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ABA proposes three program standards for commercial radio and a fresh start for co-regulation

The ABA is proposing to determine three program standards for commercial radio licensees after finding a systemic failure to ensure the effective operation of the industry's self-regulatory codes of practice.

The three proposed standards, which are contained in the ABA's final report of the Commercial Radio Inquiry, relate to disclosure of commercial agreements by presenters of current affairs programs, the need to distinguish advertisements from other programs and the establishment of compliance programs by licensees. Unlike codes of practice, compliance with standards is a condition of a broadcaster's licence. The proposed standards would commence operation on 1 November 2000 and end on 2 April 2003.

In releasing the final report the ABA Chairman, Professor David Flint said: "This report looks to the future. The system of co-regulation introduced in 1992 always envisaged that the ABA might

have to closely administer practices in the industry. The ABA proposes to do this, but only for a limited period. Our purpose is to have mainly self-regulatory codes in place that commercial radio owns and which guides it in the preparation and broadcast of current affairs. This is not to impose unnecessary bureaucratic burdens on the broadcaster. It is to ensure that listeners have available mainly self-regulated commercial broadcasting services that provide, at a very high standard, the fair and accurate coverage of matters of public interest.'

"That was the wish of Parliament in 1992 and, with goodwill on all sides—by the broadcasters and the regulator—it can be achieved. If it is, it will offer a fresh start for co-regulation with a model which will be an example to others.'

The ABA expects that by the cessation of the proposed standards the commercial radio industry will have developed, and submitted to the ABA for registration, codes of practice to operate from

3 April 2003 that will provide at least the same level of community safeguards as are contained in the proposed standards.

The ABA found a substantial failure by commercial radio licensees to comply with Codes 2 and 3 of the Commercial Radio Codes of Practice. The ABA found 12 breaches of the codes by 5DN Adelaide and 17 breaches of the codes by 6PR Perth. (In its report on 2UE Sydney released earlier this year, the ABA had found 90 breaches of the codes and also had found five breaches of the licence condition relating to 'political matter'.)

While the ABA's investigation into 3AW Melbourne did not find any breaches of the codes or the Act, it did find that 3AW did not have adequate systems in place to communicate information to staff concerning the codes. Neither did it find any evidence of a standard

approach taken by 3AW to the issue of compliance with the codes and the endorsement of products and services by presenters.

The ABA found that there appears to have been a systemic failure to ensure the effective operation of self-regulation, particularly in relation to current affairs programs, at four of the major



Professor David Flint, ABA Chairman and John Corker, ABA General Counsel, at the release of the reports.



IN THE NEWS

talkback stations in the country. A number of the current affairs programs on these stations are widely syndicated to regional areas. Within a significant proportion of current affairs programs, the codes are not operating to provide appropriate community safeguards.

The ABA is concerned about a number of practices in the commercial radio broadcasting industry evidenced by its investigations. These include undisclosed commercial relationships between presenters and third parties including advertisers; and undisclosed commercial arrangements between licensees and advertisers (including agreements for the use of outside broadcasts in advertising campaigns). The ABA has concluded that these practices have influenced the content of programs.

The evidence before the ABA indicates that the effort made by the licensees examined to ensure compliance with the codes has been inadequate. Codes of practice deal with ethical issues. Their principal function is to provide a frame-

work within which day to day operations are conducted in an appropriate and ethical fashion. Dealing with ethical issues is, by definition, a matter of dealing with shades of grey rather than black and white. All codes of conduct or practice require interpretation, and facility with their impact on day to day activities is achievable only through education, practice and regular reinforcement. The proper and successful implementation of any code of practice requires that each of these elements be present.

The ABA's investigations into the commercial radio industry show that these basic elements of code implementation have been either absent or minimally addressed in each licensee under examination. In most cases, the steps that have been taken have been implemented only in response to actual or threatened regulatory intervention, and are of such superficiality as to have been unlikely to succeed.

The ABA is of the view that:

personnel and sponsors of current affairs programs must always be disclosed;

- relevant commercial agreements between key station personnel and sponsors in other programs should be disclosed;

- presenters of current affairs programs must (and presenters of other programs should) provide a full copy of all their relevant commercial agreements to the licensee;

- advertisements must not be presented as other programs; and

- licensees must comply with the requirements of Clause 4 of Schedule 2 of the Act in relation to the broadcast of political matter and must ensure that the identity of third parties, at whose request political matter is broadcast, is disclosed.

