

Research Report:

SABC (Mis)management Crisis In The Post-Apartheid Era



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About SOS Coalition

The SOS Coalition is a civil society coalition that is committed to, and campaigns for, broadcasting services that advance the public interest. While the SABC is our primary focus – as the key site of and the institution established to drive public interest broadcasting – SOS also engages in the advancement of community broadcast media in South Africa. SOS is made up of a broad range of civil society organisations, trade unions and their federations, and individuals (including academics, freedom of expression activists, policy and legal consultants, actors, script-writers, film makers, producers and directors).

Credits:

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1. Introduction



The South African Broadcasting Corporation (SABC) sits at the center of South Africa's media landscape. With 18 radio stations, a twenty-four-hour news channel on DStv, three channels on eMedia's Openview, which includes SABC 1, 2, & 3, the organization has significant audience penetration in South Africa.[1] Additionally, the SABC in 2020 announced a partnership with Telkom, making available its content on the TelkomONE streaming platform. In a press statement, the SABC noted that, "The five-year partnership, a first of its kind digital carriage agreement for the SABC, will showcase South Africa's most-watched TV programmes and most listened to radio platforms, on one online platform. TelkomONE will stream live SABC's television channels 1, 2, 3, Sport and Education as well as all 18 SABC radio stations".[2]

The SABC's annual report, in 2020, indicated that when it comes to radio, the SABC has 73.2% of the market share.[3] As for the three television stations: SABC 1, 2, and 3, the report argues that they average at 28.7 million viewers a month. In 2021, the SABC also reported that the organisation had entered into an agreement with Disney Company Africa, out of which it is set to gain access to international sporting content.[4] The SABC News Channel has one of the largest subscriber bases on YouTube, around 1.8 million, with millions of people tuning in to catch-up on news and current affairs. Further, each one of their three channels, as well as the education and sports channels, have their respective pages on which television programming gets posted. These also have significantly high numbers of subscribers.

In general, we cannot underestimate the value and contribution of this organisation within the country's media landscape, considering its audience penetration and the demographics of the people it largely services. Linked to this, it is the role that the SABC plays towards South Africa as a democracy that renders it important. It services the educational needs of the majority of South Africa, doing so while providing space for robust debates, as well as meeting the entertainment needs of the people of South Africa, diverse as they are.

[1] Techcentral. 2021. SABC in 'ground-breaking' channel supply deal with Openview. Retrieved from <https://techcentral.co.za/sabc-in-ground-breaking-channel-supply-deal-with-openview/106033/>

[2] SABC. 2020. Media Statement: Telkom partners with the SABC to launch TelkomONE mobile streaming service. Retrieved from <http://web.sabc.co.za/sabc/home/tvob/noticeboard/details?id=87c10c38-e1c8-4088-a4a1-a49162ae84e8&title=TelkomONE%20Mobile%20Streaming%20Service%20Launch>

[3] SABC. 2020. Annual report 2020. Retrieved from <https://www.sabc.co.za/sabc/wp-content/uploads/2020/11/SABC-AR-2020.pdf>

[4] SABC. 2021. Media statement: Disney Africa and SABC announce free to air sports content distribution agreement. Retrieved from <https://www.sabc.co.za/sabc/media-statement-disney-africa-and-sabc-announce-free-to-air-sports-content-distribution-agreement/>

While the importance of the SABC is not in doubt, unfortunately this organisation has been riddled with management crises: corruptions, and government interference, including the failure to adhere to its own editorial policies. Equally worth noting is the failure of the oversight bodies including Parliament in ensuring that the SABC, its Boards and management are held to account. The same can be argued when it comes to the Independent Communications Authority of South Africa (ICASA) as the regulator. As a result of these challenges, despite its importance, there have been, time and again, calls for the SABC to be sold off and be privatized.[5]

Of course, calls of this nature have not only been limited to the SABC. In fact, they reflect an endemic lack of trust in public institutions. At the core of this is a strong belief by many groupings that less state intervention is necessary – this extends to the official opposition, the Democratic Alliance (DA) among others. The DA believes in a slimmed down SABC that does not dominate the media environment. And for the commercial media market to be the primary provider of key services such as information, news, sports content, and entertainment among others.[6] However, what gets missed in calls of this nature, notable in the justification put forward, is the very public interest with which the SABC operates, something a purely commercial media landscape cannot fully embody.

Over the years the crises at the SABC have been repetitive, as have been the many arguments made in regards to the possible ways forward. As a form of reflection, this research report not only looks at the SABC mismanagement – but also the SABC's strengths – since the advent of democracy. Here we look at a range of issues, which we divide into three key categories: programming, financial and governance, and labour related matters. As it relates to the SABC finances, for example, the areas of focus include the organization's annual financial performances, revenue sources (advertising and license collection), government bailouts, government guarantees, where the organization spent its money (contracts and its salary bill), as well as the irregular expenditure. We also look at some of the governance crises that have led to huge losses of revenue. It is important to note that when it comes to labour, some issues are directly interlinked with the finances. For programming, we focus particularly on the SABC's editorial policies and instances where there has been failure to adhere to these.

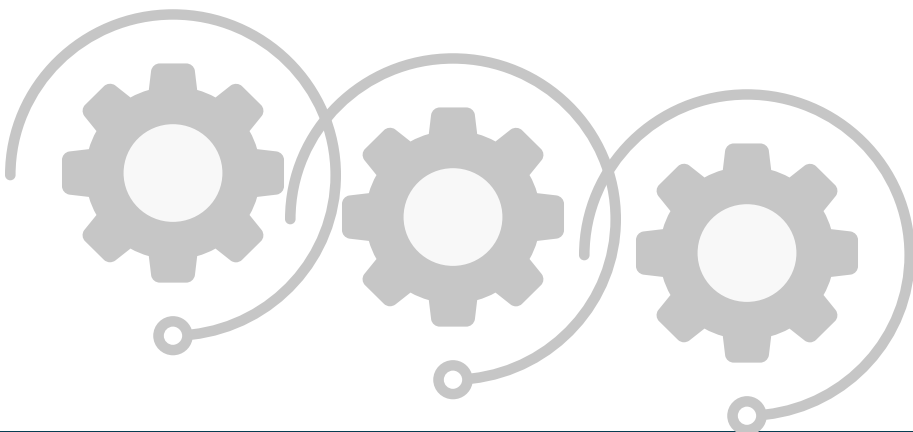
From there, this report moves to focus on the kinds of interventions civil society organizations like the SOS Support Public Broadcasting, for example, have advanced. Here we ask this critical question: "How far has the SABC come and what are some of the critical transformation challenges that still remain at this institution?"

