



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON COMMUNICATIONS,
TRANSPORT AND THE ARTS

Reference: Radio racing services

FRIDAY, 17 SEPTEMBER 1999

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

Friday, 17 September 1999

Members: Mr Neville (*Chair*), Mr Gibbons, Mr Hardgrave, Mr Hollis, Mr Jull, Mr Lindsay, Mr McArthur, Mr Mossfield, Mr Murphy, and Mr St Clair

Members in attendance: Mr Hollis, Mr Jull, Mr McArthur, Mr St Clair

Terms of reference for the inquiry:

- The extent of, and the value placed on, the coverage of the ABC's radio racing service.
- The impact of the discontinuation of the service on the community and the industry.
- The current extent of radio racing coverage and gaps in that coverage.
- Future options for the provision of broadcasting services of racing in regional Australia.

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Committee met at 8.15 a.m.

CHAIR—I declare open this public meeting of the House of Representatives Standing Committee on Communications, Transport and the Arts on its inquiry into the impact of the decision by ABC radio to discontinue its radio racing service. The inquiry has generated considerable interest across Australia, particularly in regional and rural areas of New South Wales, Queensland, Victoria and Western Australia.

Without prejudging the outcome of the inquiry, I can say the submissions clearly suggest that the ABC radio racing service was highly valued by many racing enthusiasts in regional Australia. A number of submissions describe being no longer able to access radio race broadcasts at all. Others refer to the limitations of alternative services. Others again describe efforts being made to fill the gaps in services and proposed measures that might assist in that process.

In conducting this inquiry into radio racing services, the committee is interested in assessing the extent of the gaps both in access to radio broadcasts and access to alternative sources of radio information, the effectiveness of alternative sources of racing information in allowing racing enthusiasts in regional and rural parts of Australia to follow their interest in the sport, and the extent of the impact of the discontinuation of the ABC's race broadcasts and the effect that that has had on the industry.

The committee is looking at the future and is focusing on ways of providing an appropriate form of racing broadcast to regional Australia. We are therefore particularly interested in teasing out some of the difficulties that those attempting to fill the gaps in coverage may be having and in exploring ways of filling those gaps.

[8.18 a.m.]

KATTER, the Hon. Robert Carl, MP

CHAIR—Mr Katter, I have to issue you with the standard caution. I advise you that, although the committee does not require you to give evidence under oath, committee hearings are legal proceedings of the parliament and warrant the same respect as those of the House itself. Any false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. I invite you to make an opening statement of an overview of your submission and then we will open it up to questions.

Mr Katter—Mr Chairman, we express our appreciation for the standing committee conducting these hearings. It has been one of the most serious issues. I know it sounds ridiculous and petty to people who are not in the firing line, but I myself was amazed at the vehemence of the reaction to this decision. I will do my best to explain why I think there was this vehement reaction to it.

There is a dearth of entertainment in the bush. I do not want to go into the details of how you define the 'bush', but let us just say that there is a dearth of entertainment in the bush, and I will give you some examples. There are five free-to-air television channels in Brisbane. Of the 140,000 people throughout the Kennedy electorate, I would say that almost all of those people, with one or two exceptions, would have only three television channels available to them. That is not true of Charters Towers and some of the areas around Cairns. So I qualify that remark to that degree but, with regard to the western areas of the electorate, again with some exceptions, that is true.

In relation to pay TV in the rainforest areas, a lot of my electorate is in fact the rainforest of North Queensland. It is all very high, mountainous country. The cane farms are pocketed in behind hills, et cetera. There are very large proportions of those areas who not only cannot get television but also cannot get a lot of radio coverage as well. There is no pay TV once you leave the coast. It is a banana shaped footprint. You can get it at Hughenden, but it costs a lot of money to get it there. But all the rest of the towns—whether they be Winton, Richmond, Julia Creek, Cloncurry, Croydon, Normanton or Burketown—are well and truly outside that footprint. They have put a facility in Mount Isa because it is big enough to warrant it, but all the rest of the area is not covered by it. So the television that is available to people in the cities, many of whom will enjoy 18- or 20-odd channels, is not available to these people.

There are very poor incomes in the bush. Even if you are on a reasonable income, the cost of living in the mid-west towns of North Queensland is 24 per cent higher than in Brisbane, so your dollar is not going to go very far anyway. There are very few people left in the bush. So, for the first time in 36 years, we have no Rugby League played in any of the mid-west towns in North Queensland—none of them at all. There are no cinemas in the Kennedy electorate, with the exception of Charters Towers and Mount Isa. There are 13,000 people in Charters Towers and 20,000 people in Mount Isa. Except for that 30,000, the other 120,000 or 140,000 people have no cinemas available to them at all.

The national parks are now restricting access. If you want to go into the rainforest, you have to ring them up and get written permission. You have to make a written application to traditional places where we went swimming and fishing and all of those things. They are now cut off to us. Of course, fishing and shooting are out and are almost completely banned now. So the traditional sports we had of fishing and shooting and going into these areas now has very much restricted access. That is also true to some degree in the western areas as well because of native title and an increasing consciousness by the graziers that if they let people in then it is not regarded as ownership rights and therefore they are under threat of native title. So they have cut off all the waterholes as well as a result of native title initiatives. Every weekend in the days of my youth my family used to go out shooting turkeys until the drought years came and then we let up, but that was our form of recreation. Other families went fishing. Those things are not now available to us.

The next point I want to make is that I do not believe that people who do not follow racing are significantly inconvenienced. I myself am not a racing man, but I love listening to the Rugby League if I am driving. When this issue came about, I did not think about it much. I did not think there would be much of a reaction to it, which reflects upon me a little bit, I have to say. But I thought, 'I'm not inconvenienced by that. For a few minutes some blokes will enjoy their bit of racing.' It interrupts the Rugby League game for a couple of minutes while the race is on, but that is all it interrupts. You still know what is going on in the league match.

Also, I have to go into pubs and bars and mix with people, and racing is a talking point. You need to know a little bit about racing to be able to communicate with people. In fact, if I was to say the two openers in any conversation in western hotels and social gatherings it would be race horses and Rugby League. We have lost our Rugby League and, thanks to this little effort, we have lost our racing to a very large degree. So I make that point to you.

The third point I want to make is this, and this was extraordinary to me: it is quite clear that the ABC must have sustained a net loss on the dial from this. This is a statement just as true of the city as it is of the country: people have left the ABC on the dial for the racing station. If they are racing men or women, they have left the ABC and have gone over to the racing station. So they have switched off the ABC and gone over. There has been no one change to the ABC because they are not broadcasting the racing. I have not suddenly left the ABC or moved over to the ABC for that reason. So it always had to be a net loss on the dial.

When I argued this with everyone from the chairman down, their reaction was fairly uniform. They were not hostile to keeping racing on the ABC. There were two ladies, as I understand it, who were in charge of these decisions. The general attitude was, 'Well, good luck if you can change their minds, mate. Good luck.' There was no attitude that it was really my responsibility and that I should force these women to change their minds, but I have had further dealings with one of these people and they are people who do not change their minds. They do not listen. They make their decision, and that is that. Even though your arguments may be very, very strong arguments, you can rest assured that they will not be listened to, and that seemed to me the general attitude. They may not have spelt it out in detail, but that was the general attitude. I cannot think of anyone who would turn to the ABC dial because they do not have racing on now, but I can think of a hell of a lot of

people—about four per cent of the population of the state—who have moved off that dial because they are not running the racing. So they had a net loss on the dial.

I do not want to emphasise this too much because a lot of the areas we are talking about are not country areas. I have had a lot of the reaction from quite sizeable populations along the coast. They are in and out of the mountains and they cannot get in there. But, all the same, I will just put one little country twist on it. We still basically muster cattle with horses. I did my first muster on an ex-racehorse. It is intrinsic to our way of life and our major industry in the bush. Also, people who live outside the cities tend to be people who like to ride horses. I have a lot of city friends in Townsville who have small holdings outside of town who all have horses because they love horses. They love them far more than I do, as a matter of fact. There is still a very great love of horses, and humankind have lived with horses now for tens of thousands of years. That symbiotic relationship is there. That, I think, creates an interest quite apart from the intellectual stimulation.

