

ADVERTISING, COMMUNITY RADIO AND MANDATE:

A Case Study of Radio Maritzburg In KwaZulu-Natal

BY

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DECLARATION

I, Zeray Araia Adhanom, declare that this research under the title of: Advertising, Community Radio and Mandate is my own work. I have fully acknowledged all the sources I have used. I would also declare that this work has never been submitted for any other degree or examination in any other university.

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Signature

Zeray Araia

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May 2004

Durban

All work for this thesis was completed at the former University of Natal.

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List of Abbreviations and Acronyms

AGM	Annual General Meeting
AMARC	The World Association of Community Radio Broadcasters
ANC	African National Congress
BBC	British Broadcasting Corporation
COM	Campaign for Open Media
DMS	Dirrick Muzi Sybia mulit Media Company
FIX	Freedom of Expression Institute
IBA	Independent Broadcasting Authority
ICASA	Independent Communication Authority of South Africa
NCRF	National Community Radio Forum
NGO	Non-governmental organisation
IFP	Inkatha Freedom Party
OSF-SA	Open Society Foundation for South Africa
PAC	Program Advisory Committee
PBS	Public Service Broadcasting
PBC	Pietmaritzburg Chamber of Business
SABC	South African Broadcasting Corporation
SAARF	South African Advertising Research Foundation
SACRIN	South African Community Radio Information Network
SATRA	South African Telecommunication Regulatory Authority
NAB	National Association of Broadcasters
VOA	Voice of America
IAJ	Institute For the Advancement of Journalism

Appendix

1. Mission statement.
2. Geographical coverage map of the station.
3. Radio Maritzburg Trust Registered approval of the Magistrate.
4. Financial statements of the station: a, b and c
5. Radio Maritzburg advertising rate card.
6. Gross Advertising income of Radio Maritzburg via the Media Connection a, and b.
7. 'Natal Witness' publication about radio Maritzburg.
8. A questionnaire titled '*Weather Report*' A-J, views of Radio Maritzburg staff about the station.
9. E-mail message from Chamber of Business of Pietermaritzburg (2003).
10. Complaints Report Jan-Jun 2003: ICASA, Monitoring and Complaint Unit.
11. Workshop given to Radio Maritzburg staff by Institute for the Advancement of Journalism (IAJ).
12. Letter to the Radio Maritzburg manager from the CCMS.
13. Annual Monitoring Report of the Independent Communication Authority of South Africa, June 2002.
14. Re-Structured Program Advisory Committee (PAC) of Radio Maritzburg.

Table of Contents

Content	Page No
Acknowledgement	
Acronyms	
Appendices	
Abstract	
Chapter I Introduction	1
Chapter II Community Radio, Definition and Characteristics	6
a. What is Community?	7
b. What is Community Radio?	7
Chapter III Normative Theories Underpinning Community Radio	11
a. The Democratic Participatory Theory	12
b. Social Responsibility	16
Chapter IV. Community Radio, Advertising and the issue of Commodification	20
Chapter V. Community Radio in South Africa	23
a. Back Ground	23
b. Government Policy	25
c. Current Status	25
Chapter VI Community Radio and Sustainability	31
a. Social Responsibility	31
b. Financial Sustainability	32
c. Advertising and the South African Community Radio	32
Chapter VII Research Methodology and Limitations	36
Chapter VIII Case Study: Radio Maritzberg: History, Democracy and Governance	40
a. History	40
b. Demography	41
c. Control of Governance	43

Chapter IX: Financial Source, Management and the role of Advertising	46
a. Donations	46
b. Sponsorship	47
c. Advertising and promotions	49
Chapter X: Station Programming, Community Participation and Mandate	57
a. Station Programming	57
b. Community Participation and the issue of Voluntarism	61
Chapter XI: Realities hampering social and financial progress of the station	63
a. Station Management and Control	63
b. Community apathy and inadequate commitment	69
c. Lack of adequate support from ICASA and government	69
Conclusion	72
Appendix	

Abstract

In South Africa, community radio is a growing phenomenon and over 100 radio stations have been licensed since the establishment of the Independent Broadcasting Authority. Ever since their emergence, their number has been growing dramatically and they have managed to attract 10% of the radio listenership in the country (NCRF charter)

The proliferation and increasing demand for community radio broadcasting in South Africa and elsewhere demonstrates their significance and contribution to the socio-economic and cultural development of society in general, and to communities in particular. Nonetheless, despite their substantial contribution, community radios face challenges; especially with regard to resources and finance. As non-profit making institutions, they are funded by donors and subscribers and thus often suffer due to lack of reliable financial resources. The South African National Community Radio Forum (NCRF) states the decline of donor support as the main bottleneck to the proper functioning of community radio stations in the country (NCRF: July 2002). Thus, as with other commercial and public broadcasting stations, community radios in South Africa are expected to incorporate advertising as a source of income to cover some of their expenses without becoming dominated by profit motives.

This study takes Radio Maritzburg in Kwazulu Natal as a case study and attempts to explore the main financial sources of the station and its management. As its main objective, the research in particular assesses the contribution of advertising as a financial source to the radio station and the way the station attracts advertisements without jeopardizing its mandate.

Chapter I.

INTRODUCTION

An important implication of the principle of political pluralism and mixed economy is a system of media, which, in principle, goes a long way toward ensuring that every major sector of society will have adequate expression of its views

White, R.

(1990:11)

The *World Communication Report* (Modoux, 1997) categorises the production and economic development of the Western world into three major phases: the agrarian, the industrial and the information phase. The agrarian phase refers to the time when the economy was highly dependent on agriculture. The industrial phase came next when industry became the centre of the economy. The third phase refers to the period that we embark on today: the information phase or 'information age' where symbolic content plays a key role in the economic and socio-political aspect of mankind (Mosco, 1996). This symbolic power and information is undeniably central to the promotion of peace, understanding and economic development in the contemporary world (MacBride and Roach, 1993:4). This power, however, has been abused under various circumstances. Jan Sevaes (1988) cites an important quotation from MacBride, (1980: 253) to indicate the different manifestations of power in communication:

Communication can be an instrument of power, a revolutionary weapon, a commercial product, or a means of education; it can serve the ends of either liberation or of oppression or either the growth of the individuals' personality or drilling of human being into uniformity.

MacBride's quotation is important to consider since it highlights the power of communication and encourages people to use such power for good purposes on the basis of freedom of communication stipulated in Article 19 of the Universal Human Rights Declaration. Freedom in this case refers to the importance of civil society and the communication rights that include the rights of belief, speech, movement, assembly, association, and access to information (McQuail, 1996). This freedom of

communication is part of the universal human right articulated in the Milan Declaration (1998): "The Right to communicate is a universal human right which serves and underpins all other human rights and which must be preserved and extended in the context of rapidly changing information and communication technologies".

Nevertheless this freedom, particularly the right to communicate, is often threatened and demands defending. McQuail (1996:70) argues that communication right is the most vulnerable human right. Of all the dangers to universal human rights, he remarks "those which impinge on the identity and integrity of individuals and their rights to self-expression" are the most denied rights in the modern world. Such denial of rights is aggravated at present with the emergence of media monopolies.

Corporate driven technological change, compounded with government deregulation, is a favourable environment for the emergence of a few media monopolies to dominate and control communication and information sources (Sussman, 1997:17). Such monopolistic control means the prevalence of "technical disparities, restrictive media practices, exclusion of disadvantaged groups, blacklist, and censorship" (1997:17). By implication, these conglomerates control information sources and disseminate their own ideology, marginalizing the majority population with an inadequate share of sources, including information.

Such centralized and monopolized institutions reduce information in quality and diversity, by emphasising market forces and eschewing effective and quality programming techniques relevant to society (McQuail: 2000: 363). This is the major threat leading to homogenised and deteriorated information and media content in modern society.

That is why today the communication issue is gaining high public attention at a global level. UNESCO in its World Communication Report (Modoux, 1999) underlines the concentration of large-scale media in ever fewer hands as the causes of the reduction

in information diversity and access to expressive opportunities. The Manila symposium on Rethinking Democratisation of the Media (2002) reiterates a similar opinion and summarizes the current reality under global capitalism as the prevalence of mega- corporations and media conglomerates that emphasise commodification, homogenisation and the standardisation of products. This phenomenon is an indication of a world whereby in Sussman's words:

Media products are carefully filtered and constructed for commercial and political ends, a kind of information management or propaganda, that serves the interest of media's main patrons- industry, commerce, or propaganda and governing state opportunity (Sussman, 1997: 6).

Such circumstances, which are mostly caused by liberalized market forces, do not ignore Africa as a consumer of a few media conglomerates. Although the continent is striding toward democracy, concern has been expressed about the increasing domination of the African airwaves by the foreign media (Bourgault, 1995).

Those media under state ownership are however not free from political or commercial homogeneity. State ownership is another variant where increased media homogeneity is witnessed. Communication or media performance under such an environment is often shaped by a rigid, centralised system. A 'Unitarian' view replaces a 'majoritarian' view to decide on 'public interest' that supports a single dominant value or ideology (McQuail, 2000, 143). This phenomenon is true in most third world countries where media is still under state control and acting as a propaganda tool.

In Africa, for instance, although some countries are demonstrating significant progress toward democracy and freedom of speech, there are still many that give little room to such freedom. In such monopolised state channels, people are likely to develop cynicism towards government owned national media that continuously disseminate one-sided views. Such conditions also are likely to force people to shift to foreign channels for fairly balanced and varied information. In Eritrea, for instance, where only state media operates, foreign channels like the *Voice of America (VoA)*,

Radio Deutsche Welle (German), and *Radio Vatican*, whose programs are disseminated in the vernacular language, serve as alternative sources, and thus have managed to attract some of the Eritrean public. This reflects Graham Mytton's observation of the media performance of some African countries:

Generally speaking, the fewer local sources there are to choose from, the greater the degree of state monopoly, the more likely it is that people will seek out alternative sources of information and entertainment coming from outside the country (Mytton, 2000:22).

The above analysis is simply to highlight that neither the media under the deregulated market world nor those under state control are a panacea for the unequal distribution of information. Such critical problems are likely to encourage people to seek alternative channels to voice their opinion freely. The question is how can a disadvantaged society realize its dream and get its own media that guarantees its right to communicate?

McQuail (1996:70) argues the most practical instruments for protecting freedom are to use the means of communication and to claim rights, criticize power-holders, and advance alternatives. This can be seen in those small legal and pirate stations operating in Latin America that managed to establish "a culture of resistance to the authoritarian tendencies of the central government" (Hendy, 2000:196). These alternative information sources and participatory channels, in some countries called community radios, are important not only to protect human rights and freedom but also to enhance the development of a nation with well-informed and democratic citizens.

These small, community owned channels also contribute greatly to the developmental endeavours when harnessed appropriately. The community radio sector is part of the broadcasting industry that George Wedell (1986:131) considers to have a potential to "articulate the principles and themes that constitute an adequate basis for long-, medium- and short-range development strategies".

Thus, in the subsequent chapters the study will concentrate on radio and its role as a source of information in an information age. The study will particularly refer to South African community radios, their contribution to the cultural, socio political and economic development of the country, and the challenges the sector encounters in terms of resource and finance in meeting these goals.

Chapter II

Community Radio, Definition and Characteristics

Radio is the most widely used tool of communication in the modern world. It is more accessible and has the power to reach a wider society than any other medium. While television is still fixed largely at home, radio is the simplest tool of communication accessible everywhere; and it is conveniently cheaper and portable to be used even in poverty stricken areas in the absence of electricity where television cannot function (Hendy, 2000).

Its cost effectiveness, its accessibility and potentiality to involve people in the communication process, makes radio, at least in theory, “the medium of the more marginalized and disenfranchised sections” of a society (Hendy, 2000:196).

In the monopolized market world, radio becomes the easiest tool to redistribute information sources to disadvantaged societies. The public broadcasting service first launched by the BBC in Britain and the other community media operating in different countries of the world were meant to be a panacea to the existing problems of unequal distribution and access of information.

Media scholars in particular argue today for community radio as an appropriate channel to reach the disadvantaged communities that are ignored by the big and centralized media. In a world where resources are unevenly distributed including communication resources in particular, Lewis and Booth (1989:16) argue community radio is indisputably the best solution for democratic and non-profit communication purposes. This sector, a localized media as it is, is also considered important to communities for its “greater importance in fostering a culture of civic responsibility and empowerment” (Teer-Tomaselli, 2001:232).

In South Africa, radio is the most popular medium with 93 percent listenership (Tleane & Duncan, 2003). It is the most widely used by people from all classes and economic backgrounds in rural and urban areas. Though it is a recent phenomenon, community radio is part of a proliferating communication tool of the disadvantaged communities acting as a third tier in the broadcasting industry of South Africa.

The next chapter, therefore, will highlight the distinct character of community radio, its relevance as a communication tool to the South African communities, and the nature of its survival. But, before embarking upon such issues, we need to distinctively define what the terms 'community' and 'community radio' means so as to have a clear picture of the sector.

a. What is Community?

There is no specific definition for the term 'community'. Community as some have remarked is "something of a weasel word used to mean all things to all people, and requires some explanation" (Lewis & Booth 1989). Scholars provide different definitions for the term on the basis of their field of study. The American Heritage Dictionary provides assorted definitions for the term, two of which are: a group of people living in the same locality under the same government; or a group of people having common interests. These have some similarity to the definitions given in section one of the Independent Broadcasting Act (IBA, Act 153 of 1993), where the term refers to either "a geographically founded community", or "any group of persons or sector of the public having a specific, ascertainable common interest", a more appropriate definition to rely on in the subsequent discussions.

b. What is Community Radio?

Like the term 'community', the concept 'community radio' also lacks specific definition since "each community radio station is unique and special" (Urgoiti, 1999). As a participant in the Jabulani conference (1991: 20) has noted, 'in every community there is a different understanding of community radio, because every community is different'. However, community radio can simply be defined in terms of geography,

interest in language, culture or ethnic groupings (Lewis & Booth, 1989: 9). The writer generally defines the sector as a community owned medium that serves community members to interact closely around issues of shared interest. As Michel Delorme, President of the World Association of Community Radio Broadcasters (AMARC) has remarked, it is “neither the expression of political power nor the expression of business, but the expression of the people” (Delorme 1990 in Louw, 1998:1). AMARC’s definition of community radio seems to be more comprehensive to illustrate the nature of the sector:

When radio fosters the participation of citizens and defends their interests; when it reflects the tastes of the majority and makes good humour and hope its main purpose; when it truly informs; when it helps resolve the thousand and one problems of daily life; when all ideas are debated in its programs and all opinions are respected; when cultural diversity is stimulated over commercial homogeneity; when women are main players in communication and not simply a pretty voice or a publicity gimmick; when no type of dictatorship is tolerated, not even the musical dictatorship of the big recording studios; when everyone's words fly without discrimination or censorship, that is *community radio* (AMARC: <http://www.amarc.org/amarc/ang/>).

This definition highlights community radio’s potential to enhance the free flow of information and opinions, and to encourage the opportunity for the creative expression of ideas within community members. This potential partly comes from its central principles of access, participation and self-management in communications, which are not adequately practised in the other models of communication. The reason behind establishing community radio is thus to represent the minorities, which the mainstream is seen to have ignored (Bernard, 2000). Bernard describes the emergence of community radio as a reaction to the established traditional broadcasting system and relates it to the concept of ‘alternativism’. By ‘alternativism’ he means.

...a coherent, uniform, oppositional response to the mainstream, but it covers different approaches, attitudes and precepts that are sometimes defined in terms of modern versus traditional, progressive versus conservative, or even revolutionary versus reactionary (Bernard, 2000:68).

Similarly, Teer-Tomaselli (1998:163) also relates the philosophy behind the concept of community radio to be opposition to 'oppressive theory and practice' that aims in part to redistribute the power of communication by claiming for groups that are socially and politically marginalized or oppressed of the right to a fair share of resources so as to take control of their own lives. All of these are distinctive features of the sector remarkably crucial to the realization of the basic freedom laid down in Article 19 of the Universal Declaration of Human Rights (1948-1998):

Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media regardless of frontiers.

To Hendy (2000), however, community radio is to do more with 'communal' rather than individual rights of expression and gives the characteristic features of the sector as follows:

- Smaller in scale than mainstream 'local' radio, so that it can be seen to be 'closer' to its listening community than other forms of radio
- More 'participatory' than mainstream radio, staffed more by volunteers drawn from the listening community rather than full time professionals
- Run for the benefit of the local community rather than specifically to make a profit for shareholders.

Generally, the sector may bear different names in different countries on the basis of the perception and experience of the society under which they operate. However their names may differ from place to place, all share some common features: mostly small in size, community owned, non-profit and with a more localized product than the network media.

In this case, it is important to relate community radio to some basic principles, theories and relevant bodies of knowledge so as to see their nature and importance as a communication tool to mankind. Thus, in the subsequent chapter I will try to examine the normative nature of community radio, and its relevance to society based on the theories and principles propounded by media scholars.

Chapter III

Normative Theories Underpinning Community Radio

The normative theory refers to the rights and obligations of media performance and how these rights and obligations are professed in different societies (McQuail, 2000). Although they continue to be debatable, these principles generally assist to determine what media “ought, or ought not to do” to meet the public interest (McQuail 1996:67). These theoretical frameworks generally serve as guidelines to evaluate the media’s behaviour in terms of reflecting the interest of society as a whole. In this case, community radio performance can also be examined in terms of some normative media theories and principles. In defining the normative aspects of media, McQuail (2000) identifies two concepts important to consider. These are ‘structure’ and ‘performance’. While ‘structure’ deals with the general organization, ‘performance’ refers to the general behaviour of media, both of which are helpful in the analysis of the way media operate.

Another concept worth mentioning with regard to media performance, which will also be discussed in this section with regard to community radio, is the idea of ‘public interest’. The concept of ‘public interest’ has both simple and much contested meanings in social and political theory. In relation to mass media, McQuail (2000) gives a simple meaning to the concept by referring it to a media that tries to meet the interests of its people, which he articulates as follows:

a media system that is operated according to the same basic principles governing the rest of a society especially in relation to justice, fairness, democracy and current notions of desirable societal and cultural values. At the minimum, we can say that it is in the public interest that the media do not cause social problems or extreme offence (McQuail 2000:142).

Taking the general concept and meaning of public interest as discussed above, we can explore community radio performance in relation to the dominant media theories and principles that underpin the interest of the general public.

a. The Democratic Participant Theory

Community radio in one way or another can be related to the democratic participatory theory. The democratic participatory theory seeks the establishment of an alternative media free from the established system (McQuail, 2000:160). The alternative media is a reaction to perceived limitations of the mainstream media. These alternative channels are described as non-profit, and directed to a variety of causes in the public sphere to provide the previously ignored minorities a chance to express their views.

The ‘democratic-participant’ theory refers to the “ideas expressed on behalf of alternative, grass-roots media that expressed and looked after the needs of citizens” (McQuail, 2000: 160). Community radio epitomizes democratic-participatory theory as it reflects some of the basic principles of human rights such as equal access, participation and grassroots involvement in communication, which are central to the aforementioned theory. McQuail (2000) acknowledges those local community radio and television stations founded in the 1960s as practical expressions of the ‘democratic-participant’ theory. He argues that the media under this category challenge the other commercial or centralised media. This is a distinct feature of community radio as it stresses more the promotion of local issues and values than national or international agendas. The fact that this theory favours small scale, non-professional and non commercial media, directly relates to the nature of community radio as the latter is basically run on a small scale with unsophisticated equipment and staffed with non professionals, in most cases volunteers.

Some scholars consider the unsophisticated and smaller size of community radio as advantageous to the survival of the sector. Smaller size helps stations to be cost effective in terms of investment and operation, easy in terms of accessibility, and simple in terms of technological affordability and practicality. These are distinctive features that contribute to the survival of a sector eschewing the monopolistic

legislation barriers that manifest in the contemporary market world (Wortley, D, nd). In the most general terms, community radio like any other media is widely expected to promote at least four main normative goals stipulated in McQuail (2000:160-161):

- Maintaining a constant surveillance of events, ideas and persons active in public life, leading both to a flow of information to the public and exposing violations of the moral and social order;
- Providing an independent and radical critique of the society and its institutions;
- Encouraging the means for access, expression and participation by as many different actors and voices as is necessary or appropriate;
- Contributing to shared consciousness and identity and real coherence of the community as a whole as well as its component groups.

As far as the relevance and contribution of participatory communication is concerned, Dagron (2001) provides assorted examples and attributes the collapse of certain developmental projects to their adherence to the top-down communication development approach that overlooks the concrete experience of the grassroots. Such an approach can be considered as the reason for the failure of many developmental projects in most third world countries, especially in Africa. The attempt made by the Ministry of Agriculture in Eritrea (personal experience) in conjunction with a certain NGO to introduce a new farming system for the farmers of Forto Sawa, a northern region, is an example to indicate the consequence of failing to accommodate grassroots' views and ideas in developmental projects. The Ministry's purpose was basically to promote sustainable food production in the area through the use of irrigation and to replace the traditional farming system that depends on unpredictable seasonal rain. The project invested enormous sum of money in the construction of a dam that took a large swathe of farming land of the community. However, the farmers declined to use the dam on the basis that the new farming system contradicted their cultural belief and values. The Ministry's effort was commendable, but had to accept its failure as it had declined to accommodate the beneficiaries' participation in the design and implementation of the project.

Some scholars argue that the continuous use of vertical communication practices compounded with arrogance towards popular knowledge, deter donors, planners and even governments to establish a dialogue with communities and beneficiaries. “Indigenous knowledge is at best perceived as an acceptable claim for communities, but rarely considered as one of the main components of development” (Dagron, 2001:9). Similar problems, which emanated from a lack of participatory communication practices, are not new to the developing world and most African countries in particular.

In some other cases, media has been narrowly perceived as a tool of propaganda or simply as an information dissemination vehicle, and rarely seen as a tool for dialogue. Some governments, donors, or NGOs use communication simply for the purpose of obtaining visibility (Thomson, 1995).

The origin of participatory communication is linked to the critical political and economic crises that unfold in times of modernisation, which totally ignore the horizontal communication system. Robert White in his article: *The New Order and the Third World* (1993: 23-25), links the emergence of participatory communication with modernisation:

Modernisation has reinforced the widening gap between a highly developed, urban industrial sector and mass of rural peasants or a flow of poor underemployed immigrants into cities. This situation has sparked off popular movements allied with urban dissidents together seeking profound structural change. These movements have created an “ alternative” popular communication system, which, under repressive national security governments, sometimes incorporates large sectors of the rural and urban population and becomes the most credible communication system of the nation. These popular movements have made a major contribution to the conception of participatory, democratic communication, which is now central to the NWICO proposals.

