2011/2012 ANNUAL COMPLIANCE REPORT

Radio 2000

Licence Period: 17 September 2008 – 16 September 2018

1. PREFACE

The Independent Communications Authority of South Africa ("the Authority") has a statutory mandate in terms of the Constitution,¹ the Broadcasting Act,² the ICASA Act of 2000,³ and the Electronic Communications Act ("EC Act") of 2005⁴ 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 EC Act, the terms and conditions of their licence and any relevant legislation and regulations.

The following report is intended to give account of Radio 2000 FM's compliance for 2011/2012 financial year. Aspects of compliance that are measured comprise of the Format, Local Content Obligations, General Programming Obligations, Training and Skills Development Obligations, Finances, South African Music Content Regulations, Standard Terms and Conditions, Universal Service and Access Fund Regulations and Licence Fee Regulations

2. BACKGROUND

Radio 2000 is an individual broadcasting service licensee of the South African Broadcasting Corporation ("SABC"). The radio station's mandate is to provide a full radio spectrum service to all national provinces in South Africa. The principal language of broadcast is a balanced range of official languages. *(see broadcasting service licence and spectrum licence attached as Appendix A).*

3. COMPLIANCE ASSESSMENT

¹ The Constitution No, 108 of 1996,

² The Broadcasting Act No,4 of 1999

³ The ICASA Act No, 13 of 2000,

⁴ The Electronic Communications Act No, 36 of 2005

3.1 Ownership and Control

Clause 1.1 of the licence states that:

"Name of the Company/Entity: The South African Broadcasting Corporation"

Clause 1.2 of the licence provides that the shareholders are as follows:

"Shareholders: The State: 100%"

Clause 1.3 of the licence states that:

"Ownership held by persons from historically disadvantaged groups: NA"

Radio 2000 forms part of the public service of the SABC, which is 100% owned by the State.

The Licensee complies with clauses 1.1, 1.2 and 1.3 of its licence.

3.2 Geographic Coverage Area

Clause 2 of the schedule to the licence states that:

"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's coverage area is national coverage that encompasses all provinces in South Africa. The Licensee submits, in its annual report for the year under review that it is a cosmopolitan national radio station as defined in its frequency spectrum licence, boasting a weekly average of seven hundred and ninety thousand (790 000) listenership.

The radio station complies with clause 2 of its frequency spectrum licence.

3.3 Language(s)

Clause 3 of the schedule to the licence states that:

"The principal Language is a balanced range of official languages".

Monitoring conducted confirmed that the radio station's principal language is English, with other official languages such as Sepedi found in some of the programmes on Just Ice's "Super Fantastic Breakfast" morning show during weekdays.

The radio station complies with clause 3 of its licence.

3.4 Format

Clause 4.1 of the licence states that:

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

Radio 2000 forms part of the public service station of the SABC and offers a fullspectrum service to its audience. This was confirmed during the Authority's monitoring exercise.

The radio station complies with clause 4.1 of its license.

Clause 4.2 of the licence states that:

"The licensed service shall be a facility service in a balanced range of genres (including education, sports, religious programming and music) broadcast in a balanced range of official languages".

The Authority's monitoring revealed that Radio 2000 presents a balanced view of various genres. These include education, sports and music as outlined in the licence. Further, Radio 2000 also broadcasts, regularly, sporting events of

national interest such as cricket matches played by the South African national cricket team at home and internationally as well as most of the Premier Soccer League (PSL) games and the National Soccer team's games. In the event of live sporting events, normal programming is suspended for the duration of the event, and the listeners are informed of such changes.

The Authority's monitoring exercise conducted from 20 November 2011 – 04 December 2011, identified a live broadcast of the South African Cricket Team (the Proteas) versus the Australian Cricket Team. Furthermore, there were interviews conducted by the host of the sports programme during the cricket breaks, which sought to educate and inform the listeners. These interviews featured sport personalities, business people that are involved in sporting initiatives, or even government officials who have a programme focusing on sports that they want to promote.

