**Report of the Portfolio Committee on Communications and Digital Technologies on the Oversight Visit to Gauteng and Free State over the period 29 to 31 March 2023, dated 13 June 2023.**

1. **Introduction**

Chapter 4 of the Constitution of the Republic of South Africa, No. 108 of 1996 and Section 55 in particular, outline the powers of the National Assembly, while the Rules of the National Assembly further explicate these powers and functions assigned to Portfolio Committees. The mandate to the Portfolio Committee on Communications and Digital Technologies (PCCDT), to legislate, conduct oversight over the Executive and facilitate public participation, is thus derived from these sources. In executing its oversight functions, the Committee oversee the Department of Communications and Digital Technologies (DCDT) and the Government Communications and Information Systems (GCIS), as well as all organs of State reporting to the Departments.

For the 6th Parliament, this was the first oversight visit the Committee undertook. While constrained by time, it was important for the Committee to ensure that it maximises engagements with the Departments and its Entities. The Committee was cognisant that it would be impossible to engage all areas warranting oversight intricately and to engage with both Departments and the twelve Entities within a time-constrained and tight schedule.

Since the mid-5th Parliament, the Committee did not conduct any oversight visits and with the numerous changes of Members, none had the opportunity to visit, first-hand, the programmes of the Departments and Entities.

For this reason, the Committee decided that the Departments would be the first order of priority to allow it to meet with the Minister and Deputy Minister as well with the respective Management structures. The second order of importance was to meet with Entities experiencing challenges. Such a strategy was important to efficiently conduct oversight of critical areas of the portfolio, namely at SAPO, SABC MDDA and SITA. Lastly, the Broadcasting Digital Migration Programme value chain was also identified as a key oversight focus, over and above the Community Media Projects and the assessment of critical communications infrastructure managed through the Entities reporting to the Departments.

1. **Committee Delegation**

The Delegation consisted of seven (7) Members and four (4) support staff:

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| --- | --- | --- |
| **Name** | **Designation** | **Organisation** |
| Mr B Maneli | Chairperson and Leader of the delegation | African National Congress (ANC) |
| Mr LE Molala | Member of the Committee | ANC |
| Mr TT Gumbu | Member of the Committee | ANC |
| Ms NJ Kubheka | Member of the Committee | ANC |
| Ms TK Bodlani  | Member of the Committee | Democratic Alliance (DA) |
| Ms D Kohler-Barnard | Member of the Committee | DA |
| Mr S Tambo  | Member of Committee | Economic Freedom Fighters (EFF)  |
| **Support Staff** |  |  |
| Ms H Salie | Committee Secretary | Parliament  |
| Mr M Erasmus | Committee Assistant | Parliament  |
| Dr J Medupe | Content Advisor | Parliament |
| Mr M Maleka | Content Advisor | Parliament |

The Committee received apologies from the following Members:

1. Ms Xego - African National Congress (ANC)
2. Ms Mthembu - (ANC)
3. Ms Majozi- Inkatha Freedom Party (IFP)
4. **Oversight Overview**

The purpose of the oversight visit of the Committee was, in the main, to assess the implementation of the Digital Terrestrial Television (DTT) programmes of the DCDT over and above other programmes of both Departments. It was conducted over the period 29 to 31 March 2023. While the further intention of the oversight was also to assess the implementation of the SA-Connect programme, the Committee needed to manage it owing to time constraints and the distance to be covered.

The abovementioned programmes are considered strategic for economic stimulation and have become urgent. The oversight of the Committee was even more urgent because it needed to physically witness and track progress as well as to measure whether the Departments and its Entities would be able to meet commitments set by the government.

Conducting comprehensive oversight based on theoretical reporting by the Departments and Entities is challenging, and for this reason, Oversight visits are crucial to avoid the oversight function being diminished. Without proper and effective oversight, it will become increasingly difficult for the Committee to carry out its mandate. As the President said about the DTT, *‘completion of digital migration is vital to our ability to effectively harness the enormous opportunities presented by technological change.*

It is in the interest of Parliament, and in particularly committees, to assess the levels of achievement of targets set by the government and to measure the extent to which such implementation impacts ordinary citizens of South Africa.

