



COMMONWEALTH OF AUSTRALIA

## Official Committee Hansard

# HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON COMMUNICATIONS, TRANSPORT  
AND THE ARTS

**Reference: Adequacy of radio services in non-metropolitan Australia**

WEDNESDAY, 31 JANUARY 2001

TAMWORTH

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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**HOUSE OF REPRESENTATIVES**  
**STANDING COMMITTEE ON COMMUNICATIONS, TRANSPORT AND THE ARTS**  
**Wednesday, 31 January 2001**

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

**Members in attendance:** Mr Neville, Mr Gibbons, Mr Hardgrave, Mr Mossfield, Ms Livermore, Mr McArthur, and Mr St Clair

**Terms of reference for the inquiry:**

To inquire into and report on the adequacy of radio services in regional and rural Australia and the extent to which there is a need for the Government to take action in relation to the quantity and the quality of radio services in regional and rural Australia, having particular regard to the following:

- The social benefits and influence on the general public of radio broadcasting in non-metropolitan Australia in comparison to other media sectors;
- Future trends in radio broadcasting, including employment and career opportunities, in non-metropolitan Australia;
- The effect on individuals, families and small business in non-metropolitan Australia of networking of radio programming, particularly in relation to local news services, sport, community service announcements and other forms of local content, and;
- The potential for new technologies such as digital radio to provide enhanced and more localised radio services in metropolitan, regional and rural areas.

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**Committee met at 9.13 a.m.**

**CHAIR**—Good morning, ladies and gentlemen. I declare open this public hearing of the House of Representatives Standing Committee on Communications, Transport and the Arts in its inquiry into the adequacy of regional radio in Australia. This inquiry has generated strong interest from across Australia. We received approximately 280 submissions. They come from a wide cross-section of the community—from state and federal government departments, statutory authorities, from the peak industry associations, commercial networks, independent broadcasters and the community radio sector, shire councils, sporting associations, emergency services organisations, and many individuals.

It is clear that considerable effort has been put into these submissions. It is an indication of, firstly, the importance of radio to regional Australia; secondly, the concern in the community about current policies and practices concerning radio services; and thirdly, no doubt an indication of the concerns some have about possible changes to these policies and practices. The information that has been provided to us will assist us greatly in considering the very important issues concerning the provision and adequacy of radio services in non-metropolitan Australia. The issues that have been raised in these submissions are many and varied. We have not yet come to all the answers, quite clearly, because we are in the third phase of this, and that is the taking of oral evidence from witnesses.

We are in Tamworth today, because some of the themes that we have picked up are quite relevant to this area. For every claim that has been made there is often a strong counterclaim. We will be testing the evidence thoroughly, travelling widely. From here we go to Bathurst, Townsville, and then Longreach. In a fortnight's time we will be on the Gold Coast doing the south-east Queensland area, and later we will do another outreach to the Northern Territory, Western Australia and possibly South Australia. We will be looking for solutions to problems in regional radio which will provide the right balance between providing an environment that both recognises the reality of commercial radio and other considerations faced by other sectors of the radio industry, and that of ensuring that the community has access to a diverse range of quality programs and services.

On behalf of the committee I welcome all those giving evidence today, to those in the public gallery, and to members of the media. I am sure it will be a very fruitful day. I acknowledge the presence in the room this morning of his worship, the mayor. Would you like to make a short greeting to the committee before we commence our proceedings?

**Mayor Woodley**—Thank you. Distinguished people at the table and other people with an interest in this regard, we appreciate this opportunity to have our say. Through our federal member, Stuart St Clair, you have come to Tamworth and picked this as a region that you wanted to investigate. We appreciate this opportunity.

I echo your words in regard to the fact that radio is very important to regional Australia. It is absolutely important to regional Australia. A lot of our city cousins, if they have never lived in the bush, probably would not understand. But it is absolutely true. I do not think there are many people here today that would argue with that point. I appreciate the fact that you are out in the bush finding out what happens. You have got to always remember the importance of the bush. I have said lots of times that, over the last 100 years, something like 80 per cent of the exports of

Australia have been produced by 10 per cent of the nation. That 10 per cent is people from the country. It certainly was the case in the earlier part of the history of Australia. Therefore, the city and Australia owe country people the best services they can possibly provide. In some cases, we people in the bush feel that we do not get the best services we deserve. That is why, when you have an inquiry into something like this, country people come to the fore and say, 'We want to have our say.' So, thank you very much. Welcome to you people. Thank you for coming and thank you for all the other people that want to participate. Whether they agree with me or not, that is what it is all about. It is all about democracy and having a say. We appreciate your being here. Thank you.

**CHAIR**—Thank you. Following up what the mayor said and my earlier comments, at 3 p.m. this afternoon we are going to hold a public forum. That will allow members of the public who may not have made formal submissions, or people who have an interest in one particular aspect of radio, to make a short statement. We will call you forward to the table in groups of three and allow you make a short statement. We will not be cross-examining you closely, but some members of the committee might have some questions to put to you for clarification, or to ask what the purpose of your particular submission is.

Before we start, we have some housekeeping matters.

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

That submission No. 252 from 2YOU FM 88.9, together with any attachments that have not otherwise been received as exhibits, be received into evidence into the inquiry into the adequacy of radio services in non-metropolitan Australia and authorised for publication.

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

That submission No. 253 by Mrs D Caine, together with any attachments that have not otherwise been received as exhibits, be received as evidence to the inquiry into the adequacy of radio services in non-metropolitan Australia and authorised for publication.

**CHAIR**—Two of our colleagues could not be with us today—the members for Herbert and Lowe—but you have eight of 10 of the committee here. The committee is very well balanced—four Labor members, four Liberal members and two National members. I might also add that this committee has not had to have a vote in the eight years that I have been a member of it. We always reach consensus on most issues. It is a good exercise today in coming to Tamworth to know that this is a method whereby not only the public can participate in the role of government but also the backbenchers have a very important say in the direction that the government takes.

[9.21 a.m.]

**LYON, Mr Philip, General Manager, Tamworth City Council**

**WOODLEY, Mr Warren Walter Henry, Mayor, Tamworth City Council**

**CHAIR**—Welcome. I ask all witnesses—and I see several in the hall—to speak to the Hansard reporters before you leave so that they can verify spellings and the like so that the record is accurate. All these proceedings today will be recorded by Hansard. The documents will shortly be on the Internet as well, so it is very important that names be accurate. Are you going to lead, Mayor Woodley?

**Mayor Woodley**—Yes, I will.

**CHAIR**—Could you give us a five-minute overview of your submission.

**Mayor Woodley**—Yes. May I read the submission?

**CHAIR**—Certainly.

**Mayor Woodley**—We have made some slight changes to the original submission, but it is nothing dramatic.

**CHAIR**—You do not have to repeat the submission. You could just give us an overview and then we will do the rest by way of questioning.

**Mayor Woodley**—Fine. Mr Chairman and distinguished guests, thank you very much. I guess our submission basically portrays a piece of history in regard to Tamworth and the station 2TM. It is a local radio station that started here back in the 1940s, and it has been locally owned and controlled for many years. It is an excellent radio station that gave the Tamworth people and surrounding district the best that radio could give. I guess it was upon the sale of the local interests of that station that what the locals call the hoedown period of 2TM was changed and networked with a Sydney station, 2SM.

There was a country music segment of the radio that went through the evening right through until the early hours of the morning—from six until six. So it was a long period of time. During that period of time, they played country music. We had people from all over Australia listening to the radio station of Tamworth because it was the only station that really gave that amount of time and prominence to country music and items of interest to country people in the outback that were connected with country music. The station talked about events that were coming up—horse shows, et cetera. On occasions, they gave updates about river levels and when roads were closed when we had floods in southern Queensland. That covered the area through to the middle of Australia and certainly the areas around Tamworth and those places in close proximity to the north-west of New South Wales. Also, part of that segment was a talkback show. For most of that period of time people could ring in not only to ask for different music but to talk about matters of interest to country people, because there were so many country people listening to it.

So it provided a great service. Being Tamworth people, we were very proud of it. I guess when it was networked to Sydney, all that stopped. There were a lot of protests locally and from many areas of Australia to Tamworth. We got involved in that because we were anxious. The Tamworth City Council itself is not involved in radio but certainly the citizens of Tamworth are and they felt they were affected. They were very disappointed. We received lots of letters and phone calls from people, not only in Tamworth but from very far-reaching sections of Australia. Most of our submission relates to that. I will ask the general manager to make a comment shortly.

During a period of time before the station was taken over, we did go through a period when we had the John Laws program. We were networked then as well, and that took away the morning sessions. Prior to that, it was a local talkback done here in Tamworth. Only a matter of a few years ago, we had actually local content, from my memory. I stand to be corrected by someone out of the radio station, but I see it as a local content right through the morning—early breakfast through the morning talkbacks on local issues to do with Tamworth and different things. I think that radio station 2TM, at that point in time from my estimation, had most of the listeners in the area. I think the second choice would have been the ABC. I am not sure what that would be today. I would think they probably would have swapped places in the mornings because a lot of people listen to the ABC now. They have a very good local talkback session on local issues and local matters, whether it is Armidale or Tamworth in this region, and it reaches a lot of people. That is the way I see the radio.

I often listen to the talkbacks at night now, but that is taken out of Sydney. That is a statewide broadcast on a talkback session and in the mornings also. So the local people miss that. They feel that it no longer gives them the local radio content that they had before and they liked—hence, the protests we have received. I can understand personally the reason why the station did what they did. They are there to make a dollar. I am a businessman. By doing what they did, if they can get away with that, I am sure it would be the way to go. But it does affect listeners, and that is the point. I am not here to discuss or make too many comments on the investment by the company. It is purely the fact that I am representing the people in this region and I am repeating what those people are saying to me. I believe that is what this inquiry is all about. We have not come up with a remedy, and we were not asked to. It is probably not our job. I understand that, but I am just passing on those comments. I think that is probably an overview. Mr Lyon might like to add to that.

**Mr Lyon**—I would like to make a couple of quick comments. The aggregation of the local regional radio stations is really, from our point of view, a community problem. As the mayor mentioned, we can understand the economics that drive that sort of aggregation of radio stations, but when it does happen you tend to lose some of your local contact, some of your local abilities. We have to depend on the good offices of the local people who work at the radio station if we wish to get community broadcasts for an emergency or for a natural disaster after 6 p.m. because from 6 p.m. through to 5.30 a.m. the station is operated from Sydney. There are some issues there from the community that I think should be on the record.

**Mayor Woodley**—I would like to add to that, if I may. There has been some concern during floods, bushfires and so forth that the local station is not available to us as we would like. We need to ring and say that the bushfire that was in a certain area has now expanded and crossed the highway and that people ought to be aware. It is the same with floods, disasters or whatever



it might be, which was always the case before. The local station manager has assured us that in those emergency times he has the facilities at hand within a period of time to broadcast from Tamworth in regard to those issues. Nevertheless, I do not believe in those urgent times the constant continuation would be available to us. In other words, when we have bushfires or floods here we—the SES, the police and everyone else—feel that it would be great if that was available to us all morning, not just for half an hour for a notice.

**CHAIR**—Perhaps on that note we might start the examination. The first question that arises is: are there any incidents that you can allude to where you have not been able to get fire, flood or natural disaster messages on the local stations?

**Mr Lyon**—It is probably a bit of a learning curve for us as well in that regard. We had some floods here in November and we did not get some announcements over 2TM of a night that we would have liked to have had. We did not realise we could call on the local manager of the station to open up and put those broadcasts over. We did use the ABC and other facilities we had to try to get—

**CHAIR**—Isn't it part of the council's disaster plan to ask the local station to go online?

**Mr Lyon**—We are learning, and we will call on the local manager in future to see if we can achieve that result. He has indicated he will assist as much as he can. It is a learning curve for us as well in that regard. Because the station transfers back to Sydney at six o'clock of a night, we just assumed it was not available. We have since found out that it is, so we will be taking full advantage of that offer from the local manager for that purpose when disasters occur in the future. That means we have to find him and get him to open the station, et cetera.

**CHAIR**—Before I came down this morning, I was doing an interview at the ABC. Between an interview with the Vice Chancellor of the University of New England and my interview, the local presenter was saying that they would keep everyone up to date throughout the day on river heights and road conditions. I thought that it would be what people in regional areas want.

**Mayor Woodley**—They do.

**CHAIR**—It was a good example in an instance like this—where you have had up to 10 inches of rain in some areas of the north and the north-west—of how important it is to get that data to air quickly. I would just like to ask you the same question that I put to a witness yesterday. What is your view on the community service obligation being part of a radio station's licence requirements? In other words, they would have certain things they would have to fulfil in the same way as Australia Post and Telstra have to maintain, regardless of profitability, certain things on behalf of the government. What is your view on that?

**Mayor Woodley**—I think we have actually mentioned that in our submission, Mr **CHAIR**man.

**CHAIR**—For the record I would like your view on that.

**Mayor Woodley**—The general manager and I discussed that yesterday and we believe it should be a condition of a licence. As for the amount of time that is available for the community

or what the government legislates that it should be, we have not given a lot of thought to that. I want to go back to what you were talking about a minute ago. Mr Lyons said that it is something we are coming to grips with in our disaster plan and that it is a learning curve. I need to add that it is an education for the residents and the people in this area because, almost since radio was with us, they had that access to information. If there was a problem in the region, they would just turn on the radio, go about doing whatever they were doing—mum may have been cooking breakfast or a cake—and just hear it all the time. They were updated continually all through the morning.

If it is going to be that we have to contact the radio station at 10.30 a.m. and then at 12.30 p.m. to get a community announcement, that is a nuisance to people; they cannot do their normal things—it is not the same, if you understand what I mean. They have to finish what they are doing, come in and listen to the radio for half an hour, go back out and do something on the farm and then run back in again. That is not really what they are used to. If that is to be the case, that is to be the case, but we need a lot of training and education of the people to get used to that new system. I think anyone in this room would agree with me that ideally, if you can go about your business or your office work and have it tuned in in an emergency, that is really what you want. Does that make sense to you, Mr Chairman?

**CHAIR**—Certainly.

**Mr HARDGRAVE**—I just want to follow up on this whole question of an example of where an emergency situation has not been properly attended to in a timely fashion. I admire the fact that you are taking a bit of the pressure on the council from this learning curve comment, Mr Mayor, but surely the station also had a responsibility to let you know contact numbers. Had the station communicated to the council to let you know how to contact them in the event of an emergency?

**Mayor Woodley**—Not that I am aware of, but I stand to be corrected.

**Mr Lyon**—No, not directly to the council. Whether they had with the SES I am not sure, I cannot confirm that. After our recent discussions we are now aware of the process to follow to obtain that assistance that we would like to have.

**Mr HARDGRAVE**—You are not aware of whether the SES or fire authorities or anybody like that—

**Mr Lyon**—No.

**Mr HARDGRAVE**—I will ask the radio station that question. The thing that concerns me is that there was not that communication offering from them, so that is why I was asking that.

In your submission you talk a lot about *Hoedown*, John Minson's legendary program, and the loss of identity for the local community out of that. But this city is not just country music, so you are not really saying that if you do not have country music on 2TM, life will stop turning?

**Mr Lyon**—Absolutely not.

**Mr HARDGRAVE**—You are really on about the community interaction that was there that is not there now. Is that right?

**Mr Lyon**—Country music is not the only asset that this city has. We are a substantial regional city with numerous assets and we do not depend solely on country music, but it is very much an icon for this city. We are internationally renowned for our country music and being the Australian headquarters of country music. The loss of the radio program I believe was a diminishing of that recognition of what the city stands for in relation to country music. Whilst it is not our only asset, it is a major asset and one that we are very proud of.

**Mr HARDGRAVE**—What you are saying is that it is actually more of an example of this loss of community identity and loss of attachment from what was your local radio station.

**Mr Lyon**—I think that is a pretty good way of putting it.

**Mr HARDGRAVE**—So it would be, for somebody visiting Tamworth, more than a little passing strange that they do not hear country music being played on the local radio station?

**Mr Lyon**—I would suggest that that is a particularly good example of our concerns.

**Mr HARDGRAVE**—Do you get comments about that?

**Mr Lyon**—Very much so. We have been endeavouring to try to promote country music year round, 24 hours a day if we can. The loss of the *Hoedown* show and the country radio show for the 12 hours of the day that we did have was a fairly major loss of that identity.

**Mr HARDGRAVE**—It would be like Nashville trashing the Grand Ole Opry, I suppose.

**Mr Lyon**—Something like that.

**Mr HARDGRAVE**—What has been the reaction of the Broadcast Operations Group to your complaints and comments and the public comments?

**Mr Lyon**—When they announced that it was closing there was a fairly major uproar from various sections of the community, including us. But it was a fait accompli and it has been done. I guess we have got on with life and tried to get around it by doing other things. We now have the NTC station here. We have tried to do other things to try to fill the void, if you like. The radio station has local content during the day to a certain extent and then transfers back to 2SM of a night full time. We have lost that after-hours session when people did listen to it all night long.

**Mr HARDGRAVE**—During the daytime operations locally, are they playing country music?

**Mr Lyon**—Not particularly, but on occasions, yes.

**CHAIR**—Have you ever approached Mr Caralis to perhaps originate a program from Tamworth for his whole network?

**Mr Lyon**—Not directly, no, not on that actual facet.

**CHAIR**—It might indicate another area of communications.

**Mayor Woodley**—As a council we have not. Probably there have been Country Music Association members and different things that would have done that over a period of time. To add a little bit to what Mr Lyon has said, when they took the country music element away it not only affected country music people, that program had a lot of great followers with the trucking industry. You will notice a lot of country music songs are trucking songs. They spoke to a lot of guys on their two-way radios. They could have been anywhere, telling them about road conditions and different things. Mr St Clair, from his background, would verify what I am saying. It had a great following right across. That was a bit of shame as well. They missed it as well.

**CHAIR**—The ABC have two country and western programs. They do one from the Townsville studio. There is no reason why it should not come out of a country station.

**Mayor Woodley**—No.

**Mr MOSSFIELD**—Prior to 2TM being sold or bought by 2SM, what was the networking arrangements? You mentioned that they took the John Laws show prior to the sale?

**Mayor Woodley**—From my memory we had the John Laws show for several years before they sold the station.

**CHAIR**—Was it for one, two or three hours?

**Mayor Woodley**—I think it might have been three hours. It started at 9 a.m. and finished at noon.

**Mr MOSSFIELD**—Could you identify any deterioration in the local content since the purchase of 2TM by 2SM? Has there been any deterioration in local content?

**Mayor Woodley**—What we have pointed out there is the major 6 p.m. to 6 a.m. period. That is what we called local content. It was done straight out of here. That was the *Hoedown* program. So half of the day has gone since then.

**Mr MOSSFIELD**—So that period of time is straight from Sydney now?

**Mayor Woodley**—That's right.

**Mr MOSSFIELD**—What about staffing? Have you got any information relating to the numbers of people who were employed prior to the sale?

**Mayor Woodley**—I have not, but I believe there would be quite a lot of people.

**Mr MOSSFIELD**—Are you aware of fewer journalists being employed now than previously?

**Mayor Woodley**—I have not noticed. I have not got the figures.

**Mr MOSSFIELD**—Okay. You did make a suggestion in your final comments in your submission relating to:

... licences be made available at low cost to provide radio programming suitable to the local and regional listening audience...

Are you suggesting that the town could handle another radio station? What is your suggestion there?

**Mayor Woodley**—You know more about this than we do but there seemed to be in past years an image that to get into AM radio you needed a fair bit of money. It is left to the high fliers who have a lot of money to manipulate whatever they wished. It appears to me to be that way. If they do not want to give local content, please make conditions available to other people that can do that. The country people need it and deserve it. There was no consultation at all. That was another point that a lot of people found quite offensive in Tamworth when the station was taken over by 2SM. We received very short notice. It just happened. People were crying out, ringing up and doing everything. But it was just done. It was just, 'Go away, it is finished.' It appeared to me that the Tamworth people would have liked an opportunity to sit down and talk about it. The station, for obvious reasons, did not give them that opportunity. One would have hoped that out of that would have come some sorts of discussions whereby we might have been able to ask them, 'Could you do a small segment or something else to take its place?' We did not have that opportunity at all. It was done and we had to get on with life.

**Mr GIBBONS**—I have two questions relating to the country music program. What would you estimate the country music industry would be worth in economic terms for the Tamworth region? Has anybody ever done a study and put a figure on it?

**Mayor Woodley**—We have a figure of between \$30 million and \$40 million during festival time that comes into Tamworth. Apart from that, I do not believe we have any figures, no.

**Mr Lyon**—Not year around, but the festival in January, of course, is our major time and figures that the mayor has given are pretty reasonable, I think.

**Mr GIBBONS**—You said that people used to listen to the program from all over Australia. Was that program relayed to other networks from Tamworth?

**Mr Lyon**—As I understand it, it was. It was relayed to other regional areas, yes.

**Mr GIBBONS**—So it is a big loss?

**Mr Lyon**—Yes.

**Mayor Woodley**—People who love country music live in the outback and places like that.

**Mr GIBBONS**—Not necessarily, a lot of them live in the metropolitan area too.

**Mr Lyon**—Yes, that's true. I get constant comments from elderly people and people who live on their own in isolated parts of the bush. Many of those people say to me, 'We used to go to bed and turn the radio on and listen to country music and the talkback and go to sleep and then we'd wake up in the morning.' It was a way of life for them; they loved it because they are bushie people. That is their whole life. They cannot do that any longer and they miss all that. It is a shame for many people. I do not do that myself, but there are many thousands of people who did that and I feel very sorry for those people, but that is life.

**Ms LIVERMORE**—Mr Mayor, are there other ways that 2TM has changed since this networking or aggregation to Sydney? We have talked about the country music program, and I think that is probably a key issue for Tamworth, obviously. Have there been other changes in music style or how the news service is run?

**Mayor Woodley**—I do not listen to radio enough to tell you that. No, I am sorry; in all honesty I cannot answer that.

**Mr Lyon**—The early morning sessions are pretty much the same, from my following of it. I believe their music is targeting a different audience to what it was originally and therefore it has changed slightly. Instead of John Laws we now have his counterpart, or opposition if you like. That sort of thing is still happening.

**Mayor Woodley**—I do not think that is a problem.

**Mr Lyon**—The loss of 12 hours a day is the community's concern. That was really the issue that the community was involved in.

**Ms LIVERMORE**—So you had a local Tamworth person in the studio from 6 p.m. to 6 a.m. running that show?

**Mr Lyon**—Yes.

**Ms LIVERMORE**—You mentioned an NTC station. What is that?

**Mr Lyon**—It is in the 1600 band, news talk country. It started to operate here last week.

**CHAIR**—It is a narrowcast licence?

**Mr Lyon**—I believe it is narrowcast, yes. I think it is stronger than the FM stations.

**CHAIR**—It does not have the coverage?

**Mr Lyon**—No, it does not have the coverage that 2TM had.

**Ms LIVERMORE**—Has that been set up as a commercial business station?

**Mr Lyon**—Yes.

**Mayor Woodley**—I would have to say, and it needs to go on the record, that the local news segment on 2TM is good. We have two young journalists there and they do an excellent job on local news for Tamworth.

**Ms LIVERMORE**—You have had Tamworth and country music being promoted right around Australia and now this has been dropped off the map.

**Mr Lyon**—We have lost it totally, yes.

**Mr McARTHUR**—Could you give us a view as to whether the change of format at your local station in taking off the country music and taking away some of the local content has reduced the financial viability of the station and also reduced the impact of the station in the local area? Could you just give us a feel for it?

**Mr Lyon**—I do not know if I can answer that question as to their viability. That is something that the Broadcast Operations Group would have to answer for you themselves. I can understand their reasoning for removing the country radio program. It was given as partly economic, as well as to focus on other clientele and a different age range.

As far as our promotion of country music goes, we have had to go in other directions and do other things, and we have done that to try and counteract the loss of the Australia-wide promotion that we basically had through 2TM. I do not believe that 2TM would have the support from the local businesses that it used to have for advertising and that sort of thing, but that is something that the broadcasting group would have to answer specifically.

**Mr McARTHUR**—Is that because they have taken the country music off it?

**Mr Lyon**—Partly. Because it is Sydney based for the night-time session you think seriously about where your advertising dollars and things are going. I believe that has had an effect. I know for my business it has.

**Mr McARTHUR**—What is your recommendation on how we might change that state of affairs? What would you be doing?

**Mr Lyon**—That is a difficult question. I do not have any magic wand. I can understand the economics that have driven aggregation and so forth in the current age. I am not sure how you would do it, other than by doing what the Chairman mentioned earlier, and that is to add a community service obligation component into their licence. Getting back to the country music, I am not sure how you could force a station to adopt a program they do not wish to adopt.

**Mr McARTHUR**—Some witnesses have said to us that the key feature of a regional radio station is to make sure you involve local people, and I see by the number of people who are here at this hearing that there is obviously a commitment by local Tamworth people to support their radio station. So surely that should convert into a commercial understanding. Advertisers follow local radio, from what we have been told.

**Mr Lyon**—They do, that's right. Part of the problem as I see it is the fact that when aggregation happens like it did, where 2TM goes to 2SM, so did 2MO and so forth and so you lose radio throughout the region to a certain extent. You cannot go to an alternative neighbouring radio station to do what you wanted to do. So it is an issue. Just how you force a radio station to have local content though, I am not sure either.

**Mayor Woodley**—We did mention here the fact that some people who lived in this region who did not like 2TM just switched to 2MO Gunnedah, or Armidale, and that often happened. But they cannot do that any more; they are all one and the same.

**CHAIR**—I am surprised that no-one so far, either here or elsewhere, has said that they do not want the colour of their radio to become Sydneycentric. People in the country also have the right, if they want to listen to the shock jocks, to have access to them. What we are looking for as a committee is to find that balance. From your knowledge as the Tamworth community leaders, what do you think they want in the way of morning radio? Do you think that they like hearing the Laws and the Sattlers of the world? If so, for what proportion of the morning? Can you suggest a format that would be an alternative? Could it be two hours of one and one hour of local? Give me a bit of a feel for what you would like.

**Mayor Woodley**—2TM always had the local announcer in the morning do talkback on issues of local importance. People were ringing in and they would get speakers in. I have done it myself over the years on different issues. But we have got talkback now in the morning. From 9 a.m. till noon is talkback, and then from 6 p.m. to 6 a.m. So we have 15 hours of talkback now.

