

mda

MEDIA DEVELOPMENT & DIVERSITY AGENCY



Presentation to the Portfolio Committee on Communications

(Annual Report and First Quarter Expenditure Report)

09 October 2012



Vuka Sizwe!



INDEPENDENT NEWSPAPERS



keeping you in touch. with words

Presentation to the Portfolio Committee on Communications

The MDDA Team



Ms Gugu Msibi (Chairperson)



Mr Phenyio Nonqane (Board Member)



Mr Thato Mahapa (Board Member)



Mr Jimmy Manyi (Board Member)



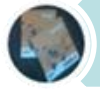
Ms Phelisa Nkomo (Board Member)



Dr. Renee Alicia Smith (Board Member)



Mr Lumko Mtimde (CEO)



Mr Mshiyeni Gungqisa (CFO)



Mr. Nkopane Maphiri (Programmes Director)



Ms Hariet Maseko

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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 (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.

Background, Context and Legislative basis

The MDDA Act defines community media

- **as any media project that is owned and controlled by a community where any financial surplus generated is reinvested in the media project”.**

defines small commercial media

- **” means independent media enterprises or initiatives that are run for personal gain as micro, very small or small businesses as classified in the National Small Business Act, 1996 (Act No. 102 of 1996).**

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

(financial and non-financial support)

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

Funding for the Agency

(For financial year 01 April 2011 to 31 March 2012)

Print Partners

- CTP Ltd
- Independent Newspapers (Pty) Ltd
- AVUSA
- Media24 Ltd

Broadcast Partners

- Multichoice
- South African Broadcasting Corporation Ltd (SABC)
- Electronic Media Network Ltd (M-Net)
- E-TV (Pty) Ltd
- Primedia Broadcasting (Pty) Ltd
- Kagiso Broadcasting (Pty) Ltd (East Coast Radio)
- Kagiso Broadcasting (Pty) Ltd (Jacaranda FM)
- AME (Radio Algoa)
- AME (OFM)
- Kaya FM
- YFM
- Capricorn Radio
- Eastcoast Radio
- Heart FM
- Igagasi FM
- Radio Pulpit



Highlights of milestones 2011/12



9 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), Kaya FM and Radio Pulpit and Print Media (AVUSA (Pty) Ltd, Independent Newspapers (Pty) Ltd, Media 24 Ltd, CTP / Caxton Ltd) continue to exist.



2011/12 marked the end of the ninth financial year funding cycle



Nine years of unqualified Annual Report and Audited Financial Statements



413 different projects supported, with approximately R201m in grants approved for disbursement, since January 2004. Trained 1 764 people from the Agency training and exchange program and project specific training



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

Highlights of milestones 2011/12

An agreement with the Print Media South Africa (*now called PDMSA*) to use the MDDA Act of 2002 as a basis to define community media. This agreement will assist in ensuring that appropriate advertising is spent in community media.

The MDDA will launch an online register of all community and small commercial publishers to inform a database that will be publicly available.

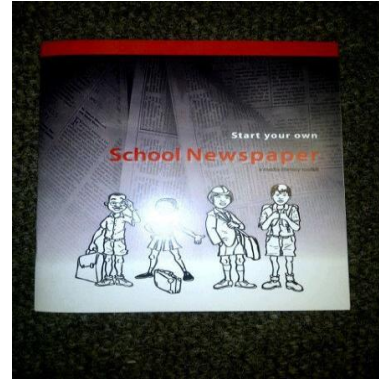
Projects Funded – 2011/12



Masilonyana News – Free State



Media Literacy Project



Launch School Newspaper – Tool kit



Kurara FM



DINGANGTSABATHOKAKATHONI R5

agenda

Magazine wa Dingang tsu Bokone Bophirima

RAVAGE STORMS
Loose Community Members.

BOIMANA
Jwa Basatsanyana ba Dikelo Be Atle!

CHILDREN OF THE STREET
Who takes Responsibility?

MISS TEEN MAFIKENG...
Are we Doing Enough to Promote Beauty Pageants?

ISSUE 10 FEB - MAR 2012

EzaKwaZulu News
SIYAZIGHENYA NGLIKAMATHANYIYA

Umkhuleko wabasinda kwinhlekelele eMsinga

Ukhosi kaMsinga: Mchuzungo eMsimangeni
Ukhosi kaMsinga: Mchuzungo eMsimangeni

STATE OF THE NATION ADDRESS
By President Jacob Zuma

9 February 2012 at 19:00
Broadcast live on television and radio.

South Africa United in its Diversity

COALCity News
A Community Talking to itself

Save energy - Gigaba

Ukhosi kaMsinga: Mchuzungo eMsimangeni

STATE OF THE NATION ADDRESS
By President Jacob Zuma

9 February 2012 at 19:00
Broadcast live on television and radio.

South Africa United in its Diversity

Titimuleni Nthavela
Volume 18 01-13 Nyunyanyani 2012

VAAKINDHAWU VA KA MALAMULELE VA DYA MAKALA HIKWALAHO KA VUKHAMBALEBYI VA HLASELEKE

STATE OF THE NATION ADDRESS
By President Jacob Zuma

9 February 2012 at 19:00
Broadcast live on television and radio.

South Africa United in its Diversity

Bushbuckridge News
mdda

Municipality delays, house flooded

Tears of joy for power family ...pg8

Bed City
Low boys positioned up to 6 floors in only 4 hours

THE TAXITALK
"VOICE FOR THE POOR"

Ingozi zenzeka mihla nezolo le

STATE OF THE NATION ADDRESS
By President Jacob Zuma

9 February 2012 at 19:00
Broadcast live on television and radio.

South Africa United in its Diversity

zithethele
MY COMMUNITY, MY NEWS

Iqhilika ayiyinyangi iAIDS

STATE OF THE NATION ADDRESS
By President Jacob Zuma

9 February 2012 at 19:00
Broadcast live on television and radio.

South Africa United in its Diversity

impact
NUUS-NEWS-INDABA

Klas van 2011 vaar beter

STATE OF THE NATION ADDRESS
By President Jacob Zuma

9 February 2012 at 19:00
Broadcast live on television and radio.

South Africa United in its Diversity

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MDDA FUNDED PUBLICATIONS

Presentation to the Portfolio Committee on Communications



PRESIDENT AND DEPUTY PRESIDENT , READING MDA FUNDED PUBLICATIONS

Presentation to the Portfolio
Committee on Communications

Milestones to date 2011/12 – cont.