**3.1 Day One: Engagement with DCDT, Sentech, FPB and ICASA (29 March 2023)**

**3.1.1 Delegation engagement with DCDT**

The Delegation held a briefing at the office of DCDT and was welcomed by the Deputy Minister, where the Delegation engaged with DCDT and its Entities, namely Sentech, FPB and ICASA.

The Department noted that no SA-Connect sites are *en route* from Gauteng to Bloemfontein. The SA-Connect sites are two hours away from Senekal, outside the scope of the current Committee programme. The SA-Connect sites in the Free State are in Thabo Mofutsanyane District Municipality at Phuthaditjhaba, and details will be provided to the Delegation.

The Department proceeded to make a presentation to the Delegation, which highlighted the following areas:

* Portfolio readiness for the oversight visit: The programme from 29-31 March 2023
* DCDT highlights performance, key priorities, and capacity to deliver
* Status on the rationalisation of entities
* FPB
* ICASA
* Sentech

The FPB made a presentation which highlighted the following areas:

* Introducing the FPB
* Challenges
* Emerging Issues from the Regulatory Environment
* Budgetary Issues
* Conclusion

ICASA made a presentation which highlighted the following areas:

* ICASA Policy Mandate
* Nature of Operations
* State of Governance
* Financial Performance
* Challenges
* Recommendations

Sentech made a presentation which highlighted the following areas:

* Overview of the entity
* Key Programmes
* Governance matters
* Strategic programmes
* Broadcasting Digital Migration (BDM)
* Sentech/BBI Merger
* Satellite launch Project
* Way-forward: Targets of 6 and 12 months
* Conclusions
	+ 1. **Observations**

The Committee noted:

* with scepticism that the Department indicated that they would meet the deadline for Analogue Switch-Off (ASO) on 31 May 2023;
* as per the Deputy Minister’s briefing to the Delegation that there are three (3) upcoming pieces of legislation namely the SAPO Amendment Bill, the Electronic Communications Amendment Bill and the SABC Bill, which will be tabled to the Committee through Parliament before it rises;;
* further the report by the Deputy Minister that R2.4 billion has been allocated for connecting 80 per cent of South Africa as part of the SA-Connect programme;
* with appreciation that there is a concerted effort by the Department to digitise government;
* that, in addition to the issue of the Broadband Infraco (BBI) and Sentech acquisition, legislative amendments are required;
* that all vacancies have been advertised and approved at the Department and that a panel for the post of Director General still has to be set up;
* that tariffs, as set by the Film and Publications Board (FPB), are regulated and that smaller players are exempted from paying tariffs;
* with an appreciation for the support given to online abuse victims by the FPB, albeit minuscule;
* with an appreciation for the training offered by the FPB to the South African Police Services’ members; however, further noted with concern the possible negative impact on related costs that the FPB will incur;
* with further concern about the inadequate budget for the FPB;
* that while the FPB was self-sustained, there was general concern that there was no allocated budget for the upgrade of technology at the Entity;
* that since the amendment of the Act, the FPB is evolving to become an authentic online content regulator;
* with concern (i) the inadequate funding of ICASA; (ii) the shortage of suitably-trained and skilled staff; (iii) the difficulty of attracting or retaining suitable staff calibre at top management and Council of the Regulator; and (iv) the delays in the finalisation of the Performance Management System (PMS) and the associated benchmarking and alignment of Council remuneration;
* that ICASA is undergoing a review of the current funding model, whichincludes self-funding hybrid provisions and alignment of the required funding about the benefits to be derived as part of the digital strategy, amongst others;
* that ICASA recommends that a future regulatory strategy should enable it to become a Regulator of a digital economy and a digital society;
* that ICASA further recommended an urgent review of enabling legislationto address the problem areas identified and to cater for rapid market and technological developments;
* the proposal by ICASA for the establishment of cross-functional structures between regulators to speed up collaboration and coordination;
* that ICASA is engaging training institutions to solicit suitable personnel and to support this initiative with adequate funding to pay competitive salaries;
* that the funding model of ICASA needs to be a hybrid model which is most suitable for the Regulator as opposed to a self-funding model;
* that training and upskilling of staff at ICASA is ongoing;
* that its employees are required to sign a contract to keep ICASA’s information secret;
* with concern that the PFMA prohibits ICASA from putting stringent conditions to restrain staff to put policies in place for ‘cooling-off period’ conditions;
* that ICASA has issued spectrum plans, and a WOAN report was presented to Council;
* that there is a practice of spectrum hogging by dominant operators at the expense of service delivery;
* with concern that some of the auction sale proceeds have not been paid owing to delays in the implementation of DTT;
* that only four provinces remain for the ASO to be fully concluded;
* with appreciation that the Audio-visual policy is almost ready to be tabled to Cabinet;
* that the acquisition by Sentech of BBI is at an advanced stage;
* that while the acquisition is at an advanced stage, legislation must be amended to realise the policy intent fully;
* with great concern that load-shedding is negatively impacting poor communities’ access to communications services, thereby contradicting the Universal Service Obligations (USO) and Quality of Service (QoS) policies of the government;
* that 76 per cent of South Africans rely on satellite services to consume content; and
* with concern the growing SABC debt, which impacts Sentech revenues.

