

# SABC annual results dazzle

The SABC has posted an after-tax profit of R383 million for the year ended March 31, marking a 97% growth or the adjusted figure of R194 million declared for last year. Its total revenue also rose by 17% year on year, compared to a 10% increase in expenses. These annual results were released yesterday, Wednesday 30 August 2006, during a sumptuous ceremony held at the company's headquarters in Auckland Park, Johannesburg.



Bylssa Sikiti da Silva 30 Aug 2006

"As the SABC celebrates its 70th anniversary this year, we could not have asked for better performance to commemorate this important milestone in the corporation's history," SABC Board Chairperson Sonwabo Eddie Funde said.

"The corporation has made a considerable improvement finance-wise and governance-wise since the new board was appointed some two and half years ago and the results speak for themselves," Funde added.

The mood was jovial among all the SABC elite and employees at yesterday's function as the results and other achievements were being read and explained in detail by Group CEO Dali Mpofu, Chief Operating Officer Solly Mokoetle and Chief Financial Officer Robin Nicholson.

## Revenue, funding and expenditure

Four principal sources form the core of the SABC funding, and this year's outlook is as follows... *Commercial* - income derived from advertising: R2 968 million equivalent to 75% of revenue; *television licences*: R379 million or 19% of revenue; *government*: R50 million or 1% of revenue, and *other*: R186 million or 5% of revenue.

Television revenue has increased by 27% year on year, with advertisers clearly capitalising on the boom in consumer spending. Total radio revenue grew by 34%, with income from PBS radio increasing by 38%.

Investment in local content, news and sport continue to increase significantly, and is expected to increase further as the SABC implements new licences conditions.

This is how the SABC's key expenditure areas look like:

- Programme and broadcasts costs: R1 343 million
- Personnel: R990 million
- Signal and linking costs: R315 million
- Marketing: R179 million
- General and administrative costs: R499 million
- Depreciation: R129 million

Mpofu stressed: "It is clear from these results that, in the past year under review, the foundation has been further solidified and all our people can confidently speak of an SABC which is poised to deliver more effectively to the South African citizenry.

## News and current affairs

With its 13 editorial offices, 900 employees, more than 400 freelancers and four foreign bureaux, SABC's news and current affairs division is said to be Africa's biggest newsgathering organisation. Radio news remains the nation's primary source news and current affairs. Each week, its radio platforms carry 1 568 news bulletins and 190 current affairs shows. And television news broadcasts 130 news bulletins a week in all the official languages.

Despite these enormous human and financial resources, some people and organisations, including the Democratic Alliance, continue to aggressively criticise the contents of news and current affairs programmes, calling them "propaganda" meant

promote the ruling party.

But Mpfu insisted that the SABC news and current affairs team is excelling and doing incredibly well, citing successful coverage of the Congo elections and other efforts to achieve the ideals of 'Total Citizen Empowerment'. He even brought to life the incident of a senior politician [deputy-president Phumzile Mlambo-Ngcuka] who was booed in Kwazulu-Natal by the supporters of Pietermaritzburg High Court-bound former deputy-president Jacob Zuma.

At the time, SABC was accused of deliberately excluding the footage. But an independent enquiry had apparently cleared the public broadcaster of any wrongdoing.

Mpfu said: "As would be expected in a highly charged domestic political atmosphere, accusations and perceptions of political bias from all sides abound. None, however, were able to withstand the true test of factual analysis."

## **Business as usual**

From "banning" certain fire-mouthed political commentators, withdrawing Thabo Mbeki's controversial documentary and of sorts of controversies, the public broadcaster has been rocked by a series of accusations in the past year, mostly emanating from the mainstream media and people classified by Mpfu as "right-wingers".

"Frankly, I do not care about what they say. We have a mandate to fulfil and we carry on with our work despite all these unfair attacks," Mpfu told Bizcommunity.com. "What matters to us is the public. As long as we are getting good feedback from viewers and listeners, we are happy and sleep peacefully at night.

"I am not against criticism, but it has to be constructive, and not founded on some agenda. Our work is based on a mandate clearly defined by ICASA regulations, which we are striving to comply with."

He said that the way forward is to double efforts to improve technology prior to 2010 and reach those who are not getting a signal from SABC. Besides, SABC plans to increase domestic news coverage of Africa to promote African Renaissance at NEPAD, and effectively tell the African story.

## **ABOUT ISSA SIKITI DA SILVA**

Issa Sikiti da Silva is a winner of the 2010 SADC Media Awards (print category). He freelances for various media outlets, local and foreign, and has travelled extensively across Africa. His work has been published both in French and English. He used to contribute to Bizcommunity.com as a senior news writer. [View my profile and articles...](#)

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