



POWER FM ANNUAL COMPLIANCE REPORT

MARCH 2017

2015/2016 ANNUAL COMPLIANCE REPORT

POWER FM 98.7

LICENCE PERIOD: 12 MAY 2012 TO 11 MAY 2022¹

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 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 purpose of the report is to give an account of Power FM's compliance with the terms and conditions as set out in its licence for the 2013/2014 financial year. Aspects of compliance that are measured comprise the following: Ownership and Control, Geographic Coverage, Languages, Format, Local Content Obligations, General Programming Obligations, People with Disabilities, Complaints, South African Music Content Regulations and Regulations on Standard Terms and Conditions for licences and General Licence Fees Regulations.

2. BACKGROUND

Power FM is a regional Individual Sound Broadcasting Licensee that was licensed on 12 May 2012. Power FM went on air on 18 June 2013. The Broadcast Research Council of South Africa (BRCSA)'s Radio Audience Measurement (RAM) figures indicate listenership of 103 000 in the past 7 days (January to September 2016).

3. COMPLIANCE ASSESSMENT

3.1 Shareholding Structure

Clause 1 of the schedule to the service licence provides that:

"The licence is issued to:

1.1 Name of Company/Entity: Power FM (Pty) Ltd

1.2 Shareholders:

¹ Appendix A- Power FM's License Conditions

- Janistone (Pty) Ltd – 68.53%
- AIH Media – 3.82%
- MIB Radio & Media Investments (Pty) Ltd – 7.83%
- Friedshelf 1136 (Pty) Ltd ("Ndalo Radio Broadcasting") – 8.100%
- Friedshelf 1136 (Pty) Ltd ("Kgalagadi Media") – 4.48%
- Friedshelf 1136 (Pty) Ltd ("Thonga Media") – 2.24%
- Friedshelf 1136 (Pty) Ltd ("TT Media and staff") – 2.77%
- Friedshelf 1136 (Pty) Ltd ("Jacobs the 4") – 2.24%

There were no changes made to the shareholding structure of the Licensee during the period under review.

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

3.2 Geographic Coverage

Clause 2 of the schedule to the licence provides that:

"Gauteng, as indicated/covered in the attached map, from time to time".

Power FM has a footprint in Gauteng; and some parts of North West and Limpopo provinces. The Licensee confirms that its footprint has not changed.

Furthermore, the Licensee applied for extension of its radio coverage by the addition of three transmitter sites, namely, Sasolburg; Brixton and Heidelberg. Tjis application was duly approved by the Authority.

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

3.3 Broadcast Language/s

Clause 3 of the schedule to the licence provides that:

"Principal language: English, however the other common languages spoken in the area will be flexibly used in accordance with listeners".

The Licensee's main language of broadcast is English. However, during the monitoring exercise, it was found that some or other forms of vernacular languages such as Sesotho and Setswana are spoken.

The Authority's monitoring exercise confirmed that there is a balanced mixture of languages as per clause 3 of Power FM's licence.

The Licensee complies with clause 3 of the schedule to its licence.

3.4 Format

Clause 4 of the schedule to the licence provides that:

"The Licensee shall be a full service adult contemporary talk radio station with up to 70% of the airtime devoted to talk and at least 30% to music".

The monitoring exercise revealed that the Licensee has a talk radio format from Mondays to Fridays, where different shows address particular topical issues, be it on government; crime; politics; lifestyle; sports and business related topics. The following are some of the programmes broadcast by the Licensee:

- "Power breakfast" broadcast between 6h00 and 09h00;
- "Power Talk", broadcast between 9h00 and 12h00;
- "Power Lunch", broadcast between 13h00 and 15h00; and
- "Power business", broadcast between 17h00 and 18h00.

The Monitoring exercise further confirmed that at least 305 OF THE Licensee's programming is constituted of music.

The Licensee has, during the period complied with clause 4 of the schedule to its licence.

3.5 Local Content Obligations

Clause 5 of the schedule to the licence provides that:

"The Licensee shall broadcast 25% of South African music".

The monitoring exercise confirmed that the Licensee plays South African music. At least 28% South African music was monitored. Artists such Judy Sephuma, vusi Mahlasela, Thandiswa Mazwai and many others were identified.

The Licensee has during the period under review, complied with clause 5 of the schedule to its licence.

3.6 General Programming Obligations

Clause 6.1 of Power FM's licence provides that:

"The Licensee shall primarily dedicate current affairs programmes in the morning, during its midday and afternoon show. The Licensee will further broadcast programmes beyond current affairs as they will also include entrepreneurship, sports, arts, entertainment and lifestyle content".

Clause 6.2 of Power FM's schedule to the licence provides that:

"The Licensee shall broadcast reports from correspondent reporters in various African countries on current events in their regions on Sunday mornings".

The monitoring exercise detected news from various African countries. For example, it was reported the violence and terrorist attacks in Nigeria through Boko Haram insurgents continue to devastate the country.

Power FM demonstrated compliance with clause 6.1 and 6.2 of its licence.

Clause 6.3 of Power FM's licence provides that:

"The Licensee shall emphasise local and regional news and employ a news team specifically for the production of local news".

