### Report of the Portfolio Committee on Communications and Digital Technologies on its deliberations on Budget Vote 4: Government Communication and Information System (GCIS) and its Entity MDDA, dated 9 May 2023

The Portfolio Committee on Communications and Digital Technologies (the Committee), having considered Budget Vote 4: Government Communication and Information System (herein referred to as ‘the Department’) and the Annual Performance Plan (APP) for 2023/24, reports as follows:

1. **Introduction**

Section 55(2) of the Constitution of the Republic of South Africa, Act 108 of 1996, states that the National Assembly (NA) must provide for mechanisms (a) to ensure that all executive organs of state in the national sphere of government are accountable to it; and (b) to maintain oversight of (i) the exercise of national executive authority including the implementation of legislation, and (ii) any organ of state. In terms of the Public Finance Management Act (PFMA), the Accounting Officers must provide Parliament or the relevant legislature with their respective institution’s Medium-Term Strategic Framework (MTSF) and, where applicable, with its Annual Performance Plan.

The Money Bills Amendment Procedure and Related Matters Act was promulgated in 2009 and provided Parliament with powers to reject or recommend the approval of departments’ budgets. The Act also makes provisions for implementing recommendations from the committee’s oversight reports.

The Committee met with the Department and the Media Development and Diversity Agency (MDDA), herein referred to as “the Agency”, on Tuesday, 5 May 2023. The meeting with the Department and the Agency was held virtually.

1. **The Department’s APP 2023/24**

An APP sets out what the institution intends to do in the upcoming financial year and during the Medium-Term Expenditure Framework (MTEF) 2023/24 – 2025/6 to implement its Strategic Plan. The document sets out performance indicators and targets for budget programmes and sub-programmes where relevant to facilitate the institution realising its goals and objectives set out in the Strategic Plan.

* 1. **Mandate**

The primary mandate of the GCIS is to provide timely, accurate and reliable information. The major challenge in this era is various sources of information, mainly social media. Therefore, the role of GCIS is critical in rebuilding trust and responding to misinformation and false information.

Section 195(g) of the Constitution of the Republic of South Africa of 1996 forms the basis of the formation of the Department, where it stipulates that to foster transparency, the public should be provided with timely, accurate and important information and all-time accessible.

In 1998, the South African Communication Service was dissolved, and the Department was established by Cabinet, primarily based on recommendations contained in the report of the Task Group on Government Communications (COMTASK).

Therefore, the Department is responsible for providing strategic leadership and coordinating a government communication system that ensures that the public is informed and has access to government information, programmes and policies that benefit them.

The GCIS, in pursuit of fulfilling its vision to meet the communication and information needs of government and citizens to ensure a better life for all, publishes the Vuk’uzenzele newspaper, among other publications. The core focus of Vuk’ is to meet public information needs on socio-economic opportunities that our new democracy has created and to inform the public on how to access these opportunities.

* + 1. **Policy Mandate**

The GCIS’s strategy is underpinned by the following:

* The revised 2019-2024 National Communication Strategy Framework (NCSF) was approved by Cabinet on 17 October 2022. Working with other government departments, the GCIS will drive the implementation of the NCSF across the communication system over the Medium Term Expenditure Framework (MTEF) period.
* The Government Communication Policy was approved by Cabinet on 22 August 2018.
* The Revised 2019-2024 Medium-Term Strategic Framework.
1. **The Department’s Situational Analysis**
	1. **Problem Statement**

Following the attainment of freedom in 1994, the democratic dispensation inherited an unequal society where most people did not have access to information that could empower them to live better lives. Since South Africa is now part of the global community, transformed information dissemination structures are a key focus area in marketing the country locally and internationally.

As stated above, the Department was established in terms of Section 239 of the Constitution of the Republic of South Africa of 1996 and as a strategic unit in the Presidency in terms of Section 7 of the Public Service Act, 1994 (Act 103 of 1994). This constitutional and legislative mandate empowers the Department to use its strategic location to coordinate and lead communication-related projects that straddle almost all government departments.

The Department is further mandated to ensure transparency in government, and that relevant government structures provide information that is timely, accurate and accessible. Its coordination role cuts across all three spheres: national, provincial, and local government. Although it has a constitutional mandate, it still relies on the power of persuasion to compel some departments to fulfil their communication obligations.

The *Towards a 25-Year Review* report on government performance highlights a wide range of areas where service delivery has improved. It also reveals several areas that government still needs to address, such as building social cohesion and nation-building and advancing inclusive economic growth.

Given the country's economic challenges, it is imperative to ensure the prudent use of state resources by delivering services effectively and efficiently in a cost-effective manner. Doing more with less should be considered under these dire financial circumstances. Information dissemination and direct interaction with communities remain key in empowering and rallying society towards a shared vision for a better South Africa.

The government has seamlessly adapted to the modern ways the public consumes or receives information by embarking on an intensive penetration and sustained presence in digital media. However, South Africa remains an unequal society, with some parts of the country still without internet connectivity while others are yet to enjoy the benefits of technology.

