



YFM ANNUAL COMPLIANCE REPORT

MARCH 2021

2019/2020 ANNUAL COMPLIANCE REPORT

YIRED (PTY) LTD BROADCASTING AS YFM

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 2019/20 financial year. Aspects of compliance that are measured comprise of licence conditions pertaining to Geographic Coverage, Language (s) of broadcast, Format, Local Content Obligations, 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 licences. According to the Broadcast Research Council of South Africa, the listenership figures for period ending March 2020 was 638 000⁶.

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

⁶ https://brcsa.org.za/brc-ram_listenership-report-apr19-mar20/

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 whilst the other languages are used as complementary.

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;

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

The Licensee's programming is music driven supplemented by talk content aimed at the youth with majority of content being infotainment. The Licensee has a current affairs format called "Y Talk" on alternative days during the week between 22H00 and midnight which focuses on topical issues related to their target age group. The Licensee has not submitted any change to its format.

The Licensee complies with its format.

3.4 Local Content Obligations

Clause 5 (a) and (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 thirty-nine percent (39%) of actual South African music during the performance period⁷. However, the Licensee conducts interviews with various local musicians and thus achieves 50% through the use of format factors.

In relation to development of local musicians and producers, the radio station invites producers and artists to send their music to the radio station to be playlisted on the radio station. Furthermore, they promote new music and musicians on their programming.

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)".

(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 for an average of three (3) minutes, for an average of thirty-nine minutes per day and the BBC minute news segment being supplementary. The BBC minute is broadcast every hour, for an average every hour for a total eighteen (18) minutes per day.

⁷ Appendix B

The total weekday news output in two hundred and eighty (280) minutes which is more than the news output quota.

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

- *"Transport Minister Fikile Mbalula has issued a stern warning to driver son over loading. He says drivers that overload and put people's lives at risk will face the full might of the law. Mbalula was addressing the media at the scene of the horrific bus crash in the Eastern Cape which claimed the lives of twenty people.*
- *A three (3) month old baby who was kidnapped from a Mamelodi West clinic on Friday has been found alive. The infant was spotted by a couple last night near the University of Pretoria's campus in Mamelodi. Tshegofatso Nyambiri disappeared after an unknown woman had asked his mother to play with him, and*
- *The University of KwaZulu Natal has reported its first case of Covid-19. In a statement, University management says the staff member developed symptoms after attending a gathering in Johannesburg which had delegates from Europe."*

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 they 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. There was no application by the Licensee, to reduce its ownership by “*previously disadvantaged persons*” to below the threshold (80%), as stated in the licence clause, above.

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 radio 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 total of ninety (90) employees which includes interns, and that forty 49 is female which equates to fifty four percent (54%) of the overall staff compliment⁹.

The Licensee submitted that it has spent six hundred and eighty thousand seven and sixteen rand and twenty-eight cents (R 680,716.28), on training and human resource development.

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”.

The Licensee submitted that through its “YCares” social responsibility, it provided free airtime for ten (10) campaigns for organisations such as SANBS, Mc Donald’s Blanket Drive amongst others to an amount of one million one hundred and fifty-four and twelve Rands and sixty-six cents ¹⁰.

The Licensee complies with its community related obligations.

⁸ Appendix D

⁹ Appendix D

¹⁰ Appendix E

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 submitted that it broadcasts an average of thirty-six nine (39%) of South African music during the performance period. The percentage is higher when we considered the new musicians and interview that they conduct which gives them point as per the format factor in the above mention regulation. Some of the artists that were playlisted included *AKA, Beast, Blaq Diamond, 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 Regulations on Standard Terms and Conditions for Individual Licences.

4.3 Universal Service and Access Fund (USAF) regulations

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 made a payment to the Media Development and Diversity Agency (MDDA), on 30 September 2020.

The Licensee complies with 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 the 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”.*

YFM made its licence fee payment on, 30 September 2020 which is within six months after the Licensee's March financial year end.

The Licensee complies 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 dealt with, by the Broadcasting Complaints Commission of South Africa (BCCSA).

5. CONCLUSION

The Licensee has for the period under review complied with its licence terms and conditions and applicable Regulations.

6. TERMS OF REFERENCE:

Appendix A: YFM Broadcasting Service Licence

Appendix B: Form 9A Programme Log sheet

Appendix C: Bonus Provision

Appendix D: Form 1

Appendix E: Ycares documentation

Appendix F: South African Music Content Regulations;

Appendix G: Regulations Regarding Standard Terms and Conditions;

Appendix H: General Licence Fees Regulations.

END

March 2021