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mda

MEDIA DEVELOPMENT & DIVERSITY AGENCY



Presentation to the National Council of Provinces

Annual Report 2013-14

29 October 2014



INDEPENDENT NEWSPAPERS



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MANDATE

Encourage ownership and control of, and access to, media by HDC as well as by historically diminished indigenous language and cultural groups.

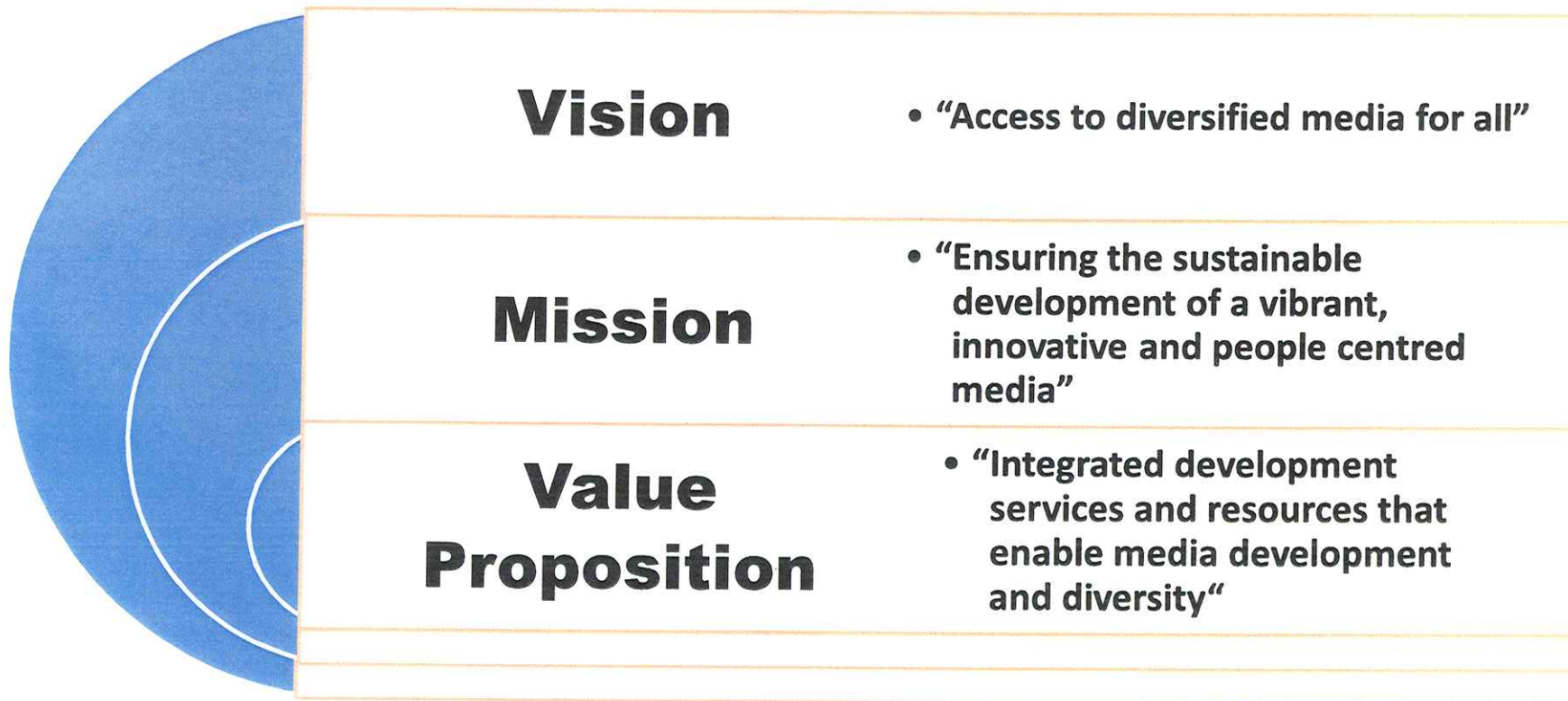
Encourage the development of human resources and training, and capacity building, within the media industry, especially amongst HDGs.

