





PERFORMANCE

INFORMATION

STATEMENT OF RESPONSIBILITY

for Performance Information

This is to confirm that in terms of the Companies Act No 71 of 2008 the information contained herein is to my knowledge a true and fair reflection of the company's performance.



Ms Z E Tshabalala
SABC Board Chairman



Ms L P Mokhobo
SABC Group CEO

Overview of the Corporation's

PERFORMANCE

The Service Delivery and Organisational Environment

The SABC Corporate Plan for the year under review is premised on ensuring that the SABC remains a going concern while still fulfilling its mandate. During the 2012/13 fiscal, despite facing considerable challenges, the national public broadcaster was able to ensure that this premise was met and exceeded. In a broadcast environment characterised by increased competition, the SABC continues to deliver the most watched television channels and listened to radio stations in the country. Radio not only exceeded some of the targets set in the corporate plan – but increased listenership for nine key stations, including the nation's largest, Ukhozi FM.

The robust performance of the PBS Radio Stations is particularly noteworthy. While television missed its overall audience targets for the year, SABC2 and SABC3 increased audience share on a quarterly basis and the fruits of a shift in the management of business operations is also being experienced. Significant milestones were also met in the DTT journey, including SABC's first High-Definition Broadcast, when an HD channel was trialed during the AFCON soccer tournament. Additionally, the DTT Laboratory was implemented during the quarter, as was the Electronic Programme Guide and the development of trial interactive programmes for the DTT platform.

While total revenue was R6.67bn, meeting overall revenue targets as specified in the Government Guarantee, however, remains a challenge. Increases in licence revenue was premised on government approval of annual increases to the licence fee, the zero-rating of VAT on licence fees, government subsidies for low-income and concessionary households and a levy on broadcast receiving equipment, which have not been forthcoming. The decline in audience on television, together with the continued growth of alternative platforms, impacted negatively on advertising revenues.

The environment within which the SABC operates is not only determined by the Broadcasting Regulatory Framework, but is also defined by the broader economic context and the constantly changing broadcast media and ICT environment. The SABC is now operating in a market that is characterised by dynamic change; the migration from analogue to digital TV, the establishment of the internet as a global media platform and the emergence of new technologies and new players have led to audience and revenue fragmentation, as choice for the end user becomes a major factor.

In multi-channel homes, viewing habits have changed, due to increased video content, entertainment choice as well as time shifting technologies like the PVR, resulting in audiences planning their viewing outside of the traditional schedule and flicking around the channels more. Children and young people in multi-channel homes, in particular, show diminishing loyalty to specific channels but the emphasis is placed more and more on specific programs and genres. As a result viewing habits are becoming increasingly polarized in these homes – different groups tend to watch different sorts of programmes and it will become ever more difficult for any one broadcaster to reach a large proportion of the total audience over time.

Numerous challenges were experienced during the fiscal, culminating in the disbandment of the SABC Board. However, the work done during the last quarter of 2012/13 provides a basis for the national public broadcaster to deliver excellent public and commercial broadcasting services in the forthcoming financial year.

Restoring SABC liquidity status to that of a going concern (Government Guarantee issues)

The Government Guarantee, as provided by National Treasury in 2009, continues to play a dominant role in the SABC's financial strategy. Increases in licence revenue was premised on government approval of annual increases to the licence fee.

The decline in audience on television, together with the continued growth of alternative platforms, impacted negatively on advertising revenues. It is worthwhile noting that while afforded the ability to raise the R1.473bn in bank loans, the SABC utilised only R1bn through its Nedbank loan. In addition to the Company's trajectory of prudent financial management, the SABC has recognised the expense incurred through the interest rate payments attached to the loan. To mitigate this, R833m of the capital portion and

Auditor General's Report



Generations, the locally produced Soap featuring the two rival families in the advertising industry competing for success, willing to do what it takes to remain at the top of their game, on SABC1.

interest of R216m have to-date been paid back to Nedbank. The remainder of the debt now stands at R167m plus interest charges of R3m. Finally, while the SABC remains cognisant of the current economic challenges which make investment decisions difficult, the current plan presents innovative and creative solutions to deliver on our public service mandate and build public value.

In order to restore SABC liquidity, the following will be actioned:

- Increasing revenue through effective and efficient collection of TV licence fees;
- Increasing the SABC's share of advertising spend through vigorous marketing to the Trade;
- Re-introducing calculations of commercial value prior to content being acquired; and
- Liaising with advertisers when content is purchased, instead of after the event.

Operations that Ensure Sustainability

Shareholder - Department of Communications



A review of the SABC's Organisational Structure that will enable the business focus to be on improving the effectiveness and efficiency of core business operations has been completed. This revision was also informed by discussions with the Group Executive on their respective divisional structures. The fact that various positions are currently filled by members in an acting capacity provides the SABC with an opportunity to revise the structure before positions are filled. This revision aims to strengthen the Corporation and its core business to enable it to effectively execute against its legislative mandate.

The SABC has developed an unwavering focus on public value creation, which will see it divert a significant portion of its investment strategy towards local content creation. Its vision is to ensure that it continues to play a critical role in maximising the transformation of our country, enhancing democracy, promoting nation-building and social cohesion, reflecting cultural and regional diversity in a unifying manner and achieving the objectives of NEPAD and the African Renaissance. In order to achieve this the Board has defined strategic goals; the seven goals deal with, among other things, putting broadcasting at the forefront of the organisation, addressing issues of editorial integrity and building a digital SABC. These goals also address organisational efficiencies, emphasising accountability, good governance and economically viable operations.

DTT Readiness and Digitisation of Internal Broadcasting Value Chain

Significant milestones were also met in the DTT journey, including SABC's first High-Definition Broadcast, when an HD channel was piloted during the AFCON soccer tournament. Additionally, the DTT Laboratory was implemented during the year under review, as was the Electronic Programme Guide and the development of trial interactive programmes for the DTT platform. The advent of digital broadcasting is galvanizing the SABC into a new era, one of multiple digital quality television channels and radio stations serving the needs, interests and tastes of all those who live in this country in a manner that has hitherto been impossible to achieve. While the existing three television channels have strived to deliver as enjoined by the Constitution and the Broadcasting Act, together with the various statutes governing the business of



SABC News delivering ground breaking broadcasts that regularly appear in the nation's top 30 most watched programmes.

the SABC, the challenge of providing space for the full multiplicity of views, languages and other interactions as demanded by the public has persisted. The SABC thus sees the DTT future as an extremely necessary and urgent intervention that will enable it to deliver on its mandate more meaningfully.

The SABC's strategy as captured within this Corporate Plan puts the development and delivery of public service content in the digital environment at the centre of all its activities as expressed by the SABC Board. This agenda requires focus on audiences, editorial integrity, prioritising the development of local content, telling authentic South African stories and providing creative and innovative content to the country's diverse audiences. The agenda, by necessity, also locates the SABC's strategic direction within the period 2013 to 2016 framework established by the Shareholder in the Department of Communications and the National Economic Development Plan as adopted by Cabinet in October 2012.

The highlight of the period was the Technology Division's DTT team success in setting up infrastructure for the SABC's first ever HD broadcast, further narrowing the digital gap between the national broadcaster and competition. The HD channel was put on trial during the AFCON soccer tournament with encouraging results. The project to put in place infrastructure to carry additional TV channels is underway and it is envisaged that it will be completed by end May 2013. Digital studios are on air, Morning Live is already on air and 24 Hour TV News studios are ready.

The fiscal saw progress being made as follows:

- The development and testing of DTT set top box user interface;
- Implementation of DTT Electronic Programme Guide production system;
- Development of trial interactive programmes for the DTT platform;
- Finalisation of the free-to-air Rules of Operations Manual;
- Staffing and training of the DTT Technology project office;
- Upgrading of the DTT head end from 8 standard definition channels to 12 standard definition channels and a high definition channel;
- Request for information submitted for sub-titling systems; and
- Workshops held with various internal and external stakeholders regarding DTT.

The DTT technology project office has also played a leading role in assisting the SABC in understanding and setting up their DTT conformance lab.

There are now only a few matters to be resolved before DTT could be ready to launch, such as the signal distribution tariffs from Sentech, STB control and adopting the standards to be compulsory rather than voluntary through SABC processes.

Universal Access for TV and Radio

In a broadcast environment characterised by increased competition, the SABC continues to deliver the most watched television channels and listened to radio services in the country. Broadcast content achievements include being the most listened to radio service provider in the country, with weekly audiences growing from 26.6 million in June 2011 to 28.2 million in June 2012. The SABC's public service television channels remain the most watched channels in South Africa with an audience share of 57% (in prime time) of the 7 million analogue terrestrial households and approximately 3 million direct-to-home satellite households.

Maintain Average TV and Radio Audience Market Share

The SABC continues to broadcast the nation's most watched television programmes. Currently, seven of the ten most loved local dramas are broadcast on SABC channels. Television News and Current Affairs delivers ground breaking programming as not only do the isiZulu and isiXhosa news bulletins regularly appear in the nation's top 30 most watched programmes but the news team has also scooped a number of local and international awards such as the SAFTAS and Rose D'or in France. The public service broadcaster's factual programmes – whether in magazine or documentary format – dominate national consumption, while all five of our most watched comedies are not only local but are on the SABC's highly contested prime time schedules slots. Radio not only exceeded some of the targets set in the corporate plan – but increased listenership for nine key stations, including the nation's largest, Ukhozi FM. The robust performance of the PBS stations is particularly noteworthy.

Key Policy Developments and Legislative Changes

There were no changes to legislation during the 2012/13 financial year.

