

Report of the Portfolio Committee on Communications on its oversight visit to KwaZulu-Natal province on 27 to 29 June 2017, dated 17 October 2017

The Portfolio Committee on Communications (Committee), having conducted an oversight visit to KwaZulu-Natal Province on 27 to 29 June 2017, reports as follows:

1. Introduction

The concept of community media is understood as referring to small media institutions which provide broadcast, online and print media services and often cater to the needs of a community in a specific geographical area. These media have become even more popular in recent years. Community media is crucial to ensuring media pluralism and freedom of expression, and are an indicator of a healthy democratic society. As an alternative medium to public and commercial media, as well as social media, they are characterized by their accountability to, and participation of, the communities they serve. They have a greater focus on local issues of concern and facilitate public platforms for debate and discussion.

*UNESCO recognizes that the presence of community radio is a sign of media pluralism, diversity of content, and the representation of a society's different groups and interests.*¹

Because an open and free media landscape with divergent opinions and ideas is a key aspect in democratic societies, media pluralism is considered highly important with regard to media policy. Pluralism refers to diversity in the most general sense. However, the concept includes a number of aspects and has been interpreted from different perspectives, and consequently is measured by using many different qualitative and quantitative criteria. In analysing the concept of pluralism, two perspectives have to be mentioned in this regard: internal and external pluralism.

Internal pluralism reflects how social and political diversity are reflected in media content. That is, the representation of different cultural groups in the media as well as divergent political or ideological opinions and viewpoints². Internal pluralism plays an important role in news and public affairs coverage, and also for public broadcasting and media landscapes dominated by one (monopoly) or two (duopoly) players. Governments can not only stimulate internal pluralism by facilitating public service broadcasting, but also by means of financial support such as grants, press funds, reduced tax rates, etc.

Whereas internal pluralism focuses on media content, *external pluralism* covers the number of owners, media companies, independent editorial boards, channels, titles or programmes³. This type of pluralism is also known as the 'plurality' of suppliers. From the perspective of the 'free marketplace of ideas', competition between these media content suppliers is considered to be essential in order to ensure a free choice of media content and the availability of a wide variety of opinions and ideas. Policies on media concentration are most concerned with the market power that owners or companies may gain and the subsequent possibility of exerting influence.

The South African community radio sector has come a long way since the heady days of the *Jabulani! Freedom of the Airwaves and Conference* in 1991. The conference established the key principles that would guide post-apartheid broadcasting legislation:

- The establishment of an independent body to legislate broadcasting;
- A three tier broadcasting system comprising commercial, public (not state) and community broadcasting; and
- A definition of community broadcasting based on the principles of community ownership, control and participation.

The South African broadcasting legislation specifies two types of community broadcasting services; those serving a geographic community (and theoretically serving the needs of all residents in the area) and those serving a community of interest (defined by Tacchi as a 'having a specific, ascertainable common interest a common interest that makes such a group of persons or sectors of the public an identifiable community. These may be institutional, religious or cultural communities. A third type of community radio also exists at campus based stations.

¹ <http://www.unesco.org/new/en/communication-and-information/media-development/community-media/>

² Doyle, G. (2002). Media ownership: The economics and politics of convergence and concentration in the UK and European media. London: Sage Publications.

³ Ibid

As a follow up to the Committee's recent oversight visit to Gauteng which was underpinned by the changes in the structure and administration of government; and the recent changes in the composition of the Portfolio Committee of Communications, the Committee conducted an oversight visit in Kwa-Zulu Natal with a particular focus on community media and with the intention of exploring the environment within which community media projects operate in.

2. Background

Programme three of the 5-year Strategic Plan of the Committee commits to enhance the outreach oversight functions; whilst Strategic Objective 1 of its Annual Performance Plan (APP) commits the Committee to increase public participation in its work programme.

Oversight and accountability are constitutionally mandated functions of legislatures to scrutinise and oversee executive action and any organ of state. Oversight entails the informal and formal, watchful, strategic and structured scrutiny exercised by legislatures, including Parliament, in respect of the implementation of laws, the application of the budget, and the strict observance of statutes and the Constitution. In addition, and most importantly, it entails overseeing the effective management of government departments by individual members of the relevant executive authority in pursuit of improved service delivery for the achievement of a better quality of life for all people.

In terms of Chapter 4 of the Constitution of the Republic of South Africa, Act 108 of 1996 (the Constitution) mandates Parliament and the Provincial Legislatures to maintain oversight of all organs of state, including those at provincial and local government levels.

The Committee is mandated to legislate, conduct oversight over the Executive and also facilitate public participation. In line with its role and the mandate as per: (i) the Constitution; and (ii) the Joint Rules of Parliament. Oversight is a mandated function of Committees of Parliament to scrutinise and oversee executive action and any organ of State. As such, the Committee has powers to conduct oversight of all organs of State, including those at provincial and local government level.

Accountability is an important element of democracy. Gutto broadly defines accountability as a social relationship where an actor (an individual or an agency) feels an obligation to explain and justify his or her conduct to some significant other (the accountability forum, accountee, specific person or agency)⁴.

Accountability is the hallmark of modern democratic governance. Democracy remains clichéd if those in power cannot be held accountable in public for their acts or omissions, for their decisions, their expenditure or policies. Historically, the concept of accountability was closely linked to accounting in the financial sense. It has, however, moved far beyond its origins and has become a symbol of good governance both in the public and private sectors. Accountability refers to institutionalised practices of giving account of how assigned responsibilities are carried out.

Oversight is one of the important mechanism utilised by legislatures to ensure accountability. The conventional Westminster view on oversight, as inherited by many former British colonies, is often rather adversarial and in some instances oversight is professed to be the purview of opposition politicians and not the legislature as an institution. The emphasis is placed on the oversight role of legislatures, especially as it relates to ensuring government compliance with approved public spending. The task team adopted the following definition of oversight:

In the South African context, oversight is a constitutionally mandated function of legislative organs of State to scrutinise and oversee executive action and any organ of State.