I make the point that most of these towns have pokies. You can go in and play the pokies, but that is an intellectually deadening exercise whereas horseracing is a great intellectual stimulant. You can always find most of my lecturers of economics at university at the track on the weekend because they have worked out some grand theory that is going to allow them to make a million dollars. But it is an intellectual stimulation, particularly for my father's generation. They were fanatical. Those who knew my father knew that he would die rather than miss his races on Saturday. It was an old western thing, and it still is a western thing because they have very few other forms of intellectual stimulation outside of racing.

Finally, on the ABC's attitude, I think the attitudes of the two people who made this decision were very, very regrettable indeed. They had made up their minds. There was no way they were going to listen to anyone. They felt threatened. When anyone in anyway disagreed with them, they felt extremely threatened. I thought that one of them, when I rang her up, was hyperventilating on the telephone the minute I spoke to her. So I think there are a lot of inappropriate people making the decisions here. In relation to the Rugby League coverage in Hughenden, unfortunately I ran across one of these people again. It was the third decider in the Rugby League. When we had the Mid West Rugby League still going last year, half of the town's population—over 1,000 people—were at the Mid West Rugby League grand final. That is how much these people love their Rugby League.

I was President of Mid West Rugby League. The current state member of parliament who took my place was the captain of Mid West Rugby League. It is integral to us, yet they would not allow us to use their bannister for that hour and a half to put the final, the decider, of the state of origin series into the town of Hughenden. I just thought it exemplified an attitude of 'I cannot be questioned in my judgment making', even though in this case this woman had not really made a judgment at that stage, but she felt anything was interference. It was a similar sort of attitude that we confronted with the racing.

CHAIR—Did the ABC point out to you the problems with the privatisation and commercialisation of the TAB?

Mr Katter—That we could get it through pubTAB or whatever it is called.

CHAIR—No. Did the ABC mention to you that the TAB was being privatised and because of that there were commercial considerations that interfered with their charter?

Mr Katter—Yes. I am in the state of Queensland and I informed them that that was not the position of the government and whether the ALP was elected or whether the National Party was elected, both parties had a policy in Queensland of not privatising the TAB. So it was not a valid argument in Queensland. Further to that, the TAB offered them the program for free, so it would not have cost them a single cent to put that program on.

Mr JULL—You have given a history of the broadcast of the ABC. Can you go back just a little further than that when you had three commercial networks as well as the ABC who were taking radio coverage. Could you give an estimate of how much of the electorate would have been covered by the combined commercial ABC operations?

Mr Katter—Do you mean for racing or for everything?

Mr JULL—Yes, 4LM Mount Isa may have been taking it and 4VL Charleville may have been taking it.

Mr Katter—I would honestly say to you, Mr Jull, that I cannot recall. If I were to hazard a guess, I would say, yes, they were—4LG Longreach came into all that mid western area of North Queensland, all of inland North Queensland. The only reason they use the mid west is that it cuts out Mount Isa and it is all the small rural towns as opposed to the big city of Mount Isa.

CHAIR—I think what Mr Jull is referring to is that 4BK, for example, had a program that Tom Foley ran and 4BC or 4BH had a network with a fellow called Vince Curry. I think Mr Jull is referring to the fact that a lot of country stations took one or other of those programs on relay.

Mr Katter—My memory was that 4LG took that, and 4LG's coverage area extended right up into the mid west and took in Hughenden, Richmond, Julia Creek, Cloncurry, Winton and all of those mid west towns.

Mr JULL—So basically 20 years ago or 25 years ago you had 100 per cent coverage in terms of two services.

Mr Katter—Yes, absolutely.

Mr JULL—And it has gone down. I just find it hard to believe that the commercial networks started dropping out of the racing industry and then the ABC did. I have often wondered whether it had more to do with the racing industry and the coverage that racing had rather than any commercial decision or they forced that commercial decision for them to pull out. You are saying that that is not true. Can you give us an indication on things like Sky TV? What the availability is there in the west?

Mr Katter—Yes. There are two availabilities. There was some sensible argument from the Chairman of the ABC and he said, 'Can't you put pubTAB into all of these towns?' All

of the narrowcast licences are held by one person, and I must thank Senator Alston for changing that and overcoming that problem. That was a very serious problem for as long as I have been a federal member. That is 4TAB coverage—4TAB coverage is very, very narrowcast. Even in a town like Hughenden you have probably got close to half of the population living outside of that narrowcast area.

The shire of Flinders has 60 per cent of people outside of that pubTAB broadcast area. But one of the most violent attacks I got was from Mareeba, a town of 12,000 people—all of the farmers there cannot get it because of the narrowcast licences. It has not got the broadband coverage. As far as getting it from the satellite is concerned, some of the graziers have enough money to do that, but I would say that one in 30 would be the sort of figure you would get.

Mr JULL—That was my next question.

Mr Katter—I thought you were going in that direction.

Mr JULL—Off the top of my head I have no idea what the cost is.

Mr Katter—The last bloke that abused the hell out of me—there were many, believe me—quoted a figure of \$3,000 to put it on. He was a bloke who would put it on. Little towns such as Maxwellton—they would have three people who live in Maxwellton—have their annual race meeting. It is part of their life. There are over 150 towns in Kennedy and the number of towns that are covered by it is very small indeed. There is a significant proportion of the population but the number of towns are very small.

CHAIR—We are going to Barraba near Tamworth on Saturday to have a look at a race meeting to assess the effects on those sorts of people.

Mr JULL—So if you are in the bush and you want racing coverage, it is going to cost you \$3,000 or thereabouts.

Mr Katter—Yes. When I say Hughenden—and Charters Towers is the same. There are over 1,000 small holdings around Charters Towers. I live on one of them—10 acres. They range from 10 acres to about 2,000 or 3,000 acres. None of those people can receive it. I think very few of them would have the sort of money to put out. They work at the hospitals and the schools in town; they do not have that sort of money to put out.

Mr St CLAIR—Mr Katter, could you tell us why you think the ABC have just dropped out?

Mr Katter—I think the two women who restructured the programming had preconceived ideas of where they wanted the ABC to go, and they moved to a much higher class marketplace, if you like, as they would see it.

Mr St CLAIR—With Rugby League.

Mr Katter—No. I think they would have possibly liked to have taken Rugby League off as well. Their tastes were very esoteric in my opinion. They were not the tastes of the average Australian person, even remotely. I am not saying everyone takes an interest in racing but—

CHAIR—Mr Katter, can I interrupt your evidence? Mr Johnson is on a very tight time limit. So could you retire to the gallery for a minute. We will call you back to the table. We will just adjourn your evidence for the time being.

Mr Katter—That would be good because I would like to hear Mr Johnson's submission.

[8.39 a.m.]

JOHNSON, Mr Vaughan, Shadow Minister for Transport and Main Roads, Queensland Government

CHAIR—I welcome Mr Johnson MLA, member for Gregory. The committee does not require you to give evidence under oath, but these are legal proceedings of the parliament and warrant the same respect as would attend to the House itself. Any false or misleading evidence is considered a serious matter and may be regarded as a contempt of the parliament. Before we start, could you be good enough on behalf of the committee to convey to your constituents our deepest apologies that we have had to cancel the visit to Longreach this afternoon. We had a very tight itinerary over four days and it was all dependent on having a government jet and the government jet was withdrawn at very late notice yesterday afternoon. But we will endeavour to include Longreach some way—we are not sure how—before the inquiry finishes. I just wanted you to know that the committee is very upset about that. Can you convey to your constituents that there was no deliberate decision on the part of the committee not to go there.

Mr Johnson—I understand the situation surrounding the events of today. I will be doing an interview with radio 4QL ABC Longreach on leaving here, and I will certainly convey that for you and the committee.

CHAIR—Thank you. Would you like to make a brief statement of about five minutes and then we will break into questions?

