



K FM ANNUAL COMPLIANCE REPORT

MARCH 2023

2021/22 ANNUAL COMPLIANCE REPORT

PRIMEDIA (PTY) Ltd BROADCASTING AS 94.5 KFM

LICENCE PERIOD: 18 December 2018 – 17 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 Act (ICASA Act) and the Electronic Communications Act of 2005 (“ECA”) to regulate broadcasting activities in South Africa in the public interest. One of the main tasks of the Authority is to ensure compliance by broadcasters with the terms and conditions of their licence and any relevant legislation and regulations.

The report is intended to give account of 94.5 KFM’s compliance with the terms and conditions as set out in its licence for the 2021/2022 financial year. 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 and the Universal Service and Access Fund (USAF) Regulations¹.

2. BACKGROUND

In December 2008, the Authority issued Primedia (Pty) Ltd (“Licensee”) with an Individual Commercial Sound Broadcasting Service licence² and a Radio Frequency Spectrum licence³ in terms of the ECA.

¹ The Constitution of the Republic of South Africa Act, 1996 (Act No 108 of 1996)

² The ICASA Act No, 13 of 2000,

³ The Electronic Communications Act No, 36 of 2005

The Licensee broadcasts as 94.5 KFM and provides a service in the Greater Western and Southern Cape. The radio station is broadcasting from the studios situated in Cape Town and have a central business office at 5 Gwen Lane, Sandown in Gauteng.

3. COMPLIANCE ASSESSMENT

3.1. Control Structure

3.1.1. Ownership and Control

Clause 1 of 94.5 KFM's licence provides that:

"The licence is issued to:

1.1 Name of Company/Entity: Primedia (Pty) Ltd

1.2 Shareholders: Primedia Holdings III Limited

1.3 Ownership held by persons from historically disadvantaged groups: 49.1%"

During the period under review, there were no changes reported by the Licensee to its name, shareholding and HDG structure.

The Licensee complies with clause 1 of its licence.

3.2. Contact Details

Clause 2 of the licence provides that:

2.1 "The contact person for the Licensee shall be:

2.1.1 Name: Ms. Tholoana Ncheke

2.1.2 Tel: 011 506 3845

2.1.3 Fax: 086 262 3003

2.1.4 Cell: 083 464 2330

2.1.5 Email: tholoanan@primedia.co.za"

The Licensee complies with clause 2 of its licence.

3.3 Notices and Addresses

Clause 3 of the licence provides that:

3.1 "The Licensee chooses the following addresses as its principal addresses:

*3.1.1 Postal Address: PO Box 5572
Rivonia
2126*

*3.1.2 Physical Address: Primedia House
5 Gwen Lane
Sandown
Sandton, 2146*

There was no change to the addresses of the Licensee and so there was no notification to submit during the period under review.

The Licensee complies with clause 2 of its licence.

3.4 Name of Station

Clause 1 of the schedule to 94.5 KFM's licence provides that:

"Name of Station: 94.5 KFM".

There were no changes reported by the Licensee to its name during the period under review.

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

3.5 Geographic Coverage Area

Clause 2 of the schedule to 94.5 KFM's frequency spectrum licence provides that 94.5 KFM's geographic coverage area to be as follows:

"Greater part of in the Western and Southern Cape, as defined in the coverage map attached to the Licensee's radio frequency licence".

The Authority did not received reports suggesting deviance with the defined coverage area. The signal distribution service is conducted by Sentech (Pty) Ltd.

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

3.6 Broadcast Language(s)

Clause 3 of the schedule to the licence provides that the language of broadcast shall be Afrikaans and English.

94.5 KFM broadcasts in Afrikaans and English as its primary languages. Most of the presenters at the radio stations are conversant in both languages and are also able to engage listeners in both languages of broadcast.

The Licensee complies with its language of broadcast obligation.

3.7 Format

Clause 4 of the schedule to the licence provides that:

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

The Authority's monitoring exercise confirmed that 94.5 KFM broadcasts an adult contemporary programming format of talk and music. Programmes identified also include a mix of music and information of community affairs in and around the Western and Southern Cape.

The Licensee complies with clause 4 of the schedule to its licence.

3.8 Local Content Obligations

Clause 5 of the schedule to 94.5 KFM's licence provides that:

"The Licensee shall ensure at least thirty percent (30%) local content in its music output".

