



YFM ANNUAL COMPLIANCE REPORT

MARCH 2024

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2022/2023 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 Constitution, the Independent Communications Authority of South Africa Act (ICASA Act¹), the Electronic Communications Act² (ECA) and the Broadcasting Act³ 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 compliance for the 2022/23 financial year. Aspects of compliance that are measured comprise licence conditions pertaining to Geographic Coverage, Language (s) of broadcast, Format, Local Content Obligations, General Programming Obligations, Training and Skills Development, and Community-Related Obligations. Furthermore, the Licensee will be measured in terms of the following regulations, the ICASA South African Music Regulations, Regulations Regarding Standard Terms and Conditions, Universal Service and Access Fund (USAF) Regulations 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 2018⁴ for a period of ten (10) years in terms of the regulations on Standard Terms and Conditions for Individual Licences.

¹ Independent Communications Authority of South Africa Act, 2000 'ICASA Act' (Act No. 13 of 2000), as amended

² Electronic Communication Act, 2005 'ECA' (Act No. 36 of 2005), as amended

³ Broadcasting Act, 1999 (Act No. 4 of 1999) as amended

⁴ Appendix A

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.

(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 licence 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-eight percent (58%) of actual South African music during the performance period⁵.

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)".

(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.

⁵ Appendix B

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 case against Andile Gumede the fifth suspect linked to the murder of ANC counsellor Sibonelo Ntshangase and his two friends has been postponed to next week Monday. Gumede appeared before the Pit Retief magistrate court today following his early arrest this week. Ntshangase and his two friends were gunned down by an unknown man two weeks ago. Amongst those arrested in connection with Ntshangase's murder is former Mkhondo local Mayor Vusi Motha who is expected to appear in court next month."*
- *"Eskom has ramp up loadshedding to stage six until further notice following the breakdown of eight generating units yesterday. The generating unit Hendrina, Lethabo, Majuba as well as two units in Kempton Power stations have suffered breakdowns and taken offline for repairs. The two generating units at Lethabo Power station were shut down due to coal constraints. Eskom spokesperson Sikhonathi Mantshantsha says given the high number of break downs there is a possibility of further changes on the stages of loadshedding at short notice."*
- *" Newly elected Free State Premier Mxolisi Dukwana says nepotism will be a thing of the pass as he takes over the province. He said gone are the days when opportunities were given to loved ones and politically connected. Dukwana was elected Premier earlier today following the resignation of Sisi Mtombela earlier this week. The newly elected premier received seventeen votes his opponent the DA's Dr Roy Jankielsohn got seven votes and six members of the Legislator abstained from casting their votes."*

The Licensee complies with its news content 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 submitted a report reflecting December bonuses paid to their employees 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 eighty percent (80%) on application to the Authority".

The Licensee submitted that YFM is wholly owned by E Media Investments (Pty) Ltd, which is owned by fifty-five point five nine percent (55.59%) previously disadvantaged persons (HDI)⁶.

The Licensee did not apply for its ownership by *"previously disadvantaged persons"* to be reduced to below the threshold of (80%), as stated in the licence clause, above.

The Licensee does not comply 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 eighty-one (81) employees and that forty-three (43) employees are female, and thirty-eight (38) employees are male which is an equitable number of overall staff complement⁷.

The Licensee submitted that it has spent eight hundred and thirty-three thousand nine hundred and sixty-eight rands, sixty-four cents (R 833, 968.64), on training and human resource development.

⁶ Appendix C

⁷ Ibid

The Licensee complies with clause 8(a)(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 did not submit a report confirming the free social messaging airtime and the dates provided to the relevant organisations as per licence obligations.

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-eight percent (58%) of South African music during the performance period. Some of the artists that were playlisted included *Oscar Mbo, Dlala Thukzin, Kwiish and Malume Nator* among others.

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 2023. 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 2023, 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 related 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. However, the Licensee did not comply with ownership and control obligations. The Broadcasting Compliance Unit will approach the Licensee so they address the non-compliance reported herein.

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.

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