Encourage the channelling of resources to the community media and small commercial media sectors,
Raise public awareness with regard to media development & diversity issues

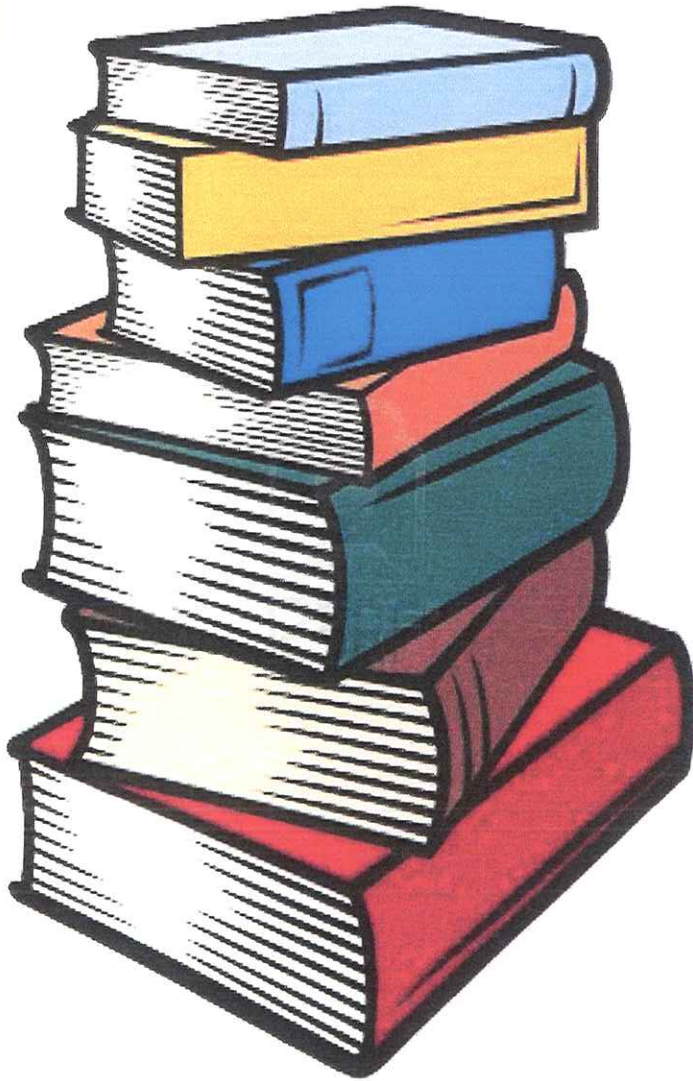
Support initiatives which promote literacy and a culture of reading,
Encourage research regarding media development & diversity,
Liaise with other statutory bodies, such as ICASA and USAASA.

PURPOSE

The MDDA focuses on promoting advocacy for media development and diversity, stakeholder management and providing grant and seed funding for community and small commercial media.



Legislative and Regulatory Framework



Section 16 and 32 of the Constitution Act No. 108 of 1996 provides for the freedom of expression and access to information.

MDDA Act No. 14 of 20 establishes a statutory body called the MDDA.

The MDDA is entrusted with the responsibility of promoting media development and diversity in S.A. by (amongst others) providing financial and other support to community (non-profit) and small commercial media projects.

CELEBRATING 20 YEARS OF DEMOCRACY 20 YEARS OF MEDIA FREEDOM AND DIVERSITY



11 years of unqualified and clean audits since inception

Total of 570 media projects supported with MDDA grants worth R275m.

- More than 2021 individuals trained and skilled.
- More than 247 bursaries awarded in media studies.

