

mddda

MEDIA DEVELOPMENT & DIVERSITY AGENCY



Annual Report Presentation 2009/10

Portfolio Committee on Communications



24 November 2010



Vuka Sizwe!



INDEPENDENT NEWSPAPERS



Presentation by:



- Chairperson, Ms Gugu Msibi

The MDDA Team



Ms Gugu Msibi (Chairperson)



Mr Siviwe Minyi (Board Member)



Ms Ingrid Louw (Board Member)



Ms Nebo Legoabe (Board Member)



Ms Nomonde Gongxeka (Board Member)



Dr. Tanja Bosch (Board Member)



Mr Lumko Mtimde (CEO)



Mr Mshiyeni Gungqisa (CFO)



Ms Lihle Mndebela (HR & Corporate Affairs Manager)

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Background, Context and Legislative basis



Section 16 and
32 of the
Constitution Act
No. 108 of 1996

- provides for the freedom of expression and access to information.

MDDA Act No.
14 of 2002

- establishes a statutory body called the MDDA.

Background, Context and Legislative basis



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

Background, Context and Legislative basis



The MDDA
Act defines
media

- as all forms of mass communication, including printed publications, radio, television and new electronic platforms for delivering content.

defines
media
development

- as the development of the media environment and infrastructure, so that historically disadvantaged communities and persons have access to the media as owners, managers, producers and consumers of media.



Vision

"Each and every SA citizen should have access to a choice of a diverse range of media"

Mission

"A development Agency that will assist in building an environment where a diverse, vibrant and creative media flourishes and reflects the needs of all South Africans"

Mandate

- **CREATE AN ENABLING ENVIRONMENT FOR MEDIA DEVELOPMENT AND DIVERSITY WHICH REFLECTS THE NEEDS AND ASPIRATIONS OF ALL SOUTH AFRICANS**
- **REDRESS EXCLUSION AND MARGINALISATION OF DISADVANTAGED COMMUNITIES AND PERSONS FROM ACCESS TO THE MEDIA AND THE MEDIA INDUSTRY**
- **PROMOTE MEDIA DEVELOPMENT AND DIVERSITY BY PROVIDING SUPPORT PRIMARILY TO COMMUNITY AND SMALL COMMERCIAL MEDIA PROJECTS**



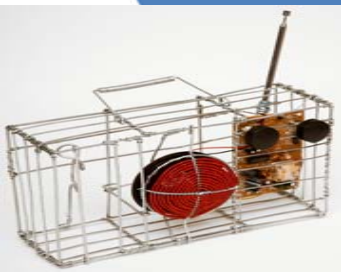
OBJECTIVES OF THE AGENCY IN TERMS OF THE ACT

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

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

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

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





APPROACH

The provision of grants and subsidies – both to individual media projects and to create an enabling environment for media development and diversity

Leveraging resources and support through technical assistance

Conducting and funding research

Facilitating capacity building

Advocacy for media diversity





Overall Objective

- To ensure that all citizens can access information in a language of their choice and to transform media access, ownership and control patterns in South Africa

Purpose

- To strengthen the sector through provision and leveraging of resources, knowledge and skills in pursuit of promoting media development and diversity



Presentation by:



- Chief Executive Officer, Lumko Mtimde

Analysis of applications 2009/10



Applicants applied for about R103m in grants since Jan 2004



MDDA income since inception is about R173,954 m



Some applications are refused because they are either not licensed or incomplete applications (i.e. no business plan)



Those without proper business plans are given mentoring support to assist them with proper planning and therefore feasibility study support.



Those refused are given opportunity to correct applications and apply again.



Highlights of milestones to date including the year under review



6 year partnership agreements reached with Broadcast Media (SABC, Kagiso Broadcasting (Pty) Ltd, MNET Ltd, Primedia Broadcasting (Pty) Ltd, etv (Pty) Ltd, Multichoice Africa, Capricorn FM, AME (Pty) Ltd, YFM (Pty) Ltd) and Print Media (AVUSA (Pty) Ltd, Independent Newspapers (Pty) Ltd, Media 24 Ltd, CTP / Caxton Ltd) continue to exist,



2009/10 marked the end of the sixth three-year funding cycle



Six years of clean, unqualified Audited Financial Statements



284 different projects supported, with approximately R103m in grants approved for disbursement, since January 2004. In the year under review (2009/10), 36 projects were supported with just more than R25m in grants approved for disbursement.



Media projects supported are located in every province in S.A.

