

PARLIAMENT OF ZIMBABWE

FIRST REPORT OF THE PORTFOLIO COMMITTEE ON TRANSPORT
COMMUNICATIONS

ON

THE STATE OF THE PUBLIC MEDIA IN ZIMBABWE

Presented to Parliament on 31st MAY 2006

[S.C. 10]

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Committees' Terms of reference

PORTFOLIO COMMITTEES

Ordered in terms of Standing Order No. 153

- (1) At the commencement of every session, there shall be as many select committees to be designed according to government portfolios to examine expenditure, administration and policy of government departments and other matters falling under their jurisdictions as the House may by resolution determine and whose members shall be nominated by the Standing Rules and Orders Committee. Such nominations shall take into account the expressed interests, experience or expertise of the members and the political and gender composition of the House.
- (2) Each select committee shall be known by the portfolio determined for it by the House.

Terms of Reference of portfolio Committees

154. Subject to these Standing Orders, a portfolio committee shall—

- a. Consider and deal with all bills and statutory instruments or other matters which are referred to it by or under a resolution of the House or the Speaker;
- b. consider or deal with an appropriation or money bill or any aspect of an appropriation or money bill referred to it by these Stranding Order or by or under a resolution of this House; and
- c. monitor, investigate, enquire into and make recommendation relating to any aspect of the legislative programme, budget, rationalization, policy formulation or any other matter it may consider relevant of the government department falling within the category of affairs assigned to it, and may for that purpose consult and liaise with such department;

19 July 2005

ANNOUNCED: That the Committee consists of the following members:

Mr. L. Mugabe, Mr. L. Chikomba, Mr. G. Chimbaira, Mrs. S. Machirori, Mr. E. Mdlongwa, Mr. T. Mubhawu, Prof. J. Moyo, Mr. D. .M. Ncube, Mrs. C. Pote, Mr. E. Pomsingazi, Mr. J. Sikhala, Mr. Z. Ziyambi and Mr. M. Zwizwai.

Mr. L. Mugabe to be Chairperson

ANNOUNCED: 23 February 2006

Senators:

Senator E. Jacob, Senator F. R. E. Magadu, Senator J, Moyo, Senator R. Ndlovu and Senator S. Sai

1. EXECUTIVE SUMMARY

The Committee in its oversight role enquired into the activities of the parastatals that fall under the Ministry of Information and Publicity. The institutions that the Committee looked into included the Zimbabwe Broadcasting Holdings (ZBH) where the Committee investigated the restructuring exercise that had been undertaken to transform it from one company, Zimbabwe Broadcasting Corporation (ZBC). The Committee held interviews with management, workers committees and staff of Zimbabwe Television, National FM, and Newsnet who are housed at the Headquarters at Pockets Hill, Radio Zimbabwe in Mbare, and SPOT FM in Bulawayo. The Committee also assessed the transmission services that are provided by Transmedia Corporation and the licensing of players by the Broadcasting Authority of Zimbabwe.

The Committee also assessed the operations of media houses and looked at the following state owned newspapers, the Herald and the Chronicle. The Committee also enquired into the turn around strategies and plans for recapitalization for New Ziana.

The Committee was not impressed by what it saw at Zimbabwe Broadcasting Holdings. Zimbabwe Broadcasting Holdings was experiencing problems that emerged out of the unbundling exercise. The new organization had nine operating companies and each one was led by a Chief Executive Officer. In the new structure some of the companies like Power FM and Radio Zimbabwe successfully adapted to the new environment. Unfortunately, the bulk of the companies who include SPOT FM, National Radio, Zimbabwe Television, Newsnet and On Air Systems were failing to cope in the new set up. The new thrust was profit driven but the faltering companies were burdened by social obligations that required that they cover national events that normally resulted in losses to these companies. Some of the problems emanated from inter-parastatal debts that had accrued over the years and were not being settled and others were inherited from the Ministry of Information and Publicity as part of the restructuring exercise. Your Committee observed that ZBH had no resources; material, human and financial, to engage in a project in the form of National Television. The Committee advised ZBH to revise their plans and hence the indefinite shelving of the project.

The Committee noted that the ZBH had invested heavily in the 5 million Euro Iranian facility that made possible the digitalization of Zimbabwe Television and Newsnet. However, the facility was under utilized as news was only covered for less than one and half-hours everyday.

The Committee identified problem areas that included poor staff welfare, inadequate remuneration that was way below the poverty datum line in most instances, lack of proper worker representations both in decision-making and wage negotiations and an organogram that lacked authority demarcations. At administrative level, the structure was top heavy. The companies lacked capitalization, which resulted in poor programming, resignation of experienced staff and conversely, an influx of novices in most of the companies. The Committee noted that companies that were failing to cope should be merged and that the issue of salaries must be seriously reviewed in line with other organizations and other countries within the region.

The Committee was informed by the Zimbabwe Union of Journalists that they had problems with being regulated by an external body. Your Committee advised them to set up a body that regulates journalists and the Media and Information Commission stated that they had no problems with that arrangement.

The Committee held oral hearings and had written submissions from the Broadcasting Authority of Zimbabwe (BAZ). It also had audience with other prospective media players, in the form of Radio Dialogue - a community radio in Bulawayo who applied unsuccessfully for an operating license. The Committee learned that the current Broadcasting Services Amendment Act No. 26 of 2001 was prohibitive and made it almost impossible to license new players. The Committee was informed that BAZ had made recommendations to the Ministry of Information and Publicity that would require that amendments to be made to the Act. The Committee was informed that BAZ was looking forward to flighting the new adverts for applications for television and radio stations by June 2006.