White, in his article, recounts that participatory communication, which today resumes popularity as an effective communication model, was ones the language of the economically disadvantaged poor peasants and urban dwellers by which they used to

organize themselves. He also relates it to that of the Latin American movement initiated by Paulo Freire's educational philosophy "of small group communication" that encourages poor farmers to solve their own issues themselves on the basis of their own values and experiences (White, 1993: 23-25).

Participatory communication, ostensibly a recent topic of interest, has thus been in use for many years in Latin American countries. Taking radio as the most appealing tool for participatory communication for development, Dagrón (2001:15) recounts its use in the past fifty years in remote areas of Colombia by the poor farmers of Sutanteza.

The participatory nature of community radio is, thus, crucial for communities. It promotes effective communication as well as empowers communities to be self-reliant by enabling participation in debates or decision-making activities (Mtimde, 2003). As Mtimde has remarked in his speech, "the top-down, technocratic, one-dimensional approaches are doomed to failure, as they are seen to be undermining in nature" (Mtimde, 2002, np.).

Thus, in the sphere of media, particularly from the three models of broadcasting namely commercial, public and community sector, the latter epitomizes Freirean, participatory communication theory as it encourages community members to participate at all levels of information production, management and control. It particularly "strives to introduce a degree of horizontality" to replace the vertical top down information production and dissemination paradigm that eschews the participation of the audience (Vittet-Philippe (1983: 11). The sector may not be completely participative to "achieve total horizontal inter-communication, [yet] it strives in practice to multiply systematically opportunities of access and exchange such as phone-ins, audience panels and contribution to programming and production by its audience".

Community participation is more central to community radio than any broadcasting model discussed earlier. Urgoiti (1999:1) considers community participation as an important element in the making of a community radio station. He refers to it as "the

backbone of a successful community radio station". Yet he notes participation as "a patient, ongoing and inclusive process" that is achieved through the involvement of the community in the fundamental roles of ownership, management and programming of the station. Lewis & Booth (1989:114) highlight a similar idea:

Whatever the access you have, the real impact depends on whether or not the community-based approach is represented at all levels of the station and management structure, from links with the community, recruiting policy, training resources to top management and policy making...that commitment of any of these is missing, as it was sometimes at management level, it seriously undermines the scope of local (or community) radio to reflect and involve the full range of communities and interest it is supported to serve.

Many African countries including South Africa, Zambia, and Mozambique are making use of such radio stations for various initiatives and development endeavours. Many more African countries are also waiting for a similar scheme. In countries like Eritrea, where only state-owned media operate, people suffer from an acute shortage of information. The introduction of such media enhances not only the flow of information and popular participation, but also contributes as a tool of communication in the struggle to combat the recurrent drought in the country.

b. The Social Responsibility Paradigm

In the market world, many circumstances including commercialisation can affect the normative media performance. In this case the advertisements and donations that provide income to media channels including community radio can have an effect on the media's output. Such a dependency effect is observed in Europe and elsewhere, especially in Great Britain and the USA, leading media to become "sensationalist, scandal mongering, and [with a] declining informational standards" (McQuail, 1994:123). Such phenomena are likely to urge society to have media that is socially

responsible and that performs following some common agreed set of normative principles.

The social responsibility theory holds the view that “media ownership and operation are a form of public trust or stewardship rather than (an) unlimited private franchise” (McQuail, 2000:149). This theory implies the imposition of self-regulation in order to accommodate the interests of the individuals and the public. For the privately owned media, social responsibility theory has been applied mainly in terms of some “professional journalistic standards”, ethics and codes of conduct (McQuail: 1994:124).

In this case, the three dominant broadcasting models can be examined in terms of their relation to social responsibility theory articulated in McQuail (2000). Commercial broadcasting is a model with the primary objective of making profit. Under this model, stations target specific niche audiences to meet their objectives. As Lewis and Booth have stated, “the logic of the commercial system is to swallow up new markets and extend its frontiers to compete with, even undermine the public service domain” (1989:8). The Public Broadcasting Service, which was developed in the 1930s’ by John Reith, the first Director-General of the BBC, is argued to embody the normative position of social responsibility theory (Teer-Tomaselli and Bofo 1995: 183). The principal features and responsibilities of public broadcasting include among others (McQuail, 2000:157):

- I. Universality of geographic coverage (reception as well as transmission)
- II. Diversity in providing for all tastes, interests and needs as well as matching the full range of opinions and beliefs
- III. Providing for special minorities
- IV. Having concern for the national culture, language and identity
- V. Serving the needs of the political system; being in essential respects balanced and impartial on issue of conflict

Community broadcasting, in this case, is identical to public service in the sense that both respect and have a social responsibility and mandate to reflect the needs and

interests of their audience. Both are non-profit oriented and work for the well being of their society. Community radio, which is regulated and managed by the community, has a responsibility to respect the interests of the community to which it belongs. The distinction between the two as it has been discussed earlier is, while community broadcasting emphasises more small, community based and localized programming, public service broadcasting caters for large audiences and covers relatively large geographical areas. As Lewis and Booth have clearly described, “the logic of public service is to defend national territories, industries, and identities against such invasion; whereas “the logic of community radio is to defend human rights against the intrusions of both state and capital” (1989:10).

The aforementioned argumentation, however, does not relegate the role of the commercial model to that of a merely profit-making institution. Its function can some times overlap and makes it difficult to draw a clear distinction, especially between the commercial and public broadcasting models, as it is explained by the participants of the UNESCO International Roundtable on the cultural and educational functions of public service broadcasting (Teer-Tomaselli, 1995:185):

It was inappropriate to make hard and fast distinctions between public service broadcasting and commercial forms of broadcasting since in some contexts the two were often combined, with the commercial arms cross-subsidizing the public service broadcasting mandates. There was a blurring of these two forms media. While there were criteria for both, the definitions for the forms of broadcasting were no longer watertight categories, but should be seen as a continuum. It was agreed that a distinction should be made between public service broadcasting and private broadcasting, although it was acknowledged that private broadcasters could fulfil public service mandate.

The distinctive relevance of community broadcasting in this case is to reach specific disadvantaged communities whose issues have not been addressed by either of the above two models. The primary reason for the existence of such a sector according to Bernard (2000:72) is to provide entry to the ‘public sphere’, a term Jurgen Habermas (Buckingham, 2000) refers to as a democratically organised space between society and the state, where the public organises itself and ‘public opinion’ is formed by those

who may normally be excluded; a space currently declining due to the strength of the state, and increased commodification and commercialisation of the media by giant corporations.

However, the involvement of community radio in commercial activities including advertising and sponsorship may also pose a question as to whether the latter influences the station's social responsibility and mandate. Such issues of commercialisation and community mandate will be discussed in the following section.

Chapter IV.

Community Radio, Advertising and the Issue of Commodification

Apart from donations and sponsorship, advertising is a source of income to “keep a small station [like community radio] afloat, and guarantee control of its own revenue” (Vittet-Philippe & Crookes: 1985:157). Advertising in media institutions is often related to the commercialisation of information. Commercialisation refers to the generation of income from advertising by selling audiences (Mosco, 1996). The question is, does community radio, while it incorporates advertising, involve itself in the process of commercialisation or commodification just as commercial stations do, and what is the implication of the involvement of the sector in such activities?

In referring to the current media performance and the influence of market forces, Herbert Schiller (1983:537-8), argues information is becoming a private good, “something like tooth-paste, breakfast cereals, and automobiles increasingly bought and sold”. In his analysis, he explains the contribution of new technologies in speeding up the quick production, packaging and distribution of information results in enormous profit for the owners. These new opportunities, he argues, are the main factors to undermine the belief that information is a social good available and to be used freely for social benefits. Schiller’s explanation indicates the emergence of consumer society and the exchange of information in the market as a private good. Community radio inevitably becomes under the influence of the market forces as argued by McQuail (2000:363):

While the market concept is a pragmatic and useful one for the media industry and for analysing media economics, it can also be problematic and it is not really value free. It links sender and receiver in a ‘calculative’ rather than a normative or societal relationships, as a cash transaction between producer and consumer rather than a communication relationship. It ignores the internal relationships between consumers, since these are of little interest to service providers. It privileges social- economic criteria and focuses on media consumption rather than reception.

McQuail's analysis of media economics can be related to that of Mosco's (1996) concept of commodification. The meaning of commodification as privatisation and commercialisation can be traced back to Marx. Under capitalism, Marx considers, everything is a commodity to be sold and bought (Noam, 2001). That is, production is determined primarily by its "exchange value" instead of its "use value". Noam defines use value as the 'intrinsic merit of the work' unlike "exchange value", which depends on market forces. This is identical to how Vincent Mosco has defined the term in his book *Political Economy of Communication* (1996:143):

The process of turning use value into exchange value of transforming products whose value is determined by their ability to meet individual and social needs into products whose value is set by what they can bring in the market place.

In his analysis on media economics, Mosco (1996) also differentiates between commodification and commercialisation. He uses commercialisation as a narrow term only to indicate the relationship created between audience and advertisers. He refers to commercialisation as the use of the airwaves to disseminate programming that attracts audiences, which will be sold to advertisers. Commodification here becomes a wider concept than commercialisation as it includes commodification of labour. In this case commercial broadcasters are highly involved in the commodification of their double products: media content and audience (Doyle: 2002). By selling the airwaves (audiences) to advertisers, stations insure their survival and continue to increase their profit. Thus, we say the station's airtime is commodified to advertisers, the value of which is determined by the 'quality' of the station's audience (Barnard, 2000).

The issue of commodification does not escape community radio as it involves itself in commercialising airwaves to advertisers like the commercial stations. As it has been discussed earlier, ideally a community station is expected to prioritise audience interest or quality programming over profit making motives, which makes it distinct from commercial radio. Yet, this assumption does not completely set community radio free from the effects of commercialisation. It is unthinkable to free these stations from the influence of the market world. Taking such influence for granted, however,

diversity of ownership and presence of community radio is helpful “so that those who are purely commercially motivated are balanced by those whose imperatives are more towards community and local service, even though their service may be partly or wholly funded by advertising” (Vittet-Philippe & Crookes, 1985:158). The establishment of the sector also contributes to reducing poor and populist programming and the threatening condition posed by market forces on cultural values.

In the next chapter, the aforementioned theories and principles will be used to examine the general history, relevance, and status of community radio in South Africa; the role of advertising, promotion and sponsorship as a financial source for the sector; and the issue of mandate.

Chapter V.

Community Radio in South Africa

a. Background

Community radio in South Africa is a growing phenomenon though the sector has not more than a decade-long history. Prior to 1991, the country's broadcasting media mainly served the state apparatus. The South African Broadcasting Corporation (SABC) was in complete support of the Apartheid regime. The National Association of Broadcasters (NAB) points out that apart from the SABC, the only private media prior to 1994 included two commercial radio stations (Radio 702 and Capital Radio) and one private pay-TV service (M-Net).

In times of high political tension, media channels can contribute greatly to the fight against repressive regimes (Bernard, 2000). In South Africa, although the political and cultural struggle of the 1980s influenced the emergence of community radio, these movements seem barely to have exploited the potential of the broadcasting sector as a means to fight against the oppressive regime. The democratic movement in the 1980s, for instance, is described to have "largely ignored broadcasting as a site of struggle against the former regime in the country" (Gorfinkel, 1999:1).

The year 1991 is regarded as a turning point in South African media history, which brought about a process of "restructuring, in which pragmatism, rather than propaganda, became the dominant ethos" (Teer-Tomaselli, 2001:123). The structural change was in part a result of a prolonged campaign to 'free the airwaves' (Jabulani, 1991). In addition to the other movements, the intensive three-year campaign runs by various media stakeholders including the Rhodes University Media Policy Workshop (1990), the Jabulani! Freedom of the Airwaves conference (1991), the University of Bophuthatswana Media Policy Workshop (1991), the COM/IDASA conference (1991), and the Free, Fair and Open Conference (1992) are cited as important events that "democratised" the media industry and led to the establishment of the Independent Broadcasting Authority Act (Fokane, 2003).

The recommendation of the Broadcasting Task Group to split broadcasting from politics through the establishment of the Independent Broadcasting Authority (IBA) was a great leap forward in South African media history (Jabulani, 1991:5). The

formation of the IBA meant the establishment of the three tiers of broadcasting, among which is the community radio sector, aimed at serving the disadvantaged and marginalized society of the country. For such an achievement, the IBA is considered as being at the forefront of democratising the country's airwaves, as Mandla Langa, the chairperson of the Independent Broadcasting Authority of South Africa, has articulated in his speech (Langa, 2002:np):

Unlike regulatory bodies in mature democracies, the IBA was established as an expression of the political struggle, which sought to free the airwaves and render broadcasting accessible to - and reflect the aspirations of all South African citizens.

Thus in South African media history, Bush Radio, which started broadcasting illegally in 1993, but which was later granted a license by the IBA in 1995, stands as a pioneer community radio station in providing 'voices' to the ordinary people (Louw, 1998).

The National Community Radio Forum, (NCRF 1999), also identified this sector as a potential 'voice of the oppressed', which could play a 'significant role in informing and mobilizing the community against the apartheid regime in the country'. The national, member-driven association of community radio stations of South Africa (NCRF) has been contributing to ensure the survival and recognition of this sector in the national policies of the country. (NCRF website).

Today, South African community radios are mushrooming. The National Association of Broadcasters (NAB) reports that broadcasting has undergone massive transformation since democratisation, and notes the growth of the community sector into 100 stations.

Recent South African Research Foundation (SAARF, see next page)¹ statistics also shows the sector capturing 11 percent of the total South African listenership, constituting more than 3 million of the country's radio listeners (Mabanga, 2001).

The sector not only provides relevant programs but also encourages local media products to promote the culture and identity of citizens. In its monitoring report,

ICASA cites cases of community stations playing as much as 80% local music, partly reflecting their commitment to the principles of the regulatory body (Mabanga, 2001). In addition it empowers communities in various ways. This empowering potential

extends from allowing ordinary people to voice their issues and concerns, to providing community training on various broadcasting techniques and management skills.

b. Government Policy

Since its establishment in 1994, the IBA has been a regulating body in the broadcasting sector of South Africa. Today, the Independent Communication Authority of South Africa (ICASA), an authority formed following the merger between the IBA and the South African Telecommunication Regulatory Authority (SATRA), has taken over the regulation of the broadcasting system in the country.

According to the principles articulated by the authority, community radio in South Africa is expected to provide communities a service that is much more localised than any other commercial broadcast service in their areas. Generally, the sector is expected to adhere to the following key principles articulated by the authority in its Broadcasting act No.4 of 1999:

- ❑ provide a distinct broadcasting service dealing specifically with community issues which are not normally dealt with by the broadcasting service covering the same area;
- ❑ be informational, educational and entertaining;
- ❑ Focus on the provision of programmes that highlight grassroots community issues, including, but not limited to, developmental issues, health care, basic information and general education, environmental affairs, local and international, and the reflection of local culture; and
- ❑ Promote the development of a sense of common purpose with democracy and improve quality of life.

¹SAARF is the name by which the South African Advertising Research Foundation is familiarly known. Its main objective is to direct and publish media and product research for the benefit of its stakeholders, thereby providing a common currency for the buying and selling of media space and time. SARF may use the acronyms AMPS, RAMS and TAMS to refer to the major research surveys conducted by SAARF. AMPS stands for the All Media and Products Survey, RAMS for the Radio Audience Measurement Survey, and TAMS for the Television Audience Measurement Survey (<http://www.saarf.co.za/>).

While the aforementioned points being the main functions of community radio, some scholars seem to be dissatisfied with the definition of the sector. They argue the definition is incomplete and ask what community radio really constitutes (Adams, nd). Teer-Tomaselli (2001: 234) describes the definition given to the sector as 'sloppy' and ambiguous. This broader definition of community radio seems to create some loopholes to raise controversial issues as it has been noted by Adams (nd.np.) as:

- The 'open' definition of a community station creates confusion as to whether stations are in fact owned and controlled by the community, participatory and run by the community.
- This has led to a number of licences being issued to what media activists would refer to as 'pseudo-community radio stations'.
- A large number of religious community licences have been issued at the expense of the broader community needs and different perspectives.
- A large number of ethnic-based stations have been issued with licences - in a society that is recovering from racial division and trying to build a non-racial nation.

The Open Society Foundation of South Africa (OSF-SA) study, however, argues the reason behind broadening the legal definition of community radio is to consider the "different positions of various players in the negotiating process...and to provide those voices that has been silent during the struggle for democracy" (Gorfinkel, 1999:4). Hence, although generally community radio can be categorized as either geographically founded or a community of interest, the latter can also include institutional, religious and cultural/ linguistic communities (Teer-Tomaselli, 2001). Generally Gorfinkel (1999) divides the South African community radio into four distinct categories:

- I. **Geographically founded station**: this refers to the formation of a community radio to serve a specific audience in a specific geographical location. Most South African community radios fall under this category. Geographically defined radio stations typically are set up to serve historically disadvantaged urban, semi-urban and rural areas, and most of

them are currently under the National Community Radio Forum (NCRF). Many of them were set up through the initiatives of different NGOs like Radio Bush in Cape Town, Radio Zibonele in Khaylitsha, and Radio Maritzburg in KwaZulu-Natal. Most stations under this category encounter problems of survival due to lack of finance and resources (Naughton, 1996).

- II. **Campus-based stations**: this category includes those stations set up by various universities and colleges like those of University of Cape Town, University of Pretoria, Rhodes and Natal University etc. There are a few campus radio stations that struggle to cater for communities in their surrounding areas like Durban Youth Radio under the University of Natal (Ndlovu, 1999), which later went off, and is now reviving. Other campus communities like those of University of Cape Town, University of Pretoria, and Rhodes University are also examples.
- III. **Religious Stations**: in a bid to address their specific audience the IBA's policy also grants licenses to religious institutions. Most religious radio stations in the country belong to either the Evangelical church like Radio Khwezi (Feyissa, 1999), and Highway Radio (Majwcu, 2002) in KwaZulu-Natal, or Muslim institutions. There are a few Hindu stations.
- IV. **Cultural or ethnic based stations**: Some community radio stations in South Africa serve specified ethnic communities. The strong network of White Afrikaner stations is under this category. They mostly focus on linguistic coverage to uplift the identity of certain linguistic communities (e.g. Afrikaans, Greek).

As far as the progress and proliferation of community radio in South Africa is concerned, donors, government bodies, NGOs and communities have been taking various initiatives to strengthen the sector. ICASA's initiative to extend the legal duration of community radio into a four-year license is an important development in the sector. A report by the Open Society Foundation for South Africa (OSF-SA) states that extending the licences' period is an important step forward that contributes to the stations' stability:

The issuing of four-year licenses brings new stability and a sense of legitimacy to the community radio sector. It frees stations from the wearisome and expensive job of renewing licenses annually, and enables them to plan for longer than a year at a time. Stations will be able to spend more time and energy developing and maintaining quality programming that will serve the needs and interests of communities. This, perhaps, also contributed to the enthusiastic response to the Festival, with its focus on programming (OSF/SA: <http://www.osf.org.za>).

There are different governmental and non-governmental institutions encouraging the growth of the sector. NGOs such as the NCRF, Freedom of Expression Institute (FIX) and the National Association of Broadcasters (NAB) support the sector in terms of finance, training and lobbying. Some media scholars however argue that such help is still inadequate to ensure the survival of community radio in the country, unless the government and other related institutions increased their logistical support and subsidy for the sector.

c. Community Radio and Current Status

Apart from its loose links and lack of adequate attention from different legal bodies including ICASA, community radio in South Africa also suffers from financial crises challenging the sector to carry out its mandate properly, and at times threatening its existence. Such financial crises are not unique to South African community radio though. The following quotation (from a community radio manager's personal experience) is an example and a starting point for discussion to indicate the critical financial crises most community radios encounter in their daily businesses, distracting them from functioning well:

A few years ago, during my term as station manager of CJAM, a local rock club/bar threatened to sue the station because it charged that two of our volunteer programmers made slanderous remarks about its bouncers' treatment of customers. Even though evidence seemed to support the programmers' claims of abusive treatment by the club's bouncers (thereby nullifying the slander charge), CJAM was in no financial position to fight the club in court. At the time, it seemed that my only recourse was to formally apologize to the club management and instruct the two programmers involved to refrain from talking about the alleged injustice done to them on subsequent programs. With almost no news

volunteers at the time, it was impractical to treat the incident involving the rock club and our two programmers as a news story and seek interviews with both parties. Regrettably, nothing more was heard on CJAM about this contentious issue of public concern (Marc, nd: np).

The aforementioned event is an experience of a Canadian community radio manager to indicate how the lack of financial resources deters community radio from fulfilling their mandate. Such a situation can be more apparent in South Africa with communities having relatively less resources.

South African community radio is still in its infant stage; it will take time “to grow, to recognise its strengths and weaknesses, to its capacity and to reach a sustainable status (Urgoiti: 1999:2). The non-profit character of the sector in particular, and its small running budget threaten its existence. Such limitations create not only poor programming in stations, but also cause the loss of some of its experienced staff. The National Community Radio Forum (NCRF) attests donor decline and tough trading conditions as additional bottlenecks to the sector.

In South Africa although the sector is operating under a legislated environment, there is a concern that legislation and government regulation alone is insufficient, unless it is substantiated with pragmatic support from the government side (interview). For instance, research conducted by the OSF-SA demonstrates three key inefficient service areas of ICASA aggravating to the survival of community radio (Dooms, nd):

1. Frustrating pace of the authority to issue licenses: lack of staff and resources curtailed the licensing process and slowed down application processes. Most impact is felt in the slowing down of the four-year license application process.
2. Lack of adequate or proper monitoring of stations by the authority: the monitoring unit especially fails to establish closer links with stations to identify and examine their situation immediately.
3. Its failure to teach the public as audience about their right to complain about any broadcasting issue and that of their station etc.

Different media institutions, including the Freedom of Expression Institute (FXI) and the National Association of Broadcasters (NAB) frequently criticised ICASA's monitoring methods, as "cumbersome and inefficient" (Mabanga, 2001:np).