The Licensee submits that, during the period under review it averaged 36% (thirty-six percent) local content in its music output. This is made up of local music plays on-air, live interviews with both emerging and established local artists, live in studio

performance and/or coverage of local music events as reflected in its programme log sheet. The Licensee submits it complies with clause 5 of the schedule to its licence.

The monitoring exercise revealed that 94.5 KFM plays approximately thirty five percent (35%) of South African Music. The South African artists featured included among others, Will Linley, Goldfish, Jamali, The Pedestrians, Connell Cruise, PTZ and Shekhinah.

The Licensee complies with clause 5 of the schedule to its licence.

3.9 General Programming Obligations

Clause 6 of the schedule to the licence provides that:

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

6.2 The Licensee shall include news from the African continent and the related coverage area".

The monitoring exercise revealed that K FM broadcast news from the African continent during the Performance Period, daily.

The following were among the news items identified during the period under review:

- *"Alleged parliament arsonist Zandile Mafe is expected in court this morning. Mafe faces charges of arson and terrorism relating to the January 2022 blaze that gutted the National Assembly chamber and damaged sections of the Old Assembly building...;"*
- *"South Africans are waking up to record petrol prices on Wednesday morning. The price of both grades of petrol increased by R1.46 a liter at midnight. The diesel price went up by at least R1.44 a litre and the wholesale price of paraffin has jumped by R1.21 a litre..."; and*
- *"Two Cape Town women have had a narrow escape at the hands of an e-hailing cab driver. The man allegedly tried to abduct the two last week between Bishop Lavis and Elsies River.*

The Licensee complies with clause 6 of the schedule to its licence.

3.10 Training and Skills Development Obligations

Clause 7 of the schedule to the licence provides that:

"The Licensee shall spend one percent (1%) of its annual salary payroll over its licence period on staff training and development, particularly on staff from historically disadvantaged groups".

The Licensee submits that its total annual payroll amounted to R15,620,991.81 (fifteen million six-hundred and twenty thousand nine hundred and ninety-one rand and eighty-one cents). One percent thereof is R156 209.92 (one hundred and fifty six thousand two hundred and nine rand and ninety two cents).

The Licensee submits that R1,163,497.87 (one million one hundred and sixty-three four hundred and ninety-seven rand eighty-seven cents) was spent on training. Of this amount R935,802.57 (nine hundred and thirty-five thousand eight hundred and two rand and fifty-seven cents) was spent on training previously disadvantaged groups. This amount exceeds the required 1.0% (one percent) of KFM's annual payroll.

The table below illustrates the KFM's performance in this regard.

Table 1. KFM's Training costs

Gender	Race	Cost
Female	African	85919.98
	Coloured	809261.34
	Indian	12438.88
	White	186317.5
Female Total		R 1 093 937.7
Male	African	
	Coloured	28182.37
	Indian	
	White	41377.8
Male Total		R 695 60.17
Grand Total		R 1 163 497.87

The Licensee complies with clause 7 above.

3.11 Community - related Obligations

Clause 8.1 of the schedule to the licence provides that:

"The Licensee shall offer community sound broadcasters the following:

8.1.1 programme presenting and production, news, sales, marketing and sound engineering through mentoring and on-the-job training that is, having such staff "shadow" 94.5 KFM's presenters, producers, news reporters, sales representatives, marketing staff and sound engineers while at work.

The Licensee submits that it has held a Community Radio Days workshop on, 30 June 2022 at Primedia Broadcasting's offices, hosting representatives from Zibonele FM, CCFM, Voice of the Cape as well as 1 KZN Community TV.

The workshop included presentations on developing creative sales solutions and guidance on how to effectively respond to the changing needs of advertisers.

The Licensee complies with clause 8.1 of the schedule to its licence.

Clause 8.2 of the schedule to the licence provides that:

"The Licensee shall:

8.2.1 raise at least R250 000 (two hundred and fifty thousand Rand) in cash and goods annually".

The Licensee submits that in the period under review it licensee raised a total of R21, 170,000 (twenty one million one hundred and seventy thousand rand) and therefore, Licensee has complied with this obligation.

The table below illustrates the licensee's fundraising campaign.