[5] Phakhathi, B. 2019. *Debate on SABC Privatization intensifies in parliament*. Retrieved from <https://www.businesslive.co.za/bd/national/2019-07-10-debate-on-sabc-privatisation-intensifies-in-parliament/>; Maposa, S. 2021. The SABC is not a candidate for privatization. Retrieved from <https://www.iol.co.za/capetimes/opinion/the-sabc-is-not-a-candidate-for-privatisation-55574b24-87d5-4659-ba12-ee966af258ff>; SABC. 2020. Ndabeni-Abrahams refutes claims that there are plans to privatize the SABC. Retrieved from <https://www.sabcnews.com/sabcnews/ndabeni-abrahams-refutes-claims-that-there-are-plans-to-privatise-the-sabc/>
[6] Magubane, K. 2012. Privatise the SABC: iLive. Retrieved from <https://www.timeslive.co.za/ideas/2012-03-19-privatise-the-sabc-ilive/>

2. Methodology



The research methodology used for this research was qualitative in nature. Critical content analysis of the media was used. This is an approach Jim Macnamara (2005) describes as a, “specialized subset of content analysis research” which is employed when studying texts from television and radio interviews, newspaper articles and editorials amongst others. [7] Further, the texts we analysed included newspaper articles, civil society research reports, press statements, Parliamentary and Chapter 9 Institutions reports.



[7] Macnamara, J. 2005. *Media Content Analysis: Its Uses, Benefits and Best Practice Methodology*. Asia Pacific Public Relations Journal. Accessed from <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.477.4814&rep=rep1&type=pdf>

3. The SABC Under Apartheid Rule



To fully understand the SABC in the post-apartheid era, it is important to look back at the SABC's history under the apartheid system. The SABC was established in 1936, by an Act of Parliament. Researcher, Martin Plaut (2018) argues, that the SABC took over all the assets of the earlier broadcasters and maintained a monopoly that lasted until 1986 in radio.[8]As for television, the SABC's monopoly, according to Plaut, lasted until 1988.[9] From thereon, we learn from media scholar, Ruth Teer-Tomaselli, that the SABC helped to pave a way for Afrikaner nationhood. She argues that together with other state institutions, this organization was a key site used to advance the domination of the white minority, while on the other hand excluding other social groups. Ultimately, this was also a major contributor towards the coming into power of the National Party (NP) in 1948.[10]

According to Teer-Tomaselli (2015), the interests of English and Afrikaans people mattered more, as it relates to who the SABC was meant to serve at the time:

The twin issues of language and race are possibly the most vexing fault lines in South African history. At least at the outset of the SABC, race was not an immediate issue since it was taken for granted that African people did not have the wherewithal to purchase radio sets and pay for licences in any numbers; therefore a multi-racial broadcasting policy was a moot point. In the mid-1930s the different political, cultural and ideological pulls of the English and Afrikaans sectors of the community were far more pressing.[11]

In essence, from 1948, the SABC was a state broadcaster. Here the NP constantly interfered with in the running of the SABC, this also affected the SABC's programming. Plaut (2018), for example, states: "It was said—perhaps apocryphally—that South African prime ministers and presidents watched the daily news with a telephone at hand, ready at any time to call the editor." [12]. Media academic and activist, Kate Skinner argues that by the 1980s the role of the SABC as a propaganda tool had been intensified. [13]. To understand why this was the case during this time, researcher, Hennie van Vuuren, in *Apartheid Guns And Money* offers an important insight. He argues that the political context at the time was heightened, that a "total onslaught approach" was adopted by the government, in efforts to keep intact the apartheid system – this among others, was evidenced in the negation of the state's own governance principles and a turn to increased militarization, violence, and control.[14]

[8] Plaut, M. 2018. *Media Freedom in South Africa. The Round Table*. Retrieved from <https://doi.org/10.1080/00358533.2018.1448341>

[9] Ibid.

[10] Teer-Tomaselli, R. 2015. *Language, programming and propaganda during the SABC's first decade*, *African Journalism Studies*.

[11] Ibid.

[12] Ibid.

[13] Skinner, K. 2017. Retrieved from <https://wiredspace.wits.ac.za/bitstream/handle/10539/24650/PhD%20-%20Kate%20Skinner%20-%20Final%20-%20October%202017.pdf?sequence=2>. p. 64

[14] Van Vuuren, H. 2017. *Apartheid Guns and money*. Jacana Media. p.72

For the SABC, state propaganda became important. Bronstein and Katzwe argue that “The Corporation became the voice of government propaganda. By the 1980s it perceived itself as part of a strategy to combat the ‘total onslaught of revolutionary forces.’”^[15]

3.1 The SABC And Democratisation

In the transition period it was imperative for the SABC to be transformed into an organisation that would embody democracy as an ideal – more so when we consider whose interests it served under the apartheid rule. There were two interrelated responsibilities which the organisation was assigned as South Africa was about to undergo a democratic transition. The first one relates to the transition itself and the need for the SABC to play an important role in ensuring free and fair elections in 1994. The second one was linked to the post-1994 democratic project – here it was understood that the SABC contribute towards the carving out of a new unified national identity.

