



# **RISE FM ANNUAL COMPLIANCE REPORT**

**MARCH 2017**

## **2015/2016 ANNUAL COMPLIANCE REPORT**

### **RISE FM 94.3**

**LICENCE PERIOD: 01 NOVEMBER 2007 TO 31 OCTOBER 2017**

#### **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 report is intended to give a detailed account of Rise FM's performance for the period 2015/2016 in line with its licence year. Aspects of compliance that are measured comprise the following: Ownership and Control, Management, Geographic Coverage, Languages, Format, Local Content Obligations, General Programming Obligations, Training and Skills Development Obligations, Code for People with Disabilities, Complaints, South African Music Content Regulations and Regulations on Standard Terms and Conditions for licences.

#### **2. BACKGROUND**

Rise FM is a regional Individual Sound Broadcasting Service Licensee that was licenced to broadcast in Mpumalanga Province. The radio station is an adult contemporary talk and music format which is supplemented by a mixture of urban and contemporary pop music targeting adults within the LSM 5 to 10. The Broadcasting Research Council (BRC) radio listening survey for the period January 2016 – September 2016 shows that its listenership stands at 47 000.

### **3. COMPLIANCE ASSESSMENT**

#### **3.1 Shareholding Structure**

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

*"The licence is issued to:*

- a. Name of Company/Entity: Rise FM (Pty) Ltd*
- b. Shareholders: Times Media Group (Pty) Ltd = 100%*
- c. Ownership held by persons from historically disadvantaged groups:*  
*Times Media Group = 55.8%*

On 12 April 2016 and 18 November 2016 respectively, the Authority received notifications from Rise Broadcast (Pty) Ltd regarding the change in respect of its contact person, contact details and shareholding structure. At the time of writing this report, the Authority was still finalising the notification for the changes to its licence.

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

##### **3.1.1 Board of Directors**

The Board of directors of is made up of the following people:

- K H Setzin (black, male)
- S Thaver (Indian, female)
- A I Mallam (white, male)
- AGC Gill (white male)
- BB L Shongwe (black, female)

The Board is constituted of 20% female and 80% male.

##### **3.1.2 Management Structure**

Senior management at Rise FM is as follows:

- F Mabalane: Station Manager (black, male)
- N Sibanyoni: News Manager (black female)
- T Murrell – Programme Manager (white, male)
- H Prior – Marketing Manager (white, male)
- A Sibuyi – Technical Manager (black, male)
- S Thaver – Finance Director (Indian, female)

The senior management reflects a relatively balanced mixture of male and female.

### **3.2 Geographic Coverage**

Clause 2 of the schedule of the licence provides that:

*"Mpumalanga Province as defined in the coverage map attached to the Licensee's radio frequency spectrum licence".*

Rise FM has a footprint in Mpumalanga Province and confirms that this has not changed.

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

### **3.3 Broadcast Language/s**

Clause 3 of the schedule to the licence provides that Rise FM's languages of broadcast are:

*"Principal Language: English. However, the Licensee shall strive to avoid alienating some language groups and thereby contribute to unifying a culturally diverse province".*

The Licensee reports that to avoid alienating speakers of other languages, it has adopted a flexible position to mix local languages such as isiSwati, isiNdebele and tshiVenda on various shows. This was confirmed by the monitoring exercise where callers phoning into the *"Rise FM Drive Home with the Big Zill"* show spoke in isiSwati and the presenter ensured that they engaged the caller in that language.

**The Licensee was found to be in compliance with clause 3 of the schedule to its licence.**

### **3.4 Format**

Clause 4.1 of the schedule to the licence provides that:

*"The Licensee shall have a programming format of talk and music in an adult contemporary format, which will be supplemented with a mixture of urban and contemporary pop music targeting adults within the LSM 5 to 10".*

The Licensee reports that it features a mixture of local and international urban music, including Afro pop music targeting adults within the specified LSM. This was evident from the different programmes that featured music from the 90s through to today's top hits, therefore offering an appealing format to its target market. To satisfy its talk obligation, the show called *"60 Minutes with Mfundo Sibanyoni"* is an example of a current affairs talk show where the day's topical issues are discussed in detail and experts are regularly interviewed on various matters.