PERFORMANCE

Information by Division: Delivery on the Mandate

Report on the Performance by the SABC SABC FY2012/13 Corporate Plan

KEY DELIVERABLE FY2012/13		KEY PERFORMANCE INDICATORS		
		FY2012/13	Performance Delivery Achieved	Reasons for Deviation
Key Performance Area: Revenue Enhancement				
<i>Strategic Objectives: Restoring SABC liquidity status to that of a going concern</i>				
Total SABC Financial Revenue achieved per annum	Meet the 'Other Revenue' (including Government Grant) target of the year.	R592m	R587m	R18.7m shortfall in Trade Exchange Revenue. Budget of R38m for sponsored Educational programmes included in this amount but actual of R17m is reported now under Sponsorship Revenue.
	Classical Advertising Revenue	R4,3bn	R4,08bn (Net Revenue excluding Agency Commission and MIT Levies)	
			Television shortfall of R336m against target of R3,15bn	Television Audience Share decline from 57% in FY 2011/12 to 53% in FY 2012/13. Excessive Media Inflation. Television pricing adjusted to regain advertiser demand. Loss of R190m from schedule changes.
			Radio over-performance of R61m against target of R1,2bn	Stable Radio Audience Share. Effective Trade Marketing.
	Sponsorships Revenue	R387m	R370m achieved (Net Revenue excluding Agency Commission)	Television Audience Share decline. Insufficient compelling television content. Some sports rights contracts finalised too late.
			<ul style="list-style-type: none"> • R353m (Programme and Sport Sponsorship) • R17m (Education) 	
	TV Licence Revenue	R924m	R914m	Attributable mainly to New Licences and Debt Collection revenue streams not meeting target. These external streams are affected by the economic factors/climate. No direct influence in TV sales and households' inability to meet their debt repayments.
	Subscription TV licence	Lodge Application for subscription TV Licence	Not achieved	Prioritisation of DTT
Key Performance Area: Cost Management				
<i>Strategic Objectives: Operations that ensure sustainability</i>				
Cost effective and Efficient organisation	Employee benefit costs Management	Employee Compensation and benefits capped at R1,94bn	R1,98bn	<ul style="list-style-type: none"> • Cost of pension fund holiday was not budgeted for. • 9.5% salary negotiation settlement versus a budgeted salary increase of 8% • Breakdown of FY 2012/13 actual expenditure on Employee Compensation: <ul style="list-style-type: none"> - Permanent Employees: R1.75bn - Freelance, Temporary Staff and Board Remuneration: R234m
	Leave and Overtime Management	Cost to Company reduction of overtime by 5%	FY 2012/13 Budget vs Actual: Overtime is underspent by 0.3%. Actual spend is R34,470m against the budget of R34,563m	This was mitigated by prudent management by line management and HCS when comparing actual to budget.
		Reduce leave liability by 10%	Leave liability for the fiscal 2012/13 increased marginally by 4.1%. Actual was R161,1m versus budget of R167,7m	Half of the implementation of the encashment and simultaneous taking of leave was only implemented in April 2013, thus missing the target of 31 March 2013.
	Manage expenditure within approved budget	R5.63bn	R5,46bn	Other personnel costs, admin costs, operational costs, consulting fees lower than budget in view of austerity measures. TV licence collection costs lower in view of lower revenue.
	Reduce Sport Rights expenditure for FY 2012/13 by 5%.	Sports rights costs increase limited to 9%	Not achieved Sport Rights cost increased by 31% year on year	Due to austerity, sport budget allocation was reduced year on year. However the following Special Events contributed to the increase in costs: <ul style="list-style-type: none"> • SAFA Rights • Manchester United Tour • Castle Inbound Tour • Trade Exchange Rights not recognised in prior year – Special Events not in prior year

KEY DELIVERABLE FY2012/13		KEY PERFORMANCE INDICATORS		
		FY2012/13	Performance Delivery Achieved	Reasons for Deviation
Key Performance Area: Cost Management				
Strategic Objectives: DTT readiness and digitisation of internal broadcasting value chain				
Launch of SABC on DTT	Launch three new channels on DTT Platform: <ul style="list-style-type: none">• 24hr News Channel• 24hr Sport Channel• Children/Education	Not achieved	The launch of DTT was delayed at a National level which impacted on SABC rolling out DTT.	
SABC Radio Stations on DTT Platform by FY 2013	Launch 19 Radio Stations on DTT	Not achieved		
Launch SABC 24hr News Channel on Satellite	24hr News channel on satellite	Not achieved	Launch delayed due to protracted funding negotiations 24 hour Channel setup.	
Delivery of SABC Mobile TV	This Objective is only due in FY2013/14	N/A	N/A	
Launch of SABV TV Programming On Line	This Objective is only due in FY2013/14	N/A	N/A	
Strategic Objectives: Universal Access				
Increase TV footprint to 100% by year 2015	Roll out 100 low power transmitters (Radio and TV)	46	Sentech had experienced delays in obtaining site rental agreements with site owners. ICASA has still not approved the SABC blanket application for the roll out of low power transmitters.	
Strategic Objectives: Maintain average TV audience market share				
Maintain a 57% average TV audience market share by FY 2014/15	57%	53%	Increasing competitive landscape resulting in lost audience share. Insufficient compelling television content.	
Gain a 20% average TV audience share on Mobile platform by 2014/15	This Objective is only due in FY2013/14	N/A	N/A	
Gain a 14% average TV audience share on Online platform by 2014/15	This Objective is only due in FY2013/14	N/A	N/A	
Maintain average Radio audience market share of 67%	Grow and maintain SABC PBS audience market Share to 56% by FY 2014/15	56%	Achieved 67.4% for overall radio. PBS radio achieved 58.2%	Radio Management developed and implemented strategy focussing on 6 under performing brands and performance improved.
	Grow and maintain SABC PCS audience market Share to 11% by FY 2014/15	11%	Not achieved Delivered 9.2%	This is due to METRO FM and 5FM not increasing audience in the fiscal because on non - marketing of stations.
	Improve SABC PCS radio Share of LSM 7-10 market of 18% by FY 2014/15	18%	Not achieved Delivered 15.6%	Limited marketing activity impacted on commercial stations performance.
Local Content Investment – R800m	Grow Local Content Investment by CPI	Local Content Investment – R800m	R592,6m	Slow contracting of the 2011 RFP Book and average increases % on Re-commissions were between 0% and 2%.
International Content Investment – R200m	Grow International Content Investment by CPI	International Content Investment – R200m	R243,1m	The Warner Brothers and NBC payments were only processed in April and May 2013, timing of new negotiations and the contracting process is difficult to predict. The weakening of the Rand had a negative impact on foreign cash payments.
Key Performance Area: Broadcast Technology Infrastructure				
Strategic Objectives: DTT readiness and digitisation of internal broadcasting value chain				
Digitisation of studio 1 and 2 by FY 2014	R30m	Not achieved	Legal dispute and fire disaster within the studio area caused start time delays resulting with an eight month time shift of the project.	
A full Digital Playoutcentre for all SABC Channels, completed by FY2014	R102m	R34,650m Translating to infrastructure for 8 TV channels, 19 radio stations and distribution infrastructure.	Legal dispute and fire disaster caused implementation delays of the playout related group of projects, pushing secondary phases to the following financial years.	
Deliver SABC Digital Library – 100% all content digitised by FY2015	This Objective is only due in FY13/14	N/A	N/A	
Key Performance Area: Governance				
Strategic Objectives: Embedded Risk management into day to day activities of the Corporation				
Review, enhance and board approval of risk management policies: <ul style="list-style-type: none">• Risk Management Policy• Whistle Blowing Policy• Fraud and Corruption Policy Board and Group Exco Risk Assessment (Top Down) 31 August 2012 Fraud Risk Assessment	• Board and Group Exco Strategic Risk Registers	Not achieved	Lack of availability of Board to do a risk assessment	
	• Fraud Risk Registers	Not achieved	Procurement of Service provider	
	• Risk Management Policy	Achieved	Approved by SABC Board	
	• Whistle Blowing Policy	Achieved	Approved by SABC Board	
	• Fraud and Corruption Policy	Achieved	Approved by SABC Board	
	• Fraud and Corruption Awareness Training	Achieved	Approved by SABC Board	



PCS Radio: 5FM broadcasting *The Fresh Drive* with DJ Fresh live from the Studios in Johannesburg.

Strategies to Address Areas of Underperformance

The SABC has identified the following key areas and strategies to address underperformance:

- PCS Radio stations will conduct qualitative audience research to determine the relevance of the stations in the commercial market they operate in. They will also review programming formats to ensure that they are in line with contemporary radio consumption patterns. Insofar as production excellence is concerned, PCS Radio stations will embark on continuous improvement measures to ensure that contemporary standards are met. In line with the research findings, relevant quality content will be at the centre of SABC Radio in order to captivate its listeners. The SABC is also engaging SAARF through the National Association of Broadcasters (NAB) to ensure that the research methodologies employed by the organisation are a true reflection of the population data and the audience behaviour.
- SABC Television has identified audience and revenue decline as areas of underperformance. To address this, compelling programming in the form of more local content will be procured cost-effectively. To achieve this, the SABC will enter longer term deals which will allow for schedule stability and economies of scale to be applied. Cherry picking of international titles, first-to-market acquisitions and theming are some of the strategies that will be implemented. Innovative marketing campaigns on as many platforms as possible and strategic alliances with distributors will also be a focus. The channels will also ensure higher levels of viewer interaction to ensure that the schedule provides what the viewer wants.
- In preparing for the future, the SABC has developed innovative revenue strategies and trading models that will cater for the advent of DTT and an SABC multi-channel television and multi-platform environment. For all revenue-enhancing mechanisms, however, there is an inherent dependence on audience share performance and quality of content.
- The SABC will continue to encourage staff to take leave that is due to them and to implement more encashment in order to further reduce the leave liability. The leave policy will be reviewed to cap the leave accumulation that would reduce strain on the SABC finances. While cost for overtime is being managed through continued prudent workload management, the outcomes of the skills audit will enable management to increase the capability of its staff, to achieve high productivity rate in an optimal and disciplined time management manner.
- The Board and Executive Management acknowledge the limited risk management activities as contained in the Risk Management Framework. Risk management function will ensure compliance and implementation of the Risk Management Framework, as approved by Board. Effective implementation will ensure the embedding of risk management in the day-to-day operations of the organisation. The review of risk management instruments will be undertaken in the financial year 2013/14 to reflect the changes in the operating environment of the SABC and address the emerging challenges it faces.

Summary of

FINANCIAL INFORMATION

Performance Against Budget

Revenue Performance

Company results	FY2012/13			FY2011/12 (restated)		
	Actual R'000	Budget R'000	Variance R'000	Actual R'000	Budget R'000	Variance R'000
Sources of revenue						
TV advertising revenue	3 382 569	3 788 759	(406 190)	3 511 587	3 276 048	235 539
Radio advertising revenue	1 473 312	1 398 297	75 015	1 297 579	1 264 659	32 920
Sponsorship revenue	410 470	462 990	(52 520)	402 057	665 357	(263 300)
Trade exchange	138 694	157 267	(18 573)	68 704	128 799	(60 095)
TV Licence fees	913 838	924 267	(10 429)	892 649	909 334	(16 685)
Government grants	224 441	160 161	64 280	129 591	145 465	(15 874)
Other revenue	87 447	128 230	(40 783)	91 695	77 228	14 467
Content and commercial exploitation	32 288	68 794	(36 506)	31 252	91 000	(59 748)
Revenue websites	2 753	5 363	(2 610)	1 631	8 297	(6 666)
Other income	101 120	72 997	28 123	64 905	74 502	(9 597)
Total gross revenue	6 766 932	7 167 125	(400 193)	6 491 650	6 640 689	(149 039)

(Note: all revenues are now stated at gross).

At the end of financial year 2012/13 total gross revenue was R400m (6%) lower than budget compared to the R149m lower than budget performance of the previous year. Year-on-year revenue grew by R275m (4%).

Television advertising revenue was R406m lower than budget (financial year 2011/12 – R236m higher). This is in view of a declining audience share from 57% in financial year 2011/12 to 53%. Schedule changes in view of Sport events, events of national interest and title changes also added to a decrease in revenue. Compared to last year Television advertising decreased by R129m (4%). The decrease in audiences resulted in an increase in media inflation and the sales team had to adjust their sales tactics to reduce further losses.

Radio advertising performed better than budget by R75m in view of a stable radio audience share and effective trade marketing. PBS radio audience share was 58.2% against a target of 56%. Strategies were implemented to improve the performance of 6 underperforming stations. Radio advertising grew by R176m (14%) compared to the previous year.

