



KFM ANNUAL COMPLIANCE REPORT

MARCH 2022

2020/21 ANNUAL COMPLIANCE REPORT

PRIMEDIA (PTY) Ltd BROADCASTING AS 94.5 KFM

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 Constitution, the ICASA Act and the Electronic Communications Act of 2005 (“ECA”) 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 that follows, it is intended to give account of 94.5 KFM’s compliance with the terms and conditions as set out in its licence for the 2020/2021 financial year. Aspects of compliance that were measured comprise of Geographic Coverage, Broadcasting Languages, Format, General Programming Obligations, Training and Skills Development, Community-Related Obligations, Ownership and Control, South African Music Regulations, Regulations Regarding Standard Terms and Conditions, Universal Service and Access Fund (USAF) Regulations and the ICT Covid-19 National Disaster Regulations¹ first published in April 2020 and the subsequent amendments following the proclamation of the State of National Disaster.

The ICT Covid-19 National Disaster Regulations as amended have introduced exemptions with specific service licence conditions and/or revised quotas and such will be reflected in the body of the report accordingly.

¹ The Constitution of the Republic of South Africa Act, 1996 (Act No 108 of 1996)

² The ICASA Act No, 13 of 2000,

³ The Electronic Communications Act No, 36 of 2005

⁴ The ICT COVID-19 National Disaster Regulations, 2020 as published in *Government Gazette* No. 43207 dated, 06 April 2020, as amended.

2. BACKGROUND

In December 2008, the Authority issued Primedia (Pty) Ltd ("Licensee") with an Individual Commercial Sound Broadcasting Service licence² and a Radio Frequency Spectrum licence³ in terms of the ECA.

The Licensee broadcasts as 94.5 KFM and provides a service in the Greater Western and Southern Cape. The radio station is broadcasting from the studios situated in Cape Town and have a central business office at, 5 Gwen Lane, Sandown in Gauteng.

3. COMPLIANCE ASSESSMENT

3.1. Control Structure

3.1.1. Ownership and Control

Clause 1 of 94.5 KFM's licence provides that:

"The licence is issued to:

1.1 Name of Company/Entity: Primedia (Pty) Ltd

1.2 Shareholders: Primedia Holdings III Limited

1.3 Ownership held by persons from historically disadvantaged groups: 49.1%"

During the period under review, there were no changes reported by the Licensee to its name, shareholding and HDG structure.

The Licensee complies with clause 1 of its licence.

3.2. Contact Details

Clause 2 of the licence provides that:

2.1 "The contact person for the Licensee shall be:

² 94.5 KFM Broadcasting Service Licence

³ 94.5 KFM Radio Frequency Spectrum Licence

- 2.1.1 *Name: Ms. Tholoana Ncheke*
- 2.1.2 *Tel: 011 506 3845*
- 2.1.3 *Fax: 086 262 3003*
- 2.1.4 *Cell: 083 464 2330*
- 2.1.5 *Email: tholoanan@primedia.co.za"*

The Licensee complies with clause 2 of its licence.

3.3 Notices and Addresses

Clause 3 of the licence provides that:

3.1 *"The Licensee chooses the following addresses as its principal addresses:*

3.1.1 *Postal Address: PO Box 5572
Rivonia
2126*

3.1.2 *Physical Address: Primedia House
5 Gwen Lane
Sandown
Sandton, 2146*

The Licensee did not submit any notification with regards to all the above as stated during the period under review.

The Licensee complies with clause 2 of its licence.

3.4 Name of Station

Clause 1 of the schedule to 94.5 KFM's licence provides that:

"Name of Station: 94.5 KFM".

There were no changes reported by the Licensee to its name during the period under review.

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

3.5 Geographic Coverage Area

Clause 2 of the schedule to 94.5 KFM's frequency spectrum licence provides that 94.5 KFM's geographic coverage area to be as follows:

"Greater part of in the Western and Southern Cape, as defined in the coverage map attached to the Licensee's radio frequency licence".

The Authority did not received reports suggesting deviance with the defined coverage area. The signal distribution service is conducted by Sentech (Pty) Ltd.

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

3.6 Broadcast Language (s)

Clause 3 of the schedule to the licence provides that the language of broadcast shall be Afrikaans and English.

