



Y FM

ANNUAL

COMPLIANCE REPORT

MARCH 2020

2018/19 ANNUAL COMPLIANCE REPORT

YIRED (PTY) LTD BROADCASTING AS Y FM

LICENSE 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 ICASA Act², 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.

The purpose of the report is to give an account of Y FM’s annual performance for the 2018/19 financial year. Aspects of compliance that are measured comprise of licence conditions pertaining to Geographic Coverage, Language (s) of broadcast, Format, General Programming Obligations, Training and Skills Development, Community-Related Obligations. Furthermore, the Licensee will be measured in relation to the following regulations, the ICASA South African Music Regulations, Regulations Regarding Standard Terms and Conditions, Universal Service and Access Fund (USAF) Regulations and General Licence Fee Regulations and the Code of Conduct for Broadcasters.

2. BACKGROUND

The Licensee, Yired (Pty) Ltd was issued with a renewed individual broadcasting service licence to be effective from 16 December 2018⁵ for a period of ten (10) years in accordance with the standard terms and condition for individual

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

licences. According to the Broadcast Research Council of South Africa, the listenership figures for period ending March 2019 was 676 000⁶.

3. COMPLIANCE ASSESSMENT

3.1. Geographic Coverage

Clause 2 of the schedule to YFM's service licence stipulates that:

"Johannesburg as defined in the coverage map attached to the Licensee's Frequency Spectrum licence"

The Licensee's signal distribution is provided by Sentech from a transmitter site in Johannesburg which enables them to cover its licensed area.

The Licensee complies with its coverage obligations.

3.2 Broadcast Language(s)

Clause 3 of the schedule to YFM's service licence stipulates that the broadcast language shall be:

"Primarily be English, IsiZulu and Sesotho"

The Licensee's content is primarily in English with other languages used on a complimentary basis especially when engaging with the listeners. There is no percentage breakdown of the language breakdown.

The Licensee complies with its language (s) of broadcast.

3.3 Format

Clause 4 (a)(b) of the schedule to YFM's service licence stipulates that the Licensee's format shall be:

"(a) Youth based focused service with an infotainment consisting of seventy five percent (75%) music and 25% talk;

⁶ <https://brcsa.org.za/brc-ram-august-listenership-report-jan19-jun19/>

(b) The Licensee may not change more than fifteen percent (15%) of its format between 0500 and 23h00”.

The License’s programming is aimed at the youth presented by the youth of the same going age.

The format of the Licensee is dominated by music with presenters engaging with listeners on a few segments which forms part of the talk content. The Licensee has in the period under review introduced talk content on specific weekdays between 22H00 and midnight which focuses on topical issues related to their target age group.

The Licensee complies with its format.

3.4 Local Content Obligations

Clause 5 (a)(b) of the schedule to YFM’s service licence stipulates that:

“(a) The Licensee must ensure than at least fifty percent (50%) of its music is South African music content;

(b) The Licensee must develop programmes which are aimed at empowering local musicians and music producers”

The Licensee submitted that it broadcasts an average of fifty percent (50%) of South African music⁷, which information was confirmed during the monitoring exercise. During the period under review, played new music from artists such as *Sjava, Tellaman, Shekinah and Sho Madjozi*. Furthermore, the radio station invites producers and artists to send their music to the radio station to be playlisted and advises on issues pertaining to music copyright.

The Licensee complies with its Local Content Obligations.

3.5 General Programming Obligations

Clause 6 (a) and (b) of the schedule to YFM’s service licence stipulates that:

“(a) The Licensee shall broadcast news for a minimum of two hundred and ten (210) minutes per week on a regular basis for a minimum of forty (40) minutes each weekday during the South African performance period (05h00-23h00)”.

⁷ Appendix B

(b) in instances where the Licensee does not originate news material, it must during its broadcast, credit the sources of such material in accordance with accepted journalist practises”.

YFM broadcasts news bulletins from 06h00 until 18h00 during weekdays, and a supplementary news segment called the BBC minute every hour during the performance period. The main news bulletins are an average of three and half minutes for a total average of two hundred and twenty minutes per week, with the BBC minute adding eighteen minutes daily for a total average of ninety minutes per week.

The news stories covered for the period under review with excerpts from certain broadcasts, as follows:

- *“The National Energy Regulator has lashed out at Eskom and has issued a stern warning to the power utility saying that it will be dealing with its inefficiencies. This comes in the backdrop of Eskom releasing a statement saying that NERSA would cause harm to the economy.*
- *Rival Soweto taxi associations WATA and NANDUWE are expected to make a public apology and renounce violence today. This is part of efforts to try and persuade Gauteng Roads and Transport MEC Ismail Vadi to lift the closure of ranks and routes operated by the two associations.*
- *Residents of Eldorado Park Ext 4 are still without power after a mini substation in the area exploded and caught fire last week. City power believes the fire started after vandals tried to gain access to the indoor mini substation by breaking the lock and trying to dismantle the infrastructure inside”.*

The Licensee complies with its news obligations.

