



METRO FM ANNUAL COMPLIANCE REPORT

MARCH 2020

2018/19 ANNUAL REPORT

SOUTH AFRICAN BROADCASTING CORPORATION ("SABC") BROADCASTING AS METRO FM

Licence Period: 18 December 2018 - 17 December 2028

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 ("EC Act") and the Broadcasting Act⁴ to regulate broadcasting activities in South Africa in the public interest. The Authority main task of to ensure compliance by broadcasters with the terms and conditions of their License⁵, the Electronic Communications Act, the ICASA Act, the Broadcasting Act and any relevant legislation and regulations.

This report seeks to give an account Metro FM's performance with its licence terms and conditions as set out in its licence for the period 2018/2019 financial year. The report measures key aspects including but not limited to: Geographic Coverage, Languages, Format, Training and Skills Development Obligations, Financial Performance, Regulations regarding Standard terms and Conditions, Regulations on Prescribed Annual Contribution of Licensees to the Universal Service; Licence Fees regulations and Access Fund and SA Music Content Regulations.

2. BACKGROUND

Metro FM holds an Individual Broadcast Service Licensee of the South African Broadcasting Corporation ("SABC"). The licensee's language of broadcast is

¹ The Constitution of the Republic no 108, 1996

² ICASA Act no 13, 2000 as amended

³ Electronic Communications Act no 36, 2005

⁴ The Broadcasting Act no 4 of 1999

⁵ Appendix A: Broadcasting Service Licence

English. The radio station's mandate is to provide a full radio spectrum service to the urban areas of all the nine provinces of South Africa.

3. COMPLIANCE ASSESSMENT

3.1. Ownership and Control

Clause 1.1 of the licence stipulates as follows:

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

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

"Shareholders: The State: 100%"

Clause 1.3 of the licence stipulates that:

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

Metro FM forms part of the public service of the South African Broadcasting Corporation which is 100% owned by the state.

The Licensee complies with the above clauses.

3.2. Geographic Coverage

Clause 2 of the schedule to Metro FM's licence prescribes 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 areas are: Gauteng, Mpumalanga, North-West, Northern Cape, Free State, Eastern Cape, Western Cape, KwaZulu-Natal and Limpopo.⁶ The Licensee has confirmed that its footprint has not changed.

The Licensee complies with clause 2 of its licence.

⁶ Appendix A: Broadcasting Service Licence

3.3. Language(s)

Clause 3 of the schedule to the licence stipulates for Metro FM to broadcast in:

"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 schedule to the licence provides that:

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

Clause 4.2 stipulates that:

"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 offer to its audience it is as outlined in the licence.

The Licensee complies with clauses 4.1 and 4.2 of the schedule to its licence.

3.5. General programming obligations

3.5.1 General

Clause 6.1.1 of the schedule to Metro FM's licence stipulates:

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

The SABC's editorial policy⁷ echoes the provision of the above clause. The Licensee's editorial policy has this to say regarding the reflection of the diverse religions within South Africa:

⁷ An extract from the Licensee's Editorial Policy.

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

The Authority's monitoring exercise confirms the Licensee's compliance with clause 6.1.1 of its licence.

Clause 6.1.3 of the schedule to Metro FM's licence reads that:

"The Licensee shall during the 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".

"Lunch with Thomas & Pearl" is a variety show, from 12h00 until 15h00 on weekdays (Monday until Friday). The show covers a wide range of topical issues such as lifestyle, health related issues as well as career and personal wellness among others. The programme allows for phone in participation by listeners.

There is "Metro FM talk with Rams Mabote" a current affairs show broadcast from 19h30 until 21h00 on Mondays and Thursdays. The show covers a wide range of topical issues such as political issues, socio-economic developments, rural development as well as news stories around the African Continent. The programme allows for phone in participation by listeners".

The Licensee complies with clause 6.1.1 and 6.1.3 of the schedule to its licence.

3.5.2 News and Current Affairs

Clause 6.2.1 of the schedule to Metro FM's licence stipulates:

"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 daily, mornings as well as afternoons. The duration of the news bulletins is between three (3) and five (5) minutes. This adds up to a total exceeding thirty (30) minutes each day of news during the South African performance period.

Among the news stories covered were excerpts from several newscasts, as follows:

- *"Zimbabwean musician Oliver Mtukudzi has died at the age of 66 after a short illness. Mtukudzi earlier this morning in his home country and it's understood his family will be releasing a statement".*
- *"Public Enterprises Minister Pravin Gordhan has announced sweeping changes to the management of state-owned enterprises. He's confirmed the appointment of Phakamani Hadebe as the permanent head of Eskom. Cabinet on Wednesday also approved boards for other ailing entities, including Transnet, Denel and SA Express.".*
- *"Former Public Service and Administration Minister Ngoako Ramatlhodi has told the commission of inquiry into state capture that the Guptas would summon the whole Department of Mineral Resources to their private home in Cape Town during a Mining Indaba. Ramatlhodi is testifying at the inquiry on Wednesday about his tenure as mining minister and how the controversial family tried to influence him".*

Metro FM complies with clause 6.2.1 of the schedule to its licence.

Clause 6.2.2 of the schedule to Metro FM's licence stipulates:

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

- Exercise full editorial control in respect of contents of such programming;*
- Include matters of national, regional, international 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 at the Licensee endeavours to meet the highest standards of journalistic professionalism. Furthermore, it provides fair, unbiased and impartial coverage independent from government, commercial and other interference.

Monitoring of the radio station's recordings confirmed that the radio station broadcasts a current affairs programme on Mondays and Tuesdays from 19h30 until 21h00, known as "*Metro FM Talk*" which is a news and actuality show. The show presents a variety of topical issues involving politic, 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 finance sectors.

