



VUMA 103 FM ANNUAL COMPLIANCE REPORT

MARCH 2022

2020/2021 ANNUAL COMPLIANCE REPORT

VUMA FM (PTY) LTD BROADCASTING AS VUMA 103 FM

Licence Period: 25 May 2012 - 24 May 2022

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. One of the main tasks of the Authority, is to monitor compliance by broadcasters with the terms and conditions of their licences, the three Acts and any relevant legislation and Regulations.

The purpose of the report is to give an account of Vuma FM (Pty) Ltd ("Vuma 103 FM"/"the Licensee")'s performance for the 2020/2021 financial year. Aspects of compliance that are measured comprise of geographic coverage, language(s) of broadcast, broadcast content format, training and skills development equity, staff development and employment equity plan, general programming obligations, ownership by individuals from historically disadvantaged groups, Regulations Regarding Standard Terms And Conditions For Individual Broadcasting Services, General Licence Fees Regulations, Regulations In respect of the Prescribed Annual Contributions of Licensees to the Universal Service Access Fund and South African Music Content Regulations.

2. BACKGROUND

Vuma 103 FM holds an Individual Commercial Sound Broadcasting Service ("I-CSBS") licence and a Radio Frequency Spectrum ("RFS") licence (collectively referred to as "licences") for the provision of services to Durban, Donnybrook, Eshowe, Glencoe, Kokstad and Newcastle in the Province of KwaZulu-Natal. The Authority first issued Vuma 103 FM with its licences on 25 May 2012.

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

² ICASA Act, 2000 (Act No. 13 of 2000) as amended

³ Electronic Communications Act, 2005 (Act No. 36 of 2005)

⁴ Broadcasting Act, 1999 (Act No. 4 of 1999)

3. COMPLIANCE ASSESSMENT

3.1. Ownership and Control

Clause 1.1 of the schedule to the licence provides that:

"Name of Entity: Vuma 103 FM (Pty) Ltd"⁵.

The Licensee confirms that the name of the Entity is Vuma 103 FM (Pty) Ltd.

The Licensee complies with clause 1.1 of schedule to its licence.

Clause 1.2 of the schedule to the licence provides that:

"Shareholders: Lebashe Investment Group (Pty) Ltd – 100%.

The Licensee confirms that the station is 100% owned by Lebashe Investment Group (Pty) Ltd.

The Licensee complies with clause 1.2 of the schedule to its licence.

Clause 1.3 of the schedule to the licence states that:

"Ownership held by persons from historically disadvantaged groups: 100%"

The Licensee confirms that ownership held by persons from historically disadvantaged background is at 100%.

The Licensee complies with clause 1.3 of the schedule to its licence.

3.2 Geographic Coverage Area

Clause 2 of the schedule to the licence stipulates that the geographic coverage area is:

"Durban, Donnybrook, Eshowe, Glencoe, Kokstad and Newcastle in KwaZulu-Natal, as defined in the coverage map attached to the Licensee's radio frequency spectrum licence".

The Licensee confirms that the licensed geographic coverage area remains as is defined and specified in its licences.

⁵ Appendix A: Vuma 103 FM's I-CSBS Licence

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

3.3 Broadcast Language(s)

Clause 3 of the schedule to the licence states that:

"The Licensee shall broadcast in 50% isiZulu and 50% English"

The Licensee confirms that it is compliant with clause 3 as it is a requirement that all presenters and journalists be proficient in both languages.

The Authority's monitoring exercise confirmed that both English and isiZulu are used interchangeably by the Licensee. For example, presenters converse in both languages of broadcast, interviews are conducted in both languages, advertisements are also flighted in both languages and an English news bulletin is followed by an isiZulu news bulletin, an hour later. Voice notes, Facebook and WhatsApp messages from listeners are also in English and isiZulu.

The Licensee complies with clause 3 of the schedule to its licence.

3.4 Format

Clause 4.1 of the schedule to the licence provides for:

"The Licensee shall have a format that is 60% music and 40% talk".