**CHAIR**—With no localism.

**Mayor Woodley**—If you like a bit of music or something like that, do not turn on the radio because there is sure to be 15 hours of the day given over to talkback. But a lot of people traditionally listen to radio because they like music. They do not want to hear talkback all the time. That is what they tell me. We went from one extreme to the other. We got Laws and then we got this. That is not true so much for the night program from 6 p.m. to 6 a.m. That is not all talkback. I am wrong, I am sorry, I need to correct that. But from 6 p.m. or 7 p.m. until midnight is talkback. Local people used to like some talkback but they had music and a varied program for most of the daylight hours, plus they had a segment of local talkback. Everyone was terribly happy with that. Most people in this area, 70 to 80 per cent, would listen to 2TM, and that was an amazing proportion.

**Mr St CLAIR**—Before I start I would like to publicly thank the committee for coming to New England again. This is the third time that this committee has come to this region in the last two years and I appreciate the fact. One was on the transport inquiry into fatigue. After the last Christmas holidays people are aware of the significant danger to life. I appreciate your coming in again on this particularly important issue of local radio content. I want to take up the point on country music, because the hoedown show was Tamworth and it was broadcast. Do you know what support was given to the radio stations financially to provide advertising? Was it supported by the industry itself?



**Mr Woodley**—I was not told. We could have met with them at the end of it. If that was a problem maybe we could have helped get them more advertising. We were not told. I do not believe it was a consideration. It was an economic consideration—bang, finished. That was it.

**Mr St CLAIR**—But Tamworth City Council as such—

**Mr Lyon**—We did not subsidise the show.

**Mr St CLAIR**—I was not suggesting you do. Obviously these sorts of shows need support within the industry.

**Mr Lyon**—Absolutely.

**Mr St CLAIR**—It goes around to a very broad group of people around Australia. Was there any formal structure of ensuring that there was support back from the industry?

**Mr Woodley**—Not that I am aware of.

**Mr Lyon**—I am not sure of that at all.

**Mr St CLAIR**—Did you have any discussions with the CMAA as to whether they might have an input at all?

**Mr Lyon**—When the announcement was made that the show was closing we had discussions with CMAA. We did not go down the subsidisation route.

**Mr St CLAIR**—That is fine.

**CHAIR**—Thank you very much for that evidence today. It has been very helpful. If we require any further information, we trust we can contact you by way of writing. The secretariat will be sending you a proof copy of the *Hansard* draft. Today's proceedings will be on the web site in five days. Thanks once again to the Tamworth City Council.

**Mr Woodley**—Thank you for the opportunity. I am sorry I will not be able to come back at 3 o'clock because I have another appointment. I wish you well. Thank you.

[9.58 a.m.]

**THOMAS, Mr Don, General Manager, New England Broadcasters Pty Ltd, Broadcast Operations Group**

**CHAIR**—Before we commence today, in the spirit of fair play you may or may not be aware that your network has been mentioned in uncomplimentary terms in a number of submissions. Before we ask you to give your evidence I would like to give you the opportunity of right of reply, if you would like to take it.

**Mr Thomas**—Firstly, I am here to apologise for Mr Bill Morrison, the general manager of 2TM, who was to be before you this morning. Due to illness he is unable to attend. He had, however, prepared an opening statement. I would like to read that if I may. That may well help.

**CHAIR**—I understand that. But you were mentioned adversely by some of your competitors. The committee wants to be scrupulously fair. I was offering your company the right of reply to that before you give your own core evidence. Perhaps we might be able to offer an opportunity for Mr Caralis or Mr Morrison to appear before us later in the inquiry if they wish. But you would prefer to give the straight presentation?

**Mr Thomas**—Having been involved with this hearing as of yesterday evening, it may well be that, within the opening statement prepared by Mr Morrison, some of the items that are foreshadowed could be covered.

**CHAIR**—Perhaps you might present your company's position.

**Mr Thomas**—This is an opening statement by Bill Morrison, general manager, 2TM and 2TTT Tamworth and I read it on his behalf. I thank the committee for the opportunity to address the regional radio inquiry today. While I represent Tamworth commercial stations 2TM and 2TTT, I think it is fair to say that I represent most of the regional stations within the broadcast operations group. While some small aspects of our programming may differ from station to station, we all have the same commitment to our local communities and we employ similar strategies of support to those communities.

I must confess that, until a few months ago, I had not undertaken a stocktake of our localism content since the days when we had to detail them applying for licence renewals. I did not need to. When we entered the responsible age of deregulation, we decided that we would continue with, at the very least, those levels of commitment which helped us to repeatedly renew our licences and which were very important to the communities we serve.

I should also say that I come before this committee today with mixed feelings of pride, disappointment and anger. I am proud that 2TM and 2TTT provide full-time employment for 21 people and part-time contract employment for another two. Nine of our full-time employees are engaged in on-air activities: announcing, production, programming and news. The remainder are in clerical, management and sales. I am also proud to say that, like most of our regional stations, our Tamworth operation is considered a very capable and valuable training ground for large regional and metropolitan stations. In the last two years, no fewer than eight of our on-air personnel have been lured away to the likes of 2UE, 2WS, 2GB and 2HD. There are times, of

course, when this can be most inconvenient, such as right now when we need to replace both our news journalists. That is our entire news team. They are moving to new challenges with stations in Newcastle and Sydney.

Employees in clerical, accounting and sales roles at our Tamworth operation frequently have the opportunity to further their careers at other stations within our group. Accounting and program schedule personnel frequently take their expertise to other markets and return with a greater experience and understanding of the radio industry.

Prompted by this inquiry, I have just completed a localism stocktake, listing all the benefits provided to our community by 2TM and 2TTT in the course of a week. This is also to me a source of great pride. In a normal week we broadcast 70 local news and sports bulletins, an electoral update by the federal member for New England and an electoral update by the state member for Tamworth, a city activity update by a representative of the Tamworth City Council, over 300 local and regional weather reports and forecasts, over 300 minutes of produced community service announcements, over 100 minutes of live community service announcements and over 40 minutes of lost and found announcements. We present local lifestyle programs on collectables, gardening, computers and entertainment, and at least an hour is dedicated to interviews on topics of local interest. Both 2TM and 2TTT also provide extensive coverage of important local events of a one-off nature, such as the live reporting of the Olympic torch relay. There is coverage of local agricultural shows and visits by senior politicians; there are celebrity interviews and even regular updates as to the status of sporting fixtures in the event of bad weather.

Both stations are proud sponsors of vital community services, like the Westpac rescue helicopter service, the city's road safety projects and the local publicans association's initiatives into responsible and under-age drinking. Our service to local business is a most important aspect of our support for our community. In 2TM and 2TTT, local businesses have an extremely professional cost-effective and efficient means of advertising for the local marketplace. These local businesses, which regularly report excellent results from their radio advertising, provide us with around 70 per cent of our income, which allows us to employ 23 per cent and to circulate a sizeable payroll back through the community.

All those community service features, community programs and sponsorships, and the provision of a thoroughly effective advertising medium for local businesses, are contained within the normal broadcast week. Abnormal weeks require special and additional attention, and we have had more than our fair share in recent months.

In November, Tamworth experienced the most damaging flood in the history of European settlement. 2TM and 2TTT programs and personnel were placed at the disposal of the SES, council and police—on a 24-hour basis—to ensure that vital information was broadcast to the community. On-air staff who lived in areas affected by flood waters were relocated in motels so the station could be manned at all times and, wherever necessary, network programs were interrupted or dropped. While the Tamworth flood emergency itself was relatively short lived, the station's services were provided, as required, for the dissemination of damage and flood reports.

In December, 2TM and 2TTT chose to conduct a daylong radio appeal to raise funds for local victims of the November floods. Up to six flood relief appeals had been mounted in the wake of the disaster, but that organised by the Tamworth Salvation Army would get immediate food and case assistance to local victims. It was to this appeal that we channelled our efforts. Station staff gave their time for over a week to organise and stage the appeal—we dropped normal network programs—and proceeded to raise \$12,000 in just 12 hours, with every penny of that assisting the local community in its hour of need.

In January, 2TM and 2TTT were integral parts of the annual Tamworth Country Music Festival. Both stations spent last week promoting the key events of the festival, including how Tamworth would celebrate Australia Day in the Centenary of Federation year; publicising important festival community service information, like street closures, drink-drive warnings and additional bus services; spotlighting country music artists and their music; and reporting live from key festival events and locations. To achieve this festival coverage it was necessary for both stations to drop scheduled network programs, including the nine to noon *Howard Sattler File*.

It must be remembered that 2TM founded and, for over 25 years, developed the Tamworth Country Music Festival into one of the most successful and most enduring cultural events in Australia. Our sponsorship of various aspects of the festival continues, and our ongoing support of the country music based tourism industry in Tamworth was evidenced mid-last year when we donated to the city the Roll of Renown monument. This was relocated from the grounds of 2TM, where it had been a popular attraction for 28 years, to the Tamworth Regional Entertainment Centre, where it will serve as a very effective gateway to the newly established History of Australian Country Music interpretive centre.

It is important to remember that the additional community support provided by both Tamworth stations during November, December and January was not at the expense of our day-to-day community service. In fact, it served to increase our contribution: more sporting events were cancelled, more pets went missing, and local news bulletins were extended in duration to cope with the additional information that needed to be broadcast. It should also be noted that any resultant downturn in a local economy because of a natural disaster will be felt by most local businesses, including local commercial radio stations such as ours. But the Broadcast Operations Group of regional stations can guarantee that, even when such an inevitable downturn in revenue occurs, there will be no reduction in our regular schedule of community service or in our commitment to additional support when called upon by the community.

At the outset, I stated that all Broadcast Operations Group stations had identical commitments to their local community. I spoke about the vital role played by 2TM and 2TTT during the devastating November floods. Natural disasters, unfortunately, also struck in Gunnedah, with the November flooding; in Dubbo, which was struck by a fierce December storm; and in Casino, which was battered by a violent storm just weeks ago. In all these cases it was the local commercial radio station—all Broadcast Operation Group stations—which came to the immediate assistance of residents and emergency services with updated information, warnings and advice. Those stations became the essential communication channels for official emergency services because, in most cases, electricity supplies had been cut and portable radios became the only means of broadcasting information. In one situation during the Tamworth floods, live power lines were trailing in flooded waters and residents in the immediate vicinity sat in their motor vehicles listening to information being aired on 2TM.

Two weeks ago, the Northern Rivers town of Casino was smashed by a violent overnight storm and early the next morning it was determined that the community would be without electricity for most of the day. Residents, however, were able to tune to 2LM and 2ZZZ on portable radios for constant updated information, and on those stations they received that information from the State Emergency Service, the electricity supplier, the police, the local mayor, the local MP, insurance advisers, the state minister for disasters and even the Department of Fair Trading, which warned about disreputable repair companies. It was those Broadcast Operations Group stations which continued their community support beyond the immediate disaster period, with vital information about the disrupted power, water, food supply, sewerage and garbage services.

It is important to note here that all Broadcast Operations Group stations—for what they consider to be reasons of local importance—are able to opt out of scheduled network programs. And to do that they do not need disasters. 2TM and 2TTT wanted to support the huge Country Music Festival, and to do so they dropped the nine till 12 network talkback programs. We decided to stage a one-day fundraising appeal to Tamworth flood victims. We did not have to do it; no other medium did it. We did it because we could and we cared, and we knew that we could opt out of the scheduled network programs to do so.

Network programs do provide an important localism service. During the recent disasters, our network talk programs out of the 2SM Sydney studios informed metropolitan listeners and those in the wider national audience of the situation faced by relatives, friends and fellow Australians. They canvassed support for victims and they encouraged the government with relief measures. Presenters like Howard Sattler and Jason Morrison spoke directly with disaster victims, members of parliament, emergency service personnel and local government officials to present a clear and accurate picture of each situation.

These network programs have been valuable publicity machines for many of our events from the regions served by the Broadcast Operations Group. Organisers of the Tamworth Country Music Festival, Gunnedah's Grey Power Festival and many others have all enjoyed free network-wide exposure, which they otherwise could not afford. A number of important country and regional issues have been adopted and pursued by network programs. For example, a nightly on-air chat with our news journalists at regional stations by 2SM's Jason Morrison has been in part responsible for the cancellation of aerial culling of wild horses in New South Wales national parks. Network programs like the daytime nine to noon *Howard Sattler Show* also expand upon national issues which affect country people, and they provide listeners in regional areas with the opportunity to hear and to talk to the nation's decision makers.

At the beginning of this statement I said that I am here with mixed feelings. The 'pride' I have already explained. The 'disappointment' and the 'anger'? In between the floods and the festival, illness gave me time to reflect on my 33 years in the electronic media in regional markets. I had time to think about my personal involvement in community service in that time: the dozens of committees, the fundraising appeals, the production of local programs, the years spent managing radio and television stations that poured their hearts and souls into their communities and have been—and still are—highly valued and respected by their communities. That is when I got angry and disappointed.

Why is it that, because some politician somewhere has lost direct access to his local radio station, or because people object to a change of music format, I have to stand here and defend my radio's enviable and unbeatable track record in localism? I am disappointed in the lack of

gratitude for the past service that must have been responsible for the instigation of this inquiry and I am angry at the possibility of having to be directed by legislation to do what commercial regional radio stations have been doing so well—freely and gladly—for over 70 years. That is the end of Mr Morrison's opening statement.

**CHAIR**—When was that prepared, Mr Thomas?

**Mr Thomas**—That I do not know. In the last week.

**CHAIR**—It is an extraordinarily comprehensive opening statement. Let me start at the end of that statement before we go into questions. Neither 2TM nor any other radio station is being targeted as such. Your network has done this on a number of occasions to us: it has used its 2SM talkback program to accuse one of the parties of politically motivating this inquiry. I can assure you it has come at the request of all three major parties. It is not singling out 2TM or any other station in Australia. It comes from a groundswell of concern across all areas of Australia and all major political parties that the character of regional and rural radio is changing perhaps for the worst. We will test that. We will test it fairly. I gave your company the opportunity at the beginning of this inquiry to correct any mis-impressions that your critics might have made about you.

I think those closing remarks by your general manager were unfair, that some local politician missed out on his local station. Whoever it might be, or if it was a group of them, if they were reflecting the will of their community, that was part of their job. We were given terms of reference by the minister and not the terms of reference that we even suggested to the minister. He made his own choices on that. It is our job—four Liberal, four Labor and two Nationals—to do this fairly. I would like to put the record right on that. Never at any stage did this committee try to close down Mr Sattler or anybody else, nor did it criticise 2TM. You have heard your own city council this morning say that they are not happy with the character of morning radio here. Those closing remarks in that statement were uncalled for, impugned this committee and I take exception to them.

**Mr HARDGRAVE**—They are, however, somewhat consistent with the whole approach for Broadcast Operations Group to this inquiry and in that regard are dreadfully unfortunate. I would urge you to feed back down the line to the people who run Broadcast Operations Group that they need to revisit their whole attitude to this inquiry because they are quite Shakespearian in their protests. They are protesting their innocence far too much. They are getting off to a very bad start in their efforts to try and defend the record, as your opening comments suggested.

I am also stunned by Mr Morrison's opening comments, which you have had the misfortune of having to represent today, of claiming credit for everything that 2TM has done over the last 50 years. I am certain that the Higginbotham family would have been greatly amused to hear today that 2TM, owned by Broadcast Operations Group, is claiming great credit for everything under the sun. In fact, the Tamworth City Council has this morning said that 2TM has walked away from support of a vital industry in this town. I know you are the manager from Armidale. I am not sure whether there is much point in cross-examination of you for Mr Morrison's words. Frankly, I think Broadcast Operations Group's owner, Mr Caralis, needs to appear before this committee before we can get any satisfactory answers.

**CHAIR**—I know you are the messenger, and you should not take these as a personal reflection on yourself. We would like to have interviewed your executives, obviously, as they made the charge that we were trying to put one of your programs off the air. Nothing could be further from the truth. Much of that statement is quite commendable. What you have done and demonstrated in your various New South Wales radio stations is commendable; but that is not the point at issue.

The point at issue here is how well your radio stations reflect your communities at times of day when people want localism. That was one of our terms of reference. We were asked to report on the extent of localism—on things like news, sport, community announcements, talkback and the like—and the extent to which networking has affected that. We are also asking, in our first term of reference, to report to the government on the character of regional radio and what role and relevance it now has in non-metropolitan areas. We are just doing our job in doing that. Notwithstanding what Mr Hardgrave said, there are a few items we can examine. Are you familiar with what happened in Tamworth?

**Mr Thomas**—Yes. I was manager of 2TM from 1984 to 1988.

**CHAIR**—But during this recent circumstance?

**Mr Thomas**—I am aware of it, yes.

**CHAIR**—There are two issues there. One was that you went off network for the period of the floods. For what length of time? How many days or weeks were involved in that?

**Mr Thomas**—For the period of the flood. Sorry, I do not know the exact date, but for the period of the flood.

**CHAIR**—Could you give me an estimate of how many days?

**Mr Thomas**—I am sorry; it would be unfair to do so.

**CHAIR**—With the Country Music Festival, again you went off network feed for that period. How many days would have been?

**Mr Thomas**—That would have been for the period of the festival week, last week.

**CHAIR**—You have taken advantage of a very popular event that is occurring in the town. I had an estimate from one person yesterday that tourists and visiting musicians pump about \$50 million into the district. Can you understand, however, that in this community a cynical person could say that you were ready to embrace country music during that period but not for the other 50 weeks of the year? How would you respond to that?

**Mr Thomas**—I would suggest that the station, like most of our stations if not all of our stations, is reflecting what is happening in the community at that time.

**CHAIR**—You become involved in festivals but you do not see a responsibility to promote that on a year-round basis?

**Mr Thomas**—I would think 2TM's support of country music has had a very good record throughout the history of country music in Tamworth. A business decision was made to move away from that type of programming because of the lack of financial support that was available at the time. I believe that, in reflecting what is happening this week and what happened last week in any of our stations in rural Australia, the commercial radio station would be there providing support, be it the local show or be it Agquip.

**Mr HARDGRAVE**—Did you do this last year? Did 2TM have that same level of support last year? Was that the first year after the change of ownership?

**Mr Thomas**—No, the change of ownership took place in 1995.

**CHAIR**—Has that occurred every year?

**Mr Thomas**—Up until we moved away from country music, it was most certainly there.

**Mr HARDGRAVE**—Did the sort of programming that you did last week to support the Country Music Festival happen last year?

**Mr Thomas**—I am assuming that it was the first year that they have done this outside event.

**Mr HARDGRAVE**—The first year they have done it?

**Mr Thomas**—Yes; but country music only ceased 12 months ago.

**Mr HARDGRAVE**—Yes, okay.

**Mr Thomas**—So in the previous years we were giving the same sort of, if not greater, coverage.

**Mr HARDGRAVE**—The only reason I am asking that is that there seems to have been great effort to explain 2TM's community involvement since this inquiry has started. But I would like to get some quantification of what 2TM's community involvement was like after the change of the country music format and after these protests started to occur. The Tamworth City Council have given me the impression that it was a sort of take it or leave it kind of attitude that came out of Broadcast Operations Group, 2SM. We have had the council this morning saying that at 6 o'clock at night until 5.30 the next morning the station was online from Sydney, and that they have had no understanding about access points to the station on a 24-hour basis. It seems to me that in recent months since this inquiry started there has been an extra effort to try and prove 'community' that was not there for the 12 months prior to this inquiry starting.

**Mr Thomas**—I do not think that is the case, but I cannot speak to that because I am not situated there.



**Mr HARDGRAVE**—I would like to get some quantification for it.

**Mr Thomas**—But I can speak very clearly about what happens in our station in Armidale.

**Mr HARDGRAVE**—Okay, can you give us some indication about the Armidale station?

**CHAIR**—On that one point Mr Hardgrave is making: as one of the regional managers of the network, do you know of any occasion when there was a community request to your Broadcast Operations Group to perhaps originate a country and western program out of this district for the network?

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

**Mr HARDGRAVE**—Can you find out on the 2TM matter? I know you are from Armidale and I appreciate hearing about the Armidale experience, but because the Tamworth City Council have given an impression to the committee this morning that there has been a great disconnection in recent times, can you provide at some stage to the committee, or ask Mr Morrison to provide to the committee, some quantification of efforts such as you have provided for the last couple of months for, say, the preceding 12 months?

**Mr Thomas**—I certainly can, yes.

**Mr MOSSFIELD**—What was your position with ATM between 1984 and 1988?

**Mr Thomas**—I was the manager of radio 2TM over that period.

**Mr MOSSFIELD**—I think that is important because you can probably make some comparisons as to what happened prior to the sale and after the sale.

**Mr Thomas**—Yes.

**Mr MOSSFIELD**—On networking: apparently there was some networking prior to the sale—John Laws and so forth. What percentage of programs was taken on the networking program prior to the sale compared with now? Is there any difference?

**Mr Thomas**—Out of 2TM, yes, there is. Out of our other network stations in this corner of the state—I speak of Gunnedah and Armidale—we were already taking network programs from a different supplier.

**Mr MOSSFIELD**—As far as Tamworth is concerned, has there been an increase in networking since the sale?

**Mr Thomas**—No. As the Tamworth City Council mentioned earlier, the 6 p.m. till 6 a.m. was generated out of this city—out of 2TM—and, when we removed our involvement with country music, of course that went.

**Mr MOSSFIELD**—Was there any news report about this committee’s visit to Tamworth over your radio station?

**Mr Thomas**—Yes, to my knowledge.

**Mr MOSSFIELD**—Do you directly broadcast any local sporting events at all?

**Mr Thomas**—No.

**Mr MOSSFIELD**—Is there a need for that for any major sporting events that might be taking place in the city?

**Mr Thomas**—Again, I find it difficult to speak on behalf of Tamworth. If I can speak on behalf of Armidale, we will do reports from visiting cricket or sporting events but we do not do, as would be perceived in the old days, a fully-fledged broadcast of a sporting event.

**Mr MOSSFIELD**—But previously you did broadcast sporting events?

**Mr Thomas**—I would think they ceased back in the 1970s.

**Mr MOSSFIELD**—Have you got any idea of what percentage of foreign ownership is involved with the Broadcasting Operations Group?

**Mr Thomas**—No, I do not.

**Mr MOSSFIELD**—Is it significant or not significant?

**Mr Thomas**—I do not know the answer.

**Mr MOSSFIELD**—You have no idea at all?

**Mr Thomas**—I have no idea.

**Mr MOSSFIELD**—Is there any foreign ownership involvement?

**Mr Thomas**—Not to my knowledge but, again, I have no knowledge of that.

**CHAIR**—Mr Thomas, when you have an important event in town like the Tamworth Country Music Festival and the big agricultural machinery field days and the like, does your advertising revenue increase?

**Mr Thomas**—It does over that period, yes, but it has taken a long time. When I was manager of 2TM back in the mid-1980s to late 1980s it was exceptionally difficult to generate revenue for country music from within this community. In fact, it is only in the last five years, I would guesstimate, that there has been great growth within this city of supporting that event. Prior to that, 2TM, be it the Higginbotham company or the current operators, were providing most of the infrastructure for country music.

**Mr St CLAIR**—Mr Thomas, you have mentioned that there is 2TM, 2MO, 2AD and 2NZ Inverell. They are not all formatted the same way and I think you have mentioned that before to the committee. I know 2NZ, for example, has only an hour of one of the talkback shows and has its own show. Is there any autonomy for the separate stations to do what they like?

**Mr Thomas**—That is my understanding, yes.

**Mr St CLAIR**—Can you give us some examples? I know from first-hand experience that here and in Armidale you often run Saturday mornings, for example, with an in-store promotion. I think that happens.

**Mr Thomas**—Yes.

**Mr St CLAIR**—Is there flexibility given to you as management to do that in individual stations?

**Mr Thomas**—Most certainly there is.

**Mr HARDGRAVE**—Looking at it another way, if tomorrow the Broadcast Operations Group said to 2TM, ‘With all this flak out of Tamworth, council hating us and everybody jumping up and down, let’s just play country music and give them what they want,’ do you think that would end up proving to be a popular move? Or is it, as we teased out of the council before, more of a symbolic thing about local activities? Is country music the answer? Is it as simple as this?

**Mr Thomas**—I do not think I agree with that. I base that comment on the number of stations, particularly metropolitan, that have taken up a country music format and moved away from it. The support financially is not there.

**Mr HARDGRAVE**—I have my own anecdotal experience of the comment you made. It is my understanding that 2TM in the early days had to put a lot of time and effort into promoting this country music. It was a long-term gamble that ultimately paid off. A lot of people around Tamworth were not overly impressed with it. They all packed up and went to Port Macquarie on the long weekend 20 years ago. But it has changed from what I can understand. Are you saying the financial support for country music would not be in this marketplace, or would it be different here in Tamworth?

**Mr Thomas**—It is most certainly different from the festival. I do not think this market is that different to any other regional market outside of Country Music Festival period. If you look at the amount of entertainment that is country music based outside of the festival, there is a very small percentage of what is here during the festival week.

**Mr HARDGRAVE**—What about the notion the council reflected upon that a tourist coming to Tamworth and not finding country music on the radio would have quite a passing strange view. Should there be some form of community feed of country music just so that when folks arrive here they can tune in and hear *Duelling Banjos*?

**Mr Thomas**—Between 6 a.m. and 6 p.m. or 7 p.m., 2TM did not play country music as part of its core format.

**CHAIR**—At any stage?

**Mr Thomas**—No. It was only overnight from 6 p.m. to 6 a.m. that it was dedicated to country music. That is not to say that some music was not included in the format that was crossover. Primarily, playing country music never happened until after dark. Anyone coming into the city after dark would have noticed it; otherwise nothing has changed.

**Mr HARDGRAVE**—I could also say that friends of mine who were living in Tamworth at the time tended to listen to 2NX out of Newcastle because they could not stand the country music at night on 2TM. I am trying to discover for the record what has changed and how absolutely pertinent the country music aspect of that change has been. Thank you for your help with that.

**Ms LIVERMORE**—Have you read the submission that has been prepared by the Broadcasting Operations Group?

**Mr Thomas**—Yes.

**Ms LIVERMORE**—On the final page of that submission the writer—I am assuming Mr Caralis—contends:

... that there should be no regulation on content, as to do so would further disadvantage commercial radio broadcasters against their marketplace opposition and place further strains on their viability ...

Can you expand on that and explain why that would be the case? I am assuming that, if there were regulation on content, that regulation would affect all stations equally. Also, from the 2TM manager's opening statement, he is basically undermining that claim anyway by saying you are doing most of this stuff.

**Mr Thomas**—I cannot speak to it; I am sorry. I have read the document but until yesterday evening I was not part of this hearing.