**3.1.3 Recommendations**

The Committee recommended that the Minister should ensure the following:

* that the Department appears before the Committee and presents a timetable on forthcoming legislation so that the Committee can plan realistic timeframes to pass legislation and taking into consideration the upcoming National Elections and end of the 6th Parliament;
* that the Department provides the Committee with a timeline to fill all vacancies in the Department;
* that the Department develops policies aligned with the legislative agenda;
* that the Department makes resolute plans to meet the ASO on the 31 May 2023 deadline and appear before the Committee as soon as feasible;
* that the Department supports the FPB to integrate fully technological solutions in its regulatory operations;
* that the FPB is capacitated to fully implement its mandate, including increasing its budget requirements;
* that the Department develops an adequate regulatory framework of the FPB to strengthen oversight over the rife abusive content material solicited illegally and negatively impacting on children and society at large;
* that there is adequate allocation of the FPB budget to increase campaigns utilising all available communications network platforms to educate the public about the regulatory importance of the Board;
* that there is targeted training for the FPB staff;
* that the FPB’s programmes on rehabilitation of victims of child trafficking and pornography are fortified and expanded;
* that the FPB is proactive in its new role as a content regulator;
* that there is engagement with the Minister of Police to ensure that technologies used are not harmful to children and can be constantly monitored;
* that the FPB should report back to the Committee on the impact of harmful content Tik Tok on, its impact on broader FPB programmes and the general success rate of the regulatory mandate of FPB.
* that the FPB broadens its support structures of social workers to assist victims of online abuse;
* that the FPB should report back to the Committee on the use of Artificial Intelligence (AI) on FPB programmes before the end of the Term of the 6th Parliament;
* that the FPB is suitably enabled to expand its collaboration with the media sector as well as the justice sector to curb the illegal distribution of pornography and children abuse;
* that ICASA mitigates the shortage of suitably trained staff and market-related salaries;
* that ICASA embraces global trends on the regulation of Over-The-Top Operators (OTTs) and ensures that relevant tax regimes are implemented;
* that the Wireless Open Access Network (WOAN) as a policy of the government should be structured in such a manner that the previously disadvantaged communities are at the forefront;
* that an effort is made to review the funding model of ICASA so that it continues to build sustainable collaborations for the benefit of all South Africans;
* that ICASA adopts a regulatory approach that supports the transformation agenda, which aims to uplift Previously Disadvantaged Individuals (PDIs);
* that processes are put in place to prevent the loss of staff in critical positions at ICASA;
* that the Department presents to the Committee a timeline overview before the end of the 6th Parliament relating to legislative amendments specific to the expected acquisition;
* that the Department appears before the Committee before the end of the 6th Parliament to present a comparative study on the remuneration of similar regulators; and
* that the Department appears before the Committee before the end of the 6th Parliament to present mitigating plans to address the growing SABC debt.
	1. **Engagement with Management at GCIS Offices**

The Delegation visited the GCIS offices to engage with the management and staff of GCIS. The management of GCIS noted that the discourse between the management and the Committee is ongoing in the form of Committee meetings. Therefore, the oversight would entail a walkabout and introductions to expose the Delegation to various departments within the GCIS.