Mr Johnson—Thank you and your committee very much for the time and thank you for the interest in this matter. I heard much of what Mr Katter said prior to my coming to the forum. Just to encapsulate some of the issues: I represent an area of some 370,000 square kilometres of western Queensland, some of which used to cover Mr Katter's area. It now covers the electorate of Capricornia, much of which is held by Kirsten Livermore, and also the electorate of Maranoa, much of which is held by Bruce Scott. Both of those have been very remote electorates in area.

The important factor is—and I do not want to go over the same ground that Mr Katter has gone over, but I am going to have to in some areas—that places like Winton, Longreach, Barcaldine and Blackall in the central west are probably the majors areas of population. But also we have intermittent places like Muttaborra, Aramac, Isisford, Jundah and Windorah. Then you go into the far west to places like Bedourie and Birdsville and Yaraka. But the point I make here is that we have a population there of some 14,000 people. When you look at some of those towns that do have access to 4TAB coverage, that takes in a population of about 9,000. So there are 5,000 people in reality that do not have any coverage whatsoever.

Going back to years ago, the ABC had a magnificent coverage of racing of a Saturday morning. You could pick up the three-state racing—Melbourne, Sydney and Brisbane. I heard you mention during the time with Mr Katter some of the programs that came through from Brisbane. A lot of people have lost interest in racing as a result of being deprived of this access to ABC coverage, bearing in mind that Charleville has radio 4VL and Longreach

has radio 4LG. Those people who could hear those radio stations certainly listened to the broadcast from commercial operations of Macquarie network. Now that no longer happens. People right throughout the central west, the south-west and the north-west for that matter are deprived of this first-hand racing information of a Saturday morning.

To give you an example: I went to the races in Longreach on Saturday. I reckon there would have been a crowd of 100 people there, bearing in mind there was a meeting at Corfield the same day.

CHAIR—Only 100.

Mr Johnson—Yes, that is all there would have been there. There was a race meeting at Corfield—Corfield in North Queensland of course, not the one in the south. There was also the annual Bedourie meeting on the same day, which is their one big meeting of the year. They only have one meeting in Bedourie. Also I believe there was a meeting in Charleville the same day. You can appreciate that the way racing is today in the central west or the south-west and the north-west for that matter is that we no longer have one person owners racing on their own. We now have syndication of racing where you might have four or five people racing a horse together, and of course they are going to find where the best meeting is and where the best prize money is and whether or not it is a TAB meeting.

It is absolutely paramount that we have that coverage so that once again we can enhance the operation of racing in that area and at the same time give these people some quality of life. There are many people from all walks of life—not just people who race horses but the people who do not race horses, the people who make racing such as the people who are the punters or the people who go there for the social outing—who have been deprived. You do not need me to tell you precisely how many people we are losing from inland Queensland and inland Australia today. We have lost a population of something like 35 per cent to 40 per cent over the last 30 years from inland areas. These issues that we are talking about here today do not enhance people staying in those places.

What I am saying to you is that we certainly have to give some thought to it. There are 5,000 or 6,000 people in my area who do not have access to hearing racing on the ABC or the commercial stations of a Saturday morning. Why should they be deprived of what the people in Brisbane, Sydney, Melbourne or any of the other major centres can hear?

CHAIR—You make a very interesting point. You are saying that without getting good information—people being able to get the scratchings, the riders and the barrier draws—on a Saturday morning there is less incentive for people to go to the track because they are just not informed. So they say, ‘I’m not going to go there and make a mug of myself. I will stay at home.’ Is that what you are saying?

Mr Johnson—Absolutely. Newspapers are also a very important part of racing. We all like to get the form guide on Friday. Many of these places that Mr Katter and I represent do not have access to papers or best bets of a Friday.

CHAIR—What time do the papers get in to those towns?

Mr Johnson—They get into Longreach about 11 or 12 o'clock on a Saturday, I understand, and on the Friday you get the Friday papers in there before. The best bets come in on Friday. But Longreach is one stand alone operation. A place like Winton will be later again. Barcaldine and Blackall will be serviced too. But the smaller places that I spoke about earlier do not have any access at all.

CHAIR—So if you have not got a newspaper—

Mr Johnson—You have not got the form guide. But if you have got a form guide or access to the radio station, then that will fill the void.

CHAIR—So you do not know what you are going to back or anything when you go to the track. Is that what you are saying?

Mr Johnson—Absolutely.

Mr JULL—Can you give us a bit of a breakdown—what radio have you got available in a town like Yaraka?

Mr Johnson—You have ABC 4QL Longreach. That is the only radio station.

Mr JULL—Is there any part of the west that has any coverage from the ABC second network from Radio National?

Mr Johnson—Yes. You are referring to the FM radio station, I take it?

Mr JULL—I think it can go on FM.

Mr Johnson—Only a very small radius of major centres like Longreach, Barcaldine and Blackall has access to that network.

Mr JULL—So unless you are in the major towns you have one ABC network and that is it.

Mr Johnson—Yes. In the far west and the isolated areas you can hear ABC radio right across those areas. That is what I am saying: if we could get that network on Saturday morning—the magnificent ABC network of Grandstand which covers all the other sporting activities like football and everything else that is going but there is no mention of racing as such. On a Saturday morning you will get what is happening with racing but in the afternoon there is just no representation at all.

CHAIR—What is your solution? I will ask Mr Katter the same question later when we call him back to the table. Be blunt and tell us what you think should happen.

Mr Johnson—I will be blunt all right and that is something I can be, as you probably well know. The situation is, as I see it, that these people should not be deprived of this. In this modern day and age we live in with governments making communities better for people to live in and improving the quality of life for people, I believe there has to be a community

service obligation put in place for the national carrier, the ABC, so that these people in these far flung areas can have access to the broadcast of racing on Saturday. The same should be applicable to the commercial stations, like 4LG in Longreach and 4VL in Charleville. If something can be addressed through 4TAB to the ABC and to those commercial stations, I believe that is going to eliminate the problem that we have and give these people a better quality of life.

CHAIR—Who should be responsible for that? Are you saying that the ABC should reinstitute broadcasting of races?

Mr Johnson—Absolutely.

CHAIR—Is it your view that that should be confined to the regional network or should it be available to people widely across Australia?

Mr Johnson—Widely across Australia, I believe. I made reference here today to the 14,000-odd people who live in remote Queensland—9,000 of those people living in those towns have access to 4TAB and 5,000 do not. Bear in mind that we have tourists and truckies and all those sorts of people who travel the roads too. They do not have that access either. So the listening audience that does not have that opportunity is probably bigger than 5,000.

Mr JULL—Are 4VL and 4GL stations in your electorate on relay? Are they on network at weekends?

Mr Johnson—Yes.

Mr JULL—So there is no local content at all?

Mr Johnson—When you say on relay, the only thing that is relayed there is the news as such. The local content is harnessed together for 4VL and 4LG. It is all computerised, as you can appreciate—they will not have an announcer there. At certain hours of the day and night the station is operating on computer. In reality of a Saturday morning you have somebody there when racing is on or of a Saturday afternoon, but some of the Sunday programs and some of the late night programs are computerised.

Mr JULL—What is the nature of that programming? Is it just head banging music coming in from Lismore or something?

Mr Johnson—Very much so, yes.

Mr JULL—So it is not program specific.

Mr Johnson—A lot of it is local content like ads, et cetera, as you can appreciate. But a lot of it comes across the Macquarie network; some of it does not.

CHAIR—Do you have a local version of Grandstand on a Saturday morning?

Mr Johnson—Yes, we do on ABC.

CHAIR—But no racing information.

Mr Johnson—Only local racing. You will have somebody who will comment on the racing in relation to Melbourne or Sydney or Brisbane, but it is very much of a local content and local input. You do not have your Greg Miles or those types of people being able to give you the tips from Melbourne and whatever—and that is what the people are looking for.

Proceedings suspended from 8.54 a.m. to 9.07 a.m.

[9.07 a.m.]

KATTER, the Hon. Robert Carl, MP

CHAIR—Welcome back.

Mr HOLLIS—You represent one of the larger areas. There must be other members on both sides who represent areas similar to yours. Has there been a bit of a network? As I represent a very small area, I had one person telephone me about this. Have you spoken to any of the other members or have they talked about it? What about the members for Grey, Leichhardt and those places? Is it an issue amongst members with large electorates?