Dr. Ivy Matsepe-Casaburri was elected the first Board Chairperson in 1993 before the elections.^[16] Looking back at this period, Teer-Tomaselli (2015) states that “the primary objective was to ensure an independent broadcasting system and to “promote the provision of a diverse range of [...] services [that] cater for all language and cultural groups’ (RSA 1993, IBA Act, 2(d) Republic of South Africa, Act 153 of 1993).”^[17]

From a regulatory point of view, the IBA Act was passed in September 1993. It established the Independent Broadcasting Authority (IBA):


The legislation embraced a strong commitment to diversity. The regulator in line with the IBA Act was committed to opening up the airwaves and dismantling the SABC’s state broadcaster monopoly established under apartheid. It was committed to creating three tiers of broadcasting – public, commercial and community.^[18]

[15] Bronstein, V. and Katzwe, J. 2018. *Safeguarding the South African public broadcaster: governance, civil society and the SABC*, *Journal of Media Law*. Retrieved from <https://doi.org/10.1080/17577632.2018.1592284>

[16] The National Association of Broadcasters. 2021. *Broadcasting in South Africa*. Retrieved from <https://www.nab.org.za/content/page/broadcast-industry>

[17] Teer-Tomaselli, R. 2015. *Language, programming and propaganda during the SABC's first decade*, *African Journalism Studies*. Retrieved from <https://doi.org/10.1080/23743670.2015.1041302>

[18] Skinner, K. 2017. Retrieved from <https://wiredspace.wits.ac.za/bitstream/handle/10539/24650/PhD%20-%20Kate%20Skinner%20-%20Final%20-%20October%202017.pdf?sequence=2>. p. 168



Skinner explains the transformation process regarding the media landscape. She states: “these policy making processes were complex. At first, the IBA used traditional market-orientated policymaking tools, including privatisation and the selling off of a number of the SABC’s radio stations, to transform the broadcasting environment and to create the three tiers. However, these ‘tools’ were driven by an overall public service vision that *still* placed the public service broadcaster at the center of the broadcasting/content landscape”.^[19]

When it comes to transforming the SABC from a state broadcaster into a public broadcaster, several policy and legislative processes were introduced. Among these was the Broadcasting White Paper, 1998, and the Broadcasting Act, 1999. Among the changes that resulted from these is that African languages were finally given an equal status to English and Afrikaans. Further, a Broadcasting Charter was included in the Broadcasting Act, this highlighted the importance of independence and diversity of programming. Additionally, a democratic process was outlined in terms of the selection of the SABC Board.

[19] Ibid. pp. 168-169

4. The Rise Of The SABC Crises In Post-Apartheid South Africa



While the transformation process ensured some significant changes to the SABC, the transition was not always smooth. Here there are a number of instances we can refer to. Some of these crisis found expression in the form of breaches of editorial policies of the SABC.

4.1 Editorial Policy Breaches And Censorship

The years 2007 and 2008 are particularly important as they mark the beginning of a period of approximately a decade of almost continuous instability at the SABC. However, from a programming / editorial point of view, it is important to look at the years earlier.

In 2003 the Broadcasting Amendment Act was passed. This saw the drafting of the SABC editorial policies, which came into effect in 2004. Overall, the policies were strong as they ensured that the SABC fulfilled its public mandate and that programming was protected from commercial and government interests.

Nonetheless, in 2006, in contradiction of these policies there were reports of blacklisting of journalists believed to have been critical of former president, Thabo Mbeki.[20] Journalist, Nazeem Dramat (2007) points out that all this happened under Snuki Zikalala's tenure as head of news.[21]

[20] Skinner, K. 2016. *Crisis to crisis: The questions that need to be asked to save the SABC*. Retrieved from <https://mg.co.za/article/2016-08-23-questions-that-need-to-be-asked-to-save-the-sabc/>

[21] Dramat, N. 2007. *Professionalism and Resistance: The SABC and the blacklisting controversy*. Retrieved from <https://journals.co.za/doi/pdf/10.10520/EJC144658>

Further, he argues that “The broadcaster’s spokesperson, Kaizer Kganyago denied the report, but presenter John Perlman contradicted him on air, saying that he had personal knowledge of instructions banning commentators.”[22] The Freedom of Expression Institute (FXI), under the leadership of media academic and activist, Jane Duncan, challenged the SABC on this matter. Further, in a Court judgement on this matter, the South African National Editors Forum (Sanef) noted the following:

Judge Claassen was scathing in his criticism of the then head of SABC news, Dr Snuki Zikalala, who, he said, had unlawfully manipulated SABC news coverage of Zimbabwe’s 2005 elections in favour of President Robert Mugabe and of blacklisting critics of the conduct of the elections, Elinor Sisulu, Moeletse Mbeki and publisher Trevor Ncube. He was equally scathing of Zikalala’s blacklisting of commentators Karima Brown, political editor of Business Day, and Aubrey Matshiqi which he described as pre-censorship. The judge described the SABC’s dishonest denial of the blacklisting as a “deliberate lie told on air” which affected “the honesty and integrity of SABC news programmes” and violated the SABC’s licence conditions which required the broadcaster to “meet the highest standards of journalism” with “fair and unbiased coverage” independent of government, commercial and other interests.[23]

In years to follow, the SABC would go on to experience a number of editorial breaches, this intensified during the period when Hlaudi Motsoeneng wielded governance power. In 2016, during Hlaudi’s tenure, the SABC refused to air public interest documentary, *Miners Shot Down*, focused on the 2012 Marikana massacre.[24] During the same year, there was also the banning of footage showing violent service delivery protests in the lead up to the 2016 local government elections.[25] Furthermore, an SA FM show, *The Editors*, was taken off air, while SABC stations were prohibited from reading newspaper headlines on air.[26] On the decision to ban the reading of newspaper headlines, media academic, Glenda Daniels (2016) argued that this was “Ostensibly a politically motivated move given the approaching local government elections”.[27]

The SABC wanted to control the narrative and didn’t want to give other media houses airtime. In terms of the banning of violent protests she stated, “the broadcaster covered its tracks by claiming that broadcast footage of public violence encouraged others to resort to violence in public protests.”[28]

[22]De Waal. 2011. *Warriors for truth win in ruling n SABC, ICASA*. Retrieved from <https://www.dailymaverick.co.za/article/2011-01-26-warriors-for-truth-win-in-ruling-on-sabc-icasa/>

[23] SANEF. 2011. *SANEF appalled by malpractice of ICASA, SABC revealed in high court judgement*. Retrieved from <https://sanef.org.za/sanef-appalled-at-malpractice-of-icasa-sabc-revealed-in-high-court-judgment/>

[24]Hendricks, A. 2016. *SABC finally screens Miners Short Down, sort of*. Retrieved from <https://www.groundup.org.za/article/sabc-finally-screens-miners-shot-down-well-sort/>

[25] News24. 2016. *SA editors slam SABC decision to ban coverage of violent protests*.

