



METRO FM ANNUAL COMPLIANCE REPORT

FEBRUARY 2017

2015/2016 ANNUAL COMPLIANCE REPORT

METRO FM

Licence Period : 18 December 2008-17 December 2018

1. PREFACE

The Independent Communications Authority of South Africa (the Authority) has a statutory mandate in terms of the Constitution¹, the ICASA Act² the Electronic Communications Act³ (ECA) and the Broadcasting Act⁴ to regulate broadcasting activities in South Africa in the public interest. The Authority is tasked with ensuring compliance by broadcasters with the ICASA Act, the and the Broadcasting Act as well as applicable regulations and specific terms and conditions of their licence.

The report is intended to give an account of Metro FM's performance for the 2015/2016 financial year. Aspects of compliance that are measured comprise of the Geographic Coverage Area, Language(s), Format, Local Content Obligations, General Programming Obligations, News and Current Affairs, Training and Skills Development Obligations, Finances, South African Music Content Regulations, Regulations Regarding Standard Terms and Conditions, Universal Service and Access Fund Regulations.

2. BACKGROUND

Metro FM holds an Individual Commercial Service Sound Broadcasting Service of the South African Broadcasting Cooperation (the SABC). The Licensee's language of broadcast is English. The radio station's mandate is to provide a full spectrum service to the urban areas of Gauteng, Free State, Western Cape, Northern Cape, Eastern Cape, North West, Kwazulu Natal, Mpumalanga and Limpopo province.

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

² ICASA Act No 13, 2000 as amended

³ Electronic Communications Act No 36, 2005

⁴ Broadcasting Act no 4 of 1999

3. COMPLIANCE ASSESSMENT

3.1 Ownership and Control

Metro FM forms part of the commercial service of the South African Broadcasting Corporation and is 100% owned by the State.

3.2 Geographic Coverage

Clause 2 of the licence reads:

"The coverage area is as defined in the map attached to the radio frequency spectrum licence".

According to the frequency spectrum licence, the radio station covers the following areas:

Gauteng, Free State, Western Cape, Northern Cape, Eastern Cape, North West, Kwa-Zulu Natal, Mpumalanga and Limpopo province.

The Licensee has confirmed that its footprint has not changed. **The Licensee complies with clause 2 of its frequency spectrum licence.**

3.3 Language(s)

Clause 3 of the licence provides that Metro FM's language of broadcast is as follows:

"Principal Language is English".

The Authority's monitoring confirmed that the Licensee's language of broadcast is English.

The Licensee complies with clause 3 of its licence.

3.4 Format

Clause 4.1 of the licence clearly states that:

"The service authorised by this licence forms part of the public service division of the licensee".

Clause 4.2 of the licence reads:

"The licensed service shall be a sound broadcasting service in an urban contemporary format".

Metro FM is a commercial radio station of the SABC and offers a service to its audience as outlined in the licence.

The Licensee complies with clause 4.1 and clause 4.2 of its licence.

3.5 General programming obligations

3.5.1 General

Clause 6.1.1 of the licence provides that:

"The Licensee shall ensure that its programming adequately reflects the diversity of South Africa's Religion".

The Licensee's editorial policy (2004) provides that:

"Religious programmes should take account of regional factors, target audiences, language and cultural preferences, and the devotional needs of specific groups".

The Licensee broadcasts a religious programme on Sunday mornings between 06h00 and 09h00. The programme is called the "Sacred Space". The show features inspirational talks by studio guests from various churches, as well as gospel music and inspirational music both locally and internationally. The show invites listeners to call in and share their stories, challenges and how they use the power of prayer to overcome challenges in their personal lives.

Based on the Authority's monitoring exercise read with the Licensee's editorial policy, the radio station complies with clause 6.1.1 of its licence.

Clause 6.1.2 of the licence further provides that:

"The Licensee must take reasonable steps to provide programming that reflects the cultural and tradition needs of its audience".

Clause 6.1.3 of the licence states as follows:

"The Licensee shall during the South African performance period, provide programme material that caters and has due regard for the interests of all sectors of South African society and shall provide programming on health-related issues, gender issues relevant to all age groups".

"Positive Talk with Criselda" is a current affairs show broadcast from 19h30 until 21h00 on Wednesdays and Thursdays. The show covers a wide range of topical issues such as political issues, socio-economic challenges as well as personal wellness issues. The programme allows for phone in participation by listeners.

The Licensee complies with clauses 6.1 and 6.1.3 of its licence.

