



# TURNAROUND PLAN PROGRESS REPORT

*APRIL 2020*



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# 1. PROGRESS ON TURNAROUND PLAN

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## EXECUTIVE SUMMARY

April saw most of the Corporation's activities directed towards business continuity, with the expected result that movement was not possible on some key activities.

A new category was added in the last report to reflect key actions included in the SABC Turnaround Plan, that will no longer be pursued for reasons such as the key actions no longer being feasible, or where initial efforts at implementation have been made, and achievement is no longer possible, or where another option has been selected for implementation. This report includes a few more key activities that the SABC proposes not be pursued further at this time due to poor prospects of favourable outcomes. The Corporation believes that its efforts would be best directed at other endeavours intended to achieve similar outcomes.

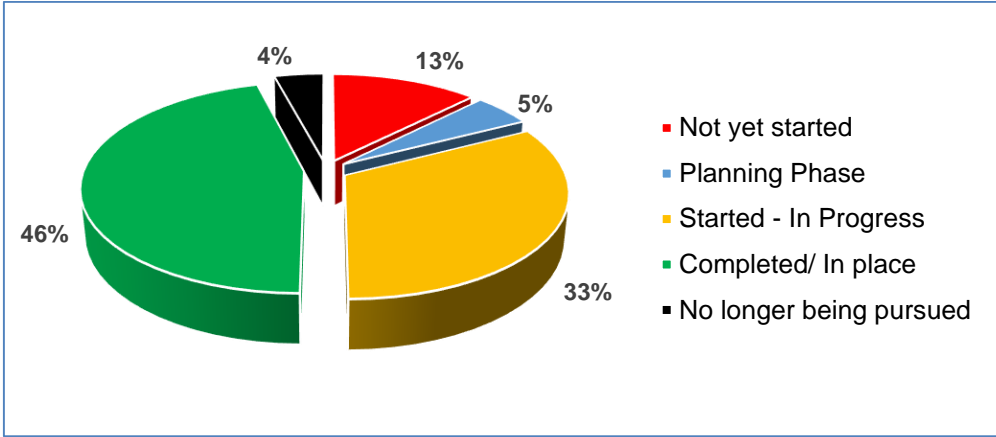
The key activities relating to regulatory changes have been changed to 'Completed/In place' to reflect that nothing more is expected of the SABC in this regard. As and when regulators and policymakers issue documents requiring our participation, the status will change to 'Started – In Progress' until such time as the SABC will have made its considered submissions. This approach recognises the limitations of the SABC in relation to the outcome of the policy and legislative review processes.

As expected, the nation's response to the COVID-19 pandemic had an adverse impact on the implementation of the turnaround plan. Revenue generation efforts were significantly hampered, as were efforts to improve the infrastructure of the Corporation, and efforts to deal with the major cost drivers. Revised draft financial forecasts have been prepared and will be presented to the Board for approval, before being presented to the Minister for variation to the Corporate Plan in terms of Section 7.5 of the Shareholder's Compact. The draft forecasts are attached for your information.

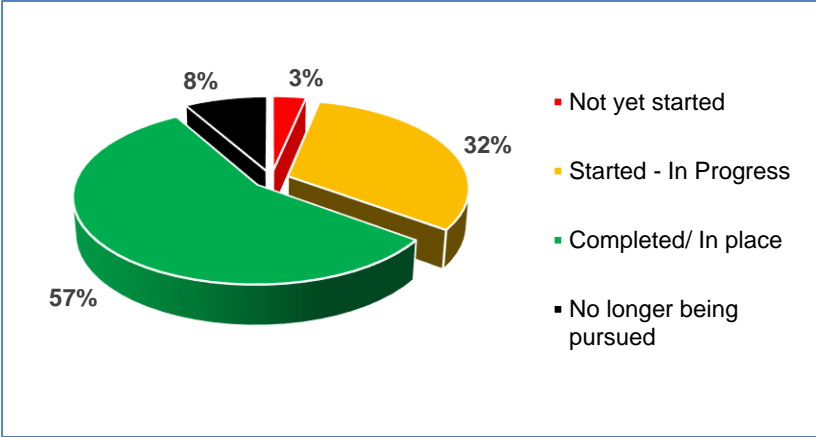
Work regarding the revised reporting format that incorporates target completion dates for key activities is underway, with plans to have it in use by the end of June 2020.

The graphs below indicate the SABC's progress on the implementation of its Turnaround Objectives. Compared to March 2020, the changes reflected are primarily as a result of a review of the categorisation of the SABC's efforts thus far as explained above. As stated above, the SABC's efforts were directed towards business continuity, and the lockdown restrictions adversely affected progress with regard to the implementation of turnaround activities.