Radio is an influential medium. In particular, the treatment of current affairs (including talkback programming) on radio can influence the course of political and social debate in Australia. Talkback announcers carry considerable weight with

many listeners, and talkback is a significant source of information and opinions for the entire community.

It is the ABA's view that licensees should note in particular the importance placed by the Parliament on the influence broadcasting services may have in political debate. The ABA will continue to view seriously any breaches of the Act in relation to political matter.

The ABA considers that the legislation should be amended to require licensees to keep a copy of all material broadcast for a period of six months rather than the present 60 days. In addition the ABA considers that its existing powers lack the flexibility and force to properly respond to serious code breaches and that it lacks sanctions that have immediate effect.

The report lists options which the government could consider to remedy this situation. These include:

- the power to direct advertising free periods;
- the power to designate a period of time a presenter is

The reports, and other public documents associated with the inquiry are available on the ABA's web site at: <www.aba.gov.au/what/investigate/commercial_radio/index.htm>.

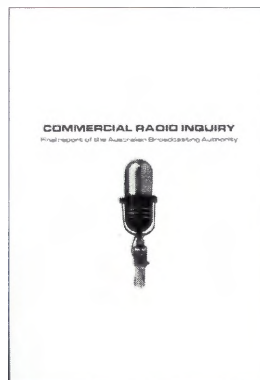
Comment

The ABA invites comment on the proposed standards presented in its final report. The ABA also seeks comment on its preliminary view that the determination of standards, to operate for the same period as the two conditions on the licence of commercial radio broadcaster 2UE Sydney, is the appropriate regulatory action to ensure community safeguards for the matters covered by the proposed standards.

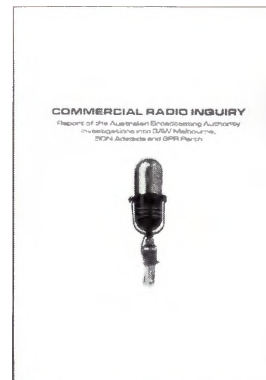
Submissions

Submissions will be public documents and should be provided to the ABA in hard copy and in electronic form to facilitate their posting on the ABA's web site. Submissions can be sent by email to info@aba.gov.au or to the Manager Program Standards, ABA, 201 Sussex Street, Sydney. Submissions must be received by **5 p.m. Friday 15 September 2000.**

Printed copies of the reports are available from the ABA:



Commercial Radio Inquiry: Final Report of the Australian Broadcasting Authority (price \$30 incl GST)



Commercial Radio Inquiry: Report of the Australian Broadcasting Authority Investigations into 3AW Melbourne, 5DN Adelaide and GPR Perth (\$35 (incl GST).



prohibited from broadcasting;

- the power to require on-air corrections or the findings of ABA investigations to be broadcast;

- the power to impose a civil penalty; and
- a general power to approach the Federal Court for injunction orders (in relation to breaches of the law, but not of the codes.)

In developing options for legislative change, the ABA considered how these issues are dealt with in Canada, Germany, France, Sweden, the United Kingdom and the United States.

In the course of conducting the inquiries into commercial radio, a number of important ethical issues also came to the ABA's attention. As they were outside the scope of the inquiries and the ABA's formal responsibilities, the ABA did not consider it appropriate to offer views on them.

However, the ABA noted that the following are significant issues that deserve further public discussion.

- Is it appropriate in a democracy for a corporation to seek to purchase covert rather than overt dissemination of its opinions?
- Is it appropriate for corporations to solicit behaviour that would breach publicly available codes?
- What is the role of managers, agents and other personal representatives in negotiating agreements?
- Is it appropriate for corporations to dispense large amounts of money to individuals for conduct that is not then monitored and in exchange for vague and unenforceable obligations?