3.6.2 News and Current Affairs

Clause 6.2.1 of the licence stipulates as follows:

"The Licensee shall broadcast at least 30 minutes of News per day during the South African Performance Period".

The monitoring exercise conducted for the period under review revealed that Metro FM broadcasts news bulletins every hour on the hour and headlines every half hour during weekday mornings as well as weekday afternoons. The duration of the news bulletins is between three (3) and five (5) minutes. This results in a total of more than 30 minutes each day of news during the South African performance period.

Among the news stories covered were the excerpts from certain broadcasts, as follows:

- *"Finance Minister, Pravin Gordhan has called on ordinary South Africans to stand up and defend their country. He was addressing an ANC's opinion maker's forum in Durban. He says it is wrong for a few individuals to hold the Country at ransom.";*
- *"Australia has raised the threat level to its great barrier reef to its maximum because of the worst coral bleaching in fourteen (14) years. The Country's Environmental Minister, Greg Hunt, has blamed the rising sea levels for the damage.";*

- *"Roads Agency SANRAL has confirmed that civil summonses will be issued to Gauteng motorists who have refused to pay their E-toll bills. The summonses will be delivered by Sheriffs of the Court."*
- *"Medical Authority's in Guinea say they have traced hundreds of people who may have come into contact with the Ebola virus, this follows a fresh outbreak which left to four (4) people dead. Guinea's Ebola Coordination Unit says it identified eight hundred and eighteen (818) people from one hundred and seven (107) families."; and*
- *Gauteng Premier David Makhura says racism will not be defeated if inequality is not addressed. He was speaking at the launch of the Gauteng imminent group of nation building and social cohesion champions in Johannesburg."*

Metro FM complies with clause 6.2.1 of its licence.

Clause 6.2.2 of the licence provides that:

"The Licensee shall in the production of its news and current affairs programming:

- i. Exercise full editorial control in respect of contents of such programming;*
- ii. Include matters of international, national, regional and where appropriate, local significance;*
- iii. Meet the highest standards of journalistic professionalism;*
- iv. Provide fair, unbiased, impartial and balanced coverage independent from Governmental, commercial or other interference; and*
- v. Provide a reasonable opportunity for the public to receive a variety of points of view on matters of public concern".*

The SABC's editorial policy (2004) indicates that the Licensee exercises full editorial control in respect of contents of its programming. The editorial policies further indicate that the Licensee endeavours to meet the highest standards of journalistic professionalism. Furthermore, it provides fair, unbiased and impartial coverage independent from government, commercial or other interference.

Monitoring of the radio station's recordings confirmed that the radio station broadcasts a current affairs programme on Mondays and Tuesdays, known as "Metro FM Talk" it's a news and actuality show. The show presents a variety of topical issues involving politics, the economy, and discussions on breaking news, both locally and internationally. They also invite guests to the studio to offer advice ranging from legal and finances. The show allows for the general public to express their views. The current affairs show gives access to relevant information so as to allow listeners to be informed about important issues. The show has an insert called "*Africa Watch*" which gives insight of what is happening within the Continent. The show also discusses Human Rights issues with the assistance of Human Rights lawyers.

Metro FM's news bulletins and current affairs programmes are reflective of matters of international, national, regional and local significance. The editorial Policies form part of the SABC's Charter and monitoring of Metro FM's news and current affairs programmes not only demonstrated compliance with clause 6.2.2 of its licence but the Charter as enunciated in the Broadcasting Act. It must be noted that there were complaints lodged against the Licensee in July 2016 on the revised editorial policy. The details and outcome thereof will be contained in the licensee's report for the 2016/17 financial reporting.

For the year in review, the Licensee was found to be in compliance with the clause 6.2.2 of its licence.

3.7 Training and Skills Developments Obligations

Clause 7 of the Licence provides the following:

7.1 The Licensee must adopt and implement equal opportunity employment Practice.

The SABC submits that it is in the process of vetting information which relates to its implementation of equal opportunity employment practices. This information will detail the SABC's management and control structures and procurement allocations.

The Licensee will submit the above information as soon as the process is complete.

