



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

**HOUSE OF
REPRESENTATIVES**

STANDING COMMITTEE ON COMMUNICATIONS,
TRANSPORT AND THE ARTS

Reference: Racing radio services

MONDAY, 1 NOVEMBER 1999

MELBOURNE

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

Monday, 1 November 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 and Mr Neville

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 9.08 a.m.

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

In conducting its 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 race broadcasts has had on the industry. The committee is looking at the future and is focusing on finding ways of providing an appropriate form of race broadcasting for regional Australia.

On behalf of the committee, I welcome all participants here today to this public hearing. The members of the committee wish to express their appreciation to all those who have made submissions and to those who have given up valuable time in this busy time in Victoria to assist the committee with its inquiry.

[9.10 a.m.]

ACKERLY, Mr Douglas Ian, Producer, *Racing World*

CHAIR—I welcome to the table Mr Doug Ackerly, producer of *Racing World*. Do you have any comments to make about the capacity in which you appear before us today?

Mr Ackerly—I appear as producer of the television program *Racing World*, but also as the former on-air studio host of *Grandstand* racing in Victoria and southern New South Wales.

CHAIR—Before we commence, I have to caution you that, although the committee does not require you to give evidence on oath, 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 treated as a contempt of the parliament. Would you like to give us a five- to 10-minute overview of your submission?

Mr Ackerly—What I did was submit to you a two-part feature which we produced in *Racing World*, which is a weekly half-hour television program devoted to thoroughbred harness and greyhound racing. It is seen on Sky Channel and Sky Racing in Australia, TAB track-side in New Zealand, Dubai Television in the United Arab Emirates and on the new PMU, parimutuel, television service in France, so it has quite a coverage. I have the crew here today, too, to do what is essentially a follow-up to that story which was done well over a year ago.

It is interesting that I do not really have much of a background in racing. It is important to point that out. I was a common old garden DJ at 3DB in 1983 when that commercial radio station got a TAB subsidy or to ensure that all TAB races of all three codes were broadcast to air because the TAB was losing a lot of revenue. Punters are disinclined to wager on races they cannot listen to. So I became an on-air studio coordinator—out with the records and on with crossing to various meetings. Once again Greg Miles got me on board in 1996 to do a similar job with the ABC in the regional service.

The reason I make this point is that I am not talking as a person who is necessarily steeped in the turf. I am now doing a television show. Again that is more because I have a television background, not so much that I have a great, deep knowledge of racing. What I see is that we have a substantial industry. People say it is the third biggest industry in Australia. They are referring to a survey done by Noel Crowe, the general manager of Sport 927, that half a million people in Victoria are disenfranchised from live radio coverage. They cannot hear it. The circumstances of how this came about concerned me. I lost my job with the ABC, sure, but that is not the point of my giving evidence today because I have another job.

What I am concerned with is a decision which was made by one particular person, we believe, in the ABC. It was done, on a national basis, to get rid of something which is terribly important to people. It is a very important industry and important to people in the bush. It is part of the culture of people in the bush—thoroughbred racing. My motivation most of all as a broadcaster is to serve the market and there is nothing like getting good

feedback from people. We got a lot of letters in, of course, obviously, upon the demise or impending demise of radio racing. Prior to this happening, I had taken on board my role as the studio coordinator, working with Greg Miles, Australia's finest race caller, such that I thought, 'I am enjoying this, the people are enjoying this,' so I went to the ABC and found that they had a web site which was not really being used at all and wrote a two-page history of racing on the ABC, the longest continuous radio racing service in the world, and little biographies of the people involved—Greg, myself, Clem Dimsey. I had some publicity photos taken of Greg, myself and one of the tote callers. Unfortunately, they had to be used in the attempt to fight to keep the service on air, but this is the sort of interest I have got in a service that is terribly important to people, and I wanted people to know about it.

I guess I am talking to you not so much as a horseracing person but as a broadcaster. I have a great love of broadcasting. I got into it pretty late at 29. I love doing it and I love providing a service to people who give me feedback like some of the letters that I have photocopied for you here today, which will just add to the two volumes of submissions that you have. These people really enjoy being entertained and being informed. I mention that as a little bit of background to me personally.

You have seen the video, I would imagine. I can go through and briefly address a couple of the points there. The original reason given for terminating the service was, according to Sue Howard, the head of regional services—and you have this spiel as well—related to the widespread availability of Sport 927. Noel Crowe has already indicated to you that it is not as widespread as they have indicated, with things like the Internet and Sky Channel, et cetera, and the tourist class radio stations in the bush. When I put this two-part feature together for *Racing World*, Noel Crowe indicated that those particular stations have a radius of about two kilometres and are designed only really for the TABs and the pub TABs in particular towns, not for the people living on the land. In particular, in Victoria, for example, Sale is a very big and very important country town. I just do not know how many people are on the Internet at this stage and certainly it is damned hard to access when you are driving a tractor.

I knew—or felt I knew—that the real reason for the termination of this service was the fact that the New South Wales TAB was being privatised. When the Victorian TAB had been privatised back in 1994, there had been an accounting deal done such that the Victorian TAB could help contribute to the service, which it was subsidising by funnelling money up to the government TAB in New South Wales. The ABC suggested that it could not take money from private organisations. I am not quite sure about whether that is consistent with certain other decisions in the ABC. But the real catalyst for the cessation of the service was that we now cannot take funding from a privatised TAB in New South Wales.

But that was not made public until they were forced to make it public or, perhaps, Ms Howard was forced to make it public. The reasons given were just that there were all these other services available. Noel Crowe has done an analysis. He is far more capable than I of giving you the evidence that in fact half a million Victorians are disenfranchised and Queensland is a disaster in that particular area. Certainly, if you extend that, there could be up to two million people in Australia who can no longer hear racing.

The ABC's charter is interesting, as I guess you have gathered from reading it. You cannot really pin the ABC down on anything. Perhaps facetiously I could say that probably it does not even say they have to broadcast. I am being facetious but it is very general and it is hard to pin them down to what they should be doing.

If you take it that the ABC should be providing coverage for minority interest things that are not commercially viable and that a commercial television or radio station would not cover—for example, ballet and opera for the television—I do not think anyone has an argument about that. If racing is not commercially viable in certain areas, I believe the ABC has an obligation to cover it, not just because it is part of the fabric of the bush, but because it is the third biggest industry in Australia.

But also the other point is—and Greg Miles makes this point in the two-part feature on our television show—the ABC should be providing an alternative. That is one of the things that you will find in a number of these letters that I have submitted to you. There is a letter here from a gentleman in Frankston who discovered regional broadcasting about six years ago whilst holidaying in the Grampians:

The format, to my delight, was similar to 3LO years before.

In other words, you had a nice mix of racing, football, cricket or whatever as an alternative to what is described in one of these letters here from the people at Cohuna Secondary College up on the Murray who used to listen to us:

Commercial radio is not the same. We don't want to hear every race, dog gallop, harness meeting ad nauseam. We want our mix of football, racing and dinky-di Aussie humour.

Perhaps we provided the latter there as well. It was a lot of fun doing it. I believe the ABC's charter—but it is pretty hard to pin them down on it—is to provide an alternative and also to provide coverage of matters of interest which are not necessarily viable for commercial stations.

CHAIR—Is that the substance of your overview? Are there any other things you want to say? I do not want to run out of time to interact with you.

Mr Ackerly—No problem at all, please interact. I was told I could speak for five or 10 minutes but I would be pleased to answer questions.

CHAIR—I would like to open up first, Mr Ackerly, with two things. There is an inference in your submission and reinforced by your interview with Greg Miles that the ABC, irrespective of what this more recent circumstance with the privatisation of the TAB might have brought about in New South Wales, has been trying to do this since the 1980s. What is your basis for saying that?

Mr Ackerly—I did not make that implication. Greg did. I was not there in the 1980s. What Greg said was that he had been on a one-year contract for 18 years. He is the only fellow who could have given you that. It was his quote in the feature so I am not in a position to say that. But certainly it is interesting that Aussie rules, being a religion down here, has great commercial coverage on a number of different stations. You could argue,

‘Why is the ABC covering football then if others are doing it?’ I cannot really talk about that, Mr Neville.

CHAIR—You also mentioned that you know of other sports that are subsidised by the ABC.

Mr Ackerly—I am almost certain, but I would stand corrected if I am wrong, that there used to be a time in ABC television where the smaller sports—sports other than cricket, golf, tennis and that sort of stuff—would get coverage on the ABC. It was part of the charter as we understood it. You would see baseball covered by Dick Mason, for example. Baseball has found it very hard to take off in this country and their national league is in trouble again, as you know. That was their task. It is my belief that in more recent years sports have had to actually pay to have coverage on the ABC, perhaps because of budget cuts to the ABC. If I am wrong, I am sorry, but that is my belief.

Mr HARDGRAVE—Could it possibly be sports perhaps meeting part of the cost of production of their telecast rather than paying the ABC?

Mr Ackerly—By all means, Mr Hardgrave, but I would still submit that you are paying for it, aren’t you? It is not like it used to be.

Mr HARDGRAVE—Mr Ackerly, what was the real advantage that the ABC had? Was it the coverage that the ABC had as far as broadcasting licence was concerned?

Mr Ackerly—To the people in the bush?

Mr HARDGRAVE—Yes, was the coverage that the ABC had the key issue?

Mr Ackerly—Coverage is the big issue because, as Mr Crowe will indicate to you, I am sure, this afternoon, half a million Victorians, and by statistical extrapolation, many more Australians are disenfranchised from live coverage of Sydney and Melbourne racing which is 60 per cent of the TAB pool of a Saturday.

That is the major thing that people want to listen to. Also, the people in the bush do not want to hear wall-to-wall racing. If you have listened to 927—and Noel Crowe was a friend and colleague of mine from 3DB days—even people in racing will say, ‘You don’t want to hear wall-to-wall. Nobody bets on everything.’ In fact you will hear trot races and you will hear a dog race go over the top of a trot race because they just physically cannot fit them all in.

There are a lot of people in Sydney and Melbourne who listen to the regional broadcast, don’t worry about that, because they want a nice mix. They are people who are interested in punting but they are interested in their footy and cricket as well.

The point that I have not made, the most important point of all here, is that in Victoria—and subsequently I have learned, although I am not certain about this, that Victoria may have been the only state in Australia where this happened, or Victoria and southern New South Wales—if you are in the bush, if you want to listen to the racing you can listen to the racing

mixed up with cricket or footy and whatever else is happening. As soon as the race is over, back to the cricket, back to the footy, on the AM band. If you did not want to listen to racing you could listen to uninterrupted cricket or football or *Grandstand*, as it is, on the FM band.

One of the most shameful things, I believe, that has been peddled by the ABC here, particularly in Victoria, to the media, is that they have not mentioned this. It is written in Sue Howard's correspondence to me—I don't know whether it is this particular letter here—that there have been many complaints from listeners about footy and cricket being interrupted by races—and racing is a tune-out to a lot of people.

Mr HARDGRAVE—But you are saying it is available on both AM and FM?

Mr Ackerly—Exactly. Racing—

Mr HARDGRAVE—Is it happening anywhere else other than in Victoria?

Mr Ackerly—As I say, my experience was as the anchor in Victoria. You would have to check on that. But if it can be done in Victoria, as it was done in Victoria, then it can be done everywhere. As I say, racing on the AM, uninterrupted other sport on the FM—what could be a better use of the two bands?

Mr HARDGRAVE—The coverage issue then means, I guess, that there is no alternative which is as good as the ABC's combined coverage with its umpteen radio networks and the reach that it has. As a broadcaster, would it be your experience that a combination of commercial radio stations—provided a commercial radio station wanted to take it on—could actually even come close to the ABC's coverage?

Mr Ackerly—Yes, but of course those commercial radio stations in the bush would not take racing, generally speaking. I think—and Noel again could help you here—17 per cent of the population are regular punters. So, therefore, 83 per cent are not. So a country commercial radio station would be more inclined to play music and do other sorts of things, so you are not going to get that happening. And Noel's Sport 927 covers a very large amount of Victoria due to the racing industry owning the station and Noel's efforts to get relays out to the bush. But these little tourist cast stations do nothing to cover those areas, and so when you are looking at Warrnambool and Hamilton and Sale, very big areas, they are the major areas that just cannot hear racing at all, and that is where the disenfranchising comes.

I believe it is the ABC's role, and as Noel has suggested—and as we said in the two-part feature here—he will pay for landlines into Southbank, and the ABC could take the race calls that they wish to, have someone in the studio topping and tailing them with the appropriate information so no commercials go to air or anything like that, and then go back to the football or the cricket or whatever. You could have that. It would be at absolutely no cost.

I must say here that when we were still on air I believe Tom Reynolds indicated that he, as minister for sport in Victoria—and I have a letter from Tom here which you can read

later—would pay for the studio operation, in other words, a person such as myself to do that, because that would be the only expense that I could see that the ABC would incur. There has to be someone in master control anyway, so the only extra expense, beyond what Noel had suggested he would pay for—

CHAIR—We might come back to this line; we do not want to anticipate his evidence.

Mr HARDGRAVE—That is a very interesting offering when we refer back to Ms Howard's evidence, of course, Chairman. What about the listeners? As a broadcaster you said that you were interested in providing a service and you liked the feedback from the listeners. There are a couple of former broadcasters on this side of the table too. I think we were both 'rocky jockeys' at one stage, Mr Jull—I had to get that in. Mr Ackerly, what I am wondering is: what are the listeners doing? How are they adjusting to all of this, and have they actually found a suitable alternative to coverage of the races of a day—even if it is just the key races?

Mr Ackerly—No, I do not believe they have at all. If you cannot pick up the ABC, you cannot pick up racing in those areas. As I say, leaving aside those half a million disenfranchised in Victoria, what about the people who listen to us deliberately for the mix of racing and football? And they listened in the city. Whilst the ABC would say, 'That's just incidental; that's just something that was lucky for them,' I still think that that is part of it too—that you are providing an alternative, you are providing a unique mix.

CHAIR—Can you clarify it for us? I am not familiar with this from the other states, but does the ABC split its AM and FM units into two channels on Saturday afternoons here?

Mr Ackerly—Yes, indeed, that is what they did do. But now, you will hear—

CHAIR—Just let me flesh this out a bit. Do they have an FM equivalent of 3LO?

Mr Ackerly—No, they do not.

CHAIR—Which of the two feeds did 3LO take, or did it have a composite?

Mr Ackerly—This was regional radio, and what we took was the feed of national *Grandstand* and southern *Grandstand* where it was Aussie rules and up north it was rugby league. We would take the 3LO national *Grandstand* into my studio, and I would have lines to Sydney and Melbourne for David Morrow's and Greg Miles's race calls. We would also do results of Adelaide as well because, of course, we spread into the western part of Victoria. So I would have the three lines there and listen down the line as and when appropriate to cross to Sydney and Melbourne for those races, tote updates, et cetera and return to what listeners essentially were hearing on 3LO, on that other line. That would go out on the AM band in Victoria, whereas the southern *Grandstand* would go out on the FM band in Victoria.

CHAIR—Would you interrupt the regional AM and FM?

Mr Ackerly—AM only. I was not heard on FM. FM was the *Grandstand* program unadulterated—no racing—so you had that alternative.

Mr HARDGRAVE—How much of your interest in this—and I think you covered it in your opening remarks—could be sour grapes about losing what could have been a 15-year run, on average, calling races at ABC Radio? I think we probably should flush that out. Would you give us 30 seconds on that.

Mr Ackerly—I think that is probably why I made the opening remarks—and it occurred to me only last night to do that—because I have given you a submission which pretty well sums up what I saw as the situation, and that was done objectively. I invited Sue Howard to be interviewed for the television program. I had pretty well summed up what I felt was the story objectively for my racing program. It is not for me to be political on my television program. Unfortunately, Ms Howard declined the opportunity to be interviewed by me for that program.

Mr HARDGRAVE—Could I suggest in a paraphrasing—and I probably should not, but I will anyway—that in fact what you are really doing is giving voice to what you are hearing from your listeners? Is that what you are basically doing?

Mr Ackerly—There is no doubt about that—and we have got some stuff here back from listeners. But, in my opening remarks, I thought I would make it clear that, in fact, I have another job, so it is not sour grapes about having lost my job. I make the point also that I am not steeped in the turf. I am not a racing aficionado; I am a professional broadcaster.

CHAIR—No, I do not think you have to justify it—just a simple answer.

Mr Ackerly—No, I thought Mr Hardgrave asked me to.

Mr JULL—I am just picking up on something you said in your introduction when you made the statement that the decision to drop the racing service was done by one person in the ABC. Maybe I am cynical, but that just sounded absolutely impossible, given that I always thought you had to go through so many committees in the ABC and that everybody protected their backside so much. Could you just expand on it?

Mr Ackerly—Certainly I am not privy to how many people were behind a decision for which the spokesperson was exclusively, to my knowledge, Ms Howard. I wrote to her. I guess what I am trying to say is that I have anecdotal evidence that there were people in the Victorian ABC who were quite embarrassed by this—by the plethora of letters and correspondence. Anecdotally, I believe that members of senior management—or at least one member—attempted to have the decision reversed, and to his credit. It is because I heard this from somebody, and you can obviously delve into this and find out—

CHAIR—Was this before or after you left the ABC that you became aware of this?

Mr Ackerly—Before, because this was announced—

CHAIR—I might let Mr Jull pursue this.

Mr JULL—What form did the protest take from the bush? Do you have any idea as to how many were received? Usually the ABC has a fair capacity to keep these numbers.

Mr Ackerly—Most of the people protesting were not sending letters of protest to me, because I am their friend—I was doing the thing, I did not want it to go. I got a few and I passed them on to Mr Murray Green, the state manager. I have some of them here that were addressed to me as examples for you of their mind-set as to why they did not want to lose it.

CHAIR—We have received a lot from across Australia. In fact, at this point, I might ask my colleagues if they wish to have the documents that you have there incorporated in the *Hansard* record. Is it the wish of the committee that the documents be incorporated in the transcript of evidence? There being no objection, it is so ordered.

The documents read as follows—

Mr JULL—The general public was often fairly adaptable with these things. Did they have the capacity to find alternatives to the ABC service? Have you any evidence of that? You have got your Sky Television and the rest of it. In reality, was it reasonably easy for them to get a substitute for the ABC coverage?

Mr Ackerly—The only thing that would have happened since then is that the Sky pay television has come on-stream. Sky Racing through Optus, Foxtel and Austar has been available, but not widespread, since a couple of months after we ended at the end of June last year. It amused me, for example, that Greg Miles, who lives in Williamstown, could not get pay TV—he could not see Sky Channel and he is the great race caller. In the bush, through Austar, I do not believe it is particularly widespread at all. There is a lot of infrastructure, obviously, to get the pay TV out to these areas. Ultimately, it may have an effect but then of course you have got to pay for pay TV. You did not have to pay for the ABC—your taxes at work.

CHAIR—Do you know much about Sky Radio?

Mr Ackerly—I do not know anything about Sky Radio.

CHAIR—I do not know much about it either, but allegedly there is a service starting up and I was going to follow that up to see whether that had some potential.

Mr Ackerly—No, I do not.

CHAIR—If the ABC said tomorrow that they were going to go back to providing racing services, what would the reaction be in the bush? Has the thing been out of circulation for so long now that it has lost its impact or would it be snaffled up again?

Mr Ackerly—I think it would be taken up with great alacrity because, as I say—and Noel can correct me here—I think about 17 per cent of the community are regular punters, so they would not have just suddenly decided not to punt.

It is fair to point out that pools decrease by 40 per cent where a race cannot be heard. I am sure you will get evidence from TABCORP here as to what decline there has been, although mostly it would be telephone betting in the bush, and that is only 20 per cent of the overall pool. But where people cannot hear a race, punters are disinclined by a measure of 40 per cent to invest on that race because half the fun is listening to your win get up. You are not just reading about it in the papers the next day. This is the big thing, the mind-set with punters. If they cannot hear the race, then they will lose interest. If they can hear it again, if ABC comes back on track, they could not be happier, I would suggest, and I am not a punter.

Mr GIBBONS—Are you advocating full reinstatement of the existing service which the ABC got out of? Was that your recommendation?

Mr Ackerly—It would be terrific to have that. I can see the economics—Greg Miles now works for Sky Channel anyway—but we reintroduced our own service. We have got to be practical about this. My concern is that people can hear racing, that they are not

disenfranchised. I am just a little cynical about the decision. If it were suggested that the ABC should no longer telecast ballet or opera, would that decision be made? How would that be viewed? There is something going on here. If we can get races and if it is Bryan Martin from Sport 927 calling the event and someone in the studio confirming correct by giving the totes in both New South Wales and Victoria—two sets of totes as we used to do—and getting back to the footy and the cricket, in a remote sense, taking Sport 927 as a relay rather than down the line from the track with the personal banter that used to go on, that would be good. That was very popular with the—

CHAIR—Can I just pick up on a point you made? Do I understand you to say—there was some questioning on this in Canberra—that as the national broadcaster where there is a limited appeal thing like opera or ballet, and in this instance on the ABC's own admission, horse racing, the ABC has a responsibility to bring that to people? Was that your line?

Mr Ackerly—That is my line. I believe that is the charter. I have read the charter.

CHAIR—I just want to be clear about what you are saying.

Mr GIBBONS—The ABC's research suggests that some 79 to 80 per cent of the people in remote and regional parts of Australia do not want to listen to racing. If you look at the other submission by 3UZ, that seems to bear that up.

Mr Ackerly—And they can listen to uninterrupted cricket and footy on FM and they can listen to racing on AM. At the moment you have got the two bands duplicating exactly the same service, which to me is a complete waste of the airwaves.

Everyone can be happy. Everyone is a winner. It is just a great situation. The only thing that people would miss in Victoria, if I may be so egotistical, is the banter that we had between Greg and myself. We had a lot of fun. It was entertainment as well.

I accept that that may have to go but as long as we can get races broadcast, as long as there is someone in the studio crossing, dropping in as it were, a relay as it were, Sport 927, and taking those calls, that is fine. It would be Sydney and Melbourne only probably because they are 60 per cent of the pools on a Saturday. You get any more than that and it gets a bit cluttered and you do not get your nice mix of cricket and football.

The person in the studio would have no conversation with Sport 927 because he or she would be just dropping in on a relay, as it were. That is all you would miss—that entertainment—but you would get your live race calls and your information and that is the main essence of things. A return to the old and expensive days of crossing out to the course and having exchange between the studio and the race caller would be lovely but I understand the economics and, just as long as the races are heard, that is the most important thing. The fact that Noel Crowe quite early, well before the decision was flagged by Sue Howard, had made that offer to the ABC, for which I understand there was no response, is fantastic. It is in the interest of the racing industry of course—they own Sport 927—to have races broadcast and it is in the interest of TABCORP, too.

Mr HOLLIS—Just on that point, when we were in Tamworth and Barraba we had a meeting with a lot of the locals and a lot of the complaints you brought up—listening in tractors and stuff like that—all came out there very much. The chair had a bit of a rough go around the room—there were 30 or 40 people there—and overwhelmingly the people accepted that they would not get ABC. What they put to us there is that they just wanted access to the races. They did not care whether it came from ABC or 2KY, even a local service or anything else. That is all that they wanted. I think that only one person in the room wanted the ABC back. They were a bit cheesed off with the ABC. All they wanted back were their races.

Mr Ackerly—That is right. It is a pity the people in Tamworth could not hear me and Greg.

CHAIR—Putting the self-promotion to one side and looking at the evidence—

Mr HOLLIS—One of the things the ABC put to us, also, is that the quality of the broadcast was below the standard that the ABC wanted or expected.

Mr Ackerly—I have had 20 years as a broadcaster. Greg Miles is the finest caller in the land and a good television presenter. I tell you, the standard of our coverage certainly was not below what they could have expected. In fact, I shall be hosting tomorrow's coverage for the ABC for 3LO. I thank them for that, that they would consider me highly enough to do that.

