



CAPE TALK RADIO ANNUAL COMPLIANCE REPORT

MARCH 2017

2015/2016 ANNUAL COMPLIANCE REPORT

567 CAPE TALK

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 Constitution¹, the ICASA Act², the Electronic Communications Act³ (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 ICASA Act, the ECA, terms and conditions of their licence, and any relevant legislation and regulations.

The following report is intended to give account of 567 Cape Talk's performance for the 2015/2016 financial year. Aspects of compliance that are measured comprise of Geographic Coverage, Languages, Format, Local Content Obligations, General Programming Obligations, Regulations regarding Standard Terms and Conditions, Universal Service and Access Fund Regulations and General Licence Fees Regulations.

2. BACKGROUND

567 Cape Talk is an Individual Commercial Sound Broadcasting Service Licensee, providing a talk-based service with a maximum of fifteen percent (15%) music programming to Cape Town. Just like its sister stations, Cape Talk is in its sixth year of licence since the conversion process and the issuance of an Individual Commercial Sound Broadcasting Service licence and a radio frequency spectrum licence in terms of the ECA, in December of 2008.

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

² ICASA Act No 13, 2000 as amended

³ Electronic Communications Act No 36, 2005

3. COMPLIANCE ASSESSMENT

3.1 Ownership and Control

In terms of clause 1 of 567Cape Talk's licence, the name of Company/Entity: PRIMEDIA (Pty) Ltd. The Shareholder is PRIMEDIA Holdings (Pty) Ltd and ownership held by persons from historically disadvantaged groups is 39.81%.

There were no changes made by the Licensee to the name of the entity, shareholding or equity stake in respect of historically disadvantaged groups (HDGs).

The Licensee has, during the year in review, complied with clause 1 of the Schedule of its licence.

Clause 1.3 of the Schedule of the service licence stipulates that:

"Ownership held by persons from historically disadvantaged groups: 38.6%".

The Licensee confirms that Mineworkers Investment Company (Pty) Ltd Trust whose beneficiaries are historically disadvantaged persons from the mining and construction sectors, holds 49.1% equity shareholding.

The Licensee complies with clause 1.3 of the Schedule of its licence.

3.2. Geographic Coverage

Clause 2 of the schedule to the licence provides that the Licensee's geographic coverage area is:

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

The Licensee has confirmed that its coverage area is as defined in its frequency spectrum licence. The Authority is not aware of any reports and or complaints that have been instituted against the Licensee suggesting that the Licensee broadcasts outside its coverage area.

Based on the above, the Authority is satisfied that the Licensee has, for the period under review, complied with clause 2 of the Schedule to its licence.

3.3 Broadcast Language(s)

Clause 3 of 567 Cape Talk's Schedule of its licence stipulates that the principal language of broadcast of the Licensee is English. The Authority confirms that the Licensee broadcasts in English and accordingly is **in compliance with clause 3 of the Schedule to its licence.**

3.4 Format

Clause 4 of the schedule to the licence provides that the radio stations format is:

"A talk-based service with a maximum of fifteen percent (15%) music programming".

The Licensee maintains that 567 Cape Talk is a talk radio station, whose music component does not constitute more than 15% of its programming.

The Authority's monitoring exercise confirmed that the radio station offers a programming format of music which is not more than fifteen percent (15%).

According to the Broadcast Research Council of South Africa's (BRCSA) Radio Audience Measurement (RAM) figures for the past 7 days- January to September 2016, the radio station's listenership is 79 000.00⁴.

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

3.5 General Programming Obligations

Clause 5.1 of the schedule to the licence provides that:

"The Licensee shall broadcast news on a regular basis for a minimum of thirty (30) minutes each day between 05h00 and 23h00".

⁴ www.brcsa.org.za

The Authority's monitoring exercise confirmed that the Licensee broadcasts news bulletins. Twenty-eight news bulletins were monitored each day during the performance period. The news bulletins are approximately 3 minutes amounting to approximately 84 minutes of news monitored.

