GENERAL NOTICE

NOTICE 676 OF 2015

DEPARTMENT OF COMMUNICATIONS

DRAFT COMMUNITY BROADCASTING SUPPORT SCHEME

I, Azwihangwisi Faith Muthambi, Minister of Communications, hereby publish for public comments, the Draft Community Broadcasting Support Scheme under Broadcasting Act, 1999 (Act No. 4 of 1999) and the Electronic Communications Act, 2005 (Act No. 36 of 2005) respectively.

Any person who wishes to submit representations or comments in connection with the Draft Community Broadcasting Support Scheme is invited to do so within 90 (ninety) days from the date of publication in the Government Gazette and by no later than 16h00 on the last day. Comments received after this time may not be considered.

Hand deliver to: Department of Communications
Tshedimosetso House, cnr Frances Baard (Schoeman) and Festival Streets
Hatfield, 0028
Attention; Collin Dimakatso Mashile

OR E-MAIL TO: cbssa@doc.gov.za

A copy of the Draft Community Broadcasting Support Scheme is also available free online at www.doc.gov.za.

Azwihangwisi Faith Muthambi, MP
Minister of Communications

the doc

Department:
Communications
REPUBLIC OF SOUTH AFRICA

COMMUNITY BROADCASTING SUPPORT SCHEME:

SUSTAINING COMMUNITY EMPOWERMENT

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LIST OF ACRONYMS

BDM: Broadcasting Digital Migration

CBSP: Community Broadcasting Support Programme

CODESA: Convention for a Democratic South Africa

DoC: Department of Communications

DTT: Digital Terrestrial Television

ECA: Electronic Communications Act

ICASA: Independent Communications Authority of South Africa

MDDA: Media Development & Diversity Agency

NDP: National Development Plan

NGP: New Growth Path

PAJA: Public Administrative Justice Act

RDP: Reconstruction and Development Programme

SAMRO: South African Music Rights Organisations

SOEs: State Owned Enterprises

STL: Studio Transmission Links

USAF: Universal Access Fund

USAASA: Universal Service & Access Agency of South Africa

IBA: Independent Broadcasting Authority

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DEFINITIONS

Community means community as defined in the broadcasting Act (no.4 of 1999)

Community Broadcasting service means a service as defined in the Broadcasting Act (no.4 of 1999)

Minister means the Minister responsible for Communications

Non-Prescribed Assistance means support requested and implemented by the projects/beneficiaries

Prescribed Assistance means support facilitated and implemented by the CBSP to the projects/beneficiaries

Regulator means the Independent Communications Authority of South Africa

Support Scheme means the community broadcasting support scheme

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FOREWORD BY THE MINISTER

Community Broadcasting is a sector that is closer to the heart of the South Africa government as evidenced by the huge support programme managed by the Department of communications since 1998, and the establishment of statutory organizations such as Media Development & Diversity Agency (MDDA) and Universal Service and Access Agency of South Africa (USAASA) to offer a continued and dedicated assistance to the sector. As confirmed by the *Impact of the Department of Communications' Community Radio Support Programme* Report compiled by Pygma Consulting (2011), the Department has on its own through the Community Broadcasting Support Programme (CBSP) spent over R400 million on the sector between 2002-2011. This figure excludes ad hoc capacity-building programmes undertaken by the Department that period.

The rapid growth of the sector as evidenced by the existence of over 187 community stations throughout the country can be attributed to the support provided by these institutions, including the Government Communications and Information System which continues to aggressively mobilize government adspend towards the sector. The investment in these supporting institutions presents South Africa amongst the leading countries in the world terms of supporting community broadcasting sector.

As a democratic government, our support and the investment flowing from this, is motivated by three factors:

Firstly, Constitutional commitment to safeguard every citizen's rights to access information, media and cultural expression. In a country with a torrid and painful history similar to ours, these fundamental rights cannot be compromised if a vibrant democratic society has to be built. Thus, community broadcasting is about giving voice to the communities.

Secondly, the location of the sector as a strategic vehicle through which development communication in and between communities can occur. Community broadcasting resides in and speaks the languages of the communities in the way that no media sector does. It, therefore, becomes an essential tool to communicate messages and information about service delivery to our people.

Thirdly, as chronicled in the *Jabulani! Freedom of the airwaves* memoirs, community radio is an outcome of selfless struggles that our people waged intensely against the apartheid government supported by the global community. It has become synonymous with these struggles. In fact, community radio continued to become a major talking point during the Convention for Democratic

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South Africa (CODESA) negotiations and the build-up to a democratic dispensation in 1993. Therefore, the sector is in itself an embodiment of our country's history and heritage which has to be preserved for future generations.

This draft *Community Broadcasting Support Scheme* proposes parameters on how the support will be dispensed in many years to come, particularly for community television which has been identified as critical to the development of our content industry concomitant with the country's *New Growth Path*. The scheme clearly streamlines the various areas of support to ensure maximum impact to the sector in the way that is effective, transparent, efficient, and sustainable and offers benefits to our communities.

The scheme underlines our firm commitment to build a strong community broadcasting sector in the country. We are buoyed in this regard by the positive developments in the sector, particularly the increased audience from 3 million listeners in 2001 to 9.375 by June 2013 which according to South African Advertising Research Foundation (SAARF)'s June 2013 *All Media Products Survey* amounts to over 25% of the total radio audience in the country. On the other hand, community TV increased from 1.4% in 2008 to 8.5% in 2012 of average weekly adult viewing. This shows, that with improved support, the sector has the potential to change the media landscape in the country immensely. Through this comprehensive draft support scheme, we want to demonstrate that never for a moment are we going to tire until a vibrant community broadcasting sector is built in South Africa.

While taking into account international lessons on how to support the sector, the draft scheme proposes uniquely South African solutions in an effort to address challenges confronting the community broadcasting sector in the country. We invite the community broadcasting sector and the industry as whole including, members of the public, academia, and organized labour to robustly engage us in the proposals we make herein so that we can collectively formulate a community broadcasting scheme that adequately services the sector and reposition it for the digital and multichannel environment.

MS. FAITH MUTHAMBI, MP

MINISTER

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FOREWORD BY THE DEPUTY MINISTER

The *White Paper on Broadcasting Policy* (1998:26-27) noted that many barriers prohibited more disadvantaged communities from establishing their own stations as they do not have their own resources, expertise and skills to develop local community broadcasting. The paper further concluded that the development of the sector throughout the country will require resources and government should act as a catalyst for access to such resources to assist particularly the un-served, needy communities. This draft support scheme attempts to overcome these barriers by providing assistance to communities.

With heightened demand for community broadcasting services, this is set to increase pressures on the community broadcasting support programme both in terms of financial and human resources. Sadly, this happens amid intense competition for public funding. This, therefore, requires us to be prudent and ensure that our intervention in the sector is not an isolated nor a social exercise, but an integrated effort that is strategically linked to other programmes of developing the communities. Our approach to community television support as proposed in this draft support scheme underlines this intention.

The last 20 years has seen the government through the DEPARTMENT OF COMMUNICATIONS and other agencies investing heavily in the sector in our quest to overcome the barriers highlighted above. Our efforts in this regard are evidenced by the number of community radio stations scattered throughout the country today. These stations have provided communities with an alternative voice in the way that was never imagined. As we enter a third decade of our democracy, we need to consolidate these efforts. The past 20 years of supporting community broadcasting services have adequately demonstrated that despite the huge investment by government, community broadcasting sector remains vulnerable. It, therefore, requires all of us to work together.

We are looking forward to a robust engagement with the communities and members of the industry alike for the responsibility of building a strong community broadcasting sector requires all of us' efforts. On our part, we have put together a draft plan as evidenced by the objectives of the scheme, the nature of support, the funding commitments we make, the capacity we intend to build in the management of the support and a clear process flow created as proposed in the scheme.

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With this draft community broadcasting support scheme, we hope to usher a new term vision for community broadcasting sector. It is our firm commitment to build a vibrant community broadcasting that responds to the needs of communities.

Deputy Minister

MS STELLA NDABENI-ABRAHAMS, MP

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EXECUTIVE SUMMARY

The draft *Community Broadcasting Support Scheme* does not only set parameters on how the support will be dispensed in many years to come. It further extends support to community television which has been identified by the government as critical to the development of our content industry. With the increasing demand for support amid declining public fund due to other competing needs, clarity has to be provided regarding the objective, nature and criteria for the support as well as clear value proposition for public funding.

The scheme is an acknowledgement that a lot has changed since community radio support programme commenced in 1998. With the growing interest in community TV and the changing broadcasting landscape in South Africa, the scheme for community broadcasting has to be thought anew not only in terms of the nature of support it provides, but also in how to sustain it for the benefit of the communities, particularly those who heavily rely on community broadcasting services for their information, education and entertainment needs. *The Community Broadcasting Support Scheme* takes into account the lessons learnt since the commencement of the support programme in 1998, the various researches undertaken by the Department and the valuable inputs received from the stakeholders particularly the community broadcasting sector at the various platforms including workshops and conferences.

