



YFM ANNUAL COMPLIANCE REPORT

MARCH 2023

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2021/2022 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 ("Authority") has a statutory mandate in terms of the Constitution¹, the Independent Communications Authority of South Africa Act (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 2021/22 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.

¹ The Constitution of the Republic of South Africa, No 108 of 1996

² Independent Communications Authority of South Africa Act, 2000 'ICASA Act' (Act No. 13 of 2000), as amended

³ Electronic Communication Act, 2005 'ECA' (Act No. 36 of 2005), as amended

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

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, enabling 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 focused service with an infotainment format consisting of seventy-five percent (75%) music and twenty-five percent (25%) talk.

⁵ Appendix A

(b) The Licensee may not change more than fifteen percent (15%) of its format between 05h00 and 23h00".

The Licensee's programming is music driven and 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 Licenced 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 fifty-seven percent (57%) of actual South African music during the performance period⁶.

In relation to the 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, the Licensee promotes new music and musicians on its regular 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 40 minutes each weekday during the South African performance period (05h00-23h00)".

⁶ 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 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-six (36) 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 for approximately four (4) minutes per day.

The total weekday news output is two hundred and ten (210) minutes, equivalent to the output quota.

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

- *"The Gauteng Department of Education has confirmed the kidnapping of a grade five female pupil this morning outside the school in Mayfair. Th eleven-year-old was up ducted at gun point by three men outside EP Bowman Primary School this morning while waiting in line to be sensitized and screened. An investigation has since been launched and the police have since called on anyone who has information pertaining to the incident or may have seen the vehicle to contact the police. The suspects fled the scene in a silver or white Toyota Yaris with the number plates JS 62 CS GP. The incident comes exactly a week after the four Monty brothers were kidnap on their way to school were found."*
- *"Eskom CEO Andre De Ruyter says a forensic team has been appointed to investigate suspicious circumstances around the break down at power stations. Speaking during a media briefing earlier today. De Ruyter says there are suspicious about three 3 units tripping at Matimba Power Station in Limpopo at the same time. The utility is also investigating and incident at Lithabo Power Station following a collapsed in one of their distribution line towers. De Ruyter says although this may look like sabotage, it is dangerous to speculate. The power utility has announced that loadshedding is suspended from 9pm this evening and will be reinstated at 5am tomorrow morning”.*

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 its staff compliment is reflective of equitable gender and (b) must expend R400 000.00 (four hundred thousand rands) per annum on training and human resources development".

The Licensee submitted that it has a total of forty-five (45) employees and that twenty-six (26) employees are female, and nineteen (19) employees are male which is an equitable number of overall staff complement⁸.

The Licensee complies with clause 8(a) of its licence.

The Licensee spent eight hundred and eighty-nine thousand one hundred sixty-seven rand and forty-five cents (R 889 167.45) on training and human resource development. The total amount spent is for the staff training programme for the radio station.

⁷ Appendix C

⁸ *Ibid*

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 a list of contracts amounting to eight hundred and seventy-nine thousand six hundred (R 879 600.00) that were concluded through its YCares social responsibility.

The licensee did not submit a report confirming the free social messaging airtime and the dates which were provided to the relevant organisations as per licence obligations and the total contract amount which was spent during the year under review is less than one million (R1 000 000).⁹

The Licensee does not 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:

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 broadcasts an average of fifty-four percent (54%) of South African music during the performance period. Some of the artists that were playlisted included *Wave Rhyder, Lady Zamar, Virgo Deep, Mas Musiq and Ney* among others.

⁹ Appendix G

The Licensee complies with 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, 2011

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 and dated, 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 ICASA, on 15 September 2022. The payment made is equivalent to 0.2% of their annual turnover, based on the Forecast signed by the Auditor.

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 15 September 2022, 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 has 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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