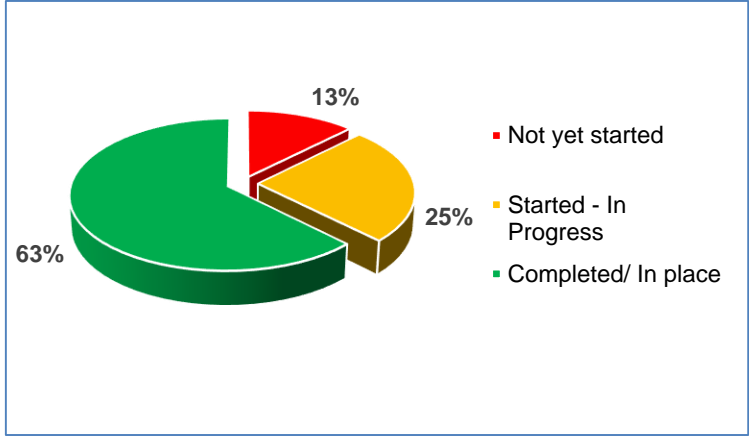
**PROGRESS – OVERALL TURNAROUND IMPLEMENTATION**



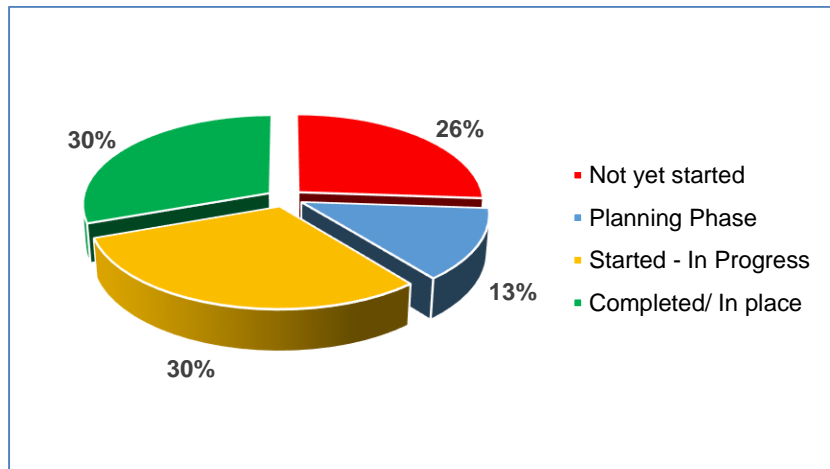
**FINANCIAL SUSTAINABILITY AND GOVERNANCE**



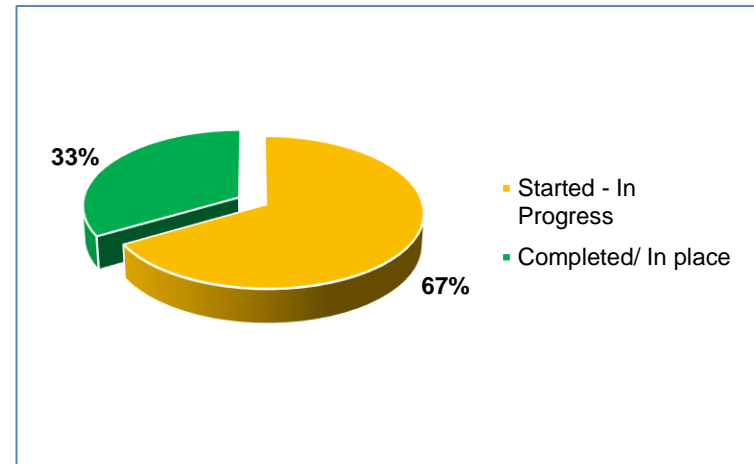
**CONTENT AND PLATFORMS**



## HUMAN RESOURCES



## TRANSMISSION AND DIGITAL MIGRATION



## 1.1 GOVERNANCE AND FINANCIAL SUSTAINABILITY

### Status Bar

Not Started	Planning Phase	Started – In progress	Completed / Already in place	No longer being pursued
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TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
<b>To re-establish effective leadership to guide the SABC through the turnaround strategy</b>	<b>Fill critical vacant posts:</b> - Chief Operations Officer	Position filled. Incumbent commenced duties on 1 November 2019.		
	- Group Executive Television	Recruitment process has been concluded. Incumbent to commence duties on 1 April 2020.		
	- Head of Supply Chain Management	Shortlisting took place and interviews will be scheduled in May 2020.		
	- Head of Treasury	Recruitment process has been concluded. Incumbent commenced duties on 4 November 2019.		
	- GE: MTI	Recruitment process has been concluded. Incumbent will commence duties on 1 May 2020		

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
<b>To re-establish effective leadership to guide the SABC</b>	<b>Operationalise a turnaround team in order to:</b> - Develop a costed time-bound implementation plan based on transparent revenue enhancements and cost savings	The SABC is continuing the process of unpacking the various turnaround activities in order to develop detailed costed and time bound implementation plans. The finalised implementation plans will be integrated into the annual divisional plans. This process is underway and should be completed by the end of June 2020.		5; 10