It follows that oversight entails the informal and formal, watchful, strategic and structured scrutiny exercised by legislatures in respect of the implementation of laws, the application of the budget, and the strict observance of statutes and the Constitution. In addition, and most importantly, it entails overseeing the effective management of government departments by individual members of Cabinet in pursuit of improved service delivery for the achievement of a better quality of life for all citizens.

⁴ Gutto S et al. (2007) Study commissioned by Parliament, a study on enhancing the status, role, image and positioning of the Parliament of the Republic of South Africa.

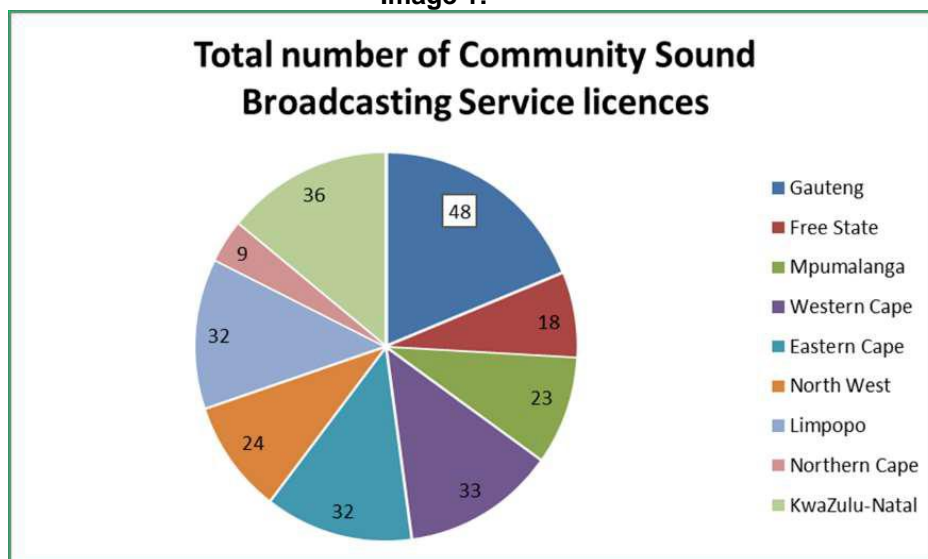
In terms of the provisions of the Constitution including the Joint Rules, Parliament has power to conduct oversight of all organs of state, including those at provincial and local government level. The appropriate mechanism for Parliament to conduct oversight of these organs of state would be through parliamentary Committees. In conducting oversight, the Committee would either request a briefing from the organ of state or visit the organ of state for fact-finding, depending on the purpose of the oversight. The Committees would have to consider the appropriate means for conducting oversight to cover all organs of state. Needless to mention that one of the most important aspects of the oversight function is the consideration by Committees of annual reports of organs of state and the Auditor-General's reports.

2.1 Community media in South Africa

In the second phase of its oversight plan the Committee conducted its oversight visit in KwaZulu-Natal. According to the Independent Communications Authority of South Africa (ICASA) there are 255 licensed community radio stations in South Africa. Image One (1) below represents the total number of community radio stations that are members of the National Association of Broadcasters (NAB). As witnessed in the image below, Gauteng has the most number of Community Radio Stations. The NAB is an industry association for all three tiers of broadcasters, first initiated in 1992 and re-established in 1994. It established the Broadcasting Complaints Commission of SA (BCCSA) in 1993 and its current membership includes:

- The three television services and the 18 radio services of the SABC;
- Licensed commercial radio broadcasters (includes: Primedia, Kagiso Media, Tsiya Group, AME, MSG Afrika, Classic FM, Kaya FM, YFM);
- All licensed commercial television broadcasters (e.tv, Multichoice, M-Net, StartSat);
- A host of community radio broadcasters and a community TV broadcaster; and
- The licensed broadcast signal distributor's (selective and preferential) - Sentech and Orbicom.

Image 1:



It should be stated that very little consolidated data exists on the sector and the information available is insufficient. There is no readily available information on the status of community print media or radio per province. In its 2015/16 annual report the Media Diversity and Development Agency (MDDA) states that four community print media projects were funded in that financial year.

The MDDA Act No. 14 of 2002 established the MDDA to help create an enabling environment for media development and diversity that is conducive to public discourse and which reflects the needs and aspirations of all South Africans.

Despite the fact that transformation of the media, particularly the print media remains a challenge for the South African democracy, the media landscape has changed considerably since 2004, with the MDDA being the largest contributor to enabling access to, control of and management of the sector by historically disadvantaged individuals. Of more than 200 community radio stations in existence, 135 were and more than 80 still are funded by the MDDA.

More than ever before, all the languages of South Africa are being actively used to communicate to and engage with communities. The MDDA has invested significantly in the purchase of world class radio equipment, enabling quality productions. The community TV station has also grown into a resilient industry. The community and small commercial print sector has grown significantly in recent years with South Africa now boasting more than 200 small publishers, a large proportion of which are publishing in an indigenous language.

The Committee visited the following community media and commercial projects during the oversight:

- (i) **Community Television:** 1KZN TV in Richard's Bay
- (ii) **Community Radio Stations:** VibeFM in Kwa-Mashu, Nqubeko Community Radio Station in Ladysmith, uMgungundlovu Community Radio Station and Capital FM in uMgungundlovu. The Committee also visited two SABC radio stations, uKhoziFM and Lotus FM both housed at the SABC offices in Durban.
- (iii) **Community Print Media:** EzakwaZulu News in Kwanyswa and This Ability Magazine in Pinetown. The Committee also met with representatives of Qhawe's Entertainment Group at SABC Offices in Durban.
- (iv) **Small Commercial Print Media:** SMME News in Durban and Ntlosoyesizwe in Ladysmith.
- (v) The Committee further visited the National Community Radio Forum (NCRF) regional offices and the GCIS regional office in Durban.

