



ABA is proposing strict licence conditions for Perth community radio service Groove 101.7FM which are intended to address a range of problems with the service.

Strict licence conditions proposed for Perth community broadcaster Groove 101.7FM

The ABA is proposing strict licence conditions for Perth community radio service Groove 101.7FM (Groove FM). The licence conditions are intended to address a range of problems with the service relating to representation of the youth community by the licensee, community participation in the service, and corporate governance.

This action follows an ABA investigation of Youth Media Society of Western Australia Inc. (YMS), the licensee of Groove FM. The ABA's findings are contained in its investigation report, released on 4 August.

Key findings of the report are that YMS provides only a narrow range of programming that does not cater for the interests of the broader Perth youth community, and that it has not adequately encouraged members of the Perth youth community to participate in the service.

In its licence application, YMS said it would provide a diverse service for all the youth of Perth.

It has not done this,' said Ms Maddock. 'YMS has been given free access to a scarce and valuable public resource, the radiofrequency spectrum, to provide a service that meets the needs and interests of the whole Perth youth community, not just one section of the community interested in a particular style of music. YMS must also ensure that members of the community are encouraged to participate in the service, not just as volunteers, but as members of YMS.'

The ABA also found significant deficiencies in the corporate governance of YMS. In particular it found that until recently, YMS did not have in place financial and administrative procedures to ensure that YMS was run in accordance with the most basic standards of accountability, transparency and openness.

'Community broadcasters must operate in a way that ensures they are fully open and accountable to their members.

During the period investigated by the ABA, YMS did not do this,' said Ms Maddock.

The problems the ABA found were of such a serious nature that it considered cancelling Groove FM's licence. It decided not to do this after taking into account recent and proposed changes at YMS and because it would not be in the best interests of the Perth youth community at this time.

Since the commencement of the ABA's investigation, YMS has taken steps to improve its financial and administrative practices, however, the ABA continues to have concerns about the future operation of the service. The licence conditions proposed by the ABA are intended to address issues of corporate governance, the representation of community interests and community participation. YMS has until Friday 3 September 2004 to comment on the ABA's proposal to impose new licence conditions.

The investigation

YMS was registered under the *Associations Incorporation Act 1987* (Western Australia) on 29 June 2001. It commenced test broadcasts using the name Groove FM under a temporary community broadcasting licence (TCBL) on 2 July 2002. TCBL broadcasting was on a timeshare basis (12 hours per day) with another aspirant community broadcaster.

On 8 July 2002, YMS applied to the ABA for an advertised community radio broadcasting licence to serve the Perth area. YMS was allocated the licence on 24 October 2002 and

To see the report

The ABA's report, *Investigation into Youth Media Society of Western Australia Inc., Licensee of Community Radio Broadcasting Service Groove 101.7FM Perth*, and the proposed licence conditions are on the ABA web site: www.aba.gov.au/radio/investigations/past.htm



commenced full time operation on 1 March 2003.

On 30 June 2003, DMG Radio Australia made a complaint to the ABA about YMS's service, Groove 101.7FM Perth. After considering DMG's submission and monitoring sample broadcast periods on Groove FM, the ABA commenced an investigation on 31 July 2003.

Summary of proposed licence conditions

The licence conditions the ABA proposes to impose on YMS's licence are intended to address problems in the areas of YMS corporate governance, representation of community interests and community participation.

Corporate governance

- YMS to ensure that all members of the committee of management have been validly elected.
- Members of the committee of management may not hold the position of station manager.
- YMS to establish procedures to ensure that members of the committee of management understand the various legislative and other requirements which apply to the association and to the broadcasting service.

- YMS to establish procedures to ensure proper scrutiny, and proper records are kept, of the association's affairs, including the association's business activities and financial arrangements.
- YMS to devise and implement an appropriate conflict of interest policy.

Representation of community interests and community participation

- YMS to establish sub-committee to encourage and arrange access by members of the community to Groove FM and all its operations.
- YMS to increase its Australian music content to not less than 40 per cent of all programming (in line with its proposal in its licence application).
- YMS to increase its talk programming content to not less than 25 per cent of all programming within three months of the commencement of the licence conditions, and not less than 35 per cent of all programming (in line with its proposal in its licence application) within six months of the commencement of the licence conditions.
- YMS to broadcast on-air announcements at specified intervals inviting listeners to become members of YMS and

to participate in the music and talk programming of Groove FM.

Reporting requirements

YMS is to provide quarterly reports to the ABA which include:

- statements setting out how the licence conditions have been complied with in the previous three months and how they will be complied with in the next three months
- a statement of Australian music content broadcast on Groove FM during the preceding three months and an audio record of Groove FM broadcasts during the period
- a financial statement for the three months, prepared by a qualified auditor, consisting of a statement of financial performance, a statement of financial position and a statement of cashflows
- copies of any written agreements and details of any verbal agreements (excluding sponsorship agreements) entered into by YMS.

Community broadcasting services

The Broadcasting Services Act provides for a number of different categories of broadcasting services. These include community broadcasting services,

commercial broadcasting services, subscription broadcasting services, and open and subscription narrowcasting services.

The key defining characteristics of community broadcasting services are that they must be provided for community purposes and they may not be operated for profit or as part of a profit-making enterprise.

In contrast to commercial broadcasters who must bid for their licences at auction, community broadcasters are given free access to the radiofrequency spectrum to provide services which meet the needs and interests of the community they have been licensed to serve. The Broadcasting Services Act sets out a range of conditions which apply to community broadcasting services which are intended to ensure that community broadcasters meet their obligations to their communities.

In particular, a community broadcaster is required to:

- continue to represent the community interest that it represented at the time the licence was allocated and
- encourage members of the community that it serves to participate in the operations of the licensee in providing the service and the selection and provision of programs under the licence. ☐