



567 CAPE TALK ANNUAL COMPLIANCE REPORT

MARCH 2019

2017/18 ANNUAL COMPLIANCE REPORT

PRIMEDIA (Pty) Ltd BROADCASTING AS 567 CAPE TALK

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 ICASA Act, ECA, Broadcasting Act and any relevant legislation and regulations.

The following report is intended to give account of 567 Cape Talk's compliance with the terms and conditions as set out in its licence for the 2017/2018 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 567 Cape Talk and provides a service in the Greater Western and Southern Cape. The radio station is broadcasting from the studios situated in Cape Town and have a central business office at 5 Gwen Lane, Sandown, Sandton. The signal distribution service is conducted by Sentech (Pty) Ltd.

¹ 567 Cape Talk Broadcasting Service Licence

² 567 Cape Talk Frequency Spectrum Licence

3. COMPLIANCE ASSESSMENT

3.1. Control Structure

3.1.1. Ownership and Control

Clause 1 of 567 Cape Talk'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%

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 complies with clause 1 of its licence.

3.2. Contact Details

Clause 2 of the licence provides that:

2.1 "The contact person for the Licensee shall be:

2.1.1 Name: Ms. Nomvuyiso Batyi

2.1.2 Tel: 011 506 3540

2.1.3 Fax: 086 680 1181

2.1.4 Cell: 082 326 8436

2.1.5 Email: NomvuyisoB@primedia.co.za"

On 01 December 2017, the CCA received a submission³ from Primedia (Pty) Ltd notifying the Authority of change of the contact details of the Licensee for its individual sound broadcasting service licences and requesting approval of the change.

Regulation 14 (A) of the Licensing Processes and Procedure Regulations (as amended) read with Regulation 3 of the Standard Terms and Conditions for Class Licences (as amended) published in Government Gazette no. 33294, dated 14 June 2010 provide as follows:

"A Licensee [sic] must submit written notice to the Authority within seven (7) days of the occurrence of the following changes in its licence: -

- (a) The name of the Licensee;*
- (b) Contact details including the contact person;*
- (c) Shareholding;*
- (d) Physical Address; and*
- (e) Financial year end."*

The Licensee indicated in its submission⁴ that at its meeting on 10 September 2014, it approved the group approvals framework and in terms of the framework devolved certain of its responsibilities to various sub-committees, designated officials and divisional operating units.

The Licensee submitted that it resolved that Roger Jardine or failing him any other executive director of the company be authorised to make and sign the notification and any other document as may be necessary to ICASA.

³ Form O of the Processes and Procedures Regulations

⁴ Signed Resolution

The notification complied with the requirements of the Processes and Procedures Regulations and was granted as such.

The Licensee complies with clause 2 of its licence.

3.3 Notices and Addresses

Clause 3 of the licence provides that:

3.1 "The Licensee chooses the following addresses as its principal addresses:

*3.1.1 Postal Address: PO Box 5572
Rivonia
2126*

*3.1.2 Physical Address: Primedia House
5 Gwen Lane
Sandown
Sandton, 2146*

The Licensee submitted a notification referred to in paragraph 3.2 above, to change its principal addresses during the period under review, and the notification was granted.

The Licensee complies with clause 3 of its licence.

3.4 Name of Station

Clause 1 of the schedule to 567 Cape Talk's licence provides that:

"Name of Station: 567 Cape Talk".

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

The Licensee complies with clause 1 of its licence.

3.5 Geographic Coverage Area

Clause 2 of the schedule to 567 Cape Talk frequency spectrum licence provides that 567 Cape Talk's geographic coverage area to be as follows:

"Cape Town, 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 complies with clause 2 of its licence.

3.6 Broadcast Language(s)

Clause 3 of the schedule to 567 Cape Talk licence provides that the language of broadcast shall be:

"Principal Language: English".

567 Cape Talk broadcast its programmes in English, as its primary language.

The Licensee complies with clause 3 of its licence.

3.7 Format

Clause 4 of the licence provides that the Licensee is:

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

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

The Licensee complies with clause 4 of its licence.

3.8 General Programming Obligations

Clause 5.1 of the licence provides that:

"The Licensee shall broadcast news on a regular basis for a minimum of thirty (30) minutes each day between 05h00 and 23h00".

The Licensee submits that it broadcasts 28 (twenty-eight) news bulletins. The Licensee further submits that news bulletins are approximately 2 (two) to 5 (five) minutes per bulletin. A total of 110 (one hundred and ten) minutes of news is broadcast each day, during the South African performance period.

