

## **1. INTRODUCTION**

It is now seven years since the first community radio licences were issued. Community radio licences predate the privatisation of SABC stations and the licensing of greenfields commercial stations. This means that far from being ‘the new kids on the block’ community radio has led the way in opening up the South African airwaves.

One in ten radio listeners in South Africa listens to a community radio station every day. The latest Radio Audience Measurement (RAMS) figures estimate overall weekly community radio listenership in South Africa to be over 3 million.

In spite of this, the sector has been beset by troubles. The difficulties in becoming financially sustainable have been compounded by the regulator’s resource constraints which have had at least two negative consequences for community radio:

- The closure of the provincial offices, on which community stations relied for information and assistance;
- Considerable delays in issuing four-year community radio licences.

Another concern, unrelated to resource issues, but of profound worry to many NAB members is the perception that community of interest stations are no longer welcome in the South African broadcasting environment.

We will ask in our submission that the committee allay these fears and reaffirm the legal position which allows for both community of interest and geographic licences.

In this submission, the NAB will address the three concerns listed above and other matters.

## **2. WHO WE SPEAK FOR**

The National Association of Broadcasters (NAB) is widely representative of the South African broadcasting industry. Our membership includes:

- All television channels
- 19 SABC radio stations and 14 commercial radio stations
- Licensed signal distributors
- 38 community radio stations

As far as our community stations are concerned, our membership is largely based in Gauteng, where we have 18 members and the Western Cape where we have 10 members. We have more community of interest members than

geographic, with 30 community of interest stations including six campus stations. We have eight geographic station members. Our community radio membership includes the member stations of the Association of Christian Broadcasters which is a member of the NAB.

In preparation for this submission, each member station was contacted to provide input on the issues they wished to see raised. Preparatory workshops were held in Gauteng and the Western Cape.

We believe, therefore, that our submission today is largely representative of the concerns of the community radio sector as represented by the NAB.

Where appropriate we also refer to a research report conducted in 1999 by Niall Collie of Wits Business School, titled "Stakeholder Perceptions of the Viability of Community Radio", hereafter referred to as "the Wits Business School Study".

### **3. SLOW PACE OF ISSUING 4 YEAR LICENCES**

The most immediate concern facing community radio concerns the continuing delays in licensing four-year community radio stations.

ICASA allows for three types of community radio licences:

- Special event licences (for no longer than 30 days and not for consecutive months);
- Temporary licences (for no more than 1 year);
- Four-year licences.

Essentially the one-year temporary licences were a short-term measure to allow the Authority to put community radio on air before it had a policy in place. From 1994/1995 onwards temporary one-year licences were issued.

With the policy finalised by mid-1997 and the call for four-year applications issued shortly thereafter, ICASA announced that it would no longer consider applications for one-year temporary licences. Existing one-year stations were allowed to continue broadcasting and were allowed to continue re-applying for licences until such time as the four-year licences in those provinces were issued. ICASA also stated that after the closing date for four-year licences, it would not consider any new applications for four-year stations until the existing batch had been processed.

This may have been an effective way forward for the licensing of community radio had it not coincided with drastic cuts to the regulator's budget. Those cuts

seem to have severely constrained the regulator in issuing four-year licences. The results have been profound:

- Since 1998, only six provinces have had four-year licences issued;
- In some provinces there have been long delays between the granting and issuing of licences;
- Next year, in 2002, the licences issued in 1998 will expire and will have to be renewed resulting in further work for the regulator;
- In the three provinces which have not yet received four-year licences, Gauteng, Western Cape and KwaZulu Natal stations, have to apply for a new temporary licence every year;
- Applying for a new licence entails submitting a written application, paying an application fee, making multiple copies of the application, submitting evidence of support for the station and attending an oral hearing should the Authority so request;
- Some stations in Gauteng, Western Cape and KwaZulu Natal have had to apply for up to seven temporary licences and are still not assured that they will be issued a four-year licence although some have built up audiences of tens of thousands of listeners;
- Stations broadcasting on a temporary licence have struggled to convince advertisers and donors that they are a sustainable option as each year they could potentially fail to be issued with a new licence;
- Working year to year has impacted on the ability of these stations to formulate long-term plans or budgets;
- Stations which missed the deadline for the application for four-year licences have to wait until the entire four year licensing process is complete before they can submit an application;
- Community initiatives which have arisen since 1997 have been unable to get either a temporary one year licence or put in a four-year application and have had to rely on special events licences, for no longer than 30 days at a time to sustain community support.
- All outstanding four-year applications are now nearly three years old and will need to be updated and revised before they are heard by the Authority;

The above contributes to the damaging perception that the community radio sector is chaotic and unviable. This perception is exacerbated by the lack of

information from the Authority on how and when the four-year licensing process will be concluded. While the Authority stated at the end of last year that it would speed up the process by considering non-competitive applications without a hearing, no decisions on non-competitive applications have yet been announced.

The NAB is sympathetic to the plight of ICASA in having to licence a large sector without sufficient resources. However, it must be noted that the resources of community stations themselves are even more scarce.

In the Wits Business School report, 15 community stations were measured on their perception of the regulator. Some of the results are striking:

- 67% felt that the regulator is too prescriptive to community radio;
- 50% believed the regulator is under-resourced and under-staffed;
- Only 43% believed the regulator facilitates community radio station development.

In our consultation with stations these sentiments were reflected again. Stations complain that they are required to respond to ICASA requests for information at the last minute and are frequently not assisted in resolving technical difficulties. Stations are often required to resubmit duplicate information because of apparent lack of co-operation between ICASA departments. Broadcasters outside of Johannesburg particularly struggle to get information or assistance from ICASA.

