



94.5 KFM ANNUAL COMPLIANCE REPORT

MARCH 2019

2017/18 ANNUAL COMPLIANCE REPORT

PRIMEDIA (PTY) Ltd BROADCASTING AS 94.5 KFM

LICENCE PERIOD: 18 December 2008 – 17 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, the Electronic Communications Act of 2005 (ECA) and the Broadcasting Act 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 94.5 KFM'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, Ownership and Control, South African Music Regulations, Regulations Regarding Standard Terms and Conditions, Universal Service and Access Fund (USAF) Regulations and General Licence Fees Regulations.

2. BACKGROUND

In December 2008, the Authority issued Primedia (Pty) Ltd (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 94.5 KFM 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 in Gauteng.

¹ 94.5 KFM Broadcasting Service Licence

² 94.5 KFM Radio Frequency Spectrum Licence

According to the Broadcast Research Council of South Africa, the listenership figures ending March 2017 were 726 000³.

3. COMPLIANCE ASSESSMENT

3.1. Control Structure

3.1.1. Ownership and Control

Clause 1 of 94.5 KFM'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: 49.1%"

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"

³ <http://www.brcsa.org.za/brc-ram-radio-listening-jul-16-dec-16-oct-16-mar-17/>

On 01 December 2017, the CCA received a submission⁴ 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 Individual Licences (as amended) published in Government Gazette no. 33294, dated 14 June 2010 provide as follows:

"A Licensee 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 submission⁵ 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.

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

The Licensee complies with clause 2 of its licence.

⁴ Form O of the Processes and Procedures Regulations

⁵ Signed Resolution

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 94.5 KFM's licence provides that:

"Name of Station: 94.5 KFM".

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

The Licensee complies with clause 1 of the schedule to its licence.

3.5 Geographic Coverage Area

Clause 2 of the schedule to 94.5 KFM's frequency spectrum licence provides that 94.5 KFM's geographic coverage area to be as follows:

"Greater part of in the Western and Southern Cape, as defined in the coverage map attached to the Licensee's radio frequency licence".

The Authority did not received reports suggesting deviance with the defined coverage area. The signal distribution service is conducted by Sentech (Pty) Ltd.

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

3.6 Broadcast Language(s)

Clause 3 of the schedule to the licence provides that the language of broadcast shall be Afrikaans and English.

94.5 KFM broadcasts in Afrikaans and English as its primary languages. Most of the presenters at the radio stations are conversant in both languages and are also able to engage listeners in both languages of broadcast.

The Licensee complies with its language of broadcast obligation.

3.7 Format

Clause 4 of the schedule to the licence provides that:

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

The Authority's monitoring exercise confirmed that 94.5 KFM broadcasts an adult contemporary programming format of talk and music. Programmes identified also include a mix of music and information of community affairs in and around the Western and Southern Cape.

The Licensee complies with clause 4 of the schedule to its licence.

3.8 Local Content Obligations

Clause 5 of the schedule to 94.5 KFM's licence provides that:

"The Licensee shall ensure at least thirty percent (30%) local content in its music output".

The Licensee submits that, during the period under review it averaged 40.80% (forty-point eight zero percent) local content in its music output. This is made up of local music plays on-air, live interviews with both emerging and established local artists, live in studio performance and/or coverage of local music events as reflected in its programme log sheet. The Licensee submits it complies with clause 5 of the schedule to its licence.

The monitoring exercise revealed that 94.5 KFM plays approximately thirty five percent (35%) of South African Music. The South African artists featured included among others, Liquid Deep, Beatenberg, Shekinah, Micasa, Casper Nyovest, Prime Circle, Euphonic and Asandra, etc.

The Licensee complies with clause 5 of the schedule to its licence.

3.9 General Programming Obligations

Clause 6 of the schedule to the licence provides that:

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

6.2 The Licensee shall include news from the African continent and the related coverage area".

The Licensee submits that it broadcasts full news bulletins at the top of the hour between 06h00 and 19h00 daily, further full news bulletins were broadcast at the bottom of the hour between 06h30 and 08h30 and 15h30 and 18h30. Each news bulleting averaged four (4) minutes. Therefore, in total 94.5 KFM broadcast an average of 84 (eighty-four) minutes of news each weekday.

KFM submits that it covers a variety of news stories in its news bulletins. News covered include local, national and continental news. Over and above covering news as provided for in clause 6.2, 94.5 KFM also covered international news stories in its bulletins. The number of news stories covered is reflected in 94.5 KFM's programme logs.