The monitoring exercise revealed that 567 Cape Talk broadcast news at the top of every hour during the Performance Period, daily. The Licensee's news bulletins are broadcast for approximately four (4) minutes each and an average of seventy-two (72) minutes over the Performance Period. The following were among the news items identified during the period under review:

- *"Former DA Parliamentary leader, Lindiwe Mazibuko, has taken a dig at the party's handling of its failed bid to remove Cape Town Mayor, Patricia De Lille, from her office. She says in her mind it is unclear what she did wrong;"*
- *"The Elsie's River man has admitted to poisoning, beating and choking the child, but insists it was not premeditated. Saunders has also denied raping Pieters but has admitted to necrophilia. Scores of Elsie's River residents and relatives of Pieters are expected to once again fill the public gallery.";*
- *"The Independent Police Investigative Directorate (Ipid) has scored a small victory in its fraud and corruption case linked to former acting national police commissioner Khomotso Phahlane, a car dealer and a SAPS supplier. On Friday, the High Court in Pretoria dismissed an application by car dealer Durandt Snyman and forensic data analyst's owner, Keith Keating, to set aside a search warrant obtained by Ipid and the Hawks.";*
- *"The UN Secretary-General has called for an "independent investigation" into the Saudi coalition strike on a bus in Yemen which killed at least 50 people, mostly children, and injured over 70 others. While the coalition called the attack*

"legitimate," António Guterres condemned the strike and the UN reminded all parties to the conflict that they "must take constant care to spare civilians and civilian objects in the conduct of military operations," UN spokesman Farhan Haq said in a statement."

- *"The protests that flared in Hout Bay have now calmed after violence erupted in the area earlier on Sunday afternoon. Demonstrators were seen barricading roads and setting tyres alight as officials tried to control the unrest. It is understood the demonstration was over the shooting of a suspected poacher on Saturday night."; and*
- *"Herman Mashaba has announced that he will be approaching the Equality Court with allegations of corruption and alleged racial slurs against black South Africans made by Gupta brothers, Atul and Ajay. Mashaba says that he's taking these steps in his own personal capacity and not in his position as mayor".*

The Licensee complies with clause 5.1 of its licence.

Clause 5.2 of the licence provides that:

"Local News shall constitute at least fifty percent (50%) of its news component".

The monitoring exercise revealed that 567 Cape Talk's local news constitute more than fifty percent of its overall news component. Most of the stories broadcast were from in and around the Western Cape area.

The Licensee complies with clause 5.2 of its licence.

Clause 5.3 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 revealed that most of 567 Cape Talk news are sourced from Eyewitness News, a subsidiary of Primedia (Pty) Ltd, as well as its US, UK and Africa correspondents. It was confirmed that the Licensee discloses sources of news whenever it reports news obtained from sources other than itself. News sources identified includes

among others, Twitter, Reuters, Cable News Network (CNN), Russia Today (RT) and British Broadcasting Corporation (BBC).

The Licensee complies with clause 5.3 of its licence.

3.9 Training and Skills Development Obligations

Clause 6.1 of the licence provides that:

"The Licensee shall inform the Authority of any changes effected to its Human Resources Policies and Procedures Manual".

The Licensee states that there were no changes to the Policy and Procedures Manual for the year under review.

The Licensee complies with clause 6.1 of its licence.

Clause 6.2 of the licence provides that:

"The Licensee shall over its licence period, allocate R250 000 (two hundred and fifty thousand Rand) per annum towards staff training with particular emphasis on women and Black people".

For the period under review, the Licensee reported to have trained 70 (seventy) staff members at a cost of R168, 710.35 (one hundred and sixty eight thousand seven hundred and ten rand thirty five cents). Of which R131, 237.00 (one hundred and thirty one thousand two hundred and thirty seven rand) was spent on training 27 (twenty seven) women.

Of the total training spend, R85, 343.00 (eighty-five thousand three hundred and forty three rand) was spent on training 30 (thirty) Black staff. The Licensee submits that even though it has not spent the mandated amount on training of staff, it has however, spent the majority of its training spend in the year under review on training women and Black staff in particular.

The Licensee submitted a list of staff members and information on the training⁵ each received. Training information includes training date, course, training provider, race of staff member, gender of staff member and the course cost.

The Licensee did not comply with clause 6.2 of its licence.

3.10 Community - related Obligations

Clause 7.1 provides that:

"The Licensee shall make a significant contribution to the community in its coverage area through supporting community projects such as those benefiting women's organisations, childcare organizations, development sport, mental health, animal welfare and organisations caring for the terminally ill.

The Licensee reported that it is part of its strategy to do random acts of kindness as well as broadcast Public Service Announcements in the communities within its coverage area. For the period under review, the Licensee submitted a list⁶ of contributions and beneficiaries of cash raised, goods contributed, interviews and airtime allocated for Public Service Announcements. Some of the beneficiaries included those benefitting women, children, development sport, mental health, animal welfare and organisations caring for the terminally ill. The Licensee provided a list of all organizations that were beneficiaries, in its report.

The Licensee complies with clause 7.1 of the schedule to its licence.

Clause 7.2 of the licence provides that:

"The Licensee shall:

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

⁵ List of Staff training

⁶ List of beneficiaries of cash, goods raised and allocated airtime

The Licensee reported to have raised a total of R695, 000.00 (six hundred and ninety-five thousand rand) in cash and goods, for the period. The cash raised, and goods contributed went into supporting organisations such as those benefitting women, children, the homeless and the terminally ill. The Licensee provided a list of donors and beneficiaries⁷, in its report.

The Licensee complies with clause 7.2.1 of its licence.