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
through the turnaround strategy	- Monitor and evaluate the implementation of the plan	Monitoring and evaluation is taking place on a monthly basis, and will be stepped up with the inclusion of the implementation in the divisional operational plans.		5; 10
	- Prepare reports for NT on the achievement of tranche and turnaround milestones	A reporting framework has been developed. This will be refined as the implementation plans are taken into consideration. Reporting on the tranches and turnaround plans has already started.		5; 10
	- Analyse historic spend on content and associated revenue	An overall analysis has been completed for the SABC content cost and revenue received. The next level of analysis per channel, per genre and per programme / property is currently underway.		5; 10
	- Refine and enhance separate financial reporting model for public and commercial broadcasting services	Model has undergone further refinement. The reporting process has been automated, and reporting at Business Unit level is now in place.		5; 10

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
To re-establish effective processes to support SABC core operations	<b>Develop streamlined supply chain management processes:</b>	The initiative to pursue the secondment of National Treasury officials has been abandoned.		2
	- Secondment of National Treasury officials	The SCM Department has however successfully filled some of the identified critical positions. The recruitment process for the remaining critical positions is still underway.		
	- Establishment of SABC National Treasury working teams	The SCM and Office of the CFO have established a constructive relationship with National Treasury (NT). Regular stakeholder engagement meetings have been established.		2

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
	<ul style="list-style-type: none"> <li>- Address PFMA PPPFA procurement difficulties</li> </ul>	<p>The SCM Policy has been reviewed and shared with key stakeholders for comments. The policy will be submitted to approval committees once all comments / inputs have been consolidated. The target approval date is 31 October 2020.</p> <p>Engagements continue internally to find mechanisms to address industry specific procurement within the PFMA PPPFA requirements – these include content acquisition for TV and Radio as well as news agencies. The request for procurement of news content for a period of five years with multiple international news agencies has been submitted to National Treasury and a decision is expected in the next month.</p>		2
	<p><b>Address audit findings:</b></p> <ul style="list-style-type: none"> <li>- Procurement and contract management findings</li> </ul>	<p>Of the 23 current AG findings related to procurement and contract management, 100% of them have been resolved.</p> <p>62% of the Internal Audit findings have been resolved while the remaining ones are receiving attention. As internal audits are continuous, the status on this indicator will be changed to Green to indicate that there is an established discipline in place to address procurement and contract management findings.</p>		3; 4
	<ul style="list-style-type: none"> <li>- Irregular expenditure findings</li> </ul>	<p>Condonation requests to the value of <b>R 2,738 bn</b> have been submitted to National Treasury for approval. Feedback remains awaited.</p> <p>For FY2019/20 the pre-audited IE amounts to R 103m (vs R 336m for FY2018/19). Indications are thus that the behaviour in the Corporation is continuing to improve as a notable percentage of the above relates to transgressions in previous years</p>		3; 4
	<p><b>Ensure ongoing consequence management:</b></p> <ul style="list-style-type: none"> <li>- Internal disciplinary hearings</li> </ul>	<p>All efforts are made to ensure that internal disciplinary hearings are concluded within set time frames and that due processes are followed.</p>		3; 4
	<ul style="list-style-type: none"> <li>- Consequence management register</li> </ul>	<p>The register is in place and gets updated on a monthly basis as cases are progressing.</p>		3; 4



TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
<b>To actively pursue SABC financial sustainability</b>	<b>Increase commercial revenue:</b> - Inventory evaluation project	The inventory evaluation for TV and Radio was conducted by independent actuaries. This has been completed. Engagements within the SABC are currently aimed at determining whether or not to the development a new pricing model.		2
	- Adoption of bulk trading	Bulk trading has been halted and is no longer being used. The division is pursuing group deals which are not a risk to the business and are aligned to the SABC Sales Policy.		2
	- Use of unsold inventory project	The organisation has developed a Policy that will govern the implementation, management and monitoring of these partnerships. The Policy was approved at the end of February 2020. The division is following the required governance process to consider partnership conditions of the proposals received in order to implement fully.		2
	- Radio revitalisation project	The progress on this project is dependent on the procurement of services. This has been hampered by the State of Disaster and associated restrictions. Internal work is continuing, but meaningful progress will be possible once there is sufficient relaxation of the restrictions currently in place.		2
	- Develop events commercial strategy	<p>The strategy has been developed. The 2019 festive season was used to pilot some of the ideas contained in the strategy to allow for refinement. The implementation of the strategy requires the approval of the AD-Ventures Policy. This policy was approved at the end of February 2020.</p> <p>Implementation of the strategy has been hampered due to the State of Disaster and lockdown which have meant that all station events have been placed on hold until such time when mass gatherings would once again be allowed.</p> <p>To compensate for the cancellation of all events, stations have since developed creative concepts like virtual parties, online fitness sessions offered by station talent and online cooking shows to ensure brands remains relevant to their listeners. The concepts have been packaged for possible revenue generation.</p>		2