94.5 KFM broadcasts in Afrikaans and English as its primary languages. Most of the presenters at the radio stations are conversant in both languages and are also able to engage listeners in both languages of broadcast.

The Licensee complies with its language of broadcast obligation.

3.7 Format

Clause 4 of the schedule to the licence provides that:

"The Licensee shall have programming format of talk and music in an adult contemporary format providing a programming mix of music and information (including coverage of community affairs)".

The Authority's monitoring exercise confirmed that 94.5 KFM broadcasts an adult contemporary programming format of talk and music. Programmes identified also

include a mix of music and information of community affairs in and around the Western and Southern Cape.

The Licensee complies with clause 4 of the schedule to its licence.

3.8 Local Content Obligations

Clause 5 of the schedule to 94.5 KFM's licence provides that:

"The Licensee shall ensure at least thirty percent (30%) local content in its music output".

The Licensee submits that, during the period under review it averaged 36% (thirty-six percent) local content in its music output. This is made up of local music plays on-air, live interviews with both emerging and established local artists, live in studio performance and/or coverage of local music events as reflected in its programme log sheet. The Licensee submits it complies with clause 5 of the schedule to its licence.

The monitoring exercise revealed that 94.5 KFM plays approximately thirty five percent (35%) of South African Music. The South African artists featured included among others, Micasa, Jeremy Loops, Danny K, DJ Clock, Elaine, Daniel Baron and Beatenberg, etc.

The Licensee complies with clause 5 of the schedule to its licence.

3.9 General Programming Obligations

Clause 6 of the schedule to the licence provides that:

"6.1 The Licensee shall broadcast a minimum of thirty (30) minutes of news per day between 05h00 and 23h00 during weekdays.

6.2 The Licensee shall include news from the African continent and the related coverage area".

The monitoring exercise revealed that K FM broadcast news from the African continent during the Performance Period, daily. The following were among the news items identified during the period under review:

- *"Premier Alan Winde will today meet with the President's Coordinating Council on COVID-19. The premier has not revealed much of the meeting with President Cyril Ramaphosa but maintains that the Western Cape does not support a lockdown being imposed on the province;"*
- *"Police have launched a manhunt for three suspects following a fatal shooting at a bus ticket office in Gqeberha. Two people were shot dead on Friday outside bus company offices in Perridgevale after purchasing tickets to Gauteng"; and*
- *"A sharp increase in militant attacks in Mozambique's northern province of Cabo Delgado has forced the government to reassess its strategy against the Islamist insurgency."*

Sound broadcasting Licensees were exempt from compliance with specific programming requirements and promises of performance during the National State of Disaster. Therefore, findings on compliance with this clause of the licence were not made/determined.

3.10 Training and Skills Development Obligations

Clause 7 of the schedule to the licence provides that:

"The Licensee shall spend one percent (1%) of its annual salary payroll over its licence period on staff training and development, particularly on staff from historically disadvantaged groups".

The Licensee submits that its total annual payroll amounted to R16 595 486.68 (Sixteen million five hundred and ninety-five thousand four hundred and eighty- six Rand and sixty cents), 1% of the annual payroll amounts to 165 954.87 (one hundred and sixty-five thousand nine hundred and fifty-four Rands and eighty-seven cents).

The Licensee submits they delivered several different training interventions at a cost of R545,533.77 (five hundred four hundred and forty-five thousand five hundred and thirty-three Rands and seventy-seven cents). This amounts to 3.2% (three-point two

FEMALE	RAND: TRAINING SPEND	TOTAL NO: TRAINED
AFRICAN	63,980.30	4
COLOURED	348,142.55	15
INDIAN	0.00	0
WHITE	5,444.94	1
TOTAL	417,567.79	20
MALE	RAND: TRAINING SPEND	TOTAL NO# TRAINED
AFRICAN	230.13	2
COLOURED	66,452.61	9
INDIAN	54,35	1
WHITE	61,228.89	7
TOTAL	127,965.98	20
GRAND TOTALS	545,533.77	40

percent)
of KFM's
annual
payroll.

The
Licensee
further
submits
that

R478,859.94 (four hundred and seventy-eight thousand eight hundred and fifty-nine Rand and ninety-four cents) of the training spend was spent on training staff from historically disadvantaged groups. The table below illustrates the KFM's performance in this regard.

Table 1: Training spent on training staff

The Licensee complies with clause 7 of the schedule to its licence.