Mr Katter—I would have thought that it was raised about seven times in the National Party room. I would say that it had been raised two or three times in the joint party room. As you are well aware, Mr Hollis, you only have so many shots in a party, but for that to be raised that many times was quite amazing really when you consider its nature.

Mr HOLLIS—If someone raised it in our party room and other people had had representations, a murmur of approval or support goes around the room.

Mr Katter—Clearly, people from the big cities have the coverage, and it did not worry them that much. But I still think that if you are driving along, as a lot of people are, and you have the radio on 4TAB, it is just racing all day as opposed to cricket or football. I follow racing from time to time. You do not want to listen to every single race. It is good to have the cricket and the Rugby League playing alternatively. I just thought it was a dreadful decision from that point of view as well, but it is a very big issue indeed.

I make this point to you: if you divide Queensland in half, the very demographic centre of the top half is a town called Hughenden, which was the heart of my state electorate and the heart of my current electorate. About 100 people turn out for the inter-mid west swimming and sports days for the kids. Outside of that, I cannot think of anything that brings a crowd. Maybe there are some things, but I just cannot think of them. We had about 700 or 800 people at the last Mid West Rugby League grand final and about 300 or 400 regularly turn out for the racing. So they are the only two things we have an interest in out there, and both of them have been taken away from us for different reasons. But this one was a decision by a government instrumentality.

CHAIR—Is it your experience in your electorate, which is slightly different from the electorate of Mr Johnson, that country race meetings are suffering as a result?

Mr Katter—Absolutely. I would say that attendance has dropped clean in half.

CHAIR—We have heard the problems. What solutions would you suggest to the committee?

Mr Katter—I have given this an awful lot of thought because it really has been a most serious issue in the electorate I represent. I would say that 30,000 or 40,000 people have been deprived of their racing coverage. That means that a very significant number are very

mad. I have given a lot of thought to this, and I really cannot see any other solution except to go back to the ABC.

CHAIR—Are you talking about the ABC state-wide or are you talking about the regional network?

Mr Katter—They argued with me that they could not give a regional coverage as opposed to a broad brush state coverage. I said that I would have thought that the arguments were the same in the city. You have had a net loss of listening time. It is going to cost you nothing. The TAB have been very generous in this respect in approaching you people. So why wouldn't you do it? But, if it could be done regionally, I suppose that would be quite good. In relation to Vaughan's point about people travelling, the car count between Cairns and Townsville is about 3,000 a day. So there are a huge number of people moving on the roads and you have all these mountain areas as well where a hell of a lot of people live who cannot get coverage. So I do not know whether regional coverage would suffice.

CHAIR—What would you think of the prospect of some change to spectrum arrangements to allow 4TAB more extensive coverage?

Mr Katter—For reasons that I do not understand, if it is a government instrumentality—whether they say they can direct or whether they cannot—they appoint the board and the board controls the people. It is not direct control that the government has, but I cannot see any excuse for them not asserting themselves in this area. If the government of whatever political hue are not prepared to do that, then I suppose that is the only other answer that would be available to us. But, Mr Chairman, I do not find that a very agreeable solution. I do not mind a bit of racing. When I was travelling with my father he would be listening to the races, but he was a great follower of the cricket as well. He would like to hear the cricket in between. In relation to having the racing and nothing else, the point I make is that it makes for a lot better listening if you have both. The ABC has had a net loss of people and they have had no net gain as a result of this decision.

CHAIR—If the spectrum arrangements were such that 4TAB was able to achieve a bigger coverage, it has been put to me—not in evidence but privately—that that would allow people in country areas to have racing information six days a week whereas under the ABC arrangements it was generally only Saturdays, public holiday Mondays and the occasional big race meeting midweek.

Mr Katter—I think we are effectively talking about Saturdays with the ABC. If that could be done, I suppose it covers the problem. It is not the way I would approach it, but if that can be done that is better than nothing. It would be a hell of a lot better than nothing.

CHAIR—So you are suggesting to the committee that the ABC be required to reinstitute at least the regional network?

Mr Katter—That would be my very strongly held proposition, but if that cannot be done then I would fall back on the fall-back position of having 4TAB take the coverage.

CHAIR—As there are no further questions, I would like to thank you, Mr Katter, on behalf of the committee for giving evidence. I realise that you represent a very remote and diverse electorate. It is important that we speak to people like you to get the feel of what the effects of these decisions are at the coalface, so to speak. We thank you for appearing before us today. You will receive a copy of the *Hansard* draft of your evidence.

Mr Katter—Thank you very much, Mr Chairman, and thank you very much members of the committee.

[9.15 a.m.]

HOUSTON, Mr Bruce, General Manager, Operations, TAB Queensland Ltd

McCORMACK, Mr John, General Manager, 4IP Pty Ltd (Radio 4TAB)

CHAIR—I welcome Mr Houston and Mr McCormack to the table. Before proceeding I have to caution you that the committee does not require you to give evidence under oath, but committee hearings are legal proceedings of the parliament and warrant the same respect as proceedings of the House itself. Any false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. What I would particularly like, Mr McCormack, is for you to give us an overview of the coverage of 4TAB. Mr Jull and myself are Queenslanders. We understand the system, but my interstate colleagues may not. Could you give us a bit of a feel for what the parallel organisation is in New South Wales, for example, and an idea of the extent of coverage and the problems you have in creating greater coverage.

Mr McCormack—Racing radio as such has really commenced within the last decade. Racing radio has been around for generations, but detailed coverage of racing events on a daily basis—on a seven days a week basis, as it is now—has only been around for about 10 years. In Queensland about 10 years ago the TAB decided it would take the opportunity to purchase its own radio station and convert it entirely to racing programs instead of relying on a previous commercial station which gave part of its operation to the racing program, which was 4BC. That station virtually covered the metropolitan area of Brisbane. Prior to that, other commercial stations in Queensland had taken racing generally only of a Saturday afternoon. I think that was pretty common right around Australia. But in the area of the late 1980s the commercial provincial stations started to dip out and it really was a contractual situation back to the capital cities only.

However, at the time when the metropolitan situation became a little clearer, there also started the advent of a number of different types of licences which became available on a willy-nilly basis in which racing could be interested. The Queensland TAB took the opportunity to get in on the ground floor of some of those licences, which were issued under the old Broadcasting and Television Act and have progressed with that through the new Broadcasting Services Act, to the point where we now have approximately 60 transmitters throughout Queensland, most of which are owned by the TAB itself but there are a collection of those licences which are owned by individual people in various towns, local community groups and local government bodies.

That picture is reasonably reproduced in New South Wales by Racing Broadcasters Pty Ltd, which is an offshoot of 2KY which has traditionally been the race broadcaster in Sydney. In Victoria a conglomerate of the racing bodies owns the metropolitan licence and it in turn has established—

CHAIR—Is that FM97?

Mr McCormack—No, Sport 927. It is an AM situation in Melbourne. It is the old 3UZ. They have set up a smaller number of stations through Victoria. Geographics lends itself to them. In South Australia, the TAB own the metropolitan licence and they have a smaller number of satellites. The same applies in Western Australia and Tasmania. The Northern Territory is covered by half-a-dozen licences, all of which are owned by the Northern Territory TAB.

CHAIR—But Queensland and New South Wales are the most developed markets, aren't they?

Mr McCormack—Yes, they are, although New South Wales has more transmitters than us. I am guessing that it would be getting close to 100 now.

CHAIR—Thank you for that. I think that gives my colleagues an overview.

Mr JULL—I just want to clear up something. Are the licences which you have in Queensland basically the old supplementaries?

Mr McCormack—No.

Mr JULL—They weren't?

Mr McCormack—No. The supplementary licence regime never got into this. The first were things called LBLs, low broadcast licences. We applied for 52 with our tongue firmly planted in our cheek and ended up with 16 ranging from Goondiwindi in the south to Thursday Island in the north. Noticeably, Maryborough, Bundaberg, Gladstone, Rockhampton, Cairns and Townsville were not there because the frequency allocation was just not planned in those areas. So it was Goondiwindi, St George, Emerald and Blackwater. It was all the smaller areas.