Projects Funded by the MDDA



Idikelethu News



Vukani Community Radio



Ishishini Lam'



Motheo FM



**Ndzamana Community Newspaper
Themba Mathebula**

"We are not ashamed to be associated with a brand And organisation of MDDA's reputation and caliber."



Delegates at the Learning Forum



**Media Literacy Learners
Ngaka Molema District Municipality**



Tankane Pitso

"Gratitude to MDDA for training workshops that we managed To attend under your umbrella, including Highway Africa Conference We wish you all the best in reaching your goals to assist these projects tirelessly."



Milestones to date including the year under review – cont.



Of the supported projects, more than 54 are new and did not exist prior to MDDA intervention



Community radio listenership had increased to 22.4%. (RAMS)



Provided 65 different media managers with bursaries as at 31st March 2010. In the year under review, 2009/10, 213 people trained.

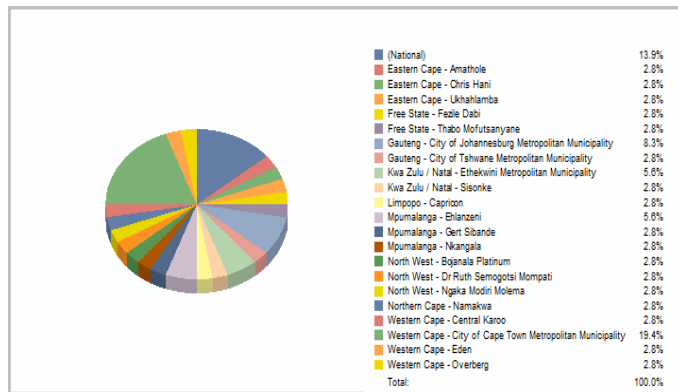


Provided mentoring support to a number of projects
Successfully put on the public debate the issue of transformation of the media – 19 October 2009 jointly with ICASA, SAHRC, CGE and SABC

