



# **EAST COAST RADIO ANNUAL COMPLIANCE REPORT**

**MARCH 2023**

# **2021/22 ANNUAL COMPLIANCE REPORT**

## **East Coast Radio (Pty) Ltd**

**Licence Period: 17 December 2018 – 16 December 2028**

### **1. PREFACE**

The Independent Communications Authority of South Africa ("Authority") has a statutory mandate in terms of the Constitution, the Independent Communications Authority of South Africa Act (ICASA Act) and the Electronic Communications Act ("ECA") to regulate broadcasting activities in South Africa in the public interest. One of the main tasks of the Authority is to monitor compliance by broadcasters with the terms and conditions of their licence and any relevant legislation and regulations.

The report seeks to give an account of East Coast Radio's compliance with the terms and conditions, as set out in its license, in the financial year that ended March 2022. In addition, this report will measure the Licensee's compliance with the following regulations: The South African Music Content, Standard Terms and Conditions for Individual Licensees, Universal Service and Access Fund, General Licence Fee, The Code of Conduct for Broadcasters, and the applicable sections of the ICT Covid-19 National Disaster Regulations first published in April 2020 as amended.

### **2. BACKGROUND**

East Coast Radio started out as Radio Port Natal (RPN Stereo) back in 1967. In 1994, what was then rebranded as RPN Stereo was sold to Kagiso Media Group. During the 2008 licence conversion, the Authority converted an Individual Broadcasting Service licence belonging to Kagiso Media group into a 10-year service licence and this Licensee has gone from strength to strength since those days. In June 2019, the Authority renewed East Coast Radio's service license for another 10-year term ending December 2028. To date, East Coast Radio boasts a listenership estimated at well over a million listeners.

### **3. COMPLIANCE ASSESSMENT**

#### **3.1 Licensee**

Clause 1 of East Coast FM's licence reads as follows:

- "1.1 Name of Company/Entity: KTH Media Investments (Pty) Ltd.*  
*1.2 Shareholders: KTH Media Holdings (Pty) Ltd 100%*  
*1.3 Ownership held by persons from historically disadvantaged groups: 43.39%*

At the close of the 2022 Financial Year, the Licensee submitted a letter to the Authority indicating that its ownership by historically disadvantaged groups (HGD) now stands at 64%. The change in the Licensee's "*black shareholding*" came as a result of KTH Media Holdings taking over shares from the Tiso Black Star Group. East Coast Radio is wholly owned by KTH Media Holdings.

**The Licensee complies with clauses 1.1, 1.2 and 1.3 of its licence.**

#### **3.2 Name of Station**

Clause 1 East Coast Radio's schedule to the licence prescribes that the name of the station shall be:

*"East Coast Radio"*

In the year under review, the Authority received no notifications from the Licensee indicating a change in the prescribed name. The Licensee still goes by the name "East Coast Radio".

**The Licensee complies with clause 1 of the schedule to its licence.**

#### **3.3 Geographic coverage area**

Clause 2 of East Coast Radio's schedule to the licence provides that the coverage area shall be as follows:

*"KwaZulu-Natal, as defined in the coverage map attached to the Licensee's radio frequency spectrum licence<sup>1</sup>".*

The Licensee maintains that it broadcasts in KwaZulu-Natal and as specified in their radio frequency spectrum licence. In the year under review, the Authority

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<sup>1</sup> East Coast Radio's Frequency Spectrum Licence

received no complaints indicating interference by East Coast Radio in areas outside its footprint.

**The Licensee complies with clause 2 of its licence.**

### **3.4 Broadcast Language**

Clause 3 of East Coast Radio's schedule to the licence prescribes that the Licensee's language of broadcast shall be as follows:

*"Principal Language: English"*

The Licensee's annual submission confirms that East Coast Radio broadcasts in English.

The monitoring exercise confirmed that the Licensee's principal language of broadcast is English. Some isiZulu was identified during monitoring but on a very small scale.

**The Licensee complies with clause 3 of its licence.**

### **3.4 Format**

Clause 4 of East Coast Radio's schedule provides as follows:

*"The Licensee shall have a programming format of music in an adult contemporary format providing a mix of music and information (including coverage of community affairs)."*

East Coast Radio's 2022 Annual Compliance submission describes the Licensee's format as *"hot adult contemporary"*. The Licensee submits that this is echoed in its music line-up.