The fervent drive to boost economic growth will culminate in attracting more potential investors and visitors to the country, catalysing the creation of much-needed jobs. By providing developmental-related information, such as available government programmes and services that empower citizens to actively improve their lives actively, our provincial and district offices – through the District Development Model (DDM) – contribute to community progress.

By consistently communicating the remarkable progress the government has achieved in providing sustained service delivery to communities, the Department helps spread a positive message of hope to the public. Also significantly, using all our official languages in communicating with the public, especially those in the far-flung rural areas with minimal access to the mainstream media, contributes immensely to nation-building and a sense of belonging.

* 1. **External Environment**

Government communicators must move from rhetoric communications towards activism communication, bringing about a deliberate change in behaviour through the basics of Development Communications. The updated National Communication Strategy Framework draws on the 2022 State of the Nation Address (SoNA), where President Cyril Ramaphosa rallied citizens under the theme of “Leave no one behind”, which serves as a foundation for government communicators to adapt their communications strategies for the remainder of the MTSF period.

These priorities informed the Department’s coordination of the government-wide communications programme and its support as a Department within The Presidency to the President as the Communicator-in-Chief, the Deputy President and the Minister in The Presidency. The government’s performance against these priorities assumed diverse forms, all presenting a combination of communication opportunities and challenges.

For the remainder of the 6th administration, the GCIS will strongly advocate and implement an Izimbizo Programme for members of the Executive as part of implementing the National Communication Strategy Framework (NCSF) approved by the Cabinet in October 2022. Izimbizo is an interactive, direct and unmediated communication platform that brings the government closer to the people and promotes participatory democracy.

The proposed Izimbizo Programme is part of a suite of communication tools for principals to articulate messages around the government's priorities, as outlined in the 2023 State of the Nation Address (SoNA) and explain government interventions around energy challenges and other socio-economic issues the country is dealing with. The Cabinet-approved NCSF theme will guide the proposed Izimbizo Programme: “Leave No One Behind”. This is a rallying theme promoting partnerships and building national consensus in transforming the country to improve the lives of all South Africans. The GCIS will coordinate the programme with Heads of Communication (HoCs) in national departments, provinces and municipalities.

From April 2023 onwards, the GCIS, in collaboration with CoGTA, will plan an Imbizo for the President and Deputy President every two months. In addition, members of the Executive, through the Minister in the Presidency, will be requested to upscale their stakeholder outreach programme so that they can hold Izimbizo at least once a month, whether virtually, in a town hall or a rural area. Attention must be given to deep rural areas, the elderly, farmworkers, informal settlements and taxi/truck drivers, and settings where a high degree of vulnerability prevails due to their socio-economic situation.

* 1. **Internal Environment**

In the coming period, the GCIS will strengthen the coordination of government communication to report the progress in implementing the Medium-Term Strategic Framework, the Economic Reconstruction and Recovery Plan, and the 5-Point Energy Action Plan, amongst others. GCIS will also focus on strengthening government-community interaction through coordinating and driving the community outreach programme, commonly known as the Imbizo programme. The improved government-community interaction will enhance the ability of the government to communicate directly with the people through unmediated channels. This will also help bridge the social distance between communities and government leaders.

GCIS applied itself to the tasks at hand in the past two years despite significant constraints that have shifted the organisation from “doing more with less”, during years of budget reductions, to “doing less with less”.

GCIS’s classification as an essential service during the COVID-19 pandemic did not exempt the organisation from the social or economic difficulties experienced by all other South Africans. Illness among staff, a moratorium on appointments, insufficient resources to sustain high-impact, costly campaigns on media with the biggest reach and other constraints have taken their toll on the centre of the government communication universe.

The national macro-originations of the government process of 2019/20 resulted in the creation of two (2) new chief directorates in GCIS, i.e. Media Policy and Entity Oversight. The GCIS organisational structure was last submitted as a start-up in March 2019. The Department is reviewing the Organisational Structure to align it with the strategy and mitigate the structural challenges that have existed over time. The Organisational Structure Review project will be finalised by 31 March 2023. Since communication is a 24-hour endeavour, discussions are also underway on the appropriate operating model for the GCIS.

The Department will implement the reviewed organisational structure with effect from April 2023. Implementing the approved MTEF Recruitment Plan will be revised and synchronised with implementing the outcomes of the organisational structure review project and the operational model for the organisation. The Department will continue to recruit and retain a suitably qualified, capable and skilled workforce aligned to the EE targets of the Department and to maintain the vacancy rate below 10 per cent as prescribed by the Department of Public Service and Administration (DPSA).

The success of the GCIS is hugely dependent on the commitment and morale of its staff. Despite the challenges that have beset the broader Public Service, including curbing the wage bill and competing for scarce and expert resources, the Department has managed to keep the vacancy rate below 10 per cent from March 2020 as prescribed by the Department of Public Service and Administration (DPSA). As of 30 December 2022, the vacancy rate was 9.89 per cent.

