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OVERVIEW OF MDDA COMMUNITY MEDIA PROJECTS FOR 2015/16

INTRODUCTION

The Media Development and Diversity Agency (MDDA) is a statutory development agency for promoting and ensuring media development and diversity. It is a partnership between the South African Government and major print and broadcasting companies to assist in, amongst other things, developing community and small commercial media in South Africa. It was established in 2003, in terms of the MDDA Act No. 14 of 2002 and started providing grant funding to projects on 29 January 2004. The Agency is established to promote development and diversity in the South African media, consistent with the right to freedom of expression as enshrined in Section 16 (1) of the Constitution Act 108 of 1996.

MANDATE

The mandate of the MDDA is to:

- Create an enabling environment for media development and diversity which reflects the needs and aspirations of all South Africans.
- Redress exclusion and marginalisation of disadvantaged communities and persons from access to the media and the media industry.
- Promote media development and diversity by providing support primarily to community and small commercial media projects.
- Encourage ownership and control of, and access to, media by historically disadvantaged communities 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 historically disadvantaged groups.
- Encourage the channelling of resources to the community media and small commercial media sectors.
- Raise public awareness with regard to media development and diversity issues.

MDDA FUNDING

The MDDA receives funding from the South African Government through the Department of Communications, as well as from major commercial entities such as broadcast service licensees. Section 15 of the MDDA Act provides for funding of the Agency consisting of money appropriated by Parliament; money received in terms of agreements contemplated in section 21; domestic and foreign grants; interest derived from any investments; or money lawfully accruing from any other source.



Towards the end of the 2015/2016 financial year, the MDDA embarked on strengthening relationships with various funders - both broadcast and print, commencing an initiative to widen its funding base to enable it to play an even greater role in championing media diversity. The funding agreements with broadcasting service licensees are aligned to the ICASA regulation and prescribe that each broadcast licensee contributes 0.2% of their annual turnover of licensed activities. In the past few years, the MDDA saw a reduction in print media funding and in 2015/2016 received no funding from this sector at all. The MDDA views the print media as an important partner towards achieving media development and diversity in South Africa, and continue to engage this sector towards establishing a mutual understanding. Attracting advertising revenue both from the public and private sectors is key to the sustainability of local media and the MDDA has focused on assisting community media attract such revenue.

The spending of the MDDA for the year ended March 2016 is well within the regulated percentage of allocations. The MDDA experienced underspending due to delayed disbursement as a result of late project reporting by grantees. Compared to the prior year (2014/2015), the MDDA expenditure decreased to R53 million as compared to R57 million of the previous year. Overall the surplus for 2015/2016 amounted to R7 million, compared to the previous year's surplus of R1.7 million.

MDDA PROJECTS

The MDDA's priorities change from time to time, dependent on the needs of the sector at that particular time. However a number of issues guide its decision whether to fund and support a project or not. Amongst others, this includes:

- Will the project promote or add to media diversity?
- If the project increase participation by historically disadvantaged groups in the media?
- Does the project promote the use of previously disadvantaged languages?
- Is the project sustainable?
- Are good governance practices in place?
- Will the project promote a culture of reading?
- Does the community participate in the projects?

Currently, the MDDA is sponsoring 4 Television Stations across the country namely Cape Town Community Television, Eastern Cape Development Corporation Television, Tshwane Community Television and One KZN TV based in KwaZulu Natal. They also sponsor close a 100 community radio stations across the country and various community newspapers. The community newspapers includes Community Print and Small Commercial Print projects and Small Commercial Print Projects.

PERFORMANCE SUMMARY



The MDDA achieved 71% of its performance indicators for 2015/2016; which translates into 96 of the 135 performance indicators being achieved, a positive outcome given the challenging environment. During 2015/2016, the MDDA saw a number of important achievements in delivering on its mandate. Financial and non-financial support to projects exceeded annual targets, with the beneficiaries of direct and indirect support being community and other non-profit media as well as small commercial media, including radio, television, print and new media, such as on-line platforms. The emphasis was on projects, publishing and broadcasting in indigenous languages, and which bring disadvantaged communities and sectors - particularly women, people with disabilities, and the rural-based, working class and poor - into the information and communications loop.

Most of the communities served by MDDA projects have few economic prospects, with high unemployment, and are beset by problems such as lack of access to basic services, and to media which could serve as a platform to raise awareness around these issues. In the community broadcast sector, there were 26 community broadcasters funded for the 2015/2016 financial year. Of these 13 were start-up projects and 13 were for strengthening. Of the 24 print and digital media projects funded, 10 were start-ups and 14 were strengthened.

