



# **94.7 HIGHVELD STEREO ANNUAL COMPLIANCE REPORT**

**MARCH 2019**

## **2017/18 ANNUAL COMPLIANCE REPORT**

### **PRIMEDIA (Pty) Ltd BROADCASTING AS 94.7 HIGHVELD STEREO**

**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, 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, the ECA, the ICASA Act, any relevant legislation and regulations.

The following report is intended to give account of 94.7 Highveld Stereo'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 and Universal Service and Access Fund (USAF) Regulations.

#### **2. BACKGROUND**

In December 2008, the Authority issued Primedia (the Licensee) with an Individual Commercial Sound Broadcasting Service licence<sup>1</sup> and a Radio Frequency Spectrum licence<sup>2</sup> in terms of the ECA.

The Licensee broadcasts as 94.7 Highveld Stereo 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.

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<sup>1</sup> 94.7 Highveld Stereo Broadcasting Service Licence

<sup>2</sup> 94.7 Highveld Stereo Frequency Spectrum Licence

### **3. COMPLIANCE ASSESSMENT**

#### **3.1. Control Structure**

##### **3.1.1. Ownership and Control**

Clause 1 of 94.7 Highveld Stereo'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 – 18.84%*

*Management Stake – 5%*

*Titan Share Dealers – 2.86%*

*Sabvest (together with BPESAM 1 Ltd and*

*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 was found to be in compliance 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 submission<sup>3</sup> 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 Licensees (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 submission<sup>4</sup> 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 was found to be in compliance with the requirements of the Processes and Procedures Regulations and was granted as such.

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<sup>3</sup> Form O of the Processes and Procedures Regulations

<sup>4</sup> Signed Resolution

**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 94.7 Highveld Stereo's licence provides that:

*"Name of Station: 94.7 Highveld Stereo".*

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 94.7 Highveld Stereo's frequency spectrum licence provides that 94.7 Highveld Stereo's geographic coverage area to be as follows:

*"Southern Gauteng, 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 the schedule to its licence.**

### **3.6 Broadcast Language (s)**

Clause 3 of the schedule to 94.7 Highveld Stereo licence provides that the language of broadcast shall be:

*"Principal Language: English".*

94.7 Highveld Stereo broadcasts its programmes in English as its primary language.

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

### **3.7 Format**

Clause 4 of the schedule to 94.7 Highveld Stereo's licence provides that:

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

The Licensee reports that it offers a programming format of talk and music in an adult contemporary manner and its programming includes a mix of music and information including the coverage of community affairs. The Licensee further submits that it has complied with clause 4 of the schedule to its licence.

The Authority's monitoring exercise found that the Licensee broadcasts a programming mix of talk and music in an adult contemporary format which includes coverage of community affairs as required by the clause above.

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

### **3.8 Local Content Obligations**

Clause 5 of the schedule to 94.7 Highveld Stereo's licence provides that:

*"The Licensee shall promote at least eight (8) local music concerts per annum and allocate airtime for the broadcasting thereof".*

In the period under review and as evidenced by the local music concerts log attached hereto and marked Annexure A, the Licensee allocated airtime to 12 local music concerts. The concerts featured a minimum of 27 (twenty seven) local musicians. The airtime allocated was in the form of either live outside broadcasts from the music concert or live crossings from studio. The Licensee submitted a list of local music concerts and featured local artists<sup>5</sup>. Therefore, the Licensee submits that it is compliant with clause 5 of the schedule to its licence.

The Authority's monitoring exercise confirmed that the Licensee promoted more than eight (8) local music concerts per annum and allocate airtime for the broadcasting thereof.

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

### **3.9 General Programming Obligations**

Clause 6.1 of the schedule to 94.7 Highveld Stereo's licence provides that:

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<sup>5</sup> List of local music events

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

The Licensee reported that it broadcasts fourteen (14) news bulletins per day between 05h00 and 23h00 during weekdays, and that each news bulletin is three and half (3½) minutes in duration.

