2011/12 Quarterly

AoPI progress & financial report

Parliamentary Portfolio Committee
13 September 2011

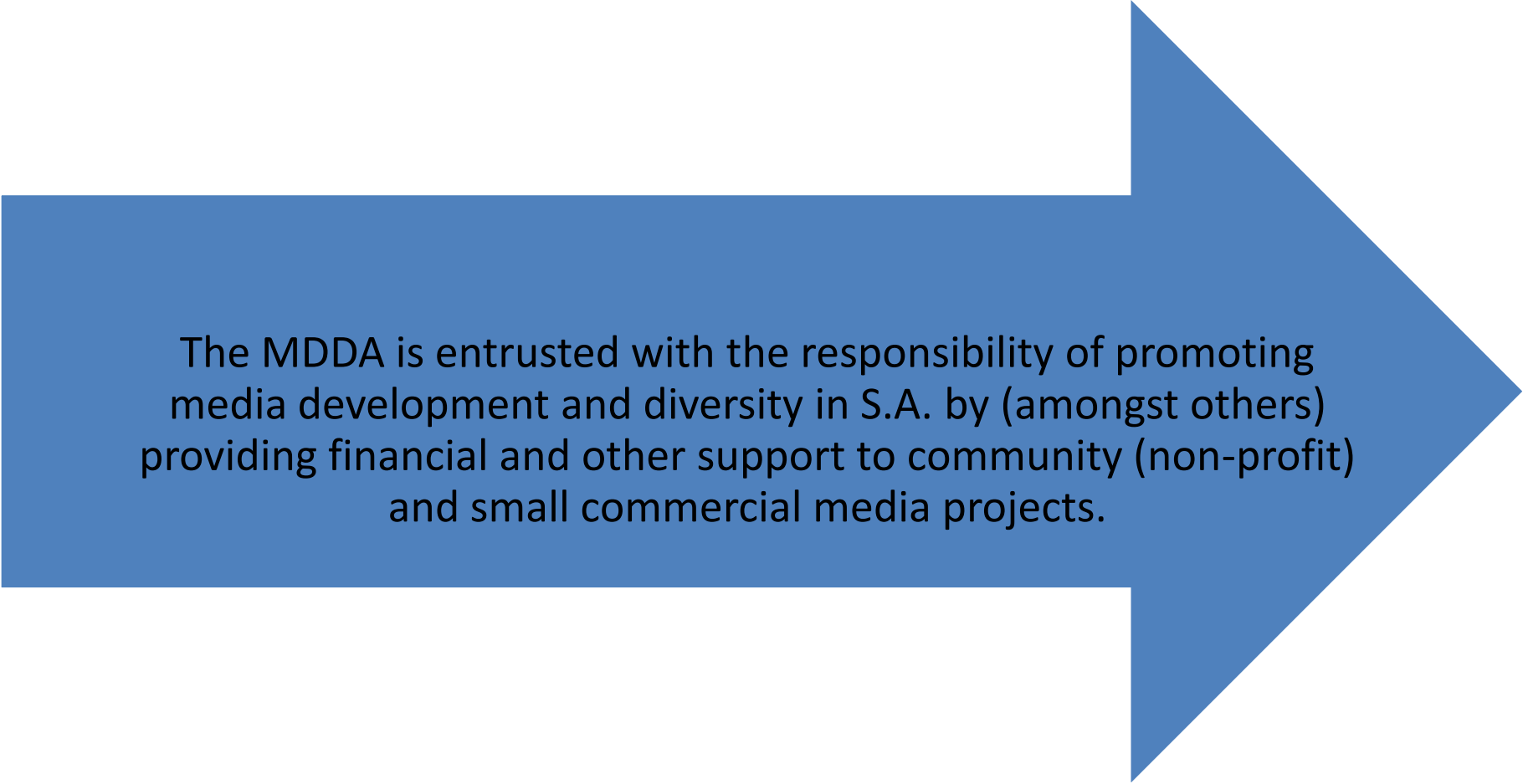# Background, Context and Legislative basis