The Committee was also informed by BAZ that the only organization licensed to provide transmission infrastructure, Transmedia, had no resources to undertake the erection of transmitters. Therefore, your Committee recommends that the operating license for Transmedia should be rescinded forthwith as it has no resources to fulfill its mandate as the national signal carrier.

The Committee was informed that Zimpapers was operating profitably but major problems had emerged at the Chronicle. The Management at the Chronicle stated that they had no power to make decisions that matter and said that they had a foreign debt that they were failing to pay off that was consuming their profit annually. Generally, the workers committees at Zimpapers alleged that they were being intimidated by the Chief Executive Officer and were being dictated to in the collective bargaining exercises and dispute settlements. Cases of sexual harassment and nepotism were highlighted in parts but evidence gathered was not substantive enough to warrant further investigation by the Committee.

The Committee was informed that New Ziana had problems with capitalization ever since they stopped being allocated funds in the fiscus in 2004. This had resulted in the organization operating on a shoestring budget and lately, they were experiencing personnel unrest. The institution was also stuck with radio transmission equipment and a station in Gweru that they had no license for and could not operate. The main problem that management highlighted was that they had no power to make decisions as most of the decisions were made at a political level and handed down for implementation. The Committee noted with concern the fact that the current management at New Ziana presented a one-page turn around strategy before the Committee. The Committee wondered why the turn around strategy was not presented before the New Ziana board subsequent to it being presented to the Committee. Your Committee concluded that the New Ziana management had shown its inefficiency and incompetence by their presentation, which showed a lack of seriousness on their part.

The Committee recommended that restructuring at ZBH should be done in terms of the old Zimbabwe Broadcasting Company structure and have top structure with four tiers headed by: A Chief Executive Officer (first tier), a Directorate (4); Human Resources, Administration and Finance, Broadcasting Services and Business Development (second tier), Heads of Departments: News and Current Affairs, Radio Services, Zimbabwe Television Services, Information Systems, Engineering and Technical Services, Corporate Services, Production Services, and Marketing and Business Services (third tier), and editorial Staff (fourth tier). Transmedia should be incorporated in the new ZBH structures as part of the Engineering department.

2. INTRODUCTION

2.1. Concerned that the National Broadcaster continues to enjoy the monopoly of Airwaves, despite the Supreme Court ruling which opened the airwaves to other players; noting also the deterioration of the quality of programming and programmes on radio and television, and taking cognizance of the Government's call for maximum utilization of resources by parastatals, the Committee resolved to adopt the previous Committee's enquiries on the activities of the Zimbabwe Broadcasting Holdings Companies to review the progress of the unbundling of Zimbabwe Broadcasting Corporation into various companies under Zimbabwe Broadcasting Holdings.

The Committee also probed the Broadcasting Authority of Zimbabwe on the issue of licensing of new television and radio service providers and the capacity of Transmedia, who are the only organization licensed to provide transmission infrastructure, as they are the sole licensed signal carrier in Zimbabwe. In addition the Committee assessed the quality of broadcasting services in the country that encompass: Provision of quality programmes, accessibility of radio and television services and revenue generation capacities.

2.2. The Committee familiarized itself with the operations of media houses by conducting guided tours of state owned newspapers: the Herald and the Chronicle. The Media and

Information Commission updated the Committee on the developments in media regulation of both internal and foreign organizations. New Ziana presented before the Committee proposals for a turn around strategy and plans for recapitalization following its removal from the national fiscal budgetary allocation in 2004.

3. OBJECTIVES

- a. To assess progress made in implementing the turn around strategies/ restructuring exercise at Zimbabwe Broadcasting Holdings.
- b. To assess progress made in implementing the turn around strategies at New Ziana.
- c. To be appraised on the process of licensing of new media players and the selection criteria of the applications for television and radio licenses by the Broadcasting Authority of Zimbabwe.
- d. To ascertain the capacity of Transmedia to provide transmitter infrastructure as the sole licensed signal carrier in Zimbabwe.
- e. To be appraised on the operations of media houses in Zimbabwe and to follow up on the activities of the Media and Information Commission.

4. METHODOLOGY

4.1. The Committee received considerable written and oral evidence from chiefly the following: -

- a) Broadcasting Authority of Zimbabwe
- b) Transmedia Corporation
- c) ZBH Technical Staff
- d) ZTV, National FM, Radio Zimbabwe and Newsnet Workers Committee and representatives
- e) ZBH Management
- f) Former ZBH employees
- g) Zimbabwe Union of Journalists
- h) Former ZBC management
- i) The Chronicle
- j) The Herald
- k) Zimpapers
- l) Members of the workers committees at Zimpapers
- m) Media and Information Commission
- n) New Ziana
- o) Officials from the Ministry of Information and Publicity

4.2. The Committee gathered evidence through conducting oral hearings, field visits, and face-to-face interviews with management, staff and members of the workers committees at the various institutions. Considerable evidence in the form of written submissions was collected.

5. FINDINGS

5.1. ZIMBABWE BROADCASTING HOLDINGS (ZBH)

5.1.1. The Committee had ample opportunity to be appraised on several occasions of developments at ZBH, at Parliament as well as at a meeting with the entire executive management when the Committee toured the ZBH premises at Pockets Hill, Mbare and Montrose.

It was pointed out to the Committee that the purpose of creating ZBH was in line with the Zimbabwe Broadcasting Commercialization Act No. 26 Of 2001, which was meant to prepare the subsidiary companies to be commercially driven, in the wake of the entrance of new players so that they could withstand the competition. The first option was to move some of the companies to other provinces without reducing them to community stations. These were SFM

and NTV in Bulawayo, Power FM in Gweru, National FM, ZTV and Newsnet remained at Pockets Hill, and Radio Zimbabwe was stationed at Mbare Studios.