The scheme is supported by a myriad of policies and legislations, including but not limited to the *White Paper on Broadcasting Policy* (1998), National Development Plan (2012) and *Broadcasting Digital Migration Policy* (2008). These policy documents emphasize the need to support community broadcasting, both legislatively and materially, to sustain it.

The scheme will continue to fund traditional radio and television projects. No stand-alone internet broadcasting services or platforms.

Based on the research report and lessons from an implementation perspective, no major changes are made in respect of community radio. As the Pygma Consulting Report (2011) has concluded, the support seems to be strategically streamlined to serve the sector. Though minor adjustment can be made to the various support areas, the four areas of support, namely: broadcast infrastructure,

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signal distribution subsidy, content production and capacity building should be maintained. In providing support to the sector, the stations uniqueness and needs shall be taken into account.

However, it will be unsustainable to blindly replicate the entire support community radio support to community TV into account the requirements for community TV and costs related to it. Therefore, the scheme proposes to provide for once-off support in infrastructure to enable Community TV to take off successfully while long term support will be maintained in the areas of signal distribution and content development.

For eligibility, it is proposed that Community TV projects requiring assistance from the support scheme must firmly demonstrate the following:

(a) making their programmes provincially to be transmitted and distributed by public signal distributor on free-to-air basis,
(b) developing local languages,
(c) supporting local content industry and creating economies of scale,
(d) job creation,
(e) youth development and employment,
(f) A strong governance model (ownership and control, legal status, governance structure, accountability) to safeguard public funding.

The support scheme is expected to draw its funding through Parliamentary appropriation, grants and donations. The budgeting process shall take into account the different needs of both community radio and TV.

To ensure capacity, the support scheme shall be managed by a dedicated Community Broadcasting Support Unit which will further carry out other activities including sector mobilization, stakeholder consultation research into the issues confronting the sector.

In view of the rapid technological development in the broader industry, the support scheme will be valid for three (3) years.

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1. INTRODUCTION

1.1. Historical Context to the Scheme

The South African Government has long identified the community broadcasting sector development, one of the key priorities for the Republic. This is the result of the unique position that community broadcasting occupies in the South African broadcasting or media landscape in terms of promoting of diverse range of viewpoints, and the potential role it has in providing information, particularly for those in the rural and under-serviced areas.

Long before the commencement of the community broadcasting support programme in 1998[1], Government had recognized that community broadcasting would not be sustainable without deliberate and aggressive government assistance. Although community broadcasting audience base has grown over the years, its advertising remains low as it accounts for a paltry 2% of the total adspend. The bulk of this percentage is from government. This deliberate assistance is critical in remote and/or economically depressed areas, which though under-served remain unattractive for commercial investment.

The support for the community radio sector was initiated in 1998 as part of an effort by the government to build the fledgling community radio sector as a new phenomenon in the new democratic dispensation. Taking cue from government's Reconstruction and Development Programme (RDP), the support further coordinated international donor funding intended for the sector. Although the support started as a purely infrastructural, it later grew to include content production, signal distribution subsidies and capacity-building. As confirmed by Pygma Consulting Report[2], by 2011 over 85 community radio stations had benefitted from the various kinds of support since 1998. Despite the growth of the support over the years, it had its own limitations as it was:

[1] The Communications Task Team recommended that for the establishment of a statutory organisation to operate a statutory recognised subsidy system for community media in South Africa (*Report of the Task Group on Government Communications: A vision for government Communications in South Africa*, October 1996). Elsewhere the Truth & Reconciliation further recommended that the state should promote a multiplicity of media voices by establishing a legislative environment and state subsidies to encourage the growth of grassroots publications and local broadcasting stations (*The Report of the Truth and Reconciliation: Volume 5*)

[2] *Impact of the Department of Communications' Community Radio Support Programme*, December 2011.

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- limited to community radio to the exclusion of community TV,
- narrow in scope and not linked to other government programmes around job creation and industry development,
- not subjected to regular reviews for improvement.

In addition to the above issues, there is increasing demand for community broadcasting services in the communities. The growing number of Community TV initiatives sprouting in the various parts of the country presents community TV as an inevitable reality. Therefore, it can no longer be ignored, both in terms of policy planning and future support. On its own, government has committed to rollout at least one community radio in every district municipality and 1 community TV per province.

The above scenario, therefore, motivates for the comprehensive review of the support programme in an attempt to meet this increasing demand, thus strengthening and sustain community broadcasting for convergence and the multichannel digital environment.

1.2. The Issues in Brief

The draft support scheme covers the following issues:

- The Objectives of the support scheme,
- The nature and scope of support,
- Sources of Funding,
- Management of support,
- Process to access support
- Criteria for eligibility

1.3. The process

The draft revised support scheme is an outcome of a thorough engagement process with beneficiaries and key stakeholders through conferences and workshops since the commencement of the support programme in 1998[3]. These engagements emphasized the need to:

[3] These include but not limited to the following:

- The 2003 Community multimedia service indaba held at Kopanong Hotel and Conference Centre, The 2007 Sustainability Conference held at Elangeni Hotel,
- The 2010 Community TV Summit held at Birchwood Hotel-Boksburg,
- The 2012 Corporate Governance Indaba held at the Ranch Hotel (Polokwane),

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- Community radio should be conceived as located within a comprehensive and integrated approach to development championed by the municipalities,
- The initiatives available within and for the sector should be coordinated to avoid duplication,
- more training is required to build technical skills in the sector,
- community radio needs to take advantages of new technologies,
- Community radio needs to have accountability measures in place to build advertisers' confidence,
- regular policy reviews to deal with issues affecting community radio adequately,
- The need for regular research and data analysis on community radio so as to detect developments and emerging trends.

The 2012 Corporate Governance Indaba held at the Ranch Hotel (Polokwane) in particular highlighted corporate governance as a prerequisite for sustainability. This was in lieu of the community radio sector regressing on basic governance matters including: public accountability, transparent financial management, compliance matters relating to licence conditions and tax legislations[4].

Although the 2013 Community TV Business Model consultation Workshop held at Birchwood Hotel-Boksburg, was intended to discuss the business model for community TV, it built on the Community TV summit recommendations which emphasized the need to support community Television.

In addition, the draft support scheme further builds on the outcomes and recommendations of the following research Reports:

- Pygma Consulting Report entitled, the *Impact of Government Support into the sector Research Report* (2011). The report was a first major exercise by the Department not only in taking stock of the entire support programme since its commencement in 1998. It also helped in providing feedback from beneficiaries regarding the support. Some of the concerns from beneficiaries as contained in the report included:
    - Lack of clear process to access the support,

- The 2013 Community TV Business Model consultation Workshop held at Birchwood Hotel-Boksburg.

[4] The inability to comply with tax legislation is not only a problem for compliance. According to the GCIS, lots of advertising money was returned to clients due to many stations' inability to furnish the required tax certificate. This denies stations of valuable and yet elusive income.

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- Lack of criteria to qualify for the support,
- Clarity regarding what the support covers, or its overall scope,
- Clarity relating to the waiting period to receive support and how this impacts on the stations particularly those in the rural areas who solely rely on the DOC,
- How the blanket approach to support disadvantages rural based stations whose revenue streams are limited,

- Sol Plaatjie Institute Report: *Investigating the appropriate model for implementing community television in South Africa (2011).* The report provided various options for impending community TV in South Africa.

The draft scheme has attempted to address these issues so as to improve the quality of the support in terms of what is covered, the process to be followed and criteria for eligibility.

1.4. Outline of the Document

This document has 3 parts:

Part 1: The Draft Support Scheme

The draft support scheme covers the following: the objectives, the nature of support to be provided both radio and TV, Funding and sustainability, How to access the support, defining criteria, including assessment criteria and exclusions. Although this support scheme is recommending particular set of objectives to be met by community TV stations wishing to obtain support provided by this scheme, this does not necessarily preclude other models to exist within the framework of existing policy and legislation. They will, however, not be prioritized by this support scheme.

Part 2: The Draft Application Form (Annexure A)

Part 3: Draft Application Guidelines (Annexure B)

Members of the public are invited to submit comments and inputs regarding the proposals as contained in the draft Community Broadcasting Support Scheme and the simplicity and clarity of both the Application Form (Annexure A) and the Draft Application Guidelines **(Annexure B)** for consideration by the Minister. While the support scheme proposals some measures, these are not final. Neither are they exhaustive. Therefore, members of the public are, therefore, encouraged to submit proposals on issues they feel are missing from the scheme.