[26] News24. 2016. *SABC bans newspaper headlines on air*. Retrieved from <https://www.news24.com/Channel/sabc-bans-newspapers-20160609>

[27] State of the newsroom report. 2016. Retrieved from <https://journalism.co.za/wp-content/uploads/2018/04/State-of-the-Newsroom-report-2015-2016.pdf>. P.4<https://www.news24.com/News24/sa-editors-slam-sabc-decision-to-ban-coverage-of-violent-protests-20160530-3>

[28] Ibid.



Eight journalists refused to follow this directive.[29] These journalists were praised for their courage. They became known as the “SABC 8”. They were illegally fired by SABC management for standing up against censorship. The Corporation was then later forced to rehire them. Further, the SOS Coalition together with Media Monitoring Africa (MMA) approached the regulator, ICASA, which in turn ruled that the banning of coverage of violent protests was illegal.[30]

During his leadership tenure, Motsoeneng, attempted to revise the strong but now outdated 2004 editorial policies, making himself as COO, an editor in chief. These policies were eventually shelved when Motsoeneng was finally fired in 2017. In 2018, the SABC launched a Commission of Inquiry, headed by the retired journalist, Joe Thloloe. The Commission of Inquiry investigated the editorial interference at the organization. It looked specifically into the Motsoeneng leadership period.[31]

The Commission made several findings, including that: “the SABC suffered from the capricious use of authority and power to terrorise staff and to deflect the Corporation from its mandate and its Editorial Policies.”[32] It argued that the Minister (who at the time was Faith Muthambi) and the Board were central to this problematic behaviour at the SABC, stating the following:

The evidence shows that from the year 2012 up until the year 2017, SABC Executives took instructions from people with no authority in the newsroom, for example, members of the SABC Board (Ellen Tshabalala) and the Minister for Communication (Faith Muthambi). The Executives thus failed to execute their duties in terms of the Editorial Policies..[33]

Other findings included the following:

- That the SABC was crippled by pain, anger and fear; by frustration, anxiety and apathy; and by inattentiveness, detachment and helplessness.
- That interestingly there was no evidence of a direct line between decisions at ANC headquarters, Luthuli House, and decisions in the newsroom, but the spectre of the ANC hovered over the newsroom.[34]

[29] Ibid.

[30] ICASA. 2016. SABC protests coverage ban. Retrieved from <https://www.icasa.org.za/uploads/files/Media-Monitoring-Project-v-SABC-JULY-2016-JUDGMENT.pdf>

[31] SABC. 2018. *Findings and Recommendations of the commission on inquiry into sexual harassment*. Retrieved from <https://www.sabc.co.za/sabc/findings-and-recommendations-of-the-commission-of-inquiry-into-sexual-harassment/>

[32] Joe Thloloe, J. & Tawana, S. 2019. *Report of Commission of Inquiry into Interference in the Decision-making in the Newsroom of the South African Broadcasting Corporation*. Retrieved from <https://www.sabc.co.za/sabc/sabc-board-makes-public-findings-of-the-independent-commission-of-inquiry-into-interference-in-the-sabc-newsroom-from-2012-2017/>

[33] Ibid. P.4

[34] Thloloe, J. & Tawana, S. 2019. *Report of Commission of Inquiry into Interference in the Decision-making in the Newsroom of the South African Broadcasting Corporation*. Retrieved from <https://www.sabc.co.za/sabc/sabc-board-makes-public-findings-of-the-independent-commission-of-inquiry-into-interference-in-the-sabc-newsroom-from-2012-2017/>

In 2020, the SABC moved to publish, after extensive consultations, revised editorial policies, with key positive changes including:

- A shift in editorial accountability and upward referral. “Upward referral” was a policy that encouraged journalists to refer difficult editorial decisions upwards to their superiors with the ultimate decision-making resting with the CEO as editor-in-chief.[35] Activists and academics believed that the process was problematic - they argued that decision making should stay as far as possible at the level of the newsroom and that the Head of News should be the editor-in-chief not the CEO as s/he was involved in issues other than news.
- The introduction of the Press Code to guide digital publishing;
- A new section on management of content on digital platforms; and
- A new chapter on the management and processing of complaints that are lodged with industry watchdogs and accountability structures. [36]

In these updated editorial policies, the SABC took into consideration the suggestions made by the Thloloe Commission.

4.2 Political Interference At The SABC

The SABC has had long accounts of political interference, even prior to Motsoeneng’s tenure. One of these earlier recorded instances, triggering a train reaction of instability, was when former President Thabo Mbeki intervened in the appointment of the 2007 Board. However, before we look into the details around this, it is important to appreciate the overall political, economic, and institutional context at the time.

In 2007 and 2008 we began seeing the heightened signs of crises at public institutions in South Africa. Beyond state institutions, 2008 also represented a time when domestically, the South African political landscape shifted when President Thabo Mbeki lost the ANC presidency vote to Jacob Zuma at the 2007 Polokwane conference. In 2008 Mbeki resigned as President of the country.[37] Globally, the world also encountered the 2008 financial crisis, which went on to negatively impact the lives of working class people across the globe.

[35] What this means is that the Group Chief Executive Officer no longer had control of news and current affairs programming related editorial decisions. The function, with the scrapping of upward referral, to the Head of News.

