaphala FM's programming philosophy is underpinned by a desire to inspire its listeners, especially women and emerging entrepreneurs. Listeners are given a platform to share knowledge and expertise across a range of subjects and issues. The station broadcasts from Polokwane in Tshivenda. Audience:

Average weekly audience: 1 177 000 adults (15+)



Radio 2000 is a facility national radio station that broadcasts mainly in English. It reflects and unites South Africa's diverse cultures with the intention of strengthening democracy and nation building through lifestyle programming, ball-by-ball sports commentary and covering events of national importance. Radio 2000 provides content that is high quality and engages audiences in healthy discussion and debate on a wide range of subjects, to empower and uplift the citizens of South Africa.

Average weekly audience: 2 087 000 adults (15+)



RSG is a contemporary radio station that represents the modern all-inclusive Afrikaans audience. RSG provides for a progressive, forward thinking, loyal and strongly family-orientated audience in South Africa that is proudly Afrikaans.

Average weekly audience: 1 283 000 adults (15+)



SAfm aims to deliver credible, up-to-the-minute news and talk, alongside relevant, informed analysis of current affairs. In accordance with its PBS mandate, SAfm also explores broader themes and subjects relevant to its target market and delivers the information in a manner that benefits all South Africans. The station targets discerning, mature and sophisticated listeners nationally. The focus is primarily on decision makers seeking insightful and enabling information to keep informed.

Average weekly audience: 632 000 adults (15+)



Thobela FM dedicates its programming to promoting the personal growth of its listeners, modernisation of culture and enhancing economic development within their communities. The station broadcasts in Northern Sotho (Sepedi).

Average weekly audience: 2 881 000 adults (15+)



Tru FM views youth and youthfulness as an opportunity, and young people as a resource. It broadcasts in IsiXhosa and English and creates a platform for young people to express themselves. Tru FM empowers its listeners - the youth - to improve their quality of life and focus on their self-development.

Average weekly audience: 252 000 adults (15+)



Ukhozi FM is the nation's largest radio station. It focuses on edutainment and infotainment and is guided by a philosophy that prioritises upliftment, personal growth and development. Broadcasting in IsiZulu, Ukhozi FM is a leading PBS station with an audience of over seven million, which provides it with huge advertising appeal.

Average weekly audience: 7 596 000 adults (15+)



Umhlobo Wenene FM broadcasts in isiXhosa and seeks to serve its listeners with honour and integrity by continuously providing global entertainment, education and information that inspires a culture of personal growth and development.

Average weekly audience: 4 194 000 adults (15+)



XK FM targets the San people of Platfontein in the Northern Cape. This community consists of the Xuntali (!Xu) who make up 64% of listeners, and the Khwedam (Khwe), who fall into SEM 1-6 and make up the other

36%. The station currently plays a critical role in preserving some of the oldest indigenous languages and cultures in Africa.

Average weekly audience: 1 000 adults (15+)

Public Commercial Services (PCS)



5FM is a national youth radio station that transcends race and socio-economic background. The station offers its listeners only the most popular contemporary music and entertainment. With its significant social media presence, 5FM is no doubt a station of the future. Daring to walk on the wild side, the station inspires personal development while encouraging freedom of expression.

Average weekly audience: 888 000 adults (15+)



Good Hope FM encapsulates the fun, energy and funkiness of urban Cape Town. It entertains and actively engages Capetonians through music, and relevant lifestyle news and events. It is well positioned to meet the lifestyle needs of its audience by showcasing events and public concerns.

Average weekly audience: 2 000 adults (15+)



METRO FM has a strong influence on youthful urban adults who embrace a pragmatic and successful lifestyle. It is the largest commercial station in South Africa, with a listenership of more than four million. Though primarily a music station, METRO FM also delivers credible and unbiased news reporting that keeps its listeners involved and informed.

Average weekly audience: 4 698 000 adults (15+)

Administered on Behalf of the Department of Communications and Digital Technologies (DCDT)



Channel Africa is an international radio station that currently broadcasts online only, mainly to the Southern, Eastern and Western African audiences in six languages, English, French, Chinyanja, Portuguese, Silozi and Swahili. The station's mandate is to promote South Africa's foreign policy to the rest of Africa and the world.

4.3.2. SABC Video Entertainment

Television remains the medium of choice for most South Africans. The public broadcaster's five television channels attract, on average, 26.6 million South African adults (15+) in a typical month. SABC Video Entertainment platforms oversees five linear channels as well as digital platforms. The channels SABC1, SABC2, S3, SABC Education and SABC Sport are broadcast as free-to-air through analogues signal, due to switch off in March 2023. The SABC linear channels are also carried on privately owned DTH platforms within the country, except for the Sentech gap filler, as well as being streamed on SABC+.

4.3.3. SABC Television Channels

PBS



SABC1 is a full spectrum, general entertainment 24-hour reactive, free-to-air channel that speaks to youthful South Africans between the ages of 16 to 34, with an epicentre of 24-year-olds. This current audience profile for the channel is primarily Black and speaks mainly Nguni and the Nguni minority languages.

The channel represents the fibre of youthful South Africans and is in tune with the latest trends and entertainment, reflecting their interests, passion and aspirations. The channel is watched mostly in South Africa, with a compelling mix of strong local drama content, reality and popular general entertainment.

SABC1 commands the highest audience share in primetime in South Africa, entertaining the country with strong, compelling local content and keeping them informed with relevant current Affairs and News content.

The average daily audience reach is 9 725 096.



SABC2 is a full spectrum, 24-hour, general entertainment reactive free-to-air channel, defined by a focus on the South African "family". It broadcasts primarily in Afrikaans and the Sotho language groups, including the minority languages, mainly from Limpopo.

SABC2 is the place where people come together to celebrate shared values and experiences, and re-live and reflect on our cultures. It is a mirror to our past and a reflection on our present realities. The channel is aimed at 30- to 50-year-olds, with an epicentre of 35 and the emphasis on family references any tight-knit group of individuals, whether those ties are based on blood, affinity or co-residence. Customs and traditions are very important to this audience, but they remain committed to diversity, tolerance and building each other up.

SABC2 promotes social cohesion and nation building. Coverage via the terrestrial transmitter network covers 72% of the viewers due to analogue switch off, and the channel is also available via satellite on DSTv, Starsat Openview, and our own OTT Platform, SABC+.

The average daily audience reach is 5 233 137.

PCS

S3 is a full spectrum, 24-hour generalist, free-to-air channel showcasing the various shades of the South African millennial story, from reality to aspiration. S3 is the fifth-largest channel in South Africa, positioned to deliver programming that is chic, fresh, elegant, has high production values, is relatable and highly entertaining.

Its audience is the Progressive Millennials aged 25 to 39 (epicentre at 30) and found in the SEM 6-8 groups. Predominantly located in urban areas and passionate about contemporary socio-economic and political issues, this set of audiences are constantly looking at ways of improving their lives and those of the rest of the country. S3 has the smallest network footprint, with a coverage via the terrestrial transmitter network covering 82.1% of viewers mainly in metropolitan areas. The channel is also available via satellite on the DSTv platform.

The average daily audience reach is 2 937 320.

4.3.4. SABC News

SABC News provides news and current affairs content on digital-audio-visual platforms. It leads and commands the share of leading both the satellite, analogue and radio news market through the added advantage of its multilingual content offering. Given its reach and size, SABC News' newsgathering footprint is enormous and providing the news broadcaster with the capability and advantage of reaching a vast audience and reflecting the society's diversity and plurality and global reach, especially the African continent.

SABC News provides content on SABC News, a channel carried on the satellite platform of Multichoice's DSTV and, until recently, on DTT. It also provides news bulletins and current affairs on free to air analogue channels, SABC 1, 2 and 3. SABC News has launched **SABC Lehae**, a multilingual news channel on DTT. Its success is highly dependent on the successful digital migration.

SABC News's greatest platform remains radio, providing news bulletins and current affairs to 19 radio stations in all South African official languages, including two indigenous languages, the Xhosa and Ndebele.

SABC News' digital platforms are the path for its future growth. Its platforms include sabcnews.com, SABC News app (which will be incorporated into SABC Plus).

SABC News channel, which broadcasts on DSTV 404 and until recently DTT, has almost 40% of the satellite market share and broadcasting over 40 African countries. It is a seamless fusion of news bulletins, current affairs and magazine-format programming, providing live coverage for up to 18 hours per day. The channel broadcasts in English and boasts a wide Pan African reach. In its eighth year, the channel is the most viewed satellite news channel in South Africa. The channel's five-year carriage licence agreement was renewed in September 2023.

SABC News bulletins and current affairs on free to air analogue channels (SABC 1, 2, 3) are unmatched in terms of reach and audience performance, with Nguni bulletins averaging R3-million ARs. The combined audience is at 14-million. The radio audience in all 19 radio stations for SABC News bulletins and current affairs is not available but the last figure averaged 30million. It is the only news organisation broadcasting its bulletins and current affairs on both radio and TV in all official languages, including sign language and the Xhosa and Ndebele indigenous languages. Given the critical role and reach of radio, SABC News intends to maximise and amplify its content by transforming its radio current affairs.

This will ultimately boost its growth on its DTT channel, **SABC Lehae**, which is the future premier channel should the digital migration be managed successfully. With resources and support, SABC Lehae will be the most unique and largest multilingual channel on the continent, serving as an untapped audience that could be translated into revenue. Currently its performance is steady, given that it started from a low base. This is primarily attributed to a 40% of the schedule comprising repeats due to financial difficulties.

SABC News's digital content also provides fast-paced, mobile audience who prefer consuming news content on non-linear platforms. sabcnews.com is the premier digital, audio visual news site, which hosts all SABC News content. SABC News channel on Youtube is the largest, boasting one billion live, cumulative viewers and trailing ahead of its competitors. SABC News content is also a critical part of the SABC Plus offering, providing both live streaming and video on demand. SABC News is also expanding its footprint on social media platforms, which cross-channel and cross-market views to other platforms.

To boost its growth, SABC News intends to expand on the African continent, both in terms of content and newsgathering, with finances and resources permitting. Multichoice Africa has committed to provide SABC with audience data for the SABC News channel, which should be exploited by Sales division.

SABC Lehae has a average daily audience reach is 125 177.

SABC News average daily audience reach is 1 126 280.

4.3.5. SABC Sport



SABC Sport has been a cornerstone of the SABC broadcast experience for years, keeping South African sports fans informed and entertained with live sport and magazine shows carried on SABC 1, 2 and 3, where viewing figures dwarf those of local competitor SuperSport.

The 24/7 SABC Sport Channel, was first launched in 2021 on the DTT platform, and then on the eMedia Openview and currently streams on SABC+.

The average daily audience reach is 896 440.

4.3.6. SABC Education



SABC Education was launched in May 2020 in response to the impact of COVID-19 on South African learners.

SABC Education is a 24-hour, non-reactive learning channel that delivers formal curriculum-based content, informal knowledge-building and basic education. The channel is targeted at learners and the public seeking formal and informal knowledge. The channel is carried on DTT and streams on SABC+.

The average daily audience reach is 157 129.

4.3.7. SABC Business Support

4.3.7.1. SABC Sales

SABC Sales is the premier powerhouse of commercial media sales and airtime sponsorships, spanning a vast and diverse brand offering across television, radio, digital and mobile platforms. Through the SABC's four enticing television channels and its dynamic 18 radio stations, SABC Sales provides an easily accessible, high quality driven and client value-based media solutions platform for our current and prospective clients.

The services we offer include:

- Generic and customised media sales opportunities
- On-Air Sponsorship solutions
- Stations events sponsorship opportunities
- Specialised media strategy solutions
- Consumer, audience, and environmental analysis
- Radio advertising production facilities
- Omnichannel Solutions
- Digital Sales opportunities

The SABC relies predominantly on commercial revenue to sustain its operations, with the Sales Division playing a pivotal role in generating revenue through advertising sales, alternative streams, and television licences. Operating in a highly competitive environment, the Sales Division confronts challenging market conditions and is required to implement agile strategies to optimise advertising revenue.

4.3.7.2. Human Capital Management

At the core of the SABC Corporate Plan are our people and their connection, willingness, and commitment to realize the corporate strategy and vision. The foundation of the SABC HR people-centered approach begins with the intention of creating a high-performing culture as a desired end state. Our people-centred approach emphasises creating a workplace in which all SABC employees can experience a strong sense of belonging and are enabled to Feel their Best as well as Perform at their Best. We are committed to offering a compelling employee value proposition, fostering positive relationships with our employees, developing our leadership capability, promoting a diverse and inclusive culture and developing talent and critical skills. The human capital experience and realities require human capital officers and business managers to manage human capital in a more empathetic, agile and strategically. To survive, and thrive, we must gain a more holistic view of the work force – comprehensive understanding of organisational issues and how human capital strategies can be implemented to support the SABC's vision.

The HR people approach is based on **two core pillars**:

- **PEOPLE PHILOSOPHY:** We believe in making our employees feel valued and respected, enabling them to reach their full potential.
- **HR APPROACH:** We deliver value-added and fit-for-purpose solutions to enable the business strategy.

Through various initiatives, the HR Division ensures that employees are actively engaged and contribute to the refinement of its service offering, thus positioning the SABC for success in achieving its mandate and the recognition of the SABC as an employer of choice. The following employee initiatives are being rolled out.

- Build and grow talent ready to transition and deliver business results through improved learning and development strategies
- The implementation of the SABC wellness framework "My Wellbeing Journey" is supported by a wellness app that offers digitalized wellness solutions and coaching employees on the various identified wellness pillars Wellness.
- Leadership and employee capacity to adapt to the continuously changing environment
- Use the lived experience project as an impetus for addressing challenges in the recruitment challenges, medical and critical skills career paths

- Improve Performance Management capability
- Implementation of the Defined Contribution Fund which will provide new employees with more flexibility regarding their pension and will be financially beneficial to the organisation.
- Implementation of the SABC Coaching programme
- HR functional service delivery is experienced consistently across the SABC
- Improved self-directed learning through the SABC learner management system

There are five strategic prioritised **HR goals**:

- **Building Leadership Capability to Deliver:** Leadership excellence is an essential point of differentiation in successful organisations. We aim to enable conversations that inspire the possibility of thinking execution through:
 - Leadership Development
 - Coaching
 - Engagement-Connecting Platforms and
 - Value-Based Behavioural Assessment recommendation.
- **WeLEAD:** Conducive organizational Culture revitalisation project
- **Enabling experiences of membership** where employees have a sense of ownership stake in the SABC and such is guarded with exceptional performance. This is achieved by embedding empowerment practices, which bring Talent together and thrive through programmes such as:
 - Personal Mastery,
 - Managing Emotions,
 - Personal Change Management
 - The SABC Culture Project
- **Stakeholder Connecting & Relationship Building:** A seamless integration and connection across various divisions through strengthened partnerships.
- **Attraction, Retention & Development of Talent:** To effectively recruit and accelerate all initiatives to increase SABC's Employment Value Proposition and competitiveness.
- **The True Hybrid & Clarity on Ways of Work:** We pride ourselves in providing clarity and igniting trust through a shared understanding of responsibility, accountability, and ownership in the world of true hybrid.
- **Employee initiatives**

Flexibility in employee benefits is an important contributor to a conducive workplace. The SABC has therefore introduced various initiatives regarding the structuring of the 13th cheque received by bargaining unit employees, a more affordable Medical Aid option for employees

and more flexibility regarding contributions to the pension fund going forward. The employees of the SABC's contribution to the organisation is also recognised through the Excellence Awards, an annual programme successfully launched this year and a R18 000 once-off payment made to each permanent employee to show managements appreciation for their input. In order to ensure the SABC stays competitive in the labour market it has conducted a benchmark of pay scales and ranges to ensure the SABC pays market related salaries.

As part of stakeholder management, the SABC has embarked on a holistic Wellness programme addressing various wellness pillars identified. Wellness workshops are conducted on a quarterly basis. These are supported by a number of related initiatives addressing the wellness needs of employees.

Talent retention remains an important topic and a Talent Strategy has therefore been implemented with the identification and development of talent the main focus. Talent Reviews are conducted bi-annually to ensure talent is nurtured. The youth is also taken care of through an intake of interns across the organisation with the aim of offering deserving interns permanent employment at the end of the internship. Transfer of capability is high on the Internship Agenda with formalised programmes and on-the-job training being presented to the interns to develop this talent.

A culture of high performance is being established through the Performance Management programme now in its second year of implementation. Moderation of the previous performance cycle's scores has been concluded and performance agreements are in place for all employees to ensure delivery on targets. This process is closely monitored by management.

An effective Leadership team contributes to the overall success of an organisation. Various leadership development programmes have therefore been developed addressing the leadership competencies identified for the SABC. These programmes are being rolled out across the organisation to ensure the Leadership team can apply these capabilities in their daily operations. The Human Resources team remains committed to establishing a conducive working environment for all employees where they can flourish and deliver to the best of their ability.

4.3.7.3. Marketing And Communications

The SABC brand affinity under the theme "**SABC Everywhere for Everyone, Always**" fortifies the SABC's position as the multi-platform content provider with compelling content designed for diverse audiences which can be accessed anytime. In addition, the theme is inspired by the SABC's mandate of striving for universal access. The Corporation's marketing campaigns will continue to target content promotion, but more emphasis will also be placed on ensuring the establishment of an SABC educational campaign that will communicate the Corporation's value. The campaign will affirm the SABC's footprint whilst highlighting its unique abilities that are not shared by any other broadcaster in the country.

Further focus will be on optimising back attribution of the Corporation's sub-brands to mother brand and vice versa while working on building powerful memory structures in the hearts and minds of SABC audiences through simplicity and repetition. Select and key events will remain a key tool to reconnect with platform audiences on the ground, whilst yielding positive spin-offs and the return on investment.

All Marketing, PR and Communications efforts will be targeted at achieving the following objectives:

- Reposition SABC Brands to be responsive to market changes.
- Improve visibility and accessibility of SABC brands.
- Generate leads prospects for SABC brands.
- Develop market and consumer insights for SABC brands.
- Position SABC brand as a credible media brand locally and on the continent.
- Restore external stakeholder trust in the SABC.
- Build trust and engagement through improved internal and external communications.

Concerted and intensified efforts in relation to Digital Marketing will be prioritised and continue to focus on programmatic campaigns on websites, apps, Facebook, Twitter, YouTube, Instagram, TikTok and LinkedIn to provide efficient, targeted, and scalable digital marketing solutions. The division will remarket SABC Ads and increase social media traffic by conducting media transactions on an impression-by-impression basis and ultimately grow SABC platforms and their offering to consumers. Digital marketing will also implement paid, owned & earned media for The SABC brand and Sub-brands, review mentions, social shares and media coverage. The SABC will use its social media platforms (YouTube, Facebook, Instagram, Twitter, LinkedIn) more proactively by adopting content marketing strategies. Strong emphasis will also be channelled towards enhancing a Digital marketing strategy that will shape the SABC to fit perfectly into the multi-platform and multi-device broadcasting environment. Position SABC+ as the preferred platform to contribute to increased market share and retention of users.

The business is thriving with **Consumer Insights (CI)** which is tasked with ensuring the implementation of innovative solutions that are targeted at enabling the business through targeted knowledge solutions via collaborative user platforms and tools. The organisation has achieved successful implementation of the Chatbot (BOTSE) to enhance the customer experience and improve understanding of customer engagement from data analytics, which forms part of the chat bot learning knowledge base.

In addition, there is a Listening Tool which has been procured to provide a singular, customer experience management (CXM) platform that combines different applications for social media marketing, social advertising, content management, collaboration, employee advocacy,

customer care, social media research, and social media monitoring. Sprinklr, a social media listening tool is also procured to enable the business to understand what has been said about the SABC and its sub brands, gauge the public sentiment as well as assist the Corporation to carefully craft proactive messages and responses.

Sprinklr training sessions will be prioritised with Digital Specialist to familiarise them with the functionality of the platform. Empowerment sessions are also key and will be emphasised to address any challenges that may arise.

Interdepartmental relations with key departments such as Market Intelligence and Human Resource to explore potential collaborative projects will be established. Major projects such as employee advocacy surveys will be considered and partnerships with relevant stakeholders such NEMISA will also be considered for possible mutually benefiting projects.

4.3.7.4. Stakeholder Relations

The Communications and Stakeholder Relations function focuses on positioning the SABC positively in the public domain and with relevant stakeholders, through the development and implementation of comprehensive and effective strategic engagement plans and activities aimed at creating a fruitful environment for the organisation to fulfil its mandate, vision and mission.

Considering the current financial status of the SABC, it has become increasingly important to understand that the SABC's viability and its financial sustainability is also dependent on establishing cordial relations with key stakeholders for possible investor support. A much-concerted effort will be placed in engaging stakeholders in a more inclusive and continuous manner to communicate the SABC's public value. The underpinning rationale for continuous engagements is aimed at cultivating new relationships and strengthening existing ones whilst developing a transparent relationship aiming at building trust and inclusivity:

The **objectives** of stakeholder relations are to:

- Build strong and effective strategic relationships with both internal and external stakeholders.
- Cultivate an intimate understanding of stakeholder interests and advise the business on how best to build relationships and gain the trust of valuable stakeholders.
- Foster a culture of information sharing and transparency with stakeholders, with the goal of building trust and inclusion.
- Proactively engage stakeholders and ensure they are kept informed of key developments at the SABC.
- Identify, manage and mitigate all potential risks, conflict and undesirable developments that could damage the organisation's image and reputation.

- Position the SABC as a socially responsible and caring company by investing in sustainable CSI programmes that target schools, communities and organisations that meet the requirements of our CSI investment criteria.

- Create an environment for building mutually beneficial short, medium and long-term partnerships.

The following are the **strategic focus** areas for the next MTEF period:

- Develop and implement a roadmap to support all engagement initiatives for the various stakeholder groups.
- Establish platforms through which the SABC can engage, listen to and respond to stakeholder needs.
- Identify and explore areas, initiatives and activities for potential partnerships, regionally and nationally.
- Establish a feedback loop to improve responsiveness and help resolve critical issues.

4.3.7.5. Corporate Social Investment

The SABC's Corporate Social Investment department cements the Corporation's important role as a social entity in various South African communities that's aims to address the social ills and challenges facing the country. SABC's CSI aligns itself with South Africa's triple challenges of poverty, inequality, and unemployment. The SABC is cognizant of the fact that as a public service broadcaster, the organisation contributes meaningfully to Nation Building and Social Cohesion as per Outcome 14 in the National Development Plan. The organisation will continue to make great strides in changing the lives of South African citizens.

The SABC's CSI department aligns with the Corporation's values of Respect, Trust, Integrity, and Quality. The department will continue to uphold these values that also extend to programming that is provided to the South African citizens daily. The SABC is cognizant of the fact that partnerships play a pivotal role in the successful delivery of the many CSI projects that the Corporation embarks on. Therefore, the department will continue to work together with various stakeholders to continue to restore human dignity of the South African citizens. CSI unit will exponentially grow the number of mutually benefitting partnerships with key stakeholders and utilise CSI projects to contribute to the Corporation's reputation management efforts.

4.3.7.6. Regional And Continental Relations

Regional relations with key stakeholders continue to be a priority for the Corporation to establish and deepen ties with partners aligned to our mission and mandate. Entities such as Provincial government, universities, the creative sectors and local business chambers offer opportunities to leverage resources, both financial and otherwise.

The SABC's Vision of being a leading and credible face and voice of not only the country, but to the Continent, provides an avenue to further expand

the Corporation's reach and impact as the largest public broadcaster on the Continent through compelling content, news services, African focused radio platform, Channel Africa, and strategic partnerships with businesses who trade across the continent.

4.3.7.7. Technology

The Technology Division will support the strategy execution by ensuring the existence appropriate, reliable, and available technology infrastructure for the production and delivery of broadcast programming for our Television Platforms, radio platforms, and the new digital Media for the enablement of commercial revenue generation activities. The technology strategy and its subsequent Operating Model is biased toward digital platforms delivery with the digital journey being very well established with initiatives to digitally Transform the SABC

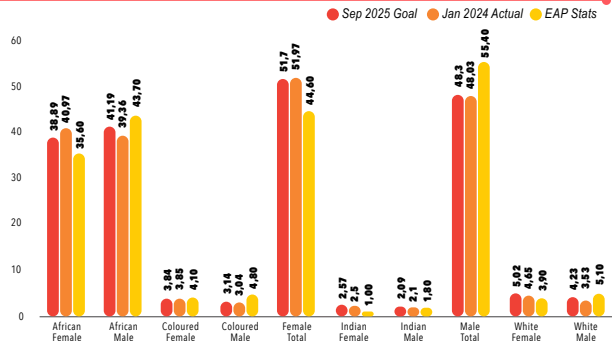
The Technological Game Changers through the launch of the SABC owned, fully integrated, operationalized OTT streaming platform, the SABC+, will continue to drive the organisation's content delivery for both radio and television. There are still other critical digital initiatives like the News Playout Systems, Radio Playout System, and Preservation of Legacy Material/Content (PLM) which as part of the digital transformation journey.

Ownership of a DTH Platform is non-negotiable and is part of Technology's digital landscape aimed to capacitate platforms in delivering compelling content to drive audience take-up and revenue growth. It will also serve to migrate audiences impacted by the analogue switch off, scheduled for December 2024.

4.4. Employment Equity Profile

The SABC transformation programme is progressing well. The SABC has a strong employment equity profile, when measured against the economically active population (EAP) of the country. The graph below gives an indication of how the SABC compares to EAP. The graph below shows progress against 2025 employment equity targets, as of 31 January 2024

GRAPH 18: Employment Equity Progress Against 2025 Goals



At the Top and Senior management levels, females have a 35% representation rate versus a male representation rate of 42%. When compared to the EAP, the SABC is on target for female employees at this level. At the Professionally Qualified and Experienced Specialist level, females are well represented 49.65%, with African females at 35.69% of the workforce. At a Skilled Technical and Academically Qualified level, females make up 53.30% of the SABC workforce, with African females at 42.46%. At Semi-Skilled &Discretionary Decision-Making level, 45.34% of the SABC population is female and 50.61% of these are African females.