Thus, lack of government support and ineffective monitoring efforts have left the sector in a state of limbo and frustration, the result of which is many community radios cropping up briefly, and disappearing unnoticed. Durban Youth Radio, Phoenix, Siyaya FM, in KwaZulu-Natal can be examples. Those that managed to survive, like Radio Maritzburg also suffer with frustrating internal problems and are denied adequate attention from any responsible body. Thus, as Jane Duncan, from the Freedom of Expression Institute (FIX), has disclosed in her public lecture of 26 October 2003 at the University of Natal, it is not uncommon to observe many community radios turning into jukeboxes with improper regulatory imperatives such as Board meetings or Annual General Meeting etc.

In summary, the research conducted by a consortium of funders and the Open Society Foundation for South Africa (OSF- SA) on 15-community radios in the country, is important to consider as it highlights the current status of community radio and the problems placed on the sector as a consequence of ICASA's inadequate services (Dooms, nd):

1. Lack of capacity to attract advertising and funding revenues
2. Lack of a proper regulatory framework, which leads to more frustration in the sector
3. The morale amongst staff and volunteers in many community radio stations is low
4. This has an impact also on the part of Board members to attend Board meetings
5. Some Board members are said to be a law unto themselves with the absolute power to hire and fire without due consideration to the interest of either volunteers or staff.

Chapter VI.

Community Radio and Sustainability

As far as sustainability is concerned, community radios need to establish a strong relationship with their community and other partners if they are to ensure their survival. Although there is interdependence between the two, the issue of sustainability can generally be examined in terms of social and financial sustainability as it is widely discussed in a discussion paper submitted to ICASA by the Media Policy Research Unit (Tleane, 2003).

a. Social Sustainability

The financial issue in a community radio is unlikely to be resolved before the social aspect. Community radios' financial survival primarily depends on its capacity to satisfy the needs and interests of its listeners to which it belongs. As Wedell and Crookes, (1990:150) have pointed out, "it is the loyalty and sense of possession of the station, with a feeling to service the community with high degree and sense of involvement that provides the station strength and power to sustain". Thus, community radio on the basis of its mandate needs to stress primarily "social sustainability" – the sustainability that comes about when a community feels the need to use, and is given the opportunity to use, the radio station to improve itself and inform itself" (Tleane, 2003: np). That is, a community has to believe that the initiative is basically theirs and not of others or of the government's. In this case, the government should also support community activities, which are locally initiated particularly if they help the people grow in capability for self-management (Lewis, 1984). When community stations are able to achieve all these successfully, it can have social support, a strong basis for its financial security.

b. Financial Sustainability

Social sustainability does not ignore the importance of financial sustainability. Yet stations have to ensure their 'financial sustainability' in a way that does not undermine their "social sustainability" (Tleane, 2003). Social sustainability is a basis

that guarantees a station's financial security by establishing strong link with potential sources, which include donors, sponsors, various NGOs, local and national government departments, and statutory bodies. These potential sources channel their funds to stations only when they have faith in the station's performance and contribution to the communities.

Many South African community radios depend for their survival on funding from various government and non-government institutions. These institutions like the Department of Communications, for instance, provide their support based on the stations' "social" role. In other words, South African community radio needs to offer a good service and satisfy its listeners or communities so that it can win support from its community and various institutions.

In a bid to promote self-sufficiency in the sector, it is also crucial to involve South African community radio in business activities like sponsorship, advertising and promotion as a source of income. However, while advertising and sponsorship are essential to community stations as financial sources, it is important also to consider their impact on the general performance of the stations and their mandate. For instance, American community radios forgo advertising to avoid its consequences. But South African community stations need to get involved in such activities to support themselves financially. Hence, in the subsequent section the role of advertising on community radio and the way stations resist the impact of such commercialisation is considered.

c. Advertising and South African Community Radio

The reason behind establishing community radio is to provide a community with quality programming free from vested interests and profit making activities. In South Africa the support from donors and subscribers is not yet a panacea for the perennial financial crisis of community radio. The sector faces acute shortages of funding with inadequate resources and stiff competition. The temporary status of community radio, therefore, means instability and financial insecurity, which restricts the ability of the sector to make long-term plans.

Unlike those in America, South African community radio involves itself in advertising activities on the principle that the revenue is basically to fund programs or the running cost of the station (Barnard: 2000). That is, the sector may engage in a number of commercial activities such as advertising and sponsorship without necessarily being classified as commercial (Wedell & Crookes, 1991). This is done according to the principle articulated in the Independent Broadcasting Authority (IBA) Act (No. 153 of 1993) on advertising, the purpose of which is to secure some income, not profit.

The question is, how does community radio as a non-profit business, resist commercialisation? Lumko Mtimde, a councillor of ICASA in his speech at the 8th AMARC Conference (Mtimde, 2003:7) suspected that, “small non-profit making entities are not immune from cult, greed and destructive management actions”. Teer-Tomaselli and De Villiers’ (1998) also express the same concern regarding the effect of advertising in the sector. Both worry that community radios in their effort to secure money through advertising activities, might be distracted from their community mandate.

South African community radio cannot be completely free from such commercial influences; yet, as Marc Raboy (1996:6) has pointed out in referring to public service broadcasting, the sector has to give priority to social issues rather than commercial motives. Community radios are expected to uphold their mandate and live up to the principles of the IBA. Mtimde (2003:7) has suggested, “Management of community broadcasters [must] be trained in such a way that they understand their fiduciary duties and obligations to their communities, as representatives and owners”. In this case community stations need to set up their own mechanism to control the influence of such activity in their programming and editorial policy. The regulatory body in particular has to set compulsory frame-works and principles which stations can abide by. Regular monitoring and provision of training of various management skills is important to improve the performance of stations on the basis of the needs of their communities.

There are a number of important marketing activities that a community radio has to involve itself in to ensure its survival without merely involving itself in commercial and profit making activities. In South Africa where donor potential is declining, from time to time such a non-profit marketing system assists a station to generate income through advertising, sponsorship and donations, without necessarily indulging itself in profit-making motives. Such marketing activity has a potential even to keep the sector self-sustaining and free from donations or government subsidy –“which may compromise editorial freedom and its role in promoting peace [and] democracy” (Balikowa, 1995: 603).

Mostly non-profit organizations, including community radio, however, consider marketing as none of their business and relate it to the issue of commercialisation and profit making (MacDonald, 1995). The majority view it as the selling of advertising. But advertising is simply one part of marketing. Marketing research is central to the economy of any organization. Its relevance to community radio is also quite essential. Community radio broadcasters need to “adopt strong marketing principles if they are to survive, grow and prosper” (MacDonald, 1995:1).

MacDonald gives a detailed analysis on how to involve community radio in effective marketing so that it can compete against commercial stations and draw the attention of communities and supporters. He explains such activities as market research and surveys are crucial to discover a station’s clients and identify their characteristics. This helps to define the unique role for the community and guides the provision of the right service to meet people’s needs, to stand out among the crowd and attract community donors and potential supporters. Stations can also identify and make themselves known to the society through promotion and advertising. All these are part of the marketing activity and a basis for the financial security of any station. Such marketing activity attracts not only financial supporters but also a volunteer workforce to a station. Thus, community radio needs to give much effort to marketing if it wants to ensure its survival.

In the subsequent chapter, the financial sources and management of community radios in South Africa will be dealt with. The research focuses particularly on the contribution of advertising as a financial source and issue of mandate, by taking Radio Maritzburg, in KwaZulu-Natal as a case study.

Chapter VII

Research Methodology and Limitations

The purpose of this research is to examine the general problems of community radio in South Africa, specifically to explore the economic status and the contribution of advertising as a financial source to the sector. The research is based on a case study of Radio Maritzburg, a community radio station in KwaZulu-Natal, South Africa. The case study might not be representative of all stations in South Africa, even within the KwaZulu-Natal area, as each station is quite distinct from one other in terms of resources, administrative regulations, type of community they represent etc. However, it can highlight the problems faced by community radios in South Africa, particularly in the KwaZulu Natal area regarding their financial issues and management.

In this research, although the 'opportunity sampling' technique was used to select a representative station, there are three additional reasons for considering Radio Maritzburg as a case study. First, since the study basically deals with the financial problems of the sector, preference is given to geographically founded stations rather than community of interest stations as the former are the hardest hit in terms of finance compared to the latter (Naughton, 1996). As a geographically founded station, Radio Maritzburg is from a study point of view preferable to other stations in the KwaZulu-Natal area, such as Radio Khwezi (Feyissa, 1999) or Highway Radio (Mjwacu, 2002), which, of course, are community of interest stations. As Radio Maritzburg has also been on air for a long time and involved in business activities such as advertising and sponsorship for its survival, this also qualifies the station to be a representative sample to study issues of finance and advertising income. Apart from that, most previous studies have attempted to examine some community radio stations in KwaZulu-Natal mainly focusing on the issue of representation by specifically taking a station of interest as their case study (Feyissa, 1999, Mjwacu, 2002, Ndlovu, 1999, and Kaihar, S. 1999). Radio Maritzburg, as a geographically founded station seems to get less attention from students; this also encourages the researcher to examine this untouched station as a new research area.

The study basically follows a qualitative research method. The qualitative data collection methods involved are: interviewing, participant-observation, questionnaires, and document analysis. Interviewing is the dominant data collection

method employed in the research. As Flick (1998: 52) has noted, access to the field of study becomes more critical and demanding in qualitative research than in quantitative, as the latter requires simply handing out questionnaires. As the focus of the study was mostly advertising income and financial management the researcher had to establish good relationships with the managers and staff of the station. With the limited time frame, in-depth interviews were conducted of the unstructured or semi-structured type. Most of the interviews were conducted in a flexible manner but also controlled by encouraging the informant to discuss issues related to the topic freely (Burgess, 1982). Regardless of its time-consuming aspect, the unstructured interviewing was advantageous to my research as it provided me with the opportunity to follow up and “probe response and investigate motives and feelings which the questionnaire fails to do” (Bell, 1993:90).

Generally the key informants interviewed include: the acting manager of the station, Board chairperson of the station, the chairperson of Program Advisory Committee of the station and a trainer from IAJ (Institute for the Advancement of Journalism). Since different personnel have managed the station for some time, it was necessary to interview the former acting manager of the station for additional information. In a bid to evaluate the programming of the station, the chairperson of the programme advisory committee of the station was also interviewed. In addition, three staff members of the station were interviewed to crosscheck some facts. These interviews provided me with a general view of finance, advertising and mandate issues, as the manager and staff of the station perceived them.

The researcher also depended for his data on a questionnaire distributed to participants in a workshop given for the radio station. The questionnaire under the title ‘Weather Report’ (appendix: 8) with eight open-ended questions was meant to give the participants (staff of the station) an opportunity to give their ideas and views about the station. Their responses were important in highlighting the current situation of the station and in substantiating the ideas obtained from the key informants.

Data gathering also involves participatory observation where the researcher interacted with the staff at the radio station for more than three weeks in addition to attending a five-day workshop given to the station on radio management. The workshop, which

was given by the Institute for the Advancement of Journalism (IAJ), involved management training for the staff of Radio Maritzburg. Participants of the workshop included most of the station's staff, the manager and Board chairperson of the radio station. The workshop was relevant to the topic under research as it dealt with issues of governance and proper station management. As a participant observant, the researcher tried to collect ideas and views discussed at the workshop although there was a limitation in some cases in "locating or gaining access to settings in which a substantial set of observations can be collected on the topic of interest" (Morgan, 1988: 16). In general, attending the workshop provided the researcher the opportunity to ask questions, forward comments as a participant, and to take notes and points raised in the discussion.

In a bid to analyse the financial management of the station and to examine the contribution of advertising income, referring financial documents was a must. Bell (1993) categorizes these documents under primary sources to refer to those that came into existence in the period under research or documents or reports of a seminar or workshop. For instance, incomplete research conducted by the station staff (Sekete, 2003) was an important source of information, which falls under this category. In addition to that, assorted documents of the station, including advertisement scripts, recorded materials and financial statements are taken as first hand sources in exploring the financial progress of the station. In this case, data are described in terms of quotations, descriptions and excerpts of documents to produce a narrative and occasionally a chart or diagram representation.

In most cases, it is most important to indicate the location of documents (Bell, 1993). Documents were searched for both at local and national level. Most documents were accessed from within the radio station. However, since some of the valuable sources were lost and vandalized during the station's critical period, an effort was made to access these documents from the concerned government and non-governmental institutions. Thus, documents related to advertising were accessed from the Media Connection, an NGO involved in community radios and their advertising issues, and other legal documents from the Independent Broadcasting Authority of South Africa (ICASA). These documents were helpful not only as supplementary data to back up the research with necessary information, but also to cross-check and justify some facts that were attained through interviews.

The research has some limitations in a sense that it did not include the views of businesses located in the community regarding advertising their product through the station. Initially the researcher planned to interview some local business people to include their views on this issue; however, due to time constraints, the study resorted to limit itself to the views of the station managers and other key informants. Although it was not the main focus of the study, the research also saw the relevance of distributing questionnaires to find listeners' attitudes toward the station to cross-check the ideas obtained from the key informants. However, the interviews conducted, the research survey carried out by the staff, various documents, and ICASA's monitoring report were sufficient to respond to the main key questions of this study.

Chapter VIII.

Case Study: Radio Maritzburg

History, Demography and Governance

a. History

Radio Maritzburg was a vision of Dr. Michael Cassidy, from African Enterprise, an agent of the Evangelical church who saw in 1993 the establishment of a radio station as an important communication tool for the Midlands of greater Pietermaritzburg. David Hotchkiss from the same institution took the initiative and mobilized the community and resources to establish the radio station in the same year. As its mission statement articulates (appendix, 1), the purpose for the establishment of the station was to promote peace, understanding and community upliftment through the production of relevant programs. The station was basically meant to contribute to peace in the area and to alleviate the tension that was prevalent among members of the African National Congress (ANC) and Inkatha Freedom Party (IFP).

Radio Maritzburg as a community station was granted a licence at the end of 1994 and went on air on the 17th March 1995. Under the control of African Enterprise (a religious institution), Radio Maritzburg was licensed as a community of interest to serve specific religious groups of the Evangelical church. The Board members were mainly representative of the Evangelical church too. Yet a 1996 application letter to the Independent Broadcasting Authority (IBA) by Radio Maritzburg Trust detached it from the church, turning it into a full-fledged geographically founded station. The radio station with a power of 150W and 107.6 FM, bandwidth currently caters for the interests of all those people living in the geographic area of Pietermaritzburg covering the Howick, Mpophomeni-Richmond-Cato Ridge-Wartburg areas.

Radio Maritzburg is the third biggest community radio station in KwaZulu-Natal in terms of listenership size according to SAARF statistics. The station, despite its long history of survival, has experienced various difficulties including a three months closure in 2001. Locating itself at the heart of the city of Pietermaritzburg, the station at present caters for diversified ethnic groups with different programs in different languages.

b. Demography

The radio station's application letter describes Pietermaritzburg as Urban, Peri-Urban and rural. The population density is over one million and the area covered by the station includes Pietermaritzburg, Hammarsdale, Mpumalanga, Richmond, New Hanover, Dalton, Wartburg, Camperdown, Howick, Mooi River, Estcourt, and the surroundings within the Msunduzi and uMgundlovu District (appendix: 2, geographical coverage of the station).

Radio Maritzburg aims primarily at the black Zulu-speaking listener aged from 24 – 34 with SAARF Universal LSM group 2–6 earning an average income of R2 000.00 per month (RAMS July-June 2003). Although the potential audience of the station stands at 94,000, the South African Advertising Research Foundation (SAARF) July-June 2002-2003 indicates the station's listenership standing at 60,000. This puts the station third in line behind Radio Highway, and Khwezi FM in KwaZulu-Natal with approximately 107, 000 and 68,000 audiences respectively (SAARF). The station broadcasts in multi-national languages including Zulu, Afrikaans, Xhosa, English, Siswati, Sotho, Tamil, Hindi, and Urdu. Most programs are predominantly in iSuZulu, Afrikaans and English languages, yet the station allocates the afternoon slots to the other minority languages. Multilingual broadcasting through the station promotes linguistic and cultural equality in South Africa as stipulated in the Jabulani Freedom of The Airwaves article 1.1.1& 1.1.2

- South Africa is a multi-lingual Society, and that all South African languages be given equal validity to be heard on Television and radio
- All languages should be broadcasted to empower all South Africans in the mastery of different languages.

The station operates in “a melting pot of cultures” using as many as six different languages to include minorities. “This has seen as a sharing of cultural values and ideas and has resulted in greater awareness and respect being fostered among the members of [our] diverse community” (application letter). In Radio Maritzburg, programming time is allocated according to the demographic diversity of its audiences as stated in its business plan.

- English speaking 18%

- IsiZulu speaking 78%
- Afrikaans speaking 1%
- Others 3%.

The last entity ‘others’ represents other minority languages such as Xhosa, Sotho, and the Indian languages. Recent research by a staff member of the station regarding its demographics indicates a similar percentage in all languages except for Afrikaans which grew to 9% from a mere 1%.

Since its establishment, the listenership size of Radio Maritzburg has been fluctuating due to various circumstances. The South African Audience Research Foundation (SAARF) records the listeners’ level of the station in year 2000 to 2001 to be about 60,000. This is approximately about 0.2 percent of the total population of South Africa. The size, however, falls by one-third in the subsequent two years when the station experienced poor management and reached the point of closure. Currently the station is demonstrating progressive achievement in terms of income and listenership growth to resume its former status (fig 1: below).

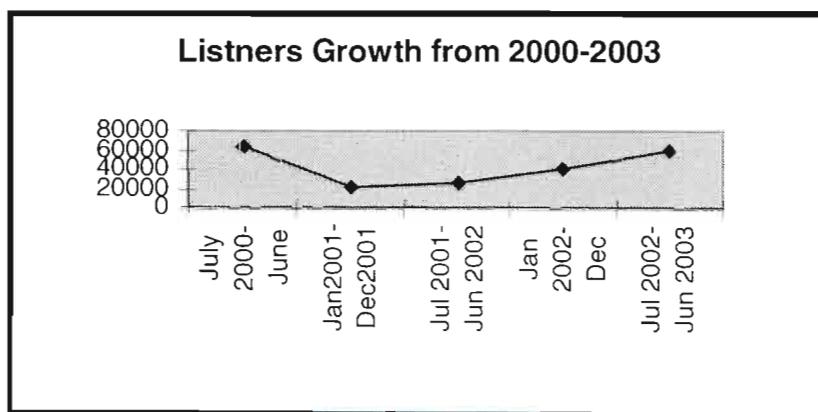


Figure 1: Listeners growth based on SAARF online web statistics (July 2000-July 2003)

c. Control and Governance

Radio Maritzburg is owned by a democratic and co-operative society, and run by a voluntary committee of management (according to the station’s constitution). As a non-profit organisation, the station stands for the common good of serving the community, or a portion of the community. A Board of Trustees is responsible to run the station on behalf of the community.

Established as a community of interest station as it was under the Evangelical administration, the station was registered under Trust of the Independent Broadcasting Authority (IBA). The Trust is established strictly on a non-profit basis for the benefit of the stakeholders. This Trust is different from that which Radio Maritzburg used in its early manifestation since then it was mainly acting on behalf of specific interest groups from a religious institution. With the transformation of the station from a community of interest into a geographically founded station in 1996, however, the management structure was transferred to a new Trust-controlled station. This trust body is an independent entity set up by a community to look after and administer property on behalf of a community. The Trust body also controls funds allocated to the station (Fine, 1999). The Deed of Trust guides the trustee. The Deed of Trust of Radio Maritzburg gives the Trustee the power to administer the property or money at the station. The station's Deed of Trust is a publicly certified and registered under the Magistrate of Pietermaritzburg (appendix: 3). The purpose and mission of the Trust as stipulated in the stations' amended Deed of Trust Clause 5 is:

To facilitate the establishment and operation of a community radio station in Pietermaritzburg and the Midland area for charitable and education purpose and on good moral principles which aims to serve the communities of the Midlands by bringing peace understanding and community upliftment through communication and entertainment.

Generally, in terms of Section 6 (1) of the Trust Property Control Act, 1988 (Act 57 of 1988), a five member body is authorized to act as Trustee(s) of the Radio Maritzburg. These Trustees are elected by the community at the General Annual Meeting (AGM) to serve as the highest decision making body at the station. According to an interview with some staff members and the researcher's personal observation, only two of the Board members seem to be actively involved in the daily affairs of the station at present. This is likely to create a burdensome workload to the Board to accomplish all the tasks of the station. The Deed of Trust stipulates any Board can stay in office for four years and a new Board can then be appointed by a resolution passed by two thirds at the Annual General Meeting (AGM).

The Board of Trustees has two female members and the rest are male incumbents drawn from various fields of experience and knowledge. The Board assumes itself as

neutral with no members holding office in any political structure that might have an influence on the station's editorial policy and mandate. Meanwhile, the Board (in 2003) based on the power vested in it has co-opted two more new members on a temporary basis to assist in affairs of the station. The following is the organizational structure of the station:

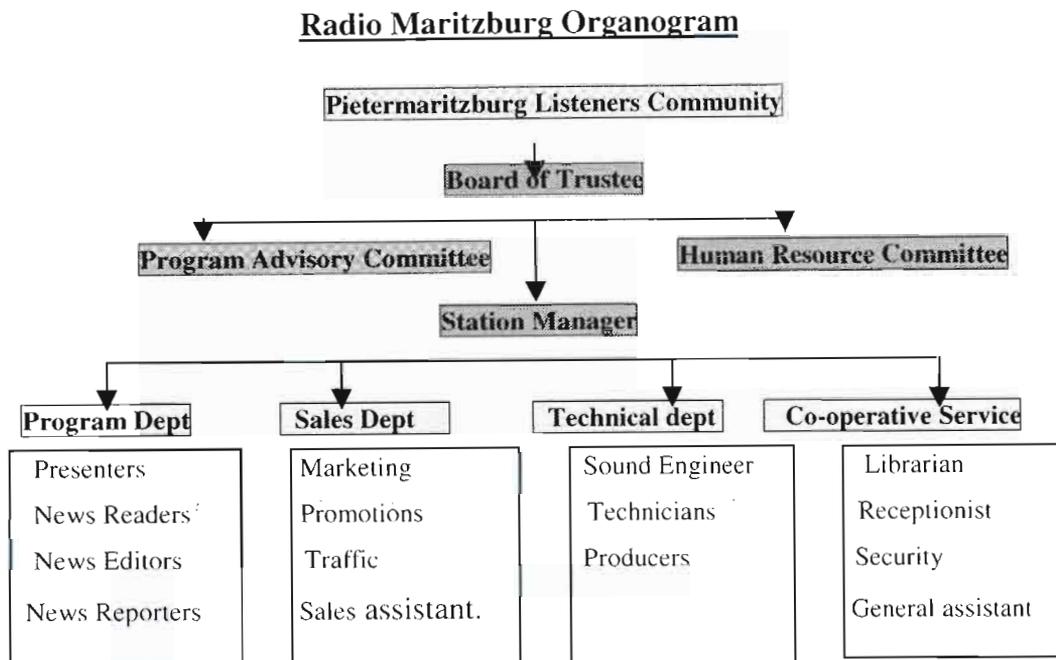


Fig2. Radio Maritzburg organogram; **Source:** Radio Maritzburg archive (2003)

The Radio Maritzburg Board usually meets once in a week to review the activities of the radio station. According to the constitution, the Board of Trustees has the power to appoint a station manager following the required criteria set by a committee. Radio Maritzburg currently seeks a manager whose entire work is to look after and run the station.

