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Broadcasting
Authority

annual report

Sydney
2000

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Front cover photo: Paul Thompson of DMG Radio, successful bidder for the new Sydney commercial radio licence, at the ABA auction in May 2000 (photo by Rhonda Thwaite)

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Chairman**

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31 August 2000

Senator the Hon. Richard Alston
Minister for Communications, Information Technology and the Arts
Parliament House
Canberra ACT 2600

Dear Minister,

In accordance with the requirements of section 9 and Schedule 1 of *the Commonwealth Authorities and Companies Act 1997*, I am pleased to present, on behalf of the Members of the Australian Broadcasting Authority, this annual report on the operations of the Authority for the year 1999-2000.

John Semmens

David Flint

David Flint

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Members' report

While the Authority's commercial radio inquiry, and in particular its public hearing into 2UE Sydney, grabbed the lion's share of the headlines, the year under review produced a number of other notable highlights.

The Authority auctioned a new commercial radio licence for Sydney, its first in a metropolitan market. The price paid, \$155 million, exceeded just about everyone's expectations.

The Authority registered codes of practice for Internet service providers and introduced a complaints scheme for prohibited Internet content. Despite dire predictions, the scheme has worked effectively and has attracted worldwide interest.

In preparation for the introduction of digital television on 1 January 2001, the Authority has planned digital channels, released digital television channel plans and allocated test licences for digital terrestrial television broadcasting and datacasting. The Authority's ground-breaking use of single frequency networks in planning for digital has enabled channels to be set aside in all markets for datacasting, a new category of service.

The Authority celebrated the twentieth year of the quality standards for children's television last year and this year released a research study, *20 Years of C*, in conjunction with the Australian Film Finance Corporation and the Australian Children's Television Foundation. The study documented trends in the categories, styles and origins of children's television programs over the past 20 years, examined their scheduling and ratings and looked at the current production environment.

In keeping with the undertaking in its new corporate plan, the Authority is committed to carrying out its regulatory functions with the interests of the general public foremost in mind.

The Authority is also mindful of the need to foster industry responsibility while ensuring broadcasting and online services comply with relevant laws, in working towards achieving its planned outcome: an accessible, diverse and responsible broadcasting industry.

Commercial radio inquiry

Intense media and public interest focused on the Authority's first major public hearing, into whether commercial radio station 2UE had breached the *Broadcasting Services Act 1992* or the Commercial Radio Codes of Practice, as a result of broadcasts by its high profile presenters Mr Alan Jones and Mr John Laws. The hearing was part of what became a wider inquiry into commercial radio, popularly dubbed the 'cash-for-comment' inquiry, as the terms of reference of the initial investigation were expanded to include 3AW Melbourne, 5DN Adelaide and 6PR Perth.

At the conclusion of the investigations into the four stations (soon after the date of this report), the Authority found that there appears to have been a systemic failure to ensure the effective operation of self-regulation in the commercial radio industry, particularly in relation to current affairs programs. Within a significant proportion of

photo: David Starr



At the release of the report of the ABA hearing into 2UE Sydney: the panel: Kerrie Henderson, Ian Robertson, Michael Gordon-Smith.

current affairs programs, the codes are not operating to provide appropriate community safeguards, the Authority found.

After the hearing into 2UE Sydney the Authority imposed two conditions on the licence of 2UE Sydney. The Authority now proposes to determine three program standards for all commercial radio licensees.

The system of co-regulation introduced by Parliament in 1992 always envisaged that the Authority might have to closely administer practices in the industry. The standards the Authority is proposing to impose are for a limited period, until April 2003. In the period the proposed standards are intended to operate, the Authority expects the commercial radio industry to develop codes of practice relating to the preparation and broadcast of current affairs that will provide the same level of community safeguards as are contained in the proposed standards. The outcome desired by the Authority is that listeners have available mainly self-regulated commercial broadcasting services that provide, at a very high standard, 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 that will be an example to others.

Codes of practice deal with ethical issues. Their principal function is to provide a framework 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.

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 Authority'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 Authority 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 Authority 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.

In its final report on the investigation, the Authority listed options that the government could consider to remedy this situation. These include giving the regulator:

- the power to direct advertising-free periods;
- the power to designate a period of time a presenter is prohibited from broadcasting;
- the power to require on-air corrections or the findings of Authority 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.)

The Authority also 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?

Professor David Flint,
ABA Chairman,
speaking to the media
at the release of the
final report of the
commercial radio
inquiry.



photo: Geoff Ambler

- 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?

Other codes

Including the breaches found as a result of the commercial radio inquiry (90 breaches of the commercial radio codes and five breaches of licence conditions by 2UE, 12 by 5DN and 17 by 6PR), the Authority found 199 breaches in the year under review. This was a 46 per cent increase on the previous year. Of the 22 breaches of licence conditions, seven resulted from one investigation into the broadcasting of political matter by seven Queensland commercial television licensees. As this was the second time six of these licensees had breached this licence condition, the Authority imposed further conditions on their licences.

The Authority registered revised codes of practice for the commercial radio industry during the year, although the codes relating to advertising and news and current affairs were held over until the completion of the commercial radio inquiry. The subscription broadcasting and narrowcasting industry also started to revise their codes during the year.

Online

During the year, the Authority has taken on new responsibilities: most notably for the regulation of the content of online (or Internet) services. The Authority is working with the Internet industry and the community advisory body NetAlert to help ensure that people's use of the Internet is a positive experience and that children, in particular, are protected from material that is unsuitable for them.

While the Australian community recognises the enormous potential of the Internet and believes there are more advantages than disadvantages, many people also believe that there are risks.

In performing its role, the Authority is guided by the principles laid down in the legislation, which aim to minimise the financial and administrative burdens on industry and encourage the supply of Internet carriage services at performance standards that meet community needs.

To perform this role, the Authority has developed an enforcement scheme, provided a complaints form and information about the Internet on its web site, maintains the Australian Families Guide to the Internet site, and is developing a community education and information strategy to ensure that Australians have the opportunity to benefit from the Internet.

The scheme is a comprehensive strategy comprised of industry, government and community initiatives. Viewed as a package, these measures provide an effective framework within which Australians can make informed choices about Internet usage.

To date there has been universal compliance with the scheme by the members of the Internet industry.

photo: ACTF



At the launch of *20 Years of C* at the Australian Children's Television Foundation in Melbourne

L-R: the Hon. Peter McGauran (Minister for the Arts); Patricia Edgar (Director, Australian Children's Television Foundation); Gareth Grainger, (ABA Deputy Chairman); Catriona Hughes (Chief Executive, Film Finance Corporation).

Standards

The Authority undertook a number of activities designed to assist in future reviews of the Australian content and children's television standards. They included a study of 20 years of C programs, publication of detailed information about Australian and foreign programming on commercial television, initiation of a joint study of Australian content issues with the Key Centre for Cultural and Media Policy, and undertaking an audit of Australian- and foreign-produced commercials cleared by Commercials Advice Pty Limited in 1998 (a clearance system for the provision of regulatory advice to advertisers and agencies about television commercials).

All licensees in the three major commercial television networks (Seven, Nine and Ten) met the 1999 Australian content requirements for annual transmission, adult drama, documentary and children's C drama. The annual minimum level of Australian programming between 6 a.m. and midnight (the transmission quota) is 55 per cent. Some stations exceeded the transmission target, with Nine in Brisbane achieving 64.9 per cent.

The Authority was also charged with implementing new legislation and associated investigations concerning local content expenditure requirements for pay TV and the use of rights to major events and tournaments by commercial television.

The Authority's wide-ranging research program continues to provide information to support it in its role of ensuring the regulatory scheme safeguards the public interest. Research into children's television programming showed how the quality, diversity and quantity of children's programming on commercial television has increased since the Children's Television Standards were introduced in 1979. The standards have become an international benchmark for regulation of children's television in the public interest. The regulation has also helped to facilitate the development of an Australian children's television production industry with a worldwide reputation.

There is a high level of industry compliance with the requirements of the Broadcasting Services Act regarding licence fee payments and the provision of financial documents.

Digital

The Authority continued its role of providing the basis for the introduction of digital broadcasting for television in particular, as the start up date of 1 January 2001 in metropolitan areas draws closer. The Authority's broadcast planning criteria ensure that the digital planning process safeguards the interests of broadcasters and consumers, and promotes the efficient use of available spectrum.

Last year, the Authority convened a Single Frequency Network Consultative Group to consider the practicality of more fully exploiting single frequency network technology. The group included representatives from the commercial television networks, aspirant datacasters, the ABC and SBS, pay TV broadcasters, ntl Australia, the Authority and other relevant Government agencies.

After considering the work of this group, the Authority decided it will make wide use of single frequency networks as part of its planning for the introduction of digital television. The use of single frequency networks reduces the number of channels existing broadcasters require to transmit their digital signal and will make some additional capacity available for new services in most markets. In making use of single frequency networks, the Authority will take care to balance the desirability of planning more new services against any additional costs or disruption that over-reliance on single frequency networks might entail. It will give particular weight to minimising the cost to viewers of making the transition from analog to digital reception.

The Authority has prepared digital television channel plans covering all capital cities and some major regional television licence areas. The Authority also allocated test licences for digital terrestrial television broadcasting and datacasting.

Australia is the first country in the world to implement the digital video broadcasting standard for high definition terrestrial television. The Australian standard for digital receivers was published by Standards Australia in March 2000.

The Authority regularly consults the Digital Television Channel Planning Consultative Group in drafting digital channel plans for Australian metropolitan markets and continues to monitor international developments in digital radio broadcasting.

The recently enacted *Broadcasting Services Amendment (Digital Television and Datacasting) Act 2000* provides for allocation by the Authority of datacasting licences. Datacasting service providers must hold datacasting licences. These licences come with no entitlement to a means of carriage. Datacasting transmitter licences for



photo: Rhonda Thwaite

At an ABA luncheon for the chairman of the British Broadcasting Standards Council, Lord Holme of Cheltenham, L-R: Ian Robertson, ABA; Dame Leonie Kramer, Chancellor University of Sydney; Mike Lattin, Chairman ASTRA; Carla Zampatti, Chair SBS; Gareth Grainger, ABA; David Bacon, Federation of Australian Radio Broadcasters; Lord Holme; Tony Branigan, Federation of Australian Commercial Television Stations.

John Rushton of Wollongong Radio Pty Ltd (L) with Professor Flint, after paying his deposit for a new commercial radio licence for Campbelltown.



photo: Rhonda Thwaite

dedicated datacasting channels in the free-to-air broadcasting services bands are to be issued by the Australian Communications Authority.

Analog planning and licensing

The Authority determined radio licence area plans for the Sydney and Melbourne metropolitan markets, including the adjacent regional markets of Katoomba (Sydney) and Geelong and Colac (Melbourne). The Authority also finalised licence area plans for radio services in the regional markets of Cooma, Nowra and Wollongong.

The Authority issued draft radio licence area plans for Gosford and the Brisbane market, including the adjacent regional markets of Sunshine Coast, Gold Coast, Ipswich, Richmond/Tweed and Gympie. These licence area plans are expected to be completed by the end of 2000.

Radio licence area plans for the remaining metropolitan markets of Adelaide and Perth, and the regional markets of Murrumbidgee/Riverina, Gippsland, Western Victoria, South East South Australia, Spencer Gulf and Tasmania are expected to be completed during 2001.

Allocation of radio broadcasting licences has now shifted to the major metropolitan areas. This means that there will be increased pressures on licence allocation decisions, particularly regarding permanent community radio broadcasting licences, as there are likely to be many more aspirants than licences available for allocation.

The price-based allocation of commercial radio broadcasting licences planned in the Sydney licence area achieved a record price of \$155 million for the Sydney-wide licence and \$10 million for the local Campbelltown licence.

A number of factors have influenced the allocation of other licences during the reporting period. Firstly, the procedure for allocating permanent community broadcasting licences has been revised and this has resulted in a significant increase in the number of community licences allocated: the Authority allocated 35 new community radio licences in the reporting period compared with 12 in the previous period. In a further four cases, the Authority decided not to allocate a licence.

Secondly, the Authority, after wide community consultation, developed time-sharing guidelines for temporary community broadcasting licenses. The new guidelines, issued in April 2000, provide for longer established aspirant groups to have greater access to

airtime in cases when channels are shared and agreement between aspirants cannot be reached. This has increased efficiency in determining time-sharing conditions and led to a more equitable outcome for aspirants.

The Authority held a public hearing in Sydney in August 2000 (after the date of this report) as part of the process of determining which of the eighteen applicants will merit the three available permanent Sydney-wide community broadcasting licences.

The Authority is currently considering the possible need for hearings in other major metropolitan community radio allocations. Hearings provide a good opportunity for applicants and the public to put forward their views with respect to the allocation of such licences. However, hearings also increase both the time and cost involved.

The Authority has also received its first application for allocation of a community broadcasting licence that does not use the broadcasting services bands. The Authority is developing procedures to allocate this type of community licence.

On 27 April 2000 the Authority decided to suspend allocation of apparatus licences for open narrowcasting radio services in the broadcasting services bands pending clarification of the service category. Under section 19 of the Act, the Authority has the power to determine additional criteria or to clarify existing criteria used to define the limits of a category of broadcasting service. The category of open narrowcasting is defined in section 18 of the Act. However, the Authority is of the view that the definition as it currently stands does not provide sufficient guidance for radio broadcasters. The Authority has decided to review the open narrowcasting category and intends to make a determination to better distinguish between the category of narrowcasting radio services and other categories of radio service.

Parliament is considering further amendments to the Broadcasting Services Act to provide a new category of licence for international broadcasting. Once the proposed amendments become law, the Authority will be responsible for introducing procedures to allocate those licences.

Government inquiries and other matters

The Authority made a number of contributions to government inquiries into regulatory issues of public interest: in particular the Productivity Commission, *Broadcasting Inquiry*, Report No.11, and the Senate Legislation Committee on the international broadcasting licensing scheme.

The *Public Service Act 1999* came into effect on 5 December 1999 and outlines the employment framework for the Australian Public Service. The Authority has implemented new arrangements under the new legislation and continues to review policies and guidelines.

The most specific reform affecting planning processes in the last year was the introduction of the accrual budgeting management system which influenced the way corporate, and business plans, were developed and written by the Authority.

Other activities include:

- the Australian Industrial Relations Commission varied the Australian Broadcasting Authority Agreement 1998 to include the Performance and Development Framework.

The Authority also:

- put its Workplace Diversity Program in place;
- revised its corporate plan and will review and modify the plan in light of Government reforms and/or reviews, and also taking into account changes in the operating environment. The Authority has also developed a draft conflict of interests policy, and pursues continuous improvement and leadership strategies;
- reviewed its internal processes to increase the ability to provide strategic resource policy, services and support by streamlining the financial and administrative functions; and
- reviewed its main information areas to provide options for a more strategic and integrated approach to managing information.

Early in the reporting year, the Authority decided that if it was going to move more of its business online, in line with Government initiatives, it needed to review its information technology infrastructure. The Authority also adopted a number of initiatives for enhancing its web site and for ensuring it continues to grow as an information source and develops as a business tool.

In line with Government policy to outsource information technology services, the Authority successfully completed this initiative at the end of June 2000.

Chapter 1

The Australian Broadcasting Authority

Establishment

The Authority was established by subsection 154(1) of the Broadcasting Services Act, and began operations on 5 October 1992.

The Authority is an independent statutory authority responsible through the Minister for Communications, Information Technology and the Arts to the Parliament. It is required to prepare and furnish annually to the Minister a report on its operations during the preceding year for tabling in the Parliament. The Act provides for the appointment of a Chairperson, a Deputy Chairperson and at least one, but not more than five, other Members who may be full-time or part-time. The Members of the Authority are appointed by the Governor-General for periods of up to five years and are eligible for reappointment on one occasion only. The Minister may appoint persons to be Associate Members of the Authority, either generally or for particular investigations or hearings.

Functions

The primary functions of the Authority may be summarised as follows:

- (a) to provide advice to the Australian Communications Authority in relation to the spectrum plan and frequency band plans under the *Radiocommunications Act 1992* and the designation of bands for broadcasting purposes;
- (b) to plan the availability of segments of the broadcasting services bands on an area basis;
- (c) to allocate, renew, suspend and cancel licences and to take other enforcement action under the Act;
- (d) to conduct investigations or hearings relating to the allocating of licences for community radio and community television services;
 - (da) to conduct investigations as directed by the Minister under section 171 of the Act;
- (e) to design and administer price-based systems for the allocation of commercial television broadcasting licences and commercial radio broadcasting licences;
- (f) to collect any fees payable in respect of licences;
- (g) to conduct or commission research into community attitudes on issues relating to programs;
- (h) to assist broadcasting service providers to develop codes of practice that, as far as possible, are in accordance with community standards;
- (i) to monitor compliance with those codes of practice;
- (j) to develop program standards relating to broadcasting in Australia;
- (k) to monitor compliance with those standards;

- (l) to monitor and investigate complaints concerning broadcasting services (including national broadcasting services);
- (m) to inform itself and advise the Minister on technological advances and service trends in the broadcasting industry; and
- (n) to monitor, and report to the Minister on, the operation of the Act.

In addition, the Authority's other functions under the Act and other legislation include giving opinions concerning the category to which broadcasting services belong, and determining additional, or clarifying existing, criteria for those categories; giving opinions on whether a person is in a position to exercise control of a licence, company or newspaper; and administering aspects of the ownership and control rules applying to certain categories of licences.

The Authority also has a number of functions in relation to the regulation of Internet content:

- to investigate complaints;
- to register industry codes of practice and monitor compliance with the codes;
- to advise and assist parents and responsible adults in relation to the supervision and control of children's access to Internet content;
- to conduct and/or coordinate community education programs about Internet content and Internet carriage services, in consultation with relevant industry and consumer groups and government agencies;
- to conduct and/or commission research into issues relating to Internet content and Internet carriage services;
- to liaise with regulatory and other relevant bodies overseas about cooperative arrangements for the regulation of the Internet industry, including (but not limited to) collaborative arrangements to develop multilateral codes of practice and Internet content labelling technologies;
- to inform itself and advise the Minister on technological developments and service trends in the Internet industry.

For the purpose of exercising its powers and functions under the Act, the Authority is obliged to take account of:

- the objects of the Act and the regulatory policy set out in the Act;
- any general policies of the Government notified to the Authority by the Minister;
- any directions given to the Authority by the Minister; and
- Australia's obligations under the CER Trade in Services Protocol.

See appendix 1, Freedom of information, for more information about the Authority's role and functions.

Minister

The responsible Minister is Senator the Hon. Richard Alston, Minister for Communications, Information Technology and the Arts.

Members

The Members of the Australian Broadcasting Authority are:



Chairman:
Professor David Flint AM
LLM, BSc(Ecs), DSU
Appointed 5 October 1997 for three years.
Professor Flint, Professor of Law, was Chairman of the Australian Press Council from 1987 to 1997 and has been Chairman, Executive Council of World Association of Press Councils since 1992. Professor Flint was also Dean of Law at the University of Technology, Sydney.



Deputy Chairman:
Gareth Grainger
BA, LLM(Hons)
Appointed 23 July 1997 for three years.
Mr Grainger was previously General Manager, ABA Policy and Programs Division, taking up his appointment in December 1993. Before his appointment to the Authority, Mr Grainger was Visiting Associate Professor Bond University Law School in 1993, and Head of Resources and Marketing at the Special Broadcasting Service (SBS) in 1992–93. He is Chairman of the International Committee on Youth and Media Research, Chairman of the Communications Network of the UNESCO National Commission of Australia and Associate Member of the Australian Communications Authority.



Member:
Michael Gordon-Smith
BA(Hons)
Appointed 15 September 1997 for three years.
Mr Gordon-Smith was formerly the Executive Director of the Screen Producers Association of Australia, a trustee of the industry superannuation fund, JUST Super and a director of the Audio Visual Copyright Society.
He began his career by abandoning an engineering scholarship to pursue an honours degree in philosophy.

As at 30 June 2000



Member:
Kerrie Henderson

BA, LLB

Appointed 17 February 1995 for five years, extended on 15 February 2000 until the completion 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 the area of cross-cultural business ethics. Before this, Ms Henderson practised as a commercial lawyer in Sydney.



Member:
John Rimmer

MA, DipSocStud, A MusA,
Appointed 5 October 1997 for three years.

Mr Rimmer is a consultant and director of Acuity Consulting Limited. He is chairman of ETC Electronic Trading Concepts Pty Ltd and of JTP Joint Technology Parks Pty Ltd and a director of the multi-media company JSC Ltd (UK).

Until March 1997, Mr Rimmer was Executive Director of Multimedia Victoria. He is a member of the Australia Council and Chair of its New Media Arts Fund, and Deputy President of the Library Board of Victoria.



Member:
Ian Robertson

LLB, BCom

Appointed 23 July 1997 for three years.

Mr Robertson is the Managing Partner of the Sydney office of law firm Holding Redlich.

He practises commercial and intellectual property law with emphasis on the film, television, telecommunications, advertising and publishing industries.

Mr Robertson is an advisory board member of the Media and Telecommunications Policy Group at RMIT, a former director and deputy chair of Film Australia Limited and a former director of Cinemedia. He is also a former director and senior executive of the national audio and video production and post-production company AAV Australia Pty Ltd, and the former Corporate Solicitor of David Syme & Co. Ltd, publisher of the *Age*.

Associate members

Dr Robert Horton, Deputy Chairman of the Australian Communications Authority, appointed 1 March 1998 for the general purposes of the Authority, until 30 June 2000.

Mr Ross Jones, Commissioner, Commissioner Australian Competition and Consumer Commission, was appointed for the general purposes of the Authority from 2 November 1999 to 13 June 2004.

Senior staff (by branch and section)



General Manager: Giles Tanner

Corporate Services



Director
Louise Harkness

- Human Resources
Maree Bowman

- Library
Anne Wiseman

- Media & Public Relations
Donald Robertson

- Resource Management & Planning
Tom Weir

- Secretariat
Graham Rodrick

Legal & Control



General Counsel
John Corker

- Control
Leon Atkinson-MacEwen

- Legal
David Jeffrey

Planning & Licensing



Director
Jonquil Ritter

- Director Engineering
Fred Gengaroli

- Engineering & Information Services
Ennio Ravanello

- Radio Planning
Greg Cupitt

- Television Planning
Richard Longman

- Licensing
*Rick O'Brien **

- Branch Policy & Information
Nigel Ryan

- Branch Support
Barbara Quall

Policy & Content Regulation



Director
Andree Wright

- Codes & Conditions
Margaret Harradine

- Online Content Regulation
Stephen Nugent

- Research & Policy
Phyllis Fong

- Standards
Lesley Osborne

Technology



Director
Bob Greeney

As at 30 June 2000

* *Rick O'Brien commenced in this position on 7 July*

Committees

The Authority works through a number of committees, which are designed to allow its deliberative work to be considered in more detail and to identify relevant and principal issues that need to be brought to the attention of the full Authority. At least three members sit on each committee, one usually acts as chair. Authority staff act as advisers to the committees. In accordance with the requirements of the *Commonwealth Authorities and Companies Act 1997*, the committee members and their participation records are as follows:

| Committee: | ABA | Audit† | Codes and Standards | Corporate, Finance and Administration | Digital† | Legal and Enforcement | Online | Planning and Licensing* | Policy and Strategy |
|-----------------|-----|--------|---------------------|---------------------------------------|----------|-----------------------|--------|-------------------------|---------------------|
| Professor Flint | 20 | - | 6 | 10 | 5 | 7 | 2 | 7 | 2 |
| Mr Grainger | 20 | - | 6 | 9 | 9 | 6 | 8 | 9 | 4 |
| Mr Gordon-Smith | 23 | - | 5 | 9 | 8 | 6 | 6 | 15 | 3 |
| Ms Henderson | 26 | 2 | 6 | - | 3 | 7 | 9 | 13 | - |
| Mr Rimmer† | 26 | 3 | - | - | 7 | - | - | 15 | 3 |
| Mr Robertson | 25 | 2 | 6 | - | 1 | 7 | - | 2 | - |
| Mr Horton† | 5 | - | - | - | - | - | - | - | - |
| Mr Jones | 0 | - | - | - | - | - | - | - | - |
| no. of meetings | 27 | 3 | 6 | 10 | 10 | 7 | 10 | 18 | 4 |

* The Planning and Licensing and the Digital Committees merged in March 2000.

† Other members of the Audit committee were Mr Giles Tanner (General Manager, 2 meetings), Ms Louise Harkness (Director Corporate Services, 3 meetings). None of the members of the Audit Committee has special responsibilities.

- Denotes not a member of the committee

Internal and external scrutiny

Ombudsman investigation

The Authority has continued to assist the Ombudsman in relation to people who have made complaints to the Ombudsman during the year. There were no formal investigations by the Ombudsman for the period 1999-00. The Ombudsman, however, is currently making inquiries into a complaint lodged by a person regarding the cancellation of their licence.

AAT review

Queensland Television Limited applied on 27 April 2000 to the Administrative Appeals Tribunal for a review of an Authority decision to impose a condition on a licence held by Queensland Television Limited. The additional condition requires the licensee to comply with clauses 3.6, 3.7 and 3.8 of the Commercial Television Industry Code of Practice, April 1999. The matter has been listed for hearing, however, a date for the hearing has yet to be fixed.

Other

There were two requests for statements of reasons pursuant to section 13 of the *Administrative Decisions (Judicial Review) Act 1977*.

No matters were raised by the Auditor-General during the period.

Matters relating to Parliamentary scrutiny are dealt with elsewhere in this report.

Achievements against the *Corporate Plan 1999–2003*

The *Corporate Plan 1999–03* includes Our Vision and Our Mission (see inside front cover), Outcomes, Outputs, Goals and Strategies as well as Success Indicators by which our performance can be measured. The Goals and Success Indicators follow with a report of achievements against each. The performance report which follows on page 28 reports against the Goals and Strategies.

Output 1.1 Managed regulation of broadcasting

Goal 1 In partnership with industry and the community, safeguard the public interest through co-regulation of broadcasting services

1.1.1 Codes are developed, implemented and evaluated

- Revised Commercial Radio Codes of Practice and Guidelines registered
- The Australian Subscription Television and Radio Association commenced the development of revised codes of practice relating to the following services: subscription television broadcasting and narrowcasting; radio and television open narrowcasting; and subscription radio narrowcasting
- The results of the fifth study used to monitor the effectiveness of television codes of practice, *Community Views about Content on Free-to-air Television 1999*, released

1.2.1 Standards are developed, implemented and evaluated

- Twenty years of C programs on commercial television marked with a number of initiatives, including a children's television policy forum and research project examining trends in C programs since the introduction of the regulations
- Investigation into the operation of the \$45 000 minimum licence fee for C drama
- Audit of Australian and foreign television commercials cleared by CAD in 1998 to improve understanding of the operation of the standard for Australian content in advertising
- Annual return forms and procedures developed to implement enforceable rules for expenditure on eligible drama by pay TV channels and licensees
- The Authority and the Australian Key Centre for Cultural and Media Policy are conducting a joint research project to examine content regulation in a changing international television production sector

1.3.1 ABA contributes, as expert body, to Government inquiries into regulatory issues of public interest

- The Minister for Communications, Information Technology and the Arts directed the Authority to conduct three investigations
 - whether pay TV documentary channels should be required to maintain minimum amounts of expenditure on new eligible documentaries
 - the treatment of development costs under the pay TV drama expenditure rules and
 - the implementation of anti-hoarding provisions

The Authority:

- contributed to the Productivity Commission review of broadcasting providing information in the role of *amicus curiae*
- made submissions to the Senate Legislation Committee on the international broadcasting licensing scheme
- is investigating the advertising of telephone sex

1.4.1 Enforcement action taken where appropriate

- There have been no instances during the year when enforcement action, under the control rules of the Broadcasting Services Act, was appropriate
- The Authority imposed an additional licence condition on the licensee of commercial television station QTQ 9 Brisbane and an additional licence condition on six Queensland commercial television licensees

1.5.1 Timely resolution of complaints

- Completed more than eighty-five per cent per cent of investigations into programming matters within four months of the date of receipt of the complaint or date of receipt of further information relating to the investigation

1.5.2 The ABA is satisfied with industry compliance

- There was a high level of industry compliance with the requirements of the Broadcasting Services Act regarding licence fee payments and the provision of financial documents
- There were no breaches in relation to subscription television services, subscription radio services, open narrowcasting television services or open narrowcasting radio services, ABC television or ABC radio
- As a result of its investigations, the Authority found 199 breaches of codes of practice or of the Act. There were two instances of recurring breaches, involving a number of licensees, which warranted the imposition of an additional condition on these licensees' commercial television broadcasting licences. The Authority imposed two conditions on the licence of 2UE Sydney after finding 90 breaches of the codes of practice and five breaches of the Act. The Authority now proposes to determine three program standards for all commercial radio licensees.
- The Authority is generally satisfied with action taken by licensees in response to findings of a breach

Goal 2 In partnership with industry and the community, implement a co-regulatory scheme for Internet content that addresses community concerns and encourages use of the Internet

2.1.1 Codes of practice registered by 1 January 2000 or industry standards to be developed

- Three codes of practice registered on 16 December 1999 for implementation from 1 January 2000

2.1.2 Codes of practice or industry standards operating effectively to create awareness of filtering software, the complaints mechanism and content control options

- The codes of practice describe the obligations on Internet service providers to provide filtering software products to their subscribers and to provide information on the complaints mechanism and content control options. The latter two obligations also apply to Internet content hosts
- The Authority wrote to all Internet service providers in late December 1999 informing them of their obligations in relation to the registered codes of practice and providing details on how to obtain further information about the scheme. Authority staff provided advice to a large number of Internet service providers seeking clarification of their responsibilities
- Authority staff contacted major Internet service providers to increase awareness of the scheme and the codes of practice and to obtain feedback on code implementation issues

2.2.1 Timely resolution of complaints

- Complaints about content hosted outside Australia were generally resolved within two days of receipt
- Complaints about content hosted in Australia were generally resolved within a two weeks of receipt. They take longer due to the need to obtain classifications from the Office of Film and Literature Classification and the need to issue interim and final takedown notices
- At the end of the reporting period, only two of the 201 formal complaints received had not been resolved in some way

2.2.2 Enforcement action pursued when appropriate

- To date, there has been no need to pursue enforcement action. Internet content hosts have willingly complied with the takedown notices they have received

2.3.1 Increased understanding of community information needs

- The Authority has begun a major research project on Internet usage in Australian homes that will include consideration of community information needs

2.3.2 Education material that meets identified information needs

- The Australian Families Guide to the Internet continues to be one of the most frequently visited parts of the Authority's web site.

- The Authority is developing a community education strategy that will include additional educational material tailored to the information needs identified by the Internet usage research

2.4.1 ABA active participant in the major international fora on Internet content regulation

- Authority Members and staff have presented at, and actively participated in, the major international meetings on Internet content regulation

Output 1.2 Licensing of broadcasting services

Goal 3 Allocation of spectrum for analog radio and television broadcasting services in all parts of Australia

3.1.1 Completion of licence area plans no later than 2002

- Draft and subsequent final radio licence area plans were completed during 1999–00 for Sydney, Katoomba, Melbourne, Geelong and Colac. The final licence area plan for Nowra was also completed
- The public consultation process for Gosford was completed during the year, and consultation commenced for Planning Group 5 markets (Murrumbidgee/Riverina, Gippsland, Northern Tasmania, Hobart/Southern Tasmania, Western Victoria, South East South Australia and Spencer Gulf)

3.1.2 Completion of essential licence area plan variations on a priority basis

- Licence area plan variations for Bendigo and Lithgow were completed during the year to meet priority needs

3.2.1 Allocation of commercial and narrowcasting licences within one year of being made available in the licence area plan

- All commercial licences have been allocated in the reporting period within 12 months of determination of the relevant licence area plan

3.2.2 All community licences allocated within two years of being made available in the licence area plan

- Thirty-seven of the 39 licences were allocated within two years of being planned. In the case of the remaining two licences, Borroloola had no eligible aspirant until 17 months after determination of the licence area plan, and in Esperance no eligible aspirant emerged until 20 months after

3.2.3 The community and the industry have been consulted and have had the opportunity to participate in the process leading to the decision

- Draft licence area plans for Sydney, Melbourne and Brisbane metropolitan markets were released for public comment. The Authority also invited written submissions on licence area planning for radio services in the radio markets of Murrumbidgee/Riverina, Gippsland, Western Victoria, South East South Australia, Spencer Gulf and Tasmania.

3.2.4 All licence allocation processes are completed efficiently and effectively

- Commercial radio and open narrowcasting licences were allocated under auction-style price-based systems. Community radio licences were allocated on a merit-basis once eligible applicants emerged in each licence area. Subscription television and non-broadcasting services bands commercial licences were allocated on application. Processes are in place to ensure that all allocations are completed efficiently and effectively

Goal 4 National and commercial television broadcasters to have commenced digital services in metropolitan areas, and where achievable, in regional areas

4.1.1 Conversion schemes are completed by the end of 2000

- The Minister for Communications, Information Technology and the Arts approved the *National Television Conversion Scheme* in February 2000. The Authority determined the *Commercial Television Conversion Scheme* in March 1999

4.2.1 Metropolitan broadcasters commence by 1 January 2001 and Regional broadcasters commence by 1 January 2004

- Digital channel planning for both metropolitan and regional Australia is on schedule to provide broadcasters with sufficient time to meet commencement dates

4.2.2 Digital channels allotted as needed and the spectrum is efficiently structured

- The Authority released eight digital channel plans which identified the main transmission channels in the five mainland metropolitan markets where digital broadcasting will commence on 1 January 2001: Adelaide, Brisbane, Melbourne, Perth and Sydney. The digital channel plans also detailed the main transmitter specifications in seven other markets, identified by broadcasters for early commencement: Canberra, Darwin, Hobart, Newcastle, Batchelor, Toowoomba and Wollongong and channel specifications that may be used for other purposes, such as datacasting
- In order to maximise spectrum efficiency the Authority, with the cooperation of stakeholders, undertook extensive research into the use of single frequency networks within the Australian digital terrestrial television broadcasting environment
- The resulting *Report to the ABA on the Outcomes of the Studies by the Single Frequency Network Consultative Group – June 2000* recommended that a pure single frequency network allocation should be the default for digital channel plans for metropolitan digital television services, but that a '1+1' channel plan should be implemented, where use of a 'pure SFN' approach would, on balance, be contrary to the public interest

4.3.1 Implementation plans are assessed in a timely way

- Forms for implementation plans were developed as required under the digital conversion schemes. The Authority approved three applications to submit a series of implementation plans for Network Nine services in Brisbane, Sydney and

Melbourne and received applications to submit a series of implementation plans from Nine Network affiliates in Adelaide and Perth, for which the Authority requested clarification. The Authority also checked the implementation plans for the ABC and the SBS in the five mainland State capitals. These implementation plans were approved by the Minister for Communications, Information Technology and the Arts on 30 June 2000

4.4.1 The Minister and the Department seek advice from the ABA on digital technology

- The Authority provided the Minister and the Department with regular advice on developments in digital technology, such as the use of SFNs and the potential impact of digital services on existing analog services and other users of the broadcasting services bands

4.5.1 Reasonable level of community awareness of the implications of digital conversion

- The Authority assisted local broadcasters in the preparation and implementation of comprehensive information campaigns about changes to analog transmission and reception arrangements for the Golden West Network service in the Central Agricultural area, east of Perth and the Southern Cross Broadcasting regional services outside Melbourne
- The Authority has provided timely advice and information to individual inquirers, discussed the introduction of digital television via local and national media services and completely revised the relevant information areas of the Authority's web site

Outcome

The planned outcome which is critical to our success over the period of the corporate plan is:

An accessible, diverse and responsible
broadcasting industry

Output 1.1

Managed regulation of broadcasting

Chapter 2

Regulation of broadcasting services

Strategy 1.1 Encourage service providers and industry groups to take responsibility for addressing community concerns by:

- facilitating development of codes (unless standards are mandatory)
- evaluating, registering and monitoring effectiveness of codes

Codes of practice

Under section 123 of the Broadcasting Services Act, representative industry groups are to develop codes of practice in consultation with the Authority and taking account of any relevant research conducted by the Authority. Monitoring those codes once they are implemented, and dealing with unresolved complaints made under the codes are also among the primary functions of the Authority.

The Authority includes a code in the register of codes of practice only if it is satisfied that the code provides appropriate community safeguards for the matters covered by it, the code is endorsed by a majority of providers of broadcasting services in that section of the industry, and members of the public have been given an adequate opportunity to comment on the code.

Codes developed by the national broadcasters, ABC and SBS, are notified to the Authority but are not registered.

The following codes were registered with the Authority as at 30 June 2000:

- Commercial Television Industry Code of Practice
- Commercial Radio Codes of Practice
- Community Broadcasting Code of Practice
- Subscription Television Broadcasting Codes of Practice
- Subscription Television Narrowcasting Codes of Practice

Open Narrowcasting Television Codes of Practice
Subscription Radio Narrowcasting Codes of Practice
Open Narrowcasting Radio Codes of Practice

The ABC Code of Practice and SBS Codes of Practice were notified to the Authority.

Commercial Radio Codes of Practice

The Authority registered the revised Commercial Radio Codes of Practice on 21 October 1999, replacing the May 1993 codes. This registration concluded an extensive process of consultation between the Authority and the Federation of Australian Radio Broadcasters Limited. Public input was also an important aspect of the development of the revised codes.

However, those parts of the code that deal with accuracy and fairness in news and current affairs, and distinguishing advertising from other program material were withheld from consideration by the Authority until the conclusion of its commercial radio inquiry.

The major addition to the revised codes is a requirement that stations whose format includes music must broadcast a certain amount of 'new' Australian music. It is intended that this requirement will result in much needed airplay for new and emerging Australian artists. The revised codes now also include provisions relating to publicising and formally reviewing the codes and to an increased restriction on the use of coarse language and sexual material. In addition, changes have been made to the way in which stations must respond to written complaints about matters covered by the codes.

ASTRA codes

In March 2000, the Australian Subscription Television and Radio Association (ASTRA) began a review of the its codes of practice and expects to complete the review in the next reporting period.

The review of the ASTRA codes involves a process of public consultation before being submitted to the Authority for registration.

The Authority is required to consider the ASTRA codes against the criteria for registration set out at section 123(4) of the Act. The Authority must be satisfied that the revised codes provide appropriate community safeguards for the matters covered by the codes; that they are endorsed by a majority of providers of services in this sector; and that members of the public have been given an adequate opportunity to comment on the revised codes.

Strategy 1.2 Develop, implement and evaluate standards where appropriate

In 1999–00 the Authority undertook a number of activities designed to assist in future reviews of the Australian content and children's television standards. They included a study of 20 years of C programs, publication of detailed information about Australian and foreign programming on commercial television, initiating a joint study of

Australian content issues with the Key Centre for Cultural and Media Policy, and undertaking an audit of Australian- and foreign-produced commercials. These projects were in addition to annual reporting on compliance with the standards.

The Authority was also charged with implementing new legislation and undertaking associated investigations concerning local content expenditure requirements for pay TV and the use of rights to major events and tournaments by commercial television. These activities involved extensive consultation with stakeholders and are described below.

Australian content

Australian content on commercial television

Under section 122 of the Act, the Authority is required to develop standards relating to the Australian content of programs on commercial television. Compliance with the standard for Australian content is a condition on the licence for commercial television licensees. The Authority announced on 1 March 1999 that it had determined the new Broadcasting Services (Australian Content) Standard 1999 for commercial television (see page 66, *Annual Report 1998–99* for more information on the review).

Compliance with the Australian content standard in 1999

All licensees in the three major commercial television networks (Seven, Nine and Ten) met the 1999 Australian content requirements for annual transmission, adult drama, documentary and children's C drama. The annual minimum level of Australian programming between 6 a.m. and midnight (the transmission quota) is 55 per cent. Some stations exceeded the transmission target, with Nine in Brisbane achieving 64.9 per cent.

The Australian Content Standard requires commercial television licensees to broadcast a minimum amount of Australian first release drama between 5 p.m. and midnight in a calendar year. The requirement is measured in points: a drama score of at least 225 points required in any one year, and 775 over three designated years — 1999 is the beginning of another three-year period.

In 1999, the Adelaide service of the Seven network achieved the highest drama score of 341.9 points and across the network stations averaged around 340. The drama score of all the Nine network stations increased with QTQ Brisbane increasing from 252.7 points to 282.2 points. The average drama score in the Ten network decreased from 277.8 points to 260 points.

In 1999, Australian first release drama broadcast by Seven network stations was mainly serials (115 hours) and series (86.7 hours) and totalled approximately two hundred and eighteen hours between 5 p.m. and midnight, compared to 205 hours in 1998. Ten's 216.3 hours (230 hours in 1998) were mainly serials (177.3 hours), and Nine's 127.4 hours (139 hours in 1998) were mainly series (96.5 hours).

In 1999, the requirement for first run Australian documentaries increased from 10 to 15 hours per annum. All networks met the requirement: Seven and Nine exceeded the minimum requirement several times over with 34.2 and 44.4 hours respectively.

The new Broadcasting Services (Australian Content) Standard 1999, and consequential Children's Television Standards variation, came into effect on 1 March 1999. It

remedied an inconsistency of the Australian content standards with the Trade in Services Protocol to the Australia New Zealand Closer Economic Relations Trade Agreement (CER).

In 1999 no New Zealand programming was broadcast by the networks.

Trends in Australian content and children's television

In August 1999, the Authority reported on compliance by commercial television in 1998 with the Australian Content Standard and the Children's Television Standards, and on program category data for the networks.