The monitoring exercise can confirm that East Coast Radio provides a music line-up that can only be defined as "adult contemporary". East Coast Radio continues to cover matters involving its geographic coverage area and these are mostly witnessed during news coverage.

**The Licensee complies with clause 4 of its licence.**

### 3.5 Local Content Obligations

Clause 5.1 of East Coast Radio (Pty) Ltd's schedule to the licence stipulates that:

*"The Licensee shall adhere to a four-point plan, namely:*

*5.1.1 supporting a minimum of ten live music performances per annum.*

In the year under review, East Coast Radio submits to have supported at least 3 live music performances. The Licensees' adherence with this obligation depends mostly on being approached by event organisers for music events to be held in KwaZulu Natal. It is important to note that although gatherings were allowed there was a lot of uncertainty as planning for "live music performances" would have happened at a time when the country was still on lockdown and some ICT Covid-19 Regulations around gatherings were still enforceable. The fact that the country was still in the State of National Disaster, meant that some activities would need to be phased in steadily.

*5.1.2 profiling a minimum of fifty South African Composers per annum;*

According to the Licensee's submission<sup>2</sup>, at least one hundred and seventy-five (175) minutes of broadcast were set aside for interviews profiling South African Music Composers. At least thirty-five (35) composers were profiled in a five (5) minute interview each during the period under review. East Coast Radio cites challenges brought about by the National State of Disaster as a factor that prevented them from profiling the fifty required by this clause.

*5.1.3 engaging in a minimum of ten joint promotions and competitions with record companies and advertisers per annum;*

The Licensee's compliance with this clause is largely dependent on how many record companies and advertisers approach the Licensee for the promotion of their events. In the event the record companies and advertisers have nothing planned for the year, then there will be no "joint promotions and competitions" for the Licensee to be part of. East Coast Radio prides itself in its enthusiasm to work with record companies and advertisers on promotions. However, Covid-19 limitations and the economic frustrations suffered by the advertisers and record

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<sup>2</sup> East Coast Radio's list of profiled South African Composers

companies in the years of Covid-19 and the National State of Disaster mean that there were no joint promotions and competitions to be part of, for the Licensee.

*5.1.4 playing and promoting local music demonstration tapes (demo tapes) in the form of a three-hour show on Sunday which is dedicated to showcasing local artists and being part of music playlist."*

In their reports, East Coast Radio boasts of their commitment to the promotion of up-and-coming artists and the South African Music Content Regulations. The Licensee submits that they host a 3-hour show on Sundays called Play Local. According to the Licensee, it is during this show that they go all out to bring on new talent from around KwaZulu Natal.

The monitoring exercise echoed the Licensee's submission regarding the DNA of "Play Local". The show is a regular feature on East Coast Radio's Sunday evenings between 18h00 and 21h00.

Clause 5.2 provides as follows: "The Licensee shall host:

*5.2.1 at least one ECR live music concert per annum.*

East Coast Radio's annual submission mentions the Covid-19 limitations and the economic frustrations suffered by the advertisers and record companies who are usually sponsors of such live music concerts. However, the Licensee hosted at least three concerts at the point where the National State of Disaster was lifted in April 2022. In April 2022, East Coast Radio hosted the Splashy Fen, in May 2022 they hosted Music at the Lake and in June 2022 they hosted the second leg of Music at the Lake.

*5.2.2 The live concert must host a minimum of fifty South African musicians, at least one featured artist must be from KwaZulu-Natal."*

The Licensee only had three (3) months left of their Financial Year at the lapse of the National State of Disaster, some musicians could not be part of the concerts. In the three concerts hosted by East Coast Radio, at least twenty-five (25) South African Musicians were featured and six were from KwaZulu Natal.

The ICT Covid-19 Regulations exempted Licensees from upholding the specific terms and conditions as set out in their licence documents. As such, the Authority

will not conclude on the Licensee's compliance with clauses 5.1, 5.2 and the subclauses thereof. The basis of clauses 5.1 and 5.2 revolves around people gathering in confined spaces and the purpose of the National State of Disaster Regulations was partly to minimise personal contact.

