

2011/2012 ANNUAL COMPLIANCE REPORT

SAFM

Licence Period: 18 December 2008 – 17 December 2018

1. PREFACE

The Independent Communications Authority of South Africa (“the Authority”) has a statutory mandate in terms of the Constitution,¹ the Broadcasting Act,² the ICASA Act of 2000,³ and the Electronic Communications Act (“EC Act”) of 2005⁴ to regulate broadcasting activities in South Africa in the public interest. The Authority is tasked with ensuring compliance by broadcasters with the ICASA Act, the EC Act, the terms and conditions of their licence and any relevant legislation and regulations.

The following report is intended to give account of SA FM’s performance for the period 2010/2011 financial year. Aspects of compliance that are measured comprise of Format, Local Content Obligations, General Programming Obligations, Training and Skills Development Obligations, Finances, the Regulations regarding Standard Terms and Conditions and the South African Music Content, Universal Service and Access Fund and Licence Fees Regulations.

2. BACKGROUND

SAFM is an Individual Sound Broadcasting Service Licensee of the South African Broadcasting Corporation (“SABC”). The radio station’s mandate is to provide a full radio spectrum service to the following provinces; Gauteng, Mpumalanga, Northern Cape, Limpopo, Northwest, Western Cape, Kwa-Zulu Natal, Free State and the Eastern Cape Provinces (*See broadcasting service licence and spectrum licence attached as Appendix A*).

¹ The Constitution No, 108 of 1996,

² The Broadcasting Act No,4 of 1999

³ The ICASA Act No, 13 of 2000,

⁴ The Electronic Communications Act No, 36 of 2005

3. COMPLIANCE ASSESSMENT

3.1 Ownership and Control

Clause 1.2 of the licence stipulates as follows:

"Name of the Company/Entity: The South African Broadcasting Corporation".

Clause 1.2 of the licence provides that the shareholders are as follows:

"Shareholders: The State: 100%"

Clause 1.3 of the licence provides that:

"Ownership held by persons from historically disadvantaged groups: NA"

SAFM forms part of the public service of the SABC and is 100% owned by the State. The Licensee does not have persons from historically disadvantaged groups in its ownership.

3.2 Geographic Coverage Area

Clause 2 of the schedule to the licence stipulates that:

"The coverage area is as defined in the map attached to the radio frequency spectrum licence".

According to the frequency spectrum licence, the radio station's coverage area is Gauteng, Mpumalanga, Northern Cape, Limpopo, Northwest, Western Cape, Kwa-Zulu Natal, Free State and the Eastern Cape. The Licensee confirms that its coverage area is as defined in its licence.

The Licensee complies with clause 2 of its licence.

3.2 Language(s)

Clause 3 of the schedule to the licence stipulates that SAFM's language of broadcast is as follows:

"Principal Language: English".

The monitoring exercise confirmed that SAFM broadcasts its content principally in English.

The Licensee complies with clause 3 of its licence.

3.3 Format

Clause 4.1 of the schedule to the licence stipulates that:

"The service authorised by this licence forms part of the public service division of the Licensee".

Clause 4.2 stipulates that:

"The licensed service shall be a full-spectrum service".

SAFM is categorised as a public radio station of the SABC and offers a full-spectrum service to its audience as outlined in the licence.

The Licensee complies with clauses 4.1 and 4.2 of its licence.

3.4 Local Content Obligations

Clause 5 of the schedule to the licence stipulates that:

"The Licensee shall submit quarterly reports to the Authority which shall include the licensee's compliance measured on:

Clause 5.1 different genres; and

Clause 5.2 South African Music Content in programme material broadcast in the licensed service during that quarter, in each instance, distinguishing between genres, providing the relevant details in relation to prime time and the period between 05h00 and 23h00 daily ("the South African broadcast period"), and

expressing relevant details both as an aggregate in minutes and as a percentage of the total of all such programming material”.

The SABC has submitted its quarterly reports for the period under review. The reports reflect a week’s sample for each quarter. The SABC is of the view that it is unlikely that programming would change in a week.

The figures below show a breakdown of SA FM’s compliance with the quotas set out by the Authority, as submitted by the Licensee. The figures were verified during the Authority’s monitoring exercise during the period under review.

