



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

**HOUSE OF  
REPRESENTATIVES**

STANDING COMMITTEE ON COMMUNICATIONS,  
TRANSPORT AND THE ARTS

**Reference: Radio racing services**

MONDAY, 18 OCTOBER 1999

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

**Monday, 18 October 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 Gibbons, Mr Hardgrave, Mr Hollis, Mr Jull, Mr Lindsay, Mr McArthur, Mr Mossfield, Mr Murphy, Mr Neville and 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 8.32 a.m.**

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

In conducting this inquiry into radio racing services, the committee is interested in assessing the extent of the gaps both in access to radio race broadcasts and in access to alternative sources of racing 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 the discontinuation of the ABC's race broadcast has had on the industry as a whole.

The committee is looking at the future and is focusing on finding ways of providing an appropriate form of race broadcasting to regional Australia. On behalf of the committee, I welcome all participants and members of the public to this public hearing today. Members of the committee wish to express their appreciation to all those who have made submissions and to those who have given up time to assist the committee with its inquiry.

[8.35 a.m.]

**GENGAROLI, Mr Frederick Oliver, Director of Engineering, Australian Broadcasting Authority**

**TANNER, Mr Giles David, General Manager, Australian Broadcasting Authority**

**CHAIR**—I welcome to the table Mr Giles Tanner from the ABA and Mr Fred Gengaroli. Thank you also for the time that you have put aside for the committee today. Before proceeding, I wish to advise 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. The giving of any false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. Would you like to lead, Mr Tanner?

**Mr Tanner**—Certainly.

**CHAIR**—Would you like to give us a five- to 10-minute overview of the role of the ABA? You do not have a written submission but we would like to get a feel for the role of the ABA and also your role in the particularity of this matter.

**Mr Tanner**—If I get too detailed please tell me, but I will try not to be. Basically, most planning of the radio frequency spectrum in Australia is done by the ACA—the Australian Communications Authority—but there is an exception for some segments of the radio frequency spectrum which are used by traditional free-to-air radio and television in Australia. We have a spectrum map, and we can talk about that in more detail if that is helpful to people. Basically, the ABA has been given the job of planning the MF spectrum which is used by AM radio, the VHF spectrum which is used by FM radio and by free-to-air television, and UHF which is used by television.

The situation in 1992 when we were established was that all those parts of the spectrum were extensively in use across Australia. Obviously we already had a highly developed television and radio system, but there were parts of that spectrum that were still unallocated and unused across the country. It was the ABA's job, basically, to plan those remaining parts and put them to work for the broadcasting industry and for the Australian community. I might tell you a bit about how we actually did that because that is obviously pretty germane to the racing radio inquiry.

That is a very large job which requires, in essence, electrical engineers to work out what channels can be used in any area, which is a substantial piece of work. The parliament told the ABA to do this job in three stages. The first was a priority setting phase in which the ABA took a lot of public submissions and came up with a set of priorities for every part of the spectrum it had to plan and for every part of the country. Perhaps unusually, it actually elected to give highest priority to regional and remote areas. It has now substantially completed its plans in regional and remote areas, and some of you may be aware that we are moving on, with a fair amount of publicity, to the capital cities.

The second stage of the planning process is to develop an allotment plan which is called a frequency allotment plan. We do not have to dwell too much on that, but the purpose of that is to ensure that differential allocation of the spectrum is done fairly—that is, we looked for principles which ensured that there were rough equivalents of the number of channels available to all Australians in various categories. If you simply plan in isolation on one spot, you can end up using all the frequencies for that area and for all around to satisfy demand. It is very important in this game where demand often outstrips supply to make sure that you are assigning channels across the country in a basically fair way so that, if there are eight in Goulburn, there will be eight in Dubbo as well.

The third and most important stage of the planning is when we actually went to each area and we prepared, in public, a document called a licence area plan. That basically takes the channels out of the allotment plan, it dresses them up with specific technical specifications and it assigns a purpose to them. What we did was to take submissions on what the community needed or believed it needed, we took submissions on what entrepreneurs in industry wanted to provide, and we then decided on the mix of new services that would be available in each area. When I say ‘mix’, basically the ABA plans new national ABC and SBS services in accordance with the numbers that the minister advises it to plan. It plans new commercial services, it plans new community non-profit services, and it also plans a little commercial category called narrowcasting which is of particular interest to racing radio.

Once those licence area plans are complete and promulgated, what you then have is a plan which says that Dubbo will get one new commercial radio service, a new community service and perhaps a couple of open narrowcasting services. The hinterland of Dubbo will be served as well and so on and so forth.

The ABA then moves on to allocate the channels. We are actually fairly restricted in the way that we can do that. In the case of community services, they are allocated on merit. We advertise the licences available and we consider the bona fides of all the groups that come forward wanting to provide a service. But commercial and narrowcasting services are allocated by auction, basically by price based allocation. They go to the highest bidder.

What tended to happen as we moved across regional Australia—a job which we are in the process of completing now—was that the ABA would call for expressions of interest in providing services. It is probably fair to say that with a few exceptions actual community demand, that is, ordinary viewers and listeners writing us letters, was not a major factor because except in a few cases people are not really conscious of what they want. There are some spectacular exceptions but that is generally true.

What we were really driven by was demand to provide new services because there is not much point our planning new services on spec if no-one intends to provide them. For example, in the case of racing radio across Australia, the pattern has been that we advertise for submissions in preparing a licence area plan. The TAB of that state tells us where it might be interested in providing a service and the ABA, as far as possible, would attempt to make channels available in those areas. There would then be a second round of consultation in which they would take a look at the channels we had planned and the proposed technical specifications and if they liked them, we would proceed.

It is probably generally fair to say that in the case of TAB demand in the regions we were pretty well able to satisfy them in every case. Occasionally there would be arguments about the technical specs we proposed, but in general we were able to find capacity where they wanted it. We could not then just give it to them; it would have to be shown in the licence area plan and it would then be sold off the plan. There have been a couple of cases around the country where the TABs were subsequently outbitten by other entrepreneurs. There have actually been a lot of cases where the TABs did not come to the party and the channels were passed in unsold. There has been a bit of speculative requesting on the part of the TABs as well, I suspect.

Where we are up to with that process—I do not know whether I have told you enough or too much, but we can come back over things—is that we have substantially completed regional and remote Australia with a few exceptions. There were a few markets around the country such as Gippsland in Victoria, Tasmania and Spencer Gulf in South Australia, where demand was so low that we actually moved them to our last priority group, which we will do after we have done the major metro areas.

In general we have now finished licence area plans for the entirety of the rest of regional and remote Australia. All that remains is to do a few more allocation exercises. Some of the licence area plans—for example, around Illawarra—are only just complete and there will be auctions of narrowcasting services and commercial services shown in the next months which should end that planning. We will be putting a lot of our attention from then on into metropolitan radio.

To go back a step, basically the ABA divided up Australia into five priority groups. The metropolitan areas are the fourth group and there is a ragbag of very low priority planning jobs to do in group 5. Once we have finished the ABA will have the opportunity of returning. In fact, it can return at any stage if there is a requirement to, and vary an existing licence area plan. There is scope, particularly at the end of the existing planning process, for us to go back. But I should warn the committee that in many cases, in many of the most crowded areas of the country—that is true of regional as well as metropolitan Australia—this first round licence area plan has substantially completed the job. We have put all the remaining parts of the radio frequency spectrum which are available for analog radio to work. There will be areas where there will be more opportunities. There will also be areas where there simply are not any more because we have flogged off the last available niches.

I guess we could not see any reason for holding spectrum back. We are driven in our job by a quite extensive set of criteria from parliament. Basically, over the next few years we are likely to see conversion of radio to digital, as we are now seeing with television, and there seemed to be very little benefit to Australia in reserving spectrum. So as much as possible we have simply planned as optimally as we can to satisfy demand as we were advised of it, as we did the licence area plans.

**CHAIR**—You said you had allocated all the analog. Does that include both AM and FM?

**Mr Tanner**—Yes, it does. We very seldom plan new AM services. There are a few cases where we did, but there is not much demand for it and there is not much supply left. It



is steam radio really; it is 70-year-old technology and it is more expensive to operate than FM. It is very cheap to put up a low powered FM transmitter but quite expensive to build a special tower for AM. We have had some new AMs, certainly in regional Western Australia where we put out some AMs. Also in Mildura we plan an AM expressly for the TAB, although I am not sure whether it ended up being used for that. We have done a bit of AM planning, but it is nearly all about FM.

**CHAIR**—You say that up to about five types of licences are allocated to each area. Are they, on a whole, taken up?

**Mr Tanner**—In general, yes, they are, but there are significant exceptions. We have been planning in regional and remote Australia so we have planned for a lot of very small communities. Scenarios where things are not taken up will typically look like this: we plan a second community service for, say, an Aboriginal group, but when we get around to the allocation we find that the group has lost a couple of members and is not ready to apply, so the service just sits there on the shelf; or, in response to demands from a TAB, we plan a whole lot of transmitters in very remote localities and when auction time comes around we find that they are no longer interested. Those are quite likely scenarios. We are not aware though that there has been much of a hoarding problem; that is, once those licences are allocated, they tend to get used.

**CHAIR**—Our dilemma is to provide a coverage reasonably equivalent to the ABC. We have 1, 5 and 20 watt narrowcast licences that cover the town areas of the community but do nothing about going to the country area. What are our options there for a more extensive service?

**Mr Tanner**—You are putting your finger right on the problem. You have to appreciate that allocation of new services by the government is only going to be part of any approach. That is what I will get to. Let us step back and look a little bit at what is out there. Typically, regional Australia is served by an ABC AM regional network which has extremely wide coverage. It has the widest coverage of any of the networks because the ABC, unlike commercial radio, has a universal service obligation. ABC planning is a lot more redundant and many farmers will be able to get regional radio on three different channels rather than on just one and it goes further. If you want to reach everyone, the best way to do it with terrestrial radio is ABC AM and that will never change.

The second best way of doing it is that until about 10 or 15 years ago in most areas of Australia there was one AM commercial service. That commercial service is still there, and because AM carries a very long way it has the second widest coverage of all networks but, of course, ownership of that is fragmented. There is a different commercial service in every market. Some of those AM services are now used by racing radio, but I am not sure that many are. That is your second option, if you are a TAB: do a deal with the owner of an AM commercial service or buy an AM commercial service.

Since the 1980s, the government has been rolling out FM in regional Australia. Those FM stations attempt to match the coverage of the AM, but in reality they often do not, simply because AM transmits further. Different parts of the spectrum have different propagation characteristics and there is nothing you can do about that.

**CHAIR**—To what extent could you boost the FM transmitters without creating other problems for yourselves? When you say you allocate them to each area, and sometimes in fairly remote areas, you would have to be careful of interference I would imagine?

**Mr Tanner**—Yes.

**CHAIR**—Would it be possible to extend any category of the 1, 5 and 20 watt FM transmitters to give a wider coverage without upsetting your overall plan or without creating interference problems in other regions?

**Mr Tanner**—I think the short answer would be often, but it would depend on a case by case. In many cases, for example, we have taken what are basically high powered frequencies and in response to demand from the users such as the TABs, they have said, 'No, we would like to operate cheaply at low power in the town, please.' I should point out that TABs do not have a universal service obligation.

**CHAIR**—Yes, we realise that.

**Mr Tanner**—It is quite clear that their accountants have made some very finely judged decisions on when to stop bidding for licences and what power they want to operate at. But the answer is that in many cases those frequencies will be suitable for higher powered operation, particularly if they are co-sited with the existing commercial and national FM services. That will not be the case in all cases. It will probably require a degree of re-planning of each market, but you would often have that option. Is that a fair answer?

**Mr Gengaroli**—That is a fair answer. In fact, in quite a lot of cases the frequencies that are allocated for narrowcasting are higher in power than the powers we have just stated, but they have to be transmitted from the site they have been planned at. Invariably, what we get is a request from those would-be operators to say, 'We don't like to transmit from that site which is too far away from the cluster of population we are trying to serve. We would like to come into the town, drop the power and cover the bulk of the people.' I believe this is how you get the situation where the people who are driving the tractors and work in the fields and so on do not get the coverage that perhaps they get now with the ABC. It is more a case of that.

**Mr Tanner**—I have a couple of comments about that. One is that operating at the high power co-site with the other services is often a great deal more expensive. It is not just the extra cost of a larger transmitter; it is also, for example, that existing incumbents, including the newly privatised NTL, charge extremely high rents. So it is often a cheap and cheerful option for narrowcasters to move to low power and away from those sites. You have to co-site to operate at high power in many cases. There are technical reasons for that. There are benefits in terms of the spectrum productivity in co-siting, so high powered services tend to have to end up operating from more or less the same place.

The second comment is a slightly defensive one. The ABA is very mindful of the dangers of cream skimming in this process and has taken a lot of care in its planning of new commercial services to try to avoid options which see a lot of new services that serve only the eyes in markets. But we have not been so cautious in the case of narrowcasting. We have

seen it really as a very lightly regulated category of broadcasting. It has grown up around commercial decisions that have been made by the principal narrowcasting operators, which certainly include the TABs.

**Mr HARDGRAVE**—How long have you been with the ABA?

**Mr Tanner**—On and off—I left the ABA about two years ago and then returned—I have been with the ABA in different roles since it was established.

**Mr HARDGRAVE**—Have you ever done these hearings before?

**Mr Tanner**—Not of this committee. I have certainly watched this committee in the past.

**Mr HARDGRAVE**—But you have never appeared before a committee of the parliament?

**Mr Tanner**—I have certainly appeared before many Senate committees, or at least several.

**Mr HARDGRAVE**—Have you always made it a practice not to put a written submission before a committee?

**Mr Tanner**—We have put in a written submission in this case.

**Mr HARDGRAVE**—Have you? If that is the case, I stand corrected. I was just a bit concerned because it seemed like there was no written submission and there were no papers in front of you, so I guessed it must have all been in your head. I was a bit concerned about quantifying some of the claims you have made in your verbal submissions to us. In fact, you talked about a number of instances with regard to AM operators who might be using their particular abilities to broadcast radio racing but you were not sure. I was just wanting to find out about some of the cases that you have talked about this morning to see whether you could actually give us some examples of what you are talking about. It is really important for us to get the authority that is involved in the planning of the use of spectrum to not just give us a verbal version but also give us something in writing about what you are talking about.

**CHAIR**—Have you put in a formal submission or have you put in a series of papers?

**Mr Tanner**—This is what we put in. It is headed ‘ABA submission to the inquiry into radio racing services’. It was sent in on 15 August. I apologise if that is not a formal submission. I should say my preparation for today was to read the ABA submission and to have a talk with the officers about areas—

**CHAIR**—We will not get bogged down on this.

**Mr HARDGRAVE**—I do not want to get bogged down on it either, but it is very important for us, in trying to work out what could be done with spectrum, to know exactly where the ABA is coming from and to also have it quantified formally for us.

**Mr Tanner**—Yes.

**Mr HARDGRAVE**—Would you undertake to perhaps provide the committee with some examples of where radio racing is being provided by AM stations, particularly in regional areas, based on our inquiries to date, mindful that we are concerned about where the old ABC networks used to go, who is doing what and what spectrum is therefore available for others to do it?

**Mr Tanner**—Yes.

**Mr HARDGRAVE**—The reason I am asking is that I am conscious of the fact that there is a lot of criticism of the ABA's LAP process, that it is many years behind. Many people are very frustrated by that, to the point where permanent temporary licences were awarded to a lot of community stations to basically use some spectrum whilst the planning process was continuing. Pointing to that, is it possible that we could see a similar thing to take up the slack in rural and regional Australia? Is there a spectrum that is fallow that could be used?

**Mr Tanner**—You have raised a lot of points. I will take the last one and let the others pass for the time being. In regional markets such as Bendigo, which are fairly crowded, there is unlikely to be much extra capacity.

**Mr HARDGRAVE**—What about Longreach or Mount Isa?

**Mr Tanner**—In regional markets such as Mount Isa and Longreach there are almost certainly going to be FM channels and that is not going to be a problem. They are not planned yet; they are not just lying around like milk bottles or something. Someone would have to do some work to plan them and that would require a pretty substantial redirection of the ABA's resources. That is something we could discuss.

**Mr HARDGRAVE**—What does that mean? You have radio waves sitting that are lying fallow and buzzing along doing their own thing, and until somebody puts a signal on them they are doing nothing. If they are lying in those areas and if people are broadcasting on 106.9 FM in Longreach—I do not think anybody is—if somebody comes in and sticks a transmitter in and buzzes away, why would the ABA want to hold up a process like that? Why would somebody have to plan that? You just simply say, 'No-one is using that space. They look like they know what they're doing. Let them have a go and see where it leads.'

**CHAIR**—Are those sorts of circumstances that Mr Hardgrave is referring to within that roughly five licences per community plan?

**Mr Tanner**—No. Basically, the ABA only planned to satisfy known demand, partly because it was running so late and it was pretty determined to move on and satisfy all demand. I should make clear that, yes, although the planning process has been incredibly disappointing in terms of its timing, that is probably not the issue here and that actually regional plans are substantially complete and allocation completed.

**Mr HARDGRAVE**—If they are, could you provide to us in writing an example of how much space on what particular type of format—whether it is AM, FM, ultra high, very high frequency or whatever—is available?

**Mr Tanner**—That is another issue that you raise. We can certainly work up some examples and we will do that.

**Mr HARDGRAVE**—Could you give me a list of them because you have just told the committee that the local area planning in regional Australia is substantially complete.