5.1.2. One of the ZBH's major achievements since the completion of the unbundling exercise was the digitalization of ZTV and Newsnet; which became operational on 17 August 2005. The digitalization project was financed through a government credit facility with Iran for 5million Euros.

5.1.3. The Committee was informed that setbacks were the launch of National Television (NTV) and Power FM digitalization project. The NTV project was scrapped due to lack of capitalization in the form of equipment; as it would have used analogue equipment and there was inadequate funding to ensure quality programming, which raised questions over its production capacity. The Committee also noted that SFM, Radio Zimbabwe and National FM were not covered in the digitalization project and thus required a similar program of their own. The Power FM digitalization delayed being implemented on time as the product number for the imported software was lost and the new software had to be replaced using local suppliers at a cost of Z\$20 million.

5.1.4. The Committee also learnt that the project Africa World was a flop as ZBH and its Namibian counter part had failed to raise the required US\$2.5 million to undertake the project.

5.2. Facility Tour of ZBH Premises (Pockets Hill, Mbare and Montrose)

5.2.1. The Committee toured ZBH Premises at Pockets Hill, Mbare Studios and Montrose Studios. The Tours included a guided inspection of news studios and production studios, interviews with workers committee's representatives from national FM, ZTV, and Newsnet and lastly a meeting with the management. The Committee was shown the state-of-the-art digital Electronic News Gathering (ENG) equipment, which was already operational. It was explained that the advantage of the system was that everything was computerized and would also improve news coverage not only outside Harare, but worldwide.

5.3. Organizational-Administrative issues.

5.3.1. The Committee also conducted interviews with management, workers committee representatives, as well as journalists and reporters to ascertain the working conditions of personnel. Their concerns are hereby listed in terms of individual companies due to the diversity of problems facing each company.

5.3.2. Newsnet

There is no clear personnel policy providing for recruitment, selection and career advancement. Welfare policy has been neglected with no company willing to take responsibility for sanitation facilities, water and canteen. Sexual harassment between management and subordinates was interfering with the work process.

5.3.3. National FM and Zimbabwe Television

Workers were not being paid on time for even up to two months. There were no allowances for transport and overtime and workers were not paid money for medical aid and pension. The Committee was informed that members of the worker's committee were being victimized and were targets during restructuring. One of the ZTV workers committee members said, "We are also very brave people to be in the workers committee, at one time people did not want to be involved. We only agreed when we were told that, if there is no workers committee there will be no increments". Workers Committees had no code of conduct. The Workers Committee felt that employee welfare should be centralized with ZBH.

5.3.4. Journalists, Reporters

Journalists were experiencing problems with battery procurement. They wanted a government grant just as had been the case at Ziana. In general they pointed out that they were not adequately remunerated and what worried them was their working conditions, for example lack of equipment and transport was hindering them from doing their assignment. Specifically for Newsnet, they highlighted that since the unbundling exercise, it has been difficult to survive on advertising, as news bulletins are few. The reporters and journalists highlighted that ZTV should focus on its core business of programming and current affairs. The changing working environment has resulted in most reporters and journalists leaving the corporation, currently very few senior reporters remain who have been there for more than 10 years.

5.3.5. Management at Pockets Hill.

Management admitted that ZBH had no clear personnel policy and procedure hence the lack of clarity on authority demarcations. Mr. Zhuwarara stated that ZBH was having problems with cross subsidization, as some companies felt exploited by contributing to the sister companies that were faltering.

5.3.6. The Committee has noted that ZBH has a top-heavy structure for instance at Pockets Hill there are 9 CEO's and 25 board members, who are in charge of loss making companies.

5.4. On 3rd October 2005 the Committee was shown radio transmission facilities which needed to be upgraded for example most of the equipment was on analogue, that is; turntables, reel to reel and take machines, and needed to be digitalized in the near future. The equipment was not well maintained due to lack of spares and also there was need for an uninterrupted power supply system. The Committee was informed that if the studios were refurbished they could generate revenue through recordings of music by groups and various artistes.

5.4.1. The Committee was informed that Radio Zimbabwe has always managed to meet its salary and third party obligations. Mrs. Farai Gonzo said, "We have a subsidized canteen. We also have a flexible arrangement in that, in the event of a fuel crisis, we provide transport for our staff to and from their respective areas of residence". Radio Zimbabwe officials stated that they were in the process of changing the job evaluation system, which they had inherited from ZBC. The nature of Radio Zimbabwe made it impossible to regularly promote personnel, instead adjustments were made on the salaries.

5.4.2. The Committee was informed that Radio Zimbabwe required \$350 billion to purchase pool cars, an outside broadcasting van and installation of a security system.

5.4.3. Mr. Zhuwao stated that Radio Zimbabwe had made a profit of 41.8 billion (unaudited) for 2004. By the end of 2005 the company was looking forward to declaring profit again despite having made a loss of \$900 million in the first quarter of the year. Your Committee noted that Radio Zimbabwe was one of the better run companies under ZBH.

5.5. The Committee was informed by Dr. Zhuwarara that the National Television (NTV) project had been shelved indefinitely as it demanded resources and expertise that were currently not available at ZBH. He stated that the personnel (36) from NTV were redeployed to ZTV and some of the subsidiary companies and these were experienced staff not novices who add value to the organization, which was already stretched for experienced personnel. Dr. Zhuwarara said that the retrenchments done in 2002 had hurt the organization as most of the experienced personnel had left the organization; therefore, these transfers were in a way correcting that imbalance.

