



# **HIGHVELD STEREO ANNUAL COMPLIANCE REPORT**

**MARCH 2017**

## **2015/2016 ANNUAL COMPLIANCE REPORT**

### **PRIMEDIA (PTY) LTD BROADCASTING AS 947 HIGHVELD STEREO**

**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, the ICASA Act, the Electronic Communications Act (ECA) and the Broadcasting Act to regulate broadcasting activities in South Africa in the public interest. One of the main task of the Authority is to ensure compliance by broadcasting service licensees with the terms and conditions of their licence, any relevant legislation and regulations.

The purpose of the report is to ascertain the extent to which PRIMEDIA broadcasting as 947 Highveld Stereo, has complied with the terms and conditions as set out in its licence for the 2015/2016 financial year. To the extent that 947 Highveld's assessment and compliance with terms and conditions as well as other relevant regulations is largely drawn from the radio station's own account of its activities, duly analysed by the Authority, imperative to note is the Authority's analysis of the Licensee's programming profile and promise of performance.

Against this backdrop, aspects of compliance that are measured comprise of Geographic Coverage, Broadcasting Languages, Format, General Programming Obligations, Training and Skills Development, Community Related Obligations, Ownership and Control, South African Music Regulations, Regulations Regarding Standard Terms and Conditions, Universal Service and Access Fund (USAF) Regulations and General Licence Fees Regulations.

#### **2. BACKGROUND**

The Licensee 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. The Licensee provides a programming format of talk and music in an adult contemporary format providing a programming mix of music and information

(including coverage of community affairs) to the audiences of Southern Gauteng. Its broadcast name is 947 Highveld.

### **3. COMPLIANCE ASSESSMENT**

#### **3.1 SHAREHOLDING AND OWNERSHIP**

In terms of clause 1 of 947's Highveld 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 disadvantage groups (HDGs). Accordingly, **the Licensee has, during the year in review, complied with clause 1 of its licence.**

#### **3.2. GEOGRAPHIC COVERAGE AREA**

According to clause 2 of the schedule, the licensee's coverage area is: "*Southern Gauteng, as defined in the coverage map attached to the Licensee's radio frequency spectrum licence*".

947 Highveld maintains 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. **The Licensee has, during the period under review, complied with clause 2 of the schedule.**

#### **3.3. BROADCAST LANGUAGE**

Clause 3 of the licence states that the principal language of broadcast of the Licensee be English. The Licensee broadcasts in English and **thus is in compliance with clause 3 of its licence.**

#### **3.4. FORMAT**

Clause 4 of the schedule to the licence stipulates that 947 Highveld's programming format is:

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

947 Highveld provides a service as contemplated in clause 4 of its licence. The radio station's primary target is LSM 7-10, Age 25-49<sup>1</sup>. According to the Broadcast Research Council of South Africa's (BRCSA) Radio Audience Measurement (RAM) figures for the past 7 days- April to September 2016, the radio station's listenership is 958 000.00<sup>2</sup>.

The monitoring exercise revealed that throughout the period under review the radio station **adhered to its format.**

**The Licensee has complied with clause 4 of the licence conditions.**

### **3. 5. LOCAL CONTENT OBLIGATIONS**

Clause 5.1 of the schedule to the licence stipulates that:

*"The Licensee shall promote at least eight (8) local music concerts per annum and allocate airtime to the broadcasting thereof".*

For the year under review, the Licensee supported 13 local music events through the allocation of airtime to various music events through on-air crossings from the music event venues as well as through outside broadcasts. Below is a list of some of the music events broadcast by the Licensee both on-air crossing and outside Broadcasts:

1. Casalinga Festa Di Primavera, 8 local artists in September 2015 (on-air crossing);
2. Anele at The Orbit featuring 3 local artists in January 2016 (outside broadcast);
3. All white Pool Party which featured 3 local artists in February 2016 (on-air crossing);
4. Ultra-South Africa featuring 2 local artists in February 2016 (on-air crossing);

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<sup>1</sup> [http://www.gauteng.net/pages/page/radio\\_in\\_gauteng](http://www.gauteng.net/pages/page/radio_in_gauteng)

<sup>2</sup> [www.brcca.org.za](http://www.brcca.org.za)