**Ms LIVERMORE**—I imagine some of these regulations might talk about local content and different things. As a station manager and someone with a lot of experience in commercial radio, based on your experience, where is the big bogeyman in all of that? What would be the disaster for commercial radio?

**Mr Thomas**—If we look at what Mr Morrison was talking about—being able to move in and out of networking, being able to take control of your own station and do what you want with it when you need to—maybe the view is that this could make it more difficult.

**CHAIR**—What if those rules applied uniformly to all their opposition as well?

**Mr Thomas**—I think the statement is not necessarily based on our group only. I am saying this without the benefit of the writer's thoughts, but it may be in the interests of the industry.

**Ms LIVERMORE**—The council told us earlier that the country music program from Tamworth was then relayed through other stations around the country. Is that correct?

**Mr Thomas**—Yes, to 13 of our stations.

**Ms LIVERMORE**—To your stations?

**Mr Thomas**—Yes, it went out as a night-time program. If you look at networking from a Tamworth perspective, it is very different from an Armidale perspective. Armidale took networking from Tamworth, Tweed Heads and Lismore, and we have done that for the last five years of ownership by the broadcast group. Prior to that we took it from 2UE in Sydney overnight.

**Ms LIVERMORE**—So there was never any interest shown from stations outside this northern New South Wales area to buy that program?

**Mr Thomas**—To the best of my knowledge—and I stand to be corrected—it was offered but never taken up.

**Ms LIVERMORE**—Again, I read in the submission—and you may not want to take it up—that the networking of some radio programs is beneficial. Can you just explain to me why networking is beneficial?

**Mr Thomas**—A community such as Armidale, if I may use Armidale as my example, has a number of different services available to it, and we offer through networking an additional service. In the Armidale market, you have a community radio station, a student radio station, a tourism station, a racing station, all streams of the ABC, plus our own two services. Networking allows us to bring people into our service that we cannot normally afford to pay. As Mr Morrison mentioned, most of our stations are training grounds. We get someone who joins us, if we talk about talk radio, who has the ability to talk and to communicate. They are with us for a matter of months, the program builds, they are then taken from us—lured away by another major station—and we are forced to take our programming back to rebuild it. Networking allows us to bring people in who are experienced and are professional. We have a consistency of program, and I believe that is important to country radio.

**Ms LIVERMORE**—To your mind, having been part of commercial radio in this area for 15 years or so, what extra is available to listeners today that was not there five years ago? More particularly, what is available to listeners that was not there two years ago before the 2SM amalgamation happened? What extra are listeners getting that they were not getting before?

**Mr Thomas**—I cannot see from an Armidale point of view that it has changed much at all. The programming is still being networked to Armidale. It is just being networked from a different venue.

**Ms LIVERMORE**—So what is the programming on the 6 p.m. to 6 a.m. now?

**Mr Thomas**—Ours is gold music because 2AD, the AM service, targets an older demographic and talk input from the audience.

**Ms LIVERMORE**—Thank you.

**CHAIR**—Following up on that point, in the nine to 12 slot in the morning—and I said before I recognise that some people like presenters from Sydney and others do not—is there a case for balance in that? I noted that some radio stations might take, for example, one hour of John Laws, or two hours of John Laws, and then balance the other one or two hours with a local talkback program. Is there a case for that sort of thing, whereby you get the advantage of the metropolitan feed if people want that and then the local relevance that the council was calling for on the other hand?

**Mr Thomas**—That local relevance is still available for the rest of the day. In the case of our station in Armidale, from 12 to one is dedicated purely to localised talk. Our local member reports into that program.

**Ms LIVERMORE**—When you have had your local radio revolving around local personalities doing the talkback and those sort of things—I am just sort of flying a kite here a bit—is it your experience that, when you are linked to a personality in Sydney, perhaps these towns, Armidale and Tamworth, become second-class citizens in a way? When you had your local personalities, they were involved in local events. The listeners could then meet them out at the show, at the local footy game or whatever and they were able to be truly involved in a local community. Now that John Laws is one of your 2TM or Armidale personalities—

**CHAIR**—Howard Sattler.

**Ms LIVERMORE**—Sorry, Howard Sattler. Is he available to do those sorts of things for you?

**Mr Thomas**—John Laws has been to Tamworth as part of country music. We see the introduction of those programs of John Laws and Howard Sattler as being an additive to our programming in giving us something beyond our own gateway. Again, if you look at the Sattler program, a lot of the Sattler comment or phone calls are coming from regional callers rather than from the city. I base that upon the numbers in the survey.

**Ms LIVERMORE**—Judging from what you have seen, is there a bit of a shift? Once Howard Sattler's program starts coming into a region, does the tone of his show shift? Does he start talking about Tamworth and Armidale?

**Mr Thomas**—No, he talks about what the callers ask about. There are stories of the day and, whether it is Howard Sattler or John Laws, the topics that are in the news of the day will be those that will be brought up. The phone lines are open for anyone to have their say, and they do.

**Ms LIVERMORE**—So the Broadcasting Operations Group has no ability to say, 'Hey, look at the map. You now have responsibility' or 'You now have to respond and interact with this area too'? Is there a process to make them expand their horizons?

**Mr Thomas**—No, there is not, but I think what we are getting now is a balanced service. It is balanced by those who listen to it.

**CHAIR**—Thank you very much, Mr Thomas. I recognise that you were put in a very awkward situation at short notice. It would have been difficult for you to answer some of those questions without briefing. I trust that we can contact Mr Morrison or Mr Caralis at a later date because I think that we need to explore some of the philosophical issues. That is not said with any criticism, but we need to give you the opportunity to respond as a network to some of those adverse comments. I am quite sincere in my belief and my purpose is to make sure that this is scrupulously fair to both sides.

**Mr Thomas**—Mr Chairman, I just feel at this stage I would not be able to, in fairness to the group, answer many of those questions.

**CHAIR**—We understand that. Please do not think, as I said before, that the criticism was directed to you. It was not.

**Mr Thomas**—I realise that.

**CHAIR**—On that note, we will be forwarding the network a proof copy of your evidence today. If you would like one for yourself, please speak to the secretariat at the back of the room, and we will have a copy sent to you well.

[10.44 a.m.]

**PENROSE, Mrs Gael,(Private capacity)**

**CHAIR**—Before you commence your evidence we have a small housekeeping matter to attend to. You have sent us some supplementary submissions. Some of these are of a confidential nature so we will not be able to deal with those until we return to Canberra but there are two of a non-confidential nature which, as you are going to refer to them this morning, I would like to take into the record. I will therefore ask one of my colleagues to move that submissions Nos 198.01 and 198.02 by Gael Penrose, and any attachments thereto that have not otherwise been received as exhibits, be received as evidence to the inquiry into the adequacy of radio in non-metropolitan Australia and authorised for publication.

**Mr MOSSFIELD**—I so move.

**CHAIR**—It is so ordered. We will deal with your other ones—because they are confidential and we have not made provision for a confidential hearing today—during our first sitting in Canberra. If there is a need to call you we will have to do that at a later stage in respect of those.

**Mrs Penrose**—It cost me \$100 to hire a car to come down here this morning so I do not think I am going to Canberra.

**CHAIR**—Okay. Would you like to give a short overview, perhaps five minutes—

**Mrs Penrose**—Five-ish?

**CHAIR**—No, it is important. In these inquiries we want to talk to you. We do not want long statements. We would like a five-minute overview of where you are coming from, what the high points of your submission are and the areas in which you believe the committee should concentrate.

**Mrs Penrose**—Firstly, thank you for the invitation to participate in this opening hearing. When I received the hearing agenda I noticed I was the only non-organisational representative today. I am not sure if I am therefore an individual representing the silent majority of regional radio listeners in this area, despite various 2SM presenters referring to me on air as a ‘silly old witch’ or a ‘grey-haired clone’ as their mildest epithets in the past 12 months. I will, however, do my best. But before I continue in perhaps negative attitude I would also like to thank the Caralis network by default. My car has displayed a prominent protest poster in its rear window for 12 months. Less than an hour after arriving at my son’s home in Brisbane the car was stolen. Part of its identification in the police report was the noticeable poster. Being a radio person I went on Brisbane radio next day with a full description. The same day the car was recognised because of its poster and recovered by the police. The police tell me that the rapid reporting undoubtedly saved it from further damage. However, it also demonstrated the power radio talkback can play in crime prevention and assistance and perhaps this could be a regular segment used by our police and our security departments.

I have brought with me today copies of pages which were omitted in the printing of the primary submission. Mine was sent down complete but it was omitted from the copies. The



sequence or misplacement was probably due to a busy office but it may fill a couple of gaps of lateral logic in reading as a whole.

Going to the impact of aggregation, which is one of the things that this inquiry is asking about, devolved chain stores have a market penetration of 80 per cent, greater than any other nation in the world, I believe, and are progressively eliminating family-owned and small businesses in suburban and especially regional Australia which have offered competition and an option of products tailored to the specific markets, and employment and self-employment. Nowadays I could shop in Chermside, Blacktown, Applecross or Frankston and find a clone range. This appears to be now happening in radio broadcasting. The big four major networks are like cheap bulk stores—Radio, Aldi or Coles—whose generic brand can be broadcast at extremely low cost with octopus-like market penetration, with the same programming whether I am on the Gold Coast, at Dubbo or Wagga. I can be on the Sunshine Coast, at Lightning Ridge or Parkes and still hear the call sign '2SM' and top up with the same program in Sydney should I so desire.

I was the reading the road test for the Austereo float in the *Herald* last week. It stated that this company was the only commercial radio company with a national metropolitan network in the five largest cities covering 61 per cent of the population. Ergo, 40 per cent of Australians live in metropolitan, regional or rural Australia, which is the basis of this inquiry. That is not even a minority group crying out for help. Both the Austereo media release and an earlier one on the RG Capital float state that their companies plan for further expansion to boost local presence by acquiring other radio stations, regional radio licences or buying existing businesses.

I have heard also from overseas that DMG is allegedly considering selling part or whole of its non-radio portfolio of assets. Although this may have no relevance to further financial investment in Australian radio, it could also lead to the freeing up of assets for further licensing purchases by that network. Question: whose and where?

The largest blanket regional network in Australia is the Caralis network, which would interface with the big players which surround it on the east coast, Queensland and southern New South Wales, and on current rating performance would be the logical target. There is no ceiling legislation to stop such a takeover should the situation arise. DMG apparently has unlimited funds to overwhelm any purchasing opposition in the market it wishes to enter. The price it paid for the Melbourne FM licence would be more than enough to buy one of the larger broadcast networks which have not gone public, such as Caralis, and keep the change, or any other player would be able to purchase the Caralis network, as much of its coverage area still has many independently owned newspapers. So the cross-media rules would not be a problem under the 1992 Broadcast Act.

With regards to the ABA and 2SM, in the last rating survey for 2000, 2SM's average Sydney quarter-hour audience was 5,000 people. It is a census statistic that regional Australia is increasingly ageing as the population shifts and government policies accelerate the decline of primary and rural industrial employment opportunities. Much has been written in the media on the decline of economic wealth in regional towns; therefore, it could be assumed that the income of regional radio advertising income may also be declining. This could be illustrated by the reduction in advertising rates. A comparison could be fairly made between rates quoted by

Janet Cameron's station in the Hunter Valley of \$270 a month and Caralis charging \$120 on long-term contracts.

Broadcast Operations purchased a licence in Maryborough in January 1999 and allegedly was unable to fill the conditions of that purchase by several deadlines extended by the ABA. I understand that this licence has now been sold to RG Capital.

Following the cash for comment inquiry, the ABA initially requested only 2UE to make available for public inspection, publish online and on air, all sponsorship deals by its presenters. This was extended in November to include all commercial radio stations to be made public by 15 January 2001. It would appear from inspection of random stations as late as yesterday that the majority of stations have fulfilled this ABA condition by that date. I do not know if this is applicable to metropolitan stations only or is inclusive of all commercial stations in Australia. Additionally, I have heard that any station taking the John Laws show or any other live program from outside ownership stations is also required by guidelines of the ABA to have a register to disclose what talkback shows that station is taking. However, it appears that 2SM is not yet able to fulfil this ABA directive. It was stated in the media the station could not confirm whether a public register was available. The state of the 2SM web site has remained static for some months with a message:

This web site is constantly under construction: it will evolve like 2SM over the coming months. Watch this space

Nothing has changed for months. There are no disclosures for 2SM on-air presenters in compliance with ABA guidelines. As I now rarely listen to the station for more than a few minutes, I cannot make a comment about on-air disclaimers of interest.

Claims are made in certain submissions by various networks that today's radio is better. Following the so-called cash for comment inquiry by the ABA, A.C. Neilson undertook to survey all rural markets by July 2000 to verify certain disputed claims made during that investigation—at whose expense, I do not know. When I made my first submission in November, I was led to believe, on inquiry to Neilsons, that such has not been done. Therefore, I am interested to know on what basis and against what parameters claims are made by these aggregated and hubbed networks outside the regular survey areas of major metropolitan and concentrated centres of population that their programs are, one, well supported and welcomed by listeners; two, are supporting the individual licence areas with local input, and, three, are better than they were 10 years ago. On whose judgment are these claims made? The people targeted, or the distant, even overseas proprietors?

There was an interesting comment—this is with regards to the broad range of this inquiry—by the present Prime Minister of New Zealand whose country has also suffered aggregation of broadcasting that New Zealanders are now hungry for their own stories, their own music. Radio here plays overwhelmingly international stuff. Television has gone the same way, which frightens me with the suggestion of commercialising the ABC, as mooted by Mr Shier.

Mrs Clark goes on to comment that both the highly commercialised state owned channel and the Canadian owned commercial station are now almost empty of local comment and run cheap imports, so much so that last year's television awards were cancelled for lack of entries. Is this the way our industry is going? It concerns me greatly for my listening, for regional Australia

and indeed for our country's broadcast media that we are going down the same spiralling globalising pathway.

You also extended the inquiry to include the ABC. I am concerned at an alleged edict by ABC management that Friends of the ABC are not to be interviewed nor referred to in any ABC program unless it is in a news item. This used to be called censorship. With so much media coverage of Mr Shier's planned program slashing and the revolting and much quoted reference to drop dead day for announcement of year 2001 plans, which I believe has currently been put on hold because of a blow-out of redundancy budgeting and problems in proposed programming, I have also heard that the idea of hubbing along the lines of commercial radio is bubbling within the ABC portals, Melbourne being the mentioned point for national programming.

**CHAIR**—Mrs Penrose, I do not want to interrupt you, but I did say a short statement.

**Mrs Penrose**—I will finish.

**CHAIR**—And I do not want to spoil your presentation either but we will have no time to interview you and we want to hear what you have to say.

**Mrs Penrose**—That is okay. You also mentioned it has been a common thread through the submissions about special police messages and state emergency. This is in reference to the last submission you had. In November last year, the north-west of this state experienced flood rains which commenced on a Friday night. I notice in submissions by every aggregated proprietor that they do broadcast these. The spirit may appear to be publicly willing but the fact was otherwise in our case. In a late submission, I brought our experience to this inquiry's notice. Apart from a volunteer presenter attending 2MO and breaking into the network programming, not one Caralis station was giving regular reports until late on Sunday. Warialda SES was trying to get its report out by truck network. Ashford had already been swamped, with houses destroyed on the Saturday in the 2NZ area, as had Nundle in the 2TM area, yet the continuous SES community advertisements tell us to always have a battery operated radio. When I phoned 2SM, the presenter told me to phone the station in business hours on Monday and make a complaint. This was more than 36 hours after we were in serious trouble. Unfortunately, God does not necessarily operate in business hours nor make allowance for hubbed aggregation.

**CHAIR**—That is a very spirited presentation. You have covered a lot of areas there. It would be fair to say that you are not satisfied with the localism of your regional commercial stations in this area. What would you suggest as an alternative in their presentation?

**Mrs Penrose**—Covering of local sporting events, not just local sports reports. The community stations have now taken up doing this and they are filling that gap. They are covering the trots in Narrabri and the football in Coonabarabran or Narrabri or wherever. That is MAX FM and Warrumbungles FM. If we could have presenters in this talkback—2NZ was mentioned which has now reduced Sattler to one hour and I believe that this was in response to local—

**CHAIR**—2NZ is in which town?

**Mrs Penrose**—Inverell.

**CHAIR**—Is that part of this network?

**Mrs Penrose**—Yes, this network covers everywhere.

**CHAIR**—Do you think that that is an acceptable way to have a balance between outside presenters and local presenters?

**Mrs Penrose**—You need presenters that understand the country. Which format are we talking about on the Caralis network? They went off air without warning on 28 January last year for us and on 30 January for country music, without warning even to the presenters in some cases. They turned up for work on the following work day. But those presenters understood their people; they understood country people. When they went over, they changed to a format of music. Three months later it was another format and then three months later we do not even know what format Caralis is running on.

As of this morning, we have had heavy rain—we have had eight inches where I came from this morning, which is why I was late. 2NZ could not even be picked up this morning. It has been very difficult to pick up it in the last two months and we are only 80 kilometres from Inverell. I do not know if this is to do with the transmitter, which is hung like a Christmas Tree over at Mount Dowe. It has got piggybacked disks on top of piggybacked disks. It is just overloaded. I do not know where the individual transmissions are bounced from, but our reception of AM stations is getting worse and worse. When you talk about this network, it is a blanket. You have got no option: you listen to 2SM. It doesn't matter where you go.

**CHAIR**—You made some accusations about the emergency service situation during the floods. Are you saying that the flood circumstance was well established before there was any change in programming?

**Mrs Penrose**—That is correct. In my last submission there, I have listed what time I phoned every Caralis station in the network. I contacted all the stations. Inverell laughed and said, 'Yes, there is an inquiry about it.' I got the same response at Moree. I knew that Gunnedah was on air, because that particular station has always been very caring of its community. They just go in on the network. I have heard that, if you break into the network, you can also get into trouble. So it is a balancing act between the presenter's local need and where you are as an employee.

Tamworth did not answer at all. I do not know if I rang Armidale. I rang everyone I could think of in the flood areas. Ashford had already gone. They had lost houses there; the town was washed through. Nundle had already gone. 2TM was not answering the phone at 4 p.m. on Sunday, which was after the event. I am a retired farmer and I have to have the radio for floods.

**Mr HARDGRAVE**—Would you suspect that 2TM would have answered the phone at 4 o'clock on a Sunday afternoon in the past?

**Mrs Penrose**—They state that the SES has the manager's telephone number—I think that is the correct statement.

**Mr HARDGRAVE**—No, what I am asking is: if you had tried to call 2TM at 4 o'clock on a Sunday afternoon, say, 10 years ago, would they have answered the phone then?

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**Mrs Penrose**—I would imagine so. I understand it was diverted.

**Mr HARDGRAVE**—I do not necessarily think that there is a guarantee that they would have.

**Mrs Penrose**—I do know that about four years ago, if there was a broadcast problem, we could ring the station and someone would answer it. I have spoken to the manager at home when I have rung out of hours.

**Mr HARDGRAVE**—Country towns and regions are small enough to basically know who the station manager is, find them in the phonebook and ring them at home if there is a problem, aren't they?

**Mrs Penrose**—I presume so, but I am not in a radio town; I am in an outside town. I do not live in Moree, Inverell, Gunnedah or Armidale.

**Mr HARDGRAVE**—You would understand that commercial radio stations by their nature have to provide something that is commercially viable, they have to turn a dollar at what they do. Do you know of people basically turning off 2TM, 2MO, 2NZ and searching for alternatives of any description?

**Mrs Penrose**—I know that the community stations are doing a roaring trade. I do know that when they lost John Laws in Inverell one entrepreneur adapted car radios—and he sold 60 in the first week—so they could pick up John Laws on a community station at Walgett.

**Mr HARDGRAVE**—Are you saying people are turning their backs on the commercial operators who they feel have turned their backs on them?

**Mrs Penrose**—The way it was done hurt so much and that was the reaction mainly. For us night-time talkback listeners and the country music people it was a revolt to the attitude that they had to country people—'You can listen to it, like it or lump it.' People in catchment areas do not have an alternative except 2MG, because they cannot really get ABC. They say when they speak to me, 'I'm sorry, but I have to listen to Caralis because I cannot get any other station. We would if we could get even the ABC.'

**Mr HARDGRAVE**—What has actually happened? You were saying earlier that you have been called all sorts of names by people. Can you elaborate a bit on that?

**Mrs Penrose**—I acquired those particular epithets in the first week of the radio inquiry announcement when I went on air to ask about it.

**Mr HARDGRAVE**—On what station?

**Mrs Penrose**—On 2SM.

**Mr HARDGRAVE**—Whom did you talk to?

**Mrs Penrose**—Am I meant to answer that?

**Mr HARDGRAVE**—I would like to know whom you talked to.

**Mrs Penrose**—I believe it was Mike Williams.

**Mr HARDGRAVE**—Mike Williams of 2SM. Is that a night-time program?

**Mrs Penrose**—Yes.

**Mr HARDGRAVE**—What did he call you?

**Mrs Penrose**—A silly old witch and a grey haired clown. Those were the better ones. At another time when I rang I was called a ‘silly c...’ on air.

**Mr HARDGRAVE**—Has he met you? How does he know that you have greyer hair than others?

**Mrs Penrose**—I think that Mr Caralis might be aware of my existence.

**CHAIR**—I think that might be an understatement, Mrs Penrose.

**Mr HARDGRAVE**—I am particularly interested to know because there are certainly allegations about a lack of attachment to communities. That is the feel that seems to be coming out.

**Mrs Penrose**—It is detachment. We do not seem to relate, certainly not to Mr Sattler. He does not seem to understand. It is as though we are listening to a station, by default, which is trying to build up ratings in Sydney. As from last week, Newcastle is in the same situation as we are. They have now been hubbed, as I understand it, under the same circumstances in which we were treated last year. There is a hell of a lot of flack flying down there at the moment. He does not know us. You get the country callers, and they say it is talkback but he does not understand the topics about which we want to talk. They are two different worlds. We may want to talk about cattle theft, jam making or the potholes in the main street of Gunnedah or a highway breakdown, which is a traffic hazard over on the coast.

**Mr HARDGRAVE**—Which are things you used to do through your local station.

**Mrs Penrose**—Which we used to do. That was regional country talkback, and it was networked. We had a common theme because Dubbo, Parkes and Gympie may be having the same trouble with cattle theft. They may be having the same trouble with holiday traffic or petrol, but they are different problems to the ones experienced in Sydney.

**Mr HARDGRAVE**—Do you have a view about the danger for the local community in not being able to have that interaction with their radio stations in times of crisis—flood, fire, road accidents and problems like that? Do you have a view that that disconnection has some danger to the local community?

**Mrs Penrose**—What we had before was certainly binding the community. We knew each other. Many people I now have met on air that I have never met before. You got to know people in the wider community. It bound the community. The in things in the country at the moment are the hospital closures, council amalgamations and dairy deregulation. Why the hell would Sydney be interested in that? They do not even understand. I have talked about it on another Sydney station. They do not know what we are talking about. It is not interesting.

These things bind us. Our community has been fractured. We cannot share our experience and we can only fight individually because no longer do we have this ability to speak to people with the same common problems and approach politicians or the appropriate department. We all go as individuals. If you get 700 letters from individual constituents, are you going to read them all? They are all going to say the same thing. But if you get a letter from a community group which says, 'We want to have an appointment with you, and we have arranged for the groups in Dubbo and Casino that have the same problems to see their local members,' then you are together and you have a voice. But at the moment we are fractured and we have no avenue.

**Mr HARDGRAVE**—So you are not really against networking—it is just the style of programming that is coming on the network?

**Mrs Penrose**—There is a definition of networking as opposed to what is local. I cannot even get the ABA to define what is local. There is no legal definition of what is local.

**Mr HARDGRAVE**—There used to be in the old Broadcasting Act.

**Mrs Penrose**—That is where the big problem is: there is no ceiling on how many people can own radio stations. There is a difference between the 1942 act and the proposed alterations in 1989—which would not have led to what the situation is today—and the vested interest lobbyist broadcasting act 1992, under which we are now aggregated.

**Mr MOSSFIELD**—That really covered the point I wanted to cover. I was going to ask you about specific suggestions you could give to this committee that might overcome some of the problems that you have quite effectively highlighted. Would you like to continue on that train of thought?

**Mrs Penrose**—I started my submission with a sentence about the horses bolting and the stable hands running away.

**Mr MOSSFIELD**—Yes, you said that.

**Mrs Penrose**—With the monetary investment of, for argument's sake, DMG, which is millions, and to a lesser degree RG Capital, Austereo and Caralis, I do not know how you turn it around. I do believe there should be some form of ceiling. Because there is not going to be any way of stopping further aggregation, we are just going to end up with muzak, with many major stations across this country under the one hub. We have got DMG, which now is 60 stations covering the whole of the east coast at the moment. You have got Austereo in all the capital cities. You have got Caralis with blanket coverage of north western and north eastern New South Wales and southern Queensland. How do you fracture that now? I do not know. You have got

the cross-media rules with newspapers and television, but there has never been any cross-media rules or ceiling levels introduced for radio. I do not know how this got away.

**Mr MOSSFIELD**—Do you think there should be some control over foreign ownership? It was interesting that Mr Thomas could not actually tell us what percentage of foreign ownership was involved in the Broadcast Operations Group. How do you feel about that?

**Mrs Penrose**—Could you repeat the question? I have to be careful how I answer it.

**Mr MOSSFIELD**—What is the effect of foreign ownership on radio broadcasting, particularly as it might affect regional Australians?

**Mrs Penrose**—There does not seem to be a policy in anything except—

**Mr MOSSFIELD**—There is no control at the moment. I am asking—

**Mrs Penrose**—But there is in television, I understand. There is also in the media. Again, why does the third strand of information streaming not have a ceiling on it? I would also tip that, in the foreseeable future, DMG will be hubbing from overseas, because under this format it is quite possible nowadays.

**CHAIR**—Mrs Penrose, you seem a bit cautious about answering some of the questions. Providing you are addressing your answers through the Chair and providing you are acting responsibly from where you are, you are covered by parliamentary privilege.

**Mrs Penrose**—But also some of the information is in my confidential submission.

**CHAIR**—Okay, fair enough. I am just saying that you do not need to be inhibited in giving your evidence. I will make sure you act responsibly. You do have privilege.

**Mrs Penrose**—That is all right. That is why I had to think and asked for the question again.

**Mr MOSSFIELD**—I think that might have covered the points I was looking at, thank you.

**Mr McARTHUR**—You have obviously done an enormous amount of work in this whole argument and you have had some interesting dialogue with proprietors of radio stations and others. Would you care to put some suggestions forward to the committee on how the parliament may help you in your endeavours to retain localism and a variety of possibilities on local radio networks?