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 (amongst others) 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
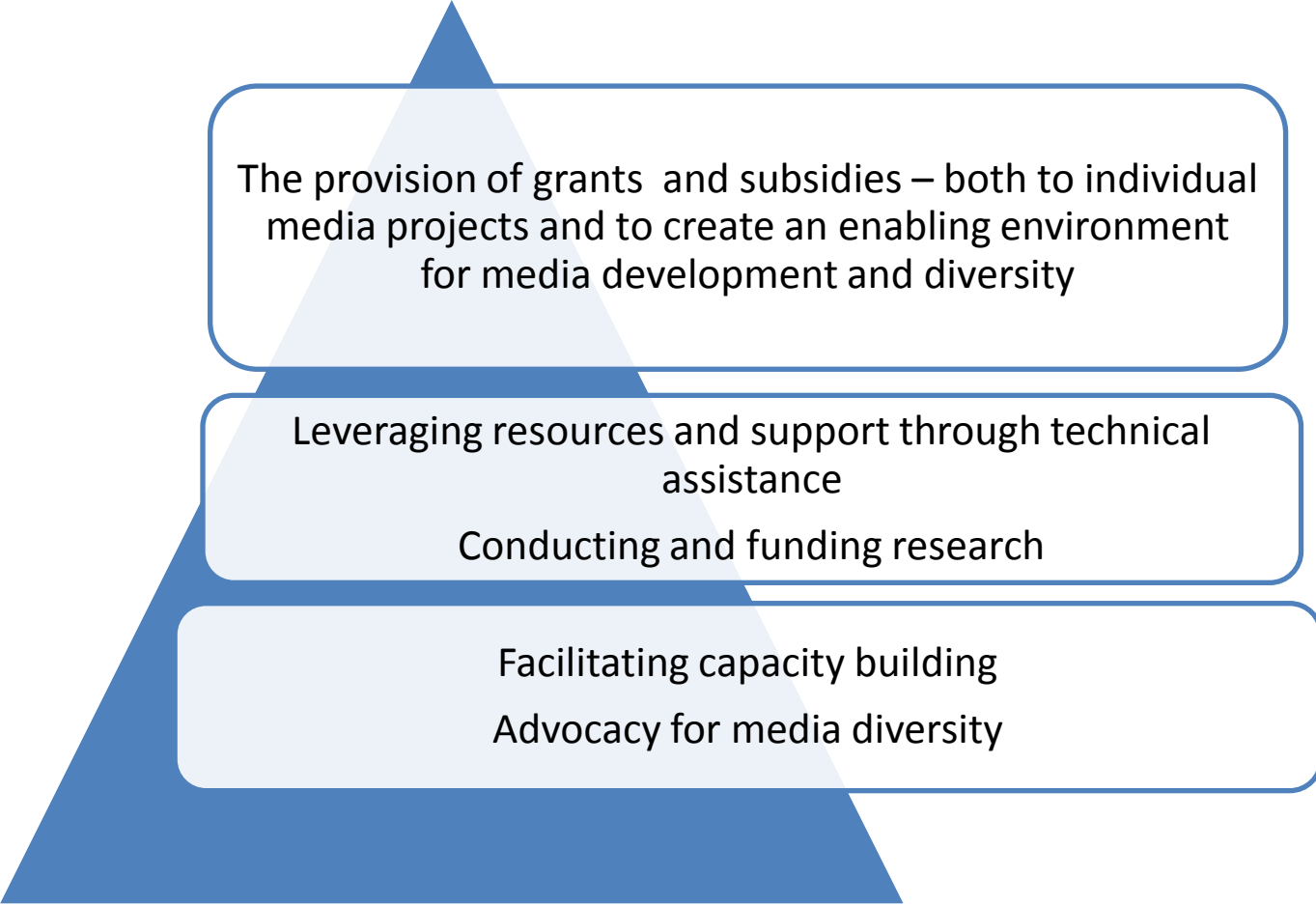
OBJECTIVES OF THE AGENCY IN TERMS OF THE ACT