Of the supported projects in 2011/12, more than 78 are new and did not exist prior to MDDA intervention



Community radio listenership had increased to 27.8%.
(total radio audience was 30.757 m of which 8.553 m is community radio) (*RAMS, March 2012*)



Provided 247 different media managers with bursaries as at 31st March 2012.
Provided mentoring and coaching support to a number of projects



Participated in Parliamentary oversight - project visits to 5 Provinces (Northern Cape, Free State, Western Cape, Mpumalanga and Limpopo)
Parliamentary public hearings held on the issue of transformation of the media , and transformation of advertising

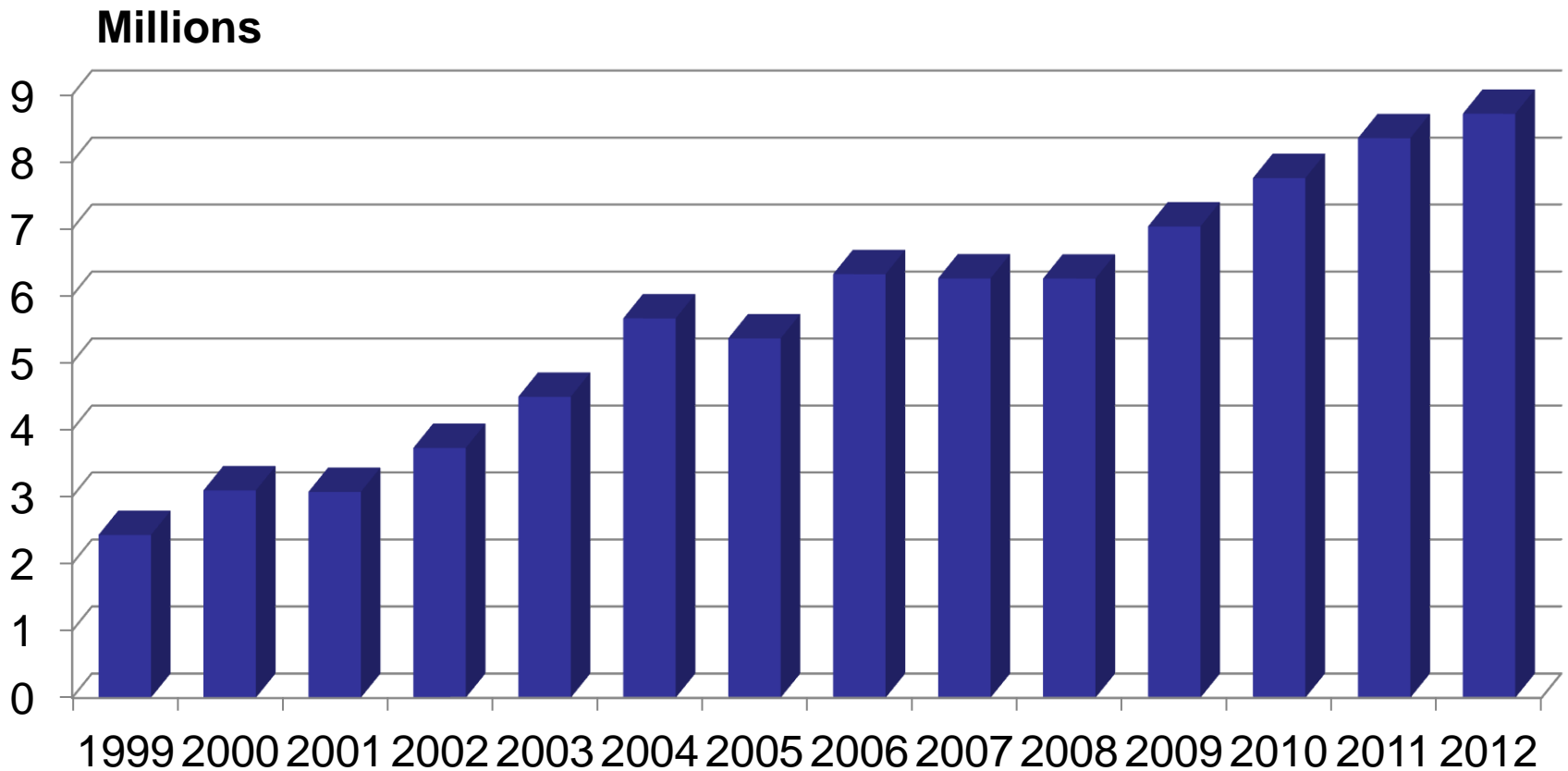


Portfolio Committee on Communications – Oversight Visit to Fort Hare Community Radio

Presentation to the Portfolio
Committee on Communications

Total Community

■ RAMS Listenership figures



Advertisers should take advantage of Community Media because;

Community radio

- Total Community Radio share of audiences is 27.8% from a total radio audience of 30.757 million. (*source: SAARF*).
- Audiences have increased since April 1999 (from 2m) to 8.553 million listeners in May 2012.
- GCIS advertising revenue on CR in 2011/12 = R12m





Community and small commercial print media

- Total revenue traded in the 2011/12 financial year was R271 611.29 (*Source GCIS and The Media Connection*).









Strategic and Business Plan 2011/12 – Performance Information Report against Pre- determined Objectives

5 Key Focus Areas	Key Deliverables	Actual	Variance
1. Grant and seed funding support for community and small commercial media	✚ 8 Community Radios funded	21 Community Radio stations funded.	None [as a result of added allocation by NT from previous year's surplus (R23m).]
	✚ 3 Community Newspapers funded	✚ 3 Community Newspapers funded	
	✚ 1 student media supported	✚ 1 student media supported	None
	✚ 4 atypical media projects supported	✚ 4 atypical media projects supported	None
	✚ 5 Small Commercial Newspapers and 1 Magazine supported	✚ 16 Small Commercial Newspapers and 3 Magazines supported	None [as a result of added allocation by NT from previous year's surplus (R10m)]
	✚ 40 projects monitored	✚ 40 projects monitored	None (reports subject to quality control)
	✚ 30 desktop project reviews done	✚ 30 desktop project reviews done	None (reports subject to quality control)
	✚ 10 capacity building initiatives monitored	✚ 10 capacity building initiatives monitored	None (reports subject to quality control)

Strategic and Business Plan 2011/12 – Performance Information Report against Pre- determined Objectives

5 Key Focus Areas	Key Deliverables	Actual	Variance
2. Fundraising and resource mobilisation	 To increase the level of transfers from MDDA funders	GCIS and partners transfer - 100% transfer)	None
	 Increased training fund and thereby increase skills in the sector	Draft SLA with MICT SEAT in place	None
	 Increased funding levels of MDDA programs	Received sponsorships from SANLAM, SENTECH, Mediashop, The Media Connection and Wits University for the MDDA/SANLAM Awards.	None
	 Increase international fundraising for MDDA	2 international trips undertaken (CEMCA, India and USA).	None

Strategic and Business Plan 2011/12 – Performance Information Report against Pre- determined Objectives

5 Key Focus Areas	Key Deliverables	Actual	Variance
3. Research, knowledge management, Monitoring and Evaluation	 Identify areas where projects would require capacity and make recommendation for the required intervention	 Skills Assessment Seminar completed and report (informing overall training & strategic planning)	None
	 Maintain a research and knowledge management programme	 2 research reports published RCF research report and Media Literacy Tool kit	None
	 Publish an annual journal and monograph series of the state of media development and diversity in South Africa	 Subject to engagements with tertiary institutions Discussions are ongoing	None
	 Conduct learning forum with project beneficiaries	 1 Learning Forum took place in KZN and was attended by 35 CR & 39 small commercial print projects	None

Strategic and Business Plan 2010/11 – Performance Information Report against Pre- determined Objectives