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
	<ul style="list-style-type: none"> <li>- Develop digital commercial strategy</li> </ul>	<p>The digital sales strategy has been developed. Its implementation is dependent on the development of the SABC Digital (OTT) platforms that are enabled with advertising formats that adhere to regular industry brand safety guidelines.</p>		2
	<ul style="list-style-type: none"> <li>- Increased use of audience guarantees trading</li> </ul>	<p>This trading model was piloted with major television advertising agencies, while audience delivery accuracy was tested to prevent loss of revenue. The test results were analysed in February 2020, and the model was subsequently revised in terms of the operational processes and system requirements. From the beginning of the new fiscal, the model is being offered to clients and agencies for new sales commitment deals.</p> <p>Radio audience guarantees are not yet available within the automated buying system. They will be considered once the audience data accuracy concerns raised by the BRC are addressed.</p>		2
	<ul style="list-style-type: none"> <li>- Introduce group deals on television sponsorship</li> </ul>	<p>Group deals negotiations with agencies commenced in January 2020. Sponsorship deals are being negotiated with clients for entertainment and sports properties.</p>		2
	<ul style="list-style-type: none"> <li>- Improved planning around sports broadcasting</li> </ul>	<p>A Sport sales plan has been developed to secure sales during the next financial year. The plan has been developed for all the rights acquired by the organisation. Commercial Enterprises and Sport Division have partnered to sell the properties.</p>		2
	<ul style="list-style-type: none"> <li>- Introduce deal management and customer relations systems</li> </ul>	<p>Development of the SAP Deals Management system was completed in July 2019 and utilisation by both Radio and Television Sales began in November 2019.</p>		2
		<p>Implementation of the SAP Sales Cloud solution is still in progress. Daily stand-up meetings are held with the implementation partner (Accenture). Sprint 3 of the project was completed in April 2020. Apart from the standard Sales CRM functionality the system will also integrate to the on premise solution to enable sales staff to submit deals on the SAP Deals Management system and to generate Term Sheets from the mobile application.</p>		2

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
<b>To actively pursue SABC financial sustainability</b>	<b>Increase TV licence fee collection:</b> - Cloud call centre solution	The initial RFP had to be cancelled and the process restarted due to unforeseen developments during negotiations with the two qualifying vendors. A new RFI process will also be completed in order to obtain refreshed information and related costs for the new tender motivation. The project specifications will be reviewed in line with the new target operating model.		2
	- Website enhancements to improve online payments	A freelance developer was appointed to assist with the website enhancement developments. The project is expected to be completed within the next 10 months.		2
	- Geographical Information System enabled new licences	The RFP process for a 3-year solution has been initiated. The First Bid Specification Committee meeting was held on 12 March 2020. More sessions were conducted in April to ensure that the RFP requirements are finalised before entering the market. However, the requirements could not be finalised during the month, and efforts will continue during the next month.		2
	- Factoring the sale of bad debt	This option will not be pursued following the decision taken to opt for the TV Licence Moratorium instead.		2
	- TV Licence moratorium/amnesty	The business case was approved by the Board in April 2020.		2
	- Government subsidy for concessionary television licence holders	The proposal is to no longer pursued this option in the short to medium term due to a high unlikelihood of achieving a favourable outcome.		2
	- Annual TV licence fee review	The proposal is to no longer pursued this option in the short to medium term due to a high unlikelihood of achieving a favourable outcome.		2
	- Broadcasting levy on all broadcasting receiving equipment	This is contained in the submissions made to DCDT in terms of proposed amendments to the Broadcasting Act (SABC Act). The SABC awaits further engagements with DCDT regarding the content of the draft Bill.		2
- Lobby for encrypted set top boxes	This remains an option worth pursuing. Work will commence to enhance the SABC's proposition, and to engage at the appropriate forums.		2	

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
To actively pursue SABC financial sustainability	Control cash management: <ul style="list-style-type: none"> <li>- Maintain creditors payment in the context of available resources and the cash management plan</li> </ul>	The funding support received is still in the process of being utilised (Refer to the separate report in this regard). Creditor Days as at 30 April 2020 were at 74 days (181 days 30 April 2019). Payments continue to be managed within the available resources. The implications of the current business environment as a result of the Covid-19 Pandemic will add material pressure to available resources. The Corporation is in the process of firming up both the anticipated implications as well as the response – noting the ongoing rapidly changing environment.		1
	<ul style="list-style-type: none"> <li>- Manage working capital and investments to ensure adequate cash availability at all times</li> </ul>	Cashflow forecasting is being done for both the ring-fenced cash and operational cash. Cash management currently takes place in the context of severely restrained resources that requires austerity measures. Payroll, Content Providers and Collecting Societies, SMMEs and operationally critically expenditure are prioritised. Engagements are again the order of the day with all other service providers.		1
	Leverage asset portfolio: <ul style="list-style-type: none"> <li>- Property portfolio</li> </ul>	<p>The recommendation to dispose of the Residential properties was submitted to the Minister for approval in November 2019. The Corporation responded to a Request for further information. There are concerns though whether the value of the properties will be realised under the current circumstances however, the way forward will be determined when approval is received.</p> <p>The disposal of the Corporation's Sanlam shares received Ministerial approval. Disposal is being delayed currently in the hope that the shares, that lost nearly 30% value in the past few weeks, show some level of recovery.</p> <p>The recommendation that the Farm be disposal was endorsed by the Board. The property was valued as per the Board resolution and the submission recommending disposal was since submitted to the Minister for consideration.</p> <p>Other recommendations from the Broll report will require longer implementation timeframes due to the broader implications they have.</p>		6

