

COMPLIANCE REPORT

TALK RADIO 702

Licence Period : 17 December 2008- 16 December 2018

1. PREFACE

The Independent Communications Authority of South Africa (“the Authority”) has a statutory mandate in terms of the Constitution^[1], the ICASA Act^[2] and the Electronic Communications Act^[3] (“EC Act”) 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 (“EC Act”), the ICASA Act and any relevant legislation.

The following report is intended to give account of Talk Radio 702’s compliance with the terms and conditions set out in its licence for the period January 2009 – December 2009 in line with the Licensee’s licence year. Aspects of compliance that are measured comprise of geographic coverage, format, local content obligations, general programming obligations, training and skills development obligations, community related obligations, South African music content regulations and standard terms and conditions. It is to be noted that during the period under review the Authority did not conduct its own monitoring exercise to ascertain compliance by Talk Radio 702 FM with its programming obligations. Recordings could not be obtained by the Authority as the period fell outside the 60 day period stipulated in section 53 (1) of the Electronic Communications Act (ECA) which provides as follows:

^[1] The Constitution of the Republic no 108, 1996

^[2] ICASA Act no 13 , 2000 as amended

^[3] Electronic Communications Act no 36, 2005

“A broadcasting service licensee must-

(a) on demand by the Authority, produce to the Authority any recording of every programme broadcast in the course of his or her broadcasting service for examination or reproduction, within 60 days from the date of broadcast;”.

Consequently, the information contained in this report under general programming obligations is based on Talk Radio 702’s compliance report submitted to the Authority for the period under review as captured under 3.4 below.

2. BACKGROUND

In December 2008 the Authority issued Primedia (hereinafter referred to as “the licensee”) with an Individual commercial sound broadcasting service licence and a radio frequency spectrum licence in terms of the Electronic Communications Act (EC Act) of 2005. The licensee’s licence is valid for ten (10) years and is due to expire on 16 December 2018.

Talk Radio 702 provides a talk-based format to the audience of Johannesburg and Pretoria (*see Talk Radio 702’s licence attached as Appendix A*).

3. COMPLIANCE ASSESSMENT

3.1 Shareholding

Clause 1.1 of the service licence stipulates that:

“The licence is issued to: Primedia (Pty) Ltd”.

The Licensee is Primedia (Proprietary) Limited thus the radio station is in compliance with clause 1.1 of the service licence.

Clause 1.2 stipulates that:

*“Shareholders: Mine Workers Investment Company (32%)
Kirsh Consortium (27.9%)*

<i>Primedia Management</i>	<i>(20.1%)</i>	
<i>Brait SA – Entities</i>	<i>(20%)</i>	“

The radio station has reported that subsequent to the Authority issuing the converted licence to Primedia in 2008, there were changes in Primedia’s shareholding and the Authority was duly notified in this regard. The shareholding as per the notification is as follows:

Mine Workers Investment Company	(49.1)
Kirsh Consortium	(25.1%)
Brait Entities	(19.8%)
Titan	(3%)
Sabvest, BPESAM 1 Ltd and BPESAM II Ltd	(1.0%)
KV & GR Direct	(2%)

Clause 1.3 of the service licence stipulates that:

“Ownership held by persons from historically disadvantaged groups : 38.6%”.

The radio station has confirmed that Mineworkers Investment Company (Pty) Ltd Trust whose beneficiaries are Blacks from the mining and construction sectors hold 49.1% Equity Shareholding.

During the period under review the radio station has complied with clause 1.3 of its licence (see *Appendix B extrapolated from the licensee’s report submitted to the Authority*).

3.2. Geographic Coverage Area

Clause 2 of the schedule to the licence stipulates that:

“Gauteng as defined in the coverage map attached to the Licensee’s radio frequency spectrum licence.

The radio station complies with clause 2 of its licence.

3.3. Broadcast Language

Clause 3 of the licence stipulates that:

“Principal Language: English”.

The radio station confirms that its principal language of broadcast is English. Although the Authority did not conduct a monitoring exercise in respect of Talk Radio 702 programming profile, the radio station broadcasts its programming activities in English.

Talk Radio 702 complies with clause 3 of its licence.

3.4 Format

Clause 4 of the schedule to the licence stipulates that:

“A talk-based service with a maximum of fifteen percent (15%) music programming”.

The radio station maintains in its programme log sheets and compliance report that it provides a talk-based service with a maximum of fifteen percent (15%) music programming.

The radio station complies with clause 4 of the licence.

3.5 General Programming Obligations

Clause 5.1 of the schedule to the licence stipulates that:

“Should the Licensee source news material from a source other than itself the source(s) thereof shall be disclosed during the news broadcast”.

The radio station has indicated and maintained that whenever it reports on news that it has obtained from other sources other than its journalists; such sources are disclosed during the relevant news bulletin.