**Mrs Penrose**—The 1989 proposal and the 1992 broadcasting act could be looked at and there could be some happy medium drawn between those two. How one would implement it, I have no idea. With regard to localism, this does not come under parliament. I understand that it comes under the guidelines of ABA to a degree, except for Australian music.

**Mr McARTHUR**—You were fairly vocal about this whole issue. We are seeking guidance from people like you as to how we might remedy the problem of localism and keep some of



these commercial radio stations relevant to their local communities. You have obviously done an enormous amount of work in looking at the problem.

**Mrs Penrose**—There is a distinction between localism or parochialism and local. Localism, I would think, would more or less come under the division of licensed parochialism. So, if it is 2TM, it would be their local local. Localism I would look at as something of common interest. In this particular instance, I would refer to regional Australia having a local community interest in contrast to the metropolitan which would have their own local interests.

**Mr McARTHUR**—Would you legislate against Mr Caralis owning that whole area of influence so that there would be other players in that area?

**Mrs Penrose**—I have put in the submission that there should be some agreed number of adjoining licences and that other licences must be allowed in for contrast. Where I am living at the moment, I can only pick up Caralis stations as far as Parkes. I can also pick up Sydney overnight, but that is not normal, and the ABC. I have no choice. Because every licence in this whole aggregated area is under the one ownership, if there was a maximum ceiling of three or four licences and then another—

**Mr McARTHUR**—So what would be your recommendation to the minister? You are the expert.

**Mrs Penrose**—I am not standing for parliament, I can tell you that.

**Mr McARTHUR**—But you are the expert in this area.

**Mrs Penrose**—I would recommend that no more than three adjoining licences be allowed under the ownership of one owner.

**Mr McARTHUR**—And how would you administer that in a free market economy?

**Mrs Penrose**—If it is enacted in the legislation, you can administer everything else under it. By default, by the non-inclusion of foreign ownership limits in the act, that is administered in reverse.

**Ms LIVERMORE**—You hit on something interesting, I thought, in your definition of local versus localism. I had not thought of it that way before. You were talking about regional Australia perhaps being considered almost as a local area in terms of their community interests.

**CHAIR**—Generically rather than geographically.

**Ms LIVERMORE**—Yes. Would you see that ownership may not be the issue; rather, perhaps there needs to be a recognition that, if you want to broadcast to regional areas, your obligations as a broadcaster might be different from those of a broadcaster in a metropolitan area? Let us use this as an example because they are in this area of Australia: is the problem that the Broadcasting Operations Group owns all these stations in this area, or did the problem really start when they hooked up with 2SM in Sydney and started beaming all the Sydney stuff into

this area? While it was focusing on this area and they could then network to Paul Tolley and to 2TM's country music program, was that acceptable networking as opposed to when they are trying to pump metropolitan radio across regional Australia?

**Mrs Penrose**—For months, we were hearing Sydney traffic reports. Why the hell would I want to listen to Sydney traffic reports?

**Ms LIVERMORE**—Would you say, as a regional Australian listener, that it is so different in regional Australia that maybe the obligations on broadcasters have to be recognised as being different and perhaps reflected in their—

**Mrs Penrose**—I saw in one Queensland submission that that was one of the major problems in Queensland—that something that was happening out of Townsville had no relationship to another point where it was being received, because they had different football codes and different interests. One was in drought and one was in rain; one was talking about how lucky they were to have rain and this was insulting to those in the drought area. I do not know how one sets parameters as to what are regional needs. Coastal needs would be different again, I would perceive, or Victorian needs, Western Australian or outback needs.

**CHAIR**—In short, you are calling for a form of localism, in a regional sense?

**Mrs Penrose**—In a regional division.

**CHAIR**—Where the wider community of interest is represented by the radio stations?

**Mrs Penrose**—That is putting it better than I can.

**CHAIR**—That is your basic tenet?

**Mrs Penrose**—Yes.

**CHAIR**—On that note, I thank you very much. You have given us an absolute mountain of material which we have taken as exhibits to this inquiry. We thank you for your extraordinary attention to detail, although I am sure the secretariat might have cursed you once or twice.

**Mrs Penrose**—Or 17 or 50 times?

**CHAIR**—Thank you for taking the trouble. I recognise that coming here today was not just a matter of driving around the corner, that you had to make some effort to be with us today. We will examine your confidential material and be in touch if we require further clarification. A proof copy of your evidence will be sent to you.

**Proceedings suspended from 11.19 a.m. to 11.38 a.m.**

**CANHAM, Mr Kenneth, Media Officer, Port Macquarie Branch, Country Labor**

**CONDON, Mr Jeffrey John, Senior Vice-President, Port Macquarie Branch, Country Labor**

**CHAIR**—Welcome. Are you appearing on behalf of your branch to discuss this country radio matter?

**Mr Condon**—Correct.

**CHAIR**—**Mr Canham**, would you like to give us a five-minute overview of your submission.

**Mr Canham**—There are a number of issues involved in centralisation of regional radio services. In our view, among the most important are what could be labelled the ‘philosophical’ issues and also the matter of local identification, community involvement, employment and matters economic, and community service, particularly in times of national disaster and emergency. The successful and accepted regional radio service becomes an integral part of its community, and it is not an overstatement to submit that the communities have come to expect that locally transmitted radio programs and, indeed, the television service should be part of the fabric of the community, individually operated and located in their area.

From a business rationalisation point of view, big is better. Economy of scale is a theorem to be abided by, and profit the motive. We submit that this does not necessarily work for local radio. It cannot be accepted as a benefit, and it borders on the unacceptable when it comes to the supply of regional and local radio services. Commercial radio licences have become a commodity to be traded, so the initial intention when it was originally granted—that it should be used to provide a local service, be a means of communication, a source of information, entertain the community in which it was intended to operate, and so meet the needs and aspirations of that community—becomes lost.

It is our submission, provided in more detail by my colleague, that some control should be placed on the trading of commercial radio licences. The concentration of regional commercial licence ownership and the centralisation of operation, in our view, flies in the face of all that is important and expected in the profession of local radio service. Station owners are in business and therefore are entitled to seek to operate a profitable enterprise. But with concentration of ownership of New South Wales regional commercial radio licences, local radio stations operate as a slave, placed as they are at the end of a spoke radiating from a hub at which is a centralised operating studio, from which emanates a common program which would in the main have great difficulty creating acceptable local identity with the audience in many different professions. It is Port Macquarie Country Labor’s concern that local community expectations of its local commercial radio service are not being met at present by the centralised studio program. It is a local perception that marketplace dispossession leans towards centralised control of operation and profit as the major consideration before local needs and aspirations.

There is also the important matter of local employment. Port Macquarie commercial radio stations are now owned by the Daily Mail group, a London based company. Under its ownership, with the move to centralisation of its operations, staff employed at the Port

Macquarie stations have dropped from a total of 34 to 20 local employees. We see this as an illustration of the impact on the local identity of the radio operation—14 people who were known locally by their presence in the community. Port Macquarie, as is probably the case with many regional centres, needs an immediate means of communication in the case of emergencies as bushfires, floods, serious highway accidents and, because we are a coastal area, land and sea searches. Delay in obtaining this service from a different studio could have serious consequences.

Port Macquarie Country Labor calls into question the appropriateness of the present local commercial radio service. We also raise the issue of whether the present operators who are now presenting the program service to Port Macquarie are doing so within the provisions of the relevant licence and broadcasting legislation. If thought to be doing so, are they then operating in the intended spirit of the legislation? Port Macquarie Country Labor requests that these and other issues raised in our submission already before you be taken into consideration when you prepare your report.

**CHAIR**—That is a very good overview. Thank you for that. I note, from the attachments that you have sent us, that you have raised this matter with the ABA and they have responded by quoting from their guidelines:

- (a) the licensee will provide a service that, when considered together with the other broadcasting services available in the licence area of the licence (including another service operated by the licensee), contributes to the provision of an adequate and comprehensive range of broadcasting services in that licence area ...

Are you saying to me that in the Port Macquarie area that is not occurring?

**Mr Canham**—It is our belief that it is not occurring. Local identity is important. A program emanating from a central studio, meant to service several areas, has less identification with a community. Each community has a different character, different perception, different aspirations.

**CHAIR**—So you are saying that on Monday to Friday your only localism is from 5 a.m. to 9 a.m.?

**Mr Canham**—That is right.

**CHAIR**—Star FM is a modern music format?

**Mr Condron**—Yes.

**CHAIR**—What hours does it broadcast locally?

**Mr Condron**—The same.

**CHAIR**—And then it goes online from Albury as well, does it?

**Mr Condron**—Correct, and it does not broadcast live over the weekends, Saturday and/or Sunday.

**CHAIR**—The original commercial station only broadcasts on the Saturday morning over the weekend; is that right?

**Mr Condron**—Correct.

**CHAIR**—How does that affect the community life in Port Macquarie? It is a different circumstance from Tamworth, isn't it?

**Mr Condron**—I will give you one example. The station was on relay from Albury and the announcer on air lauded the fact that 'it was a lovely day on Lighthouse Beach in Port Macquarie'. He said that from Albury, and we had a torrential downpour of rain.

**CHAIR**—He was being too slick.

**Mr Condron**—Yes.

**Mr MOSSFIELD**—We will just get the big picture. What is the total number of radio stations operating in the area, looking at commercial, ABC and community radio?

**Mr Condron**—Four ABC, three commercial and three community radio. The community radio stations are based at Wauchope, at Kempsey and also at Macksville.

**Mr MOSSFIELD**—You made some mention of the bushfire that broke out in the Macksville area in September and you were critical of the lack of response from the radio stations. Did that run across all the ABC, commercial and community?

**Mr Canham**—The ABC takes a little longer but is contactable and has the facility to break into the local program with that kind of information. The commercial station, a number of times now, has been rung locally in Port Macquarie and people have received a recorded message saying, 'The office is now closed. Please contact on Monday morning.' Another time, when somebody was seeking to have messages of urgency broadcast they were unable to make any contact at all.

**Mr MOSSFIELD**—There isn't a contact away from the radio station itself—

**Mr Canham**—Not that I am aware of.

**Mr MOSSFIELD**—where you could contact the local manager or someone that might live locally?

**Mr Condron**—If you contact the 2MC Star FM studios over the weekend from 12 noon on Saturday the phone just rings out. There is no acknowledgment whatsoever. If you phone the ABC after 12 midday on Saturday through till 5 a.m. on Monday you get a recorded message to tell you to phone back in office hours.

**Mr MOSSFIELD**—Has there been any attempt to find out a telephone number for a local contact away from the station, because this might help?

**Mr Canham**—The station doesn't make it available even in recorded answers.

**Mr MOSSFIELD**—You made some critical remarks about DMG relating to the formulation and direction that may come from overseas. Could you expand on that at all?

**Mr Canham**—The company is London based, even though it has Australian representation. I think the philosophy of operation is probably still that of the fairly recently formed commercial broadcasting system in London, which is quite different from Australian, and a lot of the philosophy comes in either management direction or just by the fact that it is a company philosophy. It is not something you can put your finger on, but it is symptomatic of the problem being faced by commercial radio on the coast.

**Mr Condron**—Mr Chairman, I did have a statement to make. Will I be able to do that?

**CHAIR**—I am sorry. You are welcome to make some comments. Would you like to read your statement, or would you like to paraphrase it for us?

**Mr Condron**—I will paraphrase it. The Port Macquarie branch of Country Labor received these comments about the downgrading of the radio station back in July. You have referred to the letters that were written to, and correspondence back from, the ABA. The interesting thing we did do, when we were aware of this downgrading, was contact every Country Labor branch in New South Wales that had a radio station in that town, and we asked them to do a survey. Right across New South Wales we got the same message coming back to us—people were dissatisfied and unhappy with what was happening within their local radio stations. The only positive ones we got replies back from were those centres that had their own independent stations: Broken Hill, Deniliquin, Bathurst and Lithgow. The information that we received from there was that people were quite happy with what their radio stations were doing because they were not networking, et cetera. So that is the background of how we did this.

We would like to make two recommendations to the inquiry. The first recommendation is necessary to ensure that all regional and rural areas throughout Australia receive an adequate and comprehensive local service. This could be done by amending the broadcasting acts of 1992 by legislation, so that each operation that provides a 24-hour radio service—that is a person who is on 24 hours—provides a local service from 6 a.m. to 9 p.m. daily. So, of the 24 hours a day they are on air, 15 hours is local.

The second recommendation is that where a person purchases a radio station by the auction system, when they start operating the radio station—I understand they have to start in a certain time—they are not able to on-sell that licence for a five-year period. The reason why we are concerned about that is that the AMI radio group purchased the FM licence that was available for Orange, Port Macquarie and Coffs Harbour. As soon as they received it, they on-sold that to DMG, and then DMG converted their AM licence into a FM licence, and then AMI took over the AM licence and established an easy listening program. So in actual fact, in Orange and Coffs Harbour and Port Macquarie, you have the one group controlling the three commercial radio stations.

**CHAIR**—Was that particular circumstance ever raised with the ACCC?

**Mr Condron**—Not to my knowledge.

**CHAIR**—I would be very interested to have some detail on that, Mr Condron. I think you have hit a very salient point on the head—that people shadowing for other networks is not the spirit of buying radio stations. Could we have some detail on that?

**Mr Condron**—Yes, I can get that for you.

**Mr GIBBONS**—Firstly, thank you very much for your excellent submission. Would you like to elaborate on those regulatory changes you would like to see happen, especially in terms of the licences that are bought by auction? For example, you mentioned that, if a person buys a licence at an auction, they must have a need and, in fact, use that licence immediately—a use it or lose it principle?

**Mr Canham**—That, and also we are suggesting that there should be a minimum period in which they must retain that licence rather than on-sell it. We are suggesting perhaps five years as a minimum, which would place an obstacle in the way of the situation that Jeff has just explained.

**Mr GIBBONS**—Could you give the committee any examples of where emergency service organisations have not been able to get a message out for a flood, a fire or maybe an accurate weather report?

**Mr Condron**—We have got the situation on the coast, as has been referred to by Ken, that although Port Macquarie is the fastest growing centre in New South Wales, we have got no local service by the ABC from 10 o'clock on Saturday morning till 5 o'clock on the Monday morning, or by the local commercial station from midday on Saturday till 5 o'clock on the Monday morning. As you would appreciate, we are on a major highway: we have road smashes. We have bushfires. We have river floods. If any of that happens on the weekend, there is no way in which the community can be advised of this by their local radio station. We are dependent on community radio out of Wauchope, which has a range, I guess, of about 20 kilometres. And I would dare to say that 75 per cent of the community would not even know it is there.

**Mr GIBBONS**—What about the maritime industry? You are on the coast. Is commercial fishing a business in that region?

**Mr Condron**—Yes. We have a 24-hour—

**Mr GIBBONS**—Do those radio signals actually go out into the areas that are commercially fished?

**Mr Condron**—They go to the individual boats, yes.

**Mr GIBBONS**—They would not rely on the actual Bureau of Meteorology reports over the normal radio?

**Mr Canham**—No. It is a volunteer coastal patrol organisation with its own band of frequencies, and operates purely from ship to shore and shore to ship. We have had the

occasion—I do not know whether it became public—where our rescue group themselves, in one of their high-powered boats, in a rather sad situation was wrecked on our bar and had to have themselves rescued. Their craft and equipment was lost. We had no local means of advising the total community of the emergency of that situation and any other emergency service. It so happened that the police were able to take over a privately owned boat and do the rescue themselves.

**Mr Condron**—We have considered and we believe that the auction system of purchasing radio licences should be reviewed, and possibly go back to where an inquiry is held for the individual—

**CHAIR**—That is harking back to 1992.

**Mr Condron**—Yes, pre-1992. The group who is the most competent to run that licence should be given the licence, and they should also be able to provide an adequate and comprehensive service to the local community. If that happened, I think we would see a difference in the competitiveness of radio.

**CHAIR**—Do you know if there have been any studies done—I do not think we have come across it in any evidence yet—of whether communities actually want these networked shock jocks, for want of a better word, or whether they want local talkback, or perhaps a limited talkback with a moderate music format? Do you have any evidence on that? You have obviously done some surveying. What sort of flavour do you get from that?

**Mr Condron**—Our understanding is that the community needs are that they want their radio station to cover events that affect them. I guess you could have a mix, as the lady said this morning, that you could have, say, a Laws program for an hour and then go into local programming—and then give the opportunity to, for instance, the local MP or the local mayor to come on and talk about it. You do not get that now. All we ever hear of a local MP is what is in the news. Some radio stations do not even have a journalist.

**CHAIR**—That is true.

**Mr Condron**—That is the sort of thing that people are looking for. If the local Quota club are having some event, they should be interviewed. That opportunity is not there today because we are on relay.

**Mr HARDGRAVE**—What is this programming sounding like? We heard the example of the Albury based announcer saying what a wonderful day it was on the beach at Port Macquarie, when it was pouring rain. Are you hearing other places mentioned that are not relating to the local area?

**Mr Canham**—I think some feedback must have gone back to Albury and they have modified somewhat or told their announcers to be a bit steady on that. If they are mentioning the weather they would be very general rather than specific as they were before.

**Mr HARDGRAVE**—The Albury hub provides programming to Albury, Dubbo, Orange, Young, Port Macquarie, Griffith, Wagga Wagga, Bendigo, Mildura, Mount Gambier and Coffs



Harbour. Do they give a weather report for each of those centres or do they just ignore the weather?

**Mr Condron**—They give an overall weather report and ‘the temperature at Port Macquarie is this, the temperature at Coffs Harbour is this, and the temperature is this somewhere else’. That is all you get.

**Mr Canham**—They do a general report.

**Mr HARDGRAVE**—Do they give you time calls? Mount Gambier is in a different time zone.

**Mr Canham**—Yes, this must be a problem. The only weather report you hear is ‘New South Wales hot and dry inland, on the coast showers and possible thunderstorms’.

**Mr HARDGRAVE**—I was a radio pronouncer back in the days when—

**Mr Canham**—When radio was radio.

**Mr HARDGRAVE**—Radio was radio. We hardly ever said four-letter words like you hear these days. But in all seriousness, I am just trying to work out, do you consciously hear time calls? Do you know what the time is while listening to the radio?

**Mr Canham**—There is no time zone problem.

**Mr HARDGRAVE**—But there is if you are in Mount Gambier. Do you hear time mentioned on your radio station?

**Mr Condron**—The Albury hub only broadcasts to New South Wales. The Queensland hub, and I think it is around Townsville, broadcasts to Queensland and Northern New South Wales, for instance Coffs Harbour 2CS, and is HOT FM. All the Queensland stations owned by DMG are HOT. All the New South Wales stations are Star FM.

**Mr HARDGRAVE**—Yes, but the AM station 5SE in Mount Gambier is hubbed out of Albury, New South Wales. You are not conscious on any of your AM listening in Port Macquarie of Mount Gambier mentions?

**Mr Condron**—No.

**Mr HARDGRAVE**—We will explore that another way. Do you feel that there are mechanisms in place from the community’s point of view to get ready access to those radio programs? Are you able to gain access of important information for Port Macquarie to Albury? Do we have an understanding on how that works?

**Mr Condron**—If it is, our organisation has no knowledge of that.

**Mr HARDGRAVE**—I do not expect the local Labor Party would be kept up to date on these things, but do you hear anything out of the SES, ambulances or police or anything.

**Mr Condron**—No. We understand that the SES do have a phone number whom they phone. Whoever is on duty, be it the manager or the cleaner or whoever is on duty that particular day, comes in and puts it through to the hub.

**Mr HARDGRAVE**—Your proposal is to look at, essentially, getting rid of the 1992 act that has brought this lack of requirements for localism into play and is the source, it seems, of all these complaints. Would you concede there would be a major conniption among investors currently in place? Would you see a grandfathering of current arrangements or would you see some sort of time scale to phase out the current arrangements to bring newer arrangements in?

**Mr Condron**—I think you would have to have a time scale to phase in the new arrangements.

**Mr HARDGRAVE**—So no grandfathering?

**Mr Condron**—No.

**Ms LIVERMORE**—On page 7 of your submission you refer to the Broadcasting Services Act. In paragraph (f) and (g) you highlight some of the deficiencies that you see in the radio services that you are receiving around Port Macquarie. You are talking about the programming lacking diversity, and deficiency in covering local events. Was there a time when that was happening? Are you talking about something that you would like to see ideally or are you talking about something that was happening in your experience that have now fallen by the wayside?

**Mr Condron**—We talking about what has fallen by the wayside. Prior to the acquisition of the radio station by DMG, the radio station would cover major events. They would broadcast from the local show or stage beach concerts et cetera.

**Mr Canham**—In fact, the station organised beach concerts on one or two occasions.

**Mr Condron**—You do not have that sort of involvement.

**CHAIR**—That is not necessarily philanthropy, is it? If they are popular events they generate good advertising revenue for the stations.

**Mr Condron**—I assure you, Mr Chairman, that there is good revenue to be made from such events.

**Ms LIVERMORE**—Was your local AM station doing those sorts of things?

**Mr Condron**—Yes.

**Ms LIVERMORE**—As a community organisation that would probably play a role in trying to raise awareness of issues and contact the media about different matters and events, how have you changed, or had to change, the way in which you use the media? Have you had to give up on commercial radio in that context? Do you now have to go to the ABC to have any hope of highlighting local issues?

**Mr Canham**—We use the full complement of media outlets, including the commercial station and the ABC, plus print and TV. The ABC have been fairly regular users of our releases. The commercial station, whenever there is somebody there—I do not whether he is a journalist—

**Mr Condron**—Yes, he is an announcer/journalist.

**Mr Canham**—There is no such thing; I am a purist.

**CHAIR**—So you have lost your journalist?

**Mr Canham**—They had somebody filling both roles. I am a journalist of some years experience and that is anathema to me. But, yes, they now have somebody who goes under the title ‘journalist’. We have discovered—this is why I criticise the level of journalism—and it is well known in journalistic circles that any media outlet that takes a media release as written is sadly lacking. There is no rewrite, checking, interviews or follow-up by the commercial radio stations at present—they take the releases as written—whereas the others at least do some journalistic work on them.

**Ms LIVERMORE**—Has the ABC changed or responded by expanding what it does around town or how it covers events in order to fill the gap? I am seeking your impressions as local listeners.

**Mr Condron**—The commercial radio station takes the John Laws program from 9 a.m. to 12 p.m. The ABC has a local program from 9 a.m. to 11 a.m. during which they conduct interviews. For instance, I heard Mr Neville being interviewed on the ABC when this inquiry began. He explained the process and that is how we learnt a lot about it. The commercial station does not have the facilities to do that because after 9 o’clock they have Laws for three hours and then they go on to the hub. It would be very difficult for somebody in Albury to interview somebody in Port Macquarie, but the ABC cover that sort of situation adequately. I understand—and I may stand corrected—that 2RE at Taree have an hour of relay and then have their local programming during which local issues are broadcast in that city. It is a major concern to the local community: they have lost that opportunity.

**CHAIR**—You are not saying that networking is intrinsically wrong.

**Mr Condron**—No.

**CHAIR**—You are asking for a balance.

**Mr Condron**—Yes. The local community have lost the opportunity of turning to the radio station for that service. For instance, there may be sporting events over the weekend and we get

torrential rain on Sunday morning. Prior to DMG's taking over, you would tune into your radio station to learn what events had been cancelled. In country areas, you might have to take the kids from Port Macquarie—

**CHAIR**—Seventy or 80 kilometres.

**Mr Condron**—And when you get over there, you find out that the soccer match has been cancelled. The radio station did not tell you; they used to do that. Cancellations on a weekend on the local radio station was one of the most popular programs.

**Mr HARDGRAVE**—Isn't the point also that it is not so much the content but the local programming decision making?

**Mr Condron**—Yes.

**Mr HARDGRAVE**—Earlier you said 'Let us have 6 a.m. to 9 a.m. local input.' I would throw the argument forward that it seems to me, based on what a lot of regional and rural stations have done, that the Laws program is actually something that local people did not mind listening to. And the Laws mob seemed to go out of their way to try to accommodate a fairly generic feel and people accepted that Laws for an hour, two or three hours was not a bad thing. Is that a reasonable contrary point to put to you? I am trying to say to you: are you hard and fast on 6 a.m. to 9 p.m.? I am not advocating for the Hon. John Laws; I am simply making a point that the golden tonsils is actually wanted in a lot of places.

**Mr Condron**—An hour a day. That is a personal opinion.

**Mr HARDGRAVE**—For about an hour a day.

**Ms LIVERMORE**—I just wanted to test out something that came from one of the earlier witnesses. The manager of the Armidale station was saying that they have had a problem in this area. They have had a series of their local presenters who would get their talkback shows going. They would get a certain following and that would be very popular. But because of the nature of these regional stations being a bit of a feeder for the bigger stations, those people then leave. As listeners and providers of news content, do you see that as a problem in Port Macquarie or is it a problem in regional areas where you could have your local talkback session, but you have this revolving door of presenters who might have just lobbed into town anyway?

**Mr Condron**—I do not know how frequently the door would revolve, but before DMG that is what the local programming was. If you had an announcer who was competent in doing a certain program and he left, you would have to find another person to replace him. It would be the same if 2UE lost John Laws; it would have to find somebody to replace him.

**Mr HARDGRAVE**—Impossible!

**CHAIR**—Are there any other questions?

**Mr MOSSFIELD**—I might just cover one final point if I could. We have heard a lot about the ad hoc approach to broadcasting emergency warnings. That is coming through that sometimes it works and sometimes it does not. Would you suggest a more formal approach, say, a legislative requirement: radio licences would be required by legislation to broadcast the appropriate flood warnings, bushfires and other warnings?

**Mr Canham**—The situation always has been—and it has been the same with the local print media—that they are there to provide that service. In the past, when the local radio was locally owned, it considered that a duty. Now, with the problem of networking and with the difficulty in making contact, some requirement should be made upon those involved in hub broadcasting and networking for local content and for urgent local content. I do not think that is an unreasonable requirement. If the industry itself will not regulate to do it, then do it by legislation.

**CHAIR**—Mr Condron, did you make the comment that you would like to see it from 5 a.m. to 9 p.m.?

**Mr Condron**—Yes, 6 a.m.

**CHAIR**—Neither the minister nor the committee have ever said that networking of itself is intrinsically wrong. What we have been asked to inquire into is the extent to which it has been used. What about national news crosses? Surely they are important in a commercial radio station in taking the national news from a hub or a headquarters. What about if you want to do a generic country hour or something similar to the ABC? Macquarie used to do one where, for half an hour or an hour, they would put a rural program together that covered the state. You would not want it quite so rigid in that circumstance, would you? You would want to allow some limited networking during the day that enhanced the program, surely?