**The Licensee was found to be compliance with clause 4.1 of the schedule of its licence.**

### **3.5 Local Content Obligations**

Clause 5 of the schedule to the licence provides that:

*5.1 "The Licensee shall source and promote music from artists and/or musicians within the province", and*

*5.2 The Licensee must promote and develop South African music talent by airing music events, regular interviews with musicians and promoting new musicians from the Mpumalanga Province".*

Rise FM reports that it promotes local talent on-air, exceeding the 25% local music quota on a monthly basis. The following are some examples of the live concerts supported and managed by the radio station during the period under review:

- Nathhi and Vusi Nova in Concert
- Ringo in Concert

During the period under review, the Licensee also reports that it conducted several interviews and performances by local artists including but not limited to:

- Zano
- KO
- Jay Spitter

The Licensee also reports that it regularly collaborates with South African Music Rights Organisation (SAMRO) in its workshops to reach out to new musicians and educating them on their rights and obligations as artists. Furthermore, the licensee supports a local and popular event called Music Gardens which regularly supports local artists.

**Based on the above, the Licensee was found to be compliant with clause 5.1 and 5.2 of its schedule to its licence, respectively.**

### **3.6 General Programming Obligations**

Clause 6.1 of Rise FM's licence provides that:

*"The Licensee shall broadcast Current Affairs between 06h00 and 19h00 during weekdays"*

Clause 6.2 of Rise FM's licence provides that:

*"At least 20% of Current Affairs programming must be generated from the coverage area".*

The Authority's monitoring exercise confirmed that a current affairs show called *"Rise FM in 60 Minutes"* is broadcast weekdays between 18h00 and 19h00. The show discusses various national topical issues including policy changes and political issues affecting the country as a whole. Further, the show always ensures

that they hold topics affecting the coverage area. For an example, in one of the shows they discussed the Lowveld Book Festival. The topic dealt with historical background of the festival and what people can look forward to, it was further explained that the festival attracts lots of tourists who come from all parts of the world to experience this offering in Mpumalanga.

**The Licensee demonstrated compliance with clause 6.1 and 6.2 of the schedule to its licence.**

Clause 6.3 of Rise FM's licence provides that:

*"The Licensee must broadcast forty-four (44) minutes of news (in the form of hourly bulletins between 06h00 and 18h00) each day, as well as ten (10) minutes of sports news each day from Monday to Friday and twelve (12) minutes of news on weekends. The duration of each bulletin will not exceed three (3) minutes."*

The Monitoring exercise confirmed that the Licensee broadcasts at least 44 minutes of news each day, with sports bulletins and traffic reports. The news bulletins take no more than three (3) minutes every hour during the performance period

The following is an example of news item broadcast by the radio station during the period under review:

- *"Cosatu embarked on provincial protests against the increments in toll-gate fees in which it demands the scrapping of Mpumalanga's toll-gate system. The workers federation staged pickets and demonstrations against the "exorbitant rates" at the province's three toll plazas, in Middelburg, Nkomazi and Ermelo. According to Mr Fidel Mlombo, general secretary of Cosatu in the province, the high costs of toll gates are a burden to poor communities";*
- *"Twelve traffic officers facing charges of corruption were granted bail of R5 000 each when they appeared in the Nelspruit Regional Court on Monday. They were not asked to plead to charges of corruption and defeating the ends of justice when they appeared in court on Monday"; and*

- *"Calls for President Jacob Zuma to resign over the Constitutional Court finding that he breached the Constitution over the Nkandla matter continued on Sunday, with the SA National Defence Union (SANDU) saying it supported mass action to remove him from office".*
- *West Indies becomes first team to win two World T20 title and 13 other 'firsts' in ICC World T20 2016 riding on Carlos Brathwaite four consecutive sixes in the final over of the innings.*

**The Licensee was found to be in compliance with clause 6.3 of the schedule to its licence**

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

*"The Licensee must broadcast 40% of new that has been generated from the coverage area"*

The following is an example of news generated from the Licensee's coverage area:

- *"Cosatu embarked on provincial protests against the increments in toll-gate fees in which it demands the scrapping of Mpumalanga's toll-gate system. The workers federation staged pickets and demonstrations against the "exorbitant rates" at the province's three toll plazas, in Middelburg, Nkomazi and Ermelo. According to Mr Fidel Mlombo, general secretary of Cosatu in the province, the high costs of toll gates are a burden to poor communities";*
- *"Twelve traffic officers facing charges of corruption were granted bail of R5 000 each when they appeared in the Nelspruit Regional Court on Monday. They were not asked to plead to charges of corruption and defeating the ends of justice when they appeared in court on Monday"; and*

**The Licensee was found to be in compliance with clause 6.4 of the schedule to its licence**

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

*"The Licensee shall make use of SAPA for national and international news. The Licensee will also use its own news team and stringers as well as African Eye News service to source local news"*



The monitoring exercise revealed that whilst the Licensee utilises its own news team, no other news agencies i.e SAPA and others were identified (SAPA is no longer in existence). Further, the Licensee did not make mention of any news sources in its submission.

**The Licensee did not fully comply with clause 6.5 of the schedule to its licence.**

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

*"News will be broadcast in English only"*

News is broadcast in English only and therefore the Licensee has, during the period in review, **complied with clause 6.6 of schedule to its Licence.**

Clause 6.7 of Rise FM's schedule to the licence provides that:

*"The source(s) of all news material (other than news sourced from the Licensee) shall be disclosed during the news broadcast"*

The Authority's monitoring exercise did not find any references to news sources from any news agencies.

**The Licensee did not comply with clause 6.7 of the schedule to its licence.**

### **3.7 Management, Training and Skills Development**

Clause 7.1 of the schedule to the licence requires the Licensee *'to ensure that 50% of the people employed in its senior management are black, of whom 30% will be black women within a five (5) year period. Furthermore, the Licensee must ensure that it employs historically disadvantaged individuals from Mpumalanga.'*

<b>Name</b>	<b>Position</b>	<b>Race</b>	<b>Gender</b>
Ferdinand Mabalane	Station Manager	African	Male
Tony Murrell	Programming Manager	White	Male

Nomfundo Sibanyoni	News Editor	African	Female
Arnold Sibuyi	Technical Manager	African	Male
Hugh Prior	Marketing Manager	White	Male
Nalani Thaver	Financial Director (resource from TMG)	Indian	Female

**Rise FM has complied with clause 7.1 of the schedule to its licence.**

Clause 7.2 of Rise FM's schedule to the licence provides that:

*"The Licensee has entered into a management consultancy agreement with AME, in terms of which AME will operate and manage the radio station for the first period of the licence. The consultancy agreement entails the provision of services such as finances, technical, sales, marketing, programming, production, news and human resources. AME is also required to transfer skills and conduct training and development projects to equip the local residents who will eventually attend to the running of the station.*

The Licensee reports that AME and Mbombela Consortium sold their shares in Rise FM in April 2016 and with the sale of the AME stake, clause 8.2 is no longer applicable as there is no shareholding by AME in the company.

The Licensee lodged a notification in respect of the changes to its ownership. At the time of writing this report, the Authority was still finalising the notification in this regard.

**Based on the above, the conclusion on the Licensee's performance with clause 7.2 of the schedule to the licence cannot be drawn.**

Clause 7.3 of Rise FM's licence provides that:

*"AME will, in consultation with Rise FM's board, nominate the managing and financial directors of Rise FM, who will be trained to assume and discharge their responsibilities."*

The Licensee reports that AME and Mbombela Consortium sold their shares in Rise FM in April 2016 and with the sale of the AME stake, Clause 8.2 is no longer applicable as there is no shareholding by AME in the company.

The Licensee lodged a notification on the changes to its ownership. At the time of writing this report, the Authority was still finalising the application for the changes to its licence.

However, the Licensee has reported to have undertaken the following training initiatives:

- The News Editor completed a Media Management Certificate through the University of the Witwatersrand in June and July 2016.