The shows allow the public to make an input through phone ins, social media etc. The current affairs show gives access to relevant information to allow listeners to be informed about important issues. The show has a segment called "Afrika Watch" which gives insight of what is happening within the Continent. The show also delves into Human Rights issues with the assistance of the Human Rights lawyers.

Metro FM's news 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 but also with the Charter as enunciated in the Broadcasting Act.

The Licensee complies with clause 6.2.2 of the schedule to its Licence.

3.7 Training and Skills development Obligations

Clause 7 of the schedule to the Metro FM's licence stipulates that:

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

The Licensee has developed an Employment Equity Plan to assist the Licensee to be an equal opportunity employer. The Licensee met all its targets regarding the plan except for female representation. Female representation however increased to 49,82% since the last reporting period.

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 Licensee is in its third year of its three (3) year employment equity plan. During the period under review, the Licensee submits that it successfully implemented employment equity and transformation objectives in line with the relevant legislation which ensured that diversity and inclusion is managed in a non-discriminatory environment. The Licensee implemented various initiatives that was aligned to its employment equity plan and was intended to create awareness, to educate and to challenge employees understanding on different topics relating to diversity and inclusion.

The Licensee submitted its Employment Equity and Transformation report for the period under review. The report indicated that the Licensee made significant

progress against its employment equity targets and goals as set out in the employment equity plan ^[1].

The Licensee during the period under review achieved a level two (2) BBBEE status and received a total score of 19,61 out of 20 for its Management Control/Employment equity element.

The Licensee delivered 2534 training interventions to 1567 employees during the period under review. Of the 1567 employees, 1088 was trained in accordance with the Workplace Skills Programme and 479 were trained based on operational requirements.

The Licensee submitted that 88% of employees that were trained were from the designated groups (Black, Coloured, Indian). 54,56% were females and 2,55% were employees with disabilities.

The Licensee submitted its Training and Skills Development that provides a detailed breakdown of its compliance with the above requirements, for the period under review, to the Authority for the period under review

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 Licensee has complied with its training and skills developments obligations.

3.8 Provisions of Audited financial statements

Clause 8 of the schedule to Metro FM's 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 ground shown apply to the Authority for extension".

The Licensee submitted its Audited Financial Statements for the 2018/2019 financial year within the stipulated timeframe.

The Licensee has complied with clause 8 of the schedule to its licence.

4. REGULATIONS

4.1. South African Content Music Regulations⁸

On 23 March 2016, the Authority published the ICASA South African Music Content Regulations which repealed ICASA South African Music Content regulations published on 31 January 2006. The regulations were to be effective eighteen (18) months after publication.

Regulation 3 (2) of the South African Music Content⁹ Regulations stipulates that:

"A holder of a public sound broadcasting service licence must ensure that after eighteen (18) months from the date of gazetting of these Regulations, a minimum of 60% increasing to 70% in the following year, of the musical works broadcast in the performance period, consist of South African music and that South African music is spread evenly throughout the performance period."

The Licensee submitted that it has played an average of 65% of South African music.

According to the recordings monitored, Metro FM played approximately 65% South African Music content during the period under review.

The radio station plays a wide variety of music genres from Kwaito, Jazz, Hip Hop, House, RnB, Rock, Gospel and cultural music. The local music played by the radio station includes among others: *Kwesta, Sho Madjozi, Prince Kaybee, Lebo Sekgobela, Dr Tumi, Distraction Boyz, DJ Ganyani, Samthing Soweto and Thandiswa Mazwai.*

⁸ Appendix G: ICASA South African Music Content Regulations, 2016 as published in *Government Gazette* No. 39844 dated, 23 March 2016

⁹ ICASA South African Music Content Regulations, 2016 as published in *Government Gazette* No.39844 dated, 23 March 2016.

The Licensee complies with the regulations on South African Music Content.

4.2. Standard Terms and Conditions

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

4.3. Universal Service and Access Fund Regulations ¹⁰

Regulation 3 of the USAF Regulations stipulates 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 to the USAF subsequent to negotiations with the MDDA to pay USAF in instalments and duly submitted proof to the Authority. The Licensee received confirmation of payment from the MDDA. The SABC's financial year end is March.

The Licensee has complied with the USAF Regulations.

4.5. Compliance Procedure Manual – Form 12A

The Licensee is required, in terms of the Compliance Procedure Manual Regulations, to submit a Form 12A¹¹ which reports on all complaints received in

¹⁰ Appendix H: General Licence Fees Regulations, 2012 as published in *Government Gazette* No. 36323 dated, 28 March 2013, as amended

¹¹ Appendix E: ICASA Compliance Procedure Manual Regulations, 2011 as published in *Government Gazette* No. 34863 dated, 15 December 2011. (**Form 12A**: ECN/S and BS Complaints Reporting).

the course of each financial year. In April 2019, the SABC submitted its complaints report in accordance with the Regulations regarding the Code of Conduct for Broadcasting Service Licensees.

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 Licensee complies with the Compliance Procedure Manual Regulations.

5. CONCLUSION

Metro FM has, for the period under review, comprehensively complied with the requirements set out in its licence, relevant legislation and regulations.

6. TERMS OF REFERENCE

Appendix A: Service and Frequency spectrum broadcasting licence;

Appendix B: Editorial Policies;

Appendix C: Skills Development Report;

Appendix D: South African Music Content Regulations of 2006;

Appendix E: Regulations Regarding Standard Terms and Conditions;

Appendix F: Universal Service Obligation Fund Regulations.