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

THURSDAY, 1 FEBRUARY 2001

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HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON COMMUNICATIONS, TRANSPORT AND THE ARTS

Thursday, 1 February 2001

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

Members in attendance: Mr Gibbons, Mr Hardgrave, Ms Livermore, Mr McArthur, Mr Mossfield, Mr Murphy, Mr Neville 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.

WITNESSES

Committee met at 10.01 a.m.
MUTTON, Mr Richard (Private Capacity)

ANDREN, Mr Peter James, MP, Member for Calare

CHAIR—I declare open this public hearing of the House of Representatives Standing Committee on Communications, Transport and the Arts in its inquiry into the adequacy of radio services in regional Australia. The inquiry has generated strong interest across the country. We have received approximately 280 submissions. They have come from relevant federal and state government departments, statutory bodies, peak industry associations, commercial networks, independent broadcasters, the community radio sector, shire councils, sporting associations, emergency service personnel and many individuals. It is clear that considerable effort has been put into the submissions, and that is an indication of, firstly, the importance of radio to regional Australia; secondly, the concern of the community about current policies and practices concerning radio services; and, thirdly, the concerns that 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 the submissions are many and varied. We do not yet have all of the answers. Some have very strong views and have expressed them as such. But for every claim there has been an equal and opposite counterclaim. We will be testing this evidence thoroughly, travelling widely and listening carefully. We will be looking for solutions to problems in regional radio which provide the right balance between providing an environment that both recognises the reality of commercial and other considerations faced by all sectors of the radio industry and ensures that the community has access to a diverse range of quality radio services.

The committee is an all-party committee, as you can see, of four Liberal and four Labor members and two Nationals. We consider that a very important process. This committee ranges over three portfolio areas—transport, communications and the arts. We have only recently been through parts of New South Wales in an inquiry into fatigue in transport. Because this is an inquiry into the adequacy of radio in country areas, the committee has decided that wherever possible we will hold hearings in country areas. For practical reasons, we may hold some hearings in the capital cities if we need a central point in a particular state, but where there are common themes or there is a preponderance of submissions in a particular area the committee will be going to those areas and not only taking evidence and testing the veracity of the submissions we have received but also inspecting the independent radio stations, the networked radio stations and, more particularly, the hubs, which have been the subject of some adverse comment in the lead-up to this inquiry.

The committee intends to be scrupulously fair to both sides of the agenda. Today we have a wide cross-section of interested participants. But before we start today's hearing, I would like to call on your local member, Mr Peter Andren, to welcome the committee to his electorate.

Mr Andren—Ladies and gentlemen, I thank you for attending today and I thank the committee very much for turning up in such numbers. Having been a member of a committee and knowing how difficult it is at times to get to hearings around the country, it is really

encouraging to see you turn up in such numbers, which indicates the importance with which you regard this inquiry. I know the quality of the work that this committee has done over the past couple of years, chaired by Paul, looking at major issues pertaining to transport and communications in this country. The sort of work that the committee has done under Paul's chairmanship has influenced government policy in a significant way. I think of things like rail inquiries and the most recent one on transport fatigue. You do have a quality group of people here to listen carefully and objectively to the evidence that will be presented. All of us in regional Australia have concerns about the reduction in localism. I just hope that sufficient evidence is presented for you to reach the sorts of conclusions that may find ways of ensuring that that localism is retained. Welcome to Bathurst. Enjoy the day.

CHAIR—Ladies and gentlemen, our first witness today is Mr Richard Mutton, who will be coming to us by way of teleconference. I will be asking Mr Mutton, who may wish to give part of his evidence confidentially, whether he wants to continue to do that. If he so desires, I might have to ask you to leave the room for a short time. I apologise for that, but that is the custom if confidential submissions are being taken. We do not do this lightly, but you would appreciate that at times people, for all sorts of reasons, have to protect their names against perhaps some adverse treatment in their work or social lives. The committee respects the necessity for confidentiality in those circumstances. Online with us today, I welcome Mr Richard Mutton. As you are not here with us today, I will not ask you to take the oath, but I would like to extend to you the caution that is extended to witnesses at other inquiries. These are proceedings of the parliament and warrant the same attention as would attend to the parliament itself in session. The giving of any false or misleading evidence is a serious matter and could be the cause of contempt proceedings. I trust you understand that?

Mr Mutton—I certainly do.

CHAIR—Could you tell us the capacity in which you are appearing before this committee online?

Mr Mutton—I am appearing before this committee as a concerned participant in the radio industry now for some 25-odd years.

CHAIR—Could you tell us what proportion of your submission you want to give confidentially—all, part, the first part, the end part? Just give us a feeling, because we have a public gallery here.

Mr Mutton—I have decided that I do not want to give any information in confidence. I believe the information I give should be made available and widely to everybody in the public.

CHAIR—As you are a private witness—you do not represent any organisation—you might like to tell us your particular interest or background and then, if you would be kind enough, would you give us a five-minute overview of your submission?

Mr Mutton—My interest in radio commenced when I was at school. I began broadcasting while I was still a school student. I have been involved in the radio industry for some 35-plus years. I suppose 25 years of that has been commercial radio and about five years of that has been with the ABC. I was the first person in Australia to establish a university licence when a

group of five of us established 1630AM, Radio UNE, way back in 1968. From there, I have had experience in city radio at 2UE, I have had experience in country radio at some 21 commercial radio stations and I have had experience with four ABC stations, all in the country.