I will be in the studio crossing out to the caravan, crossing out to the course. Again, it will be remote to Greg because he is not calling for us. So that will be similar actually. I am just dropping in on Greg. I cannot talk to Greg tomorrow. I cannot talk to the race caller. That is what I would be doing if I were back at the—

CHAIR—Are you saying the ABC are taking Greg Miles—

Mr Ackerly—Yes, they are. They did it last year after the—

CHAIR—How does that fit with the charter?

Mr Ackerly—You better ask them. I am only delighted that they are doing it. It is going all around the state as well as in the city and I am delighted to be part of it.

Mr HOLLIS—We have to make a recommendation initially to the minister and I guess to the parliament. If you were in our position—and we have to look at alternatives if the ABC service cannot or will not be restored—what would you be recommending?

Mr Ackerly—I would be recommending that the offer of Noel Crowe—again, I am not sure what has happened in other states, of course, whether the—

CHAIR—Just the Victorian experience.

Mr Ackerly—In the Victorian experience, I think Noel Crowe's offer is sensational. I would take that up. I do not know how the studio operation would be paid for but it is pretty small. As I said, it was \$23,000 for the year to pay for the studio host, which is not a lot of money. I would say reinstate that.

It is a pity we cannot have the banter between the course and the studio but as long as the races are broadcast, and they would be broadcast by Bryan Martin who is Australia's second-best race caller—I have to say that because I am mates with Greg—that would be good. But Bryan Martin is terrific. I worked with him at 3DB. His calls would go out on air, and there was Ian Craig from Sydney, and that would be just terrific and the people in the bush would love it. I honestly believe that the ABC is in violation of its charter by not doing that.

CHAIR—Just forgetting this commercial business of the privatisation of the ABC itself, from your knowledge—and you were with *Grandstand* for some time—on a lot of metropolitan courses the ABC announcer was also the course announcer. Was the announcer primarily engaged by the ABC and made available to the course or was it the other way around?

Mr Ackerly—No, Greg was an ABC employee. Joe Brown, prior to him, used to be the course announcer and, yes, he just took on the role. It would be probably silly to have another person doing it while you have got a bloke in a broadcast box who has got access to all the information that you need to give over the course, apart from lost kiddies and all that sort of stuff.

CHAIR—In your experience when you worked with *Grandstand*, how many staff were tied up in actually delivering the races?

Mr Ackerly—You would have Greg Miles calling; you would have a tote caller who would do the totes after a race and do opening tote calls and updates; there would be a technician out there; and there would be myself. I will make this point too, which I have not made before: in the studio I panel myself. That does not happen a heap at the ABC. Most people have to have someone—

CHAIR—It is quite common in regional areas.

Mr Ackerly—Yes, but not in the central areas. Again, that is very cost effective.

CHAIR—In Ms Howard's letter to you it says:

The regional racing service was originally introduced to provide coverage of race meetings to audience in regional areas, where no other coverage was available.

You say you have done a history of this radio racing service. Is it not a fact that originally the service was also introduced for the capital cities?

Mr Ackerly—My word it was!

CHAIR—In fact, it was until comparatively recent times, like the late 1980s or something like that.

Mr Ackerly—Not late 1980s, no, it was more around the time that Greg took over from Joe, and that was in the early 1980s. In fact, in the early days—

CHAIR—The point I am trying to get at is that originally it was generic right through the ABC, was it not?

Mr Ackerly—I believe so, yes. But then football tended to take over. The first few races would be broadcast up until about 2 o'clock or the bounce of the ball, but then the ABC racing coverage would go on to the regionals and you would not hear any more racing at all. Nowadays there are two hours of analysis and pre-game stuff so that you do not hear any racing. Football is king, as you know. In the city it is just the biggest thing that happens.

CHAIR—You are the only witness who has argued the case, in the restoration of the ABC, that the programming of the Saturday afternoon *Grandstand* was total packaging where you had a combination of Australian rules football, or cricket when it was in season, mixed with racing and mixed with humorous banter between the various presenters. And you say that would be expensive. Would it be any more expensive, for example, than listening to *Grandstand* out of Sydney now where, on a football day, there might be six or seven announcers being crossed to for scores at every break—to Parramatta Oval, to North Sydney Oval, or to the AFL at Windy Hill and so on? Would that be any more expensive, updating the scores at five, six or seven rugby league and Australian rules games?

Mr Ackerly—I would imagine it is a lot more expensive. What I was saying was that you are probably not going to get rid of that despite the fact that there are many commercial alternatives.

CHAIR—Is that a more recent phenomenon, crossing to all the football grounds?

Mr Ackerly—No, that has been going on for ages. You would have teams of reporters at every football ground. That has been going on—

CHAIR—Even though those announcers were not broadcasting the full game?

Mr Ackerly—Absolutely. There have been around the grounds crosses happening since Adam was a boy.

CHAIR—The ABC would actually have people positioned at the grounds just to do updates?

Mr Ackerly—Yes, and to do crosses and that sort of stuff. This is the point I make. There are, in Melbourne for example, at least three commercial alternatives to the ABC doing Aussie rules. One argument could be, 'Why does the ABC do Aussie rules? Why is it not doing opera on a Saturday afternoon? Why is racing suffering, not footy?'

CHAIR—I take your point.

Mr HARDGRAVE—Mr Ackerly, from your experience with those around the grounds reporters—and I am not blessed with a knowledge of God’s game that is played here—

Mr Ackerly—I am sad for you, sir.

Mr HARDGRAVE—I am not particularly sad about it. With regard to the ABC *Grandstand* coverage of rugby league in Brisbane, there are about six different grounds covered on a Sunday afternoon. Would it be your experience that those reporters would be casuals and therefore be on a casual rate and a fair amount of money for that Sunday afternoon flick around the grounds?

Mr Ackerly—They would be on a casual rate, but I don’t know about a fair amount of money, being the ABC.

Mr HARDGRAVE—That’s fair enough. I am just trying to get to the bottom of the \$23,000 figure that you mentioned before. That is about \$500 a week.

Mr Ackerly—That is for me.

Mr HARDGRAVE—For hosting in the studio?

Mr Ackerly—Yes, in the studio. It worked out at probably about that on average because it was pretty well every Saturday and Sunday. I was engaged at \$250 for a shift—and, remember, I am coming in and setting up at about 10 o’clock or 10.30 in the morning and leaving at 6 o’clock at night.

Mr HARDGRAVE—So it was an eight-hour casual rate day?

Mr Ackerly—I do not know what the rate was.

Mr HARDGRAVE—It was at about \$15 an hour.

Mr Ackerly—I believe it was not too flash for a bloke with the amount of on-air experience that I have. And, remember, I am panelling myself—I can panel and talk at the same time. I can walk and chew gum!

Mr HARDGRAVE—I do not like to pick on anyone so I will not say their names, but do you think one of those casual ground reporters might get \$50 to sit and watch the football on a Sunday afternoon to give a report back?

Mr Ackerly—I would not know. I guess he would not get a heap, but I would not know his rate.

CHAIR—You were in the ABC when the decision was made for the last time. Was there a decision made a couple of years earlier that was reversed?

Mr Ackerly—Greg knows more about that than I and, of course, he was the one interviewed in our—

CHAIR—I do not have a recollection of the exact time spans, but the ABC announced the discontinuation of the service at an earlier stage—I think it was about two years earlier—and then it was restored. On this final occasion in mid-1998, when it was discontinued, was any effort made to assess what coverage was being made by 927?

Mr Ackerly—Do you mean by the ABC?

CHAIR—Yes, before they discontinued the service.

Mr Ackerly—You would have to ask them because Noel gave his point of view to the television feature I put together. I did not make the decision, so therefore I would not know whether Ms Howard looked at that. Remember, she suggested that we have these tourist cast licences, the Internet, Sky—

CHAIR—I was just going to come to that. On those tourist narrowcast licences, are you saying that those tourist narrowcast stations were used to broadcast the races?

Mr Ackerly—Yes, they were.

CHAIR—Is that in conformity with their licence?

Mr Ackerly—I have no idea. I guess Noel Crowe would be able to tell you that.

CHAIR—We might ask him that. Thank you, Mr Ackerly. Your evidence has been interesting. You have put a new spin on this that previous people have not and that is comprehensive entertainment presentation for the Saturday afternoon. We thank you for that. You will be receiving a copy of the *Hansard* draft, and if we need to contact you again I trust we can do so in writing. Will that be in order?

Mr Ackerly—I appreciate that, yes.

CHAIR—Thank you very much for your evidence.

[10.00 a.m.]

CANTWELL, Mrs Helen Mary, Secretary, Gippsland Racing Inc; and Secretary, Sale Turf Club

CANTWELL, Mr John Vincent, Delegate, Gippsland Racing Inc; and Committee Member, Sale Turf Club

CORONES, Dr George Alexander, Chairman, Gippsland Racing Inc; and Chairman, Sale Turf Club

FULLER, Mr William David, Delegate, Gippsland Racing Inc; and Committee Member, Stony Creek Racing Club

LEE, Mr Thomas Ian, Delegate, Gippsland Racing Inc; and Vice-President, Stony Creek Racing Club

CHAIR—Welcome. I have to caution you that, although you are not required to give evidence under oath, these committee hearings are legal proceedings of the parliament and warrant the same respect as those of the House itself. Any false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. Dr Corones, will you be leading the evidence?

Dr Corones—I will.

CHAIR—Would you like to give us a five- to 10-minute overview of your submission?

Dr Corones—Thank you, Mr Chairman, and members of your committee, for the opportunity afforded us to reaffirm some of the issues that we have previously put forward in relation to this matter, the decision of the ABC to discontinue their racing broadcast of a Saturday and a public holiday. For your information, Gippsland Racing consists of five constituent clubs. We have representatives here from two of those. The South Gippsland Racing Club races at the Stony Creek Racecourse, close to Leongatha in South Gippsland. We have two clubs in the Latrobe Valley—the Moe Racing Club and the Traralgon Racing Club. A little further east, beyond the Latrobe Valley, at Sale, the Sale Turf Club races. A little bit further east, into far East Gippsland, we have Bairnsdale and the Bairnsdale Racing Club. Today we represent those clubs, their members and those people involved in the racing industry in that part of the world.

Gippsland has been perhaps as badly affected by this decision as any other area in Victoria. Indeed, Gippsland and the Western District have been identified as the two areas most adversely affected by this decision. It has abruptly brought to a halt a service which has been provided for many years, as you are well aware, to hundreds of thousands of Australians who live in the bush. In many cases the service was the only link that these people had with racing. As a result, the decision deprives many of them of an interest that has been part of their life, in some cases with little or no alternative to fill the void, recreationally or entertainment wise.

Many people whose weekend activities once included an enjoyment of racing can no longer pursue this interest. In particular, some of the older members of our community in rural Australia have, as many of you would be aware, followed this interest for years. Many now cannot, for whatever reason, develop or pursue an interest as a result of the deprivation of this service.

In all of this, the matter above all else that seems to have been ignored has been both the interests and the needs of many hundreds of thousands of individuals and many hundreds of communities, indeed, throughout rural Australia. These people and these communities have already suffered and, as a group in our community, you people as politicians are aware that the people in the bush are suffering. They have lost schools and banks, businesses have closed, services have either been curtailed or reduced altogether. In Gippsland in recent years, we have suffered and we are still suffering the effects of a drought on top of that a devastating flood, and there is no doubt that the people in the bush are feeling it.

We do not live with the comforts and services that many of our city cousins do. We do not expect it. However, as a result of this decision, and despite the arguments put forward by the ABC to rationalise their decision, the people of the bush are denied the enjoyment of racing, the enjoyment of an occasional bet and an interest in what really is part of the fabric of Australian society, and my direct communication on a daily basis with many of them tells me that they feel it is another betrayal.

As a group from Gippsland Racing, we are not technocrats, and we leave the technical details, some of which you have heard, no doubt some of which you have read in the earlier submissions, to those who are in a far better position to discuss those with you. However, I would like to address that in a small way in light of the ABC's statement, in part justifying its decision to reduce the broadcasts. It said that there is a broad and increasing range of services of racing information available in regional Victoria. That may well be true; however, the range is very select in its application and very select in its availability to people in the bush.

Allow me briefly to give a couple of examples. Information provided to us from Racing Victoria identifies something like 400,000 or 400,000-plus in Victoria who no longer can hear a race broadcast. The suggestion that the alternative ranges of services compensate for the discontinuation of the ABC coverage is simply naive and not the truth.

What of the many thousands of Gippsland residents who work weekends and weekdays on their land, or in their businesses, who relied on radio broadcasts to hear races in their tractors, in their shearing sheds, many of my clients in their dairies, in their shops and, in many cases, simply in their cars? They simply can no longer hear it because the broadcasts simply cannot be heard.

In my own case last weekend, I was on duty in my practice on Derby day. This is one of the great traditional days of Australian racing and I could not hear a race. My colleague here, the secretary of Gippsland Racing, made an interesting point: the weekend before was Cox Plate day. Cox Plate day is an international day now, it is part of the world series. People at the Maffra show in the middle of Maffra could not hear the Cox Plate or another race—a simple fact.

In the main street of Bairnsdale, the chairman of the Bairnsdale Racing Club sits in his office. He cannot hear a race. The races cannot be heard on the South Gippsland Highway, on the Princes Highway, the No. 1 highway in Australia. There is no longer a service on the ABC, and the signal from Sport 927 in many instances simply cannot be heard for the technical reasons that have already been identified to the committee.

There is no service east of Lakes Entrance through to Merimbula in southern New South Wales. In today's world of globalisation, of e-commerce, of satellite communication, when we sit up until 3 o'clock in the morning and watch the All Blacks get beaten by France, we cannot hear the races in our vehicles or on our farms. The country people are not couch potatoes; they do not sit inside and watch Sky Channel. They are, by necessity, out working. They simply cannot follow their interest in racing that they have traditionally grown up with.

It affects not only individuals, not only communities, but so, too, the racing industry. The racing industry, as has been identified to the committee, is a major contributor—\$500 million—annually to the GDP. It employs some 35,000 people throughout this state. But, importantly, there are many ancillary businesses that feed off it: farriers, vets, feed stores, transport—many that rely on a viable country racing industry. The risk of losing interest in racing—and that indeed is what is happening—will be felt not only through the TAB but in a number of other areas: the number of horses trained in the country, the impact of that, the number of people attending race meetings. As a result the flow-on affects all participating industries.

The fact is that the awareness, the entertainment value, the profile of the racing industry have been diminished as a result of this decision. The consequences for the industry, for country racing clubs, for people of the country who depend on a vibrant and viable racing industry, are great. Radio coverage is critical for the viability of the industry. In our mind, there is little doubt that the loss of coverage to a large number of country Victorians poses a genuine risk to this viability.

Another aspect is an issue that we in Gippsland have been involved with. Recently we have been involved in development of an equine studies course at the East Gippsland TAFE. This course sets out to train young Australians for a career in racing. That career may be as strappers, track riders, as stable employees. It is creating employment in the country where you well know employment is a real issue. We have successfully over the last two years created employment for 50 young people in positions that were not previously available. We feel the impact of this decision will have a direct effect on our ability to generate interest in that course and as a consequence keep young people in the country gainfully employed in a traditional industry that we as Australians have grown up with.

The significance of the contribution to a healthy country racing industry cannot be understated. Country racing is a breeding ground. It is a heartland for trainers, jockeys, stable hands, racing administrators and so on—of course, not to forget the athletes themselves. Australian racing history and Australian history amply document the contribution of country Australians. For heaven's sake, where would Tommy Smith have come from? Where did Colin Hayes, Brian Mayfield-Smith and Lee Freedman learn their trade? Where did they develop their interest? They did not develop it in Footscray or in Bondi or in East Brisbane.

These are all country people. What about Darby McCarthy or George Moore? Damian Oliver is a country Western Australian.

The point I am making is that a vibrant, healthy racing industry in the country contributes so much to the lives of so many people, the careers of so many people. Our great concern is that the decision to curtail those racing broadcasts has already and will have a continuing flow-on effect to not only country racing but racing generally in Australia.

Briefly, that is our opening statement. In conclusion, I simply say that we do support the proposal that there needs to be a continuation, we think, of the ABC broadcasts, at least temporarily and on one channel at minimal cost, I would suspect, to the ABC, at least until other programming arrangements can be made through the ABA to extend its local area planning processes into areas such as Gippsland and the Western District.

CHAIR—Dr Corones, you have a conglomerate of small racing clubs making up Gippsland Racing Inc. Is it purely a coordinating body?

Dr Corones—Yes, it is. It is a formal body which provides a meeting place, an exchange of views and representation such as this.

CHAIR—Who decides your racing calendar?

Dr Corones—That is done essentially by officers in Racing Victoria, the Country Racing Council, in conjunction with the secretaries and the committees of country race clubs.

CHAIR—How many of those tracks that you mentioned earlier would race on any Saturday?

Dr Corones—I cannot answer that question off the top of my head.

CHAIR—Would it be two or three? You obviously do not all race every Saturday.

Dr Corones—No, that is a coordinated program. I defer to my secretary.

Mrs Cantwell—Each of the clubs would have a number of Saturday and public holiday race meetings. We have had feedback from the racing community, and that is why we have taken up this invitation to make submissions.

CHAIR—But on any given Saturday or public holiday how many, would you say? You have got six clubs in all, have you?

Mrs Cantwell—We have got five clubs.

CHAIR—How many would race on any given Saturday?

Dr Corones—Mr Chairman, the manner of allocating and determining racing calendars is such that it does not—

CHAIR—I am trying to find out how many race meetings you have in Gippsland.

Dr Corones—Specifically on a weekend, off the top of my head—I don't have a calendar here—over the year approximately 25. There is racing on every day of the week, as you could understand, in Victoria, and these programs are coordinated through the state.

CHAIR—What I am trying to get at is this: from anecdotal evidence we got even before you appeared as witnesses, for example, your local member, Mr McGauran, pointed out that he believed Gippsland was one of the most deprived areas in terms of racing information—that you lost the ABC and you had one of the poorest receptions of Radio 927. What I was leading to was: what was the effect of the ABC's withdrawal of the service on your race meetings? I want to know now, of the five clubs, how many would race on any given Saturday—would it be an average of two or three—and has that deteriorated since the ABC has withdrawn its service? That is the point I was leading to in my question.

Dr Corones—I understand your question, Mr Chairman. It is a very hard one for us to give you specific, hard data on. Can I go back? There is not a race meeting every Saturday in Gippsland. We do have, however, a significant number of race meetings throughout the year of a Saturday and a public holiday.

CHAIR—Would there be any Saturday where two clubs race?

Dr Corones—No, not in Gippsland.

CHAIR—So only one of those five clubs ever races—

Dr Corones—That's right.

CHAIR—And on some Saturdays you may have no racing at all?

Dr Corones—Absolutely.

CHAIR—Was it better when the ABC was broadcasting?

Dr Corones—In a word, yes. Anecdotally again, hearing from my clients, hearing from people from other parts of the area covered by Gippsland Racing, there is no doubt that people feel—

CHAIR—Have you ever had a race meeting collapse because the satellite has gone down?

Dr Corones—Not because the satellite has gone down; perhaps for other reasons.

CHAIR—I am not sure whether it was in Queensland or New South Wales or both, we received evidence that in the days when the ABC was broadcasting, if you lost the link—and in those days 4TAB, 2KY and 927 were not as well developed—if you were in an area that was out of range of those services, and if you lost your satellite link with the prices and so on, the race meeting collapsed. Has that happened in Gippsland?

Mrs Cantwell—Not in recent years. In the past, race broadcasts were a very important backup for the provision of information, and very often the clubs of Gippsland did use the ABC broadcast, but that would not have been the case for the last four or five years.

Mr HARDGRAVE—Dr Corones, is this much more about the perceived loss of another service to rural Australia rather than the service itself that is being lost?

Dr Corones—I would not have said so, Mr Hardgrave. I think we are talking about two issues there, but nonetheless I think both are related. I think the people of the bush have been brought up—many of them—with the traditional relationship that is there. The Australian thoroughbred has been developed in the bush. People have an empathy but, not only that, they do feel these deprivations very heavily.

Mr HARDGRAVE—Could I perhaps suggest to you that there is a reliability factor that the ABC themselves even try to exploit with their slogan, 'It's your ABC', but it doesn't seem like it is yours. Do you feel then that you are not getting your 0.8c a day's worth?

Dr Corones—I think I would agree with you. I think there is no doubt that people feel as though their taxes are not generating what they feel is part of their right.

Mr HARDGRAVE—What I am saying is it goes a bit deeper than just simply the loss of sports coverage, and in fact it is the ABC—

Dr Corones—Part of the culture of our way of life in the bush, I would think that is a part thereof.

Mr HARDGRAVE—That you are losing as a result of this.

Dr Corones—It is a loss—they feel it is a distinct loss.

Mr HARDGRAVE—You mentioned before banking services in the rural communities, and a lot of rural communities have combined to open up community banks. Bendigo Bank, named after the member for Bendigo's area, and others have been doing it and responding to community needs. Why don't you look at the idea of literally putting up your own stick and transmitting?

Dr Corones—That is an eminently reasonable suggestion. If you could direct us to the avenue where we might get funding to do that, I would be very happy to talk to you later. Race clubs in country Victoria and, indeed, no doubt in country Australia, do not have access to that sort of technology.

Mr HARDGRAVE—What about local radio stations? Surely you have more than just the ABC broadcasting in your area.

Dr Corones—We have a Gippsland station and, indeed, we have a regional ABC station in Sale.

Mr HARDGRAVE—But what about a commercial station?

Dr Corones—We have a commercial station in Traralgon.

Mr HARDGRAVE—What about community stations?

Dr Corones—Not as such, no.

Mr HARDGRAVE—What I guess I am driving at is 927, the former 3UZ, is apparently providing a comprehensive racing service for what looks on their map about half of Victoria, but it seems to drop out except for some very tight, low-powered operating systems around some of those major centres. I guess your beef is that some of those low-powered systems are so low in power that you cannot hear them.

Dr Corones—Absolutely.

Mr HARDGRAVE—I am just looking for other avenues for you and to see whether you have done any work on trying to either lobby your local stations—community or commercial—or even asked the ABC to provide some sort of technical assistance with the idea of using their transmission power, which obviously must have been considerable for that section of the Princes Highway and beyond, so that you could maybe look at an alternative way of getting the horse racing broadcast. You have done no work on that?

Mrs Cantwell—My understanding is that the broadcasting licensing limitations do not allow for us to extend the range of the present Sport 927 service, and the local private broadcasting stations are not sports orientated at all. They are not particularly interested in racing and have a very limited broadcast of any sport.

Mr HARDGRAVE—Is that local commercial station making a dollar? Are they doing all right?

Dr Corones—I am not privy to that information. I would suspect they are doing all right. They seem not to be showing the effects of running too close to the line.

Mr HARDGRAVE—I would not expect you to have their full bottom line, but what I am trying to get at is, if horse racing as an industry in Victoria is a very healthy and viable industry, which I think is your opening submission to us—and I will ask you in a moment to quantify what kinds of impacts this decision by the ABC has had on the industry—then it would seem to me that any commercial radio station, particularly in a rural or regional area, might actually opt to include horse racing services on its transmission program or programs that are transmitted so that they themselves may be able to make more money. Have you made any approaches to them along those lines?

Dr Corones—Certainly we have had discussions. We went through a significant period of communication with the ABC prior to, at and around the time; we had discussions, albeit briefly, with the alternative. We explored those avenues but not with any great success.

Mr HARDGRAVE—So they were not interested?

Dr Corones—Not at all. They had their programs and their strategic plan for the services they wished to provide and they did not at that stage include any consideration of taking on the gap created by this decision or extending, indeed, into race broadcasts.

Mr HARDGRAVE—So do you think that may well be at the heart of why the ABC themselves decided to flick the horse races as well—that if a commercial station does not see a dollar in it the ABC obviously thought that more people did not want it than wanted it.