**Mr Tanner**—Yes.

**Mr HARDGRAVE**—In other words, you should now be able to give us a book which says that this is where the frequencies are spare and this is what frequencies are available. That should be a bible from which, if I wanted to, I could set up a horse racing service in Longreach tomorrow. If I have 300 people who would like to have a listen to it and I could make a dollar out of it, I could go to the ABA and say, ‘I want to buy a spot on the FM dial, and according to the book it is free,’ and you should be able to say, ‘No problem, book sold, next problem.’ You should be able to do it that quickly, shouldn’t you?

**Mr Tanner**—We have not produced lists of vacant frequencies. We have allocated the frequencies we have found.

**Mr HARDGRAVE**—Why haven’t you?

**Mr Tanner**—We planned for all known demand and we have allocated. The only cases where there will be known frequencies ready to allocate off the book are cases where those channels were not taken up, and there are quite a few of those in the more remote areas, but it is hit or miss. However, it is not a big deal, necessarily, to find additional channels in markets such as Longreach. It is just going to require someone in the private sector or in the public sector to test a few frequencies, to work out what channels can be used without compromising the integrity of the plan for all around and make those available.

**Mr HARDGRAVE**—But it is a fair chance that the spectrum 106.9 spot on the FM dial which is used by a commercial station in south-east Queensland—and I will go right off the agenda if I raise their particular problem that the ABA has sat on since 1993, so I will not hold the committee up with that—is sitting there in the middle of Longreach and could be used tomorrow, couldn’t it? If I walked in there tomorrow, why would the ABA delay the process of me using that spectrum?

**Mr Tanner**—I guess the only reason would be that the ABA is extremely busy doing the government’s highest priorities which are the metropolitan area planning now in digital television conversion.

**Mr HARDGRAVE**—You told us five minutes ago that the particular project regarding the use of spectrum in regional Australia is substantially complete. It is in the book. Mr Tanner, I do not understand, as an organisation, what you are doing. I do not understand what you have done for the last seven years.

**CHAIR**—There seems to be some dichotomy here. I understood you to say that you have gone out there and allocated as widely as possible on the basis of, even down to small communities, a nominal five channel situation.

**Mr Tanner**—No.

**CHAIR**—And that you are going out to fulfil demand. I think you said you were not in the business of retaining spectrum.

**Mr Tanner**—That is right.

**CHAIR**—How does that then sit with what Mr Hardgrave is asking?

**Mr Tanner**—That is a bit of a misunderstanding. What I talked about were the types of services that we plan. Basically, in each small community we have planned only those types of services for which there was a demand. For example, we have not planned a commercial service in every microscopic town; we have only planned additional commercial services in those commercial markets where there was substantial demand for new commercial services.

**CHAIR**—How do you assess substantial demand?

**Mr Tanner**—We call for expressions of interest. We hear from the people who would be adversely affected by new services and those who want new services. We do a weighing up process in light of some statutory criteria. We then put out a draft.

**Mr HARDGRAVE**—You are picking winners. Is that what you are saying?

**Mr Tanner**—We do not like to look at it that way.

**Mr HARDGRAVE**—I am sure you do not. But, Mr Tanner, what I am saying is that 106.9 is a spectrum spot on the dial—or 105 or whatever. I can just think of frequencies of commercial radio stations in south-east Queensland and say, ‘There is a fair chance those particular frequencies are not being used in Longreach; why couldn’t I start a racing service tomorrow?’ Why would the ABA not simply say, ‘That’s a problem solved; we will move on.’ I am going to hold the committee up all morning. We are getting nowhere at all on this, Mr Tanner. I do not understand what you have done. I do not understand what your organisation believes it has done for seven years.

**Mr Tanner**—Can I put this in a nutshell?

**Mr HARDGRAVE**—I do not think so because you cannot put it in a submission. Why haven’t you given us a proper written submission to clarify what your organisation has been doing for seven years?

**CHAIR**—I do not think we will bog down on this point.

**Mr HARDGRAVE**—No, we will not, but I am pretty unimpressed.

**CHAIR**—We will come back on it.

**Mr Tanner**—There is a point I would like to make.

**CHAIR**—Okay, make your point.

**Mr Tanner**—The ABA was substantially driven by demand. That seems a fairly reasonable starting point for an agency which actually is not picking winners itself. You are relying on the private sector to tell you where it wants new capacity. We have met the racing radio demand pretty well entirely everywhere in the country that it was notified to us. As we approached the end of this process, both we and the TABs were overtaken on the road—apparently by surprise in the case of the TAB, certainly by surprise in our case—by an announcement that the ABC was going to turn off its services. Had that occurred earlier, it is possible the TABs would have requested licences in different areas, but they did not. The fact is that we met TAB demand wherever it was raised, except where there was some fundamental problem with the spectrum shortage.

**CHAIR**—This is a very good point, and I am glad you touched on it now. Are you saying that the ABC did this in some peremptory way? There was no warning. It just happened out of the blue. It was suggested about 18 months earlier, was it not?

**Mr LINDSAY**—But the ABA would not expect to know about it.

**Mr Tanner**—Basically, when did we first hear about it? I am not sure when we first heard about this proposal, but it was certainly very late in our planning process.

**CHAIR**—The ABC flagged this, as I remember it, about 12 or 18 months prior to when it actually happened. There was a bit of a public outcry and they dropped it for 12 or 18 months. Then they came back at it again last June 12 months ago. You said in the broad fabric of things you were not taken into the loop on what their planning was with regard to radio racing.

**Mr Tanner**—I got the message that the TABs and the ABA found out about it at roughly the same time.

**CHAIR**—Okay.

**Mr LINDSAY**—Gentlemen, my assessment seems to be that, by and large, the majority of the population already receives radio racing services. So who are we dealing with? We seem to be dealing with people in more remote areas. Your evidence has been that the AM transmitters had the best coverage in the Commonwealth of Australia.

**Mr Tanner**—Yes.

**Mr LINDSAY**—My first question is a technical question: that is, say you have a 50-kilowatt sitting in Julia Creek, 4JK; is there any way that the ABC can put on some kind of a sub-carrier or second channel that would go out with its existing service?

**Mr Tanner**—There is a technology for FM but I am not sure about AM.

**Mr Gengaroli**—In AM there is no technology that I know of that would allow almost a secondary service provided on the same frequency. In FM there is what is known as ACS which is an ancillary communication service there which is data, if you like, on radio.

**Mr Tanner**—It would require a special box that gives you a roughly AM quality sound service, but it does require that a special kind of receiver be distributed. It tends to be used in cities. You will find that commercial or community services sometimes sublease that sub-carrier, and it is used, for example, by Franklins.

**Mr LINDSAY**—That is on FM?

**Mr Tanner**—Yes, that is on FM, but there is a substantial FM network in regional Australia, too; it is just not as good as the AM.

**Mr LINDSAY**—But you cannot apply that technology to AM?

**Mr Gengaroli**—No.

**Mr LINDSAY**—Is AM expected to go digital?

**Mr Gengaroli**—There is a system called digital radio mondiale that is looking at providing digital services on AM radio.

**Mr LINDSAY**—If the high power AM services of the ABC went digital, could they then easily carry a sub-carrier?

**Mr Gengaroli**—The short answer is that I believe so, yes.

**CHAIR**—You can have five or six compressed into one signal then, can't you?

**Mr Gengaroli**—I am not sure about the numbers. Certainly in the L-band and in VHF you could have five or six compressed into one service.

**CHAIR**—It would fulfil what Mr Lindsay is saying.

**Mr Gengaroli**—In AM, because of what you are dealing with—all of a sudden it becomes a digital pipe, if you like, with so many kilobytes per second, then, yes, you would be able to segregate your information.

**Mr LINDSAY**—Digital is a long way away in AM, if it ever happens.

**Mr Tanner**—I think that is a fair comment, and also I do not know that those AM digital systems can be used without turning off the existing analog AM.

**Mr Gengaroli**—It is not the same, that is right.



**Mr Tanner**—So we are some distance away, put it that way, even if we were to do that, but we are not about to turn off the AM networks, obviously.

**Mr LINDSAY**—That is correct. The other way of getting across the country is satellite, but the market does not seem to take it up. Is that your experience? If they do not take it up, why aren't they taking it up?

**Mr Gengaroli**—Certainly there is an extra associated cost with satellite reception which tends to, I guess, discourage people.

**Mr LINDSAY**—ABC television goes out across the country. It would be possible to put a radio racing service on that television channel, wouldn't it?

**Mr Gengaroli**—On the television channel?

**Mr LINDSAY**—It is there now; it is possible now.

**Mr Gengaroli**—As part of their service, yes.

**Mr LINDSAY**—Most people in remote areas would have a dish, wouldn't they, to get their television?

**Mr Tanner**—No, only the most remote people. Basically, even in those commercial markets which are satellite served remote, the majority of the people would get their services from very small, low load power, UHF re-transmission. There would be a few thousand—I think it is about 10,000, 12,000 or 13,000—satellites boxes which represent homesteads.

**Mr LINDSAY**—Is the other way of getting across the country putting radio racing on the Internet? It is certainly technically possible to put the sound on the Internet now; is that right?

**Mr Gengaroli**—Yes, that is right. There is radio on the Internet.

**Mr LINDSAY**—If the ABC on their home page put their signal on their home page, which they can do—

**Mr Tanner**—The TAB could put it on their home page.

**Mr LINDSAY**—The TAB could do their own, yes, you are right.

**Mr Tanner**—Certainly there are radio services on the Internet. As long as someone has got a fax modem, 56 kilobytes per second or whatever it is, they will get a tinny but quite audible radio stream.

**Mr LINDSAY**—That perfectly describes how race callers sound anyway, doesn't it? Are there any ABA issues related to the Internet?

**Mr Tanner**—Basically the ABA is only the planner for those little bits of spectrum used by free-to-air radio and television. We are the content licensor for all other kinds of broadcasting, but we have no role in making decisions about carriage. So if we are talking about spectrum for satellites and so on, that is the role of the ACA. So the ABA tries to take an intelligent interest in those things because we like to give people, viewers and listeners advice, but it is actually not our role to licence on the technical side what are basically telecommunications or general radio frequency planning issues.

**Mr LINDSAY**—My question really covered people in the remotest areas of Australia—how we might get to them. Come back a step to the small towns and so on where you are licensing these open narrowcast things and whatever. If the industry wanted, in every TAB in every small town, to have a one-watt transmitter, why couldn't they? You are saying that in every small town you plan four or five channels on known demand. Let us take Bendigo, for example, where it is basically chock-a-block. Is it, from an engineering point of view, really chock-a-block if they are only one-watt transmitters serving a small area? Does it really matter if various industries come along and say, 'We would like to do this'?

**Mr Gengaroli**—In terms of utilising the spectrum in the most productive way, what the ABA has done in the lower part of the FM service, from 87.5 to 88 megahertz, has basically created some rules about how to allocate that spectrum, and it is used for what we call low power open narrowcast services which are typically the one-watt service you were referring to. Also, in rural areas, they can be up to 10 watts. For those, the ABA does not get involved at all. The role is passed to the ACA. With those planning rules, they basically define when it is possible to allocate those services. There is a certain risk taken, but that was done in order to not waste our engineering resources on one-watt services but to allow them to basically be managed by the ACA with some rules.

**Mr LINDSAY**—Where I am coming from is to ultimately get you to agree that, if the known demand was TAB radio racing services, and each little TAB wanted to have its own little transmitter—because it already has an audio feed; it must come down the telephone line, I assume, as they have already got it inside the TAB—they just pump that into a one-watt transmitter for their little local community. Isn't it true that the number of one-watt transmitters is unlimited that you could licence across Australia, even in the most crowded of markets?

**Mr Tanner**—It is not unlimited, and in the most crowded markets it would be quite difficult. But you are right: dropping to one watt does create some additional options in general. We have not looked at one watt to date because there has been no demand. Planning additional channels is possible in a lot of markets, particularly if you drop the power to one watt. It is not a case of spectrum abundance.

**Mr Gengaroli**—A point I wanted to make on your point is that the one watt will not interfere with other services but we must be careful that if we have too many one watters then high power services would interfere with the reception on that one watt. It is a two-way street. It is not the case of one watts so much interfering outside, but it is interference coming back.

**Mr LINDSAY**—You have got 20 megahertz of spectrum, for God's sake. You could get millions of transmitters in 20 megahertz.

**Mr JULL**—I have to ask a naive question. I am not trying to be smart about it, but how come you can get 52 stations or whatever it is on the FM band in Los Angeles and you can only get about 16 in Brisbane?

**Mr Tanner**—I will leave that to the engineers. In essence, I understand it is because we have much higher regard for protecting the services we do plan from interference than they do in America. There are trade-offs, in fact, when you get those quite large numbers in. I would prefer to have the engineers fill you in.

Before I hand over to Fred for that, I do not want to suggest that there are not options for planning new services. There is channel capacity in Longreach, and there is going to be in a lot of fairly crowded markets a potential one-watt option in areas, and we have not looked for that because no-one has wanted one watt. It is not just a question of twiddling the dial and finding a part which is quiet and then turning on a transmitter, though. That sort of thing is going to result in interference to existing services and a breakdown of the coordinated planning which allows us to plan productively. What it is going to require is that either the government, that is the ABA, send out its electrical engineers to plan those services, to find those gaps, or that private consultants do that, which will also cost somebody money, in accordance with guidelines that were established by the ABA. Those options actually do work.

**CHAIR**—But when the ABA switched off—taking up Mr Jull's question—did you sit down and say, 'Well, this is going to be a problem across Australia'? For example, have you got a coverage map of all the TABs—their basic coverage and their fortuitous coverage? Is there a national map? We have not been able to get one through the TABs.

**Mr Tanner**—In fact we do not, although we could put together a fairly good estimate of where TABs are available. The reason is that—

**CHAIR**—I am not talking about where TABs are available. What I am talking about is coverage. I got a thing the other day from Vodafone, and it had the entire state of Queensland, quite a big map, and they could tell you a primary coverage area for their mobile phones and a fortuitous area—all the way down the Queensland coast, every town, every little hamlet just about. What I want to know is, from the time when this became a problem, did you sit down and say, 'These are the 62 that 4TAB have got; these are the ones 2KY have got. They cover this much primary coverage, this much fortuitous coverage, around Australia'? Do we have a map that does that?

**Mr Tanner**—In essence, no.

**CHAIR**—What do you mean 'in essence'?

**Mr Tanner**—I will tell you what we have got. The ABA can model and predict coverage of any service plan in the bands with a fair degree of accuracy using its computers. So we can produce coverage maps for any combination of licences, given enough time. What

we lack is that the ABA has no role and does not retain information about the formats of all services using the bands. Our predecessor the ABT did, and when we were set up in 1992 there were a—

**CHAIR**—Is that a weakness in your powers?

**Mr Tanner**—Basically, the 1992 scheme was that these sorts of decisions be left to the markets rather than be governed by regulators trying to fill in gaps in formats. Whether or not that is now, with hindsight, the best way to proceed, they were the terms on which the ABA was set up and resourced. If you ask us to work up some examples in markets we can do that, but we will be using private sector sources like Margaret Gee and so on to work out what the formats are in the market.

**Mr HARDGRAVE**—You were claiming before that your organisation has been going around making assessments of what marketplaces want, and yet you are telling us the 1992 charter was not to go around but to let the market determine what it wanted. I thought you would be just telling us what spectrum was available and what spectrum was not, and that is what I thought the LAPs was about, yet you cannot even produce that.

**Mr Tanner**—But this is the short answer why we have been doing those LAPs. They substantially relied on entrepreneurial or industry demand. We have let industry tell us what it is interested in doing.

**Mr HARDGRAVE**—They would like you to get the process completed, that is the first thing industry would like.

**Mr Tanner**—And we are working to do that.

**Mr HARDGRAVE**—It is 3½ years behind, Mr Tanner—it is ridiculous.

**Mr Tanner**—I appreciate that and I apologise for that.

**Mr LINDSAY**—What I am trying to get you to put on the public record is this: coming down from the large area of Australia down to the regional areas, the small towns, there is no technical reason why, if some TAB in little town X wants to go on with the one-watt transmitter, it cannot go on. If you can say that is the case, then across Australia all of those areas would be able to be covered.

You are going to respond very carefully and say, ‘Consistent with our careful approach in not having interference problems, either from high power transmitters to low or low power to high,’ but the reality is that with so much spectrum available surely it is possible to be able to say, with some degree of confidence, ‘It is very likely that radio racing can go on with a one-watt transmitter if it wants, wherever it wants, in Australia.’

**Mr Tanner**—It would be possible to plan a lot of low powered additional channels in regional and remote Australia, especially the areas which are least congested, if TABs or someone were willing to install and feed those services, and if they were prepared to plan in accordance with guidelines promulgated by the ABA. That could be done ahead of our

existing top priorities. But what you are talking about would represent for the ABA, if the ABA's engineers were to take it on, a massive reallocation of our existing priorities which are to finish the first round of licence area plans in the now long delayed cities, and, most importantly, to push out digital television on time. But it certainly would be possible.

The point I keep making is that until now the TABs, who do not have a universal coverage obligation, have shown little or no interest in pushing those boundaries. They have shown interest in putting low-powered services into substantial markets.

**Mr LINDSAY**—From the government's perspective, we have at least got to make the opportunity available so that we can—

**Mr Tanner**—That could be done. There is no doubt that an option by which the TABs could extend their coverage could be developed with the ABA's help. Also, once we have finished that analog planning in the cities, the ABA itself may have resources it could contribute to that task, but that does not immediately fix the problem.

