



PO Box 1560, Parklands, 2121 • Tel +2711 788 1278 • Fax +2711 788 1289

info@mma.org.za • <http://www.mediamonitoringafrika.org>

Promoting human rights and democracy through the media since 1993

MMA's Submission on the USAASA Qualifying Criteria for the Set Top Box Scheme of Ownership and Support

28 November 2014

1. ABOUT MEDIA MONITORING AFRICA

- 1.1.** MMA’s vision is a just and fair society empowered by a free, responsible and quality media. Through a human rights-based approach, MMA aims to promote the development of:
- Media that is transparent, diverse, ethical and accountable to its audiences;
 - Critical and constructive communications by the powerful; and;
 - Informed, engaged and connected citizenry
- 1.2.** MMA aims to contribute to this vision by being a premier media watchdog in Africa to promote a free, fair, ethical and critical media culture. The three key areas MMA seeks to address through a human rights-based approach are media freedom, media ethics and media quality. Established in 1993 to monitor South Africa’s first democratic elections, MMA has over 20 years experience in media monitoring and direct engagement with media, civil society organisations and citizens. MMA is the only independent organisation that analyses and engages with media according to this framework. In all of our projects, we seek to demonstrate leadership, creativity and progressive approaches to meet the changing needs of the media environment.

2. INTRODUCTION

- 2.1.** In Notice 938 published in Government Gazette No. 38134 dated 28 October 2014, the Universal Service Agency of South Africa (“USAASA”) published the proposed Qualifying Criteria for the Set Top Boxes Scheme of Ownership and Support (“the Proposed Criteria”).
- 2.2.** MMA thanks USAASA for the opportunity to make a written submission and would like to formally request the opportunity to make oral presentations at the public hearings on the Proposed Criteria should USAASA hold same.
- 2.3.** MMA has considered the Proposed Criteria, it is important that before we deal with the content of the Proposed Criteria; that we express our concerns around the timeframe given. We are of the view that 30 days is quite a short timeframe to engage citizens efficiently on the Proposed Criteria.

- 2.4. It is well known that the migration to digital broadcasting is an urgent process and South Africa is nearing the 2015 deadline set by the International Telecommunications Union (ITU). However, rushing processes, especially processes likely to impact the primarily the poor and the marginalised will not only create confusion but will leave a lot of South African Citizens in a position where they haven't been able to participate in essential democratic processes. MMA calls for a more consultative and citizen oriented strategy around the development of the criteria that will be used to offer South Africans a Set-Top-Box (STB).
- 2.5. MMA has further questions about what the Proposed Criteria; the criteria is not clear what will the subsidy will cover and how. We call on USAASA to clarify the following questions in detail: Is the proposed subsidy intended to cover:
- Only the set-top box?
 - The set-top box and antenna/satellite dish?
 - The set-top box, antenna/satellite dish and installation thereof?
 - Moreover, in what proportions has the total government-approved budget allocated towards this subsidy scheme been divided to each of these aspects of the subsidy?
- 2.6. MMA as a key member of the SOS: Support Public Broadcasting Coalition also notes that we endorse the submission made by the SOS. In addition to the submission made by SOS, MMA would also like to raise the following points:

3. UNIVERSAL ACCESS

- 3.1. Universal access is a cornerstone of every democracy; South Africans should have a right to equal universal access to communication and infrastructure. Not only is the concept of universal access one of great importance globally, but the right to access to information is set out in Section 32, Chapter Two, of the Bill of Rights in the South African Constitution. This is the main aim of USAASA, which is to identify and prioritise those in most unserved and underserved communities, and ensure that access to information is a priority for all.

- 3.2. As universal access is considered a basic human right, MMA respectfully submits that in developing the Proposed Criteria, USAASA appears to have ignored the vast majority of households that it needs to service. We assert this as the Agency has set the threshold of households that deserve the partial subsidy at R3200/month. This amount presents the real possibility of poor TV owning households being cut off when the analogue signal is switched off.
- 3.3. The failure to provide 100% subsidies, will also have a counter-productive to the entire digital migration process, it will not only result in a lot of people being unable to purchase the STBs but, will also lead to broadcasters only serving a limited market. Audiences are key to the success of digital migration
- 3.4. To further support our argument that USAASA needs to provide a 100% subsidy to poor and children-headed households, MMA believes that with the indicated treasury approved budget of 2.39 billion, USAASA is more than capable to offer close to 4 million households a 100% subsidy.
- 3.5. If USAASA were to give those 1,4 million poorest households a 100% DTT subsidy, this would only amount to R980million (R700 x 1,4m households)

4. SOUTH AFRICAN REALITIES THAT NEED TO BE CONSIDERED

- 4.1. There are 14 million households in South Africa, of which 12.8 million own a television set. The present realities that these households face are as follows¹:
- 1.4 million Households are regarded as 'poor', 64.8 of these households are black.
 - An average household income in South Africa is R29 400 per annum (R2450 p/m)
 - 74% of the households rely solely on free-to-air television
 - 92750 households are children-headed households with 10.8% of these households dwelling in shacks.

¹ Data taken from WaziMap, www.wazimap.co.za

- 4.2. MMA believes that these realities should not go unnoticed and need to be central to any subsidy scheme that USAASA develops. We also believe that all poor households and child headed households should get a 100% subsidy. We support the argument made by the SOS Coalition that with the current budget USAASA has it is more than capable of providing households with a 100% subsidy.

