



94.7 HIGHVELD STEREO ANNUAL COMPLIANCE REPORT

MARCH 2018

2016/17 ANNUAL COMPLIANCE REPORT

PRIMEDIA (Pty) Ltd BROADCASTING AS 94.7 HIGHVELD STEREO

LICENCE PERIOD: 17 December 2008 – 16 December 2018

1. PREFACE

The Independent Communications Authority of South Africa (the Authority) has a statutory mandate in terms of the Constitution¹, the ICASA Act², the Electronic Communications Act³ (ECA) and the Broadcasting Act⁴ to regulate broadcasting activities in South Africa in the public interest. One of the main tasks of the Authority, is to ensure compliance by broadcasters with the terms and conditions of their licence, and any relevant legislation and regulations.

The following report is intended to give account of 94.7 Highveld Stereo's compliance with the terms and conditions as set out in its licence for the 2016/2017 financial year. Aspects of compliance that are measured comprise of Geographic Coverage, Broadcasting Languages, Format, General Programming Obligations, Training and Skills Development, Community-Related Obligations, South African Music Regulations, Regulations Regarding Standard Terms and Conditions, Universal Service and Access Fund (USAF) Regulations and General Licence Fee Regulations.

2. BACKGROUND

In December 2008, the Authority issued Primedia ("the Licensee") with an Individual Commercial Sound Broadcasting Service licence⁵ and a Radio Frequency Spectrum licence⁶ in terms of the ECA. The Licensee broadcasts as 94.7 Highveld Stereo and provides a service in the Gauteng province. The radio station broadcasts from the studios situated at 5 Gwen Lane, Sandown, Sandton. The signal distribution service is conducted by Sentech (Pty) Ltd.

¹ The Constitution of the Republic of South Africa, No 108 of 1996

² Act No. 13 of 2000, as amended.

³ Act No. 36 of 2005.

⁴ Act No. 4 of 1999.

⁵ 94.7 Highveld Stereo Broadcasting Service Licence

⁶ 94.7 Highveld Stereo Frequency Spectrum Licence

3. COMPLIANCE ASSESSMENT

3.1 Control Structure

3.1.1. Ownership and Control

Clause 1 of 94.7 Highveld Stereo's licence provides that:

"The licence is issued to:

1.1 Name of Company/Entity: Primedia (Pty) Ltd

1.2 Shareholders: Mineworkers Investment Company – 46.61%

Kirsh Consortium – 23.8%

Brait Entities – 18.84%

Management Stake – 5%

Titan Share Dealers – 2.86%

Sabvest (together with BPESAM 1 Ltd

BPESAM II Ltd) – 0.99%

KV and GR Direct – 1.9%

1.3 Ownership held by persons from historically disadvantaged groups: 46.61%"

During the period under review, there were no changes reported by the Licensee to its name, shareholding and HDG structure.

The Licensee was found to be in compliance with clause 1 of its licence.

3.2 Name of Station

Clause 1 of the schedule to 94.7 Highveld Stereo's licence provides that:

"Name of Station: 94.7 Highveld Stereo".

There were no changes reported by the Licensee to its name during the period under review.

The Licensee was found to be in compliance with clause 1 of the schedule to its licence.

3.3 Geographic Coverage Area

Clause 2 of the schedule to 94.7 Highveld Stereo's licence provides the geographic coverage area to be as follows:

"Southern Gauteng, as defined in the coverage map attached to the Licensee's radio frequency spectrum licence".

The Authority did not receive reports suggesting the Licensee broadcasts outside the defined coverage area.

The Licensee was found to be in compliance with clause 2 of the schedule to its licence.

3.4 Broadcast Language (s)

Clause 3 of the schedule to 94.7 Highveld Stereo's licence provides that the language of broadcast shall be:

"Principal Language: English".

94.7 Highveld Stereo broadcasts its programmes in English as its primary language.

The Licensee was found to be in compliance with clause 3 of the schedule to its licence.

3.5 Format

Clause 4 of the schedule to 94.7 Highveld Stereo's licence provides that:

"The Licensee shall have a programming mix of talk and music in an adult contemporary format, providing a mix of music and information (including coverage of community affairs)".