FINANCIAL GRANTS & NON-FINANCIAL SUPPORT

- ❑ More than 12% of government advertising expenditure amounting to more than R60m has been spent on community and small commercial media from April 2011 up to March 2014. (existing partnerships with the GCIS Media Buying, Milele Group, etc.)
- ❑ Signal distributions costs for community broadcasting discounted/reduced (MDDA and SENTECH partnership)
- ❑ Listenership and viewership has grown since 1994. Community radio commands more than 25% of total radio listenership. Community television is licensed in 4 provinces (GP, WC, EC, and KZN), access Government advertising and viewership is growing.



- ❑ **Diverse and innovative SA content, languages, cultures, etc. enjoys airtime in the three-tier broadcasting system (*public, community & private*) and enable a diverse broadcasting industry.**
- ❑ **Creation of easy to use Toolkits & Guidebooks in Governance, Advertising & Marketing, Financial Management, etc.**
- ❑ **MICT-SETA partnership on accredited and quality training programmes.**
- ❑ **Signal distributions costs for community broadcasting discounted/reduced (Sentech partnership).**

**“20 YEARS OF DEMOCRACY AND 11 YEARS OF MDDA”
MILESTONES**

MDDA Research Projects 2013/14

- **Transformation of Print Media in SA – August 2013**

The research seeks to update the baseline data from the 2009 “Trends of Ownership and Control of Media in South Africa” study, objectives of the research were *inter alia* to take stock of the number of print and broadcast media in the country on a national, provincial and district municipality basis and to assess the extent to which the previously disadvantaged communities are taking up ownership and control. The 2013 “Transformation of Print Media” study focus on presenting current data on ownership and control of the print media sector specifically. Research report was launched at a May 03rd Press Freedom Day Seminar in 2014 hosted with the GCIS.

- **Newsroom Audit & Basic Journalism Skills for Community Media**

As part of the short-learning programme “Basic Journalism Skills for Community Media” the MDDA in partnership with the University of Free State conducted a Newsroom Audit of community and small commercial media projects in the Free State and Northern Cape. The audit was conducted in order to obtain information that will inform the content and main focus areas of the programme, as well as to provide information that could assist the MDDA in terms of planning. The audit focused on an analysis business components in infrastructure, newsroom budget, human resources, newsroom structure and an overview of the media environment.

MDDA Training & Development Projects 2013/14

Media Literacy & Culture of Reading Summit – Thohoyandou, Limpopo

The Media Literacy Summit is held annually to attract the Grade 9-11 learners and educators at a provincial level. The Summit is a combination of plenary, break-away, training sessions and other peer-to-peer learning activities.

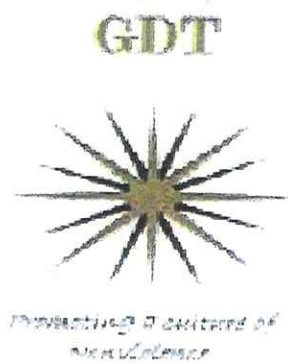
Annual MDDA Learning Forums

The MDDA Learning Forum is an annual learning platform attended by community media and small commercial media projects. The Forum is held 2-3 days before the MDDA/SANLAM Local Media Awards. The platform is a series of training workshops that are facilitated in partnership with other government departments and stakeholders like DoC, DAC, GCIS, SARS, United Nations, etc.

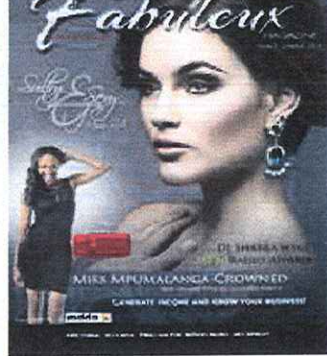
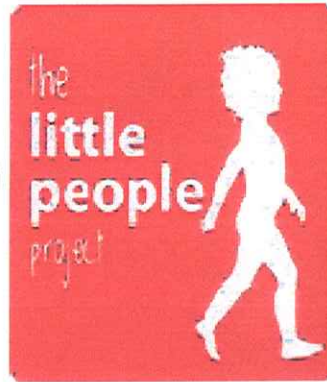
Partnership with Sector / Industry Bodies: National Community Radio Forum (NCRF) and Association of Independent Publishers (AIP)