Dr Corones—That may well be so. The information I have from the statements made by the ABC would seem to suggest that that may well have been one of them. But there were other considerations that the ABC had in mind, as I understand it, that have been identified as sound, listener based reasons, and I would be very pleased if the ABC would like to expand upon those.

Mr HARDGRAVE—If you think that is fair enough anyway, do you think maybe the ABC should be providing a niche broadcast? It does not necessarily have to be commercially viable; it is just meeting the expectations of listeners.

Dr Corones—Absolutely. My understanding, having read a section of material circulated by the ABC in relation to this matter, is that that addresses their charter. I have not read their charter as such, but some of the issues that they address there would seem to suggest that they have a moral responsibility at least to the rural populations and indeed the communities in Australia to carry on a number of these services. I think the previous witness here identified a comparison between racing and a number of other cultural pursuits that, time permitting, we could possibly explore and see where we might run to. I would agree with your suggestion that it seems to me that, as part of the service by the national broadcaster, some of these issues should be provided as a service to those people in non-metropolitan regions.

Mr HARDGRAVE—Any sort of gut feel, maybe, or back-of-the-envelope quantification of the impact of this decision by the ABC on this industry? Is it more a case of the signal sent? You mentioned before some of the great horseracing identities that have come from the bush. If there is not coverage of this, the imagination is not there or whatever. Is that more of the measure, or are there dollars and cents that you are aware of?

Dr Corones—I am sure that they are all involved. I am sure that it is a matter of generating interest, the entertainment value, the challenges of having that horse in the paddock which you are going to train and it is going to win the Melbourne Cup; I am sure that is part of it, and people as a result develop. But the other side of the coin of course is that there is a financial impact as well that people who cannot follow their interest may well soon lose that interest. That is what we are finding already—that, as a result of not being able to listen to the race, the impact is generally that those people who want to have a bet are not having a bet. The point also needs to be made that there are many people, metropolitan as well as people in the bush, who have an interest in racing that do not require them to have a bet. Many of them follow the breeding of horses, many of them at different times follow horses without wagering, and their ability to do so has been severely compromised and deprived as a result of this decision.

CHAIR—On that point, Mr Mark Johnston, I think his name was—an Irish trainer or owner—was interviewed this morning on local radio, saying that he had not seen any nation in the world where there was so much excitement generated by a horserace or horseracing in general. Is it your belief that this decision of the ABC has impinged on the whole industry in your area?

Dr Corones—In my experience I would have to say that there has definitely been an impact on the racing industry in our part of the world.

CHAIR—Has that filtered down commercially through the various trainers?

Dr Corones—I think that the trend we will see, and it is starting to appear now, is that the number of horses that are being trained, the number of people who would otherwise have a horse in training, is being compromised. The number of horses in training at the Sale Turf Club is already down. It is very difficult to take a direct gauge between what is happening in the country and the city. You speak to financiers and bankers and business people, the city is buzzing and the metropolitan areas of this country are really firing, yet there is a great discrepancy between what is happening there and what is happening in the bush.

Mr JULL—How do you get your information on horseracing in Gippsland?

Dr Corones—Very largely by direct communication, by word of mouth. Newspaper is another thing. I am sorry, I misunderstood your question: are you talking about how we pick up these trends and these vibes or how people generally, the average punter—

Mr JULL—If I were a punter living in Gippsland, how do I get my information?

Dr Corones—Very largely through newspapers. One of the particular newspapers in Victoria has an excellent coverage and they do very well. That is, in essence, the largest source of information.

Mr JULL—I am trying not to labour the point, but you have made reference to the effect on the industry in Gippsland and you have mentioned the Sale situation. Has anybody done a study on what the financial losses to an area like Gippsland might be from the decision?

Dr Corones—To my knowledge at this point, no. I would not be able to answer on behalf of the Victorian Country Racing Council who I understand are giving evidence after lunch. It might well be a question you could direct to them. They might well be starting to collate figures as a result of that, particularly comparing Gippsland and the Western District of Victoria with the other areas that you can see from the map that have better coverage than we do.

Mr JULL—That was basically what I was trying to establish. In your excellent introduction you made a statement that I thought was probably pretty significant and that was that you hoped the ABC would restore their service while the ABA finally got their act together on the LAPs. What is the situation with the LAPs and the ABA in Gippsland? Do you know how close or how far they may or may not be from making a decision on it?

What do you hope to gain from that? Would you like to give us your assessment of the capacity of the ABA to address situations such as this one you have got at the moment?

Dr Corones—Thank you very much. Our understanding at this point is that the ABA has indicated that this particular matter is unlikely to be addressed in, say, Gippsland until some time in the new year.

Mr HARDGRAVE—Did they specify which year?

Dr Corones—I do believe they did say 2000, but I am quite happy to be corrected on that. My reading indicates that that was the year they identified. As to their ability to help us with this particular problem, I think that is beyond my ability to answer.

Mr JULL—But what do you hope to get?

Dr Corones—Quite simply what I hope to get is a coverage equivalent to the coverage that is extended to other parts of the state. We would be happy with the restoration of the services for those people who want to follow races of a weekend—on a Saturday, I mean, as a basic minimum. It is most unlikely that in the long term that scenario will be fulfilled. Until the ABA can get its mind around the issue in relation to LAPs in our part of the world, why should these people be discriminated against when their colleagues, cousins and people in the rest of the areas of Victoria have this service?

Mr HARDGRAVE—Have you put a submission to the ABA that it is an important factor in your community that somebody provides this service?

Dr Corones—At this point we have not but the matter, I believe, has been taken up by the country racing section of the industry.

Mr HARDGRAVE—And they specified Gippsland and the lack of coverage?

Dr Corones—I would not like to be quoted on that, but I understand there has been an approach.

Mrs Cantwell—There was an issue with the broadcast of racing probably about three or four years ago and we made submissions through our federal member, Peter McGauran, at that time to the ABA.

Mr HARDGRAVE—So the ABA would have somewhere in their system something that indicates there is an interest in having something capable of broadcasting horseracing in that region?

Dr Corones—As I remember that submission, I think those issues were addressed.

Mrs Cantwell—That is right. I have the details of that submission on file. I do not have them with me.

CHAIR—You might let the secretary have a copy of that, if you do not mind.

Mrs Cantwell—Yes.

Mr GIBBONS—You state that there has been a decline in the popularity of racing since the service stopped. You must have noticed a decline in popularity over the past seven or eight years with the proliferation of other gaming facilities such as poker machines, bingo and those sorts of things throughout Victoria. Have you noticed a further decline?

Dr Corones—I think, Mr Gibbons, that is a fair statement. My understanding has been, from recent data supplied by the Country Racing Council, that that relative decline has been arrested. As a result of the very aggressive promotion of alternative forms of gambling, there was a leakage away from traditional sources. Of that there is no doubt. However, there has been a lot of work done by the Country Racing Council, the industry, and indeed, country racing clubs to address that. I believe that that trend has shown signs of, if not declining, at least flattening out.

The point I am trying to make is that, with the inability to hear the races and being constantly introduced to alternative avenues, undoubtedly people will lose interest in racing and pursue, where possible, other interests. The shame about a lot of this is that many of the people whom I talk to are on dairy farms and in some of the smaller communities. They are not in a position to take that up. To me, that is a very sad situation.

Mr HOLLIS—To follow your point, are we here just trying to turn the tide back? Are we fighting the inevitable? I come from a country area and I am old enough to remember when the highlight of the year was the local agricultural show. The local agricultural show I go to today could not be recognised as the same show I went to, say, in my teenage years. Everything about it is different. In regard to racing as such, given the society in which we live, with its many competing interests, is it that young people are not showing the same interest now? Maybe the ABC has crystal balled into the future and said, ‘Why are we propping up something that is declining?’ Many of us might ask, ‘Are we artificially trying to prop up interest when the interest is not there?’

Dr Corones—That is an interesting question and I have absolutely no doubt that we live in a world of such dramatic and unprecedented change. However, I draw your attention to the fact that on Derby day there was a record crowd. Tomorrow, they are predicting well over 100,000 people—

Mr HOLLIS—But every day is not Melbourne Cup day.

Dr Corones—I accept that but, nonetheless, the figures from the industry are showing that there is a resurgence of interest in sections of the racing industry. As long as we can continue to provide that basic and fundamental service to these people, there will be continuing interest in the racing industry. I have no doubt that people these days are pursuing other interests. Of that there is no doubt. But, nonetheless, the point also remains that there are significant numbers of people in the country who are deprived of this service and deprived of an interest that they want to have.

We come back then to the point made by the chairman and by Mr Hardgrave in relation to the expectation of the service provided by the ABC. Even though the argument might be

that there is a declining population in the bush, there are, I understand from industry figures, 25 per cent of the population in country Victoria with that interest. I suggest to you that that interest is still there. If we deprive our constituents of that interest, there is no doubt that the interest will wane, with repercussions and flow-on effects.

Mr HOLLIS—Let me ask you the question I asked the first witness. Let us change positions. There are five of you there; I think there are five of us here. You have to make the recommendation to the minister and to the parliament about the result of this inquiry. You are putting pen to paper; what would you be saying?

Dr Corones—I would be suggesting to the minister that the first thing he needs to do is to get the ABA's act into gear and to address that issue as a matter of urgency rather than, as according to the agenda at the moment, address it at some stage next year or, as has been suggested, maybe the year after. I think that needs to be addressed as a matter of urgency and I talk there of the LAPs. In the short term, I believe it would be our recommendation that, until that matter is resolved, there is a facility for the services to be restored in the short term to these areas that are affected. As I said before, I have yet to be convinced of the genuine reasons why these people should be deprived and, indeed, discriminated against because, when you look at it, that is in fact what is happening.

CHAIR—Just following on from Mr Hollis's question, if you could have your preferred option, what would it be? Would you go back to the ABC?

Dr Corones—If I could have my wish list, I would certainly be very happy if the ABC reinstated its services. That would be as a minimum. Let us be more realistic. In the long term, if the matter of the LAPs was resolved and, for instance, the service provided by Sport 927 could be extended into these areas, I would be a happy man.

Mr JULL—With the power so you could hear it.

Dr Corones—Certainly—so that I would not have to turn off my car and turn up the volume on my radio.

CHAIR—Which major centres in Gippsland have actually got 927 services?

Mrs Cantwell—The areas that are most affected by the lack of service are from Moe through to the border—a very vast area.

CHAIR—Does Sale, for example, have a 927 service?

Mrs Cantwell—The FM station is available in Sale, Bairnsdale and Lakes Entrance, and that provides a very limited range, which Mr Crowe can elaborate on. It is approximately two to three kilometres.

Mr Lee—In the south Gippsland area, some pockets are very bad; we cannot get a good signal on 927.

CHAIR—So they are all low narrowcast licences?

Dr Corones—We believe so. I would defer that to somebody with the technical information.

CHAIR—Which town do you live in, Dr Corones?

Dr Corones—Sale—well, actually, I live between Maffra and Sale.

CHAIR—Do you get the service where you are?

Dr Corones—Absolutely not.

CHAIR—How far out of town are you?

Dr Corones—I live just beyond the racecourse—maybe three, four or five kilometres out of town.

CHAIR—That is an irony, isn't it? You live just beyond the racecourse and you cannot pick up the service.

Dr Corones—That is right.

CHAIR—What were you saying, Mr Lee?

Mr Lee—I live in a small town south of Leongatha, and I can pick up a 927 signal with a small radio with an indoor aerial, but I cannot on my large radio. There are parts of south Gippsland, particularly in the Mirboo North area and probably as far south as Wilsons Promontory, where the signal would not be available at all, but you would be able to pick up the ABC regional station.

Mr Cantwell—We live at Tinamba, and you can get 927 if you wish to really listen to it. It is awfully crackly, and you need to go out and turn the electric fence off; otherwise you cannot hear it at all.

Mr JULL—So around south Gippsland, if you see grey poles with wire coathangers hanging off them, you know the nearby residents are racing fanatics!

CHAIR—What about you, Mr Fuller? What is your experience?

Mr Fuller—I live at Sandy Point, which is south of Foster, and it is very staticy. As you move further east, it is non-existent.

CHAIR—So Mr McGauran's advice to us that the area gets virtually no racing broadcasts is pretty accurate then?

Mrs Cantwell—Absolutely.

Dr Corones—It is a fair statement.

CHAIR—Let me put another scenario to you. It is a little bit different, but we talked about this scenario when we were in western Queensland and western New South Wales. If we recommended to the government the boosting of the narrowcast licences to a certain size or, indeed, the institution of a separate category of licence to the 4TAB, 2KY and 927 networks, with perhaps some regional AM stations in the more remote areas covering bigger areas, what would your view be on that?

Dr Corones—If that provides a service that we can hear, as Mr Jull suggested, and provides that service into those areas and to the people in the high country east of Bairnsdale and up around Omeo and Orbost, and covers the areas around the hills of Mirboo North, we would not be in a position to be uncomfortable with that.

Mrs Cantwell—Travelling is another important component—we need to be able to have that reception while travelling.

Dr Corones—That tends to be a very difficult issue. One of the communications received from the Chairman of the Bairnsdale Racing Club made the point that in his vehicle—and, indeed, I have experienced it while travelling—it is not always easy to get that signal. I would be very happy if you would put that scenario to those people with the technical information who could answer it. I am certainly not in a position to understand that.

CHAIR—Are any of your tourist radio stations taking racing broadcasts?

Dr Corones—No.

Mr HARDGRAVE—The dots on the map that the 3UZ people have provided to us show that there are low-powered transmission networks available in Bairnsdale, Sale, Traralgon and places like that. So, while we have got it on the map, in reality they are of little or no use. Is that what you are saying?

Dr Corones—Absolutely. That is the point we make. Even though they are there, the coverage is limited—as is suggested in those submissions—to two, maybe three, kilometres. Even then, it is with difficulty and with significant interference.

CHAIR—Are you four kilometres out of town?

Dr Corones—I am four or five kilometres out of Sale.

Mr HARDGRAVE—Mr Lee, were you hearing it more off the 927 AM broadcast out of Melbourne rather than off one of those low-powered ones where you live?

Mr Lee—Yes, I was, but I still have to use this radio inside with an aerial.

CHAIR—On the AM band or the FM band?

Mr Lee—On the AM band.

Mr HARDGRAVE—So it is more a case, even perhaps in Traralgon and places west of Traralgon, that you might get some fortuitous coverage out of the 927 kilohertz, which is the 3UZ signal, more than by design for the low powered transmitter at Traralgon itself then.

Dr Corones—When I drove down this morning I was trying to listen to 927. I deliberately left it on just to hear it. It was coming out of Sale through Rosedale and on to Traralgon. The service I picked up was patchy and inaudible most of the way. It was only around Moe and Morwell that the service started to improve.

Mr HARDGRAVE—One other question I have also arises from previous information given to the committee. It seems to me, looking at this map, that there must be a big ABC regional transmitter in Sale. Would that be correct?

Dr Corones—Yes, that is correct.

Mr HARDGRAVE—It covered the area to Warragul and Orbost. I guess the area west of Warragul would be covered by the Melbourne metropolitan service. Would that be correct from your experience?

Dr Corones—From my understanding, that is correct.

Mr HARDGRAVE—Thank you.

CHAIR—Dr Corones, you heard Mr Ackerly's evidence. Do you agree that it is better to have a comprehensive racing service or do you believe it is better to have a program of mixing both cricket and horseracing or both football and horseracing? What do you think the people of Gippsland would prefer? Do you think they like the intensive service that 927 provides or do you think they like a more rounded afternoon program?

Dr Corones—In all fairness, I think that they like a rounded program. As a personal comment, I would listen to sport as often as I could—and that is not Sport 927; that is the rounded program—because I have an interest in most of those sports. I would be interested in the comments from the other people here because I think they have personal opinions. We would happy with an improvement on what we have now because at the moment effectively we have nothing.

Mr Lee—I listened to the ABC regional broadcast on a Saturday as a personal preference, which I enjoyed very much. I was interested to hear Mr Ackerly say there was a certain entertainment value about it. I agree with that. I was very disappointed personally when that stopped. I wrote various letters to the ABC and the government to try to reverse that. I think there are a lot of people who would particularly just want to hear the racing broadcast, but then there is another group I feel that is quite interested to hear the football or the cricket interspersed with the racing broadcast. Sobeit that it is only from Melbourne and Sydney, but I am sure there is a group that would appreciate that and is missing that.

CHAIR—Do any other witnesses want to comment on that?

Mr Cantwell—I support the rounded program. You do not want football hour after hour after hour all day—put on a race, finish the race, back to the football.

CHAIR—Do you agree with that, Mr Fuller?

Mr Fuller—Yes. We are part of a diverse audience, including even our elderly and disabled. It is a total thing, and I would go for a rounded program rather than concentrating solely on one sport.

Mrs Cantwell—We are talking Saturday afternoon at the moment, and I think the rounded program through the ABC is a very good option. Down the track, we obviously hope that the service provided by Sport 927 will be available because that covers those who want the seven day a week racing, but there are so many whose racing and sport interests evolve around the Saturday afternoon sport program.

CHAIR—Would you be unhappy if the government provided a new category of licence that gave more comprehensive coverage of the TAB type networks and gave them greater security in their licences?

Dr Corones—No, not at all. We would be very comfortable with that.

CHAIR—That would be your second option, would it?

Dr Corones—I would have thought so, yes.

CHAIR—Thank you very much for your evidence today, it has been interesting. I would like to echo what Mr Jull said in relation to your opening comments—you probably encapsulated more of what people were trying to say in your submission than any others we have heard. We have heard snippets from other people, but I think you pulled it together probably better than most we have seen, so I compliment all of you and particularly you, Dr Corones, on your evidence here today. If we need to contact you again I trust we can do so.

Dr Corones—Thank you, Mr Chairman. On behalf of all of us, we again thank you for the opportunity and we appreciate the work the committee is doing. Thank you, indeed.

Proceedings suspended from 10.52 a.m. to 11.17 a.m.

BROWN, Mr Kelvin, Chief Engineer, Radio Sport 927

CAMPBELL, Mr David, Research Manager, Radio Sport 927

CROWE, Mr Noel, General Manager, Radio Sport 927

CHAIR—We welcome to the table representatives of Radio Sport 927 to give evidence today. Before you give evidence I have to caution you that, although you are not required to give evidence under oath, these proceedings are legal proceedings of the parliament and warrant the same respect as proceedings of the House itself. Any false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament.

Mr Crowe, would you give us a five- or 10-minute overview of your submission, and then we will break into questions?

Mr Crowe—Certainly. At the outset I would like to thank you, Mr Chairman, and your colleagues for the opportunity to be here today to present our views to the inquiry on what we regard as a very important issue. I propose to read from a prepared statement, and I am supported by the video presentation that has been set up before you. We do have a CD-ROM copy and a hard copy of all of the information contained there.

The ABC's decision to drop race broadcasts has had a detrimental effect on many regional Australians. I have read each of those submissions and there can be no doubt that there are a large number of people around Australia who are denied coverage of racing and who feel disadvantaged as a result of ABC Radio's decision to stop their broadcasts on Saturdays and public holidays for what they claim are sound, listener based reasons.

Having the benefit of reading the ABC's submission, and the transcript, serves only to confirm my opinion that those so-called sound, listener based reasons are, to my reading, spurious. I will address the ABC evidence a little later. If time permits I will be in a position to demonstrate digital radio broadcasting that was referred to within that ABC section.

I will now let the members of the inquiry listen to the range of coverage that is available around Australia.

An audio cassette was played—

Mr Crowe—Despite the efforts of every racing radio station around the country, we are unable to provide the coverage equal to that achieved previously by ABC regional radio. The fact remains, as we have stated, that some 380,000 Victorians are currently denied racing coverage on radio.

However, I do note that one interstate racing radio station in its evidence claimed that they do provide what they term to be adequate coverage within their state. That claim is interesting given that their regional network is largely made up of one-watt low power services, LPON, that cover a radius of only some two to three kilometres. That radio station states in its submission that it:

. . . has been able to extend the broadcast of its racing service to every part of the state.

However, the TAB that operates within that state says in its evidence:

There are still a number of gaps in the radio racing coverage within NSW.

The submissions received from race clubs and individuals from that state would dispute that station's perspective. In fact, the submissions received from all over the country say that the coverage of racing in certain areas is either inadequate or non-existent. We will rely on those submissions as they obviously state the correct position. We are concerned that the man on the land in his tractor is unable to hear racing on radio no matter how much he or she may invest through the TAB.

If Sport 927 adopted a similar approach to that interstate station and, for example, had a one-watt transmitter in Traralgon, we would then claim coverage of Traralgon when at the same time we knew that at best we would cover only a radius of some two to three kilometres. We would not claim that coverage as we realise the limitations of those services and we have no commercial interest in overstating our coverage area. Clearly, a large number of people are disadvantaged.

I believe the sentiments of many country and regional listeners Australia wide are best summed up in a letter to Mr Peter McGauran, the federal member for Gippsland, from a Mr Edward Carroll of Gippsland.

A visual slide was shown with audio—

Mr Crowe—Unfortunately, Mr Carroll is unable now to enjoy that practice he so long enjoyed. Those strong sentiments expressed in Mr Carroll's letter are echoed in many such letters that have been submitted to this inquiry.

In addition to the large number of submissions made to the inquiry from the general public, there are also a number of submissions from a broad range of racing clubs and organisations directly and indirectly involved in racing. Within those submissions is detailed the importance of the racing industry to state revenues and the general economy, particularly in country and regional areas. However, the racing industry operates from the bottom up. People from all walks of life, from the man on the land to people in every corner of the country, enjoy following racing on radio.

It is a fact that if people are denied coverage of any sport that they enjoy, and in this case on radio, they will simply not continue to participate. That will hurt those who rely on the racing industry for their livelihood and particularly their social enjoyment.

Many ABC listeners felt let down by the national broadcaster whose charter they understand is to provide services to all Australians, particularly those in regional and remote Australia.

A visual slide was shown with audio—

Mr Crowe—That statement from an ABC executive, to my mind, displays an extraordinary degree of naivety towards a large sector of the regional community and their listening constituents or a rather feeble attempt to justify a decision which obviously many regard as incorrect. That same media release refers to a survey undertaken by the ABC. In it, it was claimed that almost 80 per cent were not interested in hearing horseracing on ABC Radio. The obvious question is: what about the 20 per cent—in fact, 22 per cent—who do want to hear racing on ABC Radio?

Close analysis of the survey that the ABC Radio relies on is indeed interesting and, in my view, warrants close inspection by this inquiry. Firstly, the survey is an amalgam of various surveys, some dating back as far as 1994, with the latest being August 1999. Why is there no research from the key racing states, Victoria and New South Wales, revealed within that submission? Why is the Sweeney research relied on when this survey is drawn only from 1,000 people in the mainland states and Canberra? Can the Sweeney research—that is, metropolitan research—be relied upon to represent the views of country and regional listeners? I think not.

We have previously tabled a detailed analysis of this research, which extends to three or four pages. Our research manager would be happy to answer any questions after my presentation. We have also provided the inquiry with the research document commissioned by Racing Victoria that identifies the level of interest and participation in racing from regional Victorians. I can only draw one conclusion and that is that the ABC Radio survey is a belated attempt to justify its decision to this inquiry. If this executive and her colleagues relied on survey data from 1994, why then is it deemed necessary to commit further expenditure to another survey some 16 months after the last race was broadcast on ABC Radio?

Previously, the ABC referred to ‘a broad and increasing range of alternative sources of racing information now available in regional Australia through narrowcast licences, commercial and community radio, subscription and free-to-air TV as well as online with the Internet.’ I am sure that the many submissions presented to the inquiry leave it in no doubt whatsoever that those range of services do not adequately cover the loss of coverage previously provided by ABC Radio, particularly when one considers that radio is the only mobile medium and, unlike pay TV and the Internet, radio is also free to air.