**Mr Condron**—Yes. When I talk about local from 6 a.m. to 9 p.m., there is a local program originating from the studios, but there is somebody there available to take a call if there is an emergency. But the programming needs of the people of Bega because of the nature of the area would be different to the needs of the people in Port Macquarie because it is a different town. Just to give you that area of New South Wales, the needs of the people in music taste in Kempsey because it is basically a country music town are different to what the people are in Port Macquarie. The composition of that population is different. There are a majority of retirees, people have come up from the city and their needs and tastes are different. But what is happening is that, irrespective of where you live you are getting the same type of programming, the same music and the same information.

**Mr HARDGRAVE**—No local decision making?

**Mr Condron**—No local decision making. Where Ken mentioned that the 2MC staff was reduced from 30 down to 20, those people whose services were terminated were the creative people—the programmers, the announcers, the producers. All those people were gone. They kept the sales people, but all the production of the commercials is now done in Albury. Prior to this regionalisation, if you as an advertiser, say Neville Motors, wanted to put specials on for the weekend, you could phone up the radio station and get it on within, say, an hour. Now I think the time is around about 36 hours. You phone up your local radio station, the copy is produced and that goes down to Albury. Then somebody produces it and it comes back up again.

**Mr HARDGRAVE**—Are there any mispronunciations of local places by announcers?

**Mr Condron**—Yes. I doubt if half of them even know where we are. I do not say that in a facetious way. I do not think they know where Port Macquarie is.

**Mr HARDGRAVE**—I have heard examples of mispronunciation of places. I do not know why, but I even heard an ad on a radio station in south-east Queensland the other week about Polish-ed floors, instead of polished floors. Anyway, that is off the scale.

A lot of this is not new in one sense. Family members who used to live in Coffs Harbour—they have gone to other places now—used to lament to me 20 or 25 years ago that the dreaded 2MC, which was the only radio station they could get clearly—

**Mr Condron**—It was 2KM then.

**Mr HARDGRAVE**—Is it, 2KM?

**Mr Condron**—It was 2KM.

**Mr HARDGRAVE**—You are quite right. The dreaded 2KM—apologies to 2MC, a great radio station, a once great radio station, you might think—was coming out of Kempsey and into Coffs Harbour and had no relationship at all with the people in Coffs Harbour, and that was actually the case they put to get a commercial licence in Coffs Harbour itself. So a lot of these arguments are well tested and obviously have stood and continue to stand now. That would be your view?

**Mr Condron**—Correct.

**CHAIR**—Thank you in particular, Mr Canham and Mr Condron. That was a very thoughtful submission—well researched and quite relevant not only to your own community but to many country communities. I thank you for the trouble you went to (a) in putting that together, and (b) in coming such a distance to appear before us today. I trust if we need any further information that we can come back to you.

**Proceedings suspended from 12.20 p.m. to 1.26 p.m.**

**DEVENISH-MEARES, Mr Andrew, Assistant Station Manager, Radio 2UNE**

**POLLARD, Mr Michael, Manager and Program Director, Radio 2UNE**

**McCAW, Mr Jack, Station Assistant, Radio 2UNE**

**CHAIR**—Welcome. I would like to call on Mr Pollard to give a five-minute overview of your submission and then we will break into question and answer format.

**Mr Pollard**—I would like to start by saying thank you for letting us come here and be a part of this hearing today.

**CHAIR**—It is a pleasure.

**Mr Pollard**—2UNE FM has been a part of the broadcasting industry, out of Armidale, for over 30 years. It is our belief that the current state of regional radio is not encouraging, with localism being compromised or in some areas, in some cases, abandoned largely because of signal relaying and on-air computer automation technologies. For the sake of this discussion, localism in radio refers to a live person announcing in the studio of the local town station to which the audience is listening. Having worked for both commercial and community radio stations, it is my experience that commercial radio stations are those most willing to compromise localism through the adoption of relaying and computer automation systems. As profit creation is rightly their main aim, the adoption of these technologies has been very swift, and significantly cuts staffing costs. Community and non-commercial narrowcast stations have, for the most part, remained local services produced by locals for locals. Not only is it in their charter, but the cost of implementing automation and relaying equipment is in almost all cases prohibitive for those organisations.

While these technologies have decreased costs and boosted profits at commercial stations, they have impacted significantly on the localism of their services. To explain briefly: signal relaying allows potentially hundreds of network stations across the country to broadcast one signal sent from a hub station, anywhere up to 2,000 kilometres from where listeners can receive it. In most cases with this technology the only local content is advertising material, which is automatically inserted by a computer. As mentioned by other speakers, there are major problems with signal relaying. How, for example, is an announcer meant to know what is going on in the main street of Tamworth when they are broadcasting from a studio in Sydney, Melbourne, Albury-Wodonga or wherever? National broadcasters such as Triple J and Classic FM also relay their programming nationally and suffer the same lack of localism. However, they are firmly established as national broadcasters, so listeners are not expecting them to interact on a local level.

Computer automation has also impacted significantly on localism. Computer automation makes it possible to prerecord whole on-air shifts, days or even weeks before they are broadcast. In many cases, commercial radio stations are completely without staff after 6 p.m. and over the weekend, yet the prerecorded talk breaks give the impression someone is on air and manning the studio. Not only does automation remove the possibility of giving accurate weather forecasts but it also leaves open the possibility that major emergencies could occur in a township without the local radio station ever making mention or warning of the occurrence,

which then leaves open the issue of negligence on their part. Time is too short for me to fully explain how this hardware has reduced in its entirety the localism of most commercial stations. However, it should be clear that this equipment has had and continues to have a detrimental impact on the connection between the radio industry and its audience, and that affects the whole industry—commercial, community and public.

Our submission is not a case of community radio versus commercial. Rather, we aim to highlight the problems currently facing the industry and to propose some solutions. We put forward the following recommendations. 2UNE would strongly recommend that commercial stations be required to identify the originating source of programming that is broadcast by a licensee. We further submit that licence conditions should be imposed on regional commercial stations to ensure that a level of local programming is maintained. And, finally, we submit that more funding be allocated to regional community radio stations to ensure that these stations can provide a high quality local product to supplement the localism that commercial stations are not providing.

**CHAIR**—Thank you for that. You would have got your licence in the days before community licences existed in their current form. Is that correct?

**Mr Devenish-Meares**—Yes. We started off on basically what was a glorified PA system, a closed loop system. A wire ran round outside the residential college buildings at the University of New England and so the signal was only able to be received inside the college buildings. It was also off the AM band at that point at 1,630 kilohertz.

**CHAIR**—And now you have a narrowcast licence?

**Mr Devenish-Meares**—Yes.

**CHAIR**—What is your coverage area, roughly?

**Mr Devenish-Meares**—We basically cover the town of Armidale, and there are some scratch areas within that.

**CHAIR**—How far out—10 or 15 kilometres?

**Mr Devenish-Meares**—Not that far.

**CHAIR**—A maximum of 10 kilometres?

**Mr McCaw**—At the most; that would be only with a car radio sort of set-up. Our system operates on about 10 watts and, in fact, inside city limits there are some areas where we do not penetrate buildings.

**CHAIR**—With your narrowcast licence, have you done any surveys on what percentage of the Armidale market you have?

**Mr McCaw**—There have been in-house surveys conducted by the students association of the University of New England.



**CHAIR**—Not of the university, but of the broader community.

**Mr McCaw**—There have not been any official surveys done of the broader community.

**CHAIR**—Do you know if any of the commercial stations have ever had a survey done in which your station has figured?

**Mr Devenish-Meaers**—I believe one happened from the commercial station at the start of last year.

**CHAIR**—What percentage did you have at that stage?

**Mr Devenish-Meaers**—I am not really sure. I heard, about second- or third-hand, that we had about 10 per cent.

**Mr Pollard**—Within the industry you do not have access to those figures, and—

**CHAIR**—What is your format? Is it rock or heavy?

**Mr Pollard**—We are a youth contemporary station taking along a whole heap of genres of music.

**CHAIR**—Do you have any particular problems with your own radio station, or are you more concerned by the broad direction of commercial radio?

**Mr Pollard**—Overall, we are concerned by the industry as a whole. Obviously, we have our own—

**CHAIR**—ABC, commercial and community?

**Mr Pollard**—Yes. We have all been involved in radio in a number of ways in our limited number of years. It is just my personal opinion that it is no longer worth listening to.

**CHAIR**—You have heard the witnesses today say that there seems to be a lot of angst about the 9 a.m. to 12 noon slot. How would you solve that problem, having regard to the fact that some people want to listen to the capital city presenter, some do not, some say it is too much. What would your solution be?

**Mr Pollard**—As far as I am concerned, national news at the top of the hour and even, if stations wanted to, on the half hour is more than satisfactory with regard to covering what is going on in capital cities. Out in country areas—obviously we do not live in capital cities—we need only to know that this has happened in the city this morning.

**CHAIR**—If you are presenting John Laws or Howard Sattler or one of the others, would half an hour be sufficient?

**Mr McCaw**—With John Laws, the solution that has been found in some regional areas with community radio stations taking that feed is that the gaps, which would otherwise in a commercial station be filled with advertising breaks and prerecorded community service announcements, can be filled with live reads and community service announcements done through that in the nine to 12 spots. They also balance it with a post 12 o'clock talkback/interview.

**CHAIR**—You say the community stations use the slots. Are they allowed four minutes of slotting—

**Mr McCaw**—At the moment community radio stations are limited to five minutes of sponsorship promotion and all of the rest of that time—

**CHAIR**—In all these other breaks, they do community announcements?

**Mr McCaw**—That is correct.

**Mr HARDGRAVE**—Laws gives you about 12 minutes of breaks an hour?

**Mr McCaw**—Around about that—between 12 and 14.

**CHAIR**—So they use their five minutes of sponsorship and then fill the other seven up with community stuff?

**Mr McCaw**—Yes.

**Mr HARDGRAVE**—There has been some suggestion that community radio licences could be enhanced in the sense of picking up the slack that is perceived amongst the commercial stations. Do you guys want to do that, from your station's point of view? Are you ready to take up any slack that 2AD is not providing to the local community?

**Mr Pollard**—There needs to be a corresponding amount of support from other organisations. Funding support is an obvious one. At the end of the day, we are a limited resource. I am the only paid employee at 2UNE, for example. The rest of the 50 or 60 staff that participate in the station weekly are all volunteers. All of the equipment we have has been funded by the student association. We have only a small amount of funds and resources available to provide the service we do, and we do what we do very well. However, if we were expected to supplement the other services and provide the localism that in some cases they are not providing, definitely there would need to be a corresponding amount of increasing support from government organisations or whomever.

**Mr HARDGRAVE**—I see Mr McCaw wants to jump in. The kind of corresponding increase in support that you are looking for might be commercially devastating to the local commercial station. I am referring to allowing you to go from five to six, seven or eight minutes of paid sponsorship per hour, which might allow you to find the wherewithal to run it. Are you filling your five minutes? Are you actually selling your five minutes worth of spots an hour?

**Mr Pollard**—The station has been left fallow, so to speak, for the last six months. I have just been appointed the new manager within the last five.

**CHAIR**—It has not been operating during those six months?

**Mr Pollard**—Yes. It broadcasts 24 hours a day, and it has done for 30 years.

**Mr HARDGRAVE**—But it is going through a generation change?

**Mr Pollard**—It changes a lot. There is a whole heap of new things that we are doing from O Week onwards, which is in February.

**Mr HARDGRAVE**—What does Mr McCaw want to say?

**Mr McCaw**—Some of the community radio stations are not filling their five minutes and are actually finding it quite difficult to generate that sort of income. Simply by their very nature of being a community broadcaster, they are very varied; they tend to give access to areas that are not being catered for in the mainstream, whether broadcast by ABC, Triple J, et cetera, or the commercial stations. These things generally are not commercially viable, which is why the commercial stations do not focus on them. However, there is support for them and they can be dealt with, if done via a community radio station which relies in large part on its volunteer work force and also on the ingenuity of the people involved with it—literally shoestring budgets. I have been involved with community radio for about 10 years, and I have seen transmitters literally held up by pieces of rope.

Cost effectiveness can be achieved without devastating the commercial radio stations because the amount of money required to keep community broadcasters on the air and able to provide services. For example, Narrabri's MAX FM is able to do live OBs—outside broadcasts— or sporting events such as football, cricket and festivals, on a budget that would not even pay one person's wages for the day, simply because they have access to volunteers and community members who do that. I don't think there should be a fear of commercial stations being sent bankrupt because community radio stations are able or encouraged to earn through sponsorship dollars. There are other ways of funding as well, such as memberships. Some community radio stations exist only through membership funds. There are grant allocations made via the Community Broadcasting Foundation and other fundraising activities.

**Mr HARDGRAVE**—That distribution of funds is from the Commonwealth government, as I understand it.

**Mr McCaw**—That is right.

**Mr HARDGRAVE**—I just wanted to explore that because when I was 14 I helped to start a closed loop radio station at my high school and, in fact, was involved with CHY, Salvation Army, at Coffs Harbour. I used to travel down by bus from Brisbane to that. So I am a little bit aware of some of those shoestring things you are talking about. It is just that the concept of community radio selling, quite rightly, that they are close to people—which is the old thing that Radio General used to sell—contrasts with the main focus of these network stations in the local community, which seems to be maintaining a station manager, sales staff and the odd journo. Is that a reasonable reflection, from your experience?

**Mr Pollard**—That is exactly the way it is in a number of regional centres. They are just sales shells, with a management team and staff to suck advertising out of local businesses. There will never be any significant level of competition between community stations and commercial stations because we are not motivated by the same thing. Obviously funding is important to us, but nowhere near the same level of funding. We are not out to make a profit, so I do not see that the two would ever directly compete. We don't now.

**Mr HARDGRAVE**—You don't have sales staff at the moment, for instance?

**Mr Pollard**—I am the sales staff. But we can run 100 per cent on what we receive from the students association. We are involved with the university, so we are lucky in that respect. For any additional things that we need to do, we have to seek sponsorship, but not to the significant degree that commercial stations rely on that funding.

**Mr McCaw**—Other community radio stations, though, do need to rely largely on sponsorship income. In the late 1970s and early 1980s, which was the establishment phase of the community broadcasting sector, there was a lot of government funding available for a very small number of stations. Now that number is 200 community radio stations and the pool, while it might not have shrunk very much, is being divvied up into much smaller areas.

**Mr HARDGRAVE**—Say the government said, 'Because there are 200 community stations where there used to be 40, we're going to fivefold the money we put into the Community Broadcasting Association.' Suddenly there is this huge increase of government assistance coming in, because the House of Representatives standing committee has identified that community radio is very well poised to pick up the commercial radio's perceived slack with regard to the communities they are supposed to be serving. Is that what you are saying to me? Is that the answer?

**Mr McCaw**—What would you see for the money?

**Mr HARDGRAVE**—Yes, what are we going to see? Are we going to see a fivefold increase in the service you are currently providing? Would you accept that, if such a matter were to occur, the requirement would be that you had to start broadcasting the local football matches and start doing all the things the commercial radio stations did? Is this a way forward? I am just toying with an idea.

**Mr Pollard**—I do not think you would see us doing the services that commercial radio stations do. I think you would see an increased level of participation from community stations with the community in community events.

**Mr HARDGRAVE**—So you would play commercial radio? I mean no offence but you know what I mean. Would you start having giveaways on street corners and 'Meet me on the corner of Brisbane and Fitzroy' or something?

**Mr Pollard**—We are talking about participating in and helping facilitate community events such as local concerts. We are already involved in one called the Indent program at the moment.

**Mr HARDGRAVE**—What is that?

**Mr Devenish-Meares**—That is a program from MusicNSW which is basically aimed at, particularly in regional areas—there is also a metro section of the funding as well—allowing some concert series to be put on. We are putting on four events in Armidale through the next 12 months, both bringing in some acts from outside Armidale and also encouraging local bands to be able to perform as well, targeting an age group of 12 to 24.

**Mr HARDGRAVE**—How does that compare with the local commercial stations? Are they doing those sorts of things?

**Mr Devenish-Meares**—They are not involved in that project.

**Mr HARDGRAVE**—But those sorts of things? To be fair, are they doing their own sort of version of that?

**Mr McCaw**—The only one that I could think of that would tie in with that would be *Heatwave*.

**Mr Devenish-Meares**—Which they are not doing this year.

**Mr McCaw**—Which they are not doing this year. Sometimes they do run talent quests, band finders and so on. The other things that you would see for your money? Basically one of the biggest problems with community radio is a lack of funds to be able to pay professional level managers to coordinate the day-to-day running of a radio station. That coordination is to tie in things like sourcing of new music, chasing up of community news and events, being able to organise training for announcers to be able to do something more than just play music, doing community interviews and so on. That sort of money needs to be there. It is not a one-off. You cannot buy a black box to solve that problem. If you put the pressure on a community radio station to continually find that, you will find that they may start to become format driven—give people what mainstream things they want to hear. As an example of that, I could possibly point to, say, 2NUR Newcastle, which has adopted an easy listening format and has a very closely controlled format between the hours of 6 a.m. and 7 p.m. Even though it is a community radio station, they have organised it that way.

**Mr HARDGRAVE**—Are you saying they are looking for more listeners?

**Mr McCaw**—They are looking for more listeners. The pressure is on them financially to be able to pay the bills, because their bills are rather large. To alleviate that problem and to make sure that community radio stations would not just chase and end up becoming networked themselves—because it is an obvious cop-out to save money—

**CHAIR**—You don't take any networking at all?

**Mr McCaw**—Radio 2UNE does take networking from a variety of sources. We take 5.30 till six; there is a current affairs program that we source that we do not have the resources locally to be able to do. We take two Austereo produced programs, which are *Take 40* and *Planet Rock*. Again, we do not have the resources to provide that to our listeners.

**Mr HARDGRAVE**—They are free anyway, aren't they?

**Mr McCaw**—Under a barter arrangement.

**CHAIR**—Do they take half of your five minutes?

**Mr McCaw**—In some cases more.

**Mr HARDGRAVE**—They take five of the five minutes, probably.

**Mr Devenish-Meares**—Sometimes four.

**Mr McCaw**—Yes, around there. We are aware of that, so in some cases they are not making us any money, but they are providing a service to our target audience that is not able to be provided by the commercial radio stations in the area. We have an interest in ‘cherry picking’ stuff from the community radio satellite service to enhance our local programming. We are, during the best of our times, live and local, as in a live body in the studio from 7 a.m. in the morning until sometimes as late as 3 a.m. at night.

**Mr HARDGRAVE**—Essentially, you are making the programming decisions at the local area, full stop, no questions asked?

**Mr McCaw**—Absolutely.

**Mr Devenish-Meares**—Wherever possible we want to produce something locally that is entirely locally relevant.

**Ms LIVERMORE**—I just want to put myself inside 2UNE’s offices and ask: what drives your programming? How do you work that out, and why would you change it, or keep it, or how do you make decisions?

**Mr Pollard**—The participants in the station are the people who drive our programming. Obviously, as the head of the organisation I am there to help lead them in the right directions. We are in the fortunate situation that we are our target audience. We are based at the university campus and there is a very large population of university students and young people in general throughout Armidale. So it is a fairly good gauge for us and quite easy for us to say that what we like in 50 per cent of cases is what the rest of the people in our age group are going to like. Our announcers give us the ideas of what they would like to do and we just give them direction on that as well. That is increasing a little bit more this year.

**Ms LIVERMORE**—When you are making those decisions, do you cast an eye at what the commercial station is doing and what the ABC is doing in your area to see whether you plug gaps?

**Mr Devenish-Meares**—Yes, that is something we definitely consider. If someone comes to us with an idea that we can see is at least partially overlapping another service, we want to try and shift it a little bit towards the bit that this service is not plugging. Obviously, a bit of overlap is nice because it is something people might be a bit used to, but we try and focus a little bit more on areas that are not otherwise covered.

**Mr Pollard**—We tend to get a number of people as well from the other community station within Armidale, 2ARM, who are not satisfied with the services it is putting together. They are outside of what it considers its primary focus to be, which is pretty much the 40-plus age group. So a lot of the younger people who have been involved there are increasingly coming over to 2UNE because we have established ourselves as, ‘This is our only concern; we are here for the youth interests of Armidale.’ We do not want to do what the commercial station is doing, which is, ‘We are here for everybody’s interests.’ We do not want to do what 2ARM are doing, which is, ‘We are here for 40-plus.’ We have very specifically targeted that audience because it has not been catered for specifically there.

**Mr Devenish-Meares**—I should also point out that Armidale does have one of the highest youth populations per capita in the country, so we have certainly got a fairly large base to be working from as well.

**Ms LIVERMORE**—When did you get Triple J in Armidale?

**Mr Devenish-Meares**—In 1995, I believe.

**Mr McCaw**—Tests were being conducted around then, but it was not until 1997 that they broadcast full power in there. I am not sure on those dates, but Triple J has been in there for quite a few years.

**Ms LIVERMORE**—You have adjusted or you are used to sharing your audience or target group with Triple J?

**Mr Pollard**—Yes, we consider them our only competition.

**Ms LIVERMORE**—You obviously take the service you provide to the local community or your target audience pretty seriously. What do you consider to be the absolute essentials, the bottom line, if you are going to be a good local radio station? What is the bottom line of what you have to provide to your audience?

**Mr Pollard**—The bottom line as far as I am concerned is that it is not even about what we do. It is that they know that we are there and that we are sharing a common ground. If all of my announcers do that, then I believe we are fulfilling our obligation to them. It is a personal obligation. It is part of what being a community station is about. It is about people being able to call you up and ask you a question about what you have just said or ask you if you can put this song on for them. As long as we are interacting on that common level with them and we are not ever stepping outside of that on our own tangent, so to speak, then I believe we are fulfilling our obligation to the audience that we have established there.

**Mr Devenish-Meares**—We are personal; we are relevant. These would probably be the two short phrases to sum that up.

**Ms LIVERMORE**—You mentioned training before. Is there a central place where you go for training your announcers?

**Mr Pollard**—We train all of our staff on the premises. I have come from a commercial and community background so I have got a significant amount of experience. So does Jack and so does Andrew. We have a core group of about five people at the station who have been involved in mostly community stations, but a couple of us have been involved in commercial. We are the people who train them. We take a month and a half at the start of every year to go through a quite extensive training process to ensure that mistakes are not made that could get us in legal trouble—all of those kinds of things.

**Mr McCaw**—There are central resources available to community radio stations throughout New South Wales, one of which is the Australian ethnic radio training program, and that is available to all community radio stations. There is also grant funding available to it. Some of the documentation that is there we have incorporated in the past. There are also training grants available to it. The biggest problem for community radio stations is the lack of trained personnel because what often happens with trained personnel is that they cease to be a volunteer with you and they go and become paid staff for someone else. This is one of the ongoing things. You will train up staff and they will move on. But training is available at a standard.

**Mr MOSSFIELD**—You appeal to young people. Could you expand on that? Just how do you appeal to youth? What are the issues? Is it simply music or are there are other lifestyle issues that you might refer to—religious issues, those sorts of broad things that maybe go over my head at this stage?

**Mr Pollard**—Music is obviously an important part of it. I consider that to be 60 per cent of the attraction to our audience.

**Mr MOSSFIELD**—Do you have country music?

**Mr Pollard**—We have had a country music program that has been running for about three years, but that student has now moved on, so we are without one at the present time. Our next intake of volunteers will be in February, obviously once the bulk of the students return. It is essentially a student training facility. There are a lot of other youth interests that are encapsulated by what we do. We have a gay and lesbian program. We have a Christian program. We have blues programs. From 6 o'clock at night is when all of our feature programming takes place, and that is every type of music and every kind of information relating to those genres. Our information programming, in addition to the national news that we take, is provided between nine and 10 in the morning—a solid hour of information discussion about issues relevant to youth that can be as broad or as minimal as you choose it to be on that day.

**Mr MOSSFIELD**—Did you say you took the John Laws show?

**Mr McCaw**—No, 2UNE does not. There are several other community radio stations around the area that do. We have fairly close ties with other community radio stations in this area so that is how we have picked it up. We just know of their experiences.

**Mr MOSSFIELD**—What are the commercial arrangements that allow a community radio station to take such a high profile performer as, say, John Laws?



**Mr McCaw**—Unfortunately, because we do not take it and I am not privy to the inside dealings of those other stations which for obvious reasons would be confidential, I cannot comment on those. The only thing I can suggest to you is that you talk to 2YOU FM this afternoon when they have time to make their submission, because I know they take that program.

**Mr St CLAIR**—What other community radio stations in the region take John Laws?

**Mr McCaw**—2GLA, which is Great Lakes FM in Forster-Tuncurry; 2WEB, which is Bourke's community radio station; WAR FM, which is Warrumbungle's broadcasting; and MAX FM in Narrabri. They are the only ones I know of in this region.

**Mr St CLAIR**—It is a fair coverage.

**CHAIR**—There is one question that fascinates me a little bit. When governments of both political colours established community stations, wasn't it on the basis that the community wanted to have an additional outlet? It was not ever meant to be a de facto commercial organisation. I know there are various models of this. For example, we inspected the Western Australian College of Performing Arts and found that they run the radio station as a full-blown training station, where announcers and journalists from the university are trained and—I did not check this point, but I imagine it is so—sales staff are trained. While still being a community station, the faculty is actually involved with the students in delivering quality training through that station. In fact, part of your training at the station can be units towards your degree.

Yesterday I had an interview with an organisation that gets quite generous sponsorship because of its, let us say, indigenous ethnic links. I will not go into the detail of that because I do not think it would be fair. It had three full-time funded staff and it was wanting to know if it could appear before the committee to get more staff. Don't we come to a point where community stations are not inventive, are not run by volunteers and just become de facto commercial stations?

**Mr McCaw**—This is indeed a problem. The climate for community radio has changed since 2UNE's inception circa 1970. The fine line between what is and is not commercial radio or commercial interests has changed. The pressure to earn dollars has altered some community radio station concepts. But the very tenets of community broadcasting are freedom of speech, freedom of access and the ability to speak for people who are otherwise marginalised by mainstream media.

**CHAIR**—But haven't you got to demonstrate the intellectual and organisational rigour to make that happen? If you are not selling your five-minute sponsorship, are you really entitled to go back to the government and say, 'We want more funding'? If you are not being inventive enough—I am not saying 'you' to mean your station; I am using the term generically—if you have not got to the point where you are selling your five minutes, are you really entitled to go back to the government and say, 'We're so well supported in our community and we have to put on so many more services.' The government will say, 'Yes, but you are selling only 1½ minutes of your sponsorship time.'

