



OFM ANNUAL COMPLIANCE REPORT

MARCH 2021

2019/2020 ANNUAL COMPLIANCE REPORT

CENTRAL MEDIA GROUP (PTY) LTD BROADCASTING AS OFM

Licence Period: 17 December 2018 – 16 December 2028

1. PREFACE

The Independent Communications Authority of South Africa (the Authority) has a statutory mandate in terms of the Constitution¹, the Independent Communications Authority of South Africa Act² (ICASA Act), the Electronic Communications Act³ (ECA) and the Broadcasting Act⁴ to regulate broadcasting activities in South Africa, in the public interest. Among the responsibilities of the Authority is the task to ensure compliance by broadcasting service Licensees with the terms and conditions of their licence and any relevant legislation and/or Regulations.

This report is intended to give account of Central Media Group (Pty) Ltd broadcasting as OFM ("OFM") compliance for the 2019/2020 financial year. Aspects of compliance that are measured comprise of Geographic Coverage, Languages, Format, Local Content Obligations, General Programming Obligations, Regulations Regarding Standard Terms and Conditions, Universal Service and Access Fund Regulations, General Licence Fees Regulations.

2. BACKGROUND

OFM is an Individual Commercial Sound Broadcasting Service Licensee ("Licensee") providing an adult contemporary format, with a mix of music and information (including the coverage of community affairs) to the Free State, Northern Cape and parts of the North West Provinces⁵.

3. COMPLIANCE ASSESSMENT

3.1. Name of Station

Clause 1 of the Schedule to OFM's licence provides that the name of the station is:
"OFM"

¹ The Constitution of the Republic of South Africa, No 108 of 1996.

² Act No. 13 of 2000, as amended.

³ Act No. 36 of 2005.

⁴ Act No. 4 of 1999.

⁵ Appendix A: OFM's Broadcasting Service License.

The monitoring exercise found that the Licensee was broadcasting and identifying itself as OFM. The Licensee further confirmed that name of the station nor its branding has not changed.

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

3.1 Geographic Coverage

Clause 2 of the Schedule to OFM's licence provides that the geographic coverage of the Licensee is:

"Free State, Northern Cape and parts of the North West, as defined in the coverage map attached to the radio frequency spectrum licence."

The Licensee confirms that it provides geographic coverage to the areas as specified in its Radio Frequency Spectrum licence. Further, no complaints were received by the Authority regarding the Licensee operating outside of its specified geographic coverage area as defined in the coverage map attached to its radio frequency spectrum licence.

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

3.2. Broadcast Language(s)

Clause 3 of the Schedule to OFM's licence provides that the broadcast language(s) is:

"English and Afrikaans"

The monitoring exercise confirmed that the Licensee broadcast in English and Afrikaans. Both languages are represented in the talk and music category of the licensee's programming.

The Licensee complies with clause 3 of the Schedule to its license.

3.3. Format

Clause 4 of the Schedule to OFM's licence provides that:

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

The monitoring exercise found that the format of OFM's programming is a mix of music and information. The information includes news, traffic and weather updates, sports coverage, current affairs discussions, raising awareness regarding various health, money and social issues and community announcements amongst others. During the period under review the Licensee broadcast updates regarding the State of National Disaster and duly kept its community up to date regarding developments of lockdown and covid-19. The music as broadcast by the Licensee is of adult contemporary nature.

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

3.4. Local Content Obligations

Clause 5 of the Schedule to OFM's licence provides that:

"5.1 The Licensee shall annually adhere to a four-point plan, namely:

5.1.1 Support live music performances;

5.1.2 Profiling South African composers;

5.1.3 Engaging in joint promotions and competitions with record companies and advertisers; and

5.1.4 Playing and promoting local music demonstration tapes or equivalent."

During the period under review, the Licensee demonstrated its support for live music performances by South African artists such as *Jo Black, Elandre, Vernon Barnard, Kurt Darren, Musiek Soos Grond, Joshua Na Die Reen, Bloem Orchestra and Corlea Botha, amongst others.*

The Licensee further profiled various South African composers during the period under review. These composers were amongst others:

The Parlotones, Christian Visser, Dewald Wasserfall, Tamryn Lamb, Joe Foster, Cheree, Dani Ville, Jacobus Silver, Brendan Peyper, Paul Loeb van Zuilenburg, Kurt Darren, Charlize Berg.