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
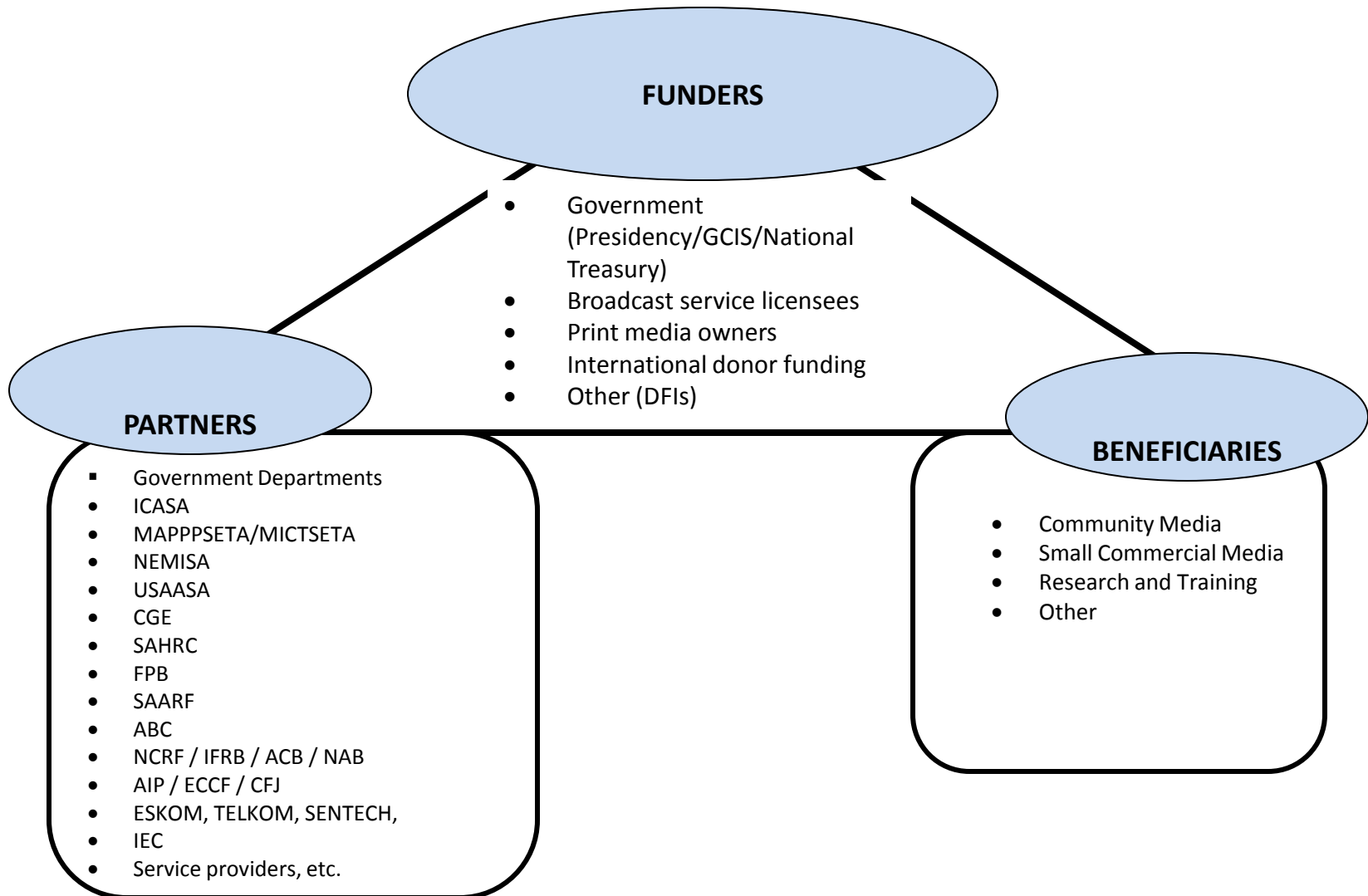
Leveraging resources and support through technical assistance

Conducting and funding research

Facilitating capacity building

Advocacy for media diversity

Stakeholders Identification and Classification Chart

FUNDERS

- Government (Presidency/GCIS/National Treasury)
- Broadcast service licensees
- Print media owners
- International donor funding
- Other (DFIs)

PARTNERS

- Government Departments
- ICASA
- MAPPPSETA/MICTSETA
- NEMISA
- USAASA
- CGE
- SAHRC
- FPB
- SAARF
- ABC
- NCRF / IFRB / ACB / NAB
- AIP / ECCF / CFJ
- ESKOM, TELKOM, SENTECH,
- IEC
- Service providers, etc.

