



RISE FM ANNUAL COMPLIANCE REPORT

MARCH 2018

2016/2017 ANNUAL COMPLIANCE REPORT

RISE BROADCAST (PTY) LTD BROADCASTING AS RISE FM 94.3

Licence Period: 01 November 2007 to 31 October 2017

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. Among the responsibilities of the Authority is the task to ensure compliance by broadcasting service Licensees with the terms and conditions of their licence and any relevant legislation and/or Regulations.

The report is intended to give a detailed account of Rise FM's performance for the period 2016/2017. Aspects of compliance that are measured comprise of Ownership and Control, Geographic Coverage, Language, Format, Local Content Obligations, General Programming Obligations, Training and Skills Development Obligations, Code on People with Disabilities, Complaints, South African Music Content Regulations and Regulations on Standard Terms and Conditions for Individual Licences.

2. BACKGROUND

Rise FM was awarded a regional Individual Sound Broadcasting Service licence on 01 November 2007 to broadcast in the Mpumalanga Province. The radio station has an adult contemporary talk and music format which is supplemented by a mixture of urban and contemporary pop music targeting adults within LSM 5 to 10. According to the Broadcast Research Council of South Africa (BRC), the listenership figures for the last quarter of the period under review was 37 000⁵.

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 <http://www.brcsa.org.za/brc-ram-radio-listening-jul-16-dec-16-oct-16-mar-17/>

3. COMPLIANCE ASSESSMENT

3.1 Licensee Details

Clause 1 of the service licence stipulates that:

"The licence is issued to:

- a. Name of Company/Entity: Rise Broadcast (Pty) Ltd*
- b. Shareholders: Tiso Blackstar Group (Pty) Ltd = 100%*
- c. Ownership held by persons from historically disadvantaged groups:*

Times Media Group = 46.22%

There were no changes reported by the Licensee regarding the name and shareholding of Rise FM during the period under review

The Licensee complies with clause 1 of its licence.

3.2 Geographic Coverage

Clause 2 of the schedule to the licence provides that:

"Mpumalanga Province as defined in the coverage map attached to the Licensee's radio frequency spectrum licence".

Rise FM has a footprint in the Mpumalanga Province and confirms that this has not changed.

The Licensee complies with clause 2 of the schedule to its licence.

3.3 Broadcast Language/s

Clause 3 of the schedule to the licence stipulates that Rise FM's languages of broadcast are:

"Principal Language: English. However, the Licensee shall strive to avoid alienating some language groups and thereby contribute to unifying a culturally diverse province".

The Licensee submits that it broadcasts primarily in English but also caters for listeners who are not familiar with English and alternate between languages that suit most of its

callers and interview guests. The monitoring exercise confirmed that the principal language of broadcast is English with alternates of isiZulu and English.

The Licensee complies with clause 3 of the schedule to its licence.

3.4 Format

Clause 4.1 of the schedule to the licence provides that:

"The Licensee shall have a programming format of talk and music in an adult contemporary format, which will be supplemented with a mixture of urban and contemporary pop music targeting adults within the LSM 5 to 10".

The Licensee submits that it maintains its adult contemporary format with a mixture of talk and music, both local and international, to cater for its primarily Mpumalanga audience. Furthermore, the Licensee states that a lot of care is taken to groom the Rise FM brand on and off air. The unique urban sound of the Licensee is testament to the rising middle class demographic of the Mpumalanga Province.

The monitoring exercise confirmed the adult contemporary format of the Licensee's programming line-up. For example, the *Rise FM Breakfast with Dj Sbu* and *Rise FM Daytime with Given Take*. Rise FM's line-up is reported to consist of 100% black presenters with 90% of them coming from the Mpumalanga Province. This local investment demonstrates Rise FM's commitment to developing talent and growing its own identity in a highly competitive commercial radio environment.

The Licensee complies with clause 4.1 of the schedule to its licence.

3.5 Local Content Obligations

Clause 5 of the schedule to the licence provides that:

5.1 *"The Licensee shall source and promote music from artists and/or musicians within the province", and*

5.2 *The Licensee must promote and develop South African music talent by airing music events, regular interviews with musicians and promoting new musicians from the Mpumalanga Province".*

The Licensee submits that it supports local music in different ways including playlisting Mpumalanga artists such as *Karabo, Bongie and Musa* and promoting new songs by artists such as *K.O and Maggs*. Some of the artists featured on the Rise FM playlist are *Andy Boi; Stogie T; France Deep; Leanne Dlamini; Polo B; Four Way Loved; Tuks; Mizz Cosmo; Zano; Berita* and many more.