Representation of women at the SMS level has hovered above 50 per cent and, at the time of this compilation, was achieved at 56 per cent. Support for women in senior management is expressed through the Department’s 8-HoDs Principles Action Plan. The Department has 13 persons with disabilities, translating to achievement of 3 per cent against the national target of 7 per cent.

Through the Workplace Skills Plan, the Department prioritised upskilling its workforce through training aligned to the critical and core functions of the GCIS. With the advent of the Covid 19 pandemic, greater demand was seen for 4IR-aligned skills to facilitate digital-based work execution and working remotely.

This included Critical Thinking, Applied Risk Assessment and Management, Change Management, Cyber Security, PowerPoint, Emotional Intelligence, Time Management, OHS, Programme and Project Management, Strategic Capabilities and Leadership in the Public Service, Local Governance, Operation of Zoom and Skype, Public Sector ERM, Micro point BI, Asset Management, Presentation and Facilitation Skills and Graphic Design.

Between April 2020 and September 2022, the GCIS appointed 12 new SMS members. These critical appointments included all 4 Exco members, correcting a situation whereby GCIS had been led by an interim leadership (acting positions for over five years.

As of the 2020 academic year to date, the department awarded 69 bursaries in line with the core and critical skills of the Department. Fifty-one per cent of the WSP was implemented for upskilling employees by the end of September 2022. The Department encourages staff members to study independently and, after completing the self-initiated study, apply for Recognition of Improved Qualification (RIQ) as a once-off cash bonus.

The Department has recruited and hosted graduate interns in the last two and a half years, and the recruitment of graduate interns increased the representation of youth within GCIS from 34 per cent in 2020/21 to 35.1per cent in 2022/23.

1. **Annual Performance Plan 2022/23 – 2024/25**

The Department is allocated R750,749 million in 2023/24, R782,847 million in 2024/25 and R816,429 million in 2026/26. Over the 2023/24 financial year, GCIS has been allocated R750,746 million, spread across the three programmes. Programme 1 (Administration) is allocated R199 million; Programme 2 (Content Processing and Dissemination) is allocated R428 million; and Programme 3 is allocated R123,7 million. See the table below for the breakdown.



The bulk of the department’s budget focuses on its core functions. Content Processing and Dissemination, Intergovernmental Coordination and Stakeholder Management receive 75 per cent of allocations, with 25 per cent to Administration. GCIS will bolster strong communication partnerships across government, business, civil society and the media through National Communication Partnerships to drive campaigns of national interest.

The GCIS allocation of R750,7 million has been allocated to economic classifications as follows: Compensation of employees accounts for 38 per cent of GCIS's total budget and amounts to R284,1 million. The department’s number of permanent posts is expected to be 434 for the 2023/24 financial year. Goods and services account for 27 per cent of GCIS total budget and amount to R201,8 million. Transfers payments to two entities account for 34 per cent of GCIS total budget and amount to R256,6 million (R219,526 million for Brand SA and R37,039 million for Media Development and Diversity Agency). Capital assets account for 1 per cent of GCIS total budget and amount to R8,2 million.

The GCIS is committed to sourcing its goods and services from black-owned businesses operated by designated women and youth groups. The Procurement Plan was finalised during the financial year 2022/23 in support of this government-wide effort on economic transformation. The department is also committed to procurement that enables economic enhancement of women, youth and people with disabilities. Targets will be set for procurement from these designated groups.

* 1. **Expenditure Overview**

To expand its reach to more South Africans, the Department aims to harness and coordinate various communication structures across the government communication system over the medium term. Essential to doing this economically is joint planning, the sharing of resources and the integration of efforts among government departments.

The GCIS’ appropriation over the 2022 MTEF period is R719,9 million in 2022/23, R710 million in 2023/24 and R746,8 million in 2024/25. Compensation of employees comprises, on average, 39 per cent, and transfer payments in respect of the appropriation to two public entities – Brand South Africa (Brand SA) and the Media Development and Diversity Agency (MDDA) – comprise 35 per cent of the budget over the medium term.

Seventy-five per cent of the department’s allocation over the medium term is jointly spent in the core branches Programme: Content Processing and Dissemination and the Programme: Intergovernmental Coordination and Stakeholder Management. The remaining 25 per cent of the total departmental appropriation is allocated to the Programme: Administration.

Over the medium term, the department will continue to focus on providing and facilitating strategic government communication and encouraging active citizen participation by rendering core communication activities and driving key national priority campaigns.

The national digital and physical distribution of the Vuk’uzenzele newspaper is integral to the department’s rendering of core communication services. It is the only national publication focused on the government’s key priorities, emphasising service delivery programmes and the opportunities created by the government. The department aims to print and distribute 10.2 million copies of the newspaper annually at R63 million over the medium term in the *Products and Platforms* and *Communication Service Agency* subprogrammes in the *Content Processing and Dissemination* programme.