The radio station maintains that it complies with clause 5.1 of its licence (*For further information see the general log sheets attached as Appendix C of this report*). However no verification was done by the Authority and conclusions drawn as recordings were unavailable.

Clause 5.2 of the schedule to the licence stipulates that:

“The Licensee shall broadcast news every hour daily”.

Talk Radio 702 maintains that it broadcasts news bulletins “every hour” during week days and weekends. Headline news bulletins are broadcast every half hour.

No verification was done and conclusions drawn as recordings were unavailable.

3.6 Training and Skills Development Obligations

Clause 6 of the schedule to licence stipulates that:

“The Licensee shall over its licence period, allocate R400 000 (four hundred thousand rands) per annum toward staff training with particular emphasis on women and Blacks”.

During the period under review, the radio station has reported that it has spent one million two hundred thousand five hundred and sixty one rand twenty five cents (R1 279 561.25). Further, the radio station has reported that eighty-one (81) of employees underwent training and skills development programmes, and the figure below illustrates the gender and the racial breakdown of the trained personnel:

Total Trained	% Female	% Black
81 People were trained (Fifty three were female and fifty three Black).	65%	65%

During the period under review, the radio station has complied with clause 6 of its licence.

3.7 Community Related Obligations

Clause 7.1 of the schedule to the licence stipulates that:

“The Licensee shall:

7.1.1 raise at least R250 000 (two hundred and fifty thousand Rand) in cash and goods annually

7.1.2 provide airtime worth R250 000 (two hundred and fifty thousand Rand) annually, towards supporting community organisations such as those benefitting:

- (a) People infected or affected by HIV and Aids;*
- (b) The terminally ill and/or the elderly;*
- (c) Schools;*
- (d) Women;*
- (e) Children; and/or*
- (f) Animal welfare”.*
- (g) Natural/environmental disasters such as fires and floods*

The radio station has reported that the during year ending December 2009, Talk Radio 702 raised goods, money and services to the value of approximately R1million. These donations came about as a result of the radio station’s 29th birthday celebration. According to the radio station, these goods, money and services were donated to local charity groups and Non Governmental Organisations caring for the welfare of women and children, as well as animals (*see Appendix D for benefiting charities*).

In addition, the radio station maintains that in April 2009, it raised funds to the value of one hundred and ninety thousand rands (R190 000) for the purchasing of callipers for a nine year old Courtney Ellerbeck to help her walk. Courtney was shot in her spine whilst still in her mother’s womb, paralysing her even before she was born.

Courtney was born alive, and had to endure lots of operations to help straighten her back.

According to the radio station, it broadcast during the first quarter of the year under review public service announcements worth R301 565.00 of airtime. The one charity organisation that benefited more during this quarter was the Little Eden house, which was sponsored with airtime to the value of R56 504.00.

The radio station maintains that by the end of 2009, it had spent a total of 26 million seven hundred and ninety three thousand and five hundred and fifty five rand (R 26 793 555) on public service announcements and interviews broadcast by the radio station.

During the period under review the radio station complied with clause 7.1.1 and 7.1.2 of its licence. (See appendix D for further details).

3.8 Training of staff from community sound broadcasters

Clause 7.2 of the schedule to the licence stipulates that:

“The Licensee shall train staff from community sound broadcasting services in its geographic coverage area in the areas of: programme presenting and production, news, sales, marketing and sound engineering through mentoring and on-the-job training that is, having such staff “shadow” Radio 702 presenters, [producers, news reporters, sales representative, marketing staff and sound engineers while at work”.

The radio station has reported that it is committed to the upliftment of community broadcasters. To this end the radio reported to have used various mechanisms in transferring skills from holding broadcasting workshops for community radio stations at its premises, giving advice to participating in formal settings where people from community radio stations are being up-skilled. The following are examples of mechanisms used by the radio station to train staff from community broadcasters:

(a) In July 2009, the station manager held training sessions for the students from the Institute for the Advancement of Journalism (IAJ) on how to schedule programming for a talk radio station.

(b) In October 2009, the radio station participated in the training of community radio stations hosted by the Wits Radio Department. Wits Radio Department confirmed that Talk Radio 702 presented a course on how to do programming for a radio station; this course further gave an illustration on what the radio station does.

The radio station has complied with clause 7.2 of 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 stipulates 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”.

Talk Radio 702 is exempted from the above requirement in terms of Regulation 3.6 and plays approximately 15% South African music.

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 Talk Radio 702 with the standard terms and conditions for individual licensees.

5. CONCLUSION

During the period under review Talk Radio 702 has complied with its licence terms and conditions and applicable regulations.

6. APPENDICES:

Appendix A: Licence Conditions

Appendix B: Shareholding (as extrapolated from the Licensee's submission).

Appendix C: Talk Radio 702 General log sheets

Appendix D: Breakdown of benefiting charity groups

Appendix E: Regulations on South African Music Content

Appendix F: Regulations regarding Standard Terms and Conditions for Individual
Licences