Radio Maritzburg has been struggling to serve the people of Greater Pietermaritzburg for the past ten years, and it has also been through various critical financial and administrative difficulties to make its ends meet. Such logistic and financial problems are not specific to Radio Maritzburg though; many more community radios in South Africa suffer similar problems. As non-profit organizations, they mostly rely on donors and subscribers and thus they are likely to suffer from a lack of reliable financial sources.

The South African National Community Radio Forum (NCRF) identifies the decline of donor support as the main impediment to the proper functioning of community radios in the country. Thus, the reason behind involving the sector in advertising activities, unlike the American community radios, is to help them obtain income to cover some of their expenses without necessarily being profit motivated.

Thus, having highlighted the common history, demography, and management structure of Radio Maritzburg, the subsequent chapter will concentrate on the general performance and economic status of the station. The discussion will particularly focus on the issue of sustainability and the role of advertising as a financial source to the sector by exploring the following specific areas:

- The contribution of advertising as income source and the proportion of running cost it covers to keep the station operating;
- The way the station encourages local businesses to advertise their products or services through this radio station; and
- The way the radio station copes with advertising's effect on its ability to manage and respond to the community's participation.

Chapter IX.

Financial Sources, Management and the Role of Advertising

According to the Deed of Trust and organizational structure of the station, financial resources and management are under the control of the station manager, who is accountable to the Board. However, since there is no station manager at present, financial flow and management is conducted by an appointed Board member. Each year a chartered accountant prepares the financial statement of the station to be presented to the community at the AGM and to ICASA (see appendix: 4a, b, c).

There are a number of indicators that contribute to the social and financial sustainability of Radio Maritzburg. In a workshop held at the station on management training, participants pinpointed the following healthy conditions of the station as potentially positive to the survival and financial growth of the station:

- Presence of committed presenters and the Board.
- Station's experienced work force
- A four year broadcasting licence
- Committed volunteers and community support,
- The presence of an administrative body that keeps the day-to-day running of the station.
- The strategic location and accessibility of the station to the public.
- Location of the station at Centre of Pietermaritzburg where potential business people and advertisers are located with almost no other competitors.

As far as financial income of the station is concerned, Radio Maritzburg Trust income statement of the year 2001 to December 2002 (appendix, 4b) demonstrates advertising and promotions as the highest source of income for the station. Although income through advertising is the main focus of the study, other financial sources of the station are also important to consider in order to give us a clear picture of the general progress of the station. In the subsequent paragraphs these various financial sources will be discussed before dealing with advertising, the main issue of this study.

a. Donations

There are no regular donors to the radio station. Donations provide a small proportion of the total income. The Municipality of Pietermaritzburg and uMgungundlovu

District Council made a once off donation of R20, 000.00 and R10, 000.00 respectively in the year 2001. These donations, however, were very small compared to the total expenditure of the station in the same year. The financial statement of the station of the year 2001-2002 reflects a total donation of only R50, 000. This is approximately 15 percent of the total revenue of the station. Thus, for Radio Maritzburg, donations are an inconsistent and unreliable source of income. Moreover, this source of income is declining. As Mr. Muzi, acting station manager, has pointed out referring to the financial statement of the station of the aforementioned year, advertising and promotion are the main contributors to the survival of the station. Yet, income from donations at the station is minimal.

b. Sponsorship

Program sponsorship is further way by which Radio Maritzburg has ensured its survival in the past two years. Main sponsors of the station in the last two years were the Department of Communication, Department of Transport, and the Department of Health HIV/AIDS unit. The programs sponsored by these institutions include issues related to health, development, crime, traffic etc. The Department of Communication, in particular, in an effort to assist in the program content of the station, had set three projects at a cost of R13, 000 each from April 2002 up to August 2002. Such sponsorship has greatly assisted the station to generate income as well as to improve its program quality. Radio Maritzburg sponsorship income has been declining since the beginning of 2003. Currently, the station does not have any sponsored programs. The station covers most of its expenses from income that is generated through advertising. Such lack of sponsorship has affected the station's financial security and program quality. As the broadcasting and monitoring authority stipulates, sponsorship has to be seen distinct from advertising. The Independent Communication Authority of South African notes the existing blurring of these two distinct forms. The authority commends the use of sponsorship as a means of program delivery in broadcasting stations without affecting their editorial policy and program content. This regulation protects sponsored programmes from being loaded with logos and product placements that undermine programmes. Since most South African community radios including Radio Maritzburg depend for their survival on sponsorship support, it is important to consider the impact of such support as well. This is to raise the assumption that funds

or sponsorships from national government or a local authority in particular, may affect the programming of the station, which may imply a level of control over that station (Vittet-Philippe & Crookes, 1985:157). This also encourages one to examine whether sponsorship given to Radio Maritzburg by governmental institutions such as the Department of Communication has any influence on the editorial policy and program content of the station.

In Radio Maritzburg such sponsorship from the governmental and non-governmental institutions seem to have had little effect on the station's program and editorial integrity. As the ex-manager pointed out, such dependency had insignificant effect as the sponsors barely involve themselves in selecting or dictating to the station on the content of the program. The procedure was the Department provides the station with the major theme or issues to be addressed, and it is up to the station to select, prioritise and prepare programs on the basis of the needs of its community. The Board and the Programme Advisory Committee (PAC) also evaluate and monitor the station's programme content. The committee makes researches and assesses programs on the basis of comments forwarded from the community, and addresses the issues to the Board for improvement.

Some scholars argue that sponsorship is the highest and easiest source of funding for most community radios in South Africa. This is partly because it takes less time to obtain sponsorship support than to win specific listeners for advertising income, especially for a newly opened station. Thus, community radio needs to give priority to find sponsors as an immediate financial source before spending most of their time in the search of advertising sources (discussion at the workshop).

As far as improving a station's income is concerned, it is important to consider the mission statement of a station, as it seems to correlate with its sponsorship opportunities. Radio Stations whose mission statements aim at health and developmental programmes in South Africa seem to gain more donations from NGOs than those that focus on some other issues. Developmental programmes in this case may include those that raise issues on women, health, crime, environment, labour, education etc. In an informal interview with a community radio management trainer

from the Institute for Advanced Journalism (IAJ), he cited Radio Zibonele and Bush Radio as examples, with similar missions on health and developmental issues gaining good financial support from NGOs. This is a good lesson for stations to re-evaluate and articulate their mission statement to attract community, sponsors, advertisers and donors. Such re-evaluation of mission statements might also be helpful for Radio Maritzburg whose mission statement places stress on the promotion of peace and harmony, and yet gets less attention from most NGOs and potential sponsors. At the moment Radio Maritzburg gets little support from sponsorship. While this research was conducted, the station was running its programs with no sponsorship support. The reason for this is partly due to the station's failure to promote itself and sell its mission to potential sponsors and donors.

C. Advertising and promotions

Radio Maritzburg's main sources of income are advertising and promotions. Advertising at the station, as it is stated in the Independent Broadcasting Authority Act, No. 153 of 1993 refers to "any announcement, aural form, for which the broadcaster receives a consideration, in cash or otherwise, and which promotes the interest of any person, product or service ". In this case, the IBA definition of advertising excludes advertising such as free public service announcements (PSA), supply agreements, infomercials exceeding two minutes in duration and sponsorship elements which form part of in-programme content which mostly includes some of the following (IBA Act, No. 153 of 1993):

- Spot commercials,
- Paid for public service announcements,
- Infomercials of up to two minutes in duration,
- The proportion of sponsorship packages which are constituted of classic airtime spots,
- Promotions and publicity (including self-promotions and competitions), where the bulk of the content is devoted to the exposure of a product, service or goods.

Radio Maritzburg follows the IBA regulation on advertising and it abides by the Advertising Standards Authority of South Africa (ASA). The station does not promote advertising of liquors and tobacco (Mjwacu, 2002). As the station represents a community with diversified ethnic groups, advertising regulation at the station also considers the beliefs, cultures and perceptions of the people within the community. Advertising is selected and run at the station in a manner that does not undermine the norms and beliefs of the community within the geographic coverage, according to an interview with the acting manager.

Advertising income of any station can be affected by a number of circumstances. For instance, smaller size and inadequate resources pose a problem for community radio to compete with bigger commercial stations. Competition becomes stiffer especially when a station is located near commercial stations. Radio Maritzburg, however, seems to be in a relatively conducive environment with relatively minimal competition for potential advertisers. The Media Connection, a Gauteng based agent that outsources national advertising to community radios, cites the location of Radio Maritzburg [City of Pietermaritzburg] as a prime advertising area to establish a constant flow of income to the station from advertising (appendix: 4). It is located in a relatively lucrative business area with potential advertisers in contrast to for example Radio Khwezi (Feyssa, 1999) situated in the far rural areas of KwaZulu-Natal. This local resource, unless otherwise harnessed by the station appropriately, might also be exploited by other commercial and non-commercial stations like Ukhozi FM, East Coast, Metro FM, P4 Radio, S.A FM, Radio 5, Radio 2000 and Umhalobo, located within the same licence area of Radio Maritzburg in KwaZulu- Natal.

Community radio networking is an important mechanism by which the sector challenges and competes with well-resourced large public and commercial broadcasters for a share of the same listenership to ensure its survival. Radio Maritzburg as part of this networking, secures advertising income through coordinated work with other community stations in the country. This helps the station as an alternative source of income to make it self-sufficient.

South African community radio may get advertising revenue from a number of sources, mainly from international, national, local businesses or organizations. Yet

Radio Maritzburg gets most of its advertising income from local and national markets. Local advertising is often obtained from businesses around Pietermaritzburg through the station's sales and marketing manager, a position currently held by a Board member of the station. Local advertising is still a small proportion of the total income of the station. This indicates the station's failure to properly encourage small community businesses to make use of their station for promotion or advertisement purposes as it is indicated in the business plan of the station.

Radio Maritzburg, however, gets most of its advertising income from national companies. Three important agencies play a significant role in outsourcing the station with national advertising and promotions. These are: The Media Connection; Derrick, Muzi Sybia Multimedia Company (DMS); and Motswako. The Media Connection, an agency that outsources advertising to most community radios in South Africa, is the main source of income for Radio Maritzburg. The agency provides advertising sources out of which it obtains 5% revenue as a return. The Media Connection currently plays an important role and serves as the lifeblood for Radio Maritzburg. Derrick, Muzi Sybia (DMS Multi Media) is another agency that is involved in the marketing and advertising activities of the radio station. DMS is a private company located at Pietermaritzburg owned by a Board member who currently acts as station manager. DMS acts as marketing and advertising agency on behalf of the radio station. As will be discussed later, the involvement of DMS in the business affairs of the station raises a controversial issue related to conflict of interest, as the agency is owned by one of the Board members

Motswako is also involved in outsourcing advertising to Radio Maritzburg. While the Media Connection is involved in only the commercial activities of community stations, Motswako is involved with all broadcasting institutions (interview 1, 2003).

In Radio Maritzburg advertising airtime at the station is sold mostly on flat rate per slot as it is stated in the station's business plan. The station's business plan indicates a projected cash flow of R 1,971,000.00 per year from advertising. This figure is generated on the assumption that 50% of the airtime is sold at R30.00 per 30-second slot. The advertising income, excluding donations, sponsorship and others, exceeds the total expenditure by R1,181,400. The reality, however, is different. As the station

fails to meet the proposed plan, it faces an acute shortage of money to guarantee its survival.

The station has its own rate card (appendix: 5) stipulating advertising cost per slot. The price depends on different sections of the station's airtime, which includes the prime time show, the mid morning show, and the late evening show. The former is the most highly rated airtime, mostly standing at approximately R 414.00 per slot. Mostly national advertising is charged on the basis of the station's rate card. Local community businesses, however, are treated differently with some privileges, through the provision of either a special price cut from the normal rate or extra spots as a way of encouraging them.

Nevertheless, as mentioned earlier, advertising from local businesses is still quite small. The station has little local advertising due to the community's lack of knowledge about the effectiveness of advertising through radio stations. Yet local businesses complain the station's advertising rate is expensive. The station's failure to harness its local market is a great loss in its income source. Thus, it is my personal opinion that stations like Radio Maritzburg need to exert more effort to encourage and teach local businesses to make use of the station for the benefit of both sides. Be that it may, the general advertising income of the station can be analysed in brief from the financial statements of the station as well as from The Media Connection report. In this case financial statements of the years 1997, 1998, and 2001 are taken for such analysis. Statements of the years 1999 (appendix: 4c) and 2000 are not included here as the former is incomplete to show the income breakdown of the station (especially of advertising), and the latter was inaccessible to the researcher.

Generally the income generated through advertising at the station in the aforementioned years has been fluctuating due to various circumstances. The financial statements indicate a steady growth of advertising income in the years from 1997-1998. In 1997, for instance, the station had advertising income of R161, 224. The amount increases by 28% in the year 1998. The income however, declines in the subsequent years particularly after 2001 when the station suffers critical administrative problems, as the ex-acting manager of the station Mr. Moleffe has noted (interview no.3).

The Media Connection's Report 1 on the station's advertising income can also substantiate this fact for the year 2001. The Media Connection's report demonstrates a steady decline of Radio Maritzburg's advertising revenue for March 2001 – July 2001.

The decline of income at this time was due to management problems, which was followed by a three months closure of the station. The following diagram (Fig.3) is the net advertising income of the station from a single advertising source to the station (the Media Connection) demonstrating a decrease in advertising revenue (appendix: 6b):

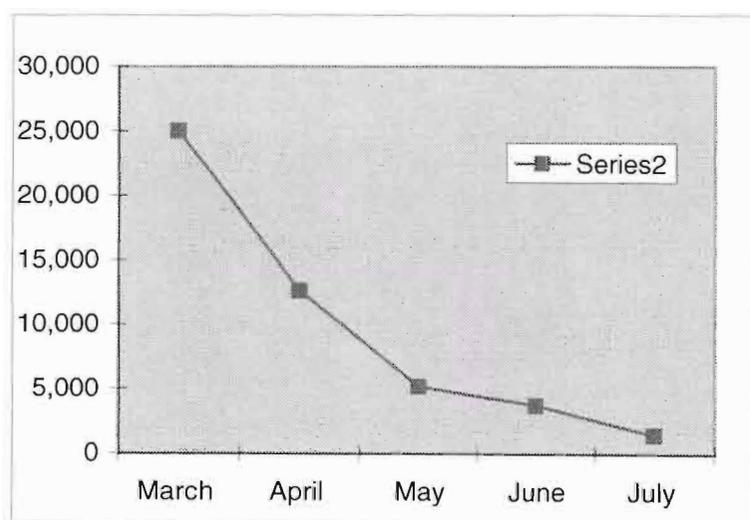


Fig. 3: A five months advertising income of the station from the Media Connection.
Source: The Media Connection: 8 November 2001

A further three-year gross advertising income of the station from the same source can also highlight the current advertising income of the station (appendix 6). The record demonstrated an increasing advertising income in the subsequent year of 2002 with the highest in April - R42, 850 - and lowest in January, only R5, 250. The progress, however, tends to decline in the following year of 2003 as a result of the internal squabble at the station, a subject to be discussed toward the end of the analysis. The following diagram demonstrates three-year gross advertising income of the station channelled via the *Media Connection*¹:

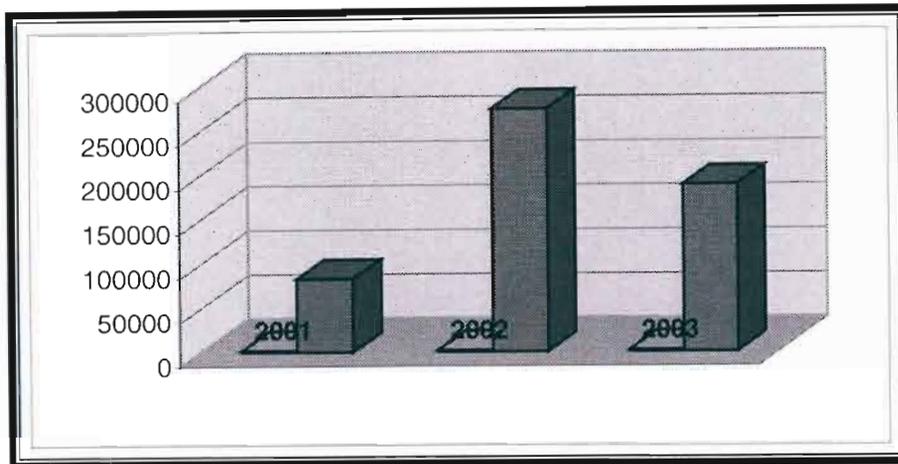


Fig. 4: A three-year national advertising income channelled to the station from The Media Connection.
Source: The Media Connection archive (appendix: 6a)

Be that it may, the main purpose of this study is to find out to what extent advertising income supports the station to ensure its survival. Put differently, what proportion of running costs is generated by advertising to keep the station operating?

¹ **The Media Connection** report is merely to provide a general picture of the monthly advertising income of the station from a single advertising agency. As some of the figures given in this report are stated in gross, it might be substantially different from that indicated in the yearly financial statements of the station; thus it is advisable to rely on the audited advertising income statement of the year 2001-2002 for a more accurate figure.

A general overview of the financial income of the station, specifically of advertising ratio can be assessed from a recent financial statement of the station submitted to ICASA. The station's Deed of Trust clause 18 states that the financial year of the Trust terminates on the last day of December each year, thus it is incomplete to talk of financial issues for the year 2003; hence the researcher uses the audited financial statement of the station of year 2002 for analysis (appendix: 4b).

A twelve-month financial statement of the station (31 December 2002- 31 December 2003) indicates, the total expenditure of the station standing at R184, 721. Ninety percent of the total expenditure went for hiring equipment (transmitter), salaries, production fees, and commission and lease rentals. An amount of R32, 794 earmarked for salaries in this year became the credit balance for the station in the year 2003 as volunteers with a non-paid staff run the station.

As far as the income of the station for 2001-2 is concerned, the report reveals a total of

R334,980. This includes income generated through advertising, donations and promotions. Advertising revenue of the year is R106, 555.88. It makes up 35 percent of the total income. An addition of R170, 355 generated through promotions constitutes the highest share of income to the station. The following diagram indicates advertising share compared to other sources of income of the station.

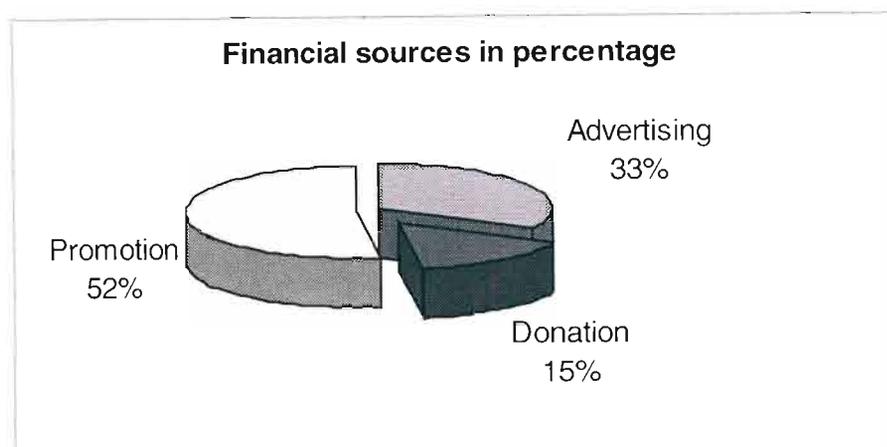


Fig. 3: Advertising share in relation to other financial source of Radio Maritzburg. **Source:** Income statement of Radio Maritzburg (2001-2002) submitted to ICASA.

The illustration indicates that the proportion of income generated through commercialisation such as promotion and advertising is much higher than that of donations. For Radio Maritzburg, donation is an insignificant income to keep the station operating. The study, however, demonstrates that promotion and advertising income acts as a panacea to the perennial financial crises of the station. Unlike donations, both have been key factors for the survival of Radio Maritzburg. The station, however, has a number of possibilities to boost its advertising and promotion income from the existing level. Yet, at present, it seems to lack the capacity to harvest this potential to the maximum. This is partly due to a number of circumstances including inadequate management and marketing effort, which will be part of a later discussion.

Much has been discussed about the involvement of a community radio in the commercial activities of the market world for the sake of survival; the question that remains is the issue of the community radio and its mandate. This is to relate to Teer-Tomaselli and De Villiers' (1998:166-7) concern regarding advertising in community

radio. Both scholars express their concern that community radio in its efforts to secure money through advertising activities might be detracted from its mandate and fail to respond to people's participation. The sector, as Marc Raboy (1996:6) has pointed out in referring to public service broadcasting, requires giving priority to social issues rather than commercial motives. The question is, how? How do stations like community radio (or for that matter public service broadcasting generally) uphold their mandate while involving themselves in commercial activities? In response to this question, the subsequent chapter will highlight Radio Maritzburg's programmes and community participation and the way the station copes with advertisements' effect on its ability to manage and respond to the community's participation.

Chapter X.

Station Programming, Community Participation and Mandate

a. Programming

As has been discussed earlier, commercialisation or involvement in advertising activity unless controlled can affect the program content and the editorial policy of a station. This is true for any media institution as well as Radio Maritzburg. However, Radio Maritzburg's involvement in advertising activity does not necessarily lead the station to transform into a commercial enterprise. The station has its own policy and regulation to keep such influences to the minimum.

Radio Maritzburg's simplistic slogan reads: "The station that listens to its people". However, since the station uses old studio equipment, it suffers from poor sound quality, which makes it rather difficult for the people to listen to the station. (IAJ report, 2003).