Mr JULL—But what you are really saying is that it was all potluck. There was no scientific planning. If you got one you were lucky and if you didn't too bad.

Mr McCormack—Yes, that is right. Then the planning situation came about where the Australian Broadcasting Authority started to plan Australia from an analog point of view. They started with remote Australia, which is everything west of the ranges and it stops at the Indian Ocean. They did that area first. We already had reasonable coverage in that area from 16 LBLs, so we did not really get involved in that too much. When they started to plan our local areas from Cairns down, that is when we started to get involved.

We made various submissions to all of their planning meetings, as did lots of other people who were interested in licences. They eventually tried their best to satisfy everybody. The one area where things have come unstuck is the fact that these open narrowcast licences that they have issued, which are the sort of licence that racing can take up, are based on a price based allocation system—in other words, it is an auction. So you can plan as much as you like, but you cannot control who is going to bid what.

CHAIR—How often do they come up for rebid?

Mr McCormack—The licences are initially issued for five years. None of them has come up for rebid yet.

CHAIR—No, but you have to rebid for them at the end of five years. Is that the idea?

Mr McCormack—We do not know. There has not been a policy enunciated on the re-issue of these licences. That is the understanding, but we do not know.

Mr Houston—When we first knew we had secured the licence, the understanding was that it was a five-year term and the same process.

CHAIR—Mr Houston, do you want to make an overview statement, too, and then we can get into detailed questioning?

Mr Houston—No, only to say that our chief executive made a submission which endorsed John's Radio 4TAB submission. The only additional comments I would like to make, conscious of the origins of this inquiry regarding the ABC withdrawal of the racing service, is that I guess there is a second part to where this may lead, and John just touched on it at the tail end—that is, the price based allocation system. Where there was great unease in regional Queensland when the ABC withdrew, with the priced based allocation system, I guess we cannot give a guarantee that we will even remain in the places that we currently are because of events of the last year or two where we have established a radio service in some of the more key regional centres.

When those licences come up for release next time around, there is no guarantee that the TAB will even get those licences again. So our service, which goes some way towards providing a racing service throughout regional Queensland, may well diminish under the current system. We cannot compete with other operators who are prepared to outbid us at auction. We just cannot compete. That is the only thing I would like to add.

CHAIR—Do you have any idea of what percentage of coverage you have of the old ABC regional network or the overall state network?

Mr McCormack—I have had a look at some stats recently. It would seem to me that there are about 16 per cent on population figures that we do not cover, and that is said a little bit tongue in cheek because in that I claimed all of the Cairns area where we do not have good coverage. I claimed all of the Mackay area where we do not have a high powered transmitter yet, but we have the licence for one.

CHAIR—Would it be possible for you to do a bit of an analysis of that for the committee?

Mr McCormack—Yes, certainly.

CHAIR—We need to get a bit of a feel for what proportion of people are deprived of the service. Also, Mr Houston, do I take it from what you are saying that you believe there should be a separate category for sports broadcasts in regional areas or a special spectrum allocation?

Mr Houston—That would be our preferred position for some sort of protection for that racing coverage. It depends how the committee views the importance of the racing broadcast. I guess that will be the ultimate decision.

CHAIR—We are going to ask you for solutions. I had better not monopolise this, but we are going to ask you for solutions.

Mr Houston—Sorry, Mr Chairman, but if I could just finish off on that point relating to how much coverage we have, and John will come back to the committee with what our coverage represents. But just to give an idea about our regional network, there are 62 transmitters now. Our policy has been to at least get a service into the towns. The issue here are those people on properties between towns. For instance, thinking of western Queensland, when the regional licences were released, we secured licences in Charleville, Winton, Longreach and Cloncurry. I heard Mr Katter mention Hughenden. We have been able to get a 4TAB service up in Hughenden, but we are talking about lower power FM services that really service the town only. So the issue at hand is those people affected out on the properties. We cannot get beyond the radius of that town service.

CHAIR—What about five kilometres out?

Mr Houston—The one watt ideally serves about a five kilometre radius. The 20 watts serves about 25 kilometres.

Mr St CLAIR—I am trying to come to terms with this. I do not follow racing, unfortunately. You were just talking about sizes of areas in other parts. My area is about 60,000 square kilometres of New England in north-west New South Wales. We have three coverage radios on Saturday afternoon, and all of them play the Rugby League. That is all you get. I have always found it strange that it is not interrupted with the race service or whatever else is coming through the system. I am intrigued to see what you are doing here in Queensland.

CHAIR—Do you have a 2KY service in New England?

Mr McCormack—I think you will find that there is a reasonably high-powered transmitter that covers New England with 2KY's programs.

Mr St CLAIR—What channel does it come through on?

Mr McCormack—It would be on a FM channel.

Mr St CLAIR—Right. I must search a little further then, because it is certainly not on the ABC one.

Mr McCormack—Where is Condobolin? Is that south of your area?

Mr St CLAIR—It is way south-west.

Mr McCormack—I know that there is a very high-powered situation off Condobolin.

Mr St CLAIR—And that comes through on a FM station?

Mr McCormack—Yes.

Mr HOLLIS—I am coming to terms with this myself. What is your reading of the ABC decision?

Mr Houston—We on record are saying that we understood the ABC's decision. Just by way of background, all the research that we and other state TABs have done over the years suggests that the interest in having a bet on the racing comes down to about 15 per cent of the adult population. Those people who either have a bet at least once a week or an interest in a horse are about 15 per cent of the population. The ABC did give us about 12 months notice that these were their plans to withdraw the service. That was concurrent with our expansion anyway. We were pushing out to the regional network. When they told us, I must be honest and say that we said, 'Yes, we understand.' The way it was told to us was that the greater part of their audience found that the races interfered with listening to the cricket. When a test was on at the Gabba, they would go to Randwick, come back and they had lost two wickets. We said, 'Okay. We understand what you're doing. This is what we're trying to do.'

Mr HOLLIS—I find that the ABC have told different people different stories about this. The one person who contacted me was not even in my electorate. My electorate is around Wollongong and Port Kembla. I am sorry to bore you with a local little story, but it adds something. A brother of a constituent was up from Bega right down the south coast. He knew his brother knew an MP, so he got him to ring me and have a big whinge about what the ABC had done. Quite frankly, I am not such an avid race listener. I had not even been aware of it because I am always too busy doing electorate work Saturday afternoon.

I wrote quite a formal letter to the ABC outlining the whole thing and asking them for an explanation. I got a three page letter back which I sent on to the committee when we went on to this inquiry, making some huge argument that because of the privatisation of the TAB that was a commercial activity and they were providing a service that was running in competition with a commercial activity. The charter of the ABC did not permit them to do that. They did not say it was a legal decision, but they more or less said the charter of the ABC would not permit us to accept this service anymore—end of story. I just sent it off. The constituent said that here was yet another example of the disaster of privatisation throughout Australia.

Mr Houston—I can connect with some of that story. I think that was in our chief executive's submission to the inquiry. It went back to the Bill Peach holiday program. There was that upheaval within the ABC for accepting money. I am conscious that all the state TABs were contributing to that ABC regional coverage. The Victorian TAB was the first to be privatised and New South Wales followed. We are in the process of being privatised. Part of what the ABC did say to us was that it was tied up with that as well. This business of accepting money from what were private organisations and what were about to become private organisations was also part of that problem.

CHAIR—Can you tell us, not so much now from the 4TAB point of view but from the raw figures in the TAB itself, whether there were any noticeable drops in figures in regional and rural areas where you had not yet got full TAB out to, once the ABC service had been turned off?

Mr Houston—Yes, we monitored the betting for a couple of weeks, due to our interest in the coverage, and there was no change to betting.

CHAIR—It was not long term?

Mr Houston—No, there was no impact. The first week it was down moderately. The next week it stabilised. There was nothing remarkable about the figures that followed.

CHAIR—What about more historically after 12 months? Say you took half a dozen towns in western Queensland that do not have 4TAB or an ABC service, what would the TAB returns have been?

