

House of Representatives Standing
Committee on Communications,
Transport and the Arts

Submission No: 61
Date Received: 19/10/00
Secretary: Janet Holmes

Radio Industry Inquiry

Secretary:.....

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19 OCT 2000

HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
COMMUNICATIONS, TRANSPORT AND
THE ARTS

Parliament House
111 King Street
PO Box 450
Parramatta NSW 2150
16.10.00

Dear Mr. Snier,

I'm surprised that it has taken so long for such an inquiry to take place, and equally surprised that we haven't heard anything to suggest that ACCC has been banging on your door, seeking information on regional radio monopolies.

In regional areas people depend extensively on regional radio for most of their information. In some regional areas their local newspaper is only a weekly, and for some rural people their paper is delivered with their mail, again often only weekly.

Regional ABC radio, with their restrictions on advertising, provides a limited amount of local information. They have to operate under severe budget restrictions, and now Mr Snier has announced a further \$10 million cutback, which will restrict their information services even more.

This means that regional commercial radio is even more essential for supplying information on crop/seed prices and availability, stock sales and prices, and what kind of stock is wanted in the markets, and the price and availability of farm machinery and equipment.

We now have the situation where a small number of people own and control a large number of commercial radio licences, most of them regional. DMG hold/control 200 commercial broadcasting licences - 4 of them own/control 145 licences. DMG - foreign based - owns 61, and Caralis owns 31.

While there are other individuals and groups following a similar path DMG and Caralis are the main offenders.

While their ownership would not normally be a problem, most of their commercial radio broadcasting licences are regional licences, and are not operated locally, but are networked from Sydney.

Their usual procedure, when taking over a regional licence, is to get rid of most of the local staff. Networking from Sydney diminishes the need for local staff.

Then they cut down or cut local advertising; local music preferences; local information on crops, stock sales, weather etc; advance warning of plagues, such as locusts; and, where it exists, local open line talkback radio.

4WK toowoomba is a prime example. It was widely used by local traders, supplying up to date, day by day information on goods and services, and had a local talkback service from 9.0am to noon, Monday to Friday, and

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a free buy, sell, swap service in the PM.

Rurals, particularly farmers and graziers, used both these services extensively. Telling others in their area about particular problems, by a call to the local talkback was a lot quicker and cheaper than an STD phone call to each of their neighbours, to ask for advice and/or help.

This changed when their local talkback host was replaced by John Laws. By the time he had dealt with his national advertisements, and pleased his Sydney listeners, flogged his own books and music, there was no time or opportunity for local advertisers or local talkback radio.

Since his Court case he has been replaced by Sattler, and John Laws is now conducting his show on 4GR.

Where regional towns had a local ABC radio station it usually only provided a limited service, and was itself networked from its Capital City ABC, and, restricted to non-commercial advertising, could not provide the same service as a local commercial project. When the networkers buy up the local radio licences they create a monopoly, and to this date nothing has been done to halt the process. I will be contacting ACCC on the monopoly issue.

While most of the local takeovers have been in NSW they are gradually encroaching on other States and unchecked will devastate regional commercial radio. Their programmes are mainly to please Sydney listeners and national advertisers, and profit is the driving force. People are the least of their concerns.

It's no wonder that people are leaving the Bush in droves. With the takeover of their local radio service, closure of Banks and Post Offices, and transfer of local rural based agencies to Capital Cities, there's not a lot to encourage them to stay.

It's getting close to 'too late' to stop the rot, but there is still a chance for Federal Government to put a rein on their activities. If they are fair minded about monopolies that should be enough to make them sit up and take notice.

My best wishes for your success in putting a stopper on the money grab!

Sincerely,

Tom Baker