Sponsorship revenue was R53m lower than budget in view of declining television audience share, lack of compelling content. Late and protracted sport right negotiations made it difficult for the sales team to attract more sponsorship. The growth on last year was a mere R8m (2%).

Expense Performance

Company results	FY2012/13			FY2011/12 (restated)		
	Actual R'000	Budget R'000	Variance R'000	Actual R'000	Budget R'000	Variance R'000
Operational expenses						
Amortisation of prog., film and sport rights	1 516 341	1 619 265	102 924	1 370 395	1 459 946	89 551
Impairment/(reversal of impairment) of prog., film and sport rights	12 230	36	(12 194)	(3 281)	36	3 317
Impairment of trade and other receivables	789	-	(789)	-	-	-
Broadcast costs	408 390	512 446	104 056	501 976	441 378	(60 598)
Signal distribution and linking cost	514 792	557 220	42 428	458 122	550 559	92 437
Non-permanent employees	257 505	237 973	(19 532)	220 847	217 833	(3 014)
Permanent employees	1 819 625	1 706 876	(112 749)	1 619 324	1 541 060	(78 264)
Productivity gains	-	(480 525)	(480 525)	-	(121 500)	(121 500)
Marketing costs	123 307	210 097	86 790	123 788	231 938	108 150
Revenue collection costs	913 200	1 042 977	129 777	905 049	1 154 940	249 891
Professional and consulting fees	63 763	182 862	119 099	133 351	157 597	24 246
Other expenses - personnel costs	79 237	145 070	65 833	49 822	133 599	83 777
Other expenses - operational	405 632	515 676	110 044	404 167	466 171	62 004
Other (profits)/loss	482	380	-102	307	1 128	821
Impairment of property, plant and equipment	-	-	-	-	-	-
Total operational expenses	6 115 293	6 250 353	135 060	5 783 867	6 234 685	450 818

The use of unsold advertising inventory in return for goods, services and sports rights was lower than budget by R19m. The SABC started to record the trade exchange for certain Sports rights during the year. This resulted in trade exchange revenue to grow by R70m (102%) year on year.

The collection of TV licences was R10m lower than budget in view of a decrease in the sale of television sets and difficult market conditions. Collections managed to grow by R21m (2%) from year on year.

The support from government for the AFCON 2013 tournament resulted in Government grants to be R64m higher than budget.

Other revenues from mobile (SMS) services, merchandise sales and facility rentals were R41m lower than budget. Facility rentals included a budget of R38m for sponsored education programmes. The actual revenue of R17m was recorded under sponsorship revenues.

The sale of content and programme rights was R37m lower than budget. Revenue from TV programme royalties remained low compare to the previous year.

Challenges experienced with the maintenance of the SABC's websites resulted in revenue from this source to be R2.6m lower than budget. Year-on-year revenues improved by R1m (69%).

Other income from rental of services at special sport events (AFCON 2013) contributed to an above budget performance of R28m (a growth of R36m - 56%).

Total operational expenses were R135m (2%) lower than budget compared to the R451m lower than budget spending of last year. Expenses grew by R331m (6%) from last year.

The amortised cost of film, programmes and sports rights was R103m (6%) underspent compared to budget. Last year the underspending was R90m compared to budget. Year-on-year spend on content increased by R146m (11%). This is in view of the review and re-calculation of current and previous year amortised costs as part of work done to clear the qualified audit. Cash investment in new content was also higher than last year. The division did not publish a new 2012 'RFP' - book for new programme proposals.

The move of the AFCON 2013 tournament to South Africa was not budgeted for. A government grant was received to cover the local broadcaster rights fees.

The impairment of trade receivables was not budgeted for.

Broadcast costs were R104m (20%) lower than budget in view of lower trade exchange costs. Last year broadcast costs were R61m higher than budget in view of increasing the provision for music royalties relating to the 'Needle time' legal case. Compared to last year broadcast costs were R94m (19%) lower in view of the adjustment made for music royalties in financial year 2011/12.

Signal distribution and linking costs were lower than budget by R42m as fewer low power transmitters (46 of a planned 100) were activated during the year. Sentech experienced delays in obtaining rental agreements with the owners of land.

Non-permanent employee costs grew by R37m (17%) year-on-year and was R20m higher than budget. Radio freelance fees were increased to retain on-air talent.

Permanent employee compensation and benefits were R113m higher than budget in view of the actuarial valuation of the defined benefit pension fund as recognised in the profit and loss at R184m. This was not included in the budget. This contributed to the year-on-year growth in employee costs of R200m (12%). Basic salaries also increased by R100m (11%) following a salary increase of 9.5% after wage negotiations, a R26m salary parity exercise and medical aid contribution increase of R8,7m (10%). The arbitration awards increased by R4.9m.

Budget cuts in the form of 'productivity gains' had to be made late in the financial year after the SABC's request to adjust some of the government guarantee targets was not approved. The initial corporate plan submitted budgeted for an R11m surplus. This had to be adjusted to the R536m surplus as per the government guarantee. By the time the SABC received feedback that the request was not approved, business units had already committed their budgets for the year and were implementing their plans. The required budget cut could not be found in specific cost lines and a total budget cut or 'gain' was added to each business unit's budget. Units were required to manage their expenses or increase revenues during the year in an effort to reach the government guarantee objective. Savings achieved by business units are reflected on the specific expense account e.g. 'consulting fees'.

Marketing costs were R87m lower than budget and on par with the previous year's spending. The marketing/revenue ratio decreased

slightly from 1.9% to 1.8% year-on-year. Although the SABC could not finalise the marketing agency tender, business units managed to maintain the level of marketing invested in revenue by using Adhoc agency support and in-house publishing, printing and radio production facilities to produce advertising campaigns. The underspending on PCS radio marketing campaigns resulted in lower than targeted audience share.

Revenue collection costs now also include advertising agency fees. Advertising collection costs were R90m lower than budget in view of lower TV advertising and Sponsorship revenues. TV Licence collection costs were R40m lower than budget in view of revenue being lower than budget as well. Compared to last year advertising collection costs of R778m grew by R3m and TV Licence collection costs increased by R5m. As a ratio advertising and sponsorship collection costs were 17.3% of revenue (last year 17.5%). The TV licence collection cost ratio also remained the same year-on-year at 14.6% of revenue.

Professional and consulting fees were lower than budget in both years. Professional fees (audit, legal and actuarial services) were R26m lower than budget, mainly on legal fees but compared to last year legal fees increased by R14m. Consulting fees were R88m lower than budget. A number of IT related support services were budgeted for under consulting services but paid under software maintenance costs. A number of units did not use the allocated budgets relating to the following projects: turnaround project (came to an end in previous year), the review of the editorial policy, regulatory policy changes, the implementation of an internal control framework, upgrade of advertising Landmark system.

Personnel costs were lower than budget by R66m but increased by R30m (59%) on last year. External courses were underspent by R33m but did increase on the previous year by R20m (255%). Workshops were held internally resulting in lower than budget spending of R11.5m.

Other expenses (operational) were R110m lower than budget. A number of items were lower than budget. This includes software maintenance (R27m), software leases (R17m), lease of equipment (R12m) and electricity (R9). Compared to last year other operational expenses increased by R1m.

Abnormal and Special Events

Following the Henley fire, funds had to be made available to clean-up and ensure continued operations of television productions. Related expenditures included the following:

- Moving productions to external studios – R4,3m;
- Cleaning services – R2,5m;
- Maintenance and repairs – R2m;
- Security services – R1,6m; and
- Capex related replacements – R0,8m.

The hosting of the 2013 AFCON soccer tournament was made possible by using the Libya production budget and an additional grant received from Government.

Capex Budget

By the end of the financial year spending on new capital equipment and replacement of old technology was underspent by 80%. Only R122m of a total Capex budget of R500m was used. The cancellation of the Siemens technology implementation contract and the Henley fire resulted in some digital migration projects being delayed by eight months.

Production Budget

Funds made available for television productions were underspent by R331m. The local content production budget of R800m was underspent by R207m. The division was unable to publish a new 2012 RFP book and start the commissioning process of new productions. The average cost per minute increase for re-commissioned programmes were kept in-line.

The foreign content budget of R200m was underspent by R124m. New acquisition contracts were only concluded by year-end. The slow commissioning and long negotiation process could have an impact on future programme stock levels and cash flow requirements. A shortage of productions would require more cash to be made available over a short period of time.

Loans

The improvement in days to collect from debtors and the underspending in a number of areas resulted in higher than expected levels of cash during the year. At the end of December 2012, cash balances were above R1bn and liquidity ratios positive. The interest earned on money market investments was 5.25% and the interest paid on the loan 8%. A decision was made and approved by the Board to accelerate the payment of the R1bn Nedbank loan and a capital repayment of R417m was made in January 2013. This resulted in the payment period of the loan to decrease by 14 months and a saving in interest costs of R17m. By the end of the financial year the SABC owed R167m and the final payment will be made by September 2013.

Performance Against the Government Guarantee

Performance against the financial conditions of the guarantee agreement was as per table below:

At the end of financial year 2009/10 the SABC could not achieve the target loss of R283m in view of limited time to implement the turn-around plan. During financial year 2010/11 the implementation gained speed and the actual loss of R117m was lower than the targeted loss of R228m. At the end of financial year 2011/12 the SABC managed to return to a surplus position of R377m that was also higher than the target surplus of R228m.

As projected since September 2012, the SABC was not able to meet the GG target surplus of R536m for financial year 2012/13. Revenues were R604m (9%) and expenses R28m (0.5%) lower than target. Depreciation and impairments was R183m (39%) and net finance costs R206m (91%) lower than target. The targets did not include taxation or the impact of actuarial valuations of post retirement medical aid and the defined pension fund liabilities. The adjustment of the SABC's financial results for these valuations is therefore not included in the results reported here.

Company Income Statement R'million

	FY09/10 Actual	GG09/10	FY10/11 Actual	GG10/11	FY11/12 Actual	GG11/12	FY12/13 Actual	GG12/13	GG12/13 Variance	GG12/13 Var %
Revenue and Other Income	4 787.8	4 990.0	5 292.5	5 569.0	5 677.5	6 081.0	5 947.7	6 552.0	(604.3)	(9.2)
Expenses	(4 886.4)	(4 872.5)	(4 963.3)	(5 267.8)	(4 970.8)	(5 199.5)	(5 295.3)	(5 323.0)	27.7	0.5
Depreciation and Impairments	(259.9)	(233.0)	(361.0)	(316.0)	(266.3)	(391.0)	(283.4)	(466.0)	182.6	39.2
Net Financing Income/(Loss)	(74.9)	(167.5)	(85.1)	(213.2)	(63.5)	(262.5)	(21.3)	(227.0)	205.7	90.6
Profit/(Loss) before Tax	(433.4)	(283.0)	(116.9)	(228.0)	376.9	228.0	347.7	536.0	(188.3)	(35.1)

(Please note: revenue targets were based on the net revenue accounting policy and not at as gross as per the new accounting policy)

Revenue Targets

The 2012/13 fiscal was marked by sharply contrasting revenue performances by Television Sales and Radio Sales. Even though the annual commercial revenue targets were not met in the circumstances, marginal year-on-year growth was achieved. Commercial revenue is the primary enabler of the SABC, as the South African Public Service Broadcaster, to meet its mandate to deliver extensive public value.