First Quarter April 2011 – June 2011

Content/Genre	ICASA Quota (Minutes Daily/Weekly)	SAFM’ Provision (Minutes Daily/Weekly)	SAFM’s Compliance (%)
News (daily)	60min (daily)	100min	166%
News (Sat)	60min (Sat)	(Weekdays)	158%
News (Sun)	60min (Sun)	95min (Sat) 85min (Sun)	141%
Current Affairs (daily)	60 min (Daily)	326min (Weekdays)	543%
IKB (weekly)	180min (Weekly)	1560min(Weekly)	866%
Educational (weekly)	240min (Weekly)	325min (Weekly)	135%
Children’s (weekly)	60min (Weekly)	60min (Weekly)	100%
Drama (weekly)	150 min (Weekly)	220min (Weekly)	146%

Second Quarter July 2011 – September 2011

Content/Genre	ICASA Quota (Minutes Daily/Weekly)	SAFM's Provision (Minutes Daily/Weekly)	SAFM's Compliance (%)
News daily (M-F)	60min (daily)	100min (daily)	166%
News (Sat)	95min (Sat)	60min (Sat)	158%
News (Sun)	95min (Sun)	60min (Sun)	158%
Current Affairs (daily)	60min (daily)	338min (daily)	563%
IKB (weekly)	180min (weekly)	1570min (weekly)	872%
Education (weekly)	240min (weekly)	320min (weekly)	133%
Children (weekly)	60min (weekly)	60min (weekly)	100%
Drama (weekly)	150min (weekly)	220min (weekly)	146%

Third Quarter October 2011 – December 2011

Content/Genre	ICASA Quota (Minutes Daily/Weekly)	SAFM's Provision (Minutes Daily/Weekly)	SAFM's Compliance %
News daily (M-F)	60min (daily)	90min (daily)	150%
News (Sat)	60min (Sat)	95min (Sat)	158%
News (Sun)	60min (Sun)	95min (Sun)	158%
Current Affairs (daily)	60min (daily)	240min (daily)	400%
IKB (weekly)	180min (Sat)	1555min (Sat)	863%
Education (weekly)	240min (weekly)	350min (weekly)	145%
Children (weekly)	60min (weekly)	60min (weekly)	100%
Drama (weekly)	150min (weekly)	235min (weekly)	146%

Fourth Quarter January 2012 – March 2012

Content/Genre	ICASA Quota	SAFM's Provision (Minutes Daily/Weekly)	SAFM's Compliance (%)
News daily (M-F)	60min (M-F)	100min (M-F)	166%
News (Sat)	60min (Sat)	95min (Sat)	158%
News (Sun)	60min (Sun)	95min (Sun)	158%
Current Affairs (daily)	60min (daily)	326min (daily)	543%
IKB(weekly)	180min (weekly)	1565min (weekly)	869%
Education (weekly)	240min (weekly)	350min (weekly)	146%
Children (weekly)	60min (weekly)	60min (weekly)	100%
Drama (weekly)	150min (weekly)	220min (weekly)	146%

The above quarterly submissions indicate compliance by SAFM with the set quotas during the 2011/2012 fiscal year. The Authority's findings are outlined in the relevant sections below.

3.5 General programming obligations

3.5.1 General

Clause 6.1.1 of the licence stipulates that:

"The Licensee shall ensure that its programming adequately reflects the diversity of South Africa's Religion".

The SABC's editorial policy stipulates that:

"Religious programmes should take account of regional factors, target audiences, language and cultural preferences, and the devotional needs of specific groups".

The radio station broadcasts a programme called *"Morning Church Service"* every Sunday between 11h05 and 12h00. There is a combination of scriptural reading by pastors from different denominations, devotion and gospel music amongst others. The following are some of the Christian religious churches identified: African Church of the Resurrection in Meadowlands, Church of England and Valley Family Church in Muldersdrift. No other Religion/s were identified.

The Licensee complies with clause 6.1.1 of its licence.

Clause 6.1.2 of the licence stipulates that:

"The Licensee shall take reasonable steps to provide programming that reflects the cultural and tradition needs of the audience".

"The African Connection" is broadcast on Saturdays between 13h05 and 15h00. The programme deals with traditional and cultural issues from the African countries such as Equatorial Guinea, Morocco, Gambia and South Africa.