[36] SABC. 2020. *SABC launches its revised editorial policies*. Retrieved from <https://www.sabc.co.za/sabc/sabc-launches-its-revised-editorial-policies/>

[37] McGreal, C. 2008. *I have been a loyal member of the ANC for 52 years – Mbeki resigns in TV address*. Retrieved from <https://www.theguardian.com/world/2008/sep/22/southafrica>



In terms of state intervention and political meddling at the SABC, there are two points worth taking note of: firstly, the development ideologies governing the South African state. Secondly, the ANC's internal politics.

As it relates to development ideologies, Jane Duncan argues that there was “executive overreach” with the Mbeki presidency. To understand this, we need to look at the fact that South Africa adopted neo-liberal market orientated policies, under the intense pressure of Bretton Woods Institutions such as the World Bank and International Monetary Fund (IMF). Tied to neoliberalism as a development policy ideology, Duncan argues that Mbeki advanced a “developmental state model”. She argues:

The developmental state is a variation of the neo-liberal state, not an alternative to it. It has long been recognised that the neo-liberal state pursues dual strategies of privatisation and centralisation; in fact, far from being inherently weak (a common perception of the neo-liberal state), it may become stronger in areas where it needs to direct the freeing up of the economy for private sector investment.[38]

Duncan further argues that these collective policies encouraged strong, top down, often illegal Presidential and Ministerial interventions at the SABC.

A key example of this is that in 2007, as mentioned above, Mbeki illegally intervened in the appointment of the SABC Board – he undermined the role of Parliament by removing candidates from their short list including a representative put forward by the labour movement.[39]

[38] Ibid. p. 23

[39] Quintal, A. 2007. *Mbeki's SABC board: the war goes on*. Retrieved from <https://www.iol.co.za/news/politics/mbekis-sabc-board-the-war-goes-on-383731>



This example also demonstrates our second point that the SABC was subject to the ANC's internal factional politics. Mbeki moved to act against Parliament because it had started to adopt more pro-labour, pro-Zuma policies. [40]

Beyond Mbeki, in the following years, interventionist trends continued where the SABC was used to advance factional political interests. This was evidenced in terms of who was selected to its Board(s), as well as the role of its Executive. According to Bronstein and Katzwe, between 2011 and 2017 the SABC became highly politicised, through the collaboration of former president, Jacob Zuma, the then Minister (Faith Muthambi, and Motsoeneng:

In a highly public struggle in 2011–2017, politicians and particularly President Jacob Zuma and the Minister of Communications, Faith Muthambi, visibly took control of the SABC through Hlaudi Motsoeneng, who came to run the broadcaster from the office of the Chief Operations Officer. This battle signalled increased control of the SABC by the ruling African National Congress (ANC) but more specifically it pointed to factional struggles within the ruling party itself. [41]

4.3 SABC's Financial Performance

As a reflection on the SABC's financial performance and the related crisis, one of the major challenges linked to these is the SABC funding model, and the organization's reliance on government bailouts and guarantees.

4.3.1 The SABC's Funding Model

One of the ongoing crises at the SABC is government's lack of commitment to public funding for the organisation. There have been ongoing debates on this matter within the governing ANC but with no resolution.[42] It is important to look at how the SABC derives its funding.

According to the recent statistics, about 80% of the SABC's revenue is derived from advertising, 18 % from licence fees, while the state only contributes 2%. [43]

[40] IOL. 2007. *Mbeki will appoint SABC board*. Retrieved from <https://www.tandfonline.com/doi/full/10.1080/17577632.2018.1592284>

[41] Bronstein, V. & Katzew, . 2019. *Safeguarding the South African public broadcaster: governance, civil society and the SABC*, *Journal of Media Law*. P.245. Retrieved from <https://doi.org/10.1080/17577632.2018.1592284>

[42] Pillay, V. 2012. *Polokwane resolution #9: media transformation, media appeals tribunal and increased funding for SABC*. Retrieved from <https://mg.co.za/article/2012-12-13-00-polokwane-resolution-9-media-transformation-media-appeals-tribunal-and-increased-funding-for-the-sabc/>

[43] SABC. 2018. *Review of public broadcasting policy*. Retrieved from <https://www.sabc.co.za/sabc/wp-content/plugins/download-attachments/includes/download.php?id=297>



The Broadcasting Act mandates that the SABC should derive its funding from government sponsorships, advertising, licence fees, and other means. However, the SABC has not always been successful at, for example, collecting licence fees. And this happened while on the other hand, advertising revenue kept dwindling.

The SOS Coalition has called for a mixed funding model that comprises of advertising, government funding, sponsorships, and licence fees. Most recently, the Coalition has called for, as part of its submission on the new SABC Bill, 2021, the launching of a Public Information Levy.^[44] The call is for this levy to replace the licence fees collection, and for all households to pay this fee as part of their commitment to public information and democracy, whether they use the SABC services or not. Further, the call is for the collection system to be improved through roping in the dominant subscription broadcaster, MultiChoice to collect the fee.

Now that we understand the funding model, it is important to move onto to understanding the various financial crises experienced by the SABC over the years. This crisis first emerged in 1996. In 1996, six radio stations were sold to, among others, Primedia Broadcasting and the National Union of Mineworkers. The SABC retained all its television stations. This was the first instance of privatization at the SABC.^[45] Unfortunately, these sales plunged the SABC into a financial crisis. In mid-1997, the public broadcaster announced that it had registered a deficit of more than R60 million in the financial year 1995-6.^[46]

This was the first financial crisis. This was followed by a number of years of relative financial stability. It was under the leadership of CEO Dali Mpofu, when things took a definitive turn for the worse.

Media academic, Franz Kruger, writing in 2009, reflected on the situation as follows: “Cost increases, meanwhile, have been stratospheric, increasing 63% from R3.5-billion in 2005-06 — the year Mpofu took over — to R5.7-billion in 2008-09. In the last year alone costs jumped by almost R1-billion.”^[47] Kruger further noted that, “Payments to consultants increased by 186% from R47-million in 2005-06 to R135-million in 2006-07. These payments increased by a further 68% to R226-million in 2007-08. Consulting fees for 2008-09 amounted to R335-million.” According to Kruger, among the driving contributors towards the SABC’s financial crisis was the increasing employee headcount and staff bonuses.