Television revenue budgets had been premised on retaining the financial year 2011/12 level of television audience share, actual audience share performance was significantly lower. The combination of maintaining the 2012 television pricing strategy, the audience decline led to excessive television media inflation and advertisers questioning the value they were getting from the SABC. In mitigation, the pricing strategy had to be adjusted midway through the fiscal to stimulate advertiser demand. Coupled with various other remedial steps that were implemented, the outcome was significantly better television revenue performance in the final quarter. This enabled Group Sales to improve the projected shortfall for the full fiscal by some R150m.

The deterioration of television audience share performance led the SABC to raise its concern with the Board of the South African Audience Research Foundation (SAARF) in September 2012, about perceived credibility issues relating to the Television Audience Measurement Survey (TAMS) audience data. The SABC requested an audit of the TAMS data and the SAARF Board subsequently commissioned an independent audit. The auditors arrived in South Africa in January 2013 and presented their final report to the SAARF Board in April 2013. The outcome of the audit is likely to have far-reaching implications for both media owners and advertisers.

Radio Sales performed well throughout the review period and recorded 14% year-on-year revenue growth. A new monthly record was achieved in November 2012 and Radio Sales met the annual overall revenue target on the last day of February 2013.

Digital media platforms did not achieve their full revenue potential. The primary reason was insufficient tangible audience attraction by the SABC digital media platforms for much of the fiscal.

In preparing for the future, Group Sales developed innovative revenue strategies and trading models that will cater for the advent of DTT and an SABC multi-channel television and multi-platform environment. For all revenue-generating mechanisms there is an inextricable dependence on audience and content performances.

A significant revenue highlight for both television and radio was the performance of AFCON 2013. The event illustrated how close collaboration between Sales, Content and Platforms, well in advance, pays off both in terms of advertising trade appetite and audience performance.

Revenue R'million	Cur Year Actual	GG12/13	GG12/13 Variance	GG Var %
Advertising Revenue	(4 078.1)	(4 268.0)	(189.9)	(4.4)
Sponsorship Revenue	(369.7)	(738.0)	(368.3)	(49.9)
Trade Exchange	(138.7)	(111.0)	27.7	24.9
TV Licence fees	(913.8)	(990.0)	(76.2)	(7.7)
Government Grants	(224.4)	(196.0)	28.4	14.5
Other Revenue	(190.7)	(155.0)	35.7	23.0
Content and Commercial Exploitation	(32.3)	(94.0)	(61.7)	(65.7)
Total Revenue	(5 947.7)	(6 552.0)	(604.3)	(9.2)

(Please note: revenue targets were based on the net revenue accounting policy and not at as gross as per the new accounting policy)

The following revenue items performed lower than target:

- Advertising – R190m (4%). This is in view of a declining audience share from 57% in financial year 2011/12 to 53% in financial year 2012/13. Schedule changes in view of Sport events, events of national interest and title changes also added to a decrease in revenue.
- Sponsorship revenue - R368m (50%). Sport sponsorships did not improve dramatically after the 2010 FIFA Soccer World Cup. The targets assumed that sponsorship revenues would remain high. Late and protracted sport right negotiations made it difficult for the sales team to attract more sponsorship.
- TV Licences – R76m (8%). Approval for an increase was made once in 2009 only. Collections managed to grow by R21m (2%) from last year.
- Content and Commercial – R62m (66%). Revenue from TV programme royalties remained low compared to the previous years in view of limited product offerings.

The following items performed better than target:

- Government Grants – R28m (15%). AFCON 2013 funding was not included in targets;
- Trade exchanges – R28m (25%). Sport 'value-in-kind' agreements were not included at the time of setting targets; and
- Other Revenue R36m (23%). Sale of London Olympic TV rights was not included in targets.

Expense Targets

Expenses R'million	Current Year Actual	GG12/13	GG12/13 Variance	GG12/13 Var %
Amort. and Imp. Prog, Film and Sport	1 528.6	1 946.0	417.4	21.5
Broadcast Costs	367.2	344.0	(23.2)	(6.7)
Signal Distribution and Linking Costs	514.8	552.0	37.2	6.7
Employee Compensation and Benefits	2 077.1	1 518.0	(559.1)	(36.8)
Marketing Costs	123.3	256.0	132.7	51.8
Direct Licence Collection Costs	135.2	216.0	80.8	37.4
Professional and Consulting Fees	63.8	28.0	(35.8)	(127.7)
Other Expenses - Operational	348.4	339.0	(9.4)	(2.8)
Other Expenses - Personnel Cost	79.2	90.9	11.7	12.8
Other Expenses - Administrative	57.2	33.1	(24.1)	(72.8)
Other (Profits)/Loss	0.5	0.0	(0.5)	0.0
Total Expenses	5 295.3	5 323.0	27.7	0.5

(Please note: revenue targets were based on the net revenue accounting policy and not at as gross as per the new accounting policy)

The following major expenses were lower than target:

- Amortisation of programme, film and sport rights were R417m (22%) lower than target. This is in view of the review and re-calculation of current and previous year amortised costs as part of work done to clear the television qualified audit. Cash investment in new television content was also lower than budget. The division did not publish a new 2012 RFP book for new programme proposals.
- Signal distribution costs – R37m (7%). Fewer low power transmitters (46 of a planned 100) were activated during the year. Sentech experienced delays in obtaining rental agreements with the owners of land.
- Marketing costs – R133m (52%). Although the SABC could not finalise the marketing agency tender, business units managed to use 1.8% of revenue for marketing purposes by using adhoc agency support and in-house publishing, printing and radio production facilities to produce advertising campaigns.
- Direct TV licence collection costs – R81m (37%) lower in view of lower revenues, and
- Other Personnel costs – R12m (13%). Workshops were held internally resulting in lower than budget spend of R11.5m.

The following major expenses were higher than target:

- Broadcast costs – R23m (7%) in view of the increase in the provision for music royalties relating to the 'needletime' costs.
- Employee compensation – R559m (37%). The target envisaged that the permanent head count would reduce over the period. The actuarial valuation of the defined benefit pension fund as recognised in the income statement at R184m added to this shortfall. This was not included in the target. The envisaged reduction in head count also did not happen as fast as planned. Above inflation related salary increases (as a result of wage negotiations) and adjustments in salary anomalies also resulted in increased costs.
- Professional and consulting fees – R36m (128%). The target assumed that use of consultants would be reduced in total. The target amount basically only allowed for audit fees. Other professional services e.g. actuarial valuations and legal services are also included in this expense item.
- Other Operational expenses – R9m (3%). Areas that increased included electricity R10m (17%) and municipal rates and services R3m (18%).
- Administration costs – R24m (73%) higher than target.

Adjustment of the target for abnormal events and external factors (as discussed on the previous page)

	R'm
Target surplus (before tax)	536
Actual surplus (before tax)	348
Variance (below target)	(188)
Add back:	
Henley fire costs	10
AFCON net loss	25
National events – revenue loss, production costs excluded	21
No TV licence increase	55
Pension fund actuarial valuation	184
Comparative variance (better than target)	107

DELIVERY ON MANDATE

Compliance with Licence Conditions

SABC TV and Radio continued to be the most watched and listened to platforms in the country, successfully meeting their public service mandate and delivery of public value to over 26 million South Africans.

The quotas of various genres as prescribed by the licence conditions, serve as a yardstick for the Regulator to measure the Public Service Broadcaster's delivery on its mandate as stipulated in the Broadcasting Act.

For the financial year 2012/13, the SABC complied with the licence conditions. Where applicable, the SABC applied to the ICASA for exemption, which was granted. Such cases included the AFCON, the London Summer Olympics, the ANC Centenary Celebrations and Elective Conference as well as the Democratic Alliance (DA) Elective Conference.

SABC Radio

SABC Radio continued to educate, inform and entertain the majority of South Africans in more than 11 indigenous languages.

During the year under review, the audience loyalty to the 18 radio station brands remained high despite the entry of numerous new commercial and community players into the South African broadcasting landscape over the last decade.

SABC Radio remained the employer of choice with some of the biggest names and most successful on-air talent on its line-up in

the country. Evident from the South African Advertising Research Foundation (SAARF) report, the SABC continued to deliver exceptional programming and entertainment daily with listeners responding by offering their unwavering support to their favourite personalities during the year under review.

According to the SAARF report, the estimated number of adults aged 15+ is said to be 34,935 million. Radio reaches 31,108 million adults aged 15+ on a weekly basis out of which the SABC 18 radio stations claims a staggering 26,725 million listeners. This translates to a 76.5% penetration into the adult population.

The SABC further prides itself in the fact that two of its radio stations continued to deliver record audience numbers on a weekly basis during the 2012/13 financial year. Ukhozi FM, an SABC PBS Radio station, reaches 7,132 million adults per week while METRO FM, an SABC PCS Radio station, reaches 5,713 million, with a combined weekly audience of 12,845 million. This is testimony to the power of SABC Radio. SABC Radio's success is unparalleled with eight out of the top 10 list of favourite radio stations nationally emanating from the SABC stable.

Radio Performance of South African Music

During the period under review, SABC Radio generally performed above ICASA's minimum requirements for South African music. The Regulations require that the PBS radio stations broadcast a weekly average of 40% South African music with the exception of Lotus FM who has to deliver a minimum quota of 20%. The commercial stations are required to broadcast 25% South African music.

The list below provides annual average music percentage per station for the fiscal 2012/13:

% PCS and PBS Local Music	
PCS	Average % FY 2012/13
5FM	31%
Good Hope FM	31%
METRO FM	28%
PBS	Average % FY 2012/13
SAfm	71%
Tru FM	60%
Lotus FM*	23%
RSG	86%
Munghana Lonene FM	66%
Lesedi FM	67%
Radio 2000	59%
XKFM	90%
Umhlobo Wenene FM	72%
Ligwalagwala	71%
Motsweding FM	64%
Phalaphala FM	68%
Thobela FM	66%
Ukhozi FM	62%
Ikwewezi FM	70%

Use of Official Languages

SABC Radio delivers broadcasting in more than the 11 official languages and some stations also broadcast in languages of minority groups.



➤ **SABC Radio's on-air talent:** Drive time Dj's from the various SABC radio stations.

PBS Stations:

- XK FM broadcasts equally in Xhosa and Ndebele;
- Lotus FM broadcasts mainly in English with daily broadcasts in Urdu, Tamil, Gujarathi and Hindi;
- SAfm broadcasts in English;
- Radio 2000 broadcasts primarily in English;
- Tru FM broadcasts equally in isiXhosa and English; and
- RSG broadcasts in Afrikaans.

PCS Stations:

- METRO FM;
- 5FM; and
- Good Hope FM broadcasts as prescribed, in English.

Delivery as per the Public Service Mandate:

PBS Radio delivers on a weekly basis programmes that address the challenges and issues facing the nation and consistently promote nation-building values and social cohesion. These themes include the following:

- Moral regeneration;
- Health issues;
- Education matters;
- Job creation;
- Human rights;
- Crime and stability;
- Arts and culture;
- Sports and recreation;
- Labour;
- Heritage and tourism;
- African renaissance; and
- Science and technology.