5. STB QUALIFYING CRITERIA CONSIDERATIONS

- 5.1. MMA is particularly concerned with how the Proposed Criteria was ‘apparently’ developed. Section 3.1 states that “a number of considerations were taken into account and some assumptions had to be made, as depending on the data acquired.”
- 5.2. The above statement is problematic for a number of reasons; firstly, the ‘considerations and the assumptions’ referred to were never referenced, making it impossible to determine the basis of the Proposed Criteria. Secondly, there is also a referral to data acquired, again, which data, who collected it and when?
- 5.3. The absence therefore of any supporting evidence or data places the entire legitimacy and eligibility of the Proposed Criteria at risk. MMA submits that the Proposed Criteria be reviewed and substantial evidence made available to support the original proposed criteria, or that new ones are developed taking into consideration the following elements:

6. STB QUALIFYING CRITERIA

- 6.1. MMA would like to reiterate that all considerations, research and data used to develop the Proposed Criteria need to be made public and accessible. Section 4.1 refers to considerations that are not clear, it also presents a sliding scale that shows who qualify for a subsidy and the percentage of the subsidy, this is said to be based on ‘considerations’ and ‘household income’. However, the scale seems to have ignored the realities of the economic state of South Africa. MMA is not in favour of the sliding scale proposed in Section 4.1. MMA proposes that the income brackets mentioned in the table all get STB’s at 100% subsidy.

6.2. MMA would like to endorse section 3.4.4 of the SOS Support Public Broadcasting Coalition’s written submission and further state that, MMA strongly believes that all citizens earning below R5000.00 must to get a STB for free. Statistics South Africa has indicated that 45.5% of South Africans are poor, with 23 million citizens living below the upper-bound poverty line². This clearly indicates that the Proposed Criteria needs to acknowledge that most ‘middle-class’ households are earning around R5000.00 and those families are burdened already not only with debt but other responsibilities.

6.2.1. Section 4.2.1.1.1, “Proof of TV ownership”, states that eligible households need to have a TV licence or a concessionary TV licence in order to receive the subsidy. This requirement implies that households that do not have a TV licence will be excluded. There is a strong assumption in South Africa that most South Africans opt not to pay their TV licence, with some households it is not a choice but it is something that they can simply not afford. By allowing only those households that have TV licences a lot of households that need the subsidy will be excluded, and denied basic access to information

6.2.2. MMA is also deeply concerned by the onerous requirements including the requirement set out in Section 4.2.1.3.2 which states that “A bank certified three months statement for persons with bank accounts. This is a compulsory requirement for all applicants”. This is a completely unrealistic requirement as it will exclude all eligible citizens that do not have bank accounts, most clearly the most marginalised in society..

6.2.3. MMA is also concerned with Section 4.2.1.3.3 which states that “Proof of Dependency on Social Grants” needs to be provided. The manner in which it is worded reads as if only those that are dependant on social grants can apply for the

² Read the full Statistics South Africa Report here: <http://beta2.statssa.gov.za/publications/Report-03-10-06/Report-03-10-06March2014.pdf>

subsidy. While clearly those members of society who are making use of these effective services should be in a position to demonstrate this it would seem an unfair criteria to suggest only those who are can apply for a subsidy.

6.2.4. We suggest that the criteria are reworded, and that Section 4.2.1.3 indicates that for proof of income, a household should produce the following:

- A payslip from the employer. For persons that do not receive a monthly salary slip, or a letter confirming employment from the employer. An affidavit from the SAPS in cases where there is no income **and/or**
- A bank certified three months statements for persons that are self employed or have alternative means of income (such as rental income) **and/or**
- Proof of dependency on social grants: Households that depend on either a child support grant, old-age grant and/or disability grant are required to provide confirmation of receiving the social grants.

7. APPLICATION FOR STB SUBSIDY

7.1. It is important that both the criteria used to determine eligibility and the application process of the subsidy are **NOT** used as a filtering tool. Again, it is critical that this entire process is readily and easily available to all the citizens that need them in South Africa. Given the difficulties in access that those who need to apply for a subsidy already experience it seems a wholly unjustifiable expectation to make the application process an additional burden. It is for this reason that the MMA is deeply concern by the current proposal that t the South African Post Office (SAPO) serves as the only channel that will be made available for Citizens in need of the Subsidy.

7.2. MMA is aware and sympathetic to the challenges faced by the SAPO, and it for this reason that SAPO will not only be unreliable but also over burdened if this entire process is left on it alone. SAPO indicated that the burden that its provision of this additional service would add to its operations would be the delivery of 5'778 STBs per day. This figure does not at all factor in the processing of applications for the subsidy scheme or the volumes of the other services

SAPO offers. Our view is that SAPO must not be set up for failure, and that other state institutions supplement the function of processing applications and facilitating delivery of the STBs.

- 7.3. MMA urges USAASA to consider opening satellite offices based at all SAPO branches, Thusong centres, municipal offices, retail stores and SASSA offices. This will not only increase efficiency but will also quicken the entire process, and facilitating instead of limiting access and uptake of the STB.
- 7.4. MMA also encourages USAASA to allow technology to lessen the burden. If USAASA can ensure it is available at the proposed places, they can easily approve all eligible applications there and then and will not have to make citizens wait and devote further precious resources having to resubmit or return for their subsidy.

8. CONCLUSION

- 8.1. MMA thanks USAASA for the opportunity to make these written representations and reiterates its desire to make oral representations at any hearings on the Proposed Criteria held by USAASA.
- 8.2. MMA further reiterates that the current proposal could be interpreted as anti-poor and one that seeks to further alienate and marginalise the most marginalises groups in our society. IF these perceptions are to be countered, it is critical that the evidence and criteria used to develop them is well presented, easily accessible, and substantially supported and argued for.. We strongly assert that all poor households, earning less than R5000 per month, in South Africa must get a STB for **FREE**

For further information please contact:

William Bird

williamb@mma.org.za and/or

Carol Mohlala

carolm@mma.org.za and/or

Thandi Smith-Berry

thandis@mma.org.za