



TALK RADIO 702 ANNUAL COMPLIANCE REPORT

MARCH 2021

2019/20 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 2019/2020 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 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: 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 notice with regards to the change of contact person and the contact details above, during the period under review. That means there were no changes to all the above.

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. That means there were no changes to all the above.

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. The Licensee submits that where it reports on news from elsewhere either than from their journalists and sources, the Licensee confirms that it discloses the source.

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 five (5) minutes. The among the news excerpts identified during the period under review, were the following:

- *"Duduzane Zuma has concluded his first appearance at the Zondo Commission in Parktown where he denied a number of allegations previously leveled against him before the very same commission by some political figures. Some of the allegations came from the likes of former deputy Finance Minister Mcebisi Jonas, who claimed that the Gupta family had, in Duduzane's, presence offered him R600 million if he agreed to replace Nhlanhla Nene as Finance Minister."*
- *"Eskom chief executive officer Phakamani Hadebe has announced he is resigning from his position. A statement released on Friday evening said Hadebe would step down at the end of June 2019.";*
- *"Zimbabwe hiked fuel prices for the second time in a week but most pumps remained dry, with no end in sight to shortages that are helping drive inflation rapidly higher and which have led to protests about the cost of living."; and*
- *"Tanzanian President John Magufuli has called on citizens to turn to God and to keep the economy turning, but as coronavirus cases creep up, calls are rising for the country to take stronger action. While countries across Africa have imposed curfews, partial and full lockdowns, Tanzania has resisted such measures. Schools and universities have been shut but markets, bus stops and shops bustle as usual."*

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 submits that for the period under review, it has allocated a total of nine hundred and forty thousand Rand (R940 000.00) towards the training and development of its staff. Of this amount, six hundred and twenty-three thousand Rand (R623 000.00) was spent on training historically disadvantaged individuals (HDI's). The table below, shows the amounts the Licensee, spent.

Table 1. Staff training and development details

FEMALE TRAINED	RAND: TRAINING SPEND	TOTAL # TRAINED
AFRICAN	338 567.00	60
INDIAN	8 400.00	4
COLOURED	4 879.00	1
WHITE	298 990.00	10
TOTAL	650 836.00	75

MALE TRAINED	RAND: TRAINING SPEND	TOTAL # TRAINED
AFRICAN	131 711.00	22
INDIAN	25 780.00	3
COLOURED	15 800.00	2
WHITE	115 873.00	20
TOTAL	289 164.00	47
GRAND TOTALS	940 000.00	122

The licensee submits that a total one hundred and twenty-two (122) employees were trained and one hundred and twenty (120) of whom were from historically disadvantaged backgrounds.

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

3.10 Community - related Obligations

Clause 7.1 of the licence 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 submits that it raised cash and goods for various charitable courses on 702 amounting to six hundred and seventy-eight thousand Rand (R678, 000.00).

Below is a table that reflects the licensee's performance in relation to clause 7.1.1 of the schedule to its licence.

Table 2. Delivery on community related obligations

Beneficiary Name	Date of Announcement	Contribution	Value
Chris Hani Baragwanath Hospital	Dec – 19	The Dischem Foundation partnered with the Smile Foundation and 702 to donate funds for various reconstructive surgeries for children.	R300 000.00
Northcliff Twins	Jul - 19	702 Through the Dischem Foundation assisted in raising funds for the Northcliff Twins to obtain their specialised formula.	R258,000.00

The Licensee complies 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 submits that it has provided airtime totalling one million and forty-eight thousand seven hundred and seven Rand (R1 048 707) towards various programmes and initiatives related to any details regarding the above licence obligation. Below is the detailed breakdown.

Table 3. Breakdown of provision of airtime

Type of Contribution	Beneficiary	Amount
Public Service Announcement	702 COVID Promo	120, 988.00
Public Service Announcement	702 Social Distancing Promo	158, 988.00

Public Service Announcement	Free Radio Initiative – National Anthem	120 000.00
Public Service Announcement	The Kidz Trust	62,623.00
Public Service Announcement	Prostate Cancer Foundation	65,478.00
Public Service Announcement	ORT South Africa	65, 000.00
Radio Interview	Decimal Agency	86, 745.00
Radio Interview	SABRIC	98, 000.00
Radio Interview	TLC Children’s Home	68, 000.00
Radio Interview	National Department of Health	77, 346.00
Radio Interview	South African Medical Research Council	87, 673.00
Radio Interview	Right to Care	37,856.00

The Licensee complies 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 submits that due to prevailing COVID-19 regulations, it was unable to conduct any staff training for community sound broadcasters.

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 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 on 23 March 2016, published 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 because the Licensee is talk based. Therefore, in terms of the exemption the Licensee can 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, *Sipho Gumede, Ndunduzo Makhathini, Lady Smith Black Mambazo, Zonke, Freshly Ground*, any others alike.

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 Licences³.

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)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"

Talk Radio 702's financial year ends on 30 June. The Licensee paid its contribution to the Universal Service and Access Fund on 1 February 2021 and submitted proof of payment⁵ thereof, as required by the Regulations.

The Licensee complies with the above regulations.

³ Regulations Regarding Standard Terms and Conditions for Individual Licences Standard Terms and Conditions for Individual & 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.

⁵ Proof of USAF contribution

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 30 October 2020 and submitted proof of payment⁷ thereof, as required by the Regulations.

The Licensee complies with the above regulations.

5. CONCLUSION

The Licensee has sufficiently complied with relevant Regulations and its licence terms and conditions, except for clause 7.2 of its licence. The reason for the non-compliance is attributed to Covid 19 restrictions that the Licensee had to shelve what they had to do. The Licensee was complying with the National Disaster Regulations on limitations of movement and not convening any gatherings.

Therefore, no consideration of any action in this regard against 702 Talk Radio, on the part of the Authority.

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.

6. TERMS OF REFERENCE

Appendix A: Talk Radio 702's broadcasting service licence

Appendix B: Talk Radio 702's frequency spectrum licence

Appendix C: SA Music Content Regulations

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

Appendix E: Universal Service and Access Fund Regulations

Appendix F: Proof of MDDA contribution

Appendix G: General Licence Fees Regulations

Appendix H: Proof of Licence Fees payment

END

March 2021