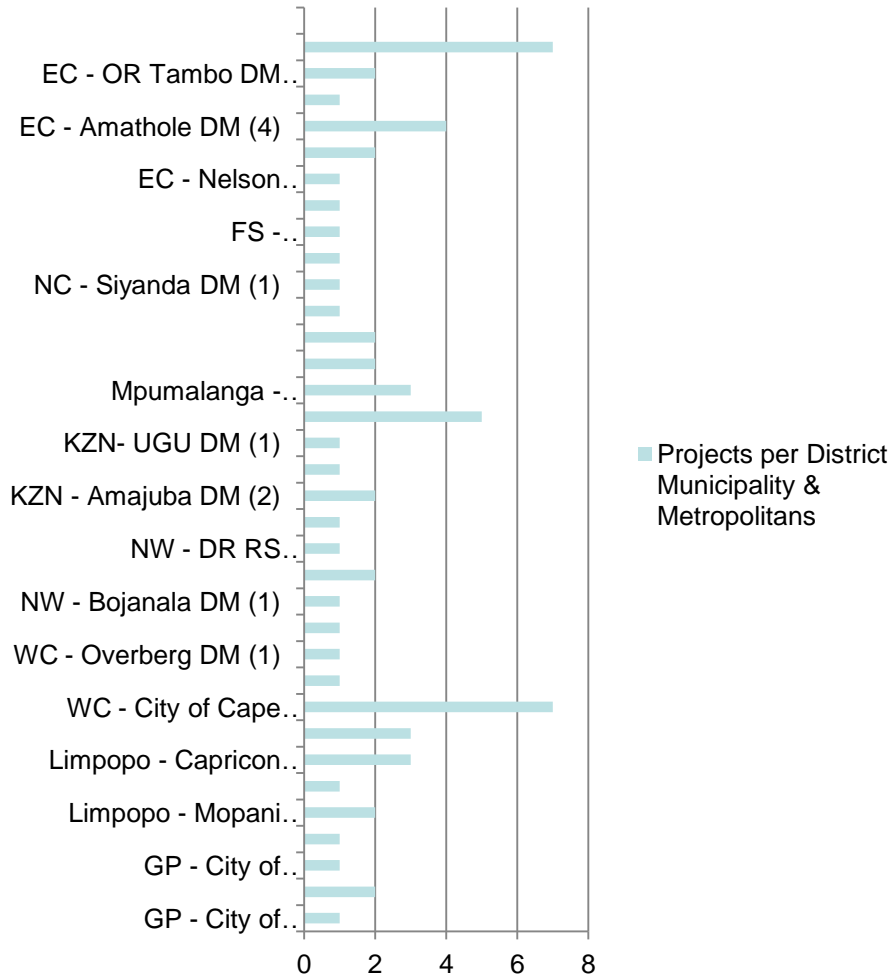
5 Key Focus Areas	Key Deliverables	Actual	Variance
4. Advocacy for media development and diversity	<ul style="list-style-type: none"> Develop strategy for increasing revenue for small commercial and community media sector 	<p>5% increase in ad revenue for The Media Connection and GCIS Presentation to the AMASA round table , presentation to the ACA Exco on the transformation of advertising. Interim arrangement with GCIS and SoE's to spend on CM and SCM</p>	None
	<ul style="list-style-type: none"> Prepare submissions and position papers to ICASA for the review of regulations governing the Community Broadcasting sector 	<p>1 ICASA's submission on Broadcasting Transmission Services. Regulatory changes were effected, leading to Sentech reviewing Community Media tariff structures and discounting to 33% for Community TV services and 65% for Community FM services</p>	None

Strategic and Business Plan 2011/12 – Performance Information Report against Pre- determined Objectives

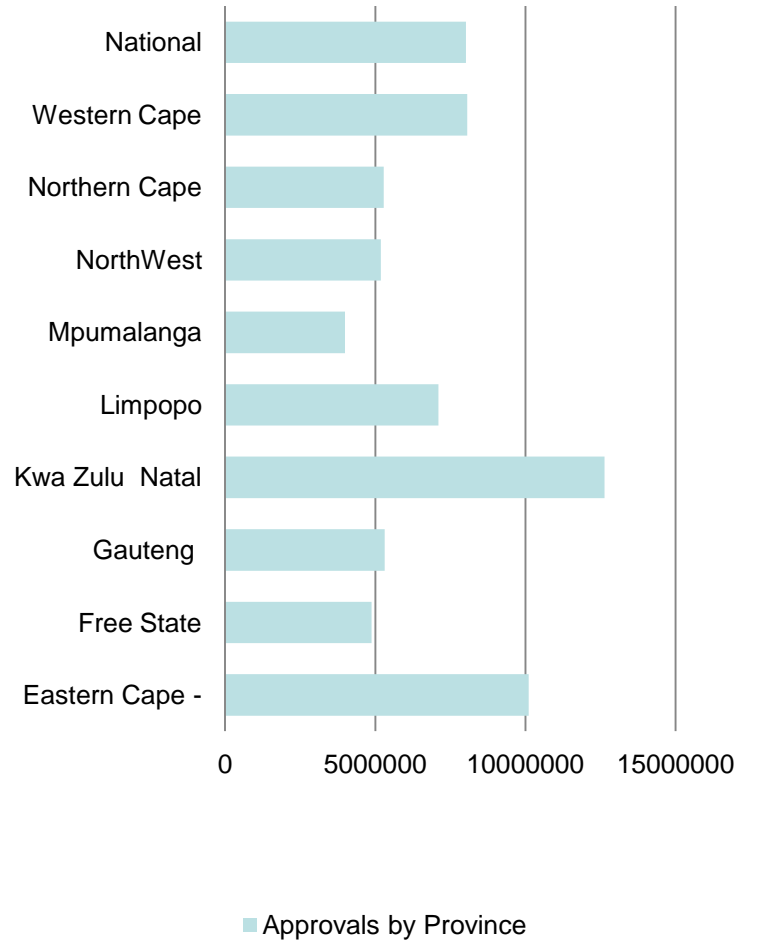
5 Key Focus Areas	Key Deliverables	Actual	Variance
4. Advocacy for media development and diversity	✚ Prepare submissions to the Minister in the Presidency regarding MDDA Act possible amendments.	Submitted draft amendments to MDDA Act to the Minister	None
	✚ Partnership with MAC Charter Council process and AMASA in order to lobby advertising and marketing industry	1% increase in ad revenue for The Media Connection and GCIS. Presentation to the AMASA round table and ACA EXCO on the transformation of advertising. Interim arrangement with GCIS and SoE's to spend on CM and SCM Parliamentary hearing on the transformation of the Advertising industry.	None
	✚ Facilitate acquisition of Grassroots Certification from ABC for small commercial and community print projects	Provided support to 6 projects for ABC grassroots certification (Alex Pioneer, Zithethele News, Iqhawe News, Chalkline News, Puisano News and News on the Go.)	None
	✚ Training workshops held with SARS, AMASA, etc.	1 814 People trained and 247 Bursaries awarded	None
5. Quality programming and production	✚ 4 Community Radio Stations supported	4 Community Radio Stations supported	None 25