5.5.2. The Committee commended ZBH for using Zimpost officers in administering the television and radio licenses but questioned whether they would have the authority to police the whole process in light of the fact that the Zimpost officers themselves are experiencing problems within their own organization. Dr. Zhuwarara said that he was grateful the fees had

been increased and would look for an alternative organization to administer the license fees

5.5.3. The Committee questioned whether the unbundling had in essence improved transmission as areas like Mhangura, Chiredzi, and Makonde had no transmission and wondered if ZBH was aware of the impact this would have on advertisers. Dr Zhuwarara responded by saying that the problem lay with Transmedia Corporation.

5.5.4. The Committee enquired into the balance of languages on ZTV and why Programmes of social importance like the Mat Chisamba Show were not covered in Ndebele also. Dr Zhuwarara stated that the issue was being addressed

5.5.5. The Committee also enquired as to why the activities of Members of Parliament were not being covered on national television, and Dr Zhuwarara said that Newsnet had just received 10 vehicles and had no excuse for not covering Parliamentarians.

5.5.6. The Committee was informed that the 5 Euro debt to Iran was still unserviced because of the Interbank Exchange Rate and if government does not assist in this regard most of the ZBH companies will be running on analogue. Ambassador Jokonya, the Minister of Information and Publicity informed your Committee that \$9,6 billion had been earmarked for the servicing of the debt in June 2006.

5.5.7. The Committee was informed that SPOT FM is not a profit making company and therefore, should not have been allowed to be a stand-alone company. As workers they were experiencing communication problems as they were just receiving directives from the CEO at the Head office and they could not reach him.

5.5.8. The workers committee questioned the rational behind the Iranian debt being made to affect all companies when in essence the problem belonged to ZTV.

5.5.9. A cameraman who had been with ZBC and now ZBH for the past 20 years said that he had noticed a worrying trend that had developed at ZBH that experienced personnel was being forced out, and were being handed their exit packages immediately after they resigned. He said that an institution like ZBH could not function without experienced staff.

5.5.10. The Committee observed that ON- Air-Systems was no longer operational; rather it existed in name only. In consideration of evidence gathered, your Committee observed that there has been a massive exodus of skilled personnel from the company. ZBH now employed a lot of inexperienced and unqualified staff, which was reflecting badly on the organization's image and was compromising the provision of quality services both to radio and television.

5.5.11. The Committee also observed that there is a developing pattern at ZBH and at most Parastatals, that each Minister who assumes office brings his own management and board.

5.6. Funding

5.6.1. The Committee deduced from its findings that as public broadcasters, ZTV, Newsnet and National FM stations have social and political obligations to meet. The companies said that they cannot operate without government support, which ended in 1995.

5.6.2. Mr. Munzamba, Head of the National FM informed your Committee that apart from meeting its financial obligations like salaries, the station has to meet social obligations. He said however, they are managing, but the challenge is to revamp the marketing area.

5.6.3. The Committee observed that ZBH bid for \$15,551,000,000 in the budget for programme acquisition, programme rights and commissioning, national events and galas. The Committee is of the opinion that the bids were justified, especially for programme acquisition as it is evidence for ZTV programmes are not attractive for a majority of viewers, who have since opted to viewing Multi Choice programmes which are bought in foreign currency and are very expensive. It was brought to the Committee's attention that ZTV requires funding to procure a microwave link and to procure fibre optic so that live coverage of events is carried

out. Currently ZTV hires the microwave link equipment from South Africa.

5.6.4. The Committee also considered Newsnet's budget bids and noted that news business entails a lot of traveling and therefore there should be adequate funding for vehicles, equipment and salaries of crews. The company also needs an allocation to cater for international trips. Besides covering news on a daily basis, Newsnet is also mandated to cover special events like Independence Day, Workers Day, Heroes Day, Defence Forces Day, Agricultural Shows, Opening of Parliament, State of the Nation address, and budget presentation.

5.6.5. National FM also outlined their requirements totaling \$1 832 500 000.00. This was meant to settle outstanding debts and provide better remuneration to improve staff morale. National FM is crucial because it produces programmes in 16 languages.

5.6.6. The Committee observed that ZTV and Newsnet were not performing well financially. The station managers pointed out that this was because of the public broadcasting aspect. The Committee noted that low revenue generation was also due to other factors like ineffective marketing strategies and low license fees charged.

5.6.7. The introduction of local content on the part of Power FM for instance, led to a decline in the number of advertisers who preferred Radio Zimbabwe, which reaches a larger audience. Newsnet and ZTV also experienced a decline in revenue from advertising and the Committee felt this is one area that needs to be improved upon.

5.6.8. Dr Zhuwarara informed your Committee that when he assumed office in December 2003 he discovered the loopholes in license collection. He stopped Magfair Debt Collectors from collecting licenses and currently ZIMPOST has been tasked with the exercise.

5.6.9. Funds raised from the fees would be used for capital development, acquisition of rights to programmes, commissioning of programmes and bailing out distressed ZBH subsidiaries. The Committee also noted that ZBH could take maximum advantage of its resources to generate revenue for example, some of the studios could be leased to other broadcasters.

5.6.10. The Committee probed on the source of financing for the Iranian Project, which facilitated the digitalization programme. The Committee was told that government through bilateral agreements with Iran facilitated the initial loan Euro 5 million. However, the repayment terms were high as ZBH was paying back Euro 200 000 at the auction rate and not the Government rate. The loan should be repaid within a year and if any installment is missed, the Iranians would demand the principal loan back.

5.6.11. The Committee was also apprised of the strategic plan through which the ZBH intended to improve on their performances.

5.6.12. In general, the Committee observed that post ZBC companies still have a long way to go before they can be financially viable. Further, the absence of competition from other broadcasters is contributing to the poor quality of programmes and programme contents.

