



TALK RADIO 702 ANNUAL COMPLIANCE REPORT

MARCH 2018

2016/17 ANNUAL COMPLIANCE REPORT

PRIMEDIA (Pty) Ltd BROADCASTING AS TALK RADIO 702

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, the ICASA Act and the Electronic Communications Act of 2005 (ECA) 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, the Electronic Communications Act, the ICASA Act and any relevant legislation and regulations.

The following report is intended to give account of Talk Radio 702'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 licence¹ and a Radio Frequency Spectrum licence² in terms of the ECA.

The Licensee broadcasts as Talk Radio 702 and provides a service in the Gauteng province. The radio station is broadcasting from the studios situated at 5 Gwen Lane, Sandown, Sandton. The signal distribution service is conducted by Sentech (Pty) Ltd.

¹ 94.5 KFM Broadcasting Service Licence

² 94.5 KFM Radio Frequency Spectrum Licence

3. COMPLIANCE ASSESSMENT

3.1. Control Structure

3.1.1. Ownership and Control

Clause 1 of Talk Radio 702's licence provides that:

"The licence is issued to:

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

1.2 Shareholders: Primedia Holdings III Limited

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 the entity's 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 Talk Radio 702's licence provides that:

"Name of Station: Talk Radio 702".

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 Talk Radio 702's licence provides that the geographic coverage is as follows:

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

The Authority did not receive reports and or complaints alleging that 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 Talk Radio 702's licence provides that the language of broadcast shall be:

"Principal Language: English".

Talk Radio 702 broadcast 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 Talk Radio 702's licence provides that the Licensee is:

"A talk-based service with a maximum of fifteen percent (15%) music programming".

The Authority's monitoring exercise revealed that the Licensee's music constitutes approximately fifteen percent (15%) of its programme content.

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

3.6 General Programming Obligations

Clause 5.1 of the schedule to Talk Radio 702's licence provides that:

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

The monitoring exercise revealed that most of Talk Radio 702's news bulletins are sourced from Eyewitness News, a subsidiary of Primedia (Pty) Ltd. However, it was confirmed that the Licensee discloses sources of news whenever it reports news obtained from other sources other than itself. The Licensee used other news sources which included amongst others, Reuters, Cable News Network (CNN) and British Broadcasting Corporation (BBC).

The Licensee was found to be in compliance with clause 5.1 of the schedule to its licence.

Clause 5.2 of the schedule to Talk Radio 702's licence provides that:

"The Licensee shall broadcast news every hour daily".

The monitoring exercise revealed that Talk Radio 702 broadcasts news at the top of every hour during the performance period, daily. Each news bulletin lasts for approximately four (4) minutes. The following were among the news excerpts identified during the period under review:

- *"The DA has filed an urgent court applicant in the North Gauteng High Court to have Jacob Zuma's decision to replace former Finance Minister, Pravin Gordhan, and his Deputy, Mcebisi Jonas, set aside. It wants the court to review the decision and have the move declared unlawful, unconstitutional and invalid. The opposition says, given the calamitous effect the reshuffle already has on the country's economy, the matter must be heard as soon as possible";*
- *"Religious leaders, ANC stalwarts, civil society groups and ANC alliance partners have all called on the President to either resign from office or be re-called, while President Zuma himself has spoken of his cabinet re-shuffle with pride";*

- *"British Prime Minister, Theresa May, has called for an investigation into reports of chemical weapon's attack in Northern Syria. May says she is appalled by the reports that there's been a chemical weapons attack on a town south of Idlib, allegedly by the Syrian regime"; and*
- *"Former President, Kgalema Motlanthe, has expressed his confidence in Deputy President, Cyril Ramaphosa's leadership. Motlanthe was interviewed by Bloomberg shortly after the recent credit downgrade by ratings agency, Standard & Poor's Global to junk status. The former president says he believes Zuma should step down because he no longer commands the respect that a leader should".*

The Licensee was found to be in compliance with clause 5.2 of the schedule to its licence.

3.7 Training and Skills Development Obligations

Clause 6 of the schedule to Talk Radio 702's licence provides that:

"The Licensee shall over its licence period, allocate R400 000.00 (four hundred thousand Rand) per annum toward staff training with particular emphasis on women and Blacks".

The Licensee reported to have delivered training to 83 (eighty three) staff members at a cost of R1, 096 815.98 (one million and ninety six thousand eight hundred and fifteen rand ninety eight cents), of which R473 221.02 (four hundred and seventy three thousand two hundred and twenty one rand two cents) constituting 43.1% (forty three point one percent) of the training spent on 48 (forty eight) women, constituting 59% (fifty nine percent) of all staff trained.