3.6 Ownership and Control Obligations

Clause 7 (a) (b) of the schedule to YFM’s licence stipulates that:

“The Licensee shall establish scheme in terms of which staff are allocated five percent (5%) equity or profit participation”

The Licensee reported that the pay December bonuses to their employee as a form of profit sharing.

Clause 7(b) of the service licence stipulates that:

"The Licensee shall be entitled to reduce ownership by previously disadvantaged persons to below percent (80%) on application to the Authority".

The Licensee is wholly owned by E Media Investments (Pty) Ltd which is owned by previously disadvantaged persons⁸.

The Licensee complies with its ownership and control obligations.

3.7. Training and Skills Development Obligations

Clause 8 (a) (b) of the schedule to YFM's licence stipulates that:

"The Licensee shall (a) ensure that's at least fifty percent (50%) of the station staff are women and (b) must expend R400 000 (four hundred thousand Rand) per annum on training and human resource development".

The Licensee submitted that it has a total staff compliment of hundred and one (101) employees which includes interns. The overall total of female employees is fifty-two (52) which equates to an average of fifty one percent (51%) of the overall staff compliment⁹.

The Licensee spent four hundred and fifty-six thousand one hundred and fifty-nine Rands (R 456 159.00) on training and human resource development. The total amount is for money spent on staff training and stipends for the internship programme for the radio station.

The Licensee complies with its training and skills development obligations.

3.8 Community – related Obligations

Clause 9 of the schedule to YFM's service licence stipulates that:

"The Licensee must provide at least R1 000 000 (one million Rand)'s worth of airtime annually to relevant organisations for the purposes of providing free social responsibility messaging".

⁸ Appendix D

⁹ Appendix D

The Licensee submitted that through its YCares social responsibility provided free airtime for campaigns such as the Rally for a Purpose, Shavanthon, KFC Add Hope amongst others to an amount of one million three hundred and two thousand nine hundred and seventy-one Rands¹⁰(R1 302 971).

The Licensee complies with its community related obligations.

4. REGULATIONS

4.1 South African Music Content Regulations

Regulation 3 (2) of the ICASA South African Music Contents Regulations of 2016 stipulates that:

Every holder of a commercial sound broadcasting licence must ensure that after eighteen (18) months from the date of 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 reasonably evenly throughout the said period”.

The Licensee submits that it broadcasts an average of fifty (50 %) percent of South African music, which information was confirmed during the monitoring exercise. Furthermore, the Licensee interviews local musicians on their programming and do play exclusive songs from artists which increases their local music output in relation to the format factor point system. Some of the artists that were interviewed included *Kid X, Msaki, Sjava* amongst others.

The Licensee complies with the South African Music Content Regulations.

4.2 Standard Terms and Conditions for Individual Licences

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 Individual Licences.

¹⁰ Appendix E

4.3 Universal Service and Access Fund (USAF) regulations

Regulation 3 of the prescribed annual contribution of licences to 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 made a payment to the Media Development and Diversity Agency (MDDA) on 15 October 2019.

The Licensee complies with USAF regulations.

4.4 General Licence Fees Regulations

The General License Fees Regulations came into effect on the date of publication in the government Gazette no. 32084, on 01 April 2009.

Regulation 3 (1) (a) 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 under Annual Licences Fees stipulates that:

"Individual Commercial Broadcasting Service Licensees to pay an annual licence fee of 1.5% of gross profit to the Authority".

Schedule 3 (4) (b) and (c) stipulates that:

"(b) In respect of payment, such 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"

Y FM made its licence fee payment on 15 October 2019 which is more than six months after the Licensee's March financial year end. The Finance department has communicated the late payment penalty and an invoice will be issued to the Licensee accordingly.

The Licensee partially complied 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 for Broadcasters are administered by the Broadcasting Complaints Commission of South Africa (BCCSA).

5. CONCLUSION

The Licensee has for the period under review complied with most of its licence terms and condition and applicable regulations. The Licensee failed to adhere to the time frame for the payment of Licence Fees. However, at the time of compiling this report, a penalty invoice was issued to the Licensee and the Authority awaits payment. Broadcasting Compliance will take up the failure, to pay its licence fee in time, with YFM. Failing which, the matter may be referred to the Complaints and Compliance Committee (CCC), of the Authority.

6. TERMS OF REFERENCE:

6.1 Appendix A: YFM Broadcasting Service Licence

6.2 Appendix B: Form 9A Programme Log sheet

6.3 Appendix C: Bonus Provision

6.4 Appendix D: Form 1

6.5 Appendix E: Ycares documentation