The original advice from ABC Radio, dated 24 April 1998, said that they would work with local TABs and constituents to direct racing enthusiasts to alternative sources available to them. Could the inquiry ask what work the ABC undertook with those TABs and what was the outcome of the work that they said they were going to undertake? And certainly a relevant question: what do they suggest in areas where there is absolutely no coverage?

As I have stated previously, each racing radio station has presented an overview of what coverage it provides to country and regional markets. I am sure you will agree that the stations have explored every available option to ensure that all Australians, should they so desire, are able to listen to racing on radio.

A visual slide was shown with audio—

Mr Crowe—We even offered to provide race coverage to the ABC in Victoria free of charge so that, where ABC programs are simulcast into regions on both the AM and the FM band, they could provide racing to those who want it and also provide programming to those who do not want it, free of racing. Their response to this initiative? No, thank you.

As we have identified within the body of our submission, we do see some real solutions to this problem—what we regard to be a major problem—from both a short-term and long-term perspective. We strongly recommend that, until such time as racing radio stations around the country, but particularly in Victoria, are able to cover all regions within their respective states, the ABC Radio restore their service until such time as those stations are able to cover the entire population.

Many of the affected areas in Victoria, particularly Gippsland and the Western District—as I believe is the case in other states—receive the very same program on both the AM and the FM bands. Why can't they simply take racing on either the AM or the FM and satisfy those who want racing whilst also satisfying those who do not want racing? We would provide those services through the Victorian Country Racing Council and our own efforts at absolutely no cost to the ABC. We would bear every cost. We would have no difficulty providing our calls and staff to do that for the greater good of racing and for those people who enjoy it.

We also believe that, as a matter of urgency, the ABA should complete the LAP process in both Gippsland and the Western District, which are the only remaining regions in Victoria that are currently denied a racing service on radio. The completion of the LAP process would enable Sport 927 to participate in the auction process and to succeed or to fail on its merits. I doubt we would fail as such is our determination that every regional Victorian should have access to racing on the radio, if they so wish.

We strongly recommend that the open narrowcast licences held by each of the racing radio stations around the country be reclassified to ensure more permanency than the current five-year period. In the absence of any guaranteed tenure beyond this period, every racing radio service around the country is at risk. Quite simply, we could either be outbid at the auction process or not have sufficient funds to outlay for a new licence period. That to me is a very great risk. So it could be that we are talking not only about those people in Gippsland and the Western District but about every regional Victorian if we were not in a position (a) to bid successfully, (b) to negotiate co-siting arrangements with existing broadcasters in those areas and (c) to have the money to participate in the auction process, which is a real issue for us.

In the case of our stations those licences have cost a great deal of money to purchase, on top of which we incur the capital costs, and then we have to seek out site rental agreements. We have the ongoing cost of all of that for absolutely no revenue benefit whatsoever. That concludes my presentation.

CHAIR—Thank you very much, Mr Crowe. Who are your shareholders?

Mr Crowe—We are owned by each of the three racing codes in Victoria. Our principal shareholder is the thoroughbreds, which holds 73.25 per cent of which the Victorian Country

Racing Council is the largest single shareholder with a holding in the order of 32 per cent. So they are our major shareholder. The other shareholding is made up of harness and greyhounds.

CHAIR—So your primary purpose is to deliver a service to the racing industry.

Mr Crowe—That is correct—on the basis of radio on racing being so critical to the sport.

CHAIR—When we heard evidence from Mr Unsworth and Mr McCormack—your opposite numbers in the northern states—they made mention of wishing to expand the network as much as they could, but they said there came a point where, for a number of reasons, it became financially impossible to go any further. In fact, Mr McCormack said that there was no guarantee Queensland would maintain the 62 existing stations that they were running. However, given the population of Victoria and the smaller area, your network does not seem nearly as extensive as the two northern networks. Is there a reason for that? Is it all ABA related or are there other reasons?

Mr Crowe—The only thing that prevents us completing coverage of all of the state is the LAP process. What we have done a little differently from each of those interstate stations is that we actually own commercial licences in certain regional areas. We have also entered into long—

CHAIR—FM or AM?

Mr Crowe—We have got a mix of both AM and FM. From the outset, we have not relied on what the interstate stations have largely relied on—that is, the one-watt LPONs services. We have gone the other way. If I may say so, the LAP process does not get radio racing services across the line. We have got to have the money to bid at auction, and there are many great impediments to that. We may not have sufficient funds to outlay for that. We have to ensure that there is a desire and a willingness on behalf of the local broadcaster in that area to have us as co-tenants, which not all broadcasters like, and then we have to strike a financially, mutually acceptable deal with them to pay for that.

CHAIR—You have seen the map. Why are you not to the east of that line? Why is that whole Gippsland, Eastern Victoria area—

Mr Crowe—It is largely for geographical reasons. It is also the pattern of the radio services. Some are directional; some are omnidirectional. It is a mixture of all sorts of things. I do not want to mislead the inquiry, but some people in Gippsland can actually pick up what would be termed a reasonable service from Radio Sport 927. As with my previous station, which is an easy music station 3MP, they were located in Frankston and we were generally regarded to have the worst signal of any metropolitan station—certainly the worst in Melbourne. I had listeners from Broome who would regularly write to me. So there is a real quirk. It could be that, if, for example, I lived on the high side of the street in Sale, I could hear a scratchy service from Radio Sport 927. My next-door neighbour may not pick anything up.

CHAIR—But you cannot run a comprehensive racing service on fortuitous broadcasting.

Mr Crowe—No, certainly not.

Mr HARDGRAVE—Have there been any licences that you have declined to take up in these areas that are affected?

Mr Crowe—There was one in Seymour and Euroa that we declined to take up because the commercial licence that we bought, which was 1260 3SR, actually covers that area. We were doing the deal with 1260 and, in the interim, that licence was up for grabs. We declined on the basis of the imminent conclusion of the 1260 3SR licence.

Mr HOLLIS—Has there been any that you have been outbid on?

Mr Crowe—No. We have actually bid for only two.

Mr HARDGRAVE—The point is that there has been no spectrum made available either from an existing commercial carrier or from a possible one.

Mr Crowe—That is right.

Mr HARDGRAVE—The key issue, as far as providing an alternative service is concerned, was the failure of the LAP process to be completed?

Mr Crowe—Yes, that is correct.

Mr HARDGRAVE—About these low-powered operating systems: why can't we tweak them up to a couple of watts or something? You used the Traralgon example of two kilometres where it gets scratchy. What if it were at five watts or five kilowatts or whatever—it is five watts, isn't it?

Mr Crowe—If it were to be that we tweaked them up, we would be in breach of our licence conditions for a start. The ABA have actually travelled the country and done field test measurements on some of them and we have found that some operators were exceeding the power that they were licensed to.

Mr HARDGRAVE—The ABA do a lot of travelling. I think the LAP process is a frequent flier points acquisition program for them.

Mr Crowe—Perhaps they need to do flights to Gippsland or the Western District.

Mr HARDGRAVE—They have travelled through those areas, supposedly under this LAP process, I guess, to try to work out what is there. What about your technicians? Could your technicians sit down and get out an envelope and on the back of it work out what spectrum is available and what is not there? Do you have the capacity to do that?

Mr Crowe—One of our directors, Neil McRae, is a highly respected broadcast technician. He has actually discovered some maps of the ABC's coverage. He believes that he has uncovered some frequencies in those areas. He has been conversing with the ABA.

Mr HARDGRAVE—We are hoping, as a committee, to get hold of some of these elusive maps of the ABA ourselves. So, extra power is not—

CHAIR—We have not been able to obtain maps, might I add.

Mr Crowe—So I understand.

Mr HARDGRAVE—Thank you for that, Chairman.

Mr Crowe—We can actually leave a copy with you.

Mr HARDGRAVE—The witness apparently has copies of these elusive maps. If I have to move that they are admitted as evidence, I would be very pleased to do so. So the higher power option is not an option, or could it be, in some markets?

Mr Crowe—We are not able, under the licence conditions, to actually boost the power of those one-watt services. There is some confusion. The one-watt services are largely in-venue services to satisfy the needs of people in that pub TAB or TAB agency.

Mr HARDGRAVE—So they could basically get the same coverage by putting a series of speakers on the outside of their building if they wanted to?

Mr Crowe—I guess so. Yes, that is right. A lot has been said about them. Some racing radio stations around the country make great play of the fact that they have a network of them. It used to be that our radio station claimed coverage of Shepparton for purely commercial purposes. But the reality is that, the more listeners you have, the more likely you are to sell advertising and to get a higher rate. When I joined the station, I stopped that because it was misleading. To say that, on the basis that we have a one-watt service in Traralgon or any other market, we cover that market is a nonsense.

Mr HARDGRAVE—TABCORP is pretty cashed up, I am told; they could not buy a licence, though, even if one were offered.

Mr Crowe—Well, (a) there is no licence and (b) TABCORP's business is wagering turnover, not broadcasting. I have got to say that TABCORP are a major stakeholder in the stations and they have been most cooperative.

CHAIR—Are TABCORP shareholders in your station?

Mr Crowe—No, they are not. They are a major stakeholder. They have an absolute reliance on our service.

Mr HARDGRAVE—You offered in your opening statement why—and it is important to be clear on exactly why—you are pushing for the ABC to reinstate their service in areas that

you do not cover. Arguably, it is because you want to keep the interest alive in the market which you service so that at some stage you might be able to slip in. Is that the major motivation?

Mr Crowe—Yes. But understand that providing services beyond our licence area is at a huge cost to the radio station. We derive no benefit. What we are doing is keeping alive the promotion of racing in those areas for a future benefit and for the benefit of our owners. Our owners are the racing industry. They rely on us, in those areas in which we are able to provide it, to provide timely and accurate wagering information on which people can invest and reinvest.

The other important issue is promotion, but for this radio station it comes at a huge cost. We do not sell any additional revenue or advertising; we do not benefit in any way, and it comes at a cost of almost half a million dollars a year to operate these services. The cost of that needs to be underwritten by our owners and stakeholders. They cooperate with us where they can see a promotional benefit and a benefit to our owners, which is a return through wagering through the TAB. Unlike some other stations which have a profit imperative, such as 2KY, we do not have a direct profit imperative. We actually reduced our commercial content in order to be a wagering focused radio station, whereas 2KY—which is owned by the Trades and Labour Council—has a commercial imperative. In my view, if 2KY found a more profitable partner than TAB Ltd, it would go with that partner.

Mr HARDGRAVE—So it is more about keeping the racing pie pretty big and your slice of it as big too.

Mr Crowe—Correct. If people in regional areas never heard anything about racing when they were listening to the radio in their car or when they were watching a footy or a cricket match, then it would drift from their mind-set. If racing were off the agenda for current audiences, and for new people coming through, then it would have to have a detrimental effect on race clubs, on the wagering generated, on attendances and on all of those businesses and people who rely either directly or indirectly on the racing industry in those areas.

Mr JULL—Could I just confirm that you have not received a reply from the ABC.

Mr Crowe—We met with ABC executives in conjunction with the Victorian Country Racing Council. The offer we made to provide the links and the broadcast was not made directly through us; it was made through the chief executive and the chairman of the Country Racing Council.

CHAIR—Did you supply us with a copy of the response?

Mr Crowe—No, I did not.

Mr JULL—You mentioned community stations as a possible outlet for the signal. What approaches have been made to them and what has been their reaction?

Mr Crowe—Some 18 months ago, I had a formal meeting with the chief executive of the CBAA—the Community Broadcasters Association of Australia—when I put to them the proposition that we lease some airtime through their community network. Frankly, we could not afford to do it. The satellite time to get the service from our studios and transmitter to a central satellite, coupled with the per hour cost that they were suggesting, multiplied by all of the stations that we would have needed—and bear in mind that they are only small community stations—became hugely prohibitive. I cannot recall it, but I was absolutely staggered at the total cost. I have got to say that they saw it as a means of generating some income, which is fine, but they were not overtly enamoured with the prospect because they have other programming imperatives.

Mr JULL—It had to be delivered by satellite?

Mr Crowe—Correct.

Mr JULL—Why couldn't you use landlines? Are they any cheaper?

Mr Crowe—No, landlines would be more expensive, given that head office, the distributions centre, is in Sydney. And then they have got to get it out from the one central point to each of those regional markets—just a horrendous cost.

Mr JULL—At the end of the day you really do not want these one-watt transmitters anyway.

Mr Crowe—No, we do not. That is quite correct.

CHAIR—If we were able to persuade the government to look at a more comprehensive form of licensing, do you have a preferred option?

Mr Crowe—The first response to that is that we are looking for tenure of the services and the coverage that we now provide. In an ideal world we would like to have a satellite footprint across all of the state and have that in a permanent sense. That, to me, is a solution, but the technicalities of that and the opportunity for it I could not comment on.

Mr HOLLIS—In your submission and in your evidence you take a different view from 2KY.

Mr Crowe—Yes.

Mr HOLLIS—Can we explore that a little bit?

Mr Crowe—2KY has got a profit imperative. We forsake a profit imperative and a commercial imperative in order to provide a fully focused service and what is arguably Australia's premier racing coverage. We do not let ads get in the way of us delivering timely and accurate wagering information from which our owners benefit in a greater sense through distribution through the TAB than we could ever hope to generate through the sale of commercial airtime. I am not being critical of 2KY, that is just the reality. They have an overriding commercial imperative and we do not. If it were to be that our owners wanted, in

broadcast terms, profit from the licence that they operate, I would be doing a music format. I would not be doing the racing for them because of the huge cost associated with the racing format.

I got involved previously, as was referred to, at 3DB, and I remember remarking to the late Bill Collins and our sales director about how on earth we would fit in 700 race meetings that year. This year we will broadcast 4,900 race meetings. So our greatest challenge in reality is developing the 62-minute hour, and there is only one way we can do that in the future and that is through digital radio broadcasting.

But they have a different imperative. Up until recently they only went racing, as some stations do, at midday. We go racing at 9 o'clock in the morning. We supplement our racing content into our breakfast program, so we are committed to providing the best outcome for our owners, the race clubs, and that is through not selling ads. Sure, we are reliant on that but the sale of commercial content represents only about 40 per cent of our total turnover. We supply a lot of our content to interstate stations. We provide a good deal of the racing broadcasts and programs that you hear in Tasmania and it is worth putting on notice, I guess, in so far as the audio service is carried in the retail networks—and I think there are about 800 in Victoria—that almost exclusively it is Sport 927 audio that is played in those retail networks over the Sky service because that is a national focus and we have a Victorian focus with Roy Higgins, et cetera. Interesting, also, is the fact that we are the only station around the country where that is the case. So I think that really does underpin the fact that we have a truly wagering focused service.

CHAIR—4TAB is different again—it is owned by the TAB.

Mr Crowe—It is ironic, isn't it, that the stations that are owned by the TAB are not played in TAB outlets? Why is that the case? That is something for the TABs to ask.

Mr HOLLIS—It has been quite interesting that, when we first started the inquiry, the first thing that people would say was how dreadful the ABC was. 'They have got a responsibility. We are taxpayers and we are not getting our 8c worth.' I am summarising but that is basically what came over. As the day went on and we started questioning them after they had got their anger at the ABC out of the way, what they then put to us was that they really did not care who provided the service as long as they got the service.

Mr Crowe—I am surprised actually at some of the evidence that was given by Sue Howard. She stated that the ABC did not cover all of Victoria. With a few exceptions in the high country et cetera, that was not quite the case. My point about the ABC is that they provided evidence by way of a survey and I would not rely on that survey.

Mr HOLLIS—What would you do about that survey?

Mr Crowe—I would do a proper survey before I made a decision, not 16 months after.

CHAIR—What is your technical criticism of the survey?

Mr Crowe—Our technical manager can go through it. It is an amalgam of various surveys and not all of the information contained within it has come from country and regional areas, which is what this is all about. I would have thought it more appropriate to have specific research that would stand scrutiny, from the areas in which the affected listeners reside—not from Melbourne, Sydney or Canberra. They are not denied coverage.

CHAIR—Before we go to the technical questions, I just have a few others I would like to ask you. In what context was the ABC's consultation with you prior to the closing down?

Mr Crowe—There was no consultation whatsoever. I got a fax I think a week or two weeks beforehand which was a general fax.

CHAIR—The ABC have said that there were considerable alternative networks available.

Mr Crowe—No-one sought our views on that, Chairman.

CHAIR—You are quite clear on that point?

Mr Crowe—Absolutely.

CHAIR—That surprises me if it is true.

Mr Crowe—Absolutely. I had meetings with some executives—Murray Walker from the ABC—but that was post receiving that facsimile. On not one occasion that I have been at the radio station has anyone from the ABC sought information from us prior to the announcement of the decision. And in fact our study was not completed until probably two or three weeks post that. In the body of our submission is a detailed analysis by region, by postcode and by population within those regions and we did not complete that until after the last race was broadcast.

Mr HARDGRAVE—So you actually went through rural Victoria and—

Mr Crowe—Absolutely.

Mr HARDGRAVE—sought detailed assessment of people's views?

Mr Crowe—No, not people's views. But we did some technical work on the extent and the quantity of the coverage and what areas by postcode and by region were denied.

CHAIR—We might look at some of the technical side of it. Would you like to respond to Mr Hollis's last question, Mr Campbell?

Mr Campbell—You would like me to talk about the surveys?

CHAIR—Yes.

Mr Campbell—What I found with this submission is that it is a mishmash of research taken from various different sources at various different times with various different

questions asked of various different sample sizes. Had we been doing that research we would have approached it quite differently and sought to have a coordinated and cohesive approach, doing a once-off study just before we would make a decision, not a long time beforehand or a long time after to justify whether it was the right decision that was being made.

If we were in their position we would have done a study throughout regional Australia with proper sampling, asking the same type of questions of all respondents. You cannot ask questions in different ways and expect to have valuable research to base decisions on at the end.

There is a classic example actually where they have claimed a national bit of research that relates to four cities being used—Port Macquarie, Coffs Harbour, Albury and Shepparton. That is supposed to represent all of Australia. What about the other states and why were those cities chosen anyway? There is a whole lot of stuff that I have detailed in that report that was tabled, but, quite clearly, the research has been taken at various points of time and used to appear to justify the decision that has been made.

CHAIR—Do you question the validity of the ABC's research?

Mr Campbell—There are certain areas that I would question. I would question the research, for instance, being done by the ABC Mediascan. If ABC Mediascan was actually a research company in the ABC, you have to raise questions about impartiality and bias. If we were undertaking such a study, we would get an independent research company to undertake it on our behalf.

Mr HARDGRAVE—Are you surprised that the ABC do not have a more competent research submission to this inquiry?

Mr Campbell—I find that this research is actually quite disappointing in the way that it has been framed and used. It does not give market research a particularly good reputation at all. I would have thought that they would have had an exceptional research department given that they have so many different programs being offered to so many different areas of Australia. I am quite surprised by the mishmash of material that has been gathered.

Mr HARDGRAVE—But what about the relative degrees of interest criteria that have been applied? You could read that in any way. If you are very interested in something and reasonably interested in something and then not very interested, I would submit that you are still interested.

Mr Campbell—You are interested. Degrees of interest are important to establish just how interested you are. But, first of all, it is very important to establish an interest. Once that is done, then you check out those types of things. But interest can vary according to the time of the year, for instance, that the research is done.

Another major weakness of this research is that, with the exception of the Sweeney report, which is a metropolitan survey, there are no point of time comparisons over, say, two or three years, which are very important so that you can actually determine the mood of the

population and if attitudes have changed. There is nothing that actually refers to that anywhere.

Mr HARDGRAVE—One set of figures relate to Queensland which showed, from memory, that roughly—on that basis of very interested, reasonably interested and not very interested—something like 58 per cent of Queenslanders showed some sort of interest in this.

Mr Campbell—You can interpret that that way or you can interpret it the other way.

Mr HARDGRAVE—Is that a handy piece of research to have—one you can interpret in different ways?

Mr Campbell—I do not particularly like ambiguous research. I think it should be one way or another. The question, perhaps, should have been asked quite differently.

Mr HARDGRAVE—You talk about the representative sampling issues in your own submission of the town centres of Shepparton, Albury, Coffs Harbour and Port Macquarie. It is my understanding that Shepparton and Albury have an alternative service provided by you and, for that matter, Coffs Harbour and Port Macquarie have a low power service as well. I actually think the community FM station Coffs Harbour was broadcasting some races for some years. What I am driving at is—I will say it, because I have market research credentials—it is an incompetent thing, isn't it—

Mr Campbell—Of course it is.

Mr HARDGRAVE—to turn around and pick on four centres that have an alternative racing service to the ABC and then to ask people whether they think the ABC should be broadcasting races.

Mr Campbell—I could not agree more.

Mr HARDGRAVE—In other words, it would have been a far better sample to have gone to places where it was the ABC only.

Mr Campbell—Or a combination.

CHAIR—Do you have any comments to make, Mr Brown?

Mr Brown—No.

CHAIR—In the event that the committee were to recommend some new form of licensing or perhaps even a new category of licensing, I would like to hear your views on that, Mr Crowe.

Mr Crowe—The overriding imperative that we would be looking for there is permanency. There is a case of one station that is—

CHAIR—Are you talking about 10-year renewals or what?

Mr Crowe—Ten-year renewals with options, I would have thought. It is interesting that 7TAB, which covers Hobart, broadcast on an AM signal which they paid \$240,000-odd for at auction—it was a very vigorous auction, obviously—and they have that for two years. What happens post those two years? My understanding is that they also own an FM station, but even if they had to quit the AM station in favour of the FM station, AM covers significantly greater areas than FM and they paid \$240,000 for a two-year period. Why did they do that? It was a vigorous auction process, obviously, but that is an absolutely ludicrous situation. It could actually be turned off in another 12 months time.

CHAIR—We expected the Tasmanians to appear today, but they said that they were broadly happy with your submission. You are opening up a bit of a Pandora's box here that I was not aware of. What percentage of Tasmania is actually covered?

Mr Crowe—I am not sure, to be honest; I really do not know.

CHAIR—I think we do need to talk to them, especially now that you have raised the matter of this licence coming up in two years time. We saw the problem at Yeppoon in Queensland when that area east of Rockhampton lost its licence to a commercial interest.

Mr Crowe—If we established services in the areas in which we have successfully bid and you denied those, there would be people with flaming spears hunting the chief executive and the—

CHAIR—However, I must admit, Mr Crowe, that I am not so concerned about your losing a licence—I think you can guess that if we were to recommend some form of new licence we would not leave you in a situation where you would remain as vulnerable as you are now. I am more concerned about what would be a reasonable proposition to put to the government in respect of a new category of licence, if it were to be a 10-year renewal with a five-year option or something like that and the fees were reasonable.

What could the government expect of you in respect of covering parts of Victoria that you might not otherwise cover? For example, Mr McCormack implied in his evidence to us that he was not prepared to guarantee beyond 62 licences to 4TAB and that they might even withdraw from some because at the end of the day there was a commercial bottom line that attended to those 62 licences. If you had some certainty and some guarantee in a special category, what could the government expect of you in taking up licences in some more remote areas?

Mr Crowe—Reclassification of the licences that we hold does not affect your coverage area, it does not improve that problem at all. The LAP process is the only process by which new frequencies can be identified. I would have thought that if in Gippsland or, indeed, right around the country there are areas currently denied racing services, we, the racing broadcasters, should perhaps have first call on those with a degree of permanency. But just reclassifying the licence does not broaden your coverage at all.

CHAIR—Perhaps I did not make my point clear. If you were exempt from having to bid for and to defend your licences as vigorously as you are now, would there not be more budget capacity for you to cover more areas?

Mr Crowe—Only if in those areas that we are denied coverage there are new frequencies identified.

CHAIR—That goes without saying, yes.

Mr Crowe—We would most certainly welcome tenure beyond five years. We are most unhappy with that.