Graphical Presentation of

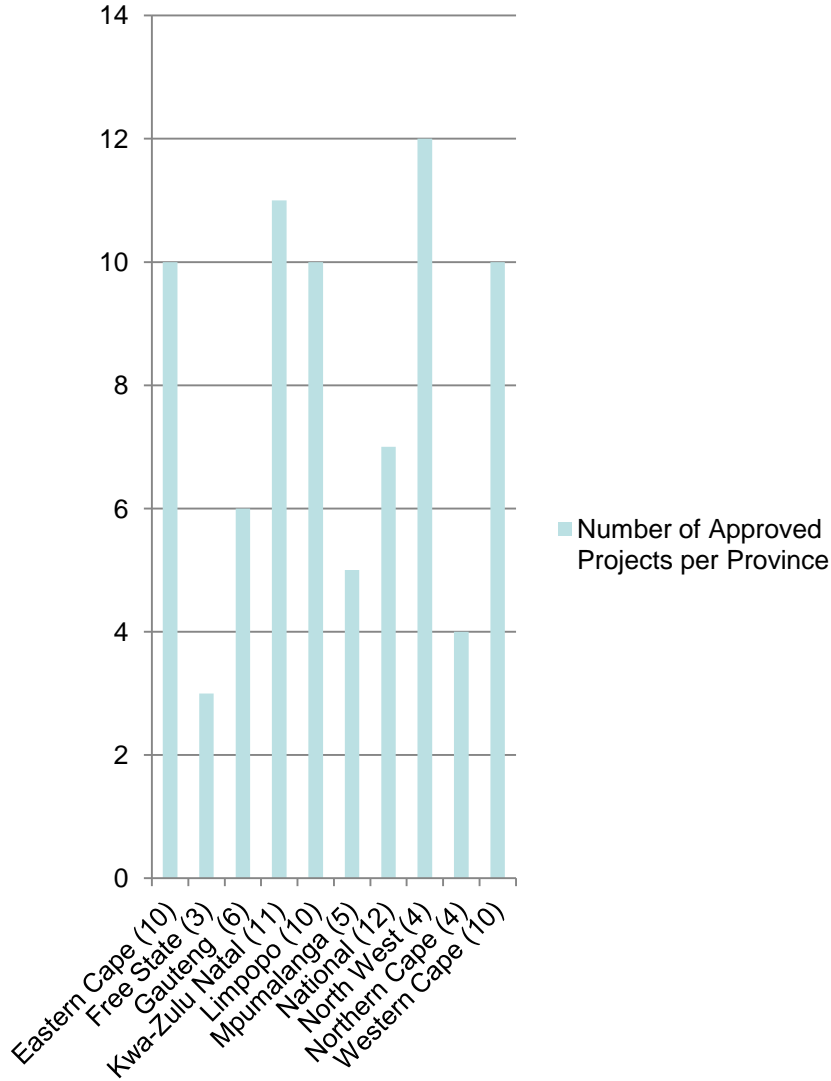
Projects per District Municipality & Metropolitans



