



# **ALGOA FM ANNUAL COMPLIANCE REPORT**

**FEBRUARY 2017**

## **2016/2017 ANNUAL COMPLIANCE REPORT**

### **UMOYA COMMUNICATIONS (PTY) LIMITED BROADCASTING AS ALGOA FM**

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

#### **PREFACE**

The Independent Communications Authority of South Africa (“the Authority”) has a statutory mandate in terms of the Constitution<sup>1</sup>, the ICASA Act<sup>2</sup>, the Electronic Communications Act<sup>3</sup> (“ECA”) and the Broadcasting Act<sup>4</sup> 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.

This report is intended to give an account of Algoa FM’s compliance with the terms and conditions as set out in its licence for the 2015/2016 financial year. Aspects of compliance that will be measured in this report include: Geographic Coverage, Community Participation, and Information, Local Content Obligations, Language(s), South African Music Regulations, Regulations Regarding Standard Terms and Conditions and Universal Service and Access Fund (USAF).

#### **1. BACKGROUND**

Umoya Communications (Pty) Ltd (hereinafter referred to as “the Licensee” or “Algoa FM”) was granted with an Individual Broadcasting Service Licence and a Frequency Spectrum Licence on 17 December 2008. The Licensee broadcasts as Algoa FM and the service licence is valid for ten (10) years thus expiring on 16 December 2018.

The Licensee holds a regional Commercial Sound Broadcasting licence providing a service in the Greater Eastern Cape Area, Knysna, George and Mossel Bay including the Metropolises of Nelson Mandela Bay and the Buffalo City.

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<sup>1</sup> The Constitution of the Republic of South Africa, No 108 of 1996

<sup>2</sup> Act No. 13 of 2000, as amended

<sup>3</sup> Act No. 36 of 2005

<sup>4</sup> Act No. 4 of 1999

Algoa FM offers a programming format of talk and music in an adult contemporary format, providing a mix of music and information. The principal language of broadcast is English, as prescribed in the radio station's service licence.

## **2. COMPLIANCE ASSESSMENT**

### **3.1 Geographic Coverage Area**

Clause 2 of Algoa FM's service licence stipulates that the Licensee's geographic coverage area is:

*"The Greater Port Elizabeth, East London, Border environs, Knysna, George and Mossel Bay as defined in the coverage map attached to the Licensee's radio frequency spectrum licence".*

Algoa FM's frequency spectrum licence prescribes that the Licensee must reach and broadcast to the following areas: Aliwaal North, Andrieskraal, Bedford, Cradock, East London, George, Graaf-Reinet, Grahamstown, Hankey, Kareedouw, King Williams Town, Knysna, Noupoot, Parsons Hill, Patensie, Paul Sauer Dam, Plettenberg Bay, Port Elizabeth, Queenstown and Suurberg<sup>5</sup>.

The Licensee reaches and broadcasts to all areas that form part of its coverage area.

**Algoa FM was found to be in compliance with clause 2 of their service licence**

### **3.2 Broadcast Language**

Clause 3 of the licence on language of broadcast reads:

*"Principal Language: English".*

Algoa FM uses English as a primary language of broadcast. IsiXhosa and Afrikaans were also monitored but on a very small scale.

**The Licensee was found to be in compliance with clause 3 of the Licence.**

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<sup>5</sup> Appendix A: Algoa FM Broadcasting Service and Frequency Spectrum Licences

### **3.3 Format**

Clause 4.1 of the licence provides as follows:

*"The Licensee shall have a programming format of talk and music in an adult contemporary format, providing a mix of music and information".*

The Authority's monitoring exercise found that the Licensee's programming format is indeed a mix of music and talk in an adult contemporary format. The Licensee's music play list is dominated by the latest musical classics while the talk content addressed mostly a young adult audience.

In terms of clause 4.2 of Algoa FM's service licence:

*"Music shall constitute eighty percent (80%) of the average 24 hour day."*

The monitoring exercise found that Algoa FM is more of a music radio station than a talk one. The basis for this finding is that, the Licensee was found to schedule approximately 140 minutes of music in an average 3-hour show. The calculation in this regard translates to approximately 80%. The Licensee's shows after midnight make up for the bulk of this obligation; more music was found during those time slots.