**Mr Pollard**—I think it is at that point where you actually do become, as you say, a de facto commercial radio station.

**CHAIR**—In the case of this guy who interviewed me yesterday, he is becoming a de facto SBS.

**Mr Pollard**—If our primary aim was to sell our five minutes of sponsorship time per hour, that is the point at which we would seriously consider becoming semi-commercial. That is not our emphasis. It is not part of the charter of what community stations are meant to be about. It is at that point that you do start compromising the ethics of what community stations are. The problem is that the industry is an expensive one to be involved with. It is hard to provide services of a reasonable quality with very limited funding. However, it can be done. A lot of other community stations would prefer to go out there to get the dollars to make it easier and at the same time compromise what they are there to be. They do come closer to that line of what a commercial station is. It is not our priority. At the present time we have absolutely no advertising on air.

**CHAIR**—On that note, thank you very much for appearing before us today. Your station is quite unique. It is one of the very earliest of the community type stations. To have both a university perspective and a youth perspective on this inquiry is very important. We thank you for the trouble you have gone to with your submission and the trouble you have gone to in appearing before us today. If we need to come back to you, I trust we might. We might write to you. Also, we will be sending you a proof copy of the *Hansard* draft and you will be able to pick up this evidence in five days time if you want to check it on the Internet. Thanks very much.

[2.06 p.m.]

**DEAN, Mr Robert Graham, President and Technical Officer, Warrumbungles Community Broadcasting Association**

**NETHERY, Mr William George, Director and Current Affairs Producer, 2YOU--FM 88.9, Tamworth Community Broadcasting**

**PENMAN, Mr Malcolm George, Technical Officer, Warrumbungles Community Broadcasting Association**

**CHAIR**—You might just tell us what sort of station you are, where you are located and what your coverage area is.

**Mr Dean**—WR-FM is at Coonabarabran, which is situated in the foothills of the Warrumbungle Mountains in central New South Wales. It serves the towns of Coonabarabran, Binnaway and Baradine, which is a population of approximately 7,000 people. It is approximately 200 kilometres from here and about 120 kilometres from any major town. We are basically in a remote radio area. We are on the fringe of the coverages from any commercial stations from the Gunnedah district or from the Dubbo district. So it puts us in a no-man's land type of thing.

**CHAIR**—What sorts of programs? Could you describe them very briefly?

**Mr Dean**—Okay.

**CHAIR**—I am doing this because in the last presentation we went through a lot of the philosophy of community broadcasting. I would like in this presentation to get to the nitty-gritty of the community, how you operate in it and what programs you present to it.

**Mr Dean**—We produce a wide variety of programs. In fact it is driven by what the audience requires. We will provide anything. If anyone comes along to our station and says, 'We would like to produce this sort of program,' as long as it fits within the broadcasting guidelines we will allow them to go on. So it is a wide range of programs. The presenters range in ages from about 12 to 80. It covers a whole range of program material. It can be Christian, church type.

**CHAIR**—How much is locally derived, and how much do you take online?

**Mr Dean**—The bulk of it is local. We do take some network programs, we take the national news, we take some indigenous programs via satellite and we take some generic interest type programs from satellite, but the bulk of it is all local, by local presenters.

**CHAIR**—**Mr Nethery**, could you give us a similar profile of your station?

**Mr Nethery**—In the submission I have drawn attention to the bottom line: in assessing the performance, it is simply the successful broadcast of the whole music spectrum, interviews and community support. With respect to those who broadcast country music continuously, we have our share of country music but we also cover the whole of the music spectrum.

**CHAIR**—You are a Tamworth community station. What radius do you cover?

**Mr Nethery**—We are licensed to cover the city of Tamworth and Parry shire.

**CHAIR**—What is that—about 10 or 15 kilometres?

**Mr Nethery**—Yes, and more than that.

**CHAIR**—I am being told it is 20 kilometres. I just want a feel for it, that is all.

**Mr Nethery**—The FM signal rolls over down to Quirindi, out to Gunnedah and to all points north and south.

**CHAIR**—So you are one of the more powerful community stations in terms of coverage?

**Mr Nethery**—I believe so.

**CHAIR**—Do you want to make presentations, or can we go into the meat of the thing in questions? Do you have any other points to make?

**Mr Dean**—We would be quite happy to go into the meat of it.

**Mr Nethery**—Much of what you heard with the people from Armidale applies to us. We know all about shoestrings.

**CHAIR**—That is why I want to leave more time for discussion. Just to set the scene: how many full-time staff do you have?

**Mr Dean**—We do not have any paid staff at all. They are all volunteers.

**CHAIR**—And yours, Mr Nethery?

**Mr Nethery**—We have 14 volunteers.

**CHAIR**—No paid coordinator?

**Mr Nethery**—No.

**CHAIR**—What percentage, on average, of your five minutes of sponsorship—selling that to sponsors—would you utilise?

**Mr Penman**—Probably between three and four minutes.

**CHAIR**—And Mr Nethery?

**Mr Nethery**—About the same.

**Mr GIBBONS**—Mr Nethery, given that the commercial stations dropped the country music program, has your station come under pressure from locals to reinstate a similar program in your community radio service? Do you identify a need for that service, or do you think it is not warranted?

**Mr Nethery**—We had decided to carry on the country music format that we have covered for 10 years. The way that came about was that people came to us who were acknowledged entertainers and well known in the country music field to present programs. This has been very successful.

**Mr GIBBONS**—So you have not changed your formatting, given that the commercial stations dropped what was apparently a very popular country music program? You have not increased your country music capacity to take advantage of that? Have you been asked to do that?

**Mr Nethery**—No, we have not been asked to do it. But, as I said earlier, with respect to those who play country music 24 hours a day, we do not. We provide the other parts of the spectrum.

**CHAIR**—George, would you tell us, for the sake of the committee—I am pretty much aware of it—what role 2YOU FM played in the change that occurred as it related, in particular, to the John Laws show. There was a fair hue and cry about the change, as you would be aware.

**Mr Nethery**—We had been under pressure for quite some time to take John Laws, because he was heard at Gunnedah—not the full three hours, I think, but only about two hours. When all this happened on 31 January last year, we virtually received overtures from people in the broadcasting business, ‘Will you take John Laws and Alan Jones?’ From 31 January, when it all happened, it took us up to 10 May to do all the administrative work, all the paperwork and all the arrangements, and to take Alan Jones and John Laws the first time. We have had him since.

**Mr St CLAIR**—How have you been able to afford that?

**Mr Nethery**—In two or three different ways. The sponsors that we have we use in that five minutes that we all hear about. Then there are their own arrangements in Sydney with sponsors, and we get a portion of that sponsorship.

**CHAIR**—Of that five minutes, do they sell it for you and do you get some of it back? Is that the idea?

**Mr Nethery**—No, not really. We are responsible for the five minutes, but they are sponsoring at the same time. They are the sponsorships that we cut out and are not allowed to broadcast.

**CHAIR**—What do you net in cash terms out of the program?

**Mr Nethery**—I am sorry; I do not know.

**Mr St CLAIR**—What we are trying to get at is this: is it profitable?

**Mr Nethery**—Yes.

**CHAIR**—Does it help to support your other services?

**Mr Nethery**—Yes.

**CHAIR**—You do not take any of the presenters from Sydney?

**Mr Dean**—No, we do not.

**Mr St CLAIR**—Have you been under pressure to?

**Mr Dean**—We did make an overture. We wrote to 2UE but they did not contact us back. I think we were too small.

**Mr St CLAIR**—One of the things with 2YOU FM, as you heard, is that it has a pretty broad range here compared to some of the others. Does that have an effect? Is that why they have it?

**Mr Penman**—Our main problem at the time this was going on was that we had coverage of only Coonabarabran itself, but since then we have relocated the transmitter and now we cover the shire of Coonabarabran. The announcers and the committee members did a bit of a survey amongst the people of Coonabarabran and we found that 60 per cent did not want John Laws to come on the show.

**Mr St CLAIR**—Is that perhaps indicative of other regional communities? We have got vastly conflicting evidence on this. Some people say it is the greatest thing since sliced bread and other people do not want a bar of it. Where is the balance in this?

**Mr Penman**—We found that about 60 per cent did not want it, so we made a decision to wait and see what the rest of the community wanted to do about it.

**Mr Dean**—We basically wanted to make our programs audience driven so that, if the bulk of the audience said no, we would go by that.

**Mr MOSSFIELD**—What is your audience coverage? Do you have any idea of numbers?

**Mr Dean**—In the shire there are about 7,000 people. The only alternative stations that you can reliably pick up are the ABC's, so we would have quite a few listeners. In fact, you get that feedback just from walking around the streets.

**Mr MOSSFIELD**—You do not have any commercial stations in your area?

**Mr Dean**—Not really. We are on the fringes.

**Mr Penman**—We also set up with MAX FM for outside broadcasts where we do the football and all those sorts of things. We even came over to Tamworth and broadcast the football in conjunction with MAX.

**Mr MOSSFIELD**—Do you broadcast the football in full—not just scores?

**Mr Penman**—Yes. During the winter months when it is in Coonabarabran we do an OB from there, or if it is in Binnaway we do an OB from there.

**Mr MOSSFIELD**—Is it a full broadcast?

**Mr Penman**—Yes.

**CHAIR**—Is it just rugby league, or do you take the other codes?

**Mr Penman**—We have taken soccer. They are the only ones that really made overtures to us to do it.

**CHAIR**—Have the others broadcast any football of any code?

**Mr Nethery**—No.

**Mr MOSSFIELD**—You have the committee at your mercy, more or less, and we have to make recommendations to the government. What would you like us to present to the government on behalf of the community radio stations of Australia?

**Mr Penman**—Basically, as we discussed in our committee, the main thing we need is a bit more funding.

**CHAIR**—What would you do with it?

**Mr Penman**—Use it for equipment and things like that; more that sort of thing. Two-and-a-half years ago we finally got our TCBL. We fought with bureaucracy from 1991 to get the TCBL.

**CHAIR**—You might just explain what that is.

**Mr Penman**—The TCBL is a temporary community broadcasting licence. That is all we have got at the present moment, so we still have only a temporary licence. When they gave it to us, we had 100 watts of power, which was only local for Coonabarabran. The people in Binnaway and Baradine started screaming at us, 'We cannot hear you.' So we reapplied and got an increase in power to 300 watts and got the transmitter relocated to Bingie Grumble. Now we barely cover that size. We have had to penny pinch and use sponsorship. We borrowed equipment to start with and now we have slowly paid everything back and there is only the transmitter that we have got left to pay off, but sponsorship has completed all that for us.

**Mr Dean**—We were fortunate when we approached our local council for support. They were very keen to support us. They could see that this could work very well in Coonabarabran because Coonabarabran did not have a radio service as such. They were willing to make a reasonable donation to us to enable us to initially purchase equipment that we had borrowed from the community to actually get our studio operational. So we are very thankful to the council for doing that. It is very hard to start off. You have a group of people sitting around a table saying, 'Let's make a radio station,' but they start with nothing. How do you get the capital equipment,

the technical equipment, to start off? You do not know whether you are going to succeed until you have actually got that.

**CHAIR**—What is your experience, Mr Nethery?

**Mr Nethery**—To answer your question, if we go back to funding, the appointment of a station manager—

**CHAIR**—We had a couple of people mention one fully paid coordinating type person to do the paperwork.

**Mr Nethery**—Yes, because everyone else is a volunteer and they lead pretty busy lives. Sometimes you just do not get done what you would like to be done. We would like a full-time station manager to oversee all this.

**CHAIR**—What is your view on that?

**Mr Dean**—I agree with that. We are all volunteers, our time is very limited and there is a lot to do in running a radio station. If you can have some person to do this overall management from day to day, the systems work better; but you can only really do that if you can pay them.

**Mr HARDGRAVE**—How do you currently account for the conduct of announcers and program preparers? What do you do if somebody gets on the air and says something they should not say?

**Mr Dean**—All announcers have to go through our station manual and our code of conduct, so they are all very aware of the Broadcasting Act and what they can say and what they cannot say.

**Mr HARDGRAVE**—What can't they say? Don't say it, but what do you mean by 'what they can say and what they cannot say'? Listening to night-time radio, albeit in the city, there just does not seem to be much you cannot say except for a couple of celebrated words with Nordic origins.

**Mr Dean**—I often think they have got a different set of rules down there, or a different book., but it is defaming someone or saying something derogatory about some person. If that person who is named, for example, takes offence at a particular program, they are encouraged to actually contact us in writing with their complaint and our complaints officer will listen to the log tapes—all live programs are logged so we can go back and listen to them. Then on a one-to-one basis they try to resolve the situation between the presenter and the complainant.

**Mr HARDGRAVE**—Do you have a problem, though, if you do not have a process like that? What about a licence renewal, accountability up the line to authorities or anything like that? Or is it just simply, 'Doctor, heal thy own wounds'?

**Mr Penman**—At the present moment, no, we do not have accountability along those lines. We apply for a TCBL each year and if there have not been any major complaints against us to



the ABA they will renew the licence. If there has been a major complaint, then they have to come and investigate.

**Mr HARDGRAVE**—That is a far more rigorous regime than commercial operators have.

**Mr Penman**—Yes.

**Mr HARDGRAVE**—That is a lot like it used to be before the 1992 BSA.

**Mr Penman**—Yes, it is, and that is probably one of the reasons why we monitor just about all the announcers. One of the committee members is usually monitoring over that period of time so that if something does happen we can immediately manage it.

**Mr HARDGRAVE**—Who is the officer who is responsible at the end of the day to the ABA? Is it you, Mr Dean, as the president of the association?

**Mr Dean**—Yes.

**CHAIR**—The buck stops with you.

**Mr Dean**—Yes.

**CHAIR**—Do you have any other points to make?

**Mr Nethery**—Could I just mention that we went to air in 1983 and since that time it has been the training ground. We have trained in excess of 25 young people, and some not so young, into radio, into ABC and also commercial radio. So we are very pleased about that.

**CHAIR**—That is commendable.

**Mr Dean**—We have only been going 2½ years so we are a very young station. Certainly what we have found is the community has really accepted the station. What they like about it is that it is local content by local people. They recognise the voices, they know the people, they talk to them in the street and they really like that. In fact, we call our station ‘the radio with training wheels’ because everyone who comes in can start with no experience at all. In fact, they all did two years ago. Now a lot of them are still there and very much better than they were two years ago. Through the local TAFE, we have organised a community broadcasting certificate course. The local TAFE is conducting this. What we are trying to do is to present to the young people of our community the ability to enter that media as possibly a full-time job later on. It is more opportunities for local people.

**Mr Nethery**—There is a certain amount of danger walking down the street and being introduced. I have had the experience of having had that happen and the person looked at me and said, ‘Is that what you look like?’

**Mr HARDGRAVE**—I think, Mr Nethery, they call it a great face for radio! I have had the same problem.

**Mr MOSSFELD**—Do you have any arrangements with emergency services whereby, if there is an emergency, people know who to contact?

**Mr Dean**—Yes, we do. In fact, this is one area where we are proactive. If we know there is something happening, we actually ring the State Emergency Services before they ring us to get information to start up the dialogue.

**CHAIR**—Say if a bad storm starts coming over Coonabarabran unexpectedly, do the Bureau of Meteorology ring you?

**Mr Nethery**—Yes.

**Mr Penman**—We do not get it, but usually the police or the SES contact us.

**Mr Dean**—Or the shire.

**Mr Penman**—The day that storm hit Dubbo—

**CHAIR**—One thing that is emerging in this inquiry is that there might be a need for the federal and state emergency services ministers at their next conference to develop a protocol, because it is quite obvious it varies widely from region to region, from service to service. The availability of phone numbers over weekends, who contacts whom, how advanced the emergency situation needs to be before someone is contacted—we have seen here even in Tamworth totally different aspects of that. It is interesting to hear that you people are proactive in that field.

**Mr Nethery**—We take faxes from the bureau and we act on that straight away.

**CHAIR**—You have had a letter of support from the Coonabarabran Shire Council under the signature of the Mayor and we propose to include it in the evidence to the committee.

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

That submission No. 146.01 from the Coonabarabran Shire Council, together with any attachments that have not otherwise been received as exhibits, be received as evidence to the inquiry into the adequacy of radio services in non-metropolitan Australia and authorised for publication.

**CHAIR**—Thank you for coming today. I trust we can come back to you if we need any more. As I have listened to you in particular, I think the committee probably needs to do a survey on some of these things—on how many people have been trained, how much of the five minutes is being actually utilised, what arrangements are made when you take programs on network, what your view is on funding and so on. We might look at a survey and see if we can find some common ground. We thank your two groups in particular for your evidence today.

**Mr Penman**—Can I add just one extra bit? We found that during the sports shows our five minutes was not long enough. We could more than double that time, especially for the football and things like that. We could easily double that for the sponsors.

**Mr HARDGRAVE**—Do you want an average of five minutes instead of a strict five-minute limit? Is that what you are saying?

**Mr Penman**—Yes, if we can do something like that, that would certainly—

**CHAIR**—That is a good point. Thank you for that.

[2.31 p.m.]

**GREENAWAY, Mr Peter (Private capacity)**

**CHAIR**—**Mr Greenaway**, as you are appearing in a private capacity, you might tell us your interest in the inquiry.

**Mr Greenaway**—I am a private citizen in Tamworth. I am involved with a number of organisations in town but I do not necessarily represent those. There were going to be a number of other representations but unfortunately, due to the festival, people were unaware that this inquiry was actually on.

**CHAIR**—Are they here this afternoon for the forum?

**Mr Greenaway**—No. Unfortunately, with the festival, the people had to leave town for no other reason than that they were worn out or they had other plans.

**CHAIR**—It has been a very rigorous week.

**Mr Greenaway**—Sixteen days. They did ask what they should do if they wanted to make submissions. Have they got another opportunity?

**CHAIR**—If they want to put some comprehensive joint submission, we would accept a late one. You would need to send that to the secretariat. Your only chance for those groups to appear before us now would be to come to Canberra or appoint a representative to come to Canberra if they want to give a verbal submission. I do not think we will be back in this particular area.

**Mr Greenaway**—They did indicate that they could probably go to Canberra.

**CHAIR**—Would you like to give us a five-minute overview of your presentation.

**Mr Greenaway**—Yes, and I have also got some reference points here, and I can distribute copies to the committee if you want them.

**CHAIR**—We will have to take that as a submission.

**Mr Greenaway**—There is also another document which I picked up during the lunch hour that is relevant information.

**CHAIR**—We will take that as an exhibit.

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

That submission No. 254 from Mr Peter Greenaway, together with any attachments that might not otherwise have been received as exhibits, be received as evidence to the inquiry into the adequacy of radio services in non-metropolitan Australia and authorised for publication.

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

That information from Mr Peter Greenaway, headed 'Figures from the Country Music Association of Australia', be received as evidence to the inquiry into the adequacy of radio services in non-metropolitan Australia as exhibit No. 11.

**CHAIR**—Back to your overview, Mr Greenaway.

**Mr Greenaway**—Thanks very much, and again thanks for the opportunity to bring some of this information forward as a concerned citizen. I would like to make one point before I start: the information I give here is not necessarily directed in particular at any radio station staff. I regard them as a victim of the actual system so this is not targeted specifically at any people.

There was a comment here earlier today—this is part of the overview—and I am surprised that people are not complaining about being Sydneyised, in particular, or Brisbaneised. It is coming over clearly here that people do not want that, and that has been pointed out here earlier in the morning. In general terms, we really want to find out what is happening in Peel Street, Tamworth; Beardy Street, Armidale; Byron Street, Inverell; Balo Street, Moree. We do not really want to know what is happening in the traffic in Pitt Street, Sydney, which we are told on a regular basis.

The key points that I have presented in this document—you might like to refer to the contents—are as follows: I come from a media background. I have been involved in the media for 10 years in aggregated TV, so I know how the system works. I can see what happened and also what is going to happen perhaps in the future with TV a little bit as well, because I am privy to some company confidential information. The other point is about the centralised ownership here in Tamworth. On the first day they made their change they indicated that they were no longer interested in people of 45-plus in all these regional areas. That has been documented, and there is a copy of that actual reference in the newspaper which has been attached as the first newspaper item. The actual point that Mr Morrison made at that stage when he disclosed it was:

Mr Morrison said the decision to drop CMR was made because the format was considered incompatible with network plans to target listeners 18-45 in Sydney, Newcastle and country areas of NSW and southern Queensland.

Since then we have clearly suffered from that. The other point that I have got in the document is about the community service in emergency situations. Quite clearly, the local commercial stations did not meet the requirements during the problems we had here in November, so much so that when I was listening to the radio during a late period of time—because I was also monitoring for our TV station at that stage—I heard a report from Sydney, 'Tamworth will have light showers tomorrow.' Yet Tamworth was being engulfed by floods. That report can be easily verified by going to the monitoring services, and I suggest that what actually happened at that time should be married up with what 2TM was broadcasting. I was rather disappointed because I know in previous years the actual work in night-time that the country music radio presenters used to put into those sorts of broadcasts, advertising information for truckies right up into Gympie, in Queensland, to tell them what was going on so that they knew which highway to go down to escape the floods.

I have gone into a little more depth in my submission about the fact that Moree was actually formed as a TV station because of floods. You get into the situation we are in now because no-one can contact their local radio station, and they cannot even let people know quickly if there are floods. That has been recorded here earlier today.

The other point that I want to raise is the real downturn we have had here, which, hopefully, one day we will get out of. People are looking at the tourism ramifications attached to this area, and Tamworth has been leading the way with other places like Inverell, which has been having a very strong push on tourism. Armidale is the same with the Waterfall Way. Currently, anyone coming into these areas is not getting the rural experience they are trying to get as they go through the area. That is explained in a bit more depth on page 4. In summary, on page 5, I have given an indication of some models that could perhaps be investigated that may help to alleviate the situation we are currently in.

I have also included in the submission some other press clippings, which you may or may not have. There are some very compelling headlines. You know the situation: '2TM decision "great blow"', 'Heart torn from country music', 'Sydney traffic? Who cares'. There is also a relevant article which I took out of a Brisbane newspaper about home-grown radio in Brisbane, saying that the people in Brisbane no longer want to hear anything out of Sydney and Melbourne. There is also a very good editorial there by the editor of the *Northern Daily Leader*: 'Country music forgotten most of year', which goes on to explain things. There is also a document from Tourism Tamworth, in which their current Chairman, Paul Durant, concluded:

This is a short term victory for the economic rationalists, but we are fighting for our culture, our community and our commerce for the long term.

I think those comments should be taken on board, and the way things have been conducted here today, I am sure that will happen. There are also letters to the editor. There are more letters to the editor than this, but we did not have time to print them because of being tied up with the country music festival. In general, these are the comments that I would like to make, and I hope they cover some of the points.

**ACTING CHAIR (Mr GIBBONS)**—You would be aware that those comments really just reflect what most other people have said at this hearing today and, in fact, other hearings we have conducted. You would be aware also that the purpose of this hearing is to make a recommendation to the Commonwealth parliament. What would your advice be to us as legislators on how we might go about fixing the problem? What do we need to do to fix it?

**Mr Greenaway**—In that summary on page 5 I have indicated five points that I think should be pursued. With respect to the one concerning local content—my suggestion after being involved in the industry for the last 10 years, and I started with it in Rockhampton when they aggregated up there—the model you have got for television now is a pretty good model to work from. You have got competition in there. If you go back and check the figures in the last 10 years, the three aggregated stations have all been financially very strong, and they have provided extra services. So I would suggest that the model you have got for television and the footprints you have got for television are the way to go.

**ACTING CHAIR**—But isn't the local television station an independent station as such? It has people in the studio between 7 a.m. and midnight.

**Mr Greenaway**—All three of our commercial stations are manned 24 hours a day.

**ACTING CHAIR**—With personnel in—

**Mr Greenaway**—They are. But, again, you have got the same problem you have got with radio. You have to be able to get through the switchboard. The police have all got television station lines going directly into the television station—so much so that, with the recent floods here, even though we have got no newsroom here in Tamworth, we were still putting flood reports over as crawls every half-hour or every hour. The local television station here is Prime TV; they transmit out of here. NBN transmits out of Newcastle, and Channel 10 transmits out of Coffs Harbour. But they all have access to emergency situations. The police control that and it is all centralised with the police. As to the point you made this morning with the council, the council has never asked us for that information, to my knowledge, and I have been here six years. We give it to the police regularly and they update it.

**Mr HARDGRAVE**—Television is not the immediate medium that radio is, but it is getting pretty good at it. You are saying that, if something happens in Tamworth, somewhere in your master control room someone can sit down and type in a message which can then crawl across the bottom of the screen to say, ‘Major storm heading to Tamworth. Warning.’

**Mr Greenaway**—Yes, you can do it in five or 10 minutes. Yesterday when I was watching Channel 9 they actually did that with a storm warning report for the north-west.

**Mr HARDGRAVE**—Is that reasonably satisfactory as far as the locals are concerned? Are they happy with that kind of interaction? Television is different from radio. Radio really is a one-to-one medium where the broadcaster, if they are any good, would be talking to one person at a time in their mind as they are conducting their broadcast.

**Mr Greenaway**—Yes, radio is definitely a more personal medium. As someone said here today, it is one that you carry around with you. They all have their place. Radio is more local than television can be.

**Mr HARDGRAVE**—The aggregation proceedings started 15 years ago—‘aggravation’ as a lot of people called it at the time. You said you came from Rocky, so you could use the old Channel 7 Rockhampton example, but you could use any of them. The Toowoomba channels all started up with great gusto with local news rooms. Every channel had a local journo and a local camera crew. They found the economics weren’t there: you could buy a TV ad as cheap as buying on one of the local radio stations. Perhaps discounting dropped it down even lower. The economics dropped out of the aggregated television industry. I take it that has all settled down?

**Mr Greenaway**—It has. If you check the stock market, it has not affected the profitability of the three organisations.

**Mr HARDGRAVE**—They dropped a lot of staff, though, didn’t they, out of local TV?

**Mr Greenaway**—Overall, it would have increased marginally in the industry. There is an interesting scenario that television stations are going through now. They are starting to look at more local programming.

**Mr HARDGRAVE**—Technology will make that more possible, I suspect.

**Mr Greenaway**—Correct. For example, we had a new camera out here for the festival. The camera they brought out provided broadcast quality. It went on *Good Morning Australia* yesterday at 10 to 11 in a report on the Tamworth Country Music Festival. That was shot with an \$18,000 camera. Last year that same-quality camera would have cost \$70,000.