CHAIR—What is your view of this process with the ABA? Mr Hardgrave has made a bit of a study of this. The ABA seems to be well behind with its work. What is your view of the government requesting the ABC to reinstitute one of its two networks as an interim measure, say, for a couple of years until all this was sorted?

Mr Crowe—I agree that that is the only sensible solution to all of this. I cannot see how it would be that difficult, particularly when, in the case of Victoria—and there may be some small exceptions—those areas in Gippsland and in the Western District receive exactly the same program. I am staggered that that has not been explored. If it is a funding issue, we have, with the support of the previous state minister for sport, Tom Reynolds, and in a collaborative sense with the Country Racing Council, offered it to the ABC. They have said that if 78 per cent or 80 per cent do not want to hear it, you can satisfy them by simply broadcasting the racing on either the AM or the FM frequency. I cannot see a sensible argument against that if you can overcome any argument regarding funding.

CHAIR—Can you guarantee that you can make a feed available that the ABC can top and tail without any worries regarding commercial content?

Mr Crowe—Absolutely.

CHAIR—Your evidence troubles me. It is different again from the evidence we received from the other two networks, and you are constrained by the fact that you could go into some areas but that you do not have the licence capacity to do that.

Mr Crowe—Yes.

CHAIR—I think we are all quite alarmed at the extent to which the whole eastern part of Victoria is without any service whatsoever, other than a few low powered services.

Mr Crowe—Yes.

CHAIR—Dr Corones, who gave evidence today, said that he lives four or five kilometres outside Sale and does not get a signal. I just think that is quite extraordinary. I would be interested in your view on what cooperation you are getting from the ABA.

Mr Crowe—To be fair to the ABA, they have had their priorities shifted.

CHAIR—Yes, I understand that.

Mr Crowe—In terms of the original ranking, if you like, or the rank order of the areas to be covered, it was up to the incumbent broadcasters and others to put their hands up quickly. The incumbent broadcasters in Gippsland, for example, even if they could get one of the new FMers or whatever was identified there, did not want the market dynamics or the cost of establishing new services. I have forgotten what LAP number it is—I think it is number five—so these areas are of the lowest priority. That time has just blown out due to a significant technical brain drain from the ABA and—

CHAIR—Is that a further argument for the ABC to come back into the field?

Mr Crowe—I would agree with that. Certainly the ABA are now busying themselves for the imminent introduction of digital TV, and radio has just been pushed back. We cannot get a definitive response from the ABA as to when those areas are going to be addressed by the LAP process. But I make the point that even if they identified new frequencies through their draft LAPs, that is no guarantee that you will have a racing service in those areas. There is absolutely no guarantee, because you have some fundamental issues beyond that and even beyond the next issue, which is our financial capacity to bid for that. There is no guarantee whatsoever that we will ever be able to establish a service in Gippsland or in the west. We are determined, but there is no guarantee even if we determined until hell freezes over.

CHAIR—Does your evidence mirror Mr McCormack's? Are you saying that he went to 62 and then said, 'We have to draw some sort of line in the sand'? Are you saying that notwithstanding these LAPs and the fact that, optimally, you might get a category of your own, there would still be limitations on how far you could go in covering the whole state?

Mr Crowe—Yes, that is correct. We have actually worked in a collaborative sense with TABCORP. They carried out some research into what they estimated the positive effect would be in terms of wagering turnover within a region like Shepparton and Swan Hill, et cetera. They have been most cooperative and most supportive. For example, if a service in the Portland region had no identifiable estimated benefit but the cost, on the other hand, was going to be \$80,000 to \$100,000, I can fully appreciate why they would say, 'No, Sport 927, we are not going to contribute to the cost of this,' and we would be left high and dry. So it is feasible that that is the case.

CHAIR—I would like to ask you two other technical questions. I think this came up in Queensland: what would your attitude be where a shire council was prepared to provide a transmitter—assuming the ABA would approve of that? Are you prepared to provide a feed for community based stations?

Mr Crowe—Absolutely. We are a commercial radio station and normally I would say I would go to that area only if I could make a quid out of that area and cover my costs. I am not concerned about that.

CHAIR—I am talking about a remote area where a council was prepared to put up a transmitter.

Mr Crowe—Most certainly. We would cooperate and hold their hand because we see a greater benefit to racing per se—there is no benefit that we get. Yes, we would be very

willing and very appreciative of any level of interest there and we would work our darnedest to ensure that that could happen.

Mr HARDGRAVE—Mr Crowe, would it surprise you to know that the ABA say that their LAP process in rural and regional Australia is ‘just about completed’?

Mr Crowe—Just about—with the exception in Victoria of Gippsland and the Western District. Just about—if you put a very low priority on those two areas, it might be just about complete. Yes, if you look at it, I think there are five different categories of the LAP process and it is number five. So, if you have completed the first four, you could claim that it is almost complete.

Mr HARDGRAVE—Would you expect that with a ‘just about complete’ process—with the exception of Gippsland and parts of rural Victoria—you would be able, literally, to look up a booklet to say where spectrums are available and where they are not?

Mr Crowe—I am a little confused by the process. I would have thought that if you have covered, say, 80 per cent of the state you must know that you have got only 20 per cent left and you must have a fair guide by way of completing the 80 per cent. I cannot see that it would be that difficult, frankly.

Mr HARDGRAVE—But would you, as an experienced person within the radio industry—forget the horseracing industry—expect that you could pick up a book at the completion of the LAP process and be able to go through and find, roughly, town-by-town, what spectrum was available? Is that what you would hope would come out of this?

Mr Crowe—That is a very commonsense approach, and I am not sure that that is exercised by the ABA on all occasions. It is staggering that there is not a manual that one can refer to. It is staggering that there are not coverage areas or maps provided either by the ABA or by the ABC. It was Sue Howard who said that she did not believe that she covered all of the state. That is a very interesting response. But it is staggering that there is not a manual somewhere.

Mr HARDGRAVE—So the radio industry would like to have a commonsense manual—

Mr Crowe—Definitive guides.

Mr HARDGRAVE—You would like to have that?

Mr Crowe—Yes.

Mr HARDGRAVE—So that is really what the industry would want out of this?

Mr Crowe—Absolutely. We as broadcasters would.

Mr HARDGRAVE—Given that you have some strong views about the credibility of the ABC’s survey results—and you have sent us some research from Russ Knight Research—is there now research that the ABC could use, say, as a guide to what they should do next?

Mr Crowe—They could certainly have a look at that research.

Mr HARDGRAVE—Or should they embark upon new research before they make a move on—

Mr Crowe—If there were any new research to be embarked upon, it would need to be objective research with another party in a collaborative sense.

Mr Campbell—Independent.

Mr Crowe—Independent research.

Mr HARDGRAVE—So people like the Victorian racing people and TABCORP would not be objective because they really want broadcasting, wouldn't they? You would have to get a total disconnection.

Mr Crowe—Another party. It is interesting because Russ Knight Research and the Sweeney research are regarded—particularly the Sweeney research—as the definitive guide as it relates to people's interests and participation in sport. I am not questioning that research. What I am questioning is the reference to that research in the context of regional and country Australia. It has no relevance.

Mr HARDGRAVE—So that other research you have provided to us as part of one of your supplementary submissions, basically, would stand the test that Mr Campbell is applying to the ABC?

Mr Campbell—Absolutely.

Mr HARDGRAVE—No-one could question that you were trying to bodgie up an outcome out of them?

Mr Campbell—There is no question because it is all done simultaneously for one thing, and it is a representative sample of both country and metropolitan Victoria.

Mr Crowe—I made reference to the fact that there was some research conducted 16 months after the last race. That is interesting.

CHAIR—There are two other short questions I want to ask you. The first—and we asked this in other areas—is: if, for example, the spectrum were available and we were to recommend some special licensing arrangements but there was still the problem of coverage, what would you say to the idea of an AM licence being made available in areas of western Queensland, western New South Wales, perhaps eastern Victoria and perhaps western Victoria, for that matter, of a similar nature to an ABC AM regional station? What would be your view on that?

Mr Crowe—It would be a very positive view if those frequencies were able to be utilised for this purpose.

CHAIR—Assuming the frequencies were available, you would be prepared to take up those licences and provide a service of a regional nature rather than a narrowcast nature?

Mr Crowe—Yes, provided the cost was not overly prohibitive and we could afford to.

CHAIR—The other question is that, assuming that did happen, would that mean that you would not then pursue Gippsland?

Mr Crowe—We will continue to pursue Gippsland until Gippsland is able to be covered—either option.

CHAIR—But if a regional AM station covering a fair slice of that were made available to you, would you be satisfied with that?

Mr Crowe—Provided the maximum possible amount of residents in Gippsland were able to access racing—either/or, whatever.

CHAIR—Perhaps I will put it another way. If that footprint left some small communities hither and yonder on the perimeter of that without licence, would you be prepared to put one-watters, two-watters or whatever might be made available at that stage in that area?

Mr Crowe—Yes, we would. Our objective in an ideal world would be to have 100 per cent of all residents in Victoria able to access racing if they so desire. I said before that we have a mix of high powered commercial open narrowcast LPONs. Whatever the mix needs to be to achieve total coverage, that is what we would like to achieve.

CHAIR—Does Tasmania, by the way, have its own set-up?

Mr Crowe—Broadcasting set-up? Yes, they do. They have their own station.

CHAIR—They do their own compiling?

Mr Crowe—Yes, they do most days. Interestingly, they do not race every day in Tasmania but they take a lot of their content from us. In Hobart, for example, in the breakfast program, which is our sports program, they take some of Simon O'Donnell's and Kevin Bartlett's broadcast, and then Bryan Martin's *Race Day*, direct on line, whereas, in Launceston, they take Alan Jones and John Laws up until midday and then go racing. So, presumably, there are different market needs—but I cannot comment on that.

CHAIR—I see. We need to talk to someone from Tasmania separately. One of them could be flown to Canberra. Thanks very much for that information. It was predicted that your evidence would be interesting. Can you let us have that CD-ROM today?

Mr Crowe—Yes.

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

That the committee accepts as evidence a CD-ROM presented by Mr Noel Crowe and that it be taken into the committee's records as exhibit No. 13 in its inquiry into radio racing services.

CHAIR—Is it the wish of the committee that the coverage map made available by Mr Crowe be incorporated in the transcript of evidence? There being no objection, it is so ordered.

The map read as follows—

Mr Brown—Could I make a further comment?

CHAIR—Yes, certainly.

Mr Brown—It only relates to the AM services because that map was probably done around the early 1980s to mid-1980s, and the FM services were not available at that stage.

CHAIR—It really surprises me—and I have made this comment before—that you can go to Vodafone, Telstra or Optus and they will give you highway maps with dark and light coverage showing everywhere in Australia where you can pick up a mobile phone, yet after 70 years of broadcasting we cannot get accurate maps of this country for inquiries like this. I just find that staggering. I find it staggering that it is not coming from not only the ABA and the ACA but also the ABC and other commercial services. It seems to me that the only time we get that sort of thing is when someone—as in that case you were aware of in Brisbane—really sits down to prove a coverage area and goes out and does it themselves.

Mr Crowe—This is what we have done.

CHAIR—Once again, thank you for your evidence. If we need to come back to you for any additional material, I trust we can do that.

[12.25 p.m.]

HUNTER, Mr Robert, Chairman, Victorian Country Racing Council

O'SULLIVAN, Mr Mark Francis, Group General Manager, Victorian Country Racing Council

CHAIR—Welcome. Before you give your evidence, I have to caution you that, although you are not required to give evidence under oath, these proceedings are legal proceedings of the parliament and warrant the same respect as attends to proceedings of the House itself. Any false or misleading evidence is a serious matter and may be considered a contempt of the parliament. I invite you to give us a five-minute or 10-minute overview of your evidence.

Mr Hunter—First of all, may I thank the committee for the opportunity to appear personally. As you are aware, we have made a written submission, and I do not wish to go over that in detail because that is readily available to you.

CHAIR—You might like to highlight the points you consider the most important to you.

Mr Hunter—Yes. I will ask our group general manager to do that, if I may, but I will just give a brief overview of the council. The council is elected by the 56 racing clubs which race on 52 courses in Victoria. The Victorian Country Racing Council is the largest shareholder in 3UZ, which trades as Sport 927. On a personal basis, I reside at Hamilton in the Western District, so I am able to assist this committee with evidence on a local basis.

CHAIR—Are you in that western zone we were talking about or to the east of that?

Mr Hunter—I am right in the middle of the western zone.

CHAIR—Are you right on the border line?

Mr Hunter—Yes, right on the border line.

CHAIR—Keep going.

Mr Hunter—In the past, of course, we have heard what services the ABC has been able to provide to country racing enthusiasts. That has now been denied by the ABC. Whilst I am not here to attack the ABC for its decision, the impact that that decision has had on racing people is very wide indeed. It is wide because not only does it reflect that the ABC, by ceasing that, has reduced the opportunity for so many country people to hear the racing broadcast—and you have had extensive evidence along those lines and I do not wish to go into that—but also it is seen by country people as one of those decisions where country people are denied services. Once you have that denial of services, then there is a very distinct downturn, because if people cannot hear the races they lose interest in racing so they do not race horses, they do not go to the race meetings, as such, to support their local clubs and they do not then contribute money to local horse trainers, to farriers and to jockeys. So there is a very distinct spiral downwards when that level of interest is taken away. I think

the recent Victorian government election has highlighted the fact that people in country areas do object to having their services reduced. That is what the ABC effectively did.

In saying that, I understand that the ABC has every right to decide what services it is going to provide. We heard earlier that, of course, it does provide other sports through both the AM and FM channels and, I think, even in the metropolitan area through PNN, the Parliamentary News Network—as well. The other sports are being catered for totally, whereas racing has now been denied that access. That put the country racing industry between a rock and a hard place—if I may use those terms—because, on the one hand, we want to ensure the level of interest is maintained right across the state of Victoria, and 927, as you heard, is more than willing to provide those services wherever they are required but is hamstrung by the restrictions on its licence.

The ABA on the other hand, as you have heard, does not seem to be in any hurry to complete the LAP process. That, of course, means that we are in this hiatus period where we cannot expand the country racing service and the ABC has reduced its country service. So we have really nowhere to go.

Mr Chairman, you have canvassed the options that are available. I am quite happy to discuss those or answer any questions in relation to those, but I do not wish to go over ground which you have already been over. Therefore, at this point I would like to ask our Group General Manager, Mark O'Sullivan, to give you more detailed figures on the impact of the ABC decision and our desire to go forward.

CHAIR—Just before he starts, did you say 54 race clubs?

Mr Hunter—I said 56 clubs.

CHAIR—I thought Mr Crowe had 68 up on the screen. Are there some that are not members?

Mr Hunter—The 68 includes the metropolitan clubs and one group of clubs that has amalgamated. There were 10 clubs in the north-west of the state that have now amalgamated into one and—

CHAIR—Fair enough. I just wondered whether all were members. Go ahead, Mr O'Sullivan.

Mr O'Sullivan—Thank you, Mr Chairman. I think it is important to understand the scope of the industry and the importance of the racing industry to the state of Victoria. One of Australia's most popular organised sports is thoroughbred racing where seven per cent of the population are regularly involved and over 25 per cent of the population are actively interested. It is the major contributor to the state of Victoria in terms of employment, capital investment and tourism. It contributes in the order of \$500 million annually to state GDP, and it ranks with the largest manufacturing industry sectors.

There are over 35,000 Victorians employed in thoroughbred racing right across the state of Victoria. And, as my chairman pointed out, Victoria has 52 country racecourses of which

39 provide racehorse training facilities for 11,000 registered trainers. Twenty-one of these centres are at outlying places such as Bairnsdale, Mildura, Casterton, Wodonga and Mansfield, places that are scattered right across the state of Victoria.

Racing throughout country Victoria provides both primary and secondary employment ranging from stablehands and riders to feed merchants, veterinarians, and a host of contractors. There are over 300,000 people who participate in racing in some form or other each week—mainly through the TAB. You heard earlier the example of the Gippsland gentleman who puts \$20 into his phone account every Saturday to enjoy his Saturday afternoon.

Thoroughbred racing in Victoria generates over \$100 million in taxes to the state government, and approximately 20,000 thoroughbred racehorse owners invest over \$340 million per annum. So, \$340 million is invested by thoroughbred owners throughout the state of Victoria each year.

CHAIR—Is that in their horses and facilities? You are not talking about betting there, are you?

Mr O’Sullivan—No. That is the cost to train racehorses, and also the capital cost of thoroughbred stock.

The impact of the ABC decision has been profound. There are 380,000 residents who cannot receive racing coverage on radio at all. These are people who just happen to reside in regional Victoria. And, of course, receiving coverage on radio is free whereas the Internet and pay TV and all those other mediums have a cost attached to them, and they are not a mobile, convenient medium. In many cases the ABC coverage was the only link to the races, and for many young workers the racing industry was the only opportunity to experience what may well be their only chance of local employment.

If people are denied coverage of a sport they enjoy then they simply cannot participate, and ultimately that will hurt those who rely on the racing industry for their livelihood and social enjoyment. So the multiplier effect takes over and interest diminishes. Radio is the only mobile medium that is also free to air, as I pointed out before.

The ABC’s charter—and I have a copy of it in front of me—says that regional services reflect the corporation’s commitment to local communities and provide services which respond to the needs of the diverse audiences throughout Victoria. It says that regional services in Victoria provide the state with independent and local regional coverage. Local radio Victoria is to generate news, sports and current affairs on local, national and international affairs, and a diverse mix of music. Sadly, racing is now no longer part of that sports coverage, despite the fact that racing is one of Australia’s most popular organised sports, with seven per cent of the population regularly involved and 25 per cent actively interested in racing.

Our recommended solution is along the lines put forward by Mr Noel Crowe of Radio Sport 927. The Country Racing Council fully supports those recommended solutions. We say that until such time as racing radio stations are able to cover all parts of Australia, the ABC

should restore its service. In the affected areas in Victoria, the ABC should broadcast racing on either the AM or FM bands. In that way it would satisfy those people who want racing and those who do not want racing. And, as you heard, Radio Sport 927 is prepared to provide that service at no cost to ABC Radio.

As a matter of some urgency the Country Racing Council urges the ABA to complete the LAP process in both Gippsland and the western part of Victoria because at the moment that delay is seriously inhibiting the ability of the Sport 927 to bid for licences within those regions.

We also recommend that the open narrowcast licences held by racing radio stations be reclassified to enable more permanency than the current five-year period. In the absence of guaranteed tenure, every racing radio station around the country is at risk, and you heard extensively from Mr Crowe on that particular point. That completes our general overview.

CHAIR—Thank you. I have a small technical question. I notice you are an incorporated body, but do you also have statutory powers from the state government in the allocation of race meetings and things?

Mr Hunter—No, on the privatisation of the TAB, part of the arrangement with the state government was that racing would be deregulated and control handed back to the VRC, the Victoria Racing Club, as the controlling body in this state. So, we have no statutory requirements or obligations—

CHAIR—And they allocate country race meetings?

Mr Hunter—My Country Racing Council allocates the race meetings.

CHAIR—So to that extent you have an implied statutory authority?

Mr Hunter—The government handed back control of racing under the Racing Act to the Victoria Racing Club. The Victoria Racing Club then delegated its power to the Country Racing Council to allocate country meetings.

CHAIR—They have delegated it to you?

Mr Hunter—Yes.

CHAIR—That is the point I was trying to come to, okay. Having said that, you can speak with some authority on what is going on in country Victorian racing, obviously. In fact, you can speak with total authority. What has been the effect of this ABC decision on country race clubs?

Mr Hunter—The impact has fallen on those people who are now denied a service. Our aim is to ensure that everybody has the ability to hear races and participate in that sport. As I said earlier, having lived in Hamilton for 40-odd years, my regular listening was always the ABC because I enjoy all sports. I could hear the cricket, I could hear the racing, I could hear the football, but now that is denied. But many people throughout the Western District—I will

not cover Gippsland again because they have already made their submissions to you—are now denied that opportunity.

CHAIR—Could I just move you off that point. I think we understand the right of people to the sport. We have also had evidence that there is a economic continuum that flows from the thoroughbred industry in general that permeates through the community. Has there been any discernible fall off in attendances, interest, et cetera, since the ABC discontinued its service?

Mr Hunter—It is early days to determine that and give you any set figures on that.

CHAIR—Have you had any race meetings collapse? We have received evidence—I think it was in one of the two northern states—that if the link providing the oncourse services was lost from the satellite, the race meeting would collapse because there was no alternative service; there was no ABC service and they could not pick up the TAB service, therefore the race meeting collapsed. Have you had any examples of that in Victoria?

Mr O'Sullivan—No, we have not had any examples of that. With regard to the impact of the ABC's decision in terms of trends, oncourse attendances, turnovers and the major performance areas of the industry, it is, as the chairman rightly pointed out, too early to be able to accurately identify a trend as a direct result of that at this stage. We have not really got enough data to be able to sit here and categorically say that the ABC decision is a major contributing factor in those trends. We just have not got enough data at the moment.

CHAIR—Would you have had as many country race meetings in the 12 months to June of this year as you would in the previous 12 months?

Mr Hunter—Yes, we run the same number of meetings in—

CHAIR—You have not cut back, as they have in Queensland?

Mr Hunter—No, we have not cut back any meetings. At the same time, in relation to having some figures along the lines you are suggesting, we have to also take note that the Country Racing Council has a very aggressive marketing plan and a business plan to ensure that we maximise our attendances on course and try to maintain that level of interest, so a step-up in our marketing to ensure continued attendances is also making a difference.

CHAIR—Do you receive money from the TAB for prize money?

Mr Hunter—The distribution of funding from the TAB or TABCORP, as it is now, is by commercial contract because the racing industry is a joint venture partner with TABCORP. The funds flow to the racing industry as a result of that joint venture agreement.

CHAIR—Has there been a suggestion in Victoria that funding for prize money is a factor?

Mr Hunter—No, because—

CHAIR—I just want to clarify that point because that muddied the water a bit in Queensland. I want to make sure that that is not a dimension of this argument in Victoria.

Mr Hunter—The Victorian dimension is totally different to Queensland's, in that the funding now comes by reason of that commercial agreement to the Victorian racing industry. The racing industry then distributes that amongst the metropolitan clubs and the country, the country share comes my council, and we distribute the funding that we receive to our country clubs.

Mr JULL—I suppose when the ABC first made the decision you were in contact with them. Do you still talk to them?

Mr Hunter—From the time we first received notice that this service was going to cease, yes, we have had meetings and correspondence with Mr Murray Green, the chairman of the Victorian ABC, who is present today. In consultation with him and with Sport 927, and we have the correspondence, we put the original proposal that 927 would provide the box feed to the ABC at no cost. We then arranged with the then Minister for Sport, Tom Reynolds, that the department would fund the actual service requirements of the ABC, because we were aware—and Mr Green had quite rightly pointed out—that originally the racing service on the ABC was funded by the state of Victoria's TAB before it was privatised and then by the New South Wales TAB until it was privatised, and the ABC, as you would be well aware, cannot accept commercial money for a program. We understood that.

When we were then able to provide that service free of charge at no cost at all to the ABC, we found difficulty in understanding why the ABC would not at least defer its cut-off date until such time as the ABA could complete its LAP process, so that 927 could then have the opportunity to gain a different type of licence or extended licences and we were not left with this void in between. That was really what we were looking for—for the ABC to continue to provide it until such time as there is an adequate cover. And if the ABA cannot produce additional licences or extend 927's licences to provide the service to all country Victoria, then we believe that it should be part of the ABC's charter to provide that service to country people.

Mr JULL—But you did not get any reaction from the ABC?

Mr Hunter—We got a refusal—despite our offer, thank you but, no, they were sticking with their original decision.

Mr JULL—No reasons given? There was no technical excuse, as with the privatisation of the TAB?

Mr Hunter—No. That was part of our discussions earlier, that the privatisation meant that there was no funding from that organisation to the ABC which of course led me to believe that the funding was a crucial issue, rather than providing a service to the public of Australia, particularly in regional Victoria.

