



Y FM ANNUAL COMPLIANCE REPORT

FEBRUARY 2017

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LICENSE PERIOD : 12 DECEMBER 2008 –11 DECEMBER 2018

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 service activities in South Africa in the public interest. One of the main tasks of the Authority is to ensure compliance by broadcasters with the terms and conditions of their licence, the three Acts mentioned already and any relevant legislation and regulations.

The purpose of the report is to give an account of Y FM's annual performance for the 2015/16 financial year. The assessment is made up of aspects of the licence conditions which includes Geographic Coverage Area, Language (s) of broadcast, Format, Local Content Obligations, General Programming Obligations, Ownership and Control Obligations, Training and Skills Development Obligations and Community Related Obligations. Furthermore, the assessment will include compliance measurement with applicable regulations which includes South African Music Content Regulations, Standard Terms and Conditions for Individual Licences, Universal Service and Access Fund, General Licence Fees and the Code of Conduct for Broadcasters.

2. BACKGROUND

The Licensee, "Yired" (Pty) Ltd" was issued an individual broadcasting service licence on 17 December 2008⁵ for a period of ten (10) years in accordance with the standard terms and condition for individual licences. According to the SAARF, the listenership figures for the last quarter of the period under review were 1 387 000⁶. The License is 100% owned by Sabido Investments (Pty) Ltd (Sabido)⁷.

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 <http://www.saarf.co.za/rams-commercial/2016/RAMS%20MAR%202016-Audience%20National.pdf>

⁷ Ibid

3. COMPLIANCE ASSESSMENT

3.1. Geographic Coverage

Clause 2 of the 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 all the area in their licensed area which includes Johannesburg, Pretoria and the Vaal region.

The Licensee complies with the geographic coverage obligations.

3.2 Broadcast Language(s)

Clause 3 of the service licence stipulates that the broadcast language:

"Primarily be English, IsiZulu and Sesotho"

YFM broadcasts predominantly in English however, the radio station has presenters who use English interchangeably with indigenous languages such as iSiZulu, SeSotho and other languages during topical discussions and when engaging with callers and listeners. As evident from above, there is no percentage split in respect of the languages of broadcast.

The Licensee complies with clause 3 of its service licence.

3.3 Format

Clause 4 (a) and (b) of the service licence stipulates that the Licensee shall broadcast:

"(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 submitted that its programming is dominated by music complimented by talk. The radio station has a segment on Mondays just before 08h00 called "Ask the CEO" wherein the CEO of the radio station comments on topical and current affairs matters. There is also a programme called "Y Diddy" broadcast on Saturdays between 08h00 09h00. This programme has a segment wherein there are discussions about employment and business opportunities and interviews with entrepreneurs.

The monitoring exercise confirmed that the radio station's format is as contemplated in clause 4(a) of the licence. In addition, it was confirmed that the radio station has not changed its format for the period under review and was **accordingly found to be in compliance with clause 4 of its licence.**

3.4 Local Content Obligations

Clause 5 (a) and (b) of the service license 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 65% of South African music, which information was confirmed during the monitoring exercise. During the period under review, the radio station played new music from artists such as DJ Vigilante, DJ Sabby, and Nasty C.

The radio station also runs promos on its daily programming for new artists to send their music to be play listed on the radio. This is one way of empowering local artists. Further, it provides local live studio session with audiences through a "Live and Re Yired" programme for local artists on Fridays from 22h00 with artists such as Sai and Rebatone amongst others.

The Licensee was found to be in compliance with clause 5 (a) and (b) of the service licence.

3.5 General Programming Obligations

Clause 6(a) and (b) of the 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 weekdays 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 with the BBC minutes segments after every news bulletins. The news bulletins are between three and four minutes which equates to an average of 42 minutes per day and 210 minutes per week. The Licensee is exempted from broadcasting news over the weekend in terms of clause 6 (c) of the service licence.