**Mr HARDGRAVE**—Technology is driving that argument. You suggest in your summary, on page 5 of the submission we have approved today, that we should look at the situation of two commercial radio stations, and that AM/FM should be brought into line and modelled with television stations. In other words, what you are implying is to basically aggregate, perhaps, the existing licences in rural centres so that we end up with four or six commercial licences to stimulate competition—three AM and three FM. In other words—referring back to what a witness said earlier today—when you have one company owning all the possible stations within your general region, that is a problem, and you want to get around it with that kind of solution.

**Mr Greenaway**—Yes. These are only personal comments; this is no reflection on the company I work for. The point is that three TV stations can survive in north-west New England because they are regional. We pick up business from Moree, Glen Innes and Armidale, through the whole region. You would find it very hard for three commercial radio stations—I am talking AM/FM, the way they are at the moment under one ownership—to survive.

**Mr HARDGRAVE**—What you are hinting at, I take it, in the second point of your summary is as follows. Let us use the 2TM example; let us say that tomorrow 2TM decide to go back to what they did 20 years ago when they had 2MO and 4WK and everybody running *Hoedown* and so forth. They go back to that kind of environment in each of those markets, but at the same time somebody else is providing something else also into the Tamworth market, and somebody else from somewhere else—say, 2AD—is doing something different. Are you suggesting that might be something for the committee to look at?

**Mr Greenaway**—Yes, that is correct.

**Mr MOSSFIELD**—It is good to see community radio stations filling the gaps that have been created and you have highlighted. What role do you see community radio stations playing?

**Mr Greenaway**—Community radio stations have done a really good job here in Tamworth, in particular. That was even experienced here during the recent festival. It was stated this morning that 2TM actually had country music during the whole festival, but I think you will find that is incorrect—and it is no fault of the person that was here this morning. I think you will find what was given to the public was that they were going to do 36 hours. They may have done more, but 36 hours is what was publicised. Festival FM was formed up in that 10-day period, they had their studio down in Peel Street and they actually put out 240 hours—that was with their own presenters as well. I think the presenters started at 6 a.m. and finished at 8 p.m. every night. So the opportunity is there for the community radios to come in and do something that the other stations would not do, and target smaller groups perhaps. There is a definite place for community radio in the whole scenario.

**Mr MOSSFIELD**—So that would help to bring localism back into radio at the local level?



**Mr Greenaway**—That is what I would see, yes. That is exactly what has happened at Coonabarabran. In the case of 2YOU FM here, they are doing a great job covering five, six, eight markets—different demographic markets.

**Ms LIVERMORE**—I just want to get straight what you were getting at with point 2 in your summary. I am from Rockhampton. What we have got there now is basically two commercial AM stations and two commercial FM stations all basically putting out the same stuff. You are saying that your idea would be to have four or six commercial licences to stimulate competition. How would you then guarantee, or how would you then enforce, that you did not have four or six commercial licences still all putting out the same stuff and still looking to put it out in the cheapest possible way?

**Mr Greenaway**—That is a good point. Again, if you look at what has evolved with the television stations, Channel 9 chases a wide core market, generally 25 plus, with the emphasis on sport—and that has been emphasised in the last few days with what is happening down in Melbourne with Aussie rules—Channel 7 tries to be master to all of those demographic markets, and Channel 10 goes for under 40s. So they have been able to find out where they are economically viable in each instance. It will be economically driven, but you would find that, for example, if 2TM came out with a statement, as they have in the paper and said they are not interested in people over 45, a smart marketer would come in and start to target that market because you are dealing with 40 per cent of the population. That is something that I find very hard, that they did not even consider.

**Ms LIVERMORE**—Do you think that perhaps we are still at a stage where this mass aggregation—that might not be the right word—or this mass networking is happening in the radio industry? Do you think perhaps that in five years time we will see the same kind of shakeout occur? At the moment, everyone is just trying to do the same thing as everyone else and see who can do it the best. Do you think maybe in five years time we are going to see a shakeout where niches will emerge? Or has it been happening for quite a while now and if that was going to happen it would have happened?

**Mr Greenaway**—I would like to refer to the answer to point 4 of that summary. If you leave it to the industry to sort themselves out, they will not. You have got to do what you have done with the Australian television stations and that is put a content quota on them. If you do not do it, they will not do it.

**Ms LIVERMORE**—So points 2 and 4 go together?

**Mr Greenaway**—You are spot on. That has been experienced in other circles with no-one else than Mr Kerry Packer years ago, I think you will find, when commercial content was deregulated. The government had to come back in and put the regulation back onto the commercial content. I could be corrected on that. As you said, points 2 and 4 go together. That is why I am suggesting that, as well as what the **CHAIR**man was hinting at earlier, the actual way you did your programming, whether you allowed one hour of John Laws or two or none, would sort itself out, as has happened with the three TV stations; they have sorted themselves out and, in a period of 10 years, one of them went from being broke to the second richest TV station in the nation—just by targeting a specific demographic.

**Ms LIVERMORE**—If those sorts of things happen, does ownership become a bit of a secondary issue. If you are enforcing a lot of those requirements then perhaps the ownership point, might—

**Mr Greenaway**—I would only have one comment about ownership: it should be Australian. We should not give it to anyone else.

**ACTING CHAIR**—Thank you, Mr Greenaway. The evidence you have given will be available on the Internet within about five days, and we will send you a copy of the transcript.

[2.56 p.m.]

**HIGGINBOTHAM, Mr Warwick (Private capacity)**

**ACTING CHAIR**—Would you like to give us a five-minute presentation.

**Mr Higginbotham**—I have not made a submission to this inquiry because I do not know that you necessarily want to hear from me. A brief overview is that I was involved in radio from 1956 until 1995. Over the course of that time I was also involved in most of the strategic decisions that we made in Tamworth for our own group, from about 1967 onwards.

**ACTING CHAIR**—Which group was that?

**Mr Higginbotham**—It was the Broadcast Amalgamated Group which later became Carillon which covers 2TM, 2MO, 2AD, 2RE and 4WK, plus NEN television and ECN television. I have a few claims to dubious fame, one of which was in 1974 when I was probably the first person to suggest a form of aggregation, which made me very unpopular at the time. The bulk of my career was spent trying to convince bureaucrats and politicians about the future direction that radio, particularly, should go and, to a lesser extent, television. I thought that, with that background, I should at least turn up and if you are interested in any of that it might be helpful. If you are not interested I will not be offended; I will go back to what I am doing these days which is not radio and not television.

Briefly, I can explain to you some of the fundamentals that people forget and perhaps give you some background and colour to some of the things that we have done. First of all, people forget the economics of small communities and services in small communities. If you have a community of 50,000 people there is a limit to what the community can afford. If you are running a commercial radio station you have to maximise your audience, you have to deliver a viable thing for your local advertiser. Local advertising is the bulk of your business. That being the case, you introduce more fragmented audiences by introducing more stations—even with FM. When the supplementary licence scheme came in, with a market like this one of 50,000 people, you say, ‘Right, we’re going to introduce a second commercial service, we have four ABC services, we have a racing service.’ You quickly find that those commercial stations are not in a revenue generating situation locally. They cannot deliver a product that works for the local advertiser. If you can deliver in the course of a week to 70 to 80 per cent of the community then it makes a lot of sense for local people to use the local radio station. If you can deliver 30 per cent it becomes uneconomic, your rates go down and your revenue goes down.

So what you are seeing today is an inevitable outcome of what was decided by bureaucrats and politicians over the course of 20 years. Over the course of 20 years they decided to break down the concentration of ownership—which is an ironic idea, but we were regarded as having concentrated ownership. As they broke that down the doctrine of competition was overlaid—and, of course, if you had a radio station licence in the country, you were a monopolist. Nobody ever explained that and we kept asking, ‘A monopoly of what?’ We did not have a monopoly of radio and we did not have a monopoly of advertising; we happened to be the local commercial radio station. So we were very much targeted, and we were targeted in various ways as an industry to change it.

We made numerous submissions. Some of that information you may be interested in, and I would be happy to summarise it and make it available. All of those submissions focused on the fact that, if you go down this path, it is inevitable that the economic viability of the industry will suffer and that the obvious outcome will be that one owner will end up having to operate big regions and there will be no more local radio. The reason for radio then disappears, and you are getting evidence of that now—you heard it all day. People are saying, 'We have not got our radio station anymore.' Of course, they have not got their radio station anymore—because they cannot afford that radio station anymore—because the local advertisers cannot afford to buy the product that is available because the product is not relevant anymore. That is to their detriment because they only have newspapers to try to reach a community to hold their own against outside forces. It is quite logical and inevitable that these things will have to be networked.

It is most unfortunate, in my view, that they are networked, as they are out of Sydney, because it makes this big cultural break because there is a totally different culture, particularly west of the range versus the coast. Sydney, Newcastle, Wollongong and up and down the coast are different cultures, so it is quite impossible for somebody to do that. You have to empathise with the people who say, 'We have got these licences. We can make them of value to us, but we can only do it by providing wallpaper, selling nationally and getting whatever we can do locally.' This happened to television as well in much the same way.

You have a trade-off between demographic and geographic considerations. At the moment, the demographic consideration is everything. One person has two licences, so they can make a split and go for demographic audiences. The consequences of that are fair enough, but you are focusing only on the demographic interests, not on the community interest, which is totally geographic. The things are mutually exclusive. As far as alternative services are concerned, the ABC, which is a syndicated service and always has been—and that is fine—with local input of the same sort that we are seeing commercially, and the commercial service are the only ones that a lot of us can hear. I live outside of Tamworth so I cannot hear the local community radio station and I cannot hear very many of the other alternative services.

There is another thing people are not generally aware of. We bought into a radio station in Toowoomba called 4WK. We owned that station because we could see competition coming and thought we had better find out just what competition means in a small market. Toowoomba is a very small market—there are three independent radio stations. After being there for nearly 10 years we found that as a commercial radio station you could not afford to target anything but that main demographic because you excluded yourself from most people's interests. If you did not target that primary interest, forget it.

This has to do with the size of markets. Toowoomba was a big market—it had 120,000-130,000 people in those days. It really could not support three different AM—in those days—commercial radio programs. Nobody could afford to do it. You could not get the revenue, which answers your earlier question. They are all doing the same thing because they all have to eat, and they will not eat if they go off into a separate demographic that nobody wants to buy. It is hard enough convincing someone to buy a demographic they do want. As soon as you get into a demographic people do not want, then you are history, because there are physically not enough people. Take a market like Sydney with four million people in it and work out what three per cent of four million is and then work out what 30 per cent of 50,000 people is. It just does not make any sense. What is happening now is inevitable. There is a lack of sensitivity by all these

network operators. I have to say that because they then get too remote, and they make decisions. I think it is insensitivity.

2TM did do a good festival coverage—I heard a lot of it—but on Sunday morning, which was the last day of the festival after the awards, which is a big event, they had already reverted to their normal network program. So we go for a week and half with the Country Music Festival, all very impressive. Everyone I know of that heard it liked it. But 6 o'clock on Sunday morning they are back on fishing. That was not really the right way to wrap up the festival and come out of it and say, 'This is what happened last night.' That was just insensitive. It is a lack of awareness of what makes these things work.

**ACTING CHAIR**—You have covered some interesting topics. Let us go now to questions.

**Mr HARDGRAVE**—Mr Higginbotham, thank you for that explanation. I think the committee appreciates it.

**Mr Higginbotham**—I tried to do that in five minutes.

**Mr HARDGRAVE**—You have done well. Do you think also, then, based on your own experience, that in the economics of some of the decision making of the network owners these days there is a bit of a trade-off between what you do, what you do not do versus what you gain, what you lose? In other words, are they not quite giving the market everything they want but only some of what they want? There is a little bit of local and lots of networking, the cheapness that comes into the operational costs versus what you are losing in advertising because you are not purely local. Is this the balance, the trade-off that exists?

**Mr Higginbotham**—I cannot speak for the current situation, because obviously we got out of that. We became out of date so we got right out of it. Our sort of radio had evaporated and gone, and we could not make the new model work at all for us. If I were in the shoes of a network manager today, yes, I would be looking at that situation and saying, 'All right, I've got all of these markets; I've got to serve them; the revenue is diminishing'—as I am sure it is. We used to write more revenue per head in a market like 2TM for radio, with one radio station, than they did in Sydney with eight or 10 per head of population. So we were highly relevant. I am sure that is not the case now. I am sure that in all these markets it is harder and harder for them to keep their rates up. Television undermines it, newspaper does to an extent, they undermine each other, so unit prices go down, revenue goes down and then the problem then is one simply of: how do you operate this and still make any sort of return out of it? So I think it is economically driven, before anything else.

**Mr HARDGRAVE**—So how do you operate? Do you cut back more on local services and centralise your operations?

**Mr Higginbotham**—It is the logical outcome. This is what we were saying for 25 years. If you provide too many services and the community cannot afford them, they will not be supported because they cannot be and so that leads to more centralisation. It has to. It just follows like night and day; you cannot get away from it.

**Mr HARDGRAVE**—The concept of that sort of television style aggregation, essentially, where you have got a station having a very local feel because it is there, but also sending its programs somewhere else and so forth, maybe getting some additional benefit, is that it provides a range of ‘voices’ from the listener’s viewpoint.

**Mr Higginbotham**—It works to an extent, but television is primarily an entertainment medium. Television does not have the same linkage with its audience that a radio station needs to be really successful. That being the case, I am not sure that that aggregation model would work for radio, although I myself certainly proposed for a long, long time that the notion of a region city was a good one. Way back before FM was introduced—this is archaic now, of course—there was a lot of doubt about whether FM would work in the country, and I do not think it has. The right model probably was to have one of those AM operators migrated into the FM band to see how they would go. Then, if it turned out that the demographics mattered, you would end up with four or five different operators in a region who had moved away—maybe one of them would stay in AM—the concept being that you would then go regional rather than tightly local. I think that had a fifty-fifty chance, but a region has still got to be fairly compact to maintain that touch, otherwise—

**CHAIR**—It might be a commercial version of the ABC?

**Mr Higginbotham**—It could become that, but with a number of stations rather than one. Again the idea was that you might be able to get those demographic breaks to work in smaller markets.

**Mr HARDGRAVE**—There has always been some sort of networking and relaying through country areas. 2TM I know used to do such things.

**Mr Higginbotham**—Yes, but you need to understand how those things work—networking as against what is happening now. *Hoedown*, for argument’s sake, was a country music program. I will not go into the history of it; it is very interesting to look at how that happened. We used that night-time radio program to sell Tamworth to markets outside Tamworth, because 2TM could be heard over a vast area as it had a clear channel. Later on we relayed that into some of our other markets. At varying times it went into Gunnedah because it was a poverty stricken radio station and it needed all the help it could get. One way of cutting costs in Gunnedah was to put that on at night. Particularly pre FM, people were not really restricted to their local radio station; they could listen to a large number of radio stations. There was no interference then. It made sense to say, ‘We can save operating costs in Gunnedah,’ or it would have gone broke. We got Gunnedah in 1939 because it was going broke. It stayed broke all the time that it was with us. It was one of those things that we looked after over many years.

**CHAIR**—What about 4WK?

**Mr Higginbotham**—That was for the sake of experience—to find out whether this would work. We did that on purpose. Gunnedah was a bit different. All of our stations were acquired over the years as they were going broke. Reverting to your question, yes, relaying makes sense, but with respect to relaying those mainstream, daytime hours, from breakfast through until 6 o’clock at night when television bites, it really needs to be very local. It always was in all of our stations. Inside that environment, it does not hurt to take Laws as an ingredient. We are not

talking about hours and hours of talking. We are talking about a format that has in it maybe two or three hours. We used to put Laws into Gunnedah and do our own local talk show in Tamworth. If people did like Laws, they could hear Gunnedah easily from here. We never ran Laws on Tamworth, not because of any prejudice but because we had put it on Gunnedah, and that gave Gunnedah something to sell. They could sell Laws in Tamworth. That was very helpful to them because that was revenue they could not get. We started the Agquip field days in Gunnedah primarily to generate revenue for 2MO. The Agquip field days are the biggest field days in Australia. They were started by 2TM and 2MO. We operated those for 20-odd years before we sold them to Rural Press when we got right out of our commitment with media.

**Mr McARTHUR**—With respect to your economic analysis of the way the smaller markets operate in regional Australia, do you think parliament could make any changes to the Broadcasting Act that would affect that?

**Mr Higginbotham**—There are two things that could happen. Parliament could make rules that looked more like those pre 1992 rules that controlled ownership better, that controlled the operators inside these markets so that you do not have that common ownership. That is very doable. Plenty of people can work out the sorts of things that are appropriate, although I would say not to go to the department of communications, because they created this mess in the first place. You can go back to 1945; they are bad news.

**CHAIR**—I know that breaks were taken off progressively. Was the problem that the 1992 act was too laissez-faire, that there was not enough rigour within the department to discipline localism? What went wrong in 1992? I missed the first few minutes of your presentation. You were saying as I came in, as I understood it, that because there were so many licences, these stations became easy pickings for networks.

**Mr Higginbotham**—We got out of television with aggregation. Local operators, from the war until the 1970s, were very much encouraged. We were encouraged, with other local media—in our case it was only the local newspaper—to get the local television service off the ground. We ended up owning that thing within a public company. There is a whole lot of history there that does not matter. It was very much encouraged. So here we were with a group of radio stations in one arm of our organisation and television in the other. It then became very much in vogue to say that this sort of concentration of cross-media ownership was a very bad thing and something had to be done to break it up.

Leaving aside a whole lot of steps, ultimately what happened in 1987 was that they made a regulation that said, ‘All these things will have to be broken up; cross-media ownership will no longer be tolerated.’ To do that, they put what they called ‘grandfathering’ on us. They wrote the grandfathering clauses in such a way that we had no choice in our case other than to sell one or the other because it only needed someone in our family to die, or for some small change outside of our control in the ownership and control chain to take place, and we would be in breach of the act. Once we were in breach of the act, we then were given six months to divest. You do not do that, obviously. What we did was put the whole damn thing on the market and say, ‘Our media interests are for sale. We will sell one.’ Television sold and radio did not, so we stayed in radio and we had to get out of television.

That is the way you bring in new regulations. It has been done before. You simply say, 'Sorry, blokes, here are the new regulations. This is the way the game is going to be played from now. All you people who are still in the game under the old rules, you can do that as long as you want and here are the grandfathering rules.' You write them in such a way that they will look at that and say, 'Hell, are we going to have a fire sale or are we going to cooperate?' We were not going to have a fire sale, so we cooperated. It is an easy thing to do. I think you can wind the clock back but at the same time you have to do it with a certain amount of sensitivity, and whether that is possible is an open question.

**Mr McARTHUR**—Just to finalise this, would you break up some of the big ownership groups or would you—

**Mr Higginbotham**—I would have to say yes because these smaller markets are overserved, which is why people are not getting what they want. By 'overserved' I mean the communities cannot afford the number of services they are getting so that economically you cannot then have that local product in the market because nobody can afford to pay the bill.

**Mr McARTHUR**—You have got these bigger groups buying up a big number of stations. If you look at the figures, 61 stations are owned by one group. Would you change the legislative regime?

**Mr Higginbotham**—I would, yes. I would bring back in—

**Mr McARTHUR**—You would do that? Others have found that difficult over the years.

**Mr Higginbotham**—I would do two things. First of all, I would look at the industry and look at when it did work. It worked very well up until it became overserved. Maybe you do not have the old limits of five in one state and eight in Australia, or whatever there were. The indiscriminate way in which things are done is usually the problem. If you had five radio stations, as we had four in New South Wales and one in Queensland, under those old rules you could have five radio stations in Australia in every capital city and that was regarded as being equal to having five Gunnedahs—which was a crazy sort of an outcome. So you do not want that. I am sure you can bring in limits and you can also look at ways of breaking it up. I do not see any great difficulty with that. The important thing is to know how to force people to cooperate without actually completely undermining the value of their asset. Ethically, it is important that, where people have got an asset like that, it should not be undermined by what I think of as administrative fiat. It ought to be able to be set up in such a way that other people are interested in taking those assets out at a fair value.

On television aggregation, for argument's sake, we argued initially that there ought to be two stations in that aggregation, not three. That still gave the country players a chance to stay independent. They are not independent now. I do not believe that television service is bad but you do not have independent country—

**Mr McARTHUR**—You would prefer two rather than three so that you could handle that market. Was that the argument?



**Mr Higginbotham**—No, because you could play off the networks. You had three networks to buy from. If you had two buyers, then in fact you could still cherry-pick the best of the networks whereas, as soon as you had one on one, there had to be a loser somewhere because the worst network would end up with one commercial operator attached to them and so immediately the leverage of the country operators was lost. A lot of the independent ones really were going to disappear sooner or later simply because someone was going to be a big loser in that. Whereas, say in this area, if we had had Newcastle in television and, let us say, Lismore could get together with us—an unlikely scenario, but that is not the point—so that there were two in a region and they are dealing with Channel 10, Channel 7 and Channel 9, then between them they would still have some leverage for program costs. Now Channel 9 has complete ownership and control of all of its client stations, essentially because it is providing the bulk of the programs. It has the revenue at the station.

**Mr McARTHUR**—I will just pursue this argument. Given that both sides of the parliament are moving to a freer, more market oriented, view of the world and that, in radio, they have basically agreed to the fact that the radio can meet the market forces—

**Mr Higginbotham**—It is laissez faire.

**Mr McARTHUR**—how would you politically handle your argument, which has some merit, to say ‘We’ll go back to a bit more regulation to get benefit for country people’? How would you persuade the parliament?

**Mr Higginbotham**—I do not think I should answer that.

**Mr McARTHUR**—There is an argument that the market forces are not working well for regional Australia. That is what you are basically saying.

**Mr Higginbotham**—That is evident, and I am sure that, as you go through this inquiry, you will find more and more of it. The market forces are not working in regional Australia at every level. It does not matter whether you look at the dairy industry—which is contemporary. It does not matter much what you look at. In small markets, free market forces will not work effectively. It is a completely alien example to get this in perspective. One of the things that we were involved in was a certain amount of proper country property—commercial buildings in Toowoomba and here. The value of commercial buildings—that is, office space and those sorts of things—in country towns was totally undermined by what you would call not so much free market forces but open market forces and lack of consideration, particularly by government departments saying, ‘What we need is, let’s say, a state government office block.’ We have one here—a state government office block that was actually built by private enterprise, so you have this nice flow and everybody is feeling good about it. The thing gets put up, because it is out of proportion with the market as a whole, and that then creates a vacuum and sucks in everything. Your state governments then say, ‘Of course, we must now use this damned office block, because we are committed to lease the thing at the higher lease.’ So they start vacating premises around town. So you have a high vacancy factor and commercial values fall. That happened here, it happened in Toowoomba and it happened in Warwick. Those are the markets that I know well enough in that area.

That is a free market operating, really, because someone says ‘Yes, we’ve found a reason to put up a big building.’ A big building goes up. It has a devastating effect in a small market, because it is such a big impact within the market. Any small market is not able to operate in that competitive way. It has to operate not in a totally protected way—I do not believe that is right—but it has to operate in a more controlled environment. How you sell that idea in these sorts of times is a difficult thing.

**Mr McARTHUR**—Cultural values are a scarcity of airwaves—that sort of argument?

**Mr Higginbotham**—I do not know that the airwaves are scarce. When we got the FM band we promptly gave it to numerous public broadcasters. I do not think that that was very scarce; it was exactly the opposite, actually. I do not think the airwaves are scarce at all. I do not see any problem there. I do not see this as an argument about technology for argument’s sake.

**Mr McARTHUR**—It has to be an argument as the airwaves are public property.

**Mr Higginbotham**—Yes, I am conscious of that argument; I grew up with it. You can put a value on it; there is no question about that. There was a value put on in the old days with licence fees. License fees used to be relatively quite high. That was putting a value on what you had to operate with; I do not think there was any argument about that. Whether you sell them in bulk to the highest bidder who might have something, I do not—take an FM station, if you can buy an FM station now and program it right you can probably decimate this bloke but you would need to do it in a careful sort of way. Whether that would help to decimate the other two radio stations as far as the community is concerned is a bit of a moot point. I do not have an easy answer to that. I have a lot of answers in submissions. If you want more information, I can sit down and go through a lot of that and produce it in a digestible form. I did not do it for today because I thought that, if you are not interested in any of this stuff, I do not want to waste my time in doing it.

**CHAIR**—We are interested in talking to you, because you are someone who has been in the field and you have had to make choices, first with television then with radio.

**Mr Higginbotham**—None of which we liked.

**CHAIR**—I imagine that. This is the sort of thing in which I think the committee would like to see the egg partially unscrambled, but we have a long way to go in taking evidence first. I think we would like to recall you again if you would be agreeable.

**Mr Higginbotham**—Yes, certainly. I am quite happy to do a bit more work on this and get it in a more coherent form for you. At the moment I am trying to give you some colour and background to see whether or not you really want to bother. I would not blame you if you did not; I am fairly out of date.

**CHAIR**—To use an analogy from my own area, we have a tropical field day called Agrotrend, which brings a hundred or more farm machinery, irrigation and produce type people to the town for a period. I imagine the two weeks leading up to that, and the week of the actual displays, would be a bonanza for the radio and TV stations.

**Mr Higginbotham**—I would be surprised, but they may be.

**CHAIR**—The sponsorship for things like that, or the changing of programming to accommodate things like your own country music festival, is not philanthropy, is it? It is all done with a view to increasing revenue while the event is on in the town. Is that a fair assumption?

**Mr Higginbotham**—That is difficult to say, because in our case we owned the field day—we invented it.

**CHAIR**—Yes, I see what you mean.

**Mr Higginbotham**—We got our revenue directly from the exhibitors.

**CHAIR**—That is the point I am making.

**Mr Higginbotham**—It was designed to support radio stations so about 30 to 40 per cent of the gross income would go straight in as radio revenue. The radio stations ran our ads for it and that sort of thing. We were integrated; we owned both ends of it. It would not be right for me to comment on your statement. Likewise with country music: we initiated the country music thing as a radio station. We stayed with it, we paid the bills. For a short time in the 1980s we made money out of it, which was a bit of an aberration because the rest of the time we lost money. It cost us so much to run the festival that we could not generate the radio revenue to support it.

**CHAIR**—What do you think the case is today?

**Mr Higginbotham**—The case today is slightly different. The expensive things were the awards. We gave that to the CMAA and said, ‘We can’t do this any more.’ There was a big blue with them, so we got them in and said, ‘It’s yours’ we don’t want anything for it. You can have it and you can have the bills that go with it.’ We eventually convinced the council that we could not afford to keep paying it. When we gave responsibility for the festival to the council, it was costing us close to \$300,000 a year to support the festival. Even as a reasonably big group, that was beyond us. We just could not keep doing it. Over two years, we said to council, ‘You’re going to have to do this because we can’t keep doing it.’ Our radio station was hitting the skids by then and we did not have television and, eventually, they took it. So what a radio station does with the festival now and with revenue, I could not tell you. By the time the council took it, we had sold out of radio and we had got rid of all of our other media involvements over the next few months. So I really could not respond as to how they do it now.

