



# **ALGOA FM ANNUAL COMPLIANCE REPORT**

**MARCH 2018**

## **2016/2017 ANNUAL COMPLIANCE REPORT**

### **UMOYA COMMUNICATIONS (PTY) LTD BROADCASTING AS ALGOA FM**

**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 Constitution<sup>1</sup>, the ICASA Act<sup>2</sup>, the Electronic Communications Act<sup>3</sup> (ECA) and the Broadcasting Act<sup>4</sup> 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.

This report provides an overview of Algoa FM's compliance with the terms and conditions as set out in its license for the 2016/2017 financial year. Aspects of compliance that will be measured in this report will be the following: Geographic Coverage, Community Participation, and Information, Local Content Obligations, Language(s), South African Music Regulations, Regulations Regarding Standard Terms and Conditions, Universal Service and Access Fund (USAF) and General Licence Fee Regulations.

#### **2. BACKGROUND**

Umoya Communications (Pty) Ltd was granted an Individual Broadcasting Service Licence and a Frequency Spectrum Licence on 17 December 2008 broadcasting as Algoa FM. The Licensee provides a service in the Greater Eastern Cape Area, Knysna, George and Mossel Bay including the Nelson Mandela Bay and the Buffalo City metropolitan.

#### **3. COMPLIANCE ASSESSMENT**

##### **3.1 Geographic Coverage Area**

Clause 2 of the schedule of the licence provides that the Licensee's geographic coverage area is:

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<sup>1</sup> The Constitution of the Republic of South Africa, No 108 of 1996

<sup>2</sup> Act No. 13 of 2000, as amended

<sup>3</sup> Act No. 36 of 2005

<sup>4</sup> Act No. 4 of 1999

*"The Greater Port Elizabeth, East London, Border environs, Knysna, George and Mossel Bay as defined in the coverage map attached to the Licensee's radio frequency spectrum licence".*

The frequency spectrum licence held by Algoa FM prescribes that the Licensee must reach and broadcast to the following areas: Aliwaal North, Andrieskraal, Bedford, Cradock, East London, George, Graaf-Reinet, Grahamstown, Hankey, Kareedouw, King Williams Town, Knysna, Noupoot, Parsons Hill, Patensie, Paul Sauer Dam, Plettenberg Bay, Port Elizabeth, Queenstown and Suurberg<sup>5</sup>.

The Licensee reaches and broadcasts to all areas that form part of its coverage area. Further, the Authority received no reports indicating the Licensee's failure to comply with this clause of the licence.

**Algoa FM complied with clause 2 of the schedule to its licence.**

### **3.2 Broadcast Language**

Clause 3 of the schedule of the licence provides that language of broadcast shall be:

*"Principal Language: English".*

Algoa FM uses English as a primary language of broadcast, with IsiXhosa also identified as secondary language of broadcast on a very small scale.

**Algoa FM complied with clause 3 of the schedule to its licence.**

### **3.3 Format**

Clause 4.1 of the schedule of the licence provides that:

*"The Licensee shall have a programming format of talk and music in an adult contemporary format, providing a mix of music and information".*

The monitoring exercise carried out on the Licensee's programming profile found that the Algoa FM's programming format is indeed a mix of music and talk in an adult contemporary format. The Licensee's music play list is dominated by the latest musical classics while the talk content is aimed at a young adult audience.

**Algoa FM was found to be in compliance with clause 4.1 of the schedule to its licence.**

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<sup>5</sup> Appendix A: Algoa FM Broadcasting Service and Frequency Spectrum Licences

Clause 4.2 of the schedule of the licence provides that:

*"Music shall constitute eighty percent (80%) of the average 24 hour day."*

The Authority's monitoring exercise found that Algoa FM is more of a music radio station than talk as prescribed in the licence condition.

