

2022/23 ANNUAL COMPLIANCE REPORT

KTH MEDIA INVESTMENTS (PTY) LTD BROADCASTING AS EAST COAST RADIO

Licence Period: 17 December 2018 – 16 December 2028

1. PREFACE

The Independent Communications Authority of South Africa ("the Authority") has a statutory mandate in terms of the Constitution, the Independent Communications Authority of South Africa Act¹ (ICASA Act), the Electronic Communications Act² ("ECA") and the Broadcasting Act³ to regulate broadcasting activities in South Africa in the public interest. Among the responsibilities of the Authority is the task to ensure compliance by broadcasters with the terms and conditions of their licence⁴, the Electronic Communications Act ("ECA"), the ICASA Act and any relevant legislation or regulation.

The purpose of the report is to give an account of East Coast Radio's compliance with the individual terms and conditions, as set out in its license, in the financial year that ended June 2023. Furthermore, this report will measure the Licensee's compliance with the South African Music Content Regulations, the Standard Terms and Conditions for Individual Licensees, the Universal Service and Access Fund regulations, General Licence Fee regulations and the Code of Conduct for Broadcasters.

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

¹ Act No. 13 of 2000, as amended

² Act No. 36 of 2005

³ Act No. 4 of 1999

⁴ East Coast Radio Broadcasting Service License

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%

In the year that ended June 2023, the Licensee submitted changes to its shareholding which were brought about by KTH Media Holdings acquiring shares that previously belonged to Tiso Black Star. With this submission, the Authority learnt that East Coast Radio's ownership held by historically disadvantaged persons stands at 64%. No new changes to KTH Media Investment's shareholding were reported recently.

East Coast Radio complied with clause 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 complied 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 licence⁵".

East Coast Radio's compliance submission suggest that the Licensee continues to broadcast in KwaZulu-Natal and as specified in their radio frequency spectrum licence. In the year that this report seeks to review, the Authority received no complaints indicating interference by East Coast Radio in areas outside its footprint.

The Licensee complied 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"

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

The Authority's monitoring exercise found that the Licensee's principal language of broadcast is English.

The Licensee complied with clause 3 of its licence.

3.4 Format

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

⁵ East Coast Radio's Frequency Spectrum Licence

"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 broadcast format is "adult contemporary" and this confirmed by the Licensee's choice of music. East Coast Radio continues to cover matters involving its geographic coverage area and these are mostly witnessed during news coverage. Information on matters concerning the province of KwaZulu Natal was also found during monitoring; particularly information on the damaging floods that were experienced by the Province in the year under review.

The Licensee complied 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.

The Licensee submits that it supported at least five (5) live music performances in the year that ended June 2023. This is largely attributed to the uncertainties that affected the transitional period post the lifting of the National State of Disaster in April 2022. East Coast Radio's compliance with this clause depends mostly on being approached by event organisers for music events to be held in KwaZulu Natal. In the year under review, gatherings were allowed but there was a lot of uncertainty as the country was still getting out of the National State of Disaster.

In concluding the Licensee's compliance with this clause, the Authority considers the Licensee's efforts in the previous years (before covid-19) whereby the Licensee exceeded the requirements of the clause above.

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

In the period between July 2022 and June 2023, the Licensee reports to have dedicated at least two hundred and fifty (250) minutes to interviews on profiling

South African musicians and composers. At least 50 interviews⁶ were facilitated during this time and each would last for 5 minutes. The likes of Zakes Bantwini, Kelly Khumalo, Gwyn, Eggsta, Kyle Deutch, Xola TSM, Joss Austin and Sho Majosi were among the musicians profiled in the year under review.

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

In its 2023 report, the Licensee highlights a competition with Sony Music SA in celebrating Miley Cyrus's new album. In addition to that, East Coast Radio submitted that it had a joint venture with Black City Records, Kyle Deutsch Music, Aewon Wolf Music and EGGSTA Music which saw a host of music artists within these labels being featured throughout the Licensee's profile. This exercise served as a means to promote new music from these labels who are all local.

The Licensee's compliance with this clause is largely dependent on how many record companies and advertisers approach East Coast Radio for the promotion of events. Again, the post-National State of Disaster uncertainties have affected the Licensee's compliance with this clause. East Coast Radio is, ordinarily, a front-runner in terms of promoting local music and events.

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 to be part of music playlist."