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
	- Art portfolio	A motivation for the disposal of a few works that was planned for was suspended for now given the current economic and business environment. It is highly unlikely that the art works will receive offers reflective of their true value.		6
	- Platform portfolio - Conduct valuation of platforms - Identify platforms for disposal	The second phase of the Framework Model requires that the valuation of the media assets commences. The first valuation discussions for the TV Channels, carried out with a cross functional team, commenced in March 2020 and is continuing.		6

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
<b>To actively pursue SABC financial sustainability</b>	<b>Pursue policy and regulatory changes to ensure SABC sustainability:</b> - PBS / PCS divisional subsidisation	The SABC has made prior submissions regarding amendments to the Broadcasting Act (SABC Act). DCDT plans to put the draft up for public comment in Q1 2020/2021, with a target to submit the draft SABC Bill during Q4 of this fiscal. The will engage the DCDT on the contents of the draft Bill.		2; 7
	- Local content regulations	Following consultations with ICASA, a more agreeable resolution has been reached regarding the regulation previously understood to require 50% of spend in provinces excluding Gauteng, Western Cape and KwaZulu-Natal. This has since been clarified to the provision requiring spend either in these provinces or on content in marginalised languages. This interpretation is more achievable for the SABC from a cost perspective. Reporting on this regulation will now be based on spend on marginalised languages rather than spend in provinces.		2; 7
	- Electronic Communications Amendment Bill	Awaiting the publication of the Audio and Audio-Visual Draft Policy and the ECA Bill for public comment. The legislation making process is halted to include 4IR. The SABC will comment on the Draft Policy and ECA Bill once opened for public comment.		2; 7

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
	- Must Carry regulatory review	ICASA has issued a Discussion Document on Must Carry Regulations for public comment with a closing deadline for comments set as 31 March 2020. The SABC made its submission to ICASA as per the closing date for comments. The SABC advanced its argument of "Must Carry Must Pay" in its submission in line with section 60 (3) of the Electronic Communications Act.		2; 7
	- Sports Broadcasting Rights regulatory review	Oral representations were made to ICASA in May 2019. The SABC submitted additional information to ICASA in August 2019 to supplement the SABC's written and oral representations, and is now waiting ICASA's publication of the final regulations.		2; 7
	- Subscription Broadcasting Services regulations	The SABC's written and oral representations on the Discussion Paper submitted to ICASA in 2018. The Findings Document was published in 2019 for public comment. The SABC's written submission was submitted in August 2019 to ICASA.		2; 7
	- Digital Terrestrial Television broadcasting migration	Matter already discussed with the DTPS for the purposes of legislation and policy amendments on 31 July 2019.  The SABC's MTI Division has prepared submissions to both the DTPS and ICASA for policy amendments.  The policy amendments have been referred to the Digital Migration Working Group of the DCDT.		2; 7
	- Film and Publication Board On-line Content regulations	Films and Publication Act is enacted but not yet operational. Awaiting the publication of Draft Regulations for public comment.		2; 7
	- Pay television advertising revenue	The SABC's written submission was lodged with ICASA during the subscription broadcasting review process.		2; 7
	- Amendments to television licence regulations	The SABC's written submission was lodged with ICASA during the subscription broadcasting review process.		2; 7
	- Television licence fee collection from Pay TV operators	The SABC's written submission was lodged with ICASA during the subscription broadcasting review process.		2; 7

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
<b>To actively pursue SABC financial sustainability</b>	<b>Actively pursue private sector participation initiatives:</b> - Continue Telco digital convergence pre-viability study	The potential SABC's private sector partnership with one of the Telcos fell through. Initiatives are underway to establish partnerships with other Telcos.		8
	- Conduct a due diligence study	Due diligence studies form part of the current engagements with the potential Telco partners.		8
	- Conduct valuation of media assets	The first actions in this regard commenced during March 2020 with the team that was assembled to start the development of the financial valuation model. Not much progress was achieved during April 2020 on account of the lockdown.		8
	- Appoint a transaction advisor	Not being pursued currently pending the outcomes of the above.		8
	- Seek NT s54(2) permissions	This will follow once the initial approval has been received.		8
	- Continue distribution of content on various private sector platforms	The SABC is currently distributing its content on various private sector platforms. This will increase once an OTT partner has been appointed.		8
	- Continue negotiations on private sector channel carriage deals	Channels carriage deals are in place. However, more of these will be explored in order to increase revenue and distribute the SABC's content wider. The Must Carry Must Pay Regulations, once reviewed, will further assist the licensing deals.		8

