



The ABA is investigating allegations that commercial radio station 2UE Sydney broadcast comments of an editorial nature for which a fee or other valuable consideration was received by the licensee of 2UE, its affiliates and/or presenters. The ABA is also investigating allegations relating to 5AD and 5DN Adelaide and 6PR Perth.

ABA investigates commercial radio allegations

The ABA is investigating allegations that commercial radio station 2UE Sydney broadcast comments of an editorial nature for which a fee or other valuable consideration was received by the licensee of 2UE, its affiliates and/or presenters.

'The allegations are very serious ones which go to the integrity of the whole broadcasting system,' Professor Flint, ABA Chairman said. 'The ABA will be guided in its investigation by the objects of the Broadcasting Services Act which encourage providers of commercial radio services to be responsive to the need for a fair and accurate coverage of matters of public interest.'

'I must stress that we are treating the allegations as nothing more than that. We have not formed any opinion whatsoever as to their veracity. We are determined that the investigation process be absolutely fair to all persons involved.'

In the initial phase of the inquiry, the ABA is looking at whether there has been any breach of the *Broadcasting Services Act 1992*, conditions

of licence or the Commercial Radio Codes of Practice by the licensee of 2UE Sydney.

The investigation will also look at whether the current Commercial Radio Codes of Practice provide adequate community safeguards in respect of the alleged matters and if not, whether the ABA should determine a program standard in relation to this issue.

The ABA will also consider whether any such fees or valuable consideration, should such fees be found to have been paid to the licensee of 2UE or the licensees of other affiliate stations, have been properly disclosed for the purposes of the *Radio Licence Fees Act 1964*.

Adelaide and Perth

On 30 July, the ABA announced it had decided to expand the terms of reference of its commercial radio inquiry to include allegations raised involving 5AD and 5DN Adelaide and Mr Jeremy Cordeaux and involving 6PR Perth and Mr Howard Sattler. The revised terms of refer-

ence are not settled at the time of going to press but will be available on the ABA web site as soon as they are settled.

The ABA has wide-ranging investigative powers, including the power to seek documents and call witnesses to testify under oath.

Conduct of the inquiry

The ABA will hold at least two public hearings as part of its inquiry into allegations that 2UE Sydney broadcast comments of an editorial nature for which a fee or other valuable consideration was received.

On 26 July, the ABA decided to issue notices to a number of individuals, organisations and companies to produce documents as part of its inquiry into allegations that 2UE Sydney broadcast comments of an editorial nature for which a fee or other valuable consideration was received.

The notices were issued on 27 July and required the documents to be produced within ten days.

At its meeting on 29 July, the ABA decided to issue further notices. These were issued on the same day.

'We do not propose to identify those to whom we have issued notices nor the documents that we seek,' he said. 'To do so could possibly jeopardise our investigative efforts.'

The ABA expects to issue notices seeking documents relating to practices at the Adelaide and Perth stations in the week beginning 2 August. It has not yet decided whether it will hold a public hearing relating to the allegations concerning the Adelaide and Perth stations.

In the week beginning 9 August the ABA expects to announce details of dates and venue for its first public hearing into 2UE Sydney.

'The first hearing, in late August, will relate to allegations concerning Mr John Laws, with particular attention to the alleged arrangements between Mr Laws, 2UE Sydney and the Australian Bankers Association. A second hearing will

See p. 4 for the terms of reference



deal with these matters as they relate to other 2UE presenters,' Professor Flint said.

'If, in the course of the inquiry, the ABA forms the view that the Commercial Radio Codes of Practice are inadequate to address the matters of concern raised, then we could have a further public hearing to address what action might be necessary to cure this problem.'

The ABA will consider whether any matters arising from the investigation should be reported to the Minister for Communications, Information Technology and the Arts under section 158(n) of the Broadcasting Services Act.

Terms of reference

Section 205B of the Act

The terms of reference relate to the need for commercial television and radio licensees to keep accounts in relation to the service provided under the licence.

Within six months after 30 June in each year, licensees must give the ABA an audited balance-sheet and an audited profit and loss account, for the year ending on that 30 June; and a statutory declaration stating the gross earnings in relation to the licence during that year.

This information is used by the ABA to calculate licence fees payable in relation to the licence.

Initial terms of reference

Initial terms of reference for investigation by the Australian Broadcasting Authority under division 2 of part 13 of the *Broadcasting Services Act 1992*

WHEREAS the Broadcasting Services Act 1992 ('the Act'):

- includes within its objects
 - (i) to encourage providers of commercial broadcasting services to be responsive to the need for fair and accurate coverage of matters of public interest; and
 - (ii) to encourage providers of broadcasting services to respect community standards in the provision of program material;
- charges the Australian Broadcasting Authority with the responsibility for monitoring the broadcasting industry; and
- confers on the Australian Broadcasting Authority a range of functions and powers that are to be used by the Australian Broadcasting Authority in a manner that, in its opinion, will produce regulatory arrangements that are stable and predictable and deal effectively with breaches of the rules established by the Act;

TAKE NOTICE that for the purposes of the performance of its functions:

- (a) to suspend and cancel licences and to take other enforcement action under the Act;
- (b) to collect fees payable in respect of licences;
- (c) to monitor compliance with codes of practice;
- (d) to develop program standards relating to broadcasting in Australia; and
- (e) to monitor, and report to the Minister on, the operation of the Act;

the Australian Broadcasting Authority will conduct an investigation under Division 2 of Part 13 of the Act into the following matters:

- (f) the terms and circumstances of any arrangements, agreements or understandings entered into by or on behalf of:
 - (i) Radio 2UE Sydney Pty Limited
 - (ii) Mr John Laws; or
 - (iii) any other presenter on radio 2UE;
 or a corporation associated with any of the above persons, with any third-party or parties concerning the content of any program, comment or discussion to be broadcast on radio 2UE pursuant to the commercial broadcasting licence granted to Radio 2UE Sydney Pty Limited last renewed by the ABA on 23 August 1996;
- (g) the effect of any such agreement, arrangement or understanding on the content of programs, comments or discussions broadcast on radio 2UE from 5 October 1992 to the date of commencement of this investigation;
- (h) whether any consideration paid to or for the benefit of Radio 2UE Sydney Pty Limited pursuant to any such agreement, arrangement or understanding has been included in the gross earnings of Radio 2UE Sydney Pty Limited in:
 - (i) the financial accounts of Radio 2UE Sydney Pty Limited; and
 - (ii) the statutory declarations made by or on behalf of Radio 2UE Sydney Pty Limited;

pursuant to section 205B of the Act; and

- (i) whether Radio 2UE Sydney Pty Limited remains a suitable licensee within the meaning of section 41 of the Act.