6. BROADCASTING AUTHORITY OF ZIMBABWE

6.1. The Committee enquired from the Ex-Chief Executive Officer of the Broadcasting Authority, Mr. Thomas Mandigora on why there had been no new players in Broadcasting Zimbabwe. Mr. Mandigora informed your Committee that currently no new players have been issued with licenses. The only licensed corporations were Transmedia and ZBH who were "deemed licensed" when the Broadcasting Services Act was promulgated.

6.2. In December 2004, the BAZ, invited applicants for the provision of fifteen national commercial free to air radio broadcasting licenses. The applicants received were for a national commercial free-to-air radio service, a national commercial free-to-air television

service and local commercial free-to-air radio broadcasting services for Harare and Bulawayo.

6.2.1. The evaluation was conducted in terms of Section 8 of the Broadcasting Services Act. Your Committee was informed that companies applied for the licenses. Of the 5 applicants, 4 were disqualified namely Matopos FM, Media Integration (Private) Limited, Voxmedia Productions (Private) Limited and radio dialogue. Only one company, MABC Television (Private) Limited was short-listed and invited to a public enquiry at the HICC on 84 June 2005

6.2.2. After the enquiry, MABC also failed to qualify due to:

- Lack of proof of adequate funding to undertake the project
- Dependence on a private placement
- Relying on an unguaranteed window through the Homelink facility.
- An outstanding debt to ZBC since 1998.

6.3. Mr. Muganyura informed the Committee that the Broadcasting Authority of Zimbabwe was unable to license any new players because they all failed to meet the requirements of the Broadcasting Services Act especially the issue of foreign funding and setting up of infrastructure. He stated in terms of the Broadcasting Services Act no company could own transmitting infrastructure, except Transmedia, which was licensed to do that. Transmedia was, however, failing in its mandate to provide that service. Mr. Muganyura also stated that Transmedia do not have the resources as the signal carrier and BAZ was thinking of introducing a second signal carrier. The Act only permitted the signal carrier and the Public broadcaster to own transmitters.

6.3.1. The Committee was informed that as it stands no new players could be licensed, as the Act was prohibitive on certain clauses and thus BAZ had made new recommendations to the Ministry of Information and Publicity for amendments to be made to the Broadcasting Services Act;

6.3.2. Mr. Muganyura stated that BAZ was not aware that New Ziana had a studio and a radio transmitter in Gweru and was waiting to be licensed by BAZ.

7. RADIO DIALOGUE

7.1. The Committee toured Radio Dialogue, a community radio in Bulawayo on the 28th February 2006.

7.2. The Committee enquired from management at Radio Dialogue to clarify the issue surrounding the Free-to-Air Commercial license that they applied for, from the Broadcasting Authority of Zimbabwe (BAZ).

7.3. Radio Dialogue stated that they knew that they were not going to get the license since the nature of their share holding is for a community radio. What the organization was hoping to achieve was to bring to BAZ's attention was the fact that they had not gazetted community-broadcasting licenses.

7.3.1. Radio Dialogue to know if it was government policy not to advertise and therefore, not give community radio licenses. The previous Minister of information and Publicity had indicated that that community radio licenses were going to be gazetted. The Committee pointed out that the Committee's main concern was to deal with the monopoly enjoyed by ZBH, which was being perpetrated by BAZ not advertising the broadcasting licenses.

7.3.2. On the question of foreign funding, Mr. Khumalo stated that it was difficult to categorize, as the equipment that they use is imported from outside and cannot be purchased by people within Zimbabwe. It was pointed out that the only shareholder that was recognized was the community.

7.4. The Committee noted that the reason for the applicants failing to get licenses was due to the inconsistencies within the Broadcasting Services Act, which were limiting the Broadcasting Authority of Zimbabwe.

8. TRANSMEDIA CORPORATION

8.1. The Committee questioned the justification of the existence of Transmedia Corporation. The Chief Executive Officer of Transmedia, Mr A Mandere, informed the Committee that Transmedia was one of the corporations formed through the unbundling exercise four years ago as a result of the Broadcasting Commercialisation Act.

8.2. The Committee learnt that Transmedia is responsible for the transmission function formerly done by ZBC for both radio and TV. Mr Mandere pointed out that most of the transmitters they inherited were obsolete as it was over 45 years old. Coupled with that the corporation is operating under stringent financial conditions.

8.3. The Committee enquired as to why Transmedia relied on government grants when it could generate income through leasing the transmitters to other broadcasters. It was pointed out that the existing legislation does not allow for such a kind of transaction. Transmedia was making money but not from ZBH who are the only licensed user. The reason for such a state of affairs was that the equipment that Transmedia was using was acquired by the former ZBC and they are invoicing but receiving no money because it was part of the agreement of the unbundling exercise.

8.3.1. In an effort to make money Transmedia recently completed the project for the Transmitter of NTV. In the past 2 years civil works were completed in Beitbridge, Mutoko, Plumtree and St Alberts.

8.4. The Committee was puzzled at the relationship between Transmedia and BAZ. ZBH is currently not using NTV into which Transmedia had heavily invested and would look forward to generating revenue. If BAZ would license players, then Transmedia would have more clients and improve its financial status.

8.5. The Committee noted that even if clients were to be available, Transmedia would require 40% of the cost for transmission plus monthly rentals, to transmitters owned by Transmedia and frequencies by ZBH. The ideal situation would be the broadcasters to own the transmitters.

8.6. The Committee observed that there are a lot of gray areas in the Broadcasting Act and regulations that need to be reviewed.

9. MEDIA AND INFORMATION COMMISSION (MIC)

9.1. Dr T. Mahoso informed your Committee that the Access to Information and Protection of Privacy Act of 2004 section 66 provides that all media houses and journalists in Zimbabwe should be registered with the Media and Information Commission (MIC).