5. Genesis All Black Youth Music Festival featuring 2 local artists in March 2016 (on-air crossing);
6. Jack Daniels Boomtown featuring 4 local artists in March 2016 (on-air crossing);
7. Major league Gardens featuring 5 local artists in March 2016 (on-air crossing);
8. Sowing the Seeds 2016 featuring 3 local artists in April 2016 (on-air crossing);
9. Adidas GENNMD exhibition featuring 2 local artists in April 2016 (on-air crossing);
10. Parklife Gourmet Food and Music Festival 2016 featuring 13 local artists in April 2016 (outside broadcast);
11. The Voice South Africa Finale featuring 4 local artists in May 2016(on-air crossing);
12. AKA Supa Mega Show in Soweto featuring 3 local artists in May 2016 (on-air crossing); and
13. Joburg Day Launch featuring 6 local artists in June 2016 (outside broadcast)

Further, the Licensee promoted 3 local artists through live in-studio performances in front of a live audience as follows:

1. Locnville in February 2016;
2. Prime Circle in May 2016; and
3. DJ Zinhle – June 2016

Furthermore, the Licensee conducted 41 live studio performances featuring local artists. Artists featured included the following:

- Matthew Gold in August 2015;
- Tresor in September 2015;
- Toya Delazy in October 2015;
- December Streets in November 2015;
- Majozi in April 2016;
- Kwesta in May 2016;

- Prime Circle in May 2016; and
- DJ Zinhle in June 2016.

The Licensee submitted that over and above supporting and allocating airtime to 13 local music events which featured a total of 58 local artists, allocating airtime to the broadcast of a further 44 live in-studio performances by local artists, it allocated airtime, through on-air interviews to 94 local artists. The Licensee submitted that the interviews formed part of the different platforms 947 Highveld uses to promote local artists. A list of all artists interviewed by the Licensee during the period under review was duly submitted.

**The Licensee has, during the period under review, complied with clause 5.1 of the schedule to the licence.**

### **3.6. GENERAL PROGRAMMING OBLIGATIONS**

Clause 6.1 of the schedule to the licence provides that:

*"The Licensee shall broadcast a minimum of thirty (30) minutes of news per day between 05h00 and 23h00 during weekdays".*

947 Highveld broadcasts 14 news bulletins per day on weekdays between 05h00 and 23h00. On average, each news bulletin is approximately 4 minutes in length.

Among the news stories covered for the period under review were excerpts from certain broadcasts, as follows:

- *"Taxi commuters will feel the pinch of a steep petrol price increase which will come into effect by midnight when taxi fare increases in July";*
- *"The woman accused of kidnapping Zephany Nurse will come face to face with the teenager for the first time since contact with her was prohibited a year and a half ago"; and*
- *"In US, Cincinnati zoo keepers says they stand by their decision to kill a guerrilla after a 3-year-old slipped into the enclosure on Saturday";*

In total, 49 minutes of news was monitored on weekdays during performance period.

**The Licensee was found to be in compliance with clause 6.1 of the schedule to the licence**

Clause 6.2 of the schedule to the licence provides that:

*"The source(s) of all news material (other than news sourced from the Licensee) shall be disclosed during the news broadcast".*

The Authority's monitoring exercise confirmed that the radio station discloses its sources of news, whenever it reports on news that has not been obtained by its own journalists. During the period under review sources comprised Reuters and Cable News Network (CNN).

**The Licensee has, during the period under review, complied with the above clause.**

**3 .7 Training and Skills Development Obligations**

Clause 7 of the schedule to the licence requires 947 Highveld to allocate, over its licence period, R350 000,00 per annum to training and development, particularly for staff from historically disadvantaged groups.

For the year under review, the Licensee spent a total amount of R1 363 055.39 on training of its 67-staff compliment. Of this amount, R1 343 502.16 constituting 98.6% of the training spend was spent on 57 staff from historically disadvantaged groups, constituting 70% of all staff trained.

In the sixth year of its licence, the Licensee has consistently exceeded the minimum requirement. For example, in the 2012/13 financial year, the Licensee spent R534 384. 26 on HDGs, R697 476.80 in the 2013/14 financial year and R562 498.52 in the previous financial year (2014/15).

**The Licensee has, during the period under review, demonstrated compliance with clause 6 of the licence.**

### 3.7 COMMUNITY RELATED OBLIGATIONS

According to clause 8.1 of the schedule to the licence, the Licensee is enjoined to raise at least R250 000.00 in cash and goods annually.