The department will conduct activations nationwide that entail direct interactions with citizens, primarily in area‐specific local languages. Key activities include printing pamphlets and information brochures and advertising on social media, radio, and television. Activations will be initiated based on domestic and foreign media engagements and important government and national events such as the State of the Nation Address. These functions are performed by the department’s regional offices for R11 million each year over the MTEF period in the Provincial and Local Liaison subprogramme in the Intergovernmental Coordination and Stakeholder Management programme.

Over the medium term, the department plans to drive national priority campaigns on gender‐based violence, anti‐corruption in government, and the economic reconstruction and recovery plan. These campaigns aim to raise awareness and inform the public on progress in dealing with these challenges. They will be conducted through social media, community radio stations, television, and newspapers, distributing leaflets and flyers. For this purpose, R60 million over the MTEF period is allocated to the Media Buying subprogramme in the Content Processing and Dissemination programme.

As the department relies on human resources to carry out its mandate, spending on compensation of employees accounts for 38.4percent (R890.3million) of its total budget, increasing at an average annual rate of 2.1 per cent from R291.2 million in 2022/23 to R309.6 million in 2025/26. Capital expenditure and transfers to the department’s entities, Brand South Africa (BSA) and the Media Development and Diversity Agency (MDDA), account for 35.3 per cent.

The persistent under-allocation of resources (financial and human capital) to GCIS threatens the Department’s operations and existence. This will render the department ineffective and unable to achieve its targets, leading to a collapse of the government-wide communication system. While the notion of doing more with less may have been the proposition a few years back, this no longer holds. This makes it critical to coordinate and institutionalise the zero-based budgeting process for efficient resource allocation to meet the priorities set by the department.

1. **Explanation of Planned Performance Per Programme**
	1. **Programme 1: Administration: (R199.1 million)**



Programme1 provides strategic leadership in government communication to ensure coherence, coordination, consistency, quality, impact, and responsiveness of government communication. The Office of the Director General (DG) supports the Minister in The Presidency as the Executive Authority to oversee the Department and its public entities reporting to it and manage the interface between the Ministry, Cabinet, Parliament, and the Department.

There is an allocation of R199.1 for 2023/24 compared to R189.4 million for the last financial year. This is about a 5 per cent increase from the previous year's allocation. The additional funding will assist towards ICT infrastructure, enabling the advancement of digitalisation transformation projects to improve overall operational efficiencies for GCIS. The focus will be on upgrading the bandwidth at the head office and at all provincial offices, which will be an essential enabler of the GCIS’s digital transformation journey. Over the year, the GCIS will harness technology and systems to improve effectiveness and efficiency.

Staff training will be conducted to develop more relevant skills, and 4IR responsive communication workforce will also be implemented. Aged ICT infrastructure will be refreshed over the MTEF period to reduce the risks of infrastructure failure and cyber security threats. Existing systems and automated processes will be redeveloped with the latest software technologies. The department will also adopt cloud-based systems like Microsoft Office 365 and Exchange Online to enhance workforce mobility.

With the finalisation of the organisational structure, the staff placement process, based on matching skills to job functions, will be implemented informed by the Skills Audit process outcomes. Upskilling of staff focused on career pathing, and progression will also feature prominently in revitalising staff morale and creating a work environment that rewards excellence and innovation. The organisation will also focus on recognising and rewarding talented and committed individuals who live the organisational values in line with the GCIS Integrated Rewards and Recognition Model.

Over the medium term, the Office of the CFO will continue providing financial-related advice and support by monitoring revenue and expenditure trends and ensuring that the department remains within spending limits approved by Cabinet. This will be achieved through in-year monitoring of the department's expenditure by the Budget Committee.

Vision 2030 of the NDP, calls for a commitment to a procurement approach that stimulates the economy and creates jobs and further recommends a need for oversight over tenders, prohibition of public servants from doing business with the State and making individuals liable for losses in proven cases of corruption.

To give effect to these guiding policies over the medium term, the department will focus on training employees on ethics management, amplifying internal communication on the relevant policy directives, reviewing SCM policy and strengthening procurement compliance and reporting through staff engagements and submission of procurement plan and deviations to National Treasury (through the Office of the Chief Procurement Officer) for publishing every quarter. The revision of the SCM policy will affect the achievement of Reconstruction and Development (RDP) goals and Preferential Procurement Regulations, 2022 (PPR2022). It will further streamline the processes for speedy delivery of services, as well as contribute to economic growth.

* 1. **Programme 2: Content Processing and Dissemination: (R 428 million)**



Programme 2 is where the content and distribution of GCIS programmes reside. The Communications services agency is tasked with capturing the content of all government programmes via radio, photographic and video services. Much of the current targets and for the previous years were based on the output of a task, as opposed to the outcome and the impact that the citizen will derive.

The programme has been allocated R428 million for 2023/24 compared to R409.7 million during the 2022/23 financial year. This is about a 4.5 per cent increase from the previous year’s allocation.