Key findings on programming in 1998 included:

- foreign drama was the most important category for Seven and Nine, but for Ten the largest category is foreign light entertainment;
- first release foreign drama far exceeded the amounts of first release Australian drama. Foreign drama represented 80 per cent of all first release drama broadcast from 5 p.m. to midnight on the Nine network, 72 per cent on the Seven network and 61 per cent on Ten; and
- Australian news and current affairs was the largest category of local programming in the evening on all networks.

This information was released as *Australian Content and Children's Television 1998*, Trends and Issues No 6, published in August 1999. The Authority plans to conduct more detailed analysis of Australian and foreign programming by commercial television in the future. This will increase understanding of programming trends on commercial television services and of the impact of the Australian content rules.

Compliance with the Australian content in advertising standard 1999

The standard for Australian Content in Advertising requires at least eighty per cent of advertising time broadcast each year by commercial television licensees, between 6 a.m. and midnight, to be used for Australian-produced advertisements. The remaining 20 per cent of total advertising transmission is therefore available for the broadcast of foreign-produced advertisements.

The networks provide the Authority with annual reports on compliance with the standard. Compliance results and commercial clearance information from Commercials Advice Pty Limited (wholly owned by the Federation of Australian Commercial Television Stations) are published each year in the Authority's newsletter, *ABA Update*.

The amount of foreign advertising broadcast in 1999 was well below the 20 per cent cap imposed by the standard, averaging 7.7 per cent of all advertising on the Nine network, 8.8 per cent on Seven and 9.4 per cent on Ten. In 1998 foreign advertising on Seven averaged 11.2 per cent, 11 per cent on Ten and 7 per cent on the Nine network.

The standard meets the requirements of section 160(d) of the Act and is consistent with Australia's international obligations concerning New Zealand. New Zealand commercials qualify for inclusion in the Australian advertising quota.

Audit of advertisements cleared by CAD in 1998

This year the Authority conducted an audit of a random sample of 100 Australian and 100 foreign produced commercials cleared by Commercials Advice Pty Limited in 1998. The aim of the audit of Australian commercials was to gain a better understanding of how the criteria in the creative control test for 'Australian / New Zealand' produced advertisements are operating. The audit of foreign advertisements has provided data on the type of products being advertised in foreign commercials.

The standard sets an objective test for what is considered to be an Australian (or New Zealand) produced advertisement. An advertisement is considered Australian if it is wholly pre-produced, filmed and post-produced in Australia or New Zealand, or partly in Australia and partly in New Zealand, or it meets a creative control test requiring that Australians or New Zealanders have fulfilled at least six of ten nominated roles in its production.

The audit of Australian advertisements suggests that the creative control test is used very little, if at all as all commercials were claimed as 'wholly pre-produced, filmed and post-produced in Australia or New Zealand'. No applications in the sample relied on the creative control test to qualify for quota. The impact of the creative control test on foreign content in Australian commercials appears to be minimal.

The audit provided information about the product categories of Australian and foreign advertisements. There was a similar number of product categories for Australian and foreign advertisements: Australian advertisements were spread over 23 product categories and foreign advertisements over 20. Certain categories like retail, are more likely to be advertised in Australian commercials, while others, including toys, cameras, sports products, are more likely to be advertised in foreign commercials.

Pay TV

Implementation of enforceable scheme for pay TV drama expenditure

New enforceable arrangements in relation to spending on new eligible (Australian and New Zealand) drama programs on subscription television (or pay TV) came into effect with the *Broadcasting Services Amendment Act (No. 3) 1999* in December 1999.

Transitional arrangements apply for the financial year beginning 1 July 1999.

These amendments require licensees and channel providers who provide a pay TV drama service to spend at least ten per cent of their total program expenditure on new eligible drama programs each financial year. Any shortfall in the channel provider's expenditure must be made up in the next financial year by the channel provider and/ or the licensee. Licensees and channel providers are required to lodge annual returns about their program expenditure with the Authority.

New eligible drama programs are defined according to the Australian Content Standard for commercial television and include programs that are Australian, Australian/New Zealand, New Zealand or an official Australian co-production.

These amendments address shortcomings in the previous licence condition which applied only to program expenditure by pay TV licensees, whereas, in practice, expenditure is by channel providers. As these channel providers were outside the scope of the legislation, the Authority could not require them to meet the 10 per cent

expenditure requirement. However, since the commencement of pay TV in Australia the Authority encouraged voluntary expenditure on new Australian drama by pay TV broadcasters and channel providers. The Authority developed guidelines and under this arrangement pay TV broadcasters and channel providers have reported on their new Australian drama expenditure. Under the voluntary scheme, however, few pay TV entities met the 10 per cent requirement.

The legislation also provides that a review of the Australian and New Zealand content on subscription television broadcasting services be conducted before 31 March 2003.

The new legislation commenced retrospectively on 1 July 1999, so the Authority's system for collecting program expenditure information had to be in place before July 2000. The Authority consulted with a working group it convened of pay TV representatives during the development of the annual return form. The Authority also sought advice from an independent financial consultant with expertise in television production.

Compliance with pay TV new Australian drama expenditure

This year was the final year that the Authority reported expenditure by pay TV broadcasters and channel providers under the guidelines for the voluntary compliance scheme. The Authority developed these guidelines to implement section 102 of the Broadcasting Services Act. This section gave effect to a licence condition requiring licensees of predominantly drama services on pay TV to spend at least 10 per cent of their annual program budget on new Australian drama programs. However, as few if any licensees incur expenditure on programming, section 102 of the Act was effectively unenforceable. The condition was implemented on a voluntary basis from 1995 to 1999, when the enforceable scheme was implemented.

For the year ending 30 June 1999 total expenditure by all 17 predominantly drama channels on new Australian drama was \$6 340 026. This represents 5.34 per cent of total drama program expenditure of \$118 767 599. The number of channels complying with the requirement declined: only two drama channels met this requirement in the reporting period compared with four in 1998–99.

Spending by predominantly drama pay TV channels on new Australian drama decreased from the last reporting period. In 1997–98 16 channels spent \$8 173 504; in 1996–97, 15 channels spent \$3 242 754; and in the first reporting period (1995–96) 11 channels spent \$1 740 678.

The low spending underscores the necessity for the introduction of the 'enforceable scheme' for Australian content on pay TV in 1999.

Children's television

Under section 122 of the Act, the Authority is required to develop standards for children's programming. The Children's Television Standards (CTS) came into effect on 1 January 1990, with the most recent amendments taking effect on 1 March 1999 in line with amendments to the Australian content standard. Compliance with the CTS is a condition of licence for commercial television licensees.

The objective of the CTS is to ensure children have access to a variety of quality television programs made specifically for them, including Australian drama and non-drama programs.

C and P program assessment

The system for the pre-classification of children's programs is based on initial assessment of programs by the Authority and additional assessment by specialist consultants, as required.

Children's programs are classified against the criteria set out in the CTS which require that children's programs must be made specifically for them, be entertaining, well-produced and of a high standard, enhance a child's understanding and experience, and be appropriate for Australian children.

The Authority grants the following classifications:

- C — made specifically for children within the primary school age range;
- C drama — meets the requirements for Australian or New Zealand produced children's television drama; and
- P — made specifically for children within the preschool age range.

Provisional classification is awarded to programs which are at an early stage of development and appear likely to meet the criteria when completed.

If an application for program classification is refused, the Authority provides a statement of reasons, detailing the criteria the program failed to meet and the reasons why. Authority staff hold meetings with applicants to discuss these decisions if requested.

Programs classified

The Authority assessed 40 programs during the reporting year and granted classification to 34 programs.

Table 1 C and P program classifications

| | Applications granted classification | Applications refused classification * |
|---------------|-------------------------------------|---------------------------------------|
| C | 11 | 1 |
| C drama | 12 | 0 |
| Provisional C | 6 | 4 |
| Provisional P | – | – |
| P | 5 | 1 |
| Total | 34 | 6 |

* These programs failed to satisfy the criteria in the CTS.

See appendix 3 for a full list of programs granted C or P classification during the year. In the 1998–99 reporting period, the Authority assessed 69 applications and granted classification to 58 programs. During 1998–99, significantly more C drama programs were granted classification, 29, compared to only 12 in 1999–00.

Compliance

There were no breaches of the CTS in the current reporting period.

Commercial television licensees must broadcast a minimum of 390 hours of children's programming each year, including 130 hours of preschool (P) programs and 260 hours of children's (C) programs. These programs must be pre-classified by the Authority.

All commercial television networks met the minimum quota requirements for children's programs in 1999. This included the requirement for 130 hours of first release Australian C programs and 32 hours of first release Australian children's C drama. Australian programs dominated the children's C classified programs broadcast in 1999. With many hours of repeat C Australian drama broadcast all networks also exceeded the eight hour quota for repeat C drama programs many times over. Nine broadcast about 72 hours of repeat Australian C drama.

All network stations exceeded the quota of 260 hours of C classified programs, with each service in the Nine network exceeding the overall C quota by just over 20 hours. Although only half of these programs must be new programs produced locally, very few were foreign. For example fewer than ten per cent (27.6 hours) of Nine's 281 hours of C programs were overseas programs.

Enforcement

There were a number of breaches of the CTS and the Australian content standard by commercial television stations in the 1998–99 reporting period. These breaches related to some stations broadcasting programs whose C classification had expired and subsequently not meeting their minimum broadcast quota requirements, and breaches of the provisions related to the displacement of C and P classified programs. For more detail on these breaches, see page 70 *Annual Report 1998–99*.

As a result of the investigation, the Authority required the stations to provide follow-up information within six months of the operation of their revised compliance procedures. In February 2000 the Authority considered the information provided and advised the licensees that while generally satisfied with their revised compliance procedures, it recommended that licensees continue to provide adequate training for all current and new staff about the requirements of the CTS.

Investigation into the minimum licence fee requirement for Australian children's drama

During the reporting period the Authority conducted an investigation, under section 170 of the Act, into the minimum licence fee requirement for Australian children's drama.

A minimum licence fee requirement of \$45 000 per half hour for first release Australian C drama was introduced on 1 March 1999, as part of the new Australian Content Standard determined on 26 February 1999.

During the 1998 review of the Australian content standard, the potential for secondary market pricing advantages to undermine licence fees being paid for Australian children's drama was identified. A new condition was introduced to assist the continuing viability of this genre and in so doing, facilitate children's access to high quality drama programs which reflect Australian identity, character and cultural diversity.

The \$45 000 half hour fee was nominated as a realistic assessment of the minimum cost to the broadcaster of licensing Australian children's drama, closely matching the broadcast licence fees paid for independent children's drama programs that did not have Australian Film Finance Corporation (FFC) investment. Programs with FFC investment require the broadcaster to pay a \$55 000 per half hour licence fee.

After its introduction in March 1999, the Authority received varying reports about the operation of the minimum licence fee requirement and the impact it was having on the creation and acquisition of new Australian children's drama. The Authority decided to investigate the matter.

As part of the investigation, the Authority sought information, including commercial-in-confidence information, from relevant organisations and received responses from the three commercial networks, eight production companies, the FFC and the Australian Film Commission.

The investigation did not reveal any significant change in the pattern of acquisition of, or the range of licence fees being paid for, Australian children's drama following the introduction of the minimum licence fee requirement.

The Authority's full report on its investigation is available on its web site. The Authority undertook to continue to monitor the operation of the minimum licence fee requirement, and other industry trends identified in the investigation.

20 Years of C forum

During 1999, the Authority marked 20 years of C programs on commercial free-to-air television with a number of initiatives, including a children's television policy forum. The forum was held on 22 July 1999 to explore the changing child audience, current trends in children's television programming and how program makers, broadcasters and government can meet children's television needs. The forum featured a range of high profile speakers, including program makers, film funding organisation representatives and researchers. The forum was attended by more than one hundred delegates and helped to inform the Authority about current and upcoming issues related to the standards.

Strategy 1.3 Undertake, as necessary, research into whether the regulatory scheme safeguards the public interests

Research

Completed research projects

20 Years of C

The Authority released *20 Years of C: Children's Television Programs and Regulation 1979-1999* in March 2000.

The research was commissioned by the Authority, the Australian Children's Television Foundation and the Australian Film Finance Corporation in March 1999 as one of the initiatives to mark 20 years of C programs. The research sought to identify and document trends in the categories, styles and origin of programs classified over the 20 year period of regulation; to examine how scheduling and ratings of these programs had changed in more recent times; and to document the current production environment.

The research found that since 1979, when the C classification was introduced together with quota requirements for the broadcast of C programs, the Authority has classified more than twelve thousand hours of C programs. The proportion of Australian-made programming has increased from 67 to 88 per cent of programming, most significantly due to the increase in locally produced drama. There was also a marked increase in local game shows classified in recent years, compared to magazine style shows which predominated in the early years of regulation.

The research showed that while the scheduling of C programs had changed little from 1990, the scheduling of C drama had changed. From 1984–89, 46 per cent of C drama programs were broadcast during the early evening time but by 1996 to 1999 there were no evening broadcasts, and most C drama was broadcast on weekday afternoons or weekend mornings. Within this period, however, the requirements for the broadcast of C drama increased fourfold.

C programs varied in their ratings performance, ranging from one per cent to 21 per cent of five to twelve year olds.

The study also reported on interviews with children's television producers and network executives about financing children's programs, the current requirements, scheduling and promotion of children's programs and the future of children's television programming.

The findings of the report have provided quantifiable data to inform the operation of the standards and promote understanding of how to ensure that quality Australian children's programs continue on Australian television.

The report is available from the Authority.

Media use by migrants to Australia

The Authority participated in the third wave of a Longitudinal Survey of Immigrants to Australia conducted by the Department of Immigration and Multicultural Affairs from 1997 to 1999. The survey included four questions about media use and the portrayal of ethnic groups on commercial television and was distributed to approximately five thousand newly-arrived migrants. To ensure input from a range of immigrant groups, some interviews were conducted in languages other than English. Such segments of the population are generally not well covered in national surveys.

The results showed that the amount of television and Internet use by immigrants was similar to that by the Australia-wide population. Newly-arrived migrants held a diverse range of opinions about the portrayal of ethnic groups on commercial television. For example, slightly more than a third agreed that commercial television accurately reflected what ethnic groups in Australia are really like. Slightly under a third did not agree and a similar proportion was undecided. Although the majority of respondents

did not consider commercial television programs were helpful for learning about Australia (58 per cent), the majority (64 per cent) disagreed with the view that more programs should show ethnic groups living in Australia.

The research will help the Authority develop policy relevant to the object of the Act, 'to promote the role of broadcasting services in developing and reflecting a sense of Australian identity, character and cultural diversity'. It will also contribute to any review of the Commercial Television Industry Code of Practice advisory note on The Portrayal of Cultural Diversity aimed at promoting an awareness of Australia's multicultural society.

The Authority published the full report of results *Media Use Among Newly Arrived Immigrants to Australia* on its web site at www.aba.gov.au/what/research/other.htm#migrant, and a summary in *ABA Update* number 86, April 2000.

Community views about content on free-to-air television

In February 2000 the Authority released the results of its fifth study on the commercial television codes of practice, *Community Views About Content on Free-to-air Television 1999*. The study examined attitudes to news and current affairs programs broadcast on free-to-air television, and movies that are classified M or MA on commercial television. In addition, it explored the extent of community awareness about the process of making a complaint.

The study found that one-third of those surveyed had been concerned or offended by some aspect of free-to-air television content in the previous three months. The portrayal of violence displaced news and current affairs as the area of greatest concern in the 1999 survey. When asked about news and current affairs programs, 30 per cent were concerned or offended by something they had seen. Sixteen per cent believed that certain material in M and MA movies on commercial television from 8.30 p.m. should have been broadcast at a later time or not shown at all. A small proportion, six per cent, of the survey sample had acted on their concerns by making a complaint. Reasons for not complaining included the belief that a complaint would not change what is shown on television (58 per cent of the survey sample) and a general lack of knowledge about who to complain to (50 per cent).

The national survey was conducted in April and May 1999 covering a representative sample of 1203 households across Australia. Seven focus groups were convened in Queensland, New South Wales and Tasmania before the survey.

The findings about M and MA classified movies will contribute to a review to be conducted by the Authority. This review aims to ensure that provisions in codes of practice relating to the classification of movies, the times when movies are broadcast and consumer advice are in accordance with prevailing community standards.

The survey results will provide a benchmark for the future assessment of two changes to the Commercial Television Industry Code of Practice in April 1999 which were in response to earlier surveys. A new AV (adult violence) classification was introduced and broadcasters are now required to provide regular on-air information about the code of practice and complaints procedures.

Continuing research projects

The cultural and industry impact of local content regulation

The Authority and the Australian Key Centre for Cultural and Media Policy were successful in their application for a grant to the Australian Research Council under the strategic partnerships with industry scheme.

The study, *The Cultural and Industry Impact of Local Content Regulation: The Broadcasting Services (Australian Content) Standard 1999*, is designed to provide policy perspectives to inform future evaluation and review of the Australian content standard.

The study is being conducted during 2000 with interviews with a sample of key industry personnel during the second half of the year.

This joint research project is the first detailed analysis of content regulation and cultural policy in a changing international television production sector. It is a significant piece of research because local content regulation plays a critical cultural and industry role in preserving and developing distinctively Australian audiovisual productions and in developing a local industry in this area.

Commercial radio program information

The Authority conducted research into program formats and the proportion of airtime allocated to specific program types by commercial radio stations during the 1998–99 financial year. The Authority collected programming data directly from individual radio stations.

The information was collected to assist the Authority to meet its responsibility under the Act to monitor the broadcasting industry and achieve the objects of the Act. One of the functions of the Authority is to inform itself on service trends in the broadcasting industry.

During the year the Authority has used this information when considering matters relating to the Commercial Radio Inquiry, the allocation of new radio licences, and investigations into complaints about radio services.

The Authority plans to collect similar information in future years and to publish the data annually.

Children and media harm

In collaboration with the University of Western Sydney Nepean, the Authority conducted focus group discussions in November 1999 with 50 children aged from 10 to 15 years to examine the relationships between children and media harm.

The research examines how children understand media harm in the context of their everyday experiences of media regulation. It explores their different media experiences and forms of media regulation across a broad range of media, including television, pay TV and the Internet. It also identifies changes taking place in children's access to adult media material as a result of an expanding array of media and Internet availability, particularly in regard to violent and pornographic material.

The overriding aim of the research is to contribute to an understanding of harmful media material with regard to the object of the Act, 'to ensure that providers of

broadcasting services place a high priority on the protection of children from exposure to program material which may be harmful to them'.

The Authority will release the results of this research project in the second half of 2000.

New research projects

Trends analysis

The Authority, with assistance from the Communications Research Unit of the Department of Communications, Information Technology and the Arts, has produced an analysis of financial and economic data for the commercial radio industry. The analysis brings together financial and economic commercial radio industry information collected by the Authority and the Department. There has been very little recent analysis of the relationship between advertising revenue, profits and trends in the commercial radio industry — particularly of the vital role advertising revenue plays in the success and development of commercial radio in Australia. The analysis will provide an informative report on the economic and industry trends that have had an impact on the commercial radio industry over 20 years from 1978–79 to 1997–98. The Authority will release the publication in the second half of 2000.

Sources of news and current affairs

The Authority has commissioned research into sources of news and current affairs and their relative level of influence. The research will explore the concept referred to in section 4(1) of the Act that different levels of regulatory control be applied across the range of broadcasting services according to their degree of influence in shaping community views. The research will also examine the influence of media concentration on the diversity of sources of information and opinion in a political, social and cultural context as referred to in the Productivity Commission's inquiry report on broadcasting released in March 2000.

The objectives of the research are to:

- produce a map of the Australian news and current affairs production industry in terms of its ownership, production and distribution;
- determine which media services are considered by news producers and by the public to be the primary sources of news and current affairs;
- gain an understanding of the process of Australian news and current affairs production from the perspective and practice of news producers as to what makes news;
- compare the attitudes of news producers and the public on a range of selected social, economic and political current affairs issues;
- establish a hierarchy of news and current affairs media in terms of frequency of use by various community sectors;
- examine which media services are regarded as the most credible sources of news and current affairs;
- canvass community attitudes about which news and current affairs content in different media services are the most influential in shaping community views; and
- explore which media services may be used for different kinds of news and current affairs issues.

The research design has two components: an industry analysis of the news and current affairs production industry and a national survey of the community.

Anti-siphoning

The anti-siphoning provisions of the Act empower the Minister for Communications, the Information Economy and the Arts, to list in a formal notice (known as the anti-siphoning list) events which should be available to viewers of free-to-air national or commercial television broadcasting services. The aim of the anti-siphoning provisions is to prevent pay TV licensees obtaining exclusive rights to broadcast these events.

The anti-siphoning list covers the period up until 31 December 2004 and contains sporting events within 11 sports categories.

The right to broadcast listed events can only be acquired by pay TV licensees if broadcast rights are held by commercial television licensees (who have the right to televise the event to more than 50 per cent of the Australian population) or by a national television broadcaster (the ABC or SBS).

The anti-siphoning list does not guarantee free-to-air broadcasters exclusive rights to listed events or compel them to acquire the rights to such events. Nor do the anti-siphoning provisions deal with the television coverage of events included on the anti-siphoning list.

The Authority is required to report to the Minister if rights to events on the anti-siphoning list are not made available to free-to-air broadcasters; if the Authority considers that, over time, there has been a sustained reduction in the extent to which free-to-air broadcasters televise listed events; or if the Authority considers there are grounds for the Minister to add to or remove an event from the anti-siphoning list.

Following a report from the Authority, the Minister removed the Australia versus New Zealand one day cricket series played in New Zealand in 1999 and 2000 from the anti-siphoning list.

Anti-hoarding

The *Broadcasting Services Amendment Act (No 1) 1999* took effect on 23 December 1999 and inserted Part 10A into the Broadcasting Services Act. The amendment introduced an 'anti-hoarding' regime for free-to-air broadcasters and places a condition on the licence of commercial television broadcasters. The condition is intended to maximise opportunities for full and live free-to-air coverage of major events, particularly sporting events.

Free-to-air television broadcasters with live rights to designated events or series of events and who do not intend to televise a substantial portion, are required to offer the unused rights for a nominal charge to the ABC and SBS. National broadcasters are bound, through obligations established in their respective legislation, to televise live designated events, or to offer before the expiry of the offer time, those rights (either the whole or the part) to the other national broadcaster.

It is the Minister who declares an event a 'designated event' under the legislation together with a declared 'offer time'.

The regime will apply prospectively to live free-to-air broadcast rights to events, which are acquired by licensees (or their program supplier), or the national broadcasters, after the Minister has declared those events and series and their offer times. The new rules provide that the minimum offer time will be 30 days before the start of the event or series, unless the Minister is satisfied that it should be closer to the start of the event or series.

Ministerial directions

During the reporting period, the Minister for Communications, Information Technology and the Arts directed the Authority to investigate a number of matters relating to its functions. These investigations are into:

- the treatment of development costs under the pay TV drama expenditure rules;
- the requirement for expenditure on new Australian documentary programs on pay TV documentary channels;
- the implementation of the anti-hoarding provisions; and
- the advertising of international telephone sex services.

Pay TV

On 18 December 1999, the Minister directed the Authority to investigate two issues that arose during the course of the development of the legislation to enforce the local drama expenditure licence condition for subscription television broadcasting licences.

Investigation into the treatment of development costs under the pay TV drama expenditure rules

This investigation concerns the treatment of development expenses under the new legislation. Under the current arrangements pre-production expenses, including script development costs, can only count towards the expenditure requirement when the project proceeds to production. In the light of some concern expressed during industry consultation on the legislation, the Minister asked the Authority to investigate whether the rule could be more flexible, allowing development costs on projects that do not proceed to production to count towards the expenditure requirement, and the test which might apply to such expenditure.

The Authority released a discussion paper in June 2000 with a proposal for more flexible treatment of development expenditure and asking for submissions. The proposal would mean that script development expenditure made to third parties could count towards the expenditure requirement, even if the project does not proceed to production. To be eligible the project must have an Australian or a New Zealand producer and the writer developing the script must be Australian or New Zealand.

The Authority will consider submissions received which will assist in the preparation of the final report to be delivered to the Minister by 18 December 2000.

Investigation into the requirement for expenditure on new eligible documentary programs on pay TV documentary channels

The Minister also directed the Authority to conduct an investigation into whether a requirement to spend a minimum amount on new eligible documentary programs should be extended to pay TV documentary channels. New eligible documentary

programs are defined according to the revised Australian content standard and include programs that are Australian, Australian/New Zealand, New Zealand or an official Australian co-production. New Zealand documentary programs are included to meet the requirements of the Protocol on Trade in Services to the Closer Economic Relations Agreement between Australia and New Zealand.

The investigation commenced this year with the Authority seeking relevant information from pay TV documentary channels to include in a discussion paper. The Authority will consult with interested parties in preparing its report to the Minister which is due by 18 December 2000.

Investigation into the implementation of the anti-hoarding provisions

On 29 February 2000, the Minister directed the Authority to undertake an investigation into the implementation of the new anti-hoarding provisions of the Broadcasting Services Act. Specifically the Minister asked the Authority to investigate which events, or series of events, he should consider declaring as designated events and the offer times which should apply in relation to those events or series of events. The Minister directed the Authority to report by 31 August 2000.

In conducting the investigation, the Authority was to have regard to the policy that an event or series of events should not be subject to the 'must offer' rule unless there is a widespread public expectation, based on past practice, that the event or series will be televised live and in full on free-to-air television, or the event or series has so grown in importance in the public's perception over time that it warrants full live free-to-air coverage.

The Authority released an issues paper on 8 June 2000 to form the basis for consultation with commercial and pay TV broadcasters, national broadcasters, sports rights holders, sporting organisations and interested members of the public.

On 17 May 2000, the Minister declared the FIFA World Cup Soccer tournaments to be held in 2002 and 2006 a designated series of events for the purposes of the anti-hoarding provisions, with an offer time of 90 days.

Investigation into the advertising of international telephone sex services

On 30 November 1999, the Minister directed the Authority to conduct an investigation into the advertising of international telephone sex services during the period 1 December 1999 to 30 November 2000.

Matters under investigation by the Authority include:

- the levels of advertising in Australian media (print and electronic) for international telephone sex services;
- whether these levels change over the period of the investigation;
- the distribution of advertisements for international telephone sex services between restricted and unrestricted publications; and
- the content and placement of advertisements for these services in unrestricted publications, including whether or not the advertisements are placed near to matters of interest to children.

The Minister also directed that the Authority provide him with interim reports during the investigation, and a final report by 15 December 2000.

As at 30 June 2000 the Authority had provided two reports to the Minister. These incorporated data from samples taken in December 1999 and March 2000.

Submissions to parliamentary committees, public inquiries and reviews

Productivity Commission review of broadcasting

The Authority made submissions to the Productivity Commission review of broadcasting providing information in the role of *amicus curiae*. The review was directed to, amongst other things: report on practical courses of action to improve competition, efficiency and the interests of consumers in broadcasting services; focus particular attention on balancing the social, cultural and economic dimensions of the public interest; and take into account the technological changes in broadcasting services, particularly the phenomenon of convergence. The final report has been published as: Productivity Commission, *Broadcasting Inquiry*, Report No.11, reported to the Treasurer on 3 March 2000. Both of the Authority's submissions are available at: www.pc.gov.au/inquiry/broadcst/subs/sublist.html.

Submission to the Senate Legislation Committee on the international broadcasting licensing scheme

The *Broadcasting Services Amendment Bill (No.4) 1999* provides for the inclusion of a new category of service for international broadcasting. This category applies to any service targeted, to a significant extent, to audiences outside Australia where the means of delivery involve use of a radiocommunications transmitter inside Australia. The Bill obliges the Authority to prepare international broadcasting guidelines which will serve two purposes. First, in allocating an international broadcasting licence, the Authority will be required to provide the Minister for Foreign Affairs with a report as to whether the proposed international broadcasting service complies with the international broadcasting guidelines. Second, once a service is operating, the Minister for Foreign Affairs may at any time direct the Authority to provide a report on whether a specified international broadcasting service complies with the international broadcasting guidelines. The Committee's conclusions have been published as Senate Foreign Affairs, Defence and Trade Legislation Committee, *Consideration of Broadcasting Services Amendment Bill (No.4) 1999*, April 2000. The Authority appeared before the public hearings of the Committee which subsequently publicly released its report in April 2000. The Authority's submission is available at: www.aph.gov.au/senate/committee/submissions/Broadcast.htm. The Authority is developing guidelines for this scheme.

Other submissions and briefings

In May 2000, the Authority made a written submission to the Senate Legislation Committee on Environment, Communications, Information Technology and the Arts on the *Broadcasting Services Amendment (Digital Television and Datacasting) Bill 2000*. The first part of the submission set out the functions and powers of the Authority under the Bill. The second part discussed the implications of the Bill on the Authority's planning and licensing functions.

In June 2000, the Authority briefed the House of Representatives Standing Committee on Communications, Transport and the Arts giving a broad overview of diversity in the ownership of Australia's media.

Strategy 1.4 Develop and implement investigative and enforcement strategies as required

Monitoring

The Authority actively gathers information to assess whether control of commercial television broadcasting services rests with Australians and to ensure that diversity of control of the more influential broadcasting services is being maintained.

Under the Act's regulatory outlook, the more influential a type of service is considered to be, the greater the level of regulation that applies to it. For example, commercial television licensees are subject to greater restrictions than pay TV licensees in virtually all key areas, including ownership and control, programming and licensing.

As part of its general monitoring of control issues, the Authority obtains and assesses information from a number of sources including participants in transactions, major industry players, media reports, other government agencies or advisory bodies (including the Australian Securities Commission, the Foreign Investment Review Board and the Australian Competition and Consumer Commission), the Australian Stock Exchange, company reports and overseas regulators.

The Authority has wide ranging powers to obtain information if it begins an investigation as a result of its monitoring or in response to a complaint. These include the powers to issue notices requiring the production of documents, to examine witnesses under oath and to hold public hearings.

If the Authority was to find a person in breach of the control rules, a range of actions would be open to it. Under section 70 of the Act, it may by notice in writing direct the person (or, where appropriate, the licensee) to take action so that the person is no longer in breach. The notice is to specify a period (one month, six months, one year or two years) during which the person is to take action. The Authority can in certain circumstances also refer a breach to the Director of Public Prosecutions for prosecution in the courts.

Regulation of telephone sex services

The *Telecommunications (Consumer Protection and Service Standards) Act 1999* received Royal Assent on 5 July 1999 and Part 9A came into force on 3 February 2000. It is intended to address concerns that telephone sex services are too easily accessed by children.

The Australian Communications Authority is responsible for enforcing compliance with the legislation. The Authority's role is to issue certificates, under section 158F, stating that a specified service is, or was, a telephone sex service. The Authority was not required to issue any evidentiary certificates during the reporting period.

During the reporting period, the Authority participated in discussions with the Australian Communications Authority and other agencies with an interest in the regulation of telephone sex services in regard to the application of the Act.

The legislation requires that the following safeguards apply to such services:

- all telephone sex services must be moved to a special number range with the prefix 1901;
- access to the 1901 number range will be barred from all telephones except where the telephone customer has elected in writing to be able to access that number range;
- providers of telephone sex services must provide their customers with a PIN that must be used to access such services; and
- telephone companies will not be entitled to bill customers for telephone sex services unless they are in the 1901 number range.

Commercial radio inquiry

In planning and conducting the commercial radio inquiry, the Authority adopted a number of innovative strategies to ensure that the hearing and investigations were conducted efficiently and effectively.

In scoping and planning the hearing, the Authority realised that document management generally, and the presentation of key documents at the hearing, were key issues for the success of the hearing process (the Authority received approximately twenty-five thousand documents as a result of notices sent to various parties). The Authority decided to purchase a commercially-available, web-based document management system to assist in the management and analysis of the approximately twelve thousand documents relevant to its inquiries. Using this system, all documents were given a unique identifier and could be referred to, linked to key events, and recalled using a web-browser.

This system was used by counsel assisting the Authority, as well as by Authority and Australian Government Solicitor staff, and provided the inquiry team with access to key documents from three different locations. Apart from document management and analysis, the system was adapted to provide a document presentation system at the hearing (via linked monitor screens) to the panel members, counsel assisting, legal representatives and witnesses at the hearing. This meant that every key document was available (almost instantaneously) to all relevant parties. In addition, the Authority provided copies of key documents and exhibits to the press and public.

In the investigations into radio stations 3AW, 5DN and 6PR, the volume of documents was much reduced and an electronic document handling system was not required. Nevertheless, in the scoping, planning and conduct of these investigations, the Authority built on the procedures introduced during the 2UE hearing and successfully completed the three investigations (and produced a final report of the commercial radio inquiry) within six months of producing the findings of the 2UE hearing. The use of a disciplined, planned approach to investigations (which has its origins in the investigative processes and procedures developed by the Authority's Codes and Conditions and Control Sections) greatly contributed to the efficiency of this phase of the inquiry.

Strategy 1.5 Investigate complaints and suspected breaches as required and take appropriate steps to ensure compliance

Investigations into programming matters

If the Authority receives a complaint about a possible breach of the Act or of a licence condition it must investigate the complaint.

If a complaint relates to a matter covered by a code of practice it must first be made to the broadcaster concerned. It is the broadcaster's responsibility to deal with the complaint and attempt to resolve the matter to the satisfaction of the complainant. If the complainant believes the broadcaster's response to be inadequate, or if they do not receive a response within 60 days, they may make a complaint to the Authority about the matter.

The Authority must investigate complaints made to it in these ways unless it is satisfied that the complaint is frivolous, vexatious or was not made in good faith.

The Authority has a range of sanctions available to it in the event of a breach by a commercial broadcaster, community broadcaster, subscription broadcaster or a provider of a service under a class licence. With regard to breaches of the Act or a licence condition the Authority may issue a notice requiring the broadcaster to take action to remedy the breach, or, in most cases, refer the matter to the Director of Public Prosecutions for possible prosecution, or suspend or cancel the licence.

With regard to a breach of a code of practice the Authority may make compliance with a code a condition of a broadcaster's licence. In its investigations, the Authority has focused on ensuring that broadcasters took action so that problems with their performance against the code were rectified and not repeated.

With regard to a breach of a code of practice by a national broadcasting services (ABC and SBS) the Authority may, if it is satisfied that the complaint was justified, by notice in writing recommend that it take action to comply with the relevant code of practice. This may include the broadcasting or otherwise publishing an apology or retraction. If the national broadcaster does not, within 30 days after the recommendation was given, take appropriate action, the Authority may give the Minister a written report on the matter. The Minister must cause a copy of the report to be laid before each House of Parliament within seven days of receiving the report. The Authority took no such action in the reporting period.

Investigations started

The Authority commenced 154 investigations in the reporting period, 40 per cent more than the number commenced in 1998–99, when 110 were commenced.

Investigations completed

The Authority completed 133 investigations in the reporting period, 22 per cent more than in the 1998–99 reporting period when 109 investigations were completed. It is important to note that these breaches relate to investigations completed during the reporting period and not to when the broadcast occurred.

Forty-nine investigations resulted in the Authority finding a breach or breaches and there were 199 breaches in total (some investigations resulted in findings of more than one breach and/or findings against more than one licensee).

Of the 199 breaches, 177 related to matters covered by a code of practice and 22 to licence conditions.

The number of breaches is an increase of 46 per cent on the number found in the previous reporting period.

Of the 177 code breaches, 56 related to commercial television services, compared with 55 in the previous reporting period. In April 2000, the Authority imposed an additional licence condition on the licensee of commercial television station QTQ 9 Brisbane.

The licence condition requires the licensee to comply with clauses 3.6, 3.7 and 3.8 of the Commercial Television Industry Code of Practice concerning the broadcasting of promotions in G viewing periods. The Authority took this action in response to a recurring breach by this licensee of a particular section of the commercial television code of practice. The licensee has sought a review of this decision by the Administrative Appeals Tribunal.

One hundred and three breaches of the codes related to commercial radio services, compared with four in the previous reporting period. Ninety of the 103 were breaches by 2UE Sydney, see page 51.

Table 2 Investigations resulting in breach findings

| | 1999-00 | 1998-99 |
|---|------------|------------|
| | no. | no. |
| Investigations started | 154 | 110 |
| Investigations completed | 133 | 109 |
| Breaches | | |
| Code of practice | 177 | 75 |
| Licence condition | 22 | 55 |
| Broadcasting Services Act | - | 6 |
| Total | 199 | 136 |
| Code breaches (by type of service): | | |
| Commercial television | 56 | 57 |
| Commercial radio | 103 | 4 |
| Community radio | 16 | 8 |
| SBS TV | 2 | - |
| ABC television | - | 4 |
| ABC radio | - | 2 |
| Licence condition breaches (by type of service): | | |
| Commercial television | 7 | 55 |
| Commercial radio | 9 | 1 |
| Community radio | 6 | 2 |

Note: the Authority did not find any code breaches relating to ABC television or radio services, subscription television services, subscription radio services, open narrowcasting television or radio services.

Sixteen code breaches related to community radio, eight more than in the previous period. However, eight of these breaches were found against one station, Central Melbourne FM, and the breaches concerned findings of inadequate internal dispute resolution procedures, rights of volunteers and complaints handling. As a result of the investigation, the licensee undertook to review its procedures for resolving disputes. It also undertook to contact the complainants with a view to resolving the matter in a manner consistent with its obligations under the code. The Authority took no further action with regard to the matter pending a satisfactory resolution of the dispute.

There were no breaches in relation to ABC television compared to four in the previous reporting period or in relation to ABC radio, compared to two in the previous reporting period.

There were two code breaches relating to SBS television, compared to none in the previous reporting period.

The Authority found no breaches of codes of practice in relation to subscription television services, subscription radio services, open narrowcasting television services or open narrowcasting radio services, which is the same result as in the previous reporting period.

Of the 22 breaches of licence conditions, seven resulted from one investigation into the broadcasting of 'political matter' without the 'written and authorised' tag on seven Queensland commercial television services. The breaches concerned an advertisement that was broadcast before the start of the reporting period and early in the reporting period. As this was the second time six of these licensees had breached this licence condition, the Authority issued notices imposing an additional condition on these licensees' commercial broadcasting licences. This additional condition imposed a training program on the licensees to ensure that a similar breach would not recur.

Nine breaches of licence conditions related to commercial radio, with five being related to 2UE Sydney. Six related to community radio and broadcasting advertisements.

See appendix 4 for details of these investigations by the Authority during 1999–00.

Time taken to complete investigations

At the start of the reporting period the Authority had 33 outstanding investigations. Of these, five were over six months old, nine were between three and six months old and 19 were less than three months old.

At the end of the reporting period the Authority had 55 outstanding investigations. Of these: 16 were over six months old, 16 were between three and six months old and 23 were less than three months old.

The average time for the Authority to complete an investigation was approximately 13 weeks, approximately two weeks shorter than average time taken in the previous reporting period. The Authority completed more than 85 per cent of codes investigations within four months of receipt of the complaint or receipt of further information relating to the investigation.

Breaches of the Broadcasting Services Act

Other than the breaches of licence conditions (above), there were no breaches of the Broadcasting Services Act.

Commercial radio inquiry

On 12 July 1999 the ABC television program 'Media Watch' broadcast a story concerning an alleged financial agreement between a presenter on commercial radio service 2UE Sydney, Mr John Laws and the Australian Bankers' Association (an organisation representing the major Australian banks). Briefly, the arrangement was said to have involved Mr Laws making positive on-air comments about the banks over and above paid advertisements, and also involved the airing of a segment concerning banking issues called 'The Whole Story'. The program also stated that prior to this agreement Mr Laws had been a strong critic of the banks.

The 'Media Watch' story received widespread media coverage. The Authority announced on 15 July 1999 that it would be using its formal powers under the Broadcasting Services Act to conduct an inquiry into the issues raised by the 'Media Watch' program. The inquiry was constituted in order to determine whether the allegations, if correct, involved breaches of the Act, of 2UE's licence conditions or of the Commercial Radio Codes of Practice.

Radio 2UE Sydney

After further allegations appeared in the media concerning financial arrangements between 2UE's breakfast program presenter Mr Alan Jones and commercial interests, the Authority announced that it would be widening the scope its inquiry to include 2UE broadcasters other than John Laws. The Authority issued notices under section 173 of the Act requiring various persons to produce relevant documents to the Authority.

On 6 September 1999, as part of the inquiry process, the Authority decided that a panel (comprised of members of the Authority) would conduct a public hearing into:

- the nature and operation of Mr Jones' and Mr Laws' agreements;
- whether these contracts had had any effect on the content of programs; and
- whether this involved any breaches by 2UE of the conditions of its licence under the Act, or of the codes.

Pursuant to section 188 of the Act, a Notice of Public Hearing appeared in the *Sydney Morning Herald* on 7 September 1999.

For the purposes of a hearing, the Authority is constituted by a panel. The panel for this hearing initially comprised the Chairman of the Authority, Professor David Flint, and Mr Michael Gordon-Smith. It was reconstituted on 8 November 1999, following the Chairman's inability to continue with the hearing. The panel then comprised Mr Gordon-Smith as presiding member, Ms Kerrie Henderson and Mr Ian Robertson.

The panel sat and heard evidence and submissions on 19 to 22 October 1999, 25 to 29 October 1999, 8 to 12 November 1999, 17 to 19 November 1999 and 2 to 3 December 1999, a total of 19 sitting days.

The Authority sought documents from relevant persons and companies for the period between 5 October 1992 (the date of commencement of the Act) and 20 July 1999. During that period, Mr Jones and Mr Laws had agreements with a range of commercial entities, some of which were not examined in the hearing.

The agreements of Mr Jones with the following companies were examined in some detail during the hearing:

- Optus Administration Pty Limited;
- QANTAS Airways Limited;
- State Bank of New South Wales;
- Walsh Bay Finance Pty Limited; and
- Walker Corporation Limited.