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

- *"There are mixed reactions regarding President Zuma's announcement of re appointment of Minister Pravin Gordhan as minister of finance";*
- *"Quality health care in Mzansi is becoming unaffordable. Even for those who are regarded as part of the country's elite. This is word from Health Minister Aaron Motsoaledi who gave out detailed background on government's plans for the national health insurance scheme including its phases of implementation over the next 14 years"; and*
- *"US's first lady is rapping to encourage young adults to go to varsity. Michelle Obama who began rapping a year ago performs with Jay Pharaoh. The video has had 10 million hits a day since going viral on YouTube".*

The Licensee sources its news from international and local news agencies such as South African Press Association (SAPA) for its news stories and credits the sources if it is not covered by their own journalists.

The Licensee was found to be in compliance with clause 6 (a) and (b) of its service licence.

3.6 Ownership and Control Obligations

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

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

The Licensee submitted that the employees are afforded a bonus payment in December as part of profit participation. Proof in this regard was duly submitted to the Authority⁸.

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 Sabido Investments (Pty) Ltd which is hundred percent owned by previously disadvantaged persons.

The Licensee was found to be in compliance with clause 7 (a) and (b) of the service licence.

3.7. Training and Skills Development Obligations

Clause 8 (a) (b) of the service licence stipulates that:

"The Licensee shall (a) ensure that's its staff compliment is reflective of equitable gender 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 72 employees. The overall total for women is 37 which equates to an average of 51% of the overall staff compliment⁹.

In compliance with clause 8 (b), the Licensee spent R278 449.97 on training of management personnel. The Licensee recruits 14 interns on an annual basis through their Y Academy for training and developments. The interns are recruited in two groups on a six-monthly basis and are given a stipend which

⁸ Appendix B

⁹ Appendix C

contributes to the overall amount allocated for training and development. During the period under review, the Licensee spent R 700 000 in total which exceeded the required amount stipulated in their licence¹⁰.

The Licensee was found to be in compliance with clause 8 (a) (b) of the service licence.

3.8 Community – related Obligations

Clause 9 of the 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 has, through its YCares initiative, provided free advertising to organisations such as CANSA and further provided R2 607 687.92 for the Blanket Drive promo for the months of May and June which is more than the stipulated amount¹¹.

The Licensee was found to be in compliance with clause 9 of the service licence.

4. REGULATIONS

4.1 South African Music Content

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

"All commercial sound licensees must play a minimum 25% South African music".

The information submitted indicated that the Licensee broadcasts an average of sixty-five percent (65%) of South African music, which information was confirmed during the monitoring exercise.

The Licensee broadcasts a show on Saturdays called "the Bomb chart" between 18h00 and 19h00 playing exclusively local music, with another music chart show

¹⁰ Ibid

¹¹ Appendix D

programme called "Hot 99" weekdays between 09h00 and 10h00 with repeats at 21h00 counting down the latest songs from different music genres. The chart shows focuses on different music genres on different days of the week and are able to playlist local artist on the local Hip Hop and House charts on their respective days.

The Licensee was found to be in compliance with the South African Music Content Regulations.

4.2 Standard Terms and Conditions

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.

4.3 Universal Service and Access Fund (USAF) regulations

Regulation 3 of the prescribed annual contribution of licences to USAF regulations published on 10 February 2011 stipulates that:

"(1) every holder of the licence granted in terms of Chapter 3 or converted in terms of Chapter 15 of the Act, must pay an annual contribution of 0.2 % of the annual turnover, derived from the licence activity, 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 is set are for the same financial year"

The Licensee made a payment to the Media Development and Diversity Agency (MDDA) on 30 September 2016 and proof of payment was duly submitted to the Authority¹².

The Licensee was found to be in compliance with USAF regulations.

4.4 General Licence Fees Regulations

¹² Appendix E

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 in compliance with the regulations on 30 September 2016, which is within the six (6) months after the Licensee's March financial year end¹³.

The Licensee was found to be in compliance 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 are administered by the Broadcasting Complaints Commission of South Africa (BCCSA). The Licensee submitted that it did not receive any complaints for the period under review.

¹³ Appendix F

5. CONCLUSION

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

6. TERMS OF REFERENCE:

- 6.1 Appendix A: YFM Licence
- 6.2 Appendix B: Bonus Provision
- 6.3 Appendix C: Training Development
- 6.4 Appendix D: Ycares documentation
- 6.5 Appendix E: MDDA proof of payment
- 6.6 Appendix F: Licence Fees proof of payment