Mr Houston—I have not got those figures on me. I can come back to you on those towns with a TAB and phone service. We also monitor phone betting. Where we do not have a radio service, I can come back with figures of what was the situation pre the ABC withdrawing.

Mr JULL—My question is a clean-up of a bit of background information. I confess I am not a racing fanatic either, but I listen to 4OP or 4TAB occasionally. Does that general program when you are not on radio go over all these transmitters too so it is a 24-hour continual service?

Mr McCormack—No, it is only 18 hours a day. We do not broadcast midnight to 6 a.m. There is only one program throughout Queensland. What people hear in Brisbane they hear on Thursday Island.

Mr JULL—Are you allowed to commercialise that at all?

Mr McCormack—Yes. The Brisbane licence is a commercial licence. But we program it under the provisions of narrowcasting so that we do not have to change the program city to country. But there is nothing in the provisions of narrowcasting that affect commercialism. That is not one of the things that narrowcasting addresses.

CHAIR—So you do not have any licence restrictions on you selling advertising.

Mr McCormack—Not in narrowcast licences.

CHAIR—And you have no programming problems with the other commercials or the ABC?

Mr McCormack—No.

CHAIR—So you have a free hand but you choose to make racing—

Mr McCormack—The licences that the TAB have in the country are narrowcast licences. A licence is narrowcast by one of three criteria: the programming is narrow and of limited appeal, or the geographics are narrow and you only broadcast to the Mount Gravatt shopping centre, or the timing is narrow in that you only broadcast for the time of the Indi car carnival. One of those three criteria make it narrowcast. Our criteria is programming. We broadcast races and nothing that the TAB does not operate on. It is races and sport, that is all.

CHAIR—To what extent would the TAB be affected if you had to close down the 4TAB network? What part of your business is the radio network?

Mr Houston—It would be a significant part. I have heard previous reference to the mobile business and people in cars driving around—sales reps, truckies and what have you. It is a significant part of our business. I could not put a dollar term on the value of the 4TAB service to us.

CHAIR—Does it make a quid in its own right?

Mr McCormack—No.

CHAIR—You have an operational loss on the 4TAB, but you justify that in providing your punters with good information?

Mr Houston—It is maintaining that service and providing all the information they require and the service of the races themselves just for those that do not necessarily have a bet but do follow the racing.

Mr McCormack—The ability to generate the service was developed for two reasons. Firstly, there has to be a sound service of all the events covered by the TAB in all 500 TAB offices in Queensland and then the radio transmitters come on top of that.

CHAIR—I do not know what the spectrum availability might be. What would your attitude be to running a special allocation of spectrum, not unlike the ABC's fairly extensive coverage such as 4QB or 4QS or Longreach or Mount Isa transmitters, that allowed you to get some big coverage stations to cover regional and remote areas? On what basis would you be attracted to bid for them?

Mr McCormack—The basic bottom line on that is finance. They are very expensive.

Mr JULL—Very expensive.

CHAIR—I realise they are more expensive.

Mr McCormack—More to the point is the type of licence that they would be. Up until now, none of the broadcasting licences in Australia offered under any regime at all have been tied to programming. They have always been tied to a licence, a transmitter location or whatever. There is nothing to stop the incumbent owner from selling or being bought out by anybody else and changing it. We can't count how many different program formats have

been on 4IP in Brisbane over the years. Different owners program it different ways. There is not much sense, in trying to achieve a racing situation right through the state, to put up more general licences. We have never been down this track before. It has been very tentatively looked at inside the broadcasting authority but nobody has ever put down a program based licence where you say that licence is racing and nothing else but racing. That stops the third party from coming in, acquiring the licence and deciding that they will rock their socks off.

CHAIR—You lost a licence in central Queensland, didn't you, to a commercial?

Mr McCormack—Yes.

CHAIR—Which left a whole slab of the Rockhampton area without any racing service.

Mr McCormack—Yes. That was one of those original LBLs. We say that none of the open narrowcast licences have yet to be renewed and they have not been. That was a conversion of the LBLs. The ABAs wanted to bring it in under the open narrowcast regime and the only way they could do that was to put it out through this licence allocation routine.

CHAIR—What would enhance your ability to make more narrowcast licences available to regional Australia? What would entice you to put out more transmitters? Is it certainty? Is it price? Obviously, there is still a lot of the state not covered.

Mr Houston—In responding I must be reasonably honest. There is uncertainty about Cairns for which we were topped at auction in the last couple of months and we missed out on a very high-powered service in Cairns, which would have serviced all of Cairns, north, south and into the Tablelands. We were beaten by a commercial station for that narrowcast licence. Apart from Cairns, the network that we have in place now would be the extent of our interest in radio coverage in Queensland. There is really nothing beyond what we are providing right now which we have as a priority to get a service to.

In responding generally, there is a general feeling at TAB Queensland that we have even overextended our arm with our annual commitment now to the regional radio network. We have reached the limit. We are not really looking for any more coverage, apart from the network we have already established and we have in place.

CHAIR—But there is a risk that in five years time some of these could go down the gurgler.

Mr Houston—Sitting here today, from the TAB's perspective that is a far more critical outcome and far more important to us.

CHAIR—So the racing industry does not have any certainty that your service is going to be around in perpetuity?

Mr Houston—Absolutely none at all. We secure a licence, if we do successfully bid for it at auction. For instance, that period where we lost Yeppoon at auction I think was the very same auction we got Gladstone. We put values on various licences for the area. I recall that

we went to what was about three or four times the value we put on it to get the service and we are talking about Gladstone there.

I do not think my board will let this part of the operation go to those levels again. We paid three times more than we thought Gladstone was worth. The next time the Gladstone licence comes up for auction, based on the current climate, I think we will lose Gladstone. I would think that may be the same for a lot of the other services we currently operate.

CHAIR—In four or five years time we could have a repeat with 4TAB of what we have had with the ABC?

Mr Houston—Absolutely. We then start to talk about areas like Rockhampton—servicing the whole of Rockhampton—Townsville and the AM service. We currently own the licence for a narrowcast service in Townsville. None of them have any certainty. If the ABC's withdrawal caused an upheaval with the community, in five years time, if the service of a racing broadcast is of any value, the upheaval could potentially be far greater as in weight of numbers affected by not hearing a radio service.

CHAIR—Is there any closing statement you want to make or any areas you have not touched on?

Mr McCormack—Only to reiterate, Mr Chairman, what Mr Houston has just said and to say that as yet the renewal processes for these open narrowcast licences have not been enunciated, so there is an opportunity to perhaps stem what we have just suggested.

CHAIR—Is there a case for a fourth category of narrowcasting of, say, specialised sporting programs to rural and regional Australia?

Mr McCormack—I think so. I would nail it right down and condition the licence up to hell so that no third party can come in and change it. That is what we would like to see. The licence we hold in Brisbane is a commercial licence. Unless we do something awfully naughty we have that in perpetuity. But all the other licenses in Queensland are not.

CHAIR—If you were to be given some of this blackspots funding—it is only for television at present—from the Regional Telecommunications Infrastructure Fund, would you have a group of stations that you would consider? Obviously, there would be some towns in western Queensland you are not covering. If the government were to make, in some way under the Regional Telecommunications Infrastructure Fund, some sort of funding available, would you have another tier of broadcasting or increase some of those—or could you have spectrum allocation and increase some of those one watters?

Mr Houston—Some of the small ones are one watters, yes.

CHAIR—What would need to be done to induce that? Do you have any planning in that field?

Mr Houston—No, but we have a bit of a track record already in working with local communities in providing the service in areas where we were not particularly interested. It

was not high on our priorities, but following the ABC's withdrawal a lot of the local councils got in touch and said, 'All hell is breaking loose. What can we do? Can we work together on this?' What we were suggesting to them—

CHAIR—Give me a few examples.

Mr Houston—Hughenden is a great example. I think it was mentioned earlier in debate.