The Authority also examined the agreements of Mr Laws with the following organisations in some detail during the hearing:

- the Australian Bankers' Association;
- the Australian Trucking Association (formerly the Road Transport Forum);
- Foxtel Management Pty Limited;
- NRMA Limited;
- Optus Administration Pty Limited;
- QANTAS Airways Limited;
- RAMS Home Loans Pty Limited;
- the Registered Clubs Association of NSW; and
- Star City Entertainment Pty Limited.

Conclusions of the hearing

On 7 February 2000, the Authority published its report of the hearing.

In its report, the Authority noted that talkback radio is an influential medium, and 2UE Sydney was probably the most listened-to talk format radio station in Australia during the 1990s. During this period, Mr Alan Jones and Mr John Laws were often the top rating and arguably the most influential talkback radio hosts in Australia.

All of the agreements examined by the Authority in the hearing included terms relating to the on-air conduct of the presenters. The Authority concluded that the existence of these agreements, and the conduct of the presenters in giving them effect, influenced the content of programs broadcast by the presenter — in some cases, directly.

Neither the codes nor the conditions imposed on licensees under the Act specifically address commercial arrangements entered into by presenters.

The stated purpose of Code 2 of the Commercial Radio Codes of Practice 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 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.

As a result of the hearing, the Authority found that:

- 2UE breached the Act on five occasions;
- 2UE breached Code 2 of the Commercial Radio Codes of Practice on 60 occasions; and
- 2UE breached Code 3 of the Commercial Radio Codes of Practice on 30 occasions.

The Authority formed the view that listeners are entitled to assume that there are no significant commercial arrangements between presenters and persons who are the subject of broadcasts unless such arrangements have been disclosed.

The Authority also formed the view that the agreements entered into by Mr Jones and Mr Laws with corporations and associations which oblige them to provide services on-air contributed to a substantial failure by the licensee to comply with the conditions of its licence and with the standards of conduct required by Codes 2 and 3.

The Authority formed a preliminary view that remedial action was necessary to ensure 2UE's compliance with the Act and the codes and, in particular, to ensure the effective disclosure of the commercial agreements between presenters, their producers and sponsors.

The Authority considered the imposition of two additional conditions on 2UE's licence. On 27 March 2000, the Authority decided to impose the additional conditions. These conditions commenced operation on 3 April 2000 and are for a period of three years.

The first condition requires on-air and off-air disclosure of relevant commercial agreements and requires 2UE to develop and implement a compliance training program.

All staff of 2UE must at least twice in the first year of the condition and at least once every year thereafter undertake a training program concerning the obligations imposed on 2UE by the Act, each code and the new disclosure condition. This acknowledges that the Authority found breaches of Code 2 and 3 as well as breaches of clause 4(2) of Schedule 2 to the Act.

The condition requires the on-air disclosure by 2UE of all the commercial agreements in existence in relation to a presenter on each occasion a program presented by the presenter is broadcast.

Another on-air disclosure requirement is that a specific disclosure announcement be broadcast at the time of and as part of the broadcast of any material:

- (a) in which the name, or products or services, of a sponsor are mentioned;
- (b) in which an agent, employee, or officer of a sponsor is interviewed in relation to any matter concerning the sponsor, its products, services or interests; or
- (c) the broadcast of which is requested by the sponsor or which is based on or similar to any material which is provided by the sponsor.

A specific disclosure announcement need not be broadcast if:

- (a) the material broadcast is part of a news bulletin prepared by the newsroom staff of 2UE;
- (b) the material broadcast is an advertisement broadcast pursuant to an agreement between 2UE and the advertiser provided that the advertisement is not presented in a manner whereby a reasonable listener would be entitled to assume that the advertisement is the reporting of news or is the expression of opinion or editorial comment by the presenter or 2UE; or
- (c) the relevant commercial agreement is solely for the purpose of the provision by the Presenter of writing services for a magazine or newspaper, to perform or appear in a film, television program or theatrical production, or to provide voice-over services for an advertisement.

The off-air disclosure obligation requires 2UE to maintain a public register of the commercial agreements of presenters and producers, and provide this register to the Authority. This register must be available on 2UE's web site.

The second condition requires 2UE to ensure that paid advertisements are readily distinguishable from other program matter. This is to ensure that listeners are able to clearly distinguish paid messages from other messages.

Investigations in relation to commercial radio licences 5DN Adelaide, 6PR Perth and 3AW Melbourne

On 30 July 1999, the Authority 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. On 23 November 1999, the Authority further extended the terms of reference for its commercial radio inquiry to include 3AW Melbourne.

The Authority has issued notices requiring the production of documents and has conducted examinations of various witnesses in relation to these other commercial radio stations. At the end of the reporting period the Authority had not yet concluded and reported on these investigations.

Control of broadcasting services

The Authority finalised one major investigation during the period under review relating to agreements for the provision of news services by a commercial television broadcasting licensee to four commercial radio stations.

Investigation into Control

Prime Television Limited, Canberra FM Radio Pty Limited and Newcastle Radio Pty Limited

The Authority concluded its investigation into agreements between Prime and Canberra FM Radio Pty Limited and Newcastle Radio Pty Limited, the licensees of the Canberra and Newcastle stations, since April 1998. The agreements related to whether the provision of news services by Prime to the four radio stations was in breach of the ownership and control provisions of the Act.

In early March 1998, the Authority was advised that Prime Television Limited (Prime), Canberra FM Radio Pty Limited and Newcastle Radio Pty Limited had entered into certain contractual arrangements for the provision of news services in Canberra and Newcastle.

Prime Television (Northern) Pty Limited is the licensee of a commercial television broadcasting licence with the call sign NEN in the Northern NSW licence area. Prime Television (Southern) Pty Limited is the licensee of a commercial television broadcasting licence with the call sign CBN in the Southern NSW licence area. Radio Newcastle is the licensee of broadcasting licences with the call signs 2KKO and 2XXX in Newcastle. Canberra FM is the licensee of broadcasting licences with the call signs 1CBR and 2ROC in Canberra.

The agreement in Newcastle was entered into by Prime Television (Northern) Pty Limited, a company controlled by Prime and Radio Newcastle Pty Limited (Radio Newcastle) a company controlled by Austereo Pty Limited.

The agreement in Canberra was entered into by Prime Television (Southern) Pty Limited, a company controlled by Prime, and Canberra FM Radio Pty Limited (Canberra FM), a company jointly controlled by Austereo Pty Limited and Australian Radio Network Pty Limited.

As part of its role in monitoring compliance with the Act, the Authority made preliminary inquiries of Prime, Austereo Pty Limited and Australian Radio Network Ltd relating to these arrangements (to determine whether these agreements could put Prime in breach of the Act). As a result of its preliminary inquiries, on 9 April 1998 the Authority commenced an investigation into the control implications of the agreements between Prime and the commercial radio broadcasters Radio Newcastle and Canberra FM. The investigation focussed on whether such agreements placed Prime in breach of any provision of Part 5 of the Act (in particular, paragraphs 60(a) and 61(1)(a) of the Act).

Paragraph 60(a) of the Act provides that a person must not be in a position to exercise control of a commercial television broadcasting licence and a commercial radio broadcasting licence that have the same licence area.

Paragraph 61(1)(a) of the Act provides that a person must not be a director of a company that is in a position to exercise control of a commercial television broadcasting licence and a company that is in a position to exercise control of a commercial radio broadcasting licence that have the same licence area.

The Newcastle licence area is entirely within the Northern NSW licence area and that the Canberra licence area is entirely within the Southern NSW licence area. Paragraph 51(b) of the Act provides that if a licence area is entirely within another licence area those two licence areas are deemed to be one.

In April 1998, Prime, Austereo Pty Limited and Australian Radio Network Pty Limited provided the Authority with copies of the 'Agreement for Provision of News Services' in Newcastle and Canberra.

Under these agreements, Prime would provide news services to Canberra FM and Radio Newcastle (that is, the broadcast of news bulletins and updates throughout the day). The original agreements also provided that Prime would make space in its newsroom for the equipment necessary to enable the broadcasts. In return, Canberra

FM and Radio Newcastle would provide promotion spots for Prime on their radio services, and acknowledge Prime as the source of the news. Prime submitted that this was the only consideration for the provision of news programs.

After a preliminary review of the original agreements, the Authority were concerned that certain provisions contained in the original agreements placed Prime and its directors in breach of paragraphs 60(a) and 61(1)(a) respectively, of the Act.

Of particular concern to the Authority were those provisions of the agreements which the Authority believed gave Prime:

- complete editorial control over the content and style of the entire news services to be provided by it to Radio Newcastle and Canberra FM;
- the ability to withhold consent to a variation in the news services supplied by Prime; and
- the right to be the exclusive provider of news services to Radio Newcastle and Canberra FM, thereby preventing them from selecting news from other providers while the agreements are in force.

While not agreeing with the Authority's preliminary findings (particularly in relation to Prime having complete editorial control over the content and style of the entire news services provided), Prime and the other parties to the agreements agreed to amend the relevant clauses of the original agreements. Those amendments specifically addressed the three issues of primary concern to the Authority — editorial control, the ability to withhold consent to a variation, and the inability (during the term of the agreements) to obtain news services from another source.

The Authority took the view that the amended agreements provided a more balanced approach to the process of selection as well as the provision of programming broadcast by Canberra FM and Radio Newcastle.

Applications for prior approval

The prior approval of temporary breaches, under section 67 of the Act and extensions of the approval periods for such breaches under section 68, continues to facilitate changes to the structure of the industry, particularly commercial radio broadcasting.

During the reporting period, the Authority approved six applications for prior approval of temporary breaches under section 67. Two of the applications made under section 67 were lodged by existing licensees wishing to apply for new commercial radio broadcasting licences to be allocated under the price-based allocation system as a result of the Authority's planning process. In addition, during the reporting period three temporary breaches were remedied.

The Authority has 45 days from receipt of an application under sections 67 or 68 in which to approve or refuse to approve the breach arising as a result of the transaction or agreement. All six applications received were processed within 30 days (three of these were processed within 15 days).

In cases where the relevant transaction for which prior approval has been given has actually taken place, details of approvals under section 67 and extensions under section 68 are made available to the public through the Authority's Notifications Register.

Applications for opinions on control

Opinions on control are available on the payment of a fee. In broad terms, under section 74 of the Act an applicant can request that the Authority give an opinion on whether a person is in a position to control a licence, a newspaper or a company. The Authority must provide an opinion within 45 days, otherwise it is to be taken that the Authority has given an opinion that accords with the applicant's opinion. The process may take longer if further information is required from the applicant.

No applications for an opinion on control were lodged in this reporting period.

Notices by the Authority

Under section 70 of the Act, if the Authority is satisfied that a person is in breach of the ownership and control rules the Authority may, by notice in writing, direct the person or the licensee to take action so that the person is no longer in breach of that provision.

Details of notices issued under section 70 are made available to the public through the Authority's Notifications Register.

Section 70 provides that the notice issued by the Authority must specify a period of one month, six months, one year or two years during which the person must take action to ensure that the person is no longer in that position. When a breach is found to be 'deliberate and flagrant' the Authority is required to specify a period of one month in which the breach is to be remedied.

Under the period under review the Authority issued one notice under section 70 of the Act in relation to a breach of section 61 of the Act.

Notification requirements

Within three months of the end of the financial year, each commercial television and commercial radio service must provide the Authority with details of persons who were in a position to exercise control of the licence, the name of each director of the licensee and the name of each foreign director of the licence at the end of the financial year. Within the same period, each person in a position to exercise control of a commercial television licence or a commercial radio licence must provide the Authority with details of any company interests held at the end of the financial year in a newspaper that is associated with the licence area of the licence.

Each commercial licensee must notify the Authority that a person has come to be, or ceased to be in a position to exercise control of the licence within seven days of the licensee becoming aware of the event. Similarly, a person who has come to be in a position to exercise control of a commercial licence must notify the Authority within seven days of becoming so aware.

The Authority received notifications of change in control in relation to 88 commercial radio broadcasting licenses and five commercial television broadcasting licensees during the reporting period. This represented an 8.6 per cent increase in commercial radio broadcasting notifications, and a 44.4 per cent decrease for commercial television compared with the previous reporting period.

There has been a less than satisfactory level of compliance with the Act's notification requirements by the commercial broadcasting industry. The Authority has had to

remind 44 licensees of the notification requirements of the Act during the reporting period and, in the case of five of those licensees, there have been significant lapses in their notification practices. Notification compliance by these particular licensees is the subject of ongoing monitoring.

The public is kept informed of changes in ownership and control through the Notifications Register, extracts from which are available to the public on request.

Licence fees

The Authority collected commercial broadcasting licence fees of \$211.1 million, based on revenue earned in 1998–99. The total was 2.1 per cent higher than the \$206.7 million collected in 1997–98 and reflects a small increase in the number of both television and radio services and lower rebates claimed by regional television services.

The Authority collected \$198.4 million from 48 commercial television services (up from \$194.6 million from 47 services in the previous year) and \$12.7 million from 226 commercial radio services (up from \$12.1 million from 212 services in the previous year).

Annual licence fees are calculated on a percentage of gross earnings by the licensee for the previous financial period. Figures from licence fees paid by individual operators are not available, in order to preserve confidentiality. Licence fees go to the Commonwealth's consolidated revenue.

In 2000–01, the Authority will conduct the first audit of commercial radio and commercial television licensees and continue this audit each year for ten years. During 1999–00, the Authority developed the framework and methodology for conducting the audit. The Authority will use the results of the audit to determine compliance with licence fees.

Collection of digital levy for 1999–00

Under the *Television Licence Fees Amendment Act 1999*, commercial television licensees must pay an additional licence fee on 31 December 1999, 2000 and 2001. Monies collected from this additional fee is to cover the Authority's costs in implementing the legislative framework for the conversion of commercial television broadcasting services from analog to digital mode.

Chapter 3

Internet content regulation

Goal 2: In partnership with industry and the community, implement a co-regulatory scheme for Internet content that addresses community concerns and encourages use of the Internet

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Strategy 2.1 Ensure the development and active adherence to a comprehensive set of guidelines governing industry's responsibilities to the community, through:

- fostering industry associations;
- evaluating, registering and monitoring the effectiveness of codes of practice;
- developing industry standards where codes are not developed or where they fail

The Authority officially took on the new role of Internet content regulator when the *Broadcasting Services Amendment (Online Services) Bill 1999* received royal assent on 16 July 1999. As its name suggests, the legislation amended the Broadcasting Services Act and established a co-regulatory scheme for Internet content. The scheme involves three major components:

1. a complaints online-hotline operated by the Authority;
2. industry codes of practice; and
3. a program of non-legislative activities including community education, research and international liaison.

In performing its role, the Authority is guided by the principles laid down in the legislation which minimise the financial and administrative burdens on industry and encourage the supply of Internet carriage services at performance standards that meet community needs.

Scope of the scheme

The law defines Internet content as stored information which is accessed over an Internet carriage service, including material on the World Wide Web, postings on

newsgroups and bulletin boards, and other files that can be downloaded from an archive or library.

For the purposes of the regulatory scheme, Internet content does not include ordinary email or information that is accessed in real time without being previously stored, such as chat services and voice over the Internet.

The following categories of Internet content are prohibited:

- content which is classified RC or X by the Classification Board. Such content includes:
 - material containing detailed instruction in crime, violence or drug use;
 - child pornography;
 - bestiality;
 - excessively violent or sexually violent material; and
 - real depictions of actual sexual activity.
- content hosted in Australia which is classified R and not subject to a restricted access system which complies with criteria determined by the Authority. Content classified R is not considered suitable for minors and includes:
 - material containing excessive and/or strong violence or sexual violence;
 - material containing implied or simulated sexual activity; and
 - material which deals with issues or contains depictions which require an adult perspective.

If Internet content has not been classified but there is a substantial likelihood that, if classified, it would be prohibited content, then it is regarded as potentially prohibited content for the purpose of the scheme.

Internet Industry Association codes of practice

The co-regulatory scheme for Internet content required the Internet industry to develop codes of practice for registration by the Authority by 31 December 1999. If codes of practice were not developed by the Internet industry or if a registered code of practice is found to be deficient, the Authority may develop an industry standard.

In December 1999, the Internet Industry Association (IIA) submitted three codes of practice to the Authority for registration. Two covered the activities of Internet service providers (ISPs), while the third dealt with the responsibilities of Internet content hosts (ICHs). The Authority considered and registered the IIA codes at its meeting of 16 December 1999 for implementation from 1 January 2000.

In registering the IIA codes, the Authority was satisfied that the IIA represented the ISP and ICH segments of the Internet industry and had consulted adequately with the community, industry and the community advisory body (NetAlert). The Authority was also satisfied that the codes dealt with the issues identified in the legislation and provided appropriate community safeguards. The codes apply to all participants in the relevant segments of the industry and the Authority may direct an industry participant to comply with the codes.

In accordance with the requirements, the codes include ways that Internet service providers and content hosts can:

- ensure that online accounts are not provided to children without the consent of a parent or responsible adult;

- give parents and responsible adults information about how to supervise and control children's access to Internet content;
- assist parents and responsible adults to supervise and control children's access to Internet content;
- inform producers of Internet content of their legal responsibilities in relation to that content;
- inform customers about their right to make complaints about Internet content;
- inform and assist customers to make complaints about Internet content;
- assist customers deal with complaints about unsolicited electronic mail that promotes or advertises an Internet site or distinct parts of Internet sites that enable, or purport to enable, end-users to access information that is likely to cause offence to a reasonable adult;
- assist in the development and implementation of Internet content filtering technologies (including labelling technologies);
- give customers information about the availability, use and appropriate application of Internet content filtering software;
- ensure that customers have the option of subscribing to a filtered Internet carriage service; and
- ensure that, in the event that an industry member becomes aware that an Internet content host is hosting prohibited content in Australia, the host is told about the prohibited content.

The code for the Internet service providers also deals with:

- a means of notifying ISPs about prohibited content; and
- procedures for ISPs to follow to filter prohibited content hosted overseas.

A code of practice may provide that an ISP is not required to deal with prohibited content hosted overseas if that ISP has taken steps to prevent particular end-users from accessing prohibited content under an arrangement that is declared by the code to be a designated alternative access-prevention arrangement.

A key element of the obligations imposed on ISPs by the codes is the procedure to be followed in relation to prohibited or potential prohibited content hosted overseas. In this regard, ISPs are required to provide to their customers one of the 'approved' filtering software products (approved filters) listed in the codes. In accordance with the designated notification scheme specified in the codes, the Authority is to notify the makers of the approved filters of prohibited or potential prohibited Internet content hosted overseas that has been the subject of a complaint. The makers of approved filters have agreed to review and update their products to take account of these notifications.

The obligation on ISPs to provide an approved filter does not apply when there is already an effective mechanism in place to filter content (the 'designated alternative access prevention arrangement'). This would include situations when commercial subscribers advise their ISP that they have in place a form of content filtering or control and the arrangement is likely to provide a reasonably effective means of preventing access to prohibited or potential prohibited content.

Before registration of the code, CSIRO assessed the approved filters listed in the schedule according to a range of criteria, including:

- ease of installation;
- ease of use; and
- capacity to receive notifications from the Authority about prohibited content criteria.

Code promotion and compliance monitoring

The Authority wrote to ISPs in late December 1999 informing them of their obligations in relation to the codes and providing details on how to obtain further information about the scheme. Authority staff subsequently fielded a large number of inquiries from ISPs who sought clarification of their responsibilities.

The Authority updated its web site to include a register of the IIA codes of practice and background information on development of the codes. In addition to the codes of practice themselves, the IIA provided guides for ISPs and Internet users at its site to help them understand their rights and obligations under the co-regulatory scheme.

Between 1 January and 30 June 2000, Authority staff contacted major ISPs to raise awareness of the scheme and the codes of practice and to obtain feedback from ISPs on code implementation issues. The IIA has undertaken to provide the Authority with a formal report on implementation of the codes in August 2000.

Strategy 2.2 Investigate complaints about prohibited content and follow the specified procedures aimed at limiting the availability of such content

Making a complaint

It is a legislative requirement that complaints about Internet content be in writing. The most convenient way to make a complaint is to complete the online complaint form on the Authority's web site.

Alternatively, complaints can be sent by one of the following:

Fax: (02) 9334 7799

Email: online@aba.gov.au

Post: The Manager Online Services Content Regulation
Australian Broadcasting Authority
PO Box Q500'
Queen Victoria Building NSW 1230

To help ensure that the Authority can investigate a complaint it must contain:

- name and contact details;
- the Internet address of the Internet content and any other details required to access it;
- a description of the Internet content; and
- the reason why the complainant thinks that the Internet content is, or may be, prohibited content.

The Authority investigates all valid complaints. If the content is hosted in Australia and is prohibited, or is likely to be prohibited, the Authority will issue a take-down notice directing the Internet content host to remove the content from their service. If the content is not hosted in Australia and is prohibited, or is likely to be prohibited, the Authority will notify the content to the suppliers of approved filters in accordance with the relevant Internet Industry Association code of practice. If the content is also sufficiently serious (for example, illegal material such as child pornography), the Authority may refer the material to the appropriate law enforcement agency. As part of an investigation, the Authority may ask the Classification Board to classify the content according to its Guidelines for the Classification of Films and Videotapes.

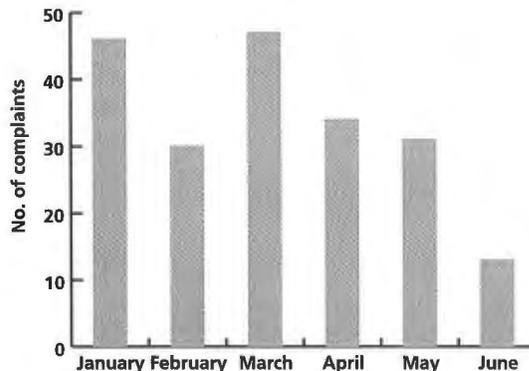
Development of complaints management system

To support the investigation of complaints about Internet content, and facilitate efficient lodgement of complaints, an online complaint lodgement and management system was developed. A key feature of the system is the online capture of complaints via a form on the Authority's web site www.aba.gov.au/what/online/complaints.htm. Someone who comes across objectionable material online can make a complaint to the Authority whilst online, using the secure, user-friendly form. The complaint can then be actioned and resolved. All information gathered and produced in the course of an investigation is held on the system, and a dedicated link to the Office of Film and Literature Classification facilitates direct entry of classification information by the Classification Board.

Complaints investigated — 1 January to 30 June 2000

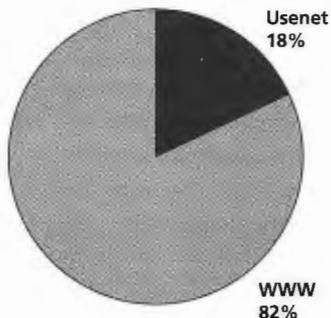
At 30 June, the Authority had received 201 complaints about Internet content. Figure 1 shows the number of complaints received.

Figure 1 **Complaints received, by month: 1 January–30 June 2000**



The majority of complaints concerned content on the World Wide Web, the remainder with content in Usenet newsgroups (figure 2).

Figure 2 Types of Internet content investigated



At the end of the reporting period 197 investigations had been concluded, two complaints were not investigated as they were deemed to be frivolous, vexatious, not made in good faith or designed to undermine the operation of the scheme, and two investigations were current. Of the 197 investigations that had been concluded, 37 had been terminated due to lack of information (for example, the Authority was unable to locate any Internet content based on the details provided by the complainant), while 160 had been completed.

Of the 160 completed investigations, 93 resulted in the location of prohibited or potentially prohibited content, while the other 67 located content that was not prohibited or potentially prohibited. Around one-third of complaints related to content which was found to be hosted in Australia. This included content hosted in Usenet newsgroups, which is treated as content hosted in Australia if the complainant has accessed the content from their ISP's newsgroup server. The remaining two-thirds of complaints concerned content that was hosted outside Australia. Figure 3 shows the break-up of complaints investigated, by location of content host and status of content.

Table 3 shows the action taken in relation to items of Internet content as a result of complaints investigated. As some investigations related to two or more items of Internet content, the total number of items exceeds the total number of complaints investigated.

Figure 3 Complaint investigation outcomes

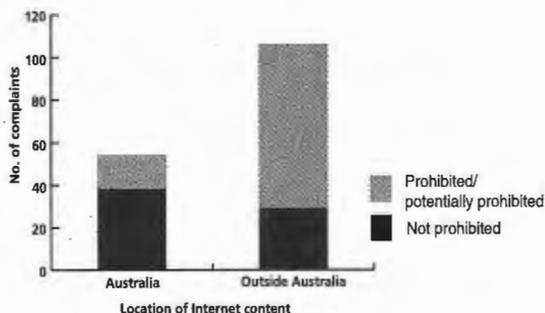


Table 3 Action taken in relation to prohibited and potentially prohibited content (number of items)

| Classification of content ¹ | Final take-down notice issued ² | Referred to makers of approved filters |
|---|--|--|
| R — Adult themes | 3 | N/A |
| R — Implied/simulated sexual activity | 4 | N/A |
| X | 4 | 33 |
| RC — Depiction of bestiality | 0 | 2 |
| RC — Detailed instruction in crime | 0 | 3 |
| RC — Exploitative/offensive depiction of child | 18 | 15 |
| RC — Frequent/prolonged/detailed violence/cruelty | 0 | 4 |
| RC — Offensive/abhorrent fantasies ³ | 18 | 23 |
| RC — Offensive/abhorrent sexual activity | 0 | 1 |
| RC — Paedophile activity | 15 | 12 |
| RC — Sexual violence | 0 | 1 |
| Total | 62 | 94 |

Notes

1. In the case of Internet content hosted in Australia, the Authority asks the Classification Board to classify the content. In the case of Internet content hosted outside Australia, the Authority determines the likely classification, having regard to the Classification Board's guidelines.

2. In the case of Internet content hosted in Australia, a take-down notice is issued to the ICH. In the case of Internet content hosted outside Australia, the content is notified to the makers of approved filters in accordance with the designated notification scheme set out in the IIA code of practice for ISPs.

3. Seventeen of these items were originally hosted in Australia and were initially the subject of take-down notices. The items were subsequently moved to an ICH outside Australia and the Authority notified the content to the makers of approved filters.

In addition to the items listed in the table, two special take-down notices were issued in relation to two separate investigations, directing the ICHs not to host content which was substantially similar to that described in the final take-down notices for RC classified content.

Table 4 (page 66) shows the ICH location of prohibited and potential prohibited content hosted outside Australia.

Liaison with law enforcement agencies

If the Authority considers that prohibited and potentially prohibited content hosted outside Australia is of a 'sufficiently serious' nature, for example child pornography, it must notify the content to an Australian police force. In some circumstances, the Authority also has discretion to defer action about prohibited content or potentially prohibited content, whether hosted in Australia or outside Australia. These circumstances may include a member of an Australian police force satisfying the Authority that action should be deferred for a specified period in order to avoid prejudicing a criminal investigation.

The Authority has negotiated memoranda of understanding (MOUs) with the police services of Queensland, Tasmania and Western Australia on the exchange of

Table 4 Prohibited and potentially prohibited content hosted outside Australia — ICH location and actual or likely classification

| Country | Items |
|-------------------------------|-----------|
| X Classified Content: | |
| Canada | 6 |
| USA | 27 |
| Total | 33 |
| RC Classified Content: | |
| Denmark | 2 |
| Finland | 1 |
| French Southern Territories | 1 |
| Japan | 2 |
| Mexico | 2 |
| Russia | 4 |
| Sweden | 1 |
| USA | 48 |
| Total | 61 |

information about 'sufficiently serious' Internet content. Negotiations are continuing about the terms of MOUs with the police services of the other States and Territories and the Australian Federal Police.

Pending the finalisation of MOUs, the Authority has informally referred a number of items of content of a serious nature to appropriate law enforcement agencies. In the case of content hosted outside Australia, content has been referred to the Australian Federal Police for action. Where the content is hosted in Australia, or appears to have been uploaded to an overseas host from Australia, the content has been referred to the relevant State or Territory police service.

At 30 June 2000, the Authority had referred 51 items of serious Internet content hosted outside Australia to the Australian Federal Police and 44 items of Australian-hosted serious Internet content to the relevant State or Territory police service. Some items were referred to two or more agencies.

Strategy 2.3 Research the community's use of the Internet and implement education initiatives aimed at increasing awareness of the options for addressing concerns about content

Completed research

International research on attitudes to the Internet

In May 1999, the Authority accepted an invitation from the German-based Bertelsmann Foundation to participate in an international study into attitudes towards Internet content regulatory initiatives. The study was conducted in three countries — Australia,

Germany and the USA — and collected data from representative samples of the adult population in each country. The data was collected in June 1999 and the results were released in August in time for consideration at the Internet Content Self-Regulation Summit held in Germany in September 1999.

The study included issues such as the frequency and location of use of the Internet, children's access, and end-user experience with accessing Internet content found to be disturbing. It also considered perceptions of the risks associated with the Internet including the availability of various types of content such as racist messages, pornography and violent material. Attitudes to a range of regulatory responses to the risks were explored.

The study is informing the Authority's administration of the co-regulatory and in particular, it is providing valuable background information for the Authority's community education activities. As the study was conducted before the introduction of the co-regulatory scheme, it provides the Authority with an initial measure of community awareness and attitudes to issues associated with Internet content regulation. This measure will be used to monitor changes over time.

Ongoing research

Evaluation of online services regulation

The Authority is an industry partner in doctoral research into Internet content regulation in Australia, along with the Australian Key Centre for Cultural and Media. The Authority is providing financial and in-kind support to the research, which commenced in July 1998.

The focus of the research is a detailed examination of industry practices and user patterns related to regulatory initiatives. It will provide a greater understanding of the impact of regulation on Internet service providers and of users' experience with regulatory systems. The Authority expects to complete the research in the second half of 2001.

New research

Research on the Internet in Australian homes

In June 2000, the Authority commissioned a major research project on Internet usage in Australian homes. The project will build on the findings Bertelsmann Foundation/ Authority international study (above), to provide a comprehensive picture of the current status of online services usage in Australian homes, particularly homes with children.

The study will contribute to the Authority's expertise and understanding of the online environment and provide information for the Authority's regulatory role. In particular, it will assist the Authority and industry to implement appropriate and effective strategies to inform and educate Australians about online services. It will also provide information to assist the Authority's monitoring of the Internet Industry Association's codes of practice and will feed into the review of these codes, to be conducted by June 2001. The study is expected to be completed by December 2000.

Promotion of online-hotline

The operation of the Authority's complaints online-hotline received considerable attention in the mainstream media when the scheme commenced and consequently, awareness among certain segments of the community was relatively high right from the beginning.

The Authority has, however, taken action to promote the online-hotline at the 'grassroots' level and in particular, to users who are parents or carers of children. A poster titled *dot com complaint* was distributed through inserts in the publications: *inCite*, Young Media Australia's *Small Screen*, and the newsletter of End Child Prostitution and Trafficking (ECPAT). The Authority invited interested individuals and organisations to obtain multiple copies of the poster.

Advertising of the hotline and the Australian Families Guide to the Internet was pursued in magazines and periodic publications that have parents and/or families as their target audience, e.g. the South Australian periodical, *Parents' Say*. The Authority sent a media pack to parents and citizens associations in each State and Territory and selected journals/magazines. The media pack containing a news release covering the first three months of operation of the online-hotline, the *dot com complaint?* poster and the brochure *What every family should know about the Internet*.

Further promotion of the hotline is planned in 2000–01 and will be built into a comprehensive community education strategy currently being developed.

Community education strategy

The Authority has commissioned the development of a community education strategy for its online services content regulation function. The aim of the strategy is to inform and educate Australians about managing access to Internet content and the Authority's role in content regulation.

The community education strategy will provide a number of outcomes:

- a coordinated and comprehensive plan that develops, expands and links current activities including the Australian Families Guide to the Internet;
- identification of target audiences for community education initiatives;
- identification of the main information requirements of these target audiences; and
- options for providing this information to target audiences using the most effective and efficient means possible.

The strategy will also define the Authority's community education role in relation to other organisations with similar roles such as NetAlert and the Internet industry. The strategy is expected to be completed in the second half of 2000 for implementation during the rest of 2000 and 2001.

Australian Families Guide to the Internet

The Australian Families Guide to the Internet web site predates the Authority's official role in Internet content regulation. Developed as part of the Authority's work in relation to the Ministerial directions to investigate approaches to Internet content regulation, the web site was launched on Online Australia Day, 27 November 1998.

The Authority designed the web site to encourage families to use and benefit from the Internet. The site is a starter kit for parents: it contains information on risks, parenting tips, suggested rules and technical tools that are available. It also has pages on laws relevant to the Internet and online content regulation. These were updated following the introduction of the Government's co-regulatory scheme.

The site also includes information on how to find things online, explanations of jargon, and ideas on how to support children's education using this technology. It has links to numerous web sites for children which were selected for their appropriateness for children within specified age groups. These links are regularly updated, often following the submission of sites by members of the public and other interested parties. The Authority's expertise in classifying quality media productions for children is employed to vet the sites submitted and decide on their appropriateness.

Conferences

Members and officers of the Authority accepted numerous invitations to speak at domestic conferences on the scheme. These offered the opportunity to address some of the misconceptions about the scheme and to communicate directly with individuals and organisations affected by the scheme, in particular Internet service providers and Internet content hosts. Conferences addressed by Authority staff are listed in table 5.

Table 5 Conferences addressed by Authority staff

| Conference/Seminar | Location | Date |
|---|---------------------------------|---------------|
| System Administrators Guild of Australia (SAGE – AU) Annual Technical Conference | Sydney | July 1999 |
| <i>Broadcasting Services Amendment (Online Services) Act 1999</i> Seminars Communications Law Centre | Sydney Melbourne Brisbane | October 1999 |
| Technology and the Law Seminar, Law Institute of Victoria | Melbourne | October 1999 |
| Regulating the Internet Open Forum, Humanist Society of NSW | Sydney | February 2000 |
| ECUBit 2000, School of Computer Science and Information Science, Edith Cowan University, WA | Perth | April 2000 |
| SAGE — AU and Australian Unix Users of Australia IT 2000 Conference | Hobart | April 2000 |
| Public Policy Framework for Online Content Regulation, WA Society for Computers and the Law | Perth | May 2000 |

Strategy 2.4 Monitor and contribute to inter-governmental and other international initiatives that address community concerns about Internet content.

International network of experts on content self-regulation

In February 1999, Mr Gareth Grainger, ABA Deputy Chairman, was invited to join the International Network of Experts on Content Self-Regulation. The network is an initiative of the German-based Bertelsmann Foundation. Through the network, the Foundation aims to facilitate the development of a coordinated international system to ensure responsibility and security on the Internet, particularly for minors. The network

comprises key players and distinguished decision-makers in the area of Internet content and responsibility.

The network's mission is to facilitate the development of an integrated system of approaches to dealing with harmful and illegal content on the Internet through self-regulation. Its work in developing this self-regulatory system is focused on four key areas of responsibility: industry codes of conduct, self-rating and filtering mechanisms, hotlines, and law enforcement.

The network's second meeting was held in Gutersloh, Germany, in July 1999, and was attended by the Deputy Chairman. The main purpose of the second meeting was to prepare for the International Internet Content Summit which was to consider the network's recommendations in the four key areas of responsibility. An overview of the results of the three-country study undertaken by the Authority into Internet regulatory issues was presented at the Gutersloh meeting.

The Deputy Chairman attended the network's third meeting in London in February 2000. Issues taken into consideration at this meeting included youth protection, privacy, consumer protection and Internet governance.

International Internet Content Summit

The International Internet Content Summit, held in Munich in September 1999, aimed to contribute to the development of a globally consistent approach to the regulation of online content.

The Summit was organised and funded by the Bertelsmann Foundation in cooperation with INCORE (Internet Content Rating for Europe), and supported by the Bavarian State Chancellery and the Bavarian Ministry of the Interior. It brought together more than three hundred participants from industry, government, media and the user community. The summit was attended by representatives of the Authority and followed the release of an international study conducted by the Bertelsmann Foundation into attitudes towards Internet content regulatory initiatives.

Discussion at the Internet Content Summit centred on the Bertelsmann Foundation's memorandum on Internet content which includes 12 key recommendations to governments and industry. The recommendations covered the following areas:

- the Internet: changing the way people live;
- self-regulation of Internet content: towards a systematic, integrated and international approach;
- Internet industry: developing and implementing codes of conduct;
- sharing responsibility: self-regulatory agencies enforcing codes of conduct;
- governments: supporting and reinforcing self-regulation;
- self-rating and filtering systems: empowering user choice;
- internet filtering: ensuring youth protection and freedom of speech;
- hotlines: communicating and evaluating content concerns;
- international cooperation: acting against content where it is located;
- the legal framework: limitations on liability;
- law enforcement: cooperation and continuous training; and
- a 'learning system': education and constant evaluation.

Internet Content Rating Association (ICRA)

The Authority continued its involvement in Internet content labelling initiatives as a member of the reference group to the Internet Content Rating Association (ICRA). Members and staff of the Authority have liaised with ICRA representatives.

ICRA was formed on 12 May 1999 when a number of Internet industry organisations agreed to create an international not-for-profit company to develop a global rating system for Internet content. The global rating system will be based on the RSACi system and will be governed by the ICRA. The Authority was also involved with ICRA's predecessors, the Internet Content Rating Alliance (formed in October 1998) and the International Working Group on Content Rating (formed in July 1997). The Authority was a member of the reference group to the Alliance and a founding member of the Working Group.

INCORE

INCORE (Internet Content Rating for Europe) was set up by a group of European organisations with a common interest in industry self-regulation and rating of Internet content. It is now focused on a project which aims to create a generic rating and filtering system suitable for European users which is being funded by the European Commission.

The Deputy Chairman and staff of the Authority attended an experts meeting of INCORE in Brussels in September 1999. INCORE released its final report in June 2000.

Internet Watch Foundation

The Internet Watch Foundation, a non-profit organisation, was established in October 1996 as a result of an agreement between the main Internet Service Providers associations in the UK, Government Departments and the Police. Its purpose is to fulfil an independent rôle in receiving and processing complaints about child pornography (and other illegal material on the Internet) and to support the development of a rating system suitable for UK users.

In September 1999, the Deputy Chairman and officers of the Authority visited the IWF to exchange information on hotline best practice and identify areas for future cooperation.

International Conference on Combating Child Pornography on the Internet

Representatives of the Authority attended an International Conference on Combating Child Pornography on the Internet in Vienna in September 1999. The conference was hosted by the Austrian Government, co-sponsored by the US Government, and organised with the support of the European Union.

The objectives of the conference were to re-inforce cooperation among law-enforcement officials and the judiciary; establish voluntary self-regulatory mechanisms (codes of conduct) among Internet service providers; and encourage the establishment of further hotlines (hotlines enable citizens to report leads on child pornography found on the Internet) and of networking among existing hotlines.

At the conference the Deputy Chairman presented a paper on establishing new hotlines for reporting child pornography on the Internet.

ChildNet International

ChildNet International is a non-profit organisation, founded in 1995 and registered in the UK. ChildNet works around the world to promote children's interest in international communications. Its founder, Nigel Williams, visited the Authority in November 1999 to discuss initiatives to protect children in the use of new technologies.

INHOPE

INHOPE facilitates cooperation between European Internet hotline providers. Its members include hotline providers from Germany (FSM, Newswatch and jugendschutz.net), The Netherlands (Meldpunt), United Kingdom (Internet Watch Foundation), France (AFA-France), Austria (ISPA) and the Irish Republic (Hotline). Associate members of INHOPE include hotline providers from the United States of America (CyberTipline) and Norway (Redd Barna).

The Director, Policy and Content Regulation Branch, attended an INHOPE forum/workshop on Internet Hotlines in Amsterdam in November 2000.

The Bertelsmann Foundation and INHOPE invited the Deputy Chairman of the Authority to a Workshop on Internet Hotlines in London in February 2000. The Deputy Chairman presented an evaluation of the operation of the online-hotline for Internet content administered by the Authority.

The Deputy Chairman also attended a meeting of INHOPE in Dublin in May 2000 and presented a report on the first three month's operation of Australia's co-regulatory scheme for Internet content.

UK Forum of Broadcasting Regulators

The United Kingdom's three independent authorities dealing with broadcasting regulatory issues, the Broadcasting Standards Commission, the Independent Television Commission, and the Radio Authority, held a forum in London in May 2000 to discuss the issue of 'Internet: a suitable case for regulation'. The seminar was attended by representatives of the three UK agencies, including Lord Holme, Chairman of the Broadcasting Standards Commission, and Richard Hooper, Chairman of the Radio Authority, as well as broadcasters, industry, the European Commission and others. The Deputy Chairman reported on the operation of the co-regulatory scheme for Internet content in Australia.

Hotlines and Dispute Resolution Symposium

The Electronic Network consortium held a symposium on hotline and dispute resolution in Tokyo in June 2000. The symposium was attended by Internet service providers, non-government organisations and members of the Japanese Government. A representative of the Authority attended the symposium to report on the operation of the co-regulatory scheme in Australia.

International requests for information on the Australian scheme

International requests for information about the co-regulatory scheme for Internet content were received from the Singapore Broadcasting Authority, the Commission on Youth Protection, Office of the Prime Minister, Republic of Korea, and the Independent Broadcasting Authority, South Africa.

Output 1.2

Licensing of broadcasting services

Chapter 4

Licence area planning and licence allocation

Goal 3: Allocation of spectrum for analog radio and TV broadcasting services in all parts of Australia

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Strategy 3.1 Develop licence area plans for long term use of spectrum

Final licence area plans released during 1999–00

Illawarra and South East NSW

Cooma (July 1999)

In the licence area plan for Cooma, the Authority decided to make channels available for one new community radio service to serve the Monaro region; four open narrowcasting services — one each to serve Bombala, Cooma, Jindabyne and Thredbo.