**Algoa FM was found to be in compliance with both clause 4.1 and 4.2 of its licence.**

### **3.4 Local Content Obligations**

Clause 5 of the licence stipulates as follows:

*"The Licensee shall promote Eastern Cape Artists and musicians by broadcasting their music and conducting live interviews".*

During the period under review, the Licensee submits to have interviewed and played music by the following Eastern Cape Artists – among many others:

1. Amanda Black;
2. Nathi Mankayi;
3. Vusi Nova;

4. Lee Ann Wales;
5. Chad Witbooi;
6. Ryan Strydom;
7. Sam Lahleki; and
8. The New Afro Teens

In its submission on the compliance with this clause, Algoa FM listed artists that are South African. The above listed artists were confirmed by the Authority's online search that they are Eastern Cape based artists and musicians.

The Authority's previous reporting has always applauded the Licensee's on air feature, the Friday Music Club, which is aimed at inviting Eastern Cape based artists to submit their music demos and avail themselves for an air interview.

**Algoa FM was found to be in compliance with clause 5 of the licence.**

### **3.5 General Programming Obligations**

Clause 6.1 prescribes as follows:

*"The Licensee shall broadcast a minimum of 30 minutes of news per day from Monday to Friday, and a minimum of 20 minutes of news per day on Saturday and Sunday between 05h00 and 23h00."*

According to the Licensee's submissions, Algoa FM broadcasts thirteen (13) full news bulletins between 06h00 and 18h00.

The monitoring exercise confirmed that the Licensee broadcasts 13 full news bulletins and 8 news headline bulletins on each day between Monday and Friday. On average, all full news bulletins – between Mondays and Fridays were at least 4 minutes each while the news headline bulletins were at least 40 seconds each. Algoa FM was found to carry at least 52 minutes of news per day between Monday and Friday.

The Authority's monitoring further found that the Licensee broadcasts at least 5 full news bulletins on weekends. The average duration is at least 4 minutes. As

such, the Authority's monitoring concluded that the Licensee broadcasts at least 20 minutes of news per day between Saturday and Sunday.

**Algoa FM was found to be in compliance with clause 6.1 of its licence.**

According to clause 6.2 of Algoa FM's service licence:

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

The monitoring exercise found that the Licensee discloses the sources of its news content. Authority confirmed that Algoa FM's primary news sources are the following:

1. I-Net Bridge; and
2. The South African Police Services.

**Algoa FM was found to be in compliance with clause 6.2 of its licence.**

Clause 6.3 of the licence says:

*"The Licensee shall ensure that regional content of forty percent (40%) is included in news and current affairs programming".*

Algoa FM's news reports are dominated by content that speaks to the Eastern Cape Region and to South Africa as a nation. International news was found during monitoring but were on a very small scale. In the two weeks monitored, the Authority found that content that came from the region was at an average of 58%.

**The Licensee was found to be in compliance with clause 6.3 of its licence.**

### **3.6 Training and Skills Development Obligations**

Clause 7.1 of Algoa FM's service licence provides as follows:

*"The Licensee shall ensure that it actively recruits and increases women and Black people in its staff complement at all levels".*

In the year that ended March 2016, Algoa FM reports to have added three (3) new employees to its staff complement. All new recruits are Black people and women constitute at least 33% of the recruits.

Below is the list of all new employees at Algoa FM their racial and gender breakdown:

<b>Name of New Recruit</b>	<b>Race</b>	<b>Gender</b>
1. Mr Luvuyo Nyembezi	Black	Male
2. Mr Suren Packery	Black	Male
3. Ms Gillian Forelee	Black	Female

**The Licensee was found to be in compliance with clause 7.1 of the licence.**

Clause 7.2 of the licence makes a firm financial obligation as follows:

*"The Licensee shall dedicate R250 000 per annum to human resources training and development with particular emphasis on staff from historically disadvantaged groups".*

Algoa FM reports to have spent R332 030.68 on training of staff during the financial year ended 31 March 2016. At least 73% of the reported amount which is approximately R242 382.40 was spent on training of staff from historically disadvantaged groups.