Further, clause 4.2 of the schedule to the licence states as follows:

"Of the music broadcast, more than 50% of the music featured on the music playlist shall be gospel".

Furthermore, clause 4.3 of the schedule to the licence states that:

"Of the talk broadcast, a minimum of 15 hours a week shall be gospel/spiritual-related".

The Authority's monitoring exercise determined that the Licensee complies with the prescribed format. The music versus talk quota is adhered to.

The Licensee's playlist is predominantly gospel music and Licensee broadcasts more than fifteen (15) hours of gospel related talk content per week.

The Licensee complies with clauses 4.1 – 4.3 of the schedule to its licence.

3.5 Local Content Obligations

Clause 5 of the schedule to the licence states that:

"40% of the music broadcast shall be South African music, measured on a weekly basis"

The monitoring exercise confirmed that Vuma 103 FM broadcasts weekly, on average between 50 – 56% South African music. The following artists were featured: Donald featuring CiCi *"Uzobuya Wena Ungowam"*, Malaika *"Mhla' uphele' Amandla"*, Zonke *"Uyangithanda"*, Kelly Khumalo *"Themba"*, Mthunzi *"Uhlale Khona"*, DJ Bongz featuring DJ Tira & Mapopo *"Ngimile"* and many more.

The Licensee complies with clause 5 of the schedule to its licence.

3.6 General Programming Obligations

Clause 6.2 of the schedule to the licence states that:

"The Licensee will broadcast its news in English and isiZulu".

Clause 6.3 of the schedule to the licence states that:

"The Licensee shall broadcast news on a regular basis, a total of fifty-two (52) minutes each weekday and twenty-four (24) minutes on weekends between 05h00 and 23h00".

Clause 6.4 of the schedule to the licence provides for:

"The Licensee shall ensure that 55% of its news content is local, 35% national and 10% international news per day".

Clause 6.5 of the schedule to the licence states that:

"Should the Licensee source news material from news/source other than itself, the source(s) thereof shall be disclosed to the Authority".

Clause 6.6 of the schedule to the licence provides for:

"The Licensee shall broadcast thirty (30) minutes of current affairs programming per weekday. It will further ensure that the ninety per cent (90%) of current affairs

be in isiZulu. Eighty per cent (80%) of the current affairs programming is to be generated from the coverage area”.

Regulation 4(7) of the ICT COVID -19 National Disaster Regulations, as published in *Government Gazette* No. 43207 dated, 06 April 2020, stipulates that:

“The performance period for both sound and television broadcasting shall run from 07h00 to 21h00”.

Further, Regulation 4(8B) of the ICT COVID -19 National Disaster Amendment Regulations, as published in *Government Gazette* No. 43279 dated, 05 May 2020, provides that:

“Sound broadcasting service Licensees are exempted from compliance with specific programming requirements in terms of licence conditions during the National State of Disaster”.

The Licensee is exempt from complying with clauses 6.2 - 6.6 of the schedule to its licence during the National State of Disaster.

3.7 Ownership and control structures of the Licensee

Clause 7 of the schedule to the licence stipulates that:

“The Licensee shall for the duration of this licence maintain at least thirty per cent (30%) ownership and control of the station by persons from historically disadvantaged groups”

Ownership held by persons from historically disadvantaged groups is at 100%.

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

3.8 Special Conditions

Clause 8.1 of the schedule to the licence provides for:

“The Licensee must comply with the requirements of the Employment Equity Act 55 of 1998 and the Skills Development Act 97 of 1998”.

Clause 8.2 of the schedule to the licence provides for:

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

Clause 8.3 of the schedule to the licence states that:

"At least 50% of the employees employed by the Licensee shall be historically disadvantaged persons".

Regulation 4(8B) of the ICT COVID -19 National Disaster Amendment Regulations, as published in *Government Gazette* No. 43279 dated, 05 May 2020, provides that:

"Sound broadcasting service Licensees are exempted from compliance with promises of performance in terms of licence conditions during the National State of Disaster".

The Licensee is exempt from complying with clauses 8.1 - 8.3 of the schedule to its licence.