Wollongong (July 1999)

In the licence area plan for Wollongong, the Authority decided to make channels available for two new community radio services and three new open narrowcasting services to serve Wollongong.

Nowra (August 1999)

In the licence area plan for Nowra, the Authority decided to make channels available for two new community radio services — one to serve Moss Vale and one to serve Milton/Ulladulla; and three new open narrowcasting services — two to serve Nowra and one to serve Bowral/Mittagong.

Sydney and Central New South Wales Coast

Sydney (December 1999)

In the licence area plan for Sydney, the Authority decided to make channels available for three new commercial radio services — two to serve Sydney (one straight away and one in four years time) and one to serve Campbelltown; three new Sydney-wide

community radio services; four new local community radio services to serve Blacktown, Campbelltown, Hornsby and Penrith; and three open narrowcasting services — two to serve Sydney and one to serve Penrith.

Katoomba (December 1999)

In the licence area plan for Katoomba, the Authority decided to approve a power increase and extend the licence area of the existing community radio service 2BLU into Blackheath.

Melbourne (June 2000)

In the licence area plan for Melbourne, the Authority decided to make channels available for two new commercial radio services to serve Melbourne (one straight away and one in four years time); three new Melbourne-wide community radio services; six new local community radio services to serve Melbourne City; Bacchus Marsh, Camberwell, Sunbury, Waverley and Werribee; and three open narrowcasting services to serve Melbourne. One of the open narrowcasting licences made available in Geelong can be used to serve either Geelong or Melbourne/Geelong.

Geelong (June 2000)

In the licence area plan for Geelong, the Authority decided to make channels available for two new community radio services and two open narrowcasting services to serve Geelong. One of the open narrowcasting licences can be used to serve either Geelong or Melbourne/Geelong.

Colac (June 2000)

In the licence area plan for Colac, the Authority decided to make one channel available for a community radio service to serve Colac.

Variations to licence area plans

Central Victoria

Bendigo (October 1999)

The Authority varied the licence area plan for Bendigo by varying technical specifications applicable to the community radio services at Bendigo and Castlemaine. The variations relate to a change of frequency from 96.7 MHz, omnidirectional to 96.5 MHz directional for the Bendigo service and from 97.5 MHz to 106.3 MHz for the Castlemaine service. The licence area plan for Bendigo was first determined in August 1997.

Central New South Wales

Lithgow (November 1999)

The Authority varied the licence area plan for Lithgow by extending the licence area of the existing AM and FM commercial radio services 2LT and 2ICE into Katoomba; adding new technical specifications for transmitters associated with the 2LT and 2ICE services; and changing the frequency of the FM commercial radio service 2ICE Lithgow from 95.3 MHz to 107.9 MHz to take effect within three years after the date of publication of the Gazette. The licence area plan for Lithgow was first determined in May 1997.

Major public consultation

Draft licence area plans for Sydney and Melbourne metropolitan markets, including the regional markets of Katoomba (Sydney) and Geelong and Colac (Melbourne) these markets were released for public comment in August and December 1999 respectively.

In May 2000, the Authority invited written submissions on licence area planning for radio services in the radio markets of Murrumbidgee/Riverina, Gippsland, Western Victoria, South East South Australia, Spencer Gulf and Tasmania.

The Authority also released for comment a discussion paper and draft licence area plans for the radio markets of Brisbane, Sunshine Coast, Gold Coast, Ipswich, Richmond/Tweed and Gympie in June 2000.

Analog television

National services

During 1999–00, the Authority has continued allocating spectrum for analog television services. The Authority has been involved with the Television Fund administered by Department of Communications, Information Technology and the Arts. The Television Fund has provided funding to SBS to extend services to communities with a population of more than ten thousand. The Authority has planned 78 new SBS TV transmitters as part of this process, in addition to six new ABC TV transmitters. A further nine SBS TV transmitters are currently under consideration.

Black spots

The Television Fund is also addressing the needs of viewers within areas of poor or nonexistent analog television reception ('television black spots'). The Authority has been involved with defining the Black Spots program and will be managing the engineering consultancy. The consultant will make the initial assessments about whether suitable spectrum is available to meet the needs outlined in applications seeking funding for community self-help retransmission of television services. The Authority's planning role in assisting with this program meets the goals of the Broadcasting Services Act, which includes maximising efficient use of broadcast spectrum.

Out of area satellite television reception

An amendment to the Act at the end of 1999 has given the Authority the power to approve transmission of commercial and community broadcasting services into another licence area where a local service signal is not adequate. The practical policy outcome has been a process for approving individual reception of satellite television services outside designated 'remote' Australia licence areas, in individual 'black spot' cases. Since the amendment received Royal Assent on 23 December 1999, the Authority has dealt with more than two thousand inquiries from all parts of Australia; and approved more than three hundred and fifty applications between February and June 2000.

Planning in the solus markets

Section 38A of the Act provides for the allocation of a second commercial television broadcasting licence on application from the holder of the only licence in a single commercial station market. Only four of these solus licence areas remain in Australia: Broken Hill, NSW; Spencer Gulf, SA; Riverland, SA; and South East South Australia. During 1999 applications were received from the holders of all four licences and engineering has been completed for each. The Authority expects to allocate the second licence in each market during the second half of 2000.

Public consultation and consequential analog changes

As part of planning for the introduction of digital television, some consequential changes to existing analog services and, thus, variation of the relevant Licence Area Plans are required in advance of the commencement of the new services. The reassignment of channel 11 in the Central Agricultural licence area in Western Australia, to accommodate the use of the same channel for digital television in Perth, has been the first such consequential analog change. Assessment of submissions, as part of the public consultation process, was still underway at the time of writing.

Strategy 3.2 Allocate licences in a timely, fair and transparent manner through

- price-based auctions for commercial licences
- merit-based selection for community licences and
- other allocation processes as necessary

The Authority allocates a number of different types of broadcasting licences under the Broadcasting Services Act. These include:

- commercial television and radio broadcasting licences in the broadcasting services bands (under section 36 of the Act);
- commercial television and radio broadcasting licences which are transmitted by means other than the broadcasting services bands (under section 40);
- community broadcasting licences (under section 84);
- community broadcasting licences which are transmitted by means other than the broadcasting services bands (under section 82);
- temporary community radio broadcasting licences (under section 92B); and
- subscription television broadcasting licences (under section 96).

The Authority also issues transmitter licences for open narrowcasting services under the *Radiocommunications Act 1992*. Open narrowcasting, subscription radio broadcasting and subscription television and radio narrowcasting services may be provided under various class licences section 117 of the Broadcasting Services Act. The Authority does not licence these services individually.

Table 6 Total number of licences on issue at 30 June 2000

| | | |
|--|---|------|
| Commercial television licences | using the broadcasting services bands | 48 |
| Commercial radio licences | using the broadcasting services bands | 242 |
| Commercial radio licences | not using the broadcasting services bands | 8 |
| Community radio licences | using the broadcasting services bands | 278 |
| Subscription television licences | | 1689 |
| Transmitter licences for LAP open narrowcasting services | | 171 |

Licence allocations

Commercial radio broadcasting licences

Commercial radio and television broadcasting licences to broadcast within the broadcasting services bands are allocated under section 36 of the Act. They must be allocated under a price-based system determined by the Authority.

On 30 April 1998 the Authority revoked its previous Determination, made in 1995, and replaced it with the *Commercial Broadcasting Licence Allocation Determination No.1 of 1998*. Applicants for commercial licences must pay an application fee currently set at \$2000 for major metropolitan areas and \$1000 for remaining areas.

On 29 July 1999, the Authority allocated three licences:

Table 7 Section 36 commercial radio licences allocated in July 1999

| Location | Frequency | Licensee | Price paid |
|----------------------------|------------------------|--|------------|
| NSW Coffs Harbour | 106.3 MHz | Commercial Radio Coffs Harbour Pty Ltd | \$100 000 |
| NSW Kempsey/Port Macquarie | 106.7 MHz | Mid-Coast Broadcasters Pty Ltd | \$220 000 |
| | 100.7 MHz | | |
| QLD Toowoomba/ Warwick | 100.7 MHz, 91.9 MHz | Gold Radio Service Pty Ltd | \$800 000 |

On 24 May 2000 the Authority conducted licence allocation exercises for two commercial radio licences — one in Sydney and the other in Campbelltown, NSW.

Table 8 Section 36 commercial radio licences auctioned in May 2000 *

| Location | Frequency | Price bid |
|------------------|-----------|---------------|
| NSW Sydney | 96.9 MHz | \$155 000 000 |
| NSW Campbelltown | 91.3 MHz | \$10 000 000 |

* these licences were allocated after the date of this report

Under the Act the Authority must (subject to the suitability provisions of the Act) allocate an additional commercial radio licence to an existing licensee if the licensee meets certain requirements set out in section 39. This occurs only when the Authority finds there is sufficient broadcasting services band spectrum available for providing another commercial radio broadcasting service in the licence area.

An allocation fee of \$10 000, intended to cover part of the Authority's planning and licence allocation costs, applies to each licence. The Authority has allocated 54 such licences and one during the reporting period.

Table 9 Section 39 commercial radio licence allocated

| State | Location | Frequency | Licensee | Date allocated |
|-------|--------------|-----------|----------------------------|----------------|
| SA | Port Lincoln | 89.9 MHz | Lanson Investments Pty Ltd | 12 Nov 1999 |

Section 40 of the Act provides for the Authority to allocate commercial broadcasting licences for services that do not use the broadcasting services bands. A section 40 licence simply authorises the licensee to provide a commercial broadcasting service.

The licence does not entitle the licensee to any particular mode of transmission or delivery. Section 40 licences are available on application for a predetermined price currently set at \$2400.

Table 10 Section 40 commercial broadcasting licences allocated

| State | Area served | Frequency | Licensee | Date allocated |
|-------|---|-----------|---------------------------------|----------------|
| QLD | Queensland, south of latitude 16, excluding Charleville | Non-BSB | Pinecam Pty Ltd | 25 May 2000 |
| WA | Margaret River | Non-BSB | South West Broadcasting Pty Ltd | 30 Mar 2000 |

Permanent community radio broadcasting licences

Community radio broadcasting licences in the broadcasting services bands are allocated under a merit-based system having regard to matters set out in section 84 of the Act. Temporary community radio broadcasting licences, which are also in the broadcasting services bands, are allocated on the basis of eligibility for a maximum of 12 months.

Community broadcasting licences allocated under section 82 of the Act are for services that are provided by means other than the broadcasting services bands and fall outside the merit-based allocation system. The Authority has received only one application for a section 82 licence. This application is currently being assessed.

Since September 1995 the Authority has made 137 new community radio licences available under the planning process and has completed the allocation process for 74 of those.

Of the remaining 63 licences available, eight are in the process of being allocated, 12 have been deferred and 31 have either no aspirants or only recently established aspirants. Twelve new licences became available in late June 2000 with the allocation process due to begin in the second half of 2000.

At 30 June 2000, there were 278 permanent community radio broadcasting licensees. In the reporting period, the Authority made decisions on 39 licences. Thirty-five of those have been allocated and in four cases the Authority decided not to allocate a licence. See appendix 4 for community radio licence allocations completed during the reporting period.

Open narrowcasting licences issued under the Radiocommunications Act

The Authority issues under delegation from the Australian Communications Authority apparatus licences for open narrowcasting radio services that are provided with high powered frequencies within the broadcasting services bands. The Authority issues

licences for services it identifies during the licence area planning stage under a price-based allocation system determined under the *Radiocommunications Act 1992*.

The Authority in the reporting period issued 34 open narrowcasting transmitter licences following two rounds of licence allocation exercises — one in May 1999 and the other in November 1999. See appendix 4 for details.

Community television trial

The sixth channel spectrum continues to be used for community television purposes in six areas: Sydney, Melbourne, Brisbane, Adelaide, Perth and Lismore. Community television trial licensees are licenced as open narrowcasting services. Trial community television licences have been renewed until 31 December 2000.

Temporary community radio broadcasting licences

The temporary community broadcasting licence scheme has been in place since August 1997. Under the scheme, the Authority allocates non-renewable temporary community radio licences to eligible aspirant broadcasters for periods of up to 12 months if channels in the broadcasting services bands are available

This process allows the Authority considerable flexibility to promote the efficient and effective use of the spectrum prior to the completion of formal licence area planning. It also gives aspirant broadcasters the opportunity to establish and develop a service to their community of interest before the merit-based allocation of permanent licences.

Other than the above restrictions, the licence conditions and other obligations for temporary community broadcasting licence aspirants are the same as those applying to permanent community radio broadcasters. The Authority also has the power to determine the licence period and timing conditions of each temporary community broadcasting licence it allocates.

Demand for access to available channels, particularly in the major metropolitan areas, is particularly strong. The introduction of the temporary community broadcasting licence scheme also saw a number of new temporary community broadcasting licence aspirants emerge and others split off from some established groups. This served to exacerbate competition over the reporting period for the limited channels available.

As a response to these changing circumstances, and as a means of effectively managing demand for the diminishing number of available channels as licence area planning concludes in the major metropolitan areas, the Authority issued for consultation temporary community broadcasting licence guidelines for time-sharing. The guidelines were issued in April 2000.

In the 1999–00 year, the Authority allocated 231 temporary community broadcasting licences. Appendix 4 contains the full list of aspirant broadcasters active during the reporting period. It should be noted that, because of the nature of the temporary community broadcasting licence scheme, licence periods vary and some aspirants held more than one licence during the reporting period.

During the reporting period the Authority required 10 temporary community broadcasting licensees to terminate a broadcast as the relevant licence had expired or the necessary applications had not been made to the Authority within the required timeframe. These aspirant broadcasters are listed in table 11.

Table 11 Aspirant broadcasters required to terminate a broadcast

| State | Area served | Licensee | Date |
|-------|-----------------|--|---------------|
| NSW | Sydney | 2 Groove | May 2000 |
| NSW | Sydney | Free Broadcast Inc. | May 2000 |
| NSW | Coonabarabran | Warrumbungles Community Broadcasting Association | August 1999 |
| NSW | Gosford | Wyong-Gosford Progressive Community Radio | February 2000 |
| NSW | Gosford | Central Coast Broadcasters | February 2000 |
| Vic | Melbourne | Melbourne Pulse Radio | April 2000 |
| Vic | Geelong | Southern Victoria Community Radio | June 2000 |
| Qld | Noosa | Noosa District Community FM Radio Association | June 2000 |
| SA | Tanunda/Barossa | Barossa Broadcasting Board | November 1999 |

Only one of those licensees — Melbourne Pulse Radio Inc. — refused to terminate its broadcast. The Authority requested the aspirant broadcaster to finish its broadcast on two occasions in late April 2000. After the second refusal, the Authority sought the assistance of the Australian Communications Authority to ensure transmission ceased.

The matter subsequently became the subject of preliminary inquiries by the Ombudsman's Office. The Authority responded to those inquiries shortly after the conclusion of the reporting period.

Special events

During the reporting period, 69 licences were issued for special event broadcasting services.

The Authority has been heavily involved with broadcast spectrum planning for the Sydney 2000 Olympic Games. A new television transmitter has been planned for Penrith, as well as eight 'drop through' determinations to make use of digital television spectrum for wireless microphones at Olympic venues:

- 39 x 7MHz channels for Sydney,
- 24 x 7MHz channels Sydney wide;
- 15 x 7MHz channels for Homebush and venues to the West;
- 19 x 7MHz channels for Melbourne;
- 36 x 7MHz channels for Brisbane;
- 16 x 7MHz channels for Adelaide;
- 22 x 7MHz channels for Canberra; and
- 93 x 7MHz channels for Olympic soccer.

Section 96 subscription television (pay TV) broadcasting licences

Subscription television broadcasting licences are available on application under section 96 of the Act, for a predetermined price currently set at \$1600. Subscription radio broadcasting and subscription radio and television narrowcasting are licensed under the class licence Determination made in 1992 under section 117 of the Act.

For those subscription radio and television services using the radiofrequency spectrum, an apparatus (transmitter) licence is also required. Since 1992 the Authority has issued 1689 subscription television licences and two satellite licences. A third satellite licence was issued by the then Minister for Communications and the Arts in 1994.

Since 1996 the Authority has issued licences under section 96 that allow services to be delivered by any means, including satellite. The Authority allocated 13 subscription television licences during the reporting period.

Table 12 Subscription television licences allocated

| Applicant | No. of licences allocated | Date allocated |
|--------------------------------|----------------------------------|-----------------------|
| Seven Cable Television Pty Ltd | 4 | 22 Nov 99 |
| TPG TV/Pty Ltd | 9 | 21 Oct 99 |

Broadcasting licence renewals

The Authority renewed 60 licences in 1999–00: 37 commercial radio, 17 community radio and 6 commercial television.

National

In the reporting period, the Authority issued two apparatus licences to national broadcasting service providers (ABC and SBS) to provide radio and television services.

Retransmission

Following the further partial sale of Telstra, the Federal government established a Television Fund which has been used to provide financial assistance to eligible communities for some of the establishment costs of self-help television services. The Authority has received a large number of applications for apparatus licences from self-help groups to provide additional commercial television services in their communities. During the reporting period, the Authority issued 314 licences for retransmissions of broadcasting services.

Chapter 5

Digital broadcasting

Goal 4: National and commercial TV broadcasters to have commenced digital services in metropolitan areas, and where achievable in regional areas

Strategy 4.1 Prepare conversion schemes that will enable the ABA to achieve the objectives of the digital conversion legislation

The *Television Broadcasting Services (Digital Conversion) Act 1998* introduced a new schedule (schedule 4) to the Broadcasting Services Act, providing for the conversion of television transmission from analog to digital mode. The Authority determined the Commercial Television Conversion Scheme on 22 March 1999, and the National Television Conversion Scheme on 17 December 1999 under clause 19(1) of schedule 4 to the Act. The Minister approved the National Television Conversion Scheme on 2 February 2000 under clause 32 of schedule 4 to the Act.

Strategy 4.2 Develop digital channel plans that identify channels available for conversion and maximise the opportunity for other services to use the spectrum during the analog/digital simulcast period

Digital television

As part of the implementation of the conversion schemes, the Authority has prepared digital television channel plans (DCPs) covering all capital cities and some major regional television licence areas. The DCPs identify the main transmitter sites for converting existing analog broadcasters to digital services and allots spectrum to be used for new digital television services and other services such as datacasting.

During 1999–00 the Authority released eight DCPs which cover:

- the five mainland metropolitan markets, identified in the Act, to commence digital broadcasting on 1 January 2001: Adelaide, Brisbane, Melbourne, Perth and Sydney; and
- seven other markets identified by broadcasters for early commencement: Canberra, Darwin, Hobart, Newcastle, Batchelor, Toowoomba and Wollongong.

The Authority also allocated 46 test licences for digital terrestrial television broadcasting and datacasting.

In July 1999 the Authority released two explanatory documents, *The ABA's General Approach to Digital Terrestrial Television Broadcasting (DTTB) Planning* and the *DTTB Planning Handbook* which outline the general and technical assumptions and process followed in preparing the digital channel plans.

Managing interference from digital terrestrial television services to analog terrestrial television services

In consultation with industry and consumer representative groups, the Authority is currently developing a code of practice that outlines the responsibilities of broadcasters for resolving interference problems arising from digital television transmissions. The detail and enforcement provisions of this code will be clarified through public consultation in the second half of 2000.

The development of the code is being supplemented by research being undertaken, by a consultancy, on fortuitous reception, standard receiving environments and interference to ancillary devices, jointly funded by the Authority and the Department of Communications, Information Technology and the Arts. The Planning and Licensing Branch is also developing communication strategies for managing the flow of information and defining the Authority's role in the transition to digital television.

Regional equalisation plan

The Authority, along with the Department of Communications, Information Technology and the Arts, commenced development of a policy to encourage the early introduction of digital television services in regional areas. The Regional Equalisation Plan, announced in the May 2000 Budget, will provide assistance of up to \$260 million over 13 years to regional commercial television broadcasters. This plan will provide rebates to approved regional broadcasters who have started broadcasting in digital mode, and will be available from 2000–01. Regional commercial television broadcasters have up to 1 January 2004 to start digital television broadcasting.

Datacasting test transmissions

In February 1999, the Minister directed the Authority to facilitate a datacasting trial. The Authority released a draft regulatory policy on 21 May 1999, called for submissions and following consultation with interested parties, released the regulatory policy for datacasting test transmissions in October 1999.

The policy provides for the trial to be conducted in the Sydney, Canberra, Newcastle and Brisbane markets and limits testing to a maximum of three months per licensee though it was recognised that shorter periods may be necessary to accommodate all interested groups. The completion date for the trial is 30 November 2000 in anticipation of the commencement of permanent datacasting services from January 2001.

A schedule for the test transmissions has been negotiated with interested parties although further expressions of interest have been received and discussions with these groups are ongoing.

Strategy 4.3 Assess commercial licensees' implementation plans for digital television services to ensure that they are achieving the objectives of the legislation

By the end of June 2000, the Authority had received 15 implementation proposals for digital terrestrial television services. Assessment is proceeding.

The Authority's broadcast planning criteria ensure that the digital planning process safeguards the interests of broadcasters and consumers, and promotes the efficient use of available spectrum. Where possible, transmitters for digital services are planned for the same location as existing analog transmitters and on adjacent channels, which minimises the need for broadcasters and consumers to purchase new equipment. Similarly, where analog channel changes are required in order to implement the digital channel plan, changes have been planned on the basis that the same site will continue to be used as far as practicable.

Strategy 4.4 Assist the Minister and Department where necessary with advice on digital technology

Digital radio

The Authority continues to monitor international developments in digital radio broadcasting. While the European Eureka 147 system remains the only proven terrestrial system, recent demonstrations in the United States of America indicate continuing progress in the development of the in-band on-channel (IBOC) technology. At the same time Digital Radio Mondiale (DRM), an international consortium of broadcast industry organisations, is continuing work towards a standard for digital broadcasting in the frequency bands below 30 MHz.

The Authority is represented on the Department's Digital Radio Planning and Steering Committee and its specialist Technical Working Group. The Authority has provided engineering support to the Technical Working Group to assist in investigation of various planning options of interest to the Digital Radio Planning and Steering Committee. A report detailing the findings of this analysis has been submitted to the Authority's Planning and Steering Committee.

Strategy 4.5 Work with Government and industry to build community awareness

Public consultation and the digital terrestrial television planning process

The Authority's public inquiry processes provide a significant amount of useful information for planning purposes. The Authority regularly consults the Digital Television Channel Planning Consultative Group in drafting digital channel plans for Australian metropolitan markets. During the year, in determining the DCPs and in

making minor variations to the conversion schemes, the Authority has consulted a wide range of community interests including: broadcasting licensees (commercial, national and community); industry representative bodies and individuals from broadcasting-related industries; Government bodies including the Australian Communications Authority and the Department of Communications, Information Technology and the Arts; aspirant datacasters; and members of the public.

Public consultation and the digital terrestrial television single frequency network planning options

On 22 February 2000, the Authority released a discussion paper, *Options for Implementing Single Frequency Networks for the Australian Digital Terrestrial Television Broadcasting Service*, prepared in consultation with the Single Frequency Network Consultative Group. The group included representatives from the commercial television networks, aspirant datacasters, the ABC and SBS, pay TV broadcasters, ntl Australia, the Authority and other relevant Government agencies. Comments on the options outlined in the paper were sought from the public by 31 March 2000.

Submissions were received from the Australian Broadcasting Corporation, Australian Communications Authority, Fairfax, Federation of Australian Commercial Television Stations, News Limited, Nine Network Australia, ntl Australia, Digital Convergence Australia, and the Western Australian Department of Commerce and Industry.

In June 2000, the Authority considered the final report of the Single Frequency Network Consultative Group and accepted its conclusions. In making use of single frequency networks, the Authority announced that it would give primary consideration to the cost to viewers of making the transition from analog to digital reception in deciding whether or not to use a so-called pure single frequency network for digital transmission.

The use of single frequency networks will reduce the number of channels existing broadcasters require to transmit their digital signals. Use of single frequency networks will, therefore, make some additional capacity available for new services in most markets. In particular, capacity for at least two unallocated high power channels in metropolitan areas can be expected to result from the implementation of single frequency networks in these areas. Similar outcomes are expected in other major metropolitan areas.

Chapter 6

Management improvement and information management

Continuous improvement and leadership strategies

To enable the Authority to achieve the desired outcomes and provide the outputs required by Government, we will focus, internally, on the following:

1. A culture of management improvement
— *with emphasis on people and resource management; and*
2. A culture of information and knowledge management
— *with emphasis on improved communication strategies and integrated, management and information technology and strategies*

Management improvement

Planning cycle

The Authority has published a new *Corporate Plan* for the 1999–2003 period. The plan was developed through consultation with all levels of staff and the major stakeholders of the organisation.

The Authority will review and modify the corporate plan over the next three years in light of the Government reforms and/or reviews, and also taking into account changes in the operating environment. A new corporate plan will be developed in the first half of 2003 for the following three years.

The most specific reform affecting planning processes in the last year was the introduction of the accrual budgeting management system which influenced the way corporate, and business plans, were developed and written in the Authority.

The following is a brief description of what each planning output may contain and the primary roles of various levels of staff in the process:

Plans

The Corporate Plan forecasts the major strategic direction of the organisation in the next three years. The direction, and the goals and strategies supporting it, are reviewed by the Members quarterly to ensure that they are still relevant and applicable. The Members and the Executive Team had a leading role in this part of the planning process.

The Branch Business Plans support the Corporate Plan by detailing the outputs required to achieve the corporate goals and the performance indicators, which measure the result of the outputs and help to measure the broader, strategic success indicators from the corporate plan. These plans are revised on a monthly basis and new ones are developed once per year. The General Manager and the Executive Team had a leading role in this part of the planning process.

Section Work Plans list actions that support the Key Result Areas from the Branch Business Plan and performance indicators which measure the actions. The Section Heads and staff had a leading role in these planning processes.

Performance and Development Plans outline the key tasks performed by individuals to support the actions of the Section Plans and the performance indicators which may include the levels of skills and knowledge required to perform the tasks. Staff and managers develop these together.

Each planning process described above adds to, and supports the Corporate Plan, which drives the direction of the organisation.

The Business Continuity Plan is currently in draft form and will be finalised in the near future.

Performance and development framework

In January 2000 the Australian Industrial Relations Commission varied the Australian Broadcasting Authority Agreement 1998 to include the Performance and Development Framework. On implementation of the framework, a one-off one per cent bonus was paid to staff in February 2000.

The framework gives effect to the Authority's commitment to developing and continuing to improve good performance management practices aimed at facilitating open communication and feedback, and addressing performance issues as they arise.

The objectives of the Performance and Development Framework are to:

- improve the Authority's performance through the development of a stronger performance culture;
- gain commitment to, and shared understanding of, strategic direction at agency, branch and section/team levels;
- improve communication between managers and staff;
- improve flexibility in deploying staff;
- provide a framework for staff to plan and develop personal goals and learning needs; and
- provide access for obtaining constructive feedback about performance.

A key feature of the framework is its links to the Authority's planning cycle, where individual performance and development plans are developed in the context of the Authority's corporate and business plans.

The Authority provided training for all staff in the skills required for implementation of the framework.

Development and training

Staff undertook training and study to improve professional, technical and personal skills. Development opportunities included on-the-job training opportunities, private study, participation in organisational committees, conferences, seminars, working groups and training courses and programs. The Authority conducted an induction course for new staff in May 2000.

The net expenditure by the Authority for staff attending training courses was \$125 491.25. Of the 149 staff employed at the Authority, 68 spent a total of 278.5 days on training activities.

Advanced management program for middle managers

The Authority conducted an advanced management program for middle managers, aimed at developing their leadership skills and understanding of the strategic intent of the organisation. Outcomes of the program have included greater emphasis on senior executives working with middle managers on management issues across the organisation.

Branch strategies

Corporate Services

The Corporate Services Branch underwent significant change during the year including:

- the outsourcing of the Authority's information technology services;
- reviews of the Financial Resources section and the information areas of the branch; and
- the appointment of a project manager to manage the upgrade of the Authority's information technology infrastructure.

Opportunities for staff to contribute to continuous improvement initiatives were made available through regular and special forums. Staff meetings were held regularly in the branch and all branch staff were invited to participate in the business planning workshop held in June 2000.

Legal and Control

The Legal and Control Branch conducted regular branch and section meetings and held an annual branch planning day in February 2000. The branch used its Branch Business Plan as the focus for each of its branch meetings.

Planning and Licensing

The Planning and Licensing Branch faced another challenging year with continuing time-sensitive work in planning for digital television and datacasting as well as proceeding with analog planning and licensing.

During the year the branch adopted the following measures to support the broad strategies for ongoing improvement developed in the previous year:

- the continuation of regular branch, senior staff, engineering and section meetings;
- the conduct of branch planning days in May 2000 as well as individual section planning days throughout the year;
- an upward feedback program in which all staff were given the opportunity to provide feedback on the management performance of senior managers;
- a continuing emphasis on training and development needs of staff;
- an informal rewards system openly recognising the outstanding contribution of individuals or teams;
- flexibility in the branch's approach to allocation of staffing resources;
- creation of a new position of Manager, Branch Policy and Information to provide more focussed attention on Branch-wide information and policy issues and other matters not directly related to the ongoing planning and licensing priorities;
- the establishment of the Engineering and Information Services Section to provide engineering support services and improved information services for staff and clients;
- a review and restructure of the Branch Support Section to strengthen the client service and coordination responsibilities of the group; and
- an ongoing emphasis on continuous improvement within the branch.

Policy and Content Regulation

The Policy and Content Regulation Branch conducted regular branch and section meetings and annual section planning days and branch planning days in October 1999 and May 2000.

Certified agreement

In recognition of the ongoing commitment to staff to continuous improvement, including the measures agreed to and implemented in the Authority's Certified Agreement, staff received a two per cent pay increase effective from 1 July 1999.

The *Australian Broadcasting Authority Agreement 1998* reaches its nominal expiry date in November 2000. Negotiations have commenced on the development of a new Certified Agreement for the Authority.

Working under the new employment framework

The *Public Service Act 1999* came into effect on 5 December 1999. The Act, which is underpinned by the *Public Service Regulations 1999* and the *Public Service Commissioner's Directions 1999*, outlines the employment framework for the Australian Public Service.

The Authority has implemented new arrangements under the new legislation and continues to review policies and guidelines.

Consultation

The Authority is committed to consulting with staff about workplace issues affecting them.

Under the Australian Broadcasting Authority Agreement 1998, the Authority has established a Consultative Forum comprising management, union and staff

representatives. The Consultative Forum acts as a formal mechanism for information exchange between the Authority and union and staff representatives on key strategic and change issues which have an impact on the Authority. Four meetings of the Consultative Forum were held during the reporting period.

Staff are also involved in workplace issues through all staff, branch, section, and team meetings.

Service charter review

The Authority started a review of its Service Charter and expects to complete the review by the end of 2000. During the reporting period there were no complaints received by the Authority.

Occupational health and safety

It is the policy of the Authority to promote and maintain a high standard of health, safety and well being for all staff through:

- preventing accidents and ill-health caused by working conditions;
- protecting staff, contractors and the public from any health hazard which may arise out of their work or the conditions in which it is carried out; and
- placing and maintaining staff in an occupational environment designed to maximise health, safety and well being at work.

The Authority has in place an occupational health and safety agreement, which sets out the mechanisms for implementing the Authority's policy.

The Authority has two designated work groups in its Sydney office and one designated work group in the Canberra office. There is one health and safety representative and one deputy for each group. Each representative undertakes a five day course of training which is accredited by the Commission for the Safety Rehabilitation and Compensation of Commonwealth Employees.

The Authority's Occupational Health and Safety Committee is made up of management representatives, health and safety representatives and union delegates. The committee met three times during the reporting period.

Regular workplace inspections are carried out by the health and safety representatives and their reports are presented to each OH&S Committee meeting. Action is then taken to remedy any problems identified and prevent potential hazards.

Indemnities and insurance payments

The Authority has directors and officers' liability cover with Comcover, which indemnifies directors and officers against liability for claims made against them for any wrongful act committed, or alleged to have been committed, in their capacity as director or officer. Retired directors are covered by this policy. The premium for this policy was \$11 150. In addition the Authority has taken out professional indemnity insurance with Comcover at an annual premium of \$66 900.

Recruitment and selection

The primary focus in relation to recruitment and selection practices in the period has been the implementation of the new Public Service Act and supporting legislation. The

Authority has in place selection and induction policies, and conducted an induction program for new staff. The Authority is also setting up a recruitment page on its web site.

Workplace diversity program

The Authority's Workplace Diversity Program was put in place in March 2000. It incorporates the Australian Public Service Values, builds upon the Authority's previous Equal Employment Opportunity programs, and includes measures directed at ensuring that:

- the *Corporate Plan* and other relevant plans support the Authority to value the diverse backgrounds of its employees, so it is able to access and make use of the diverse skills and experience of its employees;
- workplace structures, systems and procedures assist employees in balancing their work, family and other caring responsibilities;
- engagement decisions in the Authority are made taking into account the diversity of the Australian community, as well as the organisational and business goals of the Authority, and the skills required to perform the relevant duties; and
- equity in employment is promoted and upheld.

The objectives of the Workplace Diversity Program are:

- to continue to recognise and value individual difference and raise awareness in the Authority of the importance of workplace diversity;
- to ensure the Authority's staffing profile reflects a diverse cross section of people and skills;
- to achieve high quality equity and diversity outcomes for the Authority;
- to recognise and value the cultural diversity of Authority staff and make more use of the skills and experience of these staff; and
- to ensure equity in staff selection processes.

At 30 June 2000, the Authority employed 149 staff under the Public Service Act. Of these, 82 were women, 29 were from non-English speaking backgrounds, and five reported having a disability.

Conflict of interest

The Authority has developed a draft conflict of interests policy which will involve annual self assessment by staff. The new policy is expected to be finalised and implemented by the end of 2000.

Information and knowledge management

Information management

In October 1998, the Authority appointed a Chief Information Officer (CIO) for a one-year period. The main aims of the CIO position were to devise an information and e-commerce strategy, and improve productivity, client service and transparency and quality of decision-making. By October 1999, the CIO position ceased to exist however work continued during 1999-00 to implement identified recommendations

from the project and to ensure that the Authority is in a position to meet the Government's commitment for online delivery of Government services by 2001. Specific initiatives in this area included a project to upgrade the information technology infrastructure, improved service by the Library, development and implementation of the online form for making complaints to the Authority about content on the Internet; and development of an online form for making complaints about broadcasting matters. This form is expected to go on the Authority's web site in the latter part of 2000.

Information committee

The Authority's Information Committee continued to meet during the year. The committee provides a forum in which issues and strategies relating to information management can be discussed and agreed. During the year, the committee arranged for a number of presentations, including:

- in April 2000, a representative of the Office of Government Online addressed the Authority's Information Committee on the Government's Online Strategy; and
- representatives of the National Archives addressed the committee on metadata standards for the web site in June 2000.

The Information Committee meets monthly.

IT Outsourcing

In 1998–99 the Authority joined with six other agencies to form Group 8 in response to the Government decision to outsource information technology infrastructure service. This initiative was aimed at achieving:

- effective IT support of business needs and service delivery requirements;
- economies of scale resulting in improved efficiency and cost effectiveness; and
- leveraging access to private sector technology and know-how providing improved technology solutions.

The Authority participated in the tender evaluation process which awarded the IT Services contract to the Ipex Information Technology Group Ltd. The contract was signed on 9 March 2000 and the handover of services was achieved on 26 June 2000.

Upgrade of information technology infrastructure

Early in the reporting year, the Authority decided that if it was going to move more of its business online, in line with Government initiatives, it needed to review its information technology infrastructure.

The proposed outcomes of this project have been designed to ensure that the Authority keeps pace with Government's commitment for online delivery of services and to reap the business and client service benefits a more integrated IT infrastructure can offer. The objective of the upgrade is to provide one-stop for data entry and one-stop for data retrieval, in order to provide better quality service to the Authority's clients. This will be achieved by moving to a more flexible information management

system that integrates information and facilitates ease of access for both staff and clients.¹

The Authority expects to complete the project by the end of 2001.

Australian content and children's television — database development

The Authority was able, for the first time in its *Trends and Issues No 6* published in August 1999, to provide detailed quantifiable data on Australian and foreign programming by commercial television. This is made possible by the new Authority compliance database which has been established with the cooperation of the Seven, Nine and Ten networks.

The new system allows all Australian and foreign programming broadcast to be categorised and compared: including for all program categories, and for Australian and foreign share of first release drama programming from 5 p.m. to midnight. This information has not been previously available and the new system will facilitate more detailed analysis and understanding of programming on commercial television services and of the impact of the Australian content rules.

Internet content complaint investigations

The Authority developed and implemented an investigations database as part of its role in regulating the content of the Internet, as a prototype for an Authority investigations database.

Information and communication services

The Authority pursues a proactive strategy of releasing information to the media to ensure that information in the public arena is timely and accurate. In 1999–00 the Authority issued 131 news releases and dealt with 2189 queries from journalists. Authority members and staff gave interviews to the electronic and print media on a range of issues, including digital television, the online content complaints scheme, the commercial radio inquiry, children's television and new radio licences.

The Authority's public hearing into allegations relating to 2UE Sydney, popularly dubbed the 'cash for comment affair' attracted intense media interest. Representatives from all metropolitan television and radio networks and major newspapers attended the hearing on its sitting days and all were provided with prompt access to documents tendered in evidence and transcripts of proceedings. The Authority decided to allow television cameras to broadcast closing submissions to the hearing and these proceedings were broadcast live on the subscription television news channel, Sky News Australia.

The Authority also formulated a communications strategy as an integral part of the implementation of the online content co-regulatory scheme. It also developed a communication strategy for the introduction of digital television. The purpose of the strategy is to provide consumers with accurate information on the digital conversion process, encourage the adoption of digital television and minimise the potential disruptions to analog services through a planned public relations campaign.

1 Subject to confidentiality and the provisions of the *Privacy Act 1988*.

Web site and intranet

During the year there was considerable increase in the extent to which the Authority's clients used its web site to gain access to information. Specific initiatives for enhancing the Authority's web site and for ensuring it continues to grow as an information source include:

- providing for electronic lodgement of complaints in relation to the Authority's new body of work (online content regulation);
- annual returns developed in electronic form for reporting by pay TV entities of eligible drama expenditure accessible through the web site;
- enhancing web authoring skills across the Authority;
- ensuring the web site meets the accessibility standards endorsed by the Human Rights and Equal Employment Opportunity Commission; and
- implementing metadata onto the main collection pages of the web site.

Other work currently underway includes investigating options for placing all of the Authority's forms online, designing software to facilitate the online purchase of Authority publications and conducting a review of the web site.

The Authority's web site is an important source of information. The Authority has kept abreast of the Government's online initiatives through contact with the Office of Government Online and participation in the Heads of Cultural Organisations group, which held an Online Content and Convergence meeting in June 2000.

The Authority applies the Human Rights and Equal Opportunity Commission guidelines on accessibility to the design and content of its web site. The site conformed to the AGLS metadata standards developed by the National Archives by the recommended date of 1 June 2000. The Authority also follows the principles outlined in the *Guidelines for Commonwealth Information Published in Electronic Formats*.

The Authority is mindful of the principles of the Privacy Act and has a Privacy Contact Officer with responsibility for the application of those principles as they affect the agency. The Authority is developing a privacy statement for its web site in line with the Guidelines for Federal and ACT web sites issued by the Privacy Commissioner and expects it will be on the web site early in 2000–01.

Intranet

During the year many areas of the Authority have taken advantage of the opportunities afforded by the intranet to make information available through all desktops. For example the Library upgraded its intranet page so that it now acts as a portal to internal and external information, including online subscriptions.

Publishing

The Authority continued its extensive print publishing and electronic publishing programs during the year. Apart from a number of commercial publications, the Authority published all its reports, papers, licence area plans, digital channel plans, guides and fact sheets simultaneously in print form and on its web site.

The Authority's monthly newsletter, *ABA Update*, continued to be an important source of information about the Authority's activities. At 30 June 2000, the newsletter had a circulation of approximately six hundred subscribers.

Major commercial publications produced by the Authority in 1999–00 included: *Commercial Radio Inquiry — Report on Hearing into 2UE Sydney* (\$40), *Radio and Television Broadcasting Stations 1999* (\$50); *20 Years of C — Children's Television Programs and Regulation 1979–99* (\$20); *Community Views About Free-to-air Television* (\$20); *Compliance: Australian Content and Children's Television* (\$10); Broadcasting Planning Seminar papers (\$20); and *Broadcasting Financial Results 1998–99* (\$500).²

Library

During the year, the Library has taken a number of initiatives to improve its service, including:

- greater emphasis on delivering full text information to the desktop and in subscribing to online information services;
- increased support to Authority in accessing electronic materials by providing ongoing training to staff and assistance with all electronic information products; and
- placing the Library catalogue on the Authority's intranet.

The Library provides a comprehensive research and information service for the Authority. Throughout the year there was an ongoing review to ensure the collection was appropriate and relevant to the Authority's information needs.

During the last year there has been a focus to push information to the desktop.

The Library's current awareness program was maintained and enhanced. A weekly electronic alert is distributed to all staff which lists all journals received and links the reader to each journal's web site. The quarterly *Library Bulletin* which highlights new additions to the Library's collection, is distributed electronically to all staff and can also be accessed on the Authority's web site.

The Library also provides training and assistance to staff in accessing electronic information products. A regular induction and training program for new staff acquaints them with Library materials and how to access those materials.

The Library has continued as a key centre for the broadcasting community to access information on broadcasting matters and received requests for information by phone, fax and email from external organisations. The interlibrary loan program was maintained. In addition, the resources of the Library were available to individual visitors including academics, lawyers, journalists and students.

