



# **TALK RADIO 702 ANNUAL COMPLIANCE REPORT**

**MARCH 2019**

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

### **PRIMEDIA (Pty) Ltd BROADCASTING AS TALK RADIO 702**

**LICENCE PERIOD: 17 December 2008 – 16 December 2018**

#### **1. PREFACE**

The Independent Communications Authority of South Africa (the Authority) has a statutory mandate in terms of the Constitution, the ICASA Act and the Electronic Communications Act of 2005 (ECA) to regulate broadcasting activities in South Africa in the public interest. One of the main tasks of the Authority is to ensure compliance by broadcasters with the terms and conditions of their licence, the ICASA Act, ECA, Broadcasting Act and any relevant legislation and regulations.

The following report is intended to give account of Talk Radio 702's compliance with the terms and conditions as set out in its licence for the 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 licence<sup>1</sup> and a Radio Frequency Spectrum licence<sup>2</sup> in terms of the ECA.

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

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<sup>1</sup> 94.5 KFM Broadcasting Service Licence

<sup>2</sup> 94.5 KFM Radio Frequency Spectrum Licence

### **3. COMPLIANCE ASSESSMENT**

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

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

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

*"The licence is issued to:*

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

*1.2 Shareholders: Primedia Holdings III Limited*

*1.3 Ownership held by persons from historically disadvantaged groups: 46.61%"*

During the period under review, there were no changes reported by the Licensee to the entity's name, shareholding and HDG structure.

**The Licensee 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 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.

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

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 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.

**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:*

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<sup>4</sup> Signed Resolution

**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 licence provides that:

*"Name of Station: Talk Radio 702".*

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

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

#### **3.5. Geographic Coverage Area**

Clause 2 of Talk Radio 702's frequency spectrum licence provides that Talk Radio 702's geographic coverage is as follows:

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

The Authority did not receive reports and or complaints alleging that the Licensee broadcasts outside the defined coverage area.

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

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

Clause 3 of the licence provides that the language of broadcast shall be:

*"Principal Language: English".*

Talk Radio 702 broadcast its programmes in English as its primary language.

**The Licensee 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 revealed that the Licensee's music does not exceed 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:

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

The monitoring exercise revealed that most of Talk Radio 702 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 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 5.1 of its licence.**

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

*"The Licensee shall broadcast news every hour daily".*

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

- *"As the African National Congress (ANC) calls on its leaders and members to answer for their alleged roles in state capture, former President Jacob Zuma says he wants time to decide how to participate at the commission. The inquiry into state capture kicked off in Parktown on Monday morning with Zuma's lawyers and the legal representatives of those implicated in state capture asking the inquiry for more time to study witness submissions.";*
- *"Family axe murderer Henri van Breda will now approach the Supreme Court of Appeal (SCA) directly to challenge his conviction and sentence. His application for leave to appeal was dismissed by the Western Cape High Court on Monday. In June, the 23-year-old was slapped with three life sentences for killing his parents and older brother, and 15 years for attempting to murder his younger sister at the Stellenbosch home in 2015.";*
- *"Pope Francis has acknowledged "with shame and repentance" the Catholic Church's failure to act over sexual abuse by clerics against minors going back decades, writing "we showed no care for the little ones; we abandoned them". Pope Francis, facing sexual abuse crises in several countries, wrote an unprecedented letter to all Catholics on Monday, asking each one of them to help root out "this culture of death" and vowing there would be no more cover-ups.";*
- *"Communications Minister Nomvula Mokonyane says that US President Donald Trump's tweet was "unfortunate". But she says it has not determined South Africa's approach to its relations with the United States and will be dealt with*

*through diplomatic channels. Mokonyane was responding to questions while briefing on the outcomes of Wednesday's Cabinet meeting at Parliament.";* and

- *"The Democratic Alliance (DA) says state capture has led to a culture of impunity, and that two years since the project was revealed, no one has been prosecuted. The opposition believes the African National Congress (ANC) as a political organisation should be called to appear before the Zondo Commission of Inquiry investigating state capture".*