2.1.1 Delegation

The delegation of the Committee was constituted as follows: Mr CHM Maxegwana (Chairperson and leader of delegation); Mr L Kalako; Mr M Gungubele, Ms M Matshoba, Ms N Tolashe, Ms P van Damme, Mr M Ndlozi, Mr W Madisha, Ms V van Dyk and Mr L Mbinda. The delegation was supported by: Mr T Ngoma (Committee Secretary), Mr M Maleka (Content Advisor), Mr L Dibetso (Researcher), Mr E Vos (Committee Assistant), Ms S Govender (Principal Communication Officer), Mr Anthony (Chamber Assistant) and Ms N Mvimbi (Chamber Assistant).

The following officials accompanied the Committee: Mr S Nene (Advisor to Minister of Communications), Mr M Selepe (Parliamentary Liaison Officer), Mr C Phiri (Parliamentary Liaison Officer), Mr R Nkuna, Mr L Ndhongo, Mr Sifiso, Ms K Seyisi.

2.2 Objectives of the Oversight

Whilst conducting the oversight visit the Committee aimed to:

- a) assess progress made in realisation of rights as contained in section 16(1)(a) and (b) of the Bill of Rights: freedom of the media; and freedom to receive or impart information or ideas;
- b) evaluate the efficiency of ICASA in licensing community broadcasting, and monitoring compliance of licenses with license conditions, and other challenges in this sphere of broadcasting;
- c) assess the role played by Sentech in signal distribution for broadcasting and challenges they are facing in providing services in the province;

- d) familiarise new members of the Committee with the mandate of the Department and its entities;
- e) assess challenges experienced by the Department, its entities and community media; and
- f) evaluate the impact of the lack of funding of community print media projects, including the relevance and uptake of community print projects to communities they serve.

2.3 Themes covered during oversight visit

2.3.1` Community outreach

Assess the impact of the content produced by the various community media in the province and the extent to which the content is contributing towards Outcome 14: Nation Building and Social Cohesion. Crucially it was also important that the Committee assessed the extent to which the various community media are visible and accessible to the communities they serve.

2.3.2 Governance, Sustainability and Growth of the Community Media

Governance, Sustainability and Growth are important and inter linked concepts. The Committee explored governance and decision making, human resource development, financial management, and critically, the ability of the community media projects to develop and grow different income streams.

2.3.3 Readiness of the community radio and television for Digital Terrestrial Television (DTT)

In February 2016, Minister Faith Muthambi announced South Africa's commencement of dual illumination, a period where both digital and analogue signals will coexist for a period of time until the country fully implements its DGG project. The Committee explored the state of readiness of community media, particularly broadcast community media for DTT, looking at issues such as (i) funding for technical equipment; (ii) high tariff costs by Sentech (iii) direct access to information regarding DTT migration; and (iv) funding from MDDA for DTT.

2.3.4 Challenges faced by community media

Community media face a myriad of challenges. At a Broadcast Stakeholder Engagement Workshop organised by the MDDA held in June 2016. Community broadcasters raised many issues around technology support, signal interference, financial support and governance support. One of the biggest challenges that was faced by community media was that many of the government departments were not keen on advertising in their publications or radio stations and in cases that they were, government departments wanted it done for free.

Community media are important drivers of media pluralism and freedom of expression and it is important that they continuously receive the necessary support within their communities to ensure that there is an engaged and informed citizenry and audiences, specifically relating to government services in the communities they service.

2.3.5 Visiting of an SABC commercial radio station -- Ukhozi FM & LotusFM

The Committee views the challenges faced by the SABC in a serious light. While the Committee intends to conduct a specific oversight over the SABC, this oversight visit to the province affords the Committee an opportunity to engage with UkhoziFM on the basis that it will also provide the Committee with more information on how SABC stations are managed and what the impact of the recent SABC challenges impact on the delivery of services of the radio station to its constituency.

Furthermore, since UkhoziFM is a station with the largest audience in South Africa, the Committee was interested to understand how UkhoziFM keeps its audience engaged and how such a model can be used to support community radio stations.

3. Day 1 (Tuesday, 27 June 2017)

3.1 1KZN TV

1KZN TV was officially licensed by ICASA in 2015. It is a community-based television station in the heart of the KwaZulu-Natal province. The station prides itself in its mandate to groom and showcase local talent. The station is reflective of the rich culture and history attached to the warm KZN province as it is also host to the proud Zulu Kingdom. The rich bouquet of programmes range from traditional music to sports, from current affairs to Zulu kingdom affairs, from offerings for the little ones to profiling local legends. With every viewing, the viewer is thrust into the melting pot of culture that is based in KZN province, and the station tries its best to market this beautiful part of the country.

1KZN TV pays around R100 000 per month for rent while the estimate cost for running the station is at 1.2 million per month. The station has a staff complement of 80 staff members and the station management always tries to appraise staff by also providing free lunch. The core of the stations' revenue is borne out of providing a service to local churches who purchase airtime on the station. The station partners with education institutions as a means to synergise training and development. Lastly the station boasts 3 million viewership despite glaring challenges.

The station further reported to the Committee that in terms of coverage of political parties, especially during past elections, it had performed well and ensured equal representation of political parties. Furthermore, the station produces about six (6) hours of in-house content production.

On challenges faced by the station: (i) archive systems at the station are outdated, meaning that readiness towards digital platforms is grossly compromised because of the fact that content is saved in analogue formats; (ii) the station has no OB van; (iii) the funding apportions granted by the MDDA have consistently declined over the years; and (iv) despite the frequent invitations by local municipalities when they host events, they fail to advertise on the station.

3.1.1 Committee Observations

The Committee made the following observations:

- (i) that the station could be saving costs if it invested in a property rather than renting for R100 000 per month;
- (ii) that high signal distribution costs contribute largely to the instability of the community broadcasting sector;
- (iii) that the relations between the station and education institutions is commendable taking into consideration the immense contributions towards Outcome 14.

The Committee further noted:

- (iv) the repetitive nature of programming;
- (v) with concern that content at the station is still stored in analogue format; and
- (vi) with concern the limited interactions between government and the station and that government utilises the station in an opportunistic manner.