The Library is a member of several Library networks and shares information with the Australian and New Zealand Law Librarians group. It is an active member of SNIP – Screen Network Information Providers and LOTSS – Libraries of the Social Sciences.

Information about the Library can be found on the Authority web site and it is listed in the Australian Library Gateways Internet site www.nla.gov.au/libraries as well as in various national and international directories. It is planned that the Library's catalogue with an interactive search facility, will become available on the Authority web site in the near future.

² These prices do not include GST

Y2K

The Authority continued its preparations for Y2K readiness through the first half of 1999–00. Preparations included reducing areas exposure by upgrading or disposing of non compliant equipment or systems, having an independent auditor undertake an assessment of the Authority's Y2K processes and developing contingency plans for all business critical systems. The Authority met all deadlines in relation to this project and made a successful transition on 1 January 2000.

Appendix 1

Freedom of information

Section 8 statement

The *Freedom of Information Act 1982* (the FOI Act) requires Commonwealth Government agencies to make available information about their organisation, functions and operations, and about rules and practices which are used in making decisions which affect people.

Section 8 of the FOI Act requires each agency to publish detailed information about the way it is organised, its powers, the kinds of decisions made, arrangements for public involvement in the work of the agency, documents held by the agency and how these can be accessed by the public.

The body of this Annual Report explains the role and functions of the Authority. This appendix supplements that information for the purposes of section 8 of the FOI Act and is correct as at 30 June 2000.

Branch functions and powers

Staffing of the Authority is organised into four branches, Legal and Control Branch, Policy and Content Regulation Branch, Corporate Services Branch, and Planning and Licensing Branch. Within these Branches, the functions and powers are divided as follows:

Corporate Services Branch

This Branch comprises the Resource Management and Planning Section, the Human Resources Section, the Secretariat Section, the Media & Public Relations Section and the Library.

The functions carried out within this Branch include:

- attending to all matters related to human resources functions and financial, accommodation and office services;
- liaising with Commonwealth Agencies, including the Public Service and Merit Protection Commission, Department of Employment, Workplace Relations and Small Business, the Australian National Audit Office, and the Department of Finance and Administration on financial and human resources matters including Workplace Relations, Workplace Diversity and Occupational Health and Safety;
- preparing the Portfolio Budget Statements, coordinating the Authority's budget, and preparing financial statements, estimates and related material;
- maintaining the Authority's records management system;
- maintaining the Authority's accounting system, purchasing and asset control, and internal audit and review;

- promoting the use of information technology to enhance the efficiency and effectiveness of the Authority's operations;
- managing corporate contracts including the information technology, travel, cabcharge and credit card contracts;
- coordinating the implementation of APS wide and other corporate initiatives throughout the Authority;
- coordinating corporate and business planning throughout the Authority;
- providing secretariat support to the Authority including organising its regular meetings, preparing formal minutes and maintaining the records of decisions of the Authority;
- producing and marketing publications and informing the public of the functions, activities and decisions of the Authority;
- developing and maintaining the Authority's web site;
- maintaining a full library service for members and staff of the Authority; and
- coordinating briefs and responses to questions arising from Parliamentary processes.

Legal and Control Branch

The Legal and Control Branch comprises the Legal Section and the Control Section. The Branch is responsible for:

- preparing opinions on whether a person is in a position to control a licence, a newspaper or a company;
- assessing applications for prior approval of temporary breaches of the control provisions of the Act;
- maintaining registers of notifications of directorship and changes in control, associated newspapers, large circulation newspapers, temporary (approved) breaches, extensions of time granted and notices to persons in breach;
- monitoring compliance with the control limits;
- conducting investigations/hearings into licensees' compliance with the control provisions of the Act and notifying persons to remedy breaches;
- issuing notices relating to breaches of the control provisions of the Act;
- coordinating all tasks carried out under the FOI Act;
- provision of advice to the Minister about matters related to the FOI Act and the *Privacy Act 1988*;
- providing legal advice on issues arising from the Authority's powers and functions;
- preparing matters for referral to the Director of Public Prosecutions; and
- collecting information and conducting investigations or hearings for the purposes of the performance or exercise of any of the Authority's functions or powers.

Planning and Licensing Branch

The Planning and Licensing Branch comprises the Radio Planning Section, the Television Planning Section, the Licensing Section, the Engineering and Information Services Section and the Branch Support Section. The Branch is responsible for:

- designing and administering price-based systems for the allocation of commercial radio and television broadcasting licences;
- allocating subscription television broadcasting licences, commercial broadcasting licences and community broadcasting licences;
- assessing the eligibility of aspirant community broadcasters to be given temporary community broadcasting licences;
- renewing commercial and community broadcasting licences;
- approving the transmission of commercial and community broadcasting services outside of their licence areas; and
- suspending and cancelling licences as appropriate, or taking other enforcement action.

The Branch plans all broadcasting services using radiofrequency spectrum for AM and FM radio and VHF and UHF television by:

- developing planning priorities for determination by the Authority and preparing variations to those priorities for the Authority's approval;
- preparing frequency allotment plans, and variations to those plans, for the Authority's consideration;
- preparing licence area plans, and variations to those plans, for the Authority's consideration;
- specifying licence areas, frequencies, siting and power levels for transmitters used for broadcasting;
- designating and varying licence areas;
- developing technical planning guidelines for broadcasting services using frequencies within the broadcasting services bands;
- monitoring new technology and service trends;
- formulating schemes for conversion of commercial and national television broadcasting services from analog mode to digital mode. These schemes require the Authority to:
 - prepare a document explaining technical assumptions relating to consideration of 'same level of coverage and potential reception quality' in digital mode, as is achieved in analog mode;
 - prepare digital channel plans, which allot and assign channels to television broadcasters, allowing them to transmit programs in analog and digital modes during a simulcast period;
 - identify in the digital channel plans channels that may be available for uses other than the conversion of existing broadcast services;

- assess and approve implementation plans submitted by commercial television broadcasters. These plans are the basis on which the broadcaster will convert to digital transmission;
- approve test transmissions of digital signals, at any time before or during a simulcast period; and
- administer a process for issuing exemption certificates for access by commercial and/or national television broadcasters and/or datacasters to broadcasting transmission towers and/or sites;
- issuing apparatus licences (by delegation from the Australian Communications Authority) to authorise the operation of transmitters for commercial, community and national services; for services provided under class licences; and for the retransmission of programs;
- making broadcasting services bands spectrum available for alternative uses for a specified period;
- determining licence area populations;
- allocating call signs for broadcasting services; and
- collecting information and conducting investigations or hearings for the purposes of the performance or exercise of any of the Authority's functions or powers.

Policy and Content Regulation Branch

The Policy and Content Regulation Branch comprises the Research and Policy Section, the Conditions and Codes Section, the Standards Section and the Online Services Content Regulation Section. The Branch is responsible for:

- assisting in the identification and exploration of regulatory policy issues to be addressed by the Authority;
- providing policy advice on issues arising from the Authority's powers and functions;
- conducting and commissioning attitudinal research and monitoring service trends;
- conducting and commissioning research into issues relating to Internet content and Internet carriage services;
- developing standards for commercial and community television broadcasting licensees relating to programs for children, for determination by the Authority;
- making decisions about the classification of programs for children;
- developing standards for commercial television broadcasting licensees relating to the Australian content of programs, for determination by the Authority;
- monitoring compliance with program standards;
- monitoring compliance with anti-siphoning and anti-hoarding provisions and reporting to the Minister on an as needs basis;
- monitoring compliance with Australian content requirements for subscription television;
- consulting with the industry and the community on the development of codes of practice for each broadcasting sector;

- maintaining registers of codes of practice, and monitoring compliance with those codes;
- investigating unresolved complaints about breaches of the codes of practice for each broadcasting sector including the ABC and SBS;
- investigating complaints alleging offences against the Act or breaches of licence conditions;
- investigating complaints about Internet content;
- issuing notices concerning the provision of broadcasting services without a licence to provide a service;
- imposing, varying or revoking conditions on commercial, community and subscription broadcasting licences and class licences;
- developing additional criteria and clarifying existing criteria for the purpose of distinguishing between categories of broadcasting services, for determination by the Authority;
- collecting information and conducting investigations or hearings for the purposes of the performance or exercise of any of the Authority's functions or powers;
- liaising with regulatory and other relevant bodies overseas regarding Internet content regulation arrangements;
- conducting and/or coordinate community education programs about Internet content and Internet carriage services;
- collecting commercial radio and commercial television licence fees; and
- preparing annual broadcasting financial results.

Director Technology

The Authority has a Director Technology who reports to the General Manager and the Members. The Director of Technology provides high level advice to Authority Members and staff on technological developments, particularly free-to-air digital broadcasting and technological policy relating to the broadcasting industry and online services.

Public participation

In determining standards for commercial and community broadcasters the Authority is required to undertake public consultation before exercising its powers. However, as a matter of course, the Authority consults publicly on a wide range of issues relating to the content of programs and advice to the Minister on programming issues.

In performing its functions in relation to the planning of the broadcasting services bands, particularly the determination of planning priorities, the preparation of frequency allotment plans, the preparation of licence area plans and the preparation of digital channel plans, the Authority is required to consult widely with the public. The Authority places advertisements in newspapers announcing the commencement of its consideration of issues relating to particular planning matters; conducts seminars explaining various aspects of the planning process; and maintains files containing documents relevant to this process, for public inspection.

The Authority also seeks the views of the wider community through surveys of public opinion on program and Internet content issues conducted or commissioned by the Authority.

Categories of documents

Records are maintained by the Authority in various physical forms including paper files, card indexes, microfiche and computer media. Certain documents, such as the advice received and assumptions made by the Authority in performing its planning functions, are required to be publicly available. Certain other information dealing with ownership and control matters and the codes of practice, are required to be maintained in public registers.

Registers

The Authority is required to maintain Registers of Codes of Practice; Notifications of Controllers, Directors, and Changes in Control; Associated Newspapers; Prior Approvals of Temporary Breaches; Extensions of Time for Temporary Breaches; Notices to Persons in Breach of the Act; Extensions of Time for Compliance with Notices; Approvals of Breaches of Television Ownership Limits in Small Markets and Approved Implementation Plans.

Persons wishing to inspect any of these Registers should contact the Sydney office of the Authority.

The Authority is also required to publish, in the *Gazette*, a copy of any opinion given in relation to a category of broadcasting service or whether a person is in a position to exercise control of a licence. Copies of these opinions can be obtained from the Library, located in the Sydney office of the Authority.

The Authority also prepares a count of population for each commercial licence under section 30 of the Act, which is available for public inspection.

Classes of records

The Authority maintains records on the following topics:

Corporate Services Branch

Personnel and staffing; finance; purchasing; furniture and fittings; equipment and accommodation; appointment of members; reports of inquiries conducted by the former Australian Broadcasting Tribunal; records, reports and information papers on Australian and overseas broadcasting; agenda papers and minutes of Authority meetings; Authority publications, including research monographs, news releases and pamphlets; reports on grant of licences under the *Broadcasting Services (Transitional Provisions and Consequential Amendments) Act 1992*.

Information products available to the public, of which many are on the Authority's web site, are shown in appendix 8.

Legal and Control Branch

Registers of notifications of controllers, directors and changes in control, associated newspapers, temporary (approved) breaches, notices to persons in breach and extensions of time for temporary approvals and compliance with notices.

Planning and Licensing Branch

Technical specifications of national, commercial and community broadcasting services; frequency planning; narrowcasting services; reception of broadcasting services; satellite broadcasting; planning priorities; frequency allotment plans; licence area plans; digital channel plans; digital broadcasting implementation plans; Minister's notifications for reservation of spectrum capacity; Minister's directions; technical planning guidelines; monitoring of new broadcasting technology; population figures; licence areas; price based commercial licence allocation system; community merit based allocation system; temporary community broadcasting allocation system; subscription television broadcasting service licences; and applications and approvals for the transmission of broadcasting services into another licence area.

Policy and Content Regulation Branch

Industry self-regulatory codes of practice; Australian content of programs and children's programs on commercial television, complaints and comments from the public about broadcasting programs, advertising and Internet content; rights acquired for events specified in the Minister's notice under section 115 of the Act; expenditure on new Australian drama by subscription television; details, including reports, of research undertaken or commissioned, service licences for all commercial and community stations; financial results of commercial radio and television services; and a register of Authority forms and records of notifications to licensees in relation to licence fees and payments of those fees.

FOI procedures and initial contact point

Requests for access under the FOI Act must be in writing and addressed to 'The FOI Coordinator' and be accompanied by an application fee (currently \$30). The FOI Act provides for a reduction of the charges or non-imposition of the charges in certain circumstances. In many cases however, it may not be necessary to use FOI as the information sought may be readily available. The Manager, Media and Public Relations, in the Sydney office should be contacted in the first instance.

Facilities for access

The Authority maintains library facilities in the Sydney office where documents available under the Act, or documents for which access is granted under the FOI Act, can be examined. Documents may also be examined in the Canberra office by prior arrangement.

The Authority's offices are at:

Level 15, Darling Park
201 Sussex Street Sydney NSW 2000
PO Box Q500
Queen Victoria Building NSW 1230
Tel: (02) 9334 7700
Freecall: 1800 226667
Fax: (02) 9334 7799
TTY: (02) 9334 7777
DX 13012 Market Street, Sydney
Email: info@aba.gov.au
Web site: www.aba.gov.au

Blue Building
Benjamin Offices
Chan Street
Belconnen ACT 2617
PO Box 34
Belconnen ACT 2616
Tel: (02) 6256 2800
Freecall: 1800 810 241
Fax: (02) 6253 3277
Email: info@aba.gov.au
Web site: www.aba.gov.au

Correspondence on FOI matters should be addressed to the FOI Coordinator at the Authority's Sydney office at the address given above.

Under the procedures operating in the Authority for the handling of FOI requests, in some instances the FOI Coordinator may need to consult applicants for access to documents under the FOI Act. Specific instances are as follows:

- (a) to assist the applicant to more specifically identify documents that have been requested;
- (b) to give the applicant a reasonable opportunity for consultation before refusing a request on grounds of insufficient information (subsection 15(2) of the FOI Act) or if the request requires a substantial and unreasonable diversion of resources (subsection 24(1) of the FOI Act); or
- (c) to notify the applicant of the charges and the deposit that is payable, or to discuss a request that the charges be reduced or not imposed.

As at 30 June 1999, as well as the Members, the General Manager, the Branch Directors and most of the Section Heads were authorised, under section 23 of the FOI Act, to make primary decisions on applications for access to documents held by their area. Generally, access is provided in the form of copies of documents.

In addition to the Members, the General Manager and the Branch Directors are also authorised to make decisions on applications for internal review of primary FOI decisions made by the Authority.

The following information is provided on the operation of the FOI Act.

Requests made

During 1999–00, the Authority received seven requests for access to documents. Of the three completed during this period the Authority granted access in part to documents in the three requests. Three requests were withdrawn.

Applications for review

The Authority received two applications for internal review under section 54(1) of the FOI Act. The Authority on review granted access in part to documents in both requests.

Time taken

Of the three requests finalised during 1999–00, the average time taken from receipt of the request to the notification of the decision, was 45 days. Two of the seven requests involved the consultation of other persons or organisations under section 27 of the FOI Act, which extends the statutory response time to 60 days.

Costs of freedom of information

The total cost to the Authority for Freedom of Information activities in the 1999–00 period was approximately \$10 706.

Staff costs for Freedom of Information activities (including overheads) were approximately \$9450. Non staff costs were approximately \$117.

During the period, FOI charges totalling \$929 for the processing of requests have been paid, and the Authority received \$210 in fees for the lodgement of FOI requests.

Appendix 2

Staffing

Financial and staffing resources summary

| | 1998–99 Actual \$'000 | 1999–00 Budget \$'000 | 1999–00 Actual \$'000 |
|---|-----------------------------|-----------------------------|-----------------------------|
| Salaries | 7 818 | 8 596 | 8 784 |
| Superannuation | 897 | 1 019 | 988 |
| Administrative Expenses | 5 094 | 7 170 | 6 382 |
| Total Cash Expenditure | <u>13 809</u> | <u>16 785</u> | <u>16 154</u> |
| Less Receipts | (706) | (715) | (496) |
| | <u>13 103</u> | <u>16 070</u> | <u>15 658</u> |
| Less Cash on Hand at beginning of financial year | (1 407) | (1 853) | (1 853) |
| Plus Cash on Hand at end of financial year | 1 853 | 1 653 | 2 065 |
| TOTAL APPROPRIATIONS | <u>13 549</u> | <u>15 870</u> | <u>15 870</u> |
| TOTAL OUTLAYS | <u>13 549</u> | <u>15 870</u> | <u>15 870</u> |
| STAFFING | | | |
| Staff years (ASL) | 138.8 | 157.0 | 147.7 |

SYDNEY

| Classification | PERMANENT | | | | TEMPORARY | | | | Total |
|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| | Full-time | Full-time | Part-time | Part-time | Full-time | Full-time | Part-time | Part-time | |
| | Male | Female | Male | Female | Male | Female | Male | Female | |
| Members | 3 | | 3 | 1 | | | | | 7 |
| SES Band 2 | 1 | | | | | | | | 1 |
| SES Band 1 | 1 | 2 | | | | | | | 3 |
| EL2 | 3 | 5 | | 1 | 1 | 1 | | 1 | 12 |
| EL2 Legal | 1 | | | | | | | | 1 |
| EL2 Public Affairs | 1 | | | | | | | | 1 |
| EL1 | 7 | 7 | 1 | | | | 1 | | 16 |
| EL1 Legal | | 3 | | | | | | | 3 |
| EL1 Public Affairs | | 1 | | | | | | | 1 |
| EL1 Library | | 2 | | | | | | | 2 |
| APS6 | 10 | 9 | 1 | 2 | 1 | | | | 23 |
| APS6 Legal | 1 | | | | | | | | 1 |
| APS6 Public Affairs | | 1 | | | | | | | 1 |
| APS5 | 1 | 1 | | 1 | | | | | 3 |
| APS5 Library | 1 | | | | | | | | 1 |
| APS4 | 4 | 9 | | | | | | | 13 |
| APS3 | 2 | 8 | | | 1 | | | 1 | 12 |
| APS2 | | 1 | | | 1 | 1 | | | 3 |
| APS1 | | | | | | | | 1 | 1 |
| TOTAL | 36 | 49 | 5 | 5 | 4 | 2 | 1 | 3 | 105 |

CANBERRA

| Classification | PERMANENT | | | | TEMPORARY | | | | Total |
|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|-----------|
| | Full-time Male | Full-time Female | Part-time Male | Part-time Female | Full-time Male | Full-time Female | Part-time Male | Part-time Female | |
| SES Band 1 | 1 | 1 | | | | | | | 2 |
| EL2 | 2 | | | | | | | | 2 |
| EL2 Engineering | 4 | | | | | | | | 4 |
| EL1 | 1 | 3 | | | | | | | 4 |
| EL1 Engineering | 5 | | | | | | | | 5 |
| EL1 Technical | 2 | | | | | | | | 2 |
| APS6 | 2 | 5 | | | | | | | 7 |
| APS6 Engineering | 3 | 1 | | | | | | | 4 |
| APS5 Technical | 2 | | | | | | | | 2 |
| APS4 | 1 | 8 | | | | | | | 9 |
| APS4 Engineering | 3 | 1 | | | | | | | 4 |
| APS3 | 1 | 3 | | 1 | | | | | 5 |
| APS2 | | | | | | 1 | | | 1 |
| TOTAL | 27 | 22 | | 1 | | 1 | | | 51 |

TOTAL

| | | | | | | | | | |
|------------------------------|-----------|-----------|----------|----------|----------|----------|----------|----------|------------|
| SYDNEY & CANBERRA | 63 | 71 | 5 | 6 | 4 | 3 | 1 | 3 | 156 |
|------------------------------|-----------|-----------|----------|----------|----------|----------|----------|----------|------------|

| | |
|-------------------|-----------|
| TOTAL MALE | 73 |
|-------------------|-----------|

| | |
|---------------------|-----------|
| TOTAL FEMALE | 83 |
|---------------------|-----------|

Appendix 3

C & P classified programs

Programs granted C or P classification 1999–00

| Program title | Style | Type | Origin | Class | Applicant |
|--|-------------|-------------|-----------|-------|-------------------------|
| Children's — C | | | | | |
| Beakman's World (series 4) | live action | information | USA | C | Network Ten Pty Ltd |
| Crash! Bang! Wallop! | live action | game show | Australia | C | Southern Star Concept |
| Goodsports (series 9) | live action | magazine | Australia | C | WIN Television Tasmania |
| Magic School Bus, The (series 2) (episodes 14–26) | animated | drama | USA | C | Network Ten Pty Ltd |
| Pick Your Face (series 2) | live action | game show | Australia | C | Banksia Productions |
| Squiggle Vision (Year One & Two) | animated | drama | USA | C | The Seven Network |
| Totally Wild (series 8) | live action | magazine | Australia | C | Network Ten (Brisbane) |
| Way of the Birds, The | animated | drama | Australia | C | Twenty 20 Pty Ltd |
| Wipeout (series 4) | live action | game show | Australia | C | Southern Star Concept |
| Wipeout (series 5) | live action | game show | Australia | C | Southern Star Concept |
| Wipeout (series 6 & 7) | live action | game show | Australia | C | Southern Star Concept |

Children's drama —C D

| | | | | | |
|--|-------------|-------|-----------|----|---|
| Adventures of Chuck Finn, The (series 2) | live action | drama | Australia | CD | Barron Entertainment Limited |
| Dumb Bunnies, The (series 1) (episodes 14–26) | animated | drama | Australia | CD | Yoram Gross-EM TV |
| Flipper & Lopaka (series 1) (episodes 1–13) | animated | drama | Australia | CD | Yoram Gross-EM TV |
| Flipper & Lopaka (series 1) (episodes 14–26) | animated | drama | Australia | CD | Yoram Gross EM TV |
| High Flyers (series 2) | live action | drama | Australia | CD | Southern Star Entertainment Pty Ltd |
| Horace and Tina | live action | drama | Australia | CD | Jonathan M Shiff Productions Pty Ltd |
| New Adventures of Ocean Girl, The (series 1) (episodes 14–26) | animated | drama | Australia | CD | Media World Features Pty Ltd |
| Pig's Breakfast (series 2) | live action | drama | Australia | CD | Southern Star Entertainment |
| Pig's Breakfast (series 3) | live action | drama | Australia | CD | Southern Star Entertainment Pty Ltd |
| Search for Treasure Island, The (series 2) | live action | drama | Australia | CD | Grundy Television |
| Thunderstone 3 | live action | drama | Australia | CD | Jonathan M Shiff Productions Pty Ltd |
| Wicked! | animated | drama | Australia | CD | Energie Entertainment |

Preschool—P

| | | | | | |
|------------------------|-------------|---------|-----------|---|-----------------------------|
| Here's Humphrey | live action | variety | Australia | P | Banksia Productions Pty Ltd |
| Hi-5 (series 2) | live action | variety | Australia | P | Kids Like Us Pty Ltd |
| In the Box (series 2) | live action | variety | Australia | P | Network Ten Ltd |
| Wiggles TV Series, The | live action | variety | Australia | P | The Wiggles Touring Pty Ltd |
| Zirkos Kids | live action | drama | Australia | P | Wave Entertainment Pty Ltd |

Provisional P—PRC

| | | | | | |
|---------------------------------------|-------------|-------------|-----------|-----|------------------------------|
| D.U.D.S. (Down Under Dropouts) | live action | drama | Australia | PRC | Becker Entertainment |
| High 8 | live action | drama | Australia | PRC | Burberry Productions |
| Kat's Eye | live action | drama | Australia | PRC | Barron Entertainment Ltd |
| Outward Bound | live action | documentary | Australia | PRC | Crawford Productions Pty Ltd |
| Pig's Breakfast (series 3) Pty Ltd | live action | drama | Australia | PRC | Southern Star Entertainment |
| Wannabe | live action | magazine | Australia | PRC | Imagination Entertainment |

Appendix 4

Investigations completed in 1999–00: No breach finding

| Callsign | program/ advertisement/issue | substance of complaint | relevant code/program standard/ licence condition |
|------------------------------|---------------------------------|--|--|
| COMMERCIAL TELEVISION | | | |
| New South Wales | | | |
| ATN7 Sydney | Ally McBeal Promotion | Unsuitable for G classification zone. | Program promotions – promotions in G viewing periods. |
| ATN7 Sydney | News | Report was a breach of the Defence Act. | Use of the broadcasting service in commission of an offence against another Act. * |
| ATN7 Sydney | News | Item said to be 'live' when it was not. Incorrect use of term 'millennium'. | News/current affairs – accuracy. |
| ATN7 Sydney | All Star Squares | Incorrect answer broadcast. Complaints handling. | News/current affairs – accuracy, complaints handling. |
| TCN9 Sydney | 60 Minutes – 20 Years | Segment on Chelmsford Hospital was misleading. | News/current affairs – accuracy. |
| TCN9 Sydney | Melbourne Comedy Gala 1999 | Insulting a person on the basis of the political party they belong to. | Not covered by code. |
| TCN9 Sydney | Just Kidding | Complainant was shown participating in program without consent. Complaints handling. | Privacy, complaints handling. |
| TCN9 Sydney | 60 Minutes | Use of language was unacceptable. | News/current affairs – exercise care in selection of material, adequate prior warning. |
| TCN9 Sydney | Changing Rooms | Coarse language in a PG classification zone. | PG – language. |
| TEN10 Sydney | Beauty and the Beast | Offended by bad language. | PG – language. |
| TEN10 Sydney | World's Wildest Police Videos | Wrongly classified. | PG – violence. |
| TEN10 Sydney | The Panel | Full frontal nudity was offensive. | M – sex and nudity. |

| Callsign | program/ advertisement/issue | substance of complaint | relevant code/program standard/ licence condition |
|------------------|---------------------------------|--|---|
| CTC Southern NSW | Good News Week | Offensive and insulted the Mother of God. | Vilification on the basis of religion. |
| CTC Southern NSW | Unreal TV – Adult’s Only | Objection to the sexual references in the program. | M – sex and nudity. |
| NBN Northern NSW | Jeans West Commercial | Advertisement is unsuitable for a G classification zone. | G – must be suitable for children to watch without supervision. |
| NRN Northern NSW | Beauty and the Beast | Language and behaviour in PG classification zone. | PG – language, sex and nudity. |
| WIN Southern NSW | Changing Rooms | Offended by coarse language. | PG – language. |
| WIN Southern NSW | Lost on Earth | Offensive sexual references. | PG – Sex and nudity, language. |
| WIN Southern NSW | Curse of the Blair Witch | The program was a promotion for the film ‘The Blair Witch Project’. | Proscribed material – simulating news or events, compliance with advertising requirements, consumer advice. |
| Victoria | | | |
| ATV10 Melbourne | Good News Week | Offensive comments about the Pope. | Vilification on the grounds of religion. |
| ATV10 Melbourne | Beauty and the Beast | Offended by referral to mentally ill as nuts. Complaints handling. | Vilification on the grounds of a disability, complaints handling. |
| GTV9 Melbourne | Footy Show | Racial vilification and complaints handling. | Vilification on the basis of race, complaints handling. |
| GTV9 Melbourne | Middy Show | Irresponsible in showing firewalking segment during PG classified program. | PG – must remain suitable for children to watch with supervision. |
| GTV9 Melbourne | Burke’s Backyard | Inappropriately broadcasting election matter. | Identification of political matter. |
| GTV9 Melbourne | Seven Signs of Christ’s Return | Promote mistrust of other cultures. | Vilification on basis of cultural background. |
| GTV9 Melbourne | The Sopranos | Offensive language. | AV- language. |
| GTV9 Melbourne | Today | Program failed to represent viewpoints fairly. | News/current affairs – represent viewpoints fairly. |
| HSV7 Melbourne | JAG | Too many advertisements broadcast during the program. | Scheduling of non-program matter. |

| Callsign | program/ advertisement/issue | substance of complaint | relevant code/program standard/ licence condition |
|-------------------------|---|---|--|
| HSV7 Melbourne | Today Tonight | Segment was inaccurate, did not represent viewpoints fairly and portrayed person in a negative light. | News/current affairs – accuracy, represent viewpoints fairly, emphasis on gender. |
| VTV Regional Victoria | Turning Tricks | Language not appropriate for a PG classification zone. | PG – language. |
| Queensland | | | |
| BTQ7 Brisbane | Home Improvement | Offensive language used in the program. | G – language, complaints handling. |
| QTQ9 Brisbane | Today | Inaccurate segment. | News/current affairs – accuracy, complaints handling. |
| QTQ9 Brisbane | News | Nudity in the News. | G – sex and nudity. |
| QTQ9 Brisbane | Water Rats | Depiction of lesbian love unsuitable for television. | PG – sex and nudity, M – sex and nudity. |
| QTQ9 Brisbane | A Current Affair | A segment was not fair or accurate. | News/current affairs – accuracy. |
| QTQ9 Brisbane | Final Destination | Promotion not appropriate for PG classification zone. | Program promotions – promotions in PG programs. |
| QTQ9 Brisbane | Sex and the City | Program is indecent, rude and crude. | MA – sex and nudity, consumer advice. |
| TVQ10 Brisbane | Unreal TV | Nudity and exploitation of the female body. | M – sex and nudity, language. |
| TVQ10 Brisbane | Beauty and the Beast | Offensive language used in the program. | PG – language. |
| STQ Regional Queensland | The Book Place | The story encouraged children to act in a dangerous manner. | Children's Television Standard – images that depict unsafe uses of a product or encourage children to engage in unsafe activities. * |
| South Australia | | | |
| ADS10 Adelaide | The Panel | Promotion of heroin. | M – drugs. |
| ADS10 Adelaide | Video Hits | Video too violent for G classification zone. | G – violence. |
| ADS10 Adelaide | Beauty and the Beast | Sexual content and language was inappropriate. | PG – sex and nudity. |

| Callsign | program/ advertisement/issue | substance of complaint | relevant code/program standard/ licence condition |
|--------------------------|--|--|---|
| ADS10 Adelaide | News | Concern about lack of local news content. | Contribute to the provision of an adequate and comprehensive range of broadcasting services in the area.* |
| ADS10 Adelaide | News | News item was unfair, unbalanced and biased. | News/current affairs – accuracy, news – presented fairly and impartially. |
| SES Mount Gambier | News | Misrepresentation in news. | News/current affairs – accuracy, representation of viewpoints. |
| Western Australia | | | |
| STW9 Perth | 60 Minutes | Report was inaccurate. | News/current affairs – accuracy. |
| TVW7 Perth | Promotion for Australia's Most Wanted | Promotion unsuitable for G classification zone. | G – must remain suitable for children to watch without supervision. |
| TVW7 Perth | Home and Away | Reference to 'gypsies' was racist. | Vilification on grounds of race. |
| SSW South South-West WA | Rock | Language not appropriate for M classification. | M – language. |
| Tasmania | | | |
| TNT Tasmania | Everything You Always Wanted to Know About Sex | Images of bestiality. | M – sex and nudity. |
| TVT Tasmania | Sex and the City | Language and sexual content are inappropriate. | MA – language, sex and nudity. |
| COMMERCIAL RADIO | | | |
| New South Wales | | | |
| 2UE Sydney | John Laws | Vilification on the grounds of race. | Vilification on the grounds of race. |
| 2MO, 2TM Gunnedah | Country Music Radio | Complaints about the axing of 'Country Music Radio'. | Contribute to the provision of an adequate and comprehensive range of broadcasting services in the area.* |

| Callsign | program/ advertisement/issue | substance of complaint | relevant code/program standard/ licence condition |
|-------------------|---|--|--|
| Victoria | | | |
| 3AK Melbourne | Melbourne Skyline | Statement made during program was inaccurate. Complaints handling. | News/current affairs – accuracy, distinguish facts from comment. |
| 3AW Melbourne | Breakfast Show | Untrue statements made and denied right of reply to an interview with opponent. | Broadcasting of election matter – reasonable opportunities to all political parties. * |
| 3AW Melbourne | Sports broadcast | Offended by presenter blaspheming. | Inciting hatred and vilification on the grounds of religion. |
| 3AW Melbourne | Frankston East Forum | In a debate reasonable efforts were not made to present all viewpoints. Complaints handling. | News/current affairs – reasonable efforts made to present significant viewpoints. |
| 3AW Melbourne | News | Broadcast a political advertisement on the day of an election. | Election advertisements – blackout period. * |
| 3FOX Melbourne | Intensity Amusement Centres | Offended by violent suggestions in advertisement. | Programs unsuitable for broadcast, complaints handling. |
| 3BAY Geelong | Wake Up Club | Offended by discriminatory and sexist jokes. | Vilification of a person or a group of people on the grounds of gender. |
| 3BDG Bendigo | Bundy and Cola advertisement | The advertisement amounted to encouragement of the misuse of alcohol. Could be interpreted as an advertisement for medicine. | Advertisement relating to medicine must be pre-approved. Must not encourage misuse of alcohol. * |
| Queensland | | | |
| 4BC Brisbane | General | Too many programs are networked from Sydney. | Contribute to the provision of an adequate and comprehensive range of broadcasting services in the area. * |
| 4MMM Brisbane | News | News item breached the Sexual Offences Act. | Use of the broadcasting service in commission of an offence against another Act. * |
| 4WK Warwick | Talkback with Howard Sattler | This program is networked and is not local. | Contribute to the provision of an adequate and comprehensive range of broadcasting services in the area. * |
| 4ZR Roma | General | Too many programs are networked and have little local content. | Contribute to the provision of an adequate and comprehensive range of broadcasting services in the area. * |

| Callsign | program/ advertisement/issue | substance of complaint | relevant code/program standard/ licence condition |
|---|--|--|--|
| Western Australia | | | |
| 6PR Perth | Howard Sattler | The presenter endorsed racist comments made by a listener. | Vilification on basis of race. |
| Tasmania | | | |
| 7EX Launceston | Advertisement | An advertisement for milk used offensive language. | Language. |
| COMMUNITY RADIO (includes services licensed as temporary community radio services) | | | |
| 2000 FM Sydney | Arabic | Dominance of Arabic language means service doesn't comply with the condition that requires content that is intended for reception by a broad cross-section of the community. | Special condition -- licensee must broadcast a minimum of 126 hours per week of programs intended for reception by a broad cross-section of Sydney's ethnic community. * |
| 2LVR Parkes/Forbes | General | Internal problems relating to conflict resolution. | Dispute resolution. Licensee to continue to represent community interest that it represented at time licence allocated. * |
| 3ECB Melbourne Eastern Suburbs | General | Cancellation of a program without any consultation. | Dispute resolution. Licensee to continue to represent community interest that it represented at time licence allocated. * |
| N/A | Community Radio Sandy Straits at Hervey Bay | Allegations of unfair dismissal and not abiding by code in dealing with volunteers and community groups. | Guidelines for volunteers, conflict resolution, complaints handling. Licensees to encourage members of community to participate. * |
| ABC TV | | | |
| ABC TV | 7.30 Report | Concern about footage featuring the complainant's son in a segment dealing with unemployment. | Discrimination, privacy. |
| SBS TV | | | |
| SBS TV | News | Incorrect reference to 'Macedonia'. Complaints handling. | Self-identification when referring to groups and individuals, complaints handling. |

| Callsign | program/ advertisement/issue | substance of complaint | relevant code/program standard/ licence condition |
|--------------------|---|---|--|
| SBS TV | Real Don Giovanni | Nudity in a promotion. | M – sex and nudity. |
| SBS TV | South Park promotion | Promotion showed semi-naked people from behind. | G – sex and nudity. |
| SBS TV | In Heaven as it is on Earth | Movie lampoons the Christian faith and is blasphemous. | Portrayal of religion. |
| SBS TV | South Park | South Park is offensive, especially toward the Christian religion. | Portrayal of religion. |
| PAY TV | | | |
| Foxtel | Excess Baggage promotion | Promotion for an adult movie was shown during PG classification zone. | PG – language, sex and nudity. |
| Austar | By Demand | Offended by lyrics in a video clip. | Classification, complaints handling. |
| ABC RADIO | | | |
| ABC Regional | Samantha Donovan | Discussion between presenter and interviewee depicted suicide favourably. | Reporting of suicide. |
| ABC 3LO | Veterinary Advice | Comments were racist, discriminatory and used stereotypes. | Discrimination. |
| ABC Radio National | Comfort Zone | Program was offensive and inappropriate for broadcast. | Sex and sexuality must be handled with integrity, complaints handling. |
| SBS RADIO | | | |
| SBS Radio | Tamil Language Program | Broadcast of a speech was not balanced coverage. | Present issues in an objective, balanced and professional manner. |

All potential breaches were of a code of practice unless otherwise indicated:

** potential breach of a licence condition.*

potential breach of the Act.

Investigations completed in 1999-00: breach finding

| Inv. no. | Callsign | program/ advertisement/ /issue | substance of complaint | relevant code/program condition standard/licence | No. of breaches |
|------------------------------|------------------|--------------------------------------|---|---|--------------------|
| COMMERCIAL TELEVISION | | | | | |
| New South Wales | | | | | |
| 1 | ATN7 Sydney | The Big Breakfast | Inappropriate promotion of products in a children's program. | Promotion of products in programs directed to children. | 1 |
| 2 | TCN9 Sydney | 60 Minutes | Use of coarse language, promotions for MA classified programs, complaints handling. | Complaints handling. | 2 |
| 3 | TCN9 Sydney | Australia's Funniest Home Video Show | Footage was too violent for a PG classified program. | PG – violence. | 1 |
| 4 | TCN9 Sydney | Promotion for 60 Minutes | Inaccurate material in a program promotion, complaints handling. | News/current affairs promotions – accuracy, complaints handling. | 3 |
| 5 | TCN9 Sydney | News | Objected to images of preparation and injection of heroin. | News/current affairs – exercise care in selection of material, complaints handling. | 3 |
| 6 | TCN9 Sydney | News | Inaccuracy in news item, complaints handling. | News/current affairs – accuracy, complaints handling. | 1 |
| 7 | TEN10 Sydney | Promotion for Just Shoot Me | Sexual reference inappropriate to be shown during a G viewing period. | Program promotions – promotions in G viewing periods. | 3 |
| 8 | WIN Southern NSW | News | Inaccuracy in a news item, complaints handling. | Accuracy in news, complaints handling. | 1 |
| Victoria | | | | | |
| 9 | HSV7 Melbourne | Promotion for Ally McBeal | Language in promotion inappropriate to be shown during a G viewing period. | Program promotions – promotions in G viewing period. | 1 |
| 10 | GTV9 Melbourne | Promotion for 60 Minutes | Promotion unsuitable for broadcast in a G viewing period, complaints handling. | Program promotions – promotions in G viewing periods, complaints handling. | 6 |

| Inv. no. | Callsign | program/ advertisement/ /issue | substance of complaint | relevant code/program condition standard/licence | No. of breaches |
|-------------------|--------------------------------|---|--|--|--------------------|
| 11 | GTV9 Melbourne | News | Incorrect use of the term Macedonia, complaints handling. | Complaints handling. | 2 |
| 12 | GTV9 Melbourne | A Current Affair | Invasion of privacy, complaints handling. | Complaints handling. | 1 |
| 13 | VTV9 Regional Victoria | Rove | Sexual behaviour and language in an M classified program, complaints handling. | Complaints handling. | 1 |
| Queensland | | | | | |
| 14 | BTQ7 Brisbane | Home and Away | Too violent for a G classified program. | G – violence. | 1 |
| 15 | BTQ7 Brisbane | Various news and current affairs programs | Inaccuracy, news not presented fairly, invasion of privacy. | News/current affairs – accuracy, privacy, correct significant errors of fact, news – presented fairly and impartially. | 4 |
| 16 | BTQ7 Brisbane | Today Tonight | Invasion of privacy. | News/current affairs – privacy. | 1 |
| 17 | QTQ9 Brisbane | Promotion for 'Co-Ed Call Girl' | Promotion was unsuitable for broadcast during a G classified time zone. | Program promotions – promotions in G viewing periods. | 3 |
| 18 | QTQ9 Brisbane | A Current Affair | Inaccuracy and misrepresentation of viewpoints, invasion of privacy. | News/current affairs – privacy. | 1 |
| 19 | QTQ9 Brisbane | 60 Minutes | Inaccuracy and misrepresentation of viewpoints. | News/current affairs – accuracy. | 1 |
| 20 | QTQ9 Brisbane | Today Show | Offended by nudity. | G – nudity. | 1 |
| 21 | QTQ9 Brisbane | Friday Night Football | Excessive advertising during coverage of football. | Amount of non-program matter scheduled. | 1 |
| 22 | TVQ10 Brisbane | The Bold and the Beautiful | Program contained material unsuitable for a G classified program. | G – must be suitable for children to watch without supervision. | 1 |
| 23 | TVQ10 Brisbane TEN10 Sydney | Beauty and the Beast | Offensive language in a PG classified program, complaints handling. | Complaints handling. | 2 |

| Inv. no. | Callsign | program/ advertisement/ /issue | substance of complaint | relevant code/program condition standard/licence | No. of breaches |
|-------------------------|---|---|--|---|--------------------|
| 24 | BTQ7, QTQ9, TVQ10 Brisbane, RTQ, STQ, QQQ, TNQ Regional Queensland | Queensland Government advertisements | Advertisement was political matter and needed to be identified as such. | Identification of political matter.* | 7 |
| 25 | RTQ Regional Queensland | King of Queens | Inappropriate material in a program promotion in a G classification time zone. | Program promotions – promotions in G viewing periods. | 5 |
| 26 | STQ7 Regional Queensland | Off the Beatty Track | Nudity and sexual references in a G classification time zone. | G – sex and nudity. | 1 |
| South Australia | | | | | |
| 27 | SAS7 Adelaide | Today Tonight | Viewpoints not represented fairly, complaints handling. | Complaints handling. | 2 |
| 28 | SAS7 Adelaide | News | Material unsuitable for the news, complaints handling. | News/current affairs – exercise care in selection of material, complaints handling. | 3 |
| 29 | NWS9 Adelaide | A Current Affair | Inaccuracy in current affairs program, invasion of privacy, failure to correct errors, complaints handling. | News/current affairs – accuracy, correct significant errors of fact, complaints handling. | 3 |
| COMMERCIAL RADIO | | | | | |
| New South Wales | | | | | |
| 30 | 2CH Sydney | Republican advertisements | Advertisements were political matter and needed to be identified as such. | Identification of political matter. * | 3 |
| 31 | 2GB Sydney | Graham Richardson | Invasion of privacy, complaints handling | Invasion of privacy, complaints handling. | 2 |
| 32 | 2UE Sydney | John Laws, Alan Jones | Disclosure of commercial agreements with third parties. | Identification of political matter *, current affairs – withholding relevant facts, advertisements – not to be presented as news or other programs. | 95 |
| 33 | ZONE Katoomba | Mark Hine Breakfast Show | Offensive language, complaints handling. | Language, complaints handling. | 2 |

| Inv. no. | Callsign | program/ advertisement/ /issue | substance of complaint | relevant code/program condition standard/licence | No. of breaches |
|------------------------|--------------------------------|---|---|---|--------------------|
| 34 | 2WIN Wollongong | Matthew Smith | Recording and broadcasting a private conversation without consent. | Use of the service in the commission of an offence against another Act *, broadcasting words of an identifiable person without consent. | 2 |
| Victoria | | | | | |
| 35 | 3KKZ Melbourne | The Grubby and Dee Dee Breakfast Show | Vilification of people on the basis of a disability, complaints handling. | Complaints handling. | 2 |
| 36 | 3BDG Bendigo | Night Zone | Presented misuse of liquor as desirable, complaints handling. | Complaints handling. | 2 |
| Queensland | | | | | |
| 37 | 4HOT Cairns | Song | Offensive language, complaints handling. | Complaints handling. | 1 |
| South Australia | | | | | |
| 38 | 5AA Adelaide | News | Inaccurate report on the news. | News – accuracy. | 1 |
| 39 | 5SAA Adelaide | Talkback | Conversation with presenter was recorded and broadcast without permission. | Recording and broadcasting words of an identifiable person without consent. | 2 |
| COMMUNITY RADIO | | | | | |
| 40 | 2000 FM Sydney | Arabic Access | Advertisements broadcast during the programs. | Prohibition on broadcasting advertisements. * | 1 |
| 41 | 2000 FM Sydney | Arabic Access | Too many sponsorship announcements, advertisements being broadcast. | Prohibition on broadcasting advertisements. * | 4 |
| 42 | Cool FM (TCBL) | Advertisements, sponsorship announcements | Broadcasting advertisements and exceeding limit for sponsorship announcements. | Prohibition on broadcasting advertisements. * | 1 |
| 43 | Port Stephens FM Radio (TCBL) | Mick and Chris Show | Comments were offensive and demeaning to homosexuals. | Demeaning material, complaints handling. | 2 |
| 44 | Opal FM Lightning Ridge (TCBL) | Dispute resolution | Failure to use appropriate dispute resolution procedures. | Dispute resolution. | 1 |
| 45 | Central Melbourne FM (TCBL) | General | Management issues, rights of volunteers, dispute resolution, complaints handling. | Rights of volunteers, dispute resolution, complaints handling. | 8 |

| Inv. no. | Callsign | program/ advertisement/ /issue | substance of complaint | relevant code/program condition standard/licence | No. of breaches |
|-----------------------|---------------|--------------------------------------|--|--|--------------------|
| 46 | 4ZZZ Brisbane | Music | Broadcast of coarse language and sexually explicit material. Complaints handling. | Protection of children from harmful material, sexually explicit material, complaints handling. | 3 |
| 47 | 6CRA Albany | Aussie Country Music | Offensive language. Failure to respond to a complaint. | Complaints handling. | 2 |
| SBS TELEVISION | | | | | |
| 48 | SBS TV | My One-Legged Dream Lover | The promotion was unsuitable for broadcast in a G classification zone. The program was unsuitable for broadcast in a PG classification zone. | Program promotions – promotions in G viewing periods. | 1 |
| 49 | SBS TV | News | Scene from the film 'Psycho' was too violent for the News, complaints handling. | Complaints handling. | 1 |

All breaches were of a code of practice unless otherwise indicated:

** breach of a licence condition.*

breach of the Act.