The monitoring exercise confirmed that 94.5 KFM broadcasts news at the top of every hour between 06h00 and 19h00. The Licensee's news bulletins are broadcast for approximately three and half minutes each. The Licensee broadcast more than the required thirty (30) minutes of news each day during the South African performance period. It was also confirmed that the Licensee includes news from the African continent and related coverage area. The following were among the news items identified during the period under review:

- *"Thousands of South Africans have voiced their views on land expropriation for the last time as Parliament concluded public hearings in Cape Town on Saturday. Hundreds of Western Cape residents, political parties and civic organisations gathered in Cape Town for the last of the public hearings into a possible review of section 25 of the Constitution to allow for expropriation without compensation. The views differed with some calling for a constitutional amendment and others vehemently opposed to the constitutional review";*
- *"It is unclear what is to happen to soccer commentators at the SABC after the broadcaster announced it will no longer broadcast PSL matches on its radio stations. The SA Broadcasting Corporation (SABC) on Friday night said it would not be broadcasting Premier Soccer League matches on their radio stations. The public broadcaster said the matches would, however, still be aired on its television stations.";*
- *"Eighteen people were killed in a helicopter crash in the Krasnoyarsk region in Siberia on Saturday, the aviation watchdog and emergency services said. The passengers, workers heading to their shift at an oil-pumping station, and three crew members died when the Russian-made Mi-8 aircraft knocked into the cargo of an adjacent helicopter as both were completing take-off, watchdog Rosaviatsia said. The incident occurred in the Vankor Field area in eastern Siberia, the*

watchdog said, at around 0200 GMT. Vankor is the region's largest oil field, operated by Russian oil company Rosneft";

- *"The University of Cape Town (UCT) says it's saddened by the death of its Dean of Health Sciences Professor Bongani Mayosi. It's understood the 51-year-old cardiology professor passed away in Cape Town on Friday, though the cause of death is not yet known. Mayosi, who was the country's top cardiologist, became a dean two years ago"; and*
- *"Exactly a week after Zimbabwe held its presidential elections, civilians caught in the deadly violence between protesters and the army continue to suffer in the aftermath. Police have confirmed six deaths but a non-profit organisation based in Harare, which offers medical assistance and trauma counselling for victims of political violence, fears that the toll could be higher."*

The Licensee complies with clause 6 of the schedule to its licence.

3.10 Training and Skills Development Obligations

Clause 7 of the schedule to the licence provides that:

"The Licensee shall spend one percent (1%) of its annual salary payroll over its licence period on staff training and development, particularly on staff from historically disadvantaged groups".

The Licensee reports that, during the period under review, 94.5 KFM's total annual payroll amounted to R24,406,982.00 (twenty-four million four hundred and six thousand nine hundred and eighty-two rand), 1% of the annual payroll amounts to R244,069.82 (two hundred and forty four thousand and sixty nine rand eighty two cents).

A number of different training interventions as reflected in the training report attached hereto were delivered to 74 (seventy-four) staff at a cost of R874,836.75 (eight hundred and seventy-four thousand eight hundred and thirty-six rand seventy-five cents) which

amounts to 4% (four percent) of 94.5 KFM's annual payroll. The training spend is four times higher than the required 1% of the annual payroll.

Of the total training spend, R484,992.19 (four hundred and eighty-four thousand nine hundred and ninety two rand nineteen cents) constituting 55% (fifty-five percent) of the training spend was spent on training 59 (fifty-nine) staff from historically disadvantaged groups, constituting 80% (eighty percent) of all staff trained. The Licensee provided a table of its performance in this regard.⁶

The Licensee complies with clause 7 of the schedule to its licence.

3.11 Community Related Obligations

Clause 8.1 of the schedule to the licence provides that:

"The Licensee shall offer community sound broadcasters the following:

8.1.1 programme presenting and production, news, sales, marketing and sound engineering through mentoring and on-the-job training that is, having such staff "shadow" 94.5 KFM's presenters, producers, news reporters, sales representatives, marketing staff and sound engineers while at work.

8.1.2 In-house training by way of internships to cover sales marketing, traffic news, and broadcasting and presentation".

94.5 KFM in partnership with 567 Cape Talk 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 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

⁶ List of training and skills development interventions.

year. The internship placed graduates in departments that service both 567 Cape Talk and 94.5 KFM.

Further, 94.5 KFM hired (4) four interns who received training in areas of IT technical, production, administration and brand marketing.

The Licensee complies with clauses 8.1.1 and 8.1.2 of the schedule to its licence.

Clause 8.2 of the schedule to the licence provides that:

"The Licensee shall:

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

94.5 KFM reports to have raised R260 000 (two hundred and sixty thousand rand) in cash and goods which was used to support various community organisations in its coverage area through initiatives such as the Random Acts of Kindness. The Licensee provided a list of donors and beneficiaries⁷, in its report.

The Licensee raised cash amounting to R100,000.00 (one hundred thousand rand) for community organisations within its coverage area. The community organisations assisted are Dews of Quietness and Woodside Centre which benefit women and children.

94.5 KFM further contributed goods to community organisations within its coverage area. The value of the goods amounted to R160,000.00 (one hundred and sixty thousand rand). The goods benefited organisations benefiting women and children and the terminally ill.

The Licensee complies with clauses 8.2.1 of the schedule to its licence.

⁷ List of Beneficiaries of cash and goods

"8.2.2 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".*

94.5 KFM reports to have conducted interviews with various organisations amounting to airtime value of R1,257,003.00 (one million two hundred and fifty seven thousand and three rand). Some of the community organisations supported through allocation of airtime included those benefitting children, the terminally ill, and the elderly.