Rise FM further reports that it promotes local talent on-air, exceeding the 25% local music quota monthly. The following are some examples of the live performances and festivals supported by the radio station during the period under review:

- Secunda Spring Festival;
- Mzansi @ 22 Freedom Day Festival;
- Mbombela Beach Festival;
- NYE Mbombela;
- Skhosi Lifestyle Glen Livet Launch with HHP;
- Music Garden Events; and
- Summer Unlocked.

On the issue of music rights, the Licensee submits that it regularly supports the South African Music Rights Organization (SAMRO) workshops in the province, wherein during March 2017 Kedi Mkhabela, the mid-morning presenter, chaired a SAMRO event aimed at educating Mpumalanga musicians on marketing their music and getting airplay.

Based on the above, the Licensee complies with clauses 5.1 and 5.2 of the schedule to its licence.

3.6 General Programming Obligations

Clause 6.1 of the schedule to the licence provides that:

"The Licensee shall broadcast Current Affairs between 06h00 and 19h00 during weekdays"

The monitoring exercise confirmed that the Licensee broadcasts a current affairs program called *Rise FM in 60 minutes* on weekdays between 18:00 and 19:00. The show deals with various topical issues ranging from media; mining; politics and labour.

Clause 6.2 of the schedule to the licence provides that:

"At least 20% of Current Affairs programming must be generated from the coverage area".

The current affairs program ensures that it discusses topics occurring in the coverage area. For example, in one of the shows they discussed the torching of two high schools in Bushbuckridge. The Department of Education in Mpumalanga was invited to discuss this matter which was also related to service delivery protests. This demonstrates the Licensee's commitment to covering issues from the coverage area in its current affairs show.

The Licensee complies with clauses 6.1 and 6.2 of the schedule to its licence.

Clause 6.3 of the schedule to the licence provides that:

"The Licensee must broadcast:

- a) forty-four (44) minutes of news (in the form of hourly bulletins between 06h00 and 18h00) each day,*
- b) as well as ten (10) minutes of sports news each day from Monday to Friday and*
- c) twelve (12) minutes of news on weekends.*
- d) The duration of each bulletin will not exceed three (3) minutes."*

The monitoring exercise confirmed that the Licensee broadcasts at least 44 minutes of news each day, with sports bulletins and traffic reports. The duration of news bulletins is approximately three (3) minutes during the performance period

The following is an example of news items broadcast by the radio station during the period under review:

- "The transport department will be held financial liable for the 350% salary hike that disgraced Passenger Rail Agency of South Africa acting-group CEO Collins Letsoalo secured himself. Sowetan Live reports that the Agency board chairman Popo Molefe said they would write to the department demanding that the money paid to Letsoalo over and above the 1.3 million rand salary which he should have received be returned to PRASA immediately. Letsoala's contract was terminated with immediate effect on Monday. He had claimed that the Prasa board had approved his R5.9-million salary — the salary of a permanently employed Prasa CEO";*
- "Brian Molefe has a mansion in Pretoria that cost him 10 million rand when he was still chief executive of Eskom, which boasts its own cigar lounge and gym. TimesLive reports that the price tag was 41% less than the R17m the property was originally advertised for – and approximately R4m less than an offer made on the house by a prospective buyer, according to an estate agent with*

knowledge of the transaction. The seller was his friend and former Public Investment Corporation (PIC) colleague, Tshepo Mahloele and the deal was made in January last year. Molefe was sworn-in ANC MP last week amid widespread speculation that he is to be appointed as a member of President Jacob Zuma's cabinet. Meanwhile the Council for the Advancement of the South African Constitution says it wants proof that proper procedure was followed when the former ESKOM CEO was appointed to parliament. CASAC says it wants to see the ANC letter that nominated Molefe. Spokesperson Lawson Naidoo says they are yet to see the letter. He says he was told the letter was not for public consumption and also suspects that it was neither written or came from an irrelevant party authority"; and

- *"The Progressive Professional Forum led by Mzwanele Manyi has reportedly received R840 000 in sponsorships from Eskom and Transnet, this was revealed by Public Enterprises Minister Lynn Brown in a written reply to questions from the DA. Brown says that the PPF received R440 000 from Eskom and R400 000 from Transnet. The money was given to the Forum for seats and tables at events it hosted".*

The Licensee complies with clause 6.3 of the schedule to its licence

Clause 6.4 of the schedule to the licence provides that:

"The Licensee must broadcast 40% of news that has been generated from the coverage area"