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While the scheme would have liked to provide for community broadcasting in a new multimedia environment characterized by convergence and digitization, it will be difficult to do so until the ongoing ICT Policy review process is completed which is set to outline and envision broadcasting, including community broadcasting, for the future. Therefore, the support for community broadcasting for the future will be revisited once the new policy emanating from the current policy review is completed. Although the draft Support Scheme is not intending to deal with policy issues, those policy matters that are raised due to the inevitable impact on the support of community broadcasting, will then referred to the ICT Policy Review process[5].

2. THE OBJECTIVES OF THE SCHEME

As mentioned above, the community broadcasting support has never been based on a comprehensive policy. The draft support scheme, therefore, sets out a framework for providing support to community broadcasting in South Africa, both radio and TV with the primary objectives to:

- sustain community broadcasting services in the republic for the rapidly converging digital broadcasting environment,
- Attract investment, including strategic infrastructure investment in community broadcasting sector,
- Strengthen the community broadcasting sector to contribute to support the local content industry so as to create jobs,
- Promote community broadcasting sector as a strategic vehicle to advance socio-economic goals relating to access to information, media diversity, empowerment and youth development,
- Improve governance and stability in the community broadcasting sector,

Question:

Are these objectives adequate to reflect the nature of and rationale for the existence of community broadcasting in South Africa?

[5] The Corporate Governance Indaba had recommended for a sector specific legislation should be enacted. Similar legislations exist in other jurisdictions. However, this is a far-reaching recommendation that cannot be implemented until after the ICT Review process.

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3. POLICY AND LEGISLATIVE ENVIRONMENT

This *draft Community Broadcasting Support Scheme* is supported by a plethora of legislations and policies which in addition to shaping community broadcasting in South Africa, further underline the government's commitment in creating an enabling environment for community broadcasting to thrive as outlined briefly hereunder:

The Independent Broadcasting Authority Act (IBA) of (1993): Although wholly repealed by the *Electronic Communications Act* (ECA) in 2005, this Act was a pioneer legislation to introduce a three tier-broadcasting in South Africa of which community broadcasting is part. In the absence of any policy, the IBA Act was the first legislation to transform broadcasting in the post-apartheid dispensation. Although the IBA Act licensing framework was overhauled by the ECA concomitant with convergence, the community broadcasting sector continues to operate on a model set out in the IBA Act including, objectives, governance and funding model.

White Paper on Broadcasting policy (1998):

The *White Paper on Broadcasting* was the first major policy document not only to shape the vision for broadcasting in the post-apartheid South Africa, including for community broadcasting. It emphasized the need for subsidies for community radio to ensure that freedom of expression was accessible to all communities. The paper further concluded that the development of the sector throughout the country will require resources and government should act as a catalyst for access to such resources to assist particularly the un-served, needy communities.

Electronic Communications Act (no.36 of 2005)

In promoting the convergence in the communications sector, the *Electronic Communications Act* (no.36 of 2005) has ensured that community broadcasting is accommodated by:

- providing for a simplified licence regime for community broadcasting services both for application and renewals,
- fortifying funding through the Media Development and Diversity Agency by providing broadcasters with an alternative to offset their contribution against payment to Universal Service Fund (USAF) against payments to the MDDA,
- for exemptions for community broadcasting service licencees' contribution to USAF[6].

[6] See *ECA Amendment Bill* (2013).

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Broadcasting Digital Migration Policy (2008)

The inclusion of community broadcasting in the *Digital Migration Policy* provides certainty to the community broadcasting sector, particularly community television as the country migrates its broadcasting system from analogue to digital. Thus in addition to committing to developing community TV, in the *Broadcasting Digital Migration Policy* further accommodates community TV in the existing Digital Terrestrial Television (DTT) multiplexes.

The Integrated Sustainable Rural Development Strategy (ISRDS)

The *Integrated Sustainable Rural Development Strategy* seeks to create a vision that will attain socially cohesive and stable rural communities with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain killed and knowledgeable people who can contribute to growth and development. Similarly with the strategy, this support scheme is premised on the idea that rural development must be implemented in a participatory and decentralized fashion in order to respond to articulated priorities and observed opportunities at the local level.

National Development Plan (NDP)

The *National Development Plan* has identified ICTs as critical to overcoming the high unemployment rate and shortage of skills, particularly amongst the youth. If properly supported and implemented, Community TV has the potential to create employment and drive innovation in predominantly rural provinces of the Republic.

4. BRIEF OVERVIEW OF THE COMMUNITY BROADCASTING SUPPORT, 1998-2011[7]

According Pygma Consulting Report (2011), through the CBSP, the DEPARTMENT OF COMMUNICATIONS has provided at least eighty-five (85) stations with different levels of support - i.e. at least 52% of the licensed services and 59% of those on air during the latter half of 2011 have received a subsidy from the DOC . Stations and stakeholders all stated that the areas identified by the DoC for support (equipment, signal distribution, programming and training) are the most critical and that therefore the conceptualisation of the programme was in line with station needs.

[7] Pygma Consulting Report, 2011:12-14.

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The Programme has, among other things:

- provided studio equipment to at least 55 different stations;
- subsidised the Sentech signal distribution costs of 44 stations;
- provided support for innovative programming to at least 20 stations through its partnership with the MDDA;
- trained 75 stations in coverage of local government elections (in partnership with the MDDA and the Open Society Foundation); and
- through NEMISA provided a range of training to 219 community radio members in 2010 alone.

The CBSP is based on a blanket support approach, and provides support to a range of stations regardless of their financial situation or the size and prosperity of the community to which the station broadcasts. Although inevitably choices have had to be made on which stations to support based on the funding available, criteria to determine this are not formalised or made public.

The Department does not currently have a specific unit or staff dedicated to managing the CRSP and this has affected the implementation. There are, for example, no easily available public records or reports on support provided each year or comprehensive records of applications received or the reasons for refusals if any.

There are no clear criteria for support nor is the grant-making process (including application forms) and cycle readily available.

The perceptions of the CBSP recorded through the market research done by Pygma Consulting (including stakeholder and station surveys) reflect these above challenges. According to this:

- While 91% of the stations surveyed said they are aware of the Sentech subsidies provided by the DoC, only 32% stated that they knew that the Department could assist with providing studio equipment.
- Stations all said they were not aware of how to apply for support and many reported that when they did reply they waited for years for any response.

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5. INTERNATIONAL PRECEDENTS

Support for community broadcasting services exists in various jurisdictions both in developing and developed countries including as represented in the diagram below:

Jurisdiction(s)	Funding Source	Activities funded	Management
France	Taxes levied on the advertising revenue of commercial broadcasters	start-up, operations, equipment and special projects (training).	Ministry of Culture and Communication[8]
Ireland	Public Funding	Content	The regulator, BAI
Netherlands	Sourced by federal regulator through collection household licence fees; legal provisions allow municipalities to levy additional local radio surcharge per household to be used specifically for community radio.	Content	Independent administrative body, The Dutch Media Authority
New Zealand	Public funding (government)	Content	A statutory organization, New Zealand on Air
UK	Over 50 percent of funding comes from Public Funding Grants, including the Community Radio Fund; remainder is from non-public sources, including donations and advertising.	Operational costs	The regulator, OFCOM
Australia	Public funding	Operations, Infrastructure and programming	Non-profit entity, Community Broadcasting Foundation[9]
Mali	Public Funding (Government)	Debt relief Training	Sector organization (NGO), URTEL, and Donor Agencies (international)

Fig.1: Comparative analysis of community broadcasting funding

As discernible for the above diagram, every country has its own system as determined by their history of media development, economic profile, developmental priorities and needs. Therefore, while international experiences above provide valuable lessons for South Africa to learn in terms policy/regulations and funding models (objectives, criteria and processes). However, consideration has to be made that:

[8] The Ministry of Culture and Communications has a dedicated branch to manage the Radio Expression Support Fund (FSER)

[9] Funded by two government Departments, Department of Broadband, Communications and Digital Economy (DBCDE) and Department of Environment, Water, Heritage and the Arts (DEWHA).

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- South Africa arguably presents the biggest support for the sector unrivalled elsewhere in the world both financial and non-financial,
- The sector lessons learnt in the last few years have demonstrated South Africa needs 'uniquely' South African solutions to the sector as the current models are based on countries such as Australia and Canada adopted in the early part of policy formulation in the 1990s.

6. THE NATURE OF SUPPORT: THE FUTURE

6.1. The Scope of Support

An effective support programme needs to clearly identify what types of support will be given. In lieu of rapid technological developments evidenced by the convergence of new technologies, it is of utmost importance that the new policy framework addresses critical questions relating to the nature of the projects to be funded and new support areas should be considered, particularly if those projects have the potential to promote and enhance media access by the communities and diversity as intended in the *Broadcasting Act* of 1999.