The Licensee engaged in joint promotions and competitions with record companies and advertisers during the period under review, including:

- *Ticket give away to OFM Symphonic Pop Extravaganza Concert*
- *Ticket give away to The Voice SA*
- *Ticket Give away to Nataniel In Concert*
- *Free air time for Watershed's Tour*
- *Ticket give away to Windmill casino Windpomp Festival*

- *Ticket give away to Central Secondary School music concert.*

The Licensee sponsored events such as the following during the period under review:

- *Bloem Show Music Evenings*
- *OFM Symhonic Pop Extravangaza Concert*
- *Vrystaat Arts Festival*
- *All the Way from Bloem Concert*

The Licensee in the period under review played and promoted local music demonstration tapes or equivalent. Some of the new South African releases that was promoted include: *Valeska Muller "Verdwaal Saam Met Jou"*; *Rieg van Finn "My Tyd Staar Stil"*; *Vanilla "Nie Stilstaan Nie"*; *Tasche "Die Een"*; *Hanco "Shake It Up"*.

The Licensee complies with the entirety of clause 5.1 of the Schedule to its service licence.

3.5. General Programming Obligations

Clause 6 of the Schedule to OFM's licence provides that:

"6.1. Should the Licensee source news material from a source other than itself, the source(s) thereof shall be disclosed during the news broadcast."

OFM submits that it gives due acknowledgement of external news sources. Acknowledgment of external news sources is either at the beginning or the end of a news clip.

Some of the news sources used by the Licensee include the African News Agency, Kagiso media and AME Group stations, Media24/News24 and SABC/RSG/5FM. This submission was confirmed during the monitoring exercise during the period under review.

The Licensee complies with clause 6.1 of the Schedule of its service licence.

6.2 The Licensee shall spend a minimum of R1 800 000 (nine hundred thousand Rand) per annum on provision of news, including locally based gatherings.

The Licensee submits it spent R3 235 072.00 in respect of the provision of news⁶ for the period under review. This amount includes money spent on local news gathering.

⁶ Annexure B: OFM ICASA Report 2019 – 2020.

The Licensee complies with clause 6.2 of the Schedule to its service licence.

"6.3 The Licensee shall emphasis local news."

The Monitoring exercise found that the Licensee considerably emphasises local news during its broadcast. Some of the local news that was broadcast during the period under review include amongst others, the following news stories:

- *"A massive corona virus screening operation is planned at a primary school in Bloemfontein today as a preventative measure. Education MEC, Tate Makgoe, says about 600 learners and parents will undergo screening after two of the learners might have been in contact with someone who tested positive for covid-19."*
- *"Die Minister van gesondheid, Zweli Mkhize, is vandag in Bloemfontein om die presiese getalle van die corona virus in die Vrystaat bekend te maak. Dit volg op die bevestiging van 'n paar positiewe gevalle van die virus in die provinsie. Die woordvoerder van die Vrystaatse Departement van gesondheid sê Mkhize sal die besonderhede van hierdie gevalle aankondig en ook sy steun aan die provinsie toon."*
- *"The Mangaung local municipality in the Free State province says its continuing to manage the phase of water restrictions because of its mounting debt to Bloemwater. This as residents on social media has called on the municipality to scrap water shedding during the nationwide lockdown which kicked off this morning. The Manguang local municipality owes Bloemwater more than 200 million rand."*
- *"Die twee dae sluiting van die Bloemfontein kantore van Binnelandse Sake word aan 'n tekort van geld toegeskryf. Die eienaar van die Rocklands gebou waar die kantore gehuisves word, het aan OFM Nuus bevestig dat hy die gebou donderdag gesluit het. Hy sê dit kom nadat die departement die voorgeskrewe maatreëls teen die verspreiding van die corona virus nie kon na kom nie."*

The Licensee complies with clause 6.3 of the Schedule to its service licence.

6.4 The Licensee shall broadcast an average of at least thirty-five (35) minutes of news per weekday, reducing to an average of twenty (20) minutes over weekends, including half hourly bulletins during peak hours on week days.

The monitoring exercise found that the Licensee broadcasts news Mondays to Fridays between the period of 06h00 until 18h00, on the hour and news headlines between the hour with an average daily duration of more than 35 minutes. Over weekends, the Licensee broadcasts news between the period of 07h00 and 13h00 for an average duration of more than twenty minutes.

The Licensee complies with clause 6.4 of the Schedule to its service licence.

6.5 The Licensee shall have an editorial charter to ensure independence and impartiality in its news coverage."

The Licensee submitted its editorial charter to the Authority⁷. The objective of the editorial charter is to provide guidelines for the administration, style and management of the content on air and digital news as well as ensuring that the news coverage of OFM is fair, impartial and balanced.

The Licensee complies with clause 6.5 of the Schedule to its service licence.