The following news stories were identified:

- *"President Jacob Zuma launched a verbal tirade against DA leader Musi Maimane calling him a confused fellow who does not have the capacity to think";*
- *"The electoral court has disqualified an EFF candidate from contesting in Wednesday's local government elections. Thabo Mabotsha who was standing for the red barrettes in Tshwane has been found guilty of breaching the Electoral Code of Conduct";*
- *"Long serving former Independent Electoral Commission Chairperson Brigalla Bam has expressed concern over the changes of the recent Editorial Policy changes at the SABC. Bam who served as the IEC chair for 14 years says an unbiased media especially the country's national broadcaster are crucial for free and fair elections";*
- *"The Hawks have made a third arrest following a burglary at the Simons Town naval base. The suspect was apprehended yesterday afternoon at the base barracks. Two SANDF members were arrested for allegedly stealing ammunition including hand grenades and weapons from the naval base a week ago";*
- *Some filling station owners in Cape town say there has been a marked increase in customers rushing to fill their tanks but fuel shortages aren't expected this weekend;*
- *The Western Cape transport department will be reintroducing a stringent approach to addressing drunken driving. Traffic officials will be using the evidentiary breath alcohol testing system otherwise known as EBAT"; and*

- *In the United States health officials say 4 people in the State of Florida suffering with the Zika virus are the first cases indicating that the virus may have been contracted in the US”.*

The Licensee complies with clauses 5.1 of the schedule to its licence.

Clause 5.2 of the schedule to the licence provides that:

“Local news shall constitute at least fifty percent (50%) of its total news component”.

The Authority’s monitoring exercise confirmed that on average, 75% of Cape Talk’s news stories are local news.

The Licensee was found to be compliant with clause 5.2 of its Schedule to the licence.

Clause 5.3 of the schedule to the licence provides that:

“Should the Licensee source news material from a source other than itself, the source(s) thereof shall be disclosed during the news broadcast”.

The Licensee states that whenever it reports on news that it has obtained from other sources other than its journalists, such sources are disclosed during the relevant news bulletin. During the Authority’s monitoring exercise, news sources identified included BBC, US and UK correspondents.

The Licensee has, during the period under review, complied with clauses 5.3 of the Schedule to its licence.

3.6 Training and Skills Development Obligations

Clause 6.1 of the schedule to the licence provides that:

“The Licensee shall inform the Authority of any changes effected to its Human Resource Policies and Procedures Manual”.

During the period under review the Licensee reported that there no changes to its Policies and Procedure Manual, hence it did not inform the Authority of any change in this regard.

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

In terms of clause 6.2 of the schedule to the licence, *"The Licensee shall over its licence period, allocate R250 000.00 (two hundred and fifty thousand Rand) per annum towards staff training with particular emphasis on women and Black people"*.

The Licensee submits that during the year under review, R365 616.74 was spent on various training programmes on 567 Cape Talk's employees. A total of 51 staff members were trained. Of the total amount used for training, R259 936.26 constituting 71% was spent on 30 women constituting 59% of all staff trained.

According to the Licensee, of the total training spend, R252, 753.98 constituting 69% was spent on 32 Black staff constituting 63% of all staff trained during the period under review. The table below demonstrated the radio stations performance during the period under review.

Female	Training Spend	Total No# Trained
African	R27 141.25	7
Coloured	R153 013.27	10
Indian	R2 067.37	1
White	R77 714.37	12
Total	R259 936.26	30
Male	Training Spend	Total No# Trained
African	R6 602.03	5
Coloured	R64 230.06	9
Indian	R0.00	0
White	R35 148.39	7
Total	R105 680.48	21
Grand Total	R332 868.57	51

The Licensee has, during the period in review, complied with clause 6.2 of the Schedule to its licence.

3.7. Community-Related Obligations

Clause 7.1 of the schedule to the licence provides that:

"The Licensee shall make a significant contribution to the community in its coverage area through supporting community projects such as those benefiting women's organisations, childcare organisations, developmental sport, animal welfare and organisations caring for terminally ill".

The Licensee maintains that part of its strategy is to do random acts of kindness by being involved in community initiatives in South Africa as a whole as well as those initiatives within its broadcast area. The Licensee points out that not only does the station inform and entertain its listeners, but it also connects with them in a very profound way. Further, it is committed to assist various charity organisations including organisations mentioned in its licence with public service announcements (PSA's), social responsibility interviews, features and events as well as making calls for donations and raising cash and goods for deserving charitable organisations.

