



YFM ANNUAL COMPLIANCE REPORT

MARCH 2022

2020/2021 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 2020/21 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 and The ICT COVID-19 National Disaster Regulations first published in April 2020 and the subsequent amendments following the proclamation of the State of National Disaster.

The ICT Covid-19 Regulations as amended have introduced exemptions with specific service licence conditions and/or revised quotas and such will be reflected in the body of the report accordingly.

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

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 regulations on Standard Terms and Conditions for Individual Licences.

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 while 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;

⁵ Appendix A

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

The ICT COVID-19 National Disaster Regulations, regulation 4(7) provides that the performance period for both sound and television broadcasting will run from 07h00 to 21h00, daily.

The Licensee’s programming is music driven supplemented by talk content aimed at the youth with most of the content being infotainment. The Licensee has not submitted any changes 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 ICT COVID-19 National Disaster Regulations, regulation 4 (8C) provides that sound broadcasting service Licensees must comply with the local content music quotas.

The Licensee submitted that it broadcasts an average of fifty-three percent (53%) of actual South African music during the performance period⁶.

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. Further, 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:

⁶ Appendix B

"(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".

The ICT COVID-19 National Disaster Regulations, regulation 4(7) provides that the performance period for both sound and television broadcasting shall run from 07h00 to 21h00, daily.

Regulation 4 (8B) provides that Sound broadcasting service Licensees are exempt from compliance with specific programming requirements and promises of performance in terms of licence conditions during the National State of Disaster.

YFM broadcasts news bulletins every hour at the top of the hour from 07h00 until 18h00 during weekdays. The bulletins are broadcast for approximately three (3) minutes. On average, a total of thirty-three (33) minutes is broadcast each day, during the South African performance period.

The BBC news does not originate from the licensee and the source is credited when the news is broadcast. The broadcasting of BBC news is between 19h00 – 20h00 during weekdays.

The total weekday news output is two hundred and fifty-eight (258) minutes which is more than the news output quota.

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

- *"The Gauteng Department of Health have welcomed a damning report against Thembisa Hospital in the death of Shonisani Lethole. Health ombudsman professor Malegapuru Makgoba released the report today which showed that there was medical negligence on the part of the Hospital. Lithole was admitted to the Hospital in July last year with breathing difficulties and died before receiving his results which showed that he has tested positive for Covid-19*
- *Government says is ready for the official release of the National senior certificate examination results for the 2020 on the 22nd of February.*

- *Basic education Department has told parliament that the data capturing process for the marked results have been completed and sent to uMalusi for approval. The Department says since the completion of the marking process last month no challenges have been experienced that could derail official announcement of the 2020 matric results.*
- *The EFF says it will file criminal charges against deputy minister David Mahlobo for his alleged involvement in channelling safety security agency funds to former president Jacob Zuma. The state capture commission heard explosive evidence by Sydney Mufamadi who chaired a panel investigating the agency. Mufamadi revealed that Zuma will receive up to 4.5million rand monthly from the agency during his presidency”.*

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”

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 persons⁷. 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

⁷ Appendix C

thousand Rand) per annum on training and human resource development”.

The Licensee submitted that it has a total of eighty (80) employees and that thirty-four 34, are female which equates to forty-two-point five percent (42.5%) of the overall staff compliment⁸.

The Licensee does not comply with clause 8(a) of its licence.

The Licensee spent four hundred thousand one hundred and thirty-two rands and twenty-eight cents (R 400 132.28) on training and human resource development. The total amount is for money spent on staff training programme for the radio station.

The Licensee complies with clause 8(b) of 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 provided free airtime for campaigns such as the Afrika Tikkun Promotion, Charlotte Maxeke Hospital drop interview, Styling concept interview, among others, to an amount of two million three hundred and seventy-seven thousand nine hundred and fifty-four rands and seventy cents (R2 377 954.70).⁹

The Licensee comply 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:

⁸ Appendix C

⁹ Appendix G

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 fifty-four percent (54%) of South African music during the performance period. Some of the artists that were playlisted included *Big Zulu, DJ Zinhle, Fatalistic and Mlindo The Vocalist* among 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 2021. The payment made is equivalent to the 0.2% of their annual turnover, based on the Audited financial statements submitted by the Licensee.

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 2021, which is within six months after the Licensee’s March financial year end. The fees paid are in accordance with their licensed revenue.

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 generally complied with its licence terms and condition for the period under review.

6. TERMS OF REFERENCE:

Appendix A: YFM Broadcasting Service Licence

Appendix B: Form 9A Programme Log sheet

Appendix C: Form 1

Appendix D: South African Music Content Regulations;

Appendix E: Regulations Regarding Standard Terms and Conditions;

Appendix F: General Licence Fees Regulations.

Appendix G: Ycares documentation

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