East Coast Radio's "Play Local" is a weekly feature on Sundays in the three hours between 18h00 and 21h00. "Play Local" is characterised by features of brand-new local music, in-studio interviews with local artists, live performances, and support and promotion of local music concerts within KwaZulu Natal. At least nine thousand three hundred sixty (9360) minutes of Play Local were observed in the year that ended June 2023. "Play Local" is a great platform for the exposure and promotion of new artists while profiling their music.

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

⁶ List of profiled musicians

5.2.1 at least one ECR live music concert per annum.” And clause 5.2.2 adds that: “The live concert must host a minimum of fifty South African musicians, at least one featured artist must be from KwaZulu-Natal.”

The Licensee submits to have hosted at least five live music concerts in the year ended June 2023 and the concerts hosted well over fifty musicians as the obligation requires. The five concerts referred to by the Licensee in this regard are the same concerts referenced in East Coast Radio’s report on their compliance with clause 5.1.1.

The temptation to group the three sub-clauses - clause 5.1.1, 5.2.1 and 5.2.2 – is understandable but cannot be admissible. The expectation from the three clauses is that the Licensee would have been part of ten music concerts and hosted at least one of its own making it eleven concerts per annum. Furthermore, the expectation is that with the “ECR live music concert” the Licensee would host fifty South African Music artists and at least one from KwaZulu Natal. This would mean exposure to fifty different artists in one event.

East Coast Radio’s submission gives a list of artists that were part of the different concerts. A few artists on the lists were part of at least two different concerts which means they feature twice on the list.

On the basis that East Coast Radio’s submission did not fully satisfy the obligation to “host a minimum of fifty South African musicians” in the ECR live music concert.

The Licensee partially complies with clause 5.1 and sub clauses of its licence.

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."

According to the Licensee's submission, an amount of at least two million two hundred and thirty-three thousand, three hundred and eighty-one Rand (R2, 233,381) on the production and presentation of news.

The Licensee complied 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 66% of the Licensee's news content is labelled news of local and regional origin.

The Authority's monitoring exercise found that the bulk of East Coast Radio's news information is of regional origin. At least 6 out of 10 news items were found to be of local and regional content. According to the Authority's findings, at least ninety percent (90%) of the Licensee's information relates to events in and around KwaZulu Natal.

East Coast FM complied 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."

East Coast Radio submits that they broadcast an average of 40 minutes of news per day.

In monitoring the Licensee's programming profile, the Authority 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 broadcast approximately fifty-two (52) minutes of news on each day during the South African Performance Period.

Among the news items monitored were the following excerpts:

- *"The Premier of Health has acted with shock and concern to the latest stats on teen pregnancy in KZN. Nomusa Dube-Mncube says public health facilities have recorded more than eight thousand pregnancies between April and December last year. The total number of deliveries by children between the ages of ten and fourteen and between the ages of fifteen and nineteen years in health facilities throughout KwaZulu Natal rose to eight thousand one hundred and fifty-two. Out of this figure, six hundred and twenty-seven, which is eight percent are children between the ages of ten and fourteen. The Premier tabled the province's intervention plan in response to the resolutions adopted at the children's parliament last year. Speaking in the Legislature in Maritzburg, Dube-Mncube, said most of the pregnancies were recorded in the Ugu District. [Pre-recorded cross-over to an interview with Premier Dube Mncube] The news comes as we commemorate child protection week.*
- *The ANC's Ward 101 Councillor in eThekweni will have to be removed from Council soon. Councillor, Muzi [audio unclear] Ngiba, an awaiting trial prisoner faces a charge of murder; he was arrested in May last year for allegedly killing his predecessor, Siyabonga Mkhize, in the run-up to the November 2021 Local Government Elections. Despite being behind bars for more than twelve months, Ngiba is still on the City's Payroll. Yesterday the eThekweni Municipality approved a recommendation made by the COGTA MEC, to remove him as Councillor. Here's Action SA's Zakhele Mncwango [Crossover to a prerecorded interview with Zakhele Mncwango].*
- *Novak Djokovic says he stands by his comments about Kosovo despite controversy over the message. The tennis star wrote, "Kosovo is the heart of Serbia, stop the violence" on a TV Camera after his first match at the French Open this week. Violence flared up in Northern Kosovo, igniting clashes between ethnic subs and security forces. It started when [audio unclear] in a vote alarmingly boycotted by subs entered official buildings to take office. Kosovo's sports bodies have demanded that Djokovic be sanctioned over his comments; but the International Tennis Federation says the rules for players conduct don't prohibit political statements.*

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."