Overall, females are well represented, at 51.97% of the entire SABC workforce. This is 7.37% above the EAP for females, while males are lagging 7.37% behind EAP.

The SABC has reviewed its employment equity targets and developed a new three-year Employment Equity plan to ensure realistic targets which are aligned to the economically active population of the country.

4.4.1. Status Of Compliance With B-BBEE

The SABC is a PFMA Schedule 2 public entity and therefore subscribes to the principles of the B-BBEE Act and the related B-BBEE ICT sector codes. To this effect, The SABC strives to promote and empower black owned businesses through its procurement process, which is aligned to the new Preferential Procurement Policy Framework Act and its associated regulations.

As of 31 December 2023, 134.35% of the total measured procurement spend was directed to B-BBEE-compliant businesses. The Board has further approved the Enterprise and Supplier Development Strategy, which is aimed at promoting and advancing businesses that are owned by Black people, with a specific focus on Black women, the youth, Black

TABLE 6: Total Per Occupational Level As At 31 January 2024

EE Occupational Level	Values	Male				Total	Female				Total	Grand Total
		African	Coloured	Indian	White		African	Coloured	Indian	White		
Top Management (Scale 110/115)	Number	4	1	1	--	6	3	--	-	2-	5	11
	%	36.36	9.09	9.09	--	54.55	27.27	--	-	18.18-	45.45	100
Senior Management (Scale 120)	Number	9	--	-	2-	11	8	--	-	1-	9	20
	%	45	--	--	10-	55	40	--	-	5-	45	100
Professional Qualified, Exp Spec & Mid Man (Scale 125/130/200/300)	Number	199	16	26	44	285	202	17-	20	42	281	566
	%	35.16	2.83	4.59	4.44-	50.35	35.69	3-	3.53	7.42	49.65	100
Skilled Technical & Academ Qualified (Scale 401/402/403/4040)	Number	551	49	19	31	650	591	61-	34	56	742	1 392
	%	39.58	3.52	1.36	2.23-	46.70	42.46	4.38-	2.44	4.02	53.30	100
Semi-Skilled & Descret Decision Making (Scale 405/406/407/408)	Number	117	2	1	2	122	112	8-	2	3	125	247
	%	47.37	0.81	0.40	0.81-	49.39	45.34	3.24-	0.81	1.21	50.61	100
Total Number		880	68	47	79	1 074	916	86	56	104	1 162	2 236
Total %		39.36	3.04	2.10	3.53	48.03	40.97	3.85	2.50	4.65	51.97	100
EAP		43.70	4.80	1.80	5.10	55.40	35.60	4.10	1	3.90	44.60	100

people with a disability, businesses owned by Black people in rural communities and cooperatives.


The table below shows achievements to date in terms of preferential procurement. This excludes procurement spend outside South Africa; spend on imported goods and services for which there is no local equivalent.

TABLE 7: Preferential Procurement Achievement Against Targets

Description	Target as Per ICT Codes	Achieved BBBEE Spend	% Achieved		
			Q1	Q2	Q3
Total Actual Spend		R662 429 140,16			
BBBEE Spend	80%	R889 983 145,34	106,85%	95,46%	134.35%
Black Owned (51%)	40%	R657 462 055,19	65,12%	58,00%	99.25%
Black Women Owned (30%)	12%	R250 580 150,38	24,26%	12,77%	37,83%
QSE	15%	R 132 797 669,10	12,19%	23,43%	20,05%
EME	15%	R 118 204 732,28	21,17%	14,51%	17,84%

Furthermore, various initiatives are underway to ensure that the current SABC B-BBEE rating is improved and that Black-owned businesses – and particularly exempted micro enterprises (EME) and qualifying small enterprises (QSE) are empowered in a meaningful and impactful manner. Amongst these initiatives are the following:

- Use of specific goals criteria for EMEs and QSEs.
- Identifying and affording beneficiaries an opportunity to feature in all the SABC radio programmes as a way of promoting them.
- Partnering with multi-nationals and external stakeholders in the ICT sector to conduct training.
- Utilisation of the SABC's facilities and resources for supplier incubation purposes.

A smiling woman and a young girl are looking at a tablet together. The woman is behind the girl, and both are smiling. The girl is holding the tablet. The background is a green geometric pattern with white dots.

"Lifting every voice
and representing
every face.
From around the
fire to TV, radio
and online"



PART C: MEASURING OUR PERFORMANCE

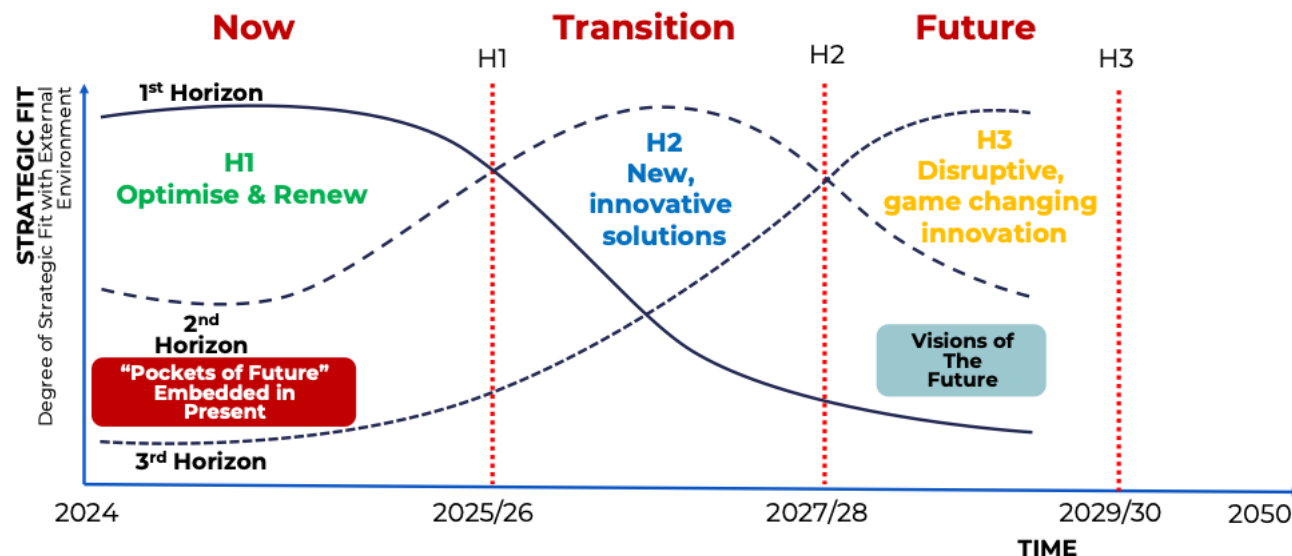
5. THE SABC STRATEGIC PLANNING PROCESS

The crafting of a new FY2024/25 - FY2028/29 Strategy commenced in August 2023, led by the SABC Board who provided guidance and direction to the Executive Team in developing an innovated strategy. The process culminated in a large scale Strategy Summit attended by executives and senior managers in January 2024. This Strategy Summit was guided by the Acting Group CEO and the SABC Exco.

Once the innovated FY 2024/25 - FY 2028/29 Strategy was approved by the Board on 31st January 2024, a Strategy Execution workshop was convened to deconstruct the Strategy into actionable programmes and pathways in line with the Pillars and Strategic Goals set by the SABC Strategy.

The draft 2024/25 Corporate Plan has been submitted to the Group Internal Audit in February 2024 for a pro-active review. The outcomes / findings of this review, together with the Department of Communications and Digital Technologies analysis feedback on the draft Corporate Strategy have been considered and incorporated into the final document. This Corporate Plan includes management's inputs and priorities over the next MTEF period. This plan comprises key strategic areas that have been interpreted into MTEF performance for all our budgeted pillars.

GRAPH 19: SABC Journey Across The 3 Horizons



Curry & Hudson, (2008) Seeing on Multiple Horizons: Connecting Futures to Strategy
Journal of Futures Studies

6. SABC PERFORMANCE INFORMATION

6.1. The SABC Journey Across Its 3 Horizons

In order to remain relevant to a changing world and to deliver successfully on its FY2024/25 to FY2028/29 Strategy, the SABC has adopted a Three Horizons approach. Clear deliverables across these horizons have been developed and will represent specific metrics and milestones at both an Outcome and Output level. It must be noted that the work required for success at these horizons is not sequential but happens in parallel. Work on the achievement of Horizon 2 and 3 (H2&3) outcomes is happening from the onset of the strategy (period up to H1), with key milestones being delivered to support ultimate outcome achievement.

From the illustration it must be noted that the three horizons are referred to as:

Horizon 1 (FY2025/26): Optimise and Renew

Horizon 2 (FY2027/28): New, innovative solutions

Horizon 3 (FY2028/29): Disruptive, game-changing solutions

**Commitment
embraced at all
levels of the
SABC.**

**EVERYWHERE
FOR EVERYONE,
ALWAYS.**

6.2. Assumptions Within The Planning Period

The SABC FY2024/25 - FY 2026/27 Corporate Plan is aligned to the FY2024/25 - FY2028/29 SABC Strategy. As a future-focused plan, it is developed based on a number of important assumptions about how the future will evolve. These include:

- Radio, television and digital media will ultimately converge into one choice-based offering – see and hear, only see, only hear.
- Broadcasting lines will blur across blogs, podcasts and influencers with own live channels.
- Broadcasting will be personalised and democratised with consumers choosing what to consume, when, where and how.
- Broadcasting will become increasingly smart and digital offering up immersive, personalised experiences that will change across time and occasions.
- The print media will decline further and transform into digital media.
- Analogue will phase-out as a primary broadcast medium. All consumption will be digital across all platforms including current television and radio channels (including FM).
- Virtual events will be hosted on-line with immersive, near reality experiences for all.
- Multiple platforms will be used to consume content, including increasingly SMART screens
- Content consumption will be personalised.
- Presenters will not be required to be studio-based. They will broadcast anywhere, anytime, supplemented by bots and avatars that will be indistinguishable from humans.
- Content consumption will be highly variable across generations, stages in the consumer lifecycle, occasions and time. This will increase the complexity of market segmentation.
- Permission-based advertising will be dominant. Consumers will have the choice of advertising and what kinds of advertising they will permit themselves to be exposed to.
- Consumers will experience physical sensations through VR and AR equivalent technologies and holograms.
- Commerce and business will be increasingly cashless with the vast majority of all transactions being digital payments.
- Marketing will take place in virtual, digital worlds and will have ever-decreasing returns. Targeted, holistic approaches will be required.

- Automated advertisement scheduling will be based upon real-time audience information.

- Predictive analytics and cognitive automation will drive scheduling, programming and content creation.

There will however be many elements inherent in broadcasting that **will be sustained** going forward. These include:

- The need for relevant content and information. The commissioning, creation and distribution of relevant, compelling content will remain a mission critical core capability for the SABC. Whether serving a commercial or public interest purpose, content will remain a critical competitive advantage.
- In a world of deep fakes and AI generated content, the credibility of information in the minds of consumers is of paramount importance.
- Competition will continue to intensify, through bot existing (2024) as well as the emergence of new competitors, potentially drawn from other technology enterprises.
- Rise of nationalism globally will contribute to a strong sense of national identity, reinforced by public broadcasters.
- Content in a diversity of languages will still be valued, although English will increasingly become a standard for all.
- Population will have become increasingly urbanised. Semigration will have continued, changing the demographic mix of many parts of South Africa

Key changes and / or the accelerated evolution of trends going forward will include:

- The SABC will be a visible, well recognised broadcast player and competitor in Africa.
- The way media is consumed will continue to change. New devices, new consumer behaviour and shifting social values, including the emergence of a potential 'new' generation, will influence consumption.
- 2024 audiences will shift in their life-cycles as they age in line with the progression of this plan and these shifts will be further influenced as new segment-focused media offerings emerge. A number may have defected to competitors for some of their content and / or they may remain loyal to the SABC for the bulk of their content / information.
- Linear, TV based consumption will significantly decline and will have been surpassed by new, emerging technologies, devices and platforms.
- New competitors will emerge, offering a wider portfolio of products, possibly from an evolving social media industry

- Africa and its diversity of countries and economies will attract more attention than ever before as broadcasters seek to increase their reach and revenues

- Automation, both cognitive and physical, will be ubiquitous across all forms of life and business with humans playing an important curation, integration and co-ordination role

- Global warming will significantly impact our climate with natural disasters and adverse weather a common occurrence. This will impact how we interact and engage with one another and disrupt access to communications and information.

- Rural towns will be increasingly cut-off socially and economically from the 'mainstream' economy with the total collapse of local government in many areas.

- Wearables will allow for personalised consumption of content and information, anywhere, anytime.

- Content will be generated by a broader mix of people and machines including influencers, normal people, communities and interest groups.

- Consumer needs, requirements and expectations will continue to evolve.

- The business models behind OTT will have changed, not the way content is delivered through OTT.

- Everything, everywhere is available on demand.

- Influencers will have their own channels and become broadcasters in their own right by curating the content of their 'community'. There will be a convergence between the affinity consumers have with influencers and the credibility of the channels and platforms they broadcast through.

- Data costs will continue to reduce significantly. Access to data and connectivity will be considered a basic human right. Connectivity and access will be ubiquitous and inclusive with technologies catering for the blind and deaf. This will impact the way in which content is produced and will cater for an 'always on' society. Feeds will deliver personalised streams of information in anticipation of requirements.

- AI (cognitive automation) will guide the production and consumption of content, re-creating old formats and content for a modern context. Consumers will be able to control their storylines and will utilise AR and VR to immerse themselves in relevant content enjoying a richer sensory experience.

- The industry will continue to consolidate, but will remain diverse as new competitors and brands emerge and go to market globally at a fast pace.

- Regulation will control streaming of content at a national level with new entrants having to register, comply with set requirements and pay tax on the local consumption of their content.
- Remote IP Productions will be enabled by Cloud broadcasting at a significantly reduced cost.
- Content will be delivered across multiple channels, platforms and formats with 100% national coverage. Expats all around the world curate a personalised feed from broadcasters in South Africa.
- The Sports Rights regime will have changed with an increased obligation to distribute important sporting events of 'free to air' channels.
- Telcos will be competitors, offering curated content channels.
- The definition of 'broadcasting' will have expanded to cover new technologies and platforms as different industries converge and deliver content.
- Software will be a key driver with remote diagnosis and 'fixing' of faults and problems. Free to Air channels will all be virtual, digital with content distributed through IoT across platforms including new forms of autonomous mobility.
- The use of AI will be regulated with unique technology deployed to identify deep fakes. Broadcaster reputation, credibility and integrity is a defining factor in the way consumers assess what content to consume. The SABC is still valued as the most credible, impartial and respected media brand in South Africa
- Energy costs will start to decline as renewables gain momentum.
- Many people will feel increasingly isolated and disconnected, emotionally and physically, from others. This will have impacted mental health and broadcasters will focus resources on attempting to address this challenge
- Social cohesion will have improved although fragmented 'communities' will continue to intentionally isolate themselves to preserve their own unique sense of identity.

6.3. Critical Uncertainties Within The Planning Period

In an increasingly uncertain world, an entity is required to plan for **multiple plausible futures**. These futures may be found at the intersection of critical uncertainties. In assessing the critical uncertainties set out above, **two significant critical uncertainties** stand out as framing potential plausible futures for the SABC:

- **Revenue** - will the SABC be able to attract a viable mix of advertising, promotional, subscription and licensing revenue, together with supplementary government funding, to be able to effectively serve its commercial and public interest mandates?
- **Technology** - what will be the capacity of the SABC to adopt and deploy leading edge technology to automate processes, adopt cognitive automation and other leading-edge technologies, optimise its cost structure, deploy the appropriate platforms at the right time and develop intelligent analytics to inform decision making?

These critical uncertainties will significantly impact the way the SABC executes on its FY2024/25 - FY2026/27 Corporate Plan.

6.4. Strategic Pillars

The SABC has evolved its Strategic Pillars from the previous planning period. They have been crafted based on our understanding of the foundation we need to build to successfully execute on our Strategy / Corporate Plan as well as what it will take to win the hearts, minds and attention of the SABC's audiences.

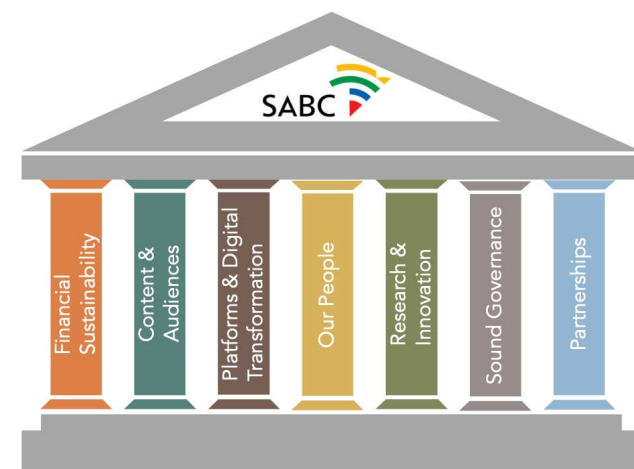
These pillars underpin how our people will channel and focus their energy and resources towards living out the SABC's value proposition, whilst delivering enduring value to Customers. They will anchor strategy execution and accelerate and sustain the SABC's journey to achieve its Vision.

GRAPH 21: Goal Alignment



The **Strategic Pillars** that underpin the delivery of the SABC strategy are:

GRAPH 20: SABC's Strategic Pillars



6.5. Integration Of Strategic Pillars With Strategic Goals

In this section we integrate the **Strategic Goals** set for the FY2024/25 - FY2028/29 SABC Strategy with its Strategic Pillars.

The Strategic Pillars that underpin the delivery of the SABC strategy are:

6.5.1. Pillar 1 - Financial Sustainability

Goal One (1): A financially sustainable SABC

6.5.2. Pillar 2 - Content & Audiences

Goal Two (2): An SABC that consistently delivers public value.

Goal Three (3): A preferred broadcaster - audiences, content producers and stakeholders

Goal Four (4): A trusted broadcaster - offering universal access through a range of viable platforms and technologies.

6.6. Key Outcomes Across The Three Horizons

The key **outcomes** at each Strategic Horizon are set out, together with the associated **Path to Glory (Mission-Critical initiatives)**, in the table below:

TABLE 7: Key Outcomes & Path To Glory Across Goals & Horizons

Horizon 1 FY2025/26	Horizon 2 FY2027/28	Horizon 3 FY2028/29	Path to Glory
Goal 1: Financial sustainability - Achieve defined levels of financial sustainability			
<ul style="list-style-type: none"> • Break-even achieved. • Innovative funding model agreed with DCDT & NT • Partnership agreements concluded. • Recommendations on legislation & regulation reform submitted & discussed, consensus reached. • Sales pipeline achieved - public interest & commercial programming. • SABC+ growing and profitable • Innovation pipeline established. • Nett Promoter Score baseline established - content creators. • Projected audience numbers achieved. • DTH trajectory and business model scoped and agreed - go / no go. • DTH agreement concluded - based on viable business model • Access to analogue-switch-off audiences restored through alternate platform 	<ul style="list-style-type: none"> • Investment in growth enabled by secured revenue. • New products, solutions & platforms taken to market as planned • Revenue from back-catalogue achieved • Revenue contribution from new products, solutions & platforms - post 2023 achieved • Cost : sales ratio optimised • Pipeline for next fiscal delivers on planned requirements • Projected audience numbers achieved • Access to analogue-switch-off audiences 100% restored through alternate platforms 	<ul style="list-style-type: none"> • Financial projections achieved - Rm profit achieved • DTH covers SA • Subscriptions = % revenue • Government funding = % R • Replacement for license regime = % R • Revenue from back-catalogue achieved = % R • Revenue contribution from new products, solutions & platforms - post 2026 achieved = % R • Cost : sales ratio optimised • Pipeline for next fiscal delivers on planned requirements • Projected audience numbers achieved 	<ul style="list-style-type: none"> • Incremental increases in revenue across different sources - pipeline revenue • Increase in conversions - prospects / sales • Segmentation, data analytics, unsurpassed reach & access • Reduction in cost base through intelligent automation and digitisation of processes • Reduction in cost base through 'fit for purpose' organisation design / workforce plan • Migration through platforms - switch on and switch-off • DTH @H1
Goal 2: An SABC that consistently delivers public value			
<ul style="list-style-type: none"> • Audiences lost due to analogue switch-off served with new solution • Audience segmentation & insights report with specific reference to the SABC's public interest mandate developed • Audience growth in Free to Air segment • Impact of public interest broadcasting established, measured & baseline established • Funding for public interest mandate secured from government • Pipeline of compelling public interest content established • Public interest content acquired from global broadcasters on key subjects such as climate change at low or no cost • Promotional revenue from NGOs / philanthropists for public interest content 	<ul style="list-style-type: none"> • Channel for access to government services established • Innovative platform for public interest content established • Public interest channels secure highest audience numbers ever • Increase in measure of impact of public interest broadcasting • Funding for public interest mandate from government maintained • Pipeline of compelling public interest content established • Increase in promotional revenue from NGOs / philanthropists for public interest content • SABC first choice media / communications partner of government - 5% of revenue 	<ul style="list-style-type: none"> • Public interest programming has 100% coverage in South Africa • Public interest programming in support of AU's initiatives deployed into Africa via DTH • Public interest channels maintain audience numbers • Increase in measure of impact of public interest broadcasting • Funding for public interest mandate from government maintained • Pipeline of compelling public interest content maintained • Promotional revenue from NGOs / philanthropists for public interest content covers 50% of cost • SABC first choice media / communications partner of government - 7% of revenue 	<ul style="list-style-type: none"> • Innovative solutions to regain coverage due to analogue switch-off • Clear way of measuring and articulating public interest impact • Funding for public interest programming from government • Focused sales team for government departments & entities • DTH coverage for AU public interest programming into Africa

6.5.6. Pillar 6 Sound Governance

Goal Eight (8): Well Governed SABC

6.5.7. Pillar 7 - Strategic Partnerships

The pillar of **Strategic Partnerships** does not have its own goal as it cuts across all other goals. A key metric is included in Goal Eight: Well Governed SABC.

Horizon 1 FY2025/26	Horizon 2 FY2027/28	Horizon 3 FY2028/29	Path to Glory
Goal 3: A preferred broadcaster - audiences, content producers & stakeholders			
<ul style="list-style-type: none"> SABC retains position as SA's No1 media brand SABC respected as a national broadcaster by peers, stakeholders and advertisers - as measured by Reputation Survey 10% of content commissioned from local creative community Creative community rate SABC as no 1 choice as commissioning agent Regulations ensure that sporting events of national interest are shared with SABC - Free to Air 	<ul style="list-style-type: none"> SABC retains position as SA's No1 media brand SABC respected as a national broadcaster by peers, stakeholders and advertisers - as measured by Brand Health / Reputation Survey 25% of content commissioned from local creative community Creative community rate SABC as no 1 choice as commissioning agent DCDT recognises SABC for providing cross-cutting media solutions that benefit portfolio Personalised curation of content enabled at channel level - news, sports, entertainment - anywhere, anytime Youth audiences increase due to relevance of platforms, programming and content Content impact across segmented groups +5% on baseline Global and local content producers and distributors - SABC first choice 	<ul style="list-style-type: none"> SABC retains position as SA's No1 media brand SABC preferred pan-African broadcaster for news and public interest programming SABC respected as a national broadcaster by peers, stakeholders and advertisers - as measured by Reputation Survey 25% of content commissioned from local creative community Creative community rate SABC as no 1 choice as commissioning agent DCDT recognises SABC for providing cross-cutting media solutions that benefit portfolio Personalised curation of content across platforms and channels enabled - news, sports, entertainment - anywhere, anytime Global and local content producers and distributors - SABC first choice 	<ul style="list-style-type: none"> Partnerships and close relationship with the local creative industry - commitments to commission are met, building trust Pipeline of compelling and engaging content maintained Local content is prioritised Platforms allow for access across screens & devices - anywhere, anytime Personalisation of content - curated and deployed across platforms and channels Partnerships with key local and global content producers and distributors Commissioning of content in line with audience segmentation Youth Local content
Goal 4: Trusted public broadcaster that enjoys public confidence			
<ul style="list-style-type: none"> SABC maintains its independence and impartiality Policy on ethical AI developed and implemented Unqualified audit report - except for 'going concern' Edelman Trust Barometer baseline established Audience segmentation and profiling, supported by Design Thinking developed Youth programming in line with segmentation prioritised Key partnerships on content acquisition concluded Content pipe-line matched to audience segmentation developed and deployed Measurement of effectiveness / impact of content across segmentation developed Ongoing review and course correction of content deployment based on impact findings 	<ul style="list-style-type: none"> SABC maintains its independence and impartiality Unqualified audit report - except for 'going concern' 	<ul style="list-style-type: none"> SABC maintains its independence and impartiality SABC - media platform of choice for Africa Unqualified audit report - except for 'going concern' Edelman Trust Barometer baseline established against peer broadcasters 	<ul style="list-style-type: none"> Sustainable funding not dependent on government favour Credible, impartial and engaging content, especially news Ethical adoption and deployment of AI Compliance with statute and regulations Unqualified audit reports Best way of measuring trust established and benchmarked against peers (Edelman Trust Barometer) Culture that values ethical behaviour established
Goal 4: Innovative broadcaster - informed by research			
<i>Charter to carry out research and development work in relation to any technology relevant to the objects of the Corporation and to acquire by operation of law, registration, purchase, assignment, licence or otherwise copyright and designs, trademarks, trade names and any other intellectual, industrial and commercial property rights</i>			
<ul style="list-style-type: none"> Invest in targeted research to better understand audience segmentation, demographics, psychographics, needs & expectations. Map out and clarify Innovation capability as well as budget and resources required. Draft cross-cutting innovation strategy that describes the 'jobs' that research and innovation will perform in supporting strategy execution. Innovation initiatives categorised and evaluated Develop transparent Innovation funnel across technology, content, platforms and sales / marketing. Clear mapping of research to content, programming & technology development. Identification of future innovation pathways utilising research, evidence-based insights and foresight. Establishment of Futures-radar to enable sensemaking Innovation and creativity clearly visible as foundations of SABC's aspired culture Training in Design Thinking implemented to support creative thinking and decision making 	<ul style="list-style-type: none"> Harness and embed AI tools to inform research and innovation opportunities Deliver key identified innovation work products in line with innovation pipeline - content, products & platforms Audience data critically researched & reviewed - informs content & programming AI, predictive analytics (supported by algorithms / data science) inform changes in content & programming in line with audience behaviour. Innovation team in place supporting key projects and initiatives with creative tools, research and innovation leading practice Creativity is recognised as a key competence in identified job families and training / assessment is focused on developing mastery. 	<ul style="list-style-type: none"> SABC recognised as most innovative broadcaster in South Africa New, disruptive market leading products / platforms are released, accelerating the impact and reach of public broadcasting 	<ul style="list-style-type: none"> Research capability developed & deployed Design Thinking implemented as core practice to inform thinking, planning and content / platform development Innovation funnel pro-actively managed Futures research & sensemaking - futures radar AI & Predictive Analytics Disruptive / break-through innovation initiatives identified, launched and delivered