**Mr HARDGRAVE**—In your further work that you may forward to the committee, would you reflect on whether the Broadcasting Act 1992 reflected a view—and we have tried as a committee in discussions with bureaucracy and so forth to get a handle on this—that radio was seen, amongst all the media types, as being the most expendable, the least important?

**Mr Higginbotham**—It was. There is no question about that. Two things from all of that always stay in my mind. One is being told by a minister of the Crown that ‘all of you people will be out of this business in 10 years’. That does create an impression when you are told something like that. It took longer than that, but that made an impression at the time.

**Mr HARDGRAVE**—I think it would be handy if you could reflect on that.

**Mr Higginbotham**—The other thing is that within the department of communications there was a very strong view that radio would be the example they would use for their doctrinaire approach, and it was very doctrinaire, as to how things should be run, and that the ideal model for a radio station was—and this is out of date now as you would know—that there should be one on every corner, just like a gas station. Now we see the same result; we have also seen what has happened to the gas stations.

**Mr HARDGRAVE**—There are not that many gas stations around.

**Mr Higginbotham**—That is my point. In those days, of course, on every corner there was a service station or garage, and their view was that that was how radio should work—they should be dotted around all over the place.

**Mr HARDGRAVE**—The observation is very useful. Could you try to expand on that and maybe flesh out some of those points? Feel welcome to give any names or make any obvious reflections.

**Mr Higginbotham**—I do not wish to slander anyone.

**Mr HARDGRAVE**—We do not want you to, either.

**CHAIR**—I would be interested to know what your perception was of what was driving it at the time.

**Mr Higginbotham**—A very strong prejudice that the traditional media operators who, by and large, came out of radio in that post-war period, were a privileged group and that that privilege ought to be broken down. That was very strong and it was there right through to the time that we pulled out.

**CHAIR**—A lot of people today would say, in relation to the interactive aspects of digital television, that government should take the brakes off and let water find its own level. I find that a dangerous concept—an even more dangerous one, when you look back over the aggregation of television and the more recent circumstances in radio, given that there has to be a measure of control. It is a matter of finding the right measure and ensuring that you do not create a privileged elite who cannot be touched.

**Mr Higginbotham**—They took one elite group and turned it into two or three people in our case—people who were equally elite and privileged.

**CHAIR**—That is what this whole inquiry is about. It is about trying to find that balance again.

**Mr Higginbotham**—With respect to interactive television, I cannot answer that. Cable does not seem to have worked very well in Australia. Direct cable seems generally to be not what was anticipated. I wonder, realistically, whether people are going to use television as the

medium for that as against the Internet sort of approach. I just do not know about that. I have got some views about it but I would not like to guess how that is going to come out. Most of the technological aspects at the end of the day are fairly irrelevant when you look back at them. What seemed to be important and ground breaking turned out not to be so. There is nothing new around today that was not around 30 years ago.

**Mr MOSSFIELD**—Do you have any views on foreign ownership?

**Mr Higginbotham**—I do not like foreign ownership. That is a prejudice rather than a view. It is a very strong prejudice.

**Mr MOSSFIELD**—From an economic point of view?

**Mr Higginbotham**—From an economic point of view, I do not believe that foreign ownership is a good thing. I do not believe it is good for the country simply to be a provider of labour for outside capital. I think it is unfortunate historically that Australia has always worked against accumulating capital locally and made it very difficult for individuals and companies to accumulate the capital to compete. We have always got this convict view of cutting people down to size fairly well. So we need that outside capital a lot of the time. Broadcasting is a cheap business to be in, at the end of the day. I do not think it is necessary in broadcasting. It is different from building a motor car factory, for argument's sake. It does not cost that much, relatively, to build a radio or television station. We have always funded it in the past; we even funded the satellite originally. We did not need that. That was a lot of money in its day.

**CHAIR**—What we can extrapolate from what you are saying is that we pay a price for auctioning off a radio station for \$150 million in other ways.

**Mr Higginbotham**—Yes. I am sure you do. That is assuming you auction it off overseas.

**CHAIR**—On that note, thank you for your evidence. It has been very helpful. We look forward to receiving that submission. You will get a proof copy of your evidence . It will also be available on the Internet.

[3.37 p.m.]

**BOOTH, Mr James Douglas**

**CHARLTON, Mr Graham**

**GREENAWAY, Mr Peter**

**PENMAN, Mr Malcolm George**

**PENROSE, Dr Gael**

**CHAIR**—We welcome members of the public to join us in this public forum. We have organised this part of the meeting for those who are interested in the inquiry but who have not made a formal or a verbal submission to give some input. We need to be fairly succinct; we cannot let this drag on all afternoon. But with only two or three likely to speak, I suppose we can give them a fair amount of latitude.

Mr Booth and Mr Charlton have indicated that they would like to participate. Something may come up in the course of this discussion on which others would like to make a comment. When Mr Booth and Mr Charlton have finished their presentation, I will ask for any comments or questions from the hall. If you do not want to get right into the nitty-gritty of the subject but you have a point to make or a question to ask, I might accept something along those lines.

I advise you that these are legal proceedings of the parliament and they warrant the same respect as proceedings of the parliament itself. The giving of any false or misleading evidence is a serious matter and can be treated as a contempt of the parliament. This is not a forum for having a shot at someone, for example, and it is not a forum for making an outrageous claim that you cannot substantiate. Nevertheless, that does not say you cannot be robust in your views.

To protect yourself, you must address your comments through the Chair. If you address your comments through the Chair, what is said in this hall is treated as being under privilege. I am not going to let anyone go haywire, but you need not feel under any threat either. On that note, who would like to start off? Please indicate what your interest in the subject is.

**Mr Charlton**—I live at Barraba, which is 100 kilometres north of Tamworth.

**CHAIR**—Well known to the committee.

**Mr Charlton**—Thank you. I have returned there after 17 years. When I came back, my friends said, ‘Don’t remember the 1982 drought,’ which is why I left. I have had the privilege of living in Adelaide, being a rural councillor in the Mallee, Victoria, and living in the city of Melbourne for the last 12 years, but I always wanted to get back to Barraba because that is where my farmlet is.

Living in Adelaide and Melbourne and, in fact, travelling around to all the capital cities as I have done regularly in my job for the last 12 years, I was able to be privileged to listen to the news radio of the ABC—the parliamentary broadcasting station—when it first started. My whole argument with my city friends I was living with has been that that is the only channel to listen to. You will not have any of these problems that I have been hearing this afternoon. I can get Radio Deutsche Welle at 5 o'clock in the morning, and it is far more interesting than John Laws, I can assure you.

I did submit a report to the Mansfield inquiry into the ABC some years ago, and got an acknowledgment but not a hearing. The point I am making here today is that when you are living in the city you have at least five ABC channels to listen to; in rural Australia, you only have two. You are going to say three: you have got Triple J, Radio National and the local ABC.

**CHAIR**—And in most areas the FM.

**Mr Charlton**—That is the FM national, which is still the Radio National coming through on the AM channel as well.

**CHAIR**—No, the fine music.

**Mr Charlton**—Fine music, yes, which is Radio National in the city.

**CHAIR**—No, it is not. Radio National and the fine music channel are two separate channels.

**Mr Charlton**—Yes, you are right. But you have the fine music channel in the city and you have Radio National, Triple J and, in Melbourne 3LO, or 621, and 3AR, which is 774—I do not know about the Sydney stations. There is also the parliamentary broadcasting station, which is the ABC news channel. I am appealing for one individual, me—and I am quite sure a lot of other people—because I understand the Parliamentary News Network is one of the most popular channels coming from the ABC—and it runs for 24 hours a day. As I repeat to my friends with some annoyance, sure, I will hear about the car accident on the Perth main road where five people have been killed at 8.30 on a Saturday night on the ABC news channel within 10 minutes of that accident being reported, but I also hear on the radio news channel the world news from radio Deutsche Welle or Holland or Canada telling me about all those other important things that are happening in the world which we do not get—all the channels do not give it to you. It would not cost very much more to beam up into the rural areas the news channel direct on radio. I can only get it on my radio round to get Brisbane or Sydney. So that is my main point.

**CHAIR**—Do you know the history of that? The ABC, in putting out these news programs has 3LO, 2BL in Sydney and 4QR in Brisbane—that is their capital city network. Then there is the regional network, Triple J, as you quite rightly say, Radio National, and the fine music radio. Then, in the capital cities only, there is the parliamentary and news channel. The reason for that is that—and the committee has looked into this in the past—the ABC keep a set of stand-by transmitters, and the stand-by transmitters are used for the parliamentary and news broadcasting. So to extend it to the country would require a whole new set of transmitters, duplicating what is being done in those other fields. I am not saying it is not appropriate, and yours is a good submission for us to go forward with but, in this particular instance, giving it to

the capital cities was not so much favouritism as a convenient way of using stand-by transmitters.

**Mr Charlton**—Technically, I am not aware of it getting back into the bush. But, if you can get that news channel right around Australia in every capital city instantly, quoting the different time lags and weather reports, which they do—and they are giving it to East Timor as well—why can't we get it in the rural areas?

**CHAIR**—On the strength of your submission, the committee might check with the ABC and find out whether they have done any costing on extending that into provincial and rural areas.

**Mr Charlton**—Just briefly on the other two thoughts that I have: again, in rural Australia I find—and I am not particularly lining this up at the ABC, but I do not listen to commercial channels and I have always indicated to you that even in the city I would not be listening to the commercial channels; I think they are terrible—that the ABC alternates its programs to the one rural station. In other words, the ABC hierarchy somewhere decided that if they were going to have all these repeats of all the morning programs, or the Margaret Throsby programs, over Christmas time, we would get them four times a day, and that is an insult to our intelligence. They are deciding what Graham Charlton is going to listen to in rural Australia. Whereas Graham Charlton living in Brisbane, Perth or Melbourne can decide which ABC channel I listen to, I cannot do that in the country. So I have moved back here and I am losing my radio news channel and I am—

**CHAIR**—Which of the ABC services can you get in Barraba?

**Mr Charlton**—I can only get the local channel and the fine music radio, which we listen to.

**CHAIR**—Don't you get Radio National?

**Mr Charlton**—Yes, but I listen—

**CHAIR**—Do you get Triple J?

**Mr Charlton**—Yes, but I would not listen to that.

**CHAIR**—And you get the regional network?

**Mr Charlton**—I listen to the local ABC channels. But I would like to pick up the Narrabri community radio and the Tamworth one—which I cannot; I gather he is not going to get over the hill. If I could, I would be listening to his music, because there are two or three community radio stations in Melbourne which do a tremendous job for their selected programs.

**CHAIR**—Was that the point you wanted to make?

**Mr Charlton**—Yes, thank you, Mr Chairman.



**Mr Booth**—I am now residing in Tamworth. I have put in a submission, No. 83, but I have moved from Wagga. I imagined they were not going to call me from Wagga to here so I came along anyhow. The submission initially was written for the Australian Broadcasting Authority, for a licence area plan that is going on down there. They are looking at the potential provision of more licenses, which I see as a great problem in southern New South Wales—indeed, all over. The main problem is that the pie is only so large. The economies of these country areas are not growing. Why put more stations in and expect an improvement of service?

**CHAIR**—Was that for a community station, or for a narrowcast commercial station?

**Mr Booth**—Do you mean for the LAP process? First of all, the Broadcasting Authority looks at what is potentially available. Then, as I understand it, it makes a decision as to whether it should be allocated to a commercial licence, put to an auction process, given to a community station or whatever. I was deputy Chairman of the community station there at the time, having spent five years as the ABC manager in Wagga—indeed, starting that station—and a couple of years at the commercial station before that. I started in community radio 21 years ago up the road here in Armidale.

Over those 21 years I have seen localism decline; I have seen technology and labour costs force us to the point where we are now. I understand that. Indeed, managing the ABC for five years I can see the reason behind it from a budget point of view. But I believe at this point it has gone too far. Localism has been lost; indeed, community service has been lost, given that these are free-to-air services. That is one thing you notice when you move from working in commercial radio to the ABC: people take a great sense of ownership of you. They say, ‘This is our station. We are the taxpayers. We will tell you what we expect,’ whereas in commercial radio they rarely ring you, and if they do it is only to abuse you and go away.

At our point in time, particularly in southern New South Wales, the Daily Mail group—foreign owned—has taken over so many of those stations, and is prepared and obviously able to pay sums of up to \$155 million to purchase a license in Sydney, that there must be some dollars left in radio. But they are moving too far away from providing a local service. In my submission I suggest that, as in the communications industry, a community service obligation should be introduced. We already have, through the Australian Broadcasting Authority, prescribed amounts of Australian music. We now need to move towards prescribed amounts of local news, weather and community service announcements. You could base that either on a zone or on the population of a particular licence area. That may seem somewhat draconian, and Mr McArthur earlier said that governments are trying to move away from regulation, but the unregulated system has failed, particularly in recent years. I do not have a beef with ownership. The economy will probably decide whether it is foreign or Australian owned. It would be nice if it were Australian, but then again outside brings in a lot of money.

I just wanted to give you a couple of observations as to where this particularly has failed. In February of 1998, on a Saturday afternoon, a rather large storm hit Wagga. Nobody could be contacted by the weather bureau. It was known some hours beforehand that the storm was arriving. I was working at the community station. The police called me and said, ‘How the hell do we get hold of these people? We can’t get anything to air.’ The storm hit and there was millions of dollars worth of damage. Then the station sprang into action—and were praised later for their action in assisting community services, emergency services and the like. My argument would be that, had that got to air somehow, had there been a proper mechanism, had there been

some way that people in the weather bureau, State Emergency Service or whatever had known whom to contact to call announcers in, then maybe some of the damage would have been avoided. I understand that on a Sunday only a couple of weeks ago the Hume Highway, in southern New South Wales, was blocked for three hours. That only went to air on the community station, because that was the only one the police could contact.

I have seen this introduced. When I started at 2WG in Wagga in 1988, there were announcers 24 hours a day. In 1989, one of my jobs, when I came in at 4.15 a.m. to prepare the news, was to go down to the back of the station and change over the cartridges which were fired by a remote pulse from Sydney. That would put on the morning ads. They would run for the next hour or so until the breakfast announcer came in. Now it is technologically so advanced that nobody has to be anywhere near the station, and that is why creatures like the hub out of Albury can exist. Also, at that time, there were three journalists based in the Wagga newsroom and a journalist based in the 2LF newsroom at Young, a bit over 100 kilometres up the road. I was in charge of those.

**CHAIR**—Were these ABC or commercial stations?

**Mr Booth**—Commercial, prior to going to the ABC. Nowadays there is one journalist covering both of those stations and each has a supplementary FM licence on top. Then we were talking about four journalists for two stations. We are now talking about one journalist for four stations. I do not think that is good. Having spoken to that journalist, she says, ‘How in the hell can I keep up? It’s a rip and read service. I do what I can.’ People in government departments tend to come to me and complain about radio. They know I spent some time in it. Government departments complain about how they can combat the message of some local groups who are complaining, perhaps about a health service, if they cannot get their message out—they cannot contact the newsroom because there is nobody there. I do not think that we are heading in the right direction at the moment. As I said earlier, self-regulation has not worked. The government needs to look towards some form of community service obligation, perhaps based on population, to ensure that localism is returned.

In answer to **Mr McARTHUR**’s question earlier as to how you would pass that and make that presentable to the public, I think there has been a public outcry. That is evidenced by the fact that this inquiry is here today. The public want more localism, a return to what they knew. The fact is that they should not have to listen to news about crashes on some road in Sydney. Time calls were mentioned earlier. Currently, it is nine minutes to the hour. Nobody mentions which hour. It does not matter, because that can go into Queensland and it will not affect what hour it is there at this time of year.

Last Friday I heard Ian McCrae, who has been on radio for decades, who was obviously coming out of 2SM in Sydney. He said, ‘It’s 17 past,’ and he started to say ‘five’ but he then corrected himself and said, ‘It’s 17 past the hour.’ He recognised he had fallen into the trap of giving away the time and in Queensland he would have sounded stupid. This morning you had some discussion about whether the weather is wonderful in Albury while there is a cyclone up the coast. The lesson that I was taught was that you do not talk about the weather unless you know exactly where you are broadcasting. Even then it is at your own peril because if it rains, someone will want the rain and someone will not. You can only know that if you are broadcasting from a local station. You have more empathy with what the local people want.

**CHAIR**—And you can give more detail, obviously.

**Mr Booth**—Precisely. And you are there and available.

**Ms LIVERMORE**—Jim, do you draw a line between metropolitan broadcasters and regional and rural broadcasters? The sort of stuff that you are talking about really strikes a chord when you are talking about rural and regional areas. Do you place the same obligations on metropolitan broadcasters in terms of localism and community service or do you just let the market work itself out in those bigger centres?

**Mr Booth**—In the metropolitan centres, it is up to the government. I would advise that you look at the size of the market. You make a determination. I suppose in the metropolitan areas the free market does tend to shake it out fairly freely. I do not know whether you are having hearings in Sydney but I suppose there is enough choice and competition available in those areas. In these areas I know the Broadcasting Authority would want diversity and to encourage choice. But the choice has only meant that we have got access to more networks, not to more localism. I suppose you do have to draw a line somewhere. Where do you go with the very large centres on, say, the coast of Queensland? Do you look at Newcastle? The government obviously would have to make a determination there. You could pick a figure: do you want a potential listening population of 100,000 or 200,000? The Broadcasting Authority knows exactly where the signals are meant to go, what the signal strengths are in various areas and what the population is within those areas. You have to make a decision yourselves, I suppose. I come from a regional area. I have only worked in metropolitan radio for a short time; I have worked mainly in regional radio.

**Mr HARDGRAVE**—I do not expect you to have seen this but, in their submission to this committee, the Daily Mail Group—

**Mr Booth**—I have seen some of it.

**Mr HARDGRAVE**—at point 2.34 and 2.35 said:

A campaign has been set against us in Wagga Wagga. We will refer to that campaign in a bit more detail later in this submission. However, that campaign does not reflect the opinions of audiences in Wagga Wagga. It does not reflect the attitudes of the mainstream or majority of the local community of Wagga Wagga. This campaign seems to reflect only the views of former radio industry workers and some local identities who are disappointed that we did not decide to locate one of our hubs in Wagga Wagga. We understand the position of former radio industry workers who are no longer radio industry workers and who wish to create a new forum for their employment. We also understand the position of some local identities who can see the opportunities which would have been given to them if we had established one of our hubs in Wagga Wagga. But the attitudes of these people do not reflect the attitudes of the audiences in Wagga Wagga. To be frank, that is the answer to their campaign.

Further, it says:

... the views put forward in that campaign are not shared by the Honourable Kevin Wales, Mayor of Wagga Wagga. He is quoted as having said that our commercial stations are interested and involved in local events and issues, that they work with the local communities, that they ensure local issues are known and discussed ...

And on it goes. Have you been part of some local campaign against the DMG Group?

**Mr Booth**—No, I was not one who was sacked by DMG. I could name you the names, but I shall not bother. There are a number of people who are particularly sore at having been removed

from employment by DMG. Riverina Broadcast is now owned by DMG. I left in 1990 to go to the ABC. In my submission, particularly in my submission to the Broadcasting Authority, I have said that I do not have a particular axe to grind with them. I know the people who do and I know that they were hoping to start up some sort of competitive service. Indeed, they may have hoped that the hub may have been established in Wagga. Wagga has proved to be a bit of a hotbed for these complaints. A lot of these people came to me and wanted me to work with, in particular, Kay Hull to drive something. My advice to Mrs Hull was, 'No, don't bother getting into this. There's no brownie points in this. You won't win it.' They also approached Senator Heffernan in the same vein. No, I am not part of that group. I have been working in politics in recent years, so I was not looking toward employment there. But I am quite familiar with their beef and they have supplied me with an amount of information—none of which I have written in my submission. I was offered a copy of the weather broadcast from the Saturday in February 1998 that was not put to air. I have not bothered with it, but I am sure they could supply you with it.

**CHAIR**—What is the significance of that?

**Mr Booth**—I mentioned that earlier on. That was the weather print-out, the fax, from the Bureau of Meteorology announcing that the storm was coming. It was apparently picked up on the Sunday evening or Monday morning whilst the trees lay on the ground and the rooves had been removed. So they wished to prove that the warning was there. Had there been someone in the station, dollars could have been saved.

**Mr HARDGRAVE**—Mr Booth, I wanted to give you the chance—because I felt that it was important, seeing as we might have had one of these nasty people identified by DMG in our midst—for you to out yourself, so to speak.

**Mr Booth**—You never know.

**Mr HARDGRAVE**—Given that you are not one of those, could you give me some assessment of who is right and who is wrong—this group with the campaign against DMG or the Mayor of Wagga?

**Mr Booth**—I do not know that there is necessarily any right or wrong group. DMG, particularly 2WG, has been moving away from localism over some years. It is economically driven and it is able to be borne by new technologies. There are a number of people there who were sacked. Some had been sacked in previous years, and some were removed from producing commercials when that task was sent to Albury. I happen to know that Mr Wales, in his previous incarnation as the Wagga police commander, covered a number of police stories. I was often called to his office because he was unhappy about something that had been brought forward, something that had been police business that had been put to air.

**Mr HARDGRAVE**—What you are saying, summarising if I may, is that basically there is a variety of views in Wagga Wagga.

**Mr Booth**—That is right—there are. Although I think you should know that Mr Wales has also supported the formation of an aspirant community licence there, a Christian radio licence which is trying to get to air. I know he has written a letter of support for them as well.

**CHAIR**—Having heard all that, would any other members of the public like to make a comment? Would any members of the public in the gallery like to ask a question either of these two presenters or of the committee? You are a very measured group. Could I ask you, on a show of hands, are you satisfied with local radio? Yes? Who are those who agree that they are satisfied with local radio?

**Mr HARDGRAVE**—The local manager is.

**CHAIR**—Just as an indication. We did this at Barraba when we were doing the inquiry into the ABC sporting service. Who are those who believe that there should be some form of rejigging of the 9 a.m. to 12 noon slot on regional commercial radio? Then you are happy with it?

**Mr Charlton**—If that means that I would get my community radio from Tamworth, Gunnedah or Narrabri, yes, I want to rejig.

**CHAIR**—I am interested to know about the people of Tamworth. We have had a lot of diverse comment today from the management of the station saying all the things they are doing; and from some members of the public who have given evidence, including the mayor, who say that the service is not satisfactory. It has all hinged around the 9 a.m. to 12 noon slot on your local commercial radio station. Can you give me an indication of who is happy with that? Could we have a show of hands: who is happy with the current 9 a.m. to 12 noon presentation on your local radio station? Hands up who is happy. There are five. Who is not happy?

**Mr Charlton**—If they put on our programs I am not happy, so—

**CHAIR**—I just wanted to get a bit of an indication from the public of what they thought about it. Who listens to commercial radio? Who listens almost exclusively to the ABC? So you are not getting a fair cross-section.

**Mr Charlton**—You should ask the question: who used to listen to commercial radio?

**CHAIR**—All right, who used to listen to commercial radio? Right. Who do you listen to now?

**Mr Greenaway**—2YOU FM.

**CHAIR**—A community station. Do you want to make a comment, Mrs Penrose?

**Mrs Penrose**—I want to ask who is happy with that nine to 12 commercial slot. There are actually three choices of that that we are answering because we have the John Laws show and community radio.

**CHAIR**—No, I said on the local commercial station, 2TM.

**Mrs Penrose**—I just wanted that clarified because there was a different answer to a different question.

**CHAIR**—So there is a diversity of opinion even in this community. Some have gone away to community radio because they have not been happy with commercial radio and some have gone to the ABC, so there is a diverse mix of views. Has anyone else got any questions or any other comments before we close?

**Mr Booth**—Could I add something that may help to answer Mr Charlton's question? With the expansion of ABC services into regional areas, initially there were only a limited number of AM transmitters around. Then Classic FM, Radio National and Triple J were brought out mainly on the FM band. They are technically put through a thing called a combiner: three transmitters—four in some locations—feed into a combiner and they go out through a single aerial. It is possible to put yet another transmitter in there to put the parliamentary network to air. Your complication is, one, cost; and, two, available frequencies. The latter is a problem.

**CHAIR**—It does not mean you have to repeat all the towers and so on.

**Mr Booth**—Towers no; a transmitter fed into an existing combiner, as long as that combiner can handle an additional signal, yes. I am told that they used to be about \$100,000 a transmitter. So they are not cheap but it can be done.

**Mr Penman**—It appears the problem will be that that most of the aerials would have to be replaced if they are going to put in another service.

**Mr Greenaway**—I would like to congratulate you today on the way you actually handled this. This is the first time we have ever been to something like this. I think the way you handled it was excellent. There is one point that I want to make which I failed to make in my original summary and which a lot of people may not be aware of. It is questionable whether 2TM will ever be able to go back and do any country music radio anyway. They had the best library in Australia for country music and they actually sold it in about February or March last year. The person that bought it could not believe his luck that he actually took that. Unfortunately that took away from us our cultural history of the last 29 years.

**CHAIR**—Not just CDs—all the vinyls and everything?

**Mr Greenaway**—Sold the whole lot. He took the whole lot out. To me that is a direct attack on our cultural heritage here in Tamworth of the last 29 years and longer.

**CHAIR**—Did it stay intact?

**Mr Greenaway**—It was sold in one parcel. It is in Brisbane. It is in safe hands but it is not in Tamworth.

**CHAIR**—I would like to thank you for your attendance, especially our last two presenters. Thank you for adding another perspective to today's inquiry. I would like to thank the Tamworth and north-west media for their cooperation with the committee. I would like to thank the members of the public for attending. We come to the country because this is an inquiry about the country. Justice must not only be done but be seen to be done insofar as we take the views of people in country areas. As I said in my opening remarks this morning, we are going to places as diverse as Bathurst, Townsville and Longreach in this round and then possibly to the Northern

Territory and the west in a month's time, and in between times into south-eastern Queensland. Every Wednesday in Canberra during the inquiry period we will be taking witnesses at our regular Wednesday morning meeting. It will be a very diverse coverage. Finally, I would like to thank the Tamworth City Council for making these premises available and for opening the bathing this morning.

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

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

**Committee adjourned at 4.07 p.m.**