## 1.2 HUMAN CAPITAL

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
<b>To develop a holistic operating model for the corporation, inclusive of a proposed organisational structure and associated job profiles to serve as a basis for a staff optimisation process.</b>	Deploy a vision for a modern digital, multi-channel SABC that is customer-focused, delivers on its public broadcaster mandate while being commercially viable and financially sustainable.	The new vision for the SABC has been socialised across the organisation. A Culture Revitalisation process is currently being rolled out to assist in actualising the SABC organisational culture underpinned by values and behaviours.		2
	Obtain approval for the proposed operating model for the corporation aligned to the above vision, to finalise divisional structures	Work on the target operating model continued during the month. The target completion deadline of June 2020 remains in place.		2
	Obtain approval from relevant governance structures for the proposed divisional and overall SABC structure.	The structure of the organisation was reviewed and a new SABC organisational structure as well as divisional structures have been drafted in alignment with an earlier draft operating model of the SABC. These structures will be reviewed on conclusion of the operating model review currently underway.		2
	Determine FTE requirements together with headcount need to operationalise the structure.	In alignment with the proposed structure, FTE requirements per division have been proposed and will be presented to the Board for approval by June 2020.		2
	Develop a proposal for populating the proposed organisational structure taking into account all processes.	Once the proposed structure has been approved, an implementation plan will be conceptualised and executed.		2
	Consult with key internal and external stakeholders on above activities.	The consultation process on above activities has commenced, both internally and externally.		2
	Obtain approval of the proposed operating model and organisational structure, inclusive of the financial implications thereof.	Work on this has commenced, based on an earlier draft of the operation model and organisational structure. This will be reviewed upon completion of the operating model review currently underway.		2
	Develop job profiles for all newly created jobs and/or jobs where there has been a significant change in job content.	HR is currently conducting a review of all job profiles to ensure alignment with the proposed structure and the 4 <sup>th</sup> Industrial Revolution requirements. Job profiles are also a key requirement for the Skills Audit process.		2
Grade the above jobs and obtain approval.	Jobs requiring evaluation to determine correct levels will be submitted to such processes. The job evaluation process will run concurrently with the Skills Audit process		2	



TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
	Consolidate and finalise detailed transition plan for implementing the organisational structure.	Once the proposed structure has been approved, a transition plan will be conceptualised and executed.		2
	Recruit against identified vacancies.	Vacancies related to the organisational operating model and structure review process will only be recruited once the necessary prior work has been done. In the meantime, critical vacancies have been identified and are currently being recruited against. A Vacancy Committee chaired by the GCEO, with the Executive Directors and the Group Executive HR in attendance has been established. The ongoing recruitment for these critical vacancies is being carried out with a view on future organisational needs.		2
	Identify need for temporary staff while vacancies still exist.	In terms of the organisational operational model and structure review process, these will be determined once the necessary prior work has been done. In the meantime, the recruitment process to employ two SCM Governance Practitioners for a period of one year was initiated before the lockdown. The process was delayed due to the COVID-19 restrictions. There has also been progress in the recruitment process for other critical positions within the SCM Division. The process will be expedited as soon as the lockdown restrictions are sufficiently eased.		2

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
<b>To conduct a skills audit of the existing workforce to assist with decisions on the matching and placement of staff in the proposed organisational structure and to guide their training and development.</b>	Propose an approach to be followed in conducting the skills audit, inclusive of which competencies will be assessed using which assessment methods.	An approach for the Skills Audit has been determined and will be finalised by March 2020.		2
	Consult with key internal stakeholders on the proposed approach.	The approach was consulted with internal stakeholders.		2
	Obtain approval of the proposed approach.	The approach was approved by EXCO.		2
	Confirm the approach with the successful service provider and internal team to commence the skills audit in accordance with the agreed approach.	The approach was confirmed with the chosen service provider and internal project team.		2

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
	Consult with Organised Labour and get consensus	Consultation with Organised Labour regarding the Skills Audit commenced on 29 November 2019 and is continuing. Organised Labour is being kept updated as to progress with the project.		2
	Identify competencies per role	The SABC in conjunction with the service provider has developed a competency dictionary for the organisation. Competencies per role have been identified.		2
	Develop assessment per role based on identified competencies	The assessments have been developed.		2
	Conduct assessments	Assessments were put on hold during April on account of the lockdown. They will be resumed in the following month.		2
	Identify skills gaps and develop action plans to address the gaps.	Once the assessments have been concluded, skills gaps identified will be addressed.		2
	Learning and Development to enable employees through engagements on appropriate training plans per individual to better equip employees in their role as well as link to Career Progression possibilities	Training plans will be developed to address identified skills gaps.		2
	Finalise training as per development plans.	Training schedules aligned to individual training plans will be compiled.		2
	Identify employees who do not meet requirements of their jobs.	This information will be contained in the Skills Audit findings.		2
	Identify redeployment and reskilling opportunities for such individuals.	This task will be conducted once the Skills Audit has been concluded.		2
	Finalise redeployment and reskilling.	This task will be conducted once the Skills Audit has been concluded.		2

