



# **LM RADIO ANNUAL COMPLIANCE REPORT**

**MARCH 2021**

# **2019/20 ANNUAL COMPLIANCE REPORT**

## **EXTRISERVE (PTY) LTD BROADCASTING AS LM RADIO**

**Licence Period : 18 July 2014 - 17 July 2024**

### **1. PREFACE**

The Independent Communications Authority of South Africa (“the Authority”) has a statutory mandate in terms of the Constitution<sup>1</sup>, the ICASA Act<sup>2</sup>, the Electronic Communications Act<sup>3</sup> (ECA) and the Broadcasting Act<sup>4</sup> to regulate broadcasting activities in South Africa in the public interest. One of the main tasks of the Authority is to ensure compliance by broadcasters with the terms and conditions of their licence and relevant legislation and regulations.

The purpose of the report is to provide an overview of LM Radio’s performance for the 2019/20 financial year. Aspects of compliance that are measured comprise of the service licence’s conditions of Geographic Coverage Area, Broadcast Language, Format, Local content Obligations, General Programming Obligations, Training and Skills developments and Ownership and Control Obligations. Furthermore, the report will measure compliance with regulations that includes South African Music Content, Standard Terms and Conditions for Individual Licensees, Universal Service and Access Fund Regulations, General Licence Fee Regulations and the Code of Conduct for Broadcasters.

### **2. BACKGROUND**

The Authority issued a commercial broadcasting licence to Extriserve (Pty) Ltd broadcasting as LM Radio for ten (10) years from the date of issuance<sup>5</sup>. The Licensee has been licensed to provide broadcasting services to Gauteng Province as defined in their radio spectrum licence. According to the Broadcast Research Council of South Africa (BRC), the listenership figures for the quarter ending March 2020 is 16 000<sup>6</sup>.

---

<sup>1</sup> The Constitution of the Republic of South Africa, No 108 of 1996

<sup>2</sup> Act No. 13 of 2000, as amended

<sup>3</sup> Act No. 36 of 2005

<sup>4</sup> Act No. 4 of 1999

<sup>5</sup> LM Radio Service Licence

<sup>6</sup> [https://brcsa.org.za/brc-ram\\_listenership-report-apr19-mar20/](https://brcsa.org.za/brc-ram_listenership-report-apr19-mar20/)

### **3. COMPLIANCE ASSESSMENT**

#### **3.1 Geographic Coverage Area**

Clause 3 of the service licence stipulates that the geographic coverage is:

*"Gauteng Province as defined in the coverage map attached to the Licensee's radio frequency spectrum licence".*

The Licensee broadcasts on 702 kHz on AM with Sentech as their distributor allowing them to cover their licensed area.

**The Licensee complies with its geographic coverage obligations.**

#### **3.2 Broadcast Language**

Clause 4 of the service licence stipulates that:

*"Principal Language shall be English"*

The monitoring exercise confirmed that LM Radio predominantly broadcasts in English. The Licensee, however, also broadcasts some of its adverts in Portuguese as part of the syndication programmes it shares with its sister radio station, based in Mozambique.

**The Licensee complies with its language obligations.**

#### **3.3 Format**

Clause 5.1 of the service licence stipulates that:

*"The Licensee shall have a programming format that of 75 % "golden oldie" and nostalgic adult contemporary music".*

---

The monitoring exercise confirmed that the Licensee's programming is dominated by nostalgic adult contemporary songs such as *Uriah Deep – Free Me*, *Blue Mink – Melting Pot* and *Eddy Grant – Do you feel my love amongst others*.

Clause 5.2 of the service licence stipulates that:

*"The Licensee's programming format shall be supported by a speech content which shall comprise of a mixture of informative discussion and news related to lifestyle, music content, information, travel, weather, and public service messages of no more than 25%, ranging from 10 – 15% during peak times and 5 – 10% of peak times. The Licensee's peak time shall be from 06H00 to 09H00 and 16H00 to 18H00 on weekdays".*

The monitoring exercise confirmed that the Licensee's programming is music driven supplemented by talk content, which is mostly informative and it includes, topics about the Corona virus, music pop quiz, entertainment news, among others.