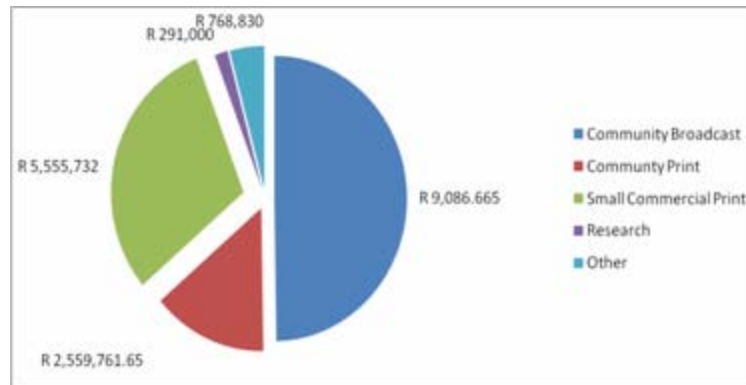


Breakdown of Approved Projects

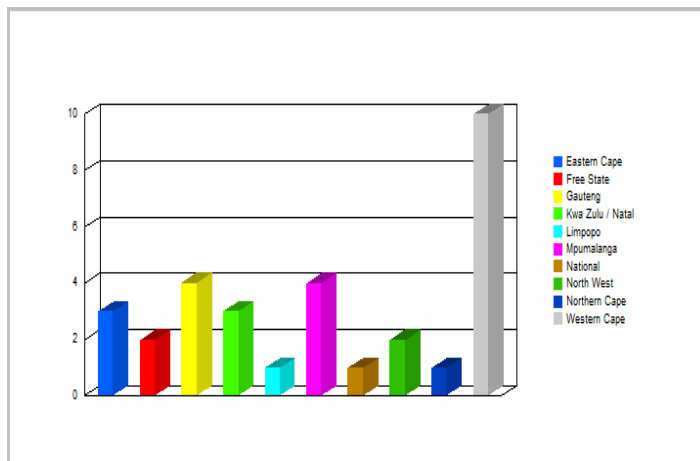
By District Municipality



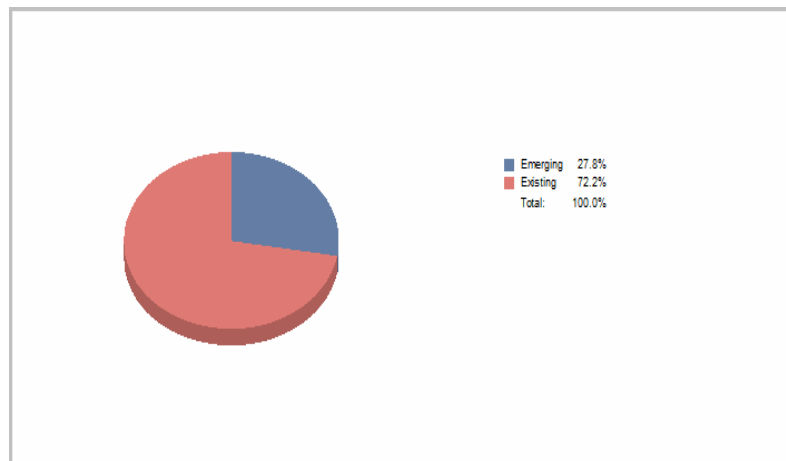
By District Sector



By Province



Existing vs. Emerging

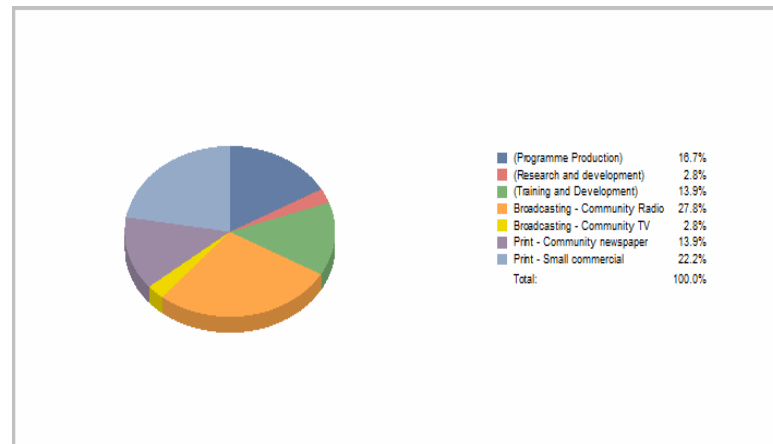




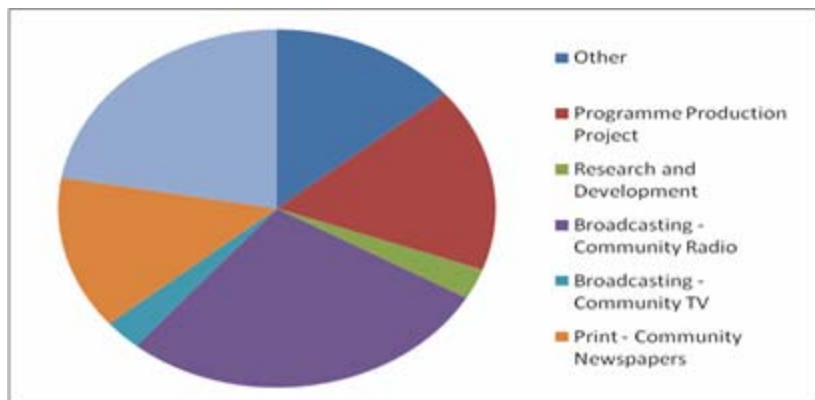
Requested amounts vs. Approved Amounts



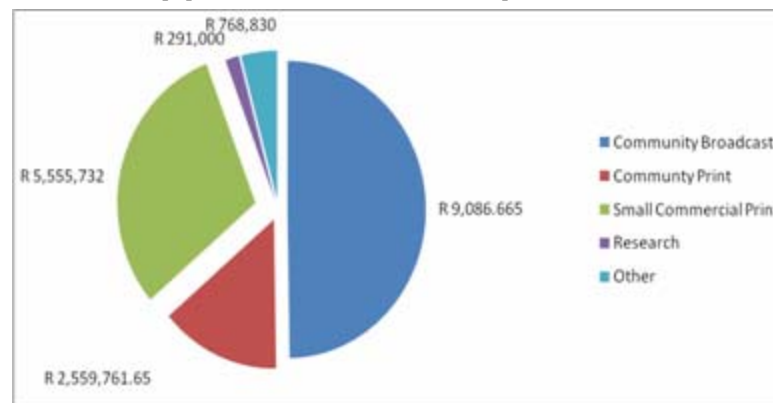
Percentage Distribution per sector



No. of approved projects per sector



Approved amounts per sector





No. Of trained & skills attained



Nr	Type of training provided	No. of people	Organisation type	Training provider (organisation)
1.	Essentials of Broadcast Management	4	Community TV	SPL
2.	Media Management and Journalism training (Various)	48	Print, Radio and TV	IAJ
3.	Marketing and Advertising	13	Print and Radio	AMASA
4	Media Management, New media and Networking	15	Print and Radio	Highway Africa conference
5.	Financial Management and Compliance	15 in East London and 35 in Gauteng =50	Print, Radio and TV	MDDA (internal staff)
6.	Learning Forum (Peer review and mentoring)	23	Print (small commercial)	MDDA and Mentors (internal workshop)
7.	Media Literacy (North West)	60	Grade 9-11 Learners and Educators	MDDA (Newspapers in Education and Institute for the Advancement of journalism)