Horizon 1 FY2025/26	Horizon 2 FY2027/28	Horizon 3 FY2028/29	Path to Glory
Goal 6: Digitally transformed broadcaster			
<ul style="list-style-type: none"> • Clear digital transformation strategy in place, aligned with desired strategic goals / outcomes - clear roadmap for digital rollout with clear measures if impact established • Focused areas of back catalogue digitised and AI enabled • Studios - physical and virtual - digitally enabled to optimise costs and desirability of content • Core processes digitally enabled, supported by AI • Digital solutions rolled out, on time, on budget as planned • SABC+ grows viewership (?) • SABC+ is commercially viable • Clear plan for analytics deployment in place • Digital solutions cut costs in targeted areas (%) • Digital workplace of the future strategy developed with clear plan to acquire, develop and deploy new skills / competencies to pro-actively support technology deployment technology 	<ul style="list-style-type: none"> • Platforms developed and deployed on time, on budget • Personalisation of content enabled • Digital solution in cloud / metaverse established - no need for presenters to be in physical studio • AI enhanced content from back catalogue available - updated & refreshed with multiple language soundtracks • Digital strategy milestones and deliverables achieved • Digital / technology skills programme rolled out and milestones achieved - enable optimised working using technology as enablement 	<ul style="list-style-type: none"> • Multi-platform deployment in line with audience needs and expectations • All internal process fully digitally enabled, supported by AI - clear cost optimisation achieved • Content available in immersive AR and VR-like content • Back catalogue fully enabled in digital / AI enabled format • DTH service rolled out across South Africa and Africa • Personal curation of news and other content enabled • Digital strategy milestones and deliverables achieved • Digital / technology skills programme rolled out and milestones achieved - enable optimised working using technology as enablement 	<ul style="list-style-type: none"> • Clear, comprehensive digital transformation strategy with milestones, business case and impact quantified • Digitisation and cognitive automation of processes • SABC+ • Digital skills acquisition and development plan - right digital skills / competencies in the right place at right time at right cost • AI enablement • Multi-platform - OTT, DTH - in line with audience needs and expectations
Goal 7: Readiness of SABC's people to deploy in support of strategy execution			
<ul style="list-style-type: none"> • Workforce plan aligned with strategy developed and being implemented - Human Capital Readiness metrics established • EVP implemented to attract, recruit and retain talented people • Fit for Purpose organisation design developed • All employees aligned behind strategy, strategic journey & their role in delivering value • Culture blueprint established - Organisational Capital metrics established • Engagement survey deployed & baseline established • Cohesive leadership team in place - SABC is primary focus, own functional unit secondary, collaboration across boundaries • 5 Dysfunctions assessment on leadership team establishes baseline 	<ul style="list-style-type: none"> • Workforce plan milestones achieved • EVP delivers targeted talent, retention metrics across organisation achieved • Human Capital Readiness + 10% on baseline • Organisational Capital readiness + 10% on baseline • Engagement scores + 10% on baseline • Leadership Team effectiveness on 5 Dysfunctions assessment show positive improvement in trend 	<ul style="list-style-type: none"> • SABC most respected employment brand in media sector • Human Capital Readiness - 90% • Organisational Capital Readiness - 90% • Positive leadership scores on 5 Dysfunctions assessment • Engagement scores + 20% on baseline 	<ul style="list-style-type: none"> • Workforce plan developed and implemented • EVP deployed • Fit for Purpose Organisation Design • Culture blueprint and shaping over time • Engagement survey • Strategic alignment of people • Leadership team leading by example • Leadership team cohesive, vulnerable with one another and engaging in constructive conflict - no artificial harmony!
Goal 8: Well governed SABC			
<ul style="list-style-type: none"> • Compelling case for legislative / regulatory change co-developed with DCDT & presented to relevant stakeholders / National Treasury • SABC's environmental impact established and clear sustainability strategy with milestones established • Strategy navigation process entrenched as innovated way of working across SABC • Value sharing agreement with key identified partners concluded 	<ul style="list-style-type: none"> • Relevant changes to regulations achieved • Legislative changes at Bill level • Delivery on sustainability strategy milestones and desired impact - carbon footprint reduced accordingly • Strategy navigation allows for ongoing course correction and agile deployment of scarce resources - initiatives are well prioritised and sequenced • Strategic partnerships supported, reviewed and supported - shared value created 	<ul style="list-style-type: none"> • Innovated legislation and regulations sustaining an enabling regulatory / funding environment in place • Way forward for further regulatory reform established • Agile, responsive strategy execution informed by digital, AI enabled scoreboard • Strategic partnerships supported, reviewed and supported - shared value created 	<ul style="list-style-type: none"> • Enabling regulatory and funding environment • Relationship with DCDT • Sustainability strategy to mitigate climate change ESG • Strategy as a living, responsive and agile process • Strategic Partnerships

7. CORPORATE PLAN - OUTCOMES, OUTPUTS, OUTCOME INDICATORS AND TARGETS

Pillar 1: Financial Sustainability

A Financially Sustainable SABC

The ultimate goal of the SABC is to fulfil its mandate and deliver on its strategic aspirations, whilst being financially sustainable - both in terms of opex and capex. The SABC is however currently facing a significant shortfall of revenue against operating expenses. The nett effect of this is that the SABC may soon not be in a position to honour its obligations to employees and creditors. This constrained financial situation not only

impacts SABC's ability to operate as a going concern but also its ability to invest in the people, technologies and infrastructure required for future strategic success. This constraint is articulately described in the strategic scenarios developed during the course of this Strategy and Corporate Plan crafting process.

It is essential that the SABC breaks out of its financial constraints in order to return to break-even, sustained liquidity and the ability to invest, both opex and capex, into its strategic imperatives. Financial sustainability means that the SABC has a secure, confirmed ability to meet its financial

obligations - both opex and capex - over a twelve month period, in order to deliver on its' mandate and strategic aspirations.

In order to return to financial sustainability, the SABC will need to cut its costs or increase its revenues or be able to do both. There are no short-term solutions to this challenge. The SABC has already cut costs significantly, in particular its employment costs, through the implementation of a Targeted Operating Model (TOM). This TOM has served its purpose, positions in the SABC have been cut to the point where future viability is imperilled and there are no further operating costs to be cut unless at

great cost to the organisation in the long term. In the longer term, operating costs may be reduced through the digitisation and automation of key processes and through the adoption of AI as an enabler of both efficiency and effectiveness. This does however require an investment in technology, which the SABC's current financial position does not permit.

Although the SABC is a public broadcaster, it does not receive any guaranteed funding from Government. Revenue derives primarily from License Fees and Commercial revenue derived from advertisers who make use of its services. It is anticipated that License Revenue will decrease across the

period of this Corporate Plan and that Commercial Revenue, in a highly competitive market is unlikely to increase at a rate sufficient to close the funding shortfall. Revenue from new sources such as the sale of content from the SABC 'back catalogue' also requires an investment in order to digitise this content and ensure it is in the necessary format for commercialisation. Revenue from mobile operators for audience participation data utilisation is an interesting new, potential source of revenue which will be investigated further but no guarantees in this regard are possible.

On the established foundation of prudent financial management, the

SABC will pursue increases in revenue whilst managing costs to ensure ongoing optimisation. Strict cash management will continue as in past years. Every effort will be made to ensure that, in accordance with government policy, SMEs will continue to be paid within the prescribed 30 days of receipt of a valid invoice. The SABC will continue to actively participate in ongoing policy, legislative and regulatory reviews that seek to place the SABC in a position where it does not face any of the current restrictions that prevent it from competing for revenue, as well as optimise its cost structure in response to business requirements / make acquisitions in a manner that is predicated on achieving maximum competitiveness.

Description Of Planned Performance To The Medium Term

Output	Output Indicator	Audited Performance			Estimated Performance	MTEF Targets		
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Pillar 1: Financial Sustainability - Goal 1: A financially sustainable SABC								
Outcomes: Financial sustainability - funding, at least twelve months, covering both opex and capex required - based on realistic projections								
1 Revenue & expenditure well managed in accordance with budgeted projections	Nett profit before interest and tax ratio (%)	New measure	New measure	New measure	New measure	(4%)	(0.5%)	12%
2 Working capital management optimised in response to operating environment	Average creditors' payment days*	33	24	117	58	60	60	60
	Average debtor's collection days	54	44	40	48	48	48	48
3								

*. Calculation excludes creditors where a longer payment period has been negotiated, and payments for signal distribution.

Outcome, Outputs, Outcome Indicators And Quarterly Targets

Output	Output Indicator	Targets				
		2024/25 Annual Target	Q1	Q2	Q3	Q4
Pillar 1: Financial Sustainability - Goal 1: A financially sustainable SABC						
Outcomes: Financial sustainability - funding, at least twelve months, covering both opex and capex required - based on realistic projections						
1 Revenue & expenditure well managed in accordance with budgeted projections	Nett profit before interest and tax ratio (%)	(4%)	(2%)	(1%)	2%	(3%)
2 Working capital management maximised in response to operating environment	Average creditors' payment days*	60	60	60	60	60
	Average debtors' collection days	48	48	48	48	48
3						

*. Calculation excludes creditors where a longer payment period has been negotiated, and payments for signal distribution.

Key Risks

Key Risks	Risk Mitigation
Pillar 1: Financial Sustainability - Goal 1: A financially sustainable SABC	
Revenue projections in terms of License Fees and Advertising do not materialise as envisaged.	<ul style="list-style-type: none"> • Increase capacity / capability in Sales and Marketing. • Continuous monitoring of revenue generation and TV collection activities through weekly and monthly operational and divisional meetings • Pursue alternate revenue sources • Innovated Funding Model / Framework to be agreed
Government funding does not eventuate as motivated.	<ul style="list-style-type: none"> • Continue to lobby with DCDT and National Treasury to provide required funding.
Audience decrease as a result of analogue switch-off impacts advertising revenue.	<ul style="list-style-type: none"> • Migrate audiences affected by switch-off to DTT and DTH platforms • Engage further with shareholder re ASO
Liquidity risk - inadequate cash resources	<ul style="list-style-type: none"> • Develop, monitor & review cashflow forecasts • Regular reviews of account receivable credit facilities • Implement expenditure moratoriums & deferment • Renegotiate payment terms with suppliers

Pillar 2: Content & Audiences

Goal 2: An SABC That Consistently Delivers Public Value

Public value implies broadcasting that has a positive impact on South African society and contributes to the greater good. Public value is the essence of the SABC's mandate as a public broadcaster. It emanates from the Broadcasting Act and the Constitutional right of citizens to have access to information. The SABC's mandate requires that it **Informs** (in all official languages), **Educates** (including SA's rich history) and **Entertains**. Through this, the SABC provides citizens with a sense of identity (a connection to their own languages and cultures). The SABC also promotes,

defends and deepens democracy through its impartial news coverage and contributes directly to social cohesion in South Africa. In this way South Africa's 'see' themselves in the public discourse and are connected to wider society. Effective and impactful public interest broadcasting serves to enhance the SABC brand reputation. It also serves as a platform to mobilise SABC people to unite around a common goal with a great sense of uniqueness, differentiation and deep purpose. The currency of relevant, compelling content is audience numbers.

Over the MTEF, the SABC will focus on retaining its audiences with the knowledge that analogue switch-off in December 2024 will impact au-

dience numbers significantly. It will also focus on increasing its digital presence as audiences increasingly migrate to digital platforms. Focus will also be paid to cementing the SABC News service as the most credible news offering in South Africa and to increasing SABC coverage of sports events of national importance. An opportunity has been identified to leverage revenue opportunities to support public interest broadcasting through focused promotional campaigns that reinforce and enhance advertisers' brand identity or reputation (direct connecting to CSI or higher purpose).

Explanation Of Planned Performance In The Medium Term

Output	Output Indicator	Audited Performance			Estimated Performance	MTEF Targets		
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Pillar 2: Audiences & Content - Goal 2: An SABC that consistently delivers public value								
Outcomes: To consistently deliver public value to all South Africans through a unique portfolio of platforms and devices.								
4. Celebration of national days on an intercultural basis, fully inclusive of all South Africans promoted on relevant channels and platforms.	Number of national days covered on television, radio and digital platforms	New measure	7	7	7	7	7	7
5 Sports events of national importance broadcast	Number of national sports of public interest broadcast	New measure	New measure	New measure	New measure	6	9	9
6. Number of adult listeners on SABC radio stations maintained	Average number of adult listeners on SABC radio stations per 7-day period	New measure	New measure	PBS: 24.3m	PBS: 23.5m	PBS: 23.5m	PBS: 23.5m	PBS: 23.5m
		New measure	New measure	PCS: 6.0m	PCS: 5.0m	PCS: 5.0m	PCS: 5.0m	PCS: 5.0m

Outcome, Outputs, Outcome Indicators And Quarterly Targets

Output	Output Indicator	Targets				
		2024/25 Annual Target	Q1	Q2	Q3	Q4
Pillar 2: Audiences & Content - Goal 2: An SABC that consistently delivers public value						
Outcomes:To consistently deliver public value to all South Africans through a unique portfolio of platforms and devices.						
4. Celebration of national days on an intercultural basis, fully inclusive of all South Africans, promoted on relevant channels & platforms.	Number of national days covered on television, radio and digital platforms	7 days	4 days	5 days	6 days	7 days
5 Targeted sports events of national importance broadcast	Number of national sports of public interest broadcast	6	3	5	6	
6.Number of adult listeners on SABC radio stations maintained	Average number of adult listeners on SABC radio stations per 7 day period	PBS: 23.5m	PBS: 23.5m	PBS: 23.5m	PBS: 23.5m	PBS: 23.5m
		PCS: 5.0m	PCS: 5.0m	PCS: 5.0m	PCS: 5.0m	PCS: 5.0m

Key Risks

Key Risks	Risk Mitigation
Pillar 2: Audiences & Content - Goal 2: An SABC that consistently delivers public value	
Content risk - public interest content does not resonate with viewers, contributing to ever-decreasing audience numbers.	<ul style="list-style-type: none"> • Ongoing audience research into needs, preferences and behaviour. • Attract revenue to fund public interest mandate. • Lobby for legislation to compel sharing of national interest sporting events.
Inadequate video entertainment content.	<ul style="list-style-type: none"> • Policy / SOP / guidelines in alignment with PFMA exemption to secure content. • Third party partnerships to be established to secure and fund content.
Reach and access significantly decreased as a result of analogue switch off.	<ul style="list-style-type: none"> • Switch affected audiences to DTT and DTH

Pillar 2: Content & Audiences

Goal 3: A Preferred Broadcaster - Audiences And Content Creators

The SABC is not primarily a technology business. It is primarily a commissioner, creator and aggregator of compelling, engaging content, enabled and supported by technology. Content is therefore the key differentiator and source of competitive advantage, both in terms of the SABC's public and commercial broadcast mandate. Broadcasting the most compelling content

draws audiences to the SABC and encourages them to be loyal ('prefer' the SABC over competitors and other competing activities) through repeat viewing / listening over time and across different SABC channels and platforms. Even when an audience does not have many choices because of their financial means, other ways of filling their time serve as competition to draw audiences away from engaging with the SABC. Content needs to be compelling enough to draw audiences to 'prefer' the SABC.

The sustained commissioning of content also builds the loyalty of content creators who are assured of continuity of work and income over time. The SABC cannot however only commission or acquire content directly, it needs to be a 'super-aggregator' of content to ensure the necessary scale and maximise impact across platforms, screens and occasions. This means that it needs to be a preferred partner of other broadcasters and content aggregators.

Description Of Planned Performance To The Medium Term

Output	Output Indicator	Audited Performance			Estimated Performance	MTEF Targets		
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Pillar 2: Audiences & Content - Goal 3: An SABC that consistently delivers public value								
Outcomes: SABC a preferred broadcaster - audiences and content creators								
7 Increase in SABC+ audience	Number of registered users of SABC+	New measure	New measure	New measure	New measure	500,000	750,000	1.0 million
8 Share of screen ratings on FTA television channels protected	Prime time share of television screen ratings (%)	New measure	New measure	SABC 1: 20%	SABC 1: 22%	SABC 1: 20%	SABC 1: 22%	SABC 1: 24%
				SABC 2: 5%	SABC 2: 6%	SABC 2: 5%	SABC 2: 7%	SABC 2: 8%
				S3: 2%	S3: 3%	S3: 2%	S3: 3%	S3: 5%
9 Popular television content delivered across all platforms	Number of SABC TV programmes in the national linear and direct-to-home (DTH) Top 30	New measure	New measure	New measure	New measure	16	16	16
10 SABC - preferred commissioner of local content	NPS score for content producers established	New measure	New measure	New measure	New measure	Baseline NPS score for television content producers	NPS score baseline + 5%	NPS score baseline + 10%

Outcome, Outputs, Outcome Indicators And Quarterly Targets

Output	Output Indicator	Targets				
		2024/25 Annual Target	Q1	Q2	Q3	Q4
Pillar 2: Audiences & Content - Goal 3: An SABC that consistently delivers public value						
Outcomes: SABC a preferred broadcaster - audiences and content creators						
7 SABC a preferred broadcaster - audiences and content creators	Number of registered users of SABC+	500,000	100,000	200,000	400,000	500,000
8 Share of screen ratings on FTA television channels protected	Prime time share of television screen ratings (%)	SABC 1: 20%	SABC1: 19%	SABC1: 19%	SABC1: 20%	SABC1: 20%
		SABC 2: 5%	SABC 2: 3,5%	SABC 2: 4%	SABC 2: 4,5%	SABC 2: 5%
		S3: 2%	S3: 1,3%	S3: 1,5%	S3: 1,7%	S3: 5%
9 Popular television content delivered across all platforms	Number of SABC TV programmes in the national linear and direct-to-home (DTH) Top 30	16	12	14	16	16
10 SABC - preferred commissioner of local content	NPS score for content producers established	Baseline NPS score for television content producers	-	Survey service provider contracted	-	Baseline NPS score for content producers

Key Risks

Key Risks	Risk Mitigation
Pillar 2: Audiences & Content - Goal 3: An SABC that consistently delivers public value	
Audience preferences change faster than SABC realises	• Invest in research and predictive analytics to better understand audience preferences over time.
No budget available for the acquisition of compelling content	• Explore value sharing agreements with content distributors and creators • Digitise & re-broadcast back catalogue
No budget to commission local content	• Enlist advertisers and other institutions as sponsors of sport and local content • Obtain funding through other government agencies - Department of Arts & Culture etc

Pillar 2: Content & Audiences

Goal 4: A Trusted Broadcaster That Enjoys Public Confidence

Trust is all in the minds of SABC stakeholders and audiences. It shapes the SABC's reputation over time. To be trusted, the SABC needs to be credible,

reliable, independent, ethical, competent and accountable. Through this, it will win back stakeholder and public confidence.

The SABC is also an **endorser brand** that supports our channel / station and platform brands. To become 'trusted' across targeted stakeholders

and audiences, the SABC will need to communicate and shape its reputation proactively and consistently. The way it conducts business will need to be transparent and visible, ahead of potential negative narratives. Corporate identity (with guidelines) will need to be clearly defined, consistently applied and reinforced.

Description Of Planned Performance To The Medium Term

Output	Output Indicator	Audited Performance			Estimated Performance	MTEF Targets		
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Pillar 2: Audiences & Content - Goal 4: A trusted broadcaster that enjoys public confidence								
Outcomes: A trusted broadcaster that enjoys public confidence								
11 Healthy, vibrant SABC brand	SABC Brand Health Index measurement established	New measure	New measure	New measure	New measure	Baseline Brand Health Index Score	Baseline Brand Health Index Score + 5%	Baseline Brand Health Index Score + 10%

Outcome, Outputs, Outcome Indicators and Quarterly Targets

Output	Output Indicator	Targets				
		2024/25 Annual Target	Q1	Q2	Q3	Q4
Pillar 2: Audiences & Content - Goal 2:Goal 4: A trusted broadcaster that enjoys public confidence						
Outcomes: A trusted broadcaster that enjoys public confidence						
11 Healthy, vibrant SABC brand	SABC Brand Health Index measurement established	Baseline Brand Health Index Score	-	Survey service provider contracted	-	Baseline Brand Health Index Score

Key Risks

Key Risks	Risk Mitigation
Pillar 2: Audiences & Content - Goal 2: Goal 4: A trusted broadcaster that enjoys public confidence	
Adverse media reports negatively impact public perceptions - trust and confidence	<ul style="list-style-type: none"> • Ensure consistency of brand identity • Ongoing media scans • Clear reputation management strategy, inclusive of Crisis Communication Plan • Pro-actively address all media concerns and reporting - transparency and honesty • Get ahead of the narrative - proactively and openly communicate about challenging issue. • Pro-active communication about SABC strategy progress, including how money is spent.

Pillar 3: Platforms & Digital Transformation

Goal 6: A Digitally Transformed Broadcaster

Digital transformation is the process of adoption and implementation of digital technology by the SABC in order to create new or modify existing products, services and operations by means of translating business processes into a digital format. Digital transformation is essential for SABC's current and future success. It provides opportunities to leverage costs through automation of processes and to inform intelligent decision making through data analysis and predictive analytics. AI offers important

opportunities to bring content to market faster and more cost effectively with a key opportunity to monetise the SABC back-catalogue for on-sale and own internal use. The SABC recognises that it is not a digital or technology business but rather a media business that is supported and enabled by digital technology and digitised processes.

There are four major applications of digital technology in the SABC:

- Digital technology as a **broadcast platform** - analogue, DTT, OTT, DTH etc
- Digitisation as a means to drive **process efficiency** through automation, including cognitive automation

- Digital **transformation of information / data to create intelligence**, as well as the adoption of the requisite analytical tools, to inform sound, prescient decision making
- Digitisation of content to allow for **digital broadcasting**, as well as for the configuration of content to enable broadcasting in different language sound-tracks and with updated visuals. This is essential to effectively monetise the SABC back-catalogue

The progression of digital transformation is highly dependent upon a clear strategy that is adequately funded and supported by the business. A clear strategy with milestones has been developed but funding remains

a significant challenge. Data and systems security at the SABC remains a critical priority to ensure that audience information is not leaked and that all systems and data are safe from being hacked. The achievement

of strategy milestones, the migration of analogue audiences to digital platforms, the deployment of DTH, the development of digital skills and

the digitisation of the SABC archive remain important digital priorities and, as such, are reflected in the output indicators selected.

Description Of Planned Performance To The Medium Term

Output	Output Indicator	Audited Performance			Estimated Performance	MTEF Targets			
		2020/21	2021/22	2022/23	2023/24	2024/25		2025/26	2026/27
Pillar 3: Platforms & Digital Transformation - Goal 6: A digitally transformed broadcaster									
Outcomes: A digitally transformed broadcaster									
12 Progress in implementing the SABC digital transformation strategy	Percentage of planned milestones achieved	New measure	New measure	New measure	New measure	75%		75%	75%
13 SABC content archives digitised in the appropriate format to be used and commercially distributed	Numbers of hours of TV content digitised	New measure	New measure	New measure	4,748	20,000		30,000	40,000
14 IT Security – intrusion prevention	Percentage success in cyber-security breach prevention	New measure	New measure	New measure	New measure	95%		95%	95%

Outcome, Outputs, Outcome Indicators And Quarterly Targets

Output	Output Indicator	Targets				
		2024/25 Annual Target	Q1	Q2	Q3	Q4
Pillar 3: Platforms & Digital Transformation - Goal 6: A digitally transformed broadcaster						
Outcomes: A digitally transformed broadcaster						
12 Progress in implementing the SABC digital transformation strategy	Percentage of planned milestones achieved	75%	75%	75%	75%	75%
13 SABC content archives digitised in the appropriate format to be used and commercially distributed	Numbers of hours of TV content digitised	20,000	5,000	10,000	15,000	20,000
14 Safe, secure digital infrastructure and data	Percentage success in cyber-security breach prevention	95%	95%	95%	95%	95%

Key Risks

Key Risks	Risk Mitigation
Pillar 3: Platforms & Digital Transformation - Goal 6: A digitally transformed broadcaster	
Availability of funding / budget for digital transformation	<ul style="list-style-type: none"> • Clear business case for digital transformation strategy supported by clearly defined business outcomes in terms of efficiency, effectiveness and commercial realisation.
Data or systems breaches inclusive of 'bad actor' intrusions - ransomware and hacking	<ul style="list-style-type: none"> • Ongoing penetration testing • Clear cyber-security strategy
A lack of digital skills (technical specialists such as Data Scientists) to support and deploy digital solutions as well as a lack of digital understanding and ability to use digital tools on the part of people in the business represent significant risks for digital transformation.	<ul style="list-style-type: none"> • Clearly identify the digital skills requirements of the SABC using a recognised competency framework • Develop a skills acquisition / workforce plan for digital skills • Deploy training internally to develop digital skills in SABC employees to ensure that they are able to utilise digital tools developed • Develop comprehensive change enablement plan to support digital transformation

Pillar 4: Our People

Goal 7 - SABC People, Ready And Able To Successfully Execute On Sabc Strategy

It is trite to confirm that 'Organisations don't execute strategy, people do!' For the SABC to be able to successfully execute on its strategy, it will require the 'right people in the right place at the right time', engaged, energised and motivated with an appropriate, enabling culture and a leadership team that mod-

els the way. An enabling organisation design (inclusive of culture and structure) with a clear workforce plan to deploy people into a strategically-aligned structure is also an important prerequisite. People readiness encompasses all of the above elements. The right people with the right skills and mindset ready to deploy the right strategic initiatives at the right time. Strategic readiness encompasses the extent to which the nec-

essary Human Capital and Organisational Capital are in place and ready to successfully execute on an organisation's strategy. It is for these reasons that Human Capital / Organisational Capital readiness, engagement, strategic alignment and a cohesive, high performing leadership team are all important measures of future success.