3.1.2 Committee Recommendations

The Committee encouraged the station to:

- (i) invest in a property as a cost-containment measure;
- (ii) facilitate for greater engagement with the Department of Education and all Skills Education Training Authorities (SETAs) so as to also facilitate for further local content development;
- (iii) engage government for ways with which to migrate content to digital platforms;

and recommends that:

- (iv) the Minister find ways to ensure community media is ready to operate in a digital environment;
- (v) the Minister report on progress made relating to government support of community media projects;
- (vi) the Minister report on the findings of the impact study so that Parliament is comfortable in understanding what strategies work and do not in the processes for the disbursement of funds and the monitoring of grants of community media projects; and
- (vii) the Minister to take the initiative to improve interactions between government and community media projects.

3.2 GCIS office

A presentation titled Progress Report was presented to the Committee by GCIS's Ms Nomzamo Zondi and covered (i) provincial and district staff components; (ii) summary of progress relating to the 2016/17 financial year Key Result Areas; (iii) key achievement; and (iv) challenges. The presentation is available from Parliament support staff.

3.2.1 Committee Observations

The Committee observed and noted:

- (i) the key achievements and progress made by the GCIS in the province;
- (ii) the challenges faced by the provincial office;
- (iii) the initiative to advertise in community media; and
- (iv) that the budget constraints are compromising the operations of the department in the province.

3.2.2 Committee Recommendations

The Committee recommended to the Minister to ensure that:

- (i) the Department rationalises staff support in order to cater for services throughout the provinces; and
- (ii) GCIS encourages and where possible assists local government in maximising benefits from utilising community media to support service delivery.

The Committee shall endeavour to utilise Parliament's budget vote processes to continue to advocate for further funding of the Department in order to circumvent the challenges.

3.3 SMME News

SMME News is a small commercial publication targeting formal and informal businesses in the Small, Medium and Micro-Enterprises (SMMEs) sector. It is distributed monthly within the ILembe District, Kwa-Zulu Natal. It aims to play a major role in the dissemination of information and advice to rural-based SMMEs, as well as serving as an open forum for the SMME stakeholders.

It is run by three (3) black females and was started in as recent as January 2017. The publication is already in digital platforms and owners are looking into business diversification for growth such as developing an App, video business profiling and animated / illustrated information graphics.

Lastly, the owners are committed to establishing a Monitoring and Evaluation tool in order to measure the impact of the newspaper on SMMEs.

The owners raised concerns around (i) the availability of funds to support sustaining the community media; (ii) competitive and monopolised industry; (iii) local government support of the media project; (iv) short duration of funding from the MDDA; and (v) capacity building challenges.

3.3.1 Committee Observations

The Committee observed and commended:

- (i) that the project is spearheaded by young and black women which was empowering in nature and serves as an inspiration to other aspiring women;
- (ii) the success of this particular print media project;
- (iii) the difficult terrain that the project has to operate under taking into consideration the financial downgrade status and subsequent shortage of government support to media projects;
- (iv) that despite the latter, in the main, the MDDA funding is unfavourably skewed towards supporting broadcasting projects;

the Committee noted:

- (v) that monopoly is still rife in the media sector, particularly the print;
- (vi) the lack of support by government to create and sustain SMMEs;
- (vii) the tremendous work to change the mind-set of both government and society on how to grow SMMEs; and
- (viii) the impact that SMME News can play to advocate and become change agents purely based on their struggles as an upcoming SMME.

3.3.2 Committee Recommendations

The Committee encouraged that:

- (i) the project must strive to set an example to aspiring youth in the region based on its success rate thus far;

- (ii) the project must attempt achieving survival outside government support, especially in the wake of the financial downgrade status; and
- (iii) SMME News must continue to play the pivotal advocacy role to highlight strategies used to succeed as an SMME.

The Committee believes that Parliament must play a role (working with other relevant structures of government) in changing the mind-set of society to be aligned to the notion of SMME development. Through its oversight tools, the Committee shall endeavour to address the skewed ownership patterns in the media sector as well as the challenge for support of print media in South Africa.

3.4 SABC KZN: uKhozi FM and Lotus FM

uKhozi FM is a Durban based radio station which caters for the Zulu speaking community. The station was founded in 1960 and is the largest radio station in South Africa (by listenership). The station caters to people ranging from young to elderly, however it focuses on the youth. From its humble beginnings as a one-minute war time report service, to its current status as the second biggest radio station in the world, *uKhozi FM*'s history is a long and colourful one. *uKhozi FM* is not just a radio station that broadcasts in isiZulu, but is an archive of the battle for a state-independent voice in broadcasting, a space for preservation and creation of a Zulu identity – negotiating Old and New World influences. As a South African Broadcasting Corporation radio station, each station is obligated to fulfil the mandate of the SABC Limited.

uKhozi FM has a history of delivering on its mandate of entertaining, informing and educating the public. With regards to entertainment the station has promoted local content more so than any other. This includes the first recording of Ladysmith Black Mambazo in 1960 at its Durban studios, promoting the Soul Brothers, Abafana BaseQhudeneni, Mahlathini and MaHotel Queens to name a few. The station has supported many music festivals around the country. *uKhozi FM* is a station that has promoted traditional (Maskandi) music through its programming that was championed by Welcome Nzimande who later became the Station Manager since his retirement. Through its broad based programmes, news and current affairs and talk shows, the station has grown its listenership to well over 7.5 million listeners between the Living Standard Measures (LSMs) 3 – 7.

Reality radio has emerged as the key content genre for listeners and *uKhozi Cares* programme has contributed immensely to the growth of the station with over 3 million listenership. And the majority of listeners of the station are women. The station generates over R24 million per month in revenues.

Lotus FM

Lotus FM is the only National Indian Radio Station in South Africa, broadcasting nationwide and streaming to the world. LotusFM first aired on the 8 January 1983 and was first presented by Abel Peters known as Thunderbolt under the station management of Isabel Van De Linde.

It is the entertainment powerhouse for South African Indians, offering the most popular fusion music and entertainment. Lotus FM is known for its music, DJs and events. Although broadcasting is done in English, the station prides itself on providing entertaining language shows, teaching listeners to speak in their mother tongue – Tamil, Urdu, Hindi, Telegu and Gujarati. Its inclusive mind-set, combined with a passionate innovative attitude, allow the station to deliver in an environment where diverse South Africans meet and amplify their experiences. Therefore, the station's tagline is "Share the Experience."