**The Licensee complies with clause 5.2 of its licence.**

### **3.9 Training and Skills Development Obligations**

Clause 6 of the licence provides that:

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

The Licensee reported that, for the period under review, it allocated a total of R576, 342.00 (five hundred and seventy-six thousand three hundred and forty-two rand) to towards the training and development of its staff. Of this amount, R516, 382.00 (five hundred and sixteen thousand three hundred and eighty-two rand) was spent on training historically disadvantaged individuals (HDI's). In total, 126 (hundred and twenty-six) employees were trained, 115 (hundred and fifteen) of whom were historically disadvantaged employees.

**The Licensee complies with clause 6 of its licence.**

### **3.10 Community - related Obligations**

Clause 7.1 provides that:

*"The Licensee shall:*

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



The Licensee reported that, for the period under review, it raised cash and goods for various charitable courses on Talk Radio 702 amounting to R290, 000.00 (two hundred and ninety thousand rand). The assistance was raised for causes that cater for the terminally ill, school children and the environment. The Licensee provided a list of donors and beneficiaries<sup>5</sup>, in its report.

**The Licensee complies with clause 7.1.1 of its licence.**

*7.1.2 provide airtime worth R250 000 (two hundred and fifty thousand Rand) annually, towards supporting community organisations such as those benefiting:*

- a) people infected or affected by HIV & AIDS;*
- b) the terminally ill and/or the elderly;*
- c) schools;*
- d) women;*
- e) children;*
- f) animal welfare; and or*
- g) natural/environmental disasters such as fires and floods”.*

The Licensee reported that, for the period under review, it provided airtime totalling R1, 819, 811.00 (one million eight hundred and nineteen thousand eight hundred and eleven rand) to community organisations including those benefitting children, the terminally ill, the elderly and animal welfare.

**The Licensee complies with clause 7.1.2 of its licence.**

Clause 7.2 of the licence 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” Talk Radio 702 presenters, producers, news reporters, sales representatives, marketing staff and sound engineers while at work”.*

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<sup>5</sup> List of Beneficiaries of cash and goods

During 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 947 as well as our news desk (EyeWitness News).

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 7.2 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).

Talk Radio 702 submitted a complaints report in Form 12A as required by the Regulations. For the period under review, the Licensee reported to have received 47 (forty-seven) complaints, 2 (two) blasphemy, 6 (six) language, 8 (eight) comment, 18 (eighteen) balance, 2 (two) dignity 1 (one) advertisement and 10 (ten) for hate speech.

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 Regulations**

The Authority has on 23 March 2016 published the ICASA South African Music Contents Regulations which repealed the 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".*

Talk Radio 702 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.

The monitoring exercise revealed that Talk Radio 702 plays approximately fifteen percent (15%) of South African Music spread reasonably evenly throughout the performance period, as per the exemption granted by the Authority. The South African

artists featured included among others, Letta Mbulu, Zahara, Mahotella Queens, Siphos Mabuse, Vusi Mahlasela, etc.

**The Licensee is exempted from complying with SA Content Regulations.**

#### **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>6</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>7</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:

*"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"*

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<sup>6</sup> Regulations Regarding Standard Terms and Conditions for Individual Licences

<sup>7</sup> USAF Regulations

Talk Radio 702'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>8</sup> 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 Regulations<sup>9</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 General 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".*

Talk Radio 702's financial year ends on 30 June. The Licensee paid its licence fees on 29 September 2018 and submitted proof of payment<sup>10</sup> thereof, as required by the regulations.

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

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<sup>8</sup> Proof of USAF contribution

<sup>9</sup> General Licence Fees Regulations

<sup>10</sup> Proof of Licence Fees payment

## **5. CONCLUSION**

The Licensee has sufficiently complied with relevant regulations and its licence terms and conditions, except for clause 7.2 of its licence.

## **6. TERMS OF REFERENCE**

Appendix A: Talk Radio 702's broadcasting service licence

Appendix B: Talk Radio 702's frequency spectrum licence

Appendix C: List of 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  
Licences

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