Mr JULL—I will ask you the same question as we asked of Gippsland earlier. The people of western Victoria who are now out of the coverage area—how do they get their information on racing?

Mr Hunter—With great difficulty. Since the ABC decision, 927 now provides a feed through what used to be 3BA at Ballarat, so that is now getting into a larger area of the Western District, but west of Hamilton, from Hamilton to the South Australian border, you run out of coverage there. I travel frequently from race meeting to race meeting. If I am going from Hamilton to Horsham there is absolutely no cover at all in that area, and down to Portland there is great difficulty—some of the broadcasts that 927 played for you earlier are indicative of the quality of the coverage in that area.

Mr JULL—Really, the only information you are getting is from the *Age's Green Guide* and *Best Bets*?

Mr Hunter—That is right, or you have to physically go to the TAB. That is of no help at all to people on the land who have normally conducted telephone betting. They just have to actually go to listen to the race or see the race.

CHAIR—Does the state TAB operate on all your courses?

Mr Hunter—No, they operate on every course that we ask them to operate on.

Mr HARDGRAVE—The ABC would have us believe that they consulted widely in the sense that they sought the views of a good cross-section of people and, at the end of the day, decided that this was a service that, of the vast majority of people, relatively only a couple of handfuls really wanted. How would you describe that conclusion?

Mr Hunter—I was surprised. I would have thought that that wide consultation should surely have included the Victorian Country Racing Council that has control of country racing in this state. The first word we received of it was really by announcement on the ABC itself.

Mr HARDGRAVE—So there was no consultation with you?

Mr Hunter—No consultation.

Mr HARDGRAVE—Not even a courtesy call to say, 'We are thinking about this, what is your view?'

Mr Hunter—No.

Mr HARDGRAVE—So they sought no views from the Victorian racing industry about the cessation of radio broadcasts of horse races?

Mr Hunter—To my knowledge, that is correct.

Mr HARDGRAVE—In your submission you talk about the link between the ABC coverage of the races and the only opportunity for young aspiring workers to experience

what may be one of the small number of genuine local employment options. You further state, and I think you are paraphrasing the ABC:

"that there is a broadening increasing range of services of racing information now available in regional Victoria through narrowcast licences, commercial and community radio, subscriptions and free to air TV, as well as on-line through the internet."

I want to try and draw that out a bit. I guess what you are saying there is that you do not believe the claim that young workers in this industry are encouraged by the growth of coverage and that in fact quite the opposite is the case because of the ABC's decision. Is that what you are saying?

Mr Hunter—What we are really saying is that in country Victoria employment opportunities are limited. We have approximately 35,000 people employed within the industry, and it has been a growth industry since privatisation of the TAB. As we have found in many other industries, when in fact people lose contact with their sport in these areas where they cannot hear about racing, then the flow-on situation or the spiral down means that they are not investing in horses, they are not going to race meetings and that sort of thing, so the employment opportunities drop down the line.

Mr HARDGRAVE—What you are saying is for the ABC to claim that their shutting down the horseracing service essentially made no difference because all of these new emerging media and alternative media were going to pick up the cudgels and run with it, so to speak, is quite wrong.

Mr Hunter—I believe so because it is the mobility of the radio service that is of vital interest to people in the country. Internet services through the country are really very restricted. If you are going to rely on that sort of service that means you have to sit at your computer desk all day. For people in the country that is not an option, really.

Mr HARDGRAVE—What about the subscription television service? Do you have pay-TV at Hamilton?

Mr Hunter—Yes. Pay-TV is available through Austar and they are providing as much service as they can but, of course, there is natural resistance because there is a cost. The racing industry argued very successfully, and succeeded in having its racing available to Austar free of charge, but with Austar there is a connection charge and an ongoing service fee. That is the people's choice, but the people preferred the free-to-air ABC broadcast because of its mobility. Again, they have that option if they pay Austar for that service.

Mr HARDGRAVE—The ABC, and Ms Howard in her evidence to this committee—and I do not think I am unfairly representing her at all—basically lampooned the idea of farmers hanging around in their tractors to hear every horserace. Your submission would be that mobility is very important and that, basically, radio is the medium that provides information where you are. It is a non-selective media in that regard.

Mr Hunter—Very much so. In my position as chairman, I travel about 1,000 kilometres a week, and access to racing on the radio is of vital importance. I cannot have my laptop

computer while I am driving. Sure, the example has been used of farmers in their tractors, but that is in fact a reality. People do have wireless and airconditioning in their tractors.

Mr JULL—They listen to parliament in their tractors so why can't they listen to racing?

Mr Hunter—Exactly.

Mr HARDGRAVE—Thank you.

CHAIR—Coming back to the central nub of this, what would be your preferred option? Would you prefer that the ABC re-establish its service, or would you prefer that the TAB be expanded?

Mr Hunter—Our preferred service is to have racing broadcasts available across the state. As you heard earlier from 927, that cannot happen at the present time because of the constraints on their licences to operate. Until such time as the ABA completes that LAP process it is just not possible for 927 to provide that service.

CHAIR—Do you or do you not support the view that, because of the unique circumstances of the LAPs in Victoria, the ABC should be requested to reinstitute radio racing on at least one network until the matter is resolved?

Mr Hunter—I do not think that that is an unreasonable request. Certainly, that will solve the problem for so many country regional listeners.

Mr HARDGRAVE—I have one final question. Do you have any experience or knowledge through the course of your life and involvement in this industry of where commercial radio stations in the country, in rural and regional areas, were actually broadcasting horseraces more than they are these days?

Mr Hunter—Only because of the activities of Sport 927 who have been able to secure agreements and acquisitions to expand that service.

Mr HARDGRAVE—So you are saying that there are now more commercial stations broadcasting horseraces because of 927 and their aggressive approach to try to get those broadcasts up in rural areas?

Mr Hunter—That is right, but there are limitations on the number of licences that can be bought at any time.

Mr HARDGRAVE—But previously it had been a domain of the ABC regional service and commercial stations were not necessarily broadcasting horseraces in the past.

Mr Hunter—In recent years that is correct.

Mr HARDGRAVE—Right. But, say, 20 years ago, were they running it? Can you think back that far?

Mr Hunter—Yes, I have been involved in the industry a long time.

Mr HARDGRAVE—Would it have been your feel that the local station in Sale or something like that probably would have had the horseraces on the Saturday afternoon because Fred Bloggs Motors was sponsoring it or something like that?

Mr Hunter—That was the case, but in those days of course there was nothing near the quantity of racing that there is now. Now we have racing seven days a week. With country clubs, we run 405 race meetings annually in addition to the city running 130 meetings. So, just to cover those meetings in the state, it is really a non-stop service. What 927 is providing is that service to cover those Victorian meetings but in addition the meetings interstate.

Mr HARDGRAVE—It is a pretty professional operation. You would not expect the ABC to cope with the kind of coverage 927 does?

Mr Hunter—Absolutely not. That would be way beyond, in my opinion, the charter of the ABC. But the service that they did provide of doing Victorian and New South Wales metropolitan racing was a huge assistance to the racing industry.

Mr HARDGRAVE—So it was part of an overall mix of sporting programming and that is what you would like to see restored.

Mr Hunter—That is what I have always enjoyed until—

Mr JULL—If I could make one thing clear, 3BA Ballarat, I think you mentioned, is full-time racing now, is it? It is a 927 station?

Mr Hunter—No. It is taking the feed of racing that it requires from 927.

Mr JULL—So it is elective; okay. And what you are saying is you have got that one but, in the case, say—well, I don't know, I am from Queensland—of 3SH Swan Hill, are they taking any racing now?

Mr Hunter—Yes. 3SH is taking the feed from 927, but that was as a result of acquisition, I think.

Mr O'Sullivan—That is right. Those acquisitions are actually taking the 927 program. Those stations have taken the 927 program. They have been acquired by Radio Sport 927. So they have taken their full program into those areas.

Mr Hunter—3BA and 3SH—

Mr O'Sullivan—That's right. And Mildura, and also the Shepparton area.

Mr JULL—So from nine o'clock in the morning until eight o'clock at night, or eleven o'clock at night, they are just getting racing?

Mr O'Sullivan—That is right. Chairman, if you do not mind, a question was asked by Mr Jull in relation to a response by ABC management in relation to the proposal that we put to them regarding providing the program free of charge, and in a submission that we did make to the state manager of the ABC—and I have a copy of the response that he made dated 16 November, if that is of interest—it did come up in the earlier submission with Sport 927—

CHAIR—Is it 1998?

Mr O'Sullivan—November 1998, yes.

CHAIR—That would be helpful.

Mr O'Sullivan—Just to clarify—it was asked what reasons were given. The reasons are stated in here.

CHAIR—Is it agreed by the committee that this should be taken as part of the evidence? It is so ordered. Were there any other points that you wanted to make, Mr Hunter?

Mr Hunter—No, Chairman.

CHAIR—Thank you for your evidence today. It has been very good. There is just one other thing. Just to get a bit of a feel—and I asked the Gippsland people this—of those 54 clubs, do any race every Saturday?

Mr Hunter—No.

CHAIR—What would the average be—every second Saturday or—

Mr Hunter—A club like Geelong would race 21 times a year, some clubs only race one day a year, so there is a mix in between, depending on the demand.

Mr O'Sullivan—If I may assist, Chairman, we race every single Saturday and public holiday. We race seven days a week, actually.

CHAIR—What would your busiest club outside the metropolitan area race?

Mr O'Sullivan—The busiest would be Bendigo, Ballarat—and they would be racing on their racecourses 23 times, 24 times.

CHAIR—On average. Thanks for that. If we require any more information I trust we can contact you in writing. You will receive a copy of the *Hansard* draft of the evidence you have given here today for your information.

Mr Hunter—Thank you, Chairman.

Mr O'Sullivan—Thank you, Chairman.

Proceedings suspended from 1.01 p.m. to 2.32 p.m.

EATON, Mr Roly, Sports and Racing Manager, 107.3 FM Albury-Wodonga

CHAIR—Welcome, Mr Eaton, and thank you for giving us your time and for your patience while we wait for our dissident colleagues to re-engage themselves. Just before we commence evidence I have to caution you that, although you are not required to give evidence under oath, these proceedings are proceedings of the federal parliament and warrant the same respect as would attach to the House of Representatives itself. The giving of false or misleading evidence is considered as a serious matter and may be regarded as a contempt of the parliament. Just one point before you start: you are considered a New South Wales station, are you?

Mr Eaton—We are.

CHAIR—Would you like to give us a five or 10-minute overview of your evidence?

Mr Eaton—I will keep it quick for you because I know you have been pretty busy all morning.

CHAIR—No, go ahead.

Mr Eaton—Racing was ceased in Albury-Wodonga about 15 years ago by a commercial radio channel and for a couple of years after that there was a lot of flak and no racing at all in Albury-Wodonga. We took it on ourselves to take it on as a community based radio station, and through our good friends at 2KY we got a feeder line from them at no charge.

We started off just doing Saturday afternoon. It became that popular that within weeks we were doing Saturday afternoons, public holidays and Wednesdays, which in those days were the main racing days. Then there was more flak within months. Because a lot of country racing cups are held midweek, and we were losing out on a lot of those country cups that people obviously wanted to hear, we decided to take the service on for what was in those days the five or six extra days, from Seymour right through—I did give our little map out—to the places within that circle which is basically our broadcast area.

We took it on and at that stage the TAB was giving us some money. Then about two or three years ago the TAB became privatised. When we first started they backed us, both the Victorian and New South Wales TAB, but when they privatised they took our money away from us. At that point we just could not afford to continue with the expense of it, of course.

You probably know that in a community radio station you have only four minutes an hour of advertising space, and that is not a lot of dollars you can get in to run a radio. We decided to cease it, and it was just a matter of the thousands—and I mean thousands—of calls that we got that decided us to try and do it on our own.

From that point on we have done that. But now, you know, Sunday racing is on and night racing is on and we are known as the racing station. It has come to the point again where I think we might have to pull the pin on it.

Listening to a lot of the people, like Sport 927, where they say they have approached the ABA and all these sorts of people, I find it quite surprising that no-one has approached us. It amazes me. If I were going to try to extend the racing service, I would go, firstly, to the actual stations that are doing it, not the ABA.

We cover an area where, if we went, there would not be any racing service at all. There is a little narrowcast in Holbrook which, when you walk down the street, you would not hear anyway. Sport 927 goes into Wangaratta but from there on the signal gradually disappears by the time it comes up to us. We take that area from them. We go right across to the areas where the Sport 927 do not go. In the north-east I am talking about Bright, Beechworth, all those big country towns, and Tallangatta and Corryong. We are even heard out of our main area up in the snow area because of line of sight. We can look out our window and see the snow. When we were losing the service the first time, they were the first people to ring us. They did not want us to get rid of the racing because the only way they can hear it is through us. As you can see, our listening area is 75 kilometres from Albury-Wodonga in a radius. We cover 150 diameter in good conditions and good service. We go right down past Corowa and Yarrawonga.

The other thing we have that no other station has is that we give totes on both Victoria and New South Wales. People in New South Wales are not interested in what Victoria is paying; they want to hear what New South Wales is paying. People in Victoria could not give two hoots about New South Wales. So we give both totes. That is the strength we have got up there. As I said, we go 75 kilometres all the way around.

We lost the ABC, which is a sad loss, but I am interested in our area and our station and our survival in bringing racing to this particular area because if we go there is nobody else there. I have approached the Victorian TAB again and I have not received a letter after two months. I even rang them and kept ringing them but I just do not think they are interested. Firstly, I think they look at community radio as the bottom of the pit. It is not. We take our area up there as very professional. We have three racing broadcasters of top quality. Sunday racing is in and now it is night racing. Our people up there want us to continue and do it.

Our local harness racing club is probably one of the strongest in New South Wales. They are now doing night TAB meetings—they were forced to do them. They want us to cover that. It is all just becoming so expensive because we have not got the advertising space to make the dollars.

There is not a racing club within our area and out of our area that does not support us financially. We have people from Canberra, Queanbeyan, Cooma and Warrnambool. They are not even in our listening area but the horses come from southern New South Wales and northern Victoria for all country racing.

As I say, I find it amazing that TABs and the big super TABs and the radio stations have not approached us. I approached Sport 927 two years ago. I went down and spoke to Crowie and Steve Cairns when they first went there. They had no intention of going anywhere but they have since bought Shepparton, but Shepparton does not come into our area. I want our station to survive.

The thing that worries me is that we had two arts companies in Albury-Wodonga given grants. The Fruit Fly Circus and also a local playhouse there got thousands and thousands of dollars, and here we are with people wanting racing and no-one will back us. That is my dilemma. That is what I am here for, not to argue with, who or what for the ABC. We have got a service there and we can provide a good one. All we want is somebody to back us or help us with it. We are not asking for big dollars; we are asking for support. We are a non-profit organisation and we have to survive. Racing is becoming so expensive to put on. Our system that we run on is pretty archaic and we need to update. We just do not have the facilities to do it.

CHAIR—Mr Eaton, you are a community based station but you are a commercial venture as well?

Mr Eaton—We basically got through the—

CHAIR—What are the conditions of your licence in respect of advertising?

Mr Eaton—Four minutes is all we are allowed per hour. We have got major companies with us—racing clubs and those sort of people. We got through the licensing situation because racing is a community thing. That was our argument: we were supplying a service to people who wanted racing. That is the only reason we got through with it. We based it all on that.

CHAIR—What sort of money used you to get from the two TABs?

Mr Eaton—Twenty-five thousand a year, which is peanuts.

CHAIR—From each of them or—?

Mr Eaton—No. We got about \$7,000 from the New South Wales TAB.

CHAIR—And \$18,000 from Victoria?

Mr Eaton—And \$26,000 from Victoria.

CHAIR—Thirty-three thousand all up?

Mr Eaton—Thirty-three thousand dollars, which again, in those sort of things, is petty cash. We must generate thousands and millions of dollars for our local TABs and all the outlets that we cover.

CHAIR—What is the population of Albury-Wodonga?

Mr Eaton—A hundred thousand or thereabouts.

CHAIR—And what about when you take the coverage area in?

Mr Eaton—In most of the major towns like Beechworth I suppose you are looking at an average of 20,000-odd people. Wagga is another big one with probably 50,000-odd.

CHAIR—So you go from Cobram over to Corryong—

Mr Eaton—Yes. Down to Wangaratta and right up to Wagga Wagga.

CHAIR—Up to Gundagai?

Mr Eaton—Just the outskirts of Gundagai. We do get in there but, to be safe, we are on the outskirts of Gundagai with all those little towns in between.

CHAIR—That would be more than 120,000, wouldn't it?

Mr Eaton—Yes. Just Albury-Wodonga is 100,000-odd.

CHAIR—Okay.

Mr Eaton—I would say we were talking half-a-million-odd people.

CHAIR—I do not think it would be that many either. It would be somewhere in between, wouldn't it?

Mr Eaton—It would be close.

CHAIR—So you have got a fairly high powered transmitter if you are covering that area?

Mr Eaton—We have, yes.

CHAIR—How long have you been operating?

Mr Eaton—Twenty years as a radio station. We have been doing racing for 11 years.

CHAIR—Do you take any other stuff on lines?

Mr Eaton—We take *Four-Way Turf Talk*, which is a very popular thing.

CHAIR—Who has that?

Mr Eaton—All states.

CHAIR—The TAB network?

Mr Eaton—Yes, the TAB network.

CHAIR—And they will let you have that?

Mr Eaton—We take it through 2KY.

CHAIR—Will both TABs provide you with the feed if you want it?

Mr Eaton—We have not approached them. We have stuck with 2KY because they have stuck with us. We would prefer Sport 927 obviously because most of Albury-Wodonga is more Melbourne orientated, being closer.

Mr HARDGRAVE—Mr Eaton, 11 years ago you took on horseracing. What was the decision making for that? What research? What led you to decide to do that?

Mr Eaton—Just the people that were talking. Being a community radio station, when a couple of the racing clubs approached us, saying, ‘Why don’t you do this? Why don’t you do that?’, we decided to have a go—no research, no anything. What have you got to lose in a little community radio station? Racing has made us actually. It has actually made us. The commercial channels out there are quite surprised at us. They monitor us all the time. They do us in if we do anything wrong, so they are listening.

Mr HARDGRAVE—Was the ABC service redundant in people’s minds? They did not want it anymore?

Mr Eaton—Personally—I am only talking in my situation—

Mr HARDGRAVE—Yes, that is what I want.

Mr Eaton—I would say they listen to us more than they listen to 2CO. 2CO had a thing they called *Grandstand*. They did not do it full time; we only got it up there on a Saturday and some other times.

Mr HARDGRAVE—What station was that?

Mr Eaton—2CO.

CHAIR—Where is that based?

Mr Eaton—That was in Albury-Wodonga.

Mr HARDGRAVE—That was the ABC station?

Mr Eaton—That was the ABC station.

CHAIR—That is their regional station.

Mr Eaton—Yes.

Mr HARDGRAVE—In essence the ABC’s attempts to provide a service were not finding as good a market as you found for your service. What was the difference between your service and the ABC’s service?

Mr Eaton—We spent more time looking after the local country area. All the race clubs, as I said, right up from Seymour—we have got Seymour, Benalla, Wangaratta, Wodonga, Albury, Corowa and Wagga—within that area support us financially.

Mr HARDGRAVE—The ABC says that 79 per cent of people living in rural and regional Australia do not want horseracing.

Mr Eaton—I would disagree with that. Again, I do not know the specific figures. I only know the results we get and the popularity that we have in our own situation.

Mr HARDGRAVE—You say it is the making of your station. You have made a real good go of it and there is no need for the ABC to come back into your area, on that basis.

Mr Eaton—I picked up a lot of my listeners out of it.

Mr HARDGRAVE—Radio Sport 927 has not approached you but, by raising that, you would hope that they might now?

Mr Eaton—It is becoming so costly now because racing is just getting thicker and thicker—twilight racing, night racing—and a station like us, that can only generate X amount of dollars to do this, could not possibly go much further.

Mr HARDGRAVE—What were you doing on your station before you did the horseracing—just playing records?

Mr Eaton—We were noted up there for country music. We are known as ‘the racing station’ now, after 11 years.

Mr HARDGRAVE—What about the rest of community radio around Australia? Are there any other community stations doing what you are doing?

Mr Eaton—I think there was one. I think you mentioned Coffs Harbour. Our other station is 2SSS in Canberra. They get a grant of about \$400,000 every year. Where it comes from, I do not know. I do not think it is from Super TAB. They have their own TAB system there.

Mr JULL—How much does it cost for you to do the racing on Saturday afternoon? What sort of budgets are you looking at?

Mr Eaton—It is not just Saturday; we do it now full time. Our wage bill alone is around \$85,000 to \$90,000 a year. Our computer systems have had it. We have to get more. We used to operate on one text. By the time you are waiting for it to roll up, the next race has gone. We have had to put in numerous TV banks. We have now got a computer which was given to us on loan from our local TAB outlet. They just rely on us. The theory is if you cannot hear a race, no-one—not all—will bet. If I cannot hear a race, what is the sense?

Mr JULL—So it is a professional operation. It is not like the usual community station where everybody is a volunteer?

Mr Eaton—No, it is not. We have three professional guys that we pay, myself and two others. You have to. It is an experience. You have to understand what racing is about—the preciseness of it—and have the right people to do the job.

Mr JULL—What sort of sponsors have you got on it now with the four minutes?

Mr Eaton—We have people like Harvey Norman. We have all the racing clubs and the clubs and the pubs that have TAB outlets.

Mr JULL—And you have to tag all their things with your station sponsors?

Mr Eaton—Which is a pain in the neck. We do not. We run a tape at the start of things saying, ‘All the sponsors you hear in the next whatever it is . . . ’ We hope that does it; so far it has. We have asked for definitions of it. They say we can tag one. If we put four together, we only have to tag it into the four. But we do run a tape on every program and say, ‘The sponsors you hear will be . . . ’.

Mr JULL—I am not the full bottle on these things. Does the Melbourne program come to you through 2KY?

Mr Eaton—Yes.

Mr JULL—What about the TAB results? Do you just hook into the local computers?

Mr Eaton—Yes. As a coordinator in our situation, it is a lot tougher because we are listening to a line from 2KY and doing our own thing. When races come on—and we have Sky Channel, which is another cost; you need that to know when they are going to jump—

Mr JULL—You have Sky TV coming in for the visuals so you know when to cross.

Mr Eaton—Yes.

Mr JULL—You have 2KY coming in and a computer hook-up to the races.

Mr Eaton—It is just a text. But it is the computer, which is a lot quicker than just waiting for the text. We have a couple of TVs which show you the next race and the one you are dealing with. The totes come through on the computer a lot quicker.

Mr JULL—The station had been going for nine years before you decided to go into racing. What is the history of it? How did you start off with it? Was it just a local meeting or did you go—

Mr Eaton—It was before my time in that particular area. To understand the story—and it is often the same—they got together, found a little place, applied for a licence and got it. They gradually moved up the track and it became quite a successful little community radio station. Quite a lot of community radio stations are going to the wall; they just cannot operate. We have been pretty successful to this point. It is a tough job in community radio

really. The grants, and things like that, just do not come as they used to. Those things have been cut out; you have got to stand on your own two legs.

Mr JULL—So you are not necessarily part of the overall funding for the station? You are almost a separate unit within the station?

Mr Eaton—No, I also do sales for the station. I sell what I broadcast.

Mr JULL—Right.

Mr Eaton—I sell for what I broadcast.

Mr JULL—But, basically, your racing coverage is a self-funding thing: you have got to go and get it yourself.

Mr Eaton—Yes, everything; we do it all ourselves. So our sales come in the door to support the racing. At the end of the year, there is nothing left to update. It is becoming more and more expensive.

Mr JULL—Does 2AY ever do any market research on the size of your audience?