**The Licensee complies with clause 5.1 of its licence to the extent that Covid 19 Regulations did not impede it to do.**

### **3.6 General Programming Obligations**

Clause 6.1 of the Licensee's schedule to the licence provides that:

*"The Licensee shall spend a minimum of two million [Rand] (R2 000 000) per annum on the production and presentation of news of which one million Rand (R1 000 000) to be used to employ a news team specifically to produce local news."*

The Licensee submits to have spent at least two million one hundred and eighteen thousand, two hundred and nine Rand (R2 118 209) on the production and presentation of news. Ninety six percent (96%) of the Licensee's spend in this regard was spent on payment of salaries to the Licensee's news team while the balance was spent on external sources and correspondents for the production of local news.

**The Licensee complies with clause 7.6.1 of the Licence.**

Clause 6.2 stipulates that:

*"At least 50% of news emphasised shall be local and regional news."*

The Licensee takes pride in its commitment to the production of local and regional news. At least sixty-six percent (66%) of the Licensee's news content is labelled news of local and regional origin.

The monitoring exercise found that the bulk of the Licensee's news and information is of regional origin. At least six (6) out of ten (10) news items were found to be of local and regional content. Roughly ninety percent (90%) of the Licensee's information relates to events in and around KwaZulu Natal.

**The Licensee complies with clause 6.2 of its licence document.**

Clause 6.4 provides:

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

According to East Coast Radio's submissions, the Licensee broadcasts an average of forty (40) minutes of news per day.

In monitoring the Licensee's programming profile, it was found that East Coast Radio schedules thirteen (13) full news bulletins per day and each bulletin has a duration of approximately four (4) minutes. The calculations in this regard concluded that the Licensees broadcasts approximately 52 minutes of news each day during the South African Performance Period.

Among the news items monitored were the following excerpts:

- *"KZN Police Commissioner, Nhlanhla Mkhwanazi, has condemned threats of a shutdown of Police Stations. In a video clip widely shared on social media platforms an unidentified person is heard saying operations in all police stations in the province will be brought to a halt on the 16<sup>th</sup> of June. SAPS Spokesperson, Jay Naicker, [a cross over to a pre-recorded statement by Jay Naicker]. Naicker is asking people to not share the clip.*
- *The DA says transparency will be important as South Africans are watching the events unfold around the Guptas. The DA has been commenting on the arrest of corruption accused the fugitive brothers, Atul and Rajesh, in Dubai. Justice and Correctional Services says it's been discussing the way forward with law enforcement agencies of the UAE. The DA says it hopes their detention leads to more arrests and the prosecution of those at the centre of State Capture.*
- *Half a billion rand is being pumped into two major road rehabilitation projects in KZN following some devastating floods. The UMbumbulu project will be completed in two phases. Strategic roads, connecting EThekweni's Economic Areas including a section of the P725 will be tarred. The route between Ngonyameni and uMlazi is being upgraded at a cost of one hundred million Rand. The road connects many wards and the R603, a strategic route for the movement of goods. Premier, Sihle Zikalala, says they want*



*to ensure that these projects don't drag on for longer than they are supposed to. [Cross over to Sihle Zikalala's statement].*

- Diners in Beijing are eating out again following the easing of Covid restrictions. The Chinese Capital, last month, stopped people from going to restaurants and closed gyms to try and stamp out the Corona Virus outbreak. The country is now easing the restrictions after case numbers fell. Residents have been told they can return to work this week; schools will reopen on Monday.*
- The eThekweni Municipality says it has begun the process of profiling the protesters who staged a sit-in at Durban City Hall. About forty people who said they were displaced by the April floods turned up for the peaceful demonstration yesterday. The group, from various temporary shelters, says the municipality is taking too long in finding them permanent housing. The City's, Mzwakhe Mayisela, says according to Deputy Mayor, Phelelani Mavundla, a process of identifying land for the homes is at an advanced stage [cross over to Mzwakhe Mayisela]. Mayisela says the City is continuing to support those in temporary shelters. He says they are also working with Home Affairs to sort out identity documents for those affected.*