These critical questions were consistently raised over the years and they have to be addressed to provide clarity both from policy planning and certainty perspective. The Pygma Consulting Report (2011) contains positive comments from the sector regarding these support areas. These comments can serve as performance indicators for these support areas for consideration in making future decision regarding the nature of support to be provided. According to Pygma Consulting Report (2011:52),

While stakeholders and stations involved in the market research identified several challenges in implementation of individual programmes, all those interviewed endorsed the areas of support chosen by the DEPARTMENT OF COMMUNICATIONS (equipment roll-out, signal distribution subsidies, programming and the development of a satellite network to link the stations and allow for sharing of content). It was further repeatedly emphasized that the project had provided invaluable support to the sector. Participants in the research generally agreed that the focus areas continued to be relevant, though it was suggested that the objectives of supporting each area should be clearly stated and captured in a Manual or Handbook.

Based on these comments from stakeholders and lessons from an implementation perspective, the support seems to be strategically streamlined to serve the sector adequately. Though minor

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adjustment can be made to the various support areas detailed hereunder, the four areas of support should be maintained[10].

The support covers broadly *prescribed* and *non-prescribed assistance*. While prescribed assistance covers support facilitated and implemented by the CBSP to projects, non-prescribed assistance covers those areas requested and implemented by the projects/beneficiaries.

6.2. Projects to be funded

Notwithstanding the advances made by new media in the area of broadcasting, there is no evidence to suggest that it is ready to fiercely compete with conventional broadcast methods in the short term in South Africa. Although Broadband plans usher hopes of providing opportunities, this will take long before such platforms can make a meaningful contribution in the way that traditional platforms have. In view of limited funding availability, this support is not in a position to provide assistance to stand-alone internet broadcasting services or platforms. Therefore, the scheme will continue to fund traditional radio and television projects. The nature of support to be dispensed and the application process are different as outlined in the forthcoming sections.

7. COMMUNITY RADIO

Community radio has been the largest benefactor of the scheme[11]. Of the 187 stations in existence by June 2013, over 70% of them have benefitted from the various areas of the scheme since 1998. There is no evidence to suggest that community radio has reached maturity age wherein it can survive without this support. Therefore, noting the importance of radio in advancing developmental goals relating to access to information, media diversity and promotion of local languages and cultures, community radio shall continue to receive priority for support from the scheme as follows:

7.1. Broadcasting infrastructure:

The rapid technological developments have changed broadcasting as we know it. This has implications for what is traditional known as broadcasting infrastructure. Within the context of this

[10] The Community radio Corporate Governance Indaba had noted that SAMRO fees are too high and that an intervention is required to deal with this problem, considering that community radio are not businesses. It further recommended Community radio must have a media office in Parliament just like any other media houses.

[11] See *Pygma Consulting Report (2011)*.

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support scheme, broadcasting infrastructure constitutes those components that enable a station to broadcast as included in the *Basic Broadcast Infrastructure List*[12] developed by the Minister from time to time. The list is regularly revised in accordance with new technological development.

It is proposed that this area of support covers 3 activities: Two new broadcast studios to newly-licensed stations, upgrade for existing stations and maintenance of equipment.

With the number of single facility stations diminishing, this sub-category may no longer exist in the future, particularly for the stations on the Department's support programme. Based on this, the broadcast infrastructure support will continue to provide both for newly licensed stations and upgrading for existing ones.

Although the broadcasting infrastructure was initially envisaged as a once off-contribution with the hope that the stations will on their own carry out maintenance, this has not happened. As a result, the equipment deteriorates rapidly. To prolong the life-span of the equipment and based on funding availability, an efficient maintenance plan shall be investigated for immediate implementation into the sector by Community Broadcasting Support Unit. That said, stations are still encouraged to carry-out their own maintenance plan. Both upgrading and maintenance shall be determined and guided by the Unit's regular assessment report.

It shall be the responsibility of the stations to ensure that the equipment ensured and stored in a safe public place for easy access by the community. The Community Broadcasting Support Unit shall develop mechanism to ensure compliance with these requirements on regular basis.

Although transmission related equipment such as transmitters and Studio Transmission Links (STL) were part of this support area, they have since been moved to signal distribution wherein they are included in signal distribution subsidy package offered through Sentech.

[12] The Basic Broadcast Infrastructure List contains a list of items that are funded by the Department to enable the stations to broadcast. The list is divided into 6 parts: on-air, broadcast equipment, production and editing, output equipment, Field recording kit, Public Address System and maintenance Kit. The current *Basic Broadcast Infrastructure List* was last revised in 2007 with the phase-out of analogue broadcast equipment. Currently the Department provides digital equipment. A similar list will be produced for Community TV.

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7.2. Signal distribution Subsidy and Transmission:

Signal distribution subsidy was initiated in 2002 as a mechanism to assist community radio sector with high signal distribution costs. This was important considering the complex topographies where the majority of the geographic community stations are located. Sadly, the support area has despite its importance[13]:

- had no dedicated budget, but was bankrolled from savings made on programme production funding; and;
- been implemented on a blanket approach model irrespective of the station's location.

In brief, stations were subsidized to a maximum of 200 watts transmission. This obviously disadvantaged geographically located stations who despite their rural settings, have bigger transmitters to cover their vast and wildly dispersed or scattered communities. As a result, the majority of these stations were providing their own signal. Unfortunately, the support programme did not accommodate for self-providing stations. While the domestic legislative environment permits self-provisioning by community radio sector, it has become clear that the majority of the stations:

- pursue this option due to financial constraints as they cannot afford Sentech tariffs;
- do not comply with regulatory provisions regarding self-provisioning of signal distribution, in particular the need to have a qualified engineer on-site;
- experience poor signal output, both in terms of quality and reach.

With the new tariff regime introduced by the public signal distributor, Sentech, in 2012, signal distribution has become relatively affordable. Taking into account that signal distribution is a major cost driver in every broadcasting operation, this support area will remain vital for the sector. Taking into account the new tariff structure to make it more impactful, the new support should be implemented cognizant of each station's uniqueness and location. In its implementation, priority should be given to geographically located stations in the rural areas. The support area should continue to cover transmission related equipment such as transmitters, STL to be provided by Sentech.

[13] As confirmed by Pygma Consulting Report, 63% of the total radio sector has received the subsidy, despite 15% being in debts.

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While it may be desirable to discourage community stations from providing their own signal distribution based on the reasons above, effort should, funds permitting, be made to help those stations preferring to continue on this path. Prior to doing so, consideration has to be made regarding their compliance with appropriate regulations for self-provisioning of signal distribution.

7.3. Content production:

In an effort to assist community radio stations to produce their own content utilizing materials originating from the communities, programme production was initiated. Although a lot of money was spent on this support area, it has not proven a huge success both in terms of its intention, output and impact owing to amongst other lack of capacity and expertise at station levels. Stations that deserved this kind of support more did not utilized as far better stations continued to benefit. Various implementation models have not yielded positive results either.

In view of this, three questions have to be addressed regarding this area of support. Firstly, how should it be efficiently implemented to ensure maximum impact? Secondly, how do we create a balance to ensure that stations in the rural areas benefit more given their limited know-how?

It is proposed that Content production be implemented be as follows:

(a) an application format wherein stations can apply to produce content of their choice. To ensure equitable distribution, the minister shall set the maximum amounts to be received by a station.

(b) syndicated programming. In this regard, the Community Broadcasting Support Unit shall purchase relevant programmes on behalf of stations upon obtaining approval and written guarantee that such programmes will be broadcast by the stations. Similarly, a cap shall be placed on syndicated programmes to encourage community grown content. Such programmes will be of informational and educational nature to exclude religious programmes, sport and entertainment programmes (drive shows).

(c) special dispensation which covers:

(i) the Community Broadcasting Support Unit working based on a particular theme, work with a selected list of station to produce programmes. Such programmes will be translated and be made available to the radio stations per request.

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(ii) for geographic community radio stations located in rural areas. In this regard, funds have to be ring-fenced for these stations, to include mentorship programmes so as to improve their capacity and enhance their skills in content production.

7.4. Capacity-Building

This area of support started taking shape in the last four years in attempt to address the skills-gap in the sector due to inevitable high staff-turnover at many community stations. To- date, many training initiatives have been undertaken in collaboration with relevant training institutions in the areas of production, programming and marketing, management, policy & regulations, etc. As contained in the *2007 community radio Conference Report and Report into the Support Programme* (2013) and further endorsed by the *Corporate Governance Indaba Report*, the Department should continue to provide training and capacity to the sector.

In line with the recommendation above, the Community Broadcasting Support Unit will continue to facilitate capacity-building initiatives to the radio sector on needs based, including conducting research on trends and developmental needs and industry learning models to sustain the sector.