7.2 *"The Licensee must ensure that its management and staff are representative of South African society and that its human resource policies take into account the development of managerial, production, technical and other skills and expertise, particularly with regard to the historically disadvantaged persons.*

7.3 *The Licensee shall endeavour to achieve fair and reasonable participation by historically disadvantaged persons with respect to:*

- (a) Its management and control structures*
- (b) Skills development*
- (c) Enterprise development; and*
- (d) Procurement*

The SABC submitted a training and skills development report indicating that its management and staff is representative of South African society. Further, for the period under review there was reasonable participation by historically disadvantaged people with respect to its management and skills development. The SABC ensured that the learning and development needs are strategically aligned to business needs so as to bring about positive business impact and increases in the productivity level at large.⁵

According to the Licensee's report on its Annual Employment Equity and Skills Development plan, the Licensee strives for the creation of an "equitable working environment, in which the dignity of all individuals is respected and the diversity of all employees are valued." In this report, the SABC further advances that at least 84.74% of their overall staff complement are Black people; while 77.11% of its management are people from historically disadvantaged backgrounds.

The Licensee submits that it has exceeded most of the quotas prescribed by licence conditions. However, the Licensee submits that it is unable to reach their 50% target of females in the organisation. The Licensee fell short by 3% from reaching this target as it is currently sitting on 47.55%. Although 76% of females in management are black.

⁵ Appendix C: Skills and Development Report

The Licensee further submits that it intends to adhere to its BBBEE obligations and remains committed to contributing to the growth of the South African Economy through the empowerment of previously disadvantaged individuals.⁶

7.4 The Licensee must, within thirty (30) days of the end of each financial year, provide the Authority the written information regarding its compliance with the above requirements."

The Licensee submitted its Training and Skills Development to the Authority for the period under review.

The Authority is satisfied that the Licensee has complied with the provisions of clause 7.

3.8 Provisions of Audited financial statements

Clause 8 of the licence provides that:

"The Licensee shall provide the Authority with the audited annual financial statements of the licensed service within four (4) months of the end of the licensee's financial year, provided that the licensee may on good ground shown apply to the Authority for extension".

The Licensee submitted its Audited Financial Statements for the 2015/2016 financial year within the stipulated timeframe. The AFS indicate that the Licensee generated revenue of R7 978 841 000. Of this amount, some of the expenses were on broadcast costs, signal distribution and linking costs, marketing costs, professional and consulting fees. The Licensee incurred a loss of R411 605 000.

4. REGULATIONS

4.1 The South African Music Content Regulations

Regulation 3.2 of the Regulation provides 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

⁶ Ibid

broadcasts in the performance period consist of South African music and that such music is spread reasonably evenly throughout the said period”.

Metro FM plays a significant amount of South African music. The music genres range from gospel, Kwaito, RnB, Jazz, Hip Hop and House. The local music played by the radio station includes, amongst others *Mdu Maselela, Lira, Ringo Madlingozi, Kelly Khumalo, Jaziel Brothers, Nathi, Zahara, Zonke, Kabomo, Black Coffee, Mi casa, Da Les, Donald, Judith Sephuma, Benjamin Jephta, Big Nuz, Kabelo Mabalane, DJ Sliqe, Ntokozo Mbambo, Andile ka Majola, Malusi Mbokazi, DJ Fisherman, AKA, Casper Nyovest, Afrotraction, Naima Kay, Euphonik, Joyous Celebration, Maleh, Vusi Nova, Lvovo Derrango, The Soil and K.O.*

Metro FM also hosts Metro Music Awards Annually, a popular music awards event for both Musicians and South Africans, with the purpose of promoting South African Music and talent. On average Metro FM plays 34% South African music daily.

Metro FM complies with the 25% local music content quota, as prescribed by the South African Music Content Regulations.

4.2. Standard Terms and Conditions

Section 6 (1) of the Regulations Regarding Standard Terms and Conditions for Individual Licences requires the Licensee to broadcast services for twenty-four (24) hours.

The radio station broadcasts for 24 hours and thus in compliance with the Regulations Regarding Standard Terms and Conditions.

The Authority is satisfied that during the period under review the Licensee did not contravene the regulation in respect of the Standard Terms and Conditions Regulations for Individual licences.

4.3 Code on People with Disabilities

Clause 3.1 (a) of the Code on People with Disabilities as published in the Government Gazette, no 30441, 7 November 2007, states that:

"Broadcasting service licensees must ensure that their services are made available and are accessible to people with disabilities".