The Authority's monitoring exercise found that the Licensee broadcasts a programming mix of talk and music in an adult contemporary format which includes coverage of community affairs.

The Licensee was found to be in compliance with clause 4 of the schedule to its licence.

3.6 Local Content Obligations

Clause 5 of the schedule to 94.7 Highveld Stereo's licence provides that:

"The Licensee shall promote at least eight (8) local music concerts per annum and allocate airtime for the broadcasting thereof".

For the year under review, the Licensee reported to have promoted 18 (eighteen) local music events through the allocation of airtime to various music events through on-air crossings, live broadcasts from music events venues as well as through outside broadcasts. The Licensee submitted a list of local music concerts and featured local artists⁷.

The Licensee was found to be in compliance with clause 5 of the schedule to its licence.

3.7 General Programming Obligations

Clause 6.1 of the schedule to 94.7 Highveld Stereo's licence provides that:

"The Licensee shall broadcast a minimum of thirty (30) minutes of news per day between 05h00 and 23h00 during weekdays".

The Licensee reported that it broadcasts fourteen (14) news bulletins per day between 05h00 and 23h00 during weekdays, and that each news bulletin is three and half (3½) minutes in duration for a total of forty nine (49) minutes of per day.

The monitoring exercise revealed that 94.7 Highveld Stereo broadcasts news daily at the top of every hour during the performance period. The following were among the news items identified during the period under review:

- *"Winnie Madikizela-Mandela says Ahmed Khathrada's death brings finality to the chapter of the history and contribution of their struggle for liberation. She was*

⁷ List of local music events

among several dignitaries who paid tribute to 87 year old Kathrada during a briefing at the Nelson Mandela Foundation today;"

- *"Gauteng Police Commissioner, Lieutenant-General Deliwe de Lange, has committed to doing everything within the authority's power to find the suspects linked to the murder of a police officer in Soweto on Monday night. The police's Mathapelo Peters says the police officer spotted a suspect-looking vehicle while conducting routine patrols in the Kliptown area when the suspects shot the one officer";*
- *"The British Prime Minister has formally signed the letter for the UK to leave the European Union. The document will be handed down to the EU bosses tomorrow afternoon and trigger the two year exit process"; and*
- *"Telkom is on Monday set to terminate all data services to the National Traffic Information System (eNatis). It emerged last week that the telecommunications company was threatening to cut its service unless Tasima made a payment of R8 million. Tasima provides the eNatis system used at traffic offices nationwide".*

The Licensee was found to be in compliance with clause 6.1 of the schedule to its licence.

Clause 6.2 of the schedule to 94.7 Highveld Stereo's licence provides that:

"The source(s) of all news material (other than news sourced from the Licensee) shall be disclosed during the news broadcast".

The monitoring exercise revealed that most of 94.7 Highveld Stereo's news are sourced from Eyewitness News, a subsidiary of Primedia (Pty) Ltd. It was confirmed that the Licensee discloses sources of news whenever it reports news obtained from other sources other than itself such as Reuters, Cable News Network (CNN) and British Broadcasting Corporation (BBC).

The Licensee was found to be in compliance with clause 6.2 of the schedule to its licence.

3.8 Training and Skills Development Obligations

Clause 7 of the schedule to 94.7 Highveld Stereo's licence provides that:

"The Licensee shall over its licence period, allocate R350 000 (three hundred and fifty thousand Rand) per annum to training and development, particularly of staff from historically disadvantaged groups".

For the period under review, the Licensee reported to have delivered a number of different training interventions at a cost of five hundred and eighty nine thousand three hundred and twenty five rand twenty cents (R589 325.20) to forty nine (49) staff members. Of the total training spend, five hundred and seventy four thousand three hundred and eighty rand seventy six cents (R574 380.76) which constitute ninety seven point five percent (97.5%) of the amount was spent on forty six (46) staff from historically disadvantaged groups, constituting ninety four percent (94%) of all staff trained.

The Licensee submitted a list of staff members and information on the training⁸ each received. The training information includes training date, course, training provider, race of staff member, gender of staff member and the course cost.

The Licensee was found to be in compliance with clause 7 of the schedule to its licence.