In the year under review, a total of R818 000.00 was raised in cash and goods for various community organisations within its coverage area. Below is a breakdown of cash raised and goods contributed during the period under review; illustrating the strides taken by the Licensee to comply with the above obligation:

#### (A) CASH RAISED

<b>Beneficiary Entity Name</b>	<b>Date</b>	<b>Contribution</b>	<b>Amount</b>
Kwaggaspoort Reddingsdaad	Jul-15	Random Acts of Kindness raised cash through the Dischem Foundation for the shelter which provides food and housing to disadvantaged persons in Danville.	R120 000.00
947 Xpress Wish: Tammy	Dec-15	West pack Lifestyle donated cash towards medical expenses	R50 000.00
947 Xpress Wish: Charney	Dec-15	Silverstar Casino donated cash towards payment of School Fees.	R40 000.00
947 Xpress Wish: Cedric	Dec-15	Spar donated cash towards purchasing a bicycle and College fees.	R30 000.00
947 Xpress Wish: Palesa	Dec-15	Spur Foundation	R58 000.00



		donated cash towards tuition fees for a year.	
947 Xpress Wish: Matika	Dec-15	Lotto Star donated cash towards school fees.	R100 000.00
Soweto Animal Rescue and Advisory Centre (SARAC)	Apr-16	Dischem Foundation donated cash towards the animal shelter	R120 000.00
Smile Foundation	May-16	Dischem Foundation donated cash towards the organisation which assists children with facial abnormalities.	R300 000.00
<b>TOTAL</b>			<b>R818 000.00</b>

**(B) GOODS CONTRIBUTED**

<b>Beneficiary Entity Name</b>	<b>Date of Contribution</b>	<b>Contribution</b>	<b>Value of Goods</b>
Kwaggaspoort Reddingsdaad	Jul-15	Random Acts of Kindness raised goods through the Dischem Foundation for the shelter which provides food and housing to disadvantaged persons in Danville.	R10 000.00
Claremont Primary School	Nov-15	Random Acts raised goods (stationary packs) through the Dischem Foundation for the school	R80 000.00

Leratong Hospital	Dec-15	Random Acts of Kindness through the Dischem Foundation donated Christmas gifts to the children's ward	R40 000.00
947 Xpress Wish: Geraldine Basson	Dec-15	Pick n Pay donated a Hospital Bed, Normal Bed and grocery vouchers for 12 months	R36 000.00
947 Xpress Wish: Nelly	Dec-15	Rochester Furniture donated R40 000 worth of furniture	R40 000.00
947 Xpress Wish: Charney	Dec-15	Silverstar Casino donated grocery voucher for 12 months	R36 000.00
947 Xpress Wish: Cedric	Dec-15	Spar donated shopping vouchers	R5 000.00
947 Xpress Wish: Matika	Dec-15	Lotto Star donated grocery voucher for 12 months.	R36 000.00
947 Truck of Love- Mommy's Over Matters	Dec-15	Essential goods and Christmas gift donated courtesy of Spar	R60 000.00
947 Truck of Love- Akunamlilo Fire Fighters	Dec-15	50 Fire extinguishers and fire blankets for the Kaya Sands community	R60 000.00
947 Truck of Love- Fight with Insight	Dec-15	Boxing equipment, food and gifts to all the children in the	R60 000.00

		programme	
947 Truck of Love- Intombi Shelter for Girls (Hillbrow)	Dec-15	food, a laptop, washing machine, gifts for all the girls and toiletries	R60 000.00
Paediatric Colorectal Clinic at Baragwanath Hospital.	Mar-15	Random Acts of Kindness donated essential medical goods to the hospital.	R80 000.00
<b>TOTAL</b>			<b>R603 000.00</b>

**The Licensee has met and exceeded its obligation in terms of clause 8.1.1 of its licence.**

Clause 8.1.2 requires that the Licensee must provide airtime worth R250 000 annually, towards supporting community organisations such as those benefitting:

- (a) People infected or affected by HIV and 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 flood.

The Licensee maintains that it conducted interviews with various organisations amounting to R2 725 878.00. According to the Licensee, some of the community organisations supported through allocation of airtime included the terminally ill, children and elderly.