In December 2013 the NCRF held its bi-Annual National Conference in Mangaung in the Free State. The MDDA contribution enabled the Board of Directors and Management to plan and execute this sector meeting. In September 2013 the AIP also held its National Conference and training workshops on advertising and management. This benefited over 70 small commercial and independent publishers.

Broadcast & Print Projects Funded – 2013/14



Broadcast & Print Projects Funded – 2013/14



Programme Performance – 2013/14

PROGRAMME A: COMMUNITY MEDIA

Strategic Objective: Ownership, control and access to information and content production by communities

Performance Indicator	Baseline (Actual Output)	Actual Performance against Target		Variance	Reason for Variance
	2012/13	Target (2013/14)	Actual (2013/14)		
Percentage of community media projects funded are operational	100%	100%	100%	0%	Achieved
Number of funded community projects streaming	8	10	10	0%	Achieved
Percentage of applications received online	New Indicator	50	44	-6	Only 44% was achieved, but the system will be continuously improved
Percentage of Community Radio Projects recorded on the online data base	New Indicator	80%	42%	-38%	Electronic Database was compiled but it's not available on the MDDA website yet due to IT Challenges.
Number of learning forums attended by beneficiary community media projects	1	1	1	0	Achieved

Programme Performance - 2013/14 (...cont.)

PROGRAMME B: SMALL COMMERCIAL MEDIA

Strategic Objective: Enhancement of ownership, & control by independent media entrepreneurs

Performance Indicator	Baseline	Actual Performance		Variance	Reason for Variance
	(Actual Output) 2012/13	against Target (2013/14)	Actual (2013/14)		
Rand amount of grant and seed funding allocated /disbursed	R4m	R5,7 m	R7,6 m	+R1.9m	Exceeded
Percentage increase in advertising revenue for SCM sector projects	5%	5%	120%	+115%	Exceeded
Percentage project application handling turn-around times improvement	New Indicator	40%	40%	0	Achieved
Percentage SCM funded projects benefiting from the Learning Forum	100%	100%	100%	0	Achieved
Percentage discounts received by SCM funded projects	New Indicator	5%	10%	+5%	Exceeded
Number of SCM projects receiving NEF Imbewu low interest loans	New Indicator	15	0	-5	NEF is no longer funding

Programme Performance – 2013/14 (...cont.)

PROGRAMME C: RESEARCH, TRAINING AND DEVELOPMENT

Strategic Objective: A vibrant, innovative and people centred media.

Performance Indicator	Baseline	Actual Performance		Variance	Reason for Variance
	(Actual Output) 2012/13	Target (2013/14)	Actual (2013/14)		
Rand amount of research grant disbursed	New Indicator	R1m	R3.6m	+R2.6	Exceeded target
Number of beneficiaries trained	100	400	516	+116	Target exceeded due to MICT-SETA training partnership.
Number of mentor/trainers on the database	50	50	56	+6	Exceeded target
Number of beneficiaries that underwent the Grantee Orientation Workshops	56	60	41	-19	Due to budgetary constraints only 41 beneficiary projects could be achieved.
Basic Financial Management Guidebook developed	New Indicator	1	1	0	Achieved
Number of quality assured training programs in place	3	3	10	+7	Target exceeded due to MICT-SETA training partnership.
Number of research projects commissioned	1	2	2	0	Achieved
Number of Annual Journals Published	2	1	1	0	Achieved

Programme Performance -2013/14 (...cont.)

PROGRAMME D: MONITORING AND EVALUATION

Strategic Objective

Enhancement of ownership & control by independent media entrepreneurs.