Questions:

Drawing from international experiences outlined in figure 1 above, is the support robust enough to meet the demands of the sector in accordance with international standards?

How can it be further improved?

Are the above support areas adequate to sustain community radio into the digital future?

The Corporate Governance Indaba had recommended accommodation of SAMRO fees in the support Programme. Do you agree with such a recommendation?

What about the recommendations to have a dedicated media office in Parliament as recommended at Corporate Governance Indaba?

What are other measures can be considered?

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8. COMMUNITY TELEVISION

8.1. The Context of Community TV in South Africa

The existence of 7 Community TV licences may underline the sudden growth of the sector, still in a fledgling phase, riddled with assortment of challenges. In brief, the Community TV sector is characterized by the following:

- Lack of government support primarily due to a number of reasons including the lack of policy framework for such a support and the complex business models in operations and the uncertainty regarding the licensing framework[14].
- Being consistently shunned community TV over doubts on its financial ability to procure content,
- Although the audience base has increased to 8.5% of average adult viewing, advertising remains at 2%,
- Fluid business models[15].

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[14] On March 29 March ICASA published a gazette issuing a notice of a moratorium to consider and grant community television broadcasting frequencies and licences until the finalization of the dual illumination period. According to the Gazette, the moratorium is informed by the scarcity of the radio frequency spectrum. The moratorium shall apply with immediate effect", The Authority will publish the lifting of the moratorium by a way of a notice in the government gazette. The moratorium shall not apply to applications for testing purposes, subject to spectrum availability.

[15] Based on the engagement with stakeholders three business models are currently in operation in the community TV sector:

(a) **Private commercial community TV** model which is driven purely by commercial imperatives. Although this model seems more attractive as it does not rely on any government support, it presents the following shortcomings: firstly, it is inconsistent with the definition of a community TV as its ownership will be invested in private interests who will use to pursue commercial interest. Secondly, it can only survive in major metropolitan areas with strong advertising base. Thirdly, while the **Private commercial community TV** appears very attractive based on its public private partnership model, it is not currently provided for in policy. It, therefore survives on the basis of being legislatively/regulatory non-compliant. Should ICASA enforce the compliance, the model will collapse.

(b) **A community radio TV** model as represented by Cape TV. In addition to being based on community radio, this model operates on a smaller scale. Similar models exist in countries such as Canada. While being attractive due to its conformity to community broadcasting definition, it has its own challenges: Firstly as community radio has shown, it cannot survive without government support. Secondly, it is not attractive to investment both government and private. Thirdly, it is a purely a social enterprise that will not create economies of scale nor grow the sector.

(c) **Provincial Community TV** which has a provincial scope. The model bring the following benefits:

- encourage investment, including strategic infrastructure investment and innovation in the communication sector,
- develop and promote SMME,
- ensure that broadcasting services, viewed collectively promote the provision and development of a diverse range of sound and television broadcasting services on a national, regional and local

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In an attempt to remain afloat they have resorted to being carried by pay-operators so as to:

- derive revenue in exchange for being carried by the latter,
- overcome signal distribution costs,

The above scenario does not present a socially, institutionally (organisationally) and financial sustainable future for community TV. Notwithstanding the benefits above, this arrangement dilutes the community-commercial broadcasting tier-system in the Republic. It further limits the growth of the sector in terms of positioning and cultivating its own audience.

For a vibrant community TV sector to be build a number of things have to happen:

- Internally, this requires consistent stability to totally overcome the disruptive governance challenges which bedeviled community radio since its inception. While community radio could afford this, the same cannot be said of community TV given its capital intensive nature and the risk associated with it. Without doubt, the negative image often associated with community radio will continue to influence investor perception about community TV on to the broadcasting market for many years to come.
- Externally, this will require an aggressive marketing drive to showcase the potential of the sector to drive socio-economic development and attract audiences.

To realize the above benefits on one hand, while ensuring the sustainability of Community TV on the other, government support is critical.

As mentioned earlier, the support offered to community radio cannot be replicated to the community television sector understandably due to the fact that television is a naturally-capital intensive medium evidenced by its:

- Capital requirements,

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level that cater for all language and cultural groups and provide entertainment, education and information.

- Unlocking the potential of the local content industry,
- Decentralize content production activities in major cities, thus spurring economic activities in predominantly rural provinces,
- Provide a window for provincial development, and;

Enhance value and opportunity to exploit public sector content.

Notwithstanding the benefits outlined above, this model has its own limitations, particularly relating to governance and over-reliance on public funding.

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- Complex business model and value chain,
- Skills requirements,

The difficulty in replicating the community radio support to Community TV is further complicated by the harsh economic climate wherein public funds are overly stretched to cater for other socio-economic development needs. Therefore, support for Community TV cannot be a social enterprise in the manner that Community radio has largely been. It requires an attractive value proposition that is based on a financially sound business model that is strategically linked to and located within other government programmes relating to economic development and job creation to justify government investment as outlined in the *New Growth Path*. Furthermore, this investment should be protected and safeguarded by a strong governance model instead of the fluid one prevalent in the community radio environment.

While the three model options provide a bigger scope for implementing Community TV in South Africa, it will be risky to implement them simultaneously. In addition to the shortcomings of each model outlined above, there are logical concerns relating to mushrooming of Community TV licences which will require a lot of spectrum, massive funding required without tangible benefits to the public. Similarly with community radio, the majority of these stations will collapse thus dampening investor confidence and dilution of the value of Community TV as a platform.

As mentioned in the preceding sections, the existing models present a huge risk both for policy and government funding as they are:

- Purely commercial enterprises with no adherence to legislative and regulatory provisions including on matters relating to ownership and control,
- Not socially, institutionally and financially sustainable;
- The majority of them are more of content providers to Pay TV than broadcasting operations.

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8.2. Understanding Television Business & Its Potential to Economic Growth

TV has the potential to serve as a strategic vehicle to unlock the potential of the local content industry and spur economic growth[16] and create jobs. The Price Waterhouse Coopers (PWC)'s 2012-2016 *South African entertainment and media outlook* has predicted as follows:

- A positive growth for broadcasting in South Africa for the next five years particularly in television.
- The advertising market in the next five years is set to increase at an 8.6% compound annual rate, rising to an estimated R41.2 billion in 2016 from R27.2 billion in 2011. Total television advertising is projected to increase at a 7.8% compound annual rate to R14.6 billion in 2016.

This positive outlook provides a strong foundation to build community TV as it presents prospects for growth and sustainability. However, major investment and support is required from government to boost the entire value chain in terms of:

(a) Managing the operations,

(b) Content creation,

(c) Advertising, and;

(d) Supporting industries

8.3. Community TV to be Funded

In consideration of the above, this support scheme proposes to fund community TV projects that firmly demonstrate the following:

(a) making their programmes provincially to be transmitted and distributed by public signal distributor on free-to-air basis,

(b) developing local languages,

(c) supporting local content industry and creating economies of scale,

(d) job creation,

(e) youth development and employment,

(f) A strong governance model (ownership and control, legal status, governance structure, accountability) to safeguard public funding,

[16] This is measured against the following indicators: immediate expenditures on people, infrastructure, services and outsourcing of content.

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8.4. Scope of Support for Community TV

For community TV project fulfilling above, they will supported in the following areas. These areas are critical costs drivers for any broadcasting environment which community TV cannot afford without government support:

(a) Signal distribution subsidy,

(b) content production,

(c) Capacity Building, and;

(d) Basic Infrastructure as outlined below. :

8.4.1. Signal distribution subsidy and Transmission

Signal distribution is a major cost driver for any broadcasting business whether pursued on commercial or non-profit model. Lessons from Community radio sector have further demonstrated that without signal distribution subsidy, community broadcasting will collapse[17]. To ensure universal access and coverage of community TV the scheme shall cater for community TV signal distribution.

To ensure accessibility within the area of coverage, provincial community TV shall be made available free-to-air and it shall make its services available throughout the whole province in the languages of the province utilizing the technological means available. Efforts should be made to make these services available throughout the Republic.

8.4.2. Content Production

In any broadcasting environment, content is king. To build community television as a platform, huge investment in content offering has to be made.

The content production subsidies shall be utilized exclusively for:

(a) Commissioning and purchase of programmes,

(b) Coverage and production of events of national importance such as national elections, State of the National Address.

[17] The Department had to, in 2010, implement two bail-outs to the tune of R2.1 to over 36 community radio stations who owed Sentech.

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8.4.3. Basic Infrastructure:

While it may be desirable to offer infrastructural assistance to Community TV, it will not be possible to do so given the limited funding available. Noting the need to ensure that community TV takes off the ground successfully, the scheme provides for basic broadcasting infrastructure enabling indoor and outside broadcast. However, this support is once-off to cover capital expenditure.

Questions

Will you agree with the path taken by the Department in terms of building community TV in South Africa?