**Mr LINDSAY**—That is what I needed to know.

**Mr MOSSFIELD**—Leaving aside the technical parts of it, I am looking at our terms of reference. I would like some comment from you relating to, firstly, whether you are aware of the impact that this continuation of the ABC Racing Radio has had on the community and, secondly, whether you believe that other forms of radio and technology can replace that service and provide a service equal to what was previously provided by the ABC. Do you see radio as a high priority in this area or would you suggest there are other means of broadcasting?

**Mr Tanner**—You have asked three questions. The answer to the first one is that the ABA itself has not, to my knowledge, been intensively lobbied over the loss of TAB services in remote areas. Most of the pressure on us has come through people such as yourselves, the elected representatives, but we obviously regard that as a pretty true reflection of where community concerns are.

The answer to the second one is that new technology is creating more and more options for delivering these services; that is true. We have just discussed one, the Internet, but none of them necessarily have the convenience or the universality of what is lost because the average home will have several AM receivers and they are as cheap as chips, whereas not every home is going to have a 56 kilobytes fax modem, nor are you going to be able to access that fax modem when you are on your tractor. While there are more and more options appearing for getting racing information across, and in fact racing information is particularly well suited to graphical and alphanumeric display—it is one of the reasons why Racing Radio is behind the push for digital radio—it is not, even in its totality, a substitute for AM. I guess that would be a fair comment.

**Mr MOSSFIELD**—What role do you see AM playing in providing that service through the current networks such as 2KY, and TABs and these other organisations?

**Mr Tanner**—They have a central role now and into the future. If the future of radio is to eventually turn off that medium and replace it with a digital medium, I can assure you that Racing Radio is at the absolute forefront of commercial radio in pushing for digitisation. In fact, it is probably fair to say that Racing Radio, and in particular Mr Barrie Unsworth, have been champions of digital at a time when a lot of the commercial industries had fairly cold feet about it. I think they see themselves in mainstream radio for all time.

**CHAIR**—We have seen their test broadcasting facility.

**Mr LINDSAY**—It is quite impressive, actually.

**Mr JULL**—Could I just pick up one thing you said in your introduction. You said you were not concerned about licence hoarding?

**Mr Tanner**—Licence hoarding has been a fairly highly publicised problem for that low-powered open narrowcasting sector that Mr Gengaroli has already referred to—between 87.6 and 88. They were allocated over the counter, most of them in the early nineties, and in fact a lot of them were snapped up by hoarders. The government and the ACA, who currently administer that scheme, are doing a lot of work at present to try to force hoarded licences onto the market.

The problem is simply that they demand too high rents for TABs or other users to use them. The ACA and the minister are working on solutions to that. The comment I was making was that the ABA learned from that experience not to allocate narrowcasters over the counter because it is too easy for a speculator to simply snap them up. We auction them and we put a low, but still significant, reserve on them to recoup some of the costs of doing the planning; the reserve is \$4,000. We have found in general that there does not appear to be a hoarding problem. There may be narrowcasting licences that have been bought through that scheme that are not in use, but we are not being deluged with complaints from would-be entrepreneurs that the licence is hoarded.

I have just been reminded that, in addition to the reserve, we have also put a six-month startup condition on those licences. So there is a legal threat to back up that market remedy. Basically, what I was saying was that with the medium and high powered narrowcasting services that we plan in licence area plans, I am not aware that there is a hoarding problem. It appears that those measures we have taken have prevented one occurring. What happens instead is that the licence is simply not bought. They then sit on the shelf and if anybody is interested in them and rings up, the ABA says, 'Right, they will be in the next auction.' We tend to hold auctions every six months and they know that if there is only one bidder, themselves, they will get it for \$4,000. That process has worked quite well until now.

**Mr JULL**—The only other sector that I do not think we have looked at in terms of potential carriers is community radio stations. Technically or otherwise, is there any reason why they could not take a TAB feed?

**Mr Tanner**—There are some constraints on what community stations can do, but I understand that it is not unknown for community services to do deals with the TAB. There is nothing in the law that in the end prevents that. In fact, there is a sports radio community

station in Canberra, 1SSS, which has substantial links with the TAB. I am aware anecdotally of one or two other cases where deals have been done with community stations.

**Mr JULL**—But they do not necessarily take a split off 2KY; that is their own generation?

**Mr Tanner**—No. I am aware anecdotally—I would have to do a bit of ringing around to check—that there have been deals done with TABs at some stage in the past with community services, but it is not a practice that I am widely aware of. Community services have certain conditions on them and if they were substantially given over to racing, they would probably have difficulty complying with those conditions. A bit of racing would not seem to cause too much of a problem for them, at least in theory.

**CHAIR**—We have got to address the matter of coverage. Quite frankly, what I am holding up here represents what is available for coverage, and I think that is a disgrace. We should be able to see not just a couple of spots on a map; if you have modelling available for each area of each state, we should be able to model up what would be required to create coverage, say down to communities of 250 or less. I have found it frustrating, from the beginning of this exercise until now, that we have not been able to get a footprint map other than when someone has put a few circles over each town on a map. That does not tell us as a committee anything. It does not tell the government about the coverage, either.

**Mr Tanner**—I think we have taken this question on notice. Basically, we understand your concern.

**CHAIR**—I understood your answer to Mr Hardgrave to be that you do have modelling.

**Mr Tanner**—Yes.

**CHAIR**—Let me put this to you: if the government were to create another category of licence, for want of a better expression, say, a specific sporting narrowcasting licence, is there any reason why that would have to be renewed five- yearly? Could it be a 10-year licence?

**Mr Tanner**—You could do whatever you like. If the government is creating a category of licence, it can do as it pleases.

**CHAIR**—There is no technical reason for keeping it down to five years?

**Mr Tanner**—We have made the spectrum available for 10 years in an attempt to signal to the narrowcasters that we are not interested in five-year re-auctioning, but unfortunately, because we are issuing transmitter licences under the Radiocommunications Act and they have a maximum period of five years, we have no choice other than to put them out for that maximum period. But by making the spectrum available for 10 years, we were hoping to send the signal that we do not really envisage re-auctioning occurring in five years. That is the best guarantee that we can give within the law.

**CHAIR**—We have got a problem, haven't we, in so far as the government has not mandated—nor did the government ever get the opportunity to mandate because of the rather pre-emptive action of the ABC—to create that category of licence or perhaps create some form of community service obligation on TAB licences. Is there any legal reason why, for example, when we go to digital radio, the government cannot mandate a community service obligation with those pipes?

**Mr Tanner**—There is no legal reason. The parliament can do what it pleases in this area.

**CHAIR**—So when we go to digital radio, as we will in the not too distant—

**Mr LINDSAY**—If we go to digital radio.

**CHAIR**—Let us say we do. There is no reason why the government cannot mandate that a pipe has to be made available in each area for specified sporting services?

**Mr Tanner**—It could do. I believe what you are up against is not legal problems; it is financial problems. I said at the beginning that I actually believe that planning new FM services, whether they are one watt or high powered, is going to be part of the solution, but it is not going to be the whole solution.

**CHAIR**—I was just going to come to that.

**Mr Tanner**—Unless the radio industry was prepared to pay the cost of owning a universal service obligation and I understand those are extremely expensive.

**CHAIR**—Let us say we sat down to do some modelling. Could you advise the committee where a number of strategic transmitters might create a coverage? For example, that the one-watt stations could be allowed to go to two watts, certain five watts could go to 10, perhaps in western Queensland, western New South Wales and that Mildura area you were talking about before, and a number of unused AM licences could be used to create a large coverage.

**Mr Tanner**—There is not a great deal of AM remaining.

**CHAIR**—I realise there is not much left. Is it possible, using a mix and match of the various subtechnologies within radio, to provide a fairly universal coverage using a combination of narrowcast licences, conventional FM licences and AM licences?

**Mr Tanner**—It is going to be essential that part of this be done by racing being carried on existing services because I find it hard to believe that any narrowcaster is going to be able to afford to achieve coverage across sparsely settled areas of the continent, which would require vast numbers of transmitters. In short, new spectrum has to be part of the solution, but it is only going to be part. I do not think you can get away from that.

**CHAIR**—You do not think there is any circumstance in which the ABC's AM regional service—which probably covered 95 per cent of the populated areas outside the capital



cities—can be duplicated but with a combination of FM and strategically placed AM services?

**Mr Tanner**—It would require an investment on such a scale that it is hard to imagine anyone doing it. Remember that investment would not come from governments, so in the end it will be the call of the TABs, whether they are prepared to back that up. The ABA does not pay for new services.

AM is uniquely well fitted for achieving very wide coverage. You cannot match it with FM, even operating at high power. Your second best bet after the ABC is the commercial AM network. It would substantially cover the whole country with just a few per cent less than the ABC. Bear in mind that it is not the only commercial service across regional Australia. Even in the smallest markets bar one or two, we now have a second FM commercial service. So that AM network, as you said, is the best option.

**CHAIR**—Could you come back to us with a model based on the existing TAB, 2KY and 927 licences? Could you then say to us that, with the following strategic planning, coverage—say it was at 46 per cent now—could be boosted to 70 per cent by boosting certain licences in certain areas?

**Mr Tanner**—We could work up some examples.

**CHAIR**—Instead of taking this defensive role, Mr Tanner, could you come to the committee with solutions based on modelling that you say you can undertake that would give us options to put to government on how we might expand the service?

**Mr Tanner**—Yes, we will work up some scenarios, I suppose, which you can then take to industry.

**CHAIR**—That is what we would like, yes. It might be that the government is prepared, under one of its regional programs, to subsidise some things. I do not know. You come to us with the patterns and then we can look at the cost. The other thing is, there is no reason, is there, that the committee may not recommend to government that we could have a special category of a selected sporting licence so that we do not have this nonsense of the TAB station that has been operating in error getting knocked off by some commercial service that is not really required? We have seen a few examples of that, have we not.

**Mr Tanner**—Yes. It appears the TAB stopped bidding after a certain point.

**CHAIR**—I can understand that.

**Mr Tanner**—The ABA, unless it had subcategories, could not mandate radio racing.

**CHAIR**—There is nothing to stop the government from mandating.

**Mr Tanner**—There is nothing stopping the government doing that.

**CHAIR**—Does that have to be done by legislation or regulation?

**Mr Tanner**—It would have to be done by legislation. We have looked into this question. My understanding is that the ABA does not have the power to split up the narrowcasting category any further, so the government would have to legislate.

**CHAIR**—Create a new category?

**Mr Tanner**—Yes.

**CHAIR**—And that could have its own licence, sunset clause?

**Mr Tanner**—Whatever tenure you wanted to give it. The parliament is pretty flexible in what it could do.

**CHAIR**—And it would be within the government's power to say, 'The more remote that licence is, the less expensive it might be to the broadcaster,' if it was of the nature of a semi-community service obligation?

**Mr Tanner**—Certainly, although I would emphasise that narrowcasting is pretty cheap already if you compare it with commercial.

**CHAIR**—I realise that.

**Mr Tanner**—It really is very cheap. I think the TABs get a pretty good deal, given that by allocating a narrowcasting licence we dramatically drop the cost of the licences compared to if we planned them as commercial.

**CHAIR**—Yes. However, we have the other concern of 4TAB telling us that there is no guarantee they will even maintain the 62 licences they have. So we need to have some incentive. If we want to have some alternative service, we have to give the broadcaster some alternatives.

**Mr Tanner**—Yes. We are completely in the hands of the market. As I say, if it were commercially worth their while, the TABs could do a deal with a lot of AM commercial services but they may find that it is cheaper to wait for the government to plan new licences, and that puts the ball into our court. There is not a great deal we can do about that.

**CHAIR**—We would also like to see whether you could advise us what your vision might be for digital radio in respect of specialised services.

**Mr Tanner**—I might defer here. Digital radio policy is being developed by a committee of government and industry on which the ABA is represented, but the ABA is not leading or driving. It is actually convened by the department. While we have lots of views on digital radio I think it is probably proper that you hear first from—

**CHAIR**—Can you put our committee in touch with that group please?

**Mr Tanner**—Certainly. It is the Digital Radio Broadcasting Planning and Steering Committee at DCITA, and its convenor is Mr Rob Badger. I will do that.

**CHAIR**—Okay.

**Mr LINDSAY**—AM frequencies are, by and large, all taken up. If AM is the best way to get across vast areas, which is your evidence, would you license AM transmitters for daytime operation only to carry a racing service?

**Mr Tanner**—Because of one of the characteristics of AM, it tends to travel a great deal further at night, which I suspect you have already learned or already know. It is a peculiarity, but I understand it would be possible to have a daytime network if it were worth someone's while to erect it. I think the only reason this engineering technicality has never been explored is that it has never been in anyone's commercial interest.

**Mr LINDSAY**—Yes.

**Mr Tanner**—Our planning process has shown very little interest in AM to date. It is expensive; it is low quality.

**Mr LINDSAY**—But from an engineering point of view there would be no technical reason why you could not take on the possibility of daytime licences only?

**Mr Gengaroli**—We already are exploring the possibility of what we call day-night switching—in other words, high powered day time AM services. It will be not as dramatic as you are saying which is completely switching off at night, so we are looking at the other side.

**Mr LINDSAY**—Thanks.

**Mr Tanner**—But that would actually increase AM. My remark about the lack of AM frequencies would have to be somewhat modified if you were talking about something which was operating only between certain hours.

**Mr LINDSAY**—Yes.

**Mr Tanner**—That is true.

**CHAIR**—If we have any more questions, I trust you will be prepared to answer them in writing?

**Mr Tanner**—Of course.

**CHAIR**—We would like to see a coverage map based on your modelling of the existing stations, and what might be achievable within the constraints of interference and other factors of a strategic boosting of a special licence—a special sporting licence—what additional coverage might be achievable.

**Mr Tanner**—Looking at some scenarios might be the best way. We will have a think about it and we will actually do a bit of 'solutioneering'.

**CHAIR**—Yes. We might need you to come back to the committee for a half hour session one day.

**Mr Tanner**—Of course.

**CHAIR**—There seems to be some dispute as to the status of your submission, so I would like to take it into the record today.

**Mr Tanner**—This is my copy.

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

That the committee accepts as evidence and authorises for publication the submission from the ABA as submission No. 203 into its inquiry into radio racing services.

**CHAIR**—Thank you very much, Mr Tanner and Mr Gengaroli. This is a matter of some concern to the committee. We would appreciate your coming back to us on those items. We may need to contact you again, either in writing or to appear before the committee before we wind up our activities later this year.

**Mr Tanner**—Thank you.

**Proceedings suspended from 9.41 a.m. to 10.00 a.m.**

**BENNETT, Mr Raymond Barry, Chief Executive Officer, Totalisator Agency Board of Western Australia**

**CHAIR**—We will now move to Western Australia, courtesy of the airwaves. We will commence your evidence but before proceeding I have to caution you that, although the committee does not require you to give evidence under oath, these are legal proceedings of the parliament and warrant the same respect as proceedings of the House itself. The giving of any false or misleading evidence is a serious matter and may be considered as a contempt of the parliament. Mr Bennett, would you like to give a five-minute overview of your submission and then we will break into questions?

**Mr Bennett**—Okay, fine. I have a small prepared statement; I am not sure it will take five minutes, but we will do that and then carry on from there. The loss of the ABC's regional racing service is being felt more at this time of the year—Melbourne Cup time—than at any other period, especially by people in Western Australia's rural and more remote areas. They have been deprived of the chance to listen in to the big spring race meetings, something that West Australians living in urban areas take for granted. The ABC will rub salt into the wounds on the first Tuesday in November, when it broadcasts the Melbourne Cup on the same network from which it withdrew the racing service.

The ABC regional racing coverage had the ability to reach rural people where they worked—on the farm and on the road. We at the TAB continue to take calls from them regarding the dropping of the service. They are angered that they have lost the service and WA TAB turnover figures suggest that they are losing interest in an industry that does so much for the state's economy.

We cannot solve the problem of providing vast areas in country WA with a service on a network such as the ABC was able to do. The cost of servicing an area of a million square kilometres is too great and we have to bear in mind that our job is to maximise the amount of funds available for distribution to the racing industry.

The people who suffer most are those actively engaged in the industry itself—thoroughbred and standard breeders, owners and trainers who can no longer hear the races for which they provide most of the runners. I would also point out that upwards of 20 per cent of the population do at some point during the year have contact with the TAB. Of that 20 per cent, between seven and eight per cent are regular punters; the other 11 or 12 per cent are occasional punters. But, in all, there is a regular year in, year out 20 per cent interest within the general public in placing bets with the TAB. The rural areas are the nursery for the racing stock and also the growing district for fodder that supplies the industry, and these people are also being deprived of their only means of following their interest in the sport.

WA TAB statistics show that if its customers cannot hear or see a race they are turned off having a bet. TAB turnover drops and with it the benefits to the racing industry and the community as a whole. It is significant that since the ABC coverage ended there has been an Australia-wide downturn in betting activity. The TABs in all major states are reporting negative growth for the first three months of this financial year.

In WA, betting on Saturday's Melbourne racing alone has fallen by 14 per cent. The industry in the state of Western Australia cannot afford any loss of revenue. The racing industry makes a valuable contribution to state finances in addition to providing entertainment to the public. In the past 10 years alone it has contributed \$1 billion to the state economy and is one of the state's largest employers, supporting the livelihood of 11,000 people each year. These people include TAB agents and staff, owners and breeders, trainers, jockeys, officials and other associated employers such as animal feed manufacturers and veterinarians.