Broadcasters have recently noted the lack of resources in the technical section of ICASA's broadcasting division where there appears to be only one frequency planner to issue technical specifications and deal with broadcasters' technical inquiries relating to coverage. The NAB submits that this is inadequate and must be addressed as a matter of urgency.

The NAB recommends that this committee engage with ICASA on what it requires to speedily licence community radio.

It is remarkable that under trying conditions, the sector has managed to sustain itself. With support and positive interventions, the sector will undoubtedly grow and flourish.

#### **4. LICENCES ISSUED TO COMMUNITY OF INTEREST GROUPINGS**

A damaging perception which must be voiced relates to community of interest stations and whether these stations are still welcome in the South African broadcasting environment.

The IBA Act makes provision for two types of community radio – geographic stations and community of interest. Community of interest stations consist of

campus based student stations, language based stations, religiously founded stations and other communities of interest.

Many in the community radio sector believe that the Authority is no longer issuing community of interest licences.

The NAB believes that this perception is damaging to both the community radio sector and the credibility of the Authority therefore must be addressed.

The foundation for this perception may lie in the low numbers of community of interest licences which have been granted. These are listed below. It should be noted that these figures may not be completely accurate as, in some provinces, applications were withdrawn or not heard and it therefore difficult to be sure of the total number of applications finally considered. We are however confident that the broad trends are accurate. ICASA could be requested to verify the exact figures, should the committee so wish.

Our analysis of the figures shows the following:

- In the six provinces which have been licensed 42 licences have been granted (not all of these were issued).
- Of the licences granted only 8 are community of interest licences.
- This is despite the fact that virtually even numbers of geographic and community of interest applications were originally made. 36 community of interest and 39 geographic applications were submitted in the six provinces.
- Of the 28 community of interest applications refused by the Authority, 13 were non-competitive where the applicant was the only party applying for that frequency.
- Of the nine religious station applications made, eight were refused.
- These figures seem to indicate that a much higher percentage, 77%, of community of interest licence applications are refused by ICASA, whereas only 26% of geographic applications are refused.

The NAB has not examined in detail the Authority's reasons for not granting licences and accepts that these reasons may well be justifiable.

The NAB is also not questioning Authority's mandate, discretion and ability to issue licences as it sees fit. ICASA has the difficult task of balancing a wide range of imperatives and often has to weigh up competing interests in its decisions. The NAB does not wish to see any undermining of the Authority's

independence to make such decisions. However, the perceptions laid out above do exist and must be addressed.

The policy and legal framework for community radio provides for two types of community radio. Both must be responsive to their communities and must plough their profits back to the station. Both have the potential to tell local stories, reflect local concerns, pass on information, promote development, alleviate poverty and empower communities. Neither type of station is 'better' than the other. Both categories of licence should therefore be given the opportunity to exist and thrive.

The NAB asks that the legal right of community of interest stations to exist and play a role in the South African broadcasting environment be reaffirmed.

## **5. OTHER ISSUES**

### **5.1 INADEQUATE COVERAGE**

In the Wits Business School study only 25% of respondents perceived the strength of their signal to be adequate.

Many community broadcasters continue to complain that their viability is threatened by the low transmission power which forms part of their licence conditions. These power limitations sometimes seem to be set arbitrarily low, and fail to take into account that community frequencies are typically sandwiched between commercial and SABC stations operating at 30 to 750 times the power allowed the community stations. The NAB asks that this matter be investigated.

### **5.2 LIMITS ON NATIONAL ADVERTISING**

The White Paper proposes that a limit be set on the amount of national advertising carried by community radio (p27). The NAB submits that as community radio already struggles to attract any advertising, such a limitation can only serve to discourage advertisers further from using community radio.

The Wits Business School study isolates the lack of support from advertisers as one of the key inhibiting factors acting against the viability of community radio. The report recommends that advertising agencies be informed and educated as to the markets that can be reached via community radio.

The NAB submits that limits on advertising for community radio should not be considered at this time.

### **5.3 SIGNAL DISTRIBUTION TARIFFS**

The White Paper proposes that an inquiry be held on the tariff structure for signal distribution fees for community radio in needy areas (p27). The NAB submits that

this should be followed up on urgently as many community broadcasters struggle to pay these fees.

Community broadcasters also struggle to meet the Telkom rates and the Authority's own application fees. The NAB asks that these also be looked into.

#### **5.4 NETWORKING AND RELAYING**

The Authority's Discussion Paper prohibits relaying (Section 4.5) but since then the promised guidelines on networking have not been forthcoming. There does not appear to be clarity on whether and how much networking is allowed by community stations. The NAB submits that some networking should be allowed and that the Authority should give clarity on this so that there are consistent networking rules for community stations.

#### **5.5 NEEDLETIME**

The NAB notes that community radio exists in the context of the broadcasting industry as a whole and therefore is subject to many of the same challenges that other broadcasters face. Among the challenges currently being confronted by the broadcasting industry is the proposed introduction of a needletime levy. The NAB submits that such a levy could have devastating consequences on the viability of community radio.

### **6. CONCLUSION**

The Wits Business School study concludes that there immense talent and an abundance of skills in South African community radio which can be harnessed to make the sector viable. Anyone working in, or with, community radio, knows this to be true.

However, we are at a time now when many stations are despondent about their future. They believe their concerns are falling on deaf ears and that the chances of positive interventions being made are small.

We ask that you prove them wrong. We ask this committee to take our concerns forward in the interests of the sector.

We thank you for the opportunity to address you on these important matters.