3.9 Community - related Obligations

Clause 8.1 of the schedule to 94.7 Highveld Stereo's licence provides that provides that:

"The Licensee shall:

8.1.1 raise at least R250 000.00 (two hundred and fifty thousand Rand) in cash and goods annually".

The Licensee reported to have raised cash and/or contributed goods totaling two million nine hundred and twenty seven thousand rand (R2 927 000.00) through initiatives such as the 947 Xmas Wish and Random Acts of Kindness, for the period under review. The cash raised and goods contributed went into supporting various community organisations. The Licensee provided a list of donors and beneficiaries⁹, in its report.

⁸ List of Staff training

⁹ List of Beneficiaries of cash and goods

The Licensee was found to be in compliance with clause 8.1.1 of the schedule to its licence.

8.1.2 provide airtime worth R250 000 (two hundred and fifty thousand Rand) annually, towards supporting community organisations such as those benefiting:

- a) people infected or affected by HIV & AIDS;*
- b) the terminally ill and/or the elderly;*
- c) schools;*
- d) women;*
- e) children;*
- f) animal welfare; and or*
- g) natural/environmental disasters such as fires and floods”.*

The Licensee reported that, for the period under review, it conducted interviews with various organisations amounting to an airtime value of one million seven hundred and forty seven thousand seven hundred and sixty seven rand (R1, 747 767.00). The organisations supported include those benefitting education, children, health, women and the elderly. The Licensee submitted a list of organisations¹⁰ which benefitted from the allocated airtime.

The Licensee was found to be in compliance with clause 8.1.2 of the schedule to its licence.

Clause 8.2 of the schedule to 94.7 Highveld Stereo’s licence provides that:

"The Licensee shall train staff from community sound broadcasting services in its geographic coverage area in the areas of: programme presenting and production, news, sales, marketing and sound engineering through mentoring and on-the-job training that is, having such staff "shadow" 94.7 Highveld Stereo presenters, producers, news reporters, sales representatives, marketing staff and sound engineers while at work".

During the period under review, the Licensee reported that in October 2016, they together with Talk Radio 702 hosted a workshop with IFM 102.2 which was attended by the station’s Station Manager, Programmes Manager, Marketing Manager, Marketing Representatives and Presenters. The workshop topics included programming and news.

¹⁰ List of Organisations allocated airtime

In November 2016, the Licensee together with Talk Radio 702 also hosted Voice of Wits (VoW) and Unisa Radio during a workshop which focused around topics related to programming, production, news and broadcast engineering.

The Licensee submitted attendance registers¹¹ as proof of the workshops.

The Licensee was found to be in compliance with clause 8.2 of the schedule to its licence.

Clause 9 of the schedule to 94.7 Highveld Stereo's licence provides that:

"Directors of the Licensee shall retain control and responsibility for the running of the station notwithstanding the provisions of any management consultancy services engaged by the Licensee".

94.7 Highveld Stereo reports that it is part of Primedia Broadcasting which owns 4 (four) radio stations and that its senior management has a responsibility over all 4 (four) radio stations. The Licensee submits that its Board of Directors comprises of 9 (nine) directors, 3 (three) of whom make up the Executive Committee which together with the Management Committee operates across all four radio stations, and a Senior Management team for 2 (two) stations in each city, except for Programme Managers who are station specific.

The Licensee was found to be in compliance with clause 9 of the schedule to its licence.

4. REGULATIONS

4.1 Complaints

The Licensee is required, in terms of the Compliance Procedure Manual Regulations, to submit a Form 12A which reports on all complaints received during the period under review. 94.7 Highveld Stereo submitted a complaints report in Form 12A as required by the regulations. For the period under review, the Licensee reported to have received twenty eight (28) complaints, one (1) for an inappropriate joke, five (5) for material harmful to children, one (1) for hate speech, four (4) for explicit language, two (2) for

¹¹ Attendance register for training sessions

blasphemy, three (3) for misrepresentation/false reporting, three (3) for bias news, one (1) for racism, two (2) for unlawful conduct, and six (6) for bias comments.

The Licensee reported to have resolved all complaints within 5 (five) days to the satisfaction of the complainants.