The radio station complies with clause 4.2 of its licence.

3.5 Local Content Obligations

Clause 5 of the licence states that:

"The Licensee must submit written records within thirty (30) days of the end of the quarter to the Authority. These records must indicate the extent to which it has complied with":

- 5.1 *different genres; and*
- 5.2 South African Music Content, in programme material broadcast in the licensed service during that quarter, in each instance, distinguishing between genres, providing the relevant details in relation to prime time and the period between 5h00 and 23h00 daily ("the South African broadcast period"), and expressing relevant details both as an aggregate in minutes and as a percentage of the total of all such programming material.

Radio 2000 is licensed as a facility service with no genre quotas prescribed in its license conditions. It generally broadcasts music, news, sports of all kind with emphasis on rugby, cricket and soccer, arts and culture, travel, personal finance, business and other Informal Knowledge Building programmes. One of the sports programmes identified on 22 November 2011 was "Midday Sports" and a sport update thereafter.

The radio station, notwithstanding the genre quotas prescribed to it, still promotes local content. The continued broadcast of mostly South African music is evident in their programming. For example during the programme "*One Ton Of Fun*", presented by David Mashabela. Local artists such as Lira, Zonke, Jonathan Butler and Zahara are featured. The radio station holds regular interviews with legendary local musicians, and also makes room for the listeners to call in and talk to their favourite artists. An interview with Ringo Madlingozi was broadcast on 27 November 2011.

The radio station complies with 5 of its licence.

3.6 General programming obligations

3.6.1 General

Clause 6.1 of the Schedule to the licence stipulates that:

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

The SABC's editorial policy states that:

"Religious programmes should take account of regional factors, target audiences, language and cultural preferences, and the devotional needs of specific groups" (see an extract on SABC's editorial policy attached as Appendix B). During the monitoring exercise, a programme called "*The Movement"* presented by Angela, had a insert/segment on Christianity called 'Sermon in Christianity'.

During this segment, a pastor presented a sermon for the listeners.

The radio station also broadcast a programme called *`The Weekend Cruise'*, presented by Shawny B broadcast on Sundays. During the show, a lot of gospel music was played. The monitoring exercise detected an interview with a gospel musician called Uche. The topic was an upcoming Thobela FM Gospel Music Festival which would be happening on 03 December 2011.

The radio station complies with clause 6.1 of its licence.

Clause 6.1.2 of the licence states that:

"The Licensee should take responsible steps to provide programming that reflects the cultural and tradition needs of the audience".

Clause 6.1.3 of the licence states that:

"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".

The programme line up and programming content of the radio station as confirmed by the Authority's monitoring is reflective of the provisions of the above clause.

"*Talk on 2000"* with Thabiso Tema tackles issues of public interest. A feature called the 'Consumer Slot' was identified. A consumer expert who was a studio guest educated the listeners on their rights and duties, as consumers.

Another discussion monitored was about post school opportunities for school leavers. This was an initiative by the Minister of Higher Education, in partnership with business, labour and civil society.

The radio station complies with clause 6.1.2 and 6.1.3 of the schedule attached to its licence.

3.6.2 Programming for People living with disabilities

Clause 7 of the licence states that:

"The licensee shall in the provision of the licensed service, ensure that people with disabilities regularly feature and participate in its programme material in accordance with the Integrated Disability Strategy".

Radio 2000 programming, with no specified quotas prescribed to it, was dominated by sporting news and features. In terms of programming for people with disabilities, there is a show entitled '*Life'* broadcast by Bertha Charuma between 09h00 and 12h00 on weekdays. The programme deals with a variety of issues from health to disability issues. Another programme called 'Making a Difference" presented by Doug Anderson a person with disability was identified.

The radio station complied with clause 7 of the schedule attached to its license conditions.