Performance Indicator	Baseline	Actual Performance		Variance	Reason for Variance
	(Actual Output) 2012/13	Target (2013/14)	Actual (2013/14)		
Percentage of funded projects monitored	New Indicator	100%	100%	10%	Achieved
Percentage of grantee compliance with grant agreements	New Indicator	100%	100%	0%	Achieved
Percentage of corrective action implemented as a result of identified monitoring gaps	New Indicator	100%	100%	0	Achieved
Number of projects monitored through site visits		45	50	0	Achieved
Number of project monitored through desktop		40	45	0	Achieved
Number of summative impact evaluations in place	New Indicator	1	1	0	Achieved
Percentage increase in the number of projects monitored through partnerships	New Indicator	10%	10%	0	Achieved

Programme Performance - 2013/14 (...cont.)

PROGRAMME E: HUMAN RESOURCES

Strategic Objective

Creation of an environment and capabilities that deliver MDDA value products and services .

Performance Indicator

Performance Indicator	Baseline (Actual Output) 2012/13	Actual Performance against Target		Variance	Reason for Variance
		Target (2013/14)	Actual (2013/14)		
Percentage of disputes lodged and resolved	100%	100%	100%	0	Achieved
Percentage compliance with HR policies and procedures	100%	100%	100%	0	Achieved
Percentage alignment of remuneration and benefits to positions as a result of regular salary market surveys	100%	100%	0%	-100%	The Budget was re-allocated to Recruitment Services for the CEO, COO and Company Secretary
Percentage of accuracy and integrity of personnel information on HRIMS	100%	100%	100%	0	Achieved
Percentage increase in achievement of performance information targets	100%	100%	31%	-69%	Only 4 out of 13 (31% performance targets were met. 6 (46 % performance targets are in progress with 3 (23%) having an improved status.
Number of personnel trained in the identified skills gap	100%	100%	100%	0	Achieved

Programme Performance (...cont.)

PROGRAMME E: HUMAN RESOURCES

Strategic Objective: Creation of an environment and capabilities that deliver MDDA value products and services .

Performance Indicator	Baseline	Actual Performance		Variance	Reason for Variance
	(Actual Output) 2012/13	Target (2013/14)	Actual (2013/14)		
Percentage of disputes lodged and resolved	100%	100%	100%	0	Achieved
Percentage compliance with HR policies and procedures	100%	100%	100%	0	Achieved
Percentage alignment of remuneration and benefits to positions as a result of regular salary market surveys	100%	100%	0%	-100%	
Percentage of accuracy and integrity of personnel information on HRIMS	100%	100%	100%	0	Achieved
Percentage reduction in the number of audit findings	100%	100%	90%	-20%	Succession Planning Policy concluded in April 2014
Percentage increase in achievement of performance information targets	100%	100%	31%	-69%	Impact of late conclusion of other processes (of recruitment processes and succession planning) .
Number of personnel trained in the identified skills gap	100%	100%	100%	0	Achieved
Number of positions filled as per the EE plan	100%	100%	0%	-50%	EE Plan approved in October and subsequent recruitment made in terms of the Plan.

Programme Performance (...cont.)

PROGRAMME F: COMMUNICATIONS, BRANDING AND STAKEHOLDER MANAGEMENT

Strategic Objective: A well-known, valued and reputable brand

Performance Indicator	Baseline (Actual Output) 2012/13	Actual Performance against Target		Variance	Reason for Variance
		Target (2013/14)	Actual (2013/14)		
Percentage stakeholder satisfaction index	New Indicator	100%	100%	0%	Achieved
Number of positive media comments (using Meltwater reports and BizCommunity)	New Indicator	10 000	10 750	+750	Exceeded target due to increased use of MDDA online platforms.
Increased partnerships in support of media development and diversity	8	10	10	0	Achieved
Number of entrants and winners	New Indicator	1 510	750	-760	More work is done to encourage entries
Number of winners	New Indicator	40	34	-6	More work is done to encourage entries

Programme Performance (...cont.)