In addition, the Licensee flighted public service announcements (PSA's) worth airtime R3 525 111.00. The airtime was allocated to organisations such as those supporting children, the terminally ill and animal welfare. The list with various

organisations that the Licensee supported under the period under review was duly submitted.

**The Licensee has, during the period under review, complied with clause 8.1.2 of the schedule to its licence.**

### **3.8 TRAINING OF STAFF FROM COMMUNITY SOUND BROADCASTERS**

Clause 8.2 of the schedule to the licence provides as follows:

*" 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" Radio 94.7 Highveld Stereo presenters, producers, news reporters, sales representatives, marketing staff and sound engineers while at work".*

The Licensee submits that it conducted a talk radio programme seminar for the Wits Journalism Department which runs as a post graduate course for students with a radio background. The Licensee asserts that attendants were individuals who have worked in a community radio and the course/ seminar focused on programming within a talk radio station.

The radio station together with 702 and Eye Witness News (EWN), conducted a workshop for Lekoa FM in April 2016. The representatives from the radio station comprised the Station Manager, Production Manager and Content Manager. The workshop covered topics such as music programming, talk radio programming and producers' roles. Lekoa FM representatives also received training Eye Witness News on news story gathering, packaging as well as Eye Witness News digital platforms.

**The Licensee has, during the period under review, complied with clause 8.2 of the licence conditions.**

## **4. FINANCES**

The Licensee submitted its audited financial statements period ended June 2016. The financial statements indicate that the Licensee derives its revenue predominantly from advertising. The financial statements indicate that of the

revenue generated for the year under review, the Licensee retained profit (after taxation) of R241 656, 413.03, a slight decrease from the profit of R256, 045, 200.64 retained in the previous financial year.

## **5. REGULATIONS**

### **5.1. South African Music Content Regulations**

Regulation 3.2 of the Regulations on South African Music Content<sup>3</sup> as published on 31 January 2006 stipulates 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"*.

During the period under review, 947 Highveld played an average of 28% South African music. The Licensee featured the following artists amongst others: AKA, Casper Nyovest, The Parlotones, Crazy WhiteBoy , Prime Circle and Micasa.

**The Licensee was found to be in compliance with Regulations 3.2 of the South African Music Content Regulations.**

### **5.2 Regulations regarding Standard Terms and Conditions for individual broadcasting licences**

The Authority is satisfied that the Licensee did not contravene any provision of the Standard Terms and Conditions for Individual Licences. Accordingly, **the Licensee was found to be in compliance with the Regulations regarding Standard Terms and Conditions for Individual Licensees.**

### **5.3 Universal Service and Access Fund**

Regulation 3 (1) of the Regulations<sup>4</sup> in respect of Prescribed Annual Contributions of Licensees to the Universal Service and Access Fund as published in the Government Gazette, no 31499 stipulates that:

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<sup>3</sup> Appendix D: South African Music Content Regulations

<sup>4</sup> Appendix E: USAF Regulations

*“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) stipulates 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 paid its contribution of R2 170 205.73, equivalent to the 0.2% of its annual turnover – to the Universal Service and Access Fund. The payment was received by the Media Diversity and Development Agency (“MDDA”) and Proof of payment was duly submitted to the Authority.

**The Licensee was found to be in compliance with regulation 3(1) and 3(3) of the USAF Regulations.**

#### **5.4 General Licence Fees**

Regulation 3 (1) of the General Licence Fee Regulations<sup>5</sup> 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 licence.*

Schedule 2 of the Annual Licences Fees regulations provides for Licensees to pay an annual licence fee in accordance with its licensed revenue.

While Regulations 7(a), 7(b) and 7(c) of Schedule 3 provides that: *Annual payments*

- (a) Are due annually based on the licensee 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”.*

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<sup>5</sup> Appendix H: A copy of the General Licence Fee Regulations

The Licensee made a payment of R1 136 308.30 towards the annual general licence fees and **thus complied with the provisions of the Licence Fee Regulations.**

## **6. CONCLUSION**

The Licensee has, for the period under review, complied with its the licence terms and conditions, applicable legislation and regulations. The Licensee's continued contributions towards the social responsibility obligations is commended.

## **6. TERMS OF REFERENCE**

6.1 Appendix A : Highveld Stereo 's Broadcasting Service and Spectrum licences