Clause 3.1 (b) stipulates that:

"Options for making broadcasting services more accessible may include the following:

- i. Improve and/or increase subtitles and sign language;*
- ii. Expand knowledge on various adjustments such as induction loops, Minicom/text phones and alternatives computer software;*
- iii. Access to programme support such as fact sheet;*
- iv. Website to offer a range of formats (such as electronic versions, Braille and audiotape);*
- v. Use of spoken languages where economic indicators, weather details, telephone numbers and addresses or details of goods and services are shown on-screen; and*
- vi. Use of non-scheduled services such as access via Personal Video Digital Recorders (PVR's) and TV anytime".*

Clause 3.1 (c) states that:

"Broadcasting service licensees must monitor the effectiveness of their service through surveys as well as contact with organisations of and for people with disability and stakeholders".

During the period under review, the Licensee conducted the SABC National Disability Committee quarterly meetings to monitor and evaluate progress against its Disability mainstreaming objectives. The Licensee also commemorated and hosted the International Disability Day in the form of Leadership awareness breakfast session to challenge leadership to understand and create disability awareness.

The following were some of the disability awareness campaigns hosted by the Licensee:

- National Bind Buddy Day;

- Autism Awareness;
- Albinism Awareness;
- Deaf Awareness; and
- Casual day.

The Licensee further conducted verifications of all declared disabilities and identification of reasonable accommodation needs, as well as participation in a career exposure initiative for scholars with disabilities.

SABC also reported that Employees with disabilities represent 1.90% of the entire workforce as some employees left the organisation and thus the organisation did not meet its target of 2%. Further reported that 58% of all employees with disabilities are female and 77% are black.

Producers are encouraged to establish relationships with organisations for people with disabilities to use for content when the need arises.

The Licensee has demonstrated that it complies with the Code on People with Disabilities.

4.4 Universal Service and Access Fund Regulations.

Regulation 3 of the USAF Regulations provides 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 Broadcasting Service 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".*

The Licensee paid its annual USAF contribution and received confirmation of payment in a form of a Section 18A certificate from the MDDA. The Licensee submitted proof of payment to the Authority.

The Licensee has complied with the regulations in respect of Universal Service and Access Fund.

4.5 Compliance Procedure Manual – Form 12A

The Licensee is required, in terms of the Compliance Procedure Manual Regulations, to submit a Form 12A⁷ which reports on all complaints received during each financial year. In April 2016, the SABC submitted its complaints report in accordance with the Regulations regarding the Code of Conduct for Broadcasting Service Licensees.

For the period under review, the Licensee received complaints against Metro FM, however the complaints were, according to the Licensee, dismissed. The following are some of the complaints received:

- *"The host *Tbo touch made a comment about how "poverty stinks". Perhaps I did not understand the context the word was used in but it was very offensive to hear such a comment from a national broadcaster that always sends the poor people of our country notices to pay their TV licenses.";*
- *"This afternoon at 16:00 I tuned into an afternoon show at Metro FM. I didn't take down the name of the DJ. Midway thru the show he asked listeners to call in and tell the whole nation if they watch porn and how many times. He even went a step further and asked one of the listeners if she was wet! I found his show to be too vulgar and graphic and he shoe have at least warned listeners before discussing this on air. I therefore request that BCCSA does something to make sure that such does not happen again and disciplinary action be taken against the DJ.";*
- *"Dj Joe Mann was telling his colleague Tbo Touch that he was in Limpopo with Dj Ganyane and the said DJ Ganyane had a lightning in pocket. He went further to say people from Limpopo are using lightning against each other, that's is why they are so dark. This cannot be treated as a joke but an insult to people from Limpopo. The last time I heard this on Metro was during the time DJ Sbu was still their Dj and I feel that this should be*

⁷ Appendix E: SABC Form 12A

condemned. I hope that you will treat this complaint seriously and let me know of any action you intend to take, thanks.”

For the period under review, no complaints were received by the Authority against the licensee’s non-compliance with the licence terms and conditions and regulations.

5. CONCLUSION

Metro FM holds an individual sound broadcasting licence to provide a public service in an Urban Contemporary format to its audience. Metro FM has, for the period under review, has complied satisfactorily with the requirements as set out in its licence and relevant legislation.

5. TERMS OF REFERENCE

- 5.1 Appendix A: Service and Frequency spectrum licence
- 5.2 Appendix B: Editorial policies
- 5.3 Appendix C: Skills and Training Development Report 2015/2016
- 5.4 Appendix D: South African Music Content Regulations of 2006
- 5.5 Appendix E: Regulations Regarding Standard Terms and Conditions
- 5.6 Appendix F: Code on People with Disabilities
- 5.7 Appendix G: Universal Service Obligation Fund Regulations