

# **2011/2012 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 Constitution<sup>1</sup>, the ICASA Act<sup>2</sup>, the Electronic Communications Act<sup>3</sup> ("EC Act") to regulate broadcasting activities in South Africa in the public interest. The Authority is tasked with ensuring compliance by broadcasters with the ICASA Act, the EC Act, 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 2011/2012 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 (*See broadcasting service licence and spectrum licence attached as Appendix A*).

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

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

<sup>3</sup> Electronic Communications Act No 36, 2005

### **3. COMPLIANCE ASSESSMENT**

#### **3.1 Ownership and Control**

Clause 1.1 of the service licence provides that:

*"The licence is issued to Primedia".*

The Licensee is PRIMEDIA (Proprietary) Limited. The radio station complies with clause 1.1 of its licence.

The Licensee complies with clause 1.1 of its licence

Clause 1.2 provides that the shareholders are as follows:

<i>"Mine Workers Investment Company</i>	<i>(32%)</i>
<i>Kirsh Consortium</i>	<i>(27.9%)</i>
<i>Primedia Management</i>	<i>(20.1%)</i>
<i>Brait SA – Entities</i>	<i>(20%)".</i>

The Licensee has advised the Authority that there have been changes to its shareholding equity; which matter is being attended to by the Authority. The changes are as follows:

Mine Workers Investment Company	(49.1)
Kirsh Consortium	(25.1%)
Brait Entities	(19.8%)
Titan	(3%)
Sabvest, BPESAM 1 Ltd and BPESAM II Ltd	(1.0%)
KV & GR Direct	(2%)

Clause 1.3 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 to 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" (See Appendix A- Service and Spectrum Licence).*

The Licensee has confirmed that its coverage area is as defined in its licence.

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

### **3.3 Broadcast Language(s)**

Clause 3 of the schedule to the licence provides that 567 Cape Talk's language of broadcast is as follows:

*"Principal language: English".*

567 Cape Talk maintains that its service is provided in English. This was confirmed during the Authority's monitoring of 567 Cape Talk's programming profile.

The Licensee has complied 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 broadcast 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%) (See *section on South African music content regulations*).

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".*

The Authority's monitoring exercise confirmed that the Licensee broadcasts nineteen (19) news bulletins as follows:

- Between 05h30 and 19h30 news is broadcast every half hour; and
- Between 20h00 to 05h00 news is broadcast every hour.

The Licensee broadcasts fourteen (14) news headlines every half hour on weekdays. The news bulletins last for approximately four (4) minutes, whilst headline news last for thirty (30) seconds. The Licensee broadcasts a total of eighteen (18) minutes of news on Saturdays. During the period under review, 567 Cape Talk broadcast ninety (90) minutes of news per day on weekdays and

approximately eighty (80) minutes of news bulletins on weekends. The following news stories were identified:

- *"Cape Town operation targeting long distance public transport operators is doing better than it has in previous years";*
- *"The disciplinary hearing of the eight (8) Robben Island Union leaders will be begin today";*
- *"The Cape Town SCPA says animal lovers should not purchase animal pets on the Internet";*
- *"Both the Correctional Services Department and Jackie Selebi's lawyers say he has not applied for medical parole";*
- *"The Ekurhuleni Councillor has warned residents paying their municipality account online about scams taking place on the Internet";*
- *"Sanral says an oversight led to over five hundred Gauteng motorists who have registered for e-tack having the administrative costs deducted two months before the system comes into operation";*
- *"The Jackie Selebi's media briefing scheduled for tomorrow has been postponed, that is according to National Press Club";*
- *"Motorists have been advised to take extreme care when travelling long distances this weekend, as heavy rain is focusing in many parts of the country, mainly in Gauteng";*
- *"Metro Rail believes arson attack in one of its trains is related to an interdict against close to four hundred of its former security guards";*

- *"The Constitutional Court hearing regarding NPA's Head, Menzi Simelane's appointment is likely to be heard next year";*
- *"Home affairs says more than two million (2,000,000) travellers have move through the country's point of entry since the beginning of December 2011"; and*
- *"The report from Beijing says North Korea could be moving to power sharing".*

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 approximately seventy percent (70%) of 567 Cape Talk's news is locally generated.

The Licensee complies with clause 5.2 of its 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, no other news sources were identified other than the radio station's own journalists.

The Licensee complies 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".*

The Licensee submits that it does inform the Authority whenever it changes its Human Capital and Procedures Manual. During the period under review, the Licensee has not reported any changes effected to the station's Policies and Procedure Manual.