In 2022/23, the Marketing team coordinated and implemented a government exhibition, which brings government products and services to the people. The success of this initiative has led to the decision to introduce a new indicator and have these exhibitions on a more frequent basis and spread out to the provinces of South Africa. Another new indicator is ensuring that the Communication Service Agency (CSA) team always strives to inform and educate government departments on the GCIS service offering instead of attracting more clients. The Chief Directorate: Policy and Research continue to guide government communication and track the nation's trust. The results inform government decision-making and suggest ways to reach more citizens on government programmes and developments. The tracker study is conducted through independent research companies and measures public opinion on various government priority areas. It is the largest research project of the GCIS.

The Government Communication Excellence Tool (G-CET) measurement provides the department with an assessment tool of whether the departments comply with communication protocols outlined in the Government Communication Policy. The unit also can conduct research for other departments (national, provincial and local government) and does so using a panel of independent service providers. The tracker will be conducted during two quarters in the coming period, and ad-hoc research projects for government institutions will be strengthened.

The Communication Resource Centre (CRC) will continue to fulfil this role through its media monitoring service. The CRC will furthermore continue with the early morning SMS media headlines to ensure principals and communicators are abreast of developments in the media environment and can respond where required or communicate proactively.

In addition, the CRC will continue to produce key messages and talking points to ensure coherence and consistency in government communication. Related to this is drafting opinion pieces to ensure the government’s message is carried out clearly in the media.

A challenge has been posed to the digital media unit to strive to increase the penetration of all the GCIS social media accounts and websites (www.gcis.co.za and www.gov.za). The team is also instrumental in ensuring that government programmes are streamed live, giving citizens a broader choice in accessing government content.

However, the digital divide in our country cannot be ignored; with over 27 million South Africans falling in the Rooted Realists segment, this population group still live in deep rural areas where the broadband network is still a challenge and access to data is still unaffordable. Due to this stark reality, the flagship publication of the government, Vuk’uzenzele, will remain with a high print order to ensure that information still reaches the Rooted Realists segment.

The ultimate aim is to grow the digital downloads of Vuk’uzenzele, which is more cost-effective and can reach the citizens more frequently. More digital forms of distribution are being explored. Similarly to the PSM and SANews, the impact will be derived from the number of downloads on the bulletins developed.

Over the next four years, the Chief Directorate: Media Policy will be required to render secretariat support services to the Marketing Advertising and Communications (MAC) Broad-Based Black Economic Empowerment (B-BBEE) as part of giving effect to socio-economic transformation in the sector through the provision of the Annual Monitoring Report or Annual Transformation Report which is tabled before the Minister in the Presidency, the DTIC, B-BBEE Commission and the Presidency Advisory Commission on BEE. Some of the proposed support include the employment of a Secretariat at the Deputy Director Level, which functions like a Company Secretary, thereby affecting the work of the MAC Council. Further, GCIS will conclude and monitor the implementation of the Print and Digital Media Transformation and Diversity Charter.

* 1. **Programme 3: Intergovernmental Coordination and Stakeholder Management: (R123,7 million)**



The programme has been allocated R123.7 million for the financial year 2023/24, reduced from R130,6 million from the previous financial year. This is a decrease of about 5,6 per cent of the prior year’s allocation.

Programme 3, responsible for Intergovernmental Coordination and Stakeholder Management, will coordinate and lead the national, provincial and local government communication system. This will be achieved through planned engagements with Heads of Communication and forums such as the Government Communication Forum (GCF) and Internal Communicators’ Forum meetings.

The Branch will avail training opportunities for government communicators in conjunction with the National School of Government. This will be supplemented by capacity-building initiatives – facilitated by the Branch. Reports on the functioning of the government communication system will be compiled to assess the state, coherence and effectiveness.

The Branch will also facilitate the planning and implementation of three priority campaigns on the Economic Reconstruction and Recovery Plan, Anti-Corruption, and Gender-based Violence and Femicide – using the project management approach. The campaigns are aligned with the Medium-term Strategic Framework and the National Communication Strategic Framework.

The campaigns will be coordinated under the established Communication Action Team (CAT). These campaigns will be implemented through several Development Communication projects (milestones, activities and events) at the provincial level and multimedia activities at the National level. Additional communication work will be around implementing the National Communication Strategic Framework.

Community and stakeholder liaison visits form part of the work of the Provincial Offices of the Branch, which primarily seek to mobilise and reinforce a wide range of stakeholders to widen the reach of government communication. These will be coordinated to leverage communication opportunities from these engagements and continue building the Branch’s stakeholder database. The Branch also disseminates information products and key messages to stakeholders and the community, using a network of distribution points.

Part of the stakeholder engagements will include setting up meetings between government officials on the government’s programme of action, as identified through the Medium-term Strategic Framework. This initiative will enhance the relationship with the media and ensure that the government's content and messaging reaches the public through the media.