"Arts Matters" is broadcast on Friday's between 21h05 and 22h00. The programme tackles a variety of art and art related work. A film called *"Man on ground"* produced by a well-known Nigerian Actor and Director Akini Omotoso (an interviewee) was discussed. *"Scenes from SOWETO"* which was going to open at the Old Mutual Theatre at the Square on 07 April 2012 and directed by Director, Jennifer Logan was discussed.

The Licensee has complied with clause 6.1.2 of its licence.

Clause 6.1.3 of the licence stipulates that:

"The Licensee shall, during the South African performance period, provide programme material that caters and has due regard for the interests of all sectors of South African society and shall provide programming on health related issues, gender issues relevant to all age groups".

The radio station broadcasts a variety of programmes that cater for all sectors of society. The following were among the programmes identified:

- "Otherwise" which caters mostly for women, various topical issues that affects women are discussed;
- "Health Matters" which caters for all societal groups in terms of various health related matters;
- "IN TUNE" which caters for the youth and the children and is broadcast on Saturdays; and
- "Law Reports" an educational programme which informs society about the law related matters.

The Licensee complies with clause 6.1.3 of its licence.

3.5.2 News and Current Affairs

Clause 6.2.1 of the schedule to the licence stipulates that:

"The Licensee shall broadcast at least sixty (60) minutes of news programming each day during the South African performance period".

The quarterly reports submitted by the SABC indicate that the radio station broadcasts a minimum of ninety (90) minutes of news programming during weekdays, ninety five (95) minutes on Saturday and Sundays during the South African performance period.

The Authority's monitoring confirmed that SAFM broadcasts sixteen (16) news bulletins every hour on the hour from 06h00 to 22h00. Headline news is broadcast every half hour except for 18h30, 19h30, 20h30 and 21h30. A minimum of eighty (80) minutes of news was monitored each day during the South African performance period.

The Licensee complies with clause 6.2.2 of its licence.

Clause 6.2.2 of the licence stipulates that:

"The Licensee shall broadcast at least sixty (60) minutes of current affairs programming each day during the South African performance period".

The quarterly reports submitted indicate that the radio station broadcasts a minimum of two hundred and forty (240) minutes of current affairs programming each day, during the South African performance period.

The Authority's monitoring exercise confirmed that the radio station broadcasts a significant amount of current affairs programmes on a daily basis. The following programmes were identified:

- "A.M. Live" which is broadcast weekdays in the morning between 06h05 and 08h00;
- "P.M. Live" which is broadcast weekdays in the afternoon between 16h05 and 18h00;
- "The Forum at Eight" which is broadcast weekdays in the morning between 08h05 and 09h05;
- "Midday Live" which is broadcast weekdays between 12h05 and 13h00;
- "Afternoon Talk" which is broadcast in the afternoon between 14h05 and 16h00;
- "Talk Shop" is broadcast weekdays in the evening between 19h05 and 21h00; and
- "Weekend A.M. Live and Weekend P.M. Live" broadcast on Saturday and Sunday both in the morning and in the evening.

A total of five hundred and eighty (580) minutes (9 hours 40 minutes) of current affairs programming was monitored.

The Licensee complies with clause 6.2.2 of its licence.

Clause 6.2.3 of the schedule to the licence stipulates as follows:

"The Licensee shall in the production of its news and current affairs programming:

- (i) Exercise full editorial control in respect of the contents of such programming;*
- (ii) include matters of international, national, regional and where appropriate local significance;*
- (iii) meets the highest standards of journalistic professionalism;*
- (iv) provide fair, unbiased, impartial and balanced coverage independent from governmental, commercial or other interference; and*
- (v) provide a reasonable opportunity for the public to receive a variety of points of view on matters of public concern”.*

The SABC’s editorial policy provides that the licensee must exercise full editorial control in respect of contents of its programming. The editorial policy further indicates that the licensee endeavours to meet the highest standards of journalistic professionalism. Further, the policy provides for fair, unbiased and impartial coverage independent from government, commercial or other interference.

The Authority’s monitoring exercise confirmed that SAFM broadcasts matters of international, national, regional and local significance. In its current affairs broadcast, the radio station provides an opportunity for the public to receive a variety of points of view from different analysts and experts on matters of public concern (See 6.2.1 and 6.2.2 above). The SABC’s Editorial Policies form part of the SABC’s Charter and monitoring of SAFM’s news and current affairs programmes for the period under review demonstrated compliance with clause 6.2.3 of its licence and the Charter as contained in the Broadcasting Act of 1999.