The Licensee reports that it has sourced news content from various correspondents and other reports from across the continent. Monitoring exercise indicated that Power FM credits any sources other than itself during news bulletins. Some of the news items monitored were as follows:

- *"The National Prosecuting Authority will this morning respond to the North Gauteng Court's ruling that its decision to drop charges against President Zuma was irrational";*
- *"The Basic Education Department says a forensic unit will continue investigating the job for cash scandal to make sure that those implicated are prosecuted";*
- *"Afghan Taliban's leadership council has met to start considering succession of the US drone strike in Pakistan targeted and killed its commander";*
- *"The DA says Kemward Mayored won't give up on its fight to have hundreds of corruption charges reintasted against President Zuma"; and*

- *"Fourteen universities must address shortfalls in its policies and mechanisms to deal with sexual harassment that is according to Minister Bathabile Dlamini".*

The Licensee complies with clause 6.3 of the schedule of its licence.

Clause 6.4 of Power FM's schedule of the licence provides that:

"The Licensee shall broadcast news on a regular basis for a minimum of forty nine (49) minutes each day between 05h00 and 23h00".

The Licensee submits that it broadcasts 118 minutes of news per day, which constitutes the following:

Local News – 32 minutes;

Regional News – 50 minutes;

National News – 18 minutes; and

International News – 18 minutes.

The monitoring exercise revealed that the radio station broadcasts approximately 4 minutes of news on the hour every hour and approximately 1 minute of news headlines at the bottom of each hour during the performance period. The news is a mixture of local, national and international news.

The Licensee complies with clause 6.4 of the schedule to its licence.

Clause 6.5 of Power FM's schedule to the licence provides that:

"The Licensee will also broadcast breaking news as they unfold and these are likely to take over a programme being broadcast instead of being contained solely within the news bulletin".

The Authority's monitoring exercise did not identify any incidents where normal programming was interrupted because of broadcast of breaking news.

Accordingly, the Licensee complies with clause 6.5 of the schedule to the licence.

Clause 6.6 of Power FM's schedule to the licence provides that:

"Should the Licensee source news material from a news agency/source other than itself, the source(s) thereof shall be disclosed to the Authority".

The Licensee submits that it makes use of news sourced from News24 amongst other news agencies. On the basis of information submitted by the Licensee, it is the Authority's view that the Licensee has, for the period under review, **complied with clause 6.6 of the schedule to its licence.**

3.7 Ownership and Control structure of the Licensee

Clause 7 of the schedule to the licence states that:

"The Licensee shall for the duration of its licence maintain at least (sic) per cent (30%) ownership and control of the station by persons from historically disadvantaged groups"

The Licensee submits that its HDI ownership stands at 94.9%. Furthermore, the Licensee is 100% South African owned and 5.73% woman-owned.

The Licensee was found to be compliant with clause 7 of the schedule to its licence.

3.8 Specific Terms and Conditions

Clause 8 of Power FM's schedule to the licence provides that:

"The Licensee shall broadcast a minimum of 3% of African music (excluding music from South Africa) per month between 05h00 and 23h00".

The monitoring exercise confirmed that the radio station broadcasts African music excluding music from South Africa. Seun Kutl was amongst the African artists whose music was played by the Licensee during the period in review.

The Licensee was found to be in compliance with clause 8 of the schedule to its licence.

4 REGULATIONS

4.1 South African Music Content Regulation

Regulation 3.2 of the Regulations on South African Music Content as published on 31 January 2006 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

broadcast in the performance period consist of South African music and that such South African music is spread reasonably evenly throughout the said period" (Regulations on South African Music Content attached as Appendix E).

The monitoring exercise revealed the Licensee plays at between 27% and 28% South African music. The Licensee also interviews local musicians as provided for in the above Regulations. During the period in review interviews included the following: urban Live, Maxhoba, Finger Print5 Njabulo She and many others.

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

4.2 Regulations regarding Standard Terms and Conditions for individual broadcasting licences

During the year under review, the Authority did not identify any non-compliance by Power FM with the standard terms and conditions for individual Licences.

4.3 General Licence Fees Regulations

Regulation 3 (1) (a) of the General Licence Fees Regulations 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 Licences, Individual and Class ECNS licences and Individual Commercial BS licences".

Schedule 2 under Annual Licences Fees provides that:

"Individual Commercial Broadcasting Service Licensees to pay an annual licence fee of 1.5% of gross profit to the Authority".

Schedule 3 (4) (b) (c) provides that:

"(b) in respect of payment, such 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 R 73 457. 85 in licence fees to the Authority which is equivalent to 1.5% of its gross profit.

The Licensee has complied with the General Licence Fees Regulations.

4.4 Universal Service and Access Fund (USAF) Regulations

Regulation 3 (1) of the prescribed annual contribution of licences to USAF regulations published on 10 February 2011 provides that: *"Every holder of the 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, to the Fund".*

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".

Power FM paid its contribution of R84 608.22 to the USAF fund which is an equivalent of 0.2% of its annual turnover and submitted proof of payment to the Authority.

The Licensee has complied with the Universal Service and Access Fund Regulations.

5 COMPLAINTS

The Licensee is a member of the National Association of Broadcasters ("NAB") and complaints in relation to the Code of Conduct by Broadcasters are administered by the Broadcasting Complaints Commission of South Africa ("BCCSA").

The Authority is not aware of any complaints lodged with the BCCSA against the Licensee, during the period under review.

6 CONCLUSION

The Licensee has, during the period under review, generally complied with the terms and conditions of its licence as well as the applicable regulations.

7. TERMS OF REFERENCE

7.1 Attachment 1: Power FM Service and Frequency Spectrum Licence