The MDDA is focused on strengthening gender equality within the sector, and of the 2015/2016 projects, 4 of the community broadcast projects and 6 of the print and digital media projects are led by females. More positively is the number of projects that are led by youth, totalling 12 in community radio and 7 in print and digital. While none of the funded projects in the 2015/2016 financial year are led by people living with disabilities, a substantial number of people with disabilities play several roles on the boards of various stations / projects. In line with the mandate of MDDA, the projects funded are weighted heavily to rural areas where most disadvantaged communities reside. In Community Broadcast, 13 of the projects, for which funding was approved during 2015/2016, are rural based as opposed to 5 urban based, and, similarly, in print and digital, 13 projects serve rural communities and 5, urban communities.

During 2015/2016, the MDDA actively supported the Minister of Communications' digital roll out, both sensitizing the community to the benefits and implications of the switch-over from analogue to digital, and working with projects to ensure they manage the switch-over seamlessly. A focus was therefore on supporting new and existing stations to migrate them to digital equipment, and granting funds for purchase of digital broadcast equipment. Stations were also funded for audio streaming to encourage them to have an online presence. In this respect, the MDDA has formed strategic partnerships with other sector stakeholders dealing with telecommunications, licensing, film and video, and on-line platforms.

Content development is also the MDDA's focus area to enable the stations to appeal to and deal with the issues relevant to the wider audience made possible by digital broadcast. This is a major objective of the MDDA's training and capacity building initiatives, in addition to ensuring that projects are equipped with the necessary skills to operate, manage and govern the organizations efficiently and successfully. During 2015/2016, capacity building projects included the award of bursaries to community radio stations to enrol at the Wits Radio



Academy. Eight people taking the Advanced Radio Management Certificate and 3 stations being mentored were all from the rural communities.

Another important partnership is that between the MDDA and the Southern African Agency for Science and Technology Advancement (SAASTA), to support and train community media in engaging with and reporting to communities on science, technology and related matters using indigenous languages. During 2015/2016, the MDDA identified community media projects to host 17 interns during 2016/2017 in a pilot project with printers and radio stations in Limpopo.

AUDITOR GENERAL'S OPINION

The MDDA received yet another unqualified audit outcome with findings, for the fourth consecutive year. Whilst this is commendable, the findings are somewhat problematic and need to be addressed as a matter of urgency. The Auditor General identified them as follows:

- The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and as required by section 55(1)(b) of PFMA
- Procedures for quarterly reporting to the Department of Communication and the facilitation of effective performance monitoring, evaluation and corrective action were not established as required by Treasury regulation 30.2.1
- Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of Treasury regulation 16A6.4
- Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury Regulations 16A6.1. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of Treasury regulation 16A6.4
- The preference point system was not applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act and Treasury Regulations 16A6.3(b)
- Effective steps were not taken to prevent irregular expenditure, amounting to R5 324 585 as disclosed in note 34 of the Annual Financial Statements, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1
- Effective steps were not taken to prevent fruitless and wasteful expenditure, amounting to R1 156 000 as disclosed in note 33 of the AFS, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1.



- With regards to leadership, the Accounting Officer did not have sufficient monitoring controls in place to ensure compliance with the relevant laws and regulations.
- With regards to financial and performance management, senior management did not adequately monitor compliance with laws and regulations.

CONCLUSION

As the Minister of Communications previously stated, media diversity in any country is regarded as a measure of the depth of its democracy and therefore every citizen should have access to a range of media. Community media projects, in particular community radio stations form a crucial part of the South African broadcasting landscape, providing listeners with a diverse scope of mother tongue options. Despite this role, most community radio stations, if not all, struggle to generate revenue from advertising or sponsorships, making their sustainability a precarious phenomenon. The Department of Communications recently pledged its support towards community radio stations, and the Select Committee on Public Enterprises and Communication, has a duty amongst other things, through its oversight, to ensure that these community based media entities receive the necessary support from government and are sustainable platforms for local people and their communities.

REFERENCES

Department of Communications, 2015. Strategic Plan 2015/16 – 2019/20

MDDA Medium Term Expenditure Framework and Annual Performance Plan for the period 2013 – 2017.

MDDA Annual Report 2015 – 2016. <http://www.mdda.org.za/annual-reports>

The Mandate and Objectives of the MDDA. <http://www.mdda.org.za/#!mandate-and-objective/cfgz>