**The Licensee complies with their format.**

### **3.4 General Programming Obligations**

Clause 7.1 of the service licence stipulates that:

*"The Licensee shall broadcast news bulletins at peak times during weekdays at 06H00, 07H00, 08H00, 17H00 and 18h00. The Licensee shall broadcast news for a total of thirty (30) minutes per day. The Licensee shall broadcast a weekly average of 25% news from Gauteng area, 35% national news and 40% international news.*

The Licensee broadcasts news weekdays only with the BBC news headline on top of the hour from 06H00 until 08H00, again at 13H00 and finally from 16H00, 17H00 and 18H00. Furthermore, the radio station broadcasts nine news bulletins of their own, between 06H30 and 18H30 with one bulletin at 12H00 midday. The news reports average three (3) minutes per bulletins, for an overall daily average of forty-five (45) minutes of news.

Below are few of the news content that could be heard:

- *President Cyril Ramaphosa has declared the Corona virus a state of disaster. Ramaphosa address the nation on government's plan to curb the spread of the Corona virus in the country last night.*

- *According to a report, a hotel bus transporting German tourist to Charlotte Maxeke Johannesburg Academic Hospital to undergo testing for the novel Corona virus 19 has broken down. One tourist in the group has tested positive and according to the report, three other tourists are displaying symptoms of Covid-19.*
- *President Trump says he expects the country to reopen for business in weeks rather than months. Mr Trump says he thought more people will die from a prolonged shutdown than as a result of the virus.*

#### **The Licensee complies with clause 7.1 of its service licence.**

Clause 7.2 of the service licence stipulates that:

*"The Licensee will broadcast news in English".*

The Licensee's news bulletins are read in English.

#### **The Licensee complies with clause 7.2 of its service licence.**

Clause 7.4 of the service licence stipulates that:

*"The Licensee shall broadcast community events relating to its coverage area".*

The monitoring exercise couldn't find any community events that were being mentioned or broadcast by the radio station.

#### **The Licensee did not comply with clause 7.4 of its service licence.**

### **3.5 Ownership and Control structure of the Licensee**

Clause 8 of the service licence stipulates that:

*Until the publication of ownership and control regulation, the Licensee shall for the duration of this licence maintain at least thirty percent (30%) ownership and control of the station by persons from historically disadvantaged groups.*

The Licensee has a thirty five percent (35%) shareholding by persons from historically disadvantaged groups.

#### **The Licensee complies with clause 8 of the service licence.**

### **3.6 Promise of Performance**

Clause 9.1 of the service licence stipulates that:

*"The Licensee shall employ a local news team specifically for the production of local news".*

The Licensee submitted that they have not employed a local news team due to financial constraints<sup>7</sup>.

#### **The Licensee did not to comply with clause 9.1 of the service licence.**

Clause 9.2 of the service licence stipulates that:

*"At least 70% of the employees employed by the Licensee shall be historically disadvantaged persons from the licensed coverage area".*

The Licensee's submits that it only has eight (8) permanent employees excluding presenters and producers who are independent contractors. All permanent employees fall under the category of historically disadvantaged persons<sup>8</sup>.

#### **The Licensee complies with clause 9.2 of the service licence.**

Clause 9.3 of the service licence stipulates that:

*"The Licensee shall establish an employee training programme and shall spend a minimum of R1 116 000 (one million one hundred and sixteen thousand rand) over the licence period.*

The Licensee submitted that they have for the period under review, spent one hundred and sixteen thousand rands (R 1 116 000), on training. It should be noted that the clause can only be assessed at the end of the licence period. However, thus far the Licensee has complied with the requirement.

Clause 9.4 of the service licence stipulates that:

*"The Licensee shall assist in the development of broadcasting knowledge and skills amongst historically disadvantaged groups in the industry by "adopting" at least one (1) community sound broadcaster within the broadcasting coverage areas and*

---

<sup>7</sup> Appendix B

<sup>8</sup> Appendix B

*provide them with, among other things, managerial and technical training through holding workshops and hand-on experiential training at LM Radio”.*

The Licensee did not submit any information in relation to the clause and could not account for compliance in relation to the above-mentioned clause.

**The Licensee failed to comply with clause 9.4 of the service licence.**

Clause 9.5 of the service licence stipulates that:

*"The Licensee shall provide the following amount annually to be used for annual broadcasting sound engineering, journalism training, programme presenting and production, sale and marketing, and news gathering internship (s) to persons from historically disadvantaged groups from the licensed coverage area”.*

YEAR	AMOUNT
Year 1	R 0'00
Year 2	R100 000
Year 3	R250 000
Year 4	R350 000
Year 5	R500 000
Year 6	R550 000
Year 7	R650 000
Year 8	R750 000
Year 9	R850 000
Year 10	R 1 000 000

The Licensee submitted that was not able to comply with this clause, due to them operating at a loss since inception.