Professor Flint and John Corker field questions from the media

Background

Section 4(1) of the *Broadcasting Services Act 1992* provides:

The Parliament intends that different levels of regulatory control be applied across the range of broadcasting services according to the degree of influence that different types of broad-

matters of public interest recognises that for most people broadcasting is a major source of information on issues and events in the world ... It is intended that, in the reporting of events and the presentation of issues, providers of broadcasting services will report the facts and facilitate the presentation of the

organisation representing the major Australian banks). On 15 July 1999, the ABA announced that it would be using its formal powers under the Broadcasting Services Act to conduct an investigation into the issues raised by the 'Media Watch' program.

After further allegations ap-

‘*The ABA found that there appears to have been a systemic failure to ensure the effective operation of self-regulation, particularly in relation to current affairs programs, at four of the major talkback stations in the country*

casting services are able to exert in shaping community views in Australia.

Object 3(g) of the Act states: to encourage providers of commercial and community broadcasting services to be responsive to the need for a fair and accurate coverage of matters of public interest and for an appropriate coverage of matters of local significance.

The Explanatory Memorandum to the Act records:

the reference in this object to a fair and accurate coverage of

range of views on any particular issue. This does not mean, however, that broadcasters will be required to give equal time to every view on any particular subject.

The inquiry

On 12 July 1999 the ABC program 'Media Watch' broadcast a story concerning an alleged financial agreement between 2UE presenter Mr John Laws and the Australian Bankers' Association (an or-

peared in the media concerning financial arrangements between 2UE's breakfast program presenter Mr Alan Jones and commercial interests, the ABA announced that it would be widening the scope its inquiry to include 2UE broadcasters other than Mr Laws.

Soon after the commencement of the 2UE investigation, the ABA received information relating to

continued on p. 7



All commercial television networks, plus the ABC and SBS, covered the release of the report

continued from p. 5

commercial arrangements entered into by an announcer at commercial radio station 6PR Perth, Mr Howard Sattler. In addition, further allegations were raised on the 'Media Watch' program of 26 July concerning Mr Jérémy Cordeaux and radio station 5DN Adelaide. As a result, on 30 July 1999 the ABA decided to expand the terms of reference of its commercial radio inquiry.

In November 1999, the ABA expanded the terms of reference of its inquiry again to include allegations raised involving radio station 3AW Melbourne. In the course of the investigation, evidence was obtained about understandings between other 3AW presenters and third parties and in March 2000, the ABA decided to amend the terms of reference to ensure such issues were covered.

The ABA sought documents from relevant persons and companies in relation to the agreements made by Messrs Cordeaux, Jones, Laws, Mansfield, Price and Sattler with a range of commercial entities.

The Commercial Radio Codes of Practice and the Act

Neither the Commercial Radio Codes of Practice nor the conditions imposed on licensees under the Act specifically address commercial arrangements entered into by presenters. The stated purpose of Code 2 is 'to promote accuracy and fairness in news and current affairs programs'. Clause 2.2(d) of the codes provides:

In the preparation and presentation of current affairs programs, a licensee must ensure that:

...

(d) viewpoints are not misrepresented, and material is not presented in a misleading manner by giving wrong or improper emphasis, by editing out of context, or by withholding relevant available facts ...

Clause 3.1(a) of the codes provides:

Advertisements broadcast by a licensee must:

(a) not be presented as news programs or other programs.

Under sub-section 42(2) (together with Clause 4 of Schedule 2) of the Act, it is a condition

of all commercial radio licences that:

If a broadcaster broadcasts political matter at the request of another person, the broadcaster must, immediately afterwards, cause the required particulars in relation to the matter to be announced in a form approved in writing by the Authority.

The ABA has formed the view that remedial action is necessary to ensure the commercial radio industry's compliance with the Act and the codes and, in particular, to ensure the effective disclosure of the commercial agreements between presenters and sponsors.

The ABA believes that, while there has been a substantial failure in the current co-regulatory arrangements, it remains possible to achieve Parliament's intention of effective co-regulation by the imposition of standards in areas where the codes have failed, as well as by future amendments to the codes and more effective code compliance by the commercial radio industry.

Proposed standards

The ABA has reached a preliminary view that it should



From top: Anne Davies, the *Sydney Morning Herald*; Melissa Fyfe, the *Age*; Liz Fell, media commentator. Above: Lance Northey, 2UE, Monique Wright, Seven News and Darren Roberts, Ten News



determine three standards applicable to commercial radio broadcasting licensees. It is suggested that these commencement operation on 1 November 2000 and end on the same date as the expiry of the conditions placed on the licence of Radio 2UE Sydney Pty Ltd, 2 April 2003.