With no cover on ABC radio, horseracing, at least in the rural community, is losing ground in mainstream Australian sport and we strongly advocate the restoration of the ABC's original comprehensive regional racing service to arrest that decline. As far as the WA TAB's own narrowcasting service is concerned, we are in our sixth year and its continuity is vital to its listening audience spread throughout the state. For many, especially regional listeners, racing radio's coverage of the three codes of racing provides sporting activity that not only involves participation but complements their interest in horses and dogs. The TAB and the industry it supports is a unique and essential fabric of Australian life and it is essential that radio provides a service to the community in this area.

We want the Australian Broadcasting Authority to grant the WA TAB reasonable tenure for its 1206 narrowcast licence, preferably for 10 years. This would warrant the commitment of significant capital to land, equipment and antenna facilities needed to increase the power of the transmitter and resite it in the future if the licence is approved. In the meantime, while the ABA's planning process is being completed, we would like to increase the power of our existing site to 5,000 watts to improve coverage of the metropolitan area, much of which now receives only a poor signal. If it is decided that the ABC service will not be restored, we urge the Australian Broadcasting Authority to make one 1-watt FM licence available to the WA TAB. We could expand our network by installing these economical transmitters at a string of our country agencies. We could also increase their reach by lifting the power of the transmitters to 10 watts. But whatever we do we could not compensate the rural community for the loss of their ABC racing service. That is the end of my opening statement.

**CHAIR**—Thanks, Mr Bennett. I suppose we should ask you the question that we have asked Mr Unsworth and Mr McCormack: what is your preferred option?

**Mr Bennett**—Regarding having the ABC or—

**CHAIR**—The ABC or an extension of your own licensing ability?

**Mr Bennett**—The fact of life in Western Australia, given its area, is that there is no way that we could provide a replicated service of what the ABC are able to provide. The area of the state is just too vast for the resources that we would have available to put into the issue.

One issue that needs to be borne in mind is that Western Australia occupies one-third of the landmass and has 10 per cent of the population. The cost of transmission is just not a viable option for the WA TAB. We can certainly supplement and add to what we are doing at the moment, but there is no way we could ever provide the network that the ABC provides.

**CHAIR**—You say that you have noticed a depletion of the income of the TAB since the ABC went off broadcasting radio racing services?

**Mr Bennett**—Yes.

**CHAIR**—Of the 20 per cent of people in Western Australia that you say regularly punt, what proportion is covered by your narrowcast and capital city transmitters? Do you have an estimate?

**Mr Bennett**—By population number, about 85 per cent.

**CHAIR**—Eighty five per cent of 20 per cent?

**Mr Bennett**—Yes.

**CHAIR**—In other words, about 17 per cent?

**Mr Bennett**—Yes.

**CHAIR**—It has been put to the committee that the TAB networks—you, for the TAB, and 2KY—provide a far more comprehensive service to the punter.

**Mr Bennett**—That is correct. If you mean by ‘comprehensive’ a full discussion regarding forthcoming meetings, the form of the runners, tips and what have you, yes, we would certainly provide a far more detailed, comprehensive report than the ABC would provide.

**CHAIR**—It was also said that the ABC broadcasts racing only on Saturdays and public holiday Mondays.

**Mr Bennett**—They were also broadcasting on Friday nights up until about 18 months ago when they dropped that in what I can see now was only a first step.

**CHAIR**—Was that gallops or trots?

**Mr Bennett**—Trots. But it all comes back to the racing industry.

**CHAIR**—Before my colleagues ask you some questions I will ask them to identify themselves. You will be speaking to Mr Mossfield from New South Wales, the member for Greenway; Mr Colin Hollis from New South Wales, the member for Throsby; and Mr Steve Gibbons, the Deputy Chairman of the committee and the member for Bendigo in Victoria. I come from the Bundaberg-Gladstone area in Queensland; Mr Peter Lindsay comes from Herbert, the Townsville seat in North Queensland; Mr David Jull, is the member for Fadden, which is the quasi-metropolitan Gold Coast seat; Mr John Murphy is the member for Lowe in New South Wales; and Mr Stewart McArthur is the member for Corangamite in Victoria. The first question is from Mr Jull.

**Mr JULL**—Can I just go back to the time when the ABC made the decision to pull the plug on racing. What sort of notice did they give you; was there any consultation about it?

**Mr Bennett**—There was not a lot of consultation. It was much more that a decision had been made—from memory, I think there was about a three-month lead time—that that was what they were looking to do.

**Mr JULL**—Did they have any comprehension of or did you put to them the situation that would exist in Western Australia in terms of the coverage and the fact that such vast areas of the state would receive nothing?

**Mr Bennett**—As I recall, it was a fairly informal meeting with their state manager at that stage. It was, as much as anything, presented as a *fait accompli*. As I recall, there were a number of representations made to the ABC at the time, if not by the TAB then certainly by the racing industry.

**Mr JULL**—So there was really no indication on their part that they were aware they were going to deprive such a large area of the state of the coverage?

**Mr Bennett**—I think their answer at the time was that they had done some surveys which indicated that the bulk of their listeners were not interested in racing and in fact got annoyed when the football coverage was interrupted by race calls. As I understood their decision, it was much more a reaction to a service their customers preferred than to any other issue.

**Mr JULL**—One thing has worried me about your submission. On page 4 you said that only the federal government and the ABC could solve the problem of providing vast areas in country WA with such a racing service. Could you tell us exactly what you think the federal government should do?

**Mr Bennett**—There are two issues that could help here. One is that, as with a number of the other TABs, we are under pressure to provide a racing service to approximately 20 per cent of the population. We have some resources available to us, but the fact is that in order to provide that service we have to go to an auction situation for a licence and quite often the licences offered are not suitable for the area we need to service. For example, we were after a smallish transmitter to service the area around Wagin, which is 300 kilometres from Perth; instead, we got a five-kilowatt licence which would service from there to the Western Australian border.

The other aspect with all of this is that the licences are granted for a relatively short term—for example, five years. For an industry body such as ourselves to sink millions of dollars into providing a radio infrastructure for a five-year licence is, with all due respects, nonsense. The level of advertising we can do on it is limited, and we do not want to have a lot of advertising on it because that only depreciates the racing service. So there is that aspect to what is happening. Another aspect, of course, is for the ABC to provide some racing service to the more remote areas of the state where it is just not feasible for us to have a comparable technical and transmittic infrastructure.



**Mr JULL**—Just off the top of your head, do you have any figures on what percentage coverage the commercial networks would be able to provide in the west?

**Mr Bennett**—I do not have that information off the top of my head, no.

**Mr JULL**—Are you doing much in the way of studying alternate technology? While I appreciate your point that you cannot pick it up on a tractor, has the WA TAB looked at the prospect of using the Internet—or do you use the Internet—for providing not only racing information but also a broadcast stream?

**Mr Bennett**—Yes, we do. Our Internet site provides a direct call from our radio station. One of the problems there, of course, is that country people have to make an STD call in order to connect to the Internet and that makes it a lot more expensive than turning on their radios.

In respect of other sources of delivery, our signal to our more remote locations is already transmitted by satellite. One thing that may ease the situation in the future will be the digital transmissions, which should enable that signal to be received on smaller units than are currently required.

**Mr JULL**—Thank you.

**Mr MOSSFIELD**—Mr Bennett, if you purchased all the high- and medium-power licences as they became available, would you be able to broadcast the races over the whole state; and, if not, what percentage of the state do you think you could cover?

**Mr Bennett**—I believe that we would be able to cover about 30 per cent.

**CHAIR**—Is that by area or by population?

**Mr Bennett**—By area it is probably about 90 to 95 per cent of the population. I would think that the ABC even now do not reach 100 per cent of the population. There are some fairly remote areas that just would not have a radio service, unless it is being delivered via satellite. I think the other issue worth looking at that is just the sheer cost of building that infrastructure to be able to deliver the service.

**Mr MOSSFIELD**—Is there a problem then with the actual reserve price set on the licences or are the licences not affordable?

**Mr Bennett**—I think it gets a little confusing. An article in the paper over here said a narrowcast licence recently changed hands at Margaret River. It was originally purchased for \$12,000 but recently changed hands for \$125,000. The same people who on-sold that licence evidently also have a licence for the Albany area. According to the report, the asking price for that licence is \$500,000. Where the issue seems to have gone off the rails is that we see that we are providing a service to an industry group, whereas we have been bundled in with people who are seeking to have a narrowcast licence for commercial gain. At the end of the day, there is a commercial aspect to what we are doing, but we are not in the business of buying and selling licences, or seeking to operate a radio station for commercial advantage.

That means that, when these licences come up for auction, we are put in the melting pot with everybody else. There is then a cost to go and bid for the auction.

The point I am trying to make is that we believe that we are not in the business of trying to have a licence that we can then maximise by having the activities of that radio station appeal to the most profitable return for that station. We are seeking to acquire licences to provide a very specific service that is not geared around any overt commercial returns, nor do we have the ability to be able to redirect our service to another market group that may be more profitable. Does that explain the difficulty that we have with the narrowcast system?

**Mr MOSSFIELD**—Yes, I think it does. Thank you.

**Mr LINDSAY**—Mr Bennett, do you have radio racing audio in each of your TAB outlets?

**Mr Bennett**—Yes, we do.

**Mr LINDSAY**—How does that program get to each of those outlets?

**Mr Bennett**—It is a bit of a mixture. In the city it is by landline, but in all of the country areas it is by satellite. The satellite also delivers a signal to our remote transmitters such as those at Albany, Busselton, Mandurah, Geraldton, Kalgoorlie and wherever else we have transmitters sited.

**Mr LINDSAY**—The ABA this morning has given evidence to the inquiry that there is no real technical reason why one-watt transmitters should not be licensed across rural and regional areas. What is your experience in dealing with the ABA in relation to this issue? Are they cooperative or are they simply saying, 'It's not technically possible'?

**Mr Bennett**—They are not saying 'not technically possible'. Having a licence is one thing, but a one-watt FM licence in some areas might give you a range of one kilometre. That does not really cover a lot of area. If you have any obstructions to the signal, then in some country towns you are lucky to get three or four hundred metres of coverage. What we have asked for—but not had a lot of success at—is to get those one-watt transmitters increased to 10 watts. That would help enormously, and particularly in the rural township areas, to provide a reasonable service.

Similarly, with some of our other services, an increase in the power of the service would help enormously. To give you an example, in Perth we have a 1206 licence with a two-kilowatt power output. Our signal barely reaches—and at times is not able to be heard—a suburb called Wanneroo which is 30 kilometres from the centre of Perth. If we could get a position on the band at a lower level and a five-kilowatt transmitter, we would be able to reach about the same area that the current ABC 720 reaches. You can pick up 720 from up to 100 and 150 kilometres from Perth. We have had to go to the expense of not only having 1206 in Perth, but having to put in another transmitter at Mandurah. Mandurah is barely 70 kilometres from Perth. Our two-kilowatt transmitter does not even get to Mandurah where there are no hills. It is a flat trajectory. But you can pick up 720 at 200 kilometres from Perth down the coast.

**Mr LINDSAY**—Are you referring to moving from 1206 to 657?

**Mr Bennett**—We are aware that the band was available.

**Mr LINDSAY**—Are ABA being cooperative?

**Mr Bennett**—They are not being uncooperative, but we are not getting any result on it.

**Mr LINDSAY**—So you are frustrated?

**Mr Bennett**—It is getting a bit that way.

**Mr JULL**—You are still diplomatic.

**Mr Bennett**—I understand that the local area planning for Perth has been delayed, but the issue of 657 is now part of that issue.

**CHAIR**—Might you be able to use an AM transmitter to cover the metropolitan area of Perth?

**Mr Bennett**—We have an AM transmitter now.

**CHAIR**—And you say you are only going out how far?

**Mr Bennett**—Barely 70 kilometres to the south of Perth and about 30 kilometres to the north of Perth. All that means is that we have to put in another transmitter, whereas we could use the money that we have had to put into Mandurah to site elsewhere in the state. It is not only the cost of putting in another transmitter site. You then, of course, have the ongoing costs of maintenance and power. It all keeps adding to the issue of: how much money can we afford to put into the radio service?

**Mr LINDSAY**—I have two more questions. You mentioned the security of tenure of five-year licences. Do you think the ABA have made it plain enough to you that they are tied by legislation and can only issue a licence for five years? Does the fact that they say that the spectrum will be available for 10 years, and they do not want you to pay another licence fee, give you a sense of security?

**Mr Bennett**—Not really. The issue here is that we go back to what I said earlier—that we are not in the business of seeking to operate a radio station for profit nor to direct the activities of that radio station into the most lucrative returns for the organisation. We are bound by the terms of the licence to provide a racing service and yet, when it comes to bidding or seeking tenure for the licence, we are put into the same barrel as entrepreneurs who are seeking to acquire a licence and then maximise the profit return on that licence.

**Mr LINDSAY**—In the board's view, why should the ABC go back to providing a radio racing service?

**Mr Bennett**—From the level of angst that we have received from our customers, purely from the point of view of providing a service to 20 per cent of the listening public.

**Mr LINDSAY**—Mr Bennett, thank you.

**Mr Bennett**—We know from our own research that we have eight per cent of the public. I would add that this research seems to be consistent around Australia and in fact around the world. Psychologically and philosophically, about eight per cent of the population are keen punters. Another 11 to 12 per cent are more occasional punters. But, at the end of the day, about 20 per cent of the population take some—if not a very keen—interest in the activities of racing. Four years ago, a local newspaper, the *West Australian*, carried out a market survey and decided that they were not going to carry racing as a feature in their paper anymore because no-one was really interested in racing. Within six months of making that decision, they were then producing a paper called *Westform*, of which there was a demand for 80,000 copies per week.

A lot of the research into this area seems to be not very accurate—and I am not sure that that is because people do not like to admit to what may otherwise be seen as socially unacceptable interests—but, certainly, there is a very keen interest in racing around Australia. I am very confident of our research numbers that say that eight per cent of the population would have a bet at least once a fortnight.

**CHAIR**—We take your point there. In your survey—and you make reference to fishing and netball—are you suggesting there that racing in Western Australia controls a bigger slice of the market than that?

**Mr Bennett**—Yes, I am. And I think, apart from controlling a bigger slice of the market—and this is not, I would concede, a primary concern for the ABC—it is also a major contributor not only to the economy of Western Australia but to the economy of Australia. That extends across—

**CHAIR**—That point has been well made.

**Mr Bennett**—tourism and a whole host of other industries.

**Mr LINDSAY**—What is your web site address, Mr Bennett?

**Mr Bennett**—It is [www.ozbet.com.au](http://www.ozbet.com.au).

**CHAIR**—Mr Bennett, thank you for your evidence and thank you for giving us your time this morning. We are about to go off the air. We trust that if we have any other questions for you, you will respond in writing.

**Mr Bennett**—We would be very happy to. I would like to thank you, Mr Neville, and members of the committee for the opportunity to address the committee in this manner.

[10.35 a.m.]

**RYAN, Mr Lawrence Leonard (Private capacity)**

**CHAIR**—Welcome, Mr Ryan. Before proceeding, I wish to advise that, although the committee does not require you to take an oath for your evidence here today, committee hearings are legal proceedings of the parliament and warrant the same respect as proceedings of the House itself. The giving of any false or misleading evidence is considered a serious matter and may be regarded as a contempt of the parliament. I now invite you to give us an overview of your submission. You might just refresh the memories of members of the committee—say where you come from and your connection with racing and the like.

**Mr Ryan**—I was the four hats submission. Firstly, I represent the Tura Beach Progress Association. Tura Beach is five kilometres north of Merimbula on the far South Coast. We regard Merimbula as being a suburb of Tura, but they do not. I have been on that committee now for 11 years. I put out three to four newsletters a year to the community—I deliver them around personally—and I speak to a lot of the residents. We are a lobby group, really, and lobby the local council to get better facilities for Tura Beach. There are about 1,700 people in Tura Beach and about 900 residences.

Secondly, as Chairman of the Bega Valley Health Council, I deal with managers of all the hospitals, nursing homes and aged care facilities, et cetera, in the area. I am regularly at those facilities and get to speak to a lot of the patients.

Thirdly, I was a steward of the South East Racing Association for the past four years. I finished last August. They have just built a brand-new racetrack at Kalaru, which is halfway between Bega and Merimbula, and this decision by the ABC has impacted on that heavily. Lastly, I am a consumer who has been listening to the ABC racing radio for 40 years. Those are the four reasons why I am here.

The major problem in our area at the moment is that they are doing it pretty tough. Most of you are rural MPs, as it turns out. We feel that the rural area where we are is the lost area of the world. We have lost our major industries—there has been the closure of the Greenseas fish packing factory recently and a lot of jobs have gone with the loss of a lot of the timber industry. There is now talk about the deregulation of the dairying industry, which alone in the Bega Valley is going to cost \$52 million a year. Employment is virtually non-existent, and I think there are only 12 Kooris employed in the whole of the Bega Valley.

The Bega High School and the Eden High School—Eden, for instance, in the last, I think, nine years—have lost virtually eight years of graduates who have had to leave the area because there is no future there. We have lost a generation.

So all of this is very depressing. Eden has shops closed everywhere. Although the cessation of the ABC racing service was not a major thing, it is what you might call the ‘one per center’. In football, the coach asks for that one per cent increase. Down there we are losing that one per cent all the time, in all of these cutbacks in our area, and the ABC racing service was another one of these cutbacks.