Lotus FM is headquartered at the South African Broadcasting Corporation (SABC) in KwaZulu-Natal. LotusFM is now under the station management of Alvin Pillay. The 90/10 policy impacted negatively on the station with 397 000 listenership dropping to 290 thousand post the implementation of the 90/10 policy. This resulted in a drastic drop in revenues for the station.

3.4.1 Committee Observations

The Committee noted and observed:

- (i) the positive recovery path of the stations following the review of the 90/10 policy is commendable;
- (ii) the practice of '*Payola*' is still prevalent;
- (iii) political representation at *uKhozi FM* during the last elections was questionable;
- (iv) the current funding model as prescribed in the Broadcasting Act is a challenge causing a strain between the various mandates of the public broadcaster.

3.4.2 Committee Recommendations

After deliberating, the Committee recommends that:

- (i) it will continue to engage the Minister and hold SABC accountable;

- (ii) the Minister must report to it on the processes leading to the development of SABC editorial policies; and
- (iii) the Minister must continue to engage ICASA on matters of regulations relating to proportional political representation of elections in South Africa and report back to the Committee.

Through its Parliamentary mandate, the Committee will interrogate the Broadcasting Amendment Bill extensively in relation to the funding model of the public broadcaster.

3.5 Qhawe Entertainment

Officials of the station presented to the Committee that (i) prior to funding allocation; MDDA demanded a feasibility study with members of the community; (ii) the project's funding grant from the MDDA was approved in 2015, eight years after the application was submitted; (iii) the subsequent reporting, only after six months of receiving the MDDA grant and as per the agreement between the parties, the report-back to MDDA did not take place due to many challenges including the lack of adequate finance support of the project; (iv) that the project could not be located for some time by MDDA (v) that a total of R606 950 000 was granted to the project, and an amount of R33 475 000 was paid as the 1st tranche of the grant; (vi) that with a total number of 8 – 12 pages per copy, the distribution was stretched beyond scope; (vii) there was an inflation of staff; and (viii) the venue hosting the project was shut down due to non-payment of rental fees, and have been closed twice before.

A station official reported that Qhawe applied for funding as a non-governmental organisation that was dealing with the youth. MDDA conducted a feasibility study through the Sol Plaatjies Institute and approved the funding for the project. At the time, Qhawewas based at a youth centre in Richard's Bay. The study recommended that Qhawe's be provided with funding, which was approved by the Board in 2015. The first trench of the approved funding was transferred to Qhawe's and were supposed to provide a report with six months of spending the budget but that was never the case.

After Qhawe had not reported as per the conditions of the grant, MDDA tried to make follow-ups but was unsuccessful as they could not get hold on any of the people involved in the project. MDDA tried to locate the people through information from the community and eventually got hold of them a week before the Committee visit. MDDA had approved a grant of R606 950 and half of it was transferred to the project already.

Mr Thabethe agreed with Mr Ndibhongo. The challenges started after they deviated from the initial agreement of printing 8 pages to printing 12 pages and stretching the distribution to as far as Zululand and Ilembe. In addition to that they had also increased the number of staff members. The project ran out of money and lost accommodation and as a result of non-payment of rent, the equipment was locked in the building. It was at this point that the management decided to move to Empangeni. Mr Thabethe indicated that the project was starting to pick up again, under difficult circumstances. The reason they could not be found was due to the loss of accommodation and having to move to Empangeni.

3.5.1 Committee Observations

The Committee noted that:

- (i) since November 2016 MDDA had not managed to get hold of Qhawe's until about a week before its visit to KZN and this was a clear indication that there were challenges at MDDA in terms on monitoring of projects
- (ii) there seems to be a lack of monitoring and evaluation tools at the MDDA;
- (iii) public money could just disappear without a trace;
- (iv) the MDDA has no auditing capacity to consistently check government investment in community projects;
- (v) Qhawe is testament to lack of proper management and governance tools at the MDDA, resulting in the unfortunate fruitless and wasteful expenditure of the already limited resources of government; and
- (vi) there is a general lack of governance at the MDDA resulting in an uncoordinated way in which funds are disbursed.

3.5.2 Committee Recommendations

The Committee recommends to the Minister that:

- (i) a forensic audit of the MDDA in how grants are disbursed be instituted before the end of the 1st quarter of the 2017/18 financial year;

- (ii) report to the Committee on the state of affairs at the MDDA including on governance matters; and
- (iii) they must provide a comprehensive report on Qhawe's and that Qhawe's should also compile a report on their status before the end of the 1st quarter of the 2017/18 financial year.

The Committee will expedite filling of vacancies at the MDDA Board and will engage with the Auditor-General on matters relating to the Agency during the Budgetary Review and Recommendation Report (BRRR) process.

4. Day 2 (Wednesday, 28 June 2017)

4.1 Vibe FM

Vibe FM is a community radio station based in KwaMashu, KwaZulu-Natal. They describe themselves as "a modern and new age radio station, getting rid of the old current affairs format by introducing a new format which is musically driven, as well as flighting stories which make headlines. The station aims to inform and educate listeners, offering them intriguing content from various industries such as financial, health, consumer, crime prevention, social, business issues as well as careers advice."

The station was established in 2006, however it was still facing challenges with respect to (i) a clear signal despite having upgraded the transmitters; (ii) governance challenges with current board being an interim board; (iii) infrastructure support challenges including a dilapidated studio, which also happens to be the only studio for the station; (iv) that there is a general lack of support from government; and (v) general funding challenges aligned to running a community broadcasting project in South Africa.

4.1.1 Committee Observations

The Committee noted that:

- (i) the station is struggling with resolving signal challenges despite having upgraded the infrastructure;
- (ii) there are general governance challenges across community media projects;
- (iii) ageing infrastructure remains a challenge for many community media projects, with dire consequences ahead of the government DTT migration programme;
- (iv) government support of community media still lags far behind expectations; and
- (v) funding remains a challenge for community media projects.