**The Licensee was found to be in compliance with clause 7.2 of the licence.**

### **3.7 Community Related Obligations**

Clause 8.1 of the licence reads:

*"The Licensee shall raise at least R2 000 000 (two million rand) for registered charities over the licence period".*

Previous years' reporting has highlighted how the Licensee has already exceeded the requirements of the above clause. For the year in review alone, Algoa FM

reports to have raised a total of R 3 509 450, 75. This amount was made possible by the following initiatives, which were facilitated by the Licensee:

- Algoa FM's on air Corporate Social Investment, Algoa Cares, raised R 433 100; and
- Algoa FM's association with the Ironman, Algoa Cares Charity Golf days, The Spar Ladies Race; The KICK In Their Shoes Project; The Toy Run; The Spring Dip and the Algoa FM / Boardwalk Big Walk for Cancer raised R3 076 350, 75.

**The Licensee was found to be in compliance with clause 8.1 of the licence.**

Clause 8.2 of the licence states that:

*"The Licensee shall, at least bi-annually, hold a listener's forum comprising at least 10 people with no affiliations to the Licensee, to ensure that the broadcasting needs of the Licensee's target audience are being met. The listeners' forums shall be held in Port Elizabeth and East London".*

For the year in review, Algoa FM hosted its strategic listener interventions in Port Elizabeth in June 2015 and another one in March 2016 in East London. Algoa FM submitted a list<sup>6</sup> of the listeners that took part in the interventions and a report of the proceedings compiled by a research company. Further, Algoa FM asked that the Authority treats the report as confidential information but the application in this regard has not yet been submitted.

**Algoa FM was found to be in compliance with clause 10.1 of its licence.**

### **3.8 Transmitter Split**

Clause 9 of the Algoa FM's broadcast service licence provides that:

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<sup>6</sup> Appendix B: List of participants in the Listeners Forum for PE and EL



*"The Licensee is authorised to operate a transmitter split service known as" The Border Drive" which may not broadcast for more than four (4) hours in any 24-hour period".*

During the year under review, the monitoring exercise found that the Licensee's transmitter split is scheduled between 15h00 and 19h00 and is known as the Border Drive. This programme is broadcast from the Licensee's studios which are in East London's Hemingways Mall.

**The Licensee was found to be in compliance with clause 9 of its licence.**

### **3.9 Ownership and Control**

Clause 10.1 of the licence provides as follows:

*"The Licensee shall ensure that control of the station rests with people from the Eastern Cape and that at least fifty percent (50%) of its board of directors are based in the Eastern Cape".*

During the year under review, the Licensee reported to have had at least six (6) out of nine (9) members serving on its board of directors residing within the Eastern Cape. This translates to 66% of the Licensee's board based in the Province.

Below is a list of individuals who served as Board Members at Umoya Communications during the year under review.

<b>Names of Directors</b>	<b>Residence</b>	<b>Race</b>	<b>Gender</b>
1. Mr Z Nkosi	Outside EC	Black	Male
2. Mr A da Costa	EC	Coloured	Male
3. Ms Z Tshefu	EC	Black	Female
4. Mr M Jack	EC	Black	Male
5. Mrs M Mynhardt	Outside EC	White	Female
6. Mr D Tiltmann	EC	White	Male
7. Mr K Reed	EC	White	Male
8. Mr A Jay	EC	White	Male
9. Ms N. Gubb	Outside EC	White	Female

**Algoa FM was found to be in compliance with clause 10.1 of its licence.**

Clause 10.2 of the licence makes it clear that:

*"The Licensee shall ensure that at least thirty percent (30%) of its management staff comprise of women and Black people".*

For the year in review, the Licensee's management staff comprised 4 women and Black people. Out of 11 employees serving on the management echelon within the Licensee. Therefore, 36% of the radio station's management staff comprises women and Black people.