As far as the effect of advertising on the station's mandate is concerned, it is important to discuss the role and the responsibility of the Programme Advisory Committee (PAC) at the station. PAC is part of the organizational structure of the station with people from different technical and cultural backgrounds. This body is elected at the AGM to assist the Board and look over the general performance and programming of the radio station. The committee according to the Deed of Trust evaluates the programme content of the station and forwards its input for any further improvement based on its research and comments from the community. The amended Deed of Trust of the station stipulates the main task of the Program Advisory committee as follows:

- I. To monitor programme broadcasts by Radio Maritzburg
- II. To advise the Board of Trustees on programme related matters
- III. To ensure that programming provided by the community radio service reflects the needs of the people in the community including the cultural, religious, language and demographic needs

According to the Deed of Trust, the body is expected to continuously monitor the programs of the station and ensure that community needs are often reflected. The committee has ten members with representatives from different ethnic groups. PAC membership fluctuates from time to time for different personal reasons. The recently re-structured PAC has six members; a further co-option is to be carried out based on the needs of the station (appendix 14). The committee meets once a month to discuss the ongoing programs of the station. In the meeting, programs are evaluated based on information gathered from the public and comments. The PAC also conducts a general survey of the performance of the station. These views and opinions are analysed and the final resolutions are given to a Board member for improvement. The recently conducted research (Sekete, 2003) is part of the efforts made by the PAC to find out audience perception of the station.

In Radio Maritzburg there seems to be a mismatch between the program log sheet and the programs that are on air. The PAC believes sometimes the station fails to broadcast according to its scheduled programs due to lack of competent presenters. Apart from the financial constraints of the station, the issue of voluntarism is another problem for the smooth running of programs. This problem comes due to lack of clear contractual agreement between the station's management unit and the volunteers. This loophole gives the volunteers an opportunity to leave the station at any time they feel and whenever they get jobs outside of the station. Such problems sometimes lead the station to have inconsistent programs and cause the PAC to re-arrange new programs based on the resources available.

As a geographically founded station, Radio Maritzburg also faces a unique challenge to cater for assorted racial groups of its community equally; this problem might not be true for radio stations like Highway Radio or Radio Khwezi, as they have to cater for specific audiences. Despite these challenges, the PAC believes that the station programs are improving since it reopened in 2001. The most common programs of the station include the breakfast show (mostly music) youth programs, development programs, health programs dealing with HIV/AIDS, and other relevant issues.

Research conducted by the Board chairperson, Mrs. Beauty Sekete, and the PAC is important to consider as it highlights the general outlook of the station's programs and

listeners' feelings (Sekete, 2003). The study shows that news, children's programs, religious programs, talk shows, educational programs, women's issues, sport, cultural programs, and dedications are the most common programs of the station. Dedications hold the highest listenership. Dedications encourage community participation by providing the public with the opportunity to dedicate music or messages to their family or friends through the radio station. Quoting a respondent's view, Sekete (2003) attributes the reason behind high listenership to dedications to its potentiality to connect family and friends through phone-ins. Music and news are rated as the next most preferred programs of the station. Particularly gospel holds the highest score in terms of listenership size from the music category.

Despite limited resources, the research reports the station doing well to satisfy the needs of its listeners. There is a concern by some that the station gives too much airtime to music. Although airing music through a community radio station for most of the day has an impact on "cultural identity and community pride" (Dagron, 2001:15), it should not exceed the limit to resemble deejay booths. In Radio Maritzburg, efforts are made to inhibit such practices. The PAC also believes the predominance of young volunteers at the station has an impact on the music/content ratio of the program as most of the young staff are naturally inclined to incorporate more music in their program content.

Most often lack of resources and finances oblige community radio to air more music. As far as improving music/ content ratio of such stations is concerned, it is worth considering the endeavour of the National Community Radio Forum. In an effort to assist community radio enhance its program content, the NCRF has formed the SACRIN- the South African Community Radio Information Network - the aim of which is to interlink community radios in the country via satellite and share relevant programs directly from its main studio in Johannesburg. Much of the SACRIN programs include a national live panel/talk-show/call-in format, attracting listeners from SACRIN stations all over the country. There are currently 37 community radio stations sharing the same programs from the SACRIN Network (NCRF). Radio Maritzburg, however, is not a benefactor of such programs because the station lacks resources to link itself to the NCRF satellite. In addition, there is the belief (of the

acting manager) that programs from SACRIN are not designed on the basis of the needs and interests of the local community (interview, no.1, 2003).

The connection between the Department of Communication and the radio station in the year 2002 had a significant impact on the improvement of the station's program content. The Department had sponsored a three-phased project of programs on issues like health, crime, education, though it no longer exists. Given the different problems the radio station encounters due to lack of finance, personnel and competent administration, it is very difficult to expect the station to completely satisfy its listeners and to fulfil its mandate properly. Neither is it possible to evaluate the current performance of the station, as there are no adequate documents either at the station or from ICASA about it. Yet we can have a general picture of the station from the report of the Independent Communication Authority of South Africa (ICASA) for the year 2002 (appendix 13). The ICASA Annual Monitoring Report of 2002 provides a general highlight of the station's performance in terms of program and local content. The report indicates that the station has failed to submit the required program logs sheet prior to May 2002 due to management problems at the station. However, based on the log sheet submitted since May 2002, the report shows the station playing approximately 42% South African music as opposed to 57.4% foreign music, fulfilling the required quota articulated in the Community Sound Broadcasting Service Position Paper on four year licences (10 June 1997):

All sound broadcasting services dedicating more than 15% of their airtime schedules to the broadcasting of music will be required to ensure that a minimum 20% of music broadcast by them is of South African origin.

The report further indicates that the bulk of Radio Maritzburg's airtime is dedicated to factual programs (27%), youth programs (21%), community announcements (9%) and light entertainment (7%). The Monitoring Complaint Units remarks its failure to crosscheck the reliability of this information, as the station has not recorded all its programs due to lack of a recording machine.

Program evaluation of a station alone, however, cannot be enough to determine the community radio's performance. A station's capacity to involve the community in its day-to-day activity is also a crucial factor for its survival. The study will next examine

the way Radio Maritzburg involves the local community in the programming, management and control of the station and how it encourages communities to participate in the daily running of the station.

b. Community Participation and Voluntarism

The community radio mandate does not limit itself to socially-oriented programming. It includes a number of issues including community participation. In non-profit marketing institutions like community radio, project success is realized through close community support. In South Africa, most community radios are run by a group of volunteers, in most cases with paid station managers. Voluntarism as it is explained by Lewis & Booth (1989:9) highlights the distinct character of the sector and the involvement of community members in drafting policy, programme production and operation of the day-to-day activities of the station. Both scholars also argue that voluntarism “is not the result of cost-saving calculations but is an essential means of contact with the community or community involvement, ensuring that they are represented in the day-to-day running of the station”. In Radio Maritzburg non-of the staff members are paid; and all work on a voluntary basis. Thus, the 42 voluntary members from the community are actively involved in the program production, management and presentation of the station (interview with acting manager, August 2003). The Radio Maritzburg license application indicates voluntarism and community participation as potentials that makes “the station an integral medium and means of identification for the inhabitants of the area”.

Most of the staff in Radio Maritzburg works from a low level of broadcasting skill and education; yet they work to their capacity to keep the station operating. Media scholars argue training community radio staff is an important way of improving a station’s performance but eschew too much professionalism in the sector. “Community radio training has to accommodate the low level of skill and experience of many participants and yet equip people for participation in the rapid pace of change in the local and global information arena” (Naughton, 1996:17). A similar phenomenon is observed at Radio Maritzburg where staff in their limited skill and experience struggle to produce programs to satisfy community needs. Observing a 67

year old woman, a mother of six children, Mrs. Beauty Sekete, with head sets on, and pushing buttons to release programmes on women, reminds us of Urgoiti's (1999) idea that the most important aspect of community radio is its potential to de-mystify the traditional media by providing the poor the opportunity to discover that they can also make programs of their own.

Participation of the community at the station is also facilitated by the Program Advisory Committee, which serves as a liaison between the station and the community. The committee approaches the community and finds out its interests and its comments regarding the station. The community also participates in the issue and governance of the station by participating at the AGM where it gets a chance to elect its Board. However, the community link with the station must be strong enough to closely monitor the daily affairs of the station and safeguard its resources from such vandalism and theft witnessed in 2001.

As far as women's representation in broadcasting is concerned, community radio stations are considered as an arena where gender imbalance is addressed (Naughton, 1996). Radio Maritzburg in this case need to make more effort to realize this expectation, as the female to male ratio at the station is still very low.

Chapter XI

Realities Hampering Social and Financial Progress of the Station

Where there are poor leaders, the station is directionless, riven by conflicts, and at the mercy of those who want to exploit it. With strong leadership rooted in a strong sense of mission, you find dedication, motivation, purposeful programming and close community links. Most stations fall somewhere in between.

(Pavlicevic, 1999:1)

The above quotation reveals that through strong leadership and management, stations can have a clear vision by which they can direct themselves. Without it, however, their fate becomes frustrating. By implication, a station's survival cannot be simply attributed to its financial status. Poor governance and inadequate station management are the main threats to the survival of most community radios in South Africa. Lack of proper management and of a smooth working relationship between Board, staff and the community leads to a decline in a station's source of income, be it advertising, donation or promotions. Radio Maritzburg's insolvency and financial insecurity mainly emanates from the station's inadequate management, community apathy and lack of adequate attention from ICASA and other concerned government and non-government institutions.

a. Station Management and Control

Social sustainability as it has been discussed earlier is a basis for any community radio to ensure its "financial sustainability". Social sustainability in this case refers to the strong link a station establishes with the community, government institutions, NGOs, donors or other potential sources. The level of such relationships with the different institutions determines the survival and particularly the financial status of the

station. Such essential affiliation with potential supporters can be forged only through the presence of strong leadership, a committed Board, management and staff.

In Radio Maritzburg, although the station's survival is indebted to the existing committed workforce and administrative Board, the squabbling among them has jeopardised the existence of the station and consequently led to the decline of the financial resources of the station.

The ICASA monitoring report indicates (2002), apart from the station's state of insolvency in 2001, the existence of two Boards vying for power and challenging the survival of the station. That is, in line with the obligatory conditions from ICASA, Radio Maritzburg held its AGM in July 2001 and elected a new Board of Trust. Yet the newly formed Board was unable to function and get access to the studio due to division and internal conflict created within it. The Authority found the existence of two incompatible Boards at the station: one chaired by Mr. Muzi Sibiyi, currently deputy Board chairperson of the station, and another by Tungay who was later found to be a non-South African resident (See appendix 13 a report form ICASA about the formation of the two opposing Boards).

The authority in its report states "[t]he two Boards with conflicting view-points saw Radio Maritzburg grappling even further to get its house in order". The dichotomy between the two Boards and the stations insolvency led ICASA to pass a resolution to close down the station in October 2001 for three months.

The temporary closure of the station for three months meant loss of an audience of 40-60,000 people, which subsequently affected the recognition of the station and its income sources. Such a circumstance also has substantially decreased the station's potential to attract advertisers, donors, and subscribers, as it has affected their faith and confidence toward the station. The sharp decline in the financial income and advertising revenue of the station in the year 2001, indicated in fig.2, attests to this fact.

Although the squabble between the two Boards resolved itself after the November 2001 AGM through the intervention of ICASA, internal problems in the station still persist and hold the station back from progressing. The station tried to resolve the problem by calling an AGM in March 31, 2003, which turned into chaos following tension and misunderstanding between the Board and some community members. The Board suspects some politically affiliated groups are seeking to hijack the station, and others blame the Board for being persistent in wishing to remain in power. Whatever the reason may be, there seems to be a power conflict between the Board, staff and some community members, which prevents the station from progressing.

In this case it is important to mention the contribution of each Board member. Normally each Board member is expected to discharge her/his responsibility on the basis of which the community has entrusted them. Yet in Radio Maritzburg it seems that some Board members fail to fulfil their commitment due to various personal reasons. Although, the Deed of Trust stipulates the possible option of running a station even with three Board members, such a small number can sometimes also be overburdened to properly run the station effectively. In Radio Maritzburg, although the Board has seven members some of them seem nominal and fail to actively participate in the affairs of the station, leaving the whole workload for only two individuals. This is likely to hinder the progress of the station in many ways.

Yet the absence of role clarity in management is the major problem. Normally as it is articulated in the stations' Deed of Trust, the Board's role is mainly to set goals, make policy, design strategies and monitor if such goals and plans are executed well or not. In the case of Radio Maritzburg, however, the Board seems to be stepping down from its position to function in the management and implementation activities as well. "Board involvement in the day-to-day functions is probably one of the most common dysfunctions and one that not only causes severe friction but can be extremely time consuming, thus creating inefficiencies in the delivery of services" (Jackson & Donovan, 1999:19).

Although the Board has set up the structures and organogram of the station stipulating the role and function of each unit, it took time to implement it at operational level resulting in role diffusion and confusion at the station.

Absence of a station manager in Radio Maritzburg is the centre of problem at the station. The Broadcasting Service Position Paper on four-year licences (1997) states that any community broadcasting service must have at least two permanent managerial positions. One of these is to be the station manager who would be responsible for the general operations of the station. Radio Maritzburg, however, still lacks any such personnel responsible for its general operation. A station manager and an acting manager attempted to hold the position for a brief time but both resigned. Some attribute lack of finance as a reason for their immediate resignation, (appendix: 7), and others relate it to the unfavourable work conditions at the station (interview with ex-manager, 2003). The Board is also concerned to save the station from falling into the hands of individuals with political motives that might detour the station to an unwanted direction contravening section 51 of the Act of the Position Paper of the sector, which stipulates, "no broadcasting license shall be granted to any party, movement, organization, body or alliance which is of a party political nature". The bottom line is a Board member still acts as station manager of Radio Maritzburg.

The double responsibility of a Board member who is at the same time acting manager in Radio Maritzburg seems to create some discomfort among the staff. Such work sharing might be advantageous in small community radios as it minimizes expenses, yet it has a potential to create confusion as it blurs job responsibility, which is crucial to ensure accountability and a good working atmosphere. Such internal problems substantially draw the attention of the workforce at the station away from exploring alternatives to develop the station and create income-generating mechanisms.

The station's crises become greater at the financial sources and management level. This is particularly related to the linkage between Radio Maritzburg and Derrick Muzi Sybia (DMS), a multi media communication company. The agency, like the Media Connection, outsources advertising to the station, and the agency in return gets a

certain percentage profit as a return. It is my personal belief that the contribution of DMS might be quite substantial to the radio station; however this seems to contradict the law articulated by Broadcasting Position Paper, Section 51 of the IBA:

The licensee may not pay a dividend to any of its Board members, directors, trustees, management or staff. This does not preclude the payment in good faith of reasonable remuneration for services rendered to the licensee.

The involvement of DMS at the station together with the lack of adequate information regarding the income and expenditure of the station results in a sense of frustration and insecurity within the staff. The staff have indicated all their frustration in the workshop held at the station. The “Weather report” appended at the back (look at weather forecast appendix 8a-J) indicates the staff’s responses toward the station. Their responses indicate the existence of loss of confidence between the Board and the staff members. All these circumstances undermine the stations spirit of teamwork, central to the progress of the station. Lawrence Ubisi (2003), a community radio management trainer from IAJ personally witnessed the atmosphere at the station and describes Radio Maritzburg in his report as follows:

The Board and volunteers could not clearly look at each other in the eye because volunteers are blaming the Board for the situation at the station. The Board has forwarded the deputy chairperson of the Board to manage and to set up system and establish what they call management teams at the station. The acting Manager (deputy chair) has a difficult task because the volunteers could not cooperate with him. There is a feeling that the deputy chair [has] influenced [the] decision of the Board because he has a personal interest or wanting to gain personally from the resources of the station. The deputy chair (acting Manager) is reported to own a private company that is sourcing advertising on behalf of the station for a commission.

Generally such unhealthy situations as summarized by the participants at the workshop held in Radio Maritzburg, which include lack of proper management, ineffective leadership, lack of transparency and unilateral decision-making, prevalence of conflict of interest etc, are the main threats to the survival of the station.

In such critical situations, the regulatory bodies like ICASA, government institutions and other NGOs have to intervene and assist stations to find a solution for such management and administrative problems. The Institute for Advanced Journalism's contribution in such activities is important to consider (appendix: 11). The management workshop held at Radio Maritzburg from 13 August to 20, 2003, was quite useful to the staff as it shed light on the strengths and weaknesses of the station, and on the general characteristics of a healthy community radio management. The IAJ also attempted to set up a task team composed of staff and some Board members to examine internal problems and create a conducive working atmosphere at the station, though with little outcome due to inadequate power vested in the new team from the Board. However, such trainings and workshops from various institutions are crucial to the workforce in community radios, which mostly have low skill and inadequate knowledge especially of management, which are central to the survival of stations.

The absence of clear regulation in volunteerism is also another area that seems to create obstacles at the station. While many from the community are willing to give their time and service to the station, sooner or later they want to be paid for their efforts or lose some of their initial interest (Vittet-Philippe & Crook: 1985: 11). These problems especially become apparent in the absence of clear policy and regulation that guides the use of a voluntary force at the station. In the case of Radio Maritzburg, the station seems to lack a clear guiding principle to adequately monitor the 48 volunteers at the station. This makes it difficult to control the workforce at the station who join and leave the station whenever they want.

All in all, these management crises shifted the attention of Board and staff members from concentrating on identifying the potential financial sources of the station to internal conflict, keeping the station stagnant. For instance, the Pietermaritzburg Chamber of Business (PCB) is cited as a potential source of income to the station as the Chamber is involved in a number of local businesses in the area. PCB with its main objective of integrating community business and the development of constructive strategic partnerships in the region strives to meet the interests of this sector by promoting and supporting best business practice. Radio Maritzburg being part of this sector has a number of options to use the Chamber as source of income

either in terms of outsourcing local advertising, sponsorship or donations from businesses in the area. No efforts have been made so far to forge a link with the Chamber to harness this potential. In an informal discussion, Andrew Layman, director of PCB of Pietermaritzburg attested to the absence of any connection between his Chamber and the radio station (appendix: 9).

b. Community's apathy and lack of adequate commitment

The financial decline of Radio Maritzburg partly emanates from the community's apathy and lack of involvement in the daily affairs of the station. Since the station belongs to the community, the community has a responsibility to look after and support its progress. Community participation at the AGM or in the programming of the station alone is not enough. The community has to closely monitor the financial and logistical resources of the station. Particularly, in a critical situation, the community has to look after the station's resources and protect it from theft or vandalism. Radio Maritzburg property was in an unsecured situation when it was in a state of squabble in 2001; and yet the community seems to have paid little attention to safeguard its property. As a result, some equipment belonging to the station was stolen, and thus it had to start operating from scratch when it re-opened after three months. Of course, to involve the community in such issues requires educating and mobilizing them to develop a strong feeling of ownership to support and control the station resources. Such culture and perception, however, develop only when community stations, particularly the Board, commits itself to educate the community on such pertinent issues. When there is failure to do so due to internal problems as in the case of Radio Maritzburg, external bodies and NGOs have to intervene and contribute their share to address the problems. This question might lead us to examine the contribution of institutions like ICASA and their responsibility to look after the performance of community radio, and their effort to educate the community on issues of controlling and how to complain about the station.

c. Lack of adequate support from government and ICASA

Most community radio stations complain about the lack of attention they get from the regulatory body in terms of regulation and monitoring (Tleane, 2001). This lack of adequate attention from ICASA has also contributed to aggravate Radio Maritzburg's administrative and financial problems. Intervention from the regulatory body would have been greatly helpful to find immediate solutions; yet Radio Maritzburg lacks

such assistance and its problems still continue to persist. The Complaint Monitoring Unit at ICASA has registered some of the complaints from the Radio Maritzburg community (look at appendix: 10). Yet the station still tries to resolve its internal problems and keeps itself alive without any support. Despite the internal conflicts, the dedication and commitment of staff have greatly contributed to the survival of the station. This partly demonstrates the station's strength to survive against all odds.

Lack of adequate attention from the regulatory body is not unique to Radio Maritzburg. Many community stations are also faced with a similar problem and some are succumbing to closure as a result of such inadequate support. The study sponsored by OSF-SA on 15-community radio stations also demonstrates a similar finding. The study indicates the IBA had much better contacts with community radio stations than after it had merged with SATRA to form ICASA. Before the merger, stations had a visitor from the authority every six months, but today such evaluation extended to one year due to an inadequate budget of the regulatory body (Tleane, 2001). The bottom line is such inadequate evaluation of stations by the authority leaves stations to remain in a state of instability as seen in Radio Maritzburg.

The fact that the government (regional administration) has failed to assist community stations like Radio Maritzburg is also important to consider. As an immediate channel to the community, this medium of communication has a potential to play a significant role in informing the grass roots about government initiatives, policies, and political affairs much more effectively than public broadcasting. In this case, the government has to subsidize these stations as it does to public service broadcasters. Radio

Maritzburg so far has got little support from any government institutions despite its substantial contribution to address some issues of government concern.

All the aforementioned circumstances are some of the main setbacks that contribute to the decline of income sources of many stations in South Africa, particularly that of Radio Maritzburg. As such problems are common to most community stations in South Africa, stations need to forge closer links with NGOs and government institutions like ICASA to address their common problems so that they can ensure their existence in the country.

Conclusion

As it has been discussed in the different chapters of the study, community radio as a communication tool is crucial to the socio-economic development of communities. Its existence in particular ensures the representation of the disadvantaged minorities, which have been ignored by the mainstream media (Bernard, 2000). In South Africa, the sector is a significant a medium of communication for the previously disadvantaged community, and it is considered as the third tyre of the broadcasting industry. Nevertheless, its survival is frustrating due to various circumstances among which is lack of financial sources. Thus, the sector has to strive to develop its own mechanism of securing finance to ensure its existence.

The first basic issue that community radio needs to address is its social support. It has to strengthen its social sustainability before looking for financial support. Only after communities have developed a feeling of ownership and control over the station can the former take responsibility and pledge its support. Such a strong connection should be established not only with their community members, but also with several governmental institutions, NGOs business people etc.

In the South African environment, although donor support is still intact, such support is becoming unreliable to guarantee the sustainability of the sector. Thus, the alternative is to face the reality and involve the sector in the market driven world. That is, community radio has to face the free market arena and compete with well-resourced giant public and commercial broadcasters for the share of the same listenership to ensure its survival. It has to involve itself in such activities as promotion, advertising, and sponsorship for some revenue without necessarily becoming dominated by profit making activities. The non-profit marketing scheme in particular is important for community radios as it helps the latter to boost its advertising income and sponsorship opportunities.