The following is an example of news generated from the Licensee's coverage area:

- *"Six people have died in a plane crash in Zimbabwe. The light aircraft went down in the Vumba Mountains in the east of the country. All the victims are Mozambican nationals. The cause of the tragedy is unclear at this stage";*
- *"The Mpumalanga Provincial Commissioner, Lieutenant General Mondli Zuma, is pleased with the arrest of five suspects following a recent spate of violent protests which erupted at Marite near Bushbuckridge. During these protests, a number of shops owned by foreign nationals were damaged and looted. The suspects were arrested today in Madras at Marite near Hazyview. All of them were found in possession of items suspected to have been stolen from the shops. The suspects appeared in the Mkhuhlu Magistrate's Court yesterday. They were all granted R4 000 bail each and their cases were postponed to 20 April 2017".*

The Licensee complies with clause 6.4 of the schedule to its licence

Clause 6.5 of the licence provides that:

"The Licensee shall make use of SAPA for national and international news. The Licensee will also use its own news team and stringers as well as African Eye News service to source local news"

The Licensee submits that it no longer uses SAPA and African Eye News as these companies are out of business. The Licensee states that it uses Times Media Group's digital newswire service and supplements these with information from News24.

The monitoring exercise found that the Licensee uses news sources such as TimesLive and SowetanLive in some of its bulletins, and makes references to those sources when used. These sources come from the Times Media Group stable and therefore fall under the same group as the Licensee. The Licensee should therefore consider requesting an amendment of this clause as SAPA and African Eye News no longer exist.

The Licensee partially comply with clause 6.5 of the schedule to its licence.

Clause 6.6 of the licence provides that:

"News will be broadcast in English only"

News is broadcast in English only and therefore the Licensee has, for the period under review, **complied with clause 6.6 of schedule to its Licence.**

Clause 6.7 of Rise FM's schedule to the 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 Authority's monitoring exercise found sourced material referenced in news bulletins.

The Licensee complied with clause 6.7 of the schedule to its licence.

3.7 Management, Training and Skills Development

Clause 7.1 requires the Licensee *'to ensure that 50% of the people employed in its senior management are black, of whom 30% will be black women within a five (5) year period. Furthermore, the Licensee must ensure that it employs historically disadvantaged individuals from Mpumalanga.'*

Name	Position	Race	Gender
VACANT	Station Manager		
Tony Murrell	Programming Manager	White	Male
Zingisa Chirwa	News Editor	African	Female
Arnold Sibuyi	Technical Manager	African	Male
Hugh Prior	Marketing Manager	White	Male
Lisel Davies	Operations Manager	White	Female
Nadarajan Thaver	Financial Director	Indian	Male

The Licensee does not comply with clause 7.1 of the schedule to its licence.

Clause 7.2 of the licence provides that:

"The Licensee has entered into a management consultancy agreement with AME, in terms of which AME will operate and manage the radio station for the first period of the licence. The consultancy agreement entails the provision of services such as finances, technical, sales, marketing, programming, production, news and human resources. AME is also required to transfer skills and conduct training and development projects to equip the local residents who will eventually attend to the running of the station.

The Licensee submits that AME and Mbombela Consortium sold their shares in Rise FM in April 2016 and with the sale of the AME stake, clause 8.2 is no longer applicable as there is no shareholding by AME in the company.

The Licensee lodged a notification in respect of the changes to its ownership. At the time of writing this report, the Authority had not finalised the notification in this regard.

Rise FM complied with clause 7.2 of its licence in respect of filling for a notification on changes to its licence.

Clause 7.3 of the licence provides that:

"AME will, in consultation with Rise FM's board, nominate the managing and financial directors of Rise FM, who will be trained to assume and discharge their responsibilities."

The Licensee submits that AME and Mbombela Consortium sold their shares in Rise FM in April 2016 and with the sale of the AME stake, Clause 8.2 is no longer applicable as there is no shareholding by AME in the company.

The Licensee lodged a notification in respect of the changes to its ownership. At the time of writing this report, the Authority had not finalised the notification in this regard.

Rise FM complied with clause 7.2 of its licence in respect of filling for a notification on changes to its licence.

3.8 Ownership and Control Obligations

Clause 8.1 of the licence provides that:

"The Licensee must ensure that it has majority black shareholding and remains black-controlled."

The Licensee applied for a notification on the changes to its ownership. At the time of writing this report, the Authority had not finalised the application for the changes to its licence. However, in its submission, the Licensee indicates that it has a 46.22% HDI.