The Members of the Delegation proceeded to have a walkabout in the GCIS office and were introduced to the following sections:

* + 1. **South African News Agency**

The SA News Agency plays a pivotal role in feeding news media locally and internationally with news as it relates to government policies and implementation thereof. It has the role of tracking the President’s engagements and reporting on his functions. In addition, it also provides online services and will be conducting a pilot project with social media network giants Tik-Tok.

* + 1. ***Vukuzenzele* Community Paper**

The publication is a community paper called *Vukuzenzele*, regarded as the paper for the people and produces 850 000 copies monthly. It also has a growing digital following and concentrates on stories from all communities nationwide.

* + 1. **Library and Research Centre**

The Library and Resource Centre works in conjunction with the Research Analysis Centre to ensure research analysis for GCIS. It is also available for any staff member to enrich their knowledge.

* + 1. **Studios**

The radio stations provide content to 160 Community Radio Stations (CRS). The studios also work in conjunction with MDDA community media. The GCIS is engaging Sentech to include streaming facilities.

**3.2.5 Community Resource Centre (Media Monitoring Unit)**

This Centre updates its database thrice daily by printing headline news and researching and collating reports on government and, after that, sending such reports to the relevant government departments. The Unit also focuses on the English and Afrikaans languages in print media and radio stations but also broadcasts in five official languages.

* + 1. **The Official Studio for Government Broadcasting**

This studio is where Ministers broadcast to the public on official matters such as the COVID pandemic, amongst others. This studio can link to all stations nationally and internationally.

* + 1. **Resource Centre**

This Centre serves the public and services about 110 walk-in clients per month. It benefits the community and provides services such as access to job seculars.

* + 1. **Meeting with the staff of GCIS**

The Delegation met and greeted staff members and noted that GCIS has a young workforce that should be appropriately incentivised to stay at GCIS.

* 1. **Visit and interaction with Board, Management and staff (Unions) at SITA Head Offices**

The Delegation was welcomed by the Chairperson of the Board and other members of SITA as well as management. The Delegation leader informed SITA that the purpose of the oversight was to validate the information that is otherwise provided to the Committee through the usual sittings most of which have been virtually conducted during the 6th Parliament.

The SITA presentation made by Acting Managing Director to the Delegation highlighted the following issues:

* SCM Reforms
* Investments in the Infrastructure
* Digital Transformation
* SA Connect (Broadband Connectivity)
* Broadcast Digital Migration (BDM)
* Employment Opportunities (Youth Internships)

**3.3.1 Observations**

The Committee noted:

* that the integration of government ICT systems is a complex process and requires intricate planning and budgeting;
* with great concern that the vacant post of Managing Director has not yet filled;
* with greater concern that despite numerous warnings by the Committee that once the Caretaker leaves, SITA would underperform and that is exactly what transpired;
* with concern that the Department did not take necessary precautions to stabilise SITA thereafter;
* with concern that SITA has not improved its ICT services to communities;
* with appreciation that SITA is making progress in dealing with all issues referred to it by the Auditor-General;
* with relief that an audit action plan was drafted and workshopped and that 65 per cent of the audit findings have been resolved to date;
* that SITA achieved an improvement of 80 per cent in its debt collection rate;
* with comfort that SITA conducts annual employee lifestyle audits; and
* that lifestyle audits include looking at the credit records of employees, their spouses, and business interests.

**3.3.2 Recommendations**

The Committee recommended that the Minister should ensure the following:

* that all outstanding posts are filled expediently, in particular, the vacant post of Managing Director;
* that SITA provide a resolute plan to fill all outstanding vacancies;
* that SITA automates all procurement processes to promote transparency;
* that SITA appears before the Committee to present the outcomes of the lifestyle audits of staff before the end of the 6th Parliament;
* that SITA provides targets and deadlines for implementation of the integration of government ICT systems before the end of the 6th Parliament;
* that SITA addresses all Auditor Generals' findings as a matter of priority before the end of the 6th Parliament; and
* that SITA improves on its ICT services to improve service delivery and positive impact on all communities.
	+ 1. **Meeting with Union at SITA**

The Delegation met with a Public Servants Association of South Africa (PSA) representative. The Union representative of the PSA, Mr Mandladla, insisted that the executive members of SITA must be present in the meeting. The Union representative further informed the Delegation that the invitation to meet with PSA was received late and:

* that there appears to be delaying tactics deployed by executive management to prevent the Union from engaging the Board despite numerous correspondence requesting to meet the Board to address staff demands;
* With concern that lifestyle audits are only directed towards junior staff members and not executive management;
* that there are salary issues concerning its members and that SITA does not want the bargaining council to have a constitution;
* that there was a need to in-source security companies as the outsourcing of security companies contributes to high operational costs in the organisation;.
* that there is a need for SITA to take PSA seriously and that SITA should stop kickback practices borne out of contracting; and lastly
* that PSA is fully committed to improving relations with SITA.