[44] Mahlangu, I. 2021. *SABC Proposal that Multichoice helps collect licence fees gets a boost*. Retrieved from <https://www.sowetanlive.co.za/news/south-africa/2021-09-22-sabc-proposal-that-multichoice-aids-it-collect-licence-fees-gets-a-boost/>

[45] Ibid. P. 560

[46] Ibid.

[47] Kruger, F. 2009. *SABC went from boom to bust under Mpofu’s watch*. Retrieved from <https://journalism.co.za/sabc-went-from-boom-to-bust-on-mpofus-watch/>



Mpofu's inept financial management, among other issues, led directly to the huge losses during the 2008/09 financial year. These losses marked the start of the ongoing financial instability. The SABC reported a loss of R910 million that year.[48] And although the organization indicated that the global economic conditions at the time were among the contributing factors, the leadership crisis that unfolded at the time were also pertinent. The instability triggered by Mbeki's intervention in the appointment of the SABC Board had ripple effects. It led to the collapse of the Board, and the appointment of an interim Board. The interim Board moved to fire Mpofu.

Following the litigation between Mpofu and the SABC, the two parties reached an out of Court settlement. Mpofu was given a significant "golden handshake". And this went on to become a trend that would continue in years to follow. By 2015, the SABC was said to have paid a total of R43 million in golden handshakes.

From 2009 to 2011, the SABC experienced ongoing financial losses. There was a short reprieve where the SABC made a small profit and then once again experienced losses.

The SABC during the 2016/17 financial year, in its unaudited financials, indicated that the organization had suffered a loss of R1.1 billion (before tax).[49] In 2017/18, this went on to become R622 million, while in 2018/19, the organization suffered a loss of R483 million.[50] In the 2019/20 financial year, the SABC reported a R511-million financial loss.[51]

4.3.2 SABC & Government Bailouts And Guarantees

The financial woes at the SABC have created a situation where the SABC has had to receive both government guarantees and bailouts. The Mpofu financial crisis led to government taking the decision to offer the SABC a government guarantee. The interim Board put in place, when the main Board collapsed, was forced to borrow funds from commercial banks, against a government guarantee of R1.47 billion.[52] The government guarantee needed to be paid back, with interest. Further, there were various conditions to the guarantee, including a requirement for the SABC reduce its head count.

[48] Mail and Guardian. 2009. SABC loses R910-million in 2008/09 financial year. Retrieved from <https://mg.co.za/article/2009-12-18-sabc-loses-r910million-in-200809-financial-year/>

[49] SABC Annual report. 2016. Retrieved from <https://www.sabc.co.za/sabc/wp-content/uploads/docs/annual-reports/SABC+AR+2016-17.pdf>

[50] Makinana, A. 2019. SABC cash crisis worsens – but government says strict conditions must be met before bailout. Retrieved from <https://www.timeslive.co.za/politics/2019-08-28-sabc-cash-crisis-worsens-but-government-says-strict-conditions-must-be-met-before-bailout/>

[51] SABC. 2019. SABC tables annual report. Retrieved from <https://www.sabc.co.za/sabc/sabc-tables-201920-annual-report/>

[52] Skinner, K. 2020. SABC crisis: there must be govt funding or the board must be allowed to retrench. Retrieved from <https://www.news24.com/news24/columnists/guestcolumn/opinion-sabc-crisis-there-must-be-govt-funding-or-the-board-must-be-allowed-to-retrench-20201123>



The financial crisis created by Motsoeneng's disastrous leadership was still more severe. At a point where government moved to give the SABC a "bailout" i.e. there was no expectation for the SABC to pay the funds back but there were stipulations made around the need for good governance and fiscal prudence.

In 2019, post Motsoeneng's tenure, the SABC Board requested a R3.2 billion government bailout.[53] In return, Treasury, among others, demanded the following:

A detailed breakdown of how revenue enhancement was to be achieved, including cost cutting initiatives; A thorough investigation had to be initiated into what caused the financial collapse of the broadcaster and why previous turnaround plans had failed; An update had to be provided of how the SABC was dealing with people implicated in investigations; A turnaround plan had to be developed taking into account various reports into the broadcaster, including those done by the Public Protector, Special Investigation Unit, Auditor General and Parliament.[54]

Initially, the SABC received R2.1 billion of this total amount, with R1.1 billion pending, on the condition that they meet the expectations set by Treasury.[55] According to the SABC's Chief Financial Officer, at the time when the bailout was requested, the broadcaster owed creditors R2 billion.[56]

4.3.3 SABC/Multichoice Deal

Part of the crisis at the SABC found expression in the kind of relationship this organization and its Management had with Multichoice, a dominant satellite television service provider in South Africa. Under Motsoeneng, the SABC entered into a deal that was lucrative to MultiChoice but not to the SABC. The SABC licensed its public archives to MultiChoice for a five-year period. MultiChoice created a channel Encore which aired old SABC content for its subscription bouquet. The deal also included an agreement that the SABC would not call for the encryption of set top boxes for the migration of analogue television to digital terrestrial television. This deal supported the financial interests of MultiChoice.