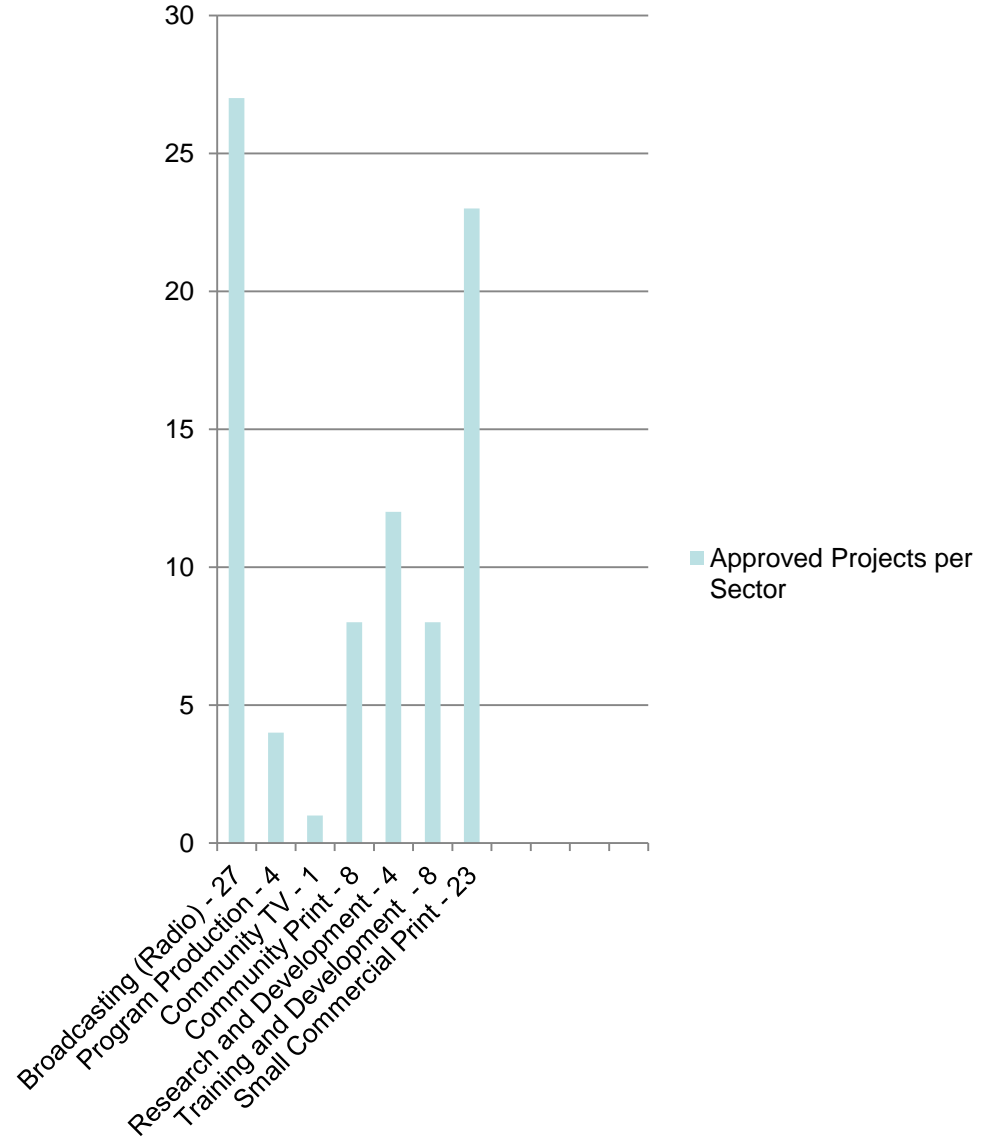
Approvals by Province



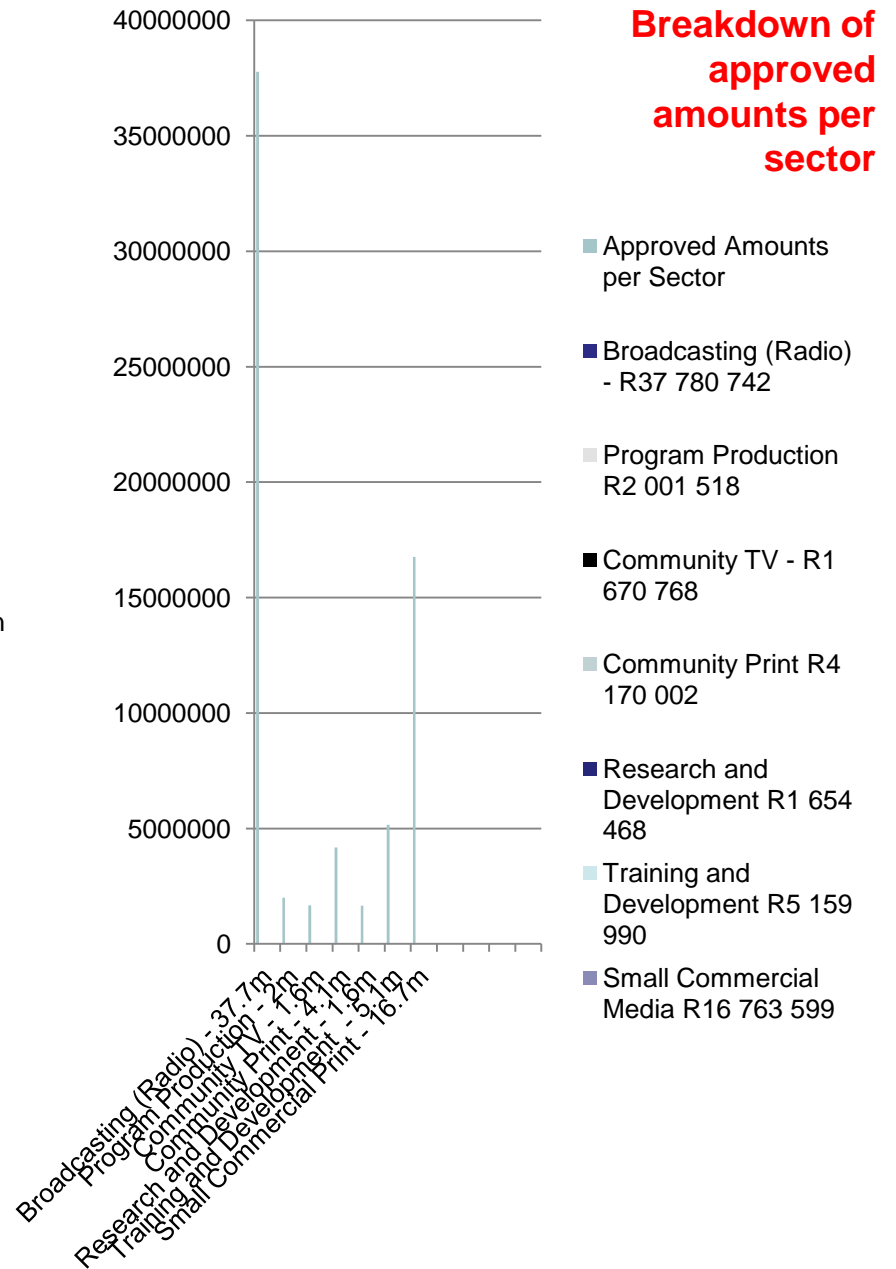
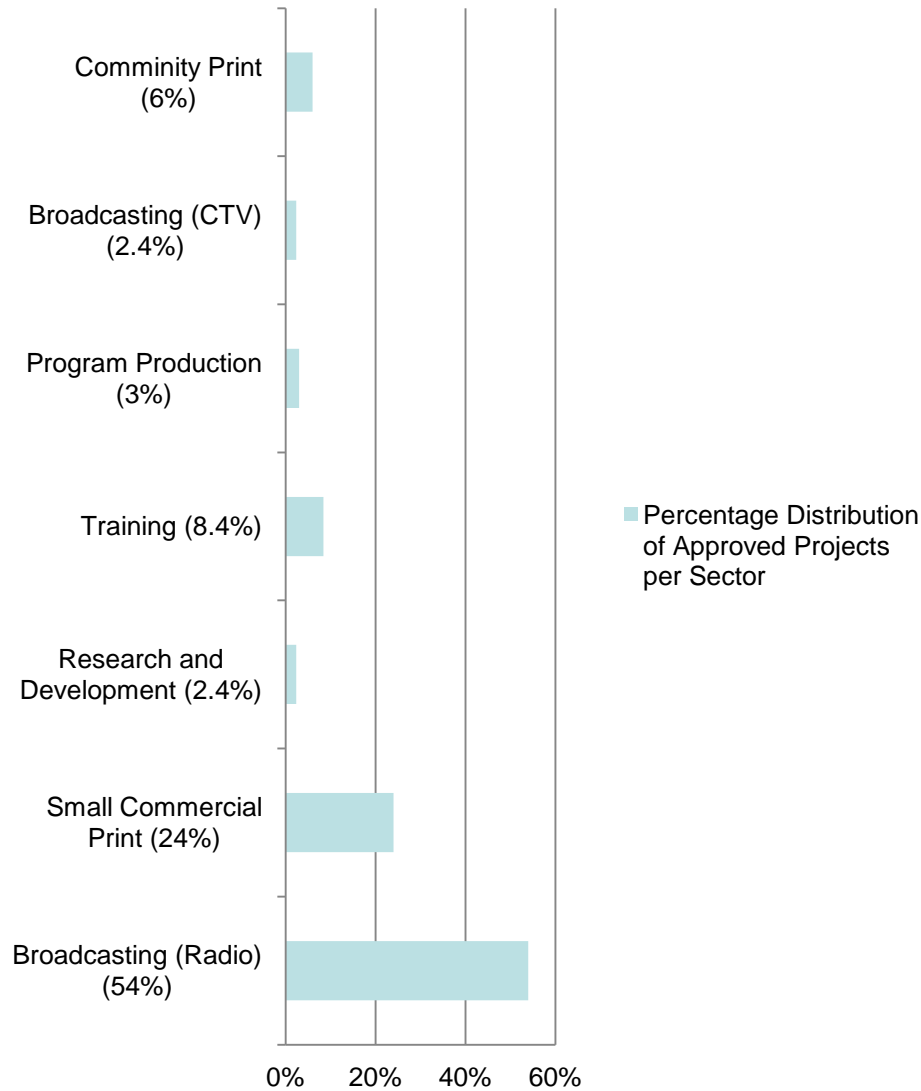
Number of Approved Projects per Province