Is the designed support proposed above adequate to launch it successfully?

What other support mechanisms are required, if necessary, to make Community TV sustainable?

9. FUNDING

9.1. Source of Funding

Community Broadcasting Support programme will be funded through Parliamentary appropriation, grants and donations. To augment public funding, the Department endeavors to leverage on Bilateral Investment Treaties (BITs) to mobilize international donor funding.

As mentioned above, only two support areas, viz, broadcast infrastructure and content production are budgeted for in the entire support programme. Signal distribution subsidy and capacity building are made possible by saving from the two support areas. Taking into account the growth of the support and the inclusion of community TV, this arrangement can no longer be possible. This therefore, requires a revised budgeting process to cater for the entire support. Therefore, instead of the current allocation system, broad funding request will be made. The Minister shall do a percentage allocation to various support areas as determined by annual priorities during the Budget Vote in Parliament.

To ensure transparency, the percentage allocation will be made public annually by the Minister.

9.2. Allocation of Funds

Previously there was no ratio for funding as the support provided for only radio sector. Given the high cost differential between television and radio, it is quite appropriate that a transparent funding ratio be put in place to ensure equitable distribution of the funds. The ratio of television and radio

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funding is proposed to be 70%:30% respectively. This is motivated by the level of community radio and its financial requirements on one hand and the urgent need to develop community television on the other. Such ratio will be reviewed 5 years after the approval of this support scheme by Cabinet.

9.3. Percentage of Funding

The following matrices provide an example of percentages to be allocated:

6.2.1. **Radio**

Support Area(s)	% allocated
Broadcast Infrastructure, upgrade and maintenance	50%
Signal distribution	20%
Content production	20%
Capacity-building	10%

6.2.2. **Television**

Support Area(s)	% allocated
Broadcast Infrastructure,	50%
Signal distribution	20%
Content production	30%

9.4. Funding towards Content Development

The Support scheme proposes to further provide for interested persons/entities wishing to produce and develop content for the community broadcasting sector both radio and TV so as to create an independent production market for the sector.

Programmes promoting democracy and local languages will receive priority in the following formats: documentary, education, animation and drama.

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Funding allocated in respect of content development is provided only for content that is guaranteed to be broadcast. Applicants are contractually required to formally acknowledge this support in a format acceptable.

Questions

Do the above allocations adequately reflect the high cost differential between television and radio?

Are there additional comments for consideration?

Would you support the provision for independent production for community broadcasting market as proposed?

10. MANAGEMENT OF THE SCHEME

As shown in figure 1 earlier various approaches are used to manage community broadcasting support. South Africa seems to have taken the French model as the community broadcasting support is managed internally by the Department of Telecommunications and Postal Services. Consideration has to be made that this arrangement existed prior to the establishment of the MDDA and the expansion of USAASA mandate to accommodate community broadcasting.

The Pygma Report lamented lack of internal capacity to effectively and efficiently manage the community broadcasting support. Based on this it provided two options: option 1: increasing capacity. Option 2: transferring some of areas of support to NEMISA (Capacity building), MDDA (Programme Production), USAASA (Infrastructure). While option 2 seems attractive, lessons since 1998, have demonstrated that community broadcasting requires a single entity to manage it. Having aspects of its support scattered through the various entities many compound the existing problems. Again this is a major policy question which falls outside the scope of this draft Support Scheme. It can only be answered once the comprehensive institutional arrangements have been reviewed.

As shown in figure 1 earlier, different approaches are used internationally to manage the support. For this purpose, it is proposed that the existing arrangements continue. In other, it is proposed that the Department continues to manage the programme internally. This however, has to be accompanied by rapid capacity increase in the areas of project management, monitoring and evaluation, financing projects and assessment of proposals in the support areas. It is thus proposed that a dedicated business unit be established.

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In addition to providing support to the sector, the Unit is expected to perform the following responsibilities:

- Stakeholder interaction and engagement,
- Sector mobilization,
- Research into sector issues to inform policy

Question

Would you support the proposal above and what other consideration should be made both for the current and future arrangements?

11. ACCESSING THE SUPPORT

11.1. APPLICATIONS, ASSESSMENT AND AWARDS

The Application process (the form, information, time frame and submission)

As raised by stakeholders during the Pygma research, the process for applying for the support and the criteria for selecting the beneficiaries need to be clear. In line with this recommendation, Broadcasters will apply annually for support completing the prescribed **Application Form (Annexure A).**

11.1.1. The assessments process

Each application shall be assessed by Community Broadcasting Support Unit and/or Independent Panel appointed by the Minister where appropriate.

11.1.2. Award process

Where the Community Broadcasting Support Unit has approved an application, the following steps will apply:

(g) A written information to the applicant of the decision, setting out any conditions (if necessary) and the process forward, including future engagements

(h) The successful applicant must confirm in writing his/her acceptance of the offer for support and any conditions attached thereto

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Where an application for support has been declined, applicants are notified and feedback is provided in writing furnishing the reasons for the decision.

The applications shall be processed annually, and the successful beneficiaries will be announced by the Minister at the beginning of every financial year.

Question:

Is this process of accessing the support as outlined above clear?

Is the Applications Form (see Annexure A) simple?

Are the draft guidelines (see Annexure B) helpful to applicants?

11.2. DEFINING CRITERIA FOR ELIGIBILITY

The Pygma Consulting Report lamented the lack of clear criteria for dispensing the support. Although some...stations might have received support from the DOC , there was never any clear criteria or process to be followed. It is important that this new scheme outline these criteria so as to ensure consistency. In view of the increasing numbers of beneficiaries amid limited funding, it is important that the criteria are clear consistent with the fundamental principle natural administration of justice as espoused by Public Administration of Justice Act (PAJA).

11.2.1. Who can apply?

The Community Broadcasting Supporting Scheme is intended for traditional community radio and Television stations as defined in the Broadcasting and Electronic Communications acts. In view of limited funding, priority will be given to community stations that in addition to enhancing and promoting media access and diversity are:

(a) Rural based and/or located in the indigent communities[18] ,

(b) Geographic communities,

(c) For television stations, they need to comply with the criteria set out in paragraph 8.3. above,

(d) South Africa citizens.

[18] As defined in the Social development Act

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11.2.2. Requirements

Although the Community Broadcasting Support Unit can assist projects on the process towards the establishment of a community station (both radio and TV), material support will only be dispensed upon such a project:

(a) Having received a required broadcasting licences (service licence and spectrum licence) from the regulator,

(b) In case of content production, a proposal outlining the brief summary, production plans, budget [19]

(c) For Community TV, compliance with business model guidelines as set out in Annexure A of this scheme.

11.2.3. Assessment Criteria

It is proposed that projects be evaluated on the basis of the following criteria:

(1) General Criteria:

- How the projects advance the objectives of the Support Scheme, and in particularly, the objectives of developing community broadcasting?

(2) Innovation

- Does the project represent in innovation in the community broadcasting sector?

(3) Community Partnership

- Does the project engender partnerships with other community organizations?

(4) Ethos of community broadcasting

- Does this project preserve the ethos of community broadcasting in terms of community access, participation, empowerment, skills development?

[19] Unless if it under special dispensation category.

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11.2.4. Exclusions

Unless stated otherwise stated in the preceding paragraph, this scheme does not cover the following:

(a) Activities not related to broadcast
(b) Direct financial support,
(c) The purchase of premises,
(d) Internet broadcasting services,
(e) Special events licences,
(f) Projects not complying with licence conditions nor corporate governance,
(g) Commercial projects, including stations carried on pay-platform,
(h) Technical briefs submitted as part of any licensing process
(i) Advertising and promotion material
(j) Registrations, travel, or accommodations associated with attending conferences
(k) Expenses incurred in preparing this application
(l) Auditing fees, legal fees, or fines
(m) Recoverable taxes, tuitions, or related fees
(n) Interest fees on late payments
(o) Rental fees of the station's own studios,
(p) News & current affairs and entertainment programmes .

Questions:

Are the defining criteria for eligibility, including exclusions clear and fair?

What other assessment criteria should be considered?

12. OTHER ISSUES FOR CONSIDERATION

Members of the public are invited to submit other issues or suggestions that may have not been adequately covered in this draft Community Broadcasting Support Scheme but have a bearing on community broadcasting support and/or sustainability of the sector.

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13. POLICY EXPECTATIONS

As mentioned earlier Community broadcasting is supported both legislatively and materially because of its strategic importance to the developmental goals of the Republic.

It is therefore important that in addition to fulfilling the criteria set out in paragraph 11.2 above, that community broadcasting should, while maintaining their independence, managed in a manner that:

- encourages community participation and accountable to and promote the well-being of communities,
- accountable to safeguard scarce public resources,
- provide diverse range of programming that promotes community development,
- Regular reporting to the community Broadcasting Support Unit on the support provided.