**Algoa FM was found to be in compliance with clause 4.2 of the schedule to its licence.**

### **3.4 Local Content Obligations**

Clause 5 of the schedule of the licence stipulates as follows:

*"The Licensee shall promote Eastern Cape Artists and musicians by broadcasting their music and conducting live interviews".*

Algoa FM reports to have promoted the following Eastern Cape Artists during the year in review: Ross Learmoth, Melinkozi Solwandle, Shaun Jacobs, Nombasa Maqoko amongst others.

In their submission to the Authority Algoa FM gave a list<sup>6</sup> of South African artists whose music they had promoted on air. The Authority's online search on the background of the listed artists found that the above mentioned musicians could possibly be of Eastern Cape origin.

The Authority has always applauded the Licensee's on air feature, the Friday Music Club, which seeks to invite Eastern Cape based artists to submit their music demos and avail themselves for an air interviews.

**Algoa FM was found to be in compliance with clause 5 of the schedule to its licence.**

### **3.5 General Programming Obligations**

Clause 6.1 of the schedule of the licence provides that:

*"The Licensee shall broadcast a minimum of 30 minutes of news per day from Monday to Friday, and a minimum of 20 minutes of news per day on Saturday and Sunday between 05h00 and 23h00."*

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<sup>6</sup> Appendix B : Algoa FM's Form 3 Supplementary Reporting

According to the Licensee's submissions, Algoa FM broadcasts thirteen (13) full news bulletins between 06h00 and 18h00.

The monitoring exercise confirmed that the Licensee broadcasts news bulletins and each bulletin lasts for at least four (4) minutes. In essence, Algoa FM was found to carry at least fifty two (52) minutes of news per day between Monday and Friday.

Further, the monitoring exercise revealed that the Licensee carries at least five (5) full news bulletins on each day of the weekend. The average duration for each news report was calculated to be at least four (4) minutes long. The Authority's findings in this regard were that the Licensee broadcasts at least 20 minutes of news per day between Saturday and Sunday.

**Algoa FM was found to be in compliance with clause 6.1 of the schedule to its licence.**

Clause 6.2 of the schedule of the licence provides that:

*"Should the Licensee source news material from a source other than itself, the source(s) thereof shall be disclosed during the news broadcast".*

The monitoring exercise confirmed that the Licensee discloses the sources of its news content. The Authority further confirmed that Algoa FM's primary news sources are the following:

1. I-Net Bridge; and
2. The South African Police Services.

**Algoa FM was found to be in compliance with clause 6.2 of the schedule to its licence.**

Clause 6.3 of the schedule of the licence provides that:

*"The Licensee shall ensure that regional content of forty percent (40%) is included in news and current affairs programming".*

In the period under review, the Authority found that content that came from the region was at an average of 62%.

Algoa FM's news reports mostly carry content that speaks to the Eastern Cape Region and to South African as a nation. International news were found during monitoring but were on a very small scale.



**The Licensee was found to be in compliance with clause 6.3 of the schedule to its licence.**

### **3.6 Training and Skills Development Obligations**

Clause 7.1 of the schedule of the licence provides that:

*"The Licensee shall ensure that it actively recruits and increases women and Black people in its staff complement at all levels".*

Algoa FM reports to have added nine (9) new employees to its staff complement during the year ending March 2017. All new recruits are Black people and women constitute at least 78% of the group<sup>7</sup>.

**The Licensee was found to be in compliance with clause 7.1 of the schedule to its licence.**

Clause 7.2 of the schedule of the licence provides that:

*"The Licensee shall dedicate R250 000 per annum to human resources training and development with particular emphasis on staff from historically disadvantaged groups".*

During the financial year ending on 31 March 2017, Algoa FM reports to have spent at least R372 480.47 on training of staff. According to the Licensee's report, 86% of the reported amount – which is approximately R320 333.20 – was spent on training of staff from historically disadvantaged groups.

**The Licensee was found to be in compliance with clause 7.2 of the schedule to its licence.**

### **3.7 Community Related Obligations**

Clause 8.1 of the schedule of the licence provides that:

*"The Licensee shall raise at least R2 000 000 (two million rand) for registered charities over the licence period".*

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<sup>7</sup> Name of New Recruit

The Authority's reporting in the previous years highlighted how the Licensee has already exceeded this obligation. To date, Algoa FM has raised more than the required amount for registered charities in the current licence period (which expires December 2018).