The monitoring exercise revealed that 94.7 Highveld Stereo broadcasts news at the top of every hour during the Performance Period, daily. The Licensee broadcast approximately forty-nine minutes of news per day during Performance Period. The following were among the news items identified during the period under review:

- *"Johannesburg Emergency Services have confirmed the number of shacks destroyed in a fire in Claremont has risen to over 100, with more than 250 people now displaced. Preliminary investigations have revealed an unattended candle caused the fire in the early hours of Monday morning. Small fires, smouldering building equipment and the ashes of what used to be personal belongings, that's what's left behind in this community that so many families once called home;"*
- *The Democratic Alliance (DA)'s Shadow MEC for Health in Gauteng Jack Bloom says that Qedani Mahlangu was only recently referred to the African National Congress (ANC)'s integrity committee for her role in the Life Esidimeni tragedy. Mahlangu was called to testify at the Esidimeni arbitration hearings which investigated the unnecessary deaths of at least 144 psychiatric patients";*
- *"Police in Limpopo have found two (2) stolen cars which were been smuggled out of the country yesterday. One (1) of the cars' picture, a Ford Ranger 4x4, has been circulating on social media. The vehicle was wrapped with a green sack with goods on the side to disguise it. The police's Motlafela Mojabelo says it was stolen in Gauteng in Emmarentia and was found on the N1 North in Westenburg, outside Polokwane. Two (2) suspects have been arrested"; and*
- *"The death of author Mark Minnie has thrust the crime of child rape into the spotlight, with researchers warning violence against minors remains universal*



*and systematic. Minnie was found with a bullet wound to his head in Port Elizabeth on Monday, next to a firearm which didn't belong to him and a note. His death comes days after the controversial book he co-authored The Lost Boys of Bird Island was published."*

**The Licensee complies with clause 6.1 of the schedule to its licence.**

Clause 6.2 of the schedule to 94.7 Highveld Stereo's licence provides that:

*"The source(s) of all news material (other than news sourced by the Licensee) shall be disclosed during the news broadcasts".*

The monitoring exercise revealed that most of 94.7 Highveld Stereo's news bulletins 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 other 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 6.2 of the schedule to its licence.**

**3.10 Training and Skills Development Obligations**

Clause 7 of the schedule to the 94.7 Highveld Stereo licence provides that:

*"The Licensee shall over its licence period, allocate R350 000 (three hundred and fifty thousand Rand) per annum to training and development, particularly of staff from historically disadvantaged groups".*

For the Period under review, the Licensee delivered a number of different training interventions as reflected in the training report submitted at a cost of R336,368.76 (three hundred and thirty six thousand three hundred and sixty eight rand seventy six cents) to 58 (fifty eight) staff members. Of which R318,537.20 (three hundred and eighteen thousand five hundred and thirty seven rand twenty cents) was spent on training 52 (fifty two) staff from historically disadvantaged groups.

The Licensee submitted a list of staff members and information on the training<sup>6</sup> each received. Training information includes training date, course, training provider, race of staff member, gender of staff member and the course cost.

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

### **3.11 Community - related Obligations**

Clause 8.1 provides that:

*"The Licensee shall:*

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

The Licensee reported to have raised a minimum of R285,000.00 (two hundred and eighty five thousand rand) in cash and goods for charitable causes in the community through initiatives such as the Random Acts of Kindness with the Dis-Chem Foundation and Lottostar, for the period under review. The cash raised and goods contributed went into supporting various community organisations. The Licensee provided a list of donors and beneficiaries<sup>7</sup>, in its report.

The Licensee further raised cash amounting to over R800,000.00 (eight hundred thousand rand) for charitable causes which includes a series of medical operations for "Baby Hannah", travel costs for Kgosana to travel to the US to participate in a rugby tournament, and to assist disadvantaged school children.

**The Licensee complies with clause 8.1.1 of the schedule to its licence.**

*8.1.2 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:*

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<sup>6</sup> List of Staff training

<sup>7</sup> List of Beneficiaries of cash and goods

- c) schools;
- d) women;
- e) children;
- f) animal welfare; and or
- g) natural/environmental disasters such as fires and floods".

In the period under review the Licensee conducted interviews with various organisations amounting to airtime value of R891,097.00 (eight hundred and ninety one thousand and ninety seven rand). Some of the community organisations supported through allocation of airtime included those benefitting children, the terminally ill and elderly. The Licensee submitted a list of organisations<sup>8</sup> which benefitted from the allocated airtime.

The Licensee further broadcasted Public Service Announcements worth an airtime value of R911,308.00(nine hundred and eleven thousand three hundred and eight rand). The airtime was allocated to organisations such as those supporting children, the terminally ill and animal welfare.