3.11 Community - related Obligations

Clause 8.1 of the schedule to the licence provides that:

"The Licensee shall offer community sound broadcasters the following:

8.1.1 programme presenting and production, news, sales, marketing and sound engineering through mentoring and on-the-job training that is, having such staff "shadow" 94.5 KFM's presenters, producers, news reporters, sales representatives, marketing staff and sound engineers while at work.

The Licensee submits that due to prevailing COVID-19 regulations, it was unable to conduct any staff training for community sound broadcasters.

Sound broadcasting Licensees were exempt from compliance with specific programming requirements and promises of performance during the National State of Disaster. Therefore, findings on compliance with this clause of the licence were not made/determined.

Clause 8.2 of the schedule to the licence provides that:

"The Licensee shall:

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

The Licensee submits that in the period under review, it supported certain communities in its coverage area through various initiatives such as Pop Stars All Stars with Dischem, MTN #Remake20202 Campaign and LottoStar May Money Madness. For this period, a total of R822 000.00 (eight hundred and twenty-two thousand Rands) was raised and/or contributed in cash and goods for various community organizations.

The table below illustrates the licensee's performance:

Table 2: Details of listener competitions hosted by KFM

Initiative	Contribution	Total Amount Contributed
Pop Stars All Stars with Dis-Chem	Pop Quiz All Stars was an opportunity for annual R10 000 Pop Quiz winners to go head-to-head for a chance to win R20 000. Dis-Chem offered to donate R20 000 to the winner's charity of their choice. Charity of winner's choice: The Cape Dachshund Rescue	R20 000
MTN Charity Cash Donation as part of the MTN #Remake2020 campaign.	Kfm 94.5 and MTN want to help you #Remake2020. Let us know how you've turned a negative situation into a positive one and we could be giving you R5 000 cash every day. At the end of the week, a charity could be awarded R10 000. R10 000 was donated to Earth Child Project.	R10 000
LottoStar May Money Madness (3-week campaign)	LottoStar joined hands with Kfm 94.5, to give back to the women in desperate need of breast cancer surgeries from the May Money Madness competition's contributions in the first week.	R 384 000
LottoStar May Money Madness (3-week campaign)	In week 2 of lotto Star's May Money Madness competition the weekly total charity contributions went towards LottoStar's second charity, Project Peacock – a non-profit organisation offering	R 244 500

	surgeries to men diagnosed with prostate cancer.	
LottoStar May Money Madness (3-week campaign)	In Week 3 of LottoStar's May Money Madness, the final charity contributions went towards The Daisy Project – a non-profit organisation formed by a community of volunteers to serve and support patients and staff members at the Karl Bremer hospital, Western Cape.	R136 500
TOTAL		R 822 000

Sound broadcasting Licensees were exempt from compliance with specific programming requirements and promises of performance during the National State of Disaster. Therefore, findings on compliance with this clause of the licence were not made/determined.

3.12 Ownership and Control

Clause 9.1 of the schedule to 94.5 KFM's licence provides that:

"The Licensee shall ensure that at least fifty percent (50%) of its board of directors are persons from historically disadvantaged groups".

The Licensee submits its board of directors comprises of ten (10) directors, five (5) of whom are from previously disadvantaged groups constituting 50% (fifty percent).

The Licensee complies with clause 9.1 of the schedule to its licence.

Clause 9.2 of the schedule to 94.5 KFM's licence provides that:

"The Licensee shall ensure that the majority of all senior management and staff are persons from historically disadvantaged groups".

The Licensee's submission KFM is part of Primedia Broadcasting Group which consists of four (4) stations two (2) in Johannesburg and the other two (2) in Cape Town. The senior management structure is made up of the Executive Committee which comprises of 6 (six) executives. Four (4) are female constituting 75% (seventy five percent) and in total four (4) are Black constituting 75% (seventy five percent) of the Executive Committee.

K FM submits that from its total staff compliment, 81% are persons from historically disadvantaged groups and therefore, in most of the group.

The Licensee complies with clause 9.2 of the schedule to its licence.

4. REGULATIONS

4.1 Compliance Procedure Manual Regulations

The Licensee is required, in terms of the Compliance Procedure Manual Regulations, to submit a Form 12A which reports on all complaints received during the period under review.

The Licensee has submitted details regarding the above regulation and how it accordingly resolved the issues raised therein.