In the year under review, Algoa FM reports to have raised a total of R 2 900 000,00. This amount was raised through the Licensee's charity campaigns in conjunction with the following charity projects:

- Ironman;
- Algoa Cares Charity Golf days;
- The Spar Ladies Race;
- The KICK In Their Shoes Project;
- The Toy Run; and
- The Spring Dip and the Algoa FM / Boardwalk Big Walk for Cancer.

**The Licensee was found to be in compliance with clause 8.1 of the schedule to its licence.**

Clause 8.2 of the schedule of the licence provides that:

*"The Licensee shall, at least bi-annually, hold a listener's forum comprising at least 10 people with no affiliations to the Licensee, to ensure that the broadcasting needs of the Licensee's target audience are being met. The listeners' forums shall be held in Port Elizabeth and East London".*

Algoa FM reports to have hosted their strategic listener interventions in Port Elizabeth and in East London. Algoa FM submitted a list<sup>8</sup> of the listeners that took part in the interventions and a report of the proceedings compiled by a research company.

**Algoa FM has was found to be in compliance with clause 8.1 of the schedule to its licence.**

### **3.8 Transmitter Split**

Clause 9 of the schedule of the licence provides that:

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<sup>8</sup> Appendix C: List of participants in the Listeners Forum for PE and EL

*"The Licensee is authorised to operate a transmitter split service known as "The Border Drive" which may not broadcast for more than four (4) hours in any 24 hour period".*

During the year under review, the monitoring exercise confirmed that the Licensee's transmitter split is scheduled between 15h00 and 19h00 and is known as the Border Drive. This programme is broadcast from the Licensee's studios which are in East London's Hemingways Mall.

### **Algoa FM complied with clause 9 of the schedule to its licence.**

### **3.9 Ownership and Control**

Clause 10.1 of the schedule of the licence provides that:

*"The Licensee shall ensure that control of the station rests with people from the Eastern Cape and that at least fifty percent (50%) of its board of directors are based in the Eastern Cape".*

According to the Authority's records, Algoa FM has 9 individuals serving in its Board of Directors. At least 67% - totalling 6 – of those serving the directorship of Algoa FM reside in the Eastern Cape.

Below is a list of individuals who served as Board Members at Umoya Communications<sup>9</sup> during the year under review.

<b>Names of Directors</b>	<b>Residence</b>	<b>Race</b>	<b>Gender</b>
1. Mr Z Nkosi	Outside EC	Black	Male
2. Mr A da Costa	EC	Coloured	Male
3. Ms Z Tshefu	EC	Black	Female
4. Mr M Jack	EC	Black	Male
5. Mrs M Mynhardt	Outside EC	White	Female
6. Mr D Tiltmann	EC	White	Male
7. Mr K Reed	EC	White	Male
8. Mr A Jay	EC	White	Male
9. Ms N. Gubb	Outside EC	White	Female

<sup>9</sup> Board Members at Umoya Communications



The Authority received no notifications from the Licensee indicating any changes to the information here above.

**The Licensee was found to be in compliance with clause 10.1 of the schedule to its licence.**

Clause 10.2 of the schedule of the licence provides that:

*"The Licensee shall ensure that at least thirty percent (30%) of its management staff comprise of women and Black people".*

In the year that is currently under review, Algoa FM reports to have had four (4) – women and Black people – out of eleven (11) employees serving in the management echelon within the Licensee. Therefore, 36% of the radio station's management staff comprises of women and Black people.

**The Licensee has complied with clause 10.2 of the schedule to its licence.**

Clause 10.3 of the schedule of the licence provides that:

*"The Licensee shall identify black and female employees with management potential and ensure that they receive additional training to equip them for future management position at the station".*

Algoa FM has always ensured continued attempts in training black and female employees. In the year that this report seeks to review, Algoa FM gave training to employees whom they have identified as having "*management potential*<sup>10</sup>":

The trained employees are mostly black and female.