BENEFICIARIES

- Community Media
- Small Commercial Media
- Research and Training
- Other

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

KEY RESULT AREAS IN RELATION TO THE PURPOSE STATEMENT

1. Grant funding
   - ❖ Capacity building interventions for beneficiary organisations and communities including mentorship and monitoring and evaluation
     - – *Strengthening and consolidating beneficiary projects towards sustainability*

2. Fundraising and resource mobilisation.
   - ❖ Partnerships and Stakeholder management,
   - ❖ Communication & public awareness with regard to the sector and the MDDA in general

3. Research, knowledge management, monitoring and evaluation

4. Advocacy for media development and diversity,
   - ❖ Communication & public awareness with regard to the sector and the MDDA in general
   - ❖ Media literacy and the promotion of the culture of reading.

5. Diverse and quality content
   - ❖ Quality programming and production

Budgeting regulations & challenges

MDDA has to meet regulatory and funding agreements requirements

• Regulations divide funds between small commercial, community and research & training

Funding agreements divide between print and broadcast

Funding is on different cycles

Print funding is not prescribed by law and is now decreasing. An amendment to the law, either Money Bill or MDDA Act needed.

Funding agreements from private sector specify no more than 10% to administration and research.

National Treasury need to facilitate the transfer of the allocation of support for capacity building of community radio programme production in VOTE 26 (Communications) to VOTE 8 (GCIS) for MDDA

Performance Information 2011/12

Key Result Areas	Target quarter 1	Progress – quarter 1	Variance & Reasons	Corrective Measures
KEY RESULT AREA 1: GRANT AND SEED FUNDING	• 3 small commercial newspapers	• 5 (Heartbeat, Sebatakgomo, Taxi Talk, Alex Pioneer & Maputaland Mirror)	• None	• None
	• 2 community radio projects funded in 2 District Municipalities	• 2 projects supported in 2 DM (Kopanong FM, Phalaborwa FM)	• None	• None
	• 2 community print project funded in 1 District Municipality	• 2 projects supported (Ngulu News, Zakheni Development – Sosh Times)	• None	• None
	• 10 projects monitored and monitoring reports approved	• 20 Projects Monitored (reports finalised)	• None	• None

Performance Information 2011/12

Key Result Areas	Target quarter 1	Progress – quarter 1	Variance & Reasons	Corrective Measure
KRA 1 (cont): GRANT AND SEED FUNDING	• 1 Research grant in transformation of media	• ToRs developed for the Media Transformation research and approved by the MDDA Board meeting in May 2011.	Commissioning to commence in September	Accelerate the appointment of a suitable service provider
KRA 2: FUNDRAISING AND RESOURCE MOBILISATION	• Provincial Advertising & Marketing Toolkit workshop in MP	• Facilitated 2 Provincial workshops (NC & KZN)	• None	• None
	• Create enabling and supportive environment for MDDA projects	• MoU with IEC in place • MoU with NEF and NYDA under discussion	• None	• None
	• Implement joint training programme (workshop/ seminar, etc)	• Held election training seminar with IEC and DoC	• None	• None

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Performance Information 2011/12

Key Result Areas	Target – quarter 1	Progress – quarter 1	Variance & Reasons	Corrective Measures
KRA 3: RESEARCH, KNOWLEDGE MANAGEMENT, MONITORING AND EVALUATION	• 1 Research Report published	• Research into a Viable Business Model for Alternative Film Distribution in South Africa	• None	• None
KRA 4: ADVOCACY FOR MEDIA DEVELOPMENT AND DIVERSITY	• 5% increase in advertising revenue for small commercial and community media	• Parliamentary discussion held on the transformation of advertising industry. • Establishment of the Online advertising platform concept document developed	• Stakeholder consultation ongoing	• None
	• Operationalisation of the low interest loan fund	• Draft MoU with NEF in place	• Ongoing activity	• None
	• 1 seminal to Strengthen MDDA presence at provincial level	• 1 Stakeholder meetings held in KZN	• None	• None