Therefore, the Licensee complies with the entirety of clause 6 of the Schedule to its service licence.

3.6. Community-related Obligations

Clause 7 of the Schedule to OFM's licence states that:

"The Licensee shall provide no fewer than 100 hours of training "on the job" for staff members at all such community radio stations in its coverage area as may apply for such training per annum. A programme of training on both technology and operations shall be developed by the Licensee and provided to the Authority, along with confirmation of the number of attendees, the name of the community radio station where they were employed, and the number of training hours completed by the Licensee, at least once per year."

The Licensee submits that it provided 278 hours of on the job training to the following community radio stations in its coverage area during the period under review. The community stations that were trained CUT FM (Central University of Technology), Dihlabeng FM, LA FM, Motheo FM, Radio Rosestad, Naledi FM, Karabo FM, Kopsie FM and Gold FM⁸.

⁷ *Ibid.*

⁸ Appendix B: OFM Report.

The training included radio clock maintenance, research for radio, production, creative thinking for radio and legislation for radio amongst other things.

The Licensee submitted the training programme as well as the attendance registers as evidence of its training provided to the community stations within its coverage area.

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

3.7. Ownership and Control Obligations

Clause 8.1 of the Schedule to OFM's licence states that:

"The Licensee shall maintain a minimum of thirty percent (30%) control of the station within the broadcasting coverage area."

The Licensee submits that it maintains a 44% control of the station from within the broadcasting coverage area.

The Licensee complies with clause 8.1 of the Schedule to its service licence.

Clause 8.2 of the Schedule to OFM's service licence states that:

"The Licensee shall maintain ownership and control of the station by persons from historically disadvantaged groups at 30% or such other level as may be acceptable to the Authority, pending the determination by the Authority of a generally applicable ownership quota in relation to all broadcasting licences in accordance with section 9 (2)(b) of the applicable law."

The Licensee submits that ownership and control of the stations by persons from historically disadvantaged groups is at 36.65%⁹. This is a culmination of the 14.12% as held by African Media Entertainment Ltd and the 100% as held by Kagiso Media Investments (Pty) Ltd.

The Licensee complies with clause 8.2 of the Schedule to its service licence.

Clause 8.3 of the Schedule to OFM's licence states:

"The Licensee shall ensure that at all times, at least two women are on its board of directors."

⁹ Appendix B: OFM Report

The Licensee submits that during the period under review, the Licensee had eight (8) directors serving on its board. Four (4) of the eight (8), are women. The board members are as follows¹⁰:

- (a) Jafta, C.D (Coloured, Male)
- (b) Dumo, V (Black, Male)
- (c) Kolobe, R (Black, Female)
- (d) Prinsloo, M.J (White, Male)
- (e) Efstathiou, N.D (White, Male)
- (f) Thamae, P.N (Black, Female)
- (g) Tlhankana, I.I (Black, Female)
- (h) Vermeulen, M.M.M (White, Female)

The Licensee complies with clause 8.3 of the Schedule to its service licence.

Therefore, the Licensee complies with the entire clause 8 of the Schedule to its service licence.

3.8. Training and Skills Development Obligations

Clause 9.1 of the Schedule to OFM's licence states that:

"The Licensee shall spend a minimum of R250 000 (two hundred and fifty thousand Rand) per annum on training and skills development for persons from historically disadvantaged groups."

The Licensee submits that for the period under review, it spent R1 375 321 on training and skills development for persons from historically disadvantaged groups.¹¹ The submission showed that the training included women, staff with disabilities, and African and coloured staff.

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

Clause 9.2 of the Schedule to OFM's licence states that:

"The Licensee shall ensure that at least 30% of staff dedicated to the business of the Licensee are black."

¹⁰*Ibid.*

¹¹ Appendix B: OFM Report.

The licensee submits that during the period under review, it employed 14 permanent black staff and 2 black interns, and thus had a total of 16 black staff.

The licensee further has 1 permanent Indian employee and 8 permanent coloured employees and 1 coloured intern. The licensee has a total of 59 staff, with 33 being white and 26 being black (black, coloured and Indian) of the total staff component. The licensee therefore meets the requirement to ensure that at least 30% of staff dedicated to the business of the Licensee are black.

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

Therefore, the Licensee complies with the entire clause 9 of the Schedule to its service licence.

4. REGULATIONS

4.1. Compliance Procedure Manual Regulations, 2011 – Form 12A

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

In the year under review, the Licensee submitted the required Form 12A¹². The Licensee is a member of the National Association of Broadcasters (NAB) and as such complaints relating to its code of conduct are dealt with by the Broadcasting Complaints Commission of South Africa ("BCCSA").