Mr Eaton—That I do not know. They have never shown that. They do certain surveys, but they do not include our community broadcasting system.

CHAIR—Don't they?

Mr Eaton—No.

Mr JULL—What do they play on Saturday afternoons—headbanging music or something?

Mr Eaton—Exactly right and, with all honesty, on given days like Saturday and Sunday racing, and tomorrow, of course, there will be more people listening to us than the commercial channels put together.

Mr JULL—You mentioned that you think Coffs Harbour take a bit of a racing split. Do you know of any others?

Mr Eaton—2SSS in Canberra. There used to be a couple of very small ones that did a Saturday, but those I do not know. I think there was one in Townsville, or one up that way, but I do not think it operates anymore.

Mr JULL—I am not sure if you were here during the hearing this morning, but we were talking to 3UZ or 927 about the prospect of utilising community broadcasters. Have they ever approached you about coming online with them?

Mr Eaton—No, I would love to talk to them. We actually approached them, as I said, a couple of years ago. My offsider and I went to Melbourne. At the time, privatisation was

coming in and we lost our grant. We approached them and said, 'What about extending your system? You are looking for a licence and we are sitting here with this area to cover. What about mutual support?'

Mr JULL—How would you take that feed? Would that necessarily have to be by satellite? Would that be the cheapest way you could do it?

Mr Eaton—I do agree with you that it would be a very expensive way. Landlines, I think, are probably dearer. We get ours from 2KY, but 2KY have a line that comes straight down through Albury and wherever, and we take a split off it at the local TAB agency.

CHAIR—On that same point, 927 mentioned in their evidence that they have endeavoured to lease time from community broadcasters through their peak body, the Community Broadcasters Association of Australia. Have you ever heard of that?

Mr Eaton—CBAA, yes.

CHAIR—But have you heard of their offer?

Mr Eaton—Only this morning but, as I said, I am quite surprised.

CHAIR—It has never filtered down to your station?

Mr Eaton—No, I knew nothing of it until I heard it here.

CHAIR—And they have never made a direct offer to you?

Mr Eaton—That is what amazes me.

CHAIR—Either Melbourne or Sydney?

Mr Eaton—No, not to us personally.

Mr JULL—You are a member of the association?

Mr Eaton—Yes, we are.

Mr GIBBONS—So you are known for your racing and country music coverage. Do you provide a news service?

Mr Eaton—Yes, we do. We take 2KY news plus we do our own local news.

Mr GIBBONS—You say that your racing broadcast is very popular. Surely that would not appeal to everybody? Do you ever have any complaints about people wanting to listen to something else on a Saturday or a public holiday?

Mr Eaton—Not really, to be honest. As I said, we do two things in the area that the other stations do not do. If people want to hear something else, they switch us off and go

elsewhere. We do country music solely; we do not go into the rock-and-roll. Being a community based radio grant, we do ethnic programming of a night time, and we get a little sponsorship from the ethnic grants. For the rest of the evening, we go over to the CBAA's program from midnight to dawn. So we do a couple of programs of our own, but basically we switch across to the third network.

Mr GIBBONS—So if there was some relaxation of that four-minute per hour rule—

Mr Eaton—I would welcome that.

Mr GIBBONS—So that is your main problem.

Mr Eaton—If you take a program like *Four-Way Turf Talk*, I think every punter in Australia would listen to that. If you monitor the amount of advertising space they do in that one hour, they play six or seven breaks of two minutes.

Mr GIBBONS—You take that as part of your—

Mr Eaton—If I could sell that, our problems would be over.

Mr GIBBONS—But you have to broadcast that because it is part of the arrangement?

Mr Eaton—Yes, but we do not play all the ads; we are not allowed to. We override them. I talk about some local racing in the district. We give that a plug or we have a musical snippet for that two-minute period while they put their ads through. We do our own four minutes of it, but that is where we stop.

Mr GIBBONS—So nobody ever writes and says, 'We are sick of racing; put on something else'?

Mr Eaton—Not that I know of—and I mean that quite sincerely. They may write to other people in the station. If it has happened, it would be very rare. As I say, we are known for racing. If they do not want to listen to racing, they tune into somewhere else anyway. We only do two things: country music or this. In fact, our country music chap, Sir Keith Melbourne, was inducted into the Tamworth Hall of Fame this year. We were talking about 7TAB in Tassie, the sport station down there. The guy who now runs it is Damian Seaton. He is one of the guys who did racing with me here. We trained him and he is now head of it down there, doing their front line for 7TAB sport.

Mr JULL—Are you a public subscription station? Have you got membership?

Mr Eaton—Yes.

Mr JULL—How many members have you got?

Mr Eaton—About 30. Those things just do not happen these days.

Mr GIBBONS—There is no requirement for a maximum. You can have as many people as you want; you can sign up 400 people?

Mr Eaton—I think you have got to have seven to operate. That is no problem. We do not go into that. We have had a basic group of 30 or 40 throughout. The other side handles that side of the thing; I do not get involved in any of that. These days, it is very hard for a community radio station to raise money in any situation other than advertising.

We have got two things that we can sell. No-one else does racing, so we can sell it. The people who have been with us with our racing have been with us nearly from day one. We have got no space in our racing to sell anyway. It is full and it has been since we started. So the costs have gone up—and we have gone up slightly in our costs—but it does not meet the expense when you start doing seven day racing, Sunday racing and night-time racing.

CHAIR—When a commercial station leases time off a community station, whose advertising rules apply—the community station's rules or the leasing body's rules?

Mr Eaton—We have asked the same thing. I do not really know. Some say that we are allowed to let the 2KY ads go through, but we do not want them anyway. Who wants to listen to Sydney ads? We incorporate their ad space sometimes with our local racing industry news and things like that that people are interested in.

Mr HARDGRAVE—So essentially your coverage area intersects with the coverage that must come out of the 99.3 Wangaratta station that runs 927's coverage, would that be right?

Mr Eaton—No. They bought Shepparton. That is their IM station. That now goes in to Wangaratta and then starts to peter out between Wangaratta and us.

Mr HARDGRAVE—So would it be fair to say that, in one part of northern Victoria between Shepparton, Wangaratta and Cobram as well, there are basically two different radio stations providing horseracing services? Is a small part of rural Victoria covered that way?

Mr Eaton—Us and 927.

Mr HARDGRAVE—Do you think that might have been at the heart of the issue? I am just guessing about this, but you approached 927 before the ABC made their decision some years ago.

Mr Eaton—Oh, yes.

Mr HARDGRAVE—You have not had an approach from 927 since.

Mr Eaton—No.

Mr HARDGRAVE—This surprises you, and probably surprises us, too. Do you think the intersection of the coverage between your station and the Shepparton AM station might have something to do with it?

Mr Eaton—I would say definitely. If you are in the area and you switch your radio on, you can listen to the two coverages. You have got to have your ear to the radio to hear 927 sport in Albury-Wodonga but ours is as clear as a bell. But I have got no doubt that they get in there. With regard to the other areas—the high country like Beechworth, Yackandandah, Myrtleford and Bright—927 Sport just do not go past Wangaratta.

Mr HARDGRAVE—But, according to the map you provided us, your coverage area, and maybe it peters out, does seem to come into Shepparton or hits pretty close to Shepparton.

Mr Eaton—We would probably die before we got there.

Mr HARDGRAVE—But it certainly covers Wangaratta?

Mr Eaton—We get into Wangaratta, yes. I would say there they would listen to 927 Sport. We do get calls from there. The majority, to be honest, would be listening to 927 Sport, but from there across to the east we are the only ones getting into those areas.

Mr HARDGRAVE—You are on the wrong side of the border for them, anyway, aren't you? They are getting the local feed from Melbourne.

Mr Eaton—Yes.

Mr HARDGRAVE—You have been in this for a while. I am trying to come to grips with why 927 would not offer it to you. Is 2KY and 927 coverage that different? When it comes to the race itself it would be exactly the same, wouldn't it?

Mr Eaton—It is exactly the same. In our area, as I say, they are closer to Melbourne, and up there they drink VB and not Tooheys, if you are with me; they are just orientated to Melbourne.

Mr HARDGRAVE—Would it affect your coverage, your popularity, if you swapped from 2KY to 927?

Mr Eaton—I do not think so because we would still give both totes. That is the key to us up there, all the way along the river to our listening area—we give all the information for both Victoria and New South Wales. People like the racing clubs in Canberra that are out of our listening area still use us to advertise because the horses from that area will race in Canberra. It is the same with Gundagai, and little places like Towrang, that would have two meetings a year, and Dederang, that runs a picnic race club—they all come to us.

Mr HARDGRAVE—You reckon all those particular courses and events would not be as popular, as well attended, if there was no radio coverage?

Mr Eaton—I would say no. Maybe a few would still go to the races. Crowds at race clubs are dropping off now anyway. It is TAB turnover that everybody is going for. These jockeys will be racing around tracks in country areas, the turnover will be there, but there

will be no-one watching them. That is the way it is going, it is the way the whole thing is heading.

Mr HARDGRAVE—So racing is dying as a sport anyway?

Mr Eaton—I do not think racing is dying. I just think crowds going to races is dying.,

Mr HARDGRAVE—Right.

Mr Eaton—There is going to be a time when they should not charge people to go into a racing club, in my opinion. You are better off not charging and letting them put that \$6 or \$7 through the tote—that is where their money is.

Mr HARDGRAVE—Radio racing, though, is an integral part of it—that is the point you started with, isn't it?

Mr Eaton—Yes.

Mr HOLLIS—On that last point, that is a little bit different from what some people have been saying to us—they say the crowds are still there.

Mr Eaton—On features, yes—like cup days.

Mr HOLLIS—I asked one of the Victorian country racing people this morning and the chairman asked a couple of times today about whether crowds had gone down since the ABC made their decision. The chairman asked everyone who came before us this morning if they had ever had to cancel a meeting, and everyone said no. We attended a country race meeting in New South Wales and, although they did admit the crowds were down a bit, people there said to us that attendances were holding fairly well.

Mr Eaton—Again, I can only base my answers on what our clubs say and on our own area. The turnover is still there, in fact turnover is probably going up, but you have got all the other avenues. They will sit home and watch it on Austar or whatever; or they will go to a club or pub, but they will not stay there all day—they will go there and have their bets, then they want to go home and listen to the radio.

CHAIR—I am disturbed a bit about this idea that 927 spoke to the CBAA and this did not filter down to your station.

Mr Eaton—No.

CHAIR—Okay. You say you provide the racing service and you use the 2KY feed. How do you know when they have got an ad coming up? Is that on the pulse?

Mr Eaton—No. After you have done it for a period of time you get to know how Freddy Hastings or whoever is doing it up in Sydney operates. There are lots of little cues that these people give, and we know what it is and we block it out. Then we will run our

own ads or we will override it with something to block out Sydney ads. It is another reason our local people use it because we use our local—

CHAIR—Is that why you use the 2KY news?

Mr Eaton—Yes.

CHAIR—What sort of staff do you have to run the races?

Mr Eaton—I have three racing coordinators—myself and two others—and we do the whole kit and caboodle ourselves.

CHAIR—How many days a week?

Mr Eaton—Seven. That is when they race on Sunday, which is just about every week now—40-odd meetings a year. Now night racing is coming.

CHAIR—Other than providing the Victorian TAB results, why wouldn't you just take the 2KY feed and just play it through cold?

Mr Eaton—There is a number of reasons. Firstly, there are the number of ads that come through—they will have 10 or 12 minutes per hour and nobody wants to listen to Sydney ads all the time. Secondly, we support our local race clubs, whether it be greyhound racing or whatever, and we give all the information for this particular area. If they are short of nominations they ring us up, we put it over the air and they fill up their meetings. We are the first they come to. So we support the local racing industry.

CHAIR—You are the support mechanism.

Mr Eaton—For the country.

CHAIR—Do you have any callers?

Mr Eaton—Thousands of them. We run competitions for people—

CHAIR—No, do you have any employed casual callers who call the races in the local district?

Mr Eaton—No, though Damian Seaton, the one who has gone to Tasmania, was the local caller as well.

CHAIR—So if you had the Albury Cup—

Mr HARDGRAVE—The Tim Fischer Stakes at the Albury-Wodonga race day.

CHAIR—Yes, or something like that, then you do not do a local call?

Mr Eaton—We used to hook up with our local racing club with a landline, even for their non-TAB meetings, and we used to broadcast them on a Saturday if they did not clash with the Sydney meetings.

CHAIR—And the landline got too expensive?

Mr Eaton—At one stage the Telstra mob, or whatever they were, gave it to us for nothing. When they went private they took it off us.

CHAIR—You say that 2KY pay you a subsidy every year to take the program?

Mr Eaton—No, they give us the line free of charge.

CHAIR—What did Victoria give you?

Mr Eaton—In Victoria they gave us \$26,000 a year.

CHAIR—Was that 927?

Mr Eaton—No, the TAB.

CHAIR—What do they give you?

Mr Eaton—They gave us a grant of \$26,000 a year to help us buy equipment.

CHAIR—And they cut that out when they privatised?

Mr Eaton—As soon as they privatised, yes. It was the same with the New South Wales TAB—they gave us just on \$7,000 a year, and they did the same thing.

Mr HARDGRAVE—That is false economy, isn't it? TABCORP here in Victoria has got squillions.

Mr Eaton—You are talking petty cash.

CHAIR—It just does not make sense to me why they would do that.

Mr Eaton—It is all tied up with 927 Sport now. They are tied up with 927 Sport, and 927 Sport probably want to get the whole area, so I do not think they would support us.

Mr HARDGRAVE—You think maybe you are being not so heavily cooperated with to try to ease you out anyway?

Mr Eaton—I am just surprised that people who are looking for areas to cover have not said, 'We hold this key thing right in the middle of the top end of Victoria and southern New South Wales where if we go there is no-one there.'

Mr JULL—The technicality is that you are on the wrong side of the border.

Mr Eaton—It is probably.

Mr GIBBONS—Would that \$33,000 per annum that you now do not collect enable you to comfortably provide a service?

Mr Eaton—It did then, but not now.

Mr GIBBONS—What would you need now?

Mr Eaton—You are probably looking at \$150,000 a year, I would say. We turn over in the vicinity of \$200,000 a year. All of it goes straight back into racing. At the end of the year we might make a dollar. We lost \$3,000 this year. We lost \$16,000 last year. It is racing that is doing it to us, although it is racing that is keeping us operating.

Mr HARDGRAVE—For the record, what is your call sign?

Mr Eaton—It is 2REM, 107.3FM. It is short for Ettamogah, which is where it originally started.

Mr HARDGRAVE—So Mr Jull's point about you being on the wrong side of the border is probably the critical point, I suspect.

Mr Eaton—Yes.

CHAIR—Are there any one-watters or any other—

Mr Eaton—Yes, there is one in Albury up above the TAB that supplies us with the line. Again, they might be terrific in the immediate area, but even there—

CHAIR—What is the range—one, two, three kilometres?

Mr Eaton—In this particular case I can take you two blocks away and you will not hear it.

Mr HARDGRAVE—Two cans and a piece of string.

Mr Eaton—That is basically it. I think they are a waste of money and a waste of time.

CHAIR—What about places like Wodonga? Have they got a Radio Sport 927?

Mr Eaton—No. That one does not get across the river. There is one in Corowa, one in Holbrook, and one in Wagga.

Mr HARDGRAVE—Can I flesh that out one step further. If you were 3REM, would that be a different kettle of fish?

Mr Eaton—It could be. I get on well with the people at Radio Sport 927. I know them pretty well. They used to let us have a chat and that sort of thing, but nothing ever came of

it. Funnily enough, the TAB was right behind us before they privatised. Victoria started off at less than \$26,000. The rise came out of the blue. They gave us a rise of about \$5,000. We only used to get about \$12,000 when we first started off, and then it went up to \$26,000. Then they privatised and it went.

Mr HARDGRAVE—What is the industry worth in Albury-Wodonga? What do you reckon goes through the TAB?

Mr Eaton—I would not have figures on that. We have four TAB outlets—one in North Albury, one in the city, and two in Wodonga—plus the pub tabs. And every one of those are sponsors of our racing program.

Mr HARDGRAVE—In other words, a fair amount of money from the community goes back into the TAB both north and south of the Murray?

Mr Eaton—That's exactly right. I would say most people along the river would have two phone accounts, one in Victoria and one in New South Wales, like myself. So, wherever they are they can have a bet.

Mr HARDGRAVE—Wherever the best odds are, you take those.

Mr Eaton—That's it.

CHAIR—At this point we will receive this map as an exhibit.

Resolved (on motion by Mr Hardgrave):

That the committee accepts as evidence the document headed, 'Radio Sport 927AM regional coverage,' referring to 107.3FM Albury-Wodonga, presented by Mr Roly Eaton, for inclusion in the committee's records as exhibit No. 15 in its inquiry into radio racing services

CHAIR—Thank you. Is there any community station in Wodonga?

Mr Eaton—No.

CHAIR—You are the only one in the area?

Mr Eaton—We are the only one in the area. To my knowledge we would be the only one that is licensed. From what I understand, there is no available licence in Albury-Wodonga.

Mr HARDGRAVE—What about down Sale way?

Mr Eaton—There would be a lot of little ones scattered down there, but I do not know what their sign would be.

Mr HARDGRAVE—You would probably recommend to them at Bairnsdale, Sale or Traralgon—

Mr Eaton—Yes, there would be. I would be astounded if there was not a community radio station in those major towns.

Mr HARDGRAVE—But you would recommend to them that if they had a look at your model they would probably do pretty well.

Mr Eaton—My word. I cannot understand why some of the people are not looking at that if they want to spread their wings. They do not have to buy a licence, which is probably going to cost them—

CHAIR—How often do you have to contest your licence?

Mr Eaton—Ours is coming up for renewal. We have been operating for 20 years. It comes up in 2003.

CHAIR—Is that a 10-year or a five-year licence?

Mr Eaton—I think it is 25 years.

CHAIR—Every 25 years you have to recontest it?

Mr Eaton—Yes, from what I understand from the one we have on our wall. It took two years to get it off the ground and then—

CHAIR—If we were to recommend to the government some special form of licensing, a 10-year rule would not be advantageous to you. If it permitted a greater degree of advertising, would you be more likely to apply to have your licence converted to one of those, or would you stick with what you have got, with your country and western and so on?

Mr Eaton—We have a board of directors. It would be their decision which way we went. I would say that they would probably stay as we are. We are successful in what we are doing. We do not enter into other people's areas.

CHAIR—We have asked all the witnesses, so we should ask you, for their preferred option. If we were to recommend to government that stations like yours should be allowed to lease time when it is providing a sporting service, for example, would you be asking that the same sort of advertising rights apply to that period of time as would be apply to the normal commercial operator?

Mr Eaton—I think that is the way it should go.

CHAIR—If you are providing the service, should you be given the access to the commensurate amount of advertising?

Mr Eaton—That is what I believe. If they want us to stand on our two legs, let us compete with the big boys.

CHAIR—Within those confines?

Mr Eaton—Within those confines. Let us do what they do and we would survive.

CHAIR—Would that be your preferred option?

Mr Eaton—But that would be a long-term thing. At the moment, we are looking for support right now. I would say within months we will not be doing racing. That is our dilemma at the moment, because it is just getting out of our hands. We are just going to go down.

CHAIR—Any other questions, colleagues? Thank you, Mr Eaton, yours I think is the only community station we have had before us, so that adds yet another perspective to what we are doing. We can see what the commercials are doing, we can see what the TAB stations are doing and we can see what the ABC has done, but you have added a fourth layer to our inquiry and, to that extent, it has been very valuable. We thank you for your time and for coming here today. If we have any further questions, we trust you will respond to us in writing.

Mr Eaton—Thank you.

[3.18 p.m.]

PIGGOTT, Mr Michael, Executive General Manager, Wagering, TABCORP Holdings Limited

CHAIR—Welcome. Before you commence your evidence, I have to caution you that although you are not required to give evidence under oath, the committee hearings are legal proceedings of the parliament and warrant the same respect as attaches to the House itself. Any false or misleading evidence is a serious matter and may be regarded as a contempt of the parliament. Would you please tell us what you do and make an opening statement?

Mr Piggott—We are responsible for operating the wagering services for Victorian racing within the state and we provide services both on racetrack and at offcourse venues around the state of Victoria.

CHAIR—Before you give us an overview, does your authority extend to who you support for the broadcasting of racing services?

Mr Piggott—We do support various media supporters of racing in Australia—

CHAIR—Does that come under your division?

Mr Piggott—Yes, it does in the state of Victoria. That basically involves a wide range of media, including the printed press, television services, Sky Channel television over the satellite and radio broadcasting within the state of Victoria. To the extent that we provide information to those organisations and in some areas we provide financial support, we are probably the major supplier of funding to the broadcasting of racing in the state.

CHAIR—Right. Would you like to give us a five or 10-minute overview of your submission?

Mr Piggott—As you are aware, racing is a very popular pastime in the state of Victoria from several perspectives. As an equine sport, it has great support and, more importantly, it is a major industry in the state of Victoria in terms of the breeding of racehorses, the growing of racehorses, the training of racehorses and the operation of racetracks within Australia. The racing industry really has several aspects to it of which all have importance, I think, to the hearing here today.

We are a company now, as you are aware. We are a privatised TAB and no longer a government organisation. That certainly has driven our views forward to the primary focus of the industry, which is on the consumer and the customer. Racing provides a great degree of entertainment to many Australians, particularly in Victoria where it is very strongly supported by the community, particularly in the country. Country dwellers are great supporters of the racing industry; they have enjoyed racing over many years. They also participate in the industry at all levels—from breeding, growing and training racehorses right through to the social activities of country race clubs and country racing. Those who have spent time in the country understand just how important racing is as an entertainment in the country. It is an activity which is well supported by country residents.

The industry itself is one of the largest employers in the state. It has a very large revenue base deriving from the whole gamut of racing from supporting and supplying racecourses and veterinarian services through to broadcasters in the country. It is either the second or third largest industry in the country, if you take into account all of the activities which are now involved in the racing industry.

To that extent, the Victorian racing industry is very strong and is very highly supported in the state. We enjoy a very healthy industry. The enjoyment of that industry is probably seen in the participation levels by Victorians in the industry at all levels, be it simply as one who is being entertained or one who is growing and training racehorses.

Racing also provides enormous revenue to the state government. I believe in this year our company has contributed some \$131 million as wagering taxes to the state revenue. Racing in the state is, as I said before, not only an entertainment product, not only something which provides enormous employment for people, particularly in the country, but also the source of enormous revenue.

It is in that environment that we have seen the curtailment of the racing services of the ABC as basically probably a negative or adverse step—in particular because of the country infrastructure, where the ABC is such an important element of the infrastructure in the country compared with the city where there are many other pursuits for people, or alternatives in terms of having access to racing services. We believe it is regrettable that, in the country area in particular where country people have a higher level of involvement in the industry, the discontinuation of the racing service by the ABC has been a rather unfortunate consequence of policy.

CHAIR—To start the questions on that very point, do you have any discernible evidence of the extent to which the discontinuation of the ABC service affects, firstly, interest in horseracing but, in particular, the TAB?

Mr Piggott—I could perhaps give you some indication that we in the TAB operate several services which are, I suppose, vertical in terms of their involvement with the industry. Our particular involvement is really only in the wagering side of the business which is to enable punters to have a bet on the races, but it is that activity which generates the funds which do two things: contribute to the Victorian Treasury and really fund the industry in the state. By way of example, we have some 53,000 customers in the country who have telephone betting accounts. We are also aware that some 20 per cent of our total involvement in wagering in the state is through telephone betting.

CHAIR—What percentage?

Mr Piggott—Twenty per cent, and 80 per cent is through our retail outlets, through racecourses and people going to the pubs or clubs and TABs. In the country probably that would be a little bit more towards telephone betting because of the tyranny of distance and the convenience of TABs. However, that predicts that there is about a quarter of a million people in the country in this particular state who like to have a bet on the horses and are active participants and who enjoy the entertainment value of that on a continual basis.