Table 2. KFM's Fundraising campaign

Initiative	Contribution	Total Amount raised
LottoStar Your Month of Millions (3-week campaign) October -November 2021	LottoStar joined hands with Kfm 94.5, to donate monies to Gift of the Givers (GOTG), the largest disaster response organization on the African continent. In week 1, charitable donations went to GOTG Food Security.	R255 000

LottoStar Your Month of Millions (3-week campaign) October -November 2021	In week 2 of LottoStar's Your month of millions competition the weekly total charity contributions went towards GOTG health care, offering medical support and assistance in disadvantaged areas.	R 163 500
LottoStar Your Month of Millions (3-week campaign) October -November 2021	In week 3 of LottoStar's Your month of millions competition the weekly total charity contributions went towards GOTG childcare.	R 197 500
LottoStar Your Month of Millions (3-week campaign) October -November 2021	At the close of the campaign, Lottostar donated R1 Million to Gift of the Givers, which was R384 000 over and above the campaign charitable donations matched.	R384 000
Dischem RAK 14 December 2021	Kfm Mornings visited Kensington Home for Aged for Dischem Random Acts of Kindness. The Kensington Home for the Aged provides full time residential care and medical support for the aged, frail and infirm from marginalised communities. To ease their financial burden, Dischem came on board with R10 000 store account for 1 year.	R120 000 (R10000 x 12 months)
Letters to Santa with Game 18 December 2021	Game and Kfm 94.5 donated R50 000 worth of toys and gifts to children at Marsh Memorial Homes in Rondebosch as part of the Letters to Santa campaign in December 2021	R 50 000
1 June 2022 – Radiothon with LottoStar	Kfm 94.5 and LottoStar raised money for the Peninsula School Feeding Association in a 12-hour radiothon which was a historic moment for the licensee. LottoStar matched the amount raised by the Licensee.	R20 000 000
TOTAL		R 21 170 000. 00

Clause 8.2.2 of the schedule to the licence provides that:

"The licensee shall provide airtime worth R250 000.00 (two hundred and fifty thousand rand) annually towards supporting community organisations such as those benefitting:

- (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 airtime to the total value of R1,539,292.81 (one million five hundred and thirty-nine rand two hundred and ninety-two rand and eighty-one cents), was allocated to the beneficiaries.

The table below illustrates the licensee's total airtime value raised.

Table 3. KFM's airtime amount awarded to beneficiaries

Name of beneficiary	Amount awarded
Avril Elizabeth Home	R33,336.81
Bokamoso Education Trust	R26,727.00
CANCER SHAVATHON (link a/c)	R64,508.00
Cape Mental Health (PSA)	R51,966.00
CASUAL DAY	R40,343.00
CHOC Childhood Cancer Foundation SA	R26,684.00
Connect Network	R26,770.00
Cotlands	R28,493.00
DKMS Africa (PSA)	R28,493.00
Eden Community Hope Outreach NPC	R19,286.00
Girls and Boys Town	R126,232.00
Heart Kids S.A (PSA)	R26,727.00
Humanitarian Empowerment Fund (NPC)	R28,493.00
LADIES OF LOVE (PSA)	R97,085.00
Ladles of love foundation trust (PSA)	R56,986.00
Mustadafin Foundation (PSA)	R28,493.00

Nazareth House T/A Nazareth House	R94,724.00
Nelson Mandela Children's Fund (PSA)	R68,049.00
NSPCA	R36,993.00
NSRI (link a/c)	R54,481.50
PROSTATE CANCER FOUNDATION(PSA)	R28,493.00
Rare Diseases South Africa NPC	R40,090.50
Reach for a Dream	R87,764.00
Reach for Recovery South Africa	R34,697.00
RETINA SOUTH AFRICA	R28,493.00
Save The Children South Africa	R40,026.00
TEARS OF FOUNDATION (PSA)	R27,638.00
The Centre for Analytics& Behavioural Change	R29,659.00
The Children's Hospital Trust (PSA)	R77,387.00
The Greenpop Foundation NPC	R28,493.00
WINGS FOR LIFE (PSA)	R52,926.00
ZIP ZAP CIRCUS SCHOOL TRUST	R98,756.00
Total	R 1,539,292.81

The Licensee complies with the obligations as set out in clause 8.2 of the schedule to its licence.

3.12 Ownership and Control

Clause 9.1 of the schedule to 94.5 KFM's licence provides that:

"The Licensee shall ensure that at least fifty percent (50%) of its board of directors are persons from historically disadvantaged groups".

The Licensee submits its board of directors comprises of ten (10) directors, five (5) of whom are from previously disadvantaged groups constituting 50%.

The Licensee complies with clause 9.1 of the schedule to its licence.

Clause 9.2 of the schedule to 94.5 KFM's licence provides that:

"The Licensee shall ensure that the majority of all senior management and staff are persons from historically disadvantaged groups".