We do not have any other alternative to hear racing down there. I am not talking about the gambling side of it; I am just talking about a service to the bush. Austar is \$35.95 a month, and when you have got only a \$13,000 annual income per resident in the shire, you cannot afford that. So we cannot get the pay TV. There are satellite dishes down there, for sure, but it is not a popular thing.

We cannot hear the racing anymore. We do not get 2KY in that area. There is an area of about 100 square metres in Merimbula where they can pick up 2KY, there is a very small FM reception area which covers about 50 metres by 50 metres, and that is it. Apart from that, you have to go to your local club. You have got to be a member of the club—I said in my submission that is within a five-kilometre radius, but it is eight kilometres from the club. You cannot go in that club unless you are a member, so you are being forced to become members of clubs.

TABs were smoke-free establishments. The clubs are not smoke-free establishments. I am an asthma sufferer, so I cannot go in there for an extended period. So the only way now that you can hear a race is to go into the club. There is only one TAB left in the district and that is at Bega. Bega is 30 minutes from Merimbula. That is the only no-smoking one there. The others are all club TABs or pub TABs. That is the overview and the major problems, as we see them down there.

**CHAIR**—We take your point about the withdrawal of services from the bush—I do not think you will get any arguments from the committee. But we need to particularise the difficulties and the impact on that Bega Valley area. Is it a horse breeding area or has it meant the cutback of local race meetings? Can you give us some direct impact on your community, other than the general rights that you speak about and which we acknowledge. We have to come up with solutions and we would like to hear your views on those. For example, does the TAB at Bega have a transmitter and, if so, what coverage has it got? Does Merimbula have a TAB and, if so, what coverage has it got? Do any of the pub TABs or club TABs have one-watt transmitter?

**Mr Ryan**—No, you can only hear them if you are in the buildings.

**CHAIR**—Physically in the buildings?

**Mr Ryan**—Physically in the buildings.

**CHAIR**—Do you think that is deliberate?

**Mr Ryan**—Yes, I am sure it is. On the local racing area, there used to be two race tracks, one at Pambula and one at Bega. Pambula was there for 120 years. Bega have just had their 130th Bega Cup, on New Year's Day this year. It was a very large breeding area. It is a dairy area mainly, but there was a lot of breeding there. At the moment there is not much breeding of horses. Both those tracks have been closed and a \$6½ million track was opened at Kalaru on 28 February this year.

Let us go back a little bit. Five years ago, there were 20 race meetings a year in that area. Two years ago there were 12 race meetings a year. This year there are seven race meetings.

**CHAIR**—Do you put the drop from 12 to seven down to the removal of the ABC service?

**Mr Ryan**—No, I am not saying that. Last year there were nine, this year there are seven. I believe it is the rationalisation which the Thoroughbred Racing Board have brought in. It is happening all over New South Wales; it is not just in that area at all. But one thing that has happened is that there has been virtually a total loss of interest in racing by the public, and that has come about in the last 18 months.

**CHAIR**—Because they have no access to it?

**Mr Ryan**—No access to it whatsoever. The local newspapers have nothing in them at all. They might have a couple of paragraphs on the local race meetings coming up or a local race meeting just gone. There is nothing about the interstate ones.

**CHAIR**—They do not give you the fields for the local races?

**Mr Ryan**—For the local races, yes. On Fridays in one of the local newspapers, the Bega paper, you get the fields, but you get no form guide, nothing whatsoever. The only way you have access to any sort of race meetings at all is if you buy the interstate papers.

**CHAIR**—What is your preferred option: do you want to see the ABC service restored or do you want to see an extension of the 2KY service?

**Mr Ryan**—The ABC is the one we have been used to. We have never had the 2KY service. I would love to see the ABC back because we get a good reception with the ABC. With local AM radio, a lot of areas cannot pick that up. They can pick up the FM, but they cannot pick up the AM. It is the same with our television. We have got four stations, including the ABC. Most places in that area get two of those stations very clearly, two of them very fuzzily. Prime is virtually impossible to pick up in a lot of the areas. A lot of the areas cannot pick up WIN, yet it is our strongest signal. It is the same with our racing. Where I live at Tura Beach I cannot get 2EC, the local commercial radio station—I cannot pick that up in my house.

**CHAIR**—Some people have argued to us that with the 4TAB-2KY type of service the punter and the person interested in the sport of racing gets a more comprehensive service.

**Mr Ryan**—They definitely do. That is for the punter. I am talking about the normal listener who has grown up with ABC radio. They do not want that sort of service.

**CHAIR**—You say that a lot of people used to listen on Saturday afternoons more to the sport than anything else?

**Mr Ryan**—Yes. On the gambling side of it, the TAB is never packed down there, and now there are very few people in the club TABs. It has never been a great gambling area because the population has never earned the money to gamble properly.

**Mr MOSSFIELD**—You have indicated that you would prefer the ABC racing program to come back on line. If 2KY was able to have access into your particular area, would this be a satisfactory alternative?

**Mr Ryan**—Yes, definitely, of course it would, but the preferred option would be the ABC.

**Mr MOSSFIELD**—You are a lobby group for the council. Have you spoken to 2KY to see if there would be any possibility of getting them to put in a transmitter or something like that?

**Mr Ryan**—No. The interest had gradually waned and waned, and until the advertisement appeared in the paper for this inquiry nothing was really being done at all because I thought, ‘Well, it’s gone. We have lost it, that’s it, forget it.’

**CHAIR**—Have you had a deputation to Mr Unsworth?

**Mr Ryan**—No, we have not.

**CHAIR**—Maybe you should speak to Mr Mossfield—he is a former director of that station.

**Mr MOSSFIELD**—If the interest is not there, are we really wasting our time, if I could put it that way?

**Mr Ryan**—Coming up in the car today I felt that, yes, we were wasting our time.

**Mr MOSSFIELD**—If the service was restored, would this restore the interest?

**Mr Ryan**—That is the only hope. At the moment there is no interest. I say that quite honestly, there is no interest.

**Mr McARTHUR**—You do not appear to blame the ABC, though, for the racing coverage for local racing participation?

**Mr Ryan**—I am not talking about the local racing participation, I am talking about there being no interest in the general racing scene. We have got the Melbourne Cup coming up. We have not been given an indication the ABC are even going to broadcast that, that no-one is going to broadcast it. You will not be able to hear the Melbourne Cup in our area, except that you will see it on the television.

**Mr McARTHUR**—You had better come and join the state of Victoria. If you just moved across the boundary you would be all right.



**Mr Ryan**—So I understand, yes.

**CHAIR**—He will even take you to the Cup!

**Mr JULL**—I am interested in the point that you highlighted about the sense of loss out of retirement homes, and I am wondering if you could expand on that. Is this a bit of hearsay or is there a definite commitment by the aged in these places to listen to the races? Or is it just something that is on the radio?

**Mr Ryan**—No. They love their radio, they love their racing. We have got these two old ladies who come to our house quite often and, honestly, they are devastated by it—that is not exaggerating. They love to have their 50c each week, et cetera. They cannot go into the club. One is disabled so she cannot get in there. She does it from home—she gets on the phone—but now she does not even know the fields. She likes to watch the couple of races on WIN each week. She has to ring the *Sydney Morning Herald* or WIN television to find out which races are going to be on, but she does that because she is so keen. They get together there.

With regard to the nursing homes, I went around to one of the nursing homes and I said to them, ‘Have you missed the ABC racing service?’ and half of them said, ‘We’d like to be able to hear the racing service.’ They did not say the ABC, but I asked them about the ABC. It was just before I came up here that I went around.

On a scale of one to 10, it is probably less than one in terms of the effect that it has had on the area. Let us not get things out of perspective. It is a very minor thing. As I said before, it is the one percent; it is another loss of a service to the rural area.

**Mr JULL**—Of the stations that you pick up, you have probably got some version of the ABC. Have you got any community stations?

**Mr Ryan**—No, there are no community stations in our area.

**Mr JULL**—What are the formats of the commercial stations?

**Mr Ryan**—One of them is—

**Mr JULL**—Is it all head banging music?

**Mr Ryan**—One is head banging music. It is a new FM station that started up recently. It is a head banging music one. Its sister station is total music, and that is virtually it, and there is the John Laws type of thing—talkback radio. The ABC one is totally aimed at the farmer, south-east radio and that sort of thing. They have a lot of news items. Then you have got the ABC FM, which is the same as that one and then you have 2JJJ.

**Mr JULL**—More head banging to destroy the other side of the brain!

**Mr Ryan**—That is the sum total of what we have got.

**Mr JULL**—So there is not a great diversity of programming in terms of trying to pick up the interests.

**Mr Ryan**—No.

**Mr MURPHY**—As a devotee of racing, I was curious about the comment that, if you had the choice of restoration of the service, you would prefer the ABC over, for example, 2KY.

**Mr Ryan**—Yes.

**Mr MURPHY**—I would like to understand that.

**Mr Ryan**—The ABC was more personal and cared more, I believe, for the listener. They were speaking to the listener, not at them. I really believe that. I refer to David Morrow and Mike Ko'kas, when they did Sydney. They were relating to the people. With 2KY, you get your prices, you get your broadcast, they sound off and that is it—finished. There is no real interaction with the public. I felt it was a more personal service. That is what country people want: a personal type of service. I really believe that. They do not want meeting after meeting after meeting. The ABC restricted it to three meetings on a Saturday. With 2KY, you get all the country meetings, you get everything else as well and, most times, people do not want that.

**Mr MURPHY**—Possibly, what you are suggesting is that the commercial station, 2KY, is running a business and they are only interested in saying things that will provoke the punters to punt more and therefore there will be more turnover, more revenue to the government, more revenue to everyone.

**Mr Ryan**—In round terms, yes, I think you are pretty right there.

**Mr MURPHY**—Whereas the ABC are possibly running an entertainment program.

**Mr Ryan**—It is a personal service.

**Mr MURPHY**—Not for punters.

**Mr Ryan**—Not just for punting. It was aimed at the punters but it also brought in people who did not want to punt, whereas 2KY is aimed at people going to the TAB and putting their money on.

**CHAIR**—Mr Ryan, to be fair to 2KY, we did an inspection of their studios. While we were there, there was quite a bit of interviewing and backchat going on. We were there late in the morning and across the lunch break.

**Mr Ryan**—Was it on a Saturday?

**CHAIR**—No.

**Mr Ryan**—I am talking about Saturdays because that is all we have ever had down there. Saturday is full-on racing.

**CHAIR**—But they have interviews with breeders, tipsters and so on, don't they?

**Mr Ryan**—From when? That is early in the morning, from 9 o'clock in the morning. We have only been used to having it from 12 o'clock to 5 o'clock.

**CHAIR**—But the ABC used to have the racing at nine or 9.30 in the morning. They used to have the tips for Brisbane, Sydney and Melbourne.

**Mr Ryan**—That was for 15 minutes and then that would cut out, whereas 2KY racing call themselves total racing, and that is what it was. There is a very big difference.

**CHAIR**—Mr Mossfield, did you want to ask another question?

**Mr MOSSFIELD**—We probably disagree with your interpretation of the service provided by 2KY. I think it is fairly personal. As the chairman has been saying, from what we saw on the day we were there, it was quite directed at the punter on a personal basis. Of course, it must be taken into account that they are providing a very broad coverage of racing in total.

**Mr Ryan**—That is what I was trying to get at before. It is a broad one, yes.

**Mr MOSSFIELD**—That makes it more designed for and directed at that person who is interested in all forms of racing, I suppose. To that extent, it might be somewhat different from what the ABC provides.

**Mr Ryan**—That is the point I was making to Mr Murphy.

**Mr MURPHY**—Mr Ryan, we surely should not let someone like you go on this occasion without giving us your forecast of who is going to win the Melbourne Cup.

**Mr Ryan**—The horse that came second in the Caulfield Cup, Laebeel.

**Mr MURPHY**—Thank you.

**Mr LINDSAY**—Mr Ryan, are you connected to the Internet?

**Mr Ryan**—No, I am not. I have got a fax.

**Mr LINDSAY**—Are you aware that radio racing services are available as a radio station on the Internet?

**Mr Ryan**—No, I am not, but once again it is an STD call.

**Mr LINDSAY**—To where?

**Mr Ryan**—From down there to Sydney, from our place.

**Mr LINDSAY**—But don't you have a local ISP?

**Mr Ryan**—I do not know. I am not computer literate.

**Mr LINDSAY**—Do you have Big Pond or somebody like that?

**Mr Ryan**—I am not sure what occurs down our way. I believe it is done through Canberra, which is the closest.

**Mr LINDSAY**—The ABC evidence to us is that 80 per cent of listeners are not interested in horse racing and they also confirm what you have said today—that interest in horse racing is declining. Why should the ABC reinstate their service?

**Mr Ryan**—I hate to agree with you but I have to agree with you. I think I can give a good example of that and I am probably cutting my own throat here. In local racing, for instance, 10 years ago they had 30 bookmakers in the local ring; now they have got three. Ten years ago they had horses running out of their ears. At the moment they are struggling to get fields.

**CHAIR**—I imagine that on your local racetrack, when you had your 30 bookies, you probably only had a local tote. Now you go to your local racecourse and you might have fewer bookies but you have a TAB-connected tote.

**Mr Ryan**—Not for the locals.

**CHAIR**—Not for locals?

**Mr Ryan**—Not for locals, that only happens on the TAB meetings.

**CHAIR**—I thought that was being done through the satellite network?

**Mr Ryan**—No, it only happens on the TAB meetings.

**CHAIR**—That is the point I am making: if you go on a Saturday afternoon to your local race club, 20 or 30 years ago you had a bloke putting the fluctuations up on a blackboard—

**Mr Ryan**—I am talking about local; I am not talking about—

**CHAIR**—I am talking about the local. You had a bloke on a blackboard putting up the fluctuations from Sydney, Melbourne or Brisbane, for people who wanted to bet on Sydney, Melbourne or Brisbane, and there was a local tote that took bets and distributed the dividend locally. Today, if you go to a country race meeting, in addition to being able to bet on the local horses with the bookies, and in addition to those bookies taking bets on Brisbane, Sydney, Melbourne and Adelaide, you will also find, on most courses that I have been on, even in quite small towns of 2,000 or 3,000 people, there is now a TAB-connected tote. In

other words, it pays the same dividend as the Totalisator Agency Board itself. That obviously would have an effect on bookmakers.

**Mr Ryan**—Yes, but I am referring more to local racing in the figures I just gave you.

**CHAIR**—But the 30 bookies, surely, did not just bet on the local races?

**Mr Ryan**—No, that was on the overall thing. Back in those days there were 12 local bookies; now there are three. That has dropped down. Patronage at the course has fallen right off, the number of horses has fallen off. There is only one licensed jockey in the Bega Valley; the rest come from Moruya or wherever. Interest has waned and waned. The final nail in the coffin, I believe, was the cessation of the ABC racing service. For the four years that I was a steward there, I thought I would try to help the local racing industry, so I did 30 articles in those four years for the newspapers. I wrote about the race meeting that had just taken place. In that time, the attendance at the racetrack went from a couple of hundred up to 1,500. That was because they were getting some publicity. Now there is no publicity and there is only one way that it is going to go.

**Mr McARTHUR**—To be fair, this whole problem varies from state to state.

**Mr Ryan**—No doubt.

**Mr McARTHUR**—In Victoria, racing enthusiasts would claim that racing is improving year by year. Whilst there is some argument in country areas that the turnover, the participants, the attendances and so on are improving across the board, the country race meeting is under a certain amount of threat in some areas. I think we need to get a bit of perspective because you have got a local problem.

**Mr Ryan**—But even in Victoria, you have had so many racecourses close there because of the rationalisation.

**Mr McARTHUR**—We have had some but there are quite a few remaining open.

**Mr Ryan**—I think down your way is an area where you lost a lot of courses.

**Mr McARTHUR**—We lost one or two.

**CHAIR**—A problem with the local member, is it? I have heard of this problem that you talk about; I do not know if it is a dimension of radio racing because people tell me that it is partly because the TAB, in distributing prize money, is trying to keep the prize money at a high enough level to retain an interest in at least one course in an area. The downside of that has been that a lot of the jockeys and the strappers and the trainers have moved into the provincial areas out of the country areas.

**Mr Ryan**—Yes, that is what has happened down there, too.

**CHAIR**—Are there any other points you want to make before we wind up?

**Mr Ryan**—One point is that with Austar, when the licence was given out—and it is probably too late now as it has gone by—I cannot understand why it was given out as a pay TV licence and not as a free-to-air TV licence for the racing.

**CHAIR**—For the racing? You are not talking in general, just for the racing?

**Mr Ryan**—Yes, the thoroughbred racing boards and the TABs in each state. The increase in turnover would have paid for it. I have no doubt about that.

**CHAIR**—Mr Jull or Mr Lindsay might be better able to advise us on this. But on the technical side of that, I do not know whether the set-top box that goes with this could be segmented in such a way for the pay channels and the free channels.

**Mr Ryan**—I do not know.

**CHAIR**—Is that possible?

**Mr LINDSAY**—Yes.

**Mr Ryan**—There may be one other alternative—and I do not know whether the inquiry can approach this matter. Why can't Austar charge the normal fee to put in pay TV and if people just want the racing channel charge \$5 per month or something, just a nominal fee? Then you would have it all over Australia.

**CHAIR**—That is something we could put forward. That is a good point. We will put that to the people. We will make a note of that and put that to the various providers.

**Mr Ryan**—I know they can pull plugs out of whatever channel they want.

**CHAIR**—Mr Ryan, thank you for coming today. It is good to have members of the public because you get dimensions from them that you do not get from the big organisations. I sometimes think it must be a little bit intimidating to appear before a committee like this. So thank you for your courage in coming up here and facing us. I also thank you for putting the concerns of your community before the committee. If we have any further information, we might get back in touch with you at a later stage. On that note, thank you very much for appearing.