PROGRAMME G: RISK MANAGEMENT AND INTERNAL AUDIT

Strategic Objective: Enhanced governance and accountability standards of the MDDA

Performance Indicator	Baseline (Actual Output) 2012/13	Actual Performance against Target		Variance	Reason for Variance
	Target (2013/14)	Actual (2013/14)			
Risk management strategy and plan	1	1	1	0	Achieved
Risk assessment audits completed	1	1	1	0	Achieved
Divisional risk education events completed	1	6	2	-1	More workshops will be considered in the next financial year.
Divisional fraud prevention education events	New Indicator	6	0	-6	Workshops will be held in the next financial year.
Internal audit policy and plan	1	1	0	0	N/A
Internal Audit completed	8	8	6	-2	Remaining 2 reviews in progress.

Programme Performance (...cont.)

PROGRAMME H: FINANCIAL MANAGEMENT

Strategic Objective: To strengthen, grow and protect the MDDA funding base

Performance Indicator	Baseline	Actual Performance		Variance	Reason for Variance
	(Actual Output)	against Target			
	2012/13	Target (2013/14)	Actual (2013/14)		
Rand amount of transfers received	R56m	R46.6m	R56.6m	+R10m	Exceeded target
Percentage variance of actual vs budget (MDDA regulated allocations of 75% GFC and 25% admin)	0%	0%	0%	0	Achieved
Percentage compliance to FM Procedures manual	100%	100%	100%	0	Achieved
Percentage variance in asset register reconciliation inventory count	0%	0%	0%	0	Achieved
Reduction in the number of significant audit findings and emphasis of matter	0	0	0	0	Achieved
Reduced number loss of data as a result of IT Security Management System	0	0	0	0	Achieved

FINANCIAL HIGHLIGHTS 2013-14

Income Received	R'000
Government	R20 790
Print Partners	R 4 000
Broadcast Partners	R31 804
Interest	R 4 103
Total Income	R60 697

FINANCIAL HIGHLIGHTS 2013-14 (...cont.)

Expenditure	R'000
Grant costs	R42 089
Administrative costs	R 8 821
Personnel costs	R 6 849
Total Expenditure	R57 759

EXPENDITURE TRENDS 2013-14

ITEMS	Budget (R'000) (Apr'13–Mar'14)	Actual (R'000) (Apr'13–Mar'14)	Variance (R'000)	Reason for variance
Grant Costs	122 532	42 089	-80 443	R80 million is representative of the commitments of the MDDA at year end. This is attributable to the slow disbursement rate due to non-compliance/lack of reporting by the grantees.
Administrative Costs	8 417	8 821	+404	Increase in prices of goods and services. The recruitment service has been a cost drive as well.
Employee Costs	7 328	6 849	-479	Attributable to vacant positions at year end.

CHALLENGES AND PRIORITIES

Challenges:

- Current demands for funding far outweigh available resources, as a result projects are given less than what they requesting.
- The MDDA currently receives more than R150 million in applications, without increased funding.

Priorities:

- The agency is undertaking an impact study in two parts, impact of the MDDA funding on projects and the impact of the sector on socio-economic development.
- MDDA will engage ICASA on the management of licensing process to ensure complementarity. The new licensing model allows community radio stations to be licensed within 60 days which makes it difficult for MDDA to adjust its financial plans to accommodate new stations.
- In improving relations with print funders, the agency is working with the Minister in engaging the print media sector to discuss their financial and non financial support to the sector.

CONCLUSION

The Agency would like to express its appreciation and thanks to the Government, and the funding partners for the support to the Board and Management.

Further we hope -

- to ensure diversity of media in each and every district municipality of our country,
- to ensure increased media in different indigenous languages, reflecting unity in diversity,
- to ensure rural communities are empowered, jobs are created, poverty is alleviated and we have an informed society.