The Licensee complies with the Compliance Procedure Manual Regulations in relation to complaints.

4.2 SA Music Content

Regulation 3.2 of the Regulations on South African Music Content, 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".

The Licensee has not submitted any details regarding the above regulation, however the monitoring exercise revealed that 94.5 KFM plays an average of 37% (thirty seven percent) of South African Music. The South African artists featured included among others, Micasa, Jeremy Loops, Danny K, DJ Clock, Elaine, Daniel Baron and Beatenberg, etc.

The Licensee complies with regulation 3.2 above.

4.3 Standard Terms and Conditions

During the year under review, the Authority did not find any instances of non-compliance by the Licensee with the Regulations regarding Standard Terms and Conditions for Individual Licensees⁴.

The Licensee complies with the above regulations.

4.4 Regulations in respect of the Prescribed Annual Contributions of Licensees to the Universal Service and Access Fund

Regulation 3 (1) of the Regulations in respect of Prescribed Annual Contributions of Licensees to the Universal Service and Access Fund (USAF)⁵, as published in the Government Gazette, No. 31499 of April 2009, stipulates that:

⁴ **Standard Terms and Conditions for Individual** Licences Regulations Amendment, 2016 published in *Government Gazette* No. 39875 dated, 30 March 2016

⁵ USAF Regulations, 2011 as published in *Government Gazette* No. 34010 dated, 10 February 2011.

"Every holder of a 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, derived from the licensee's licence activity, to the Fund (the Fund)".

Further, Regulation 3 (3) stipulates that:

"A broadcasting service licensee who has paid an annual contribution to the Media Development and Diversity Agency (MDDA) must set off that contribution against its prescribed annual contribution to the Fund"

94.7 Highveld Stereo's financial year ends on 30 June. The Licensee paid its contribution to the Universal Service and Access Fund on in February 2022 (exact date to confirmed) and submitted proof of payment⁶ thereof, as per the Regulations. The payment was within the six months after the financial year end as prescribed in the regulations.

The Licensee complies with the above regulations.

4.5 General Licence Fees Regulations

Regulation 3 (1) of the General Licence Fees Regulations⁷ 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 and class ECNS Licences and individual commercial BS Licences".

Schedule 2 of the General Licence Fees regulations provides for Licensees to pay an annual licence fee in accordance with their licensed revenue and to be calculated using the set formula, read with the applicable percentages.

Regulation 7(a), 7(b) and 7(c) of Schedule 3 provides that:

- a) Are due annually based on the licensee financial year;

⁶ Proof of USAF contribution for K FM 2019-2020

⁷ **ICASA General License Fees Regulations 2012**, published in *Government Gazette* No. 36323 dated, 28 March 2013 as amended. (Amendment published in *Government Gazette* No. 37521 dated, 02 April 2014).

- b) Are due and payable within 6 months from the end of 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".

94.5 KFM's 94.7 financial year ends on 30 June. The Licensee paid its licence fees on 27 October 2021 and submitted proof of payment⁸ thereof, as required by the regulations. The payment was within the six months after the financial year end as prescribed in the regulations.

The Licensee complies with the above regulations.

5. CONCLUSION

The Licensee has generally complied with all its licence terms and conditions despite the exemptions and suspensions that were imposed on Licensees due to the National State of Disaster. However, all of which have been lifted for the next review period. Complete monitoring of compliance with licence conditions and Regulations will be conducted in the next review.

⁸ Proof Licence Fees Payment for K FM 2019-2020

6. TERMS OF REFERENCE

Annexure A : K FM's Service and Spectrum Licences;

Annexure B : Regulations on Standard Terms and Conditions for Individual Broadcasting & Individual Electronic Communications Services, 2010 as published in *Government Gazette* No. 33294 dated, 14 June 2010, as amended;

Annexure C : USAF Regulations 2011, published in *Government Gazette* No. 34010 dated, 10 February 2011;

Annexure D : Processes and Procedures Regulations for Individual licences published in *Government Gazette* No. 33293 dated, 14 June 2010, as amended;

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

Annexure F : Proof of payment for You FM's Licence Fee and Contribution to USAF; and

Annexure G :The ICT COVID-19 National Disaster Regulations, 2020 as published in *Government Gazette* No. 43207 dated, 06 April 2020, as amended.

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