

Sustainable Funding Model for the SABC

**Status Update
Presentation to the
PPCCDT**

6 February, 2026



Proposed Discussion

1. Setting the Scene

2. Methodology and Status

3. Conceptual Model

4. High Level Findings

5. Questions and Answers



SA critically needs a healthy SABC, supported by adequate and sustainable, funding

Critical need for public service media

- Importance of having an independent broadcaster (or public service media - PSM) acknowledged in functional democracies

Socio-economic and political benefits

- The benefits and importance are *increasing* as unregulated '**synthetic media**' proliferates

Invisible handcuffs

- The basis for the SABC - the mandate and need for funding, was visionary in 1990's, but the legal/regulatory execution is constraining the public and commercial operations of the SABC.

Springboks won the Autumn International Rugby season but millions of our citizens couldn't watch - when we so need to have moments of national cohesion, pride and inspiration to youth

SA PSM funding counters global trends

- Most peers are primarily state funded (in Africa, Europe, Asia, Canada etc)
- SABC a global standout for low levels of public funding
- Trend: In e.g. Europe / Mediterranean area, the public funding portion is *increasing*.
- In many countries, advertising by the PSM is banned or restricted

Methodology and Status of Research

1. International best practice and experience review - done
2. Inputs from key stakeholder groups - done
 - a. Treasury, SARS, DCDT, ICASA, Sentech, Academics, Civil Society
 - b. SABC - all relevant departments
3. Report drafts - Baseline (Sept 2025) and First Draft (Dec 12) - done on time.
4. Stakeholder engagement re proposed models
 - a. DCDT Team - done, multiple
 - b. Minister - personally engaged
 - c. National Treasury - public entities (done), tax/policy - still to do
 - d. Parliamentary Portfolio Committee
5. Report Delivery (due 6 February)
6. Ministerial Consultations

Methodology and Status of Research and Analysis

01

International best practice and experience review - done 

02

Inputs from key stakeholder groups - done 

- a. Treasury, SARS, DCDT, ICASA, Sentech, Academics, Civil Society
- b. SABC - all relevant departments

03

Report drafts - Baseline (Sept 2025) and First Draft (Dec 12) - done on time. 

04

Stakeholder engagement re proposed models : in progress 

- a. DCDT Team - done, multiple 
- b. Minister - personally engaged 
- c. National Treasury - public entities (done),  tax/policy - still to do 
- d. Parliamentary Portfolio Committee (today and as invited)

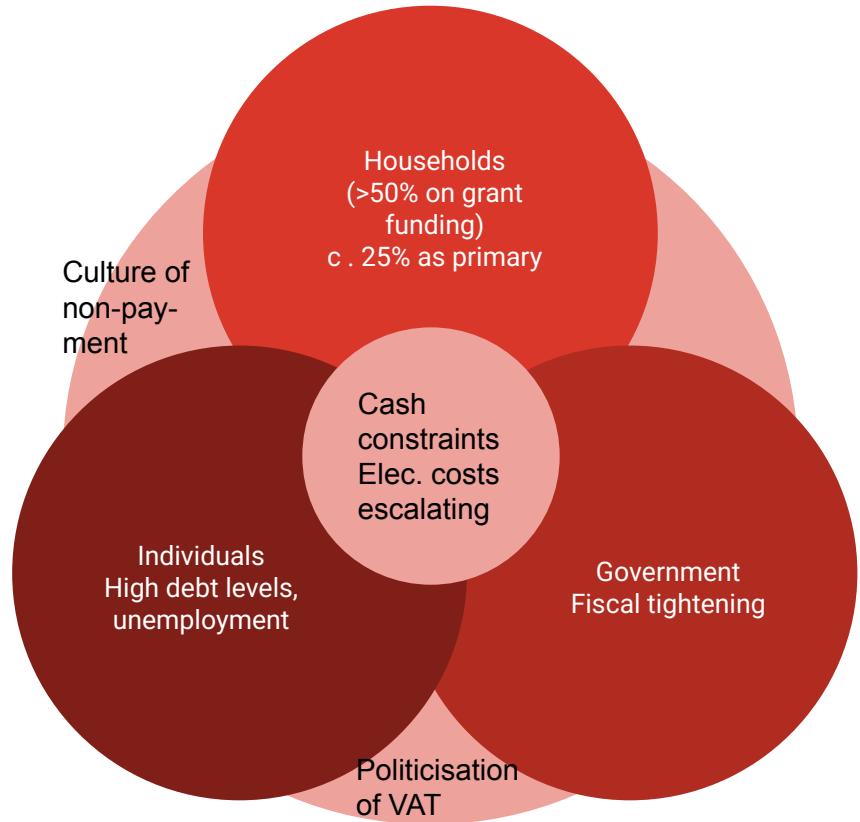
05

Report Delivery (due 6 February)