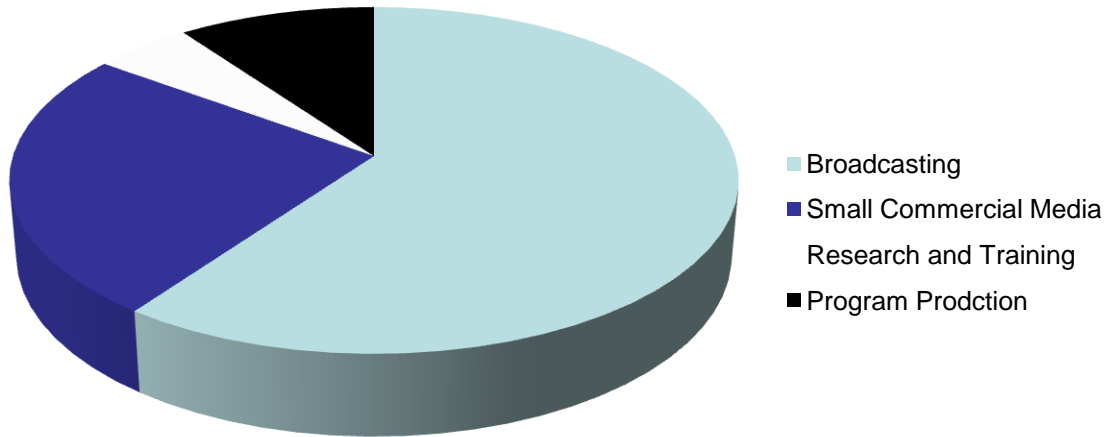
Approved Projects per Sector



Percentage Distribution of Approved Projects per Sector



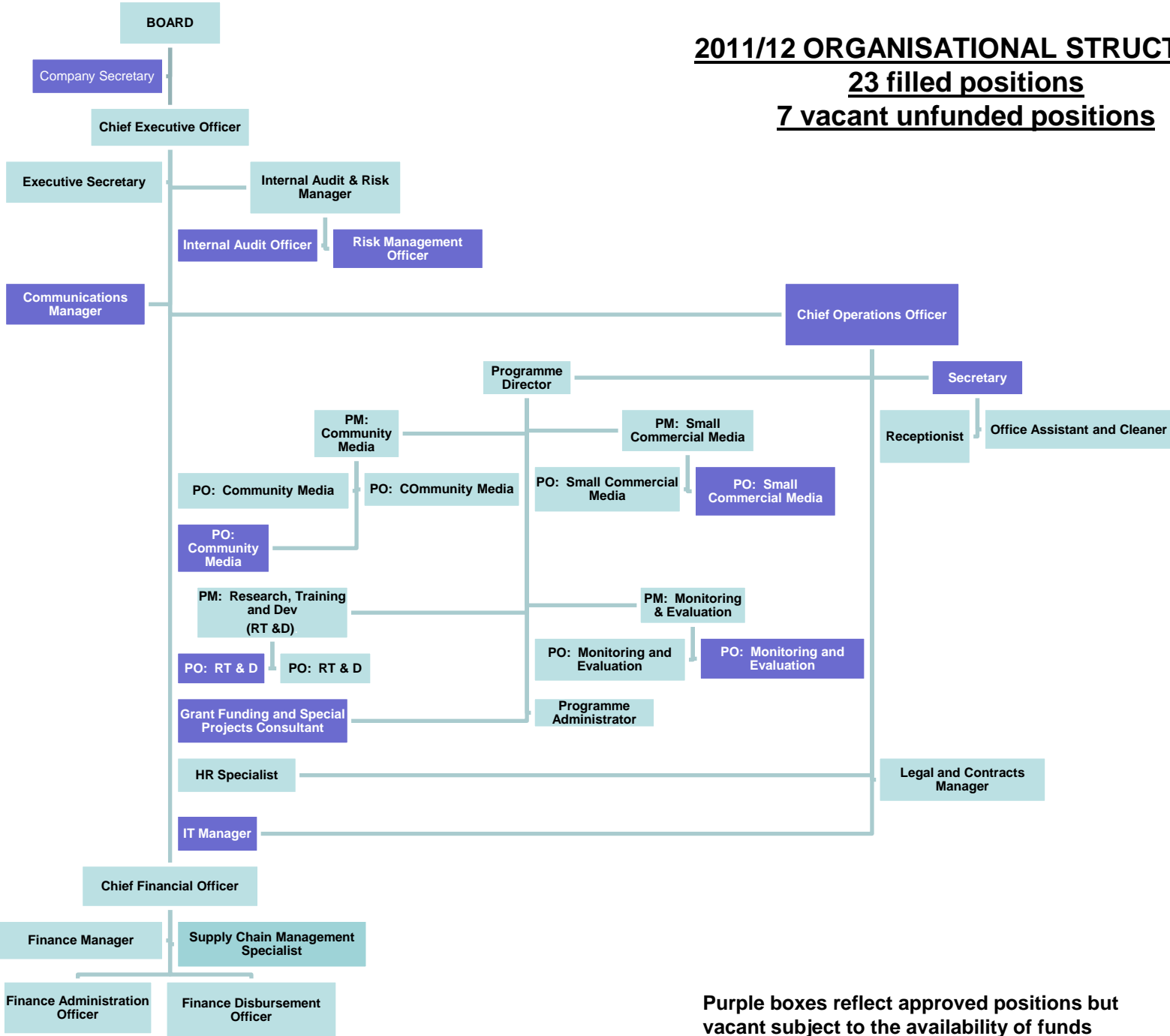
Approved Amounts per Industry Sector



2011/12 ORGANISATIONAL STRUCTURE

23 filled positions

7 vacant unfunded positions



Purple boxes reflect approved positions but vacant subject to the availability of funds

Financial Highlights for 2011/12

Income Received	R'000
Government	R19 115
Print Partners	R 4 800
Broadcast Partners	R25 255
Other Income	R 85
Interest	R 3 962
Total Income	R53 217

Financial Highlights for 2011/12

Expenditure	R'000
Grant costs	R76 585
Personnel costs	R 5 490
Administrative costs	R 7 522
Depreciation	R 213
Total Expenditure	R89 810

Financial Highlights for 2011/12

Total Income	R53 217
Total Expenditure	R89 810
Net Deficit	(R36 593)
Plus: Accumulated surplus previous year	R37 422
Net accumulated surplus	R 829

Finances 2011/12

(For financial year 01 April 2011 to 31 March 2012)

- **Total Administration Costs (Incl. Depreciation)**

R7 735 000

- **Total Administration Costs (excl. Depreciation)**

R7 522 000

- **Personnel Expenditure (excl. The other expenses in terms of total cost to company approach)**

R 5 490 000

- **Training Expenditure**

R89 632.46

- **Admin cost as a % of total income (incl. personnel cost) 25 %**

- **Personnel Cost as a % of total income 10%**

- **Training cost as a percentage of total income 0.2%**

Finances 2011/12

(For financial year 01 April 2011 to 31 March 2012)

- Community Print R170 002
- Community Radio R39 943 875 (60% all included, radio, TV, print)
- Community TV R1 670 768
- Small Commercial R17 513 185 (25%)
- Research R3 502 637 (5%)
- Other R7 005 274 (10%)

- **Total Revenue R53,2m**
- **Total Expenses R89,8m**
- **Deficit for the year R36,5m**

Auditor General Opinion



Unqualified audit report



Irregular expenditure – an additional R154 200 incurred in the production of Annual Report (post awarding) but after due approval

**2012/13
First Quarter Report**

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

Performance Information 2012/13

Key Result Areas	Target quarter 1	Progress – quarter 1	Variance & Reasons	Corrective Measures
KEY RESULT AREA 1: GRANT AND SEED FUNDING	• Fund 2 small commercial print projects	• 3 small commercial print projects funded	• 0	
	• Fund 3 community radio projects	• 3 community radio projects funded	• 0	
	• Fund 1 atypical media project	• 1 atypical media project funded	• 0	
	• Fund 1 community print project	• 1 community print project funded	• 0	