**The Licensee has complied with clause 10.2 of its licence.**

Clause 10.3 of the licence provides as follows:

*"The Licensee shall identify black and female employees with management potential and ensure that they receive additional training to equip them for future management position at the station".*

Algoa FM has always ensured continued attempts in training black and female employees. During the year under review, the following Algoa FM employees- all Black received training. Of the 8 listed below, at least 63% were Female:

<b>Employee</b>	<b>Race</b>	<b>Gender</b>
1. Sinazo Tenge	African	Female
2. Siphokazi Peter	African	Female
3. Nwabisa Dlabati	African	Female
4. Zizi Dyani	African	Female
5. Olwethu Xabanisa	African	Male
6. Luvuyo Nyembezi	African	Male

7. Suren Packery	Indian	Male
8. Gillian Forlee	Coloured	Female

**The Licensee was found to be compliant with clause 10.3 of the licence.**

#### **4. REGULATIONS**

##### **4.1 Code on People with Disabilities**

Clause 3.1 (a) of the Code for People with Disability of 2007 stipulates that:

*"Broadcasting service Licensees must ensure that their services are made available and accessible to people with disability."*

Algoa FM's premises and their service was confirmed to be available and accessible to people with disabilities.

**The Licensee was found to be in compliance with the above-mentioned regulation.**

##### **4.2 Standard Terms and Conditions**

The Authority is satisfied that during the period under review the Licensee did not contravene the regulation in respect of the Standard Terms and Conditions Regulations for Individual Licences.<sup>7</sup>

**The Licensee complied with the abovementioned regulation.**

##### **4.3 South African Music Content Regulations**

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

*"Every holder of a commercial sound broadcasting licence to which these regulations apply must ensure that after eighteen months of the gazetting of these regulations, a minimum of 25% of the musical works broadcast in the*

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<sup>7</sup> Appendix C: Regulations regarding Standard Terms and Conditions for Individual Licensees

*performance period consist of South African music and that such music is spread reasonably evenly throughout the said period<sup>8</sup>.*

Algoa FM plays approximately 38% South African music. The following artists are local artists that were identified to be enjoying air-play on Algoa FM's programme schedule: Amanda Black, Danny K, Zonke Dikana, Johnny Clegg, Musa, Vusi Nova, Nathi, Brenda Fassie, Jabu Khanyile, Mafikizolo, Mahlathini and the Mahotella Queens, Soul Brothers, Loyyd, Loyiso Bala, Micasa, Louis Carver, Ernie Smith, Lira, Judith Sephuma, Wendy Mseleku, Letta Mbulu, Crazy White Boy and many others.

**The Licensee was found to be in compliance with Regulation South African Music Content Regulations.**

#### **4.4 Universal Service and Access Fund**

Regulation 3(1) 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" (See appendix G)<sup>9</sup>.* Regulation 3(2) stipulates 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 for the same financial year".*

The Licensee paid its contribution to the Universal Service and Access fund on 22 June 2016. The Authority's books record that an amount of R184 358.10 was paid by Umoya Communications to the Fund.

**The Licensee was found to be in compliance with the Universal Service Fund Regulations.**

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<sup>8</sup> Appendix D: South African Music Content Regulations

<sup>9</sup> Appendix E: Universal Service and Access Fund Regulations

#### **4.4 General Licence Fees Regulations**

Regulation 3 (1) of the General Licence Fees Regulations published in the Government Gazette No. 32084 on 01 April 2009 states as follows:

*"Individual Commercial Broadcasting Service Licensees to pay an annual licence fee of 1.5% of gross profit to the Authority".*

*Schedule 3 (4) (b) (c) states 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."<sup>10</sup>*

Umoya Communications paid R296 623.19 for General Licence Fees in the year ended 2016 which is equivalent to 1.5% of the Licensee's gross profit. The payment was received by the Authority on 22 June 2016.

**The Licensee was found to be in compliance with schedule 2 and regulation 3(1) of the General Licence Fee Regulations.**

#### **5. CONCLUSION**

Algoa FM was found to have complied with its License terms and conditions in the year that is currently under review.

#### **6. TERMS OF REFERENCE**

6.1 Appendix A : Algoa FM Broadcasting Service and Frequency Spectrum Licences

6.2 Appendix B : List of participants in the Listeners Forum for PE and EL

6.3 Appendix C : Regulations regarding Standard Terms and Conditions for Individual Licensees

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<sup>10</sup> Appendix F: General Licence Fee Regulations

- 6.4 Appendix D: South African Music Content Regulations
- 6.5 Appendix E: Universal Service and Access Fund Regulations
- 6.6 Appendix F: General Licence Fee Regulations