



RISE FM ANNUAL COMPLIANCE REPORT

MARCH 2019

2017/2018 ANNUAL COMPLIANCE REPORT

RISE BROADCAST (PTY) LTD BROADCASTING AS RISE FM 94.3

Licence Period: 01 November 2008 to 31 October 2018

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 2017/2018. 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, Contributions to the Universal Service and Access Fund Regulations, General Licence Fee Regulations and Regulations on Standard Terms and Conditions for Individual Licensees.

2. BACKGROUND

Rise FM was awarded a regional Individual Sound Broadcasting Service licence on 01 November 2008 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 42 000⁵.

¹ The Constitution of the Republic of South Africa, No 108 of 1996

² ICASA Act No. 13 of 2000, as amended

³ ECA Act No. 36 of 2005

⁴ Broadcasting Act No. 4 of 1999

⁵ <http://www.brcsa.org.za/brc-ram-radio-listening-Apr-17-Sep-17-Jul-17-Dec-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 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 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 its licence.

3.4 Format

Clause 4 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. The unique urban sound of the Licensee is testament to the rising middle-class demographic of the Mpumalanga Province.

The Authority's monitoring exercise confirmed the adult contemporary format of the Licensee's programming, a mix of talk with urban and contemporary pop music aimed at an adult audience. There is plenty of talk in the form of engaging listeners in programs such as Rise FM Wake Up Call with Cheese and Mpumi at 06h00 weekdays. Justin Timberlake *"Can't Stop the Feeling"*, Usher *"Moving Mountains"*, Chris Brown *"Forever"*, Boom Shaka *"It's About Time"*, Danny K *"It hurts so bad"* are some of the artists that were featured on Rise FM's playlist.

The Licensee was found to be compliant with clause 4 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 resubmitted a 2016/2017 submission for the 2017/2018 financial year in verbatim⁶.

The Licensee was found to be non-compliant 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 18h00 and 19h00 hosted by Zingisa Chirwa. 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".

Rise FM in 60 minutes includes topics occurring in the coverage area. For example, the commemoration of the Lowveld massacre when young people were killed

⁶ Appendix A: Rise FM 2016/2017 submission

thirty-two (32) years ago by the apartheid regime. The Lowveld massacre started with the killing of a student, Mandla Lekhuleni during a student protest. The Mpumalanga Department of Culture, Sport and Recreation representative, Sibongile Nkosi and Milchild Shabangu, from the Lowveld Massacre Committee, were invited to the studio.

The Licensee was found to be compliant 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 thirteen (13) news bulletins on weekdays (06h00-18h00) and four (4) news bulletins at 07h00, 09h00, 11h00 and 13h00 on weekends. The duration of news bulletins is approximately three (3) minutes during the performance period. The monitoring exercise also confirmed that there are sport updates supplemented by news headlines at 06h30, 07h30, 08h30, 16h30 and 17h30 of three minutes and thirty seconds (3minutes 30 seconds).

The following are examples of news items broadcast by the radio station during the period under review:

- *"The National Education Health Allied Workers Union (NEHAWU) wants the Public Protector to investigate former Water and Sanitation Minister Nomvula Mokonyane. The union has indicated it will lay a formal complaint with Advocate Busisiwe Mkhwebane this week. This comes as a report has revealed that Mokonyane allegedly ensured that a construction firm benefitted unduly from the Giyani water project. Yesterday the City Press reported that Mokonyane appointed LTE Consulting Engineers without a*

public tender. NEHAWU spokesperson Khaya Xaba tells Rise FM news they are also considering laying criminal charges against Mokonyane;