Further, of the total staff trained 59 (fifty nine) Black staff, constituting 71% (seventy one percent), were trained during the period under review. The Licensee submitted a list of staff members and information on the training³ each received. Training information includes training date, course, training provider, race of staff member, gender of staff member and the course cost.

³ List of Staff training

The Licensee was found to be in compliance with clause 6 of the schedule to its licence.

3.8 Community - related Obligations

Clause 7.1 provides that:

"The Licensee shall:

7.1.1 raise at least R250 000 (two hundred and fifty thousand Rand) in cash and goods annually".

The Licensee reported to have raised seven hundred thousand rand (R700 000) in cash and goods through initiatives such as 702 Truck of Love and Random Acts of Kindness which was distributed to various community organizations, during the period under review. The Licensee provided a list of donors and beneficiaries⁴, in its report.

The Licensee was found to be in compliance with clause 7.1.1 of the schedule to its licence.

7.1.2 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, interviews amounting to an airtime value of twenty nine million six hundred and thirty thousand four hundred and

⁴ List of Beneficiaries of cash and goods

forty rand (R29, 630 440) were conducted with various organisations. Some of the community organisations supported through allocation of airtime included those benefitting children, the terminally ill, and the elderly and animal welfare.

Further, Talk Radio 702 reported to have broadcast Public Service Announcements to the value of R4, 359 235.75. The Licensee provided a list of all organizations⁵ that were beneficiaries, in its report.

The Licensee was found to be in compliance with clause 7.1.2 of the schedule to its licence.

Clause 7.2 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" Radio 702 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 their sister station 947 conducted a workshop for IFM 102.2 which was attended by IFM's Station Manager, Programmes Manager, Marketing Manager, Marketing Representatives and Presenters. The workshop topics including programming and news.

In November 2016, the Licensee together with their sister station 947 also hosted Voice of Wits (VoW) and Unisa Radio during a workshop which focused around topics related to programming, production, news and broadcast engineering. Furthermore, Talk Radio 702 further hosted Tuks FM on a studio tour as well as talks on programming, production and broadcast engineering in March 2017.

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

⁵ List of Organisations allocated airtime

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.

Talk Radio 702 submitted a complaints report in Form 12A as required by the regulations. For the period under review, the Licensee reported to have received 21 (twenty one) complaints, 1 (one) complaint about unlawful conduct, 1 (one) for blasphemy, 7 (seven) for bias news reporting and 12 (twelve) for hate speech.

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 Content⁶, 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".

Talk Radio 702 is exempt from the above requirement in terms of Regulation 3.6 which stipulates that:

⁶ SA Music Content Regulations

The Authority may, upon good cause shown by the holder of a sound broadcasting licence, vary any condition imposed by 3.1, 3.2, 3.3, 3.4 and 3.5 if it is satisfied that the variation is consistent with the objects of the Act”.

The monitoring exercise revealed that Talk Radio 702 plays approximately fifteen percent (15%) of South African Music spread reasonably evenly throughout the performance period, as per the exemption granted by the Authority. The South African artists featured included among others, Joe Nina, Vusi Mahlasela, Lira, Sipho Mabuse, Brenda Fassie, Boom Shaka and Dr. Victor.

The Licensee was found to be in compliance with regulation 3.2 above.

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 Licences⁷.

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

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)⁸, 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:

⁷ Regulations Regarding Standard Terms and Conditions for Individual Licences

⁸ USAF Regulations

"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"

Talk Radio 702's financial year ends on 30 June. The Licensee paid its contribution to the Universal Service and Access Fund on 16 August 2017 and submitted proof of payment⁹ thereof, as required by the regulations.

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

4.5 General Licence Fees Regulations

Regulation 3 (1) of the General Licence Fees Regulations¹⁰ 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.

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."*

⁹ Proof of USAF contribution

¹⁰ General Licence Fees Regulations

Talk Radio 702's financial year ends on 30 June. The Licensee paid its licence fees on 28 September 2017 and submitted proof of payment¹¹ thereof, as required by the regulations.

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.

6. TERMS OF REFERENCE

Appendix A: Talk Radio 702's broadcasting service licence

Appendix B: Talk Radio 702's frequency spectrum licence

Appendix C: List of Staff training

Appendix D: List of Beneficiaries of cash and goods

Appendix E: List of Organisations allocated airtime

Appendix F: SA Music Content Regulations

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

Appendix H: Universal Service and Access Fund Regulations

Appendix I: Proof of USAF contribution

Appendix J: General Licence Fees Regulations

Appendix K: Proof of Licence Fees payment

¹¹ Proof of Licence Fees payment