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
<b>To develop a proposal for populating the proposed</b>	Develop a proposal aimed at matching current employees to positions that match their skill sets based on the assessment outcomes.	This task will be conducted once the Skills Audit has been concluded.		2

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
<b>organisational structure that considers viable options such as retraining and redeployment, early retirement and voluntary severance packages. This must include the proposed process that will need to be followed should there still be permanent staff that are surplus to operational requirements after exhausting all of the above options.</b>	Consult with key internal stakeholders on the proposal.	This task will be conducted once the Skills Audit has been concluded.		2
	Obtain approval of the proposal	This task will be conducted once the Skills Audit has been concluded.		2
	Consult with Organised Labour on proposed approach	This task will be conducted once the Skills Audit has been concluded.		2
	Reach agreement with Organised Labour	This task will be conducted once the Skills Audit has been concluded.		2
	Implement the proposal, supported by a change management approach to gain support for and minimise resistance to it	This task will be conducted once the Skills Audit has been concluded.		2
	Commence with change management plan	This task will be conducted once the Skills Audit has been concluded.		2
	Identify redundant employees after redeployment has been completed through skills assessment	This task will be conducted once the Skills Audit has been concluded.		2
	Initiate Voluntary Early Retirement and Severance packages process	Despite the fact that the task ought to be conducted once the Skills Audit has been concluded, initial work is being executed to look at various scenarios.		2
	Check impact in terms of headcount	This task will be conducted once the Skills Audit has been concluded.		2
	Develop and implement a social plan	Despite the fact that the task ought to be conducted once the Skills Audit has been concluded, initial work is being executed to look at various scenarios.		2
	Manage the exit process	This task will be conducted once the Skills Audit has been concluded.		2
	Develop a proposal on reduction of the number and cost of freelancers, especially where there is duplication with permanent employees, (e.g. non-renewal of certain existing contracts and reduction in budgets for hiring/payment of freelancers).	Initial work is being carried out to look at various scenarios.		2

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
<b>To develop interim measures to reduce the cost of employment focusing on non-permanent (freelance) employees.</b>	Consult with key internal stakeholders on the above proposal.	Independent Contractor numbers are currently being contained through the non-renewal of non-essential Independent Contractors.		2
	Obtain approval of the proposal.	This proposal was approved by EXCO.		2
	Implement the proposals	The proposal is currently operational within all divisions.		2
	Ensure that a sound performance management policy and system is in place for all employees.	The SABC has a performance management policy and system in place for all employees.		2

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
<b>To ensure the full implementation of performance management within the corporation across all levels, including a fresh approach to engaging with unions and staff in order to promote accountability and to strengthen consequence management.</b>	Engage with employees and Organised Labour on the necessity of fully implementing the performance management policy and system.	The engagements with employees and Organised Labour on the necessity of fully implementing the performance management policy and system have taken place. Group Executives are mandated to continuously engage their Divisional employees in this regard. The dispute lodged by organised labour remains, and no further engagements took place during April 2020.		2
	Fully implement the policy and system.	During the month of April, efforts were directed towards performance evaluations and prepare for contracting for the new fiscal.		2
	Monitor and report on the implementation of the policy and system.	Monitoring and reporting regarding the implementation of the policy and system is in place.		2

### 1.3 CONTENT AND PLATFORMS

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
Know the audience	Appoint research supplier panel	The tender for the Research Panel is currently out for the second time, after an unsuccessful first attempt. The revised anticipated date of completion of the SCM process is by the end of June 2020		9
	Conduct radio call-out market research	The commencement of this is dependent on the finalisation of the appointment of the research supplier panel.		9
	Provide business, market and competitor intelligence insights for use by the SABC	This is currently in place, driven primarily from the Marketing Intelligence Department. The research supplier panel, once in place, will enhance the capability of this department to generate better and faster insights.		9

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
Obtain compelling content	Development of a rolling content investment plan using an integrated planning process	The two-year content rollout plan has been developed and is linked to content production and acquisition. This is being monitored on a monthly basis as of Q1 2020/2021. The plan is specific to each channel.		2; 9
	Adoption of agile procurement modalities and the development of flexible and PFMA compliant acquisition processes for use by SCM	As part of efforts to address the PPPFA challenges, the SABC was working with National Treasury on the design of a flexible scoring mechanism for creative content. National Treasury has since advised that the SABC should follow the PPPFA for the procurement of content. In their response they have stated the following amongst others "The PPPFA section 2(1) (f) makes provision for passing over a bidder on reasonable and justifiable grounds. If your accounting authority is of the opinion that there are reasonable and justifiable grounds to pass over the highest scoring bidder, then he/she may do so".		2; 8