06

Ministerial Consultations

Solving the funding 'wicked problem' or 'gordian knot' or 'choosing the lesser of many evils'



The Industry
SABC: legacy distrust re their spend (Zondo, SOEs) [Minister, Board, CxOs need to restore faith] Their value less known to 'middle class'
Industry : a history of using litigation



The Plus Side - an easy Company to seek funding for:

- Stable, experienced board since 2023, now mid term
- 2x Unqualified Audits
- SABC Exco is capable and strategy is sound
- High viewerships of 3m or more on some programs
- High levels of trust in News (voted most trusted public institution in a 2025 survey)
- Significant focus on digital transformation. SABC + has 1.9m subscribers
- TV collections stabilised
- Important sports rights (e.g Soccer World Cup)
- World class with events - e.g G20

Countries have solved the same issue very differently

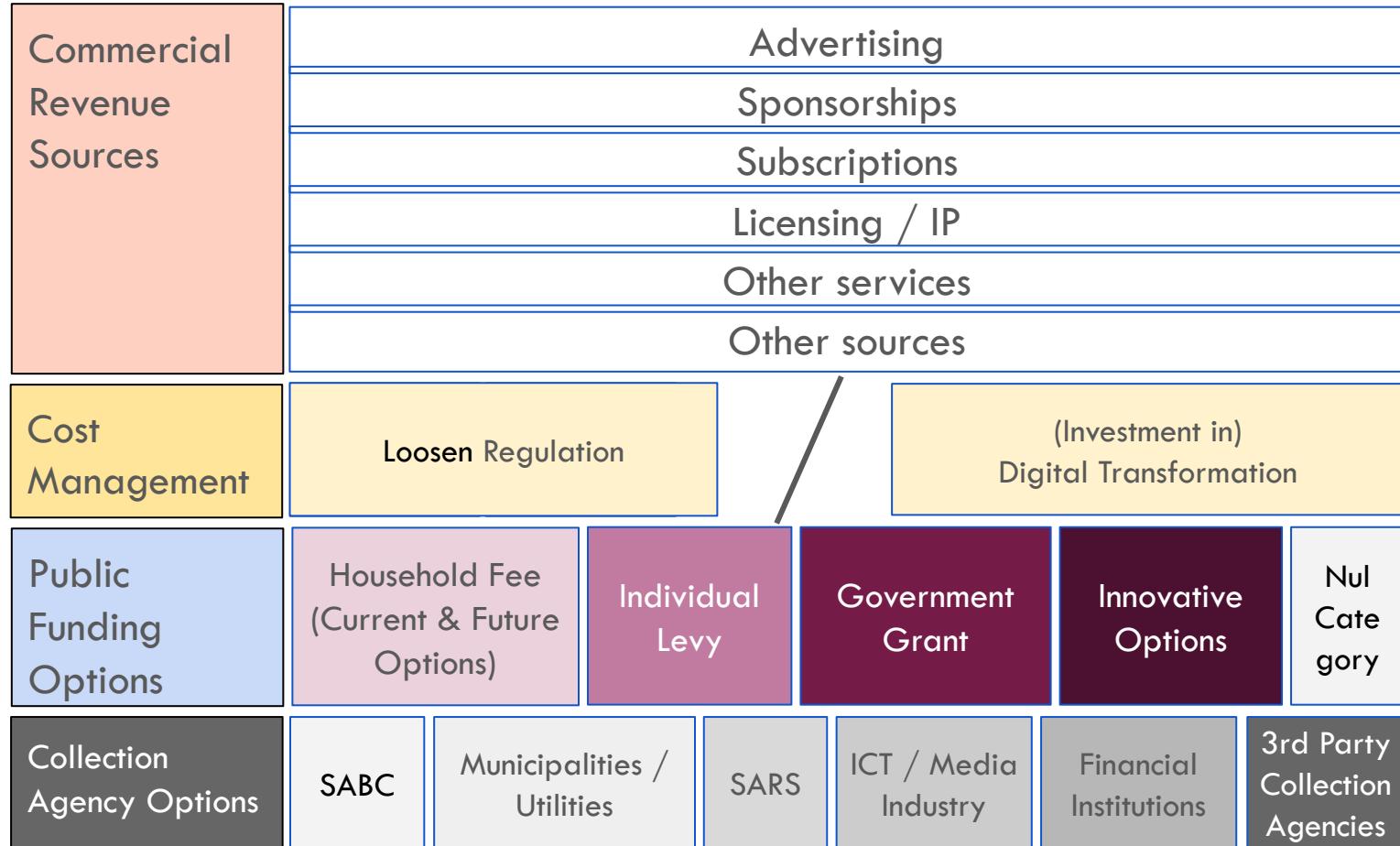
Solution requires selecting and ranking the value drivers for model selection, and risk appetite. We enhanced global best practice with local value drivers:

1. **Independent from Political Interference.** This would ensure that the SABC is not reliant (or seen to be reliant) on political favour or 'the politics of the day', thereby promoting public trust in the SABC so that it rebuilds the perception that it is a truly indispensable service and crucial to promoting our democracy.
2. **Adequate.** The SABC needs to be able to deliver fully and adequately on its remit. Ensuring adequate funding means that the SABC, in turn, can be held accountable for full delivery on its mandate.
3. **Objectively Justifiable.** Objective metrics enable the correct setting and/or revising of funding levels of the SABC.
4. **Stable.** The SABC needs to be assured of funding over a multi-year horizon to optimise its own planning within a rapidly changing industry.
5. **Fair.** The model needs to be fair to individuals, households and businesses. **Progressive** approaches are often preferred
6. **Transparent.** The model and fund collection need to be open, clear and transparent.
7. **Accountable.** The model needs to assist the public and lawmakers in holding the SABC accountable to South African citizens.

Additional considerations have also been added which relate to the South African context:

1. **Simplicity.** Simpler models are easier to implement and for the public to understand.
2. **Enforceability.** Given difficulties in securing compliance in South Africa, enforceability is important.
3. **Legal Certainty.** Candidate Funding Models should be understood (rather than simply ranked) in terms of their likelihood of actually being promulgated and implemented (in terms of legal complexity and in the face of likely legal challenges).
4. **Length of Transition Period.** The time required for the revenue from the chosen Funding Model needs to be understood as the transitional arrangements need to be agreed at the same time as the Funding Model is implemented.

Holistic approach based on revenue, cost and funding elements requiring legal/regulatory updates



Licensing, other services and other sources

A number of interventions will be listed, but the two key ones are mentioned here for completeness:

- A 'loophole' in the Must Carry Regulations needs to be investigated. It has resulted in DSTv gaining free access to the three extremely popular FTA SABC TV channels, worth R100s of millions per month for 12 years.
 - The regulations contain no deadlock-breaking mechanism, ICASA can't dictate commercial terms of its own licencees and the SABC is compelled by law to make the channels available.
 - ICASA should resolve based on the 'self-evident' flaw in the regulation drafting
- Reducing 'red tape' restrictions will potentially allow SABC to do the following:
 - Commission content more easily (to remain more competitive)
 - Trade the content it has commissioned (in line with many international examples)
 - Gain access to existing public funding (such as content grant funding)

Cost Management Options

Cost Management

Loosen Regulation

(Investment in)
Digital Transformation

Cost management (or cost reduction) is seen by BMIT as achievable via both regulatory overhaul (loosening regulation) & targeted shareholder investment in the digital transformation of the SABC

Regulatory Proposal

BMIT considers the conditions imposed on the SABC are outdated and un-necessarily onerous. First, a new vision for the SABC as a modern PSM, serving needs relevant to South Africa, could be articulated (perhaps by the AAVCS process), resulting in updated regulations. Regulations should also be less specific in many instances, allowing the SABC to apply discretion. The resulting SABC could be more relevant but also able to save on costs.

Digital Transformation Investment

The SABC needs investment to accelerate its digital transformation, resulting in a company with the right equipment and skills to deliver quality content reliably, with a greater focus on digital media, appropriately skilled and able to leverage AI capabilities to improve content, optimise operations and engage with viewers more effectively. A digitised SABC would cut operational costs significantly whilst also improving content.

The Quantum of Funding

- The funding quantum is important as it must be competitor-neutral (it must be too high so as to not give the SABC unfair competitive advantage) but also not underfund the public mandate.
- We fully support the principle that the State needs to ensure guaranteed annual funding for the SABC to execute on its public mandate
- Stakeholders consulted almost all support the concept of providing guaranteed funding of the public mandate.
- Based on SABC-supplied data, and our analysis of the audited PCS/PBS books, and our view on capex/maintenance requirements our view is the numbers are plausible.
- For our funding model calculations, we have estimate the funding quantum for calculation purposes.
- This excludes our estimate of the value for the one-off funding and digital deficit backlog.
- Clearly a proper analysis should be undertaken by qualified financial analysts, based on the updated mandate within an updated policy framework

Thank you

Q and A