9.2. He also stated that Section 65 prohibited foreign funding, required media houses to submit three-year financial projections, to submit their code of ethics and the shareholding structure. The Committee was informed that there were 86 registered newspapers and magazines, 1400 journalists and 1400 students in training institutions. In the registration of journalists; qualifications could be overlooked in special cases as some journalists started operating way before there was the Act.

9.3. Dr. Mahoso also stated that after the Danish experience, which resulted in mayhem in the Moslem world, the MIC had made recommendations to the Ministry of Information and Publicity that all distributors of foreign and local magazines and newspapers should register with the MIC.

9.4. The Committee was also informed the Committee that the Tribune and Associated Newspapers Zimbabwe (ANZ) had applied to the Supreme Court to hear their case and hence he could not divulge any details to do with those two organisations. He also informed the Committee that AIPPA was not a hindrance to journalists regulating themselves.

10. ZIMPAPERS

10.1. Facility tour of the Chronicle in Bulawayo

10.1.1. The Committee conducted a facility tour of the of the Herald on 3rd October 2005 and the Chronicle on 28th March 2006.

10.2. The Committee was shown the library, strong room, warehouse, printing room, and offices for circulation, advertising, newsroom and editorial staff. The Committee was informed that once printing was underway it would be difficult to control any anomalies. The printing machines count in batches of twenty-five and fifties and could print up to twenty five thousand copies a day. The Committee was informed that the Chronicle was experiencing cash flow problems, thus even the warehouse, which should normally be full, was empty, In the printing department the main problem was the prohibitive cost of paper as a two reels cost \$165 million. The cost was increasing on a monthly basis as Mutare Board and Pulp was increasing the cost on account of the forex component in the pulp.

10.3. Interviews with management at the Chronicle

10.3.1. The Committee was informed that the National Oil Company of Zimbabwe (NOCZIM) used to supply them with fuel but now it had become difficult to procure fuel thus petrol and diesel was now being purchased at the parallel market. The cost for maintaining delivery vehicles was ballooning on an almost daily basis. Conversely, the cost for purchasing a vehicle was also prohibitive as the cost of procuring just one delivery van was about two billion dollars.

10.3.3. The price for newsprint was increasing almost on a monthly basis for instance the Mutare Board and Paper Mills had indicated that 90% of the pulp that was used to make the newsprint is imported and this forex component was pushing the price upwards.

10.3.4. Management at the Chronicle indicated that they proposed to sell the newspaper in Botswana at 20% commission to the distributor but the Reserve Bank of Zimbabwe objected and instead proposed seven and half percent. The Chronicle had shelved the project ever since the Reserve Bank of Zimbabwe objected to the proposed distributor commissions. Mr. Bwititi stated that some other distributor was just reselling it in Botswana and The Chronicle was not getting anything back. There was nothing that the Chronicle could do about it, as they had no legal recourse to address the issue until such a time that they should formalize their presence.

10.3.5. The Committee was informed that the Information Technology (IT) manager was not able to make decisions and had to apply to the Head Office where either the Human Resources or the Finance Specialist, whose appreciation of IT problems was questionable, handled the problem. For instance, the issue of a dongle was taking ages and yet it was essential for the function of the organization. Management stated that Zimpapers needed a more aggressive presence on the Internet for it to respond to the negative publicity. The IT department said that they had made proposals to the Head Office for an hourly update of the Internet but the response had not been forthcoming on the matter. Zimpapers had no links to a foreign website. The bandwidth that they were using for advertisement was designed to cater only for two companies and cannot sustain the expansion that had taken place as it took up to 8 hours to down load an advert.

10.3.6. The Committee was informed that some foreign papers were getting free newsprint and thus could sell at cheaper prices creating unfair competition on the market.

10.3.7. Management felt that the General Manager was not adequately empowered to make decisions that matter as even small decisions had to be referred to Head Office. He was there just to pass reports on to the headquarters and be instructed on what to do. Management also felt that the Chief Executive Officer, Mr. J. Mutasa was wielding too much power and there was no latitude to make decisions.

10.3.8. Management stated that the Chronicle was using the ATE Information technology system that was installed by a British company and they had incurred a debt that they were failing to pay. This debt was literally wiping away all the profits that the organization was making as foreign currency fluctuations were causing the debt to increase; even though the debt had been written off, it still had to be paid.

10.3.9. Management complained about the state of the cars that they were using, as they were not commensurate with the positions that they occupied in the organization. Moreover, the organization had abandoned the notching, housing and car loan schemes with no apparent reason being given. They had no cell phone allowance and they could not understand the new method for awarding long service. Their position in comparison to those at the Head Office was by far less attractive. The organization was also refusing to act as guarantor for their loans even when they had benefited from a scheme like Hlalani Kuhle.

10.3.10. Management also complained that they had no authority to purchase anything above \$50 million dollars and wanted that to be increased to at least \$500 million.

10.4. Interviews with Workers Committee

10.4.1. The Committee was informed that Chronicle staff was experiencing accommodation problems and the organization was refusing to act as guarantor for beneficiaries of the Garikai/ Hlalani Kuhle program.

10.4.2. The Committee stated that the salary scales were not uniform in the Zimpapers group. He stated that Zimpapers had joined the National Employment Councils (NEC) in 2005 and the journalists were not covered. The problem was that during salary negotiations the Chief Executive Officer, who was being accused of lacking tolerance for other people's views and opinions, was dictating the terms of agreement to the Workers Committees. Currently, the Chronicle staff was not getting bonuses and yet the political situation was affecting profitability.

10.5. Interviews with Workers Committees at the Herald

10.5.1. The Committee was informed that there was no workers committee in place as the previous committee had abandoned its duties due to threats from the management. Management was accused of not consulting the workers committee during collective bargaining of salaries. In essence management was victimising the workers committees.