[53] PMG. 2021. SOE Audit Outcomes 2019/20: engagement with Auditor-General. Retrieved from <https://pmg.org.za/committee-meeting/31934/>

[54] IOL. 2019. SABC R2.1bn partial bailout: Five conditions of eight have been met. Retrieved from <https://www.iol.co.za/business-report/companies/sabc-r21bn-partial-bailout-five-conditions-of-eight-have-been-met-34035282>

[55] Eyewitness News. 2019. Ndabeni-Abrahams: SABC to receive R3.2bn bailout from national treasury. Retrieved from <https://ewn.co.za/2019/10/04/ndabeni-abrahams-sabc-to-receive-r3-2bn-bailout-from-national-treasury>

[56] Breakfast, S. 2019. SABC financial crisis: national broadcaster faces total blackout. Retrieved from <https://www.thesouthafrican.com/news/sabc-financial-crisis-national-broadcaster-faces-total-blackout/>

4.4 SABC Labour Issues

Signs of mismanagement and general crisis at the SABC is evidenced in issues related to labour. Here it is important to appreciate the fact that the labour related issues do not exist outside of the financial crisis, meaning that they are interlinked. As earlier stated, it was under Dali Mpofu that the SABC went on to have an unsustainable headcount. We earlier noted that the 2009 Government guarantee demanded for the SABC to reduce its staff headcount. However, this call was not complied with.

Under Motsoeneng, the Independent Producers Organization (IPO) argues that there was also a continued massive upsizing of the organization's workforce.[57] Additionally, there were unrealistic employee pay hikes.[58]. This created a situation where the SABC according to the current GCEO, Madoda Mxakwe, was spending a total of 42% of its costs on salaries.[59] In this regard, Skinner raises an important point around how the SABC's salary bill compared with other media organizations. Skinner stated: "in MultiChoice it is 15%, at eMedia (broadcaster of eTV and eNCA) it is 11% and at the BBC it is 29%. This gives context." [60] The percentage of 42% was clearly unsustainable. The Financial Mail in 2020, reported that according to the SABC's own breakdown of staff, 374 people were employed on middle managements, earning an average of R1.23 million.[61] Added to this is that a total of 489 junior managers were earning close to a million rand a year, while 27 senior managers were earning R2.15 million a year.[62]

[57] Independent Producers Organization. 2020. *SABC has no choice but to slash its bloated staff complement*. Retrieved from <https://www.dailymaverick.co.za/article/2020-07-17-sabc-has-no-choice-but-to-slash-its-bloated-staff-complement/>

[58] Ibid.

[59] ANA. 2018. *Irregular pay hikes partly to blame for sabc retrenchments*. Retrieved from <https://citizen.co.za/news/south-africa/2035890/irregular-pay-hikes-partly-to-blame-for-sabc-retrenchments/>

[60] Skinner, K. 2020. *SABC crisis: there must be govt bailout or the board must be allowed to retrench*. Retrieved from <https://www.news24.com/news24/columnists/guestcolumn/opinion-sabc-crisis-there-must-be-govt-funding-or-the-board-must-be-allowed-to-retrench-20201123>

[61] Financial Mail. 2020. *Editorial: for the sake of the SABC, keep Stella away*. Retrieved from

<https://www.businesslive.co.za/fm/opinion/editorial/2020-11-26-editorial-for-the-sabcs-sake-keep-stella-away/>

[62] Ibid.



In April 2021, the organisation concluded its section 189 retrenchment process, here a total number of 621 people left the SABC. Media reports indicated that 275 jobs had become redundant, and that 346 people decided to take the retrenchment package.[63] Furthermore, in addition to retrenchments, the SABC as part of its attempt to reduce operating costs, implemented a salary freeze for the next three years.[64] It is important to note that focusing attention on the SABC's wage bill, formed part of the organization's turnaround plan. And that as part of the conditions for the government bailout, Treasury, among others, demanded that the Board restructure the organization.

During this difficult, contested process of retrenchments, interested-parties took different positions. These parties included the unions, the Minister of Communications and Digital Technologies and various civil society organisations.

From the view of the unions, the primary objective was to protect the interests of its members in terms of saving worker jobs at least in the short term.

As for Government, the matter became complicated by political interests. The DCDT Minister at the time, Ndabeni-Abraham, called for the SABC Board to find alternatives approaches, outside of the retrenchments. And this is despite the fact that she could not guarantee any ongoing public funding for the SABC.

Civil society organisations were conflicted. Some opposed the retrenchments in principle while others, such as the SOS Coalition, stated that years of severe mismanagement had led to the situation where the SABC did need to be restructured – with a reduced headcount in certain non-core departments. This was to ensure the SABC's long term sustainability.

[63] Seeletsa, M. 2021. 621 SABC employees set to be retrenched from Thursday. Retrieved from <https://citizen.co.za/business/business-news/2465096/621-sabc-employees-set-to-be-retrenched-from-thursday/>

[64] Mlambo, S. 2020. SABC loses R2bn a year in unpaid tv licenses. Retrieved from <https://www.iol.co.za/news/politics/sabc-loses-r2bn-per-year-in-unpaid-tv-licence-fees-coo-aebfda11-8d6e-4595-b327-d0622efd11a6>

5. Shifts At The SABC – Parliament Intervention And The Matojane Judgement

As stated previously in this research, Parliament has generally played a hands-off role. However, after the crisis with Motsoeneng's leadership at the SABC, this oversight body eventually stepped in and held a critical inquiry. The Ad Hoc Committee on the SABC Board Inquiry led to a report, released in 2017.

Among a number of issues, the Committee investigated irregular appointments; unsound procurements; the selling of the SABC archives to Multichoice; and the victimization of the "SABC 8." [65]

The Committee called for the dissolution of the then Board, that a new Interim Board must be appointed. [66] It was agreed that the interim Board would start the process of filling the posts of the top three executives – the GCEO, GCOO and GCFO – with suitably qualified and experienced candidates who would be able to develop and put in place systems that would support the Board to stabilise and regularise the administration and governance of the SABC.

Beyond the intervention of Parliament, the SOS Coalition together with MMA and the Freedom of Expression Institute in 2017 took the DCDT Minister to Court, challenging the interference in the SABC Board's capacity to fully discharge its duties without the Ministerial intervention. The backdrop here had been that the former Minister, Faith Muthambi, in the SABC Parliamentary Inquiry, was found to have, in numerous occasions, interfered with the operations of the SABC Board. [67] The Gauteng High Court Pretoria Judgment, according to Zelda Vanter, "declared several clauses of the Amended Memorandum of Incorporation (MoO) and the SABC Charter in respect to the appointment, discipline and suspension of the three executive directors - the Group Chief Executive Officer, Chief Operations Officer and Chief Financial Officer - inconsistent with the Broadcasting Act and thus invalid." [68] Considering the long history of ministerial intervention at the SABC, this Judgement set boundaries and parameters within which any the Minister, regardless of who gets appointed into the post, can operate in so far as the SABC Board is concerned.