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Performance Information 2011/12

Key Result Areas	Target – Quarter 1	Progress – quarter 1	Variance & Reasons	Corrective Measures
KRA 5: QUALITY PROGRAMMING AND PRODUCTION IN COMMUNITY BROADCASTING SECTOR	• 1 community radio station funded	• 2 Community Radio stations funded (Moletsie CR and Vaaltar CR)	• None	• None

2011/12 Budget summary against Predetermined Objectives per Programme

	Programmes	Programme/Project Cost (R)	Operational Cost (R)
1a	Research and Training	5,237,611	63,716
1 b	Community Media	23,531,336	192,434
1c	Small Commercial Media	6,658,216	63,716
1d	Monitoring and Evaluation	372,818	63,716
2	CEO's Office	0	2,402,648
3	Finance Department	0	3,792,735
4	Human Resource and Corporate Affairs Department	0	870,394
TOTAL		**35,799,981**	**7,449,359**

2011/12 Budget Summary against the Key Result Areas (5 priority areas)

Key Result Areas	Key deliverables	Sub-total (R)	Budget (R)
1. Grant funding	• Fund 5 small commercial newspapers 1 Magazine and 4 newspapers supported for sustainability	• 6,658,216.00	**32,534,481.00**
	• 8 community radio projects funded in 8 district municipalities, 1 CTV funded, 3 community print projects funded in 2 district municipalities, 4 atypical media projects funded and 4 community media projects supported for sustainability	• 23,531,336.00	
	• Commission and manage 3 research grants into Transformation, Ownership & Control of the Media and Research on protecting and strengthening the Public Service Broadcasting	• 1,800,000.00	
	• MDDA,NEMISA,MAPPPSETA partnership on sustainable skills development for 825 beneficiaries, 70 beneficiaries trained on identified skills gap	• 544,929.00	
2. Fundraising and resource mobilisation	• A number of partnerships and signed MOU's achieved	• Opex	**600,000.00**
	• Promotion and recognition of excellence in the community media sector though the Community Media Awards	• 600,000.00	

2011/12 Budget Summary against the Key Result Areas (5 priority areas)

Key Result Areas	Key deliverables	Sub-total (R)	Budget (R)
3. Research, knowledge management, monitoring and evaluation	• 70 beneficiary projects monitored (30 desk top monitoring & 40 site visits)	• 372,818.00	**572,818.00**
	• Publish an annual journal and monograph series of the state of media development and diversity	• 200,000.00	
4. Advocacy for media development and diversity	• Conduct seminars in different provinces and other similar initiatives aimed at engaging the public regarding the state of media development and diversity in South Africa		**350,000.00**
	• Convene Media assemblies/summits on the role of media	• 350,000.00	
5. Diverse and quality content	• 4 community radio stations funded (Doc project budget 2008/09)	• 2,000,000.00	**2,000,000.00** (2008/09)
TOTAL			**R 36,057,299.00**

Performance Information 2011/12

Key Result Areas	Key deliverables	Budget	Actual
Grant funding	• Fund 5 small commercial newspapers 1 Magazine and 4 newspapers supported for sustainability	• 6,658,216	• 5,082,664
	• 8 community radio projects funded in 8 district municipalities, 1 CTV funded, 3 community print projects funded in 2 district municipalities, 4 atypical media projects funded and 4 community media projects supported for sustainability	• 23,531,336	• 11,162,786
	• Commission and manage 3 research grants into Transformation, Ownership & Control of the Media and Research on protecting and strengthening the Public Service Broadcasting	• 1,800,000	
	• MDDA,NEMISA,MAPPPSETA partnership on sustainable skills development for 825 beneficiaries, 70 beneficiaries trained on identified skills gap	• 544,929	