**The Licensee was found to be compliant with clause 10.3 of the licence.**

## **4. REGULATIONS**

### **4.1 Code on Persons with Disabilities**

Clause 3.1 (a) of the Code for People with Disability of 2007 stipulates that:

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<sup>10</sup>List of management potential employees

*"Broadcasting service Licensees must ensure that their services are made available and accessible to persons with disability."*

Algoa FM's premises and their service was found to cater and is accessible to persons with disabilities.

**The Licensee was found to be in compliance with the above mentioned regulation.**

#### **4.2 Standard Terms and Conditions**

The Authority is satisfied that during the period under review the Licensee did not contravene the regulation in respect of the Standard Terms and Conditions Regulations for Individual Licences.<sup>11</sup>

#### **4.3 South African Music Content Regulations**

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

*"Every holder of a commercial sound broadcasting licence to which these regulations apply must ensure that after eighteen months of the gazetting of these regulations, a minimum of 25% of the musical works broadcast in the performance period consist of South African music and that such music is spread reasonably evenly throughout the said period"*<sup>12</sup>.

Algoa FM plays approximately 40% South African music. The following artists are local artists that were identified to be enjoying air-play on Algoa FM's programme schedule: Amanda Black, Danny K, Zonke Dikana, Johnny Clegg, Musa, Vusi Nova, Nathi, Brenda Fassie, Jabu Khanyile, Mafikizolo, Mahlathini and the Mahotella and many others.

**The Licensee was found to be in compliance with the South African Music Content Regulations.**

#### **4.4 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) , as published in the *Government Gazette, No. 31499* of April 2009, stipulates that:

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<sup>11</sup> Appendix H: Regulations regarding Standard Terms and Conditions for Individual Licensees

<sup>12</sup> Appendix I: South African Music Content Regulations

*"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"*

Umoya Communications paid its contribution to the Universal Service and Access fund as prescribed by the Regulations Regarding the Universal Service and Access Fund for Individual Licensees on 31 July 2017.

**The Licensee was found to be in compliance with Universal Service and Access Fund Regulations.**

#### **4.5 General Licence Fees Regulations**

Regulation 3 (1) of the General Licence Fees Regulations published in the *Government Gazette No. 32084* on 01 April 2009 states as follows:

*"Individual Commercial Broadcasting Service Licensees to pay an annual licence fee of 1.5% of gross profit to the Authority".*

*Schedule 3 (4) (b) and (c) states that:*

- "(b) In respect of payment, such are due and payable within 6 months from the end of the licensee's financial year; and*
- (c) May only be paid by way of an electronic transfer or via direct deposit into the Authority's bank account."<sup>13</sup>*

The Authority's records show that the Licensee paid its General Licence Fee dues in accordance with the above regulation on 31 July 2017 which is within six months the financial year end of March.

**The Licensee was found to be in compliance with the General Licence Fee Regulations.**

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<sup>13</sup> Appendix J: General Licence Fee Regulations

## **5. CONCLUSION**

Algoa FM was found to have complied with its License terms and conditions and applicable Regulations in the year that is currently under review.

## **6. TERMS OF REFERENCE**

**Appendix A:** Algoa FM Broadcasting Service and Frequency Spectrum Licences;

**Appendix B:** Algoa FM's Form 3 Supplementary Reporting;

**Appendix C:** List of participants in the Listeners Forum for PE and EL;

**Appendix D:** Name of New Recruit;

**Appendix E:** Board Members at Umoya Communications;

**Appendix F:** List of management potential employees;

**Appendix G:** Regulations regarding Standard Terms and Conditions for Individual Licensees;

**Appendix H:** South African Music Content Regulations;

**Appendix I:** Universal Service and Access Fund Regulations; and

**Appendix J:** General Licence Fee Regulations.