



MEDIA STATEMENT

THE SABC RESPONDS TO COSATU'S FACTUAL INACCURACIES

Johannesburg-Friday, 21 August 2020 - The South African Broadcasting Corporation (SABC) Board has noted public statements by COSATU calling for the Board's dissolution. The union federation has also repeated several factual inaccuracies at the same time. The SABC Board therefore has a public duty to set the record straight.

It is factually inaccurate for COSATU to state that the SABC does not have a strategy. The SABC is implementing an approved Turnaround Plan to ensure its financial sustainability, including dealing with the unfunded mandate. The Turnaround Plan is a product of a collaborative effort involving the SABC, the Department of Communications and Digital Technologies (DCDT), the Government Technical Advisory Centre (GTAC), and National Treasury. The Plan is structured around enhancing revenue-generation as well as addressing the SABC's main cost drivers such as: employee compensation, content acquisition, signal distribution and digital migration.

COSATU's assertion that the SABC applied for another bailout is not only factually inaccurate but misleading. The SABC, along with other Departments and entities, was requested by the DCDT to submit an application for additional funding from the National Treasury in accordance with Section 30 (2) b of the PFMA and Treasury Regulations paragraph 6.6. These regulations provide for allocation of additional funds through an adjustments budget to finance unforeseen and unavoidable expenditure within a financial year. Consequently, the Corporation submitted a projected revenue short-fall of R1,5 billion to the DCDT due to the unforeseen COVID-19 impact on its financial position.

The SABC, as the primary carrier of public content and messaging in line with its public mandate, has a responsibility to ensure that the majority of South Africans are provided with important and credible information regarding COVID-19, in all official languages and across its television, radio and digital platforms. In the interest of the country and in fulfilment of its mandate, the SABC expanded its normal programming and services, and embarked on a number of activities for business continuity, which included displacing primetime revenue-generating programming across its three free-to-air channels to accommodate all public

announcements and media briefings relating to the COVID-19 pandemic, as well as amplifying news, current affairs and educational content. While the SABC has not been compensated for these activities, the organisation remains responsive to calls for it to do more public interest broadcasting. In fact, the Alliance Secretariat issued a statement on 06 April 2020, urging the SABC to play its role as the public broadcaster during the pandemic: *“Particularly concerning is that the SABC, our public broadcaster, appears to be not performing well in fulfilling its mandate during these challenging times. The SABC should vigorously marshal all resources at its disposal and play a more active and leading role in the fight against the Covid-19 pandemic in the media industry. In particular, the people need more educational, informative and consistent broadcasting on the virus, including live coverage of key events on SABC free-to-air television stations”.*

The SABC has fully embraced its unique responsibility. While this has consequently had a severe impact on the SABC’s current budget provision, to date the SABC has not received any COVID-19 relief funding.

Furthermore, it is concerning that COSATU has repeated their CWU affiliate’s factually incorrect statement that there has been no transparency and accountability on the utilisation of the bailout. The bailout funding was granted for clearly defined priorities, which are:

1. Settling outstanding accounts for service and content providers;
2. Investment in new compelling content; and
3. Investment in, and the maintenance of, the SABC’s technology and infrastructure

This has been strictly adhered to. No bailout funding has been utilised for anything other than permitted by National Treasury. The bailout utilisation reports submitted to DCDT and National Treasury detail the movement of the received funding. There are also monthly meetings between the SABC, DCDT and National Treasury to monitor the utilisation of the bailout funds. It must be noted that the bailout funds cannot be utilised for salaries, until the COVID-19 relief funding.

Also incorrect is the assertion that the SABC has not implemented consequence management and dealt with the past legacy of corruption and financial mismanagement. The SABC Board and Management have been seized with, among other matters, the implementation of recommendations set out in the following reports:

- Report of the Public Protector entitled, “When Governance and Ethics Fail”, Report No: 2014; 23 of 2013/2014 issued on 17 February 2014;
- Parliamentary Ad Hoc Committee Report published on 27 February 2017;
- Several Internal Audit Forensic reports;
- Special Investigating Unit Reports; and
- SABC’s internal disciplinary processes.

All the above reports documented malfeasance and a systemic collapse of corporate governance and financial management systems, and the SABC is simultaneously dealing with all the recommendations set out therein.

Furthermore, it is also factually incorrect that the SABC has not completed the skills audit. The SABC has finalised the skills audit process and the relevant reports were submitted to Parliament and distributed to the CWU and other interested parties. However, the SABC still cannot utilise the Skills Audit as a precondition for a Section 189 process, or as a basis for retrenchment criteria, as this is to be determined by the employer in consultation with the relevant consulting parties as per Section 189 of the LRA.

The Section 189 notice is premised on the Turnaround Plan, which is a bailout pre-condition by National Treasury and follows the approval of the Target Operating Model. The LRA prescribes the Section 189 notice as an invitation to relevant stakeholders to engage in a process which may minimise the impact, explore alternatives, delay the termination date or to avoid terminations completely. This must be issued as soon as the employer contemplates, becomes aware, or knows, of a likelihood of possible redundancies and retrenchments. This is what the Act prescribes. The Corporation is, in good faith, following the prescripts of the Act.

On its call to dissolve the Board, COSATU claims are legally baseless. Section 15A(1)(b) of the Broadcasting Act sets out the process and criteria for dissolving an SABC Board. This includes that the dissolution can only take place after a resolution has been adopted by the National Assembly, following an inquiry to determine factually that the Board has failed to discharge its fiduciary duties, adhere to and protect the objectives of the statutory charter, and to control the affairs of the Corporation. No such process has been initiated by the National Assembly and there is no evidence to support it.

The SABC is committed to the financial sustainability of the public broadcaster and will ensure that it continues to fulfill its important constitutional mandate.

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