Summaries of breaches found in investigations into programming and other matters

Commercial television

Code: Commercial Television Industry Code of Practice

1 ATN 7 Sydney

Program: The Big Breakfast

Complaint: Inappropriate promotion of products in a program directed to children

The complainant alleged that during a segment of 'The Big Breakfast' two of the program's presenters promoted a Tarzan CD-ROM computer game in contravention of the requirements of the code.

The Authority found that the licensee of ATN 7 breached clause 6.23.1 of the code in that it broadcast a program mainly directed to children, 'The Big Breakfast', that included a segment in which the program presenters promoted a product. As a result of the complaint, the licensee stated that segments such as these are now presented by children or teenagers not otherwise connected with the program or with the Seven network. The Authority took no further action other than to publish its findings on the matter.

2 TCN 9 Sydney

Program: 60 Minutes

Complaint: Use of coarse language in current affairs programs; promotions for MA classified programs; complaints handling

The complainant alleged that the item, which discussed the acceptance of the use of coarse language in today's society, included language that was unsuitable for broadcast in a program commencing at 7.30 p.m. and that the item promoted an MA classified program during PG viewing time.

The Authority did not uphold the complaint in regards to language in a current affairs program as there was an identifiable public interest reason for presenting the program material. The Authority found that the warnings provided by the licensee at the beginning on the item complied with the requirements of the code. The Authority, however, found that the licensee breached clauses 7.9 and 7.12 of the code by failing to provide the complainant with a substantive response to the complaint and failing to advise the complainant that they may refer the matter to the Authority if not satisfied with the licensee's response.

As a result of the breaches, the licensee undertook to remind the producers of '60 Minutes' of their responsibilities in regards to the complaints handling provisions of the code. As this was the first such breach the Authority had found against the licensee since December 1998, the Authority took no further action other than to publish its findings.

3 TCN 9 Sydney

Program: Australia's Funniest Home Video Show

Complaint: Violence in a PG program

The Authority commenced an investigation after being advised that footage that the ABA had previously been found to be in breach of the code had again been broadcast on 'Australia's Funniest Home Video Show'.

The Authority found that the licensee breached clause 2.13.1 of the code by broadcasting violence that was unacceptable for a PG classification.

The licensee did not indicate to the Authority whether the failures in the internal administrative procedures that allowed the broadcast of material found in breach of the code had been rectified. The Authority wrote to the licensee and requested details of its internal administrative procedures and the program classification system that the licensee has in place.

4 TCN 9 Sydney

Program: Promotion for 60 Minutes

Complaint: Factual material not presented accurately in a promotion for a current affairs program; complaints handling

The complainant alleged that a program promotion for a story on '60 Minutes' was inaccurate as it incorrectly claimed that the patient featured in the story was the first paraplegic to walk again.

The Authority found that the licensee breached clause 4.5 of the code by presenting factual material inaccurately in a program promotion. The Authority also found that the licensee breached clauses 7.9 and 7.12 of the code by failing to respond to the complaint and by failing to advise complainant of the right to refer the matter to the Authority if not satisfied with the licensee's written response.

As a result of the findings, the licensee brought the issue of identification of code complaints to the attention of the executive producer of '60 Minutes'. The licensee undertook to closely scrutinise all future letters which referred to the '60 Minutes' mail segment to ensure whether they are code complaints rather than comment on the preceding weeks program. Given the difficulties encountered by the licensee in identifying the complaint in this instance, the Authority took no further action on this matter but undertook to monitor closely the licensee's handling of future code complaints.

5 TCN 9 Sydney

Program: News

Complaint: Care in the selection of material for broadcast; complaints handling

The complainant alleged that an item in the 'National Nine News' broadcast of 3 November 1999 depicted detailed images of people preparing heroin for injection. The complainant considered that these images showed 'the tools needed and procedures to be followed to experiment with the drug'.

The Authority found that the licensee of TCN 9 Sydney breached clauses 2.3.1 and 2.7.1 of the code by not exercising care in the selection and broadcast of material in a

segment of the 'National Nine News'. The Authority also found that the licensee breached clause 7.10 of the code by failing to respond to the complainant within 30 working days after receipt of his complaint.

As this was the first breach of clause 2.3.1 of the code that the Authority had found against the licensee since the revised code came into operation and the first breaches the Authority had found against the licensee in regards to clause 2.7.1 and clause 7.10 of the code, the Authority took no further action other than to publish its findings on the matter.

6 TCN 9 Sydney

Program: News

Complaints: Inaccuracy in news and current affairs; complaints handling

The complainant alleged that in two segments of the news broadcast on TCN 9 on 5 June 1996 and 29 July 1996 were inaccurate and breached clause 4.3 of the code. The complainant also alleged that TCN 9 did not follow the complaints handling procedure correctly.

The Authority concluded that the licensee of TCN 9 Sydney did not breach clauses 4.3.1 and 4.3.8 of the code in the two broadcasts. However, the Authority concluded that the licensee breached clause 7.9 of the code in relation to the complaint about the segment broadcast on 5 June 1999 by not responding within the time limits provided by the code. The licensee did not breach clause 7.8 in relation to that segment, and did not breach clauses 7.8 and 7.9 of the code in relation to the complaint about the segment broadcast on 29 July 1996.

The Authority noted the licensee's explanation that the delay in responding to the complainant's letter was due to the fact that it was relying on information to be transferred from its Los Angeles Bureau. However, it stated that it had advised the director of news of his obligations under clauses 7.8 and 7.9 of the code, and that it intended to hold a series of seminars in which considerable attention would be devoted to the complaints procedures under the code.

7 TEN 10 Sydney

Program: Promotion for 'Just Shoot Me'

Complaint: Sexual references not suitable for broadcast during a children's cartoon program

The complainant alleged that a program promotion for a PG classified program 'Just Shoot Me' contained verbal sexual references which were not appropriate for broadcast in children's cartoon programs broadcast at 7.30 a.m. on a Sunday.

The Authority found that the licensee breached clause 2.11 of the code by broadcasting a promotion in a G classified timezone which contained matter that was not very mild in impact and was likely to be unsuitable for children to watch without supervision; breached clause 3.8 of the code by broadcasting a promotion which did not comply with clause 2.11 and which contained verbal references which were not of the most innocuous kind and breached clause 3.6 of the code by broadcasting a promotion during a cartoon program in a G viewing period which did not comply with clause 3.8 of the code.

As a result of the Authority's investigation, the licensee sought a meeting with the Authority to discuss code provisions in relation to sexual references in promotions. In addition the licensee has taken action to ensure that program promotions which comply with the G requirements of the code but are not aimed at children, are not placed in programs mainly directed at children, such as cartoons.

8 WIN Southern NSW

Program: News

Complaint: Inaccuracy in a news item; complaints handling

The Authority received a complaint about the content of a news item concerning the location of a needle exchange program in Canberra's Civic district. The complainant alleged that the news item was not presented accurately or fairly. The Authority also investigated the manner with which the licensee had handled the original complaint. The Authority did not find that the program breached the code provision relating to accuracy and fairness in news and current affairs programs. The Authority determined, however, that the licensee had breached clause 7.8 of the code in that it did not advise the complainant in writing of their right to refer the complaint to the Authority if dissatisfied with the licensee's written response.

WIN reported that staff had been re-issued with company policies and procedures and that the manager who responded to the original complaint letter was no longer working for the WIN network. The Authority requested WIN provide a written apology to the complainant in relation to complaints handling.

9 HSV 7 Melbourne

Program: Ally McBeal promotion

Complaint: Unacceptable language in a program promotion broadcast during a G classified program

The Authority received a complaint alleging that a program promotion contained the word 'bitch', which was unacceptable language for a promotion broadcast during a G classified program.

The Authority determined that the licensee breached clause 3.6.10 of the code by broadcasting a program promotion that contained improper language, including mild expletives, in a G classified program.

The Seven network has not proposed any particular remedial action in response to the findings in this investigation. However, the Authority has sought information from the Seven network on the classification of promotions.

10 GTV 9 Melbourne

Program: Promotion for 60 Minutes

Complaint: Promotion was too violent for a G viewing period; complaints handling

The complainant alleged that a promotion for '60 Minutes' broadcast on 31 July 1999 by GTV 9 Melbourne during the program 'Burke's Backyard' was unsuitable for broadcast in a G classification timezone. The promotion contained footage of a mother

harming her child. The complainant also stated that GTV failed to advise that the matter could be referred to the Authority.

The Authority found that the licensee breached clauses 2.11.1, 3.8.2, 3.8.3, 3.8.7 and clauses 3.8 and 3.13 of the code by broadcasting a promotion for '60 Minutes', and also breached clause 7.12 of the code in dealing with a complaint made in relation to that broadcast.

Channel Nine, on behalf of GTV accepted the Authority's finding and stated that it had drawn the matter to the attention of the promotion's producers and those responsible for handling complaints with GTV to ensure that this would not occur again. The Authority is satisfied with the action taken by the licensee on this occasion, but may take this matter into consideration if it finds similar future breaches of the code.

11 GTV 9 Melbourne

Program: News

Complaint: Incorrect use of the term Macedonia

The complainant alleged that broadcasts by GTV 9 in its news and current affairs broadcasts throughout the Balkan crisis inaccurately made references to Macedonia instead of the Former Yugoslav Republic of Macedonia. The complainant also expressed concern that GTV did not respond to the complaint.

The Authority found that GTV's news broadcast of 1 May 1999 at 6 p.m., adequately demonstrated its policy of referring to the Former Yugoslav Republic of Macedonia in full in the first instance, then as Macedonia after that. The Authority found that clause 4.3.1 of the code had not been breached as factual material had been presented accurately. The Authority found, however, that GTV breached clause 7.9 of the code by not providing a substantive written response to the complaint and clause 7.13 of the code in that it did not make a reasonable effort to resolve the complaint promptly.

Channel Nine on behalf of GTV accepted the Authority's findings in relation to the matter. Nine stated that it takes the issue of complaints handling very seriously and that had the complainant's letter not been incorrectly interpreted as a 'campaign' letter he would have received a prompt and substantive reply. Nine also stated that a copy of the Authority's report has been handed to members of staff responsible for handling complaints in the GTV News Department.

12 GTV 9 Melbourne

Program: A Current Affair

Complaint: Invasion of privacy; complaints handling

The complainant alleged that an item broadcast by GTV 9 in 'A Current Affair' on 3 June 1999 was an invasion of his son's privacy. The item was a report on school bullying and the complainant alleged that footage of his son was edited in such a way as to portray him as a perpetrator in a bullying situation. The complainant suggested that this was an invasion of privacy and an inaccurate representation of the school and his son.

The Authority found that the licensee did not breach clauses 4.3.1, 4.3.5, 4.3.7 and 4.3.11 of the code by broadcasting an item on school bullying in its program 'A

Current Affair'. The Authority found, however, that the licensee breached clause 7.9 of the code in dealing with the complaint.

Channel Nine, on behalf of GTV, accepted the Authority's finding that in not providing a written response to the complainant, the licensee breached clause 7.9 of the code. Channel Nine apologised to the complainant for not responding to the complaint in writing, and provided a substantive response to the complaint.

13 VTV Regional Victoria

Program: Rove

Complaint: Sexual behaviour and language in an M classified program; complaints handling

The complainant alleged that during a segment of the program Rove, a female comedian used explicit coarse language and discussed adult themes in excess of the M classification.

The Authority did not uphold the complaint in regards to sexual references and coarse language in an M classified program. However, the Authority found that the licensee did breach clause 7.12 of the code by neglecting to advise the complainant in writing that they may refer their complaint to the Authority if dissatisfied with the station's written response.

The licensee undertook to refer all complainants to the Authority in the future. As this is the licensee's first such breach of the code, the Authority took no further action, other than to publish its findings on the matter.

14 BTQ 7 Brisbane

Program: Home and Away

Complaint: Program too violent for G classification

The Authority received a complaint alleging that an episode of 'Home and Away' was too violent for a G classification. The complainant also objected to the promotion for this program in other G classified programs, particularly during the Saturday morning cartoons.

The Authority found that the licensee breached clause 2.10.1 of the code in that it broadcast a G classified program that contained depictions of physical and psychological violence, the use of threatening language and special effects likely to cause alarm to unsupervised children.

The licensee acknowledged that the promotion for this episode was not suitable for children's viewing time and undertook to keep this issue in mind when making further promotions for the program.

15 BTQ 7 Brisbane

Program: Various news and current affairs broadcasts

Complaint: Inaccuracy, news not presented fairly or impartially, invasion of privacy

The Authority received a complaint in relation to a number of news and current affairs broadcasts by BTQ 7 that related to Senator Mal Colston and his family. The complainant alleged that the reports concerning the Colston family contained inaccuracies, were not fair or impartial and in some instances constituted an invasion of privacy.

The Authority found that the licensee had breached clauses 4.3.1, 4.3.5, 4.3.8 and 4.4.1 of the code in that it had not presented factual material accurately or represented viewpoints fairly, had used material that had invaded an individual's privacy without there having been any identifiable public interest reasons for doing so, had not corrected significant errors of fact at the earliest opportunity, and had not presented news fairly and impartially.

The Seven network disagreed with the Authority's findings but advised that all relevant BTQ 7 staff would be made aware of these findings and would be requested to take them into consideration in preparing future news reports.

16 BTQ 7 Brisbane

Program: Today Tonight

Complaint: Invasion of privacy

The Authority received a complaint about an item concerning the search by relatives for a twelve-year-old girl who at the time was living on the streets of Brisbane. The complainant was concerned by the fact that during this segment the girl was repeatedly identified, both visually and by the reporter using her full name. There was also an interview with a member of the police force who said that she was possibly involved with prostitution and drugs.

The Seven network admitted that there were no identifiable public interest reasons for identifying the girl and broadcasting assertions that she was involved in drugs and sex. Accordingly, the network acknowledged that the mention of these matters during the segment was a breach of clause 4.3.5 of the code.

The Seven network wrote to the young girl in question apologising for the distress caused to her by the segment. The network also assured the complainant that the segment had been retrieved from other broadcasters who had been supplied with the program, that the report would never be broadcast in its entirety again and that the assertions about drug taking and prostitution would never be used again. The Seven network also informed the Authority that a policy had now been introduced whereby the name of a child is not to be published in connection with possible criminal offences without formal clearance from the network's managing director or chief executive officer.

17 QTQ 9 Brisbane

Program: Promotion for movie 'Co-Ed Call Girl'

Complaint: Promotion for an M classified movie was unsuitable for broadcast during a G classified zone

The complainant alleged that the promotion for 'Co-Ed Call Girl', an M classified movie involving teenage prostitution, broadcast by QTQ 9 Brisbane, contained material which was unsuitable for a G classified timezone.

The Authority found that the licensee breached clauses 3.8.2, 3.8.7 and 3.8.9 of the code by showing a promotion containing images of a young girl being roughed up and subjected to physical and psychological violence, with more than a very low sense of threat or menace and verbal references which were not of the most innocuous kind.

The licensee submitted that all producers of promotions have been made aware of the requirements of the code in relation to the issues addressed in clause 3.8 and that these actions will help to prevent further breaches of the code.

The Authority noted that this licensee had breached the code on two previous occasions by broadcasting M classified promotions in a G classified periods.

On 5 April 2000, the Authority imposed an additional condition on the licence of QTQ 9 Brisbane. The licence condition makes compliance with clauses 3.6, 3.7 and 3.8 of the Commercial Television Industry code of Practice a condition of the licence held by the licensee, Queensland Television Limited.

18 QTQ 9 Brisbane

Program: A Current Affair

Complaint: Inaccuracy and misrepresentation of viewpoints in a current affairs program; invasion of privacy

The Authority received a complaint alleging that a segment concerning the activities of an organisation known as 'Life Integration Programmes' was inaccurate and created a misleading impression of this organisation. The complainant also claimed that footage of her shown during this segment amounted to an invasion of privacy.

The Authority determined that the licensee had not breached the provision of the code relating to accuracy and the fair representation of viewpoints. However, the Authority determined that the licensee breached clause 4.3.5 of the code by using material relating to a person's personal or private affairs other than where there were identifiable public interest reasons for the material to be broadcast.

The Nine network informed the Authority that it would ensure that the findings were brought to the attention of relevant personnel and that procedures adopted in response to the Authority's findings would ensure that the faces of people are obscured by pixillation or similar techniques where it is appropriate to do so in order to protect their privacy.

19 QTQ 9 Brisbane**Program: 60 Minutes****Complaint: Inaccuracy and misrepresentation of viewpoints in a current affairs program**

The Authority received a complaint alleging that an item concerning Senator Mal Colston made false allegations about Senator Colston and his family.

The Authority determined that the licensee had breached clause 4.3.1 of the code in terms of both accuracy and representing viewpoints fairly by broadcasting the statement that Senator Colston refused to comment on certain allegations when in fact no direct contact had been made with him.

In response to the finding, the Nine network informed the Authority that relevant staff had been advised that the failure of a person to respond to telephone calls and faxes requesting comment should not be referred to as a 'refusal'.

20 QTQ 9 Brisbane**Program: Today****Complaint: Depictions of nudity and sexual behaviour**

The complainant alleged that an item broadcast during the program 'Today' on 23 June 1999 contained depictions of nudity and sexual behaviour that were not suitable to be broadcast at that time of day.

The Authority found that, in broadcasting the item, the licensee breached clause 2.11.2 of the code by broadcasting a G classified program that contained visual depictions of sexual behaviour that were not infrequent nor strictly limited to the story line or program context and a visual depiction of nudity that was not discreet and absolutely necessary to the story line or program context. The Authority also found that the licensee breached clause 2.11 of the code as the program contained matter likely to be unsuitable for children to watch without supervision.

The licensee undertook to provide the relevant staff with a copy of the ABA's report for consideration in the preparation of future items on Today. The Authority took no further action other than to publish the findings of its investigation.

21 QTQ 9 Brisbane**Program: Friday night football****Complaint: Excessive advertising during football coverage**

On 8 September 1999 the Authority received a complaint alleging that an excessive amount of advertising was broadcast during the Friday Night Football program which went to air on 20 August 1999.

The Authority determined that the licensee breached clause 5.6.1 of the code in that the average amount of non-program matter scheduled between 6 p.m. and midnight exceeded 13 minutes per hour. The Authority also determined that the licensee did not breach clause 5.7.1 of the code.

This breach arose as a result of differences in interpreting section 5 of the code. In view of the clarification provided by the Authority's decision, the Authority does not propose to take any further action in relation to this investigation.

22 TVQ 10 Brisbane

Program: The Bold and the Beautiful

Complaint: Unsuitable material for G classification

The Authority received a complaint alleging that a particular scene that was set in a hospital and involved a young woman about to have an abortion was not suitable for a program classified G.

The Authority found that the scene in question was unsuitable for children to watch without the supervision of a parent and that the licensee had, therefore, breached clause 2.10 of the code. The Authority formed the opinion that this scene, despite being discreet and sensitively edited, could raise a number of questions in the minds of young viewers that most parents or guardians would wish to discuss.

In response to the Authority's decision Network Ten wrote to the Authority that it had incorporated the findings in this matter into the principles it applied in classifying programs for broadcast. The Authority took no further action in relation to the matter other than to publish its findings.

23 TVQ 10 Brisbane and TEN10 Sydney

Program: Beauty and the Beast

Complaint: Offensive and improper language on television; failure to notify referral of complaint to another licensee; failure to respond to complaint

The complainant alleged that Mr Stan Zemanek made offensive comments during 'Beauty and the Beast' and used improper language when discussing a legal protest made by Jabiluka Awareness Shareholders at the Energy Resources Australia Extraordinary General Meeting of 1998.

The Authority did not uphold complaint concerning the offensive and improper language. However, the Authority did find that the licensee of TVQ 10 breached clause 7.11.1 of the code by not providing an interim response within ten working days advising the complainant that another licensee would be providing a substantive written response. The Authority also determined that the licensee of TEN 10 breached clause 7.11.2 of the code as a response to the original complaint was not provided until 7 September 1999, outside the 30 day limit set by the code.

As a result of the breach, Network Ten, responding on behalf of TVQ 10 and TEN 10 advised that complaints handling procedures have been reviewed to avoid similar occurrences in the future. The Authority was satisfied with this action and took no further action other than to publish its findings on the matter.

24 BTQ 7, QTQ 9, TVQ 10, STQ, RTQ, TNQ, QQQ Queensland

Program: Queensland Government advertisement

Complaint: Queensland Government advertisements for the election were not 'tagged' with the required particulars

The complainant alleged that in broadcasting a political advertisement, commercial television licensees failed to comply with clause 4(2) of Schedule 2 to the Act which requires the identification of political matter.

The Authority found that on various dates between mid-June and mid-July 1999, the licensees of BTQ 7, QTQ 9, TVQ 10, STQ, RTQ, TNQ and QQQ breached clause 4 of Schedule 2 to the Act by broadcasting political matter at the request of another person and not broadcasting the required particulars. Therefore the licensees breached the condition of their licences set out at clause 7(1)(j) of Schedule 2 to the Act by broadcasting the advertisement.

Seven network stated that to prevent a further recurrence of a similar breach, BTQ 7 and STQ will follow the new Commercials Advice Pty Ltd (CAD) procedures, as outlined to the Authority.

Nine network stated that QTQ 9 will follow the new CAD procedures. In addition, Nine network stated that QTQ 9 has tightened its procedures for independent review of government commercials. Nine network submits that this addresses the possibility of a breakdown in CAD procedures.

Network Ten referred to the new CAD procedures as the action it has taken on behalf of TVQ 10 in this matter.

WIN Television Network (WIN) also referred to the new CAD procedures as the action it has taken in response to the breach by RTQ. WIN, on behalf of RTQ, stated that the decision by CAD to prima facie treat all advertising that is booked by a Government as potentially political matter will avoid any future breach of this type.

The licensee of TNQ and QQQ did not provide the Authority with information on what action it intended to take in relation to this matter.

The Authority notes that on 18 June 1999 it found a breach of this licence condition in similar circumstances by BTQ 7, QTQ 9, TVQ 10, RTQ, TNQ and STQ. After the end of this reporting, the Authority imposed an additional condition on these licences as a result of the findings of this investigation.

25 RTQ Queensland

Program: King of Queens

Complaint: Sexual references in promotion broadcast in a G classification timezone; complaints handling

The complainant alleged that a program promotion for the PG classified program 'King of Queens' was not appropriate for G classified timezone. The broadcast occurred during a Sunday afternoon football broadcast at 5.58 p.m. and the 'Today' morning program at 8.15 a.m. Dissatisfaction was also expressed about the way in which the station handled the complaint.

The Authority found that the licensee breached the clause 2.11 of the code, as it included matter that was likely to be unsuitable for children to watch without

supervision; clause 3.8 because it did not comply with clause 2.11; and it included material prohibited by clause 3.8.9, as it was a verbal reference to sexual behaviour that was not of the most innocuous kind. The Authority also found that the licensee breached clauses 7.12 and 7.14 because it did not advise the complainant that the matter could be taken to the Authority.

As a result of the Authority's investigation, the licensee advised it had reviewed its internal procedures and reminded all relevant personnel of the requirements of the code relating to the broadcast of program promotions in G viewing periods. In relation to the matter of complaints handling, all relevant managers and receptionists have been reminded by the general manager of the need to inform complainants of their right to refer matters to the Authority.

The Authority undertook to monitor closely the licensee's performance against section 3 of the code.

26 STQ 7 Regional Queensland

Program: Off the Beatty Track

Complaint: Nudity and sexual references in a G classification time zone

The Authority received an unresolved complaint regarding a number of segments broadcast in the program. The complainant was concerned that the program contained certain verbal sexual references and footage of a woman's bare buttocks that were unsuitable for broadcast during children's viewing time.

With respect to the verbal references to sexual behaviour, the Authority found that the licensee had not breached clause 2.10.2 of the code. However, the Authority found that the licensee had breached clause 2.10.2 of the code in that the vision of the woman's buttocks was not a discreet portrayal of nudity and involved visual references to sexual behaviour which were not limited or discreet.

The Authority took no further action other than to publish its findings in relation to the matter.

27 SAS 7 Adelaide

Program: Today Tonight

Complaint: Viewpoints not represented fairly; failure to advise complainant of right to refer the matter to the Authority

The complainant alleged that a story on the 'Today Tonight' program did not treat the complainant fairly and invaded his privacy.

The Authority found that the licensee did not breach clauses 4.3.1 and 4.3.5 of the code in its broadcast of the item concerning the complainant on 'Today Tonight'. The Authority did find, however, that the licensee breached clauses 7.12 and 7.14 of the code by failing to advise complainant of the right to refer the matter to the Authority if not satisfied with the licensee's written response.

As a result of the breach, the licensee undertook to respond to all future complaints in accordance with the code. The Authority took no further action on this matter but will

closely monitor the licensee's handling of future code complaints and may take this matter into consideration if it finds similar future breaches of the code.

28 SAS 7 Adelaide

Program: News program

Complaint: Exercising care in the selection and broadcast of material; failure to advise complainant of right to refer the matter to the Authority

The complainant considered that an item on the 6 p.m. news was offensive as it showed footage of a topless woman having her breast touched.

The news item concerned a former brothel owner and prostitution law reform campaigners candidature for Lord Mayor of Adelaide. During the item, a reference was made to an incident in Italy where an ex-porn star, Cicciolina, created worldwide interest by campaigning topless.

The Authority found that the licensee breached clauses 2.3.1 and 2.7.1 of the code by not exercising care in the selection and broadcast of material for the 6 p.m. news having regard to the likely composition of the audience. While the Authority considered that the subject matter of the story was of public interest, there was no public interest reason for selecting the footage of Cicciolina. The Authority also found that the licensee breached clause 7.12 of the code by failing to advise complainant of the right to refer the matter to the Authority if not satisfied with the licensee's response.

This was the second breach of the complaints handling procedures. The licensee informed the Authority that it was in the process of developing improved complaints handling procedures. These procedures will address staff training; ensure that correct complaint handling procedures will be followed regardless of whether certain staff are present or not; and include the development of pro-forma letters to ensure that complainants are notified of their rights under the code.

The Authority was satisfied with this action and took no further action other than to publish its findings on the matter.

27 NWS 9 Adelaide

Program: A Current Affair

Complaint: Inaccuracy in reporting the terms of a will; privacy; failure to correct significant errors of fact, complaints handling

The complainants alleged that an item broadcast by NWS 9 Adelaide in 'A Current Affair' on 2 March 1999 was inaccurate and misleading. The item suggested that, save for a sum of \$10 000 bequeathed to certain relatives, the balance of the \$18 million estate went to Chigi, the deceased man's dog.

The complainants also stated that the item broadcast was an invasion of privacy and that NWS failed to respond to the complainants' request for an on-air correction and failed to advise them that their complaint could be referred to the Authority.

The Authority found that the licensee breached clause 4.3.1 of the code by broadcasting an item relating to the will of Jack Tallis in its program 'A Current Affair' and clause 4.3.8 of the code by not correcting the error. The Authority also found that

the licensee later breached clause 7.8 of that code in dealing with a complaint made in relation to the broadcast.

The Authority recommended that the licensee make reasonable efforts to correct the significant errors of fact contained in this item at the earliest opportunity.

Commercial radio

Code: Commercial radio codes of practice

30 2CH Sydney

Program: Republican advertisements

Complaint: Advertisements were political matter and ought be identified as such

The complainant alleged that a series of four advertisements broadcast by Sydney commercial radio station 2CH on behalf of a group called United People Power were not tagged with the required particulars. The advertisements were for a product called 'The Alternative Three Constitution Kit' which, according to the advertisements, provided the purchaser with information relating to the November 1999 referendum on the republic.

The Authority found that three of the four announcements in question went beyond merely informing listeners of the existence of the referendum kit. One announcement suggested that those feeling 'trapped' by the GST should use their referendum vote to 'kill' the GST, while two other announcements suggested that there might be a 'trap' in the November referendum. Such announcements, in the opinion of the Authority, can properly be regarded as political matter.

The Macquarie Radio network, on behalf of 2CH, advised the Authority that once it had been advised by the Electoral Commission on 8 June 1999 that these advertisements needed to be tagged with the required particulars, this was done immediately. Tagged advertisements then ran until 13 June 1999. The Authority is following-up with the licensee to ensure that appropriate procedures are in place in relation to the broadcasting of political matter.

31 2GB Sydney

Program: Graham Richardson

Complaint: Invasion of privacy; failure to respond to the complaint

The complainant alleged that, after sending a letter of complaint to 2GB, Mr Richardson read out parts of this letter on-air, made comments about some aspects of it and named the suburb in which the complainant resides. The complainant wrote again to 2GB to express concerns at the way the station had handled his first letter of complaint, and alleged that the complaint was not responded to.

The Authority found that the broadcast of the complainant's personal information, sufficient to clearly identify him, was an unwarranted and intrusive invasion of privacy and a breach of clause 2.2(e) of the code. The Authority also found that 2GB breached clause 5.2(b) of the code by not responding in writing to a written complaint.

The licensee advised Mr Richardson and other 2GB on-air presenters of the Authority's findings. Further, the licensee issued a memorandum to all staff at 2GB referring to the requirements of the codes and nominating a staff member to be responsible for coordinating the complaints handling process.

32 2UE Sydney

Program: John Laws, Alan Jones

Complaint: The Authority commenced an investigation into the on-air disclosure of commercial agreements with third parties.

The Authority found 90 breaches of codes of practice and five of licence conditions. As a result of the investigation the Authority imposed two additional conditions on 2UE's broadcasting licence (see page 51 for more information).

33 ZONE FM Katoomba

Program: The Mark Hine Breakfast Show

Complaint: Offensive language; failure to respond to a complaint

The complainant alleged that the use of the word 'fuck' was not suitable for a breakfast program when children may be listening. The complainant had written to the station expressing his concerns but had not received a response.

The Authority determined that the licensee had breached clause 1.2 of the code, which relates to language, and clause 5.2 of the code, which relates to complaints handling. The licensee admitted that the broadcast in question had been unacceptable and that it had failed to respond to the complaint.

The licensee advised the Authority that it had now written a letter of apology to the complainant about the broadcast and the lack of response. The licensee also advised that station staff responsible for allowing the broadcast had been counselled and reminded of their responsibilities under the station's broadcasting policy. The licensee gave an assurance that complaints handling mechanisms were already in place but that, considering their failure in this instance, further measures had now been taken to ensure future compliance with the codes.

34 2WIN

Program: Matthew Smith

Complaint: Recording and broadcasting a private conversation without consent

The complainant alleged that an announcer on 2WIN telephoned him posing as a father of a Lake Illawarra High School student and that the conversation was recorded and broadcast without consent.

The Authority found that in broadcasting an edited version of a private conversation, the licensee, WIN Radio Pty Ltd, breached the licence condition at clause 8(1)(g) of Schedule 2 to the Act in that it used the broadcasting service in the commission of an offence against a law of the State of New South Wales, namely the *Listening Devices Act 1984*.

The Authority also found that the licensee breached code 6 by broadcasting the words of an identifiable person without informing that person that the words may be broadcast, or obtaining consent prior to broadcast.

The licensee advised that the announcer has been severely reprimanded and a written apology issued to the New South Wales Education Department.

35 3KKZ Melbourne

Program: The Grubby and Dee Dee Breakfast Show

Complaint: Vilification of a person or group on the basis of physical disability; failure to conscientiously consider a written complaint; failure to advise complainant of right to refer the matter to the Authority

The complainant alleged that a presenter on 'The Grubby and Dee Dee Breakfast Show' vilified people who are hearing impaired by using the term 'deaf and dumb'.

The Authority did not uphold the complaint with regard to vilification. However the Authority did find that the licensee breached clauses 5.6 and 5.7 of the codes by not conscientiously considering a written complaint and by not informing the complainant of the right to refer the complaint to the Authority if not satisfied with the licensee's written response.

The licensee advised the Authority that it would undertake to give close scrutiny to all future complaints and reply to those complaints in accordance with the requirements of the codes.

As these were the first breaches of the complaints handling procedures, the Authority took no further action other than to publish its findings and inform the licensee that it may take this breach into consideration if it finds similar future breaches of these sections of the codes.

36 3BDG Bendigo

Program: Night Zone

Complaint: The presentation as desirable of the misuse of alcoholic liquor; failure to conscientiously consider a written complaint; failure to advise complainant of right to refer the matter to the Authority

The complainant alleged the announcer of the 'Night Zone' radio program presented as desirable the misuse of alcoholic liquor to several callers.

The Authority did not uphold the complaint with regard to the presentation as desirable of the misuse of alcoholic liquor. However the Authority found that the licensee did breach clauses 5.6 and 5.7 of the codes by not conscientiously considering a written complaint and by not informing the complainant that he could refer his complaint to the Authority if he was not satisfied with the licensee's response.

The Authority reminded the licensee of its responsibilities in regards to the complaints handling sections of the codes regardless of its opinion of the relevance of the complaint. The Authority took no further action on this matter, but informed the licensee that it may take this breach into consideration if it finds similar future breaches of the code.

37 4HOT FM Cairns**Complaint: Unacceptable language, failure to respond to a complaint within the required timeframe**

The Authority received an unresolved complaint about the broadcast of a song entitled 'Chef Song', which the complainant alleged contained unacceptable language. The complainant also alleged that the station had not responded to her letter of complaint. The Authority determined that the licensee had not breached the provision of the code relating to offensive language but had breached clause 5.2(b) of the code in that a written complaint was not conscientiously considered and responded to as soon as practicable.

The licensee advised the Authority that a break down with internal communications had resulted in the complaint being overlooked and that it had reviewed its procedures for handling complaints. The Authority was satisfied with the procedural changes put in place and the subsequent response and attention given to the complainant's concerns by the licensee.

38 5AA Adelaide**Program: News****Complaint: Inaccuracy in news item, complaints handling**

The complainant alleged that an item in the evening news broadcast of 13 July 1999 made inaccurate statements about him and that the station failed to respond to his second letter of complaint.

The Authority found that the news item was inaccurate in a statement it made about the complainant and that the licensee breached clause 2.1(a) of the code in broadcasting the statement. The Authority did not uphold the complaint with regard to the manner in which the station handled the matter.

As a result of the investigation, the licensee implemented new procedures for the proofing and editing of news items it receives from interstate news sources. The Authority was satisfied with the action taken.

39 5SAA Adelaide**Program: Interview/Talkback Programs****Complaint: Conversation with presenter was recorded and broadcast without permission**

The complainant alleged that on 28 April 1999 her conversation was recorded and broadcast without her consent by commercial radio station 5SSA-FM.

In its response to the Authority, the licensee admitted that the broadcast in question had been unacceptable. The licensee advised the Authority that it had written a letter of apology to the complainant prior to the Authority's investigation of the matter.

The licensee advised the Authority that management had reminded station staff of their responsibilities to notify callers when their conversation is being recorded and to gain express permission for broadcasting a person's words. The Authority also noted that the licensee had apologised to the complainant on a number of occasions.

The Authority is of the view that, as this was the first occasion the Authority had found this licensee to have breached a clause of the codes, given the circumstances in which the breach occurred, the action taken by the licensee was adequate and the Authority did not recommend any further action be taken in relation to this matter.

Community radio

Code: Community Broadcasting Codes of Practice

40 2000 FM Sydney

Program: Arabic Access

Complaint: Broadcasting advertisements

The Authority received several complaints regarding Sydney ethnic community radio station 2000 FM. These complaints were all in relation to the Arabic language Arabic Access program and alleged that various editions of this program contained advertisements or 'advertorials'.

The Authority concluded that the licensee of 2000 FM had breached a condition of its licence by broadcasting an advertisement for the *1999 Arabic Commercial Directory*.

In response 2000 FM undertook to advise the producer of the Arabic Access program to record every sponsorship announcement and submit the cassette to the management every day until further notice and also to submit a program sheet to management every day together with the recorded cassette of each program.

41 2000 FM Sydney

Program: Arabic Access

Complaint: Advertising; exceeding the allowable amount of sponsorship announcements

The Authority received a complaint alleging that ethnic community radio station 2000 FM broadcast advertisements rather than sponsorship announcements. In addition, the complainant alleged that the advertisements/sponsorship announcements were broadcast for more than four minutes in an hour.

The Authority determined that the licensee breached a condition of its licence by broadcasting four advertisements, but did not breach a condition of its licence by broadcasting more than four minutes of sponsorship announcements in an hour.

The station manager has informed the Authority that the licensee was continuing to monitor the Arabic Access program and that it had clarified with the principal broadcaster the proper tagging practice of one tag per sponsor. The licensee has also taken steps to discuss interview techniques and strategies to avoid accidental advertising or breaching the sponsorship guidelines of the Act. The Authority notes that the licensee has breached this licence condition previously, and intends to follow up this matter with the licensee to ensure further breaches do not occur.

42 Cool FM

Complaint: Broadcasting advertisements; exceeding the limit for sponsorship announcements

The complainant alleged that a temporary community radio station broadcasting under the name Cool FM and operating in the northern rivers area of north-eastern NSW was repeatedly breaching the conditions of its licence relating to sponsorship announcements and advertisements.

The Authority determined that the licensee of Cool FM had breached a condition of its licence by broadcasting advertisements. Under the Act, community broadcasting licensees are prohibited from broadcasting advertisements and may only broadcast up to four minutes per hour of sponsorship announcements. However, the Authority was mindful of the fact that some of the sponsorship agreements that resulted in breach findings had been made by personnel no longer associated with Cool FM.