The Delegation sought clarity seeking questions, and thanked the Union for availing itself on short notice. SITA management proceeded with the programme of the day.

**3.4 Site Visit**

**3.4.1 The Network Operations Centre (NOC) and Security Operations Centre (SOC) at SITA**

The Delegation took a walkabout and visited the SITA Control Centres, operated by qualified engineers 24 hours and 365 days a year.

In summary, the Control Centres ensure that all government departments stay connected to their systems with adequate control systems to monitor departments’ ability to provide efficient service delivery.

The Delegation commended the recruitment of youth for running the Centres but it however raised concerns specific to SAPO ICT services and SITA’s involvement in resolving ICT challenges. The Delegation further cautioned towards the increasing cyber security concerns and their impact on service delivery by government departments.

1. **Day 2: SAPO Head Office, Pretoria (30 March 2023)**

The Deputy Minister, Mr P Mapulane, welcomed the Delegation at the SAPO Head Office, Pretoria. The Deputy Minister and the Chairperson of the Board, Mr S Majombozi, made opening remarks. It was noted that the financial position of SAPO was still to improve as most of its income is used to pay salaries.

Mr G Bataille, Acting GE Strategy, presented on behalf of SAPO. The presentation highlighted the following issues:

* Financial Performance
* Creditors
* Branch Closures
* Voluntary Severance Packages
* Security and Investigations
* Government Assistance
* Immediate Priorities

**4.1 Observations**

The Delegation noted:

* With great concern that staff costs account for 70 per cent of operational costs;
* that the R2.4 billion to be received by SAPO has preconditions on how it should be spent;
* that the bailout will be used for logistics modernisation, Business Digital Hubs, the Trust Centre, Point of Sale (PoS) hardware and software, reduce staff costs and establish employee-owned companies and partial settlement of liabilities;
* with comfort that National Treasury still has to formally outline the conditions under which monies may be spent ;
* with great concern that SAPO owes R5.4 billion to creditors and R3.2 billion to the Postbank;
* with great concern the increase in the closure of post office branches across the country;
* with appreciation that branch rationalisation processes were followed to ensure that a branch is closed in a community, another one in proximity is used to compensate for services provided to affected communities;
* with further appreciation that a new strategy involves establishing Points Of Presence (PoP) at retail shops and malls, amongst others;
* with appreciation that SAPO has successfully made strides to improve its IT systems;
* with relief that there is no political interference at the Entity;
* that SAPO can only become competitive once it has fully integrated new technologies;
* with concern that over 2 000 staff members will leave SAPO and take severance packages;
* with concern that staff medical aid scheme monies have not been paid;
* with concern that as a result of the transfer of the SASSA contract to Postbank, the number of clients has significantly declined;
* that accountability for the conditions under which approval of funds is granted is an important component for improving the financial stability of SAPO;
* that the stabilisation of the Board at SAPO is a vital part of its recovery; and
* that SAPO is in the process of placing advertisements to appoint the full Board.

**4.2 Committee Recommendations**

The Committee recommended that the Minister should ensure:

* that processes are in place to stabilise SAPO as an important pillar of government to provide services to the poor;
* that the appointment of the Board and the filing of all vacancies is expedited;
* that SAPO provide a list of post offices that are closing and the interventions used initially to prevent further branches from closing before the end of the 6th Parliament;
* that SAPO appear before the Committee to report on (i) progress made to improve IT systems;(ii) an audit of all closed post office branches and strategies to prevent future closure;
* that the Department presents integrated plans to improve the adoption of new technologies, including of its entities;
* that staff medical aid scheme monies are paid;
* that SAPO increases the number of clients using SAPO branches;
* that the Department improves the financial stability of SAPO;
* that SAPO Board is appointed expediently; and
* that SAPO capacitates its staff, especially on professional behaviour, to improve customer service experience.