### **The Licensee complies with clause 8.1.2 of the schedule to its licence.**

Clause 8.2 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" 94.7 Highveld Stereo presenters, producers, news reporters, sales representatives, marketing staff and sound engineers while at work".*

For the period under review, the Licensee reported that it did not conduct any staff training for community sound broadcasters. However, the Licensee conducted an internship programme at its Johannesburg offices for graduates over the course of the year. Graduates were placed in departments that service both 702 and 94.7 as well as the news desk (EyeWitness News).

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<sup>8</sup> List of Organisations allocated airtime

A total of 14 (fourteen) interns were put on the internship programme. The interns were placed in the following departments:

- Programming (1 Intern)
- Production (2 Interns)
- EWN (4 Interns)
- IT Technical (1 Intern)
- Events (1 Intern)
- PR and Brand Marketing (1 Intern)
- Insights and Data Analytics (4 Interns)

Of the 14 interns, 6 were absorbed into our permanent staff compliment in Production, EWN, IT Technical, Events and Insights and Data Analytics.

**The Licensee does not comply with clause 8.2 of the schedule to its licence.**

Clause 9 provides that:

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

94.7 Highveld Stereo reports that it is part of Primedia Broadcasting which owns 4 (four) radio stations. The Licensee's senior management has a responsibility over all 4 (four) radio stations. The Licensee submits that its Board of Directors comprises of 9 (nine) directors, 3 (three) of whom make up the Executive Committee which together with the Management Committee operates across all four radio stations, and a Senior Management team for 2 (two) stations in each city, except for Programme Managers who are station specific.

**The Licensee complies with clause 9 of the schedule to 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).

94.7 Highveld Stereo submitted a complaints report in Form 12A as required by the regulations. For the period under review, the Licensee reported to have received 8 (eight) complaints, 1 (one) for an inappropriate song, 1 (one) for dignity, 2 (two) for hate speech, 2 (two) for blasphemy and 2 (two) for bias comments.

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

**The Licensee complies with the Compliance Procedure Manual Regulations.**

### **4.2 SA Music Content**

The Authority has on 23 March 2016 published ICASA South African Music Contents Regulations which repealed ICASA South African Music Content regulations published on 31 January 2006. The regulations were to be effective eighteen (18) months after publication i.e. 23 September 2017 which falls within the period under review. The quotas were revised from 25% to the 35% for commercial sound broadcasting services.

Regulation 3 (2) of the ICASA South African Music Contents Regulations stipulates that:

*"Every holder of a commercial sound broadcasting 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 reasonably evenly throughout the said period”.*

During the year under review, the monitoring exercise revealed that 94.7 Highveld Stereo played an average of 35% (twenty five percent) of South African Music spread reasonably evenly throughout the Performance Period. The South African artists featured included among others, Spirit by Kwesta, Jika by Micasa, Sun in My Pocket by Locnville, Baddest by AKA ft. Burna Boy, Khuli Chana, Yanga, 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 Licences<sup>9</sup>.

**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)<sup>10</sup>, 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:

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<sup>9</sup> Regulations Regarding Standard Terms and Conditions for Individual Licences

<sup>10</sup> 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"*

94.7 Highveld Stereo'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 payment<sup>11</sup> thereof, as required by the regulations.

**The Licensee complies with the above regulations.**

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

Regulation 3 (1) of the General Licence Fees Regulations<sup>12</sup> 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 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".*

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<sup>11</sup> Proof of USAF contribution

<sup>12</sup> General Licence Fees Regulations

94.7 Highveld Stereo's financial year ends on 30 June. The Licensee paid its licence fees on 29 September 2018 and submitted proof of payment<sup>13</sup> thereof, as required by the regulations.

**The Licensee complies with the above regulations.**

## **5. CONCLUSION**

The Licensee has substantially complied with relevant regulations and its licence terms and conditions during year under review, except for clause 7.2 of its licence.

## **6. TERMS OF REFERENCE**

Appendix A: 94.7 Highveld Stereo's broadcasting service licence

Appendix B: 94.7 Highveld Stereo's frequency spectrum licence

Appendix C: List of local music events supported

Appendix D: List of staff training

Appendix E: List of beneficiaries for cash and good

Appendix F: List of organisations allocated airtime

Appendix G: SA Music Content Regulations

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

Appendix I: Universal Service and Access Fund Regulations

Appendix J: Proof of USAF Contribution

Appendix K: General Licence Fees Regulations

Appendix L: Proof of Licence Fees Payment

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<sup>13</sup> Proof of Licence Fees payment