



Independent Communications Authority of South Africa

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KARABO FM REPORT

LICENSING AND COMPLIANCE PROGRAMME
MARCH 2013

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2011/2012 ANNUAL COMPLIANCE REPORT

KARABO FM

LICENCE PERIOD: 08 December 2008 to 07 December 2013

1. PREFACE

The Independent Communications Authority of South Africa ("the Authority") has a statutory mandate in terms of the Constitution¹, the ICASA Act² and the Electronic Communications Act³ ("ECA") to regulate broadcasting activities in South Africa in the public interest. The Authority is tasked with ensuring compliance by broadcasters with the terms and conditions of their license, the Electronic Communications Act ("ECA"), the ICASA Act, any relevant legislation and regulations.

The following report is intended to give account of Karabo FM's compliance with the terms and conditions as set out in its licence for the 2011/2012 financial year. Aspects of compliance that are measured comprise of geographic coverage, community participation, programming, format, news and information, local content obligations, language(s), South African Music Regulations, Regulations Regarding Standard Terms and Conditions and Universal Service and Access Fund (USAF).

2. BACKGROUND

Karabo FM is a Class Sound Broadcasting Service Licensee. The Licensee's language(s) of broadcast are English, SeSotho, isiXhosa, isiZulu, SePedi, Street Lingo and Afrikaans. The radio station's mandate is to provide a service to the geographic areas of Sasolburg and surrounding areas in the Free State Province.

(See broadcasting service licence and spectrum licence attached as Appendix A).

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

² ICASA Act No 13 of 2000, as amended

³ Electronic Communications Act No 36 of 2005

Karabo FM broadcasts from the studios situated at 2321 Dikgutsaneng, Zamdela Location, Sasolburg. The radio station's signal distributor is Sentech.

The radio station commenced full broadcast on 16 April 2009.

3. COMPLIANCE ASSESSMENT

3.1. Ownership and Control

Clause 1 of the licence terms and conditions stipulate that:

"The Licence is issued to:

1.1 Name of Company/Entity: Karabo Youth Development.

1.2 Control of the Licensee: Control shall vest in the Board of Director of a non-profit organisation known as Karabo FM".

There were no changes reported by the Licensee to its company name and control structure.

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

Clause 1 of the schedule to the licence stipulates as follows:

"Name of the radio station: Karabo FM".

The radio station's name is Karabo FM as stipulated in the licence.

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

3.2 Geographic Coverage Area

Clause 2 of the schedule to the licence stipulates that Karabo FM's coverage area is as follows:

"Sasolburgi and surrounding areas as set out in the Licensee's radio frequency spectrum licence".

The Licensee confirms that it covers Deneysville, Orangeville, Wolwehoek, Vanderbylpark and Clydesdale. These are the geographic areas specified in the spectrum licence.

The Licensee complies with the clause 2 of the licence.

3.3 Community

Clause 3.1 of the licence stipulates that:

"The Licensee should provide services to a community residing within the geographic coverage area specified herein".

Karabo FM confirms that it broadcasts from Sasolburg and provides its services to the geographic community residing within its coverage area.

The Licensee complies with clause 3.1 of its licence.

Clause 3.2 of the licence stipulates that:

"The Licensee shall provide for the participation of community members in the affairs of the station in the following ways:

3.2.1 "The Licensee shall hold at least two (2) meetings annually with its community on programming and programme related matters for the selection and provision of programmes;

3.2.2 "The Licensee shall furnish the Authority with proof of such meetings as well as the attendance thereof by members of the community;

Further clause 3.2.3 stipulates that:

"The Licensee shall hold an Annual General Meeting (AGM) for the following purposes:

3.2.3.1 To provide feedback on the Licensee's compliance with licence conditions,

3.2.3.2 To provide feedback on the Licensee's operational and financial performance, and

3.2.3.3 To elect members of the controlling structure e.g. Board of Directors, Trustees etc. Subject to the licensee's founding documents.

The Licensee convened an Annual General Meeting (AGM) on 28 May 2011. The purpose of the AGM was to provide feedback with regards to the Licensee's compliance with licence terms and conditions, operational, financial performance as well as to amend the constitution of the organisation for the next elective AGM.

The Licensee submitted minutes of the AGM, reports presented at the AGM and the amended constitution as per the Authority's request. The Licensee confirmed that proposals and recommendations for the amendment addressed the following:

- Differentiate between an Annual General Meeting and an Elective Annual general Meeting;
- Set the criteria with regards to membership; and
- To change the term of office for the board of Directors.