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
		Other modalities being employed in content acquisition include provincial elevator pitches, pre-sales, Advertiser Funded Programmes (AFPs), and partnerships.		2; 8
	Access existing incentives from organs of state targeting film and television productions	This is on-going. Success has been achieved with NFVF, the KwaZulu-Natal Film Commission, and the IDC.		2; 8

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
<b>Monetise local content</b>	Make available local content for onward sale by regional international distributors	Content categorisation implemented for pricing of SABC content. Premium, High, Medium, and Library. Successful sale of content to Viu platform for FVOD delivery. Exploitation of content on YouTube channel is also generating revenues for SABC.		2; 8

## 1.4 TRANSMISSION AND DIGITAL MIGRATION

### TRANSMISSION AND DIGITAL MIGRATION

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
Reduction of transmission costs	Conduct transmitter audit	Gauteng audit is almost complete - Audits for 6 sites where completed. Only one site is left. The audit had to be stopped due to the national State of Disaster.		2
	Develop radio frequency network plan	The tender could not be issued due to National Treasury instructions.		2
	Obtain chart of accounts for signal distribution	SENTECH responded to the request for a detailed chart of accounts. Analysis of the submitted data stalled during April, and will proceed in the following month.		2

TURNAROUND OBJECTIVE	KEY ACTIONS	PROGRESS UPDATE	APR 2020	NT precondition
Advance digital migration	Conduct digital migration verification	<ul style="list-style-type: none"> <li>Enterprise Broadcast Architecture Framework is being reviewed to incorporate "IP for Broadcast" (SMPTE2110 and AES67) – The updated document is scheduled for submission in Q2 of the 2020 / 21 fiscal;</li> <li>Capital Expenditure Manual was approved in September 2018 – The document will be reviewed, updated and submitted for approval in Q3 of the 2020 / 21 fiscal;</li> <li>The Capital Investment Plan was approved by the SABC Board of Directors on 31 January 2020. Only the R400M attributable to the identified government funded projects was approved; All other budget requirements are subject to a funding mechanism.</li> <li>The Capital Expenditure Budget for 2020 / 21 was approved by the SABC Board of Directors on 28 February 2020.</li> <li>In lieu of the bullet points above; a copy of the Capital Investment Plan (also known as the Long Term Capex Plan – LTCP) was emailed to SABC Treasury to enable them to start soliciting funding – especially pertaining to work-in-progress projects. Positive feedback from our Primary Banker so far with 3 of the 4 Governance Committees in the process apparently being supportive. The Credit Committee remains and was awaiting forecasts as at the end of April</li> <li>The Capital Investment Steering Committee was established and the kick-off meeting took place in March 2020. A Terms of Reference for the Committee was drawn up and approved in April 2020.</li> </ul>		9
	Conduct digital migration validation	<ul style="list-style-type: none"> <li>All Capex Business Cases are approved in line with the SABC' Delegation of Authority Framework;</li> <li>Project Management Standard Operating Procedures was updated and approved in September 2019;</li> <li>Project Closure Reports and Certificate of Acceptance are done for all capex projects</li> </ul>		9
	Establish return on investments and undertake an options analysis for digital migration capital expenditure	<ul style="list-style-type: none"> <li>35 / 80 projects (44%) have had their ROI evaluated / calculated;</li> <li>Calculations of quantitative ROI for the remaining capex projects is expected to be completed by the end of June 2020.</li> <li>An options analysis has been conducted for the 80 Capex work-in-progress projects based on the following considerations: - <ul style="list-style-type: none"> <li>Strategic, Critical or Non-Critical;</li> <li>Digital or Non-Digital</li> </ul> </li> </ul>		9



## 2. GOVERNMENT FUNDING ALLOCATION AND UTILISATION

### 2.1 SUMMARY OF BAILOUT UTILISATION

Description	Balance as of 30 Sep 2019 RM	Split of Funding Received Oct'19 & March'20 RM	Funds Utilisation as at 30 April 2020 (RM)	Remaining Funds (RM)
<b>TRADE &amp; OTHER PAYABLES</b>				
Trade Payables	- 975,383.8		953,277.00	
Accruals	- 248,692.3		169,378.00	
GR/IR Clearing	- 25,173.6		25,173.56	
Off-set amount Supersport				
Off-set amount Supersport				
<b>TOTAL</b>	<b>- 1,249,249.7</b>	<b>2,000,000.0</b>	<b>1,147,828.6</b>	<b>852,171.44</b>
<b>NEW EXPENDITURE CONTRACTED AFTER 30 SEPT 2019</b>				
TV Content	-	<b>800,000.0</b>	424,931.2	<b>375,068.8</b>
Long term Capex	-	<b>400,000.0</b>	18,107.0	<b>381,893.0</b>
<b>GRAND TOTAL</b>		<b>3,200,000.0</b>	<b>1,590,866.8</b>	<b>1,609,133.2</b>

Sentech only remains with R34.3M to be paid out of the bail out funds

Needle time royalties of R93M will be paid out of the bail out funds starting with R20M in May

R88M was used in the month of April from the bail out funds

Total interest earned to date is R65M from the Bail out funds