Radio Maritzburg's past two-three years has evidenced the station's survival through business activities, including advertising and promotions, with an insignificant amount from donations. The national advertising income and promotion has been

serving as a backbone for the existence of the station. However, community radios need to give due attention to the income that may be generated from local businesses too. This has a double function. It serves as source of income to the station, and at the same time it also contributes to encourage local businesses to promote their products. Radio Maritzburg, despite its being located amidst potential businesses and advertisers, fails to exploit this potential appropriately. The station's failure to mobilize the community business to make use of the station means a great loss to the station's income. This is a good lesson for other community stations as well. Community radios need to educate community businesses and make them aware of the effectiveness of radio advertising, so that both sides can make use of the resource at their disposal.

Promoting a station through organizing local events, competitions, or promotional materials is an important technique for the recognition of the station by communities and business people. Promotion not only attracts business people and advertisers, it also draws the attention of donors and sponsors as well. Radio Maritzburg has done little in this area and as a result the station fails to generate a healthy income from a potentially lucrative business area of the city of Pietermaritzburg either in the form of advertising, sponsorship, or support in the form of donors or government institutions. Thus, the station needs to put more effort into such non-profit marketing activities to ensure its sustainability.

In this case, the involvement of community radios in such business activity should not sidetrack them from respecting their mandate. The sector has to develop its own mechanism of monitoring such effects so that community needs are respected according to principles. Setting up an independent body or Program Advisory Community as in the case of Radio Maritzburg is important as it helps to monitor the stations' performance and its daily activities. Yet the Program Advisory Committee of Radio Maritzburg also has to go further to broaden its responsibilities in monitoring the financial issues, and advertising or sponsorship effects at the station.

All the above practices however depend on the nature and type of governance a station has. For any successful non-profit making organization, a clear policy, strong Board, management and staff are pre-requisites to ensure its strength and prosperity.

Radio Maritzburg's failure to have a clear policy and strong management unit has affected the productivity of its workforce, leading to the decline in the financial status of the station. Such problems are not unique to Radio Maritzburg, though. Many community radio stations suffer from similar problems and thus concerned bodies need to identify such problems and find a solution before dealing with the financial situation. In community radios, unless such basic management problems are resolved, good progress is unlikely.

Radio Maritzburg, with a strong management unit and committed workforce, has the potential to improve its performance and ensure its survival. Yet should the internal squabbles persist, the future of the station might be affected negatively. Particularly, the survival becomes more threatening for the station if the proposal forwarded in Discussion Paper on the Ownership & Control of Broadcasting Services and Existing Commercial Sound Licences is implemented (Tleane, 2003). The purpose of this proposal is to issue commercial/private broadcasters licenses in secondary towns, which cites Pietermaritzburg (location of Radio Maritzburg) as one among other towns. The ratification of this discussion paper means the opening of new highly competitive commercial stations in Pietermaritzburg that will significantly threaten the existence of Radio Maritzburg. Such an initiative, therefore, must be carefully studied before it is endorsed so as to avoid negative consequences on the community sector.

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Appendices



MISSION STATEMENT

RADIO MARITZBURG SERVES TO PROMOTE PEACE, UNDERSTANDING AND COMMUNITY UPLIFTMENT THROUGH THE BROADCASTING OF OUR PROGRAMS AND THE ADVERTISING OF OUR CLIENTS PRODUCTS.

KWAZULU-NATAL

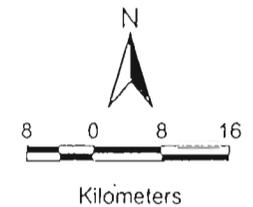
uMgungundlovu District Municipality (DC22)

LEGEND

-  Former TLC's
-  National Roads
-  Provincial Roads
-  Main Rivers
-  Local Municipalities
-  District Municipalities
-  Development Management Areas
-  Traditional Authorities

External Data Sources:

- Roads Data: Department of Transport
- Demarcation Boundaries: Municipal Demarcation Board



Date: 30-10-2001

Reference: District_Municipality.apr



Development Information Services
Policy & Co-ordination Office
KwaZulu-Natal

Tel: (033) 395 2328
Fax: (033) 342 8825
Email: gisto@kgh.kznt.gov.za

Disclaimer:

The Department of Traditional and Local Government Affairs (DTLGA) is in no way responsible for the accuracy or completeness of data here presented. Therefore, in no event will DTLGA be liable for damages, including loss of profits or consequential damages, arising out of the use of this information.

Appendix - 2



DEPARTEMENT VAN JUSTISIE
EN KONSTITUSIONELE
ONTWIKKELING



DEPARTMENT OF JUSTICE AND
CONSTITUTIONAL DEVELOPMENT

LETTERS OF AUTHORITY MAGTIGINGSBRIEF

In terms of Section 6(1) of the Trust Property Control Act, 1988 (Act 57 of 1988)
Ingevolge Artikel 6(1) van die Wet op Beheer oor Trustgoed, 1988 (Wet 57 van 1988)

NO: 4912/94

This is to certify that:

Hiermee word gesertifiseer dat: **BEAUTY JABULILE SEKETE, RAJAINLALL
DHANLALL, FREDERIK BEATRIX PRETORIUS, MOGANAIAGEE RAMLAKAN AND
DERRICK MUZIWENKOSI SIBIYA**

Is/are hereby authorized to act as trustee(s) of the
Gemagtig word om as trustee(s) van die

RADIO MARITZBURG

Trust.
Trust op te tree.

GIVEN under my hand at **Pietermaritzburg**
GEGEE onder my hand te

MASTER OF THE HIGH COURT
PRIVATE BAG/PRIVAATSAK X9010
2001 -12- 13
PIETERMARITZBURG 3200
MEESTER VAN DIE HOOGGEREGSHOF


for MASTER OF THE HIGH COURT
namens MEESTER VAN DIE HOOGGEREGSHOF
(NATAL PROVINCIAL DIVISION)
(NATALSE PROVINSIALE AFDELING)

/RB

Appendix 4
4-A

RADIO MARITZBURG TRUST

ANNUAL FINANCIAL STATEMENTS
28 February 1998

CONTENTS	<u>PAGE</u>
Report of the independent auditors	1
Report of the Trustees	2
Income statement.....	3
Balance sheet	4
Accounting policies	5
Notes to the annual financial statements.....	6 - 7

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements and other financial information set out in this annual report were prepared by the Trustees in conformity with generally accepted accounting practice applied on a consistent basis.

The manner of presentation of the annual financial statements, the selection of accounting policies and the integrity of the financial statements are the responsibility of the Trustees.

The annual financial statements set out on pages 2 to 7 have been approved by the Trustees and are signed to that effect by:-


.....
E REDDIAR

.....
D HLOPHE

.....
P HASWELL

.....
DR H DU PLESSIS


.....
A XABA

.....
Y MOFOKENG

.....
B G MOFOKENG

**QUALIFIED REPORT OF THE INDEPENDENT AUDITORS TO
THE TRUSTEES OF RADIO MARITZBURG TRUST**

We have audited the annual financial statements of Radio Maritzburg Trust set out on pages 2 to 7 for the year ended 28 February 1998. These annual financial statements are the responsibility of the trustees. Our responsibility is to express an opinion on these annual financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the annual financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

A major part of the trust's income comprises cash sales/donations. There was no system of control over such sales/donations on which we could rely for the purpose for our audit and there were no satisfactory auditing procedures which we could perform to obtain reasonable assurance that all cash sales donations were properly recorded. Consequently, we were unable to satisfy ourselves as to the completeness and accuracy of the accounting records relating to cash sales/donations.

The liabilities of the trust exceeded the assets at 28 February 1998. Subsequent management accounts up to the date of our report indicate that the position has deteriorated and its ability to continue as a going concern is dependent on a number of factors. The most significant of these are the resumption of profitable operations and the continuation of existing levels of finance by the major creditors until the trust is able to meet its obligations in the ordinary course of business.

Audit opinion

We do not express an opinion of the annual financial statements for the period ended 28 February 1998 because of the significance of the uncertainties to in the preceding paragraphs.

Delville & Tombe

25 May 1998

FINANCIAL RESULTS

The financial results of the Trust are fully reflected in the attached annual financial statements.

Radio Maritzburg is a community based radio station, as opposed to a commercial based station. The Trust has been experiencing financial difficulties which we are actively involved in rectifying with the preparation of action and business plans.

SUBSEQUENT EVENTS

No material fact or circumstance has occurred between the accounting date and the date of this report.

TRUSTEE

The following persons acted as Trustees for the year under review:-

Mr E Reddiar
Mr A Xaba
Mrs P Haswell
Mr D Hlope
Dr H Du Plessis
Mr Y Mofokeng
Mrs B G Mofokeng

RADIO MARITZBURG TRUST
INCOME STATEMENT
 28 February 1998

Appendix
4A

	<u>Notes</u>	<u>1998</u> R	<u>1997</u> R
INCOME			
Advertising		223 067	161 224
Donations		89 790	158 856
Fundraising and promotions		2 360	1 378
Interest		228	844
Membership fees		150	-
		<hr/>	<hr/>
		315 595	322 302
		<hr/>	<hr/>
EXPENDITURE			
Accounting and audit fees		6 102	5 000
Advertising and promotions		9 523	6 921
Bank charges		1 568	2 872
Commission paid		20 866	28 477
Depreciation		1 043	777
Electricity and water		5 473	6 605
Hire of equipment		11 428	3 236
Interest		502	-
Legal fees		-	2 043
License and insurance		12 254	4 729
Penalties		37	-
Purchases, repairs and maintenance		3 825	8 373
Reference books		127	655
Refreshments		-	795
Rent		93 179	51 802
Security		1 515	-
Stationery and postages		11 522	4 865
Subscriptions		-	300
Sundry expenses		2 165	1 490
Telephone and Beltel		30 982	26 650
Transport		1 414	4 884
Wages, salaries, PAYE and UIF		123 914	167 243
WCA		1 006	1 319
		<hr/>	<hr/>
		338 445	329 036
		<hr/>	<hr/>
NET LOSS for the year		(22 850)	(6 734)
TRANSFERRED TO TRUST FUND	1	22 850	6 734
		<hr/>	<hr/>
ACCUMULATED PROFIT at end of the year		-	-
		<hr/> <hr/>	<hr/> <hr/>

RADIO MARITZBURG TRUST
BALANCE SHEET
 28 February 1998

Appendix
 4A

	<u>Notes</u>	<u>1998</u> R	<u>1997</u> R
CAPITAL EMPLOYED			
Trust fund	1	(94 513)	(71 663)
Long term liabilities	2	39 682	39 682
TOTAL CAPITAL EMPLOYED		<u>(54 831)</u>	<u>(31 981)</u>
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	3	3 045	3 437
CURRENT ASSETS		60 399	20 718
Debtors		48 368	14 652
Deposits		3 350	2 600
Bank		3 285	3 253
Petty cash		-	213
VAT		5 396	-
CURRENT LIABILITIES		118 275	56 136
VAT		-	5 509
Accounts payable		118 275	50 627
NET CURRENT LIABILITIES		(57 876)	(35 418)
TOTAL EMPLOYMENT OF CAPITAL		<u>(54 831)</u>	<u>(31 981)</u>

The annual financial statements are prepared on the historical cost basis and incorporate the following principal accounting policies which have been consistently applied in all material respects.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is calculated on cost using the straight line method at the following rates:-

Equipment	20 %
Computers	33,33 %
Furniture and fittings	16,67 %

Inventory

Inventory is valued at the lower of cost and net realisable value. Stock consists of reference books and cassettes.

RADIO MARITZBURG TRUST
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 28 February 1998

Appendix
 4A

1. TRUST FUND

	<u>1998</u> R	<u>1997</u> R
Balance at beginning of the year	(71 663)	(64 929)
Net loss for the year	(22 850)	(6 734)
	<hr/>	<hr/>
Balance at end of the year	<u>(94 513)</u>	<u>(71 663)</u>

2. LONG TERM LIABILITY

Africa Enterprise

Balance at beginning of the year	39 682	15 295
Advances during the year	-	24 387
	<hr/>	<hr/>
Balance at end of the year	<u>39 682</u>	<u>39 682</u>

This loan is unsecured, interest free and has no date set for repayment.

3. PROPERTY, PLANT AND EQUIPMENT

<u>1998</u>	<u>Cost</u> R	<u>Accumulated Depreciation</u> R	<u>Net Book Value</u> R
Computers	1 352	580	772
Equipment	1 300	572	728
Furniture and fittings	2 213	668	1 545
	<hr/>	<hr/>	<hr/>
Total	<u>4 865</u>	<u>1 820</u>	<u>3 045</u>

<u>1997</u>	<u>Cost</u> R	<u>Accumulated Depreciation</u> R	<u>Net Book Value</u> R
Computers	1 352	130	1 222
Equipment	1 300	312	988
Furniture and fittings	1 562	335	1 227
	<hr/>	<hr/>	<hr/>
Total	<u>4 214</u>	<u>777</u>	<u>3 437</u>

RADIO MARITZBURG TRUST
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (Continued)
28 February 1998

Appendix
4A

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

The carrying value is reconciled to the net book value as follows:-

	<u>Computers</u> R	<u>Equipment</u> R	<u>Furniture & Fittings</u> R	<u>TOTAL</u> R
Net book value at beginning of the year	1 222	988	1 227	3 437
Additions	-	-	651	651
Depreciation	(450)	(260)	(333)	(1 043)
Net book value at end of the year	<u>772</u>	<u>728</u>	<u>1 545</u>	<u>3 045</u>

4. TAXATION

No taxation has been provided for as the Trust has an estimated assessed loss of R69 925 (1997 : R47 111).

STATION'S FORMAT: SCHEDULE

Radio Maritzburg presents Talk and Music programmes: 60% Music and 40% Talk.

- 6:00 - 9:00 Breakfast Show: Weather. News. Sports News, Financial News, traffic report
09:00 - 10:00 Devotions and Children's Programme.
10:00 - 12:00 Mid-morning Light Entertainment Show/Ladies Forum(Thursdays).
13:00 - 16:00 Music Magazine.
16:00 - 18:00 Drive-Time Show (ZULU)
18:00 - 19:00 Current Affairs
Monday/Tuesday - Open Topics
Wednesday - TLC programme
Thursday - Legal Programme
Friday - Environmental programme.
- 19:00 - 23:00 Magazine Programmes
- 20:00 - 23:00 Indian Cultural Programme/Touch of East (Thursdays).

SATURDAY:

- 05:00 - 09:00 - Saturday Breakfast Show called Saturday Rave
09:00 - 10:00 - Pietermaritzburg Entertainment & Tourism.
10:00 - 12:00 - Mid-morning Light Entertainment programme.
12:00 - 14:00 - Afrikaans Magazine Programme.
Book reading and Gardening
14:00 - 16:00 - Taxi Home Show.
16:00 - 20:00 - Umculo nokungcebeleka/ Dedication-Line
20:00 - 22:00 - Top 20
22:00 - 24:00 - Party Time

SUNDAY:

- 05:00 - 08:30 - Sunday Praise & Focus on The Family
08:30 - 09:00 - New-Life Music Magazine
09:00 - 09:30 - World Ahead - Bible Teaching.
9:30 - 12:00 - Side-by-side Together we stand/Reconciliation-line.
Light Entertainment Programme.
12:00 - 14:00 - Yesterday-Today-Tomorrow.
(Multi-topic Show)
14:00 - 15:00 - Choral/Classical
15:00 - 16:00 - One Community Difference Cultures/Ezamasiko.
16:00 - 17:00 - Intsha Nekusasa.
17:00 - 18:00 - Artist Corner - Local Art Promotion.
18:00 - 19:00 - Devotions & Music.
19:00 - 20:00 - Indian Beliefs & Music.
20:00 - 23:00 - Afrikaans Jeug Program
- Insight for Living
- Holy Trinity Church Comments
- Gospel Music

AGREEMENT

ENTERED INTO BY AND BETWEEN:

RADIO MARITZBURG

(hereinafter referred to as "RM")

and

MEDIA SELECTION SERVICES (PROPRIETARY) LIMITED T/A GMA

(hereinafter referred to as "GMA").

1. APPOINTMENT

1.1 With effect from 1 April 1996 ("the effective date"), GMA is appointed by RM as its sole exclusive South African National/National Retail Advertising Broker ("the employment"), and GMA hereby accepts such appointment.

1.2.1 The employment shall commence on the effective date and, subject to the provisions of paragraph 1.2.2 below, shall terminate five years thereafter (the employment period) unless provisions of paragraph 4 and 5 below are invoked by either party.

1.2.2 The employment shall be automatically renewed for a further period of five years (the renewal period) and on the same terms as are contained in this agreement, after the lapse of the employment period, unless RM has given written notice to GMA, received by it not less than four months prior to the termination of the employment period, that the renewal period will not come into effect.

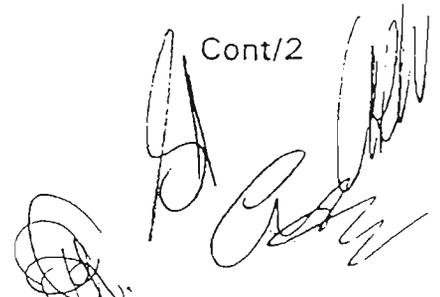
2. FUNCTION

2.1 GMA, acting as Agent for RM, shall procure and attend to the sale of advertising time ("the services") for use on the radio service of RM.

2.2 In giving effect to the services, GMA shall inter alia:-

2.2.1 Negotiate and conclude all necessary contracts;

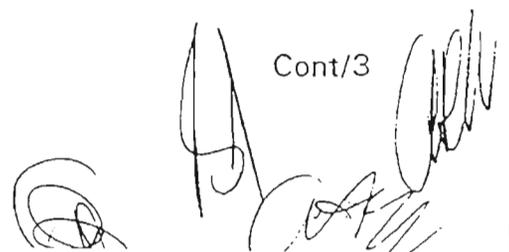
Cont/2



- 2.2.2 Receive bookings and cancellations;
- 2.2.3 Perform such administrative functions as may be required from time to time by RM, and without derogating from the generality of the foregoing receive and transmit advertising revenues, materials, orders, copy instructions and any other relevant documentation and information.
- 2.2.4 The parties specifically record that GMA is a conduit only and does not assume any personal liability in respect of advertising revenues due but not collected by it in terms of paragraph 2.2.3 above.
- 2.2.5 GMA accepts liability in respect of advertising revenues which it has collected and holds, until such time as they are duly paid over to RM.
- 2.3 RM will do all such things, perform all such acts and generally render GMA any assistance it may require in order to give effect to the provisions of this paragraph 2.

3. REMUNERATION

- 3.1 As remuneration for the services to be rendered, in terms of this agreement and more fully described in paragraph 2 above, GMA shall receive a commission equal to:
- 3.1.1 20% (per centum) of the total national/national retail gross radio advertising revenue constituted as follows:-
- 3.1.1.1 15% sales commission; and
- 3.1.1.2 5% administration fee.
- 3.2.1 Payment of any commission due to GMA in relation to the services rendered by it shall be effected by RM within a reasonable period and in any event not later than sixty days from date of billing.
- 3.2.2 RM shall not be liable to effect payment to GMA of any commission due and reflected in any billing until such time as RM has received all amounts due to it in respect of the transaction to which the billing relates.
- 3.2.3 GMA may at its sole option set off advertising revenues received by it in terms of the provisions of paragraph 2.2.3 above against commissions due to it in terms of the provisions of paragraph 3 above, provided that the revenue so received and the commissions set off relate to the same transaction.



Appendix 4

B

RADIO MARITZBURG TRUST
(Registration number : IT 4912/94)
(Non - Profit organisation number: 012-099)
ANNUAL FINANCIAL STATEMENTS
for the 12 months ended 31 December 2002

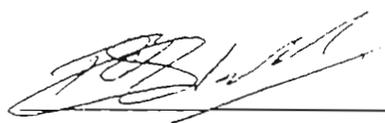
RADIO MARITZBURG TRUST
FINANCIAL STATEMENTS
for the 12 months ended 31 December 2002

The reports and statements set out below comprise the annual financial statements presented to the trustees:

CONTENTS	PAGE
Approval of the annual financial statements	1
Report of the independent auditors	2
Balance sheet	3
Income statement	4
Notes to the financial statements	5 - 6

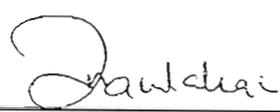
Approval of the annual financial statements

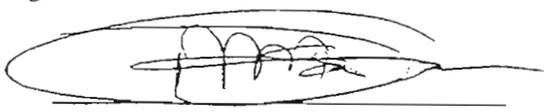
The financial statements which appear on pages 3 to 6 were approved by the Board of Trustees on 28 March 2003 and are signed by them.


Mr R Dhanlal - Chairperson

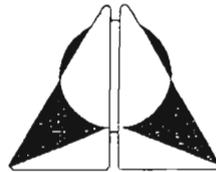

Ms BJ Sekete


Mr FB Pretorius - Treasurer


Ms MI Ramlakan


Mr DM Sibiya

Appendix
4B



ROSHAN MORAR
& ASSOCIATES
CHARTERED ACCOUNTANTS (S.A.)

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
RADIO MARITZBURG TRUST**

We have audited the annual financial statements of Radio Maritzburg Trust set out on pages 3 to 6 for the year ended 31 December 2002. These financial statements are the responsibility of the trust's trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Audit opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the trust at 31 December 2002 and the results of its operations for the year then ended.