4. REGULATIONS

4.1 ICASA Compliance Procedure Manual Regulations, 2011

The Licensee is required, in terms of the Compliance Procedure Manual Regulations, as published in the *Government Gazette* No. 34863 dated, 15 December 2011, to submit a Form 12A which reports on all complaints received during the financial year under review. The Licensee submitted Form 12A and reported that they did not receive complaints for the period under review.

The Licensee complies with the ICASA Compliance Procedure Manual Regulations.

4.2 ICASA South African Music Content Regulations, 2016

Regulation 3(2) of the ICASA South African Music Content Regulations, as published in *Government Gazette* No. 39844 dated 23 of March 2016, state that:

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

The Authority's monitoring exercise determined that the Licensee plays over 50% South African music per week (**see 3.5 Local Content Obligations above**).

The Licensee complies with the ICASA South African Music Content Regulations.

4.3 Regulations on Standard Terms and Conditions for Individual Broadcasting Services, 2010⁶

For the period under review, the Licensee did comply with the above Regulations.

The Licensee complies with the Standard Terms and Conditions for Individual Broadcasting Services.

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 ("USAF") Regulations as published in the *Government Gazette* No. 34010 of February 2011, provides that:

"Every holder of the 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 the annual turnover, to the Fund".

Further, Regulation 3(2) provides that:

"A BS Licensee who has paid an annual contribution to the Media Development and Diversity Agency (MDDA) must set off that contribution against its USAF

⁶ Standard Terms and Conditions for Individual Broadcasting Services, 2010 as published in *Government Gazette* No. 33294 dated, 14 June 2010 as amended.

contribution, provided that the MDDA contribution and the USAF contribution against which it is set off are of the same financial year”

The Licensee’s financial year ends on 30 June and the USAF fees were paid directly to the MDDA on 14 December 2021 i.e. within six (6) months after the financial year end of Vuma 103 FM.

The Licensee complies with the Regulations in respect of the Prescribed Annual Contributions of Licensees to the Universal Service and Access Fund.

4.6 ICASA General Licence Fees Regulations, 2012

Schedule 2 of the General Licence Fees Regulations as published in *Government Gazette* No. 36323 dated, 28 March 2013 provides for Individual Commercial Broadcasting Service Licensees to pay annually to the Authority, a licence fee of between 0.15% to 0.35% of its licensed revenue (revenue from its licensed services).

Schedule 3(1) of the General Licence Fees Regulations provides for the format for submission of financial statements for the purpose of calculating licence fees.

Schedule 3(2) of the General Licence Fees Regulations provides that:

“All licence holders must submit within six (6) months of their financial year end:

- a) audited financial statements, or;*
- b) financial statements signed by the accounting officer of the Licensee where the Licensee is legally obliged to provide audited financial statements”*

Schedule 3(6) of the General Licence Fees Regulations provides that:

“All payments in respect of Annual Licence Fees are due annually”

The Licensee submitted its audited financial statements on 08 December 2021 and paid its annual licence fees on 14 December 2021 in accordance with the prescribed regulatory timeframes.

The Licensee complies with the ICASA General Licence Fees Regulations.

5. CONCLUSION

During the 2020/2021 financial year, Vuma 103 FM did comply with all the terms and conditions of its licences and relevant Regulations.

6. TERMS OF REFERENCE

Appendix A: Vuma 103 FM's I-CSBS licence and RFS licence;

Appendix B: Annual Compliance Report 2021

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

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

Appendix E: Standard Terms and Conditions for Individual Broadcasting Services, 2016 as published in *Government Gazette* No. 39875 dated, 30 March 2016, as amended.

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

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

Appendix H: ICT COVID – 19 National Disaster Regulations as published in *Government Gazette* No. 43207 dated, 06 April 2020 as amended. (Amendments published in *Government Gazette* No. 43279 dated, 05 May 2020; *Government Gazette* No. 43707 dated, 11 September 2020; *Government Gazette* No. 43945 dated, 27 November 2020 and *Government Gazette* No. 44374 dated, 31 March 2021.

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