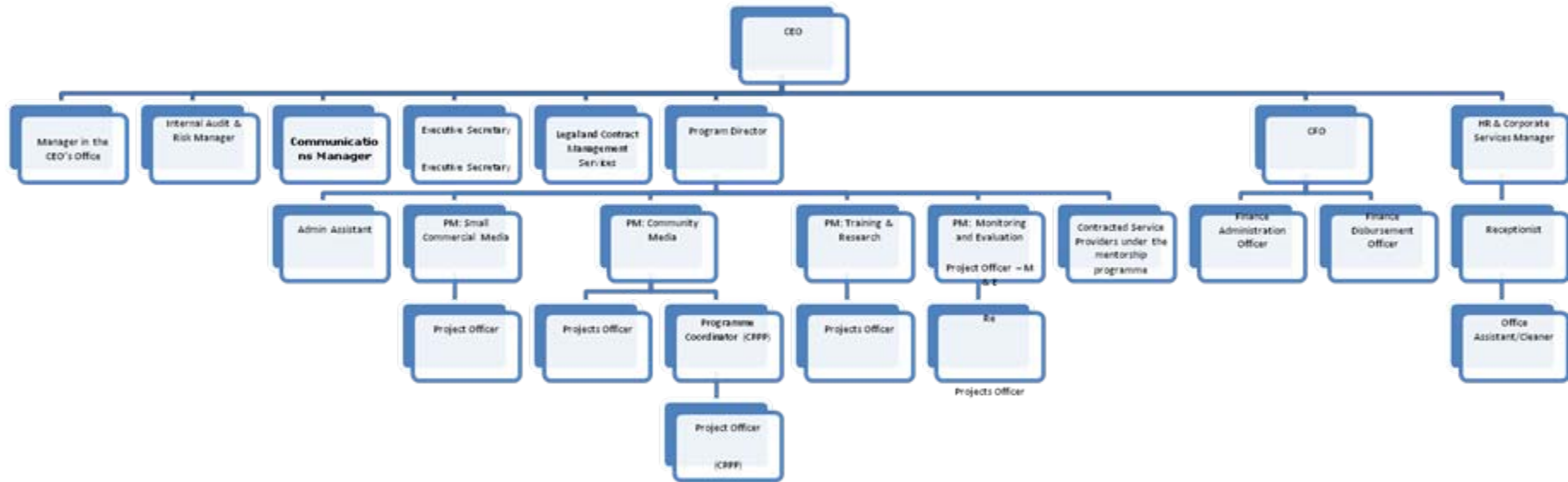


Human Resource Management



- 21 staff employed

Organogram 2009/10





Presentation by: Mr Mshiyeni Gungqisa (CFO)



Finances 2009/10

(For financial year 01 April 2009 to
31 March 2010)

- **Income**
- Government R 16,592m
- Print Partners R 4,800m
- Broadcast Partners R17,862m
- Other Income R ,794m
- Interest R 4,623m
- **Total Income R44,671m**



Finances 2009/10

(For financial year 01 April 2009 to
31 March 2010)



- **Print Partners**

- Independent Newspapers (Pty) Ltd
- AVUSA Ltd
- Media 24 Ltd
- CTP/CAXTON

- **Broadcast Partners**

- Midi TV Pty Ltd (e-tv)
- Kagiso Broadcasting (Pty) Ltd
- Electronic Media Network Ltd (M-Net)
- Primedia Broadcasting (Pty) Ltd
- South African Broadcasting Corporation Ltd (SABC)
- Multichoice Africa
- Capricorn FM
- AME
- YFM (Pty) Ltd



Finances 2009/10

(For financial year 01 April 2009 to
31 March 2010)

- **Expenditure**

– Grant costs	R 23,512m
– Personnel	R 3,958m
– Administrative	R 5,677m
– Depreciation	R ,329m
– Other	R ,019m

- **Total Expenditure R 33,495m**



Finances 2009/10

(For financial year 01 April 2009 to
31 March 2010)