The Committee reiterated its commitment to support SAPO because of its national footprint and role in providing services to the poorest of the poor communities.

* 1. **Visit to Halfway House Post Office SAPO Outlet**

The Deputy Minister and the Chief Executive Officer of SAPO welcomed the Delegation at the Halfway House Post Office. The Delegation met with the Regional General Manager, Aerial Manager and Branch Manager.

The Delegation noted that they were initially informed that the Post Office was closed. The Aerial Manager indicated that this outlet was still in operation, although it was experiencing some challenges.

One of the challenges at the Post Office, is the delivery of parcels and post because of the need for proper transportation and outdated computer systems at the Branch.

The major challenge is that the property owner has given the Post Office branch a letter of eviction. Still, the property owner is currently engaging the Post Office on the matter. Only after the outstanding rental fees are settled will the property owner renew the lease agreement.

**4.3.1 Observations**

The Delegation of the Committee noted:

* that the Halfway House branch provides various services to the community, including SASSA payments and delivery services, amongst others;
* that the Branch serves approximately 500 customers daily, depending on the volume of people at the mall within which it is situated.
* that all complaints are received by the branch manager and resolved;
* that there is a need for more uniforms for employees at the branch.
* with concern the low morale of staff at the branch and that this might be a reflection of general staff morale at other SAPO branches; and
* that modernisation of the systems of all SAPO branches will assist in customer service;

**4.3.2 Recommendations**

The Committee recommended that the Minister should ensure the following:

* that SAPO addresses all challenges experienced by the Branch and develops a monitoring and evaluation system on the status of all branches; and
* that the Department establish systems to ensure the general stability of all Post Office branches.
1. **Visit to the SABC, Auckland Park**

The Deputy Minister and the management team of the SABC welcomed the Delegation. The Chairperson of the Delegation noted that the intention of the oversight was not to receive presentations but to engage and interact with staff, among other activities. The request was that the presentations are high-level and that the Delegation does a walkabout to observe new improvements at SABC. The Delegation also requested an opportunity to listen to the plight of the workers through the union representatives.

The Group Chief Executive Officer, SABC, outlined how the bailout monies were spent on the SABC buildings. He noted that the SABC Bill is still to be processed and, as a result, holds back the competitive edge of the Corporation.

The Delegation was introduced to a demo of SABC Plus that went live on 7 November 2022. Live television and live radio would be made available on the platforms.

**5.1 Site Visit at SABC Offices**

The Delegation conducted a site visit at the SABC offices. One of the SABC news channel interviewed the Chairperson of the Delegation. The issues posed to the Chairperson ranged from the role and intention of the Delegation on its oversight of the Entity to an update on the appointment of the SABC Board.

The Delegation visited a radio station within the building, and the television studios where shows such as the Generations and Muvhango are filmed.

**5.2 Meeting with Union Representatives at SABC**

The Delegation only met with the union representatives from the Broadcasting, Electronic, Media & Allied Workers Union (BEMAWU) because the other union, the Communications Workers Union (CWU), was not present at the meeting and did not forward an apology for the reason for its absence.

Mr Hannes du Buisson, the President of BEMAWU, gave an overview of the union's concerns. He noted that the main concern was that the SABC Board needed to be appointed, and the contract of the Chief Executive Officer would soon end.

He noted that the staff morale was low due to the Section 189 process that was implemented. He felt that there must be more basic amenities such as toilets, amongst others. There was also a concern with the recruitment policy of Human Resources in that there needs to be more skilled and fit-for-purpose staff at the SABC. The situation is so dire that the SABC outsources projects because there are not enough competent staff skilled to complete some projects.

He noted that the SABC could not retain skilled staff due to its low salaries. In addition, personnel are dismissed for the smallest transgressions.

**5.3 Observations**

The Delegation noted:

* that the SABC Plus will charge a subscription fee in the future;
* that BEMAWU will provide the Committee with names of companies to whom SABC outsources;
* that there was a need to further engage with the unions;
* with great concern the low staff morale at the SABC;
* with concern that a stringent regulatory environment is a detriment to SABC’s endeavour to source new contracts; and
* with concern that SABC does not have a process in place to train or acquire skilled staff.