10.5.2. The Committee was informed that Information Technology, marketing and the accounts departments were receiving preferential treatment at the expense of journalists.

10.5.3. Management was accused of corruption, physical and sexual abuse of female workers and that management was not following the laid down procedure when they dealt with such issues. The Committee also learned that Zimpapers management was misappropriating company resources by either buying them below their market value or personalising its function, for example cars, fuel coupons or overseas trips.

10.6. Interviews with Management- Zimpapers

10.6.1. Mr. Mutasa stated that the issue of the Workers Committees plight had to do with corporate governance. In the past they used to have it their own way and that in essence had brought the company to its knees to the extent that the Zimpapers had sold most of the buildings and had resorted to leasing most of the buildings it used to own. The Workers Committees were not following grievance procedures which state that they had ninety days to

report their case to the Minister of Information and Publicity in cases of disputes with management. Mr. Mutasa said that sometimes the actions of the Chief Executive were construed as heavy handed but it was necessary as Zimpapers was a huge organization. Thus the organization had instituted a code of conduct in order to instil discipline.

10.6.3. Mr. Mutasa stated that the workers committees were heavily involved in the negotiation forum. The salary negotiations were open to the extent that Zimpapers was rated third in the whole Printing and Packaging Industry. They had developed a culture whereby each individual and each department had specific revenue targets.

10.6.4. In response to your Committees' enquiry as to why the journalists were absent from the NEC, Mr. Simemeza said that the journalists know that they do not form the majority staff in terms of the Labour Union agreements and therefore they will always have to follow the wishes of printing and packaging that are in the majority. To them there is no gain in forming a representative body, as they cannot negotiate with management.

10.6.5. However, the journalists were covered in the new collective bargaining agreement of 6th January 2006. Mr. Mutasa pointed out that the Chairman and the General Secretary of each company was present at the negotiations of the new collective bargaining agreements. The main problem was that of communication. The Committee was furnished with a copy of the new collective bargaining agreement.

10.6.6. Mr. Mutasa pointed out that the problem with the National Employment Council agreements was that they only recognised Zimpapers and not the individual companies within the group. Thus, Zimpapers was paying uniform salaries to all the companies even though the Herald was the Chief contributor and even the Herald could not effect the salary increases that they wanted, they were tied by the agreement.

10.6.7. Mr. Simemeza stated that Zimpapers had cell phone allowances up to grade seven and education allowances up to the shop flow level. On the issue of housing Mr. J. Mutasa stated that they had made proposals to the Ministry of Information and Publicity so that Zimpapers could take full advantage of the Garikai/ Hlalani Kulhe program to provide housing for its members of staff.

10.6.8. The Committee was informed that buildings in Bulawayo and Harare that belonged to Zimpapers had been sold prior to 2002, but under the management of Mr. J. Mutasa the buildings had been repurchased by the organization. He noted that in Mutare there was a problem of office space as some of the tenants had manipulated the lease agreements, thereby depriving the company of office space. However, the Zimpapers had identified the tenants and was in a process of reclaiming the offices back.

10.6.9. Mr. Mutasa noted that the Bulawayo branch had been performing badly and because of poor leadership they failed to take advantage of the Presidential supplement from which the Herald made \$4,5 billion and Manica post \$1,5 billion. To address this problem Zimpapers had reintroduced me post of group advertising and marketing manager. Now there would be quarterly reviews in line with performance targets set for 2006. He promised that Zimpapers would crack the whip on under performing managers.

10.6.10. He also stated that the Chronicle had been duplicating stories published by the Herald and in the end their products looked similar, which was undesirable. The Chronicle was a brand in itself. It was not sustainable to keep reproducing the Chronicle in Harare. The question was whether they had exhausted the Matebeleland market and could they sustain the national market; that could only be answered in the quarterly reviews.

10.7. Interviews with Management - The Herald and Sunday Mail

10.7.1. Mr. Deketeke noted that the Herald as a corporate brand was threatening the existence of the Chronicle in Bulawayo. He said there were instances when the vendors would hide the Herald and only sell the Chronicle. The problem is that like most newspapers the Chief Executive Officer of Zimpapers was commercial and all the Editors were

experienced and had been given the leeway to produce brands that are marketable. The Chief Executive Officer only came at the bottom line, that is, the profit. The Bulawayo branch was over employed and had been addressing the issue by reducing the number of pages, which used to work in the past but was not working now.

10.7.2. Management stated that the Herald and the Sunday Mail had been exporting their products to Mozambique, Botswana, Namibia and now there are plans to explore the United Kingdom. The trend is to follow where there are Zimbabwean citizens and that would become a market on its own. However, there were problems with the Reserve Bank of Zimbabwe on the issue of the acquittals of CD ONE forms, which Zimpapers was trying to sort out with their Namibian counterparts, which could only be resolved by either of the two increasing their investment.

10.7.3. The Management of Harare branch could not give information that suggests nepotism either by top management or specifically Mr. J. Mutasa.

10.7.4. On the issue of the alleged sexual harassment involving Mr. Caesar Zwayi and Thelma, Mr. Deketeke informed the Committee that they had advised Thelma that she should report the case to the police and thus the law enforcement agents handled the case. Administratively, Mr. Zwayi was given a written final warning but it was not published in the press that is why it created waves, as most people wanted him to be publicly humiliated for their own personal reasons.

10.7.5. Management stated that the limitations to buying power were universal in the organization. The only way to deal with it was to increase the limit.

10.7.6. Mr. Deketeke stated that the transport for journalists had deteriorated because most of the cars that the department had been using were old Japanese models that were in need of replacement.