14. VALIDITY

Owing to the ongoing ICT Policy Review this support is valid for 3 years. Thereafter, it will be renewable after every five years to accommodate new development in the sector.

15. CONCLUSION

As a general trend throughout the world, public funding is not only declining, it is overly stretched owing to other competing social needs. It is unquestionable that there is a demand for (community) broadcasting services by the communities and that without government support this demand will never be met. While Government is committed to supplying this demand, it has to do so in a way that is balanced and integrated with other development programmes to ensure efficient and effective use of scarce resources. The support to community broadcasting cannot be looked at as an isolated social enterprise when the country is facing skills shortage and high youth unemployment as incessantly in the NDP.

This draft Community Broadcasting Support Scheme reflects this balancing act. It is a call for a national conversation on how we can, as a nation, build community broadcasting in a way that is sustainable and bring benefits to our communities. The goals and challenges we have discussed, and

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the constraints of our present circumstances in supporting community broadcasting, confront all of us who share a stake in the South African broadcasting system.

Developing a robust support scheme to sustain us into the future requires an ability to take advice from many quarters, to analyse and test this, to vary where required and to disagree with proposals, where circumstances demand.Your inputs will help us in putting in place a support scheme that is robust enough to meet the demands of the sector. Every input, no matter how small, matters. It will therefore be considered.

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ANNEXURE B:

the doc

Department:
Communications
REPUBLIC OF SOUTH AFRICA

Community Broadcasting Support Scheme

APPLICATION GUIDELINES

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SECTION 1 –CBSP AND ITS OBJECTIVES

Funding must be dedicated to initiatives that will ensure that the above objectives are met for the long term sustainability of the sector.

The Community Broadcasting Support Programme (CBSP)) exists to provide support to community Broadcasting services South Africa in order to foster a well-resourced, dynamic, and accessible sector. It is a unit of the Department of Communications and it exists to assist for the development and sustainability of community broadcasting.

The *CBSP was* created by the Department of Communications to achieve the following objectives:

- sustain community broadcasting services in the republic for the rapidly converging digital broadcasting environment,
- Attract investment, including strategic infrastructure investment in community broadcasting sector,
- Strengthen the community broadcasting sector to contribute to support the local content industry so as to create jobs,
- Promote community broadcasting sector as a strategic vehicle to advance socio-economic goals relating to access to information, media diversity, empowerment and youth development,
- Improve governance and stability in the community broadcasting sector,

The support consists of prescribed and non-prescribed assistance. Prescribed assistance covers support facilitated by the CBSP Unit as in the areas of infrastructure, signal distribution, ring-fenced training and syndicated programming. Non-prescribed assistance covers areas requested and implemented by stations or independent producers. The goal of CBSP is to provide this support for community broadcasting services (both radio and TV) under the following program support areas.

1. Broadcast Infrastructure

Within the context of this support scheme, broadcasting infrastructure constitutes those components that enable a station to broadcast (both indoor and outdoor) as included in the *Basic Broadcast Infrastructure List*[1] developed by the Minister from time to time. The list is regularly

[1] The Basic Broadcast Infrastructure List contains a list of items that are funded by the Department to enable the stations to broadcast. The list is divided into 6 parts: on-air, broadcast equipment, production and editing,

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revised in accordance with new technological development. It covers broadcast studios to newly-licenced stations, upgrade for existing stations and maintenance of equipment.

2. Content Production

Programming and projects that highlight and promote local cultures and emerging content creators, including:

- Support to stations for outreach, acquisition, and archiving of local content, particularly in knowledge-building genres such as drama and documentaries.
- Assistance to produce, record and, and distribute content from local artists.

3. Signal distribution Subsidy

Planning and implementation of systems to support new program delivery technologies, including:

- Training staff and volunteers in the practical use of new communications technology.
- Research of digital distribution techniques appropriate for community broadcasting content.
- Support for station computer technology and connectivity.

4. **Capacity-Building**

Skills and knowledge central to the ability of community broadcasting stations to effectively serve their local communities, including:

- Assistance to stations in core competency areas like governance, management, programming, volunteer support, community relations, and development.
- Support for stations in communities underserved by other media, including rural
- areas.

SECTION 2 – REPORTING

1) Mid-term reports: All recipients receiving assistance will be required to submit a mid-term report, based on a format provided by the CBSP. This will include an update of activities, a summary of progress on achieving goals, explanation of any significant challenges or delays, and a financial summary. These reports will be assessed by CBSP staff.

output equipment, Field recording kit, Public Address System and maintenance Kit. The current *Basic Broadcast Infrastructure List* was last revised in 2007 with the phase-out of analogue broadcast equipment. Currently the Department provides digital equipment. A similar list will be produced for Community TV.

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2) Final reports: All recipients must submit a final report no later than 30 days following the end date indicated in the funding agreement. The final report includes:

i. A final report form

ii. A budget-versus-actual report that verifies the proper accounting of related expenses

iii. A copy of any completed resources/materials that may have been produced

Note: This reporting excludes prescribed assistance a such as basic infrastructure, signal distribution subsidy and capacity building programmes facilitated by the CBSP

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SECTION 3 – HOW TO APPLY

The following applies to both programs.

(1) ELIGIBILITY

Eligible Recipients

(1) Eligible recipients are not-for-profit stations who hold a valid broadcasting service licence issued by the regulator.

(2) Persons wishing to produce/develop broadcasting programmes for community broadcasting services (both radio and TV).

Number of Applications

- Each station/Persons may submit a maximum of one application under each program.

Please Note: Applications spanning more than one funding term will not be accepted. If submitting applications that are similar to your previously funded applications, you are encouraged to demonstrate that you are not creating a dependency on the CBSP for the future continuation of the initiative.

(2) APPLICATION DOCUMENTS

Applicants must submit all of the following documents with their applications:

A completed application form and document checklist.

(1) Founding legal document (e.g. Constitution)

(2) A copy of the first page of your most recent valid licence or tax certificate.

(3) Business Plan (Project Plan in case of content production)

(4) Letters of commitment from any of the following Authorities (Broadcaster[2], funder, municipality, Traditional authority)

(5) Audited financial statements of the last fiscal year (if you do not have audited statements, you may submit statements that have been reviewed by an accountant outside of your organization).

(6) Current operating budget of your station for the current fiscal year (ignore if it is a new project).

(7) List of Board members and staff responsible for station direction.

(8) Biographical information. You may include any or all of the following:

a. Your most recent annual report

b. Other materials of a similar nature

[2] Required for independent production.

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c. Please do not include event posters, promotional items like pins, CDs, etc.

(9) For Collaborative Applications: Collaborative applications among stations and/or other partners may be submitted to achieve a common goal. You must include a document that lists all associated partners and a brief biographical description of each one. Also include a letter of understanding from each collaborative partner that indicates their role and responsibility of each partner.

(3) ELIGIBLE AMOUNTS

Financial support or contributions will be based on the nature of the project and the assistance required, but it will not exceed **R1 million** per project in a single financial year. This threshold does not apply to prescribed assistance.

(4) ELIGIBLE AND NON-ELIGIBLE EXPENSES

The CBSP reserves the right to accept or reject any expense not compliant with the goals and objectives of the programs.

Examples of eligible expenditures related to a project or activity:

(10) Wages and honoraria

(11) Specific costs associated with interns/participants

(12) Travel expenses, if justified

(13) Studio or equipment rental, only if additional resources are required. This does ***not*** cover any existing studios or equipment purchases or maintenance.

Examples of expenses that are not eligible:

(14) Technical briefs submitted as part of any licencing process

(15) Advertising and promotion material

(16) Registrations, travel, or accommodations associated with attending conferences

(17) Expenses incurred in preparing this application

(18) Auditing fees, legal fees, or fines

(19) Recoverable taxes, tuitions, or related fees

(20) Interest fees on late payments

(21) Rental fees of the station's own studios

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Applicants will not be able to recover any percentage of contribution revenue for the purpose of administration.

Please note: If your application is approved, any expense not included in your financial agreement will not be reimbursed.

(5) ASSESSMENT

Each program has its own eligibility criteria, primarily based on types of projects, activities, and/or expenses.

Applications for funding are judged on their merit, subject to the availability of funds. Application will be assessed by CBSP Unit or an independent panel appointed by the Minister.

Applications will be assessed in the following areas:

(22) The value and relevance of the application in terms of goals and objectives of the program and the CBSP

(23) The originality and the innovative elements of the application

(24) The strength of the training/education/mentorship elements of the application

(25) How realistic the timeline is

(26) How realistic the budget is

(27) How the proposed project/initiative/internship benefits the station and those it serves

(28) The quality of the presentation

(6) PAYMENT SCHEDULE

For not facilitated by the CBSP, a first instalment of 50% of the total contribution will be paid when the CBSP receives two signed copies of the standard funding agreement If your application is successful. The remaining percentage will be paid only when the CBSP receives your final report.