- **Total Administration costs (incl. depreciation)**
R 6,006,000
- **Total Administration costs (excl. depreciation)**
R 5,677,000
- **Personnel Exp R 3,958,000 (excluding the other expenses, in terms of total costs to company approach)**
- **Training Exp R 79,000**

- **Administration cost as a % of total income (includes personnel costs)**
22%
- **Personnel cost as a % of total income** **9%**
- **Training cost as a % of total income** **1%**



Finances 2009/10

(For financial year 01 April 2009 to
31 March 2010)

- Community Print R 2,599,762 (51 %)
- Community Radio R9,086 665 (56 %)
- Small Commercial R 5,555,732 (24 %)
- Research R 291,000 (2 %)
- Other R768,830 (4 %)

- **Total Revenue R44,671m**
- **Total Expenses R33,495m**
- **Surplus for the year R 11,176m**

Budgeting regulations & challenges

2009/10



MDDA has to meet regulatory and funding agreements requirements

- Regulations divide funds between small commercial, community and research



Funding agreements divide between print and broadcast

Funding is on different cycles



Funding agreements specify no more than 10% to administration and research

Presentation by:



- Chief Executive Officer, Lumko Mtimde



Auditor General Opinion



Unqualified and clean report



Matter of emphasis – disclosure
of restated corresponding
figures



Matter of emphasis – refer to
unaudited supplementary
schedule

Report on Performance & Financial Expenditure

01 April 2010 to 30 Sept 2010



Programmes	Programme/Project Cost (R)	Operational Cost (R)
1(a) Research and Training	2 938 017	41 884
1(b) Community Media	14 312 068	86 941
1(c) Small Commercial Media	5. 963 362	47 502
1(d) Monitoring and Evaluation	640. 000	47 502
2. CEO's Office	0	2 070 295
3. Finance Department	0	3 186 733
4. Human Resource and Corporate Affairs Department	0	218 108
TOTAL	23 853 447	5 698 965



Performance Information 2010/11

KEY FOCUS AREA	OUTCOMES
1. Advocacy for media development and diversity	Submissions made to ICASA, DoC, etc. Engagements with DTI initiated. Successful engagements with other partners
2. Partnerships and Stakeholder Management	Stakeholder Management Plan Community Media Awards Highway Africa Seminar on Trends of Media Ownership and Control
3. Grant funding for community and small commercial media, and seed funding support for community radio in the nodal areas	6 community radios funded 4 community newspapers funded 4 small commercial newspaper and 1 Magazine funded
4. Capacity building interventions for beneficiary organizations and communities including mentorship	31 beneficiaries trained 1 workshop on Financial Management 46 registered service providers in database Marketing toolkit developed



Performance Information 2010/11

KEY FOCUS AREA	OUTCOMES
5. Fundraising and resource mobilisation	Fund Development Strategy and Plan International fundraising strategy and plan Renewed funding agreements
6. Monitoring & evaluation, research and knowledge management – focus on impact assessment and evaluation	25 projects monitored Ownership and control of media research, Soweto TV research, Student Media research, MMP research published
7. Media literacy and the promotion of the culture of reading	Media literacy and culture of reading summit to be held in the North West province



Strategic and Business Plan 2010/13

Key 9 Focus Areas	Key Deliverables	Budget (R) 2010/11	Short/Medium/Long Term
1. Advocacy for media development and diversity	<ul style="list-style-type: none"> ✚ Lobby IDC and NEF for the support of the Low Interest Loan scheme for small commercial media. ✚ Workshops ✚ Training 	<p style="text-align: right;">Opex 400 000 150 000</p>	Increasing
2. Partnerships and stakeholder management	<p>Joint initiative in media development and diversity Community Media Awards</p>	<p style="text-align: right;">200 000 640 000</p>	Expanding





Strategic and Business Plan 2010/13

Key 9 Focus Areas	Key Deliverables	Budget (R) 2010/11	Short/Medium/Long Term
3. Grant and seed funding support for community and small commercial media	<ul style="list-style-type: none"> + 8 Community Radios funded + 6 Community Newspapers funded + 4 Community Initiatives supported + 2 atypical media projects supported + 5 Small Commercial Newspapers and 1 Magazine supported + 40 projects monitored + 5 desktop project reviews done + 5 capacity building initiatives monitored + 2 research grants issued 	<p>14 312 069</p> <p>5 963 362</p> <p>400 000</p>	Expanding