94.5 KFM broadcasted Public Service Announcements worth airtime value of R947,672.10 (nine hundred and forty-seven thousand six hundred seventy-two rand). The airtime was allocated to organisations such as those supporting children, schools, the terminally ill and animal welfare. The Licensee provided a list of all organizations⁸ that were beneficiaries, in its report.

The Licensee complies with clauses 8.2.2 of the schedule to its licence.

3.12 Ownership and Control

Clause 9.1 of the schedule to 94.5 KFM's licence provides that:

"The Licensee shall ensure that at least fifty percent (50%) of its board of directors are persons from historically disadvantaged groups".

94.5 KFM submits that its Board of Directors comprises of 7 (seven) directors, 6 (six) of whom are from previously disadvantaged groups and constituting 85% (eighty-five percent).

⁸ List of Organisations allocated airtime

The Licensee complies with clauses 9.1 of the schedule to its licence.

Clause 9.2 of the schedule to 94.5 KFM's licence provides that:

"The Licensee shall ensure that the majority of all senior management and staff are persons from historically disadvantaged groups".

94.5 KFM reports that it is part of Primedia Broadcasting which consists of 4 (four) stations 2 (two) in Johannesburg and the other 2 (two) in Cape Town. The structure at senior management level provides for 2 (two) tiers namely: The Executive Committee and Management Committee which operate across all 4 (four) stations, and a senior management team for each city who work across the 2 (two) stations except for the Programme Managers who are station specific.

The Executive Committee and Management Committee is made up of 13 (thirteen) people. 9 (nine) are female constituting 69% (sixty nine percent) and 8 (eight) are Black constituting 61% (sixty percent).

For the period under review, the Cape Town senior management was made up of 9 (nine) managers. 5 (Five) constituting 55% (fifty-five percent) were women and 3 (three) constituting 33% (thirty three percent) were Black.

Of the total 22 (twenty) executives and managers, 16 (sixteen) constituting 72% (seventy two percent) are persons from historically disadvantaged groups. Therefore, KFM submits that its senior management composition complies with clause 9.2 of the schedule to its licence.

94.5 KFM's staff compliment for the period under review totalled 82 (eighty-two). 66 (sixty-six) were persons from historically disadvantaged groups constituting 80% (eighty percent) of total staff. Therefore, KFM submits that its staff compliment for the period under review was in the majority persons from historically disadvantaged groups and thus it complies with clause 9.2 of schedule to its licence.

The Licensee complies with clauses 9.2 of the schedule to its licence.

4. REGULATIONS

4.1 Compliance Procedure Manual Regulations

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.

94.5 KFM submitted a complaints report in Form 12A as required by the Regulations. For the period under review, the Licensee reported to have received 13 (thirteen) complaints, 4 (four) complaints for offensive language, 1 (one) for dignity, 4 (four) for biased comments, 1 (one) for an inappropriate song, 1 (one) for promotion of unlawful conduct, and 2 (two) for blasphemy. The Licensee reported to have resolved all complaints within 5 (five) days to the satisfaction of the complainants.

The Licensee complies with Compliance Procedure Manual Regulations.

4.2 SA Music Content

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 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 submitted programme log sheets as required by the Compliance Procedure Manual Regulations and recorded that of the music played during the period under review, an average of 35% (thirty five percent) was South African.

The monitoring exercise revealed that 94.5 KFM plays an average of 37% (thirty seven percent) of South African Music. The South African artists featured included among others, AKA, Shekinah, Micasa, DJ Zinhle, Lloyd Cele, Prime Circle, Kentphonic, 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 Licensees⁹.

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)¹⁰, 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”

94.5 KFM’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 payment¹¹ thereof, as required by the regulations. The payment was within the six months after the financial year end as prescribed in the regulations.

⁹ Regulations Regarding Standard Terms and Conditions for Individual Licences

¹⁰ USAF Regulations

¹¹ Proof of USAF contribution

The Licensee complies with the above regulations.

4.5 General Licence Fees Regulations

Regulation 3 (1) of the General Licence Fees Regulations¹² 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 General Licence 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:

- 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”.*

94.5 KFM’s financial year ends on 30 June. The Licensee paid its licence fees on 29 September 2018 and submitted proof of payment¹³ thereof, as required by the regulations. The payment was within the six months after the financial year end as prescribed in the regulations.

The Licensee complies with the above Regulations.

¹² General Licence Fees Regulations

¹³ Proof of Licence Fees payment

5. CONCLUSION

The Licensee has complied with the relevant regulations and its licence terms and conditions.

6. TERMS OF REFERENCE

Appendix A: 94.5 KFM's broadcasting service licence

Appendix B: 94.5 KFM's frequency spectrum licence

Appendix C: List of Beneficiaries of cash and goods

Appendix D: List of Organisations allocated airtime

Appendix E: SA Music Content Regulations

Appendix F: Regulations Regarding Standard Terms and Conditions for Individual Licensees

Appendix G: Universal Service and Access Fund Regulations

Appendix H: Proof of USAF Contribution

Appendix I: General Licence Fees Regulations

Appendix J: Proof of Licence Fees Payment