The ABA expects that by the cessation of the proposed standards the commercial radio industry will have developed, and submitted to the ABA for registration, codes of practice to operate from 3 April 2003 that will provide at least the same level of community safeguards as are contained in the proposed standards.

The need for legislative change

The ABA considers that the legislation should be amended to require licensees to keep a copy of all material broadcast for a period of 6 months rather than the present 60 days. In addition the ABA considers that its existing powers lack the flexibility and force to properly respond to serious code breaches and that it lacks sanctions that have immediate effect.

During the course of the

inquiry there has been some discussion of what sanctions can or should be exercised against presenters involved in breaches of the codes, conditions or the Act. It is fundamental to the regulatory scheme of the Act that it is concerned with the regulation of licensees, and not directly of their employees or presenters. In the proposed disclosure standard, the ABA has addressed the need for presenters to disclose their agreements to licensees by requiring licensees to make such disclosure a condition of their employment.

If Parliament wishes to legislate for sanctions against presenters, however, the ABA has identified two options, including an approach similar to the 'payola' laws of the United States.

3AW investigation

The ABA sought documents from relevant persons and companies for the period between 5 October 1992 (the date of commencement of the Act) and March 2000. The ABA examined the effects of agreements, arrangements and understandings entered into by Mr Bruce Mansfield; between 3AW, Mr Steve Price

and Bilia Hawthorn; between 3AW and Crown Casino; and between 3AW and Transurban.

Mr Bruce Mansfield

Mr Bruce Mansfield and Mr Philip Brady hosted the Nightline program (a light entertainment, comedy and talkback program) on 3AW for nine years until December 1999. During this period, Mr Mansfield had agreements, arrangements and understandings with suppliers of goods and services whereby goods and services were supplied to Mr Mansfield on the understanding or condition

Nightline program were of promotional and commercial benefit to those businesses. Such mentions are 'advertisements' within the meaning of Code 3.

In some circumstances these conversational mentions were made in return for goods and services rendered free of charge to Messrs Mansfield and Brady.

Bilia Hawthorn

The ABA investigated allegations that Bilia Hawthorn (a Melbourne Volvo dealership) received preferential treatment with regard to interviews on 3AW as a result of the adver-

‘*The evidence before the ABA indicates that the effort made by the licensees examined to ensure compliance with the codes has been inadequate.*’

that the goods or services supplied would be mentioned on Radio 3AW. In particular, Mr Ash Long, acting for Mr Mansfield, entered into written agreements that obliged Mr Mansfield to mention a supplier of goods or services on 3AW without 3AW's knowledge.

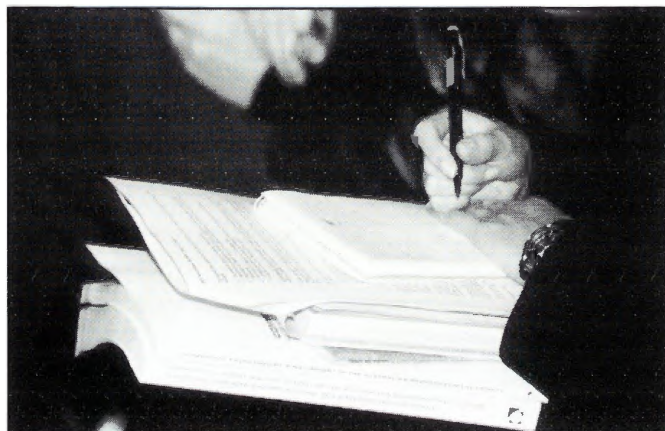
The ABA found that:

- Mr Mansfield failed to disclose fully to 3AW management agreements, arrangements or understandings he had with suppliers of goods and services; and
- 3AW management did not make sufficient inquiries between July and December 1999 to determine whether Mr Mansfield had agreements, arrangements and understandings with suppliers of goods and services.

The conversational mentions of various businesses on the

tising relationship between Bilia Hawthorn and 3AW. The allegations specifically linked Mr Steve Price (a presenter on 3AW) with Bilia Hawthorn as Mr Price drove a vehicle supplied by the dealership.