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

Clause 6.2 of the schedule to the licence provides that:

*"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, two hundred and thirteen thousand rand (R213 000.00) was spent on various training programmes on 567 Cape Talk's employees. The Licensee states that a total of forty five (45) staff members were trained. Of this number, thirty three (33) were Black and eight (8) were white females. This translates to 73% Black and 18% female trained. According to the Licensee, the majority of the staff that attended various training programmes are from historically disadvantaged groups.

Further, during its second phase of training another amount of five hundred and fifty four thousand three hundred and thirty two rand (R554, 332. 00) was spent on a programming consultant who trained and coached presenters and

producers on talk programming. The training included women and black people. According to the Licensee, its expenditure on training increased to seven hundred and sixty seven thousand three hundred and thirty two rand (R767, 332. 00).

The Licensee has 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 submits that its strategy is to be 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 PSA which was broadcast to raise funds for the Children Hospital Trust was identified. The PSA was encouraging listeners to make contributions to the trust for the benefit of poor children without the medical covers. Another programme benefiting children's organisation was identified on Christmas day. The founder of Kidz2Kidz Trust was interviewed by the presenter to explain what the Santa Shoebox Project is all about. The founder and co-ordinator of Kidz2Kidz explained to listeners the best way to participate in the project and the importance of their contributions in children's lives.



Another PSA of Cancer Association was identified. Listeners were encouraged to call the offices of the Association for cancer related enquiries or assistance.

In addition, the Authority's monitoring exercise revealed that "Thinking Pets" is one of the organisations that participated during the programme called "*Pet Care*". The studio guest, Nikki Eliot from the organisation explained to listeners how her organisation operates. She further provided clarity on other phrases used when taking care of pets such as t-touch and the role it plays in the animals' lives. The listeners were provided with an opportunity to phone in and share their stories as well as posing questions.

According to the Licensee participating in social responsibility projects is part of its Corporate Service Investment (CSI) programme. CSI focuses on people infected or affected by HIV & AIDS; the terminally ill and the elderly; schools; women; children; animal welfare; and natural/environmental disasters such as fires and floods. The Licensee states that during the period under review, 567 Cape Talk's CSI amounted to eight million one hundred and four thousand four hundred and fifty eight rand and sixteen cents (R8, 104,458.16).

The Licensee complies with clause 7.1 of the Schedule to its licence.

Clause 7.2 of the schedule to the licence provides that:

*"The Licensee shall:*

*7.2.1 raise at least R250 000.00 (two hundred and fifty thousand) in cash and goods annually, and*

*7.2.2 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"*

The Licensee submits that it assists various charity organisations with PSA's, social responsibility interviews, features and events as well as making calls for donations and raising cash and goods (*See section on community obligations*).

The Licensee has complied during the period under review, complied with clauses 7.2.1 and 7.2.2 of the schedule to its licence.

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 on 25 May 2012, 94.5 KFM and 567 Cape Talk, jointly hosted a Radio Date for community sound broadcasters within the two radio stations coverage area. According to the Licensee, the workshop had three facilitators and two of them were external people while one was the station manager of one of the organisers. The Licensee points out that the workshop focused on Digital and Social Media, Transforming Meetings, News and latest strategies and best practices. The workshop was attended by eleven (11) community radio stations including Radio Tygerburg, Radio 786, CCFM, Fine Music Radio, Radio Ack, Taste FM Radio, CPUT Radio (Bellville), CPUT Radio (Cape Town), Radio Zibonele, Voice of the Cape and UCT Radio.

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

Clause 7.4 of the schedule to the licence provides that:

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

The Licensee states that it employs various recruitment mechanisms such as "Open Mic" through which it unearths talent. "Open Mic" applies the principles of open auditions. This mechanism has been used to a large extent from November 2011 to November 2012, over which period the Licensee has had five "Open Mic" sessions. Through these sessions, it has been able to find weekday overnight and weekend late-night freelance presenters for 567 Cape Talk.

The Licensee has 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 Licensees (*See Regulations regarding Standard Terms and Conditions for Individual Licences attached as Appendix C*).

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 exempted 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”.*

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

#### **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”.*

On 11 October 2012, the Licensee made payment of one million, seven hundred and ninety two thousand rand and nine cents (R1, 792, 073.09), to the Media Development and Diversity Agency (MDDA) and duly submitted proof of payment to the Authority in October 2012.

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 two hundred and ninety six thousand, seven hundred and thirty eight rand, eighteen cents (R296, 738.18). Proof of payment of licence fees was submitted to the Authority on 26 September 2012.

The Licensee complies with the Licence Fees Regulations.

## **5. CONCLUSION**

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

## **6. APPENDICES:**

Appendix A: 567 Cape Talk's broadcasting service

Appendix B: 567 Cape Talk's frequency spectrum licence

Appendix C: Regulations on Standard Terms and Conditions for Individual  
Licences

Appendix D: Proof of Payment- MDDA

Appendix E: USAF Regulations