The proposals for the amendments were accepted and adopted at the AGM. The Authority is in possession of the Licensee's amended constitution.

The Licensee's elective AGM was convened on 04 August 2012.

The Licensee's Secretary, Chairperson of the Board and Stations Manager reported on the operational activities of the radio station and financial performance. The reports were subsequently adopted by the members present at the AGM (*See Post AGM report attached as Appendix B.*)

The board reported to have achieved the following objectives during its term of office. These were mainly directives given to the board of Directors at the 2010 AGM and 2011 AGM, respectively:

- The major achievement is that the radio station has managed to maintain and even increase its listenership from forty eight thousand (48 000) to sixty seven (67 000) listenership from 2011 to date;
- The radio station has managed to pay off all debts incurred between the financial periods of 2008/2009 and 2009/2010. A major debt being owed to the signal distributor Sentech. The chairperson reported that during the 2010/2011 financial period the radio station was paying Sentech twenty two thousand rand (R 22 000) a month with respect to transmission fees. The board subsequently negotiated a reduced amount of eight thousand rand (R8 000.00) for the 2012/2013 financial period. This initiative by the board has reduced the radio stations monthly expenditures;
- The radio station also spent twenty seven thousand and five hundred rand (R27 500.00) to renovate the offices in terms of leaking roofs, painting, replacing ceilings and floor tiles;
- The radio station purchased a recording system which allows it to record programmes. In the past, the radio station was unable to keep

a record of all programmes and this was a contravention of section 53 of the Electronic Communications Act of 2005. The recording system costs the radio station seventeen thousand rand (R 17 000);

- The radio station was able to pay its personnel stipends which amounted to one hundred and eighty five thousand, hundred and fifty rand (R185, 150.00) during the 2011/2012 financial period;
- It was reported that the radio station purchased four (4) laptops and two (2) computers for departmental use. VIVID was also purchased for satellite broadcasting purposes for the amount of two thousands rand (R2000). Further, a generator was purchased for an amount of seven thousand rand (R7000) for outreach programmes and campaigns to those areas without electricity;
- The radio station also applied for a tax exemption certificate and the certificate is in a process of delivery;
- The radio station managed to install internet access services and DSTV, as well as two (2) CD players and twenty five (25) headsets for all presenters. The radio station is also producing its own jingles and adverts;
- Training of the radio station's personnel was an achievement and the radio station received training to the value of six thousand five hundred rand (R6500.00) for four (4) staff members to receive training and skills development on a trade exchange basis. Radio programmes production training was also conducted for twenty two (22) presenters by Nolwethu learning and development networking;
- The board proposed that four (4) of its staff members should benefit from the Mayoral bursary fund per financial year as part of their training and skills development programme; and

The most important achievement for the radio station is the purchase of a vehicle for the radio station. Transport has always been a major issue especially for those presenters working outside the normal working hours. Having its own transport means that the radio station can produce more local news which has been a programming challenge. The vehicle will allow the radio station to attend workshops and training session outside the Sasolburg area.

The AGM of 04 August 2012 elected the following members as Board of Directors:

1. Chairperson: Mr Samson Mkhwanazi
2. Deputy chairperson: Mr Thabiso Mashiloane
3. Secretary: Ms Winnie Mayekiso
4. Deputy secretary: Mr Sello Moroe
5. Treasurer: Mr Mahlomola Sibiya

Additional members:

6. Ms Esther Radebe
7. Ms Esther Mokoena
8. Mr Pule Mahonko
9. Ms Twasa Manoto
10. Ms Nokuthula Mtshali

The Licensee complies with clause 3.1 of its licence

3.4 Programming

Clause 4.1 of the licence stipulates that:

"The Licensee shall provide programming as follows:

4.1.1 Format:

"60% talk and 40% music.

The monitoring confirmed that the Licensee has a 60% talk and 40% music split.

The Licensee complies with clause 4.1.1 of its licence.

Clause 4.1.2 of the licence stipulates that:

"The Licensee shall broadcast a total of ninety (90) minutes of news per day, of which forty five (45) minutes shall be local, thirty six (36) minutes national and nine (9) minutes international news".

The monitoring exercise conducted for the period under review indicated that Karabo FM broadcasts news bulletins every hour on the hour. The duration of the news bulletins is between three (3) to five (5) minutes. The Licensee broadcasts sixty (60) minutes of news per day.