The Licensee has complied with clause 6.2.3 of its licence.

3.5.3 Programming targeted at Children

Clause 6.3.1 of the schedule to the licence stipulates that:

"The Licensee shall in the provision of the licensed service, broadcast at least one (1) hour of programming targeted at children (as contemplated in section 10 (1) (g) of the Broadcasting Act) per week during the South African performance period".

Clause 6.3.2 stipulates that:

"In the production and presentation of its children's programming, the Licensee shall ensure that such children's programming is:

- (i) broadcast at times of the day when children are available to listen;*
- (ii) targeted at and appropriate for children between the ages of nought (0) to six (6) years and seven (7) to twelve (12) years respectively; and*
- (iii) educational and is made from children's point of view".*

The quarterly reports submitted by the SABC indicate that the radio station broadcasts a minimum of sixty (60) minutes of children's programming per week during performance period.

The monitoring exercise identified "In Tune" broadcast on Saturday at 12h05 to 13h00. This is an entertaining and educative programme for the youth. A total of fifty five (55) minutes was monitored.

Further, no programmes targeted at children between nought (0) to five (5) were identified. This matter was brought to the Licensee's attention in the previous financial year.

The Licensee does not comply with clause 6.3.2 of its licence.

3.5.4 Educational Programming

Clause 6.4 of the schedule to the licence stipulates that:

"The Licensee shall broadcast at least five (5) hours of educational programming (as contemplated in section 10 (1) (e) of the Broadcasting Act) per week within the South African performance period".

The SABC's quarterly reports indicate that the radio station broadcasts a minimum of three hundred and twenty (320) minutes (5hours 20 minutes) educational programming per week during South African performance period.

The Authority's monitoring confirmed that SAFM broadcasts educational programmes daily during the South African performance period. The following educational programmes were identified:

- "Market update" broadcast Monday to Friday between 18h05 and 18h30;
- "Law Reports" broadcast on Monday only between 21h05 and 22h00;
- "Health matters" broadcast on Tuesday only between 21h05 and 22h00;
- "Enviro Show" broadcast on Thursday only between 21h00 and 22h00;
- and
- "IN-TUNE" broadcast on Saturday only between 12h05 and 13h00.

A total of eight (8) hours, fifteen (15 minutes) of educational programming was monitored.

The Licensee complies with clause 6.4 of its licence.

3.5.5 Drama

Clause 6.5 of the schedule to the licence provides that:

"The Licensee shall broadcast at least two and a half (2 ½) hours of drama per week within the South African Performance period".

According to the SABC's quarterly reports, the radio station broadcasts a minimum of two hundred and twenty (220) minutes (3 hours 40 minutes) of drama programming per week.

The Authority's monitoring exercise confirmed that SAFM broadcasts drama programmes. The following were identified as some of the drama programmes broadcast by SAFM during the period under review:

"Games that people play" broadcast Saturdays between 19h05 and 20h00; and

"New Nation" broadcast on Sundays between 13h05 and 16h00.

A total of ninety (90) minutes (1 hour 30 minutes) of drama programming was identified.

The Licensee has not complied with clause 6.5 of its licence.

3.5.6 Informal Knowledge-Building Programmes

Clause 6.6 of the schedule to the licence provides that:

"The Licensee shall broadcast at least three hours of informal knowledge building programming per week within the South African performance period".

The SABC's quarterly reports indicate that the radio station broadcasts a minimum one thousand five hundred and fifty five (1555) minutes (25 hours 55 minutes) of Informal Knowledge Building Programming per week.

The Authority's monitoring exercise identified a variety of Informal Knowledge Building programmes, ranging from talk shows with a lifestyle emphasis to discussions on travel and tourism. *"Enviro Show"* and *"Talk Shop"* were some of the programmes identified as Informal Knowledge Building programmes.

Approximately twenty five (25 hours) Informal Knowledge Building programmes of was monitored per week.

The Licensee has complied with clause 6.6 of its licence.