The Licensee's submission KFM is part of Primedia Broadcasting which consists of four (4) stations two (2) in Johannesburg and the other two (2) in Cape Town. The senior management structure is made up of the Executive Committee which is made up of six (6) executives. Four (4) are black females constituting seventy five percent (75%) of the Executive Committee.

KFM submits that from its total staff compliment, 81% are persons from historically disadvantaged groups and therefore, in the majority of the group.

The Licensee complies with clause 9.2 of the schedule to its licence.

4. REGULATIONS

4.1 Compliance Procedure Manual Regulations

The Licensee is required, in terms of the Compliance Procedure Manual Regulations, 2011, to submit a Form 12A which reports on all complaints received during the period under review.

The Licensee has submitted details regarding the above regulation and how it accordingly resolved the issues raised therein.

The Licensee complies with the Compliance Procedure Manual Regulations in relation to complaints.

4.2 SA Music Content

The Authority published the ICASA South African Music Contents Regulations on 23 March 2016, which repealed ICASA South African Music Content regulations published on 31 January 2006. The regulations became effective eighteen (18) months after publication. The quotas were revised from 25% to 35% for commercial sound broadcasting services.

Regulation 3 (2) of the ICASA South African Music Contents Regulations stipulates that: *"Every holder of a commercial sound broadcasting 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 reasonably evenly throughout the said period"*.

The Licensee has not submitted any details regarding the above regulation, however the monitoring exercise revealed that 94.5 KFM plays an average of 37% (thirty seven percent) of South African Music. The South African artists featured included among others Will Linley, Goldfish, Jamali, The Pedestrians, Connell Cruise, PTZ and Shekhinah.

The Licensee complies with regulation 3.2 above.

4.3 Standard Terms and Conditions

During the year under review, the Authority did not identify instances of non-compliance by the Licensee with the Regulations regarding Standard Terms and Conditions for Individual Licensees⁴.

The Licensee complies with the above regulations.

4.4 Regulations in respect of the Prescribed Annual Contributions of Licensees to the 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 (USAF)⁵, as published in the Government Gazette, No. 31499 of April 2009, stipulates that:

"Every holder of a Licence granted in terms of Chapter 3, 4 and/or 9 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:

⁴ **Standard Terms and Conditions for Individual** Licences Regulations Amendment, 2016 published in *Government Gazette* No. 39875 dated, 30 March 2016

⁵ USAF Regulations, 2011 as published in *Government Gazette* No. 34010 dated, 10 February 2011.

"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"

KFM's financial year ends on 30 June. The Licensee's evidence demonstrates that the payment was made to the MDDA on, 22 September 2022.

The Licensee complies with the above regulations.

4.5 General Licence Fees Regulations

Regulation 3 (1) of the General Licence Fees Regulations⁶ 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 General Licence Fees regulations provides for Licensees to pay an annual licence fee in accordance with their licensed revenue and to be calculated using the set formula, read with the applicable percentages.

Regulation 7(a), 7(b) and 7(c) of Schedule 3 provides that:

- 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".*

94.5 KFM's 94.7 financial year ends on 30 June. The Licensee paid its licence fees on 27 October 2022 and submitted proof of payment⁷ thereof, as required by the regulations. The payment was within the six months after the financial year end as prescribed in the regulations.

The Licensee complies with the above regulations.

⁶ **ICASA General License Fees Regulations 2012**, published in *Government Gazette* No. 36323 dated, 28 March 2013 as amended. (Amendment published in *Government Gazette* No. 37521 dated, 02 April 2014).

⁷ Proof Licence Fees Payment for K FM 2021-2022

5. **CONCLUSION**

The Licensee has fully complied with its licence terms and conditions, for the period under review.

6. **TERMS OF REFERENCE**

Annexure A : KFM's Service and Spectrum Licences.

Annexure B : Regulations on Standard Terms and Conditions for Individual Broadcasting & Individual Electronic Communications Services, 2010 as published in *Government Gazette* No. 33294 dated, 14 June 2010, as amended.

Annexure C : USAF Regulations 2011, published in *Government Gazette* No. 34010 dated, 10 February 2011.

Annexure D : Processes and Procedures Regulations for Individual licences published in *Government Gazette* No. 33293 dated, 14 June 2010, as amended;

Annexure E : ICASA South African Music Content Regulations, 2016 as published in *Government Gazette* No.39844 dated, 23 March 2016.

Annexure F : Proof of USAF contribution.

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