



The ABA has completed its investigation into Sydney Youth Radio Inc. and Sydney Gay and Lesbian Broadcasters Inc.

Investigation into WILD FM and FREE FM

After the ABA invited public submissions about applications for the Sydney licences, it received three submissions containing complaints about Sydney Youth Radio Inc. (WILD FM) and one containing complaints about Sydney Gay and Lesbian Broadcasters Inc. (FREE FM). The complaints related to alleged commercial arrangements between companies controlled by and/or associated with board members of the two applicants and the applicant associations.

In relation to Sydney Youth Radio, one complainant expressed,

very serious concerns about the allocation of a community licence to a group which has previously, and may continue to have contractual arrangements which are overwhelmingly to the financial benefit of one individual [Mr Anthony Gherghetta, President of Sydney Youth Radio Inc. 1997-2000 and station manager 1997 to present].

The submission included a financial statement for Sydney Youth Radio and concluded with a list of matters relating to the contractual arrangements between Sydney Youth Radio and Mr Gherghetta's company, Did It! Pty Ltd that, in the complainant's view, warranted further investigation.

A second submission asserted that,

WILD FM does not represent their community but rather is a dance music station with very little other content which acts as a vehicle to promote and sell their very successful CDs. Their management structure states that their General Manager is also the President of the Management Committee and that their Financial Controller is also their Treasurer. This is unacceptable in any organisation.

The submission then set out details of alleged financial arrangements between Sydney Youth Radio and Did It! Pty Ltd in relation to WILD CDs.

The third submission expressed the view that Sydney Youth Radio should not be allocated a community broadcasting licence because of financial arrangements that operate to the benefit of individuals associated with Sydney Youth Radio.

In relation to the complaint about Sydney Gay and Lesbian Broadcasters, the complainant questioned the relationships between commercial organisations and activities, and members of the Sydney Gay and Lesbian Broadcasters board.

On the basis of these complaints, on 25 May 2000 the ABA decided to commence an investigation under section 170 of the Broadcasting Services Act. The terms of reference of the investigation concerned:

i) whether Sydney Youth Radio

is a suitable community broadcasting licensee or a suitable applicant for a community broadcasting licence;

ii) whether Sydney Youth Radio is operated for profit or as part of a profit making enterprise;

iii) whether Sydney Gay and Lesbian Broadcasters is a suitable community broadcasting licensee or a suitable applicant for a community broadcasting licence;

iv) whether Sydney Gay and Lesbian Broadcasters is operated for profit or as part of a profit making enterprise.

The terms of reference stated that:

All of the information received by the Authority pursuant to this Notice may, where relevant, be used by the ABA as part of the community broadcasting licence allocation process for the Sydney licence area being conducted pursuant to Part 6 of the Act.

Findings

On 17 April 2001, the ABA finalised the investigation. The key findings were that:

1. Sydney Youth Radio is a suitable applicant for a community broadcasting services licence within the meaning of subsection 83(1) of the Act;
2. Sydney Gay and Lesbian Broadcasters is a suitable applicant for a community broadcasting services licence within

the meaning of subsection 83(1) of the Act;

3. Sydney Youth Radio is operated as part of a profit making enterprise.

A copy of the final report on the investigation was provided to Sydney Youth Radio and Sydney Gay and Lesbian Broadcasters. At the same time, the ABA indicated to Sydney Youth Radio that it intended to take into account any relevant findings from the investigation when deciding how and to whom to allocate the three Sydney community radio licences. Submissions were sought from Sydney Youth Radio on this issue. Sydney Youth Radio responded, without making further submissions on the matter, by noting the ABA's intention to take the findings into account in the allocation of the Sydney community licences.

Printed copies of Investigation Report: Investigation into Sydney Youth Radio Inc and Sydney Gay and Lesbian Broadcasters Inc are available for \$10 from the ABA, tel 02 9334 7700. The report is also on the ABA web site: www.aba.gov.au/what/investigate/index.htm