Roshan Morar & Associates
Chartered Accountants (S.A.)
Registered Accountants and Auditors

Pietermaritzburg
23 May 2003

RADIO MARITZBURG TRUST
BALANCE SHEET
as at 31 December 2002

Appendix
4B

	Notes	2002 R	2001 R
Assets			
Non-current assets			
Property, plant and equipment	2	16,708	1,342
Current assets			
Deposits		87,641	15,085
Bank balances		3,350	3,350
		84,291	11,735
Total assets		104,349	16,427
Trust funds and liabilities			
Trust funds and reserves			
Trust capital	3	14,017	(91,715)
Current liabilities			
Taxation		90,332	108,142
Accounts payable		44,527	-
VAT payable	4	9,789	76,347
		36,016	31,795
Total trust funds and liabilities		104,349	16,427

Appendix
4B

RADIO MARITZBURG TRUST
INCOME STATEMENT
for the 12 months ended 31 December 2002

	Note	12 months ended 31 December 2002 R	10 months ended 31 December 2001 R
Income		334,980	55,165
Advertising, donations and promotions		326,912	51,046
Interest received		242	125
Fee reduction - Sentech		-	3,994
Fee reduction - Auditors		7,826	-
Expenditure		184,721	43,121
Accounting fees		-	5,883
Advertising		-	1,102
Auditors' remuneration		-	2,000
Bank charges		1,391	443
Cleaning		428	-
Commissions paid		21,250	-
Consumables		1,786	-
Depreciation		2,071	919
Hire of equipment - transmitter		76,962	-
Insurance		3,661	2,563
Interest		-	2,579
Lease rentals		10,491	14,423
Licence application fee		1,000	-
Printing and stationery		1,194	-
Repairs and maintenance		3,108	3,392
Production fees		26,264	-
Salaries		32,794	9,712
Security		-	105
Sdl levies		390	-
Subscriptions		410	-
Telephone and fax		676	-
Travel - local		845	-
Operating surplus before taxation		150,259	12,044
Taxation	5	44,527	-
Net surplus transferred to accumulated funds		<u>105,732</u>	<u>12,044</u>

Appendix
4B

RADIO MARITZBURG TRUST
NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2002

1 Accounting basis

The financial statements are prepared on the historical basis consistent with that of prior years.

1.1 Revenue recognition

Income is recorded in the financial statements at the date on which it is received.

1.2 Property, plant and equipment

Property, plant and equipment are included at cost. Cost includes all costs directly attributable to bringing the assets to working condition for their intended use.

Property, plant and equipment acquired for not more than R 1,000 are written off on acquisition.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property, plant and equipment are as follows:

Plant and equipment	20.00 %
Furniture and fittings	16.67 %
Studio equipment	16.67 %
Computer equipment	33.33 %

2. Property, plant and equipment

	2002			2001		
	Cost / valuation	Accumulated depreciation	Carrying value	Cost / valuation	Accumulated depreciation	Carrying value
<i>Owned assets</i>						
Plant and equipment	1,300	1,300	-	1,300	1,300	-
Furniture and fittings	6,132	2,212	3,920	2,212	1,770	242
Studio equipment	13,518	1,170	12,348	-	-	-
Computer equipment	3,332	2,892	440	3,332	2,232	1,100
	24,282	7,574	16,708	6,844	5,502	1,342

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Depreciation	Carrying value at end of year
<i>Owned assets</i>				
Furniture and fittings	242	3,920	(242)	3,920
Studio equipment	-	13,517	(1,170)	12,347
Computer equipment	1,100	-	(660)	440
	1,342	17,437	(2,072)	16,707

Appendix
4B

RADIO MARITZBURG TRUST
NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2002

	2002 R	2001 R
3. Trust capital		
Balance at beginning of the year	(91,715)	(103,759)
Surplus for the year transferred from income statement	<u>105,732</u>	<u>12,044</u>
Balance at end of the year	<u><u>14,017</u></u>	<u><u>(91,715)</u></u>
4. Value added tax		
No provision has been made for interest and penalties payable on the outstanding value added tax as it is anticipated that these may be waived.		
5. Taxation		
Surplus before tax	150,259	-
Assessed loss brought forward	<u>(38,941)</u>	<u>-</u>
Taxable income	<u><u>111,318</u></u>	<u><u>-</u></u>
Taxation @ 40 %	<u><u>44,527</u></u>	<u><u>-</u></u>

No provision was made for 2001 taxation as the trust had an estimated assessed loss of R 38,941.

Appendix
4B

PT
23/05/03

RADIO MARITZBURG
YEAR END : 31 DECEMBER 2002

Prepared By: SP
Date : 02/05/2003

ADVERTISING, DONATIONS & PRODUCTION INCOME

Advertising	106,556.88
Doantions	50,000.00 u2
Production income	170,355.25
	<u>326,912.13</u> u2
	n ✓

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n. cast
✓. agreed to ads


2/05/03

Appendix

4C

APPENDIX: ~~B~~

ANNUAL FINANCIAL STATEMENTS FOR YEAR ENDED
28 FEBRUARY 1999

RADIO MARITZBURG TRUST
Report of the Trustees
28 February 1999

FINANCIAL RESULTS

The financial results of the Trust are fully reflected in the attached annual financial statements.

Radio Maritzburg is a community based radio station, as opposed to a commercial based station. The Trust has been experiencing financial difficulties which we are actively involved in rectifying with the preparation of action and business plans.

SUBSEQUENT EVENTS

No material fact or circumstance has occurred between the accounting date and the date of this report.

TRUSTEES

The following persons act as Trustees for the year under review :-

Mr E. Reddiar
Mr A. Xaba
Mrs P. Haswell
Mr D. Hlope
Dr H. Du Plessis
Mr Y. Mofokeng
Mrs B.G. Mofokeng

RADIO MARITZBURG TRUST
Income Statement for the year ended 28 February 1999

	1999	1998
INCOME	317,502.58	315,595.00
Advertising, donations, membership fees and promotions	317,411.55	315,367.00
Credit interest	91.03	228.00
OPERATING COSTS	328,681.83	338,445.00
Accounting and audit fees	7,933.60	6,102.00
Advertising and promotions	11,195.89	9,523.00
Bank Charges	2,278.61	1,568.00
Cleaning	1,924.20	0.00
Depreciation	660.46	1,043.00
Electricity and water	0.00	5,473.00
Hire of equipment	3,139.53	11,428.00
Interest and penalties	4.85	539.00
Insurance and licence	2,319.77	12,254.00
Repairs and maintenance	3,540.78	3,825.00
Reference books	0.00	127.00
Refreshments	1,540.30	0.00
Rent and electricity	19,700.00	93,179.00
Salaries, wages and commissions	118,436.90	144,780.00
Security	1,620.00	1,515.00
Sentech	90,555.68	0.00
Stationery and postage	12,721.53	11,522.00
Sundry Expenses	0.00	2,165.00
Staff Welfare	0.00	1,006.00
Transport	0.00	1,414.00
Telephone and beltel	51,109.73	30,982.00
NET LOSS/PROFIT for the year	-11,179.25	-22,850.00
TRANSFERRED TO TRUST FUND	1 11,179.25	22,850.00
ACCUMULATED PROFIT at end of year	0.00	0.00

Appendix
4 C

RADIO MARITZBURG TRUST
Balance Sheet as at 28 February 1999

	Notes	1999	1998
CAPITAL EMPLOYE			
Trust Fund	1	-105,692.25	-94,513.00
Long Term Liabilities	2	39,682.00	39,682.00
		<u>-66,010.25</u>	<u>-54,831.00</u>

EMPLOYMENT OF CAPITAL

FIXED ASSETS	3	2,384.54	3,045.00
NET CURRENT ASSETS/LIABILITIES		-68,394.79	-57,876.00
CURRENT ASSETS		28,285.03	60,399.00
Debtors		13,836.00	48,368.00
VAT		0.00	5,396.00
Deposits		3,350.00	3,350.00
Bank		11,099.03	3,285.00
CURRENT LIABILITIES		96,679.82	118,275.00
Accounts Payable		96,679.82	118,275.00
		<u>-66,010.25</u>	<u>-54,831.00</u>

ADIO MARITZBURG TRUST
Accounting Policies
31 February 1999

1999

1998

The annual financial statements are prepared on the historical cost basis and incorporate the following principal accounting policies which have been consistently applied in all material aspects.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is calculated on cost using the straight line method at the following rates :-

Equipment	20.00%
Computers	33.33%
Furniture and fittings	16.67%

Inventory

Inventory is valued at the lower of cost and net realisable value. Stock consists of reference books and cassettes.

Appendix
4C

RADIO MARITZBURG TRUST
Notes to the annual financial statements
28 February 1999

	1999	1998
	R	R
1. TRUST FUND		
Balance at beginning of the year	-94,513.00	-71,663.00
Net loss/profit for the year	-11,179.25	-22,850.00
Balance at end of the year	<u>-105,692.25</u>	<u>-94,513.00</u>

2. LONG TERM LIABILITY		
Africa Enterprise		
Balance at beginning of the year	39,682.00	39,682.00
Advances during the year	0.00	0.00
Balance at end of the year	<u>39,682.00</u>	<u>39,682.00</u>

This loan is unsecured, interest free and has no set date for repayment.

3. PROPERTY, PLANT AND EQUIPMENT

1999	Cost	Accumulate Depreciatio	Net Book Value
	R	R	R
Computers	1,352.00	837.31	514.69
Equipment	1,300.00	717.60	582.40
Furniture and Fittings	2,213.00	925.55	1,287.45
	<u>4,865.00</u>	<u>2,480.46</u>	<u>2,384.54</u>

1998	Cost	Accumulate Depreciatio	Net Book Value
	R	R	R
Computers	1,352.00	580.00	772.00
Equipment	1,300.00	572.00	728.00
Furniture and Fittings	2,213.00	668.00	1,545.00
	<u>4,865.00</u>	<u>1,820.00</u>	<u>3,045.00</u>

RADIO MARITZBURG TRUST
Notes to the annual financial statements(continued)

PROPERTY, PLANT AND EQUIPMENT(continued)

The carrying value is reconciled to the net book value as follows :-

	Computers	Equipment	Furniture & Fittings	Total
	R	R	R	R
Net book value at beginning of the year	772.00	728.00	1,545.00	3,045.00
Additions	0.00	0.00	0.00	0.00
Depreciation	-257.31	-145.60	-257.55	-660.46
Net book value at end of the year	<u>514.69</u>	<u>582.40</u>	<u>1,287.45</u>	<u>2,384.54</u>

I. TAXATION

No taxation has been provided for as the Trust has an estimated assessed loss.

Appendix 5

The Media Connection - Kwa-Zulu Natal, North West Province & Limpopo (Northern Province)											
	KWA-ZULU NATAL							NORTHWEST PROVINCE			
	ICORA FM	GOOD NEWS	HIGHWAY	HINDVANI FM	KHWEZI	MAPUTALAND	MARITZBURG	RADIO LETLHABILE	RADIO MAFISA	RADIO PUK	RAVA
WEEKDAYS	Mon-Fri	Mon-Fri	Mon-Fri	Mon-Fri	Mon-Fri	Mon-Fri	Mon-Fri	Mon-Fri	Mon-Fri	Mon-Fri	Mon-Fri
05h00 - 06h00	82.00	60.00	276.00	60.00	246.00	90.00	276.00	90.00	90.00	102.00	90
06h00 - 09h00	264.00	210.00	276.00	80.00	246.00	228.00	414.00	228.00	228.00	300.00	22
09h00 - 12h00	165.00	126.00	276.00	70.00	144.00	114.00	414.00	114.00	114.00	210.00	11
12h00 - 14h00	150.00	138.00	276.00	60.00	216.00	114.00	312.00	114.00	114.00	156.00	11
14h00 - 16h00	150.00	126.00	276.00	80.00	144.00	138.00	312.00	114.00	114.00	228.00	11
16h00 - 18h00	220.00	180.00	276.00	80.00	246.00	228.00	414.00	228.00	228.00	258.00	22
18h00 - 20h00	385.00	102.00	276.00	80.00	216.00	210.00	276.00	114.00	114.00	258.00	11
20h00 - 22h00	110.00	102.00	276.00	70.00	216.00	114.00	276.00	78.00	78.00	156.00	7
22h00 - 24h00	82.00	36.00	276.00	60.00	216.00	78.00	276.00	78.00	78.00	156.00	7
24h00 - 05h00	82.00	36.00	276.00	60.00			246.00			102.00	
WEEKENDS	Sat	Sat	Sat	Sat	Sat	Sat/Sun	Sat/Sun	Sat/Sun	Sat/Sun	Sat/Sun	Sat/Sun
05h00 - 06h00	100.00	72.00	276.00	60.00	216.00	60.00	276.00	60.00	60.00	102.00	6
06h00 - 09h00	132.00	162.00	276.00	80.00	216.00	228.00	414.00	228.00	228.00	102.00	22
09h00 - 12h00	165.00	180.00	276.00	70.00	216.00	228.00	414.00	102.00	102.00	138.00	10
12h00 - 14h00	143.00	138.00	276.00	60.00	168.00	102.00	312.00	102.00	102.00	138.00	10
14h00 - 16h00	143.00	102.00	276.00	80.00	114.00	210.00	312.00	102.00	102.00	138.00	10
16h00 - 18h00	100.00	102.00	276.00	80.00	114.00	228.00	414.00	228.00	228.00	138.00	22
18h00 - 20h00	121.00	72.00	276.00	80.00	168.00	228.00	276.00	102.00	102.00	180.00	10
20h00 - 22h00	100.00	72.00	276.00	70.00	168.00	60.00	276.00	60.00	60.00	132.00	6
22h00 - 24h00	100.00	36.00	276.00	60.00	168.00	60.00	276.00	60.00	60.00	132.00	6
24h00 - 05h00	100.00	36.00	276.00	60.00			246.00			102.00	
Language Medium	Zulu, English	English, Zulu, Afrikaans, German, Hindi	English, Afrikaans, Zulu	Hindi	Zulu, English, Afrikaans, German	English, Afrikaans, Zulu	English, Afrikaans, Zulu	Tswana, English, N/Sotho, Zulu, Xhosa, Afrikaans	English, Afrikaans, Tswana	English, Afrikaans, Tswana	Setswana, English, Afrikaans
Material Required	CD	CD	CD	CD	CD	CD	CD	CD	CD	CD	
Frequency	107.7 FM	98.0 FM	101.5 FM	91.5 FM	90.5 FM	107.6 FM	107.6 FM	99.5 FM	93.4 FM	103.9 FM	93
Special Instructions	No Sundays	No Sundays	No Sundays	No Sundays	No Sundays						
		No liquor,		No liquor,	No liquor,						

Appendix
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Radio Maritzburg Gross Advertising Income from the Media Connection

Year	Januar	Feb	March	April	May	June	July	August	Sept	October	Nov.	Dec.	Total
2001	0	0	32,078	20,987	6,446	4,690	1,740	4,527	6,728	288	5,508	0	82992
2002	5,250	11,661	41,441	40,630	42,850	21,090	12,390	31,040	16,200	10,290	13,555	27,720	274,117
2003	6,300	11,643	31,143	22,950	7518	3,474	27,401	23,438	18,252	33,132	2,664	0	187,915

Year	Rand
2001	82992
2002	274117
2003	187915

The Media Connection

Appendix B

Abundant Media (Pty.) Ltd. T/A The Media Connection
Unit No. 9, Argyle Square, Tamarisk Ave, Weltevreden Park • P.O. Box 3295, Honeydew, 2040
SALES & MARKETING Tel: (011) 675-2525/7 • Fax: (011) 675-2528
www.themediacconnection.co.za • e-mail: sales@themediacconnection.co.za

FAX TRANSMISSION

TO: Radio Maritzburg	REF: Bfax355
ATT: Muzi Sibiyá	FROM: Basil van Niekerk
RE: Representation	DATE: November 8, 2001
FX: 033 395 1501 or 033 394 2973	PAGES: (Including cover sheet) 10

Dear Muzi

The Media Connection has successfully represented many Community Radio Stations over the past 2½ years.

Our vision is to create an environment where all the stations can be assisted to be financially independent and to grow in status.

Prior to Radio Maritzburg going off-air we maintained a fair advertising income, but as you are aware when word got out that the station was encountering problems the revenue suddenly dried up. This revenue table shows you the steady decline:

Mar 2001	Apr 2001	May 2001	June 2001	July 2001
24 976	12 623	5 169	3 752	1 453

We are excited to hear that the station will soon be back on-air. The area is a prime advertising area and I have no doubt that we will be able to establish a constant flow of business in the short term and develop the station from that point onwards.

I have attached the RAMS research information and Rates as discussed.

We wait in anticipation for your letter confirming that you are back on-air.

Kind regards,

BASIL VAN NIEKERK

Directors: J. A. Milne, B. van Niekerk & T. S. Pooe
Registration No: 99/06843/07

Strike at Radio Maritzburg

by Gabl Khumalo

RADIO Maritzburg has suffered a serious setback after 11 staff members in the news department downed tools in protest against what they call a lack of appreciation by the station's board of trustees.

The work stoppage by the news staff began last Tuesday after they accused the board of taking decisions without informing them. The station is therefore unable to broadcast news at the moment.

The 11 workers were allegedly angered by the board's decision to reinstate a presenter who had been removed from his job by acting station manager S'bu Molefe, pending an inquiry into his action.

According to Molefe, presenter Mandla Zondi returned to his job on Tuesday, following his removal last month.

Zondi was expelled for publicly attacking his colleagues and Ward 34 councillor Wally Adams.

Molefe said Zondi was given a verbal warning after Adams lodged a complaint to the station about Zondi's attack on him on air.

Molefe said that after the warning, Zondi went back on air the following day and attacked staff members, including Molefe, which resulted in his firing.

According to Zondi, he was told by the board to resume work until the matter has been dealt with.

Molefe said the workers were

angered by this because they were not informed and felt that the board was undermining them "despite the effort they put in to develop the station".

"Zondi was expelled from the station pending an internal investigation by board members, but so far we haven't heard anything from the board and the workers were surprised to see him back at the station. They got angry and refused to work," said Molefe.

One of the striking presenters, Njabulo Ndlovu, said that the lack of consultation is their biggest problem.

"We didn't know that Zondi was coming back because no one informed us. He just came to the studio while we were preparing for a news bulletin," said Ndlovu.

He said the workers are prepared to resume their duties as soon as they have met with the board.

"We tried to contact them last week to confirm Zondi's story, but to no avail. We are waiting for them to arrange a meeting with us in order to discuss the matter before we can go back to work," said Ndlovu.

The station's human resources committee chairperson, Beauty Sekete, confirmed that the board is dealing with Zondi's problem and has said he should return to work in the meantime.

She said she was not aware of the strike as Molefe has not reported it to them.

"We are waiting for him to contact us and tell us in writing what happened. I was at the

station last Wednesday and he (Molefe) said nothing to me," said Sekete.

She added that the striking workers could be charged with misconduct, as having problems with board members should not affect the community.

"We are accountable to the community and Independent Communications Authority of South Africa, and this action brings the station into disrepute," said Sekete.

Board of trustees deputy chairman Muzi Sibiyi said they heard about the strike after being informed by other employees.

"We are waiting for Molefe to contact us regarding the problem before we comment," said Sibiyi.

Acting head aims for pro service

by Nathi Olifant

NEWLY-APPOINTED acting manager for Radio Maritzburg, Sibusiso Molefe, says professionalism will be his foremost consideration while the radio is under his leadership.

Molefe (22) from, Sobantu, who resumed his position as acting head on April 7, and whose appointment has been described as a formality and a developmental necessity by the board of trustees, is to lead the station until its annual licence expires in June.

Since serving the station as a disc jockey from 1998, Molefe is the second acting station manager after Bheki Kheswa, who was appointed acting station manager in 1998 after the death of Bonga Kaula.

Molefe said: "First I want to bring the station back to the community and for people to associate themselves with it," he said.

He added that one of his immediate goals is to organise training workshops to equip the staff better, especially the show presenters.

"I believe that this will bring professionalism back to the station, which will lead to the station delivering informative programmes that will be of interest to listeners" he said.

Molefe said that one of the problems is that they have outdated broadcasting equipment that he would like to replace with the help of businesses.

"I will also be working hard to sustain relationships with record companies to update our music library," he said.

Board of trustees vice-chairperson Muzi Sibiyi

said: "The position of acting manager was advertised internally, especially targeting the volunteer staff.

"After thoroughly reviewing all the candidates, Molefe emerged as the candidate with the relevant communications qualification."

Sibiyi said it is a formality for every station to have an "employee number one", adding that Molefe will be in the driving seat for three months until a full-time manager is appointed.

"His appointment also fulfils the station's function of empowering and developing the society it serves."

Sibiyi reminded those who may have had doubts about the appointment that the station is still controlled by the trustees and that the acting manager will be receiving guidance from the board.

Echo

Radio Maritzburg takes shape

humalo

ing and development staff is among areas as crucial to enhance quality of programmes Maritzburg.

ows research done by community broadcast month, aimed at ig the programme listening patterns of unity they serve.

o-week study, con- community workers kete and Nomagugu tation presenters and y volunteers, was to improve service

onducted in urban,

rural and peri-urban areas within the precincts of Pietermaritzburg.

Among other things, the research noted an increase in listenership.

According to the survey, 50% of listeners are Zulu speaking, 20% English and nine percent Afrikaans. There are also a large number of listeners from other languages, notably Tamil, Urdu and Hindi. Other languages like Siswati, Sotho and Xhosa had fewer listeners.

With regard to programmes, phone-ins were found to be popular for "uniting families and communities".

Respondents said that they would like to have more local

road news, such as accident reporting, as they have children travelling to city schools daily.

Although the study noted that Radio Maritzburg has made some headway in terms of dealing with problems, some remain.

Chief among these is the issue of funding. "The station survives on donations, grants, sponsorship and advertising, which is not enough.

Deputy chairperson of the station's board of trustees, Muzi Sibiyi, said the station has started making inroads in terms of generating advertising revenue from local government and they have embarked on a campaign to lure national advertising.

The station has also received a boost from the Msundu Municipality's grant-in-aid th donated R20 000 in the last financial year. uMgungundlovu District Council has granted th station R10 000.

Sibiyi said the national Department of Communications has also played an important role by making some funds available to the station through their programme of empowering community radio stations.

"Everything is beginning to take shape at the station. We're no longer in arrears.

"We appeal to local businesses to support the station by advertising on it," said Sibiyi.

**JACK, RADIO
Maritzburg**
18 July 2002

WOULD like to welcome Radio Maritzburg back on air and, yes, it is alive. But we could love to see the presenters face to face.

We don't know the people who are behind the mike. I was shocked when I saw Miss Baby Bear. The girl is a bomb! She is so cute and fresh.

We need people like her in the station. Good looking, young, talented and good presenters. I'm sure there are lots of guys who want to meet you and listen to your show. Keep it going, Baby Bear. You are our Ja-Lol!

MDU NOMBA
Sobantu

RADIO MARITZBURG VACANCY

STATION MANAGER

DUTIES

- Manage the affairs of the station
- Report to the Board of Trustees (Board)
- Assist the Board in the development of policies
- Design procedures and systems to implement the Board's policies
- Assist and advise on various sub-committees as may be necessary from time to time
- Training and staff development
- Administer performance appraisals
- Create an efficient, effective working environment
- Assist and advise on financial matters

QUALIFICATIONS

- A tertiary business management or equivalent qualification
- Experience in media management
- At least 5 years' experience in business development and management
- An understanding of Labour Relations and Employment Equity Acts
- Ability to operate in a multicultural environment
- Strategic planning experience
- Fluency in English and isiZulu

Salary negotiable based on experience.