Description Of Planned Performance To The Medium Term

Output	Output Indicator	Audited Performance			Estimated Performance	MTEF Targets		
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Pillar 4: Our People-- Goal 7: Strategic Readiness of SABC people								
Outcomes: SABC people, ready and able to successfully execute the SABC strategy								
15 Workforce plan implemented	Number of milestones achieved in the implementation of the workforce plan	New measure	New measure	New measure	New measure	3	3	3
16 Highly engaged people and an enabling culture and mindset established	Employee Engagement score established	New measure	New measure	New measure	New measure	Baseline Employee Engagement score	Baseline Employee Engagement Score + 5%	Baseline Employee Engagement Score + 10
17 Cohesive, high performing Exco Team	Team Effectiveness score (5 Dysfunctions of a Team)	New measure	New measure	New measure	New measure	Team Effectiveness Baseline Score established	Baseline performance improved by 10%	Baseline performance improved by 20%

Outcome, Outputs, Outcome Indicators And Quarterly Targets

Output	Output Indicator	Targets					
		2024/25 Annual Target	Q1	Q2	Q3	Q4	
Pillar 4: Our People- - Goal 7: Strategic Readiness of SABC people							
Outcomes: SABC people, ready and able to successfully execute the SABC strategy							
15 Workforce plan implemented	Number of milestones achieved in the implementation of the workforce plan	3	-	1	2	3	
16 Highly engaged people and an enabling culture and mindset established	Baseline Employee Engagement score established	Baseline Employee Engagement score	-	-	Baseline Employee Engagement score	-	
17 Executive Team Performance score established	Baseline Executive Team Effectiveness Score	Percentage increase in Team Effectiveness score (%)	Team Effectiveness assessment completed, baseline team score established Performance Agreements signed	Quarterly Reviews of Performance Agreements with feedback provided on Q1	Quarterly Reviews of Performance Agreements with feedback provided on Q2	Quarterly Reviews of Performance Agreements with feedback provided on Q3 % increase in Team Effectiveness results	

Key Risks

Key Risks	Risk Mitigation
Pillar 4: Our People- - Goal 7: Strategic Readiness of SABC people	
Insufficient funding of mission critical positions and training / development required.	<ul style="list-style-type: none"> Secure necessary funding to support pro-active talent acquisition and training Consider ways in which in-house training and development may be launched to deliver on future skills requirements
HR team skills and competencies to deliver on strategic alignment, organisation design and workforce plan requirements	<ul style="list-style-type: none"> Support HR with the necessary resources to deliver on required deliverables
Change fatigue impacting adoption of new strategic initiatives / culture shaping implementation	<ul style="list-style-type: none"> Develop ongoing process of communication to ensure that employees are informed and energised by SABC's strategic journey Acknowledge fatigue and seek out energisers
Old culture stifling initiatives to shape new culture elements	<ul style="list-style-type: none"> Identify and celebrate 'quick wins' Develop new cultural artifacts and routines Ensure senior leadership 'model the way'

Pillar 5: Research & Innovation

Goal 5: An Innovative Broadcaster, Informed By Research

Creativity and innovation lie at the confluence of the creative and media industries. In today's world however, innovation is also informed by research, both traditional and digital. Research data, transformed into intelligence, aided by the use of technology such as predictive analytics has the ability to transform the way broadcasters and media brands engage with their audiences. Innovation at the SABC, therefore has to be audience-centric to ensure that relevant, compelling content is available on the right platform, on the right screen at the

right time to optimise desired impact, public interest and commercial. In this regard, the SABC should be an industry leader and not simply a follower.

Innovation requires people to be creative in their thinking, able to make sense of the future and able to respond pro-actively to key trends and events shaping the current and future media / broadcast landscape. It means having a visible innovation pipeline and funnel where innovation is tangible, measured and invested in with key go / no go decisions

taken. Innovation implies risk taking which means there should be a tolerance for failure as long as it means 'falling forward'. Innovation also requires a structured process that encompasses research, sensemaking, the identification of opportunity spaces and the establishment of an innovation funnel. As this is a nascent formal capability within SABC, much of the work required will be centred around understanding the nature of the capability to be established, investing in its establishment and populating the innovation funnel with projects and initiatives.

Description Of Planned Performance To The Medium Term

Output	Output Indicator	Audited Performance			Estimated Performance	MTEF Targets		
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Pillar 5: Research & Innovation - Goal 5: An innovative broadcaster, informed by research								
Outcomes: An innovative broadcaster, informed by research								
18 Establishment and evolution of an innovation capability	Number of stages / milestones achieved in establishment of a formal innovation capability	New measure	New measure	New measure	New measure	Innovation Strategy, encompassing desired Innovation Capability Model developed	One stage of pro- gression on baseline Innovation Capability Model achieved	-Two stages of pro- gression on baseline Innovation Capability Model achieved
19 Audience / platforms decisions informed by research	Number of strategic research projects completed	New measure	New measure	New measure	New measure	Two strategic research projects completed	Two strategic research projects completed	Two strategic research projects completed

Outcome, Outputs, Outcome Indicators And Quarterly Targets

Output	Output Indicator	Targets				
		2024/25 Annual Target	Q1	Q2	Q3	Q4
Pillar 5: Research & Innovation - Goal 5: An innovative broadcaster, informed by research						
Outcomes: An innovative broadcaster, informed by research						
18 Establishment and evolution of an innovation capability	Number of stages / milestones achieved in establishment of a formal innovation capability	Innovation Strategy, encompassing desired Innovation Capability Model developed	Innovation Capability Scoping Report	Innovation Strategy developed Design Thinking training implemented - 100 people trained.	Innovation governance and structural arrangements in place	Progress on progression on Innovation Capability Model evaluated
19 Audience / platforms decisions informed by research	Number of strategic research projects completed	Two strategic research projects completed	Business strategic research requirements assessed and Top 5 priority research areas established	Service provider contracted	Service provider contracted	Strategic research projects completed

Key Risks

Key Risks	Risk Mitigation
Pillar 5: Research & Innovation - Goal 5: An innovative broadcaster, informed by research	
Lack of funding for innovation and research	<ul style="list-style-type: none"> Maximise the use of internal resources to develop the innovation capability and to conduct research Partner with other media companies to access relevant research and leading practice
Slow, bureaucratic progress as innovation is 'controlled' by a centralised function	<ul style="list-style-type: none"> Ensure Business Units / functional areas 'own' their own research and innovation capability and are empowered to progress their initiatives with centralised 'guardrails', governance and support.

Pillar 6: Sound Governance And Pillar 7: Partnerships)

Goal 8: Well Governed SABC

Well governed implies that all necessary internal and external governance structures, policies and enabling legislation are in place to ensure that the

SABC is able to deliver on its strategic mandate and achieve its strategic goals. This encompasses elements of governance that fall directly within the SABC's control, for example ensuring that the appropriate internal policies, disciplines and practices are in place to ensure that

the SABC's people act with integrity and abide by the organisation's pre-scripts. It also include efforts to influence and shape the external policy and regulatory environment to ensure than an enabling environment is in place.

Description Of Planned Performance To The Medium Term

Output	Output Indicator	Audited Performance			Estimated Performance	MTEF Targets		
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Pillar 6: Sound Governance & Pillar 7: Partnerships - Goal 8: A well governed SABC								
Outcomes: A well governed SABC								
20 Resolution of external audit findings	Percentage of previous year's Auditor-General findings resolved	74%	-84%	88%	85%	85%	85%	85%
21 Healthy, productive strategic partnerships	Number of strategic partnership agreements/MOUs signed	New indicator	New indicator	New indicator	New indicator	5	6	7

Outcome, Outputs, Outcome Indicators And Quarterly Targets

Output	Output Indicator	Targets				
		2024/25 Annual Target	Q1	Q2	Q3	Q4
Pillar 6: Sound Governance & Pillar 7: Partnerships - Goal 8: A well governed SABC						
Outcomes: A well governed SABC						
20 Resolution of external audit findings	Percentage of previous year's Auditor-General findings resolved	85%		10%	55%	85%
21 Healthy, productive strategic partnerships	Number of strategic partnership agreements/MOUs signed	5	1	2	3	5

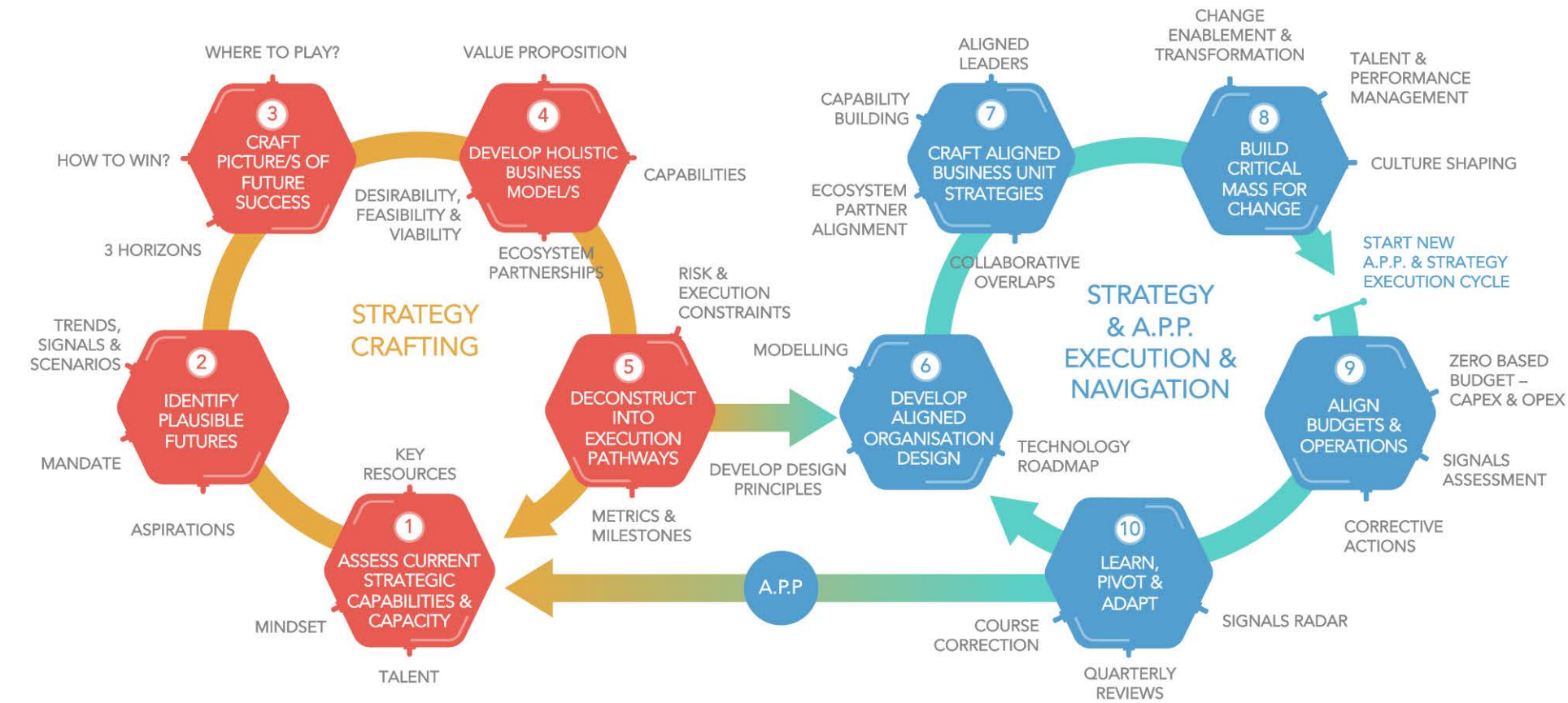
Key Risks


Key Risks	Risk Mitigation
Pillar 6: Sound Governance & Pillar 7: Partnerships - Goal 8: A well governed SABC	
Fraud, corruption and illicit acts negatively impact the SABC and its reputation	<ul style="list-style-type: none"> • Clear focus on addressing AG concerns and improving control environment • Integrity and ethical behaviour core foundations of culture shaping process • Pro-active communications strategy to address any media coverage of the SABC
Policies are no longer fit for purpose or impose unnecessary bureaucratic constraints	<ul style="list-style-type: none"> • Ongoing review, evaluation and iteration of policies to ensure relevance & ease of compliance • Identification and careful consideration of new policies required for technology adoption and utilisation
SABC is not seen as improving its sustainability whilst advocating for public interest initiatives	<ul style="list-style-type: none"> • Establish clear sustainability strategy and positioning for SABC • Develop internal programme to drive sustainability, reducing costs and improving reputation of SABC as a consequence
Strategy fails to respond in an agile way to contextual change	<ul style="list-style-type: none"> • Develop futures sensemaking capability to track trends and events impacting strategy execution • Conduct after action reviews to learn from root causes of success and failure
Strategic partnerships are neglected and fail	<ul style="list-style-type: none"> • Ongoing review of 'health' of strategic partnerships • Signing of clear MoUs that establish mutual expectations and obligations with partners, especially with regard to value sharing.

8. STRATEGIC ALIGNMENT

The following illustration sets out a holistic roadmap for strategy deconstruction, alignment and execution. The SABC is committed to an ongoing implementation of its Strategy and Corporate Plan in ways that ensure aligned execution, supportive processes and flexible, agile course correction in response to changes and shifts in its external environment. The following illustration sets out how such alignment will be achieved.

GRAPH 22: Holistic Process To Guide Strategy Execution





"We weave our
stories and songs
to echo around
the world."



PART D: FINANCIAL YEAR FY 2024/25 TO FY 2026/27

9. FINANCIAL PLANNING AND BUDGETING

9.1. Objective

The objective of financial planning and budgeting is to develop detailed plans to achieve the objectives of the organisation considering the environment in which it operates, as well as the organisational resources. It is also critical to ensure the delivery on the mandate of the Corporation.

Effective financial planning and budgeting allows the SABC to:

- Focus on the financial health and sustainability of the business,
- Create an environment that encourages compliance to internal controls and legislation,
- Drive key strategies and the implementation of the strategies over the next three years,
- Keep track of revenues, expenditures, cash flows, capital, and investment requirements, as well as making accurate financial forecasts,
- Improve working capital management by ensuring that there are enough cash reserves to meet financial obligations as they fall due,
- Assess, monitor, and prioritise liabilities,
- Focus on profitable opportunities, and
- Enable regular reassessment and review of SABC business practices.

9.2. Legislative Requirements

Section 52(a) of the Public Finance Management Act (PFMA) requires the Accounting Authority for a public entity listed in Schedule 2 to annually submit a projection of revenue, expenditure, and borrowings for that financial year in the prescribed format to the Minister of Communications and Digital Technologies as well as National Treasury at least one month before the start of the financial year.

Paragraph 29.1.1 of the Treasury Regulations issued in terms of the PFMA requires that the corporate plan must include among other things a **financial plan** addressing –

- (i) projections of revenue, expenditure, and borrowings,
- (ii) asset and liability management,
- (iii) cash flow projections,
- (iv) capital expenditure programmes, and
- (v) dividend policies.

This financial plan forming our budget is submitted pursuant to that requirement.

9.3. Executive Summary

- The SABC exists to serve communities in South Africa by providing content that is informative, educating, and entertaining. It is without a doubt that there is still very much a need for an all-inclusive broadcaster, as the SABC broadcast includes all communities in South Africa even those from the most remote rural areas. Many South Africans who cannot afford other platforms or the mobile or fixed broadband required to access these still rely on the SABC to consume their television and keep informed about current affairs and to watch major sporting events like the Rugby World Cup.
- The role and need for a public broadcaster is therefore imperative in ensuring that in our democratic country citizens are exposed to media diversity through a variety of media types. Therefore, the SABC as a public broadcaster should exist alongside commercial broadcasters to cater for that media diversity.
- Unlike other media houses, a typical public service broadcaster has a legislated obligation to be universally geographically accessible; have universal appeal; pay attention to the needs of the minorities such as people living with disabilities; contribute to creation of national identity and sense of community; and compete based on good programming rather than in numbers or ratings.
- The SABC faced revenue challenges in the first quarter of FY2024, however from July 2023, nett revenues started seeing growth trends. This has resulted in an improvement in revenue recognised in the current financial year versus the prior financial year.

**Prepared in
accordance
to the IFRS**

**EVERYWHERE
FOR EVERYONE,
ALWAYS.**

- There were major sporting events that were broadcasted in the current year namely, the Rugby World Cup (RWC), Women's Soccer World Cup, Netball World Cup, Cricket World Cup and recently the AFCON tournament. While many of these events were secured late and did not realise the desired revenues and outcomes, the RWC and AFCON have had a positive contribution in Sponsorship revenue. The response of audiences exceeded all expectations, and outperformed the competition, and were therefore a resounding successes.
- The SABC is forecasting a total net loss of R590m for FY2024.
- This is an improvement from the R1,1bn net losses in FY2023. The current losses and cashflow status of the SABC continue to place the Going Concern assumptions of the SABC at very high risk.
- For the budget period ending 31 March 2025, the SABC is budgeting a Net Loss before tax of R242m. The Earnings before interest, tax, depreciation and amortisation of R201m, is R42m.
- Total revenue is budgeted to grow by 28% from current forecasts. This growth is driven by :
 - Advertising revenue growth of 15%,
 - Sponsorship revenue by 30% based on new deals and an improved content slate.
 - License fees revenue growth by 19%
 - Channel Carriage budgeted to increase by 28% based on negotiated deals.
 - Envisaged new Revenue from alternative revenue and partnerships that increases by 135%
- With the Corporation having undergone the implementation of the new operating model for costs optimisation, there is very little further scope for cost reduction except at the detriment of the Corporation's long-term sustainability. Expenses are budgeted to increase by 19% but due to the funding challenges, following the implementation of a Funding Framework, all expenditure will need to be contained to be within specified parameters.
- Only R55m, from either the remaining Bailout Funding or other ring-fenced funding, is available to fund CAPEX projects against a budget of R120m and an approved budget of over R986m in projects. CAPEX projects have had to be put on hold because of the lack of funding. The current budget assumes that there is Zero funds available for any CAPEX process for the FY2026. Initiatives are however being explored to source funding from other sources. .

As at the end of Feb 2024, the SABC is commercially insolvent as it continues to be unable to settle its debt when due, and equity is dwindling due to continuous losses. The risk of the SABC not being a Going Concern remains high. Based on the FY2025 budget the situation is unlikely to improve in the short term.

9.4. Budget Assumptions

The **hybrid** (zero-based and incremental) budget methodology has been adopted in preparation of the FY2025 budget.

Indicator	Reference	Budget 2025	Forecast 2026	Forecast 2027
Commercial revenue				
Advertising & Sponsorship Revenue	SABC Guidance	Growth as determined by Sales and Market Intelligence		
Video Entertainment		Growth as determined by Sales and Market Intelligence		
Radio		4,8%	4,7%	4,6%
Programme Rights exploitation		Growth as determined by Sales and Market Intelligence		
Internet / Digital (Incl. OTT)				
TV Licenses	Historic Trends	1,50%	1,50%	1,50%
Other Revenue Streams	Management guidance	4,8%	4,7%	4,6%
Employee Costs				
Permanent	Compensation of Employees Technical guidelines: 2024 MTEF	4,42%	4,7%	4,6%
Content Investment as a percentage of Revenue	SABC Guidance	25%- 30%	25%- 30%	25%- 30%
Signal and Distribution		-5%	-5%	-5%
Marketing costs as a percentage of Revenue		Must not exceed 4% of Revenue	Must not exceed 4% of Revenue	Must not exceed 4% of Revenue
Average Monthly USD Exchange Rates	Nedbank Average monthly and annual rates	R17,91	R18,75	R19,63
Average Year End USD Exchange Rates		R18,84	R18.39	R18.91
Other Expenses- (not on zero based budgeting)	NT MTEF 2023 COE Guidelines	4,8%	4,7%	4,6%

Key considerations supporting the budget assumptions are as follows: -

- Growth in Audiences

- Revenue share agreements
- Minimising average discounts
- Growth in sell out ratio, and rate cards,
- Monetising of the OTT Platform to maximise revenue generation,
- Radio competitor analysis, and
- PWC industry growth report

9.5. Budget Risks and Uncertainties

- Liquidity, Solvency and Going Concern risk have materialised. The SABC has continued to struggle to settle its debts as they become due. At the end of February 2024, the SABC is commercially insolvent.
- The reputational damage suffered by the SABC amidst its current financial state and delays of payments to suppliers has made it difficult for suppliers to have confidence in the SABC. The reputational challenges also affect the Advertisers and Agency that provide the main revenue stream of the Corporation. This risk has materialised.
- The current economic climate has hurt TV License collections. If the economic climate remains strained, this poses the risk that License collections could be even lower than current year performance and budgeted levels.
- Delays in implementing the DTH solution to mitigate audience loss from Analogue Switch-Off will constrain efforts to grow revenues and harm our audience reach. Lack of funding may impact the pace and options available for DTH implementation.
- Timelines for when revenue on the OTT platform will start to flow, and the pace of the flow, are still uncertain.
- Delays of Repairs and Maintenance projects due to lack of funding could result in accelerated decay in our critical infrastructure and litigation claims against the SABC and be prohibitively expensive when the projects may eventually be able to resume.
- Over delivery on the unfunded and non-commercial SABC mandate for Sport, resulting in financial losses and further misallocation of limited financial resources from initiatives that could accelerate the SABC's recovery to financial sustainability.
- For several of the new alternative revenue and partnership initiatives, plans are still in its infancy and success is to be determined. In addition, the growth envisaged in Advertising exceeds the expected mar-

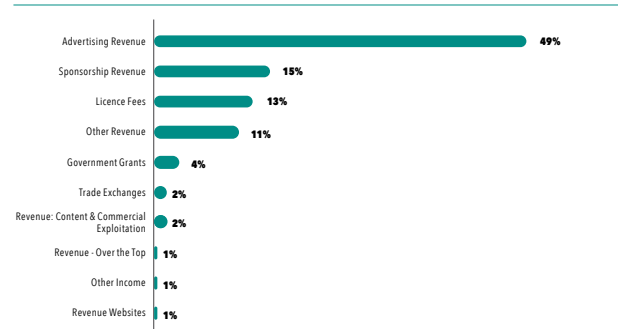
ket growth. As such the absence of firm execution plans and efficient implementation for these and other strategic initiatives will materially negatively affect performance.

9.6. Income Statement

Financial Statement Item	Budget	Forecast	Forecast
	FY24/25	FY25/26	FY26/27
	* 1,000	* 1,000	* 1,000
Advertising Revenue	(3 166 031)	(3 611 996)	(4 094 123)
Sponsorship Revenue	(992 189)	(1 154 657)	(1 314 308)
Revenue - Over the Top	(82 334)	(86 654)	(86 654)
Trade Exchanges	(127 147)	(114 758)	(82 820)
Licence Fees	(849 237)	(969 237)	(1 089 237)
Government Grants	(232 854)	(244 332)	(248 677)
Content & Commercial Exploitation	(133 254)	(146 950)	(157 040)
Revenue Websites	(34 743)	(46 332)	(59 935)
Other Revenue	(738 795)	(486 295)	(533 911)
Revenue	(6 356 584)	(6 861 211)	(7 666 705)
Other Income	(83 661)	(78 676)	(79 969)
Revenue & Other Income	(6 440 245)	(6 939 887)	(7 746 674)
Amortisation PFSR	1 379 959	1 590 039	1 396 456
Net Impairment Receivables	60 000	62 000	65 000
Broadcast Costs	597 359	603 982	666 330
Signal Distribution and Linking Costs	704 156	586 179	588 964
Employee Compensation and Benefit Expenses	2 474 236	2 646 934	2 723 336
Depreciation and Amortisation	200 747	124 798	107 631
Marketing Costs	154 196	173 026	178 260
Direct Licence Collection Costs	99 739	99 646	100 313
Professional and Consulting Fees	88 850	103 199	103 199
Other Expenses			
Operational	821 106	874 270	814 018
Personnel Cost	76 076	82 605	79 217
Administrative	31 237	25 787	22 207
Expenses	6 687 661	6 972 466	6 844 931
Operating (Profit)/Loss Before Interest & Tax	247 416	32 579	(901 743)
Net Financing (Income)/Loss	(5 304)	(5 108)	(5 110)
Net Loss / (Profit) For the year	242 112	27 471	(906 853)

9.6.1. Revenue

GRAPH 23: Revenue 2025



The SABC has struggled to grow Advertising revenues over the years. Revenue has been consistently declining since 2018, while discounts have increased.

The SABC's funding model still relies heavily on commercial broadcast revenue i.e. Advertising and Sponsorship which make up 64% of the total revenue. This means that in the absence of alternative revenue streams that generate revenue to the same magnitude, if advertising revenues continue the steady decline, the SABC's already distressed financial position will worsen further. It is thus critically important that the SABC grows alternative revenue streams.

Further to the above, during the COVID-19 period, the market saw a shift in the consumption of content, as more consumers opted for digital streaming platforms. That left the traditional broadcasters wanting as audiences declined and clients started decreasing their commitments citing decreasing audiences. The SABC has not responded fast enough to the emerging digital market, as SABC+ has not been successful yet in realising revenues.

Below are the strategic initiatives which will be implemented by the SABC to boost the revenue streams:

Advertising & sponsorship revenue	TV Licence
<ul style="list-style-type: none"> Revenue share deals Redesign Radio and TV sales structure to focus efforts and exceed results. Stabilize and regain lost business. 	<ul style="list-style-type: none"> Outsource the license fee collection to bring about collection efficiencies and minimise capital investments requirements.
Channel carriage and content exploitation	Other strategies
<ul style="list-style-type: none"> MultiChoice channel carriage deal renewed for another five-year period. Exploring new markets for Content exploitation. 	<ul style="list-style-type: none"> Exploration of radio features and Sponsorship revenue. Invest in events with high returns e.g., restore Music Awards property.