Clause 6.5 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 always discloses its news sources during and after bulletins. East Coast Radio's sources are:

- Online Newswires;
- Sky News
- Local and International News correspondents via the AFP (Agence France-Presse)

**The Licensee complies with clauses 6.4 and 6.5 of its licence.**

### **3.7 Training and Skills Development Obligations**

Clause 7.1 of the Licensee's schedule to the licence makes the following prescription:

*"The Licensee shall at least five hundred thousand Rand (R500 000) per annum on training and skills development for persons from historically disadvantaged groups."*

According to East Coast Radio annual submission, in the year under review, the Licensee spent a total of one million four hundred and fifty-three thousand, one hundred and seven Rand (R1,453,107) on the training and development of persons from historically disadvantaged groups. Sales, Finance & Admin and Marketing took a bigger share of the training spend.

**The Licensee complies with clause 7.1 of its licence.**

Clause 7.2 prescribes as follows:

*"A minimum of 6% of payroll will be spent on staff development which equates to one million five hundred rands (R1 500 000) per annum."*

In the under review, the Licensee reports having spent an amount of one million six hundred and eighty-five thousand, seven hundred and nineteen Rand (R1,685,719) on staff development.

**The Licensee complies with clause 7.2 of their licence.**

Clause 7.3 provides as follows

*"The Licensee shall provide funding for at least two (2) employees to obtain international training and exposure, with at least one (1) of whom must be a historically disadvantaged person."*

The Licensee outsources the services of Phil Dowse an "international consultant" to expose its employees to international training. For the period under review East Coast Radio, through the "International Consultant", gave training to twenty-five (25) employees and at least 78% of the trained personnel were individuals from historically disadvantaged groups.

**The Licensee complies with clause 7.3 of its licence document.**

Clause 7.4 provides as follows:

*"The Licensee shall provide at least ninety thousand Rand (R90 000) annually to be used for broadcasting engineering internship(s) to persons from historically disadvantaged groups."*

For the period under review, East Coast Radio took in at least two (2) interns and spent one hundred and eighty nine thousand, nine hundred and six Rand (R189, 906) on their salaried and mentorship costs. Both interns are persons from historically disadvantaged groups.

**The Licensee complies with clause 7.4 of the Licence.**

Clause 7.5 prescribes as follows:

*"The Licensee shall provide an annual internship in the news department to the value of one hundred and eighty thousand Rand (R180 000) to:*

- a) A person from a historically disadvantaged group; and*
- b) A person from a KwaZulu-Natal based community sound broadcasting service Licensee.*

East Coast FM spent an amount of two hundred and sixty-seven thousand, five hundred and sixty-one Rand (R267, 561) on internship salaries and mentorship costs for two persons from historically disadvantaged groups. Mr Xolani Khumalo is one such intern and is from Inanda FM.

**The Licensee complies with clause 7.5 of the Licence.**

**3.8 Ownership and control structures of the Licensee**

Clause 8.1 of East Coast Radio's schedule to the License gives the following instruction:

*"The Licensee shall maintain at least thirty five percent (35%) control of the station within the geographic coverage area."*

Clause 8.1 is no longer applicable as the Authority approved the Licensee's exemption back in March 2005.

Clause 8.2 gives the following obligation:

*"The Licensee shall ensure that there are [at] least two (2) women on its Board of Directors, at least one of whom is an independent Black woman with no relationship to the shareholders."*

According to East Coast Radio's annual submission, Ms B. Ngonyama and Ms K Makhohliso are two females serving on the Licensee's Board of Directors. Both women are black and their status within the board is labelled as "Independent Non-Executive Director". The Licensee reports that the above-mentioned directors have no relationship with the shareholders.

**The Licensee complies with clause 8.2 of the licence.**

Clause 8.3 provides:

*"Until the publication of the ownership and control regulations, the Licensee shall maintain at least fifty percent (50%) ownership and control of the station by persons from historically disadvantaged groups."*

In March 2021, the Authority published Regulations in respect of the Limitations of Control and Equity Ownership by Historically Disadvantaged Groups (HDGs) and the application of the ICT Sector Code, 2021. According to Regulation 3(4) of the said publication, an Individual Licensee must have a minimum of 30% of its ownership equity held by historically disadvantaged groups.