ICASA Genre Licence Conditions

Performance of the SABC PBS Radio against ICASA genre licence conditions

	News (daily)			Curr Affairs (daily)			IKB	Education	Children	Drama
	M-F	SAT	SUN	M-F	SAT	SUN	Weekly	Weekly	Weekly	Weekly
SAfm	89	95	95	241	*	*	1410	300	60	260
ICASA Quota	60	60	60	60	*	*	180	240	60	150
RSG	109	60	60	173	60	60	1260	310	90	275
MLFM	80	80	70	115	60	60	1325	330	60	115
Lesedi FM	81	60	60	188	60	60	1015	295	85	205
Ikwekwezi FM	129	70	70	140	60	60	1070	360	130	255
Ukhozi FM	84	60	60	166	60	60	2495	305	180	180
Phalaphala FM	85	85	85	110	60	60	2610	300	150	220
Ligwalagwala FM	99	60	60	110	60	60	1870	355	405	250
Motsweding FM	95	60	60	99	60	60	1180	305	75	150
Thobela FM	208	110	80	96	60	60	1750	420	420	160
Umhlobo Wenene FM	84	80	80	137	60	60	890	305	385	140
ICASA Quota	60	60	60	60	60	60	180	300	60	150
Lotus FM	75	75	75	89	60	60	615	*	*	190
ICASA Quota	60	60	60	60	60	60	180	*	*	150
X-K Fm	80	50	50	110	55	55	1525	695	540	*
ICASA Quota	30	30	30	30	30	30	180	300	15	*
TruFM	74	60	60	53	30	60	1875	300	50	*
ICASA Quota	60	60	60	30	30	30	60	120	30	*



▶ The signing ceremony of the 49M initiative, broadcast live on Morning Live, with the SABC's Group CEO Lulama Mokhobo and Eskom's Chief Executive Brian Dames.

Key Achievements

For the period under review, SABC Radio delivered a healthy national adult audience share of 68.8% against its fiscal target of 68%. PBS Radio delivered 59.6% share while PCS Radio contributed 9.2% towards this total. The Radio portfolio also collectively accounts for 52% audience share in the lucrative Living Standard Measure (LSM) of 7-10 audience segments. This occurred despite the entry of new commercial and community radio stations including the advent of new media targeting the same audience.

Programming Highlights

SABC Radio continues to build its business on the foundation of top on-air talent, high quality production, well researched topics, entertainment and engaging presentation styles which seek to retain listeners.

The following represents (but are not limited to) some of the programming highlights Radio delivered during the fiscal under review:

- The ANC's Centenary Celebrations where a wide spectrum of contributors to the liberation was profiled was a highlight for Radio during the year under review. The profiles covered various topics including the role of the liberation struggle, political formations, women, youth, sports and arts.
- The state of the art broadcasting of international sports which included the 2012 London Olympic Games as well as the AFCON are the highlights for the year under review.



➤ **Riaan Cruywagen**, the longest serving TV news reader in the country was bid farewell after serving the SABC for more than 47 years

SABC Television

During the year under review, SABC TV continued to be the most watched TV channels in the country, effortlessly meeting their public service mandate and delivery of public value.

TV Performance for Local Content

The channels generally complied with the licence conditions with a notable over performance on local content by SABC1 and SABC2 during the period under review.

In terms of the licence conditions, the Corporation must provide the following information to ICASA, in respect of its television channels on an annual basis:

- The different genres;
- South African television content;
- The use of each official language; and
- The extent of advertisements broadcast

The table below provides the channels' performance on local content

The TV channels continued to over deliver on their local language targets for languages other than English during the performance period. Delivery on marginalised languages continues to be a challenge, due to a lack of capacity within the industry to delivery thereon.

Language on Television

The language quotas for the PBS channels are fourfold:

- A minimum number of hours of programming in languages other than English, excluding marginalised languages, in prime time.
- A minimum number of hours of programming in marginalised languages, in prime time.
- A minimum number of hours of programming in languages other than English, including marginalised languages, in prime time.
- A minimum number of hours of programming in languages other than English, including marginalised languages, in the performance period.

Performance against these quotas is depicted in the graphs below.

Audience Experience

The fiscal has been a challenging one for the division, with increased competition resulting in declining audiences. The network does however continue to command over 50% audience share, with programmes such as Generations, InterSEXions and Skeem Saam reaching unprecedented high audience shares of 70%, 60% and 50% respectively. It continues to produce award winning content and dominates the top 20 highest performing programmes lists month on month.

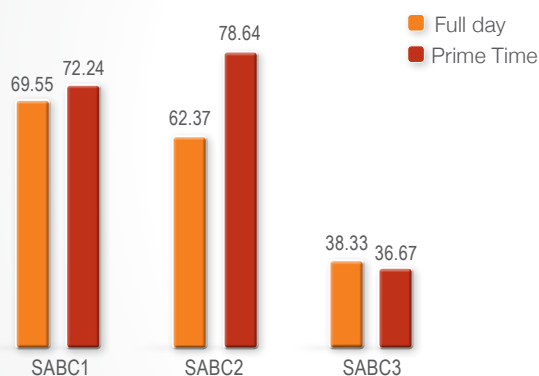
Television Highlights

During the period under review, the SABC successfully broadcasted the AFCON tournament. The TV Division restructured the broadcast schedules during the AFCON broadcast period. SABC1 was designated as the Home of Soccer for the duration of the tournament. This proved to be an innovative strategy which yielded great results for the organisation. The outcome of this strategy also provided the network with learnings that can be applied to similar tournaments in the future.

The 2012 London Olympic and Paralympic Games were broadcast by the network in July and August 2012, with SABC2 as the main broadcast channel, while SABC1 and SABC3 showcased specific events. The broadcast was an important milestone for the network, cementing national sporting events as key nation building opportunities and pillars of public service broadcasting.

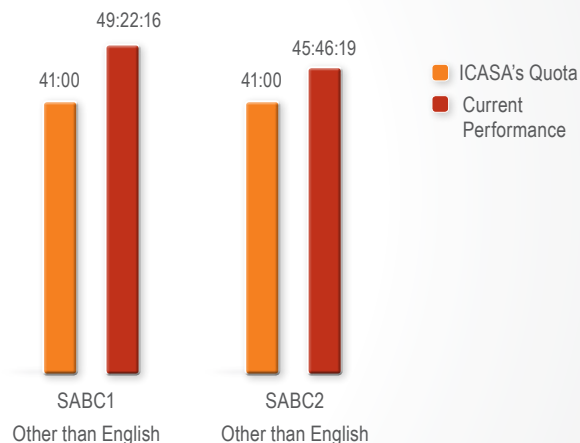
Local Content

ICASA's overall local content quotas: 55% for PBS and 35% for PCS



Source: Broadcast Schedules (2 April 2012 - 31 March 2013)

Language delivery during TV performance period



Source: Broadcast Schedules (2 April 2012 - 31 March 2013)

The 2012/13 fiscal celebrated anniversaries of a number of programmes, honoured celebrities and the re-launch of SABC2. In the third quarter of the year under review, SABC2 hosted the Pasella Nights and Muvhango 15 year celebration. Riaan Cruywagen, the longest serving TV news reader in the country was bid farewell after serving the SABC for more than 47 years. SABC2 also launched its refreshed new look which was well received by stakeholders and audiences. These events celebrated programmes and icons, allowing audiences and the media to interact with the content and the channel as a brand.

On the 26th and 27th March, South Africa successfully hosted the 5th BRICS Summit at the Durban International Convention Centre. BRICS, the powerful grouping of the world's leading emerging economies, namely Brazil, Russia, India, China and South Africa; convened to seek common ground on areas of importance for these major economies. SABC2 broadcasted parts of the proceedings of the summit.

SABC2 continued to remain true to its proposition as the channel of the nation and carried live broadcasts of the SONA and the Budget Speech. This was complemented by SABC1's special broadcast of the State of the Nation documentary, which was done in partnership with the Department of Communications (DoC).

SABC TV participated and attended DISCOP 2012 between 31st October and 2nd November 2012, the biggest film market to take place in Africa. South Africa had the honour of hosting this event during the year under review at the Sandton Convention Centre.

In support of World Aids Day the SABC rolled out various on-air campaigns across all SABC TV channels to support World Aids Day in December 2012.

In support of the International Day for Men which was on the 19th of November 2012, SABC Education in partnership with John Hopkins Health Education South Africa (JHHESA), Department of Health, South African National Aids Council (SANAC), Sonke Gender Justice and USAID/PEPFAR hosted the second Annual Men of the Year, Brothers 4 Life Gala Event on the 23rd of November 2012.

The first ever live broadcast of the METRO FM Music Awards on the 23rd of February 2013 was also an excellent showcase in the history of the awards. The awards ceremony afforded SABC1 with an opportunity for weekend long activations and this event was hailed as the largest TV show on the 2012/13 calendar.

SABC News and Current Affairs

The News and Current Affairs Division is a content provider for all the 18 SABC Radio stations, three TV channels and digital media. The Division has extensive news capabilities and resources with nine bureaux across South Africa and three international offices in Zimbabwe, Kenya and the United States of America. Massive investment in technology has given SABC News unparalleled news gathering capacity. The service is created in terms of the SABC Charter in the Broadcasting Act which obliges the SABC to produce and broadcast programming that, amongst others:

- Reflects South African attitudes, opinions, ideas, values and artistic creativity.
- Displays South African talent in educational and entertaining programmes.
- Offers a plurality of views and a variety of news, information and analysis from a South African point of view; and
- Advances the national and public interest.

The uniqueness of South Africa's history also drives the functionality and focus of the division. This is recognised in its editorial policies which include the following directives:

- To provide content that aims to establish a society based on democratic values, social justice and fundamental human rights.

- To improve the quality of life for all citizens and unleash the potential of each person.
- To build a united and democratic South Africa able to take its rightful place as a sovereign state in the family of nations.

Informed by these imperatives, the News and Current Affairs Division daily produces 12 television news bulletins and 10 television current affairs shows on SABC1, SABC2 and SABC3 every week. It also produces 1,255 radio news bulletins in all the eleven official languages on 18 radio stations per week. In this regard, SABC News plays a critical role in providing high quality, reliable and unbiased news and current affairs services within South Africa.

The News and Current Affairs Division played a crucial role in bringing the centenary celebrations of the ruling party, the ANC, to the public. The celebrations were covered in line with our editorial policy which affirms our understanding that if South Africans are to meet the challenges of building a nation and a strong democracy, they must have access to relevant, reliable, and timely information of the best quality. Therefore, in covering the centenary celebrations, SABC News and Current Affairs aimed to ensure that South Africans were given what they require in order to strengthen their understanding of history and to engage meaningfully in the narrative of the future of the country.

The scope of News and Current Affairs programming during the period under review continued to strive for consistent, relevant, useful and high quality programmes which included information and analysis. In this regard, the SABC's digital media intensified its efforts to spread its presence throughout the digital space. As a result, significant growth was experienced on the web during the 2012/13 financial year. The division more than doubled its page views during this period, and moved from getting less than half of total SABC web traffic to about three quarters of total SABC traffic.