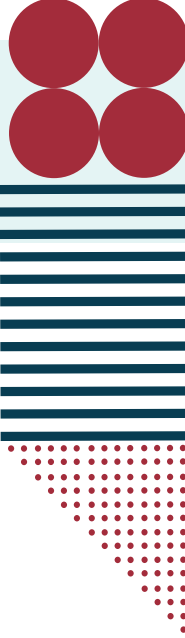
[65] Ibid. Pp. 69 – 74.

[66] Ibid.

[67] SAFLII. 2017. S Support Public Broadcasting Coalition and Others v South African Broadcasting Corporation SOC Limited and Others; SOS Support Public Broadcasting Coalition and Others v South African Broadcasting Corporation SOC Limited and Others (81056/14). Retrieved from <http://www.saflii.org/za/cases/ZAGPJHC/2017/289.pdf>

[68] Vanter, Z. 2017. Court curbs Communications Minister's power at the SABC. Retrieved from <https://www.iol.co.za/news/court-curbs-communication-ministers-powers-at-sabc-11602291>

6. Green shoots



In this research report, we have highlighted a number of problems the SABC has had to deal with throughout the years, ranging from the failure to adhere to editorial policies, failure to adhere to proper financial governance principles, and the fact that the staff head count rose sharply under the management of CEO Dali Mpofu and COO, Hlaudi Motsoeneng, with no revenue strategies in place to support this.

Further, we looked at the ongoing systematic political interference, starting with the illegal interventions of former President, Thabo Mbeki, in the appointment of the SABC Board. And in the case of interference that took place under the leadership of Motsoeneng. We also touched on the problematic interventions from the side of the private sector, in particular MultiChoice.

Although major strides have been made since a permanent Board was put in place, these problems are ever present and will continuously need to be dealt with. Although the departure of Motsoeneng led to a collective sigh of relief, this did not mean that the crisis at the SABC ceased to exist.

In 2018/19, the SABC had an irregular expenditure of R5.2 billion.^[69] This was the case again for the 2019/20 financial year.^[70] These problems, we believe, speak to the levels of rot created by decades of mismanagement.

And while it matters to appreciate this continued crisis, after, Motsoeneng left, we equally ought to account for the fact that there have been indications that the tide is turning. In 2021, for example, the SABC CEO, Madoda Mxakwe, reported that the SABC had made a profit of R43-million. This was for the first time in five years.^[71]

As mentioned in the introduction to this research, the SABC entered into new content distribution deals, among this is one with Telkom and with the Disney World Company Africa.

Further, still on matters around programming, we also saw changes in policy, in the form of the important “Must Carry” regulations. In the past, the SABC was compelled to supply all the subscription broadcasters like Multichoice their three free-to-air television channels – SABC 1, 2 and 3 – without any financial benefit.^[72] This went on for approximately 13 years. In 2021, however, ICASA corrected this. The SABC is now able to negotiate commercial carriage fees. From a financial point of view, these changes will significantly positively impact the SABC’s financial position.

[69] Phakathi, B. 2019. *Broke SABC slammed for incurring R5.2 bn in irregular expenditure*. Retrieved from <https://www.timeslive.co.za/news/south-africa/2019-09-30-broke-sabc-slammed-for-incurring-r52bn-in-irregular-expenditure/>

[70] PMG. 2021. *SOE Audit Outcomes 2019/20: engagement with Auditor-General*. Retrieved from <https://pmg.org.za/committee-meeting/31934/>

[71] SABC. 2021. *SABC reports profit of 43 million for the first time in five*

[72] SABC. 2021. *SABC welcomes change to unfair must carry regulations*. Retrieved from <https://www.sabc.co.za/sabc/media-statement-sabc-welcomes-change-to-unfair-must-carry-regulations/>



Other forms of progress at the SABC can be noted in its coverage of elections, which has been lauded, ensuring that members of the South African public are kept informed. In 2019, Media Monitoring Africa reported that the institution had fared well. This civil society organization stated: “Our findings show that the SABC managed not only to report elections from across the length and breadth of the country, but they also largely succeeded in covering provinces broadly corresponding to population densities.”^[73]

While we congratulate the SABC on the progress made so far, our belief is that more can be done. We reflect these areas improvements in the 2021 SABC Bill the SOS put forward, following the DCDT public call for submissions.

The SABC called for the creation of the role of a Public Editor. Here we argued that whoever will go on to occupy this role must be accountable to the Board.

The benefit that comes with having a Public Editor role at the SABC is that this can ensure that the SABC deals with complaints from the public more quickly and proactively, unlike it is currently the case where complaints take months to resolve. We also appreciate the importance of pre-existing complaints mechanisms. And believe that the existence of a Public Editor role would not negate the importance of ICASA’s Complaints and Compliance Committee (CCC) and Broadcasting Complaints Commission of South Africa (BCCSA).

As part of our SABC Bill submission, we also advanced the need for a new Public Information Levy, this we argued should replace television licenses. We believe that this Levy should be collected from all households as a commitment to public information and democracy, whether households use the service or not. We argued that adults who currently rely on SASSA grant to maintain their livelihoods should be exempt from this Levy. Additionally, we believe that subscription broadcaster, MultiChoice, should assist with the collection of this levy to ensure easier and more effective collection of the fees. We believe the financial sustainability of the SABC is paramount to the SABC’s ability to fulfill its critical public service mandate.

[73] Media Monitoring Africa. 2020. *The Public Broadcaster: Impartial? Independent. Analyzing South Africa’s media coverage of 2019 elections*. Retrieved from http://mediamonitoringafrika.org/wp-content/uploads/2019/06/2019SABCElectionsReport_v2-3.pdf



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