



TALK RADIO 702 ANNUAL COMPLIANCE REPORT

MARCH 2020

2018/19 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 (EC 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 Electronic Communications Act, the ICASA Act, 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 2018/2019 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 licence¹ and a Radio Frequency Spectrum licence² in terms of the EC Act.

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.

¹ Talk Radio 702 Broadcasting Service Licence

² Talk Radio 702 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 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: Mr. Tebogo Mokoena

2.1.2 Tel: 011 506 3845

2.1.3 Fax: 086 262 3003

2.1.4 Cell: 084 293 9192

2.1.5 Email: tebogomo@primedia.co.za"

The Licensee did not submit any notification with regards to all the above as stated during the period under review.

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 has not submitted any notification with regards to changes to its principal addresses during the period under review.

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 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 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 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:

- *"EWN reporter Clement Manyatehela says former public service and administration minister as well as former minerals and energy minister, Ngoako Ramatlhodi, is the first witness at the Zondo commission and 'is calling a spade a spade. 'Ramatlhodi told the commission how the Guptas used Duduzane Zuma, son of former president Jacob Zuma, to arrange a meeting for them."*
- *"The Institute of Race Relations has released its latest election poll predicting that the ANC will win with the majority of votes, the EFF continuing to grow, while the DA will remain stable. The poll was conducted earlier in April with a sample of over 2,000 registered voters..."*;
- *"UK Prime Minister Theresa May has told fellow Conservative Party lawmakers on Wednesday that she is prepared to resign before the next round of Brexit negotiations with the European Union, offering up her leadership post in an effort to persuade hard-liners to support her unpopular plan to exit the bloc..."*;
- *"MDC Alliance leader Nelson Chamisa says his party rejects Zimbabwe's highest court's decision upholding the election results. Chamisa was speaking to the media in Harare on Saturday..."*; and
- *"The Democratic Alliance's premier hopeful Solly Msimanga says he is confident his party will lead the polls in Gauteng. Msimanga was speaking outside a polling station in the Capital Park ahead of the 2019 National Elections in May."*

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 has not submitted any details regarding the above licence obligation.

The Licensee does not comply with clause 6.1 of the schedule to 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 has not submitted any details regarding the above licence obligation.

The Licensee does not comply with clause 7.1.1 of the schedule to 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 has not submitted any details regarding the above licence obligation.

The Licensee does not comply with clause 7.1.2 of the schedule to 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” Radio 702 presenters, producers, news reporters, sales representatives, marketing staff and sound engineers while at work”.

The Licensee has not submitted any details regarding the above licence obligation.

The Licensee does not comply with clause 7.2 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 has not submitted any details regarding the above regulation.

The Licensee does not comply with the Compliance Procedure Manual Regulations.

4.2 SA Music Content Regulations

Regulation 3 (2) of the ICASA South African Music Contents Regulations, 2016 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, *Hugh Masikela, Johnny Clegg, Mariam Makeba, Judith Sephuma, Jimmy Dlodlu.*

The Licensee is exempted from complying with SA Content Regulations.

4.3 Standard Terms and Conditions

During the year under review, the Authority identified instances of non-compliance by the Licensee with the Regulations regarding Standard Terms and Conditions for Individual Licences³. The Licensee did not provide the Authority with the relevant compliance information as per Regulation 9.

According to the Amendment Standard Terms and Conditions for Broadcasting Services Regulations, 2010 as amended, Schedule 1 Regulation 9(3) and 9(5), provides as follows:

(3) "Submission of information for the annual compliance report in line with the relevant guidelines and Licence Terms and Conditions."

(5) "In the event where the Licensee or its representative refuse or fail to provide the Authority with requested information in terms of sub regulation (1), the Authority may, after reasonable attempts, refer the matter to the Complaints and Compliance Committee."

The Licensee does not comply 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)⁴, 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"

³ Standard Terms and Conditions for Class Broadcasting & Electronic Communications Network Services, 2010 as published in *Government Gazette* No. 33296 dated, 14 June 2010, as amended.

⁴ USAF Regulations, 2011 as published in *Government Gazette* No. 34010 dated, 10 February 2011.

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 payment⁵ 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 Regulations⁶ 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".*

Talk Radio 702's financial year ends on 30 June. The Licensee paid its licence fees on 26 September 2019 and submitted proof of payment⁷ thereof, as required by the regulations.

The Licensee complies with the above regulations.

⁵ Proof of USAF contribution

⁶ General Licence Fees Regulations, 2012 as published in *Government Gazette* No. 36323 dated, 28 March 2013, as amended

⁷ Proof of Licence Fees payment

5. CONCLUSION

The Licensee has partially complied with its licence terms and conditions, for the period under review. However, the Licensee failed to comply with clause(s) 6.1, 7.1.1, 7.1.2, 7.2 and 7.4 of the schedule to its licence terms and conditions. The Licensee also failed to comply with regulation 4.1 in respect to the Compliance Procedure Manual.

Broadcasting Compliance will take up the matter with Talk Radio 702, so they should attend to and address their non-compliance. Failing which, the matter may be referred to the Complaints and Compliance Committee (CCC), of the Authority.

6. TERMS OF REFERENCE

- 6.1 Appendix A: Talk Radio 702's broadcasting service licence
- 6.2 Appendix B: Talk Radio 702's frequency spectrum licence
- 6.3 Appendix C: SA Music Content Regulations
- 6.4 Appendix D: Regulations Regarding Standard Terms and Conditions for Individual Licences
- 6.5 Appendix E: Universal Service and Access Fund Regulations
- 6.6 Appendix F: Proof of MDDA contribution
- 6.7 Appendix G: General Licence Fees Regulations
- 6.8 Appendix H: Proof of Licence Fees payment