**Mr Ryan**—Thank you. It is good for the community to be able to put a point every now and then. I appreciate that.

[11.04 a.m.]

**HEASLIP, Ms Pat, General Manager, Marketing, Australian Broadcasting Corporation**

**HOWARD, Ms Sue, Head, Local and Regional Services, Australian Broadcasting Corporation**

**LONGMAN, Mr Peter, National Sports Editor, Australian Broadcasting Corporation**

**CHAIR**—We welcome to the table representatives of the ABC here this morning to give evidence before this inquiry into the radio racing service. We welcome Sue Howard, Pat Heaslip and Peter Longman. We are sporting fans here—we know you, Peter. We know your voice well.

Before commencing evidence I have to caution you that although you do not have to give evidence under oath today committee hearings are legal proceedings of the parliament and warrant the same respect as proceedings of the House itself. The giving of false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. Ms Howard, would you like to give a five-minute overview of your submission and then we will break into interaction.

**Ms Howard**—Thank you for the opportunity to meet the committee. I initially thought that we would need to destroy some mythology that seems to have sprung up surrounding the ABC's former regional radio racing service. Submissions, press reports about the inquiry, and evidence provided at hearings to date express disappointment at no longer being able to hear interviews with racing personalities, jockeys and trainers. There were also comments about breeders and produce agents relying on the former ABC service for their existence. This implied a far more comprehensive service than in fact the ABC ever provided. I was pleased, however, to see that the committee formally recognised at the Parramatta hearing the limited extent of the ABC's former service.

As outlined in the ABC submission, the decision to discontinue the former regional radio racing service some 18 months ago was first and foremost a programming decision to better meet the needs of the majority of our regional audience throughout Australia. The ABC had been considering the future of racing radio broadcasts for some time—well before my tenure in this role—and in 1995 we confirmed our long-term intention to discontinue the regional radio racing service.

The basis of our consideration was information about our regional audience which indicated little interest in racing and a strong preference for coverage of cricket and football and other sports. The increasing range of alternative sources of racing information, not just those limited to radio, was another factor in our decision, and the increasing privatisation of TABs was a factor in the timing of the decision.

Market research has shown that there is a low level of interest in horseracing among Australians and that this interest has been declining over several years—I know you have heard a great deal of evidence to that effect. Our submission includes relevant research material and the committee has also heard evidence from the Queensland TAB, 4TAB and

2KY Racing Radio that this is consistent with their research and their understanding of the level of interest for racing in the Australian community.

As the national broadcaster, the ABC has a responsibility to cater to the needs of the broader Australian community and regional, rural and metropolitan areas. We value the very strong links with our audience and we do welcome their views.

The ABC is not unused to receiving vehement reaction in response to programming decisions. Often such reaction is from particular interest groups. However, these groups usually represent a small sector of the community. The response to the ABC's decision to discontinue the regional racing service is, I believe, such an example.

While the ABC recognises the passion that many people feel about horseracing, we have to consider this in perspective to the broader regional needs. Traditionally, sport and, in particular, cricket dominate the list of interests which drive the audience to contact the ABC. Cricket coverage from India, New Zealand and South Africa between March and June last year, for example, attracted 4,232 calls from our audience.

The ABC in no way wishes to diminish the sentiment of the views expressed in the close-to 200 submissions received for this inquiry. Understandably, a large proportion of the submissions indicating anger at the ABC's decisions are from organisations with a clear vested interest in the racing industry. The one common theme arising overall from the submissions and evidence given to date is the preference for a comprehensive radio racing service in regional Australia. The vigorous pursuit of changes to licence regulations by various groups highlights their need for a comprehensive service to meet the demands of the seven-day-a-week racing industry, and we would argue that the ABC should not be looked to for this service.

Much has been said about the discontinuation of the ABC's service either triggering or contributing to a decline in the level of interest in horseracing. In reality, this interest has been declining over some time in both country and city, as TABs have acknowledged during this inquiry, and so has Mr Unsworth. The ABC's decision did not cause this lack of interest, but its discontinuation has obviously provided a springboard for accelerating the extension of comprehensive radio racing services to regional Australia.

I would like to acknowledge one other common sentiment contained in the submissions to this inquiry, and that is the increasing isolation felt in regional and rural Australia. The ABC is acutely aware of the country's growing sense of dislocation from metropolitan areas and is committed to not only maintaining a visible presence in regional Australia but also to providing regional audiences with the same programming choice that it offers to its metropolitan audiences.

Finally, the ABC remains committed to its decision to cease the regional radio racing service. Many claims continue to be made about the impact of the decision on the community and the industry but little hard evidence has been provided to support those claims. The ABC is satisfied that its decision is in the best interests of its broader regional audience.



**CHAIR**—Before I ask questions—and we should clear the air on this—you seem upset with some of the committee’s press releases. I made those statements; I do not resile from them. I was not trying to infer that the ABC was directly responsible for bookies, strappers and jockeys. What I was saying was that it is a comprehensive industry and it is not just punting at racecourses or even the sporting aspect of racecourses, but it ties up with a whole chain of people such as the thoroughbred studs, jockeys, strappers, stock suppliers, produce suppliers and veterinaries. There is a whole stream.

The point I was making was that if you cease that service peremptorily without any replacement in some areas, it will have an economic effect as well as an interest effect in much the same way as if you turned off, for some reason, rugby league, for example. How long would rugby league continue to be a very popular sport with all the things that flow from rugby league? Clubs and other things would suffer. Indeed, governments of both political persuasions have mandated some very strict antisiphoning rules to make sure that that circumstance does not creep into other sports and that the sports are readily available to the broad mass of the community, because the government recognises that the restricting of those particular avenues of sporting endeavour will damage that particular endeavour.

The point I was trying to make was that if the one and only service to some areas closes down, the interest value and the chain that comes off that interest value is affected. I am not suggesting for a moment that the ABC was directly responsible for the vet closing somewhere.

**Ms Howard**—I appreciate that point.

**CHAIR**—One of the key issues here—we understand the ABC’s charter—is that if it was necessary to discontinue the service, would it not have been better to do it in the context of a replacement service being available?

**Ms Howard**—I am sorry; I do not follow you. One of the reasons we did in fact finally come around to discontinuing the service was that across much of our coverage area there were alternative services available, increasingly.

**CHAIR**—I think a lot of the committee members would contest that. That may be the case in the capital cities where you have direct access to a number of services—TV, cable and the like—but it was not the case in the country, certainly not 15 months ago.

**Ms Howard**—Certainly, the chance for the cabling of Austar was available pretty well across Australia. New South Wales and Queensland are particularly well served by racing radio themselves.

**CHAIR**—If you talk about the gross number of radio stations, yes, but if you talk about coverage, no. That has been a consistent theme—if you have read the evidence—the one-, five-, 10- and 20-watt transmitters—especially the one watt. We heard some evidence this morning that it only had a coverage of 400 metres. That does not get out to the farms and the other smaller outlying communities. What is of concern to the committee is that the ABC’s regional AM and FM services—leaving the capital cities aside—probably have covered 95 per cent of populated Australia.

**Ms Howard**—I would suggest a whole lot less, actually. Certainly in Victoria, which is where I come from, I know that there were problems with our coverage in a range of areas. We did not cover the whole of Victoria by any means with an alternative racing service even two or three years ago.

**Mr McARTHUR**—In signal, you were saying.

**Ms Howard**—In signal, that is right.

**Mr McARTHUR**—You surprise me. You are saying Victoria is not covered by the ABC?

**Ms Howard**—No, that is not what I am saying. I am saying that we offered the racing service on either AM or FM, but in Victoria—or in most states—if you offer the signal on AM, for example, lots of people who get an FM signal will not hear it and vice versa. If you offer it on the FM services, people who are listening on AM radios will not hear it. We do not cover the whole of Victoria or the whole of any of Australia just by one service, AM or FM.

**CHAIR**—I travel extensively and I do not know many occasions in my life when I have not been within range of an ABC station.

**Mr McARTHUR**—A very surprising statement.

**Ms Howard**—That is right, but it could be an AM service or it could be an FM service, and we did not offer racing on both of those always, if you follow me. Sometimes, for example, in Victoria it was on the FM network, not the AM network, in many places.

**CHAIR**—You split it?

**Ms Howard**—That is right.

**CHAIR**—That was not the case in Queensland, though?

**Ms Howard**—No.

**Mr Longman**—It was the one service, all AM.

**Mr HARDGRAVE**—The map that we have in our little booklets here from Radio 927 AM suggests the ABC did not cover Mildura and Seymour—I do not know Victoria especially well but I think they are reasonably large places—with their radio racing service, which is interesting. Ms Howard, I am a little interested in what exactly is regional by your definition.

**Ms Howard**—This is quite simply anything that is covered by regional radio for us.

**Mr HARDGRAVE**—Which is what?

**Ms Howard**—Anything outside the metropolitan areas.

**Mr HARDGRAVE**—If you look at the ABC charter, which is a creaking old document I guess, section 6 of it points to functions of the corporation. Point 1(a)(i) says:

... broadcasting programs that contribute to a sense of national identity and inform and entertain and reflect the cultural diversity of, the Australian community—

Don't you think horseracing perhaps fits into that category?

**Ms Howard**—Of 10 per cent of the Australian population, perhaps.

**Mr HARDGRAVE**—All right; that is interesting.

**Ms Howard**—Ten to 15 per cent. I think just about every bit of survey material that we and Mr Unsworth have got at our fingertips suggests that it is 10 per cent of people who are genuinely very interested in racing and another five per cent peripherally interested, so 10 to 15 per cent.

**Mr HARDGRAVE**—I will come back to that in a moment, but how many hours a week were you broadcasting horseracing?

**Mr Longman**—On Saturdays from 12 until half past five, I suppose.

**Mr HARDGRAVE**—But it was not constant horseraces; it was interrupting—

**Mr Longman**—It certainly was not seven days a week. It was 12 to 5.30. You would get a fair slab of racing in that period.

**Mr HARDGRAVE**—You would get every race—

**Mr Longman**—You would get three-state racing, basically. If you were listening in New South Wales or Queensland, you would get a race every 10 or 15 minutes.

**Mr HARDGRAVE**—So, in between, what did you do—broadcast the cricket?

**Mr Longman**—A bit of cricket, a bit of football but also obviously dividends, late markets, early markets, that sort of stuff, so a fair bit of racing information had to be put in that period of time.

**Mr HARDGRAVE**—I was probably listening to the football broadcasts from another state at the time so it does not—

**Mr JULL**—What percentage of that coverage would have been racing? Less than 10 per cent?

**Mr Longman**—No, much more. Say, 10 years ago when you used to just have a daily double, an extra double and maybe a quinella on the last race, it would have been about that

but racing betting forms have changed so much over the last five or 10 years. A punter would want an early market, a late market, there would be quinellas on each race, there would be doubles, superfectas, that sort of stuff, so there is a lot more information to get out in an afternoon than there was 10 years ago, I would suggest—just basic information that punters want.

**Mr HARDGRAVE**—What I am trying to get at is about 10 per cent or 15 per cent of people listen to it. There was a cost involved, a reasonably large cost?

**Ms Howard**—A very large cost.

**Mr HARDGRAVE**—So cost was a factor in the decision the ABC took on this.

**Ms Howard**—It was not our primary reason.

**Mr HARDGRAVE**—What was the primary reason—the 10 to 15 per cent only that wanted it?

**Ms Howard**—That is right. In the days when I was a manager of regional radio in Victoria I would spend my Mondays fielding phone calls from irate people who had been listening to their team on the footy or the cricket and constantly, unannounced, we would just cut through to a race and they would often miss what they regarded as crucial bits of information.

**Mr HARDGRAVE**—What percentage of people listen to ABC Radio breakfast programs in Brisbane?

**Ms Howard**—ABC Radio breakfast programs in Brisbane; do you mean all ABC Radio breakfast programs?

**Mr HARDGRAVE**—How many people listen to the ABC breakfast program? I do not know. Pick a time. How many people listen to the afternoon program between four and six on 4QR in Brisbane? About six per cent of people in Brisbane?

**Ms Heaslip**—It is close to a 10 per cent share of the radio market.

**Mr HARDGRAVE**—Why don't you axe that program? What I am saying is that 10 or 15 per cent of people might listen to a program. If that is the criteria, we will turn the ABC off tomorrow.

**Ms Heaslip**—You are comparing apples and oranges.

**Mr HARDGRAVE**—I do not think I am comparing apples and oranges. All of a sudden the ABC is saying that if 10 to 15 per cent of people listen to a program they do not want it. There would be nothing on the ABC.

**Ms Heaslip**—No, we are not saying that 10 to 15 per cent listen to ABC racing. I am not sure of those figures offhand, but it would be less than that. To have a 10 per cent

market share for a station is actually a very good market share. That is not the percentage who listen to the racing.

**Mr HARDGRAVE**—What is it? According to your survey material you provided in your submission, you are boldly suggesting that of 1,000 people in mainland capital cities and Canberra—in the Sweeney sports report, Brian Sweeney and Associates, December 1998—16 or 17 or maybe 18 per cent said that their sporting interests were horseracing.

**Ms Heaslip**—Correct.

**Mr HARDGRAVE**—If you go to Queensland—no, this is for *Grandstand*. Okay, there is a different methodology there. What I am trying to get at is that that particular submission of 1,000 people in mainland capital cities listening to horseracing does not say whether they listen to the ABC or not.

**Ms Heaslip**—Correct. If you went to every listener to, say, the afternoon program—which has got a lot of the information like this—and asked, ‘Do you ever listen to racing?’ and if you took that for an afternoon program, it would be significantly higher than ever listen to the afternoon program on radio. It would be a much higher figure than that. You have a cumulative effect. So, ‘Have you ever listened to racing on radio’ is in that order of 10 or 15 per cent. That is not an equivalent figure to saying that the average audience for an afternoon program is 10 per cent. It is a very different question.

**Mr HARDGRAVE**—But the AC Nielsen Regional Omnibus survey of August 1999 that you commissioned asked the questions: ‘Do you ever listen to the coverage of horseracing on radio? How often do you listen to it on commercial radio? How often do you listen on the ABC? Do you listen more often or less often or about the same as you did 12 months ago?’ On the result of that, it says about 10 or 11 per cent of people listen to ABC Radio. That is a total listening audience. Again, if you compare that to the listeners to just about every ABC Radio program and just about every ABC television program and apply the same criteria, you would switch them off tomorrow.

**Ms Heaslip**—If you asked, ‘Ever listened to afternoon radio?’, you would not have a 10 per cent figure. You would probably have about a 40 or 50 per cent figure.

**Mr HARDGRAVE**—What—40 to 50 per cent of people listen to an ABC Radio program in the afternoon?

**Ms Heaslip**—If you asked ‘Ever listened to’—

**Mr HARDGRAVE**—I have not seen a survey like that at all, with the greatest respect.

**Ms Heaslip**—I could take that on notice and get you the cumes for it, if you like.

**Mr HARDGRAVE**—No, that is cumes.

**Ms Heaslip**—That is ‘Ever listened’—the same thing.

**Mr HARDGRAVE**—No. This particular survey does not ask about the number of people, does it?

**Ms Heaslip**—It is not an average figure. It is the equivalent of a cume figure. It is 'Ever listened'—that is the question.

**Mr HARDGRAVE**—I see—'Ever listened.'

**Ms Heaslip**—So if you ask 'Ever listened' over a period of time for any program you would get a difference.

**CHAIR**—What would be your listening audience, for example, to FM or RN? What do you claim as a percentage audience for FM or RN?

**Ms Heaslip**—An average audience?

**CHAIR**—Yes.

**Ms Heaslip**—It depends on the time of day, but average audience for Radio National is somewhere between two and four per cent of the available radio audience.

**CHAIR**—If you took within RN some of those esoteric programs—I do not listen to ABC regional radio, but I am an ABC devotee: I listen to all the ABC; I listen to music; I listen to RN—I suggest to you some of those programs on Saturday and Sunday afternoons on Radio National, if they had a half of one per cent, I would be surprised.

**Mr HARDGRAVE**—I would like to be able to list the names of the people who listen to them because I reckon that that would be about all you could do.

**CHAIR**—Would that be right?

**Ms Heaslip**—Yes, there would be very small audiences. The fulfilling part of our charter is to provide that kind of arts programming that is not available in any other service. So it would not be available at all.

**Mr HARDGRAVE**—Chairman, I appreciate the fact we have just had the charter raised again. You say you are fulfilling part of the charter to keep a small audience alive with some obscure program on Radio National in the middle of an afternoon but you cannot keep horseracing broadcasts alive because 10 or 11 per cent of people listen to it. That does not fulfil your charter in provision No. 2 that says:

a) the Corporation shall take account of—

- i) the broadcasting services provided by the commercial and community sectors of the Australian broadcasting system—

when you switch off an ABC racing program.

**Ms Howard**—With respect, that is exactly what we did. We took into account the other alternative racing services available, not just on radio.

**Mr HARDGRAVE**—You must be able to produce a footprint map that the Australian Broadcasting Authority cannot produce, because they cannot tell us—mind you, they are not necessarily completely competent—where radio racing broadcasts are, in Australia today. Can you produce that evidence for us?

**Ms Howard**—I do not believe anybody can give you an accurate coverage map, and I think Mr Unsworth has explained to you the reasons why that is the case.