The ABA did not receive any evidence that Mr Price had entered into improper agreements, arrangements or understandings that affected his on-air conduct on 3AW. In addition, the infrequency of the interviews, the nature of the interviews with Bilia Hawthorn staff and newsworthiness of the interviews of the managing directors of Volvo, indicate that Bilia Hawthorn did not receive any preferential treatment or greater access to interviews as a result of the advertising relationship between Bilia Hawthorn and 3AW or the vehicle provided to Mr Price.





Crown Casino

The ABA also investigated allegations that Crown Casino received preferential treatment with regard to interviews on 3AW as a result of the advertising relationship between Crown Casino and 3AW. The ABA did not receive any evidence that suggested Crown Casino received preferential treatment or greater access to interview opportunities on 3AW

Advertising

3AW advertising sales staff made approaches to personnel involved in the preparation or broadcast of programs on behalf of 3AW advertising clients. For example, Mr Justin Thompson (the 3AW sales person responsible for the relationship between Transurban and 3AW) conveyed the impression (to Transurban) that interviews requested by Transurban were likely to be accommodated as part of the advertising package. Letters sent by 3AW to Transurban served to confirm Transurban's impression that 3AW would accommodate interviews requested by Transurban as part of the advertising package.

Outside broadcasts

The ABA found that:

- The relationship between advertisers and 3AW was not fully disclosed during outside broadcasts.
- The outside broadcasts examined by the ABA provided advertisers with a better prospect of having persons nominated by them interviewed on Radio 3AW than if the program had been broadcast from the studio.

5DN investigation

The ABA sought documents



The Panel. ABA members Ian Robertson, Michael Gordon-Smith and Kerrie Henderson at the launch

from relevant persons and companies for the period between 5 October 1992 (the date of commencement of the Act) and February 2000. During that period, Mr Jeremy Cordeaux had agreements with a range of commercial entities, some of which were not examined in the investigation.

The agreements of Mr Cordeaux with the Adelaide Casino; Channel Ten (Adelaide); GIO; and Cable & Wireless Optus (Optus) (all of which included terms relating to on-air conduct) were examined in some detail.

Mr Cordeaux and the Adelaide Casino

Mr Cordeaux approached the Adelaide Casino in June 1993 to discuss two separate commercial propositions – an advertising package between the Casino and 5DN and a public relations package between the Casino and Mr Cordeaux. The advertising package was not proceeded with, although the Adelaide Casino did advertise irregularly (and on a casual basis) on radio station 5DN. The separate public relations package between the Adelaide Casino and Mr Cordeaux did

proceed, however, and primarily involved Mr Cordeaux promoting the Casino on-air, including by means of a five minute interview segment every week.

During the period September 1993 to August 1999 (when the agreement was terminated) Mr Cordeaux's promotional services primarily consisted of a five-minute interview segment on-air every week, as well as some occasional off-air promotional services. This weekly five-minute Adelaide Casino segment constituted an advertisement (for the purposes of Code 3).

As a result, during the period 1993-1999, advertisements for the Adelaide Casino were broadcast on radio station 5DN in circumstances where there was no payment of advertising fees to the licensee. Had the licensee been paid for the advertisements, that payment would have comprised part of the gross earnings of the licensee for the purposes of calculating licence fees. Moreover, these advertisements were presented in a manner which suggested that they were discussions of matters of topical interest; there

was no disclosure that they were paid advertisements.

The procedures within radio station 5DN regarding the monitoring and management of advertising between 1993 and 1999 were inadequate in that station management did not detect that radio station 5DN was not being paid for the regular five-minute interview segment. Mr Cordeaux, as Managing Director of the licensee company (in the period 1993-1996), was in a position to know that radio station 5DN was not being paid for the five-minute interview segment.

Mr Cordeaux and Channel Ten

During the period 1993-1995, Channel Ten was a regular advertiser on radio station 5DN. In 1993-1994, Mr Cordeaux negotiated a separate promotions package with Channel Ten, that primarily involved Mr Cordeaux promoting Channel Ten on-air, by means of an interview segment every day with Channel Ten news presenter Mr George Donikian.