**5.4 Recommendations**

The Committee recommended that the Minister should ensure the following:

* that the SABC should soon commences with the appointment process of a Group Chief Executive Officer before the current GCEO ‘s contract expires;
* that BEMAWU sends further details in writing to the Committee outlining details of challenges experienced by its membership; and
* that the Committee further engage unions if the Parliament’s schedule permits.
	1. **Media Development AND Diversity Agency (MDDA)**

The Delegation had scheduled to visit with management and Staff (unions) at MDDA Offices Auckland Park, Johannesburg. On request by the Minister, this visit was cancelled and will be rescheduled for another date.

The Delegation drove to Bloemfontein to proceed with its programme of the 31st March 2023.

1. **Meeting with the Department: Bloemfontein Hotel (31 March 2023)**

The Acting Director-General made a presentation to the Delegation on the planned oversight activities in the Free State Province.

**6.1 Site Visit to Motheo FM** **Community Radio Station**

The Station Manager, Mr Lebo Matolong, welcomed the Delegation and various officials from the DCDT led by the ADG, and he presented the following issues:

* that the station is undergoing a rebranding exercise;
* that the station has a listenership of 99 000, which accounts for 20 per cent of the local population;
* that the station has a *not-so-good* relationship with the signal provider Sentech;
* that the station is facing challenges as far as ICASA and the renewal of the seven years broadcasting licenses that will expire on 8 December 2023;
* ICASA is running workshops on non-compliance, and the station is a participant;
* that the station has good relations with ICASA despite the historical debt amounting to R700 000, of which R329 000 is owed to Sentech for signal distribution costs;
* that Sentech fees are exorbitant;
* that the station experienced regulatory challenges post the pandemic;
* that it has since become difficult for the station to stay afloat;
* that support from the local government is minimal;
* that intermediaries in the payment of grants which are contracted for bulk-buying have a negative impact on the total grants granted to the Community Radio Stations (CRS);
* that the station endeavours to directly engage with government departments that need station services;
* that some government officials are guilty of unethical practices of , which is rife in the area; and
* that the station received a grant from MDDA to build new studios.

**6.2 Observations**

The Delegation noted:

* that Sentech tariffs are high and have a negative impact on the operations of CRS in general;
* with serious concern that in the forthcoming year, communities will not have this important medium to receive and engage in political campaigns relating to the national elections;
* with greater concern that only eleven of the previously 22 stations remain on air;
* that this is a siege from Sentech;
* with relief that engagements between MDDA and Sentech are ongoing; and
* with concern that contrary to policy, there are government employees who also are members of stations.

**6.3 Recommendations**

The Committee recommended that the Minister should ensure the following:

* that the signal distribution costs challenges faced by CRS are speedily resolved;
* the investigation of government officials who are transgressing government policy and report back to the Committee before the end of the 6th Parliament;
* that Community Media Projects (CMP) are not shut down in the wake of upcoming national elections;
* that the Department plays a greater role in supporting CMPs;
* that the funding model for CMPs is reviewed;
* that there is a cordial relationship between the Departments and all Entities and CMPs, in particular, Sentech;
* that the station stays on the air, considering that it recently received a grant from MDDA to build new studios;
* that local government support Community Media Projects; and
* that the Department investigates all contracts managed by intermediaries at CRS.

**6.4. Site Visit to SAPO Warehouse Branch**

The Delegation was received by ADG, the USAASA CEO and other officials of the DTT programme at the Set-Top-Box (STB) warehouse. The ADG presented the status of DTT implementation in the Municipality shortly. The Delegation was also visually exposed to the difference between Digital Terrestrial Television (DTT) and Direct-To-Home (DTH) STBs.

**6.4.1 Observations**

The Delegation noted:

* that 90 per cent of installations have been completed in the area;
* that there is now an electronic management system for DTT;
* that USAASA has deployed a Monitoring and Evaluation (M&E) system to manage the distribution of STBs;
* that there is a call centre for households to report issues;
* that the remaining stock at the warehouse was made up of returned equipment;
* that the returned boxes also consist of boxes from other smaller branches;
* that some of the returns are damaged;
* that out of the 847 decoders yet to be assigned to households, only 248 dishes will be paired and ready to be assigned;
* that USAASA pays for all the logistics, including transportation, storage and distribution, as well as the return logistics;
* that the Department does reissue the STBs when the need arises; and
* that SAPO has been fully paid for storage at this branch

**6.4.2 Recommendations**

The Committee recommended that the Minister should ensure the following:

* that media campaigns continue to be rolled out even after Analogue Switch-Off (ASO) date; and
* that USAASA appears before the Committee to present the audit emanating from the M&E processes before the end of the 6th Parliament.