Complaints received were regarding presenters, content, music and competitions, with the bulk of the complaints relating to transmission/streaming. The Form 12A submission indicated that the Licensee has a one-day turnaround time for resolving complaints. The Licensee does not take complaints lodged on its social media into account as it encourages its community to lodge formal complaints and duly informs its community of the required procedure thereof.

During the period under review, no complaints were escalated to the BCCSA.

Further, the Licensee has published its complaints procedure on its website as well as regularly broadcasts advertisements from the BCCSA informing listeners as to the process of lodging a complaint with the before-mentioned commission.

¹² ICASA Compliance Procedure Manual Regulations, 2011 as published in *Government Gazette* No. 34863 dated, 15 December 2011.

The Licensee complies with the Compliance Procedure Manual, as stated above.

4.2. Regulations regarding Standard Terms and Conditions for Individual Broadcasting Licensees, 2010 as amended

The Authority is satisfied that during the period under review the Licensee did not contravene the regulation in respect of the Standard Terms and Conditions for Class Licences¹³.

The Licensee complies with the Standard Terms and Conditions for Class Broadcasting Service Licensees, 2010 as amended.

4.3. ICASA South African Music Content Regulations, 2016

Regulation 2 of the ICASA South African Music Content Regulations, 2016 provides that: *"A holder of a commercial sound broadcasting service licence must ensure that after eighteen (18) months of the gazetting 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 evenly throughout the performance period"*¹⁴.

The Licensee submits that it broadcasts an average of 37% of South African music tracks. The submission was confirmed during the monitoring process.

In addition to the South African music tracks that make up 37% of its music programming content, the Licensee regularly conducts interviews with South African musicians, covers live South African music and promotes new releases from South African artists. As such the average minimum of total South African music content as broadcasted by the Licensee is above forty percent (40%).

The Licensee complies with the Regulations on South African Music.

¹³ Appendix C: Standard Terms and Conditions for Individual Broadcasting Services, 2010 as published in *Government Gazette* No. 33294 dated, 14 June 2010 as amended.

¹⁴ Appendix D: ICASA South African Music Content Regulations, 2016 as published in *Government Gazette* No.39844 dated, 23 March 2016.

4.4. Universal Service and Access Fund Regulations, 2011

Regulation 3 (1) of the Regulations in respect of the Prescribed Annual Contributions of Licensees to the Universal Service and Access Fund, 2011¹⁵ state that:

*"Every holder of a licence granted in terms of Chapter 3, 4 and/or 9 or converted in terms of Chapter 15 of the Act, must pay an annual contribution of 0.2% of its Annual Turnover to the fund (USAF)."*¹⁶

The Licensee made payment to the fund and submitted the proof thereof to the Authority.

The Licensee complies with the USAF Regulations, 2011.

4.5. General Licence Fees Regulations, 2012

Regulation 3 (1) of the General Licence Fees Regulations state 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 Broadcasting Service licences."*¹⁷

Schedule 2 of the Annual Licences Fees regulations provide for Individual Commercial Broadcasting Services Licensees to pay an annual licence fee of 1.5% to the Authority.

Regulation 4(b) and (c) of Schedule 3 states that:

"(b) In respect of payment, such are due and payable within 6 months from 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."*¹⁸

The Licensee made its general licence fees payment before 30 September 2020 and submitted the proof thereof to the Authority.

The Licensee complies with the General Licence Fees Regulations, 2012.

¹⁵ Published in *Government Gazette* No. 34010 dated, 10 February 2011.

¹⁶ Appendix E: USAF Regulations, 2011 as published in *Government Gazette* No. 34010 dated, 10 February 2011.

¹⁷ Appendix F: General Licence Fees Regulations, 2012 as published in *Government Gazette* No. 36323 dated, 28 March 2013.

¹⁸ *Ibid.*

5. CONCLUSION

The monitoring exercise confirms that the Licensee complied with all the obligations as per its licence and the relevant Regulations during the period under review. The Authority hopes the Licensee will continue to be compliant with its licence conditions and the applicable regulations of the Authority.

6. TERMS OF REFERENCE

- 6.1.** Appendix A: OFM's licence conditions;
- 6.2.** Appendix B: OFM Report;
- 6.3.** Appendix C: Regulations Regarding Standard Terms and Conditions for Individual Broadcasting Licensees, 2010 as amended;
- 6.4.** Appendix D: South African Music Regulations, 2016;
- 6.5.** Appendix E: USAF Regulations, 2011; and
- 6.6.** Appendix F: General Licence Fees Regulations, 2012.

END

March 2021