The Licensee was found to be in compliance with Compliance Procedure Manual Regulations.

4.2 SA Music Content

Regulation 3.2 of the Regulations on South African Music Content¹², as published on 31 January 2006, stipulates that:

"Every holder of a commercial sound broadcasting licence to which these regulations apply must ensure that a minimum of 25% of the musical works broadcast in the performance period consist of South African music and that such South African music is spread reasonably evenly throughout the said period".

During the year under review, the monitoring exercise revealed that 94.7 Highveld Stereo played approximately thirty five percent (35%) of South African Music during the performance period. The South African artists featured included among others, Goldfish, Jimmy Nevis, Locnville and Beatenberg amongst others.

The Licensee was found to be in compliance with its South African Music Content Regulation.

4.3 Standard Terms and Conditions

During the year under review, the Authority did not identify instances of non-compliance by the Licensee with the Regulations regarding Standard Terms and Conditions for Individual Licences¹³.

The Licensee was found to be in compliance with the above Regulations.

¹² SA Music Content Regulations

¹³ Regulations Regarding Standard Terms and Conditions for Individual Licences

4.4 Regulations in respect of the Prescribed Annual Contributions of Licensees to the Universal Service and Access Fund

Regulation 3 (1) of the Regulations in respect of Prescribed Annual Contributions of Licensees to the Universal Service and Access Fund (USAF)¹⁴, as published in the *Government Gazette, No. 31499* of April 2009, stipulates that:

"Every holder of a Licence granted in terms of Chapter 3,4 and/or 9 or converted in terms of Chapter 15 of the Act, must pay an annual contribution of 0.2% of the annual turnover, derived from the licensee's licence activity, to the Fund (the Fund)".

Further, Regulation 3 (3) stipulates that:

"A broadcasting service licensee who has paid an annual contribution to the Media Development and Diversity Agency (MDDA) must set off that contribution against its prescribed annual contribution to the Fund"

94.7 Highveld Stereo's financial year ends on 30 June and they paid their contribution to the Universal Service and Access Fund on 16 August 2017 and submitted proof of payment¹⁵ thereof.

The Licensee was found to be in compliance with the USAF Regulations

4.5 General Licence Fees Regulations

Regulation 3 (1) of the General Licence Fees Regulations¹⁶ provides that:

"The annual Licence fees prescribed in these regulations and as set out in schedule 2 apply to holders of individual and class ECS Licences, individual and class ECNS Licences and individual commercial BS Licences".

Schedule 2 of the Annual Licences Fees regulations provides for Licensees to pay an annual licence fee in accordance with their licensed revenue and to be calculated using the set formula, read with the applicable percentages.

¹⁴ USAF Regulations

¹⁵ Proof of USAF Contribution

¹⁶ General Licence Fees Regulations

Regulation 7(a), 7(b) and 7(c) of Schedule 3 provides that Annual Licence Fees:

- a) Are due annually based on the licensee financial year;
- b) Are due and payable within 6 months from the end of the licensee's financial year;
- c) May only be paid by way of an electronic transfer or via direct deposit into the Authority's bank account".

94.7 Highveld Stereo's financial year ends on 30 June and they paid their licence fees on 28 September 2017 and submitted proof of payment¹⁷ thereof.

The Licensee was found to be in compliance with the above Regulations.

5. CONCLUSION

The Licensee has sufficiently complied with relevant regulations and its licence terms and conditions during year under review.

6. TERMS OF REFERENCE

Appendix A: 94.7 Highveld Stereo's broadcasting service licence

Appendix B: 94.7 Highveld Stereo's frequency spectrum licence

Appendix C: List of local music events supported

Appendix D: List of staff training

Appendix E: List of beneficiaries for cash and good

Appendix F: List of organisations allocated airtime

Appendix G: Attendance register for training sessions conducted

Appendix H: SA Music Content Regulations

Appendix I: Regulations Regarding Standard Terms and Conditions for Individual
Licences

Appendix J: Universal Service and Access Fund Regulations

Appendix K: Proof of USAF Contribution

Appendix L: General Licence Fees Regulations

Appendix M: Proof of Licence Fees Payment

¹⁷ Proof Licence Fees Payment