10.7.7. Management said that they had no problem with the actual Access to Information and Protection of Privacy Act but the problem stems from the way it was being interpreted by the police. He noted that at times they were being arrested for some frivolous issues. He said that one could not hide behind the law when they had lied therefore the law is correct, but there are instances when a genuine mistake would be made by the journalist and the only way to remedy that was to write another story correcting the first report or giving an update.

10.7.8. Management stated that it was not professional to write stories without cross checking. But with regards the matter of Media and Information Commission (MIC) controlling foreign distributors of newspapers and magazines, he said that it was a matter of public policy, which should be referred to the public. He noted that at times people overestimated the importance of a newspaper. There might be no need for over regulation.

10.7.9. On the issue of newspapers that flood the Zimbabwean market a day or two before the elections, Mr. Deketeke said that there should be a regulation that prohibits the coverage of elections at least forty-eight hours prior to the elections. Mr. Chikoto added that in other countries like the United Kingdom and the United States of America they have compliance laws that foreign distributors of magazines and newspapers must abide with before they could operate.

11. NEW ZIANA

11.1. Mr. Matanyaire informed the Committee that New Ziana was formed in 2002 to take over from Ziana that existed under the banner of the Zimbabwe Mass Media Trust as a subsidiary company. It was a multi-media institution that had invested in newspapers, an electronic department and a news agency. New Ziana had been mandated to gather, process and disseminate information to local, regional and international consumers from a Zimbabwe and Pan African perspective.

11.2. The current management of New Ziana had been informed that the issue of the licensing of the radio station would be taken care of at cabinet level by the Ministry of Information and Publicity.

11.3. Mr. Matanyaire admitted that New Ziana was financially troubled and had been experiencing personnel problems of late, which had resulted in some members of staff losing their jobs. He identified the problem as one of lack of capitalisation as New Ziana was no longer being given an allocation in the national fiscus.

11.4. The Committee deliberated on the options for capitalization open to New Ziana, which included; Injection of equity, fresh equity being invested by the present shareholder, injection of equity by a new shareholder, quasie equity in the form off preferential shares, debt finance and sale and lease back, which involves leasing their infrastructure to a third party for a period of time.

11.5. The Committee noted with concern the fact that the current management at New Ziana presented a one-page turn around strategy before the Committee. The Committee wondered why the turn around strategy was not presented before the New Ziana board subsequent to it being presented to the Committee. The Committee concluded that the New Ziana management had shown its inefficiency and incompetence by their presentation, which showed a lack of seriousness on their part,

11.5.1. The Committee also noted with concern the nature of the board, which had four instead of eight board members and wanted to gain insight on why the board was collapsing.

12. COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

12.1. The Committee recommended that restructuring at ZBH should be done in terms of the old Zimbabwe Broadcasting Company structure and have top structure with four tears headed by: A Chief Executive Officer (first tear), a Directorate (4); Human Resources, Administration and Finance, Broadcasting Services and Business Development (second tear), Heads of Departments: News and Current Affairs, Radio Services, Zimbabwe Television Services, Information Systems, Engineering and Technical Services, Corporate Services, Production Services, and Marketing and Business Services (third tear), and editorial Staff (fourth tear). Transmedia should be incorporated in the new ZBH structures as part of the Engineering department.

12.2. The Committee recommends that BAZ should focus on issuing out licences in 2006 especially the Community radios in every district. BAZ needs new monitoring Transmitters, as the current ones are obsolete. BAZ must come up with a strategy to combat the pirate stations, which are deliberately over spilling into Zimbabwe. The government allocation for BAZ should gradually be reduced, as it will become self-sustaining when more broadcasters are licensed.

12.3. The Committee was concerned by the poor transmission in remote parts of the country. This has resulted in some people not being able to access local radio and television services. Funding is needed to increase the number of transmission cites to 24 from the current 21 that are currently operational.

12.4. The Committee recommends that Zimpapers should help the Chronicle in their proposed bid to sell the newspaper in Botswana at 20% commission to the distributor. The Reserve Bank of Zimbabwe had previously objected and instead proposed seven and half percent. It is the Committee's opinion that the issue could be solved in the same manner that Zimpapers had dealt with their Namibian counterparts.

12.5. The Committee observed that there were newspapers that flood the Zimbabwean market a day or two before the elections. The Committee recommends that there should be a regulation that prohibits the coverage of elections at least forty-eight hours prior to the elections just as in the United Kingdom and the United States of America they have

compliance laws

12.5. On the matter of the Media and Information Commission (MIC) controlling foreign distributors of newspapers and magazines, your Committee noted that this was a matter of public policy, which should be referred to the public.

12.6. The Committee also recognises the role played by the policing agencies like the Broadcasting Authority of Zimbabwe and the Media and Information Commission. It is the Committee's observation that Zimbabwe should consolidate on the progress made by these authorities by empowering them to fully utilise the resources available to them and if possible to change legislation that militates against carrying out their mandate.

13. CONCLUSION

13.1. The Committee takes cognisance of the role the various parastatals that fall under the Ministry of Information and Publicity play in the management and distribution of information within Zimbabwe.

13.2. The Committee identified the following problems that are universal in the media industry; poor organizational structures that are not in line with the government thrust to make the parastatals self-sustaining entities. These organizations are fraught with administrative short comings, for instance; unclear authority demarcations, low remuneration of personnel resulting in the resignation of most of the qualified personnel, lack of capitalization - either in the short term or long term and in some cases organizations had foreign debts that are increasing year after year due to inflation.

13.3. The Committee recommends that the government should either streamline these organizations by reducing them into a leaner structure with a few Strategic Business Units or to seriously consider recapitalization or to consider other sources of investment.