In terms of informal and on the job training, the following training and skills development took place in the period:

- Patricia Clay, who is the Head: Editorial Training and Development at the Times Media Group spent time with the News Team on the basics of interviewing, scripting and production planning and editorial practices and policies.
- Presenters have weekly coaching sessions with the Programme manager on performance and content. These are vital to the development of the presenter and it makes sure our on air sound is consistent. Younger presenters would have more coaching to help them develop. 80% of the talent has come from local community radio in Mpumalanga and we invest a lot of time making sure there is growth in what they do. We have a Rise fm style guide which we use to guide presenters. Also there is extensive technical training for each Presenter before they start on air so they know how the studio desk and RCS playout system works.
- The News Editor has regular coaching with each of the news readers and goes through their on air news bulletins to make sure the reading is up to standard. The programme manager will frequently join these sessions. She also checks the writing of each news bulletin before it goes out on air to make sure the facts and the grammar are up to standard.
- The head of music who came from Emalahleni FM has had extensive training from the programme manager on music scheduling and the building of

music clocks. He also has learnt from the head of production on ways to do various promos for the station, imaging and writing scripts.

### **3.8 Ownership and Control Obligations**

Clause 8.1 of the schedule to Rise FM's licence provides that:

*"The Licensee must ensure that it has majority black shareholding and remains black-controlled."*

The Licensee lodged a notification in respect of the changes to its ownership. At the time of writing this report, the Authority was still finalising the application for the changes to its licence. However, in its application, the Licensee indicates that it has a 55.8% BEE compliance in accordance with Section 9(2) (b) of the EC Act. This, according to the Licensee can be verified on its BEE certificate. At the time of writing this report, this matter was being finalised. However, in the Compliance Divisions view, **the Licensee has complied with clause 8.1 of the schedule to its licence.**

Clause 8.2 of the schedule to Rise FM's licence provides that:

*"No shareholder of AME will have more than a 20% stake in Rise FM"*

The Licensee reports that AME and Mbombela Consortium sold their shares in Rise FM in April 2016 and with the sale of the AME stake, Clause 8.2 is no longer applicable as there is no shareholding by AME in the company. The Licensee duly lodged a notification in this regard.

Clause 8.3 of Rise FM's licence provides that:

*"The Licensee must ensure equitable representation of women on its board and management structures. "*

Rise FM has a 40% representation of women on its board and on its senior management. **The Licensee complies with clause 8.3 of the schedule to its licence.**

Clause 8.4 of Rise FM's licence provides that:

*"Directors of the Licensee shall retain control and responsibility for the running of the station notwithstanding the provisions of the management consultancy services engaged by the Licensee."*

The Licensee applied for a notification on the changes to its ownership. At the time of writing this report, the Authority was still finalising the application for the changes to its licence.

## **4 REGULATIONS**

### **4.1. South African Music Content Regulations**

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 Attachment E).

Rise FM plays approximately 28% South African music including interviews with local musicians and is in compliance with the South African Music Content Regulations. Some of the local artists monitored are Sketchy Bongo; Mbuso Ngubane; Lira; Fistaz Mixwell; Kwesta; Cassspers Nyovest; AKA and many more.

### **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 the Rise 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"*

Rise FM has paid an amount of R8 630.91 in licence fees. Rise FM **complies with the General License 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".*

Rise FM paid zero amount in USAF contributions.

**Rise FM did not comply with the Universal Service and Access Fund Regulations.**

#### **4.5 Regulations on the Code for People with Disabilities**

Form 7C: Code for People with Disabilities contained in the Compliance Procedure Manual Regulations requires broadcasting licensees to annually complete the form in accordance with the Licensee's financial year end.

The Licensee did not submit any information on its compliance with this regulation and therefore **does not comply with the regulations on the code for people with disabilities.**

#### **5. COMPLAINTS**

For the period under review, there were no complaints against Rise FM escalated to the Authority or the BCCSA.

#### **6. CONCLUSION**

For the period under review Rise FM has generally complied with the terms and conditions of its licence save for USAF and clause 6.7.

#### **7. TERMS OF REFERENCE**

**Attachment A:** Rise FM Service and Frequency Licence