**The Licensee did not comply with clause 9.5 of the service licence.**

Clause 9.6 of the service licence stipulates that:

*"The Licensee must provide at least two (2) minutes of airtime per day to promote corporate social responsibility initiatives such as awareness of HIV & AIDS, cancer, poverty alleviation, job creating and any other social objective".*

The Licensee submits that they have partnered with the Soweto Animal Rescue and Hospice Alberton for awareness with a total of one thousand five hundred minutes<sup>9</sup>.

**The Licensee has complied with clause 9.6 of their service licence.**

#### **4. REGULATIONS**

##### **4.1 South African Music Content**

Regulation 3.2 of the ICASA Regulations on South African Music as published on 23 March 2016 stipulates that:

*"A holder of a commercial sound broadcasting licence must ensure that after eighteen (18) months from the date of gazette of these Regulations, a minimum of 35% of the musical works broadcast in the performance period consist of South African music and that such South African music is spread reasonably evenly throughout the performance period"*

The Licensee submitted that they broadcast an average of twenty (20%) percent of South African music which is less than the quotas for individual licences<sup>10</sup> which were confirmed by the monitoring process. Some of the local songs that were played, include *Johnny Clegg & Savuka – Asimbonanga*, *Tasha Baxter – Colour of Me*, *Freshly Ground – Buttercup* amongst others.

**The Licensee failed to comply with the South African music content regulations.**

##### **4.2 Standard Terms and Conditions for Individual Broadcasting Licences**

During the period under review, the Authority did not find any non-compliance by LM Radio, with the Regulations on Standard Terms and Conditions for Individual Licences.

---

<sup>9</sup> Appendix C

<sup>10</sup> Appendix D



#### **4.3 Regulations in respect of the Prescribed Annual Contributions of Licensees to the Universal Service and Access Fund**

Regulation 3 of the Regulations in respect of Prescribed Annual Contributions of Licensees to the Universal Service and Access Fund (USAF), published in Government Gazette, No. 34010 of 10 February 2011, stipulates that:

1) *"Every holder of a licence granted in terms of Chapters 3, 4 and/or 9 or converted in terms of Chapter 15 of the Act, must pay an annual contribution of 0.2% of its Annual Turnover to the Fund".*

(2) *"A BS licensee who has paid an annual contribution to the MDDA must set off that contribution against its USAF Contribution, provided that the MDDA contribution and the USAF contribution against which it is set off are for the same financial year".*

The Licensee submitted that's its finances had not been finalised at the time of compilation of the report.

**The Licensee did not to comply with the USAF Regulations.**

#### **4.4 General Licence Fees Regulations**

Regulation 3 (1) of the General Licence Fees Regulations published on Government Gazette No. 36323 of 28 March of 2013 stipulates that:

*"The annual Licence fees prescribed in these regulations and as set out in schedule 2 apply to holders of individual and class ECS Licences, individual and class ECNS Licences and individual commercial BS Licences".*

Schedule 2 provides for Licensees to pay an annual licence fee in accordance with their licensed revenue and to be calculated using a set formula.

Regulation 7(a) (b)(c) of Schedule 3 provides that Annual Licence Fees:

- a) *"Are due annually based on the licensee's financial year;*
- b) *Are due and payable within 6 months from the end of the licensee's financial year;*
- c) *May only be paid by way of an electronic transfer or via direct deposit into the Authority's bank account".*

The Licensee submitted that its finances had not been finalised at the time of compilation of this report.

**The Licensee did not comply with the General Licence Fees Regulations.**

#### **4.5 Code of Conduct for Broadcasters**

The Licensee is a member of the National Association of Broadcasters ("NAB") and complaints in relation to the Code of Conduct by Broadcasters are administered by the Broadcasting Complaints Commission of South Africa ("BCCSA").

### **5. CONCLUSION**

The Licensee has complied with some of its licence conditions and not with other clauses including, their promise of performance, music Regulations and financial obligations. The Authority through the Compliance department, will take up the areas of non-compliance with LM Radio and if needs be, refer all the areas of non-compliance, to the Complaints and Compliance Committee (CCC), for a hearing and adjudication.

### **6. TERMS OF REFERENCE**

Appendix A: LM Radio Licence;

Appendix B: Compliance Submission;

Appendix C: Promise of Performance Submission

Appendix D: Form 9A

Appendix E: Regulations Regarding Standard Terms and Conditions for Individual Licences

Appendix F: Universal Service and Access Fund Regulations

Appendix G: Proof of USAF Contribution

Appendix H: General Licence Fees Regulations

**END**

**March 2021**