It cannot be concluded if Rise FM complied with clause 7.2 of its licence as the licensing procedure is still underway regarding the Licensee's HDI status.

Clause 8.2 of the licence provides that:

"No shareholder of AME will have more than a 20% stake in Rise FM"

The Licensee submits that AME and Mbombela Consortium sold their shares in Rise FM in April 2016 and with the sale of the AME stake, Clause 8.2 is no longer applicable as there is no shareholding by AME in the company.

The Licensee lodged a notification in respect of the changes to its ownership. At the time of writing this report, the Authority had not finalised the notification in this regard.

Rise FM complied with clause 7.2 of its licence in respect of filling for a notification on changes to its licence.

Clause 8.3 of the licence provides that:

"The Licensee must ensure equitable representation of women on its board and management structures. "

Rise FM has a 10% representation of women on its board and only 20% female retrospectivity on its senior management.

The Licensee does not comply with clause 8.3 of its licence.

Clause 8.4 of the licence provides that:

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

The Licensee lodged a notification in respect of the changes to its ownership. At the time of writing this report, the Authority had not finalised the notification in this regard.

It cannot be concluded if Rise FM complied with clause 8.4 of its licence.

4 REGULATIONS

4.1. South African Music Content Regulations

Regulation 3.2 of the Regulations on South African Music Content as published on 31 January 2006 provides 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."

The Licensee submits that it broadcasts at least 40% of South African music content. The monitoring exercise found that the Licensee broadcasts at least 36% of SA Music Content including interviews with local musicians. Some of the local artists featured are *Andy Boi; Stogie T; France Deep; Leanne Dlamini; Polo B; Four Way Loved; Tuks; Mizz Cosmo; Zano; Berita and many more.*

The Licensee complies with the South African Music Content Regulations.

4.2. Regulations regarding Standard Terms and Conditions for Individual Broadcasting Licences

During the year under review, the Authority did not identify any non-compliance by Rise FM with the Standard Terms and Conditions for Individual Licensees.

4.3 General Licence Fees Regulations

Regulation 3(1)(a) of the General Licence Fees Regulations 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 under Annual Licences Fees provides that:

"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) provides that:

"(b) in respect of payment, such 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"

Rise FM has paid their annual licence fees in accordance with the applicable regulations.

The Licensee complies with the General License Fees Regulations.

4.4 Universal Service and Access Fund (USAF) Regulations

Regulation 3 (1) of the prescribed annual contribution of licences to USAF regulations published on 10 February 2011 provides that:

"Every holder of the 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, to the Fund".

Regulation 3 (2) stipulates that:

"A BS Licensee who has paid an annual contribution to the MDDA must set off that contribution against its USAF contribution, provided that the MDDA contribution and the USAF contribution against which it is set off are for the same financial year".

Rise FM paid their USAF contribution within the stipulated period in accordance with the applicable regulation.

Rise FM complies with the Universal Service and Access Fund Regulations.

4.5 Code on People with Disabilities

Form 7C: Code on People with Disabilities contained in the Compliance Procedure Manual Regulations requires broadcasting Licensees to annually complete the form in accordance with the Licensee's financial year end.

The Licensee submits that it supported the Curro Nelspruit's Culture Project which saw two young scholars receive prosthetic legs through fundraising on-air as well as donations from corporates. Furthermore, the Licensee has a weekly feature on the Drive Time show where they feature Sibusiso Mogale, a disabled male who was born without hands. On that segment, issues of disability are discussed and the listeners are generally encouraged to not let their disabilities deter them from reaching for their dreams. It is a motivational discussion and also raises awareness on matters around disabilities.

Persons with disabilities are a regular feature on Rise FM's programming line-up, the Licensee further confirms that its premises are also accessible by persons with physical disabilities

The Licensee complies with the regulations on the code for people with disabilities.

5. COMPLAINTS

For the period under review, there were no complaints against Rise FM escalated to the Authority or an industry representative body.

6. CONCLUSION

The Licensee has generally complied with the terms and conditions of its licence and in instances where there was non-compliance, the Authority will raise the matters with the Licensee for correction.

7. TERMS OF REFERENCE

- Attachment A : Rise FM's Broadcasting Service Licence;
- Attachment B : Rise FM's Frequency Spectrum Licence;
- Attachment C : Rise FM Compliance Submission;
- Attachment D : The Licensee's Music Report;
- Attachment E : Standard Terms and Conditions Regulations (individual);

- Attachment F : Universal Service and Access Fund Regulations;
- Attachment G : Regulations on the code for people with disabilities; and
- Attachment H : General Licence Fees Regulations.