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**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 702**

**DATE OF PUBLICATION: MARCH 2016**

**Ms V van Dyk (DA) to ask the Minister of Communications:**

(1)  With reference to a certain publication that is based in Cape Town (name furnished), which was allocated R839 000,00 in 2011 and thereafter R490 000,00 in 2012, (a) how was the costing done for the specified funding in each case and (b) what is the printing cost for the magazine which sells at R24,95; (2) whether the specified magazine, which sells 8000 copies per month, is considered a successful project according to the Media Development and Diversity Agency’s funding criteria, given that the magazine is supported by local advertisements in almost a third of the magazine; if not, why not; if so, what are the relevant details? NW817E

**REPLY: MINISTER OF COMMUNICATIONS**

(1) (a) All project applicants submit their business plans and requested budgets. After engagement with MDDA Project Staff members through on site assessment, a needs analysis is conducted with the applicants, this entails interrogating each budget line item and a recommended budget is decided based on that need analysis. Below is the costing for 2011 and 2013 funding to Treasure Magazine:

2011

| Item description | Quantity | Cost |
| --- | --- | --- |
| Printing | 10 000 copies @ R 70,100.00  (bi monthly, 64 pager, full colour) x 6 annually | R 420, 600.00 |
| Distribution | 10 000 @ R 3,000.00 (bi monthly, 64 pager full colour) x 6 annually | R 18, 000.00 |
| Software – in design | @ R8,000.00 | R 8,000.00 |
| Public Relations & Promotions | @ R 2,000.00 per month x 12 | R 24,000.00 |
| Email & internet connection | @ R500.00 per month x 12 | R 6,000.00 |
| Website developer and hosting | @ R 1,000.00 per month x 12 | R 12,000.00 |
| Photo & Illustration | @ R 2,000.00 per issue x 6 | R 12,000.00 |
| Bank charges | @ R 400.00 per month x 12 | R 4,800.00 |
| Stipends | 1 x Journalists @ R 5,500.00 per month x 12 | R 66,000.00 |
| 1 x Layout & Graphic Designer @ R6,500.00 x 6 editions | R 39,000.00 |
| Publisher @ R 8,500.00 x 12 | R 102,000.00 |
| 1 x Marketing and Sales Officer @ R 5,500.00 per month x 12 | R 66,000.00 |
| 1 x sub-editor @ R 8,500.00 per edition x 6 | R 51,000.00 |
| Audit & Accounting fees | Once off | R 10,000.00 |
| Total |  | R 839,400.00 |

2013

| Item Description | Quantity | Costs per month | Total Costs |
| --- | --- | --- | --- |
| Printing | 10 000 copies @ R72,400.00 (bi monthly) x 6 editions | R 72,400.00 | R 434,400.00 |
| Distribution | 10 000 copies @ R 2,000.00 (bi monthly)x 6 editions | R 2,000.00 | R 12,000.00 |
| Bank Charges | 12 months | R 400.00 | R4,800.00 |
| Telecommunications | 12 months | R2, 000.00 | R24,000.00 |
| Audit Fee | Once off | R 14,800.00 | R 14,800.00 |
| Total Budget |  |  | R490,000.00 |

1. (b) The printing costs are reflected on the costing above as quoted by Paarlcoldset printers in Cape Town
2. The MDDA funding criteria is embedded in Section 3 of the MDDA Act of 2002. Treasure Magazine meets all the objects as stipulated in the Act and therefore a successful project established and managed by a black young woman. The MDDA measures the success of each supported project based on its sustainability which is driven by the publication’s ability to generate revenue through advertising and other promotion, sales and marketing activities. A magazine that sells 8000 copies can per month be deemed to be successful if it has managed to generate enough advertising that will enable it to continue printing, cover all its operational costs including staff retention.

**MR NN MUNZHELELE**

**DIRECTOR GENERAL [ACTING]**

**DEPARTMENT OF COMMUNICATIONS**

**DATE:**

**MS AF MUTHAMBI (MP)**

**MINISTER OF COMMUNICATIONS**

**DATE**