The SABC depends mainly on commercial revenue to finance its operations. However, there is huge legislative pressure to fund News and Sports (specifically of national interest) which are not profitable. This creates significant pressure on the SABC's cash flows in the long run. Negotiations with the Department of Communications and Digital Technologies will continue to secure fiscal support for the cost incurred on delivering on the public mandate. However, fiscus constraints at a national level have in fact seen the reduction of the existing Government Grant and the application for further support has been declined.

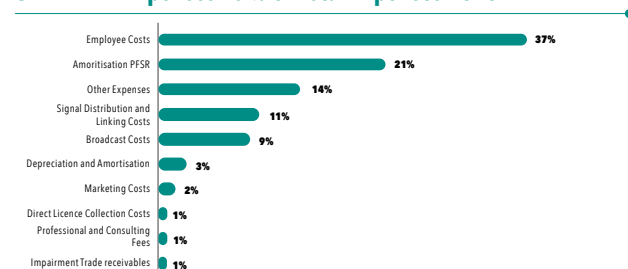
Below is the approved Government Grant allocation for the MTEF period (R'000):

	Budget	Estimates	
	FY2025	FY2026	FY2027
Channel Africa	56,314	64,256	66,299
Public Broadcaster	141,484	147,822	154,594
Programme Productions	13,262	13,856	14,491
Total grant allocation	211,060	225,934	235,384

The Channel Africa allocation for the budget period was reduced and the current funding does not cover the overheads associated with the Channel. There is no funding for the investment required to reposition and rejuvenate the channel. Channel Africa further requires new content, and relevant technological access to signal distribution across multiple platforms particularly since it is currently only broadcasting online.

9.6.2. Expenditure

GRAPH 24: Expenses As % Of Total Expenses 2025



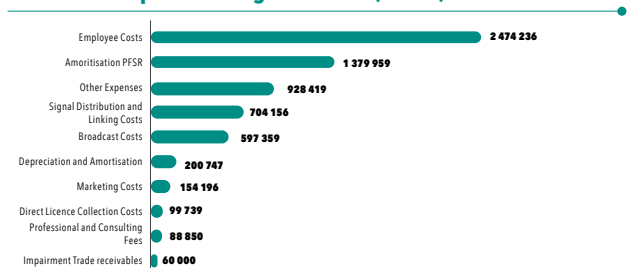
Investment in content and associated broadcasting and transmission costs account for 41%. These costs were an average of 45% in FY2022 and 41% in FY2023.

Due to the strained financial position of the SABC, investment in content has significantly decreased because of affordability. This means the SABC does not have funds to invest in new and compelling content that aims to improve audiences, and this increases the risk of achievement of the budget. Audiences have stabilised in the past two years, however, to secure the growth in Advertising Revenue, audiences must grow. Innovative content procurement models applied in response to this financial constraint allow the Corporation access to new content.

Employee costs are budgeted at R2.5bn for FY2025 amounting to 37% of total costs compared to an average of 40% over the past three years. At the end of Feb 2024, the SABC had a 20% vacancy rate. Some of these unfilled vacancies relate to positions that are considered critical to the business.

The SABC is budgeting to incur total expenditure of R6.7bn for the FY2025, a 19% increase from current projections R5.7bn.

GRAPH 25: Expenses Budget FY 2025 (R'000)



The key focus over the MTEF period will be to:

- Restore lost audience share on all the SABC's platforms.

- Restore ageing infrastructure by focusing on critical maintenance projects.

- Retain key experienced "On Air" talent; and

- Marketing initiatives that are aimed at improving the corporate brand and marketing of key properties to boost commercial revenue generation.

The budget incorporates a salary adjustments for all employees Permanent and Non-Permanent employees. This is after the three-year freeze on salaries and is subject to funding.

9.7 Taxation

The SABC has material assessed tax losses that will be used in the future against any taxable profits. For the financial year 2024/25, the SABC budget still reflects a taxable loss. For the MTEF period, no income taxation expense has therefore been budgeted for.

9.8 Long Term Capex Plan (R'000)

Projects	Budget	Estimates	
	FY 2024	FY 2025	FY 2026
TV Broadcast Resources - Outside Broadcast	0		
TV Broadcast Resources - TV Media	54 658		
Radio and Regional Resources	9 288		
Business Information Technology	21 965		
Contribution and Distribution-Major Capital	0		
Digital Media - Major Capital	2 522		
Logistical Services	0		
Other Divisions	902		
Minor Capital	25 200		
Approved Budgeted Projects	120 272	0	450 000
Still to be Approved Projects	832 589	1 276 689	861 257
Total Capex Plan	952 861	1 276 689	861 257

At the end of the current financial year, only R55m is projected as funds that will be available to fund CAPEX projects. There is already a shortfall of R65m in funds required for the budgeted CAPEX projects for the FY2025. With the budgeted net loss of R242m the SABC cannot afford any additional funding for CAPEX. Projects have been put on hold. Over R3 billion is required to fund all approved and on hold projects still to be approved. Based on the current planned numbers, an additional R450m may be made available for major CAPEX projects in the FY2027 but subject to available funding.

9.9 Balance Sheet (R'000)

Balance Sheet	Budget	Plan	Plan
	FY2025	FY2026	FY2027
Non-current Assets			
Property & Equipment (including investment property)	1 592 074	1 467 276	1 809 645
Non-Current Employee Benefits	1 319 108	1 319 108	1 319 108
Other Non- Current Assets	16 267	16 267	16 267
Total non-current assets	2 927 449	2 802 651	3 145 020
Current Assets			
Cash	32 712	53 206	622 210
Accounts Receivable	742 647	798 533	899 504
Programme, Film & Sports rights	482 986	556 514	488 760
Prepayments	87 029	87 029	87 029
Inventories	3 868	3 868	3 868
Total current assets	1 349 241	1 499 150	2 101 371
Total Assets	4 276 690	4 301 801	5 246 391
Liabilities			
Employee benefits	1 423 632	1 423 632	1 423 632
Perpetual Debt - Government Instrument	27 390	27 390	27 390
Lease Liabilities	224 406	224 406	224 406
Deferred Govt Grant	37 528	37 528	37 528
Accounts Payables -Sentech	1 135 339	1 169 518	1 206 483
Accounts Payables and Provisions	593 811	612 213	612 985
Deferred Income	(9 152)	(9 152)	(9 152)
	117 895	117 895	117 895
TV licence fees received in advance			
Overdraft	144 814	144 814	144 814
Total Liabilities	3 695 664	3 748 244	3 785 981
Shareholder's Equity			
Equity Capital	3 200 001	3 200 001	3 200 001
Retained Earnings	(2 618 974)	(2 646 445)	(1 739 592)
Shareholder's Equity	581 027	553 556	1 460 409
Total Liabilities & Shareholder's Equity	4 276 690	4 301 801	5 246 391

Ratios	Forecasts	Estimate	Estimate
	FY 2025	FY 2026	FY 2027
Debtors' collection days	48	48	48
Creditors' payment days (excluding creditors where longer payment periods were negotiated and signal distri- bution costs)	60	60	60

9.10 Cash Flow (R'000)

Cash Flow Statement	Budget	Plan	Plan
	FY2025	FY2026	FY2027
Cash Collections from Customers	5 007 900	5 564 643	6 237 866
Collections from TV Licences	879 557	960 269	1 076 340
Payments to employees	(2 474 236)	(2 646 934)	(2 723 336)
Payments to other suppliers	(3 907 855)	(4 106 923)	(3 825 654)
Cash from Operations	(494 635)	(228 945)	765 217
Net Finance (income)/ Expense	5 301	5 108	5 110
Tax - CGT on disposals	-	-	-
	(489 334)	(223 837)	770 327
Investing Cash Flow			
Investment in PPE_Major CAPEX	(95 272)	0	(450 000)
Investment in PPE_Minor CAPEX	(25 000)	0	0
Cash from Investing	(120 272)	0	(450 000)
Financing Cash Flow			
Government grants (Treasury actuals)	211 060	244 332	248 677
Cash from Financing	211 060	244 332	248 677
Net Increase (decrease) in Cash	(398 542)	20 495	569 004
Opening Cash Balance	431 254	32 712	53 206
Closing Cash Balance	32 712	53 206	622 210

"We rise in
rhythm and
raise our flag."



PART E: ANNEXURES

ANNEXURE A: BORROWING PLAN

The SABC currently has no credit facilities with the lending institutions due to its current financial status and the legacy of SOE challenges like the Zondo Commission Report, reputation and poor management. Notwithstanding that however, there are some avenues that the broadcaster is still continuing to explore.

Development Finance Institutions (DFIs)

Development Finance Institutions such as the Industrial Development Corporation (IDC) and the Development Bank of South Africa (DBSA) afford organisations like the SABC the opportunity to partner with non-traditional banks at advantageous terms and pricing levels. DBSA can assist with funding technology and infrastructure programs that will yield a positive return on investment. SABC intends to approach the DBSA once more with one or two key strategic projects from the technology space to solicit funding.

The SABC is in conversations with IDC regarding some form of a funding vehicle to produce content. The amounts the SABC is soliciting for funding is R1Billion in the DFI space.

Traditional Banks

The commercial sector appetite to lend funds to State Owned Entities has reduced significantly due to increased solvency and liquidity risks. The Corporation continues to engage the banks for trading credit facilities.

Domestic Medium Term Note Programme

The SABC is exploring the establishment of the above amounting to R1Billion over a five year period dedicated mainly to the funding of the Long Term Capital Programme.

ANNEXURE B:1: RISK MANAGEMENT FRAMEWORK

Introduction

Risk management is an enabling function that adds value to the activities of the SABC and increases the probability of success in achieving our strategic objectives. It is about managing uncertainty and creating an environment in which surprises are minimised. This Risk Management Framework defines the practices adopted by the SABC to identify risk, in order to reduce potential negative impacts and improve the likelihood of beneficial outcomes.

The SABC is committed to the optimal management of risk in order to achieve its vision, strategy and objectives and protect its core values. The Board is committed to ensuring that the Corporation's values are aligned to promote greater risk accountability and awareness by ensuring that risk is managed effectively through an on-going process of

identifying, evaluating and treating. To assist with this requirement, the Enterprise Risk Management Policy (ERMP), and Enterprise Risk Management Framework (ERMF) are aligned to the following:

- PFMA.
- National Treasury Regulation Section 27.2.1.
- The principles of King IV™.
- The Public Sector Risk Management Framework published by National Treasury in 2010.
- International Standard Organisation (ISO 31000 Risk Management Standards).

All divisions, provinces, subsidiaries, processes and projects are subject to the requirements of the ERMP, ERMF and Risk Management Strategy. Effective implementation of risk management is imperative to the SABC in terms of its risk profile. The realisation of the SABC strategy is dependent on the Corporation being able to take calculated risks in a manner that does not jeopardise the direct interests of stakeholders. An enterprise-wide approach to risk management has been adopted by the SABC, which means that every strategic and operational risk across the Corporation as a whole is included in a structured and systematic process of risk management. Risk management is about structured and coordinated activities that direct and control the Corporation with regard to risks. All corporate strategic and operational risks are managed within a unitary framework that is aligned to the SABC's corporate governance responsibilities.

The benefits of this practical Risk Management Framework that can be applied across all parts of the SABC. It includes:

- A consistent, structured approach to identifying and managing risk.
- Supporting the achievement of the SABC's strategic and operational objectives by managing risks that might otherwise impede success.
- Encouraging an open and transparent culture in which risk discussion and awareness are supported.
- Better decision making practices that support risk-informed choices, prioritise actions and distinguish between alternative courses of action.
- Encouraging an understanding of the risk environment within which the SABC operates.
- Provides assurance to the Board and the Executive authority that critical risks are being identified and managed effectively.

Purpose

The purpose of this Framework is to describe the SABC's risk management philosophy, approach, monitoring and reporting practices and guide implementation of the risk

**Management
of risk is the
responsibility of
everyone**

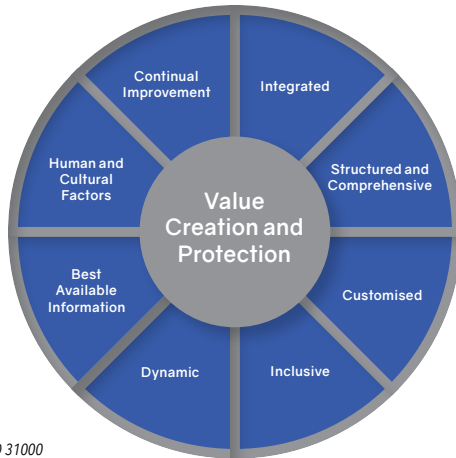
**EVERYWHERE
FOR EVERYONE,
ALWAYS.**

management principles in a uniform manner across the SABC. It also seeks to set the tone from the top and emphasises that the management of risk is the responsibility of everyone at the Corporation.

Risk management shall be applied in all strategic and operational activities, during the planning, implementation and monitoring stages.

An Effective Enterprise Risk Management System

Guiding principles are principles that form the foundation of the risk management process. The eight risk management principles outlined in the ISO 31000 Risk Management Standard must be embedded in the Corporation, to ensure that the SABC's actions, responses and approach to risk remain current and dynamic



Source: ISO 31000

In order to be effective, the Corporation adheres to the following principles outlined in ISO31000:

- **Integrated:** Risk management is an integral part of all activities at the Corporation.
- **Structured and comprehensive:** A structured and comprehensive approach to risk management contributes to consistent and comparable results.
- **Customised:** The risk management framework and process are customised and proportionate to the Corporation's external and internal environment related to its objectives.
- **Inclusive:** Appropriate and timely involvement of stakeholders enables their knowledge, views and perceptions to be considered. This results in improved awareness and informed risk management.

- **Dynamic:** Risks can emerge, change or disappear as the Corporation's external and internal environment changes. Risk management anticipates, detects, acknowledges and responds to these changes and events in an appropriate and timely manner.
- **Best available information:** The inputs to risk management are based on historical and current information, as well as future expectations. Risk management explicitly takes into account any limitations and uncertainties associated with such information and expectations. Information should be timely, clear and available to relevant stakeholders.
- **Human and cultural factors:** Human behaviour and culture significantly influence all aspects of risk management at each level and at each stage.
- **Continual improvement:** Risk management is continually improved through learning and experience.

Risk Management Framework Components



Source: ISO: 31000: 2018

The SABC continually evaluates its existing risk management practices and processes, to evaluate and address any gaps in the framework.

Leadership And Commitment

EXCO and the Board ensure that risk management is integrated into all corporate activities and demonstrates leadership and commitment by:

- Customising and implementing all components of this framework.
- Approving the policy that establishes a risk management approach, plan or course of action.
- Ensuring that the necessary resources are allocated to managing risk.

- Assigning authority, responsibility and accountability at appropriate levels at the Corporation.

This will help the Corporation to:

- Align risk management with its objectives, strategy and culture.
- Establish the amount and type of risk that may or may not be taken to guide the development of risk criteria, ensuring that they are communicated to the Corporation and its stakeholders.
- Communicate the value of risk management to the Corporation and its stakeholders.
- Promote systematic monitoring of risks.
- Ensure that the risk management framework remains appropriate to the environment of the Corporation.

EXCO is accountable for managing risk, while the Board is accountable for overseeing risk management. The Board is expected to:

- Ensure that risks are adequately considered when setting the corporate objectives.
- Understand the risks facing the Corporation in pursuit of its objectives.
- Ensure that systems to manage such risks are implemented and operating effectively.
- Ensure that such risks are appropriate in the context of the corporate objectives.
- Ensure that information about such risks and how they are managed is communicated properly.

Integration

Integrating risk management relies on an understanding of corporate structures and the environment. Everyone in the Corporation has a responsibility to manage risk. Risk management is a part of, and not separate from, the corporate purpose, governance, leadership and commitment, strategy, objectives and operations.

Design

CONTEXT

The corporation examines and understand its external and internal environment, which includes:

- Vision, mission and values.
- Governance, corporate structure, roles and accountability.
- Strategy, objectives and policies.

- Social, cultural, political, legal, regulatory, financial, technological, economic and environmental factors, whether international, national, regional or local.
- Contractual relationships and commitments.
- The SABC culture.
- The standards, guidelines and models adopted by the SABC.
- Capabilities, which are understood in terms of resources and knowledge (e.g. capital, time, people, intellectual property, processes, systems and technologies).

RISK MANAGEMENT COMMITMENT

EXCO and the Board demonstrate and articulate their continual commitment to risk management through a policy, a statement or other forms that clearly convey the organisation's objectives and commitment to risk management. The commitment includes:

- The SABC's purpose for managing risk and links to its objectives and other policies.
- Leading the integration of risk management into core business activities, decision-making and overall corporate culture.
- Authority, responsibilities and accountability.
- Making the necessary resources available.
- Measuring and reporting against the corporate performance indicators.

Allocating Resources

EXCO and the Board allocates appropriate resources for risk management, which may include:

- People, skills, experience and competence.
- The corporate processes, methods and tools to be used to manage risk.
- Information and knowledge management systems.
- Professional development and training.

Communication And Consultation

The SABC has established an approved approach to communicate and consult, in order to support the framework and facilitate effective implementation of risk management. Participants in the consultation process should provide feedback with the expectation that it will contribute and shape decisions and other activities. Communication and consultation should be performed timeously and relevant information should be collected, collated, synthesised and shared.

Implementation

The Corporation implements the risk management framework by:

- Developing an ERMS and Operation Plan, including time frames and resources.
- Identifying where, when and how different types of decisions are made across the corporate, and by whom.
- Ensuring that the policy for managing risk are clearly understood and practised.

Evaluation

To evaluate the effectiveness of the risk management framework, the corporation should:

- Periodically measure risk management framework performance against its purpose, implementation plans and indicators.
- Determine whether it continues to support achieving the objectives of the corporation.

Improvement

ADAPTING

The Corporation continually monitors and adapts the risk management framework to address external and internal changes.

CONTINUALLY IMPROVING

The Corporation continually improves the suitability, adequacy and effectiveness of the risk management framework and the way the risk management process is integrated. As relevant gaps or improvement opportunities are identified, the corporation develop plans and tasks and assign them to those accountable for implementation. Once implemented, these improvements should enhance the risk management process.

Alignment Of Risk To Strategic Objectives

The SABC has adopted an objectives-based risk management approach, which ensures the identified risks are linked to key objectives. With an objectives-based risk management approach, SABC will identify, assess and respond to risk based on the appetite to achieve the objectives. The risk management processes, including the effectiveness of responses and the completion of actions, are being monitored by management to ensure they continue to operate effectively. Risks, responses and actions are properly classified and are reported properly.

Strategic Risk

Within the SABC mandate are inherent risks that the SABC is always

exposed to. These risks are largely affected by the SABC's approved Corporate Plan.

OBJECTIVE: Offer a competitive and innovative multi-channel portfolio		
RISK NAME	DESCRIPTION	INHERENT VALUE
Content risk	Lack of financial investment in content acquisition	Extreme

OBJECTIVE: A financially sustainable organisation		
RISK NAME	DESCRIPTION	INHERENT VALUE
Financial sustainability	Inability to generate revenue and manage expenditure. Exposure in working capital deficiency.	Extreme

OBJECTIVE: SABC everywhere for everyone		
RISK NAME	DESCRIPTION	INHERENT VALUE
Technology and infrastructure risk	Delays in implementing digital infrastructure projects	Extreme

OBJECTIVE: Ensure business continuity		
RISK NAME	DESCRIPTION	INHERENT VALUE
Business disruption	Threats event that disrupts SABC operations	Extreme

OBJECTIVE: A competent, dynamic workforce that is fit for purpose		
RISK NAME	DESCRIPTION	INHERENT VALUE
People risk	Inability to recruit and retain a competent and dynamic workforce	Extreme

OBJECTIVE: Promote and protect the SABC brands		
RISK NAME	DESCRIPTION	INHERENT VALUE
Brand and reputational risk	Events that affect the SABC negatively	Extreme

OBJECTIVE: Promote and protect the SABC brands		
RISK NAME	DESCRIPTION	INHERENT VALUE
Governance risk	Improper governance practices	Extreme

Risk Assessment Criteria

Likelihood Assessment

Rating	Probability Level	Measurement	Description
5	Almost certain	>81-100	Certain to happen sometime in the next 12 months.
4	Likely	>61-80	Highly likely to happen sometime in the next 3 years. OR The event has occurred more than once in the past at SABC / similar organisations.
3	Possible	>36-60	Possible that it will occur at some time in the future. The incident has occurred once within SABC / similar organisations.
2	Unlikely	>11-35	Unlikely to occur at any time in the future.
1	Rare	≤10	Highly unlikely to occur at any time in the foreseeable future. Theoretically possible, but not expected to occur.

Impact Assessment

Rating	Impact Level	Impact Description
5	Extreme	A disaster with the potential to lead to a collapse of the business and which is fundamental to the achievement of objectives.
4	Major	A major event that can be endured, but which may have a prolonged negative impact and extensive consequences.
3	High	A severe event that can be managed, but which require additional resources and management effort.
2	Moderate	An event that can be managed under normal operating conditions.
1	Negligible	Not worth worrying about because the effect is minimal.

Control Effective Assessment

Level	Description	Factor
Very good	Controls are totally effective and efficient, totally implemented, and operating as intended.	0.100
Good	Controls are in place but there are minor deficiencies.	0.80
Satisfactory	Controls are in place but there are considerable deficiencies.	0.60
Weak	Controls are in place but there are major deficiencies	0.40
Unsatisfactory	The controls are not adequate or effective.	0.20

Risk Matrix

IMPACT	Extreme					
	Major					
	High					
	Moderate					
	Negligible					
		Rare	Unlikely	Possible	Likely	Almost Certain
	PROBABILITY					

Risk Tolerance And Acceptability

SABC's strategic and operational risks cannot be eliminated entirely, as all strategic and operational activities involve risk. The SABC should develop a Risk Tolerance and Acceptable Risk Matrix Framework that will guide it regarding the level of risk that the organisation is willing to accept, even if it is express qualitatively or quantitatively. The SABC should assign different risk tolerance levels to different types of risks.

Treating And Accepting Risks

Risk Response	Risk Response Description
Avoidance	Terminate the risk by doing things differently and thus removing the risk, where it is feasible to do so.
Transference	Moving the impact (and ownership) of the risk to a third party, via for instance an insurance policy or an outsourcing service.
Acceptance	Tolerate the risk, perhaps because nothing can be done at a reasonable cost to mitigate it or the likelihood and impact of the risk are at an acceptable level.
Mitigate (Threat)	Take action to control the risk in some way where the action either reduces the likelihood of the risk developing or limits the impact.

Risk Definitions

Term	Definition
Consequence	• Outcome or impact of an event.
Cost of risk	<ul style="list-style-type: none"> • Cost associated with: • Insurance premiums • Self-retained losses (incurred loss) • Uninsured losses • Risk control expenses, including safety, security, property conservation, quality control programmes, etc. • Maintenance • Technology / machinery breakdown • Consulting charges • Training • Environmental cost • Administrative costs (internal and external), including risk management department, internal claims by staff, fees paid to brokers, risk management consultants, outside claims and loss control services.

Term	Definition
Crisis	An actual event, which has a significant impact on the SABC's people, business viability, reputation or image, legal or financial responsibilities or ability to operate.
Crisis management	<ul style="list-style-type: none"> • A process by which an organisation manages the wider impact of any incident until it is either under control or contained without impacting the organisation or until the business continuity plan is invoked. • Crisis management is a comprehensive system that links the components of incident management, disaster recovery, emergency response and contingency plans between operational teams, through country and regional teams, with the corporate crisis management team.
ERM	A formal response to risk, which outlines every conceivable type of risk in every part of the organisation. It is a structured and consistent approach used across the SABC that aligns strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the risks (threats and opportunities) that SABC faces to create stakeholder value. It is therefore based on choices made under conditions of uncertainty, bound by acceptable levels of risk, designed to sustain / maximise shareholder value.
Event	Occurrence of a particular set of circumstances: <ul style="list-style-type: none"> • The event can be certain or uncertain. • The event can be a single occurrence or a series of occurrences. • The probability associated with the event can be estimated for a given period.
Frequency	A measure of the number of occurrences per unit of time.
Hazard	A source of potential harm or exposure to danger.
Incident	An undesired event as a result of at risk behaviour, or high-risk conditions, without resulting in loss, but there is the potential for loss.
Inherent risk	The measure of the probability of occurrence and the impact of the outcome, prior to consideration of control measures.
Key risks	Risks perceived to be the most significant. Typically, these would be 'red' and 'orange' risks after treatment, as defined by the risk matrix and which are above the Corporation's risk acceptance threshold.
Key risk indicator	A measure used by management to indicate how risky an activity is. It could also be expressed as a quantitative measure of both the financial and non-financial performance objectives of the business.
Monitor	To check, supervise, observe, analyse or measure the progress of an activity, action or treatment on a regular basis, in order to determine if the desired or expected results are being obtained.
Opportunity	An 'upside' or 'positive' risk, which is an uncertain, beneficial event or condition that will result in a favourable outcome should it occur.
Probability	The extent to which an event is likely to occur. Frequency (the probability of an event occurring at intervals) rather than probability (the relatively likelihood of an event happening) can be used in describing risk.