4.1.2 Committee Recommendations

The Committee recommends to the Minister:

- (i) to engage the Minister of Telecommunications and Postal Services to find alternative funding models for supporting costs associated to signal distribution;
- (ii) to present to the Committee on the Department plans to resolve governance challenges at community media projects; and
- (iii) to address the Committee of all governance challenges at the MDDA, which may be inherently linked to the subsequent lack of or inadequate governance structures at many community media projects.

The Committee, through its oversight mechanisms, will engage its counterpart portfolio committees to attempt to resolve the general funding challenges faced by the Department and its entities.

4.2 EzaKwaZulu-News

EzaKwaZulu-News is a IsiZulu publication which currently distributes 10 000 copies twice a month to over 200 000 readers. According to their website, the publication was registered in 2007 and aims to inform people about news in their respective communities, the relevance and importance of participating in empowerment programs in the community, informs students, learners and parents about careers and the implications of these choices.

The 1st funding of the project by MDDA was in 2010 to an amount of R700 000. In 2016, additional funding called 'strengthening' to an amount of R675 000 was disbursed to the project and was strictly allocated for printing of the paper purposes. There was a current initiative to deregister the project as a Closed Corporation to a Non-Government Organisation status.

The administrators of the project informed the Committee that there was little or no recognition for the work it does of highlighting community challenges. Despite this, the project strives to involve the youth through incubation and internships. Among the challenges raised, the administrators of the project informed the Committee that (i) there is a lack of advertising support from government; (ii) the project is struggling to attain alternative funding; and (iii) printing takes the largest portion of the project's budget.

4.2.1 Committee Observations

The Committee observed and noted that

- (i) the media project is still registered as a Closed Corporation;
- (ii) community media in general does not receive the respect it deserves as an integral programme of government and social cohesion as well as promoting the principles of the Constitution;
- (iii) the media project is doing commendable work to promote unemployed youth;
- (iv) government fails to utilise community media projects to promote service delivery;
- (v) funding remains a challenge in general; and
- (vi) costs associated to printing are a challenge for community media projects.

4.2.2 Committee Recommendations

The Committee recommends to the Minister that:

- (i) the community media project should expedite the issue of the company registration;
- (ii) the community media project must continue to engage youth and expose them in to mainstream media; and
- (iii) they should provide a comprehensive plan that will ensure that government advertises on community media projects.

The Committee will engage the Minister on how to ensure consistent support of community media projects.

4.3 ThisAbility Magazine

ThisAbility Magazine/Newspaper aims to motivate and inspire persons with disabilities and their family and caregivers. Improving people's attitudes and education are key components to improving overall mental attitudes and quality of life. The publication is based in Durban and Pretoria. It also partners with many organisations focusing on People Living With Disability (PLWD). The publication's main aim is to report on achievements and challenges faced by PLWD and about 20 000 people visit the online newspaper version.

This year (2017) forms the second year that the project has partnered with News24. While the project does not get too many advertisers, because of the focus on PLWD, the project still maintains its stance to report on news from the entire country; this is one of the challenges the project faces.

The project previously had offices but was evicted by the landlord hence the project operates from the house. The project receives funding from the MDDA since 2012 and has been consistent in reporting back to the Agency. Around April, the project received another 'strengthening' fund from the MDDA. The first trench was to the sum of R248 000 and the second trench to the sum of R570000.

Advertising is a big challenge for the project as mentioned and reaching a 30 per cent ad spent is never possible except recently when the country had elections and parties were using the paper for election campaigns.

The project has six (6) staff members mostly freelancing at an average pay-out of R2500 per month. Only three are permanent staff members.

4.3.1 Committee Observations

The Committee welcomed the discussion with the project managers and further noted:

- (i) and welcomed the good initiative with its niche focus of mainstreaming PLWD;
- (ii) the support that the project receives from government; and
- (iii) that the project operates from a house dwelling.

4.3.2 Committee Recommendations

The Committee appreciated the informal presentation made by the project managers and further encouraged them to continue to work to conscientise the nation about PLWD.

The Committee recommends that the project (ThisAbility Magazine/Newspaper) must find accommodation to run the business instead of utilising the house dwelling.

4.4 NCRF offices

The NCRF is registered as a Section 21 Company not for gain, was formed in 1993 in Orlando, Soweto, in order to lobby for the diversification of the airwaves in South Africa, and to foster a dynamic broadcasting environment in the country through the establishment of community radio stations.

The NCRF has about 120 community radio station projects in its membership, with about 75 of the stations on air and others waiting to be licensed by the Independent Communications Authority of South Africa (ICASA). Community Radio collectively is now the third largest broadcaster nationally according to SAARF 2004B, with almost 5 million listeners in the most rural areas of our country covering all provinces.

In KZN there is a total 31 community radio projects, however only 27 are on air. Harry Gwala Municipality is the only district without a community broadcasting service. In total, the KZN community broadcasting service region accounts for about 1.9 million listenership.

Among the challenges raised by NCRF management were (i) signal distribution challenges of stations; (ii) governance and financial mismanagement; (iii) high costs of access to the Internet; (iv) the South African Music Rights Organisation (SAMRO) charges exorbitant costs; (v) there is a developing pattern of 'middle man' or brokers in the sector involving government employees channelling business opportunities to their own or linked companies; (vi) that although NCRF should be ideally the conduit between community broadcasting projects and government, such is not the case currently; (vi) local municipalities do not support community media project through advertisement.

4.4.1 Committee Observations

The Committee noted the issues raised by this pivotal role player in the community broadcasting sector, including:

- (i) that the Committee is sympathetic to the funding challenges of community media that is not conducive for the sustainability of the sector;
- (ii) that the NCRF has made submissions to the Department's Community Broadcasting Scheme which was made available for public comment;
- (iii) that SARS has not been cooperative in granting a tax clearance certificate for the NCRF so that it is able to receive the much required funding grant from MDDA;
- (iv) that the allegations made by NCRF relating to business brokering by government employees in the community broadcasting sector;
- (v) that there is a direct link between the funding challenges of community media projects, government advertising in community media, and the so called media 'brokers;'
- (vi) that the MDDA seem to be incapacitated to provide the required support at the provincial level;
- (vii) that signal distribution remains a challenge for community broadcasters in general;
- (viii) that there are general financial mismanagement practices at community media projects;
- (ix) that there are generally high costs related to access to the Internet for community media projects;
- (x) noted the important role that NCRF plays to support community broadcasting projects;
- (xi) noted the high costs associated with SAMRO; and
- (xii) that government does not consistently advertise in community media projects.