The Branch will also support media briefings coordinated by the respective lead departments on key government programmes. These will include support to the Post Cabinet media briefings – which communicate the executive's decisions to the public.

For the remainder of the 6th administration, the GCIS will strongly advocate and implement an Izimbizo Programme for members of the Executive as part of implementing the National Communication Strategy Framework (NCSF) approved by the Cabinet in October 2022. Izimbizo is an interactive, direct and unmediated communication platform that brings the government closer to the people and promotes participatory democracy. The proposed Izimbizo Programme is part of a suite of communication tools for principals to articulate messages around the priorities of the government, as outlined in the 2023 State of the Nation Address (SoNA), as well as explain government interventions around energy challenges and other socio-economic issues the country is dealing with. The Cabinet-approved NCSF theme will guide the proposed Izimbizo Programme: “Leave No One Behind”. This is a rallying theme promoting partnerships and building national consensus in transforming the country to improve the lives of all South Africans. The GCIS will coordinate the programme with Heads of Communication (HoCs) in national departments, provinces and municipalities.

The operational budget allocation in the Programme: Intergovernmental Coordination and Stakeholder Management is directed to the interface of national government communication with provincial communication programmes as well as an effective liaison between Ministers towards coherent communication strategies for the national government as well as promoting and facilitating the media’s understanding of government’s agenda. The gradual increase over the medium term is mainly due to inflation adjustment.

1. **Entities of the Department**

The Department has two entities reporting to it: Brand South Africa (BSA) and Media Development and Diversity Agency (MDDA). However, the Committee has an oversight function only over the MDDA and the Department of Planning, Monitoring and Evaluation (DPME) oversee the work of BSA. Therefore, the Committee will only report on the work of the Agency.

* 1. **MDDA: (R 37 million)**
		1. **The Mandate**

The Agency was set up in terms of the MDDA Act (2002) to enable historically disadvantaged communities and individuals to gain access to the media. Its mandate is to:

1. create an enabling environment for media development and diversity that reflects the needs and aspirations of all South Africans;
2. redress exclusion and marginalisation of disadvantaged communities and persons from access to the media and the media industry;
3. promote media development and diversity by providing support primarily to Community and Small Commercial Media (CSCM) projects;
4. encourage ownership and control of and access to media by historically disadvantaged communities as well as by historically diminished indigenous language and cultural groups;
5. encourage the development of human resources and training and capacity building, within the media industry, especially among historically disadvantaged groups; promote the channelling of resources to the community media and small commercial media sectors; and
6. raise public awareness regarding media development and diversity issues.

The Agency’s core activity is to provide financial and non‐financial support to community broadcast projects and community and small commercial media print and digital projects. Its emphasis is on promoting indigenous languages, contributing to community development, and alleviating poverty and inequality. Over the medium term, it plans to intensify its focus on communities – such as people with disabilities –underserved by mainstream media and on issues associated with gender and young people.

* 1. **Updated Situational Analysis**

In 2021 the MDDA commissioned research into Community Media Sustainability. The main objective of the sustainability research was to develop a South African Sustainability Model for the CSCM sector, which categorises the sector according to its ability to self-sustain, partially sustain, and the inability to self-sustain to allow for focused, responsive, and proactive support.

Key findings include:

* Lack of digital expertise within media organisations.
* The costs of signal distribution and other software required for distribution in the broadcast space were also found to be an area of concern.
* Challenges with sourcing local community content and appearing unable to create relevant content due to a lack of research skills required to source information.
* Lack of reliable audience measurement. High audience numbers are an important factor for attracting advertisers, as advertisers will look to ensure that their products are advertised to a broad audience of potential customers.
* Communities and local media must be included in the Country Investment Strategy (“CIS”) - Gazetted on the 27th of May 2022.

A year into the post-pandemic era, community media remains a crucial platform to disseminate information to communities and a means to realise Section 16 (1)(b) of the Constitution on the Freedom of Expression. In this updated situational analysis, the external environment remains volatile and uncertain due mainly to the aftermath of the pandemic and now exacerbated by the Russia/Ukraine situation. The cost of living has risen as basic items like oil have become luxury and topical in the media, highlighting the plight of the poverty-stricken and unemployed. Power uncertainty is another major issue impacting the viability of community media supported by MDDA, as well as funders whose business costs have increased due to load shedding.

The internal environment demonstrates resilience through consistently high performance amid challenges in the operating environment due to ongoing labour-related matters and a paucity of trust resulting in news leaks to the media on internal issues. The management and board planning sessions have committed to prioritising the well-being of the personnel and strengthening the governance so that goodwill can be rebuilt with internal and external stakeholders.

* + 1. **External environment**
			1. **Social factors**

The South African population is currently estimated at 60.6 million, with a life expectancy of 62.8 years and an improvement from 61.7 years in 2021. The Gauteng province is the most populated, with 26.6 per cent of the population, and the Northern Cape is the least populated, at 2 per cent. The Limpopo province has the highest percentage of young people under 15, at 33.6 per cent. The availability of skilled, economically active persons in some rural areas can impact the geographic spread of support to establish and manage media platforms.