The on-air promotional services provided by Mr Cordeaux,



involving interviews with Mr Donikian, constituted an advertisement (for the purposes of Code 3). As a result, during the period 1993-1999, advertisements were broadcast on radio station 5DN in circumstances where there was no payment of advertising fees to the licensee. Had the licensee been paid for the advertisements, that payment would have comprised part of the gross earnings of the licensee for the purposes of calculating licence fees.

The procedures within radio station 5DN regarding the monitoring and management of advertising between 1994 and 1995 were inadequate, in that station management did not detect that radio station 5DN was not being paid for the regular interview segment. Mr Cordeaux, as Managing Director of the licensee company (in the period 1994-1995), was in a position to know that radio station 5DN was not being paid for the interview segment.

Mr Cordeaux and GIO

Between June 1993 and June 1996, Cordeaux Media Pty Limited entered into a commercial agreement with GIO to supply the services of Mr Cordeaux. The obligations of the agreement included Mr Cordeaux providing media training to GIO staff and attending and/or hosting GIO functions in South Australia.

The primary obligation of the agreement was Mr Cordeaux's

'endorsement' of GIO, which included not only the embellishment of live read scripts but also the provision of pre-arranged interviews with GIO staff on a range of topics, and comment from GIO staff on newsworthy topics for inclusion in news/current affairs programs.

Once Mr Cordeaux's commercial agreement with GIO ceased in 1996, he entered into commercial agreements with other insurance and financial planning institutions. As a result of these subsequent commercial agreements, Mr Cordeaux's on-air favourable treatment of GIO ceased and representatives of GIO were no longer able to secure interviews on the Cordeaux program.

Mr Cordeaux and Optus

Between December 1993 and December 1999, Cordeaux Media Pty Limited entered into a commercial agreement with Optus to supply the services of Mr Cordeaux. The primary obligation of the agreement was that Mr Cordeaux would promote and mention Optus favourably on his program, in particular, by using the talking points on a range of topics provided to him (with varying frequency) by Optus. The primary purpose of the agreement was a guarantee of promotion and favourable mention of Optus by Mr Cordeaux.

Mr Cordeaux and Industry Authority Endorsements

Industry Authority Endorsements (IAEs) were a concept developed by Mr Cordeaux in early 1993 and involved, in part, the offer of 'special status' to advertisers. IAEs were an agreement between advertisers, Mr Cordeaux and radio station 5DN that offered advertisers the ability to raise their on-air profile by being used in interviews commenting on newsworthy or topical events (both in news as well as other programs).

In the period following June 1993, senior sales staff at radio stations 5ADD and 5DN attempted to implement the concept of IAEs however, the concept was abandoned because of the lack of interest by advertising agencies.

Mr Cordeaux entered into a commercial agreement in 1993 (with GIO) that provided access to on-air interviews by GIO staff, where staff were described as being 'industry experts'. This agreement offered access via Mr Cordeaux that by-passed the normal sales and advertising channels at radio stations 5ADD and 5DN.

Mr Cordeaux's commercial agreement with GIO in 1993 closely resembled the IAE concept (except that it was with Mr Cordeaux exclusively, rather than with Mr Cordeaux and the station). While the original IAE concept seems not to have proceeded, Mr Cordeaux continued to offer

representatives of GIO, AAMI and Constant Care opportunities to be interviewed on his program on newsworthy or topical events. As a result, it is the ABA's view that IAEs (in all but name) were sold to GIO.

The ABA found that the agreements entered into by Mr Cordeaux with corporations and associations which obliged him to provide services on-air contributed to a substantial failure by the licensee to comply with the standards of conduct required by Codes 2 and 3.

Breaches

The ABA found that 5DN breached Code 2 on 8 occasions and Code 3 on 4 occasions. The breaches of Code 2 (News and Current Affairs) resulted from broadcasts by Mr Jeremy Cordeaux on 20 February 1996 (relating to GIO) and broadcasts on 21 September 1998, 6 October 1998, 13 January 1999, 19 January 1999, 22 January 1999 and 18 February 1999 (two separate broadcasts) (all relating to Optus).

The breaches of Code 3 (Advertising) resulted from broadcasts by Mr Jeremy Cordeaux on 20 February 1996 (relating to GIO) and broadcasts on 13 January 1999, 19 January 1999 and 18 February 1999 (all relating to Optus).