- South African Airways is reportedly planning to spend over thirteen (13) million rand on the protection of its key personnel. This is ahead of the announcement on the intention to shed jobs. The Sunday Times is reporting that the carrier is considering the retrenchments of employees as a streamlining option to return it into its profitability. However, the carrier is also taking extensive measures to protect its executives in light of this;*
- An education activist has called on government to convene a school safety Indaba to develop a safety charter for the well-being of learners. The call comes after a recent spate of incidents across the country where learners died on school premises. In the Eastern Cape, five (5) year old Viwe Jali fell into a pit toilet last week while another five (5) year old girl died after being electrocuted in Limpopo. Hendrick Makwanethwa says stakeholders should be brought together in order to discuss how school safety can be ensured for all children; and*
- President Cyril Ramaphosa has extended his congratulations to Chinese President Xi Jinping on his re-election as President of China. Ramaphosa says Ping's re-election is a vote of confidence by the people of China for his sterling leadership. Over the weekend Xi Jinping was unanimously re-elected as head of state by the country's Parliament. Ramaphosa says he is confident that the strong binational relations between the two countries will continue to grow in scope and stature in coming years".*

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:

- "Executive Mayor of Lekwa local municipality has reportedly been recalled by the ANC in the Gert Sibande region. According to an unconfirmed report, Linda Dlamini who has been accused of corruption was recalled over the*

weekend. The alleged recall comes just days after the Municipal Manager Gugulethu Mhlongo Ntshangase was placed on suspension. Last week the local business community in Lekwa held a march against corruption and maladministration allegedly taking place at the municipality. They were also demanding among other things the supply of local municipality contracts and employment. Chairperson of the Black Business Forum Bonni Matela says they are confident that both the Speaker and the Chief Whip will also be removed tomorrow. The ANC in the Province is yet to issue an official statement; and

- The school principal accused of molesting male pupils at Ligugu Primary School in Don Donald is expected to appear before the Mayflower Magistrate Court today. Earlier this month the fifty-three (53) year old was arrested after it was reported that he allegedly raped a pupil on the school premises. According to the police at least two (2) other boys have come forward reporting similar incidents with the principal”.*

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 business⁷. The Licensee states that it uses Times Media Group’s digital newswire service and supplements these with information from News24. The Licensee should therefore consider requesting an amendment of this clause as SAPA and African Eye News no longer exist. The monitoring exercise confirmed the use of the Licensee’s own news team in the news bulletins.

The Licensee was found to be partially compliant with clause 6.5 of the schedule to its licence.

⁷ Appendix B: Rise FM 2017 2018 Compliance

Clause 6.6 of the licence provides that:

"News will be broadcast in English only"

News is broadcast only in the English language.

The Licensee was found to be compliant with clause 6.6 of the 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 monitoring exercise found that the Licensee uses news sources such as the Sunday Times and the City Press in some of its bulletins and makes references to those sources during news broadcasts.

The Licensee was found to be compliant 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."*

From the Licensee's submission:

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 Manager	Indian	Male

The Licensee was found to be partially compliant 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 7.2 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, Rise FM is 100% owned by Tiso Blackstar Group.

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 7.3 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, Rise FM is 100% owned by Tiso Blackstar Group.

Rise FM complied with clause 7.3 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 submitted a notification to make changes to its ownership. The new service licence⁸ indicates that the Licensee has a 46.22% black ownership.

The Licensee was found to be non-compliant with clause 8.1 of the schedule to its licence.

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, Rise FM is 100% owned by Tiso Blackstar Group.

Rise FM complied with clause 8.2 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 20% representation of women on its board and 33% of women representation on its senior management (2 women out of 6 senior managers).

The Licensee was found to be partially compliant with clause 8.3 of the schedule to its licence.

⁸ Appendix C: Rise FM's Renewed 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 engaged by the Licensee."

The Licensee lodged a notification in respect of the changes to its ownership. At the time of writing this report, the management firm AME sold its shares.

The Licensee was found to be compliant with clause 8.4 of the schedule to its licence.

4 REGULATIONS

4.1. South African Music Content Regulations

The ICASA South African Music Content Regulations, as published on the 23 of 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 these Regulations, a minimum of 35% of the musical works broadcast in the performance period, consists of South African music and that such South African music is spread evenly throughout the performance period".