The Authority's monitoring exercise revealed that the radio station broadcasts public announcements to assist childcare organisations. For example, the PSAs which were broadcast to raise funds for The Kidz Positive Family Fund, New Kidz On The Block and Children's Hospital Trust were identified. Other PSAs identified were about Cancer Association and Hospice SA.

The Licensee has during the period under review, complied with clause 7.1 of the Schedule to its licence.

Clause 7.2.1 of the schedule to the licence provides that:

"The Licensee shall raise at least R250 000.00 (two hundred and fifty thousand) in cash and goods annually.

For the period under review, the Licensee reported that it raised cash and/or contributed goods totalling R760 998.00. The cash raised and/or goods contributed are broken down as follows:

Cash raised

Beneficiary Entity Name	Date of Contribution	Amount Contributed	Description
Netball Club Tafelzucht	Mar-16	R65 000.00	The Dischem Foundation donated cash to be used towards developing netball in Mitchell's Plain, the cash will be used to purchase netball equipment for the club.
TOTAL		R65 000.00	

Goods Contributed

Beneficiary	Date	Amount	Description
Bless a Baby spring charity drive	Aug 15	R60 000.00	The Dischem Foundation contributed goods to the charity drive, which will be distributed in disadvantaged communities.
St. Luke's Hospice	Nov-15	R96 000.00	Dischem Foundation contributed goods to the hospice, which provides specialised to the terminally ill.

St. Jones Safe House	Nov-15	R85 573.00	Truck of Love: Woolworths My School programme donated Christmas packs to the safe house which takes on abused, abandoned, and neglected children and abused/addicted mothers.
Erica Special Care Centre	Dec-15	R32 459.00	Truck of Love: Christmas packs donated by the Woolworths My School programme to the Child Care Information Centre located in the outpatient's department of the Red Cross Children's Hospital.
Christine Revell Children's Home	Dec-15	R48 196.00	Truck of Love: Christmas packs donated by the Woolworths My School programme to the Children's home
Iris House Children's Hospice	Dec-15	R29 508.00	Truck of Love: Christmas packs donated by the Woolworths My School programme to the hospice.
Al Noor Orphanage Centre	Dec-15	R104 262.00	Truck of Love: Christmas packs donated by the Woolworths My School programme to the orphanage which looks

			after orphans; HIV/AIDS infected & affected & abused children.
Emasithandane	May-16	R120 000.00	The Dischem foundation donated goods to the home/shelter that provides education, food and extra moral programming, for orphans; abandoned, abused and otherwise vulnerable children; and those affected and infected by HIV/AIDS in South Africa
S-Cape Safe House	Jun-16	R120 000.00	The Dischem foundation donated goods to the organisation which helps victims of human trafficking.
TOTAL		R695, 990.00	

The Licensee has during the period under review, complied with clauses 7.2.1 of the Schedule to its licence.

In terms of clause 7.2.2 of the Schedule of the licence, the Licensee is required to *"provide airtime worth R250 000.00 (two hundred and fifty thousand), 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"*

During the period under review, Cape Talk conducted interviews with various organisations amounting to airtime value of R1 224 490.00. The organisations interviewed included those involved in education, children, health and the elderly as reflected in the table below:

Beneficiary	Date	Value - Airtime
Ari's Cancer Foundation	Jul-15	R 41 580.00
Children's Iris House Children's Hospice	Aug-15	R 72 169.00
Mustadafin Foundation	Sep-15	R83 275.00
Sector Task Team for Older People	Oct-15	R 83 272.00
Salesians Institute Youth Project	Nov-15	R 77 721.00
Angel Projects	Nov-15	R 77 721.00
The Cape Town Science Centre	Jan-16	R77 721.00
Brownies and Downies	Jan-16	R77 721.00
Clean C	Feb-16	R55 515.00
Home of Paul Cluver	Feb-16	R44 412.00
Youth Unplugged	Mar-16	R 61 066.50
MOT South Africa	Mar-16	R71 694.00
Zip Zap Circus School	Apr-16	R72 169.50
Overberg Wheelchair Association	Apr-16	R72 169.50
Food Bank	May-16	R26 605.00
Heart Foundation	May-16	R51 210.00
Teen Entrepreneur	Jun-16	R55 515.00
Nalibali	Jun-16	R20 605.00
Childsafe South Africa	Jun-16	R51 210.00
Saartjie Baartman Centre	Jun-16	R51 210.00
TOTAL		R1 224 490

The Licensee has during the period under review, complied with clauses 7.2.2 of the Schedule to its licence.