The following were among the news bulletins covered for the period under review:

- *"The independent Complaints Directorate is still waiting for the post-mortem results of the shooting incident of a Kempton Park woman, Jeanette Odendaal, who was shot by a police officer outside the Kempton Park Police Station. The 38 year old sergeant was arrested immediately after the shooting. The sergeant was expected to appear in the Kempton Park Magistrates Court";*
- *"A dangerous chemical spilled in the Orange River in the Free State Province. The Authorities could not say what chemical it is and how it spilled in the river. However, they have requested the assistance of a chemical company to assist with the cleaning up of the spillage and determining the source of the spillage"; and*
- *"Four men have been arrested in connection with the mob killing of two siblings and an unidentified man near Butterworth. The four men were arrested following the brutal killing of the three men. Captain*

Jackson Manato said the three were victims accused stock theft by the community of a village near Butterworth resulting in their fatal attack. The four men accused were expected to appear in the Butterworth Magistrate Court on charges of murder”.

Monitoring exercise revealed that the Licensee does not comply with the minutes as stipulated in the licence. As indicated above, the total minutes of news broadcast per day is sixty (60) minutes of which 15 minutes is local, 45 minutes is national and no international detected.

The Licensee does not comply with clause 4.1.2 of its licence.

Clause 4.1.3 of the licence stipulates that:

“The Licensee shall broadcast a South African music content of 65%”.

The Licensee submits that it broadcasts between 50% and 70% of South African music.

Monitoring exercise confirmed that the Licensee broadcasts at least 50% of local content.

The Licensee complies with clause 4.1.3 of its licence.

Clause 4.1.4 stipulates that the Language(s) of broadcast are as follows:

- “(a) 23% English*
- (b) 22% SeSotho*
- (c) 16% isiXhosa*
- (d) 15% isiZulu*
- (e) 13% Sepedi*
- (F) 7% Street Lingo*
- (g) 4% Afrikaans”.*

The monitoring exercise confirmed that the Licensee broadcasts predominantly in SeSotho, Sepedi, and English as well as in other languages as stipulated in clause 4.1.4 of its licence.

The Licensee complies with clause 4.1.4 of its licence.

Clause 4.1.5 of the licence stipulates that:

"The Licensee shall broadcast for 24 hours a day".

The Licensee submits that it broadcasts for 24 hours a day.

The Monitoring exercise confirmed that the Licensee broadcast for 24 hours a day.

The Licensee complies with clause 4.1.5 of its licence.

4. REGULATIONS

4.1. South African Music Content Regulations

The Regulations on South African Music Content as published on 31 January 2006 stipulates that:

"Every holder of a community sound broadcasting licence to which these regulations apply must ensure that after eighteen months of the gazetting of these regulations, a minimum of 40% 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" (See Appendix C).

Karabo FM broadcasts a significant amount of South African music. The music genres range from gospel, kwaito, RnB, jazz, Afro-jazz, Hip hop, house as well as traditional music. The local music broadcast by the radio station includes the following: Mandoza, Malaika, Black Coffee, Nathi Nice, Simphiwe Dana, Zonke,

HHP, Professor, Zakes Batwini, Proverb, Lira, DJ Kent, Rebecca Malope, Winnie Mashaba and Theo Kgosinkwe.

On average Karabo FM broadcasts 55% South African music on a daily basis.

Karabo FM complies with the required local music content quota, as prescribed by the South African Music Content Regulations

4.2 Regulations Regarding Standard Terms and Conditions for Class Broadcasting Licences

During the year under review, the Authority did not identify instances of non-compliance by the Licensee with the standard terms and conditions for class licensees (*See Regulations regarding Standard Terms and Conditions for Individual Licences attached as Appendix D*).

4.3 Universal Service and Access Fund Regulations

Regulation 3 of the USAF Regulations stipulates that:

- (1) *"Every holder of a licence granted in terms of Chapters 3, 4 and/or 9 or converted in terms of Chapter 15 of the Act, must pay an annual contribution of 0.2% of its Annual Turnover to the Fund".*
- (2) *"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" (See USAF Regulations attached as Appendix E).*

The Licensee has not paid its annual contribution fee to the fund.

The Licensee does not comply with the USAF regulations.

5. CONCLUSION

Karabo FM has, for the period under review, generally complied with the requirements as set out in its licence and relevant legislation except for clause 4.1.2 of its licence and USAF Regulations.

6. APPENDICES

Appendix A: Karabo FM's broadcasting service and frequency spectrum licence;

Appendix B: Post AGM report;

Appendix C: South African Music Content Regulations;

Appendix D: Regulations Regarding Standard Terms and Conditions; and

Appendix E: Universal Service and Access Fund Regulations (USAF)