Performance Information 2012/13

Key Result Areas	Target quarter 1	Progress – quarter 1	Variance & Reasons	Corrective Measure
KRA 2: FUNDRAISING AND RESOURCE MOBILISATION	<ul style="list-style-type: none"> Finalize and sign MoU with NEF 	<ul style="list-style-type: none"> Draft MoU in place discussions under way to finalise 	<ul style="list-style-type: none"> Plans in place to conclude this be end of quarter 2 	<ul style="list-style-type: none"> Speeding up the draft MoU in circulation
	<ul style="list-style-type: none"> Develop and sign MoU with 1 institution of higher learning 	<ul style="list-style-type: none"> Draft MoU in place discussions underway to conclude it 	<ul style="list-style-type: none"> Plans in place to conclude this be end of quarter 2 	<ul style="list-style-type: none"> Speeding up the draft MoU in circulation
	<ul style="list-style-type: none"> Develop MoU with IEC 	<ul style="list-style-type: none"> Draft MoU in place discussions underway to conclude it 	<ul style="list-style-type: none"> Plans in place to conclude this be end of quarter 2 	<ul style="list-style-type: none"> Speeding up the draft MoU in circulation

Performance Information 2012/13

Key Result Areas	Target – quarter 1	Progress – quarter 1	Variance & Reasons	Corrective Measures
KRA 3: RESEARCH, KNOWLEDGE MANAGEMENT, MONITORING AND EVALUATION	<ul style="list-style-type: none"> 1 research report approved 20 beneficiary projects monitored 	<ul style="list-style-type: none"> 1 research report terms of reference approved 20 beneficiary projects monitored 	<ul style="list-style-type: none"> 0 0 	
KRA 4: ADVOCACY FOR MEDIA DEVELOPMENT AND DIVERSITY	<ul style="list-style-type: none"> Submit business model for Online booking and monitoring platform to the Board for approval 	<ul style="list-style-type: none"> Business model for Online booking and monitoring platform submitted and approved 	<ul style="list-style-type: none"> 0 	
	<ul style="list-style-type: none"> Plan provincial seminars & other similar initiatives to engage the public regarding state of media diversity on South Africa 	<ul style="list-style-type: none"> Plans are being finalised with partners to host a seminar in the 3rd quarter 	<ul style="list-style-type: none"> 0 	

Performance Information 2012/13

Key Result Areas	Target – Quarter 1	Progress – quarter 1	Variance & Reasons	Corrective Measures
KRA 5: QUALITY PROGRAMMING AND PRODUCTION IN COMMUNITY BROADCASTIN G SECTOR	<ul style="list-style-type: none"> 1 community radio stations funded for diverse and quality content 	1 community radio station funded for diverse and quality content	<ul style="list-style-type: none"> 0 	

2012/13 Budget summary against Predetermined Objectives per Programme

Programmes	Programme/Project Cost (R)	Operational Cost (R)
1a Research and Training	1 734 459	52 856
1 b Community Media	20 813 505	79 284
1c Small Commercial Media	5 454 459	52 856
1d Monitoring and Evaluation	240 000	52 856
1 e Other	3 228 917	79 281
2 CEO's Office	0	2 324 712
3 Finance Department	0	4 075 527
4 Human Resource and Corporate Affairs Department	0	798 356
TOTAL	31 471 340	7 515 728
	Presentation to the Portfolio Committee on Communications	

2012/13 Budget Summary against the Key Result Areas (5 priority areas)

Key Result Areas	Key deliverables	Sub-total (R)	Budget (R)
1. Grant funding	<ul style="list-style-type: none"> Fund 5 small commercial newspapers 1 Magazine and 4 newspapers supported for sustainability 	<ul style="list-style-type: none"> 5 454 459 	24 267 964
	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 18 813 505 	
2. Fundraising and resource mobilisation	<ul style="list-style-type: none"> A number of partnerships and signed MOU's achieved 	<ul style="list-style-type: none"> Opex 	700 000
	<ul style="list-style-type: none"> Promotion and recognition of excellence in the community media sector through the Community Media Awards 	<ul style="list-style-type: none"> 700 000 	
3. Research, knowledge management, monitoring and evaluation	<ul style="list-style-type: none"> 85 beneficiary projects monitored (40 desk top monitoring & 45 site visits) 	<ul style="list-style-type: none"> 240 000 	1 940 000
	<ul style="list-style-type: none"> Publish an annual journal and monograph series of the state of media development and diversity 	<ul style="list-style-type: none"> 200 000 	

2012/13 Budget Summary against the Key Result Areas (5 priority areas)..Cont

Key Result Areas	Key deliverables	Sub-total (R)	Budget (R)
3. Research, knowledge management, monitoring and evaluation	<ul style="list-style-type: none"> Commission and manage 2 research grants into a) Impact of the MDDA funding on Community and Small Commercial Media. b) Sector Knowledge Management: History of community and small commercial media (Research booklet, Broadcast quality DVD and Online resource) 	<ul style="list-style-type: none"> 1,500,000 	
	<ul style="list-style-type: none"> Online application for grant funding 	<ul style="list-style-type: none"> Opex 	
	<ul style="list-style-type: none"> 10 web based MDDA projects - pilot web presence for community and small commercial media projects 	<ul style="list-style-type: none"> Opex 	
4. Advocacy for media development and diversity	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 1 974 460 	2 563 376
	<ul style="list-style-type: none"> Convene learning Forums 	<ul style="list-style-type: none"> 238 916 	

2012/13 Budget Summary against the Key Result Areas (5 priority areas)...Cont

Key Result Areas	Key deliverables	Sub-total (R)	Budget (R)
4. Advocacy for media development and diversity	<ul style="list-style-type: none"> Convene Media assemblies/summits on the role of media 	<ul style="list-style-type: none"> 350 000 	
	<ul style="list-style-type: none"> Operationalise the Online booking and monitoring Platform 	<ul style="list-style-type: none"> Opex 	
5. Diverse and quality content	<ul style="list-style-type: none"> 4 community radio stations funded 	<ul style="list-style-type: none"> 2 000 000 	2 000 000
TOTAL			31 471 340

Spending Trend of Projects for Quarter One 2012/13

	Budget (R)	Actual (R)	Variance (R)	Reason and Corrective Measure
Small Commercial Media	2 129 613	2 129 613	0	
Community Media	7 259 387	7 259 387	0	
Research and Training	600 000	600 000		
Other	195 204	195 204	0	
Community Awards	0	0	0	
Monitoring and Evaluation	0	0	0	

Spending Trend of Opex for Quarter One 2012/13

	Budget (R)	Actual (R)	Variance (R)	Reason and Corrective Measure
Administration Costs	1 535 617	1 171 099	364 518	Travelling invoices of current quarter received late
Employee Costs	1 520 452	1 333 848	186 604	3 Vacancies not filled
Board Costs	70 510	68 762	1 748	Not all Board members attending meetings
Programme Admin Costs	1 094 804	1 094 804	0	