Term	Definition
Process	A structured set of activities within an organisation that are designed to produce a specified output.
Residual risk	The measure of inherent risk and consideration of control effectiveness, i.e. the risk level that remains after current controls are taken into consideration.
Rewarded risks	Risks that are deliberately taken to benefit from the potential upside (e.g. investing in a new market, product, service or business model).
Risk	<p>An uncertain future event that threatens the achievement of the strategic and business objectives of the organisation. Risk encompasses:</p> <ul style="list-style-type: none"> • The possibility of good things not happening (opportunity risk). • The threat of bad things happening (risk as a hazard). • The potential that actual results will not equal anticipated outcomes (risk as an uncertainty). <p>Risk includes the possibility of economic and financial loss or gain, as well as injury or death, physical damage, environmental harm, business interruption and reputational concerns.</p> <p>Risk has the following primary elements:</p> <ul style="list-style-type: none"> • The probability of something happening or not happening. • The impact of it happening or not happening.
Risk acceptance	A decision to accept a risk as the risk impact is negligible or the cost of control is greater than the cost of the risk.
Risk analysis	Risk analysis is a process that is used to understand the nature, source and cause of the risks that have been identified and estimate the level of risk. It is also used to study the consequences of risk that can materialise and to examine the controls that currently exist. This means understanding the cause and effect of risks across different divisions of the SABC, and understanding the root cause of risks and those factors that will contribute to a risk occurring.
Risk appetite	The level of risk that the SABC is prepared to tolerate, or the amount of risk the Corporation is willing to accept in alignment with the strategic objectives and to maximise value to the business.
Risk assessment	<p>The overall process of risk identification, risk quantification and risk evaluation in order to identify potential opportunities or minimise loss.</p> <p>The risk assessment process considers risks that are significant to the achievement of the company's objectives. This is a continuous process that requires regular review as and when internal and external changes influence the organisation's strategies and objectives.</p>
Risk avoidance	A decision to either not be involved or to withdraw from a risk situation. The decision may be taken based upon the result of risk evaluation.

Term	Definition
Risk-bearing capacity	<p>This is a prediction of the Corporation's ability to endure losses and the effect that such losses could have on the group's value or its ability to continue with its activities.</p> <p>It is a monetary value that is used as a yardstick to measure the maximum loss that the Corporation can endure, without exposing it to the point at which its existence and survival is under threat, given an equivalent loss.</p>
Risk categories	<p>Grouping risks with similar characteristics is done to establish the SABC's risk portfolio (see risk portfolio). Ultimately determined by the SABC, the characteristics used to define risk categories typically reflect the SABC's business model, industry or other factors that drive risk within the organisation.</p> <p>Also, the terms of reference by which the significance of risk is assessed.</p> <p>The risk criteria / classification is based upon the magnitude of the potential impact on the Corporation's values and the likelihood of that impact materialising.</p>
Risk communication	Sharing information about risk between the decision-maker and other stakeholders. The information can relate to the existence, nature, form, probability, severity, acceptability, treatment or other aspects of risk.
Risk control	Action taken to minimise inherent risk to an acceptable level of residual risk.
Risk control owner	A risk control owner is a person accountable for managing an action that modifies risk. Control owners are accountable for carrying out the risk response plans that have been allocated to them and for reporting to the risk process owner on progress made.
Risk evaluation	<p>Risk evaluation is a process that is used to compare risk analysis results with risk criteria, in order to determine whether a specified level of risk is acceptable or tolerable. The identified risks are mapped using their respective ratings in terms of impact and likelihood, expressed as a combination of these two components.</p> <p>The objective of the analysis is to prioritise and rank items in order of risk exposure and timely treatment.</p>
Risk financing	Providing funds to meet the cost of implementing risk treatment and related costs. In some instances, risk financing refers to funding only the financial consequences related to risk.
Risk identification	<p>Risk identification is a deliberate and systematic effort to identify and document the Corporation's key risks. The objective of risk identification is to understand what is at risk within the context of the Corporation's objectives, and to generate a comprehensive risk register based on the threats and events that might prevent, degrade, delay or enhance achievement of the objectives.</p> <p>Project risks should be identified for all major projects, covering the whole lifecycle. For long-term projects, the project risk register should be reviewed at least once a year to identify new and emerging risks.</p>

Term	Definition
Risk management	Enterprise risk management is a process effected by an entity's board of directors, management and other personnel, applied in a strategy setting across the enterprise, which is designed to identify potential events that may affect the entity and manage risk to be within its risk appetite, so as to provide reasonable assurance regarding the achievement of the entity's objectives. (COSO)
Risk management framework	A set of elements of an organisation's management system, which are concerned with managing risk.
Risk management process	<p>The risk management process entails planning, arranging and controlling activities and resources to minimise the negative impact of all risks that can be tolerated by stakeholders whom the Board has identified as relevant to the business of the Corporation. It also entails optimising the opportunities or positive impacts of all risks.</p> <p>The systematic application of management policies, procedures and practices to the tasks of communicating, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risk.</p>
Risk management system	The overall integrated process that consists of two essential inter-related and overlapping, but conceptually distinct components – risk assessment and risk management.
Risk metrics	The structure of impact, and levels of probability and consequences chosen against which to measure risk.
Risk mitigation	The process of selecting and implementing measures to modify risk that encompass risk tolerance, risk treatment, risk transfer and risk termination.
Risk monitoring	Observations and measurements associated with tracking changes to risk levels. Monitoring enables appropriate interventions to be effected in good time to avoid undesirable consequences or to capitalise on desirable consequences.
Risk optimisation	Process related to a risk, to minimise the negative and to maximise the positive consequences and their respective probabilities.
Risk owner	<p>The risk owner is the person accountable for managing a particular risk in his/her area. This person must ensure that risks are properly identified and evaluated, controls remain effective, risk response plans are implemented by task owners, risks are monitored and progress status is regularly reported upwards. In addition, he/she promotes a risk-aware culture, and reviews and signs off on risk assessments for Board reporting purposes.</p> <p>Types of risk owners are process, executive, operational, project and functional.</p>
Risk perception	The way in which a stakeholder views risk based on a set of values or concerns. Risk perception depends upon the stakeholder's needs, issues and knowledge; therefore, it can differ from objective data.

Term	Definition
Risk process owner	An Executive with primary accountability for advising on, formulating, overseeing and managing all aspects of the Corporation's risk management system. The Executive monitors the Corporation's entire risk profile, ensuring that key risks are identified and reported upwards.
Risk profile	Identification and listing of risks, typically in order of highest to lowest, based on a qualitative or quantitative assessment approved by management.
Risk reduction	Action taken to reduce the likelihood of negative consequences associated with a risk.
Risk register	A formal listing of: risks identified; the results of the risk analysis; risk evaluation procedures; details of risk controls; risk response plans consistent with the nature and scale of the risk.
Risk response	The measures taken to further treat the risk, in order to reduce the risk classification to an acceptable level. Also, the process of selection and implementation of measures to modify risk. Risk response measures include treating, avoiding, optimising, transferring or retaining threats, and exploiting, sharing, maximising or enhancing opportunities.
Risk retention	Accepting the potential burden of loss or benefit of gain, from a particular risk. It includes the acceptance of risks that have not been identified. It does not include treatments involving insurance or transfer by other means. There can be variability in the degree of acceptance and dependence on risk criteria.
Risk sharing	Sharing the burden of loss or benefit of gain from a particular risk with another party.
Risk source	An activity or something that has a potential consequence.
Risk strategy	The approach adopted for associating and managing risk based on the objectives and strategies of the enterprise.
Risk threshold	The level at which certain action is specified in terms of response, reporting, monitoring or additional analysis and planning.
Risk tolerance	Risk tolerance is the level and amount of risk that the SABC carries at a particular time, either deliberately or inadvertently, if there are unknown risks. The goal of risk management is to properly define and describe risk levels and, in particular, identify risks that are higher than the risk thresholds.
Risk tracking	Monitoring key risks over time to determine whether the level of risk is changing.
Risk transfer	Sharing the burden of loss or benefit of gain for a risk with another party. Risk transfer can be carried out through insurance or other agreements, and it can create new risks or modify existing risk.
Risk treatment (control)	An existing process, policy, device, practice or action that acts to minimise negative risk or enhance positive opportunities. It is also the process of selection and implementation of measures to modify risk.

Term	Definition
Scenario Planning	Scenario analysis and stress scenarios are a critical part of understanding both future possibilities and the Corporation's ability to respond. Scenarios can be understood as being 'thought experiments' about the possible development of the future states of the world.
Severity	The terms of reference by which the significance of the risk is assessed. It is the magnitude of the impact on the business should the risk actually materialise.
Sensitivity analysis	A sensitivity analysis considers one variable at a time and the effect of change in that value.
Threat	A 'downside' or 'negative' risk or an uncertain adverse event or condition, which, if it occurs, will result in an unfavourable outcome.
Treatment assessment	The systematic review of processes to ensure that treatment is effective and appropriate.
Upside risk	Also termed rewarded risk. These are risks that are deliberately taken to benefit from the potential upside, e.g. investing in new markets, products, services or business models. It also refers to the possibility of good things not happening (opportunity risk) due to management not implementing the correct measures.

Policy Title:	SABC Enterprise Risk Management Policy
Division:	Legal, Governance And Regulatory
Department:	Enterprise Risk Management Department
Date Approved:	1 April 2021
Effective Date:	
Approved By:	SABC Board

1. POLICY PURPOSE

The Enterprise Risk Management Policy (ERMP) sets out the overall philosophy, principles, requirements and responsibilities for a sound approach to risk management at the SABC.

2. RISK DEFINITIONS

The Policy has been developed as part of good governance requirements and in response to Public Finance Management Act No. 1 of 1999, National Treasury Regulations, and King IV Report on Corporate Governance for South Africa™ and International Standard Organisation (ISO): 31000: 2018:

- **Section 51(1)(a)(i) of the Public Finance Management Act No. 1 of 1999 (as amended by Act 29 of 1999).** The PFMA prescribes that an accounting authority for a public entity must ensure that the public entity maintains effective, efficient and transparent systems of financial, risk management and internal control.
- **Treasury Regulation 27.2.1** states that an accounting authority must facilitate a risk assessment to determine the material risks to which the entity may be exposed and to evaluate the strategy for managing these risks. The strategy must be used to direct the internal audit effort and priorities, and to determine the skills required for managing these risks.
- **King IV Report on Corporate Governance** for South Africa™ (King IV™), which is at the forefront of governance, entrenches the principles of sound risk management, and advocates the development of formalised risk management strategies aimed at supporting the Corporation in setting and achieving objectives, safeguarding stakeholder interests and maximising value.
- **International Standard Organisation (ISO): 31000:** 2018. ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). ISO states that managing risk is based on the principles, framework and process.

Risk refers to an uncertain events that could influence the achievement of the SABC's strategic and business objectives. Some risk factors also present opportunities, which management must be aware of and be prepared to exploit.

Risk management is an integral part of improved performance, growth and sustainable value creation. Furthermore, it creates the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects within the SABC.

ERM is a function that the SABC, as a corporation, needs to enhance its

stakeholder value and meet the requirements of legislation, such as the PFMA, Treasury Regulations, governance codes and best practice, such as the King IV Report on Corporate Governance for South Africa™.

3. ACCOUNTABILITY AND RESPONSIBILITY

The Minister at DCDT, as the **Executive Authority**, is accountable to Parliament in terms of the achievement of the goals and objectives of the SABC. In this context, the Executive Authority must take an interest in ERM to the extent necessary to obtain comfort that properly established and functioning systems of risk management are in place.

The **Accounting Authority (SABC Board)** is ultimately responsible for the governance of risk at the SABC. The Board approves the ERMP, framework and strategy for the Corporation and provides leadership and guidance for its implementation. The Board will evaluate and agree the Corporation's risk appetite and risk tolerance levels annually, to ensure the achievement of its objectives. The Board is accountable to the Executive Authority to form an opinion on the effectiveness of the risk management process.

Audit and Risk Committee (ARC) assists the Board in discharging its risk management responsibilities, which include overseeing the development of a risk management strategy to enable the SABC to mitigate its key risks and evaluate the status of risks facing the SABC.

The other Committees of the Board are responsible for monitoring the management of risks in their area of expertise and reporting on the outcomes to the Board.

Accounting Officer (Group Chief Executive Officer) (GCEO) is accountable to the Board for the identification of corporate strategic and operational risks, managing, implementing and monitoring the process of risk management. The GCEO is also responsible for embedding risk management into the day-to-day activities of the SABC to enhance the achievement of objectives. The GCEO is responsible for providing the Board with a balanced assessment of the corporate strategic and operational risks facing the SABC, and the status of the measures put in place to mitigate these risks.

Executive Management Committee (EXCO) is responsible for establishing a process of risk monitoring that may impact achievement of corporate strategic and operational objectives. EXCO must oversee the implementation of ERM at the SABC and set the tone for a risk management culture at the SABC. EXCO must report all strategic, operational and emerging risk events or exposure to the Board through the ARC on a timely basis.

Management must own the risks and therefore take accountability and responsibility for managing the SABC's risks. Effective risk management at the Corporation requires strong and sustained leadership, guidance, embracement, management buy-in and commitment.

The **Group Executive: Legal, Governance and Regulatory** is responsible

for facilitating the risk management process and ensuring that the risk management framework is implemented throughout the Corporation. The GE: Legal, Governance and Regulatory is a custodian of the ERM Policy, Framework and Strategy.

The SABC's philosophy is that risk management is everyone's responsibility. This implies that risk management considerations must be part of every decision that is made, every objective that is set and every process that is designed. All SABC divisions and subsidiaries are required to implement and use the common ERM Framework and Strategy. Employees are expected to actively and proactively anticipate and manage risks, in order to take advantage of opportunities and mitigate risks in a continually changing environment.

4. RISK GOVERNANCE

Risk governance applies the principles of good governance to the identification, assessment, management and communication of risk. It is a formal structure used to support risk-based decision making and oversight across all SABC operations.

EXCO and the Board ensure that the authority, responsibility and accountability for the various roles with respect to risk management are assigned and communicated to all levels of the corporation.

- Emphasise that risk management is a core responsibility.
- Identify individuals who have the accountability and authority to manage risk (risk owners).

Executive Authority

The Minister DCDT is the Executive Authority accountable to the legislature / Parliament / Council in terms of achieving the goals and objectives of the SABC. In this context, the Executive Authority should take an interest in ERM, to the extent necessary, to obtain comfort that properly established and functioning systems of risk management are in place and that the Board makes use of the risk management system to enable proactive decision making in a responsible manner.

Board

The Board is ultimately responsible for governance and oversight of risk management activities within the SABC. Board responsibilities include:

- Approves the risk management policies, frameworks and strategies and provide leadership and guidance for implementation of these.
- Accountable to the Executive Authority to form an assurance on the effectiveness and efficiency of the risk management system.
- Approve the SABC's risk appetite and levels of risk tolerance.
- Promote a risk management culture and reinforce the commitment to sound risk management policies, practices, standards, models and techniques.

- Ensure that risk management is part of the business strategy and planning process.
- Ensure that risk assessments are performed at the SABC.
- Ensure that all Board Committees are accountable for the oversight of risks within their respective areas of responsibility.

Audit and Risk Committee (ARC)

The ARC assists the Board to discharge risk management responsibilities, which include:

- Ensure the effectiveness and efficiency of the risk management process and system.
- Overseeing the development of a documented risk management strategy to enable the SABC to mitigate its risks.
- Assisting the Board to regularly evaluate the status of strategic, operational and project risk facing the SABC.
- Assist in determination of the SABC's risk appetite levels.
- Ensure appropriate Risk Management Instruments are prepared and presented to the Board for approval.

Group Chief Executive Officer (GCEO)

The GCEO is responsible for:

- Setting the tone for effective risk management throughout the Corporation.
- Designing, implementing and maintaining an effective risk management process and system.
- Implementing a process to report and monitor the key risks and the risk management process.
- Ensuring that reliable risk reporting to the Board takes place on a regular basis.

EXCO

EXCO's responsibilities include the following:

- Oversee the implementation of ERM at the SABC and assist in setting the tone for the risk culture at the SABC.
- Report all significant risk events or exposure timeously to the Board through the ARC.
- Accountable for the day-to-day management of the SABC's risks and risk treatments implemented to mitigate such risks.
- Embed risk management into the day-to-day activities of the SABC to enhance the achievement of its objectives.

ERM Department

The complexity of the business environment and rapid changes in the marketplace requires for a stronger risk function and management. It is for this reason that the ERM department was established to assist the Board and GCEO through Legal, Governance and Regulatory in implementing and maintaining a strong system of ERM and its responsibilities, which include:

- Providing guidance, advice and input pertaining to an effective risk management system.
- Assist divisions to identify strategic, operational and project emerging risks.
- Ensuring that the risk management policy, framework and strategy is developed implemented and communicated throughout the Corporation.
- Developing and implementing a variety of risk matrices, reporting templates and oversight of the computerised Risk Management System.
- Assisting the Board and GCEO with the risk maturity assessment and developing action plans to enhance the level of maturity, in conjunction with line management.

The Risk Champion

The Risk Champion is a line management person with the skills, knowledge, leadership qualities and power of office required to champion risk management implementation, guidance and monitoring. The appointed Risk Champion is responsible for:

- Driving the implementation of the management action plans to address the identified risks.
- Informing the Risk Manager of emerging risks and significant changes in the identified risks.
- Co-operating with other role players in the risk management process and providing information as required.

Internal Audit

Internal Audit plays a key role in evaluating, monitoring and providing assurance on the process of ERM as per the International Standards for the Professional Practice of Internal Auditing published by the IIA. The risk management and internal audit processes should be aligned for purposes of ensuring that:

- Internal Audit provides assurance on the adequacy of the control environment in minimising risk exposure.
- Internal Audit evaluates the effectiveness of the risk management process on a periodic basis.
- The internal audit plan is informed by the outcomes of the risk management process.

Combined Assurance

The objectives of the combined assurance are mainly to:

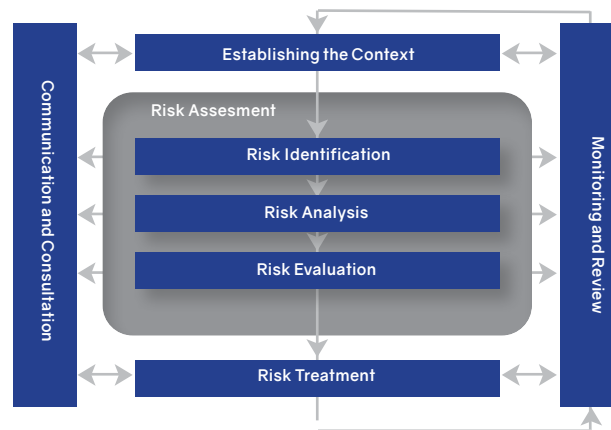
- Identify and specify the sources of assurance over the SABC risks.
- Provide the ARC, the GCEO and EXCO with a framework of the various assurance parties.
- Be a link between risk management activities and assurance activities. This will assist the GCEO to review the effectiveness of the risk management system.
- Provide a basis for identifying any areas of potential assurance gaps.

SABC Employees

It is the SABC's philosophy that risk management is everyone's responsibility. This implies that risk management considerations must be part of every decision that is made, every objective that is set and every process that is designed. All SABC divisions and Subsidiaries are required to implement and use the common Risk Management Framework and Strategy. They are expected to actively and proactively anticipate and manage their risks, to take advantage of opportunities and mitigate risks in a continuously changing environment.

5. RISK MANAGEMENT PROCESS

The risk management process should be an integral part of management and decision-making, and should be integrated into the structure, operations and processes of the SABC. It is applied at strategic, operational and project levels. The risk management process adopted by the SABC is based on ISO 31000: 2018, as shown in the diagram below.



Source: ISO: 31000: 2018

5.1 Communication And Consultation

Communication seeks to promote awareness and understanding of risk, whereas consultation involves obtaining feedback and information to support decision-making. The Corporation is encouraged to communicate

and consult within and outside the Corporation, with the aim of achieving strategic and operational objectives with relevant stakeholders. Communication and consultation should be timely, factual, relevant and accurate, taking into account confidentiality, integrity and privacy of information. The aim of communication and consultation is to bring expertise together for step of risk management process, including risk mitigation.

5.2 Establishing The Context

The external and internal context is the environment in which the SABC seeks to define and achieve its objectives. The context of the risk management process is established from an understanding of the external and internal environment in which the SABC operates and which should reflect the specific environment of the activity to which the risk management process is to be applied

5.2.1 Risk Assessment

Risk Identification

Risk identification is a deliberate and systematic effort to identify and document the corporation's strategic, operational and project risk. The objective of risk identification is to understand what is at risk within the context of the corporation's objectives and to generate a comprehensive risk register based on events that might prevent, degrade, delay or enhance the achievement of the associated objectives. The risk identification process should cover all risks, regardless of whether or not such risks are within the direct control of the corporation.

Risk Analysis

Risk analysis involves a detailed consideration of uncertainties, root causes, consequences, likelihood, and controls and their effectiveness. An event can have multiple causes and consequences and can affect multiple objectives. Analysis techniques can be qualitative, quantitative or a combination of these, depending on the circumstances and intended use.

Risk Evaluation

The purpose of risk evaluation is to support decisions. Risk evaluation involves comparing the results of risk analysis with the established risk criteria to determine where additional action is required. This can lead to a decision to:

- Do nothing further.
- Consider risk treatment options.
- Undertake further analysis to better understand the risk.
- Maintain existing controls.
- Reconsider the objectives.

5.3 Risk Treatment

Risk treatment is a risk mitigation process. It involves implementing one or more action plans. Treatment strategies for all risks need to be considered

and a decision made whether to terminate, treat, transfer or tolerate the specific risk. A cost-benefit analysis of risk treatment needs to take place before documenting a risk treatment plan. Identification of risk owners, action required and due dates for implementing the actions needs to be documented and the effectiveness of current controls needs to be assessed.

5.4 Monitoring And Review

Monitoring and review takes place in all stages of the process. Monitoring and review includes planning, gathering and analysing information, recording results and providing feedback. Ongoing monitoring and periodic review of the risk management process and its outcomes should be a planned part of the risk management process, with responsibilities being clearly defined. Management reports on the status of risks within their divisions, based on a review of the controls and mitigation of the risks.

6. RISK INTEGRATION

Integrating risk management relies on an understanding of the corporate structures and context. Everyone in the corporation has the responsibility to manage risk. Risk management is a part of, and not separate from, the Corporation's purpose, governance, leadership and commitment, strategy, objectives and operations.

7. RISK CATEGORY

The objective of the development of risk categories and terminology for the SABC is to ensure a consistent definition and understanding of risks throughout the Corporation. Risk categorisation is an integral part of the Enterprise Risk Management Policy, Framework and Strategy, which has the overall objective of ensuring appropriate management of all risks faced by the SABC, through appropriate risk management processes and tools. The overall risk categories are: Strategic; Operational; Project. These are defined and sub-divided below.

7.1 Strategic Risks

Strategic risks are top-level business risks that have the potential to impact the delivery of short, medium and long-term strategic goals. In other words, these are risks that have the potential to impact delivery of the SABC's turnaround strategy, and which are associated with the development of SABC's key objectives and the risk that SABC's future business plans and strategies may be inadequate to prevent financial loss or protect its financial position, or cause reputational damage.

7.2 Governance Risks

These are risks that relate to poor governance structures, improper leadership, unethical behaviour or conduct in connection with bribery, illegal payments, discrimination, pollution, etc., that could result in fines, penalties, reputational impact or changed stakeholder risks.

7.3 Sustainability Risks

These are risks that relate to the SABC's ability to meet the effects of changes

in demographic and social economic trends, and to comply with social / environmental requirements. These risks could be impacted by stakeholder relations, community health management and the social impact of business, including risks relating to the impact of the environment resulting from group practices, health and safety, corporate responsibility, etc.

7.4 Stakeholder Risks

These are risks that can impact a variety of people, customers, suppliers, organisations, institutions, government, trade unions, etc., who make up internal and external stakeholders, where relations and communication surrounding risk management and not meeting stakeholder expectations. These could result in damage to the SABC's reputation, if not managed properly.

7.5 Clients

These are risks associated with inability to meet the changing needs of SABC clients on a sustainable basis.

7.6 Product Technology and Innovation Risk

These risks relate to outdated or obsolete technology and products, and a lack of ongoing innovation that prevents the SABC from staying abreast of the latest developments that enhance all aspects of service delivery and outreach in an economical and efficient manner.

7.7 Communication Risks

These risks result from ineffective or improper communication towards internal and external stakeholders on a variety of matters in a structured and timorous manner.

7.8 Operational Risks

Operational risks are risks faced in the day-to-day delivery of the SABC's products and services and the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events. These risks inform the Corporation's business planning and budgeting processes.

7.9 Supply Chain Risk

This is the risk of inadequate selection or engagement processes for suppliers, defaulting reinsurers or their sub-optimal performance. This could include internal or external fraud and collusion risks.

7.10 Compliance Risk

This relates to failure to prevent, detect or promptly correct contraventions of applicable laws, regulatory, policies and other statutory provisions, as well as changes in the regulatory environment. Risk of ensuring that actions are legal and within the scope of relevant legislation and internal policies that govern the operations of the SABC.

7.11 Information Technology

These risks relate to information technology performance that impacts

business performance, processes and systems, and the ability to deal with technological changes and the use of technology to address changing demands or business and financial enhancements. Included here are security breaches, misuse of group systems resulting in system disruption, information confidentiality and integrity of information.

7.12 Legal Risk

This relates to contravention of or failure to prevent, detect or promptly correct contraventions of the terms and provisions of contractual agreements (e.g. common law and other statutory provisions) and related documents entered into with clients, counter parties, suppliers, staff and others. The possibility that the contracts SABC enters into with its clients will not be enforceable, especially with respect to events of detail by a client / counterparty, and the failure to understand or effectively apply legal and regulatory principles and practices.

7.13 Human Resources Risk

This relates to risks arising from inadequate human resource practise, policies and processes, which lead to inability to attract, recruit, develop and retain competent staff who perform as per expectations to achieve the Corporation's objectives. This includes risks pertaining to staff performance, and safety and security hazards.

7.14 External Risk

These are risks that are not directly under the SABC's control, but which may have an impact on the achievement of the SABC's strategic and operational objectives.

7.15 Financial Risks

Financial risks are risks associated with ensuring good financial governance at the SABC, and the risk of inadequate cash flow to meet financial obligations or to accurately account for financial transactions. These are risks that have the potential to affect the Corporation's financial viability.

7.16 Market / Investment Risk

This is the risk of an adverse financial impact arising from changes in fair value or future cash flows of financial instruments, due to fluctuation in asset prices. Market risk also incorporates the risk of adverse financial impact due to the assets not matching the corresponding liabilities in nature, term or currency. Market risk incorporates systematic risk (market risk on all investments) and specific market risk (specific risk on each investment).