Strategic and Business Plan 2010/13

Key 9 Focus Areas	Key Deliverables	Budget (R) 2010/11	Short/Medium/Long Term
4. Capacity building interventions for beneficiary organisations and communities including mentorship and monitoring & evaluation + Strengthening and consolidating beneficiary projects towards sustainability	+ 30 beneficiaries trained + 1 workshop on Financial Management + 46 registered service providers in database + 1 exchange event + Marketing toolkit distributed + Initial desktop research on the movement of trained people within the sector	388 017 200 000	Expanding





Strategic and Business Plan 2010/13

Key 9 Focus Areas	Key Deliverables	Budget (R) 2010/11	Short/Medium/Long Term
5. Research and knowledge management	<ul style="list-style-type: none"> ✚ 2 research projects supported ✚ 2 research seminars held ✚ 1 exchange event held 	1 000 000	Constant
6. Media Literacy and culture of reading	<ul style="list-style-type: none"> ✚ Media literacy and culture of reading summit to be held in the KZN province 	200 000	Incubation
7. Communications and public awareness with regard to the sector and the MDDA in general	<ul style="list-style-type: none"> ✚ Increased funding for implementation of Communication Strategy ✚ Develop public sector strategy 	648 474 Opex	Increasing Increasing





Strategic and Business Plan 2010/13

Key 9 Focus Areas	Key Deliverables	Budget (R) 2010/11	Short/Medium/Long Term
8. Quality programming and production in community broadcasting	🎬 10 Community Radio Stations supported	12 000 000	Constant
9. Fundraising and resource mobilisation	🎯 Revise International fundraising strategy and plan	89 564	Increasing



Presentation to Parliament





SUMMARY OF 2010/11 PRIORITIES

	2010/11 Budget (R'000)	Timeframe(s)
Income	39,252	
-GCIS	17, 265	
-Broadcast media	11, 869	
-Print media	4, 800	
-Interest	5, 318	
-Other	0	
Expenditure	39,252	
Operational expenses	11, 043	April 2010 – March 2011
Capex	129	April 2010 – March 2011



SUMMARY OF 2010/11 PRIORITIES CONT.

Activity	2010/11 Budget (R'000)	Timeframe(s)
Small commercial Media	5,963	April 2010 – March 2011
Community Media	14,312	April 2010 – March 2011
Research	1,193	April 2010 – March 2011
Programme Dept costs	4,097	April 2010 – March 2011
Community Media Awards	640	April 2010 – March 2011
Other	1,345	April 2010 – March 2011
Monitoring & Evaluation	400	April 2010 – March 2011



SUMMARY OF 2010/11 BUDGET

	2011/12 Budget (R'000)	2012/13 Budget (R'000)	2013/14 Budget (R'000)
Income	42, 395	44,225	47,318
-GCIS	19, 115	21,091	22, 200
-Broadcast media	11,869	11,869	13, 326
-Print media	4, 800	4, 000	4, 000
-Interest	4, 611	5,264	5, 792
-Other	2,000	2,000	2,000
Expenditure	42, 395	44, 225	47,318
Programme Costs	29, 338	30,100	32, 243
Operational expenses	12,834	13,932	14,882
Capex	223	192	193



Six months achievements and milestones



All the R 14,312,069.20 allocated for community media has already been committed to the following projects



All the R 5,963,361.90 allocated for small commercial media has already been committed to the following projects



100% funding from print media & Gvt. Received



93% of the grant costs accrued for 2010/11



Actively participated in the public discourse on media transformation and diversity (October 2010)



Interim Annual Financial Statements produced





Request for additional funds

**Monitoring & Evaluation –
R3,1m**

- Travel expense – R600,000
- Audit – R1,5m
- Social impact & related activities – R1m

Grant Funding – R10m

- Increase - R10m

**Implementations of
Communications strategy –
R2,4m**

Human resources – R909,000

- Financial Manager – R369,000
- Senior Manager Communications – R540,000

**Total funding requirements –
R16,409m**



Presentation by:



- Chairperson, Ms Gugu Msibi



CONCLUSION

Chair,

- 3 Board members are completing their terms of office at the end of this year.

Chair,

- The Agency would like to express vote of thanks to the Committee for its support to the Board and Management.
- Further, let me take the opportunity to thank the Government (whose valuable support for the Agency through GCIS and the Presidency has made its work manageable) and the funding partners

Chair,

- The Agency would like to take this opportunity to thank these Board members for their outstanding selfless contribution in leading this Agency and to media development and diversity

• Thank you