GPR investigation

The ABA sought documents



from relevant persons and companies for the period between 5 October 1992 (the date of commencement of the Act) and September 1999. During that period, Mr Sattler had agreements with Optus and Qantas (which were examined in some detail).

Mr Sattler and Optus

During the period 1994 to end 1999, Mr Sattler entered into agreements with Optus to promote Optus products and services.

Mr Healy (General Manager at 6PR) had been advised of the existence of Mr Sattler's agreement with Optus (but not the terms and conditions of the agreements) since 1996 when Mr Sattler's contract with 6PR was renewed and a clause relating to the Optus agreement was included in the contract. 6PR management considered that the agreements between Mr Sattler and Optus did not have any impact on 6PR and, Mr Healy did not ask to see the terms of Mr Sattler's agreement with Optus until after July/August 1999.

As a result of its agreements with Mr Sattler, Optus expected to receive positive mentions on-air from Mr Sattler from time to time about Optus products. Optus provided a range of materials to Mr Sattler for his on-air use, including advertising and promotional material, advertising scripts, media releases and talking points about issues of interest to Optus.

Mr Sattler used some of the

material provided to him by Optus on-air and conducted interviews during his program from time to time with Optus personnel.

Mr Sattler and Qantas

In 1997 Mr Sattler entered into an agreement with Qantas (renewed in 1998 and 1999) whereby he was paid to generally promote Qantas in Western Australia. 6PR management was not aware of the existence of Mr Sattler's agreement with Qantas until about July/August 1999.

Mr Healy (General Manager of 6PR) was not aware of Mr Sattler's agreements with Qantas. Both Mr Healy and staff of the promotions department at 6PR were aware, however, that Mr Sattler was receiving significant and valuable give-away prizes from Qantas. The provision of these give-away prizes ought reasonably to have raised the issue of the relationship between Mr Sattler and Qantas in the minds of Mr Healy and the Promotions Department at 6PR.

Qantas provided a range of materials to Mr Sattler for his on-air use, including promotional material on specific events and media releases and, during the term of his agreement with Qantas, Mr Sattler used some of that material on-air. Mr Sattler conducted interviews during his program from time to time with Qantas personnel.

Mr Sattler and RAMS

Mr Sattler was paid a total of about \$30,000 by RAMS over a three to four year period in recognition of his role in promoting RAMS' business in Western Australia through live reads.

Mr Sattler and John Hughes Skipper Mitsubishi

John Hughes Skipper Mitsubishi was a long-term sponsor of Mr Sattler's program. John Hughes Skipper Mitsubishi paid the repayments for a new car that Mr Sattler bought from that company in 1997. The repayments amounted to about six hundred and twenty-five dollars per month.

Breaches

The ABA found that: 6PR breached Code 2 on 6 occasions and Code 3 on 11 occasions. The breaches of Code 2 (News and Current Affairs) resulted from broadcasts by Mr Howard Sattler on 28 March 1997, 17 November 1997, 13 January 1999, 14 January 1999 and 2 February 1999 (all relating to Optus) and a broadcast on 19 January 1999 (relating to QANTAS).

The breaches of Code 3 (Advertising) resulted from broadcasts by Mr Howard Sattler on 9 October 1998 and 18 January 1999 (relating to Optus) and broadcasts on 3 August (two broadcasts), 6 August, 13 August (three broadcasts) and 20 August 1997 (three broadcasts) (all relating to RAMS Home Loans Pty Ltd).



Kerrie Henderson leaves the ABA

With the completion of the commercial radio inquiry, Kerrie Henderson has completed her term as a member of the ABA.

Ms Henderson was appointed on 17 February 1995 for five years, but her appointment was extended until the end of the Commercial Radio Inquiry.

Ms Henderson is a director of Ethica Management Group Pty Limited and consults in the area of corporate governance, ethics and cross-cultural relations. From 1994 to mid-1997, Ms Henderson was Director, Leadership Programmes with the St James Ethics Centre. Ms Henderson remains a professional associate of the Centre, consulting in cross-cultural business ethics. Before this, Ms Henderson practised as a commercial lawyer.

The appointments of Gareth Grainger, ABA Deputy Chairman and Ian Robertson, ABA Member ceased on 22 July.