East Coast Radio is a division of Kagiso Media and KTH Holdings takes 100% of the shareholding. According to the Licensee, ownership held by historically disadvantaged groups currently sits at 64%.

**KTH Media Holdings (Pty) Ltd complies with clause 8.3 of its licence.**

## **4. REGULATIONS**

### **4.1 Compliance Procedure Manual**

#### **4.1.1 Form 12A**

All Broadcasting Service Licensees are required, in terms of the Compliance Procedure Manual Regulations, to submit a Form 12A to the Authority biannually. The Form 12A allows the Licensee to give a breakdown of all complaints received in the course of each financial year. In December 2022, East Coast Radio submitted its complaints report along with its Annual Compliance Submission for the year ended June 2022. According to this report, the Licensee received no complaints during the period under review.

**The Licensee complies with the Compliance Procedure Manual Regulations where the submission of Form 12A is concerned.**

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

Regulation 3(2) of the ICASA South African Music Content Regulations, 2016<sup>3</sup> as published on 23 March 2016 stipulates that:

*"A holder of a commercial sound broadcasting service 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 evenly throughout the performance period."*

East Coast Radio is basically a music radio station. Clauses 5.1 and 5.2 of their licence ensures that the Licensee maximises their South African Music content obligations. East Coast Radio takes on a lot of on-air interviews with various musicians and composers of South African origin.

These interviews would take the form of promoting local music concerts and would contribute towards the Licensee's South African Music quotas by way of Format Factors.

In addition to the above-mentioned obligations, the following music artists enjoy airplay on East Coast Radio's music schedule. Micasa, Vusi Nova, Kwesta, Moonchild, Busiswa, Donald, AKA, Toya Delazy, Casper Nyovest, Musa Sukwene, Freddy L, Lloyd Cele, Crazy Whiteboy, Nasty C, DJ Black Coffee, Something Soweto, Johnny Clegg, Elvis Blue, DJ Chinaman, Anathi, Freshly Ground, Mafikizolo, Bongo Muffin, and many others.

**The Licensee complies with regulation 3.2 of the Regulations on South African Music Content.**

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

Regulation 3(1) stipulates that:

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<sup>3</sup> ICASA South African Music Content Regulations, 2016

*"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>4</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".*

East Coast Radio paid its contribution to the Universal Service and Access fund as prescribed by the Regulations Regarding the Universal Service and Access Fund for Individual Licensees.

### **The Licensee complies with Universal Service and Access Fund Regulations.**

## **4.5 ICASA General Licence Fees Regulations<sup>5</sup>**

4.5.2 Regulation 3(1) of the ICASA General License Fees Regulations provides as follows:

*"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 Licences, Individual and Class ECNS licences and Individual Commercial BS licences".*

Regulation (5) of Schedule 3 of the regulations further provides as follows:

*"Where a legal entity holds any combination of a BS Licence, ECS Licence and or/or ECNS Licence, such entity may calculate the licence fee based on the information contained:*

- a) On the audited Annual Financial Statements of the licensed entity."*

While Regulation (7) of Schedule 3 makes the following prescriptions:

*"Annual Payments*

- a) are due annually based on the Licensee's Financial Year;*

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<sup>4</sup> Universal Service and Access Fund Regulations

<sup>5</sup> ICASA General Licence Fee Regulations

- b) 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."*

The Licensee paid its annual licence fee contribution as per the provisions made by this regulation.

**East Coast Radio complies with the ICASA General Licence Fee Regulations.**

## **5. CONCLUSION**

East Coast Radio sufficiently complied with the licence terms and conditions and all applicable regulations.

## **6. TERMS OF REFERENCE**

Appendix A: East Coast Radio's broadcasting service licence

Appendix B: ICT Covid-19 Regulations as amended

Appendix C: East Coast Radio's Frequency Spectrum Licence

Appendix D: List of profiled South African Music Composers

Appendix E: South African Music Content Regulations

Appendix F: Universal Service and Access Fund Regulations

Appendix G: General Licence Fee Regulations