After the Authority finalised its investigation Cool FM advised the Authority that it had introduced a training scheme for announcers, ensured that in the future all announcers sign an agreement stating that any deliberate breach of the Act will result in their being taken off air permanently, changed the management structure so that managers were more accountable for their actions, and cancelled the program which had resulted in the breach finding.

43 Port Stephens FM Radio (temporary community broadcasting licensee)

Program: Mick and Chris Show

Complaint: Comments were offensive and demeaning to homosexuals; complaints handling

The complainant alleged that certain comments made by a program presenter during the 'Mick and Chris Show' on 18 June 1999, were offensive and demeaning to homosexual people. The complainant also expressed his dissatisfaction with the way the station handled his complaint.

The Authority found that Port Stephens FM Radio Inc. (PSFM) breached clauses 2.3 and 7.4(b) of the code by broadcasting material that attempted to demean an individual or group on the grounds of sexual preference and by not conscientiously considering, investigating and responding to the complaint as soon as practicable.

PSFM provided the complainant with written and on-air apologies. In addition, PSFM volunteers have been advised to keep their on-air announcing within broadcasting guidelines. PSFM also advised the Authority that the incident is to be included in the station's training sessions as an example of what to avoid.

The Authority will take no further action against the station at this time. However, the Authority will closely monitor PSFM's performance against the code in the future.

44 Opal FM Lightning Ridge

Program: n/a

Complaint: Dispute with the station regarding conflict resolution

The complainant alleged that the management practices with regard to dispute resolution at community station Opal FM breached the code. Opal FM stated that all attempts to resolve the dispute were ignored by the complainant. However, it appears that these attempts were confined to telephone calls and that there was no attempt to communicate in writing with the complainant to try to resolve the dispute through alternative dispute resolution mechanisms.

The Authority found that the licensee of Opal FM breached clause 6.4 of the code by not seeking alternative dispute resolution mechanisms to resolve a dispute with a former presenter.

Opal FM submitted that it is now aware of the requirements of the code and will handle any further disputes accordingly. The Authority requested, and was provided with a copy of the Opal FM Codes of Practice [Constitution], which outlined the licensee's procedures in relation to internal disputes. The Authority accepts the assurance given by Opal FM that any further disputes will be handled in accordance with the code and the procedures set out in the Opal FM code, and has decided to take no further action in relation to this breach.

45 City FM (Melbourne temporary community broadcasting licensee)

Issue: Management

Complaint: Critical of stations' disputes resolution and complaints handling procedures

The complainants alleged that the management team of the licensee, Central Melbourne FM Inc., breached the conditions of its licence and the community broadcasting code of practice in the manner in which the complainants' grievances were handled.

The Authority found that the licensee breached code 5, as it did not have in place the required volunteer guidelines. The Authority also found that, in its management of the dispute, the licensee breached clauses 6.1, 6.2, 6.3 and 6.4 of Code 6 and clauses 7.3 and 7.4 of Code 7. The Authority did not uphold the complaints concerning alleged breaches of licence conditions nor Code 1.

As a result of the investigation, the licensee undertook to review its procedures for resolving disputes. It also undertook to contact the complainants' with a view to resolving the matter in a manner consistent with its obligations under the code.

The Authority took no further action with regard to the matter pending a satisfactory resolution of the dispute.

46 4ZZZ Brisbane

Complaint: Broadcast of coarse language and sexually explicit material; failure to supply a copy of the code in a response to a written complaint

The complainant alleged that the two songs, *Circus World* and *Dad*, broadcast on community radio station 4ZZZ contained coarse language and adult themes that were too explicit to be broadcast.

The Authority found that the licensee breached clauses 1.7 and 2.2 by broadcasting highly explicit material, including frequent very coarse language and adult themes, which was likely to alarm, distress and shock listeners with no justification and by broadcasting this extreme material at 10 a.m., a time when children would likely to be listening. The Authority considered that by broadcasting this material, the licensee demonstrated that it did not have programming practices in place that would protect children from harmful program material. The Authority also found that the licensee breached clause 7.5 of the code by failing to provide the complainant with a copy of the code on handling complaints.

As result of this breach, the licensee advised that the announcer responsible had been moved to another timeslot and that it has developed a new station policy that will prohibit the broadcasting, between the hours of 6 a.m. and 6 p.m. on each day, of material that may be considered harmful to children. The licensee advised that the song *Circus World* has been removed from its record library and undertook to ensure that a copy of the code on handling of complaints is sent to all future complainants.

The Authority was satisfied with this action and took no further action other than to publish its findings on the matter.

47 6CRA Albany

Program: Aussie Country Music

Complaint: Failure to respond to a complaint

The Authority received an unresolved complaint about offensive language in songs broadcast by Albany community radio station 6CRA. The complainant alleged that the songs contained unacceptable language, and that 6CRA had not responded to the complaint.

The Authority determined that the licensee had not breached the code in regard to clause 2.2, in that the use of the word 'bloody' was not offensive. However, the Authority determined that the licensee had breached clauses 7.3 and 7.4 of the code in that it had not responded to a complaint.

The licensee, although disagreeing with the finding, advised the Authority that it would abide by the Authority's view that each complaint made to a station should be considered on its merits and stations are not entitled to simply ignore letters from particular individuals.

SBS Television

Code: SBS Code of Practice

48 SBS Television

Program: Promotion for 'My One-Legged Dream Lover'

Complaint: The promotion was unsuitable for broadcast in a G classified timezone. The program was unsuitable for broadcast in a PG classified timezone

The complainant alleged that the promotion contained denigrating images of semi-naked women which was inappropriate for promotions broadcast when children could be watching. The program 'My One-Legged Dream Lover', classified PG, is a documentary which looks at the world of female amputees from the point of view of one amputee and search for sexual identity. The complainant also stated that program being promoted was too explicit for broadcast at 8.00 p.m..

The Authority found that the promotion, broadcast at 6.30 p.m. on 9 April 1999, a G classification timezone, contained images and verbal references which were unsuitable for children to watch without the supervision of a parent or guardian. However, the Authority found that SBS did not breach the code in broadcasting the program in a PG classification timezone.

SBS questioned the Authority's finding regarding the promotion but the Authority was of the view that in this case the detail and intensity of the treatment of this topic were emphasised by the editing of images out of context, together with the verbal references and tone of the voice-over, made this promotion unsuitable for a G timezone.

49 SBS Television

Program: News item on Alfred Hitchcock

Complaint: Scene from the film 'Psycho' was too violent for the News

The complainant alleged that the stabbing scene in the shower from the Alfred Hitchcock psychological thriller *Psycho* was too violent for the 6.30 p.m. timeslot. The complainant was also dissatisfied with the response he received from SBS to his complaint.

The Authority found that SBS did not breach the SBS code by including the stabbing scene from *Psycho* in a news item which was a homage to Alfred Hitchcock. However, the Authority found that SBS breached clause 7.3.2 of the code by not providing an adequate response to the complainant following the receipt of the complaint.

SBS advised the Authority that it did not deal more comprehensively with the letter from the complainant because the complaint was judged to be 'frivolous'. The Authority's view is that SBS can only decline to address the major concerns of a complainant if the complaint can, on an objective consideration, be properly found to be 'clearly frivolous'. Therefore the complainant was entitled to a response addressing the substance of his complaint.

Appendix 5

Licence area planning and licensing

Table 1 Final and draft licence area plans released during the year

| Final licence area plan | Date released |
|--------------------------------|----------------------|
| Wollongong radio | 2 July 1999 |
| Cooma radio | 30 July 1999 |
| Nowra radio | 13 August 1999 |
| Sydney radio | 17 December 1999 |
| Katoomba radio | 17 December 1999 |
| Melbourne radio | 22 June 2000 |
| Geelong radio | 22 June 2000 |
| Colac radio | 22 June 2000 |
| Draft licence area plan | Date released |
| Gosford radio | 30 August 1999 |
| Brisbane radio | 8 June 2000 |
| Ipswich radio | 8 June 2000 |
| Sunshine Coast radio | 8 June 2000 |
| Gold Coast radio | 8 June 2000 |
| Richmond/Tweed radio | 8 June 2000 |
| Gympie radio | 8 June 2000 |

Table 2 Number of new transmitters planned in final licence area plans

| Licence area plan | National | Commercial | Community | Open narrowcast |
|--------------------------|-----------------|-------------------|------------------|------------------------|
| Sydney | – | 5 | 12 | 3 |
| Cooma | 2 | 8 | 4 | 4 |
| Katoomba | – | – | – | – |
| Nowra | 1 | – | – | 3 |
| Wollongong | – | – | – | 2 |
| Melbourne | – | 2 | 9 | 2 |
| Geelong | – | – | 2 | 2 |
| Colac | – | – | 1 | – |

Table 3A Open narrowcasting licences auctioned before 1 July 1999 and allocated in the reporting period

| State | Area served | Frequency | Applicant name | Amount paid (\$) | LAP date | Licence issued | |
|-----------|----------------|-----------|--------------------------------|-------------------------------------|-----------|----------------|-------------|
| NSW | Armidale | 104.3 MHz | NSW Race Narrowcasts Pty Ltd | 4000 | Aug 1998 | 20 Aug 1999 | |
| | Coffs Harbour | 107.1 MHz | NSW Race Narrowcasts Pty Ltd | 32 000 | Oct 1998 | 20 Aug 1999 | |
| | Grafton | 101.5 MHz | NSW Race Narrowcasts Pty Ltd | 8000 | Aug 1998 | 20 Aug 1999 | |
| | Gunnedah | 95.9 MHz | NSW Race Narrowcasts Pty Ltd | 4000 | July 1998 | 20 Aug 1999 | |
| | Kempsey | 101.5 MHz | NSW Race Narrowcasts Pty Ltd | 4000 | Oct 1998 | 20 Aug 1999 | |
| | Murrurundi | 98.5 MHz | NSW Race Narrowcasts Pty Ltd | 4000 | Oct 1998 | 20 Aug 1999 | |
| | Muswellbrook | 103.3 MHz | NSW Race Narrowcasts Pty Ltd | 4000 | Oct 1998 | 20 Aug 1999 | |
| | Port Macquarie | 92.7 MHz | NSW Race Narrowcasts Pty Ltd | 4000 | Oct 1998 | 20 Aug 1999 | |
| | Tamworth | 90.5 MHz | NSW Race Narrowcasts Pty Ltd | 4000 | Aug 1998 | 20 Aug 1999 | |
| | Taree | 105.7 MHz | NSW Race Narrowcasts Pty Ltd | 8000 | Oct 1998 | 20 Aug 1999 | |
| | QLD | Cairns | 104.3 MHz | FNQ Broadcasters Cairns Pty Limited | 115 000 | Oct 1997* | 21 Feb 2000 |
| | | Innisfail | 873 kHz | Coastal Broadcasters Pty Limited | 4000 | Nov 1997 | 12 Aug 1999 |
| Toowoomba | | 91.5 MHz | Gold Radio Service Pty Limited | 34 000 | Nov 1998 | 5 May 2000 | |
| Toowoomba | | 99.1 MHz | Gold Radio Service Pty Limited | 10 000 | Nov 1998 | 5 May 2000 | |
| Toowoomba | | 93.7 MHz | Gold Radio Service Pty Limited | 10 000 | Nov 1998 | 5 May 2000 | |

*licence area plan variation October 1998, allocation delayed as a result.

Table 3B Open narrowcasting licences auctioned in November 1999 and allocated in the reporting period

| State | Area served | Frequency | Applicant name | Amount paid (\$) | LAP date | Licence issued |
|-------|-----------------|-----------|------------------------------|------------------|-----------|----------------|
| ACT | Canberra | 1008 kHz | NSW Race Narrowcasts Pty Ltd | 90 000 | June 1999 | 1 Apr 2000 |
| | Tuggeranong | 88.7 MHz | NSW Race Narrowcasts Pty Ltd | 4000 | June 1999 | 16 Feb 2000 |
| NSW | Batemans Bay | 96.3 MHz | NSW Race Narrowcasts Pty Ltd | 4000 | June 1999 | 1 Apr 2000 |
| | Bombala | 90.9 MHz | NSW Race Narrowcasts Pty Ltd | 4000 | July 1999 | 16 Feb 2000 |
| | Bowral | 1215 kHz | NSW Race Narrowcasts Pty Ltd | 20 000 | Aug 1999 | 1 Apr 2000 |
| | Cooma | 96.9 MHz | NSW Race Narrowcasts Pty Ltd | 4000 | July 1999 | 1 Apr 2000 |
| | Eden | 107.1 MHz | NSW Race Narrowcasts Pty Ltd | 4000 | June 1999 | 1 Apr 2000 |
| | Goulburn | 94.3 MHz | NSW Race Narrowcasts Pty Ltd | 24 000 | June 1999 | 1 Apr 2000 |
| | Goulburn (town) | 100.7 MHz | Kevin James Blyton | 4000 | June 1999 | 1 Mar 2000 |
| | Jindabyne | 102.7 MHz | NSW Race Narrowcasts Pty Ltd | 4000 | July 1999 | 1 Apr 2000 |
| | Moruya | 98.5 MHz | NSW Race Narrowcasts Pty Ltd | 4000 | June 1999 | 1 Apr 2000 |
| | Narooma | 106.9 MHz | NSW Race Narrowcasts Pty Ltd | 4000 | June 1999 | 1 Apr 2000 |
| | Newcastle | 1341 kHz | NSW Race Narrowcasts Pty Ltd | 8000 | Oct 1998 | 17 Dec 1999 |
| | Nowra | 103.7 MHz | NSW Race Narrowcasts Pty Ltd | 12 000 | Aug 1999 | 1 Apr 2000 |
| | Queanbeyan | 97.5 MHz | NSW Race Narrowcasts Pty Ltd | 56 000 | June 1999 | 1 Apr 2000 |
| | Thredbo | 106.9 MHz | NSW Race Narrowcasts Pty Ltd | 4000 | July 1999 | 1 Apr 2000 |
| | Wollongong | 1314 kHz | NSW Race Narrowcasts Pty Ltd | 28 000 | July 1999 | 17 Dec 1999 |
| | Wollongong | 1575 kHz | Tatley Pty Ltd | 4000 | July 1999 | 22 Dec 1999 |
| | Yass | 107.9 MHz | NSW Race Narrowcasts Pty Ltd | 4000 | Jun 1999 | 16 Feb 2000 |

Table 4 Permanent community licences allocated

| State | Area served | Frequency (MHz) | Licensee | Final LAP release date | Decision date |
|------------|-------------------|-----------------|---|-----------------------------|---------------|
| ACT | Canberra | 92.7 | Artsound FM Incorporated | 18 Jun 1999 | 8 Jun 2000 |
| | Canberra | 91.9 | Canberra Christian Radio Limited | 18 Jun 1999 | 8 Jun 2000 |
| | Canberra | 91.1 | Ethnic Broadcasting Council of the ACT and Surrounding Areas | 18 Jun 1999 | 8 Jun 2000 |
| | Tuggeranong | 89.5 | Valley FM Broadcasters Association Inc. | 18 Jun 1999 | 1 May 2000 |
| NSW | Bega | 93.7 | Bega Access Radio Inc | 18 Jun 1999 | 11 Jan 2000 |
| | Cessnock/Maitland | 96.5 | Central Hunter Community Broadcasters Inc | 9 Oct 1998 | 29 Oct 1999 |
| | Coffs Harbour | 107.9 | Holiday Coast Community Radio Inc. | 26 Oct 1998 | 16 Dec 1999 |
| | Deepwater | 99.1 | Deepwater and Districts Community FM Radio Inc. | 2 Jul 1998 | 27 Jul 1999 |
| | Grafton | 103.1 | Clarence Valley Christian Broadcasters Inc . | 2 Sep 1998 | 11 Jan 2000 |
| | Kempsey | 103.1 | Macleay Valley Community FM Radio Association Inc. | 26 Oct 1998 | 24 Sep 1999 |
| | Lake Macquarie | 97.3 | Lake Waves FM Community Radio Inc. | 9 Oct 1998 | 15 Oct 1999 |
| | Lightning Ridge | 89.7 | Lightning Ridge Community Radio Inc. | 13 Dec 1996 | 14 Nov 1999 |
| | Muswellbrook | 101.7 | Mt Helen FM & TV Upper Hunter & Liverpool Plains Community Broadcasting, Telecasting & Tourism Association Inc. | 9 Oct 1998 | 1 Sep 1999 |
| | Newcastle | 99.7 | Newcastle Christian Broadcasters Ltd | 9 Oct 1998 | 22 Nov 1999 |
| | Port Macquarie | 99.9 | Mid North Coast Christian Broadcasters Inc. | 26 Oct 1998 | 22 Nov 1999 |
| | Port Stephens | 100.9 | Port Stephens FM Radio Inc. | 9 Oct 1998 | 30 Aug 1999 |
| | Queanbeyan | 96.7 | Queanbeyan Community Radio Inc. | 18 Jun 1999 | 3 Apr 2000 |
| | Tamworth | 89.7 | Peel Valley Christian Broadcasters Inc. | 2 Sep 1998 | 10 Jul 1999 |
| | Taree | 103.3 | Mid North Coast Indigenous Broadcasters Association Aboriginal Corporation | 9 Oct 1998 | 22 Nov 1999 |
| | Wollongong | 94.1 | Living Sound Broadcasters Limited | 2 Jul 1999 | 16 Mar 2000 |
| | VIC | Bendigo | 88.7 | Vision Australia Foundation | 7 Oct 1999 |
| Bendigo | | 96.7 | Bendigo FM Education Broadcasting Inc | 7 Oct 1999 | 16 Dec 1999 |
| Shepparton | | 100.1 | Vision Australia Foundation | 21 Sep 1997 | 12 Aug 1999 |
| QLD | Bowen | 95.1 | Bowen Community Broadcasting Association Inc. | 6 Nov 1997 | 21 Oct 1999 |
| | Bundaberg | 94.7 | Bundy FM Community Radio Association Inc. | 12 Feb 1998 | 7 Oct 1999 |
| | Dalby | 89.9 | Dalby Broadcasting Association Inc. | 1 Dec 1998 | 22 Nov 1999 |
| | Emerald | 96.3 | Emerald Community Broadcasters Association Inc. | 10 Mar 1998 | 1 Oct 1999 |
| | Hervey Bay | 107.5 | Fraser Coast Community Radio Inc. | 12 Feb 1998 | 9 Sep 1999 |
| | Mareeba | 92.9 | Living Waters Community Radio Association Inc. | 4 Dec 1997 | 1 Dec 1999 |
| | Rockhampton | 100.7 | Central Queensland Aboriginal Corporation for Media | 10 Mar 1998 | 15 Nov 1999 |
| | Toowoomba | 92.9 | Toowoomba Christian Broadcasters Inc. | 1 Dec 1998 | 1 Mar 2000 |
| | Warwick | 89.3 | Warwick Community FM Radio Assoc Inc. | 1 Dec 1998 | 1 Dec 1999 |
| | Wondai | 90.7 | Community Radio of Wondai Association Inc. | 10 Oct 1998 | 22 Nov 1999 |
| WA | Esperance | 103.9 | Esperance Sonshine Broadcasters Inc. | 8 Oct 1996 | 31 Aug 1999 |
| NT | Borroloola | 102.9 | Mabunji Aboriginal Resource Association Inc. | 17 Oct 1996 | 16 Nov 1999 |

Table 5 Permanent community licences offered but not allocated

| State | Area served | Frequency (MHz) | Final LAP release date | Decision date |
|--------------|--------------------|------------------------|-------------------------------|----------------------|
| NSW | Cooma | 93.3 | 30 Jul 1999 | 16 Mar 2000 |
| | Narrabri | 91.3 | 17 Jul 1998 | 18 Nov 1999 |
| | Wollongong | 93.3 | 2 Jul 1999 | 16 Mar 2000 |
| | Yass | 100.3 | 18 Jun 1999 | 23 Jun 2000 |

Table 6 Community licences advertised but not yet allocated

| State | Area served | Frequency/ power | Number of applicants | Final LAP release date | Date licence advertised |
|--------------|--------------------|-------------------------|-----------------------------|-------------------------------|--------------------------------|
| NSW | Sydney | 94.5 MHz / 150 kW | 18 | 16 Dec 1999 | 17 Feb 2000 |
| | Sydney | 93.7 MHz / 50 kW | 18 | 16 Dec 1999 | 17 Feb 2000 |
| | Sydney | 92.1 MHz / 15 kW | 18 | 16 Dec 1999 | 17 Feb 2000 |
| | Blacktown | 99.9 MHz / 200 W | 3 | 16 Dec 1999 | 17 Feb 2000 |
| | Campbelltown | 100.1 MHz / 200 W | 1 | 16 Dec 1999 | 17 Feb 2000 |
| | Hornsby | 100.3 MHz / 200 W | 4 | 16 Dec 1999 | 17 Feb 2000 |
| | Penrith | 100.7 MHz / 200 W | 2 | 16 Dec 1999 | 17 Feb 2000 |
| QLD | Cunnamulla | 99.7 MHz / 100 W | 1 | 29 Aug 1996 | 22 Apr 1998 |

Table 7 Aspirant community broadcasters 1999–00

Aspirant community broadcasters issued with a temporary community broadcasting licence in 1999–00, in order of area served.

Australian Capital Territory

| | |
|----------|---|
| Canberra | Artsound Inc. |
| Canberra | Canberra Christian Radio Ltd |
| Canberra | Country Music Collective Inc. |
| Canberra | Ethnic Broadcaster's Council of the A.C.T. and Surrounding Districts Inc. |
| Canberra | Radio Antenna International FM Inc. |

New South Wales

| | |
|----------------------------|---|
| Blacktown | Blacktown City Community Radio SWR-FM Association Inc. |
| Byron Bay | Bay FM Community Radio Inc. |
| Campbelltown | Macarthur Community Radio Association Inc. |
| Casino | Casino's Own Wireless Association Inc. |
| Coonabarabran | Warrumbungles Community Broadcasting Association Inc. |
| Coonamble | Warrumbungles Community Broadcasting Association Inc. |
| Coraki | Community Radio Coraki Association Inc. |
| Cowra | Cowra Community Information and Neighbourhood Centre Inc. |
| Gilgandra | Warrumbungles Community Broadcasting Association Inc. (Gilgandra) |
| Gosford | Central Coast Broadcasters Ltd |
| Gosford | Five-O-Plus Public Radio Association Inc. |
| Gosford | Radio Yesteryear Inc. |
| Gosford | Wyong-Gosford Progressive Community Radio Inc. |
| Hornsby | North F.M. – Hornsby/Ku-ring-gai Community Radio Inc. |
| Katoomba | Nepean Christian Broadcasters Ltd |
| Monaro | Nimmitabel Advancement Group Inc. |
| Murwillumbah – Tweed Heads | Cool FM Community Radio Association Inc. |
| Narrabri | Kaputar FM Community Radio Inc. |
| Narrabri | Narrabri Shire Community Radio Inc. |
| Nimbin | Nimbin Independent Media Inc. |
| Nowra | Southern Mountain Media Inc. |
| Penrith | Nepean Riverlands Community Radio Association Inc. |
| Sydney | Chinese Community Service Broadcasting Inc. |
| Sydney | 2 Groove Inc. |
| Sydney | Chinese Community Radio Inc. |
| Sydney | Combined Multicultural Christian Community of NSW Inc. |
| Sydney | Free Broadcast Inc. |
| Sydney | Gadigal Information Service Aboriginal Corporation |
| Sydney | Muslim Community Radio Inc. |
| Sydney | Out FM Sydney Ltd. |
| Sydney | Sydney Gay & Lesbian Broadcasters Inc. |
| Sydney | Sydney Youth Radio Inc. |
| Sydney | Underground Broadcasting Inc. |
| Wollongong | Living Sound Broadcasters Ltd |
| Yass | Yass Community Radio Association Inc. |

Victoria

| | |
|---------------------------|---|
| Bacchus Marsh | Bacchus Marsh Community Radio Group Inc. |
| Camberwell | Swinburne Student Union Inc. |
| Camberwell | Whitehorse – Boroondara FM Community Radio Inc. |
| Colac | Colac Public Radio Group Inc. |
| Corryong | High Country Christian Broadcasters Association Inc. |
| Corryong/Walwa/Tumbarumba | Upper Murray Community Radio Inc. |
| Geelong | Geelong Gospel Radio Inc. |
| Horsham | Horsham & District Community FM Radio |
| Melbourne | 3CCFM Association Inc. |
| Melbourne | Central Melbourne FM Inc. |
| Melbourne | Employment Access Radio Inc. |
| Melbourne | Golden Days Radio for Senior Citizens Inc. |
| Melbourne | Hitz FM Broadcasters Inc. |
| Melbourne | Hot FM Current Chart Radio Inc. |
| Melbourne | Joy Melbourne Independent Community Broadcasters Inc. |
| Melbourne | Kiss FM Inc. |
| Melbourne | La Trobe Union Radio Inc. |
| Melbourne | Laughtertainment Community Radio Inc. |
| Melbourne | Melbourne Gospel Radio Inc. |
| Melbourne | Melbourne Pulse Radio Inc. |
| Melbourne | Melbourne Student Radio Inc. |
| Melbourne | Monash University Union Radio Inc. |
| Melbourne | New-Gen Radio Inc. |
| Melbourne | Nu Country Music Radio Inc. |
| Melbourne | RMIT Student Union Student Radio Association Inc. |
| Melbourne | Triple Seven Communications Inc. |
| Melbourne | The Victorian Muslim Community Information Service Inc. |
| Sunbury | 3NRG Inc. |
| Sunbury | Radio Station 3TD Association Inc. |
| Warragul – Gippsland | West Gippsland Community Radio Inc. |
| Werribee | WYN-FM Community Radio Inc. |

Queensland

| | |
|-------------|--|
| Beaudesert | Beaudesert Community Radio Group Inc. |
| Blackwater | Blackwater Community Broadcasters Association Inc. |
| Brisbane | Brisbane Interactive Radio Group Inc. |
| Brisbane | Family Radio Ltd |
| Brisbane | Greater Brisbane Radio Broadcasters Inc. |
| Brisbane | One FM Broadcasters Inc. |
| Cairns | Smithfield Community Radio Association Inc. |
| Charleville | Bidjara Media & Broadcasting Company Ltd |
| Cunnamulla | Kooma Aboriginal Corporation For Land |
| Gayndah | Central Burnett Community Radio Association Inc. |
| Gold Coast | Christian Air Broadcasters Ltd |
| Gold Coast | Gold Coast Community Broadcasters Ltd |
| Gold Coast | Hott FM Ltd |
| Gold Coast | Radio Hope Island Ltd |

| | |
|--------------------------|--|
| Gympie | Cooloola Christian Radio Association Inc. |
| Moranbah | Rock FM Association Inc. |
| Nambour | SDA Radio Association Inc |
| Nambour | Suncoast Community Radio Inc. |
| Nambour | Sunshine Coast Christian Broadcasters Association Inc. |
| Noosa | Noosa District Community FM Radio Association Inc. |
| South Australia | |
| Adelaide | Fresh Broadcasters Inc. |
| Adelaide | Music Broadcasting Society of South Australia Inc. |
| Adelaide | Radio Televisione Italiana (SA) Inc. |
| Adelaide | Way Out West Broadcasters Inc. |
| Coober Pedy | Dusty Radio Inc. |
| Mount Gambier | South East Christian Broadcasters Inc. |
| Port Pirie | Pirie Community Radio Broadcasters Inc. |
| Tanunda\Barossa | Barossa Broadcasting Board Inc. |
| Victor Harbor | Encounter FM Community Broadcasters Association Inc. |
| Victor Harbor | Great Southern FM 99.9 Community Broadcasters Association Inc. |
| Yorke Peninsula | Peninsula Community Broadcasters Inc. |
| Western Australia | |
| Geraldton | Soncity FM Inc. |
| Armadale | Heritage FM Inc. |
| Kalamunda | Kalamunda Community Radio (Inc.) |
| Tasmania | |
| Hobart | Cadence FM Inc. |

Table 8 Final and draft digital channel plans determined in 1999–00

| Digital channel plans determined | Date released |
|--|----------------------|
| NSW Part 1: Sydney, Newcastle & Wollongong | 1 July 1999 |
| Australian Capital Territory: Canberra | 7 October 1999 |
| Tasmania Part 1: Hobart | 7 October 1999 |
| South Australia Part 1: Adelaide | 7 October 1999 |
| Victoria Part 1: Melbourne | 7 October 1999 |
| Queensland Part 1: Brisbane & Toowoomba | 1 July 1999 |
| Western Australia Part 1: Perth | 1 February 2000 |
| Northern Territory: Darwin & Batchelor | 1 July 1999 |

Appendix 6

Legislation

The Australian Broadcasting Authority is responsible for the following legislation, including amendments in 1999–00.

| Acts and amending Acts, 1999–00 | Act number | Date of assent |
|--|---------------|-------------------|
| <i>Broadcasting Services Act 1992</i> — as amended by | 110, 1992 | 14 Jul 1992 |
| <i>Broadcasting Services Amendment (Online Services) Act 1999</i> | 90, 1999 | 16 Jul 1999 |
| <i>Broadcasting Services Amendment Act (No. 2) 1999</i> | 122, 1999 | 13 Oct 1999 |
| <i>Public Employment (Consequential and Transitional) Amendment Act 1999</i> | 146, 1999 | 11 Nov 1999 |
| <i>Corporate Law Economic Reform Program Act 1999</i> | 156, 1999 | 24 Nov 1999 |
| <i>Broadcasting Services Amendment Act (No. 1) 1999</i> | 197, 1999 | 23 Dec 1999 |
| <i>Broadcasting Services Amendment Act (No. 3) 1999</i> | 198, 1999 | 23 Dec 1999 |
| <i>Broadcasting Services Amendment (Digital Television and Datacasting) Act 2000</i> | 108, 2000 | 3 Aug 2000 |
| <i>Datacasting Charge Imposition Act 1998</i> — as amended by | 98, 1998 | 27 Jul 1998 |
| <i>Datacasting Charge (Imposition) Amendment Act 2000</i> | 109, 2000 | 3 Aug 2000 |
| <i>Radiocommunications Act 1992</i> — as amended by | 174, 1992 | 11 Dec 1992 |
| <i>Radiocommunications Legislation Amendment Act 2000</i> | 9, 2000 | 3 May 2000 |
| <i>Radio Licence Fees Act 1964</i> | 119, 1964 | 24 Nov 1964 |
| <i>Telecommunications Act 1997</i> — as amended by | 47, 1997 | 22 Apr 1997 |
| <i>Telecommunications Legislation Amendment Act 1999</i> | 52, 1999 | 5 Jul 1999 |
| <i>Telecommunications (Consumer Protection and Service Standards) Act 1999</i> — as amended by | 50, 1999 | 5 Jul 1999 |
| <i>Telecommunications Law Amendment (Universal Service Cap) Act 1999</i> | 42, 1999 | 11 Jun 1999 |
| <i>Telecommunications (Consumer Protection and Service Standards) Amendment Act 2000</i> | 33, 2000 | 19 Apr 2000 |
| <i>Telecommunications (Consumer Protection and Service Standards) Amendment Act (No. 1) 2000</i> | 95, 2000 | 30 Jun 2000 |
| <i>Television Licence Fees Act 1964</i> — as amended by | 118, 1964 | 24 Nov 1964 |
| <i>Television Licence Fees Amendment Act 1999</i> | 129, 1999 | 13 Oct 1999 |

Appendix 7

Arrangements for outside participation

Section 168 of the Broadcasting Services Act empowers the Authority to inform itself on any matter relevant to its functions. This may be done by consulting with such persons, bodies and groups as the Authority thinks fit, and forming consultative committees for that purpose; by conducting investigations and holding hearings and considering written submissions from the public; and in any other manner it thinks fit. To this end, Authority officers participate in a range of organisations reflecting the broad range of the Authority's functions.

The Authority has entered into the following formal arrangements:

Memorandum of understanding — international

- Federal Communications Commission, USA (effective for five years from 13 March 1995).
- Independent Broadcasting Authority (now known as the Independent Communications Regulatory Authority), South Africa (effective for five years from 12 June 1995).
- Singapore Broadcasting Authority (effective for five years from 20 June 1995).
- Between the Australian Commerce and Industry Office and the Taipei Economic and Cultural Office on behalf of the Authority and the Government Information Office in Taipei (effective for five years from 12 May 1997).

The memoranda of understanding with the USA, Singapore and South Africa have expired but may be renewed when the opportunity arises for signing to take place.

Memorandum of understanding — domestic

The Authority is entering into memoranda of understanding with Australian police agencies regarding the investigation of complaints about Internet content. At the end of the reporting period, the Authority had signed MOUs with:

- Queensland Police Service (signed 10 May 2000);
- Tasmania Police (signed 22 May 2000); and
- Western Australia Police Service (signed 22 June 2000).

Cooperation agreements

- Broadcasting Standards Council, UK (signed 30 August 1995).
- Korean Broadcasting Commission (effective for five years from 17 June 1996).
- Canadian Radio-Television and Telecommunications Commission (signed 21 April 1997).
- Conseil Supérieur de l'Audiovisuel, France (signed 22 April 1997).
- Broadcasting Standards Authority, NZ (signed 15 September 1998).

International liaison is an important aspect of the Authority's role as the regulator of the broadcasting and Internet industries in Australia as it enables Australia to maintain

its position in an increasingly convergent domain. The Authority also continues its program of liaison with the broadcasting industry and related industries, including attendance and presentations at meetings, workings groups and conferences.

Australian Preparatory Groups

Australian Preparatory Groups consist of representatives from Commonwealth departments and authorities, industry organisations and special interest groups. They prepare Australian proposals for the World Administrative Radio Conferences and other major conferences of the International Telecommunication Union. The principal function of these conferences is to seek agreement between member nations on radiocommunications regulations and spectrum allocations. Individual conferences cover specialised aspects of broadcasting, mobile communications, satellite broadcasting, the use of particular frequency bands and the guaranteeing of equitable access to the geostationary satellite orbit for all countries.

Australian Radiocommunications Study Groups (ARSGs) prepare Australian inputs to considerations of the Radiocommunications and Telecommunications Bureaux of the International Telecommunication Union.

The Authority participates in the joint ARSG 10-11, which is concerned with studying principles relating to spectrum management and the preparation of recommendations for technical standards relating to radiocommunications and broadcasting services, in the following ITU forums:

- ITU-T Group 9: Joint Committee on Transmission of Radio and Television broadcasting services and on Telecommunications Networks;
- ITU-R Group 10: Broadcasting Service (sound);
- ITU-R Group 11: Broadcasting Service (television); and
- ITU-R Group 12: Inter-service Sharing and Compatibility.

International liaison through the International Telecommunications Union continues to develop and refine spectrum options and technical standards for digital television, digital radio and interactive multimedia services that use the broadcasting bands.

Authority officers have attended:

- ITU Study Group and Working Party meetings dealing with these subjects;
- International Broadcasting Convention in Amsterdam which reviews technical and policy developments in broadcasting;
- National Association of Broadcaster's annual convention and exhibition in the United States of America in April 2000;
- BroadcastAsia 2000 conference held in Singapore in June 2000 and CEO Roundtable.

Standards Australia Boards and Specialist Committees

The Authority is represented on the following Standards Australia Boards and Specialist Committees:

- TE/3 Electromagnetic Interference.
- RC/5 Radiocommunications Standards.

- CT/2 Broadcasting and Related Services.
- Department of Communications, Information Technology and the Arts Digital Radio Broadcasting (DRB) Committee as well as the associated Policy and Technical Subcommittees.

The Authority's Director Technology chaired the Standards Australia committee which developed the new Australian Standard for digital television receivers. The Authority contributed to setting standards for digital television transmissions and digital television receivers. Two standards were published during the year, one for transmissions systems and the second for digital television set-top-boxes and digital television receivers. Work on these standards continues and is seeking to ensure interoperability of equipment used for all digital television broadcasting services.

External liaison in Internet-related issues

See chapter 3, 'Internet content regulation', pp. 69–72 for details of external liaison on Internet related issues and organisations.

Consultation

In addition, the Authority meets and consults with other interested parties, including the Federation of Australian Radio Broadcasters, the Federation of Australian Commercial Television Stations, the Australian Subscription Television and Radio Association Inc., ntl Australia, the Australian Broadcasting Corporation, the Special Broadcasting Service, the Community Broadcasting Association of Australia, the Community Broadcasting Foundation, the Internet Industry Association, the Progressive Radio Association, the Australian Association of National Advertisers, the Advertising Federation of Australia, the Radiocommunications Consultative Committee, Screen Producers Association of Australia, Australian Screen Directors Association, Australian Writers Guild, Communications Law Centre, the Office of Film and Literature Classification, the Australian Music Performance Committee, and Digital Convergence Australia.

The Authority also consults with other regulators such as the Australian Competition and Consumer Commission, the Australian Communications Authority, and the Foreign Investment Review Board.

International cooperation

As part of its role in disseminating information about its activities and in the spirit of international cooperation, the Authority:

- hosted overseas visitors including: Councillor Lutando Mkumatela, Lara Kantor and Amanda Reichman from the Independent Communications Regulatory Authority, South Africa; Amy Chua, Padma Muthu and Valerie Phua from the Singapore Broadcasting Authority, Singapore; Harold Read and Rema Nair from the Malaysian Communications and Multimedia Commission, Malaysia; Mrs Carrie Yau, Information Technology and Broadcasting Bureau, Hong Kong; Dr Nasir Tarama, Global TV, Indonesia;
- hosted local and overseas student attachments and internships;

- participated in a regional conference, Latin American meeting on quality children's television held in Sao Paulo, Brazil, 4 to 6 August 1999;
- participated in the 1999 Asia-Pacific Regulatory Round Table (September 1999, Singapore);
- continued its memberships with the Asia-Pacific Broadcasting Union, Commonwealth Broadcasting Association, Australia New Zealand Communications Association and International Institute of Communications; and
- provided logistical support during the ABU General Assembly and its Engineering and Programme Committees in Sydney, November 1999. The ABU commissioned the Authority to prepare a discussion paper, *Trade Liberalisation in the Audiovisual Services Sector and Safeguarding Cultural Diversity* for the special topic session of the general assembly in Sydney. The paper examined how the the cultural interests of ABU members might be affected by the next round of negotiations on trade in audiovisual services under the General Agreement on Trade in Services in 2000. For more detail, go to the Authority's web site: www.aba.gov.au/about/public_relations/speeches/index.htm.

Young People and the Media Research Forum

The Authority continued to provide organisational support for the International Forum of Researchers on Young People and the Media to be held in Sydney from 26–29 November 2000 which will be hosted by the Australian National Commission for UNESCO. The Authority:

- produced three editions of the *Forum Chronicle* to keep researchers and other interested parties informed of progress on Forum organisation; and
- set up the official web site at www.sydneyforum.com.

ABA Broadcasting Planning Seminar

The ABA Broadcasting Planning Seminar, *2001 — A Digital Odyssey*, held in Canberra on 8 and 9 November 1999, provided more than one hundred and twenty participants with the opportunity to focus on the digital future.

Appendix 8

Publications 1999–00

As a matter of course the Authority makes all discussion and working papers about issues on which it is publicly consulting freely available to the public, in printed form and on its web site.

Pamphlets and information products

- ABA Corporate Plan 1999–2003*, June 2000
- Annual Report 1998–99*, October 1999
- An Introduction to the ABA*, revised May 2000
- Complaints about Programs*, revised May 2000
- Current Controllers of a Broadcasting Licence* (published on request)
- Broadcasting Planning Seminar*, conference proceedings, November 1999
- dot com plaint?* February 2000
- Service Charter*, reprinted July 1999
- Surfing the net?* reprinted June 2000
- What every family should know about the Internet*, revised January 2000

Fact sheets

- Allocation of non-BSB Commercial Broadcasting Licences*, revised January 2000
- Community Radio Broadcasters and Sponsorship Announcements*, revised February 2000
- Price-Based Allocation of Commercial Broadcasting Licences*, revised October 1999
- Price-Based Allocation of Transmitter licences for Open Narrowcasting Services*, revised October 1999
- Temporary Community Radio Broadcasting Licences*, revised October 1999
- Wireless Microphones*, revised November 1999

Licence applications, guides and forms

- Allocation of Community Broadcasting Licences — Guide to Applying for a Licence*, updated September 1999
- Guide to Allocation of Temporary Community Broadcasting Licences*, revised April 2000
- Price-based Allocation of Commercial Broadcasting Licences, Round 9* March 2000
- Price-based Allocation of Open-narrowcasting Licences, Round 9*, March 2000

Plans

- The ABA's General Approach to Digital Terrestrial Television Broadcasting Planning*, July 1999
- Digital Terrestrial Television Broadcasting Planning Handbook*, July 1999
- National Television Conversion Scheme*, February 2000

Digital channel plans

Final digital channel plans

- Brisbane July 1999; Adelaide, October 1999; Canberra October 1999; Darwin and Batchelor July 1999; Melbourne October 1999; Sydney July 1999; Hobart October 1999; Perth February 2000

Licence area plans

Final licence area plans:

- Sydney, Katoomba radio and Lithgow radio variation*, December 1999
- Melbourne, Geelong, Colac radio* June 2000
- Cooma radio* July 1999
- Nowra radio* August 1999
- Wollongong radio* July 1999
- Bendigo radio variation* October 1999

Draft licence area plans:

- Gosford, August 1999
- Sydney, Katoomba radio and Lithgow radio variation, August 1999
- Melbourne Geelong Colac radio, December 1999
- Shepparton radio variation December 1999
- Brisbane, Sunshine Coast, Gold Coast, Richmond/Tweed, Gympie radio, June 2000

Research

- Broadcasting Financial Results 1998–99*, March 2000
- Community Views about Free-to-air Television*, March 2000
- Compliance: Australian Content and Children's Television 1998*, August 1999
- Forum Chronicle* (No.8), August 1999
- International Research Forum Newsletter* (No.8), September 1999
- International Research on Attitudes to the Internet*, November 1999
- Listening to the Listeners — Radio Research*, reprinted February 2000
- Media Use among Newly Arrived Immigrants to Australia*, April 2000
- 20 Years of C — Children's Television Programs and Regulation 1979–1999*, March 2000

Newsletter

- ABA Update*: issue 78 July, issue 79 August, issue 80 September, issue 81 October, issue 82 November, issue 83 December/January, issue 84 February, issue 85 March, issue 86 April, issue 87 May, issue 88 June

Investigation reports

- Commercial Radio Inquiry — Report on the Australian Broadcasting Authority Hearing into 2UE Sydney*, February 2000
- Investigation into Control — Prime Television Limited*, October 1999
- Programming – the Authority publishes a report for each breach it finds as a result of an investigation into a programming or other matter — see appendix 3 for a list of all breaches.