7.17 Currency Risk

This is the risk of an adverse financial impact due to unexpected movement in the exchange rates.

7.18 Equity Risk

This is the risk of adverse financial impact due to the actual market value of equities or income from equities deviating from their expected value.

7.19 Interest Rate Risk

This is the risk of an adverse financial impact due to real and nominal future interest rates deviating from the expected real and nominal future interest rates.

7.20 Insurance Risk

This is the risk of financial loss because of inadequate insurance of assets or other insurance risks.

7.21 Credit / Counterparty Risk

This is the risk of adverse financial impact to the Corporation due to failure to meet contractual debt obligations by counter parties.

7.22 Liquidity Risk

Liquidity risk is not being able to settle liability obligations or prevent or minimise a loss, because of insufficient funds or investments that are not marketable and therefore cannot be realised in the short-term. The risk of the Corporation not having sufficient cash to meet its financial obligations (e.g. claims settlement).

7.23 Fraud and Corruption Risks

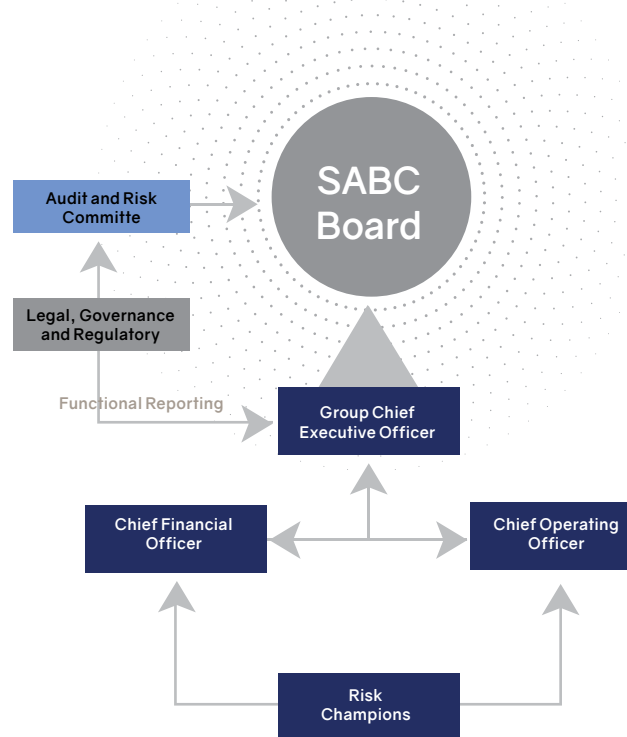
Fraud and corruption related risks should be assessed to assist the business to identify areas that may expose it to unlawful conduct, i.e. fraud, corruption, theft or maladministration, etc. Assessment of these risks should be in line with the SABC Anti-Fraud and Corruption Policy and Strategy to prevent any instances of fraud, corruption, theft and maladministration from taking place, whether deliberately or in good faith. This function is conducted by SABC Forensics, including the awareness and education aspects.

8. RISK REGISTER

The risk register is document or system that the SABC uses to report captured risks. Through the Enterprise Risk Management Information System these reports are generated seamlessly. Risk probability assessment and impact scales are documented in the risk register, along with risk mitigation and ownership.

9. RISK REPORTING

- Board and senior management is required to have a good understanding of the SABC's risk management philosophy, and whether or not there is a uniform understanding between senior management and the board of directors regarding risk appetite, roles and responsibilities for risk management, and ongoing oversight and monitoring.
- ERM is most effective when performance expectations are clearly defined, communicated and integrated into performance agreements. To ensure that accountability and responsibility is built into the ERM Framework, it is important that all SABC personnel understand their roles and responsibilities regarding risk management, as they are the owners of the risks and systems of internal control within their working environment.



- The Risk Management Framework automatically allows accountability and responsibility to implement risk management.
- Monitoring within the reporting framework allows continuous accountability for those risks identified. Alignment of the risk management process to strategic planning, business plans and budgets should be affected.
- The diagram above shows the communication lines and structure for the risk management process at the SABC. The risk management function is a distinct business management function of the Legal, Governance and Regulatory Division, which is set up as an advisory service to the Board, senior and line management regarding implementation, management and control of the ERM system at the SABC. This division reports functionally to the ARC and has an administrative reporting line to the Group Executive Committee chaired by the GCEO.

10. RISK APPETITE

Risk appetite is defined as the extent of the willingness to take risks in the pursuit of the SABC's objectives.

The SABC may consider risk appetite qualitatively, with such categories as high, moderate or low, or it may take a quantitative approach that reflects and balances goals for capital expenditure, budgets and risk.

Management considers its risk appetite as it aligns its resources and designs infrastructure necessary to effectively respond to and monitor risks.

Risk appetite enables an improved consistency of decision making at all levels, through improving risk understanding. It:

- Provides a framework for knowingly taking risk within defined boundaries.
- Improves the ability of the ARC to challenge the recommendations made by management by providing a benchmark of what level of risk is defined as acceptable.
- Derives real value from the assessment of risk over and above compliance purposes.

The risk appetite decided upon should be formally considered as part of the process of setting the business strategy, with capital expenditure and other strategic decisions reviewed against it as they arise.

- The key determinants of risk appetite are as follows:

- Expected performance.
- The resources needed to support risk taking.
- The culture of the SABC.
- Management experience, along with risk and control management skills.
- Longer term strategic priorities.

Formulation of the risk appetite is typically closely aligned to the strategic planning process, including budgeting, and as such is something that should be reviewed by management annually.

11. RISK MANAGEMENT PERFORMANCE

The SABC has to consider a risk maturity model that outlines key indicators and activities that drive the Risk Management Programme to a mature stage. Risk management performance assessment should be in line with current risk management practice, once the assessments are completed a performance score will be provided.

Policy Title:	SABC Enterprise Risk Management Strategy
Division:	Legal, Governance And Regulatory
Department:	Enterprise Risk Management Department
Date Approved:	1 April 2021
Effective Date:	
Approved By:	SABC Board

1. INTRODUCTION

The SABC's Enterprise Risk Management (ERM) discipline is guided by the International Organisation of Standardisation, ISO 31000:2018 – Risk Management Principles and Guidelines on Implementation.

The SABC, through the establishment of the ERM Department within the Legal, Governance and Regulatory Division, intends to comply with legal and regulatory requirements, in order to ensure that an effective and efficient risk management system is in place, with the aim of managing risks and opportunities to achieve the identified corporate strategic objectives.

The SABC operates in an environment with inherent risks that have the potential to impede the achievement of its strategic objectives.

As a result, the Corporation has implemented risk management so as to direct the operations of the Corporation to achieve its corporate objectives and manage opportunities to its benefit. Risk management should be embedded in the daily operations of the Corporation. The culture of risk management must be promoted across the corporation at all levels of staff. Risk management must always be an agenda item in management meetings and decisions taken in such meetings must be risk-based.

The Board and EXCO should set the tone from the top by applying risk management principles through engagement on risk management reports and taking risk-based decisions. Risk management is the responsibility of everyone.

2. LEGAL AND REGULATORY REQUIREMENTS

The establishment of the Enterprise Risk Management system in the corporation was mandated by the following legislation, regulations and governance report:

a) Public Finance Management Act No. 1 of 1999 (as amended by Act 29 of 1999)

Section 51(1)(a)(i): "An accounting authority of a public entity must ensure that the public entity has and maintains effective, efficient and transparent systems of financial and risk management and internal control;"

b) National Treasury Regulation

Section 27.2.1: "The accounting authority must ensure that risk assessment is conducted regularly so as to identify new and emerging risks in the organization. The risk management strategy, which must include the Fraud Prevention Plan, must be used to direct internal audit effort and

priority as well as determining the skill required of managers and staff to improve controls while managing risks."

c) King IV Report on Corporate Governance for South Africa, 2016

Principle 11: "The governing body should govern risk in a way that supports the organization in setting and achieving its strategic objectives,"

d) Public Sector Risk Management Framework, 2010

Conceptual Context 5: "Given the strategic and operational planning frameworks prescribed by the Regulations for Public Service Institutions, risk identification and management processes within this context are informed by an analysis of the full spectrum of risk categories. In this regard, it is required from all public service managers to utilise risk management processes on a daily basis to ensure that stated objectives are achieved in terms of periods, quantity and quality (service standards)."

e) International Organization for Standardization (ISO: 31000: 2018) "ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). ISO states that managing risk is based on the principles, framework and process".

3. THE CONCEPT OF RISK AND ENTERPRISE RISK MANAGEMENT

- The SABC defines risk as "an effect of uncertainty on objective. The uncertainty can be a threat or an opportunity."
- Risk management is "coordinated activities to direct and control an organisation with regard to risk".

Risk management shall be applied in all strategic and operational activities, during the planning, implementation and monitoring stages.

4. OBJECTIVES OF RISK MANAGEMENT

Risk management ensures that the organisation makes cost effective use of a risk framework that has a series of well-defined steps. The aim is to support better decision making through a good understanding of risks and their likely impact.

Risk management is a continuous and developing process that runs throughout the SABC's strategy and the implementation of that strategy, thereby addressing all risks methodically.

The risk management objectives include the following:

- Ensure that risk management is clearly and consistently integrated and evidenced in the culture of the organisation.
- Manage risk in accordance with best practice.
- Anticipate and respond to changing social, environmental and legislative requirements.

- Consider compliance with health and safety, insurance and legal requirements as a minimum standard.
- Prevent death, injury, damage and losses, and reduce the cost of risk.
- Inform policy and operational decisions by identifying risks and their likely impact.
- Raise awareness of the need for risk management by all those connected with the organisation's delivery of service.

These objectives will be achieved by:

- Clearly defining the roles, responsibilities and reporting lines within the organisation for risk management.
- Including risk management issues when writing reports and considering decisions.
- Continuing to demonstrate the application of risk management principles in the activities of the organisation, its employees and stakeholders.
- Reinforcing the importance of effective risk management as part of the everyday work of employees and members.
- Maintaining a register of risks linked to the organisation's business, corporate and operational objectives, as well as risks linked to working in partnership.
- Maintaining documented procedures of the control of risk and providing suitable information, training and supervision.
- Maintaining an appropriate system for recording health and safety incidents and identifying preventative measures against recurrence.
- Preparing contingency plans to secure business continuity where there is the potential for an event to have a major impact on the organisation's ability to function.
- Monitor arrangements continually and seek continuous improvement.

5. ENTERPRISE RISK MANAGEMENT PLAN OF ACTION

The ERM plan of action is to improve the SABC risk management maturity.

Ref.	Action	Responsibility	Frequency
Oversight Responsibilities			
01	The ARC will review risk management progress at least quarterly.	ARC Chairperson	Quarterly
02	EXCO will review risk management progress at least quarterly.	Group Chief Executive Officer	Quarterly
03	Risk management should be a standing agenda item for all EXCO meetings.	Executive Management	Monthly

Ref.	Action	Responsibility	Frequency
Reporting Responsibilities			
04	EXCO will submit reports to the ARC that focus on the following: <ul style="list-style-type: none"> • Strategic risks • Progress made with risk treatment plans • Any new and emerging risks and risk developments, including incidents. 	Executive Management;	Quarterly
Head Of Governance, Risk and Compliance			
05	The ARC will include statements regarding risk management performance in the annual report to stakeholders.	ARC Chairperson	Annually
06	The Head of Governance, Risk and Compliance is responsible for developing standard risk management reporting templates, and will collate risk management information for submission at all levels	Head of Governance, Risk and Compliance	As scheduled
Risk Assessment responsibilities			
07	The Head of Governance, Risk and Compliance will ensure that a complete review of risk of business units is done at least once a year.	Head of Governance, Risk and Compliance; Executive Management	Annually
08	All sub-committees will review their risk register at each meeting and update the register's contents to reflect any changes, without formally reassessing the risks.	All	As scheduled
09	The Head of Governance, Risk and Compliance is responsible for the facilitation of all risk assessments, and for populating the risk registers.	Head of Governance, Risk and Compliance; Executive Management	As scheduled
Project Risk Assessment			
10	Project risk assessment should be conducted to highlight the potential risks and action to be taken to mitigate the risks with every new project.	Head of Governance, Risk and Compliance; Project Manager; Risk Specialist	Per project
Risk Mitigating Responsibilities			
11	The Risk Management will report to the ARC regarding the performance of internal controls for the risks in the risk registers.	Head of Governance, Risk and Compliance	Quarterly
12	All risk registers will contain action plans to improve risk controls and risk interventions. All committees will review the progress made with these action plans.	Group Executive; Head of Governance, Risk and Compliance; Risk Specialist	As scheduled

Ref.	Action	Responsibility	Frequency
Governance Responsibilities			
13	Each risk will have a risk owner, who will be responsible for the following: <ul style="list-style-type: none"> • Updating the risk information. • Providing assurance regarding risk controls. • Co-ordinating the implementation of action plans for the risk. • Reporting on any developments regarding the risk. 	Executive Management	As scheduled
14	The internal audit function will use the output of risk assessment to compile its strategic 3-year rolling and annual internal audit coverage plan, and will evaluate the effectiveness all of risk controls.	Executive Management; Group Executive: Internal Audit	Annually
15	Risk management will facilitate a review of the effectiveness of the risk management process.	Group Executive; Head of Governance, Risk and Compliance; Risk Specialist	Annually
16	The Fraud Prevention plan and Anti-Corruption plan will be implemented and monitored.	Head of Governance, Risk and Compliance	Quarterly
18	A business continuity plan will be developed and tested annually to ensure continued maintenance.	Head of Governance, Risk and Compliance	Annually

6. FRAUD PREVENTION PLAN

Refer to the SABC Fraud and Corruption Strategy for the Fraud and Prevention Plan required by National Treasury Regulation, Section 27.2.1 to be included in this ERM Strategy Document.

7. REFERENCES

- The King Report on Corporate Governance in South Africa 2017TM (King IV TM), published by the Institute of Directors in South Africa
- Public Finance Management Act No. 1 of 1999 (as amended by Act 29 of 1999)
- Public Sector Risk Management Framework, 2010
- ISO 31000 Risk Management Standard 2018
- The Enterprise Risk Management Policy 2020

ANNEXURE B2: SABC ANTI-FRAUD & CORRUPTION STRATEGY

Introduction

The SABC adopts a culture of integrity, openness, and fairness. The SABC Board of Directors, Group Executive Management, Senior Management, and employees at all levels should adopt the highest standard of honesty, propriety, personal integrity, and accountability and towards any fraud and corruption, theft, and maladministration behaviour.

The SABC's Board of Directors, Group Executives and Senior Management should clearly articulate and communicate the contents of the Fraud and Corruption Prevention Strategy to its employees, shareholders, consultants, vendors, contractors, members of the public, agencies conducting business with the SABC, employees or any other parties with a business interest and relationship with the SABC.

The Fraud and Corruption Prevention Strategy has been developed because of the expressed commitment of the SABC to fight fraud and corruption.

The Fraud and Corruption Prevention Strategy is established to clearly indicate the SABC's stance towards fraud and corruption and seeks to support the SABC's business and operational strategies, and the achievement of its public service mandate. The Strategy is based on inter alia the National Treasury Regulations Fraud Prevention Plans, the Prevention and Combating of Corrupt Activities Act, 12 of 2004, the Public Finance and Management Act, 1 of 1999, the Protected Disclosures Act, 2000 as amended and other pieces of national and international legislation intended to combat fraud and corruption.

Purpose

The purpose of the Anti-Fraud and Corruption Prevention Strategy is to prevent any instances of fraud, corruption, theft, and maladministration from taking place whether deliberate or in good faith. Where corruption of fraud is suspected this strategy provides guidance on the action to be taken. The strategy should be read in conjunction with the SABC Fraud and Corruption Prevention Policy, which contains the following:

- **PART A: Fraud and Corruption Prevention Plan**
- **PART B: Fraud and Corruption Response Plan**
- **PART C: Regulatory Framework**

The SABC Policies and Procedures and relevant statutes listed below, forms an integral part of the SABC's overall strategy, including but not limited to:

- Basic Conditions of Employment Act, 75 of 1997
- Companies Act No. 71 of 2008, as amended.

- iii. Broadcasting Act, 4 of 1999
- iv. Electronic Communication and Transmissions Act, 25 of 2002
- v. Labour Relations Act, 66 of 1995
- vi. Prevention and Combating of Corrupt Activities Act, 12 of 2004; and
- vii. Public Finance and Management Act, 1 of 1999.

PART A: Fraud And Corruption Prevention Plan

Purpose

The purpose of Fraud and Corruption Prevention Plan ("Plan") is to provide an overview of the SABC's approach to the prevention and detection of fraud, corruption, theft, and maladministration. Sources of fraud include inter alia employees, customers, suppliers, and other service providers.

This Plan recognises basic fraud, corruption, theft, and maladministration prevention measures, which are in place. The Plan is dynamic and should continuously be reviewed as the SABC changes and improves in its drive to promote ethics, as well as to fight fraud, corruption, theft, and maladministration.

SABC's response to mitigate any exposure to fraud, corruption, theft, and corruption will focus on creating awareness and promoting ethical business conduct.

Anti-Fraud And Corruption Approach

The approach in controlling fraud, corruption, theft, and maladministration is focused into three areas, namely:

- i. The Strategic approach.
- ii. The Operational approach; and
- iii. The Maintenance approach

THE STRATEGIC APPROACH

The Strategic approach represents the actions to be undertaken to address fraud, corruption, theft, and maladministration at the strategic level.

Responsibilities For Fraud And Corruption Risk Management

The Board, Group Chief Executive Officer (GCEO), Chief Operating Officer (COO), Chief Financial Officer (CFO), Group Executive: Legal, Governance and Regulatory, Chief Audit Executive and Management should:

- iv. Display a positive, appropriate attitude towards compliance with laws, rules, and regulations;
- v. Be aware of common indicators/symptoms of fraudulent and/or corrupt activities or any other wrongful acts;
- vi. Establish and maintain proper internal control measures to provide for the security and accountability of the SABC's resources and prevent/ reduce the opportunity for theft, fraud and corruption and other wrongful acts from occurring.

- vii. Be aware of the risks and exposures inherent in areas of responsibility; and
- viii. Respond to all allegations or indications of theft, fraudulent and/or corrupt activities or any other wrongful acts;
- ix. Acting with propriety in the use of the SABC's resources and in the handling and the use of public funds whether they are involved with cash or payment systems, receipts or dealing with clients, consultants, vendors, contractors, members of the public, outside agencies and/or any other parties with a business relationship with the SABC; and
- x. Ensure that Management and employees take appropriate action as well as reporting details immediately via the SABC Whistle-Blowing Hotline (the "Hotline") or Chief Audit Executive or the Group Executive: Legal, Governance and Regulatory if they suspect or believe that evidence of irregular or improper behaviour exists or that theft, fraud and/or corrupt activities may have been committed.

ROLES AND RESPONSIBILITIES

Board of Directors

All members of the Board are required to act in accordance with the SABC's Code of Conduct and Ethics and have a duty to deal with any incident of fraud, corruption, theft or maladministration reported or escalated to them.

Group Executive: Legal, Governance And Regulatory

The Group Executive: Legal, Governance and Regulatory has an overall responsibility for the SABC's response to fraud, corruption, theft or maladministration. It is the responsibility of this officer, in collaboration with the Chief Audit Executive, through Forensic Audit, to oversee the action taken to investigate any complaint that is fraudulent or corrupt in nature.

The Group Executive: Legal, Governance And Regulatory, As Executive Responsible For The Anti-Fraud & The Board Of Directors

All members of the Board are required to act in accordance with the SABC's Code of Conduct and Ethics and have a duty to deal with any incident of fraud, corruption, theft, and maladministration reported or escalated to them.

Group Executive: Legal, Governance And Regulatory

The Group Executive: Legal, Governance and Regulatory has an overall responsibility for the SABC's response to fraud, corruption, theft, and maladministration. It is the responsibility of Group Executive: Legal, Governance and Regulatory in collaboration with the Chief Audit Executive, through Forensic Audit, to oversee the action taken to investigate any complaints that are fraudulent and/or corrupt in nature.

The Group Executive: Legal, Governance and Regulatory, as executive responsible for the Anti-Fraud & Corruption and Whistleblowing policies, together with the Chief Audit Executive are the Group custodians of the overall anti-fraud and corruption strategy.

Chief Audit Executive

The Chief Audit Executive plays a vital role in the prevention and detection of fraud, corruption, theft, and maladministration. Included in their risk-based plans, inter alia, are reviews of system financial control measures, specific fraud and corruption tests, spot checks, unannounced visits, and the exchange of information and fraudulent and/or corrupt activities with external agencies such as the National Intelligence Agency (NIA) and the South African Police Services (SAPS). The implementation of this strategy shall compliment the overall function of Group Legal, Governance & Regulatory and Group Internal Audit to implement a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance process. Chief Audit Executive shall investigate all cases of suspected irregularities in accordance with this Plan and consult with Group Executives to recommend changes in procedures to prevent further losses to the SABC.

All investigations into fraud, corruption, theft, and maladministration activities shall be undertaken by Group Internal Audit, through Forensic Audit, which has powers that allow them access to various records and other information which may be deemed relevant. Group Internal Audit shall be empowered to source the services of service provider or persons as considered appropriate.

Group Executives, Senior Managers And Managers

Senior management should be committed in eradicating fraud, corruption, theft, and maladministration and ensure that the SABC strives to be ethical in all its dealings with the public and other related parties.

The Senior Management, under the guidance of Group Executive: Legal, Governance and Regulatory, will ensure that it does not become complacent in dealing with fraud, corruption, theft, and maladministration. It will ensure the SABC's overall fraud, and corruption strategy is reviewed and updated annually. The SABC should communicate the overall fraud and corruption strategy through various initiatives of awareness and training to the employees and stakeholders.

The day-to-day responsibility for the prevention and detection of fraudulent and/or corrupt activities rests with management. This includes the responsibility for identifying the risks to which systems, operations and procedures are exposed, establishing, and maintaining adequate system control measures within their respective business units and/ or divisions. Management should also ensure that employees are aware of their responsibilities towards the prevention of fraud and/or corruption and comply with the control measures in place. Management is responsible for implementing the requirements of the SABC's overall strategy for combating fraud, corruption, theft, and maladministration. In support of this process, policies and procedures will be disseminated to SABC stakeholders.

It is the responsibility of management to ensure that there are mechanisms in place within their business unit (area of control) to:

- i. Assess the risk of fraud, corruption, theft, and maladministration;
- ii. Assess general aspects relating to the SABC's level of security and internal controls;
- iii. Ensure appropriate segregation of duties or mitigating controls in place where segregation of duties is not possible;
- iv. Promote employees' awareness of ethical principles subscribed to by the SABC; and
- v. Educate employees about fraud and corruption prevention and detection as well as the grave consequences of fraudulent, corrupt, theft and maladministration activities.

The management shall be supported by relevant services/ structures within the SABC, such as the Group Executive: Legal, Governance and Regulatory, Chief Audit Executive including but not limited to other Governance Committees.

It is the responsibility of management to actively support and encourage activities aimed at prevention and detection of fraudulent, corrupt, theft and maladministration activities, and to ensure that this responsibility extends to the areas of organisational responsibility. For this purpose, they should incorporate into the annual planning process, inter alia, fraud, corruption, theft and maladministration control plans, awareness programmes and training.

As soon as management suspects fraudulent, corrupt, theft and maladministration activities, they must in all instances seek advice from the Group Executive: Legal, Governance and Regulatory and Chief Audit Executive or report it to the Hotline before proceeding with any enquiries.

Governance, Risk And Compliance Committee

The Governance, Risk and Compliance Committee is to assist the Group Executive Committee with the overall monitoring and evaluation of fraud and corruption risks, governance, and compliance for proper implementation of the SABC's Fraud and Corruption Prevention Strategy. The Governance, Risk and Compliance Committee will be chaired by the Group Executive: Legal, Governance & Regulatory and consist of the following representatives, viz:

- i. Group Executive: Internal Audit
- ii. Head: Governance, Risk & Compliance
- iii. Manager: Governance
- iv. Manager: Forensic Audit; and
- v. Divisional Governance, Risk & Compliance Champions

The Governance, Risk and Compliance Committee shall meet at least once a quarter to:

- i. Co-ordinate the assessment of fraud and corruption risks;

- ii. Monitor progress made in respect of implementing the fraud and corruption strategy; and
- iii. Review the fraud and corruption trends and incorporate into the awareness programmes.

Board Audit And Risk Committee

The role of the Board Audit and Risk Committee is to oversee the SABC's approach to fraud and corruption prevention and detection strategies, and its response to incidents reported by employees or other external parties.

Human Resources

Human Resources shall provide advice to the Executive and Management regarding suspensions and disciplinary proceedings. This includes all matters covered in labour laws and the SABC's policies and procedures.

Employees

Employees are governed in their work by the Personnel Rules and Regulations, as well as all SABC policies and procedures. These should be issued to the employee on commencement of employment with the SABC. Employees have the responsibility to familiarise themselves with the contents of the policies and procedures, as well as to follow the instructions issued to them by management. Employees are expected to always be aware of the possibility that fraud, corruption, theft, and maladministration may exist in the workplace and be able to share their concerns with Management.

Employees should ensure that they avoid situations where there is a potential for a conflict of interest. They have a responsibility to report suspicions of fraudulent and or corrupt activities to the Hotline or the Chief Audit Executive or to the Group Executive: Legal, Governance and Regulatory.

Legal Advisors

Legal advisors shall be contacted, where appropriate, to advise and act on relevant legal proceedings.

ASSESSMENT OF FRAUD AND CORRUPTION RISKS

The SABC, under the guidance of the Group Executive: Legal, Governance and Regulatory and with input from the Governance, Risk and Compliance Committee, will conduct annual fraud, and corruption risk assessments to identify potential fraud and corruption risk exposures to the SABC. This process will ensure that actions to address the identified fraud and corruption risk exposures will be implemented to reduce the exposures.

The above will be formulated into a "Fraud and Corruption Risk Assessment" and which will provide an indication of how fraud and corruption risks are manifested and, a "Fraud and Corruption Risk Register" which will prioritise the fraud and corruption risks and indicate actions to mitigate these risks.