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

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

East Coast Radio complied with clause 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."

In the year under review, the Licensee reports having spent a total of one million six hundred and thirty-two thousand, five hundred and ninety-nine Rand (R1,632,599) 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 year that ended June 2023, East Coast Radio spent an amount of one million nine hundred and eleven thousand, five hundred and sixteen Rand (R1,911,516) on staff development.

East Coast Radio 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. During the year under review, East Coast Radio – through the "International Consultant" – gave training to twenty-five (25) employees and at least eighteen (18) of the twenty-five (25) trained employees were individuals from historically disadvantaged groups.

Furthermore, the Licensee spent two hundred and fifty-three thousand, six hundred and thirteen Rand (R253, 613.00) on travel, accommodation, conference fees and other related expenses for an employee who was part of the extra Radio Study Trip in New York.

East Coast Radio complied with clause 7.3 of its licence document.

Clause 7.4 reads 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."

In the year under review, East Coast Radio took in at least two interns and spent one hundred and fourteen thousand, two hundred and twenty-nine Rand (R114, 229. 00) on their salaries and mentorship costs. Both interns are persons from historically disadvantaged groups.

The Licensee complied 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.*

The Licensee spent an amount of two hundred and seventeen thousand, six hundred and fifty-two Rand (R217, 652. 00) on internship salaries and mentorship costs for three persons from historically disadvantaged group one of which was from Vibe 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 on 24 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."

Kagiso Media (Pty) Ltd employs three black women on its Board of Directors and all three women are independent non-executive directors. At least two of the three have no relationship to the shareholders.

Table 1: Independent Black women within Kagiso Media

Director Name	Gender and Race Orientation	Status of Directorship
1. Ms TS Mashego	Black Female	Non-Executive

2. Ms B Ngonyama	Black Female	Independent non-executive
3. Ms K Makhohliso	Black Female	Independent non-executive

East Coast Radio complied 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 ICASA published the 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 complied 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. This form allows them to give a breakdown of all complaints received in the course of each financial year. In December 2023, East Coast Radio submitted its complaints report along with its Annual Compliance Submission for the year ended

June 2023. According to this report, the Licensee received no complaints during the period under review.

The Licensee complied 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, 2016⁷ 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 on 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 music newcomers in the industry.

In addition to all that, the following music artists were found during monitoring. Zakes Bantwini, Micasa, Vusi Nova, Kelly Khumalo, Kwesta, Lloyd Cele, Musa Sukwene, Sherkinah, Moonchild, Busiswa, AKA, Toya Delazy, Casper Nyovest, Freddy L, Mali Zulu, Crazy Whiteboy, Matt Gardiner, Nasty C, DJ Black Coffee, Something Soweto, Johnny Clegg, Elvis Blue, DJ Chinaman, Anathi, Freshly Ground, Mafikizolo, Bongo Muffin, and many others.

East Coast Radio's local music output is measured at approximately 40% South African Music.

East Coast Radio complied with regulation 3.2 of the Regulations on South African Music Content.

⁷ ICASA South African Music Content Regulations, 2016

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)⁸.

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 Regulations⁹

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."

⁸ Universal Service and Access Fund Regulations

⁹ ICASA General Licence Fee Regulations

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

"Annual Payments

- a) are due annually based on the Licensee's Financial Year;*
- 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 complied with the ICASA General Licence Fee Regulations.

5. CONCLUSION

The monitoring exercise undertaken during the period under review found that the Licensee has complied with most of its obligations. With this report, the Authority may consider the Licensee's previous years' compliance with clause 5.1 and its sub-clauses of its licence and attribute the partial compliance to the post-COVID-19 uncertainties and the transitioning period after the lifting of the National State of Disaster. The Compliance Department will continue monitoring the above clauses and make a finding on the Licensee's compliance in the new financial year.

6. TERMS OF REFERENCE

Appendix A: East Coast Radio's broadcasting service licence

Appendix B: East Coast Radio's Frequency Spectrum Licence

Appendix C: List of profiled South African Music Composers

Appendix D: South African Music Content Regulations

Appendix E: Universal Service and Access Fund Regulations

Appendix F: General Licence Fee Regulations