4.4.2 Committee Recommendations

- (i) The Committee invites the Minister to report on capacity matters at MDDA in order to support provincial projects;
- (ii) invites the Minister to report on corruption allegations by NCRF relating to business brokering by government employees in the community broadcasting sector;
- (iii) invites the Minister to present on the Community Broadcasting Scheme;
- (iv) invites the Minister to report to the Committee on a comprehensive plan to ensure that government advertises in community media projects; and
- (v) further recommends that the Minister engage the Minister of Telecommunications and Postal Services in order to address the issue of high costs related to access to the Internet for the community media projects.

The Committee encourages the NCRF to engage the Committee further on

- a. its role as the conduit between government and community broadcasting projects;
- b. report to the Committee in detail relating to the high costs associated with SAMRO; and
- c. report back to the Committee on its status for getting a tax clearance.

5. Day 3 (Thursday, 29 June 2017)

5.1 Nqubeko Community Radio Station

Nqubeko Community Radio was launched in October 2015. Its frequency is 100.5FM and its intent is to bridge the communication gap for the community of uThukela. Following the license granting by the Regulator, the station was able to be on air for a full year without any sources of funding, except for the old

municipal building donated by Alfred Duma in 2015; no rental costs are involved. It has 34 employees including 7 volunteers of which only 5 of them receive stipends from the MDDA. The others are sustained through adverts and promotions the station undertakes. The MDDA was responsible for donating the first studio for the station.

The station broadcasts mainly in isiZulu and with few broadcasting in English and Afrikaans. The station strives to accommodate its listeners in terms of geographic location, talk radio and music. The station further has a technology equipment (first of its kind in the country) donated by the Department to assist a disabled presenter. The station strives to capacitate its staff and provide educational programmes to further enrich skills of presenters. It also affords staff members internships as afforded by other industry players including the Department and Media Connection. The station runs a number of community projects through its programme and often seeks to assist community members by for an example, donating to disadvantaged people in the community in the form of buying groceries, cash donations and burial society initiatives.

The station strives to settle its bill with Sentech on a monthly basis despite the exorbitant costs associated with signal distribution. Among other challenges is the issues of infrastructure to support news teams in gathering stories from the community, often times there is no transportation to get to designated areas for coverage. Funds to pay staff stipends still remains a challenge even after two years on the airwaves. In sum the management of funds is a challenge for the station as it does not have the required human resource capacity to address the station's financial accounts on a daily basis.

Lastly the limited support received from local municipalities puts a further burden on the station and municipalities often opportunistically utilise the station to suite their convenience primarily; and even then they still delay payments entitled to the station. As an example the Department of Agriculture owes the station an amount of R100 000 and such delays in payment have dire consequences to the daily running of the station. The station therefore stands a risk of being influenced largely by those individuals and clients with financial muscle. To further exacerbate the challenges, MDDA fails to consistently stay in touch with grant recipients.

5.1.1 Committee Observations

Having listened to the presentation, the Committee noted and:

- (i) thanked the district municipality for providing the accommodation to the station;
- (ii) commended the station for the informative presentation;
- (iii) noted and commends the attempts by the station to ensure integration and employment of People Living With Disabilities (PLWD);
- (iv) that not all the staff complement of the station receives stipends;
- (v) lack of transport infrastructure to support the work of the station;
- (vi) the incapacity of the station to acquire professional accounting services;
- (vii) that signal distribution remains a challenge for community broadcasters in general with the station paying over R10 000 per month;
- (viii) the continued inability of municipalities to support community media projects by advertising on their platforms as well as the delays in payment for rendered services;
- (ix) the monies owed by the Department of agriculture to the community media project; and
- (x) noted that the MDDA seems not to have a monitoring and evaluation tool in order to track government monies disbursed through the grants programme.

5.1.2 Committee Recommendations

The Committee encourages that:

- (i) the station should expedite the employment of a qualified accountant because the individual can assist in consolidating funds of the station in order to ease some of the burdens of the station such as stipends and transport for the news staff; and
- (ii) the station follow-up with the Department of Agriculture to try to recoup the monies owed to the station.

The Committee resolved that:

- (iii) it will invite the Minister to present a breakdown of how grants are distributed and what criteria is used to distribute grants to community media projects;
- (iv) will engage the Minister on the matter regarding the non-payment to the project by the Department of Agriculture; and
- (v) will continuously engage the Minister to report to the Committee on progress made to ensure that government advertises in community media projects.

5.2 Inhloso Yesizwe Community Newspaper

Inhloso Yesizwe Newspaper is published fortnightly and has a readership of 40000 per publication. Copies distributed per edition is 10000. The newspaper is distributed in the uMnambithi Municipality and surrounding areas. The project was formed by a group of 6 but only 4 of that group are still actively involved with the project; however, there is no female representation at the project. The project is committed to ensuring gender balance at the station once it is well-established and is grown. The MDDA provides funding for the project and on a monthly basis the project distributes around 10 000 copies within the uThukela district.

5.2.1 Committee Observations

Having listened to the brief presentation the Committee noted:

- (i) the lack of women representation at the project;

5.2.2 Committee Recommendations

The Minister must report back to the Committee on

- (i) the progress made by the project to employ women because the Committee did not accept the explanation by the project regarding gender representation and appealed to the project to expedite the employment of women and that it should attach timelines; and
- (ii) the Minister must present to the Committee a programme of action that will ensure that gender representation is actively being pursued by the Agency to all projects receiving government grants.