**6.5. Site Visit to the Sentech Senekal Transmitter**

Councillors Mmasa Ponya and Chere Moipatli of the Senekal Municipality welcomed the Delegation at the Ventersburg Junction. Once again, the ADG, CEO of USAASA, Chief Operations Officer (COO) of Sentech, and other Departmental officials were present.

Sentech COO Mr T Leshope presented to the Delegation:

* that Sentech pays to the region of R50 000 per month for electricity;
* that the cost is R1.5 million nationally per month;
* that Sentech generates its own power during load-shedding;
* Security-related costs are exceptionally high, even more, so where physical guards are required, as is the case in some signal stations;
* that Zama Zama’s are an obstacle towards service delivery for Sentech;
* that DCDT partakes in the collaboration Energy Crisis Committee which also includes municipalities;
* that there is a high cost related to infrastructure maintenance, including access roads to tower sites;
* that these increased costs exclude technology costs to make sites operational;
* that due to lack of funds, digital radio migration will only be realised in 2028;
* that the backlog is the result of the litigation in the DTT migration programme;
* that the radio transmitters have been operational for the past 30 years; and
* that there is a need for adequate appropriation to support digital television.

**6.5.1 Observations**

The Delegation noted:

* with concern the high-cost burden associated with load shedding;
* the impact of Zama Zama syndicates on service delivery;
* with the consolation that Sentech is devising means to circumvent load-shedding by generating its power supply;
* that maintenance of signal distribution infrastructure is extremely high; and
* that migration of radio to digital platforms is costly, and there needs to be adequate funding to support migration.

**6.5.2 Recommendations**

The Committee recommended that the Minister should ensure the following:

* that relevant authorities in the Justice cluster are consulted on ways to prevent Zama Zama’s from derailing service delivery; and
* that adequate funding is sourced and ring-fenced to support the complete migration of the country to digital technologies.

**6.6 Households Site Visits: OK Furniture Store and Senekal Township**

The Delegation visited the furniture store to check whether there was still a sale of TV sets that are not digitally ready. The store manager received the Delegation and indicated that the store has digital-ready and non-digital TVs. He noted that, most often than never, consumers are restricted by budget and will purchase based on affordability.

The Delegation proceeded to conduct household visits and was divided into three groups for spot checks in different households in the area. The spot checks were mainly used to evaluate the Quality of Service (QoS), such as in signal reception, picture quality, content availability, etc., of the DTT programme. Speaking to available household members, the Delegation was able to engage citizens on the impact of the service, particularly to the chosen households.

**6.6.1 Observations**

The Delegation noted:

* that there are some signal issues impacted by weather patterns;
* that household can use WhatsApp to log faults;
* that some boxes malfunction after deployment;
* that at times, households freely exchange boxes with relatives;
* that at times, the fault emanates from the LLB connector cables; however, households are not aware;
* that the evaluation of Quality of Service appears to be minimal; and
* that some households often prefer to reinstall the antennas indoors because of theft.

**6.6.2 Recommendations**

The Committee recommended that the Minister should ensure the following:

* that there is an adequate response by the DTT team to communities;
* that the Department reviews services standards to improve QoS;
* that USAASA appear before the Committee to present a project evaluation report of QoS before the end of the 6th Parliament;
* that the Department ensures that the policy directive to stop the sale of Analogue TVs by the end of the financial year is adhered to;
* that the Department ensures that there is no analogue TV dumping in South Africa;
* that the Department strengthens its support campaign so that communities have fault-logging mechanisms available at all times;
* that the Department addresses the issue of households freely exchanging STBs while the policy does not allow; and
* that the Department presents to the Committee (i) an audit of all faulty STB’s before the end of the 6th Parliament; and (ii) a theft audit of already installed STBs nationally.

Report to be considered.