**Mr HARDGRAVE**—But how can you then say to the committee that you took into account commercial and community coverage of radio horseracing as part of your decision making process?

**Ms Howard**—We are not talking just about radio, as I have explained to you. We are also talking about the availability of cable services, which are available pretty well everywhere—Internet services and so on.

**Mr HARDGRAVE**—But somebody in a tractor in a field cannot put a cable into their cabin, can they?

**Ms Howard**—We would be very interested to measure—

**Mr HARDGRAVE**—This is a legitimate question.

**Ms Howard**—Yes, it keeps coming up. We would be very interested to know—

**Mr HARDGRAVE**—Can I just finish. As you know, as a former broadcaster, the magic of radio is the fact that it is where you are. It is a very personal media. And 10 per cent or 11 per cent of people would have an expectation that their 6.5c a day, or whatever it is, was well spent, and they got what they wanted.

**Mr Longman**—But I have had people in tractors who say that they get very frustrated when a batsman is on 99 in a test match and we leave the broadcast for race 6 at Randwick.

**Mr HARDGRAVE**—I do not think anybody would seriously make a programming decision like that, would they?

**Ms Howard**—I am sorry, we do.

**Mr Longman**—We have to leave. When you broadcast racing, punters expect the race at 3.40, not 10 minutes later, and you have got to put that race on then.

**Mr HARDGRAVE**—Probably nobody would be more brownd off than the blokes in the sheds waiting to see if a bloke gets out or not. But, my point is that the ABC have under their charter a responsibility to provide a range of services to fit across the wide spectrum of Australia's culture, its diversity, its national interests et cetera. And it seems to me that you

are quite prepared to do that in some areas. You provide obscure programming on Radio National, or whatever, at certain times of the day, but you are not prepared to do it in another very vital sector on a regular basis.

**Ms Howard**—I think I would take exception to the view that *Grandstand*, Peter's program, was not doing a very comprehensive job of providing a great deal of sporting information.

**Mr HARDGRAVE**—I did not say that.

**CHAIR**—To be fair to Mr Hardgrave, he did not say that.

**Ms Howard**—The majority of the audience wants cricket rugby, football and a range of other sports, the coverage of which we provide.

**Mr HARDGRAVE**—But what about the majority of the audience that do not want to listen to some of the obscure things the ABC broadcasts in the names of diversity, as under their charter, they are meant to provide.

**Ms Howard**—Then, surely, they have a choice not to listen to those.

**Mr JULL**—They just turn it off.

**Mr LINDSAY**—Ms Heaslip, why is a marketing manager here?

**Ms Heaslip**—Because I look after the research department, that is why.

**Mr LINDSAY**—All right. If digital radio comes along with its opportunity to have multistreams, is there any possibility of bringing back a radio racing service?

**Ms Howard**—It would be at considerable cost to us, you realise. The racing service certainly does not come for nothing. It would be, I think, valuable if we could actually get somebody from the ABC who could talk to you about what digital radio could do and just exactly what would be available to us. I think it is probably unfair if I, with my rudimentary knowledge of what digital radio can offer, actually give you any kind of false assurances.

**CHAIR**—You are not comfortable giving evidence on digital radio?

**Ms Howard**—I am not particularly.

**CHAIR**—That is not a loaded question.

**Ms Howard**—No, I am not particularly across what we may or may not be able to offer, and I do not think it is fair of me to—

**CHAIR**—But you would be able to provide someone who has an ABC vision if we wanted to speak to that person.



**Ms Howard**—And we would be happy to do so.

**CHAIR**—We will not pursue that one; we will go on to the next one. We will pursue it, but not in the context of this meeting.

**Ms Howard**—We would be very happy to provide someone who could explain it to you clearly.

**Mr LINDSAY**—Currently, the ABC has a television service across Australia on satellite. It carries radio channels: would you put a racing service on those radio channels or on one of those radio channels?

**Ms Howard**—I do not imagine so.

**Mr LINDSAY**—I will follow that up in a minute. You also have had in the past short wave services. My memory is that they are now closed down.

**Ms Howard**—That is right, which is not a decision that we had any power over, by the way.

**Mr LINDSAY**—What does that mean?

**CHAIR**—That was a decision of the government.

**Mr LINDSAY**—I had better not pursue that. Of course, there is also the ABC's web site for putting on live radio programs. You may already have live radio programs on your web site; I do not know.

**Ms Howard**—We have a very limited capacity for audio streaming at the moment.

**Mr LINDSAY**—Okay.

**Ms Howard**—That is a question of available bandwidth.

**Mr LINDSAY**—Yes. If all those possibilities are there to deliver it, what you now need to advise the committee on is: why you would not produce the program in the first place—the cost factors and so on? Is the radio racing service dead as far as the ABC is concerned and for what reasons?

**Ms Howard**—I might let Peter talk on that in just a moment. One of the things I would say is that, for a very limited Saturday afternoon service which we used to run, we spent a great deal of money. If we were going to provide a proper racing service to an industry, it is now, as Peter said, a seven day a week racing industry. There are other people providing far better coverage of racing than we can. To actually re-institute something that we did not do very well last time would be a mistake.

**Mr LINDSAY**—With the programming that is currently available that you referred to, would you be prepared to carry it on your service?

**Ms Howard**—I am sorry, I do not know whether the act will allow us to do those sorts of things.

**Mr LINDSAY**—I do not follow that.

**Ms Howard**—There are questions of whether we would be able to rebroadcast commercial services. I am not quite clear on whether we could do that or not.

**Mr LINDSAY**—No, I would not expect you to rebroadcast commercial services. But the actual programming, say the 4TAB, whatever that is that goes out—I do not know whether that carries advertisements—but assume it did not carry advertisements—

**Mr Longman**—It is a bit like 2KY.

**Mr LINDSAY**—That would be a bit of a problem.

**CHAIR**—But in the days when your caller was on holidays, it was not uncommon for you to use an alternative caller from another network?

**Mr Longman**—Correct. We just took the bare race and had a person in the studio crossing to that person.

**CHAIR**—I think Mr Lindsay's question is: is there any reason why the actual racing service part, the actual feed of the race itself—not the commercial content of 4TAB or 2KY—could not be broadcast?

**Ms Howard**—Technically it is possible to do it, but it comes at a cost employing people who are there to flick switches, among other things.

**CHAIR**—I listen to you when you do the Rugby League. You switch to seven or eight sporting grounds every 10 minutes during the game.

**Mr Longman**—Yes, but that is for metropolitan and regional at the moment.

**CHAIR**—Presumably, you have a Rugby League caller at each one of those grounds or someone who is on link to those grounds, who is monitoring the progress of that game and you say, 'This is Karen Tighe at so and so' and you go right through. And 10 minutes later you go right through the grounds again and 10 minutes later again. So presumably someone is monitoring that game from start to finish.

**Mr Longman**—Correct, but you would need two studios. You would have a metropolitan output obviously with out-racing, and there would be another output for the regionals—the way we used to do it with racing—to do the racing coverage as part of that overall football or cricket coverage.

**Ms Howard**—So you double your infrastructure, basically.

**Mr Longman**—So you are doubling your infrastructure.

**CHAIR**—At the switching level?

**Ms Howard**—That is right.

**Mr Longman**—Yes.

**Mr HARDGRAVE**—But you would have your infrastructure in place; the ABC is not short on studios. On Saturday and Sunday afternoons, there is probably infrastructure sitting around doing nothing.

**Ms Howard**—It requires bodies as well, it is not just a matter of—

**Mr HARDGRAVE**—I understand that, but you just said that it would double your infrastructure. It is already sitting there doing nothing.

**Mr Longman**—It would need bodies.

**Mr LINDSAY**—In your opening statement, Ms Howard, you said that axing the service was a programming decision to better meet the needs of regional audiences. What is your process of determining what the needs of regional audiences are?

**Ms Howard**—Part of it was surveying audiences over quite a long time. Part of it is feedback that comes in, as Peter and I both experienced, from people who believe that they had a right to uninterrupted cricket and football matches. They felt that they were getting the short end of the stick, if you like, by the fact that they were getting racing coverage coming in over the top. As the submission shows, we have been talking to TABs from early 1995 about the fact that we believe that we would better serve audiences if we were to broadcast uninterrupted cricket and football and so on.

**Mr McARTHUR**—I raise the issue of your survey and the decision to disband racing services on the ABC. Could I establish quite clearly whether you made the decision before you did the survey or after?

**Ms Howard**—Well after. We have done a series of surveys over the last few years.

**Ms Heaslip**—Since the 1970s questions have been asked about interest in racing.

**Mr McARTHUR**—I have the impression that you had decided to move the ABC away from racing services because of other commercial outlets providing the service. But you are telling us that is not so.

**Ms Howard**—I hope it is quite clear in our submission.

**Mr McARTHUR**—What you might say in the submission and what the ABC has actually decided might be two different things.

**Ms Howard**—Why would we do that?

**Mr McARTHUR**—The second question I raise is that there seems to be a lot of doubt as to what the survey was really trying to establish. These surveys are very difficult, as most people in politics would understand—the way in which you ask the questions and what you are trying to establish. If you look at the depth of feeling from the number of submissions we have had all around Australia, there seems to be another view out there about the value of the ABC racing service. If we take that as a reasonable sample of a survey, there is a strong view being expressed that the service should be retained. How do you reconcile those two positions?

**Ms Heaslip**—As you might or might not be aware, there is not a regular rating service for radio in regional Australia. It is a bit ad hoc. So the ABC from 20 years ago started doing—as regularly as was possible, which was once every couple of years in different areas—their own surveying to try and get a balance on the audience. They would ask ad hoc questions within those. One question in that ad hoc group that was fairly regularly asked was with regard to the level of interest in the different sporting events that we carried, including racing. So, long before this decision was even being considered, a whole lot of information had been gathered as part of the normal collection of information. That has given us a lot of information on a lot of different sports and on different parts of our general coverage to support any kind of work that we do in regional areas. They have been going on for a long time as part of just keeping up with how we are going and how different parts of our coverage are—

**Mr McARTHUR**—So you are saying to the committee that you relied on the survey information before you made the decision. Is that what you are telling the committee quite categorically?

**Ms Howard**—Quite categorically, yes.

**Ms Heaslip**—Yes.

**Mr McARTHUR**—And you did not have a prejudged position. As my colleague Mr Hardgrave is suggesting, on some parts of the ABC that you do not survey, you continue to provide a service.

**Ms Howard**—I do not have any particular influence over the content of those areas. I am interested in—

**Mr McARTHUR**—A whole lot of services provided by the ABC are not surveyed. I am sure about that. Do you survey every bit of the ABC's services that are provided across the spectrum?

**Ms Heaslip**—Pretty much so. A lot of it is regularly done. In metropolitan areas, it is done on an ongoing basis. Eight times a year there is a major survey done. They form the ratings.

**Mr McARTHUR**—Have you checked the way the survey data is compiled?

**Ms Heaslip**—Yes. The ratings data are as sound as they can be. It is an industry standard that is used. In the regional areas, on top of that, we have done, for the last 20 years, our own work as well because there are not regular ratings done in regional Australia. There has not been enough industry support to do them.

**Mr McARTHUR**—There is an interpretation of ratings: even 3LO in Victoria has a rating of 11 to 12 compared to the commercial stations which are above that. Ratings are not the key determinant in providing the service across the board, as I understand the charter.

**Ms Heaslip**—That is right, which is why in the regional areas a lot of extra questions were asked. And AC Neilson as well have some lifestyle questions, as they call them, as part of their regular surveying. So it is not just the pure rating on its own. It has got the context.

**Mr McARTHUR**—How does the ABC respond to the quite remarkable interest that has been shown in this inquiry by individuals, not just the pressure groups but by a large range of individuals? How do you respond to that?

**Ms Howard**—I think it is quite a strong interest. I would not have called it remarkable interest. As I mentioned, our cricket coverage last year attracted over 4,000 comments and calls from listeners. I think that is a very high level of interest. I think you have had a strong but small level of interest.

**CHAIR**—With great respect, Ms Howard, picking up a phone and saying, ‘I like it,’ or ‘I dislike it,’ and getting someone to monitor it is one thing. To sit down, as the people of Bidourie did, prepare a submission and have 50 people sign it represents a different depth of involvement.

**Ms Howard**—I am not sure that it does, Mr Neville.

**Mr McARTHUR**—Are you saying that because people ring up and say they like cricket—

**Ms Howard**—Or don’t like cricket.

**Mr McARTHUR**—and because the racing people do not ring up, therefore you can make a judgment. Is that what you are saying?

**Ms Howard**—No, that is not what I am saying.

**Mr McARTHUR**—What are you saying?

**Ms Howard**—I am suggesting that you have got a passionate but fairly small level of response to your inquiry, but it is passionate and they clearly believe very much in what they are saying. I am not trying to undercut any of the comments—

**Mr McARTHUR**—That would not be my impression. I have been around this inquiry for a fair while. Just looking at the number of respondents and individuals who are actually prepared to put pen to paper indicates quite an interest in the inquiry, I would have thought.

**Mr MOSSFIELD**—Could I ask a question on the popularity of both your football broadcasts on a Sunday afternoon and your cricket broadcasts. How do they compare with the surveys on racing when you were conducting racing broadcasts? Have you got any comparisons?

**Ms Heaslip**—There are, because in a lot of the survey work that we did, obviously we asked about other sports. We were not looking particularly at racing; that was not the purpose of those questions. In looking at, say, *Grandstand* in the afternoon, having regard to the way the ratings are done, you cannot separate it out because it is done in blocks and it does not give you the breakup in that kind of detail.

For example, the figure for those who ever listened to coverage of Aussie rules was 24 per cent on the ABC, whereas it was 11 per cent for racing and the figure for cricket was 35 per cent. That was in the same survey—asked at the same time. So the level was about triple.

**Mr MOSSFIELD**—Of what racing was.

**Ms Heaslip**—Yes.

**CHAIR**—Could I ask Mr Longman a question. How long do you think rugby league would last if you cut it off the public broadcasting?

**Mr Longman**—I think it would keep going because of the coverage that is provided through the written press, through commercial radio, which does cover some areas of regional Australia. On Saturday afternoons now, there is no free to air rugby league coverage on television any more, so I think it is where radio comes into its own now, having regard to the amount of sport that is going on to pay television. I think it is an important factor.

**Mr St CLAIR**—I come from New England, which gets New England north-west regional out of Tamworth. On the AM channels for football, on commercial you listen to the football, on ABC you listen to the football.

**Mr Longman**—Yes, there is some doubling up.

**Mr St CLAIR**—That is it; that is all you get.

**Mr Longman**—Yes, in some areas that cannot be avoided to a certain extent, but hopefully we provide a service that does appeal to a section of the audience that do enjoy an ABC style coverage. It has been proved around the country that people do prefer our sort of coverage in some areas.

**CHAIR**—If you had taken this survey for just about any sport other than, say, tennis, cricket, swimming and perhaps Aussie rules—take those four out—wouldn't you have got a very similar result? What sort of result do you think you would have got for that survey if you had used, say, squash, hockey, beach volleyball or one of those others? Don't you think you would have got a similar result? In fact, the most popular sport in Australia, we are told by the tourist lobby, is fishing.

**Ms Heaslip**—Yes, it is.

**CHAIR**—In terms of popular appeal on radio, it would probably be at rock bottom.

**Mr McARTHUR**—No, Rex Hunt and his fishing show.

**Ms Howard**—It does not look good on radio.

**CHAIR**—But the point I am making to you is: wouldn't you have got a similar outcome if you had picked any of those sports at the bottom two-thirds of your own survey chart?

**Ms Howard**—That is actually not our survey chart. That is the Sweeney—

**CHAIR**—The Sweeney survey. Don't you think you would have got a somewhat similar outcome? I ask you to balance it up. The other morning I was listening to Radio National. I think it was the book review. I am not trying to be pejorative but I know that sometimes when you are trying to put one of those weekly programs together you have got to get a bit of a filler here and there to keep the thing going along. The program, if I remember rightly, went for maybe half an hour about the relationship between two writers and whether one was the superior and one was the student, and how this was revealed in this particular book. He thought that the student had now come out of his shell and was now the master of these two writers who had been in league over the years. That went on for half an hour, for God's sake, on an esoteric book on an esoteric program.

I felt a certain empathy with, if not anger for, people in the bush. If that had a quarter or a half of one per cent of the listening audience, I would have been surprised, yet people—as you say, Ms Howard—passionately wanted to keep part of what has been a bit of the Australian culture in the bush. If you go to a bush town, the races are a very important way of life. As one person said to us in Barraba, 'It may not be big bikkies for people in the capital cities, but out here, that is part of our social fabric.'

They cited an instance where they send the satellite feed from the racetrack, but periodically that fails and, in the absence of having the ABC service, the whole race meeting collapses because there is no way you can bet. There is no way that the bookmakers can source their information. There is no radio service; the satellite has just crashed, so the race meeting finishes and everyone goes home. I want to contrast that and the little bit that the ABC was doing with an esoteric book that warranted a half an hour on prime ABC airwaves. That is the sort of thing we want to get at.

**Ms Howard**—Mr Neville, for a start, I would suggest that people could listen to things other than the esoteric book review. There would be other ABC services and other commercial services available. But if, for example, a satellite feed at a local racecourse goes down, they still have the capacity to use a phone line to get Racing Radio onto their loudspeaker system, so they are not without racing information at all.

**CHAIR**—Presumably they do not have that link any more because in this particular—

**Ms Howard**—All you need is a telephone and you have got the ability to get the service up.

**CHAIR**—The evidence we were given was that the race meeting crashed.

**Ms Howard**—They may not have known that that was available.

**CHAIR**—Let me take this a step further: you would broadcast more sport, Mr Longman, if you had more capacity to do so. Is that what you are saying?