EMPLOYEE AWARENESS

The main purpose of fraud and corruption awareness campaigns (including workshops, training interventions and other awareness initiative) are to assist in the prevention, detection and reporting of fraud, corruption, theft, and maladministration by raising the level of awareness as to how fraud and corruption is manifested in the workplace. In this regard, all employees will be trained on the following:

- i. Introduction to fraud and corruption trends and statistics;
- ii. Awareness of anti-fraud and corruption legislation;
- iii. The SABC's zero tolerance towards fraud, the contents of the SABC's Anti-Fraud and Corruption Policy and what the SABC is doing to reduce the occurrence of fraud and corruption in the organisation;
- iv. The Whistleblowing Policy;
- v. How to report incidents of fraud and corruption which will include how to use the Hotline
- vi. Current developments in fraud and corruption schemes;
- vii. Red flags to identify fraud and corruption; and
- viii. The penalties for non-compliance with prevailing legislation.

OPERATIONAL APPROACH

Internal Controls

Internal controls are the first line of defence against fraud, corruption, theft, and maladministration. Whilst internal controls may not fully protect the SABC against fraud and corruption, they are essential elements in the overall fraud and corruption prevention strategy.

All areas of operations require internal controls, for example:

- i. Physical controls (securing of assets);
- ii. Restricted access controls (systems password controls)
- iii. Authorisation controls (approval of expenditure);
- iv. Supervisory controls (supervising day-to-day issues);
- v. Segregation of duties;
- vi. Analysis of data;
- vii. Monthly and annual financial statements; and
- viii. Monthly reconciliation of bank statements.

Group Internal Audit is responsible for developing and implementing a risk-based internal audit plan. Group Internal Audit provides assurance on risk management, internal controls, and governance processes. Group Internal Audit evaluates the internal controls and conclude on its adequacy and operational effectiveness.

PREVENTION STRATEGIES

Several combined initiatives result in an overall preventative environment in respect of fraud and corruption. These include the following:

Employee Awareness Campaigns

As per section 2.1.3 above.

Conducting Fraud And Corruption Surveys

The SABC will from time to time consider conducting perception surveys amongst the staff to determine the employees' views on the prevalence of fraud and corruption in the organisation and their views on the effectiveness of the fraud and corruption prevention mechanisms in place.

PRE-EMPLOYMENT AND DURING EMPLOYMENT SCREENING

Consensual pre-employment screening will be conducted for all appointments, and evidence of Consensual pre-employment screening will be conducted for all appointments, and evidence of such screening will be maintained by Human Resources Division. Consideration should be given to the following pre-employment screening:

- i. Verification of identity;
- ii. Criminal history;
- iii. Reference checks with the two most recent employers – this will normally require telephone contact;
- iv. Credit reference checks;
- v. National Intelligence Agency (NIA) clearance for Executives;
- vi. A consideration of any gaps in employment history and the reasons for those gaps; and
- vii. Verification of formal qualifications claimed.

The SABC's policy of pre-employment screening will cover all new and promoted employees including those with administrative responsibilities or computer access. The screening will be performed by a person / people nominated by the Human Resources to ensure that screening is consistent and appropriately resourced throughout all departments. Screening will be conducted in accordance with the classification of the employee, or the levels of screening outlined below.

Where an employee is promoted into a management position and has not been screened during the previous three years, the applicant will be re-screened. The levels of screening include:

Level 1 – All employees (including those with administrative functions or computer access)

- i. Verification of educational qualifications;
- ii. Declaration of any financial interests in any entities outside the SABC; and

iii. Criminal history checks (after authorisation has been obtained from the prospective employee).

Level 2 – All cost centre owners, IT, and finance staff

i. All Level 1 checks; and

ii. Credit reference check.

RECRUITMENT PROCEDURE

Recruitment will be conducted in accordance with the requisite recruitment procedure. It will be a transparent process and all appointments will be confirmed only after due recommendation. Any person, involved in any decision-making during the recruitment process, who may have a conflict of interest, must declare such a conflict in writing to the Human Capital Services and withdraw from any further procedures.

RISK-BASED INTERNAL AUDIT PLAN

A robust risk-based internal audit plan, which focuses on the prevalent high fraud and corruption risks, serves as an effective preventative measure. The internal audit department will compile such a plan on an annual basis, and such a plan will also include "surprise audits."

FRAUD AND CORRUPTION PREVENTION PLAN

The actions set out in this plan are all focused at mitigating the risk of fraud and corruption in the SABC.

DISCLOSURE OF INTERESTS

The SABC employees are required to disclose their business interests on an annual basis, as required by the Conflict-of-Interest Policy. A conflict-of-interest register will be kept by the Company Secretary.

MAINTAINING A GIFT REGISTER AND GIFT POLICY

The SABC's Gift Declaration Policy covers the following key issues:

- i. An employee may not abuse his/her position to obtain private gifts or benefits;
- ii. An employee may not accept any gift or benefit under circumstances that can be construed as a bribe;
- iii. An employee who is aware of family members and/or friends, receiving gifts must declare it in the gift register. The Gift Declaration Policy specifies the value of gifts that must be declared;
- iv. Where and to whom to declare the gift; and
- v. Action will be taken if an employee accepted a gift and failed to declare it.

A gift register is maintained, and all gifts received by an employee and his/her family members/friends should be entered in this register. The Company Secretary should review the register annually.

Where gifts of a significant value are offered to an employee or where

the circumstances of receiving the gift can be construed as a bribe or may influence the employee in the way he performs his duties or makes decisions, then the employee must be informed not to accept the gift or to return it.

Where necessary, the SABC will investigate the circumstances and reasons for the offering of the gift.

The gift register is kept in a secure and safe place.

The SABC will regularly remind employees to declare all gifts received.

DETECTION STRATEGIES

Detection of fraud and corruption may occur through:

- i. Vigilance on the part of employees, including line management;
- ii. The Internal Audit function;
- iii. External audits
- iv. Ad hoc management reviews;
- v. Anonymous reports; and
- vi. The application of detection techniques (manual or electronic).

The Group Executive: Legal, Governance & Regulatory will be responsible for developing detection strategies and will work closely with line management and the Group Internal Audit function for this purpose.

INTERNAL AUDIT

Like the prevention strategies, a robust risk-based Internal Audit plan which focuses on the prevalent high fraud and corruption risks also serves as an effective detection measure. As part of the detection strategy, the Internal Audit plan will cover the following:

- i. Surprise audits: Ad-hoc audits conducted on specific business processes throughout the year;
- ii. Post-transaction reviews: A review of transactions after they have been processed and completed can be effective in identifying fraudulent or corrupt activity. In addition to the possibility of detecting fraudulent transactions, such a strategy can also have a significant fraud prevention effect as the threat of detection may be enough to deter a staff member who would otherwise be motivated to engage in fraud and corruption;
- iii. Forensic data analysis: The SABC's computer system is an important source of information on fraudulent and sometimes corrupt conduct. Software applications will be used during internal audits, surprise audits and post-transaction reviews to assist in detecting any fraud and corruption; and
- iv. Management accounting reporting review: Using straightforward techniques in analysing the SABC's management accounting reports,

trends can be examined and investigated which may be indicative of fraudulent conduct. Some examples of the types of management accounting reports that can be utilised on a compare and contrast basis are:

- a. Budget reports for each business unit / section; and
- b. Reports highlighting unusual trends in bad or doubtful debts.

EXTERNAL AUDIT

The SABC recognises that the external audit function is an important control in the detection of fraud. The Chief Financial Officer will need to hold discussions with all engaged external auditors to ensure that consideration is given, by the auditors, to ISA 240 "The Auditors' Responsibility to Consider Fraud in the Audit of a Financial Statement".

THE RESPONSE STRATEGIES

Whistleblowing Policy

One of the key obstacles to fighting fraud, corruption, theft, and maladministration is the fear by employees of being intimidated to identify or "blow the whistle" on fraudulent, corrupt, or unethical practices witnessed in the workplace.

Those who often do "blow the whistle" end up being victimised and intimidated. For this reason, the SABC adopted a Whistleblowing Policy setting out the detailed procedure which must be followed to report any incidents of fraud, corruption, theft, and maladministration.

Any suspicion of fraud, corruption, theft, and maladministration will be treated seriously and will be reviewed, analysed, and if warranted, investigated. If an employee becomes aware of a suspected fraud, corruption or any irregularity or unethical behaviour, such issues should be reported in terms of a Whistleblowing Policy.

Investigating Fraud And Corruption

Dealing with suspected fraud and corruption through investigations

If fraud or corruption is detected or suspected, investigations will be initiated, and if warranted, disciplinary proceedings, prosecution or action aimed at the recovery of losses will be initiated.

Disciplinary Proceedings

All disciplinary proceedings should take place in accordance with the procedures as set out in the disciplinary code.

Prosecution

Should investigations uncover evidence of fraud or corruption in respect of an allegation or series of allegations, the SABC will review the facts at hand to determine whether the matter is one that ought to be reported to the relevant law enforcement agency for investigation and prosecution. Such reports will be submitted by the Chief Audit Executive, to the South

African Police Service or other appropriate law enforcement agency in accordance with the requirements of all applicable acts. The SABC will give its full co-operation to any such law enforcement agency including the provision of reports compiled in respect of investigations conducted.

Recovery Action

Where there is unambiguous evidence of fraud or corruption and there has been an economic loss to the SABC, recovery action, criminal, civil or administrative, will be instituted to recover any such losses.

In respect of civil recoveries, costs involved will be determined to ensure that the cost of recovery is financially beneficial.

Internal Control Review After Discovery of Fraud

In each instance where fraud is detected, the business unit / Divisional Manager together with Internal Audit and Group Legal, Governance & Regulatory, should reassess the adequacy of the current internal control environment (particularly those controls directly impacting on the fraud / corruption incident) to consider the need for improvements. The responsibility for ensuring that the internal control environment is re-assessed and for ensuring that the recommendations arising out of this assessment are implemented will lie with the business unit / Divisional Manager.

THE MAINTENANCE APPROACH

Review Of The Effectiveness Of The Fraud And Corruption Prevention Strategies

The SABC should conduct a review of the fraud and corruption strategy and prevention plan annually to determine the effectiveness thereof. The Group Executive: Legal, Governance & Regulatory shall be responsible for this review.

Review And Updating Of The Fraud And Corruption Prevention Strategies

A central part of any fraud, corruption, theft, and maladministration control programme should involve an ongoing review of fraud and corruption risk exposures. Fraud and corruption risk assessments will also be conducted annually at the same time as the review of the fraud and corruption strategy and prevention plan.

ANNEXURE C: SIGNIFICANCE & MATERIALITY FRAMEWORK FY2024/25

Section 54(2) and Section 51(1)(g) of the PFMA

1. Definitions And Interpretations

- "Corporate Plan" shall mean a Corporate Plan submitted annually in terms of Section 52 of the PFMA.
- "DCDT" shall mean the Department of Communications and Digital Technologies.
- "Executive Authority" shall mean the Minister of Communications and Digital Technologies.
- "Accounting Authority" shall mean the board of directors of the South African Broadcasting Corporation.
- "PFMA" shall mean Public Finance Management Act No 1 of 1999.
- "TR" shall mean Treasury Regulations issued in terms of the PFMA.

2. Purpose

The Purpose of this framework is to set out guidelines for significant transactions in terms of section 54(2) and section 51(1)(g) of the PFMA that the SABC has to seek approval from National Treasury and the Minister of Communications and Digital Technologies as outlined in Table A.

2.1. Outlining a process to be followed and information needed to be submitted in support of an application in terms of section 54(2) and section 51(1)(g) of the PFMA.

2.2. Setting significance and materiality levels for transactions for the purposes of section 54(2) of the PFMA. Set out materiality levels for financial reporting for purposes of section 55(2) of the PFMA.

3. Background

Section 54(2) of the PFMA states: Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transactions":

- a) Establishment or participation in the establishment of a company.
- b) Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement.
- c) Acquisition or disposal of a significant shareholding in a company.
- d) Acquisition or disposal of a significant asset.
- e) Commencement or cessation of a significant business activity.

f) A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated partnership, trust, unincorporated joint venture or similar arrangement.

Section 55 of the Public Finance Management Act (PFMA), 1 of 1999, requires the accounting authority of a public entity to submit to the executive authority responsible for that public entity:

- (i) An annual report on the activities of that public entity during the financial year.
- (ii) The financial statements for that financial year after the statements have been audited.
- (iii) The report of the audit on those statements.

Paragraph 27.1.10 of the Treasury Regulations (TR) states that the audit committee of a public entity must:

- report and make recommendations to the accounting authority.
- report on the effectiveness of internal controls in the annual report of the entity
- comment on its evaluation of the financial statements in the annual report.

In addition, TR paragraph 27.1.12 requires the audit committee to communicate any concerns it deems necessary to the executive authority and the auditors. Based on the above information, the executive authority may decide to conduct further investigations into the activities of the public entity. It is therefore important that all reports include all material financial, as well as non-financial information.

TR paragraph 28.3 states that the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority. Although this paragraph refers to sections within the PFMA that specifically compels entities to report on certain material transactions and events, the framework should not be limited to these transactions and events.

The material or significant information specifically mentioned in the PFMA and TR is included below.

S55 (2) (b) (i) of the PFMA: The annual report and financial statements referred to in sub-section (1) (d) must include particulars of any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year.

TR 28.2.1: "Any material losses through criminal conduct and any irregular and fruitless and wasteful expenditure must be disclosed as a note to the Annual Financial Statements of the public entity.

TR 29.1.1(f): The Corporate Plan must cover a period of three years and must include a materiality / significance framework, referred to in Treasury Regulation 28.3.1".

4. General Obligations Of The Parties

The parties agree that:

- SABC shall follow the procedures set out in this framework in making an application for approval for significant transactions.
- For the guidelines and transactions listed in the table below, qualitative and quantitative guidelines may either be applied concurrently or separately, as the context requires.
- In so far as the quantitative guidelines relating to the total assets, total revenue and profit after tax are concerned, as the case may be, where rand values are used, these may be adjusted annually, in accordance with the information contained in the latest annual financial statements.

5. Procedure For Notification Or Application For Approval

PHASE ONE: PRE-NOTIFICATION

In so far as significant transactions are covered in the corporate plan that will serve as pre-notification for approval in principle, provided that all the information required in terms of 6.1.3 is fully set out in the Corporate Plan.

- In so far as the significant transactions are not covered in the corporate plan, SABC shall notify the Minister of Communications and Digital technologies by a letter seeking approval in principle.
- The letter shall contain the following information:
 - SABC's objectives in wanting to pursue the transaction and its relation to the core business of the entity.
 - The anticipated transaction process, phases, milestones and timelines.
 - The profile of interested parties, sellers and purchasers, and information regarding any unsolicited expression of interest received (where applicable).
 - The impact of the transaction on the SABC and on Government.
 - The DCDT shall consider the application for approval in principle, and advise the SABC in writing whether or not the in-principle approval has been granted within 30 days.

PHASE TWO: FINAL APPLICATION FOR APPROVAL

The SABC shall, upon finalising the significant transaction's details and structure, apply to the Executive Authority in writing for approval of the transaction.

The application shall include a certified board resolution and an information pack containing the materials on which the Board based its resolution. The Company Secretary or duly delegated official shall sign the extracts on behalf of the Board.

The DCDT shall then determine whether the SABC Board has considered the following:

- Compliance with applicable laws.
- Financial viability (i.e. cashflow analysis; estimates of future revenue; investment analysis vs investment framework; fair value of the transaction).
- Risks pertaining to the proposed transaction and strategies to mitigate those risks.
- The SABC shall attach the Board resolutions to the final application and submit these directly to National Treasury.

The DCDT shall, upon receipt of the application for final approval, consider the following:

- a) Whether the Board has complied with the list of considerations outlined above, as well as any applicable legislation in respect of each transaction.
- b) Whether, on the basis of the information received, the transactions are financially viable or whether SABC will achieve fair value through the specified transaction.
- c) All material liabilities (actual or contingent) and risks resulting from the transactions.
- d) Industry or sector impact and considerations.
- e) Whether the Board has established strategies and measures to mitigate any risk identified in the transaction.
- The DCDT shall use its best endeavours to process the application timeously, within 30 days of receipt, as specified in section 54(3) of the PFMA, and advise the SABC if the transaction cannot be processed within this time-period.
- Should the DCDT require further information from the SABC, in order to process and finalise the application, the 30-day period shall be extended by such period as it takes for the DCDT to receive the information.
- The DCDT shall advise the SABC in writing whether the application has been approved or not.
- Should approval not be granted, the DCDT shall furnish reasons in writing for not approving the transaction.

PHASE THREE: POST APPLICATION PRINCIPLES

- 1. The SABC shall report on a quarterly basis on progress made in executing the transaction and the fulfilment of any conditions that were part of the approval.
- 2. Should the transaction not be concluded within 12 months of approval, the SABC shall provide the DCDT with a report detailing the reasons for this.

3. Should the SABC make an application or submit reports to the regulatory authorities, it will furnish a copy of such to DCDT for information purposes.

6. Materiality

The SABC has adopted International Financial Reporting Standards (IFRS) as a recognised reporting framework. Materiality in the context of IFRS is similar to Generally Recognised Accounting Practice (GRAP) (applied in terms of public sector reporting) on the Presentation of Financial Statements states that information is material if its non-disclosure could influence the decision-making and evaluations of users about the allocation and stewardship of resources, and the performance of the entity, made on the basis of the financial statements. A misstatement or omission is material if it could influence the decisions or assessments of users.

Assessing materiality depends on the size and nature of the omission or misstatement judged in the particular circumstances. In addition, the characteristics of the users of the information must be considered. Users are assumed to have a reasonable knowledge of accounting, the business and economic activities of the entity and possess a willingness to study the information with reasonable diligence. The assessment should therefore take into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

7. Factors Considered In Determining Materiality Levels

NATURE OF THE COMPANY'S BUSINESS

1. The nature of the SABC's business may have an impact on the framework. The company should be guided by its public accountability and the sensitivity of its account, activities and functions regarding matters of public interest.
2. The materiality framework also impacts on the information reported to its Executive Authority, because the reported information influences the decisions and actions taken by the executive authority.

STATUTORY REQUIREMENTS

The framework could be influenced by considerations such as legal and regularity requirements. The SABC should therefore consider all appropriate laws and regulations when developing the framework.

RISK ASSOCIATED WITH THE COMPANY'S BUSINESS

There is an inverse relationship between materiality and the level of risk. The lower the risk, the higher the materiality level, and vice versa. The SABC needs to take into account various risks when developing a materiality framework. This could include:

Risk	Explanation
Operational risk	The risk arising from the day-to-day operational activities, which may result in a direct or indirect loss.
Liquidity risk	The inability of the SABC to meet its obligations when they are due.
Credit risk	The risk that a borrower or debtor fails to meet when the obligation is due.
Human Resources risk	The risk that adequate quantities of appropriately qualified and skilled staff and resources are not available within the SABC.
Legal and documentation risk	The risk that a transaction or contract cannot be consummated because of some legal barrier.
Regulatory and compliance risk	The risk of incurring penalties or restrictions as a result of non-compliance with legal requirements.
Information risk	The risk that confidentiality will be breached or that information will not be available when required.
Insurance risk	The risk that the SABC is not adequately insured against losses or claims.
Technology risk	The risk that systems are not adequately monitored, accounted for or serviced, to ensure delivery of a service.
Reputational risk	The risk of damaging the SABC's image.

QUANTITATIVE AND QUALITATIVE FACTORS

When setting the framework, the SABC should take both quantitative (amount) and qualitative (nature) factors into consideration. Quantitative factors relate to the size of the company or the value of an item vis-a-vis the value of the financial statements. The two aspects that should be considered when determining the materiality figure are: the amount of the item in relation to the financial information; the special characteristics of the item. As a guide, the Rand amount (before any qualitative adjustments) may be calculated as follows:

Element	% range to be applied against R values in AFS	SABC Rand value applied per FY2022/23 AFS (rounded) - Audited
Total assets	1% - 2%	R46m - R92m
Total revenue	0.5% - 1%	R23m - R46m
Surplus / deficit	2% - 5%	R24m - R59m

From the SABC's perspective, quantitative materiality is set at R50m.

Notwithstanding the quantitative materiality amount indicated above, the Board has assessed the materiality amounts to be:

- Every amount in respect of criminal conduct.
- R2m and above of irregular fruitless or wasteful expenditure arising from gross negligence.

III. R2.5mm and above, being 0.4% of the surplus or deficit for any other irregular, fruitless or wasteful expenditure.

IV. From the SABC's perspective, the significance level is set at R50m for every transaction covered in section 54(2) of the PFMA.

Qualitative materiality focuses on the inherent nature of the item under consideration. These items do not necessarily influence the reasonableness of the financial statements, but (due to their nature) they are of importance to the users of the financial statements.

The following factors may be taken into consideration when determining qualitative materiality:

- Statutory requirements: compliance with legislative requirements, regulations, policy control measures, procedures, instructions and authorisation (including budgets), which could reasonably be considered to have a direct financial impact.
- Unusual items: items that are of a non-recurring or exceptional nature or which arise from unusual circumstances.
- Degree of estimation: the risk of material misstatement.
- Related amounts: the relationship of the item to other amounts that appear in the financial statements.
- Critical points: an item that would otherwise be regarded as insignificant, may, if not corrected or disclosed, have a critical impact on the overall view.
- Disclosure requirements: deviations from accepted accounting practice.

NATURE OF THE TRANSACTIONS

The SABC should consider the importance of the transaction (i.e. the impact of the transaction on the company as a whole), as well as any possible impact the transaction could have on a decision or action taken by the SABC's Executive Authority in the development of the materiality framework.


A distinction should also be made between transactions that are operational in nature and transactions that are approved within a very specific framework, i.e. the annual budget, the company's Corporate Plan or the Strategic Plan.

8. Evaluating The Framework

The significance and materiality framework must be updated annually before the start of the financial year, taking into account the results of the previous year's audit and any new developments in the company. The following additional qualitative and quantitative items are to be considered in establishing materiality:

#	Reference	Nature of transaction	Qualitative guidelines	Quantitative guidelines
1	54(2)(a)	Establishment or participation in the establishment of a company.	<ul style="list-style-type: none"> • Participation as a founding shareholder. • Having a right to acquire shares. • Having a right to nominate a director. • Where the SABC commits to enter into a management contract in respect of the company. 	<ul style="list-style-type: none"> • Any level of shareholding. • Any level of loan or quasi-equity finance obligation by the SABC. • The SABC commits to guarantee any obligations of the company (including a financial performance guarantee) at any level.
2	54(2)(b)	Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement.	<ul style="list-style-type: none"> • Partnership, trust, unincorporated joint venture or similar arrangement that is established, located or intended to operate outside the Republic of South Africa. • The SABC's contribution in a partnership, trust, unincorporated joint venture or similar arrangement includes the SABC's proprietary intellectual property. • Participation in a partnership, trust, unincorporated joint venture or similar arrangement that may result in anti-competition behaviour or which is subject to competition commission regulations. 	<ul style="list-style-type: none"> • The SABC's contribution results in disposal / disbursement of assets in excess of 1% of total assets. • The SABC enters into a long-term contract with the partnership, trust, unincorporated joint venture or similar arrangement in excess of 0.5% of total revenue.
3	54(2)(c)	Acquisition or disposal of a significant shareholding in a company.	<ul style="list-style-type: none"> • Acquisition of any level or shareholding in a company where such acquisition is not in pursuit of the SABC's core business. • Acquisition or disposal where the SABC's ownership control and right to pass or block a special resolution is affected. • Acquisition or disposal of any level of shareholding in a company domiciled outside the Republic of South Africa. 	<ul style="list-style-type: none"> • Acquisition or disposal of more than 20% of the issued shares in a company. • Where the SABC already owns shares in the company, and acquisition or disposal of the number of shares will give rise to a shareholding more or less than 20% of the issued shares in a company.
4.	54(2)(d)	Acquisition or disposal of a significant asset. (NB: for purposes of this sub-section, assets include both current and non-current assets.)	<ul style="list-style-type: none"> • Acquisition or disposal of assets that are located in a foreign jurisdiction; however, it excludes office equipment and motor vehicles necessary to conduct business in a foreign jurisdiction. • Disposal of assets that have a potential impact on the continued ability of SABC to do business or provide its core service. • Disposal of non-core assets in line with SABC's strategy. 	Significance level is R60m.
5	54(2)(e)	Commencement or cessation of a significant business activity.	<ul style="list-style-type: none"> • Commencement or cessation of a business activity outside the Republic of South Africa. • Cessation of a business activity, where such cessation may have an adverse impact on its key stakeholders. 	Significance level is set at R60m.

#	Reference	Nature of transaction	Qualitative guidelines	Quantitative guidelines
6	54(2)(f)	A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.	<ul style="list-style-type: none"> • Changes that affect the SABC's ownership control type reserved through the trust deed, partnership or joint venture agreement. • Change that involves the partnership, trust, unincorporated joint venture or similar arrangement commencing or ceasing to do business outside South Africa. 	Significance level is set at R60m.



"We are
empowered by
our diversity."

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THEME

With this year's Corporate Plan, we **Expanding** our Reach, **Connect** with our Audiences and **Inspire** our Nation by giving their Stories a Voice and a Face, which is rooted in our mandate of Informing, Educating and Entertaining.

Everywhere for Everyone, Always.

Speaks to a country of storytellers and visionaries. A country shaped by different experiences and worldviews. The SABC has always played a role in embracing and amplifying this open culture.

The SABC continues to empower, uplift and enable every citizen everywhere to VOICE their views, share their truth; It continues to give a FACE to everyone's story.

This positions the SABC as an engine of freedom of expression. It tells the story of the SABC as an empowering force, an instrument that inspires greater possibilities for all people in every corner of the country.

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Private Bag X1, Auckland Park 2006
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Visit the SABC: www.sabc.co.za
Compiled and edited: Ziphozenkosi Mguli
Design: Nation Hlongwane
Layout and DTP: Johanna Nieuwenhuys
Photography: Lungelo Mbulwana, Nolwazi Shange, Adobe Stock, and Gallo/Getty Images.



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