Significant growth in the popularity of SABC News online demonstrates the cross platform demand for SABC news content. This approach has made it possible for audiences to find SABC News content everywhere, any time.

The division also contributed around 80% of all SABC content published on the web, and made some strides in improving the use of multimedia and other embedded content on the website. These features played a pivotal role in building the SABC web presence and assisted in producing social media streams in a more professional way, with the help of auto feeds and hootsuite. Within 7 months of its launch in May 2012, the SABC News YouTube channel generated more than a million views compared to the corporate channel which was established in 2005 and celebrated 3 million views in March 2013.

The division also observed an increase in the reach of the Newsbreak bulletins via the web and experienced continued growth on the mobile site and apps, but also observed an increasing share of web access happening via mobile devices. The same success, however, was not replicated in other platforms of the division. The SABC's TV and Radio offerings suffered the most as competition intensified its efforts to gain more audiences. During this period both television news and current affairs lost viewers to the competition while radio sustained its listenership in most of its services.

In the new financial year, the division will seek to improve and find new innovative ways to gather, produce and present core content offerings throughout its platforms and services. The division will also heighten emphasis on breaking news, up to date reports with in depth coverage of news, current affairs and topical public service content.

The new financial year will also see the division prepare in earnest for the 2014 General Elections. It is important to note that the division is renowned for its fair and balanced elections coverage and would build on this reputation to set itself apart.



➤ **Chad Le Clos** from team South Africa winning gold at the 2012 London Olympic Games.

SABC Sport

South African viewers found special inspiration in the successes of our Paralympic athletes and the Paralympic Games were a highlight on SABC's sporting calendar.

The SABC covered twenty eight live AFCON matches on SABC1 and four were scheduled on SABC3 when matches were played simultaneously. The South Africa vs. Mali quarter-final delivered on expectations, achieving 58.4% market share for LSM 5-7. As the host broadcaster and key stakeholder of the event, SABC Sport was complimented by Federation of International Football Associations (FIFA), Confederations of African Football (CAF) and the Local Organising Committee (LOC) for the high standard of production delivery.

Soccer continued to be the most popular and dominant sport on SABC platforms. The Premier Soccer League season accounted for a further 118 matches. The SABC Sport production team was on the ground for both home and away SAFA matches including international friendly matches, which made for up a total of 12 broadcasts involving the national team during 2012/13. Coverage of two Banyana Banyana matches against Nigeria and Botswana were broadcast for the year under review.

The 2012 Manchester United tour in South Africa was broadcast exclusively on SABC1 and radio. The tour was conceptualised to coincide with former President Nelson Mandela's birthday and were held in honour of this global icon. This was a momentous

occasion as one of the key activations around this project was an attempt to break the Guinness World Book of Records, with the highest number of people singing HAPPY BIRTHDAY to one individual.

During the year under review, SABC Sport operated within the confines of a very limited sports budget in an environment where the cost of sports rights is increasing and this has had an impact on the acquisition of rights for key sporting events.

In June 2012, SABC Sport acquired the rights to the South African National team's home and away World Cup qualifying matches from SAFA and Sportfive.

The full broadcast of the Currie Cup tournament final between the Sharks and Western Province was delivered on Radio on the 27th of October. A highlights package of the final was acquired for television to ensure that the Corporation delivers on its mandate.

In order to meet its mandate delivery of sports and events of national interest, whilst retaining quality programming delivery in the short term, SABC Sport entered into negotiations with various sporting federations. In June 2012, the negotiations culminated in the finalisation of a three year agreement between the SABC and SAFA to broadcast the national senior team matches from 2012 until 2015.

The SABC also entered into an agreement with Athletics South Africa (ASA) for the 2012 athletic season, to broadcast all track and field events including the three main marathons i.e. Comrades, Two Oceans and Soweto Marathon.

Further rights acquisition included the South Africa/New Zealand Cricket Inbound Tour, which started on the 21st of December 2012. The T20 and ODI's were broadcast live and the test cricket in highlights format on SABC3. Radio covered ball by ball commentary on Radio 2000 with updates on all African language Stations, SAfm and RSG.

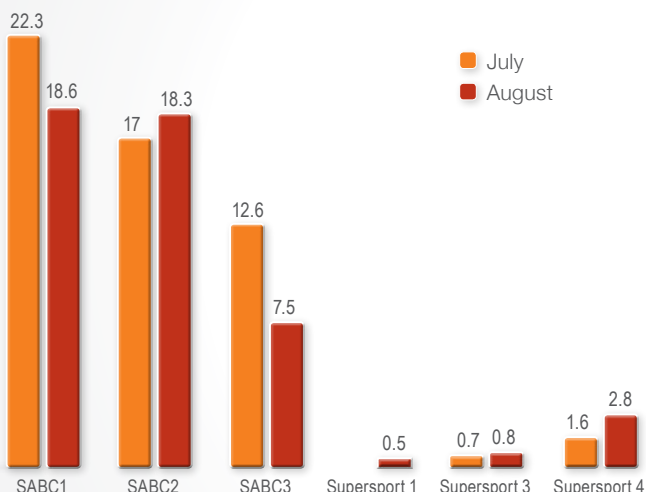
During the year under review, SABC Radio was the pillar in driving the broadcast of the Proteas outbound tour which was broadcast from the 19th of July until the 5th of September 2012. The SABC also secured exclusive radio rights for the 2012 ICC T20 World Cup played in Sri Lanka.

During the year under review, the SABC covered both the Gauteng Sports Awards and SA Sports Awards to honour and award South African sporting heroes for their achievements and excellence.

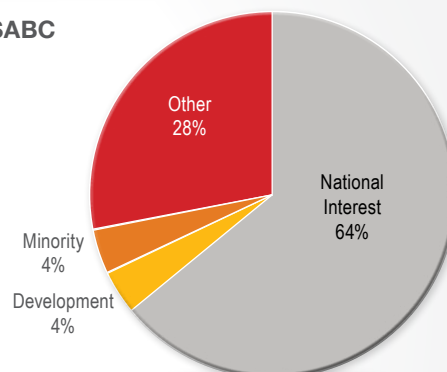
The SABC was the exclusive broadcaster of the Williams' sisters' celebrity tennis match that took place during the year under review.

Olympics 2012 - July and August 2012

Share (%)



All Sport on SABC



Overview of Sport on SABC Television

The diagram on the left represents the broadcast of all sport on television.

The 64% skew on sports of national interest reflected on the pie chart is due to the successful AFCON Championship broadcast in January 2013 and the 2012 London Olympic and Paralympic Games broadcast between July and August 2012. Live and delayed National Basketball Association (NBA) matches accounted for half the broadcast time afforded to soccer, which saw sports of public interest follow at 28%.

SABC Education

SABC Education is a multi-media platform driven department. It produces programmes for television and radio; reaches out to the public through outreach activities and supports television content through print material. The department drives content through its website, programme sites, social media networks, Facebook, YouTube and Twitter.

SABC Education Highlights 2012/13

During the year under review SABC Education supported matric learners by launching Matrics Uploaded Revision Series to assist them with revision. It was broadcast on SABC1 weekdays from 14:30 to 15:30 with repeats from Monday to Sunday between 05:00 to 06:00.

The winner of the One Day Leader series in 2012, Lesley Masibi won a trip to the South African Embassies in three of the BRICS countries Brazil, India and China. The trip was sponsored by the National Youth Development Agency.

SABC Education supported the Khetha Radio Programme Series sponsored by the South African Qualifications Authority (SAQA) which is a national drive to inform learners, their parents and the general public to register their children/themselves for further studies well in advance to prevent last minute registrations at educational institutions.

The Oxford University Press Southern Africa is to publish a new edition of their 'Oxford Successful English Grade 5' textbook. They have decided to utilise print material developed by SABC Education.

The SABC signed a three year agreement with the National Department of Education to host the National Teaching Awards on an annual basis. The Awards were broadcast live on SABC2 in March 2013.

During the year under review, the SABC launched the Young Community Shaper Awards campaign to invite community members to nominate unemployed youth that contributes to the upliftment of their communities.

InterSEXions, the second most watched programme on SABC TV, attracted an average of 5,5 million viewers during the year under review. The audiences could also share their views and opinions on 11 SABC Radio stations. The InterSEXions YouTube following is at approximately 25 000.

UMama Nami Roadshow with Rivoningo reached an audience of about 140 000 inclusive of children, parents and teachers on road shows which covered 250 pre-school centres in Gauteng and 150 in KZN.

The SABC hosted the following Baba Indaba Expo's:

- Pretoria at the Tshwane Events Centre;
- Durban at the Gateway Shopping Mall;
- Cape Town at the Cape Town International Convention Centre;
- Soweto at the Nasrec Events Centre; and
- Johannesburg at the Sandton Convention Centre.

During the 2012/13 financial year, SABC Education attended the Spring Festival in Pretoria and hosted a workshop for 200 emerging farmers in partnership with the Gauteng Agricultural Department. Print material was handed out to all the farmers to assist them with various aspects regarding farming.

Universal Access

Low Power Transmitters (LPT) have provided a method of providing broadcasting services to the previously disadvantaged and marginalised communities in remote rural areas, in line with the SABC's universal access mandate. The technology is analogue based and therefore comes with higher set up costs delivering a return on investment in terms of the number of citizens that reap the benefit, i.e. one transmitter covers a radius area of plus minus 10km, which still does not resolve the problem in areas where people do not live in clustered/close proximity, as often is the case, in rural areas. Furthermore the services that can be rolled out per transmitter are limited which still disadvantages communities.

The LPT project was allowed to progress in order to resolve the immediate problems of lack of services whilst the SABC and its distribution partner put in place mechanisms to launch Direct to Home satellite distribution (DTH).

Sentech completed 46 new LPT sites during the 2012/13 financial year. This brings the total number of new LPT sites completed to date to 104.

During the period under review, the SABC started to look into ways of maximising service delivery to all (geographic coverage) which adequately resolves the issue of pre 1994 definition of services per area in South Africa which was a remnant of the land areas act. The solution lay in DTH as per the Cabinet approved Broadcasting Digital Migration (BDM) policy. The DTH service guarantees 100% availability of all services regardless of where the citizen resides in the country.

Industrial Development

Content Commissioning

The November 2011 Request For Proposal (RFP) book has officially been closed. The output of these proposals will be on screen in 2013 and provide the network with much needed new audience driving local content. Through the RFP book, the SABC is able to cement its commitment to the development of the local production industry.

The newly approved Intellectual Property policy for commissioned works further embeds the organisation's commitment to industry development. The policy sees an increase in the value provided to production companies when programmes are exploited.



InterSEXions: Phila Mandlingozi and Khanya Mkangisa featured in the second most watched programme on SABC TV.

TECHNOLOGY

Creating an audience focused foundation upon which broadcasting can exist.

South Africa is undergoing a technological transformation as it embraces digital technologies throughout the spectrum that will have an impact on its citizens and on service delivery.