Performance Information 2011/12

Key Result Areas	Key deliverables	Budget	Actual
Fundraising and resource mobilisation	• Promotion and recognition of excellence in the community media sector though the Community Media Awards	• 600,000	• 600,000
Research, knowledge management, monitoring and evaluation	• 70 beneficiary projects monitored (30 desk top monitoring & 40 site visits) • Publish an annual journal and monograph series of the state of media development and diversity	• 372,818.00 • 200,000.00	
Advocacy for media development and diversity	• Convene Media assemblies/summits on the role of media	• 350,000.00	
Diverse and quality content	• 4 community radio stations funded (Doc project budget 2008/09)	• 2,000,000.00	

PROGRAMME COST - BUDGET

	2011/12 Budget (R)	2012/13 Budget (R)	2013/14 Budget (R)
SMALL COMMERCIAL (25%)	6,658,216	6,582,903	6 ,718,009
COMMUNITY MEDIA (60%)	23,531,336	19,694,337	20,018,590
RESEARCH (5%)	1,912,537	1,616,224	1,643,246
OTHER (10%)	2,605,074	1,782,449	1,786,491
COMMUNITY MEDIA AWARDS	720,000	800,000	800, 000
MONITORING AND EVALUATION	372,818	570, 000	610, 000
PROJECT TRACKING SYSTEM	75,000	80,000	90,000
TOTAL COSTS	35,874,981	31,125,913	31, 666,336

2011/12 Budget summary against Predetermined Objectives per Programme

	Programmes	Programme/Project Cost (R)	Operational Cost (R)
1a	Research and Training	5,237,611	63,716
1 b	Community Media	23,531,336	192,434
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2	CEO's Office	0	2,402,648
3	Finance Department	0	3,792,735
4	Human Resource and Corporate Affairs Department	0	870,394
TOTAL		**35,799,981**	**7,449,359**

Spending Trend of Projects for Quarter One 2011/12

	Budget (R)	Actual (R)	Variance (R)	Reason and Corrective Measure
Small Commercial Media	3,329,108	3,069,470	259,638	Some projects referred back for additional information & will be re-submitted next quarter
Community Media	3,994,930	3,592,434	402,496	Some projects referred back for additional information & will be re-submitted next quarter
Research and Training	600,000	600,000	0	**Commissioning to commence in September**
Other	0	0	0	
Community Awards	0	0	0	
Monitoring and Evaluation	0	0	0	

Spending Trend of Opex for Quarter One 2011/12

	Budget (R)	Actual (R)	Variance (R)	Reason and Corrective Measure
Administration Costs	1,730,665	1,200,609	530,056	Outstanding invoices to be paid next quarter
Employee Costs	1,449,959	1,404,460	45,499	Vacant position to be occupied next quarter
Board Costs	54,547	46,878	7,699	Board meeting not fully attended
Programme Admin Costs	1,121,897	1,121,429	468	

MDDA MTEF BUDGET SUMMARY

	2011/12 Budget (R)	2012/13 Budget (R)	2013/14 Budget (R)
INCOME	**54,251,291**	**50,008,059**	**51,628,680**
Government	19,115,000	20,000,000	21,000,000
Print and Broadcast Media	28,433,687	22,633,687	22,638,687
0ther Income	6.702,604	7,374,372	7,989,993
TOTAL EXPENDITURE	**54,251,291**	**50,008,059**	**51,628,680**
Programme Costs	39,926,568	35,370,318	36,124,818
Operational Expenses	14,050,723	14,545,141	15,418,362
Capital Expenditure – Capex	274,000	92,600	85,500
DEFICIT/SURPLUS	**0**	**0**	**0**

CONCLUSION

Chair,
- The Agency would like to express our appreciation and thanks to the GCIS, National Treasury and other partners for the support to the Board and Management.

Chair,
- Further we hope -
  - to ensure diversity of media in each and every district municipality of our country,
  - to ensure increased media in different indigenous languages, reflecting unity in diversity,
  - to ensure rural communities are empowered, jobs are created, poverty is alleviated and we have an informed society.

.Chair,

- Thank you

23 November 2010