CHAIR—Where the council threw in so much—

Mr Houston—We said to the council, 'You can secure a licence'—and I am conscious there is another inquiry going on about the low power services—but what we were saying to some of those councils is that if you can secure the licence and therefore be responsible for the licence and its renewal, we will give assistance. We will provide the 4TAB service free. It is delivered by satellite so we will get that service to you. If there is a TAB in town where already there is a satellite dish in place, and most of the associated equipment, we will provide the 4TAB service and give you some assistance with the installation.

Hughenden—if I can just refer to this list—Paroo Shire Council for Cunnamulla, same thing—Paroo Shire Council hold the licence there; McKinley Shire Council for Julia Creek; Quilpie Shire Council for Quilpie; Richmond Shire Council for Richmond—they are a couple of the things that—

CHAIR—So if a council came to you from one of these remote areas or where there was a blackspot and there were a lot of punters who wanted the service, you would look at that favourably but on the basis of them getting the licence?

Mr Houston—Yes, them getting the licence. I think I would have to go back to what I stated about 10 minutes ago. Without further analysing it, I think we have reached the limit of where we are interested in going. I am not aware that there would be too many towns left. Where there is a TAB presence, that already brings the cost down because we already have the infrastructure in place with the delivery of the 4TAB service and the Sky service and what have you, so the dishes are in place and that is the greater part of the cost associated with it.

TAB could not give guarantees that it would be interested—and I cannot think of a town where we do not have a presence that we would invest more money in. As I say we are at the stage where we really have a significant ongoing investment to the regional network and we would not be looking to extend in dollar terms. We would not be looking to extend pretty well beyond where we are now, I would have to be honest.

Mr McCormack—In evidence from an earlier witness, Mr Jull was inquiring about the coverage of the AM situations in some of the western towns—where the programs come from on weekends, where they are delivered and if they are generic, and they usually are. Might we suggest to the committee that some of those AM operators in western Queensland may be interested, if some of these funds were stemmed towards them, in taking our programs on a Saturday.

CHAIR—That was what I was trying to lead to: were there any options there of getting into that somehow?

Mr McCormack—I would think you would find that there are a number of Queensland operators that would be interested in taking racing—stations that took racing years ago. The worm has turned in the economic sense out there in radio and I am sure of them may be interested in getting back into that area.

CHAIR—And you would be prepared to package that in such a way that they could take it out—

Mr McCormack—We would provide an FAC for it.

CHAIR—Yes, but I mean would you package it in such a way that they could get an hour of pre-information, say, between eight and nine or nine and 10 and then perhaps switch on from 12 until five?

Mr McCormack—They could access any of our programs at any time of day.

Mr JULL—Yes. What worries me is while we are talking of 4TAB operation and low power and the rest of it, it would appear from a number of the submissions that we are not addressing these areas between the towns and while you might be able to get it in beautiful downtown Hughenden, drive five miles out of town and there is nothing there.

Mr McCormack—In places like Longreach, Charleville and Roma, these days the AM situation is now supplemented by an FM service, usually run by the same operator. They might be amenable to taking part of their AM service, which is the one you would want because of its coverage, its footprint, across to racing for a certain part of the week.

Mr Houston—If I can add weight to that, where there may be opportunities there with that large coverage they have, Saturday afternoon—from my understanding of the radio business away from racing—would be a quiet afternoon for them so there would not be a great deal of interest. Conversely, Saturday afternoon, as people who follow racing know, is the prime afternoon. Just over 40 per cent of our business for the entire week is done on Saturday afternoon. So if some sort of position could be secured with some of these commercial operators it really does take care of that peak interest in racing each week. Even though 4TAB is 6 a.m. to midnight seven days a week, including Sunday now with Sunday racing 46 times a year, that Saturday afternoon remains the peak interest of the week. So it may well be that might be an opportunity to get between those towns.

CHAIR—On that note, I would like to thank you, Mr McCormack, and your broadcasting organisation, and you, Mr Houston, for representing the Queensland TAB. It has been very interesting. It has filled a lot of gaps in our knowledge. If you could come back to us with any areas like that and any areas where you think there might be potential we would be grateful. I thank you for giving us the time this morning. We will be speaking to your colleagues from Melbourne and Sydney, I understand, in Sydney. We may speak to you again later in the inquiry as a group, as all the TAB networks. So thanks once again. You will receive a copy of the *Hansard* draft as well.

[9.52 a.m.]

FERRIER, Mr Ranald Ross, Chairman, National Party Racing Policy Committee

CHAIR—Mr Ferrier, I am sorry we are running a little bit late. Before proceeding, I have to caution you that, although you are not giving evidence under oath, the committee hearings are legal proceedings of the parliament and warrant the same respect as proceedings of the House itself. False or misleading evidence is a serious matter and is considered a contempt of the parliament.

I ask, too, if you use any proper names or quotations if you could, before you leave the room, defer to the *Hansard* reporters for the accuracy of the record.

Would you like to make a brief opening statement and then we will break into questions.

Mr Ferrier—Okay. You can just pull me up at any stage if you want to ask questions. My statement is brief. Firstly, I would just like to say that I represent one of those people who are affected. I live 32 kilometres from Roma. I hardly consider myself isolated but I do not receive a radio service.

I travel extensively to a lot of country race meetings in south-west Queensland and have experienced first-hand several problems that relate directly back to not having the radio service as a backup. Morven races, for example, the other day was a complete debacle. They had technical problems with their Sky channel set-up. It just about totally wrecked the meeting not having a radio service. There was a bloke that would have the bets. Someone would run back into the local hotel, get the results and run back. Out of that I would not mind betting that Morven will end up losing their race day because it was just a shemozzle. That was their annual meeting of the year.

CHAIR—There was no alternative service once Sky was out.

Mr Ferrier—No, once Sky was gone. I will just move on quickly. As to the facts and figures side of it, I believe from just listening today and what research I have done—and I heard you asking before—there is roughly 15 per cent of the population missing out in Queensland at the moment. Probably, of that 15 per cent, there is, as Bruce pointed out, 15 per cent again. You are getting down to a small figure, I know, but that 15 per cent of the 15 per cent that are interested in racing is only hard core. Melbourne Cup Day it will be 100 per cent; some days three per cent. That figure varies, probably up to Stradbroke—a lot of big meetings.

Also, the side of it that the facts and figures fellows miss out on, I believe—and Bob Katter alluded to it a bit—is that, in these regional towns, their race day is their big day. You do not have to be a racing person to get a benefit out of a race day. Just look at the business that goes on in the town; for the people, it is their social outlet.

CHAIR—It is a social outing.

Mr Ferrier—Yes. You can come back with more detail on this later. I would also like to point out that, in their initial correspondence on this issue, the ABC chairman and the ABC Queensland state manager—and I am sure you have copies of their letters—stated their alternative sources of racing information. There is no alternative to radio. Tell me the alternative to radio. There is not one. There is plenty of Sky Channel and there is plenty of pay-TV, but there is no alternative to the ABC radio in many areas. There is the FM that the 4TAB fellows were talking about but it is very minimal. It is in some but not all towns, so just as many would miss out on that coverage. That was my brief statement.

CHAIR—You heard the statement made earlier about the fact that the ABC withdrew the service and wrecked country racing—or contributed towards the wrecking of country racing. Is that your view?

Mr Ferrier—No. It is another nail—that is all it is. Country racing is not wrecked totally. It is going through a restructuring stage. Some clubs are really powering ahead and others are finding it tough. On the lack of ABC coverage, if they needed another nail in the coffin, that would have to be it. The effect will not be instant. It will just be a slow, gradual loss of interest, I would assume.

CHAIR—How are country race meetings performing at present, say, in comparison with three years or five years ago?

Mr Ferrier—Just that example I gave you of Morven—of the meeting being turned into a debacle. If radio had been there, it would not have been a problem. Surat was an interesting meeting. Admittedly, they have Sky Channel now and, hopefully, there are no technical hiccups. These technical hiccups do occur. We race regularly at Roma, but I would say that, nearly once a year, for some reason or other—and it is not always our fault; it is Sky's fault—there is no Sky Channel. You need the backup. At Surat, before they got the Sky Channel in, they would bring in a car next to the bookmakers ring. It had a high powered aerial on it and everyone would crowd around the car with this bit of static.