The Information Communications and Technology (ICT) industry is gearing up for digital convergence, a citizen centred approach which will enable access to multiple technological platforms from single devices i.e. mobile devices, vehicle entertainment systems and connected televisions/set top boxes/gaming consoles that manage the entire home entertainment experience. The SABC as the Public Broadcaster has to keep pace with these competitive changes or play catch-up to the detriment of South African audiences.

Highlights

SABC's priority for the 2012/13 fiscal was the stabilisation and rebuilding of the Technology division after a systematic breakdown over a period of time. This was in line with the SABC's turnaround strategy.

During the period under review, the SABC had an unfortunate incident on the 13th of June 2012, with an inferno that gutted its production studios, with a knock on effect on the administrative office blocks that are adjacent to the studio block.

The SABC ensured that all the productions remained on course. To the audiences at home the broadcasts remained a seamless entertaining, informing and educating experience as usual. The fire had a profound impact in delaying the SABC's digitisation program, as restoration became a fulltime project to secure the corporations business of broadcasting.

The highlight for the period under review was the SABC's success in setting up infrastructure for the first ever HD broadcast, further narrowing the digital gap between itself and the competition. The HD channel was put on trial during the AFCON soccer tournament with encouraging results.

During the year under review, the SABC produced high quality and ground breaking productions which included but were not limited to:

- The Durban July;
- The ANC Elective Conference;
- The Former President Mandela's birthday celebrations;
- The 2012 London Olympics and Paralympic Games;

- The Bafana Bafana matches in SA, Brazil, Poland and Kenya;
- As the host broadcaster for the AFCON tournament;
- The Waterkloof Airshow;
- The ANC conference; and
- The Soweto Marathon.

Innovations

During the period under review, the SABC's readiness for DTT to broadcast the three existing TV services, accommodate three additional TV channels and carry the 18 radio services gained momentum. The process of building the storage area network, digital playout centre for DTT, digital library and upgrade of Henley Studio 1 and 2 projects got underway, with other projects scheduled to commence in the following financial year.

The digitisation of the News studio system was completed during the year under review. This enabled SABC News to produce news in HD which is evident in the pillar-box images on SABC News broadcasts, signalling that the migration to digital broadcasting has ensued.

During this period, the project to put infrastructure in place to carry additional TV channels was completed. The second transition to HD kicked off to complete the process. Digital studios are now in operation such as the Morning Live, the 24 Hour TV News studios are ready, and the citizens would have noted improvements on SABC's News bulletins.

During the year under review, the SABC started incrementally switching to a 16:9 TV production digital TV format as opposed to a terrestrial 4:3 system currently used to broadcast to the majority of the audiences. As such the SABC is ready to broadcast in 16:9 digital technologies but the full switch-on has been placed on hold pending the DTT switch over to allow for proper change management and a seamless audience experience.

Digital Terrestrial Television (DTT)

All contractual challenges and legalities that had caused the delays to digitisation projects were cleared during the period under review, and the SABC took a conscious decision to manage its projects through its internal processes.

The 2012/13 financial year saw the implementation of the DTT laboratory; the development and testing of DTT set top box user interface; implementation of DTT Electronic Programme Guide production system; development of trial interactive programmes for the DTT platform; finalisation of the Free to Air Rules of Operations Manual; staffing and training of the DTT Technology project office; upgrading of the DTT head end from 8 standard definition channels to 12 standard definition channels and a high definition channel; and a request for information submitted for sub-titling systems and workshops held with various internal and external stakeholders regarding DTT. The SABC has played a leading role in assisting the South African Bureau of Standards (SABS) in understanding and setting up their DTT conformance laboratory.

There are now only a few matters to be resolved before DTT could be ready to launch, such as the signal distribution tariffs from Sentech, STB control and adopting the standards for compulsory rather than voluntarily through SABS processes.



AFCON soccer tournament closing.



▶ **Cape Town International Jazz Festival** with SABC as the official Broadcast Sponsor.

MARKETING INITIATIVES

Building the SABC Brand

SABC Marketing translates the Corporate Plan and organisational strategy into a clear and single-minded brand value proposition. Marketing is responsible for entrenching the brand strategy and building brand SABC externally and internally, through delivering positive brand experiences and communications, that talks to the various target markets.

During the 2012/13 financial year, SABC Marketing sought relevant opportunities to position brand SABC by means of through-the-line marketing campaigns, sponsorships, brand experiences, Public Relations (PR) and publicity interventions to address brand perceptions and build brand affinity. In addition, some of the SABC's sub-brands also executed major campaigns such as the repositioning of SABC2 and the METRO FM Music Awards.

One of SABC Marketing's key deliverables was to ensure that consumers view SABC Television as a network and not primarily as individual channels. Accordingly, SABC Marketing produced new television transversal promos to cross-promote offerings on the SABC Television network in support of the overall programming strategy.

One of the highlights for the fiscal was the participation of SABC Marketing in Brands and Branding 2012, a leading publication detailing the brand landscape in South Africa. The SABC four page profile focused on its values and mandate with specific emphasis on the SABC editorial policies governing language, religion, broadcasting for the disabled, SABC News and SABC Education.

Brand SABC was also represented in the 15th Edition of Trialogue's Corporate Social Investment (CSI) handbook. The publication is used by CSI practitioners for the latest trends and thinking on CSI in South Africa. The handbook also offers corporate profiles and case studies that showcase best practices and keep stakeholders up to date with companies' CSI progress.

The SABC also sponsored the inaugural Future of Media, the Sandton Debate Conference. The event provided an excellent networking opportunity for players across the media space and helped solidify the SABC's position as a major media player. The SABC was the platinum sponsor of PromaxBDA Africa 2012 and featured prominently at the awards ceremony. Throughout the world, the PromaxBDA Awards represent marketing excellence in the media marketing space. Collectively, through numerous regional and sector-specific competitions, the awards are regarded as the most prestigious for creative endeavours in this field.

The SABC took to the musical stage by entering into a three-year partnership with the Cape Town International Jazz Festival as the official broadcast sponsor. The National Broadcaster has been instrumental in the success of the Cape Town International Jazz Festival since its inception in 2000.

The SABC again partnered with the annual Loerie Awards. Recognised as the Oscars of the creative industry, the award ceremony recognises all areas of brand communication.

SABC Marketing executed a through-the-line campaign for the highly successful broadcast of the Orange AFCON 2013 tournament. This comprised on-air television and radio promos, print advertisements as well as publicity in the media.

Other highlights for the year included marketing campaigns and activations for the London 2012 Olympics, the J&B Met, the Tourism Indaba, Vodacom Durban July, Rand Show, Johannesburg Arts Alive Festival, DISCOP Africa 2012, the 5th SABC Crown Gospel Awards, Moshito 2012, and the 7th South African Traditional Music Achievement Awards (SATMA). Through the years the SATMAs have made a tremendous contribution in the cultural landscape of South Africa through nation building, social cohesion and support of the music industry.

The SABC also measured an increase of the amount of viewers sourcing content from the SABC digital offerings (the SABC online portal – www.sabc.co.za; the SABC social media platform on Facebook, the Twitter platform – www.twitter.com/SABCPortal as well as the SABC Portal on YouTube – www.youtube.com/sabc). Events of national interest streamed live included the Opening of Parliament, the Budget Speech, Comrades Marathon, and the Marikina hearings.

Internet Protocol Portfolio (IP)

During the year under review, the consolidation of SABC IT islands has had a positive impact on the SABC information security integration initiatives. The corporation-wide information security and risk management requirements resulted in transformation of the IT security unit. This saw the implementation of new and increased roles and responsibilities across the business and ICT converged landscape that considers people, processes and technology rather than just information technology risks. The transformation is in line with the Corporate Risk Policy. In time there should be a better understanding of the risk which will lead to a holistic integrated business continuity plan incorporating the IT disaster recovery plans.

Work to conclude the internalisation of websites is on-going. It is a process that largely hinges on the new structure in terms of capacity to execute. The tender for a new Internet Service Provider (ISP) has been concluded. It will enable the activation of virtual environments and gear the corporation for connected workflows i.e. content delivery.

COMPLAINTS

Broadcast Compliance

Complaints against SABC services are referred by a number of bodies, some statutory and others self-regulatory. These include the Broadcasting Complaints Commission of South Africa (BCCSA), the Advertising Standards Authority of South Africa (ASASA), the Wireless Application Service Providers Association (WASPA) and the National Consumer Commission (NCC).

The largest number of complaints during the 2012/13 financial year was received via the BCCSA, which adjudicates content-related complaints. There were also some from the NCC, but none from any of the other bodies listed.

Broadcasting Complaints Commission of South Africa

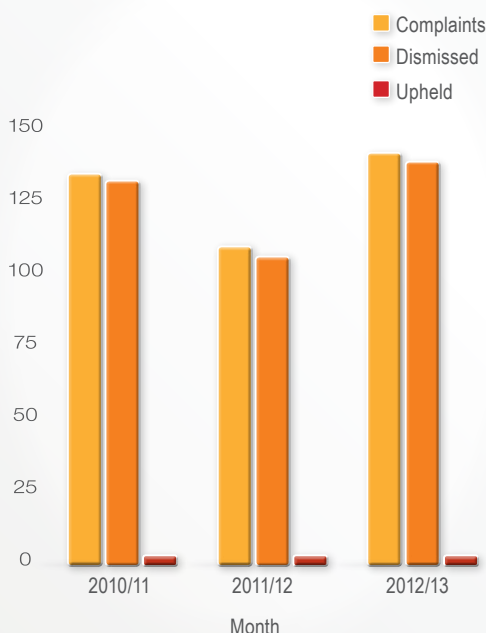
During the 2012/13 financial year, 143 complaints against SABC services were finalised by the BCCSA. Of these complaints, 140 were dismissed, and three were upheld with a reprimand, with no fines issued.

The three-year analysis below shows a sizeable increase in the number of complaints received during the year under review, from 110 to 143. However, the success rate in defending cases at the BCCSA remained constant, with just three upheld cases for each of the past three years.

National Consumer Commission

All the complaints that were referred to the SABC via the NCC during the 2012/13 financial year were around issues related to television licence fee collections. All the matters referred were satisfactorily resolved. In almost all cases, these related to licencees not being correctly informed about the requirements related to owning and disposing of a television set.

Comparative table by Fiscal 2012/13



STAKEHOLDER ENGAGEMENT

Engaging our People

The year under review, was characterised by the SABC's Stakeholder Engagement Strategy evolving to meet the constantly changing landscape and interaction with stakeholders. This saw the SABC's Provincial offices being provided with added responsibilities in respect of stakeholder management.

The change was not cosmetic, as the SABC realised that internal efficiencies and flexibility could be improved by decentralising authority and accountability of management to the provincial offices. This was done in preparation for future demands, especially the digitisation that would place increasing demand for provincial involvement in sourcing content and for technical support.

Public Engagement

In dealing with the public, the SABC's mandate is to engage the communities with a view to addressing the challenges facing the nation and promoting nation-building and social cohesion. These themes include the following:

- Moral regeneration;
- Health issues;
- Education matters;
- Job creation;
- Human rights;
- Crime and stability;
- Arts and culture;
- Sports and recreation;
- Labour;
- Heritage and tourism;
- African renaissance; and
- Science and technology.