Discussion papers

- Investigation into the Treatment of Development Costs under the Pay TV Drama Expenditure Rules*, June 2000
- Options for Implementing Single Frequency Networks for the Australian Digital Terrestrial Television Broadcasting Service*, February 2000
- Trade Liberalisation in the Audiovisual Services Sector and Safeguarding Cultural Diversity*, November 1999

Issues paper

- Issues paper — Investigation into the Implementation of the Anti-hoarding Provisions*, June 2000

Reports

- Report to the ABA on the Outcomes of the Studies by the Single Frequency Network Consultative Group*, June 2000

Submissions

- Response by the Australian Broadcasting Authority to the Productivity Commission's Draft Report on its Inquiry into the Broadcasting Services Act 1992* December 1999
- Submission by the Australian Broadcasting Authority to the Australian Senate Foreign Affairs, Defence & Trade Legislation Committee on the Broadcasting Services Amendment Bill (No. 4) 1999* May 2000
- Submission by the Australian Broadcasting Authority to the Victorian Film and Television Industry Working Party* July 2000

Appendix 9



INDEPENDENT AUDIT REPORT

To the Minister for Communications, Information Technology and the Arts

Scope

I have audited the financial statements of the Australian Broadcasting Authority for the year ended 30 June 2000. The financial statements comprise:

- Statement by Members;
- Operating Statement;
- Balance Sheet;
- Statement of Cash Flows;
- Schedule of Commitments;
- Schedule of Contingencies; and
- Notes to and forming part of the Financial Statements.

The Members of the Authority are responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements and statutory requirements so as to present a view of the Authority which is consistent with my understanding of its financial position, the results of its operations and its cash flows.

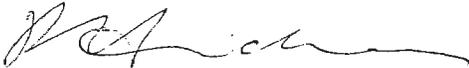
The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion,

- (i) the financial statements have been prepared in accordance with Schedule 2 of the Finance Minister's Orders; and
- (ii) the financial statements give a true and fair view in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and Schedule 2 of the Finance Minister's Orders, of the financial position of the Australian Broadcasting Authority as at 30 June 2000 and the results of its operations and its cash flows for the year then ended.

Australian National Audit Office



P Hinchey
Senior Director

Delegate of the Auditor-General

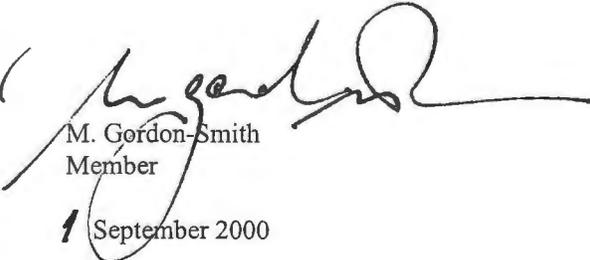
Sydney
1 September 2000

**AUSTRALIAN BROADCASTING AUTHORITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000**

STATEMENT BY MEMBERS

In our opinion, the attached financial statements give a true and fair view of the matters required by Schedule 2 of the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*.


D. Flint
Chairman
1 September 2000


M. Gordon-Smith
Member
1 September 2000

AUSTRALIAN BROADCASTING AUTHORITY OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2000

| | | 2000 \$ | 1999 \$ |
|--|-------|------------|------------|
| Operating revenues | Notes | | |
| Revenues from Government | 4. | 15,951,307 | 13,549,000 |
| Sale of goods and services | 5(a) | 173,004 | 171,094 |
| Interest | 5(b) | 95,816 | 41,576 |
| Other | 5(c) | 210,419 | 175,119 |
| Total operating revenues | | 16,430,546 | 13,936,789 |
| Operating expenses | | | |
| Employees | 6(a) | 10,420,866 | 9,021,555 |
| Suppliers | 6(b) | 6,199,106 | 4,531,754 |
| Depreciation and amortisation | 6(c) | 334,021 | 339,234 |
| Net losses from sale of assets | 6(d) | 60,506 | 7,407 |
| Total operating expenses | | 17,014,499 | 13,899,950 |
| Operating surplus/(deficit) | | (583,953) | 36,839 |
| Net surplus/(deficit) attributable to the Commonwealth | | (583,953) | 36,839 |
| Accumulated surpluses/(deficits) at beginning of reporting period | | 123,145 | 86,306 |
| Accumulated surpluses/(deficits) at end of reporting period | 8. | (460,808) | 123,145 |

The accompanying notes form part of these financial statements.

AUSTRALIAN BROADCASTING AUTHORITY BALANCE SHEET

AS AT 30 JUNE 2000

| | Notes | 2000 \$ | 1999 \$ |
|--------------------------------------|---------------|------------------|------------------|
| ASSETS | | | |
| Financial assets | | | |
| Cash | 9(a) | 2,065,412 | 1,852,492 |
| Receivables | 9(b) | 345,112 | 23,781 |
| Total financial assets | | 2,410,524 | 1,876,273 |
| Non-financial assets | | | |
| Infrastructure, plant and equipment | 10(a),(c),(d) | 367,841 | 595,946 |
| Intangibles | 10(c),(d) | 84,476 | 109,751 |
| Other | 10(e) | 282,511 | 203,612 |
| Total non-financial assets | | 734,828 | 909,309 |
| Total assets | | 3,145,352 | 2,785,582 |
| LIABILITIES | | | |
| Provisions and payables | | | |
| Employees | 7(a) | 3,239,878 | 2,615,120 |
| Suppliers | 7(b) | 188,871 | 47,317 |
| Other - Prepayments received | 7(c) | 25,071 | - |
| Total provisions and payables | | 3,453,820 | 2,662,437 |
| Total liabilities | | 3,453,820 | 2,662,437 |
| EQUITY | | | |
| Reserves | 8. | 152,340 | - |
| Accumulated surpluses/(deficits) | 8. | (460,808) | 123,145 |
| Total equity | | (308,468) | 123,145 |
| Total liabilities and equity | | 3,145,352 | 2,785,582 |
| Current liabilities | | 1,807,424 | 1,260,250 |
| Non-current liabilities | | 1,646,396 | 1,402,187 |
| Current assets | | 2,693,035 | 2,079,885 |
| Non-current assets | | 452,317 | 705,697 |

The accompanying notes form part of these financial statements.

AUSTRALIAN BROADCASTING AUTHORITY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2000

| | Notes | 2000 \$ | 1999 \$ |
|---|-------|---------------------|---------------------|
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Appropriations | | 15,870,000 | 13,549,000 |
| Interest | | 91,810 | 39,124 |
| Sales of goods and services | | 168,547 | 676,882 |
| Other | | 210,419 | - |
| Total cash received | | 16,340,776 | 14,265,006 |
| Cash used | | | |
| Employees | | (9,796,109) | (8,696,686) |
| Suppliers | | (6,030,073) | (4,840,785) |
| Total cash used | | (15,826,182) | (13,537,471) |
| Net cash from operating activities | 11(a) | 514,594 | 727,535 |
| INVESTING ACTIVITIES | | | |
| Cash received | | | |
| Proceeds from sale of infrastructure, plant & equipment | | 5,410 | 2,000 |
| Total cash received | | 5,410 | 2,000 |
| Cash used | | | |
| Purchase of infrastructure, plant & equipment | | (282,944) | (283,944) |
| Purchase of intangibles | | (24,140) | - |
| Total cash used | | (307,084) | (283,944) |
| Net cash used in investing activities | | (301,674) | (281,944) |
| Net increase (decrease) in cash held | | 212,920 | 445,591 |
| Cash at 1 July | | 1,852,492 | 1,406,901 |
| Cash at 30 June | 9(a) | 2,065,412 | 1,852,492 |

The accompanying notes form part of these financial statements.

AUSTRALIAN BROADCASTING AUTHORITY SCHEDULE OF COMMITMENTS

AS AT 30 JUNE 2000

| BY TYPE | 2000 \$ | 1999 \$ |
|--|------------------|------------------|
| COMMITMENTS | | |
| Operating leases (a) | 5,088,165 | 5,734,715 |
| GST payable (b) | 13,964 | - |
| Total operating lease commitments | 5,102,129 | 5,734,715 |
| Other commitments (c) | 4,471,157 | - |
| Total commitments | 9,573,286 | 5,734,715 |
| COMMITMENTS RECEIVABLE | | |
| Operating leases | 153,605 | - |
| GST receivable (d) | 420,872 | - |
| Total commitments receivable | 574,477 | - |
| Net commitments | 8,998,809 | 5,734,715 |
| BY MATURITY | | |
| All net commitments | | |
| One year or less | 2,834,574 | 1,370,032 |
| From one to two years | 2,313,854 | 1,391,953 |
| From two to five years | 3,850,381 | 2,972,730 |
| Net commitments | 8,998,809 | 5,734,715 |
| Operating lease commitments | | |
| One year or less | 1,976,448 | 1,370,032 |
| From one to five years | 3,125,681 | 4,364,683 |
| Operating lease commitments | 5,102,129 | 5,734,715 |

(a) Operating leases comprise non-cancellable leases for office accommodation, motor vehicles and plant and equipment.

(b) Payment of GST to the Australian Taxation Office (ATO) on property sub-leases.

(c) The ABA entered into a services agreement on 26 June 2000 which provides for the provision of IT hardware, software and related services. Expenditure commitments payable under this IT Outsourcing Agreement are shown above in other commitments.

(d) Recoveries of GST from the ATO in relation to commitments payable are disclosed as commitments receivable. The comparatives have not been adjusted to reflect the GST.

The accompanying notes form part of these financial statements.

AUSTRALIAN BROADCASTING AUTHORITY SCHEDULE OF CONTINGENCIES

AS AT 30 JUNE 2000

Contingent losses

It is not possible to provide an estimate as at 30 June 2000 (1998-99 nil)

Contingent gains

It is not possible to provide an estimate as at 30 June 2000 (1998-99 nil)

Schedule of unquantifiable contingent losses/gains

The ABA is a respondent in a matter in the Administrative Appeals Tribunal (AAT) relating to the imposition of an additional condition on a broadcasting licence. The ABA considers that it is unlikely that any significant liability will be incurred.

A claim for an unspecified amount has been lodged in the Supreme Court of NSW against the Commonwealth. Although the ABA is not named as a defendant, the claim relates in part to the ABA's duty to manage the regulation of broadcasting in Australia. Professional advice indicates that it is unlikely that any significant liability will be incurred by the ABA.

The ABA is a respondent in an application in the Federal Court in regard to the planning of broadcasting services. No damages are being sought against the ABA. The ABA is seeking advice in this matter.

The ABA's solicitors are pursuing the recovery of costs awarded to it in past litigation involving a challenge to a planning decision in which the ABA was successful. It thus represents a contingent gain.

As with most litigation, the ABA is exposed to the risk of being required to pay an amount towards the other party's reasonable professional costs and disbursements if the ABA is unsuccessful in the proceedings. The ABA may be entitled to recover an amount towards its reasonable professional costs and disbursements arising out of such litigation if it is successful.

The accompanying notes form part of these financial statements.

**AUSTRALIAN BROADCASTING AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2000

| Note | Description |
|-------------|--|
| 1. | Summary of Significant Accounting Policies |
| 2. | Reporting by Segments and Outcomes |
| 3. | Economic Dependency |
| 4. | Revenues from Government |
| 5. | Revenue from Independent Sources |
| 6. | Operating Expenses |
| 7. | Provisions and Payables |
| 8. | Equity |
| 9. | Financial Assets |
| 10. | Non-Financial Assets |
| 11. | Cash Flow Reconciliation |
| 12. | Related Party Disclosures |
| 13. | Remuneration of Members and Executive Officers |
| 14. | Auditors' Remuneration |
| 15. | Public Money – Licence Fees |
| 16. | Financial Instruments |

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are a general purpose financial report required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997*.

The statements have been prepared in accordance with :

- *Requirements for the Preparation of Financial Statements of Commonwealth Agencies and Authorities* made by the Minister for Finance and Administration in August 1999 (Schedule 2 to the Commonwealth Authorities and Companies (CAC) Orders);
- Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Boards; and
- the Consensus Views of the Urgent Issues Group.

The statements have been prepared having regard to :

- Statements of Accounting Concepts; and
- the Explanatory Notes to Schedule 2 issued by the Department of Finance and Administration.

The financial statements have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

(b) Changes in accounting policy

Changes in accounting policy have been identified in this note under their appropriate headings.

(c) Public money - licence fees

The Australian Broadcasting Authority (ABA) collects revenue under the *Broadcasting Services Act 1992* on behalf of the Department of Communications, Information Technology and the Arts, the details of which are provided in note 15 to the accounts. The ABA can allocate, renew, suspend and cancel broadcasting licences and collect any fees payable for those licences. Revenue from these licence fees is not available to the ABA for its own purposes and is remitted to the Commonwealth's Official Public Account.

(d) Reporting by outcomes

A comparison of budget and actual figures by outcome specified in the Appropriation Acts relevant to the ABA is presented in note 2. Any

intra-government costs included in the figure 'net cost to budget outcomes' are eliminated in calculating the actual budget outcome for the Government overall.

(e) Appropriations

From 1 July 1999, the Commonwealth Budget has been prepared under an accruals framework. Under this framework, Parliament appropriates moneys to the ABA as revenue appropriations.

Revenue appropriations

Revenues from government are revenues of the core operating activities of the ABA. Appropriations for outputs are recognised as revenue to the extent they have been received into the ABA's bank account or are entitled to be received by the ABA at year end.

Resources received free of charge

Services received free of charge are recognised in the Operating Statement as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

(f) Other revenue

To a large extent, the ABA's funding is sourced from Parliamentary appropriations which enables it to carry out its functions under the *Broadcasting Services Act 1992*.

The ABA derives operating revenue from independent sources which mainly comprises sub-lease revenue, bank interest, licence fee renewals and publication sales.

Revenue from the sale of goods and services is recognised upon the delivery of goods and services to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the disposal of non-current assets is recognised when control of the asset has passed to the buyer.

(g) Employee entitlements

Leave

The liability for employee entitlements includes provision for annual leave and long service leave. Accrued employer superannuation contributions in respect of those accrued leave entitlements is also included for the first time in 1999-

2000. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the ABA is estimated to be less than the annual entitlement for sick leave.

The liability for annual leave reflects the value of total annual leave entitlements of all employees at 30 June 2000 and is recognised at its nominal amount. The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2000. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

Separation and redundancy

Provision is also made for separation and redundancy payments in cases where positions have been formally identified as excess to requirements, the existence of an excess has been publicly communicated, and a reliable estimate of the amount payable can be determined.

Superannuation

The majority of employees contribute to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme.

Details of superannuation payments are disclosed in note 6(a).

(h) Leases

A distinction is made between finance leases, which effectively transfer substantially all the risks and benefits incidental to ownership of leased assets from the lessor to the lessee, and operating leases, where the lessor effectively retains all such risks and benefits.

All leases have been classified as operating leases as substantially all the risks and benefits incidental to the ownership of the leased assets remain with the lessor. Operating lease payments are charged to expense on a basis which is representative of the pattern of benefits derived from the leased assets.

The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus.

(i) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and deposits held at call with banks.

(j) Taxation

The ABA is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST). The ABA has recognised both GST payable and receivable for amounts of GST paid or collected prior to 1 July 2000 relating to transactions where GST is applicable.

Licence fees (Public Moneys) are exempt from all forms of taxation.

(k) Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

(l) Infrastructure, plant and equipment*Asset recognition threshold*

Purchases of infrastructure, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total). The \$2,000 threshold was selected because it facilitates efficient asset management and recording without materially affecting asset values recognised. Infrastructure, plant and equipment acquired free or for a nominal charge is recognised initially at fair value.

Revaluations

Infrastructure, plant and equipment are carried at cost or at independent valuation, less accumulated depreciation or amortisation.

Schedule 2 of the Finance Minister's Orders requires that infrastructure, plant and equipment be revalued progressively in accordance with the 'deprival' method of valuation by no later than 1 July 1999 and thereafter in successive three year cycles. The requirements of Schedule 2 have been complied with as all assets were revalued this financial year. Assets in each class acquired after the commencement of the revaluation cycle and not captured by the progressive revaluation then in progress, are reported at cost. All assets captured by the progressive revaluation are recognised at their depreciated replacement cost.

Any assets which would not be replaced or are surplus to requirements are valued at net realisable value. At 30 June 2000, the ABA had no assets in this situation.

Recoverable amount test

The carrying amount of each item of non-current infrastructure, plant and equipment is reviewed annually to determine whether it is in excess of the asset's recoverable amount. If an excess exists as at the reporting date, the asset is written down to its recoverable amount immediately. In assessing recoverable amounts, the relevant cash flows, including the expected cash inflows from future appropriations by the Parliament, have been discounted to their present value.

The application of the recoverable amount test to the not-for-profit departmental non-current assets of the ABA is a change of accounting policy required by the Finance Minister's Orders in 1999-2000. The new policy is being applied from the beginning of 1999-2000. No write-down to recoverable amount has been made in 1999-2000 as a result of this change in policy.

Depreciation and amortisation

Depreciable infrastructure, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the ABA using, in all cases, the straight-line method of depreciation

Depreciation/amortisation rates (useful lives) and methods are reviewed at each balance date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation and amortisation rates applying to each class of depreciable asset are based on the following useful lives:

| | 1999-2000 | 1998-99 |
|---------------------|---------------------|--------------|
| Plant and equipment | 4 to 5 years | 4 to 5 years |

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in note 6(c).

(m) Intangible assets

Where recognised, intangible assets are initially reported at the lower of cost or recoverable amount. Intangible assets are amortised on a straight line basis over their anticipated useful lives. The useful lives are:

| | 1999-2000 | 1998-99 |
|-------------------|----------------|---------|
| Licences | 5 years | 5 years |
| Computer software | 5 years | 5 years |

(n) Rounding

Amounts in the financial report and Members' report have been rounded off to the nearest dollar.

(o) Financial instruments

Accounting policy in relation to financial instruments is disclosed in note 16.

(p) Capital usage charge

A capital usage charge of 12% is imposed by the Commonwealth on the net assets of the ABA. The charge is adjusted to take account of asset gifts and revaluation increments, if applicable, during the year.

(q) Accumulated deficits

Accumulated deficits predominantly include employee liabilities which were not funded at the time of the conversion from cash accounting to accrual accounting. From 1999-2000, employee liabilities include employer contributions to superannuation payable on accrued long service leave and accrued annual leave.

The on-going viability and solvency of the ABA is determined by Parliament which provides funding for the ABA's programs and activities, enabling it to meet its agreed outcome. The ABA has the ability to meet its current financial commitments as they fall due and will therefore be able to continue to provide goods and services in the future.

(r) Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these financial statements. Comparatives are not presented in Notes dealing with the Reporting by Segments and Outcomes, due to 1999-2000 being the first year of the implementation of accrual budgeting.

2. REPORTING BY SEGMENTS AND OUTCOMES

The ABA's aim is to promote the provision of broadcasting and online services and the development of these industries in the best interests of Australians. The ABA operates in a single industry and geographic segment, being the regulation of commercial television and commercial and public radio in Australia. The ABA has offices in both Sydney and Canberra.

The ABA is structured to meet one outcome : An accessible, diverse and responsible broadcasting industry.

Outcome for 1999-2000 – Net cost to Government

| | Outcome | |
|---|-------------|------------|
| | Budget | Actual |
| | \$ | \$ |
| Administered expenses | - | - |
| Net cost of ABA outputs | 16,564,000 | 16,535,260 |
| Outcome before abnormal/extraordinary items | 16,564,000 | 16,535,260 |
| Abnormal/extraordinary items | - | - |
| Net cost to Budget Outcome | 16,564,000 | 16,535,260 |
| Total assets deployed as at 30-06-00 | 934,000 | 3,145,352 |
| Net assets deployed as at 30-06-00 | (1,909,000) | (308,468) |

Reporting by Outcome by funding source for 1999-2000

| Outcomes | Outputs \$ | | | | | | |
|----------------|---|---------------------------|------------|--|--------------------------------|-------------------------|-------------------|
| | Expenses against revenue from Government (Appropriations) | | | Expense against revenue from other sources | Total expenses against outputs | Total appropriations \$ | Total Expenses \$ |
| | Special Appropriation | Annual Appropriation Acts | Total | | | | |
| Outcome | | | | | | | |
| Actual | - | 15,870,000 | 15,870,000 | (a) | 17,014,499 | 15,870,000 | 17,014,499 |
| Budget | - | 15,870,000 | 15,870,000 | (a) | 16,822,000 | 15,870,000 | 16,822,000 |

(a) It is not possible to identify expenses incurred against specific funding sources.

3. ECONOMIC DEPENDENCY

The ABA is controlled by the Government of the Commonwealth of Australia.

The ABA is dependent on appropriations from Parliament of the Commonwealth for its continued existence and ability to carry out its normal activities and functions under the Broadcasting Services Act.

4. REVENUES FROM GOVERNMENT

| (a) Parliamentary appropriations | 2000 | 1999 |
|---|--------------------------|--------------------------|
| | \$ | \$ |
| Appropriation Act No 1 | 15,870,000 | 13,049,000 |
| Appropriation Act No 3 | - | 500,000 |
| Resources received free of charge | 81,307 | - |
| Total | <u>15,951,307</u> | <u>13,549,000</u> |

During the year, the ABA received services at no cost from the Department of Finance and Administration who paid a portion of the ABA's Comcover insurance premium in lieu of supplementing the ABA's Parliamentary appropriation directly.

5. REVENUE FROM INDEPENDENT SOURCES**(a) Sale of goods and services**

| | | |
|--------------|-----------------------|-----------------------|
| Goods | 67,677 | 47,990 |
| Services | 105,327 | 123,104 |
| Total | <u>173,004</u> | <u>171,094</u> |

(b) Bank interest

| | | |
|----------|---------------|---------------|
| Deposits | <u>95,816</u> | <u>41,576</u> |
|----------|---------------|---------------|

(c) Other revenue

| | | |
|-------------------------|-----------------------|-----------------------|
| Sub-leasing of premises | 117,262 | 77,990 |
| Other | 93,157 | 97,129 |
| Total | <u>210,419</u> | <u>175,119</u> |

6. OPERATING EXPENSES**(a) Employee expenses**

| | | |
|--|--------------------------|-------------------------|
| Basic remuneration for services provided | 10,082,297 | 9,006,356 |
| Redundancy expenses | 338,569 | 15,199 |
| Total employee expenses | <u>10,420,866</u> | <u>9,021,555</u> |

Redundancy expenses are calculated on the basis of two weeks pay for every year of service and include 4 or 5 weeks in lieu of notice (which is dependent on the age and length of service of the employee).

Employer contributions to superannuation amounting to \$1,014,441 (1998-99: \$896,603) have been expensed in these financial statements and are included in basic remuneration for services provided. Contributions to superannuation schemes are at rates calculated to cover existing and emerging obligations. Employer Superannuation Productivity Benefit contributions totalled \$232,075 (1998-99: \$200,935).

| | 2000 \$ | 1999 \$ |
|--|------------------|------------------|
| (b) Suppliers expenses | | |
| Supply of goods and services | 4,303,232 | 2,898,339 |
| Operating lease rentals | 1,895,874 | 1,633,415 |
| Total suppliers expenses | <u>6,199,106</u> | <u>4,531,754</u> |
| (c) Depreciation and amortisation | | |
| Depreciation of plant & equipment | 284,607 | 277,054 |
| Amortisation of intangible assets – purchased computer software | 49,414 | 62,180 |
| Total depreciation and amortisation | <u>334,021</u> | <u>339,234</u> |
| (d) Net Losses from the sale of non- financial assets | | |
| Plant and equipment | <u>60,506</u> | <u>7,407</u> |

7. PROVISIONS AND PAYABLES

(a) Liabilities to employees

| | | |
|---|------------------|------------------|
| Salaries and wages | 237,178 | 152,711 |
| Annual leave | 1,048,719 | 904,423 |
| Long service leave | 1,755,440 | 1,557,986 |
| Redundancy and separation | 198,541 | - |
| Aggregate employee entitlement liability | <u>3,239,878</u> | <u>2,615,120</u> |

Employer contributions to superannuation for accrued annual leave and accrued long service were recognised for the first time in 1999-2000. The cumulative financial effect of this as at 30 June 2000 was an increase of \$251,600 in long service leave and annual leave liabilities.

| | 2000 \$ | 1999 \$ |
|-------------------------------------|----------------|---------------|
| (b) Suppliers | | |
| Trade creditors | <u>188,871</u> | <u>47,317</u> |
| (c) Prepayments received | | |
| Conference fees received in advance | <u>25,071</u> | <u>-</u> |

8. EQUITY

| Item | Accumulated results | | Asset revaluation reserve | | TOTAL EQUITY | |
|---|---------------------|------------|---------------------------|------------|------------------|------------|
| | 2000 \$ | 1999 \$ | 2000 \$ | 1999 \$ | 2000 \$ | 1999 \$ |
| Balance 1 July | 123,145 | 86,306 | - | - | 123,145 | 86,306 |
| Surplus/(deficit) | (583,953) | 36,839 | - | - | (583,953) | 36,839 |
| Net revaluation increases/ (decreases) (a) | - | - | 152,340 | - | 152,340 | - |
| Balance 30 June | (460,808) | 123,145 | 152,340 | - | (308,468) | 123,145 |

(a) The net revaluation increases/(decreases) in the asset revaluation reserve comprises:

| | 2000 \$ | 1999 \$ |
|---|----------------|------------|
| Revaluation increment - plant and equipment | 152,340 | - |

9. FINANCIAL ASSETS

(a) Cash

| | | |
|--|------------------|------------------|
| Cash at bank and on hand | <u>2,065,412</u> | <u>1,852,492</u> |
| Balance of cash as at 30 June shown in the statement of cash flows | <u>2,065,412</u> | <u>1,852,492</u> |

| | 2000 \$ | 1999 \$ |
|--------------------------|----------------|---------------|
| b) Receivables | | |
| Goods and services | 14,895 | 8,623 |
| Other debtors | 322,722 | 15,158 |
| GST receivable | 7,495 | - |
| Total receivables | <u>345,112</u> | <u>23,781</u> |

Receivables (gross) which are overdue are aged as follows:

| | | |
|----------------------------------|----------------|---------------|
| Not overdue | 343,112 | 780 |
| Overdue by: | | |
| - 30 to 60 days | - | 5,848 |
| - 60 to 90 days | - | 480 |
| - more than 90 days | 2,000 | 16,673 |
| Total receivables (gross) | <u>345,112</u> | <u>23,781</u> |

10. NON-FINANCIAL ASSETS

(a) Infrastructure, plant and equipment

| | | |
|---|----------|----------------|
| Infrastructure, plant and equipment - at cost | - | 2,149,241 |
| Accumulated depreciation | - | (1,553,295) |
| | <u>-</u> | <u>595,946</u> |

| | | |
|--|----------------|----------|
| Infrastructure, plant and equipment - at valuation 1999-2000 (i) | 367,841 | - |
| Accumulated depreciation | - | - |
| | <u>367,841</u> | <u>-</u> |

| | | |
|--|----------------|----------------|
| Total infrastructure, plant and equipment | <u>367,841</u> | <u>595,946</u> |
|--|----------------|----------------|

(i) The revaluation of infrastructure, plant and equipment as at 30 June 2000 is in accordance with the revaluation policy stated at Note 1(l) was completed by an independent valuer from the Australian Valuation Office. A valuation increment of \$152,340 was transferred to the asset revaluation reserve.

(b) Intangible assets

| | | |
|-----------------------------|---------------|----------------|
| Purchased computer software | 353,985 | 445,293 |
| Accumulated amortisation | (269,509) | (335,542) |
| Total intangibles | <u>84,476</u> | <u>109,751</u> |

(c) TABLE A - Movement summary 1999-2000 for all assets irrespective of valuation basis

| Item | Land | Buildings | Total land and buildings | Other infrastructure, plant & equipment | Total infrastructure, plant & equipment | Purchased software – total intangibles | TOTAL |
|---|------|-----------|--------------------------|---|---|--|-------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Gross value as at 1 July 1999 | - | - | - | 2,149,240 | 2,149,240 | 445,294 | 2,594,534 |
| Additions – replacement assets | - | - | - | 282,944 | 282,944 | 24,140 | 307,084 |
| Revaluations | - | - | - | (333,141) | (333,141) | - | (333,141) |
| Disposals | - | - | - | (1,731,202) | (1,731,202) | (115,449) | (1,846,651) |
| Gross value as at 30 June 2000 | - | - | - | 367,841 | 367,841 | 353,985 | 721,826 |
| Accumulated Depreciation/ amortisation as at 1 July 1999 | - | - | - | 1,553,295 | 1,553,295 | 335,542 | 1,888,837 |
| Depreciation / amortisation charge for assets held 1 July 1999 | - | - | - | 260,677 | 260,677 | 46,836 | 307,513 |
| Depreciation / amortisation charge for additions | - | - | - | 23,930 | 23,930 | 2,578 | 26,508 |
| Adjustment for revaluations | - | - | - | (485,481) | (485,481) | - | (485,481) |
| Adjustment for disposals | - | - | - | (1,352,421) | (1,352,421) | (115,447) | (1,467,868) |
| Adjustment for write-offs | - | - | - | - | - | - | - |
| Accumulated Depreciation as at 30 June 2000 | - | - | - | - | - | 269,509 | 269,509 |
| Net book value as at 30 June 2000 | - | - | - | 367,841 | 367,841 | 84,476 | 452,317 |
| Net book value as at 1 July 1999 | - | - | - | 595,945 | 595,945 | 109,752 | 705,697 |

(d) TABLE B - Summary of balances of assets at valuation as at 30 June 2000

| Item | Land | Buildings | Total land and buildings | Other infrastructure, plant & equipment | Total infrastructure, plant & equipment | Purchased software – total intangibles | TOTAL |
|---|------|-----------|--------------------------|---|---|--|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| As at 30 June 2000 | | | | | | | |
| Gross value | - | - | - | 367,841 | 367,841 | - | 367,841 |
| Accumulated Depreciation / amortisation | - | - | - | - | - | - | - |
| Net book value | - | - | - | 367,841 | 367,841 | - | 367,841 |
| As at 30 June 1999 | | | | | | | |
| Gross value | - | - | - | - | - | - | - |
| Accumulated depreciation / amortisation | - | - | - | - | - | - | - |
| Net book value | - | - | - | - | - | - | - |

(e) Other non-financial assets

| | 2000 | 1999 |
|---|-----------------------|-----------------------|
| | \$ | \$ |
| Prepaid property rentals | 34,930 | 20,887 |
| Other prepayments | 247,581 | 182,725 |
| Total other non-financial assets | <u><u>282,511</u></u> | <u><u>203,612</u></u> |

11. CASH FLOW RECONCILIATION

| | | |
|---|------------------|----------------|
| (a) Reconciliation of operating surplus/(deficit) to net cash provided by operating activities | 2000 | 1999 |
| | \$ | \$ |
| Operating surplus/(deficit) | (583,953) | 36,839 |
| Depreciation and amortisation of infrastructure, plant and equipment | 334,021 | 339,234 |
| Increase/(decrease) in employee liabilities | 624,758 | 324,869 |
| (Increase)/decrease in other assets | (78,899) | (86,443) |
| (Increase)/decrease in receivables | (8,464) | (9,805) |
| (Increase)/decrease in other financial assets | - | 333,523 |
| Increase/(decrease) in liability to suppliers | 141,554 | (12,589) |
| Increase/(decrease) in other payables | 25,071 | (210,000) |
| Loss on disposal of plant and equipment | 60,506 | 13,729 |
| Profit on disposal of plant and equipment | - | (1,822) |
| Net cash provided/(used) by operating activities | 514,594 | 727,535 |

12. RELATED PARTY DISCLOSURES

The Members of the Authority during the financial year were:

Full time Members

Professor David Flint (Chairman)

Mr Gareth Grainger (Deputy Chairman, term ended July 2000)

Mr Michael Gordon-Smith

Part-time Members

Ms Kerrie Henderson (term ended August 2000)

Mr John Rimmer

Mr Ian Robertson (term ended July 2000, re-appointed August 2000)

Part-time Associate Members

Dr Robert Horton (term ended June 2000, re-appointed August 2000)

Mr Ross Jones (appointed December 1999)

Loans to Members and Member related entities

The ABA did not make any loans to Members or Member related entities during the financial year.

Other transactions with Members and Member related entities

The ABA did not have any other transactions with Members or Member related entities during the financial year.

Transactions with other related parties

The ABA did not have any transactions with other related parties during the financial year.

The aggregate remuneration of Members is disclosed in note 13(a).

13. REMUNERATION OF MEMBERS AND EXECUTIVE OFFICERS

| (a) Remuneration of Members | 2000 | 1999 |
|--|-----------------------|-----------------------|
| | \$ | \$ |
| Aggregate amount of superannuation payments in connection with the retirement of Members | 62,108 | 53,969 |
| Other remuneration received or due and receivable by Members | 686,043 | 619,151 |
| Total remuneration received or due and receivable by Members of the Authority | <u>748,151</u> | <u>673,120</u> |

The number of Members included in these figures is shown below in the relevant remuneration bands.

| | 2000 | 1999 |
|-----------------------|-----------------|-----------------|
| | Members | Members |
| \$Nil - \$10,000 | - | 1 |
| \$20,001 - \$30,000 | - | 1 |
| \$30,001 - \$40,000 | 1 | 1 |
| \$40,001 - \$50,000 | 1 | - |
| \$50,001 - \$60,000 | - | 1 |
| \$70,001 - \$80,000 | 1 | - |
| \$150,001 - \$160,000 | - | 1 |
| \$170,001 - \$180,000 | 1 | 1 |
| \$190,001 - \$200,000 | 1 | - |
| \$210,001 - \$220,000 | - | 1 |
| \$230,001 - \$240,000 | 1 | - |
| | <u>6</u> | <u>7</u> |

Two part-time Associate Members identified in Note 12 did not receive remuneration during the financial year.

(b) Remuneration of Executive Officers

| | 2000 | 1999 |
|--|---------|---------|
| | \$ | \$ |
| Income received or due and receivable by executive officers | 972,798 | 734,877 |

The number of executive officers included in these figures are shown below in the relevant income bands :

| | Executives | Executives |
|-----------------------|------------|------------|
| \$110,001 - \$120,000 | 1 * | 1 |
| \$120,001 - \$130,000 | - | 2 |
| \$130,001 - \$140,000 | 3 | - |
| \$140,001 - \$150,000 | 2 | 1 |
| \$150,001 - \$160,000 | 1 | - |
| | <u>7</u> | <u>4</u> |

* includes redundancy / retirement payment.

The executive remuneration includes all Executive Officers concerned with or taking part in the management of the ABA during 1999-2000 with the exception of the Members. Details in relation to Members have been incorporated into Note 13(a) - Remuneration of Members.

Performance pay has been excluded from the calculation of executive remuneration. No performance pay was paid to Executive Officers during the financial year.

| 14. AUDITORS' REMUNERATION | 2000 | 1999 |
|--|--------|--------|
| | \$ | \$ |
| Remuneration to the Auditor-General for auditing the financial statements of the ABA in respect of the reporting period. | 34,000 | 34,000 |

15. PUBLIC MONEY - LICENCE FEES

The Authority collects moneys on behalf of the Commonwealth Government under the *Broadcasting Services Act 1992* for the Department of Communications, Information Technology and the Arts.

The ABA received **\$212,353,117** in licence fees for the 1999-2000 collection year, which is comprised of **\$199,626,536** in television licence fees and **\$12,726,581** in radio licence fees.

The ABA allowed aggregation rebates of **\$2,523,796** to licensees under the Television Licence Fees Regulations.

Licence fees received from price-based allocations of licences amounted to **\$18,042,000**.

| | 2000 | 1999 |
|---|--------------------|-------------|
| | \$ | \$ |
| Cash Balance 1 July | - | 82,800 |
| Add: Moneys collected during the year | 230,395,117 | 212,084,323 |
| Less: Moneys transferred to the Commonwealth | 230,395,117 | 212,167,123 |
| Cash Balance 30 June | <u>-</u> | <u>-</u> |

16. FINANCIAL INSTRUMENTS

(a) Terms, conditions and accounting policies

| Financial instrument | Notes | Accounting policies and methods (including recognition criteria and measurement basis) | Nature of underlying instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows) |
|-------------------------------------|--------------|---|--|
| <i>Financial assets</i> | | Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured. | |
| Cash | 9 (a) | Cash at bank and on hand are recognised at their nominal amounts. Interest is credited to revenue as it accrues. | Funds, mainly from monthly drawdowns of appropriation, are deposited with the ABA's banker. |
| Receivables (goods and services) | 9 (b) | These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Provisions are made when collection of the debt is judged to be less rather than more likely. | Credit terms are net 30 days (1998-99: 30 days). |
| Other debtors | 9 (b) | As for receivables (goods and services) | As for receivables (goods and services) |
| <i>Financial liabilities</i> | | Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured. | |
| Trade creditors | 7 (b) | Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received. | Settlement is usually made net 30 days. |

16. FINANCIAL INSTRUMENTS (cont.)

(b) Interest rate risk

| Financial instrument | Notes | Floating interest rate | | Fixed interest rate | | | | | | Non-interest bearing | | Total | | Weighted average effective interest rate | |
|---|-------|------------------------|------------------|---------------------|----------|--------------|----------|-----------|----------|----------------------|---------------|------------------|------------------|--|----------|
| | | 99-00 | 98-99 | 1 year or less | | 1 to 2 years | | > 2 years | | 99-00 | 98-99 | 99-00 | 98-99 | 99-00 | 98-99 |
| | | | | 99-00 | 98-99 | 99-00 | 98-99 | 99-00 | 98-99 | | | | | | |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | | | |
| Financial assets (recognised) | | | | | | | | | | | | | | | |
| Cash at bank | 9 (a) | 2,061,012 | 1,848,592 | - | - | - | - | - | - | - | - | 2,061,012 | 1,848,592 | 4.4 | 3.7 |
| Cash in hand | 9 (a) | 4,400 | 3,900 | - | - | - | - | - | - | - | - | 4,400 | 3,900 | n/a | n/a |
| Receivables for goods and services | 9 (b) | - | - | - | - | - | - | - | - | 14,895 | 8,623 | 14,895 | 8,623 | n/a | n/a |
| Other debtors | 9 (b) | - | - | - | - | - | - | - | - | 330,217 | 15,158 | 330,217 | 15,158 | n/a | n/a |
| Total financial assets (recognised) | | 2,065,412 | 1,852,492 | - | - | - | - | - | - | 345,112 | 23,781 | 2,410,524 | 1,876,273 | - | - |
| Total assets | | - | - | - | - | - | - | - | - | - | - | 3,145,352 | 2,785,582 | - | - |
| Financial liabilities (recognised) | | | | | | | | | | | | | | | |
| Trade creditors | 7 (b) | - | - | - | - | - | - | - | - | 188,871 | 47,317 | 188,871 | 47,317 | n/a | n/a |
| Other creditors | 7 (c) | - | - | - | - | - | - | - | - | 25,071 | - | 25,071 | - | n/a | n/a |
| Total financial liabilities (recognised) | | - | - | - | - | - | - | - | - | 213,942 | 47,317 | 213,942 | 47,317 | - | - |
| Total liabilities | | - | - | - | - | - | - | - | - | - | - | 3,453,820 | 2,662,437 | - | - |

16. FINANCIAL INSTRUMENTS (cont.)

(c) Net fair values of financial assets and liabilities

| | Note | 1999-2000 | | 1998-99 | |
|---|-------|-----------------------------|--------------------------------|-----------------------------|--------------------------------|
| | | Total carrying amount \$ | Aggregate net fair value \$ | Total carrying amount \$ | Aggregate net fair value \$ |
| Financial assets | | | | | |
| Cash at bank | 9 (a) | 2,061,012 | 2,061,012 | 1,848,592 | 1,848,592 |
| Cash on hand | 9 (a) | 4,400 | 4,400 | 3,900 | 3,900 |
| Receivables for goods and services | 9 (b) | 14,895 | 14,895 | 8,623 | 8,623 |
| Other debtors | 9 (b) | 330,217 | 330,217 | 15,158 | 15,158 |
| Total financial assets | | 2,410,524 | 2,410,524 | 1,876,273 | 1,876,273 |
| Financial liabilities (recognised) | | | | | |
| Trade creditors | 7 (b) | 188,871 | 188,871 | 47,317 | 47,317 |
| Other creditors | 7 (c) | 25,071 | 25,071 | - | - |
| Total financial liabilities (recognised) | | 213,942 | 213,942 | 47,317 | 47,317 |

Financial assets

The net fair values of cash and deposits on call approximate their carrying amounts.

Financial liabilities

The net fair values of non-bank loans are approximated by their carrying amounts.

The net fair values for trade and other creditors, all of which are short-term in nature, are approximated by their carrying amounts.

(d) Credit risk exposures

The ABA's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the balance sheet.

The ABA has no significant exposures to any concentrations of credit risk.

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