Black youth, therefore, constitute a significant proportion of the unemployment rate. Supporting youth-owned and managed community media projects is a focus area of the MDDA in delivering its mandate. In contrast, further focus areas must be job creation and upskilling as positive spin-offs of the financial and non-financial support the MDDA provides to its beneficiary projects.

Gender inequity remains a reality in the workplace and the community media sector. A Glass Ceilings study in 2018, jointly conducted by Gender Links and the South African National Editors’ Forum (SANEF) and supported by the MDDA, highlights that the media industry is changing with more women in senior roles, and inequality and inequity persist. While South Africa does boast notable media exceptions, women are still under-represented in the media in terms of ownership, management and operations.

Gender-based violence (GBV) is another severe pandemic gripping the country, as highlighted by the President of South Africa on 18 June 2020.

Since the outbreak of COVID-19, the United Nations Women has indicated that 243 million women and girls between the ages of 15-49 have been victims of sexual/physical violence perpetrated by their intimate partners in the last 12 months. This means that 18 per cent of women globally have been victims of GBV. Another shocking statistic is that in 2017, the World Health Organisation (WHO) found that their husbands murdered 38 per cent of women killed globally. It remains clear that GBV is a global violation of human rights and dramatically impacts the victims and their families.

Through training, the MDDA must encourage and facilitate the imperative for community and small commercial media to improve their coverage of gender and GBV by ensuring that innovative ways are utilised to unpack complex concepts and ethically cover sensitive issues.

* + - 1. **Technological factors**

Digitisation and digitalisation of media continue to be major technological disruptors to the extent that, more often than before, the relevance of current legislation is placed under the microscope. Community media is now faced with the cost of the Digital Migration on their running costs which will significantly increase based on the SENTECH tariffs. MDDA’s funding will not be sufficient to subsidise the stations, and a more sustainable solution is required to prevent the silencing of community broadcasting.

* + - 1. **Economic factors**

Post-pandemic recovery for South Africa compared to 51 other countries has been sluggish, according to Statistic South Africa Quarter 2 report of 2022. However, in Q1 2022, the economy had returned to pre-pandemic levels. For the media industry, especially print, this brings little consolation as the lockdown period, having impacted the delivery of newspapers, has seen more consumers shift to online publications and advertising revenues decline. The financial relief provided to community media by the government through MDDA is recognised in the SANEF report as having been critical to keeping the doors of these operators open. The struggling economy will impact advertising spend, which is a major source of revenue for media, especially print. For community media trying to attract advertising revenue, the challenge is increased.

* + - 1. **Environmental factors**

The NDP 2030 commits South Africa to reduce its dependency on carbon, natural resources and energy while balancing this transition with its objectives of increasing employment and reducing inequality and poverty through adaptation and mitigation. Adaptation includes significant investments in new and adaptive technologies and rehabilitating and restoring natural ecosystems to improve resilience and mitigate climate change.

The MDDA has a significant role in promoting and supporting these global and national initiatives in its messages and technologies and those of its beneficiaries, fostering recyclable and environmentally friendly technologies and discouraging unfriendly environmental practices.

Mainstream media has been vital in highlighting issues of climate change. As the focus moves from policy discussion to action on the ground at the community level is where the story is, community media have a significant role to play in educating and informing communities. Focus on the key developmental issues can assist community media in plugging into the communication needs of development institutions and establishing mutually beneficial partnerships.

* + - 1. **Political factors**

According to the Former Minister in the Presidency, Mr Gungubele, the MDDA plays a crucial role in educating and enhancing communication in the country. This communication ensures citizens have information about their country’s plan and can therefore plan for themselves and determine whether the environment is conducive to their development and growth - clarity brings prosperity. The National Development Plan and the MTSF priorities remain the policy documents that provide the political context within which the organisation's mandate is executed.

* + - 1. **Legal factors**

At the national level, freedom of expression and the media is affected by laws at several different levels. The South African Constitution represents some of the most progressive modern constitutional thinking on media freedom. However, other statutory instruments are required for a genuinely enabling environment where community-based media can flourish. The MDDA, therefore, has a vital role in ensuring that such statutory instruments are passed, for example regulating the 30 per cent advertising spend by the government on community-based media and providing input into regulations for digital radio and online media in general.

Regulations on procurement in the public service were cast under the spotlight early in 2022 from the Constitutional Court ruling. The court found the Preferential Procurement Policy Framework Act (PPPFA) regulations unconstitutional and needing revision. This matter brought the issue of economic transformation and implementation of the Broad-Based Black Economic Empowerment (BBBEE) Act to the fore, with the role of government and its entities being examined. Entities such as the MDDA will be needed to report more comprehensively on transformation both in the execution of their mandate and in their operations.