(7) COMPLETING THE APPLICATION FORM

The application form has been creating using the forms function in Microsoft Word. Simply click on a field to type in your answers.

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SECTION A: APPLICANT INFORMATION/DETAILS

(1) Please indicate which program you are applying for (radio or TV) Remember, you **CANNOT** apply for both.

(2) The basic information for us to know who you are and how to contact you if we have questions about your application.

(3) These questions are designed to provide basic information about you. You will not be judged on who you are, how many staff and volunteers you have, or who you serve.

(4) Only answer these questions if you are collaborating with others with respect to administering your project and/or interns. If you would like to highlight any promotional sponsors or others, feel free to do so under the last question.

(5) A collaborative application would involve sharing workload, material and financial resources, supervising staff and/or volunteers, sharing administrative tasks, etc.

SECTION B: PROJECT DESCRIPTION

(1) The name of your project. Although please note that what you answer here is how the CBSP will refer to your project in press releases and on our website.

(2) Describe the project: There is no word/text limit here. However, you should be clear and concise. This is the opportunity to clearly communicate your project or internship to the selection committee and how it relates to CBSP priorities and the criteria of the specific program. If your answer is longer than one paragraph, then your first paragraph should be an overview. This paragraph will be the text that appears on our website and in your funding agreement.

(3) Describe what you want to achieve. For those more familiar with granting/funding terminology, you can frame your answer in outcomes as well. You should include specific outputs, deliverables, results, products, etc.

(4) We want to know your action plan. You should include important dates, deadlines for certain deliverables, training end-dates, start dates for certain aspects of programming, etc. Where applicable, you should include descriptions for activities. Under each of our programs, training and capacity building is key.

(5) Communicate to the CBSP what you are doing in this area. Be clear and concise. If the jury does not understand this aspect of your proposal, it will affect your final score. Do not assume that CBSP will understand your current human resources situation, training/educational resources you have access to, etc. Please note, you do not have to

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produce training manuals, handbooks etc. But if you are going to, it is good for the jury to know.

(6) Why are YOU doing this project and everyone that will benefit from it.

(7) How will you be able to evaluate the outcome of this project? If your application is approved, you will need to report on this in your final report. You should include both quantitative and qualitative aspects.

(8) Think about accountability as well as how reasonable your supervision plan is.

(9) This should include how volunteers will be involved in the programming, if different volunteers/staff will be providing training, supervision, etc.

C: FINANCIAL INFORMATION

(1) This is the total project cost, including all of the foreseen expenses.

(2) This is specifically the amount you are requesting from the CBSP.

(3) This could include your station, sponsors and/or partners, in kind donations, etc. If there is no difference, this can be left blank. You will not be scored on whether you are contributing costs to your project, if you have in kind contributions, etc.

(4) You must be explicitly clear which expenses will be covered by the CBSP. This is extremely important if you have other cash or in kind contributors to your project. If your application is approved, this information will be used in your funding agreement and your final report. When providing details, you may want to indicate why a particular expense is important. Do not assume that the CBSP will know why your expenses are important to your particular application. ***Important: All costs must absolutely be related to the CBSP's program priorities, the program you are applying to, and to your project.***

D: PROJECT TEAM

(1) Provide a list of key members of the people to be involved in the project, their roles and expertise.

E: OTHER INFORMATION

(1) If there is anything else you would like to say about your application, now is the time to do it.

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F: DECLARATION:

(1) If this person is someone other than a station manager or board president, please make sure that the person's name and title is included in the board resolution.

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(8) DEADLINE

The CBSP will accept applications until **JULY of every financial year.**

 By post:

 By email:

(9) SUBMITTING AN APPLICATION

You must submit all documents required for the assessment of the application. **The CBSP reserves the right to reject all applications that it deems incomplete.**

1. Send one complete paper copy to:

Community Broadcasting Support Scheme

Department of Communications

Tshedimosetso House

1035 Frances Baard & Festival Street

Hatfield

Pretoria

0001

2. **ALSO** send the Word version of your application form and as much of your supporting documentation as possible by email to:

CBSP@doc.gov.za

3. Do not fax your application.

You will receive confirmation that your application has been received.

Please do not consider that your project is approved **until the CBSP specifically notifies you to that effect.**

In the event that your application is funded:

 You will be required to review, sign, and return a funding agreement to the CBSP before your project can begin.

The CBSP plans to announce the list of recipients at the end of March every year or immediately thereafter.

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ANNEXURE A: APPLICATION FORM

the doc

Department:
Communications
REPUBLIC OF SOUTH AFRICA

CBSP Application form

Please read the application guide **BEFORE** completing this application form as it includes all the program information and helpful tips.

For further information or to ask questions about the application, please contact the CBSP **Program Manager** at 012 437 0000 or cbss@doc.gov.za

A. INFORMATION ABOUT THE APPLICANT

1. **Is this application for**
   ☐ **the Radio or** ☐ **the TV** (*please tick the relevant box*)

Complete the following details"

2. Organization Name:	
3. Physical Address:	
4. Postal Address:	Postal Code:
5. Contact Person and Title:	
6. Telephone Number:	
7. Fax Number:	
8. Email Address:	
9. Website:	
10.Tell us about your station(*Please be brief and concise*):	

11. How many (*please specify the number(s) in the box provided*):

(a) Active volunteer(s) and; ☐

(b) Staff members do you have: ☐

(i) Full time staff ☐

(ii) Part time staff ☐

(iii) Volunteer(s) ☐

(iv) Other(s) ☐

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12. Tell us about your community in one paragraph. For example, are you in an urban/rural/remote area? Are there any other community-oriented stations in your area? Is your listenership concentrated in your local area or do you serve a more regional listenership?

_____

_____

_____

_____

_____

_____

13. For collaboration or partnered applications only: (*Please complete the following information*).

Name of Collaborative Partners	
History of working together	
Nature of Partnership	
Reporting, Supervision and Outcome of your Supervision	
Role of Partner	

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ANNEXURE A: APPLICATION FORM

B: PROJECT DESCRIPTION

Name of your Project	
Describe the Project	
What are its goals or Objectives?	
What is the Timeline? Include the Start and End Date as well as important Dates throughout the Project	
Describe all Mentoring and Training, components you are incorporating	
How is this Project important to your station and your Community?	
Who will benefit from your Project and how will they benefit?	
How will you know if your project achieved its goals? How many Part-time or Full-time employees	

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ANNEXURE A: APPLICATION FORM

C. FINANCIAL INFORMATION

(*Ignore if the project request for infrastructure and signal Distribution Subsidy*)

2. Total project

_____

_____

3. Total funding requested from the CBSP:

_____

_____

_____

4. If there is a difference between question 2 and 3, how will the rest of your expenses be covered?

_____

_____

5. Please provide your total project budget.

Expenses & Details	Cost paid by CBSP	Cost paid by you/partner	Total cost (if available)
Total			

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ANNEXURE A: APPLICATION FORM

D. PROJECT TEAM

_____

_____

E. OTHER INFORMATION

6. Is there anything else you will like to say about your project

_____

_____

DECLARATION

As a legal signing authority of my station or association, I confirm that the information contained in this application and the accompanying documents is true, accurate, and complete. I acknowledge that if this application is approved, we will be required to enter into a formal, legally binding agreement with the CBSP that will outline the terms and conditions of the contribution.

I have included:

(1) Founding legal document (e.g. Constitution)
(2) A copy of the first page of your most recent valid licence or tax certificate.
(3) Business Plan (Project Plan in case of content production)
(4) Letters of commitment from any of the following Authorities (Broadcaster[1], funder, municipality, Traditional authority)
(5) Audited financial statements of the last fiscal year (if you do not have audited statements, you may submit statements that have been reviewed by an accountant outside of your organization).
(6) Current operating budget of your station for the current fiscal year (ignore if it is a new project).
(7) List of Board members and staff responsible for station direction.
(8) Biographical information. You may include any or all of the following:
    a. Your most recent annual report
    b. Other materials of a similar nature
    c. Please do not include event posters, promotional items like pins, CDs, etc.
    d. For Collaborative Applications: Collaborative applications among stations and/or other partners may be submitted to achieve a common goal. You must include a document that lists all associated partners and a brief biographical description of each one. Also include a letter of understanding from each collaborative partner that indicates their role and responsibility of each partner.

_____ _____
Signature(for print version only) Date

_____
Print Name and Title

All application will be treated as confidential and will not be published or disclosed during the process. The CBSP will publicly announce which applications have been successfully awarded funding, including a brief summary of each project and/or internship as well as their respective amounts.

[1] Required for independent production.

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