5.3 uMgungundlovu Community Radio

Welcoming at the station was done by Mr Zondi, the deputy chairperson of the board of 7 members. The station started as a non-profit organisation with a total of 47 volunteers some of which are employed in the private sector. Only 15 members of the 47 staff complement receive stipends on a monthly basis because they are the regular staff complement of the station. However, paying of stipends is becoming hard as there are no funds to support payment of stipends.

In 2010 the station went live for the first time and in 2015/16 financial years, the MDDA provided a new grant and refurbished all the stations' studios, namely the 'on air' studio and the production studio.

The station further received support in 2016 from the MICT Seta and so far, a total of 15 staff interns have received training in marketing, administration and production through this partnership. The station is very popular and broadcasts mainly in isiZulu with an emphasis on indigenous languages in general.

The station strives to engage communities and gets involved in social upliftment projects of previously disadvantaged individuals and families. The station is largely accepted by the community because of the role it plays to uplift community members some of whom are products of the initiatives of the station. However, there is no solution to paying staff market-related salaries on the basis of funding challenges and the fact that it is a community radio and cannot compete with commercial and public broadcasters. Needless to say that the station has the ability to contribute immensely to job creation granted it receives proper support from government.

The station appealed to the Committee to seek ways in which community media projects can receive more funding especially for infrastructure support as well as for payment of salaries. Noting that many community radio stations owe Sentech large sums of money for signal distribution. Furthermore, the station appealed that such funding should be based on an annual cycle, taking into consideration that the MDDA has somewhat assisted the station by capacitating its staff members on financial accounting as well as funding for volunteers' logistics, however this funding has since been stopped.

The station informed the Committee that the word 'community' has become a challenge in that it has allowed misinterpretation for what it stands for with many communities including municipalities believing that it (community) is equal to free of charge services and that is not the case.

The station also appraised the Committee on challenges relating to continued support of the station by municipalities and further appealed to the Committee to intervene on this challenge; the challenge being that there is no legal obligation for municipalities to support community media projects and therefore there is no budget allocation at municipalities that is ring-fenced especially for support of community media projects. Albeit that the station does have agreements with the municipality to exchange airtime for office space rent.

Lastly, it could be that the Committee may want to consider extrapolating from the SABC funding model so that it is replicated and implemented for community media projects in general.

In summary, the station has on many occasions sought to engage the Department and further made presentations during Minister's Imbizo's programmes to highlight the plea that the founding legislation should be altered taking into account the many challenges faced by community broadcasters nationally.

5.3.1 Committee Observations

The Committee noted:

- (i) and commended the station for the social upliftment projects it is involved in;
- (ii) commended the station for its advocacy of indigenous languages of South Africa;
- (iii) commended the efforts by station management to engage other organs of state such as MICT Seta;
- (iv) noted that community media projects have a pivotal role in contributing to the outcomes of government including social cohesion and job creation;
- (v) that only 15 members of staff receive monthly stipends;
- (vi) that funding challenges associated with community media projects impact negatively on the productiveness of these projects, including payment of stipends and infrastructure development;
- (vii) noted that the word 'community' may be part of the problem causing municipalities to want to receive services for free from community media projects;
- (viii) the high costs associated with transmission of signal; and
- (ix) that the lack of legislative support to ensuring that municipalities and government in general advertise on community media platforms is impacting negatively on the cause of community media as prescribed in the Constitution.

5.3.2 Committee Recommendations

The Committee therefore resolved that:

- (i) it shall invite the Minister to debate on ways to legislate funding of community media projects;
- (ii) it shall invite the Minister, ICASA and MDDA to engage where possible on ways to review broadcast borders so that they are aligned to district municipalities;
- (iii) invite the Minister to present to it on ways to improve accountability of community media projects;
- (iv) Minister must seek ways to ensure the enforcement of advertising by municipalities and government in general in community media projects; and
- (v) that the minister must engage other departments to seek ways in which municipalities can attach community media projects to their offices as a cost-saving measure on rental costs.

5.4 Capital 104 FM

During the introductions, Mr Jerry James thanked the Committee for ensuring that South Africa as a sovereign country, recognised the important role that could be played by community media projects and therefore ensured the establishment of organs of state to facilitate for the growth of the sector.

The Committee was informed that on 18 July the station would be turning 3 years old despite the fact that it operates from a 'spaza shop-like' studio. Even then the community radio station is able to keep and attract new audience. But building rental costs remain exorbitant.

Challenges faced by the station include but not limited to (i) the fact that because there is a general lack of information communicated to communities, it would have been better for government to recognise that community media projects can help circumvent potential areas of protests by directly delivering the information to the responsible authorities; (ii) government only comes to community media projects when there is a crisis; (iii) lack of consistent communication from MDDA officials; (iv) signal distribution challenges are also as a result of the topography of the area

Members were informed that part of the major problem is that municipalities spend too much focus and resources on community print media and uKhozi FM, thereby compromising the good work done by community broadcasters in the region.

5.4.1 Committee Observations

The Committee observed that:

- (i) there seems to be an incoherent strategy from the part of government in support of its own policies and projects such as promoting work of the GCIS within community media projects;
- (ii) commended the efforts by some community media projects to continuously engage with government on challenges facing the sector;
- (iii) protests are as a result of the lack of timely information sharing between communities and

government and that community media can act as a conduit for reciprocal communication needs of both government and the communities it serves;

- (iv) that government is opportunistic when it comes to its relations with community media projects;
- (v) that while the MDDA may have capacity challenges, it has failed to consistently interact with its portfolio; and
- (vi) that throughout the oversight exercise, the signal distribution challenges are consistent in all community broadcasting projects.

5.4.2 Committee Recommendations

Having received the last briefing for the oversight, the Committee resolved that:

- (i) it shall endeavour to support community media projects;
- (ii) it shall invite the Minister to present on a turn-around strategy for seamless integration of the government communications strategy;
- (iii) community media projects must seek to identify policy gaps in order to ensure prosperity of this very important sector; and
- (iv) that community media projects must start and maintain ways to engage the portfolio Committee by also identifying areas of concern that the Committee must prioritise. This communication must be done through the Committee's secretariat.

Report to be considered.