* + - 1. **Ethical considerations**

The preamble to the South African Press Code states: “As journalists, we commit ourselves to the highest standards to maintain credibility and keep the trust of the public.” The MDDA expects its beneficiary projects to adhere to the Press Code and includes it as a focus area in its capacity-building and training initiatives.

While media literacy has been a focus area of the MDDA in the past, digital media literacy is a growing concern. The advent of social media has also brought about a new threat, namely that of cyberbullying and acutely felt by women or cyber misogyny. The MDDA and the community-based media sector must play a more significant role in educating and sharing knowledge with communities on social media ethics.

Trust is a critical component in building beneficial, sustainable relationships. This extends to community media, the MDDA, and all media partners contributing to the vision of a developed and diversified media. The institution has been plagued by adverse reporting that impacts its reputation and position of trust with its stakeholders. With the support of the shareholder and the Board, the organisation is embarking on a business remodelling intervention to recover from the tarnishing of its reputation.

* + 1. **Budget Information**



The table above depicts the Agency’s projected budget over the MTEF period.

Over the medium term, the agency will continue to provide financial and non‐financial support to community and small commercial media, emphasising promoting indigenous languages and contributing to community development. The agency also plans to intensify its focus on ensuring the sustainability of media projects in communities underserved by mainstream media.

The agency is set to derive 37 per cent (R110 million) of its projected revenue over the medium term through transfers from the fiscus and 57 per cent (R171 million) from the mainstream broadcast sector as funds deductible from the Universal Service and Access Fund. The 6 per cent (R12 million) will be derived from interest income from the investment through the Reserve Bank.

The agency will expand its funds mainly in grant expenditure and employee costs, with 48 per cent of the budget will be for grant expenditure (R143 million) and 41 per cent (R123 million) on employee costs over the medium term.

The remainder of the budget (R34 million) will be for administration and board costs and capital expenditure (R870 thousand).

1. **Observations**
	1. **The Department**

In relation to the Department, the Committee noted:

1. that it commended the performance of the Department;
2. that it required clarity regarding the place of distribution and access to the Vukunzele newspaper, which was indicated to be distributed to 10.2 million citizens. The Department responded that it would re-evaluate its distribution model and that copies of Vukunzele were distributed mainly in rural areas where it was delivered to households and the rest went to Thusong Centres;
3. that there is a more significant allocation to the other entities within the department, and this resulted in MDDA being allocated a small portion of the allocation budget;
4. that there will be two additional board vacancies in September 2023;
5. that it commended the Department for maintaining salaries within its threshold;
6. that it required clarity as to the role of GCIS during the election process and how it would factor in the increased distribution of awareness to civil society; and
7. that the budget of the Department is low and that funding to community media needs to be improved.
	1. **MDDA**

In relation to MDDA, the Committee noted:

1. a great concern that on its recent oversight visit, it was not able to meet with MDDA employees and that some members of the Committee were informed that employees had been requested not to meet with the Committee;
2. concern that the community radio stations are struggling to pay the stipend for the staff and presenters due to a lack of sustainable cash flow;
3. concern that the community radio station does not have the mechanisms to measure its audience and coverage for marketing and advertisement, which will ensure a healthy cash flow;
4. concern that the presented budget is not enough to meet its mandate, one of which is sustainable media diversity and building of community media;
5. concern that 40 per cent of the payment of grants goes to intermediaries to the detriment of the community radio stations;
6. that it wanted to know how digital migration was affecting radio stations;
7. concern that Sentech has switched off several community radio stations due to non-payment; and
8. that there was a need to fill all vacancies for stability.
9. **Recommendations**
	1. **The Department**

In relation to the Department, the Committee resolved that the Minister should:

1. ensure that the issue of the funding at GCIS is being addressed;
2. ensure that processes are in place to factor in the increased awareness of the electorates during the election process;
3. ensure that all the vacancies, including the entity board positions, are filled to ensure stability;
4. ensure that the Department consider collaboration with other state authorities to fund community radio stations adequately;
5. ensure that GCIS relooks and engages Treasury with other relevant departments/entities to share costs where there are common interests; and
6. ensure that GCIS partners with the Department of Basic Education and other related stakeholders, such as the Independent Electoral Commission (IEC) of South Africa, to conduct voter education leading up to the 2024 National and Provincial elections.
	1. **MDDA**

In relation to the MDDA, the Committee resolved that the Minister should:

1. ensure that all vacancies are filled at the MDDA;
2. ensure that the issue of employees not being able to meet with the Committee during its oversight visit is investigated and that MDDA reports back to the Committee;
3. ensure that community radio stations are supported to ensure enough revenue generation for adequate remuneration for their staff to improve morale;
4. ensure that the matter around the use of intermediaries for the payments of grants to the community radio is investigated and measures are put in place to protect the radio stations;
5. ensure further discussion on MDDA and Sentech switching off community radio stations; and
6. ensure that there is enough support to hear community voices through community radio stations, especially in the upcoming elections.

The Committee recommends that Budget Vote 4: Government Communication and Information System be approved.

**Report to be considered.**