The Authority's monitoring exercise determined that the Licensee plays between 35% and 40% of South African music per week. Some of the local artists featured are Miza ft Kabomo *"Trust"*, Yanga Chief ft Tellaman *"So Soon"*, Kwesta *"Spirit"*, HHP *"Music and Lights"*, Zikhona *"Umlilo"* and many more.

The Licensee was found to be compliant with the South African Music Content Regulations.

4.2 Regulations Regarding Standard Terms and Conditions for Individual 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.

The Licensee was found to be compliant with the Standard Terms and Conditions for Individual Licences.

4.3 General Licence Fee Regulations

Schedule 2 of the General Licence Fee Regulations provides for Individual Commercial Broadcasting Service Licensees to pay annually to the Authority a licence fee of between 0.15% to 0.35% of its gross profit.

Schedule 3(1) of the General Licence Fee Regulations provides for the format for submission of financial statements for the purpose of calculating licence fees.

Schedule 3(2) of the General Licence Fee Regulations provides that:

"All licence holders must submit within six (6) months of their financial year end:

- a) audited financial statements, or;*
- b) financial statements signed by the accounting officer of the Licensee where the Licensee is legally obliged to provide audited financial statements"*

Schedule 3(6) of the General Licence Fee Regulations provides that:

"All payments in respect of Annual Licence Fees are due annually"

The Licensee paid its annual licence fees on 27 October 2018⁹.

The Licensee was found to be compliant with the General Licence Fees Regulations.

⁹ Appendix D: Financial Submission Accrual vs Actual

4.4 Universal Service and Access Fund (USAF) Regulations

Regulation 3(1) of the Universal Service and Access Fund (USAF) Regulations as published in the Government Gazette No. 34010 of 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) further provides 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 of the same financial year"

The Licensee has paid its USAF contribution as required by Regulations 3(1) and 3(2) of the Universal Service and Access Fund Regulation.

The Licensee was found to be compliant with Regulations 3(1) and 3(2) with respect to the prescribed annual contributions of the Universal Service and Access Fund Regulations.

4.5 Code on People with Disabilities

Regulation 3.1(a) of the Code on People with Disabilities as published in the Government Gazette, no 30441, 07 November 2007 states that:

"Broadcasting Service Licensees to ensure that their services are made available and are accessible to people with disabilities".

Regulation 3.1(c) of the Code on People with Disabilities provides that:

"Broadcasting service licensees must monitor the effectiveness of their service through surveys as well as contact with organisations of and for people with disability and stakeholders".

The Licensee resubmitted the 2016/2017 submission on compliance with the Code for People with Disabilities.

The Licensee was found to be non-compliant with the regulations on the Code for People with Disabilities.

5. COMPLAINTS

5.1 Complaints Received

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 financial year under review.

The Licensee submitted Form 12A and reported that they did not receive complaints for the period under review.

The Licensee was found to be compliant with the Compliance Procedure Manual Regulations.

5. CONCLUSION

The Licensee has generally complied with the terms and conditions of its licence and other applicable regulations. The Licensee was partially compliant with clauses 6.5, 7.1 and 8.3. The Licensee was also found to be non-compliant with clauses 3.5, 5, 8.1 and Regulations on the Code for People with Disabilities. It should be noted that the Licensee resubmitted a 2016/2017 compliance submission for the 2017/2018 financial year on local content obligations and Regulations on the Code for People with Disabilities.

7. TERMS OF REFERENCE

Attachment A	: Rise FM's Service Licence
Attachment B	: Rise FM's Frequency Spectrum Licence
Attachment C	: Rise FM's 2016/2017 Compliance Submission
Attachment D	: Rise FM's 2017/2018 Compliance Submission
Attachment E	: Financial Submission Accrual vs Actual
Attachment F	: Rise FM's Submission

Attachment G : Rise FM's Renewed Service Licence