**Mr Longman**—No, I think the amount of sport that we broadcast in the overall coverage on local radio is pretty close to being right.

**CHAIR**—What would your view be if the government mandated that an afternoon program on one of your other services was to be devoted as a second sports channel? How would you react to that?

**Mr Longman**—At the moment we could not resource it.

**CHAIR**—Assuming that appropriate resourcing were available.

**Mr Longman**—We would consider it, obviously, but in New Zealand they have just started a 24 hours a day sports network and they are struggling to get enough material, enough resources, to cover that seven days a week, 24 hours a day coverage. I think a similar thing would happen here, because it is very expensive to cover sport. The cost of sporting rights is huge; on radio it is getting very large. We have to pick and choose to a certain extent what sports we do cover because of the radio rights situation. The BBC in England are losing most of their radio rights to an aggressive commercial competitor. No doubt in Australia it will not be too long before we come across the same problem.

**CHAIR**—We had evidence during our hearing in Sydney from one of the racing organisations that their preferred option was for the ABC to continue to broadcast. I would imagine there would be a fair amount of sympathy amongst the racing clubs, would there not, for the ABC to pick up the service again?

**Mr Longman**—I suppose there would be, but I feel that the racing industry now would prefer far more than we provided in the previous coverage.

**Mr JULL**—My understanding was—I think the department gave us evidence—that one of the reasons why you looked very closely at it was because of the privatisation of the TAB.

**Ms Howard**—That is right. That has certainly had an influence on our decision.

**Mr JULL**—What is the section of the act that would come into play with that? If the TAB came along tomorrow—we have had evidence this morning from WA that they have apparently got a real problem—and said to you, ‘We will provide you with a split of the call



and whatever other basic information you want, at no charge to you; in fact, here's a few bob to pay for extra staff,' legally, can you take that?

**Ms Howard**—No, we cannot.

**CHAIR**—On that question, subsection (5) of section 25 of the charter says:

. . . Nothing in subsection (3) or (4) precludes the Corporation from:

I then come down to (5)(b):

. . . entering into an agreement or arrangement with . . . a bona fide producer of . . . broadcasting programs;

In other words—coming back to Mr Jull's and Mr Lindsay's inference—if the TAB were to make this pure feed, free of commercials, available to you, would that in any way be a breach of your charter?

**Ms Howard**—If the TAB is a bona fide broadcaster. In some places that may be the case, I am not sure, but in most places that is not the case. Racing Radio is not—for example, in New South Wales—a TAB racing service, I do not think.

**Mr JULL**—In Queensland—4TAB.

**Mr HARDGRAVE**—A bona fide producer, in other words, is somebody who is actually responsible for the production of that particular commodity.

**Ms Howard**—No, we are talking about a broadcaster.

**Mr HARDGRAVE**—It does not say that. It says 'a bona fide producer'.

**CHAIR**—'A bona fide producer of broadcasting programs'.

**Mr HARDGRAVE**—The people who run sound and vision here who are currently broadcasting this around the building are the bona fide producers. They do not have a radio or television licence. They are the bona fide producers of the content of this particular hearing. Likewise, the TAB in Queensland are the bona fide producers of the content at 4TAB and their affiliates broadcast in some places in Queensland. So it has nothing to do with a bona fide broadcaster holding a licence; 'producer' is the key word.

**Ms Howard**—Our advice when the TABs were privatised was that we would no longer be able to take money from those sources.

**CHAIR**—You were actually taking money from them?

**Ms Howard**—Previously they had funded part of the service, yes.

**Mr LINDSAY**—You could take the program but not money. Is that what you are saying?

**Ms Howard**—Not if it is a commercial feed. If it has commercials on it, no. If it were pure racing—

**Mr LINDSAY**—So if it is clean feed—

**Mr JULL**—If you took it as clean feed?

**Mr LINDSAY**—you are able to take it?

**Ms Howard**—Presumably.

**Mr LINDSAY**—But you cannot accept money.

**Ms Howard**—From those privatised organisations—that is right.

**Mr HARDGRAVE**—I have some questions about the methodology. I was particularly interested in the statement earlier that in regional Australia—apparently, that is everything outside the metropolitan areas—there are infrequent surveys of radio. Can you qualify that? Is that true of all of regional Australia?

**Ms Heaslip**—Yes, it is.

**Mr HARDGRAVE**—So in places like Townsville and Cairns there are infrequent surveys?

**Ms Heaslip**—Very. There has not been one in a very long time. In fact, we are just working with Nielsen, who are the ratings provider now, to start having annual regional surveys because it has been a huge weakness in the industry that there are not any.

**Mr HARDGRAVE**—I quote the methodology of survey:

D) Queensland

Sample: 502 listeners to ABC *Grandstand* in regional Queensland

Source: ABC Mediascan . . .

Is that your organisation?

**Ms Heaslip**—It was. Because of the weakness in the ratings and no easy way in the past to do it, the ABC out of Adelaide had part of the organisation which did these surveys for us.

**Mr HARDGRAVE**—How was that done—face to face, telephone interview?

**Ms Heaslip**—We did provide that supplementary information on it. They were telephone surveys with very big samples. That is a subsection of it. They were normally samples of about 3,000 to 4,000 people. They were excessively robust, we would have to say. Out of that came the *Grandstand* sample.

**Mr HARDGRAVE**—In that supplementary information, which I do not have at the moment, we had information to do with the gender balance, age groups?

**Ms Heaslip**—We provided copies of the reports as well. They were done on a very rigorous sampling base.

**Mr HARDGRAVE**—What about the geographic balance in that?

**Ms Heaslip**—We provided that as well.

**Mr HARDGRAVE**—What was the basis of that geographic balance?

**Ms Heaslip**—It was done to provide a representative sample of the regional areas. Our interest was in trying to determine the level of support we had in the region. We were asked to be able to provide a breakdown of what was remote versus, for all purposes, regional, and the samples were not designed to do that, so that information was not collected in that way. But we did provide you with a breakdown of percentages that were collected across those samples.

**Mr HARDGRAVE**—Do you remember what the basis for that was?

**Ms Heaslip**—It was representative.

**Mr HARDGRAVE**—Was it like small town, 2,000 people—

**Ms Heaslip**—Correct. They were broken down—in different markets it was different. Unlike the national survey in 1994, it was broken up between city, which was 30,000, plus large town tender 30 and small town less than 10. In Queensland's survey it was 10,000 plus per city, two to 10 for a large town and less than two per cent for small town rural—and I have got the breakdown percentage of the sample. In that case it was 30 per cent, less than 2,000, 25 per cent, large town and 44 per cent city.

**Mr HARDGRAVE**—Any breakdown on the age and sex demographics?

**Ms Heaslip**—Yes, they are all detailed in the reports, so they are fully representative.

**Mr HARDGRAVE**—Okay. So what was the most popular age group for horse racing? Which particular age group, over all others, preferred horse racing?

**Ms Heaslip**—There were six different surveys there; I would have to take—

**Mr HARDGRAVE**—What I am trying to drive at is that when you start to factor it all in, figures can mean anything, really, can't they? I suppose 42 per cent preferred racing to be dropped, 24 per cent preferred it to remain and 35 per cent had no preference. My reading is that 59 per cent were happy with the way it was. So in Queensland why don't you drop horse racing?

**Ms Heaslip**—You can also look at it around the other way and say that 76 per cent, I think it works out to, either did not care—

**Mr HARDGRAVE**—Who makes those decisions?

**Ms Heaslip**—It was just one piece of information that contributed to this. I do not think it was the sole decision making factor.

**Mr HARDGRAVE**—But the problem is that the most vigorous complaints are coming out of states like Queensland, where 59 per cent of people surveyed in that May-June 1996 ABC media scan survey basically feel they have been disenfranchised. That is not their ABC, is it?

**Ms Heaslip**—That is one way you could interpret it.

**Ms Howard**—It is interesting, Mr Hardgrave, that the Sweeney sports report, which I gather is regarded as benchmark research, says that about three per cent of people listen to horse racing on radio, and only one per cent of women listen to the races on the radio. Most of the radio listening is driven by men—a small interest, they would say.

**Mr HARDGRAVE**—Yes. So there is about zero per cent listening to horse racing on the ABC now.

**CHAIR**—You are obviously going to get variations. Look at your own survey in South Australia. You may argue that they do not play a lot of rugby league in South Australia, but it rates lower than horse racing.

**Ms Heaslip**—In Queensland, in the recent survey, only 15 per cent of the samples said that they ever listened to racing on ABC radio.

**Mr McARTHUR**—What about the ones who did, though?

**Ms Heaslip**—Those are the ones who did.

**CHAIR**—I would like to come back to this matter of coverage. I think that the ABC regional network—whether you dissect the FM from the AM component or not—had an implied obligation to regional Australia over and above perhaps the specifics of your corporation's mandate. And I find it difficult to understand why you withdrew that service before the alternative service was well in place, because no-one, including the ABA, can give us a coverage map of where the ABC was broadcasting and where the 4TAB, 2KY, 927 have got to. In fact, the sorts of maps we have been given are a little short of disgraceful—and I am not suggesting that the ABC was in any way responsible for that.

I would have thought that a balanced and professional view of this would have dictated that, before you withdrew a popular service at least to some part of Australia, you would have an idea of whether or not the new service was actually covering your listening audience. That is what we have been given. I am happy to provide you with copies of that.

If that was the best information that was available from 4TAB and 2KY themselves, I suggest that your resources would have been even less than that, and I would want to know on what balanced consideration you could make a judgment.

**Ms Howard**—On the basis that—and yes, we had similar maps; the ABA provides the sorts of maps you have described—almost 90 per cent of our listening audience preferred an alternative service.

**Mr HARDGRAVE**—Could we get a copy of those maps that you have got from the ABA?

**Ms Howard**—They are the same maps that you have.

**CHAIR**—They are not ABA. These are not ABA maps. I think these were done by the TAB organisation themselves.

**Ms Howard**—That is right.

**CHAIR**—In fact, we do not think we can make a judgment until we get that matter sorted out—and we told the ABA so this morning. We are just standing here as instruments of government trying to make a judgment and a recommendation. But you are at the cutting edge; you are the people charged with having this information. I cannot understand how the decision could have been made in that time frame on the limited information that was available at the time in respect of coverage. Sixty-two stations in Queensland and so many in New South Wales—and there were not 62 stations in Queensland 15 months ago; nor were there many in New South Wales—would not, to my way of thinking, provide anything like a comparable coverage for regional Australia.

**Ms Howard**—On radio?

**CHAIR**—On radio.

**Ms Howard**—As we explained in the submission, we made the decision—apart from the surveys, which we thought were quite telling, and we had been engaged in those surveys for a number of years—based on the range of services that were there, not just radio but the fact that pay television was available. Survey results seem to suggest that most people who are interested in racing actually want to watch rather than to listen, that we genuinely believed that there is now a range of really good racing services and that our very poor coverage has been superseded throughout most of Australia.

**CHAIR**—I do not concede that. My observation, as I go around a whole range of country towns, especially when the cricket is on, is that when I go into a workshop there is a bloke underneath a car doing something or other and he has the radio on, or the bloke in the little corner store in a country town has the radio on. Very seldom do I see the TV set on—occasionally, but very seldom. I think, as Mr Hardgrave said, that the radio is a very user-friendly medium.

**Ms Howard**—Might I suggest that that is because he wants to listen to the cricket? Our cricket service is enormously popular, and the one thing about the cricket service is that it is not available anywhere else. It is very important to us.

**Mr MOSSFIELD**—Coming at it from a different angle, are you aware of what the percentage is of the audiences that, say, radio racing stations like 2KY or the other ones for TAB are attracting.

**Mr Longman**—The 2KY radio racing audiences—and 2KY must go back over a fair period—are dropping in the Sydney survey.

**Mr MOSSFIELD**—You do not have any figures?

**Mr Longman**—I think they are peaking now around 50,000, 60,000, whereas five or six years ago they were over the 100,000 mark.

**Mr MOSSFIELD**—You would not know what that percentage is?

**Mr Longman**—It would probably be around 10 per cent, I suppose.

**Mr MOSSFIELD**—Would they?

**Ms Howard**—We can certainly take that on notice and provide it to you later.

**Mr MOSSFIELD**—What implications would that have for you reintroducing racing broadcasting? Does that have an implication?

**Mr Longman**—Just in the metropolitan area, when we used to do racing on 2BL, which we dropped some years ago, we used to get a very small percentage of the audience, and I got one letter in Sydney when we dropped the racing coverage.

**Mr MOSSFIELD**—So did 2KY outsurvey you in those days, even when you were fully broadcasting?

**Mr Longman**—Yes, by a long way. We were a very poor second.

**CHAIR**—Is it possible to segment your regional stations? Is it possible, for example, in one state—you obviously do it in Victoria in terms of separating your FM and AM stations—to do a feed to one suite of regional stations and another feed to another set?

**Ms Howard**—Technically, yes. It just means that vast chunks of Australia miss out on something. In Victoria, we had a special situation in Gippsland where we knew that neither the AM nor the FM service could cover the whole of Gippsland, so we kept both services. We ran the racing on one of those—I think it was on the AM service, from memory—and the football on the other, but it missed vast chunks of the region that it was designed to broadcast to. Once again, the ABA maps that we see would outline what is, in theory, the coverage area, but it is not always accurate.

**CHAIR**—For example, in time of cyclone, you isolate a particular segment of regional stations.

**Ms Howard**—In some states that is true. In Western Australia it is impossible to do that because of the way it is set up.

**CHAIR**—Assuming council confirmed that the charter would allow you to take a non-commercial feed from a broadcaster, is there any reason why certain isolated regional stations could not receive the feed?

**Ms Howard**—Technically there may be. It is not always possible to isolate just one transmitter. A lot of the transmitters are linked and there is no way of isolating them and giving them a single feed. It is actually quite complicated. It is often a problem for us, too, when we want to isolate somewhere, as you say, for a cyclone, a bushfire or something like that. We have problems ourselves.

**Mr LINDSAY**—The reverse is actually true. The system of feeding transmitters is simple. Because it is simple, you cannot separate them out.

**Ms Howard**—You are quite right. That is absolutely correct.

**CHAIR**—For example, would it be possible say, out of Townsville, to do north-west, western and south-western Queensland or perhaps the Darling Downs, just for argument's sake, out of Toowoomba or Townsville where there was a feed imposed into a sports program by someone at a console? Is it possible to have someone there taking a feed and then superimposing?

**Mr Longman**—Just from Townsville?

**CHAIR**—Or Toowoomba.

**Ms Howard**—Toowoomba and Townsville both have their own commercial racing radio services.

**CHAIR**—No. I am not talking about them in terms of covering Toowoomba and Townsville. I am talking about using 4QS and 4LG, and so on, as a method of covering vast areas of the state with a racing service while perhaps not worrying about the coastal strip.

**Ms Howard**—I am happy to take that on notice. I know we have problems with how the transmitters are configured in Queensland and I do not know the answer. I will find that out.

**CHAIR**—I know Rockhampton and Longreach link and I know at times, if one of the rural announcers is on holidays, you link two zones together frequently.

**Ms Howard**—That is right.

**CHAIR**—I would like to recapitulate the point that, short of financing, if it had the capacity to have two sporting channels, there is no other reason why the ABC could not broadcast on two channels?

**Mr Longman**—As you say, obviously it would be a huge problem for us. We are at about our maximum now on local radio with our mix of sport, news, current affairs and local programming. We really could not stretch any further. In the early 1990s, the sports department was cut back from about 35 to 15 or 16, so we are fairly thin on the ground.

**CHAIR**—It would be a matter of resourcing.

**Mr Longman**—Yes. We are just covering what we can do now.

**Ms Howard**—Capital costs and the recurrent costs for transmitters would be considerable and would be an enormous cost to government.

**CHAIR**—I was not necessarily thinking in terms of new transmitters.

**Mr JULL**—Peter, to your knowledge there is no commercial network apart from the 4TAB, 2KYs that are now doing the Saturday afternoon racing service?

**Mr Longman**—No, not that I am aware of.

**Mr JULL**—Are you going to broadcast the Melbourne Cup?

**Mr Longman**—We certainly are. We are doing a special program from 3 o'clock throughout every local and regional station in Australia on Melbourne Cup Day.

**CHAIR**—How are you going to do that, Peter?

**Mr Longman**—It is a major sporting event.

**CHAIR**—Yes, but will you bring one of your former callers back in?

**Mr Longman**—We have permission from Sky racing for this one race to bring it into the ABC. Greg Miles will be calling.

**Mr McARTHUR**—Are you going to do a survey of the popularity of that particular broadcast?

**Mr Longman**—No, it is huge. We have no doubt that the interest is tremendous in the Melbourne Cup. That is why they put the Caulfield Cup on Saturday and the Cox Plate next Saturday.

**CHAIR**—I would like to thank you for coming today and giving evidence. Obviously we still have more information to ferret out before we complete this inquiry. If we have any other questions for you in writing or if we need to speak to you again, we trust you will be happy to appear.



**Ms Howard**—Absolutely.

**CHAIR**—We will provide you with a copy of the *Hansard* draft. Once again I thank you for your attendance.

Resolved (on motion by **Mr Jull**):

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

**CHAIR**—I would like to thank members of the public who have attended, the media, members from the department who are here and Hansard for their cooperation and assistance.

**Committee adjourned at 12.11 p.m.**