3.5.7 Training and Skills developments Obligations

Clause 7.1 of the schedule to the licence provides as follows:

"7.1 The licensee must adopt and implement equal opportunity employment practices;

7.2 The licensee must ensure that its management and staff are representative of South African society and that its human resource policies takes into account the development of managerial, production, technical and other skills and expertise, particularly with regard to the historically disadvantaged persons;

7.3 The licensee shall endeavour to achieve fair and reasonable participation by historically disadvantaged persons with respect to:

- (a) its management and control structures;*
- (b) skills development;*
- (c) enterprise development; and*
- (d) procurement*

7.4 The licensee must, within thirty (30) days of the end of each financial year, provide the Authority with written information regarding its compliance with the above requirements".

The SABC submitted a skills development and training report of the entity as a whole, indicating that its management and staff are representative of South African society. The SABC submits that it is in the process of vetting information which relates to its implementation of equal opportunity employment practices. This information will detail the SABC's management and control structures and procurement allocations. The information will be submitted as soon as the process is complete.

The Licensee further submits that Skills Development is not only a national priority, but that of the SABC at large. The Licensee submits that the technological landscape that keeps on evolving calls for the SABC to continually equip its employees with the necessary skills in order to remain competitive and

sustainable. The Licensee states that in the year 2011/12, there have been a number of positive developments in response to the myriad challenges posed by the change in technology (migration from analogue to a digital space). The SABC submits that more than half of the total SABC employee population (2049) was trained in the respective divisions/clusters. Furthermore, its total expenditure on training amounted to twenty two million, nine hundred and eight thousand, seven hundred and sixty three rand (R22, 908, 763) spread across various divisions for 4612 interventions which included Learnerships/Internships. Of the 2049 employees that were trained, 47% are females and 53% are males.

Further, the SABC states that a total of 93 new bursaries were awarded in 2011/2012, bringing a total number of bursaries to 231, which includes bursaries awarded under the SABC foundation. According to SABC, the amount invested to maintain these new and existing bursaries was three million two hundred thousand rand (R3, 200 000); and were awarded in line with the critical and scarce skills identified within the broadcast industry (*See skills development report attached as Appendix B*).

3.5.8 Provision of Audited financial statements

Clause 8 of the schedule to the licence provides that:

"The Licensee shall provide the Authority with the audited annual financial statements of the licensed service within four (4) months of the end of the licensee's financial year, provided that the licensee may on good cause apply to the Authority for extension".

The SABC submitted its Audited Financial Statements for the 2011/12 financial year within the stipulated timeframe.

During the period under review the Licensee has complied with clause 8 of its licence.

4. REGULATIONS

4.1 South African Music Content Regulations

The Regulations on South African Music Content as published on 31 January 2006 stipulate that:

“All public sound licensees must play a minimum 40% South African music” (See Regulations on South African Music Content attached as Appendix C).

Monitoring conducted confirmed that the radio station plays approximately sixty percent (60%) South African music. The following artists were identified: Ladysmith Black Mambazo, Sibongile Khumalo, Jimmy Dludlu, Margaret Singana, Sankomota, Bayete, Jabu Khanyile, Tshepo Tshola, Ntokozo Mbambo Mbatha, Sifiso Ncwane, and Jonathan Butler. In addition the Soweto Songsters and the North West Youth Choir choral groups were identified.

The Licensee complies with the regulations on South African music.

4.2. Regulations regarding Standard Terms and Conditions for individual Broadcasting licences

During the year under review, the Authority did not identify any non-compliance by the Licensee with the standard terms and conditions for individual licensees (*See Regulations regarding Standard Terms and Conditions for Individual Licences attached as Appendix D*).

4.3. Universal Service and Access Fund Regulations

Regulation 3 of the USAF Regulations 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 paid its annual contribution fee of eight million fifty seven thousand, seven hundred and fifty two rand (R 8, 057 752. 00) to the fund and received confirmation of payment in a form of a Section 18A certificate from the MDDA.

The Licensee submitted proof of payment to the Authority in March 2012.

The Licensee has complied with the USAF regulations.

4.4. General Licence Fees Regulations

Regulation 4(b) of General Licence Fees Regulations provides for the exemption of Individual Licences for Public Broadcasting Services.

SAFM is part of the public broadcasting services of the SABC and is exempted from paying licence fees.

5. CONCLUSION

The Licensee has complied with most of its licence terms and conditions except for children's programming and drama programming.

6. APPENDICES

Appendix A: Sound broadcasting service and frequency spectrum licences;
Appendix B: Skills Development Report;
Appendix C: Regulations on South African Music Content; and
Appendix D: Regulations regarding Standard Terms and Conditions for Individual Licences.