All envelopes to be clearly marked "Application for Station Manager Position" and applications posted to:

P.O. Box 3446, Pietermaritzburg 3200

or hand delivered to:

1st Floor, NAUNLU Building, 16 Buchanan Street,
Pietermaritzburg

Closing Date: Extended to 20 March 2003

Applications received after the closing date shall not be considered.

Phambili nomsakazo wethu iRadio Maritzburg

NGITHI ake ngisike elijkayo ngomsakazo wethu esi-wuthandayo iRadio Pietemaritzburg. Kuyasijabulisa kakhulu ukuthi isiteshi sethu sesibuyile. Siyazi ukuthi okuningi kusahlelwa. Siyabonga futhi nango DJ bethu esibathandayo abazinikele ngendlela emangalisayo. Ngingabala oTrevor, Caos, Eric, Linda, Eight Years, Mbongolo,

Bheki, Tiger, Miss K, Mandla, Mfanafuthi, Tab, Linda, nabanye.

Ngiphinde ngihalalisele uSbu Molefe ongu Station Manager. Singathokoza uma abaphathi bengenazushintsho kwabanye abasakazi.

Ofunda izindaba afunde zona kuphela njengoSgwebela. UNhlanhla angangeni emini. Sasimfanela kabi isigqi sasekhaya.

UTrevor Phoswa singamthokozela uma esezinhlweni zenkolo. Sicela izinhlelo zakudala njenge "Ndlovu iyosithela," "Intsha nekusasa," "Sidumisa ngamaphimbo," "Rise and Shine" nezinye. Phambili ngoRadio Maritzburg, The Voice of the Midlands." Kunciphe ikwaito emini bandla

MZO BUTHELEZI
Imbali

Congratulations to new manager S'Bu Molife

ALLOW me to congratulate S'Bu Molife for being selected as the new acting station manager of Radio Maritzburg.

Since our station came back on the air on December 15, 2001, it has been man-

aged by the board of trustees.

On April 7, the board decided to select Molife to manage the station. I see his appointment as a good and appropriate decision. He has a clear vision about the future of Radio Maritzburg.

Already he has done much to improve things and help his staff wherever he can. I wish him all the best.

MFANAFUTHI NZUZU
Edendale

• Letter shortened.

Radio head does turnabout

by Nathl Ollfant

CHANGING his position from last week, outgoing Radio Maritzburg board of trustees chairman Raj Dhanilal has conceded that financial problems at the station are behind the departure of the new manager, John Edward Peddle.

Peddle resigned from his position last week due to the late payment of his salary. He is also understood to have been unhappy about not having been given a contract to sign since his appointment in April.

Last week Dhanilal denied that the station was experiencing financial problems.

This week, however, Dhanilal confirmed that the main reason behind Peddle's departure was because of the station's failure to pay him.

Dhanilal has also asked to be released from his duties after

he was approached by a Durban community radio station to assist them.

After denying the rumours last week, Dhanilal also confirmed that two other board members, Frikkie Pretorius and Irene Ramlakan, have resigned.

Pretorius resigned in March but he said he would continue working until the station's financial statements had been audited, while Ramlakan cited personal reasons for her resignation.

An urgent board meeting was convened last Thursday in the wake of Peddle's resignation, during which the financial situation of the station was discussed.

"We discussed the issue of the station manager's resignation. We are unable to pay him due to the cash flow problem we're experiencing," said

Dhanilal.

He said the cash flow problem at the station is caused by getting the cash "that is due to us" late.

He added that they are trying to explain to their stakeholders that if they want to have a station manager, they must pay him.

Dhanilal said most of the station's revenue comes from donations, grants and advertising, which is not enough.

"People should understand that Radio Maritzburg is not a commercial station and cannot compete with other radio stations. We lost advertisers when the station went off the air and we're unable to win them back," he said.

Dhanilal said they need about R25 000 a month to run the station, while a further R60 000 to R70 000 is needed a month to cover the cost of the whole

management team, including the station manager and the disc jockeys.

"We do not have such funds at the moment," he said.

Dhanilal insisted that there was no fall-out between them and Peddle, and that he has been requested to continue to offer his services to the station but on a smaller scale.

"We did that just to bring some control to the station.

"The only way forward is getting the cash to run the station," said Dhanilal.

Since its inception, the station has been beset with problems, ranging from crippling debt to low staff morale because of irregular salary payments.

Before Peddle's appointment, the position of station manager stood vacant for three years, following the death of the previous station manager Bonga Kaula.

Weather Report

		
 CLOUDY	SOMETHING WORRIES ME.	(*) The staff responsibilities and functions. (*) Tension between staff & Board.
 SUNNY	THINGS ARE GOING WELL.	(1) Putting everything into perspective. (2) Clear Roles. (3) .. responsibilities (4)
 STORMY	UNRESOLVED CONFLICT AND FRUSTRATION. (*)	(2) Trust levels between Board's Staff.
 RAINING	I FEEL SAD AND WANT TO CRY.	* The amount of Potential and work that my go out of the window. If the station doesn't solve its problems.
 COLD	FACILITATOR LACKS WARMTH.	(1) A row is going well. the facilitator is good, understanding but firm which is good.
		I hope this workshop will help remedy the situation and Practical Plans Put into action.

Weather Report

		
 <p>CLOUDY</p>	<p>SOMETHING WORRIES ME.</p>	<p>Something worries me that not all people are here to hear what is going on</p>
 <p>SUNNY</p>	<p>THINGS ARE GOING WELL.</p>	<p>Things are really going well because now I know what this whole thing is all about, structural wise as well as duties involved</p>
 <p>STORMY</p>	<p>UNRESOLVED CONFLICT AND FRUSTRATION.</p>	<p>Guidelines are given but I would be better if they are put into action</p>
 <p>RAINING</p>	<p>I FEEL SAD AND WANT TO CRY.</p>	<p>This problem has been with the station from the onset. Nothing seems to change.</p>
 <p>COLD</p>	<p>FACILITATOR TALKS WARMTH.</p>	<p>I would not agree with the statement, so far there has been enlightenment with regards to the workshop</p>
	<p>Big Smile</p>	<p>I can see or envisage a big smile at the end of the workshop as everyting promises to go well.</p>

Weather Report

		
 <p>CLOUDY</p>	<p>SOMETHING WORRIES ME.</p>	<p>Workshop has become confrontational People still are not ready to face their incapacilities & failures</p>
 <p>SUNNY</p>	<p>THINGS ARE GOING WELL.</p>	<p>Good that things/issues are brought to the open for positive inputs & concerns</p>
 <p>STORMY</p>	<p>UNRESOLVED CONFLICT AND FRUSTRATION.</p>	<p>Frustrates me that people have sheep skins or crocodile fears after workshop now if these might be implemented</p>
 <p>RAINING</p>	<p>I FEEL SAD AND WANT TO CRY.</p>	<p>Have wasted so much energy over the period spent at station but the workshop still emphasises what we have always spoken about</p>
 <p>COLD</p>	<p>FACILITATOR LACKS WARMTH.</p>	<p>Think facilitator is good, neutral and stating facts as systems should be implemented and does not lack warmth.</p>
		<p>Just we wish/hope all resolutions or suggestions could be adhered to and possibly monitored by outside bodies like IAT to ensure implementation and progress in the station</p>

Weather Report



CLOUDY

SOMETHING WORRIES ME.

Is that THE STATION HAVE MARKETING Department But Their still no money for some equipment or for covering stories in the townships.



SUNNY

THINGS ARE GOING WELL.

is see the future for his station because of the workshop.



STORMY

UNRESOLVED CONFLICT AND FRUSTRATION.



RAINING

I FEEL SAD AND WANT TO CRY.



COLD

FACILITATOR LACKS WARMTH.

Weather Report

		
 <p>CLOUDY</p>	<p>SOMETHING WORRIES ME.</p>	<p>I don't see any way forward for radio Maritz it's going down.</p>
 <p>SUNNY</p>	<p>THINGS ARE GOING WELL.</p>	<p>Nothing going well in a station.</p>
 <p>STORMY</p>	<p>UNRESOLVED CONFLICT AND FRUSTRATION.</p>	<p>Some people turn to personalise things for the station.</p>
 <p>RAINING</p>	<p>I FEEL SAD AND WANT TO CRY.</p>	<p>It's might be closed any time.</p>
 <p>COLD</p>	<p>FACILITATOR LACKS WARMTH.</p>	<p>No motivations to the radio No long-term future plans for radio Maritzburg, even short future plans.</p>
	<p>Dark forest</p>	<p>We are just walking in a dark forest.</p>

Weather Report

		
 <p>CLOUDY</p>	<p>SOMETHING WORRIES ME.</p>	<p>all the things we are discussing here is not going to happen</p>
 <p>SUNNY</p>	<p>THINGS ARE GOING WELL.</p>	<p>I do have some knowledge now.</p>
 <p>STORMY</p>	<p>UNRESOLVED CONFLICT AND FRUSTRATION.</p>	
 <p>RAINING</p>	<p>I FEEL SAD AND WANT TO CRY.</p>	<p>most of the presenters and some of the board members, they are not present</p>
 <p>COLD</p>	<p>FACILITATOR TALKS WARMTH.</p>	<p>doing well.</p>

Weather Report



SOMETHING WORRIES ME.

→ ~~it that~~ what has been discussed when it is not used / implemented properly in ~~the~~ the next time
 → That is, when the staff members fail to come on some sort of agreement to resolve the problem



CLOUDY

~~Problems~~ problems are forwarded & discussed
 - professional way of working it ~~is~~ addressed
 - people participants seem to understand their failures & ~~that~~ ^{possible} remedy the remedy for the failures & problems are also raised.



SUNNY

THINGS ARE GOING WELL.



STORMY

UNRESOLVED CONFLICT AND FRUSTRATION.



RAINING

I FEEL SAD AND WANT TO CRY.



COLD

FACILITATOR LACKS WARMTH.

Weather Report

		
 <p>CLOUDY</p>	<p>SOMETHING WORRIES ME.</p>	<p>Makes it feel like</p>
 <p>SUNNY</p>	<p>THINGS ARE GOING WELL.</p>	<p>going well in the to advance from the station - feeling</p>
 <p>STORMY</p>	<p>UNRESOLVED CONFLICT AND FRUSTRATION.</p>	
 <p>RAINING</p>	<p>I FEEL SAD AND WANT TO CRY.</p>	<p>as you feel it to to share the impact</p>
 <p>COLD</p>	<p>FACILITATOR LACKS WARMTH.</p>	

Weather Report

		
 CLOUDY	SOMETHING WORRIES ME.	
 SUNNY	THINGS ARE GOING WELL.	I like the way I workshop is going. Everything that concerns I board and I management are out. It is going to bring change and I way forward.
 STORMY	UNRESOLVED CONFLICT AND FRUSTRATION.	we do have unresolved matters that we've been touched on, but I hope by I end of this workshop these matters will have ^{been} resolved and there will be no frustrations.
 RAINING	I FEEL SAD AND WANT TO CRY.	
 COLD	FACILITATOR LACKS WARMTH.	

Weather Report



SOMETHING WORRIES ME.

what worries me, is for how long maritzburg will remain undirectional??

Does this workshop will be fruitful to all of us, because I think we are here for attending of the workshop but will not implement.



THINGS ARE GOING WELL.



UNRESOLVED CONFLICT AND FRUSTRATION.



I FEEL SAD AND WANT TO CRY.

I Feel Sad Because For asking my a question, does the information you at the workshop providing us is it going to work (are we going to implement it and use it profitable to us)



FACILITATOR LACKS WARMTH.

Appendix 9

From: "Andrew Layman" <directorpcb@futurenet.co.za>
To: "Zerai Araia Adhanom" <201511569@stu.und.ac.za>
Date: 9/10/03 9:00AM
Subject: RE: Dear sir

Dear Zerai

Unfortunately, I cannot assist you. Some months ago the Chariman of the Board and the acting station manager approached the Chamber and we had discussions on a future relationship in which the PCB would play an active role in the progress of Maritzburg FM. More detailed discussions were to follow this in principle agreement. Thereafter, however, the chairman resigned from the Board and a new stations manager was appointed, and then resigned. Consequently, since the preliminary discussions we have had no contact with the station at all.

Best wishes

Andrew Layman

-----Original Message-----

From: Zerai Araia Adhanom [mailto:201511569@stu.und.ac.za]
Sent: 09 September 2003 08:27
To: directorpcci@futurenet.co.za
Subject: Dear sir

Dear sir

I am a student at University of Natal, Durban in the Culure, Communication & Media Studies dept. I am doing a research on the Community Radio stations taking Radio Maritzburg as my case study. In this research i will be looking at the contribution of advertisng in helping the radio station sustaining. I heard Pietermaritzburg chamber of commerce supports the radio station in diffent ways. I wonder if you could forward to me some documents that indicate your assisstance to Radio Martizburg in terms of money or training. I would be happy to get some information as attachment from your office so that my research will be complete.

Best regards,
sincerely,
zerai

Please find our disclaimer at <http://www.disclaimer.nu.ac.za>



Appendix 10

only page

14

Independent Communications Authority of South Africa

Pinmill Farm, 164 Katherine Street, Sandton
Private Bag X10002, Sandton, 2146

COMPLAINTS REPORT

Jan – Jun 2003

ICASA LIBRARY AND
INFORMATION CENTRE
PINMILL FARM
BLOCK C & D
164 CATHERINE STR
SANDTON
TEL: (011) 722-0000

MONITORING AND COMPLAINTS UNIT – September 2003

Summary	Complaining about the changing of the structure of the Muslim Broadcasting Corporation, affecting the management of the station.
Outcome	The matter was still under investigation at the time of the publishing of this report.

Date	04/06/03
Complainant	Andile Ndlovu (KwaZulu Natal)
Broadcaster	Radio Maritzburg
Summary	<p>The complainant requested that the MCU investigates the following allegations against Radio Maritzburg:</p> <ul style="list-style-type: none"> • The board of Trustees is still controlling the station although it was dissolved during an AGM held on 31 March 2003. • Audited Financial Statements are not available. • The Vice Chairperson of the board handles the marketing of the station at 10% commission.
Outcome	The matter was still under investigation at the time of the publishing of this report.

Date	10/06/03
Complainant	Mr Zibele Limani (Eastern Cape)
Broadcaster	Unitra Community Radio
Summary	Complained about the fact that he was unfairly dismissed as a volunteer (newsreader) at Unitra Community Radio.
Outcome	The complainant was informed that the matter does not fall within the jurisdiction of ICASA and cannot be investigated.

2.5.6 Other

Date	17/01/03
Complainant	JNC Degenaar (Mpumalanga)
Broadcaster	LM Radio
Summary	<p>Radio Kragbron Chairman, Mr. Degenaar complained that LM Radio owned by Mr. H. van der Nest was broadcasting illegally and that the unlawful relaying of Mr. van der Nest's signal was interfering with Radio Kragbron's frequency.</p> <p>ICASA officials together with the South African Police Service (SAPS) investigated the matter and allocated the illegal broadcasting services at 102.9 MHz as belonging to LM Radio owned by Mr. van der Nest. All equipment was confiscated by police and a criminal case was opened against Mr. van der Nest. The court ruled for the defendant.</p>
Outcome	ICASA was considering lodging an appeal against the court's

0826515784 Kejo (internet of the photos)

~~Appendix~~
Appendix
11

**Maritzburg Radio
Management Training
Dates: 11 - 15 August 2003**

Purpose

- The main objective of the training is to introduce participants to healthy community radio management
- The training is designed to introduce participants to an effective and collaborative governance of a community radio.
- The training is designed to introduce participants to new approaches designing and implementation of policy.
- The training will also focus on appreciative inquiry and organisational diagnosis to remedy effective communication.
- The training is designed to enhance clear understanding of laws and regulation in the radio sector.
- The training will encourage participants to put in place administrative, marketing, programming, finance and other related system with considerations to the laws and effectiveness of the systems.
- The training will strengthen relationship between board, management, and volunteers by clearly outlining clear roles and responsibilities.
- The workshop will have strong emphasis on putting together a four-year licence application and develop clear financial projections.
- The training workshop will assist the radio station with strategic planning and organisational diagnosis.

Specific Outcomes

- Capacity to understand community development in general
- Participants be introduced and oriented on community radio operations
- Participants should understand basic principles of Managing a community Radio.
- Participants should be able to forge partnership with community and setup accountability structures.
- Participants should be capacitated to develop operational policies in a consultative process.



Graduate Programme in Cultural and Media Studies

Faculty of Human Studies

Durban 4041 South Africa

Telephone +27 (0)31 260 2505

Facsimile +27 (0)31 261 1519

e-mail: ccms@nu.ac.za

<http://www.nu.ac.za/cms/>

23 July 2003

The Station Manager
Radio Maritzburg
P.O. Box 1856 / 177 Commercial Road
PIETERMARITZBURG
KwaZulu
Natal

Cell: 0835329653

Dear Mr Muzi Sibiyi,

Zerai Araia is a graduate student in the Culture, Communication and Media Studies (CCMS) Programme at the University of Natal, Durban. He is currently conducting research on community radios, with particular emphasis on the contribution of advertising as a financial source for community radios in South Africa.

The student has chosen Radio Maritzburg as a case study and is attempting to explore the extent to which advertising helps the station meet its expenses. His research is for academic purposes and your assistance would be helpful in identifying the problems that community radio in South Africa faces in its day-to-day activities, with particular reference to financial management.

CCMS kindly requests that the radio station staff collaborate with the individual in either providing the relevant information or allowing the student access to the radio station's information. This would allow the student's efforts to contribute to the overall research endeavour that is being done to discover the problems and challenges facing community radio in the country.

Yours sincerely

Ruth Teer-Tomaselli (Prof)
Supervisor

Appendix 13.



Independent Communications Authority of South Africa

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Private Bag X10002, Sandton, 2146

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MARITZBURG COMMUNITY RADIO

JUNE 2002

ANNUAL REPORT ON RADIO MARITZBURG

Licence Commenced: 01 January 2001

Licence Expires: 30 June 2002

INTRODUCTION

Radio Maritzburg is a geographically founded radio station licensed to serve the interests and needs of the community of the Greater Pietermaritzburg area i.e. Richmond, Escourt, Wartburg, Howick and Mpumalanga in Kwa-Zulu Natal. The station operates from the studios situated in the city-center of Pietermaritzburg.

A temporary broadcasting licence was issued to Radio Maritzburg with obligatory special conditions which were:

- Radio Maritzburg Trust must hold an Annual General Meeting (AGM) before the end of July 2001;
- A Board of Trustees and a Programme Advisory Committee must be appointed/ elected at the AGM;
- The Trust Deed must be one of the documents that must be reviewed at the AGM.

The following report's objective is firstly, to measure the station's compliance with the aforementioned special conditions. Secondly Over and above that, to conduct an overview on the extent to which it has adhered to other licence conditions with special reference to participation, community, management structure, programming content, finances and technical compliance.

COMPLIANCE WITH CONDITIONS:

The radio station held its AGM on July 22, 2001. It was at this meeting that a new Board of Trustees and new Programme Advisory Committee were nominated. All the conditions were therefore complied with as it was unanimously agreed at the AGM that Section 14 of the Deed be amended to enable the Trustees to take effective control of and manage the radio station.

The Trustees were required to investigate all the financial records of the station since 1999 and these were to be presented for public scrutiny. During their very first meeting held on 24 July 2001, the eight nominated

Trustees agreed not to sign trustee consent forms until they were satisfied with the accounts of the trust which they had been nominated to manage and control.

The trustees further indicated in a letter dated 25 July 2001 that the new management was unable to gain access to the broadcasting studios in order for them to be able to inspect whether the broadcasting equipment was still in working condition or check the inventory.

Upon several consultations with the Authority regarding the above issue and the insolvency of the radio station, the Radio Maritzburg Trust requested to stay off-air for the period of three months to sort out the financial problems at the station.

After deliberations, the Authority resorted to granting Maritzburg a three months grace period to sort out the problems. It, however, emerged that not only was the station's insolvency a central issue, two Boards were formed, one chaired by Mr. Muzi Sibiyi and the other, chaired by Mr. Tungay. The two Board of Trustees with conflicting points of view saw Radio Maritzburg grappling even further to get its house in order before the stipulated three months period.

The dichotomy between the two Boards resulted in the Authority reviewing its decision and as a result the then Head of the Licencing Unit, Ms Pheladi Gwangwa, sent a communiqué to the radio station in which it was clearly stated that:

¹The Council has asked me to inform both you (Mr. Sibiyi) and Mr. Tungay that Radio Maritzburg would not be allowed to broadcast as from the 31st of October 2001, which is the three months 'off-air' period granted by the Authority, until and unless the station can show to the satisfaction of the Authority that it has resolved its problems. Amongst other things, the Authority needs to be satisfied that the Board of Trustees has been elected into office by the community at a properly constituted Annual General Meeting.

The AGM was eventually held on 03 November 2001 in which the initially nominated Trustees were re appointed/nominated by the community and present to observe the proceedings were two representatives from the MCU. Mr. Tungay (British Resident) stepped down amid the community's plea for him to remain on the Board, indicating that the constitution did not allow a non- South African

¹ Annexure A Letter to Maritzburg re- relaunching of Radio Maritzburg



THE VOICE OF THE
MIDLANDS
107.6 FM

Publicity House , 177 Commercial Road, Pietermaritzburg, 3201
P.O. Box 3446, Pietermaritzburg, 3200
Tel: (033) 3942969 Fax: (033) 3942973

Appendix

14

NOTICE

RE-STRUCTURING OF THE PROGRAMMING ADVISORY COMMITTEE - (PAC)

In performing its mandatory function, the Radio Maritzburg board of trustees has restructured the PAC as follows:

1. Mrs Nomagugu Ngobese - Chairperson
(0825128003)
2. Mr Thami Mayeni - Vice Chairperson
(0822949302)
3. Mam Connie Ngcobo - Secretary
4. Mr Mandla Vilakazi - Vice Secretary
5. Mduduzi Xhakaza - Member
6. Mr Harry Nzimande - Member

NB : Further co-option shall be undertaken, considering the language distribution of the Radio listeners.

- As soon as a full complement of members is established, you shall be posted with full information.

THANK YOU

B. Sekete

B.J. SEKETE

CHAIRPERSON

Cell:- 0846746650