"7.2.2 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 R1, 361, 889.74 (one million three hundred and sixty one thousand eight hundred and eighty nine rand and seventy four cents). The organisations include those involved in education, children, health and the elderly. The Licensee reported to have also allocated airtime for Public Service Announcements to the value of R962, 505.74 (nine hundred and sixty two thousand five hundred and five rand seventy four cents). The organisations supported include those benefitting education, children, health, women and the elderly. The Licensee submitted a list of organisations⁸ which benefitted from the allocated airtime.

The Licensee complies with clause 7.2.2 of its licence.

Clause 7.3 of the licence provides that:

⁷ List of Beneficiaries of cash and goods

⁸ List of Organisations allocated airtime

"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" 567 Cape Talk presenters, producers, news reporters, sales representatives, marketing staff and sound engineers while at work".

567 Cape Talk in partnership with KFM conducted a training session with Maties FM in February 2018 and another with City Varsity which included students from community broadcasters. The training session was aimed at sharing Primedia's experience in broadcasting with the community radio station. The training session included topics covering programming, sales, marketing and social media.

Over and above the training of community radio stations. The Licensee conducted an internship programme at its Cape Town offices for graduates over the course of the year. The internship placed graduates in departments that service both 567 Cape Talk and KFM.

A total of 4 (four) interns were placed on the internship programme. The interns were placed in the Production, IT Technical, Finance; and PR and Brand Marketing.

The Licensee complies with clause 7.3 of its licence.

Clause 7.4 of the licence provides that:

"The Licensee shall undertake "voice search competitions" to unearth and develop new talent.

567 Cape Talk reported not to have conducted a "voice search competition" for the period under review.

The Licensee did not comply with clause 7.4 of 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.

The Licensee is a member of the National Association of Broadcasters (NAB). Complaints related to code of conduct are administered by the Broadcasting Complaints Commission of South Africa (BCCSA).

567 Cape Talk submitted a complaints report in Form 12A as required by the regulations. For the period under review, the Licensee reported to have received 6 (six) complaints, 1 (one) complaint about language, 1 (one) for promotion of unlawful conduct, 2 (two) for biased reporting and 2 (two) for inaccurate news reporting.

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

The Licensee complies with the above Regulation.

4.2 SA Music Content Regulations

Regulation 3(2) of the ICASA South African Music Content Regulations, 2016⁹ as published on 23 March 2016 stipulates that:

"A holder of a commercial sound broadcasting service licence must ensure that after eighteen (18) months from the date of gazetting of these Regulations, a minimum of 35% of the musical works broadcast in the performance period, consist of South African music and that such South African music is spread evenly throughout the performance period."

567 Cape Talk was granted an exemption in terms of the previous South African Content Regulations based on the fact that the Licensee is talk based. Therefore, in terms of the exemption the Licensee is allowed to reduce its obligation to 15% of SA music content.

⁹ Appendix C: ICASA South African Music Content Regulations, 2016

The monitoring exercise revealed that 567 Cape Talk plays approximately fifteen percent (15%) of South African Music spread reasonably evenly throughout the Performance Period, as per the exempted granted by the Authority. The South African artists featured included among others, Reach It by Zonke, Scatterlings of Africa by Juluka, My African Dream by Vicky Sampson, Move up by Mango Groove, etc.

The Licensee complies 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 Licences¹⁰.

The Licensee complies 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)¹¹, as published in the Government Gazette, No. 31499 of April 2009, stipulates that:

"Every holder of a licence granted in terms of Chapter 3 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"

¹⁰ Regulations Regarding Standard Terms and Conditions for Individual Licences

¹¹ USAF Regulations

567 Cape Talk's financial year ends on 30 June. The Licensee paid its contribution to the Universal Service and Access Fund on 16 October 2018 and submitted proof of payment¹² thereof, as required by the regulations.

The Licensee complies with the above regulations.

4.5 General Licence Fee Regulations

Regulation 3(1) of the General Licence Fee Regulations¹³ 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 Broadcasting Licences".

Schedule 2 of the Annual Licences Fee 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:

- a) "Are due annually based on the Licensee financial year;*
- b) Are due and payable within 6 months from the end of 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".*

567 Cape Talk's financial year ends on 30 June. The Licensee paid its licence fees on 26 September 2018 and submitted proof of payment¹⁴ thereof, as required by the regulations.

The Licensee complies with the above regulations.

¹² Proof of USAF Contribution

¹³ General Licence Fees Regulations

¹⁴ Proof Licence Fees Payment

5. CONCLUSION

The Licensee has sufficiently complied with relevant regulations and its licence terms and conditions, except for clause 6.2 and 7.4 of its licence. The Authority has noted with concern that the Licensee has been non-compliant with the above clauses for 2 (two) years now, and recommends the matter to be addressed with the seriousness it deserves.

6. TERMS OF REFERENCE

Appendix A: 567 Cape Talk's broadcasting service licence

Appendix B: 567 Cape Talk's frequency spectrum licence

Appendix C: List of staff training

Appendix D: List of beneficiaries for cash, good and airtime

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