Looking at the Licensee's performance to date in respect of clauses 7.2.1 and 7.2.2 above, one realises that the Licensee has been exceeding the R250 000.00 obligations⁵. For example, in the 2010/11 financial year, the Licensee contributed R7 305 898.22 towards airtime and R1 047 773.86 towards cash and goods. The 2013/14 financial year saw the Licensee exceeding the cash and goods obligation by R40 000 by contributing R290 000 and contributed R1 103 932.00 in airtime. In the following year, 2014/15 financial year, the Licensee contributed airtime worth approximately R1 179 799.60 and R 2 576 982.00 on cash and goods. This year in review, as demonstrated above, the Licensee continues to demonstrate compliance and excellence in this regard.

Clause 7.3 of the schedule to 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" 567 Cape Talk presenters, producers, news reporters, sales representatives, marketing staff and sound engineers while at work".

The Licensee submits that Cape Talk in partnership with KFM conducted a training session with MFM at the University of Stellenbosch on 27 May 2016. The training session was aimed at sharing PRIMEDIA's experience in broadcasting with the community station. The training session included topics covering programming, sales, marketing and social media. Among those who attended were the MFM Station Manager, Sales Manager, Operations Manager and Presenters.

The Licensee has complied with clause 7.3 of the schedule to its licence.

⁵ Although data for 2011/12 and 2012/13 is not readily available the Authority can confirm that the amounts were exceeded, for the two years respectively

Clause 7.4 of the schedule to the licence provides that:

"The Licensee shall undertake "voice search competitions" to unearth and develop new talent".

For the period under review, 6 individuals were placed on a training and development programme, 5 of whom have been placed on a programme to develop their presenting skills and one (1) of whom is training as a traffic reporter.

The Licensee has, for the period under review, complied with clause 7.4 of the Schedule to its licence.

4. REGULATIONS

4.1 Regulations Regarding Standard Terms and Conditions

During the year under review, the Authority did not identify any non-compliance by the Licensee with the Standard Terms and Conditions for Individual Licences.

The Licensee complies with the Regulations regarding Standard Terms and Conditions.

4.2 South African Music Content

Regulation 3.2 of the Regulations on South African Music Content as published on 31 January 2006 provides that:

"Every holder of a commercial sound broadcasting licence to which these regulations apply must ensure that a minimum of 25% 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".

567 Cape Talk is exempt from the above requirement in terms of Regulation 3.6 which provides as follows:

“The Authority may, upon good cause shown by the holder of a sound broadcasting licence, vary any condition imposed by 3.1, 3.2, 3.3, 3.4, 3.5. if it is satisfied that the variation is consistent with the objects of the Act”.

Cape Talk is a talk radio station and the Authority’s monitoring exercise confirmed that the radio station plays a maximum 15% South African music as per the exemption granted to it by the Authority.

The Licensee was found to be compliant with Regulation 3.6 of the South African Music Content Regulations

4.3 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 as published in the Government Gazette, no 31499 provides 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) provides 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”.

The Licensee made payment of R2 170 205.73 to the Media Development and Diversity Agency (MDDA) and duly submitted proof of payment to the Authority.

The Licensee has complied with regulation 3(1) and 3(3) of the USAF Regulations.

4.4 General Licence Fees

Regulation 3(1) of the General Licence Fees Regulations 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 BS licences".

Schedule 2 of the Annual Licences Fees regulations provides for Individual Commercial Broadcasting Service Licensees to pay an annual licence fee of 1.5% of gross profit to the Authority.

Regulations 4 (b) and (c) of Schedule 3 provides that:

"(b) In respect of payment, such are due and payable within 6 months from 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".

During the period under review, the Licensee made a payment of R105 284,18 to the Authority.

The Licensee has, for the period under review, complied with the Licence Fees Regulations.

5. CONCLUSION

During the period under review, the Licensee has complied with its licence terms and conditions and applicable Regulations.

6. TERMS OF REFERENCE

6.1 Appendix A: 567 Cape Talk's broadcasting service and frequency spectrum licences