During the period under review, the decentralisation approach saw Provinces being empowered to implement the public engagement strategy in line with their respective stakeholders' needs. This approach also proved to be an impetus to the implementation of the strategy. This allowed the Provinces to bring about regional relevance and feel in news, programming, and coverage of life and culture of the people of different geographical areas. Stakeholders and public's needs were better and substantively addressed by SABC services in the Provinces.

Another positive spin-off was that during the year under review, the Provincial Offices identified the most desperate schools in their communities which were supported by the SABC with the resources they needed to prepare for the future. For example, the SABC handed over computers to learners in Mqanduli (Eastern Cape), and handed over computers and school uniforms in Qwa-qwa (Free State).

These engagements also allowed the SABC to identify and maintain partnerships with communities and also to make sure that the public/communities have access to our platforms (Radio and TV), which culminated into roll outs of LPTs across the country.

People with Disabilities

In the 2011/12 annual report it was reported that a Memorandum of Understanding (MoU) will be signed between Disabled People South Africa (DPSA) and the SABC. The MoU was signed between the parties. The parties also formed a working and advisory committee that would deal with matters that affect people with disabilities.

To highlight the plight of people living with disabilities, the SABC signed a MoU with Gifted Stars, a partnership supported and funded by the Department of Women, Children and Persons with Disabilities. The SABC hosted the first ever talent search for people living with disabilities which was held in the Mpumalanga Province. This initiative highlighted the challenges faced by people with disabilities in a more sustainable way.

Now in their 7th year, the 'Zwakala Be Heard Awards' emanated from the SABC's television programme D-TV Zwakala which is broadcast every Sunday on SABC3. The awards are a national Poetry Competition aimed at primary and secondary learners attending schools for the deaf and promotes the use of South African Sign Language. These awards also seek to nurture the talents of learners with disabilities. Minister Lindiwe Sisulu is a Patron of the 'Zwakala Be Heard Awards'. As a media partner the SABC provided coverage to the awards.

The SABC remains committed to living one of its core values of 'Broadcasting for Total Citizen Empowerment', thus ensuring that disability matters are addressed and remain at the epicentre of the organisation's strategic programming mandate.

Community Organisations

During the period under review, the division was instrumental in the signing of several other MoUs between the SABC and the following community organisations:

- Leolo Investment - Good Life campaign; and
- National Interface Council of South Africa - (NICSA) – Interfaith issues.

Government Relations

On several occasions the SABC received requests to partner with Government Departments on various projects on an ad-hoc basis. The division, on behalf of the SABC engaged with Government Communication and Information Systems (GCIS). The purpose of the engagement was to develop an overarching Master Service Level Agreement which will outline the roles and responsibilities of each party. An agreement was reached that the GCIS will provide the SABC with their annual calendar plans to ensure seamless coordination between the SABC and government. The SABC's commitment to enterprise development, the Corporation signed a MoU with the Department of Trade and Industry during the 2012/13 financial year.

International Relations

During the period under review, the SABC's relationship with international bodies and institutions was cordial and culminated in the following MoUs being signed:

- Federal Radio Corporation of Nigeria (FRCN);
- China Central Television (CCTV);
- Deutsche Welle Academy;
- Howard University;
- Radiodiffusion Television Ivoirienne; and
- Lesotho Broadcasting System.

The Corporation is also in discussion with Howard University with the aim of signing a mutually beneficial MoU.

For the period under review, the following are the international interlocutors and other stakeholders that the SABC hosted:

- Liberia Broadcasting Systems (LBS);
- Zimbabwe Broadcasting Corporation (ZBC);
- Lesotho Broadcasting Corporation;

- Howard University;
- Seychelles Broadcasting Corporation;
- Television Jamaica;
- Swazi TV;
- Botswana Television;
- Voice of Nigeria (VON);
- Digital Radio Television (Republic du Congo);
- Jiangxi Radio and Television (People's Republic of China);
- Urumqi Television (People's Republic of China);
- Radio Film and Television Department of Shaanxi Province (People's Republic of China);
- Television Radio Film Human Resources Centre: Beijing (People's Republic of China);
- State Council Information Office Intercontinental Communication Centre (People's Republic of China);
- TPG Academy: Netherlands;
- NingXia Radio and Television Media Group Co. Ltd (People's Republic of China);
- Medhill University (USA); and
- North Western Switzerland University.

During the period under review, the SABC also established strategic relations with the following foreign missions based in South Africa:

- The British High Commission;
- The Embassy of the Republic of China;
- The High Commission of the Federal Republic of Nigeria;
- The Embassy of the Republic of Japan;
- The Embassy of the Republic of Liberia;
- The Embassy of the Republic of Brazil;
- The Jamaican High Commission;
- The Embassy of the Republic of Italy;
- The Embassy of Serbia;
- The Embassy of United States of America; and
- The Zambian High Commission.

Local Content Bodies

Pursuant to the agreement that was signed between the SABC and the Independent Record Companies of South Africa (AIRCO), the issue of non-payment due to AIRCO was resolved during the 2012/13 financial year. The SABC endeavours to be in constant discussions with other role players within the music industry to resolve issues affecting their members.



▶ **Mozambique** delegates introduction to the SABC facilities in Auckland Park.

ACHIEVEMENTS

and Awards

SABC Radio Awards

SABC Radio stations came up as the best performers in the period under review, scooping 30 awards at the 4th 2013 MTN Radio Awards. This also saw the over 7 million listenership station, Ukhozi FM, bagging six awards including being declared as the PBS station of the year once more. Umhlobo Wenene FM received the most votes as the listener's favourite station.

MTN Radio Awards

- Ukhozi FM won 6 MTN Awards including the much coveted PBS station of the Year, Best Breakfast Show and Afternoon Drive Show Awards.
- Other MTN Award winners were METRO FM (2), 5FM (2), RSG (1), SAfm (2), Munghana Lonene FM (1), Radio 2000 (1), Ikwekwezi FM (1), Umhlobo Wenene (1), Lotus FM (2), Lesedi FM (1).

Other Awards

- Presenter PBS: Ashraf Garda (for News and Actuality).
- Producer PBS: Mia Malan, Darren Taylor and Nongezi se Reis (for News and Actuality).
- Content Producer PBS: Keabetswe Essence Moumakwe (for Best Content Producer).
- Sports Commentator PBS: Sabelo Zulu (for Best Sports Commentator).
- Bulletin Presenter PBS: Nokwazi Mbhele (for Best bulletin presentation).
- Daytime Presenter Category PBS: Nomfundo Mkhize (for 'Teen Zone').

South African Traditional Music Awards (SATMA)

- Umhlobo Wenene: Saba Mbixane (for Best Traditional DJ and Best Traditional Music Radio Program).

Community Awards

- Ms. Minoshni Pillay was awarded the Magqubu Ntombela and Ian Player Club Award, at the SAB Environmental Journalist of the Year Awards.



Ukhozi FM team with the coveted Public Broadcast Station (PBS) of the Year award at the MTN Radio Awards.

SABC Television Awards

The division's three TV channels still continue to be the most watched TV channels in the country, successfully meeting their public service mandate and delivery of public value.

- SABC3 was voted the Best TV station by the Annual Star Readers' Choice Awards, ahead of eTV and DSTV.
- SABC Marketing was awarded 'Best Directing', 'Mama Africa Award' and 'Best promo' not using programme footage for the 2012 London Olympics campaign.
- The SABC was awarded three silver awards at the prestigious Promax/BDA Africa 2012 conference where it was the platinum sponsor. Throughout the world, the Promax/BDA Awards represent marketing excellence in the media marketing space. Collectively, through numerous regional and sector-specific competitions, the awards are regarded as the most prestigious for creative endeavour in this field.

Educational Content

The 2012 National Teacher Awards

- Certificate of Appreciation for Participation in the National Teaching Awards.

The George Foster Peabody Awards

- The Peabody is the oldest electronic media award in the world, recognising excellence, distinguished achievement, and meritorious public service.
- Peabody Award to 'InterSEXions' for excellence.

Input Conference Sydney May 2012

- Episode 4 selected to be screened in section 'The thrill of political drama' for '90 Plein Street'.

2012 South African Film and Television Awards - SAFTAS

- 19 times Golden Horn Award winner 'InterSEXions'.
- Golden Horn Award nomination for Best TV Drama Series 'Skeem Saam'.
- Golden Horn Award winner for Best Supporting Actress in a TV Drama Series, and Best Editor of a TV Drama Series and Best Actor in a TV Drama Series for '90 Plein Street'.

AfriComNet Awards

- 'InterSEXions' for the Best Mass Media Drama communicating issues of HIV/AIDS.
- 'Brothers' for life' – Radio Education for Best Multichannel HIV Project.
- 'Siyayinqoba Beat It!' for being 1st R/U Multichannel.

TVSA Awards 2013

- Best Educational Drama of the Year – The General TV Awards for 'InterSEXions'.
- Best Drama of the Year - The General TV Awards for 'InterSEXions'.



7de Laan voted best Soap by the public at the SAFTAS.

Ikusasa Awards - 1st South African National Youth Awards 2012

- Team of the Year category nomination for 'Shift'.
- Team of the Year category nomination for 'One Day Leader'.

Content Hub

The SABC received numerous awards at the 2012 7th South African Film and Television Awards for its content on television programmes for religion programmes, drama programmes, soapies, comedy, factual educational entertainment programmes and documentary features.

2012 South African Film and Television Awards (SAFTAS)

Entertainment

- Two awards for 'Jam Sandwich' and 'Noot Vir Noot'.

Factual

- Best Editors of a Documentary Feature are Andrew Wessels for 'Sobukwe: A Great Soul'.
- Best Director of a Documentary Feature is Mickey Dube for 'Sobukwe: A Great Soul'.
- Best Documentary Feature is 'Sobukwe: A Great Soul' by Born Free Media.
- Best Factual Educational Entertainment Programme is 'Sobukwe: A Great Soul' by Born Free Media.

Religious Programmes

- Two episodes selected for 'I am Woman' in the Out in Africa Film Festival.

- 'Issues of Faith: Jumu'a – The Gathering – Happily Ever After' selected at Encounters.

- 'Sunday Sadhana' chosen to participate in an international on-line spiritual film festival - Spirit Enlightened - showcased to United Nations and Amnesty International.

Drama Programmes

- Best DOP/Cinematographer of a TV Drama Series for 'Erfsondes'.
- Best Production Design of a TV Drama Series for 'Zone 14'.
- Best Sound Design of a TV Drama Series for 'Erfsondes'.

Soapies

- Best Ensemble Soap for 'Isidingo'.
- Best Actor TV Soap for 'Isidingo'.
- Best Art Direction TV Soap for 'Isidingo'.
- Best Actress TV Soap for 'Isidingo'.
- Best TV Soap (Public Vote) for '7de Laan'.

Comedy

- Best Actor TV Comedy for 'Ses'Top La'.
- Best Actress TV Comedy for 'Abo Mzala'.

SAB Awards 2012/13

- Magqubu Ntombela and Ian Player Club Award at the SAB Environmental Journalist of the Year Awards.