In terms of the number of people who are involved in the industry, be it from our point of view of people who enjoy having a wager on the races or be it people who are growing horses or training horses, it is a very large number of people who are involved in the interests of that industry. I think I started off by saying that, as a private company, we are very much interested in the interests of the consumer. It comes as somewhat of a surprise to us that an organisation such as the ABC has basically appeared to have given scant regard to the interests of the consumer in the country.

While I admit that the people who have a strong interest in racing are a minority of people in the country, in terms of the people who have an interest in racing compared to other pursuits they are a very large group of people. If we look at the people interested in everything from football to classical music to gardening or whatever their interests might be, whichever way one cuts the cake consumers in the country have a very high and strong interest in racing. It is therefore disappointing, and it is our view that in the decision of the ABC to discontinue the service—

CHAIR—You say that the proportion is 80:20. Do you have actual figures for how that breaks down in city and country? Could you supply the committee with that figure?

Mr Piggott—Victorian city?

CHAIR—If overall 80 per cent bet across the counter and 20 per cent bet by phone, could you tell us what the proportions are in the capital city of Melbourne as distinct from in the country?

Mr Piggott—I used the Victorian figure. When I said 20 per cent and 80 per cent, that is the total state figure.

CHAIR—That is what I am saying. Can you break that down into the two components? Do you have data that would allow us to see that?

Mr Piggott—I can certainly provide that for you. The figures I have here—

CHAIR—We will put that one on notice.

Mr Piggott—Yes, certainly.

CHAIR—The system here, as I understand it from an earlier witness, is that you pay your taxation to the government. I am still a bit hazy here. Who makes the grants available to the racing clubs for prize money?

Mr Piggott—TABCORP solely and totally.

CHAIR—Okay. So that does not go through the state government?

Mr Piggott—No.

CHAIR—And you do that through the VRC, is it?

Mr Piggott—The structure in Victoria is that the wagering, which is the TAB effectively, is conducted under a joint venture arrangement. The joint venture arrangement is one where the joint venture—which is a joint venture between TABCORP Holdings Ltd and the Victorian racing industry—is a joint venture operation where TABCORP have the liability or the obligation to manage the business. It is an arrangement whereby the wagering operation derives a revenue stream. The revenue stream is divided 75 per cent to 25 per cent between TABCORP and the racing industry, and the expenses involved—

CHAIR—Is that fixed by legislation?

Mr Piggott—Yes, it is.

CHAIR—So 75 per cent goes to TABCORP?

Mr Piggott—Correct, and 25 per cent to the racing industry.

CHAIR—Is this of the net or gross profit after betting?

Mr Piggott—It is a joint venture arrangement. The expenses involved in operating the TAB again are allocated 75 per cent to TABCORP and 25 per cent to racing. It is akin to a partnership, and I guess the bottom line is that racing receives approximately 25 per cent.

CHAIR—But then, when it gets to the VRC, they differentiate what should go to the city and what should go to the country.

Mr Piggott—Yes.

CHAIR—Is there any community service obligation to ensure that country tracks are not disadvantaged?

Mr Piggott—I think that question falls into the realm of the racing industry, and it is very clear that in their joint venture arrangement TABCORP have really little influence. We have influence but we have little control over how they distribute the money.

CHAIR—With regard to the broadcasting or the promotion of racing, you then take a separate and direct interest; is that right?

Mr Piggott—The broadcast of racing obviously has many beneficiaries, ranging from the state government through to the TABCORP shareholders, through to the various elements of the racing industry—be it training, growing, breeding, riding, racing and whatever results.

CHAIR—All general advertising then.

Mr Piggott—So the industry as a whole benefits from having improved delivery of the product to people's homes and by way of radio or television or by the racing media. It has been the practice that the majority of the funding of that activity is funded by the TAB and,

in fact, TABCORP continue today to be the major funder or provider of funds to the operation of racing services on radio, television and through newspapers. **CHAIR**—What is your relationship with 927?

Mr Piggott—Sport 927 is a company which is a wholly owned organisation of the racing industry, and there is an arms-length contract between ourselves and Racing 927 whereby we have, I believe, a three-year agreement—maybe two years; let us say it is an ongoing agreement which is negotiated every two years—whereby the radio station and ourselves negotiate the level of services which are provided by 927 and the funding which is required for them. Any shortfall in that agreement is funded by the Victorian racing industry as basically owners of the radio station.

CHAIR—Why is it that you discontinued support for independent and community stations?

Mr Piggott—The only one would be on the border of Albury-Wodonga. Why did we withdraw support for Albury-Wodonga? With Albury-Wodonga, the two issues there were that their major customer base, Albury-Wodonga, was actually New South Wales, and at some stage we were funding a facility within the border region of which the main beneficiary was, in fact, the NSW TAB and New South Wales racing.

New South Wales TAB withdrew funding from that station, I believe, at about the same time we did, but at the same time we were helping Sport 927 with financial support to put a high power radio station up in the Shepparton-Benalla area. That particular station covers pretty well the Murray River south. Therefore, financial support from ourselves to support a radio station which is broadcasting into the New South Wales region was an area which we were not interested in. It was a matter for the New South Wales TAB to support the New South Wales border radio station. That radio station is actually in New South Wales.

CHAIR—But you have just heard evidence yourself that the Wangaratta station does not get into Wodonga, nor does the Shepparton station, even though it is acknowledged that there is more population above the border in that area than below it. In proportion to the population, wouldn't that be the only facility providing racing services in that area?

Mr Piggott—I am told that the reception available, certainly in the Wodonga south region from Shepparton, is in fact of quite reasonable quality. It just deteriorates once you get north of the Murray. On that basis it is of little interest to TABCORP to fund services which support the New South Wales racing industry, TAB and government.

Mr HARDGRAVE—I will take you up on that point. On the map provided to us by 927, Wodonga and Corryong are not in their current Sport 927 coverage area. One could submit then that the coverage area that is achieved by 107.3 from an Albury based radio station offers racing coverage to Victorians that 927 does not.

Mr Piggott—From which station?

Mr HARDGRAVE—According to Radio 927's own submission, the Shepparton station broadcasting at 1260 kilohertz—

CHAIR—Leonie, could you give Mr Piggott a copy of the map on page 63 of our papers?

Mr HARDGRAVE—Do not get me wrong, I am not expecting you to be an expert on radio coverage, but it is the item at hand and I just want to submit back to you that what you have just said is not the case according to 927's own maps.

Mr Piggott—Let there be no doubt where TABCORP's view is here. We support as much coverage as we can see provided.

Mr HARDGRAVE—But you do not see any point in putting some money into a community station at Albury because it is in New South Wales.

Mr Piggott—As I think you would understand, we would have no incentive whatsoever to provide coverage into New South Wales. It provides revenue for neither the Victorian government, Victorian racing or TABCORP and, therefore, there is absolutely no incentive whatsoever for us to put money into New South Wales reception. Our limit of interest is very much to Victorian reception and then it is on a commercial basis from a TABCORP point of view because we are basically merely operators in the state, which means we incur expenses. The main beneficiaries of our activity are the state government, Racing Victoria and the consumers.

CHAIR—So if there were a Wodonga community station you would support it?

Mr Piggott—Not necessarily. That would be a totally economic issue as to whether the level of consumers in that area would justify the economic investment from ourselves.

Mr HARDGRAVE—When it is all said and done, what we are actually doing here is taking the pressure off the ABC because what is really happening is a classic bit of cost shifting, isn't it? The ABC was a Commonwealth instrumentality providing a broadcast. All of a sudden a community station offers one; a Melbourne commercial centre offers another one, and the Victorian government's now privatised TAB was helping to subsidise those services. So it is really a classic cost-shifting exercise, isn't it?

Mr Piggott—With respect, Mr Hardgrave, I would put to you that it is not a matter of cost shifting. It really is a matter of servicing the Victorian country people and residents. If one were to take a totally economic view to the ABC throughout the whole of Victoria and look at its commercial income versus its cost, you would say that the ABC perhaps should not even exist. But why it does exist is that it is providing a service to the consumers and residents of the state of Victoria. From that point of view, for whatever reason the ABC exists, my contention would be that it exists to support the consumers of Victoria, of which a large number have a great interest in racing. Therefore, I would have thought that the ABC would have an obligation to undertake that.

CHAIR—I do not want to get bogged down on this, but I want to take up Mr Hardgrave's point there. When you are talking about a TAB racing service, you are talking about essentially, on the east coast of Australia, something that goes from Brisbane around to Adelaide, with a plethora of country race meetings, dog meetings and harness racing that is going on all week. Part of the philosophy of the new TAB stations is the comprehensive nature of them, that you can get all these multitudinous services on one network and that you can bet on the dogs in Brisbane or the harness racing in Melbourne or something else in Adelaide at any time.

Other than the broadcasting of the actual dividends in the state in which you are located, it does not really matter which station it comes out of, does it? It does not matter whether it is the Melbourne feed or the Sydney feed going into Albury or Wodonga; surely it is whether or not they tag it with the Victorian TAB results—the service would be no different. If there was a separate Wodonga community station providing a Melbourne feed on a Victorian based service and tagging the New South Wales TAB results, do you think the listening would be any different north or south of the border?

Mr Piggott—Without trying to change the subject, I think our problem in Victoria is not Albury-Wodonga; our problem in Victoria is Gippsland and the north west of the state, where there is zero coverage or very little coverage. I can certainly talk on a national front, but, with my Victorian hat on, I think the Albury-Wodonga thing is very much a red herring—the number of people in Albury-Wodonga that are not getting serviced.

CHAIR—We will certainly come back to the Gippsland area—do not worry about that. We are grappling, in this inquiry, with a comprehensive national service being withdrawn before there was an alternative service in place. As the evidence has unfolded it has shown that, for various reasons, the alleged alternative services at the time, such as satellite, pay TV and the Internet, all had limited application or had a cost attached to them. In the course of our inquiry we are not just trying to nail you with Wodonga, but we are interested in Wodonga because it is one of the areas on which we will have to make recommendations to the government. We know the structure for TAB. We know the structure of the 2KY service. We know, for example, that 2KY will make feeds available to various private institutions and community stations, if they request it.

Then we come to Victoria. We are now trying to flesh out the TABCORP and the 927 relationship and what it does for the state of Victoria. We are not trying to nail you, but it just seems to me a bit trite, because if a radio station is sitting on a border—and, obviously, it has to sit one or other side of the border—and if it is giving the TAB results of the other state with each race, it is providing exactly the same service that would come out of its capital city, and I just find it difficult to understand why you would not fund the service rather than the location of the station. If we are to make recommendations in our report that might apply to the status of community stations and their right to advertise and so on, we have to know what the attitude of the TABs in each state is to those community stations.

Mr Piggott—The TABs, as I understand the economic structure, have a secondary role to play in terms of the broadcasting of racing. It would seem to me that if one was to let the consumer rule the roost—as we tend to try to do as the consumer, certainly in TABCORP's

view, is the most important person that we should be servicing—then if there is demand in Albury-Wodonga for racing services, if there is a demand in the north west of Victoria, or wherever, for racing services, it is a fairly simple position for TABCORP to take. But our view certainly would be that if the consumer requires or demands those services, then, if I was running the ABC, with all due respect, I would have to regard that as being a very important consumer base—as it is.

I did hear the tail end of a submission to you by the Albury-Wodonga racing service. If I was to look at the bottom line there it is all about ‘the people out there want to listen to me’. I would think that if a commercial station such as Albury has the view that there are ‘people who want to listen to me’, I cannot see why the ABC would not say, ‘That is of no interest to us. We are interested in providing service to people who don’t want to listen to me.’ I would have thought the consumer would be driving the decisions and not the commercial objectives of a person who owns a small radio station in Albury-Wodonga.

Mr HARDGRAVE—Mr Piggott, where I was trying to take this to was to find out whether or not TABCORP was determined to take up all possibilities as far as broadcasting of horse races et cetera is concerned, given that a lot of the evidence that has been before this committee over a number of days of hearing has been that without the broadcasting of races we are seeing an industry that does not feel supported, loved, nurtured and, therefore, will wither on the vine. Is that a reasonable assessment from your viewpoint?

Mr Piggott—If you focus on the TAB’s view, the danger is that one would miss the point, that the TAB is a very small part of the business. I know we operate everything but we are the tradesmen, we are supplier to the racing industry. The main beneficiary of the racing service is certainly not the TAB. The beneficiaries, starting from the top, are: the state government, the Victorian racing industry and all of the industries associated with racing in the state of Victoria. The TAB themselves are really the tradesmen—we simply sell the bets and we take the commission and we pass it on to other people.

Mr HARDGRAVE—But the broadcasting of horse races is an integral part of it, isn’t it—you agree with that?

Mr Piggott—Yes, it is a very integral part of it. I am talking about the beneficiaries of it rather than the activity itself.

Mr HARDGRAVE—What I am trying to home down to, though, is that if there is a community station, whether it is at Albury-Wodonga, Gundagai or Corryong, and it is willing to broadcast horse races and it cannot get a feed out of Melbourne, then I would have thought that was to the detriment of the Victorian racing industry.

Mr Piggott—It cannot get a feed out of Melbourne?

Mr HARDGRAVE—It cannot get a feed out of 927, which is apparently heavily influenced by TABCORP—

Mr Piggott—Absolutely not. I have to say that Sport 927 are a totally independent organisation. Mr Hardgrave, if I could perhaps ask you a question because—

Mr HARDGRAVE—No, it is actually me that is asking you the questions, Mr Piggott. What I am trying to find out is: is it the view of TABCORP that you would take up all options to broadcast races and would encourage those who are able to offer feeds to make those feeds available?

Mr Piggott—Yes.

Mr HARDGRAVE—It would be?

Mr Piggott—Yes. And I would say that our support of that premise goes as far as suggesting to Sport 927 that they provide all their feeds to the ABC, so the ABC would not have had the costs of operating their ABC racing service in prior years.

Mr HARDGRAVE—But what if the ABC was not going to take it up and a team of community stations, say one at Traralgon and Sale—to address the Gippsland issue—did what 107.3 in Albury did, and the Albury station was able to get a Melbourne feed—would you be happy about that as an organisation?

Mr Piggott—I would say the TABCORP would give that support.

Mr HARDGRAVE—It took me a long time to get to that. I was really worried that you were going to leave me with the impression that you were not happy for community stations, because of some other criterion, to have that broadcast.

Mr Piggott—That is the question I was going to ask you in order to clarify that in my mind.

Mr HARDGRAVE—Right. There is one last question. It is a little cheeky, not against you or your organisation, but I just want to get a view on this. I think you said 80 per cent of the bets are placed through agencies and outlets and 20 per cent are over telephones. Is that correct?

Mr Piggott—Yes.

Mr HARDGRAVE—Why would you maintain a telephone betting service if only 20 per cent of people use it?

Mr Piggott—Because it contributes some \$100 million a year to the state racing industry.

Mr HARDGRAVE—I just asked that because they are similar figures to why the ABC dropped horse racing. Thank you.

Mr JULL—If I could move on to Gippsland, have you got any hard evidence that would indicate that betting has declined in Gippsland since the loss of their racing service in comparison to, say, somewhere like Wangaratta that has got one?

Mr Piggott—No, I do not. We have got imperceptible changes in the betting in the country, which I could give you, so I cannot say yes or no to that. The empirical evidence that we have of the harm or the shortfall in the participation levels comes mainly from industry resources such as people who may be trainers or breeders who live in the country and who write and say, ‘Please support this because we don’t know how horses are doing.’ It is an interest to the people in the country.

Mr JULL—One thing that worries me a bit about the inquiry so far is that most of the claims have been hearsay. There are not many hard figures to back it up.

Mr Piggott—I would be most concerned that an organisation like the ABC could withdraw a service without having those hard figures to start with—in other words, knowing how many of our listeners enjoy listening to racing. Certainly from TABCORP’s point of view—and I know we are a commercial organisation—we would not make a commercial decision to withdraw a service without understanding beforehand exactly what number of people enjoyed that service. I would be of the view that the country has a high level of interest in racing, mainly because my family come from the country, and I am very much aware from a personal point of view that the interest which country people have in racing is greater than in the city and that the ABC provided the service on Saturday afternoons. Again, Saturday provides half the interest in racing for the whole week.

Even though services such as Sport 927 provide a comprehensive coverage of harness, greyhound and every other type of racing around the place—and I might say that that activity is providing a cross-subsidy of metropolitan racing to support training, breeding and country industry—the whole concept of the ABC in the country is a major contributor to the industry, particularly to the entertainment value of people. For the ABC to withdraw that service without understanding the entertainment value is rather unfortunate, I think.

CHAIR—I believe one of the witnesses this morning said that people were 40 per cent less inclined to bet when they could not hear the race. Do you have any research on that?

Mr Piggott—I do not have any on me, but I could certainly confirm that it would be a large number.

CHAIR—If you have any evidence, could you let the secretariat have it?

Mr Piggott—I could perhaps let you have the growth of racing in the past 15 years, where the transmission of information on the betting odds, the racing itself and the racing dividend in terms of the race call, the pricing and the betting information has seen the support of racing in this country grow sixfold or sevenfold over the past 15 years. One can go back to the days when betting and support for racing was very much localised: it was on in the local town, in the local metropolitan area or in the local state. The tremendous growth in the racing industry over the past 15 years has been largely due to the great increase in the media distribution of the race itself—firstly through radio and secondly through television, which has been an enormous driver of participation levels in the racing industry.

CHAIR—I have a question to ask you that we asked your colleagues in Queensland and New South Wales. What would your preferred option be? Let me ask you another question

first, based on evidence we heard quite strongly in Victoria. Do you think the average person who listens to racing regularly on Saturday likes the more rounded program of some football or cricket and then the major races of the day, or do you have any evidence to support the view that people like a service that provides only races, dividends and ancillary reports?

Mr Piggott—There is no black or white answer to that. I think one has to look at the infrastructure that exists in terms of the available capacity of wireless channels or television channels. It is up to the suppliers or providers of those services to try to compromise or optimise the levels of service one has. In the past we saw a situation where, in the case of the ABC country areas, we had racing on Saturday, which of course is a big day.

In the past three or four years we have also seen football broadcast not only on Saturdays but also on Thursday, Friday and Sunday nights, so you have had a tremendous spread in football coverage—and we have a lot of football supporters in the country, absolutely. I would have thought, from a layman's point of view, that the opportunity that exists at the moment is to ensure that racing has a place in the broadcast alongside the other interests such as football, particularly now that football is spread out over more than just the Saturday afternoons—

CHAIR—That was not quite my question. My question was: do you think the bulk of the public prefer a single focus type radio station or do they prefer a comprehensive program such as the ABC's *Grandstand* program, which incorporated racing, cricket, and in other seasons, football, tennis, swimming and the like?

Mr Piggott—I am not sure how qualified I would be to answer that question without doing the research. From my personal viewpoint, I lived in country Victoria for many years and I liked the ABC in prior years. I liked the mix. You knew what was going on: cricket, football, racing; it was all there.

CHAIR—That seems to be almost the universal opinion.

Mr Piggott—It was a great program to listen to.

CHAIR—Let me put this to you: given that the LAPs have not been completed in Victoria for the provision of some of the licences, especially those affecting the eastern third of Victoria and the western region, given that that process could take another year, some say two years, to complete, what is your reaction to the ABC being requested on one of its two networks, either the FM or the AM network, to reschedule racing broadcasts until some alternative service is available?

Mr Piggott—I think you asked two questions there. The first question was: should the ABC put out two different programs on two different channels, being FM and AM?

CHAIR—No, I am not asking that question. They do that anyway.

Mr Piggott—The second question was: should they do it until something else is made available?

CHAIR—They already have two sports channel on their regional network on Saturdays.

Mr Piggott—But you are suggesting that maybe racing could be one of them?

CHAIR—That racing be part of one of them.

Mr Piggott—Yes.

CHAIR—What is your view on that, until such time as an alternative service covers most of the state?

Mr Piggott—I think anything they can do to improve the ABC programming in country areas which would make Victorian country residents enjoy listening to the radio more on a Saturday afternoon would be beneficial. I think you would have to talk to the other pundits of broadcasting and programming and market research to see what they would prefer. My own personal view would be that I would prefer a more rounded program. That is certainly something that the racing industry and the various participants would welcome.

In terms of the length of time that should go on, I guess it again gets back to the consumer and what is required by the consumer. I think the ABC, as every organisation that is providing a service, should be driven by consumers, and the best way to ask that question is to ask the consumers what they want. I could give some opinions as to what I think they want, but I think consumers should drive the business.

Mr HARDGRAVE—Based on what has occurred there, why wouldn't the ABC have those sorts of mechanisms in place?

Mr Piggott—I would have to refer you to the response you have had so far to the decisions that have been made.

CHAIR—With regard to what is referred to as a TAB meeting—and it seems to be a matter of some concern to race clubs—how do you decide what should be a TAB meeting?

Mr Piggott—The TAB versus non-TAB meeting is an ongoing discussion within the racing industry. In general, the TAB's view would be that there should be no such thing as a non-TAB meeting. Basically, the non-TAB meeting is a race meeting conducted by a race club which is not broadcast off the track but which receives funding from revenue generated by off-track betting. Again, I think it is a very practical point of view, but the reality of life is that in the past five years Victorian racing has embraced the concept that a non-TAB meeting is a waste of horse flesh because we have a competitive marketplace. We are under threat from all sorts of entertainment alternatives—football, TV, movie theatres and shopping malls—and whether we like it or not we are in a very competitive industry.

CHAIR—Do you provide a TAB service to a race track that requests it even if the meeting itself is not TAB broadcast?

Mr Piggott—Yes, we do. We provide betting on track.

CHAIR—So you still receive the benefit. My experience is that, of people going to the races, 80 per cent of betting would go either on the TAB or on the bookmakers holding money on the capital city races—or probably even less.

Mr Piggott—With non-TAB meetings there would be negligible bookmaker turnover, if any.

CHAIR—If would be only 10 or 15 per cent.

Mr Piggott—No, not even that. It would be one per cent—it would be negligible. In the case of non-TAB meetings, again the offcourse turnover would be zero, obviously. In fact, the cost of operating those meetings exceeds the commission which the TAB receives for operating the commission. In general, non-TAB meetings tend to be a vestige of history because we are running a racecourse wherever—at Waterloo, say—for 115 years and we still run it.

What has happened in Victoria, and it has yet to happen in New South Wales, is that there has been a large movement to accept the view that if horses are going to compete in a proper race, then that race may as well be broadcast to offcourse punters because no longer can the oncourse business justify running the racecourse or running the race meeting. It cannot pay for the prize money.

You will see a trend—you have seen it in Victoria already—where we now have very few non-TAB race meetings in Victoria. In places like New South Wales, you will see a rapidly declining number of non-TAB meetings. The economics of the business are such that the cost of running racehorses is a very expensive exercise. New South Wales have got 270-odd non-TAB meetings; we have got about 15 in Victoria. Our view is that if you are going to run racehorses around a racetrack, which costs a lot of money, then they have got to contribute to the funding of the industry. The non-TAB meetings contribute negligible amounts.

CHAIR—On that note, Mr Piggott, thanks very much for your evidence. I know it is a difficult role for the TAB, being the meat in the sandwich, but you will appreciate our questioning has to be somewhat incisive because we have to understand this business at all levels. They are not all black-and-white issues here; there are shades of grey that we have to come to grips with. If we require any more information, and we did mention a couple of things on notice—

Mr Piggott—I think you wanted a section of country versus metropolitan telephone betting.

CHAIR—If you could let us have that in writing we would be most grateful, and any other issues that might arise. We will provide you with a draft of the *Hansard* copy of today's proceedings. I thank all those who attended here today, especially members of the media, press and observers—though there are not many left now in the public gallery—and the Victorian parliament for making these facilities available to us.

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

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

Committee adjourned at 4.03 p.m.