3.7 Training and Development Skills Obligations

Clause 8 of schedule attached to the licence states as follows:

- "8.1 The Licensee must adopt and implement equal opportunity employment practices;
- 8.2 The Licensee must ensure that its management and staff are representative of South African society and that its human resource policies takes into account the development of managerial,

production, technical and other skills and expertise, particularly with regard to the historically disadvantaged persons;

- 8.3 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

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

The SABC submitted a skills development and training report of the entity as a whole, indicating that its management and staff are representative of South African society. 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 information will be submitted as soon as the process is complete.

The Licensee further submits that Skills Development is not only a national priority, but that of the SABC at large. The Licensee submits that the technological landscape that keeps on evolving calls for the SABC to continually equip its employees with the necessary skills in order to remain competitive and sustainable. The Licensee states that in the year 2011/12, there have been a number of positive developments in response to the myriad challenges posed by the change in technology (migration from analogue to a digital space). The SABC submits that more than half of the total SABC employee population (2049) was trained in the respective divisions/clusters. Furthermore, its total expenditure on

training amounted to twenty two million, nine hundred and eight thousand, seven hundred and sixty three rand (R22, 908, 763) spread across various divisions for 4612 interventions which included Learnerships/Internships. Of the 2049 employees that were trained, 47% are females and 53% are males.

Further, the SABC states that a total of 93 new bursaries were awarded in 2011/2012, bringing a total number of bursaries to 231, which includes bursaries awarded under the SABC foundation. According to SABC, the amount invested to maintain these new and existing bursaries was three million two hundred thousand rand (R3, 200 000); and were awarded in line with the critical and scarce skills identified within the broadcast industry (See Skills and Development report attached as Appendix D).

The Licensee has complied with the provisions of clause 7 of its licence.

3.8 Provision of audited financial statements to the Authority

Clause 9 of the licence stipulates 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 cause apply to the Authority for extension".

The SABC submitted its Audited statements for the 2011/2012 financial year.

The Licensee has complied with clause 9 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 states that:

"All public sound licensees must play a minimum 40% South African music".

Monitoring revealed that the radio station plays an average of 58% local music.

Some of the local musicians featured during the period under review were Zonke; Thembisa Ntaka; Afrotraction; Selaelo Selota; Zahara; Simphiwe Dana; Jonathan Buttler and many others. On Sunday music is dominated by local, continental and international jazz music by artists such as Donnie Hathaway; Roberta Flack; Corine Bailey Rae; Darius Rawker and many more.

The radio station complies with the 40% local music content quota, as prescribed by the South African Music Content Regulations.

4.2. Standard Terms and Conditions

During the year under review, the Authority did not identify any non compliance by Radio 2000 with the standard terms and conditions for individual licensees.

(See Regulations Regarding Standard Terms and Conditions for Individual Licences attached as Appendix E).

4.3 Universal Service Access Fund

Regulation 3 of the USAF Regulations states 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 contribution fee of eight million fifty seven thousand, seven hundred and fifty two rand (R 8, 057 752. 00) to the fund 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 in March 2012.

The Licensee has complied with the USAF regulations.

4.4 General License Fees Regulations

Regulation 4(b) of General Licence Fees Regulations provides for the exemption of Individual Licences for Public Broadcasting Services.

Radio 2000 is part of Public Broadcasting Services and is exempted from paying licence fees.

5. CONCLUSION

Radio 2000 has generally complied with its licence terms and conditions and applicable regulations.

6. **APPENDICES**:

Appendix A: Sound broadcasting service and frequency spectrum licences

- Appendix B: Correspondence from SABC
- Appendix C: SABC's Editorial Policy
- Appendix D: Skills Development Report
- Appendix E: Regulations Regarding Standard Terms and Conditions for Individual licences.
- Appendix F: Regulations in Respect of Prescribed Annual Contributions of

Licensees to the Universal Service and Access Fund

Appendix G: General Licence Fees Regulations