CHAIR—Mr Hollis has a plane to catch so we will excuse him.

Mr HOLLIS—There is no discourtesy to you.

CHAIR—Our other colleagues have agreed to stay, but Mr Hollis has a plane to catch so when he gets up please do not be offended. Do you want to ask any questions before you go?

Mr HOLLIS—No. We are going to a race meeting tomorrow—

CHAIR—At Barraba.

Mr HOLLIS—and I hope it is not a repeat of some of the problems you are talking about. It will either convince us to demand that the ABC restore it or maybe convince them that they made the right decision.

Mr Ferrier—I do not know about the restoration of the ABC.

Mr HOLLIS—What do you think about it? What is the answer?

Mr Ferrier—I think the local regional AM stations should be subsidised to pick it up.

Mr HOLLIS—You would not go as far as Mr Katter, who said that the government has the power and it directs the board?

Mr Ferrier—That is how it possibly should be, but I suppose it cannot come in and out. I do not; it is either/or. It is a bit of a worry when you hear the 4TAB fellows talking when that is totally privatised. You are looking to catering for 15 per cent of the population and a small percentage of that 15 per cent again. They are going to need looking after. There is not going to be any money in there for the TAB to supply a service to these people. Why should they be expected to subsidise them, anyway?

Mr St CLAIR—Who makes the money out of the TAB?

Mr Ferrier—At the moment the government takes about 20 per cent to 30 per cent. When it is privatised, it will be the shareholders and the racing industry. The government will still get 20 per cent.

Mr St CLAIR—So the state governments will still get a substantial amount?

Mr Ferrier—Yes, 20 per cent of all wagering revenue.

Mr JULL—I am sorry if I am going back in a time warp to the golden age of radio, but in my day in the game the country stations were in actual fact training schools for race callers, and I can name a few of them. Billy Joe Smith, for example, started his career by calling races in Mount Isa. Is any local coverage given now to country meetings by any country commercial radio station?

Mr Ferrier—Just the local races?

Mr JULL—Yes.

Mr Ferrier—4ZR Roma used to, but not now mainly because they just hit a button on Saturday afternoons and the broadcast comes from wherever their mother station is. It is just music. They give a very good sporting coverage in the mornings and the afternoon is just pre-recorded rock-and-roll. I would think those AM stations would look very seriously at taking some sort of subsidy to take it directly.

Mr JULL—I wonder if they would need a subsidy, inasmuch as the TAB has said that they will supply the program.

Mr Ferrier—That is right.

Mr JULL—They, in fact, are buying this head-banging music now from the likes of 2LM Lismore. I have a vested interest in this, because I have an offspring who is broadcasting this rubbish to about 19 stations around Queensland and New South Wales.

Mr St CLAIR—Like father, like son!

Mr JULL—That is true, except that our music was better! The reality is that these stations might not be paying huge amounts of money but they are paying some money to take these network formats. If the TAB went along and said, ‘You can have this as a freebie,’ it might be a proposition.

Mr Ferrier—Yes. I personally think that is the best way—or, if not, the fall-back to the ABC. But I think that is probably going to be difficult now.

CHAIR—Mr McCormack made the point that they have an FM and an AM licence, so they probably do not need to bang your head with both channels.

Mr Ferrier—Nearly all of them have two licences, yes.

Mr JULL—Most of them have a supplementary licence now anyway.

Mr Ferrier—Yes, and FM use that to appeal to their younger ones.

Mr JULL—I reckon that that has to be a real proposition. In reality, with the structure of commercial radio in remote areas of Queensland, there would not be many areas that were not covered; I do not think there would be many parts of Queensland that would not have some basic commercial service.

Mr Ferrier—That would be right; there would be very few, if any. You would be talking down of 100 people or even fewer.

CHAIR—What would be your solution, Mr Ferrier? What would you recommend to the committee? Is it Mr Katter’s view that we should ask the ABC to pick it up again? Is it that there should be some incentive, as some have suggested, for a service to be provided to the AM stations? Is it that we should free up the spectrum or, under the regional telecommunications infrastructure—

Mr Ferrier—At the end of the day, I think you are looking at catering for a very small percentage of people. I really feel that the government is going to have to say, ‘We want to look after those people in remote areas. We are taking it upon ourselves to look after people in remote Queensland or in remote parts of Australia.’ It cannot be left to private enterprise. That is just not going to work. There is just not enough money for anyone to do it on a commercial basis.

If you fought lucky enough to get away with the AM stations they might pick it up, but only for a short time, I would imagine, because they will get a lot of flak with everyone ringing up saying, ‘We don’t want these races every Saturday afternoon.’ So they are going to want some incentive to hold it on, I would think. I really think it comes back to government, because of the various reasons other than the racing. There are a whole lot of reasons, social and economic, why racing is an important industry in regional Australia. The government really has to say to itself, ‘Are we going to support those people in this industry

or will we give them the flick?' It is one or the other. At the end of the day the government is going to have to work out a position and there may be some dollars involved.

CHAIR—What view do you have on the importance of country race meetings in the fabric of your country society? Is it an important part of it? Are you a member of a race club yourself?

Mr Ferrier—Yes.

CHAIR—Why do you do it? Do you do it because you are a punter or do you do it because it is part of the social life of that community?

Mr Ferrier—For the social life mainly. Roma is a bigger community but I go to a lot of the smaller ones. A few years ago we flew out to a place called Nourama, south of Cunnamulla. It is not even a town. They race once a year. There would have had to have been close to 1,000 people there. Just the excise on the grog sales would have just about covered the amount of money the TAB gave them. Then there are the dresses, the bloody tyres burnt out—the rollover effect just goes on and on. And none of this gets taken into account when the nuts and bolts blokes say, 'It is only 15 per cent of people.' As Bruce said, that is the sort of figure that really annoys me, that only 15 per cent of people are interested in racing.

CHAIR—With this lack of knowledge and perhaps lack of interest in racing, is there a downstream effect on our bloodstock industry, with country horse studs feeding into the provincial areas and from the provincial areas into the capital cities? Is there a well-defined chain in the racing industry?

Mr Ferrier—It is nearly the reverse of what it used to be. Country racing is nearly the graveyard for the older horses, for the tried horses, rather than the breeding ground. People come to Brisbane now and they buy the tried horse, the one that is not quite up to it down here, and they go back. I breed horses. Particularly the further west you go, you need a six-, seven- or eight-year-old gelding, something that is fairly hardy because of the climate, et cetera. It is not a breeding ground. There are country people who do buy yearlings, but if you buy a yearling you would try it in Brisbane first. That is what I believe. But it is all woven in together.

CHAIR—What is your recommendation to the committee?

Mr Ferrier—I would like to see the AM stations in regional Australia contacted and, hopefully, some deal—

CHAIR—Offered some form of subsidy or inducement?

Mr Ferrier—David said they may not want a subsidy. But it should be something that will last for three, four or five years.

Mr St CLAIR—Why not the ABC rather than commercial stations?

Mr Ferrier—The ABC would be great. I just thought that would be simpler, because the ABC have their commitments as well. Honestly, either/or—it would not matter. If I had a preference it would be AM, but that is splitting hairs. I think they are the only two options.

CHAIR—Are you talking about the ABC regional AM network?

Mr Ferrier—Yes.

CHAIR—Are there any other statements you want to make?

Mr Ferrier—No, thank you.

CHAIR—You have covered it very well, and you have come a long way to give us evidence today. We appreciate that. We are going tomorrow to Barraba, west of Tamworth, in Mr St Clair's electorate, to have a look at a country race meeting and talk to people and see what value they attach to it. We will take into account what you have said about if the satellite drops out.

Mr Ferrier—They might have access to an FM down there.

CHAIR—Thank you again for your evidence and thank you to other witnesses and to the media who have attended and covered today's proceedings. Thank you for your interest and attendance.

Resolved (on motion by **Mr St Clair**):

That this committee authorises the broadcasting of this public hearing and the publication of evidence given before it this day.

Committee adjourned at 10.11 a.m.