2012/13 - Six months achievements and milestones



All the **R14.4 million**. allocated for community media has already been committed to 14 Community Media Projects



All the **R5.3 million** allocated for small commercial media has already been committed to 8 projects



100% funding from print media & Gvt. Received



73% of the grant costs accrued for 2012/13



Interim Annual Financial Statements produced

HUMAN RESOURCE PLAN FOR IMPLEMENTATION OF ITS STRATEGIC FOCUS 2012-2015

Established posts		Positions filled		
Position	Number of positions	Year 1: 2012/2013	Year 2: 2013/2014	Year 3: 2014/2015
1. Chief Executive Officer	1	1	1	1
2. Chief Financial Officer	1	1	1	1
3. Chief Operations Officer	1	1	1	1
4. Program Director	1	1	1	1
5. Legal and Contract Management	1	1	1	1
6. Finance Manager	1	1	1	1
7. HR Specialist	1	1	1	1
8. Supply Chain Management Specialist	1	1	1	1
9. IT Manager	1	1	1	1
10. Communications & Branding Manager	1	1	1	1
11. Internal Auditor and Risk Manager	1	1	1	1

Presentation to the Portfolio
Committee on Communications

Established posts		Positions filled		
Position	Number of positions	Year 1: 2012/2013	Year 2: 2013/2014	Year 3: 2014/2015
12. Risk Officer	1	-	-	1
13. Internal Audit Officer	1	-	-	1
14. Company Secretary	1	-	-	1
15. Program Manager	4	4	4	4
16. Grant Funding & Special Projects Consultant	1	1	1	1
17. Project Officer	9	6	9	9
18. Financial Administration	1	1	1	1
19. Finance and Disbursement Officer	1	1	1	1
20. Receptionist	1	1	1	1
21. Office Assistant and Cleaner	1	1	1	1
22. Executive Secretary (CEO's office)	1	1	1	1
23. Admin Assistant/Secretary	3	1	1	1
Total staff complement	36	28	31	34

MDDA BUDGET SUMMARY

	2012/13 Budget (R)	2013/14 Budget (R)	2014/15 Budget (R)
INCOME	52 208 059	53 589 331	55 839 013
TOTAL EXPENDITURE	52 208 059	53 589 331	55 839 013
Programme Costs	37 350 318	38 104 818	39 049 818
Operational Expenses	14 725 141	15 379 013	16 631 695
Capital Expenditure - Capex	132 600	105 500	157 500
DEFICIT/SURPLUS	0	0	0

PROGRAMME COST - BUDGET

	2012/13 Budget (R)	2013/14 Budget (R)	2014/15 Budget (R)
SMALL COMMERCIAL (25%)	5 454 459	5 610 763	5 819 411
COMMUNITY MEDIA (60%)	20 813 505	20 889 150	21 124 933
RESEARCH (5%)	1 734 459	1 740 763	1 760 411
OTHER (10%)	2 448 917	2 341 524	2 290 822
COMMUNITY MEDIA AWARDS	700 000	740 000	780 000
MONITORING AND EVALUATION	240 000	310 000	360 000
PROJECT TRACKING SYSTEM	80 000	90 000	90 000
TOTAL COSTS	31 471 340	31 722 200	32 225 577

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 has now decreased to only R4m. 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

Request for additional funds

Chair,

- **Monitoring and Evaluation – R3,1m** : These funds are needed to strengthen the M & E unit and increase the number of projects monitored yearly to more than 50.

Chair,

- **Grant Funding – R10m** : Since the funds from Print funders are decreasing on yearly basis additional funds are need to add to funds allocated to small commercial media sector which is funded mainly from Government and Print funders contributions.

.Chair,

- **Implementations of Communications Strategy – R2,4m** : To increase public awareness with regards to media development and diversity issues and also encourage an increase in number of projects applications in rural areas.

- **Human resources – R2.1m**
 - Chief Operations Officer – R790 000
 - Senior Manager Communications – R540 000
 - Project Officer (M & E) - R179 000
 - Board Secretary – R620 000

23 November
2010

- **Total funding requirements – R17,629m**

Progress on specific Parliamentary issues

Parliamentary Recommendations	Progress Report
<p>The Committee noted the commitment by PMSA (now PDMSA) to develop a transformational strategy and calls on the GCIS and MDDA to initiate a consultation process exploring the need for setting up transformation targets aimed at substantially giving meaning to the framework provided by the BBEE Act and Code of Good Conduct, including the possibility of the Media Charter, having regard to the PDMSA commitments and adoption of the Code as a measurement tool for goal setting as a basis.</p>	<p>MDDA and GCIS held discussions on the transformation of print media. The report of the Press Freedom Commission (April 2012) call for consideration to be given to the development of a media charter to address the specificities of the industry, including setting deadlines and targets to meet transformation objectives, and investments in the up-skilling of journalists. MDDA held discussions with Media 24 and PDMSA, there is agreement on setting transformation targets.</p>
<p>The GCIS and MDDA should urgently engage with the National Treasury on the possibility of either through amending the MDDA Act or a Money Bill to provide for an obligated contributions to the MDDA by the mainstream print media in order to enhance the existing partnership for media development and diversity.</p>	<p>MDDA has made proposals to the Ministry in the Presidency, GCIS and to National Treasury in this regard.</p>



Progress on the Parliamentary oversight visits

Parliamentary Recommendations	Progress Report
MDDA to intervene in the Kanyamanzene Community Radio matter following the submission of a petition to the PCC during the oversight visit	The MDDA led intervention team consisting of the DoC , ICASA and GICS held two intervention meetings with the local stakeholders and a roadmap has been developed which will culminate in the station holding its AGM on the 1 st December 2012
MDDA to intervene in the Mash FM matter with the DoC	The MDDA has been working with Mash FM Board and management to assist the station to comply with its SARS obligations. The station has since complied and submitted its funding application to the MDDA. At its July 2012 Board meeting the MDDA Board approved funding for Mash FM which includes two new studios which will be installed at their new premises.



Progress on the Parliamentary oversight visits

Parliamentary Recommendations	Progress Report
MDDA to intervene in the Tabia Media initiative in Taung	The MDDA has met with Tabia Media publisher and we are in the process of assisting them to comply with the SARS, in the meantime we have included them in the data base which GCIS uses to place advertising on MDDA Act compliant community and Small Commercial Media
MDDA to intervene to assist Village FM in the North West	The MDDA is working with Village FM Board and management to assist the station to comply with its SARS obligations. We are currently awaiting a tax clearance to be issued by SARS.



Conclusion

The Agency owes its existence through support from its stakeholders, thank the Government (whose valuable support for the Agency through GCIS and the Presidency has made its work manageable), the funding partners, projects, beneficiaries, other partners (MICTSETA, NEMISA, AMASA, etc.) and Parliament.

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.

CONCLUSION

Chair,

- Ms Gugu Msibi is completing her terms of office at the end of this year.
- Ms Louise Vale tendered her resignation which was accepted by the President in September 2012.

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 the Chairperson of the Board (Ms Msibi) and Ms Vale for their outstanding contribution in establishing this Agency and to media development and diversity.

• Thank you