My reason for coming before the commission today is basically to let people know through my submission the really tardy state of radio in Dubbo. When I came to Dubbo in 1989, there were two radio stations: the ABC—2CR, transmitting from Cudal and broadcasting from Orange—and commercial station 2DU in Dubbo. From those two radio stations we received a very, very good service. Both were local, both spoke about Dubbo, both gave us information, news, weather, programming, music range and so on. Today in Dubbo we have 10 radio stations and the system has deteriorated. Just before I go on to outline some things, I want to read a paragraph from the second last page of my submission, and it goes like this:

> Finally, I have a real desire to see this inquiry work to reshape regional commercial radio into what the ABA originally intended with its allocation of supplementary licences. I don't want to see the inquiry become a witch-hunt into the current licence holders. It is to be hoped that by suggestions and encouragement, perhaps backed up with legislation, that the ABA can have the networks and networking regulated for the benefit of all parties.

I firmly believe that that is the way we should go. I have made suggestions in my submission that if radio stations cannot or will not come to the party and be totally local then they should hand their licences back and give them to someone else who is prepared to have a go. I know commercial radio will use the argument—and have used the argument—'Oh, yes, we can only afford so much.' I will get back to that in just a moment because there is research from America to show that, if you spend millions of dollars being local, you will make millions of dollars.

For those people who have not seen it, my submission is in two parts. The first part looks at and describes every radio station in Dubbo. I start with the tourist radio station FM88 and move through to the only one on the AM band—that is, radio 2DU. The thing that concerned me and the thing that motivated me to write the submission in the first place was the fact that we had the new commercial radio station FM come to town. It is part of the DMG network, Star FM, and it is on the FM band here. I was expecting and hoping something different would occur with that radio station than the present ZOO FM, the section 29 licence owned by radio 2DU. What we ended up with was exactly the same sort of formatted radio. What really annoyed me was that we only got four hours of local content from this station—that is, 6 a.m. in the morning until 10.

I notice, Mr Chairman, you mentioned in your opening remarks the hub in Albury. Dubbo, like many other parts of regional New South Wales, suffers from the hub in Albury. And I mean suffers, because we get absolutely nothing that is local after 10 o'clock in the morning from the DMG network, which I think, frankly, is quite atrocious. I also believe that these larger radio stations—conglomerates—are providing very little employment for country towns; in fact, minimal employment. They go around, they take advertising dollars from this town and they give very little in return. I did see for the first time, I think, Star FM actually appear at a community event. It was a sausage sizzle. They were handing out balloons at our local Australia Day celebrations the other day, which I attended in my capacity as a councillor on the Dubbo City Council.

I want to refer now to clause (8), schedule 2 of the act, which says:

Each commercial radio broadcasting licence is also subject to the following conditions:

(a) the licensee will provide a service that, when considered together with other broadcasting services available in the license area of the licence (including another service operated by the licensee), contributes—

that is the key word: 'contributes'—

to the provision of an adequate and comprehensive range of broadcasting services in that licence area;

(b) that the licensee will remain a suitable licensee ...

The word 'contributes' is one that DMG, the Caralis network, AMI network, Grundys and so on are getting around. They are contributing a little bit of news, they are contributing a little bit of community service, they are contributing a little bit of weather and they are contributing a little bit of time call. I say 'time calls' because if you take the AMI network and the Caralis network, which go interstate, they give time calls such as 'it is four past the hour' to get around the problem of daylight saving. That really is not even an adequate time call. What has happened in Dubbo, if you get these radio stations, is that ZOO FM contributes a bit, Star FM contributes a bit, Racing Radio contributes a bit, the local ABC contributes a bit and even 2DU contributes a bit—they contribute a bit more than the most. It is a conglomerate and, quite frankly, I do not think that is satisfactory. That is another reason why I am talking to you today. This business of contributing to localism is not good enough. I believe that the ABA needs to look at that part of the schedule and make sure that that contribution by each radio station is relevant to the local area—very relevant to the local area.

If you look at the research that has been conducted by Scott Maymen, who is an Australian—he has been working now in American radio for a couple of years—he has come across what I believe is the essence of radio and what radio used to do, because in America somebody decided that things in the past were quite good when it comes to formats and broadcasting in radio. What he has found is that stations in America like to be community minded and most stations—he is referring in essence to the Midwest—employ people to liaise with the community. They do live broadcasts of community events. That, I admit, 2DU still does here—just. There the station picks up the cost of the broadcast and of the event organiser; that does not happen here. Radio in America is driven by the listener, not by dollar signs and not by what I regard as very suspect research.

If you look at the research on Australian radio and you look at some of the research that has been done by the Daily Mail Group—the DMG group—you will find that, basically, that research is skewed towards a situation where they are virtually telling the listener what they should listen to and what we are providing: 'We are providing this new whiz-bang system that has Microsoft Wizard as its base. We do this and we do that.' Basically, it is not asking the listener what they want, and that is something that I believe this committee should really closely look at. The committee should really look at the research that is put up by AMI, Grundys, Caralis and DMG and see how relevant it is. There was the classic example of Hits FM in Melbourne three years ago, when they came on first as a trial licensee. They did their research and they found that you had commercial FM stations that, because of their research, were pumping out the classic hits type format and saying, 'Look, this is what people want because our research says so.' Hits FM came back and said, 'We are not going to play any music under five years old. Bingo. We are going to take requests, we are going to do this, we are going to do

that.' Sure enough, their research proved far more accurate because people were telling them what they wanted to hear. With the Star FM network or on the ZOO FM station here, if you ring up and ask for a request, as I have done, and it is outside their format, the announcer or the person taking the request will say, 'I can't play that. That is not within our format range.' How accurate is that and how fair is that?

The situation in Dubbo with 10 radio stations, as I said earlier, is not as good as it was when we had two radio stations. Probably it is worse. We have the exception to the rule, and I would suggest that the inquiry look further into the programming at 2DU. I know that you have looked at the programming for 2BS in Bathurst. The programming of both those stations is possibly what should be the model for AM and FM stations throughout the country, because they are virtually the only two stations left at this stage which are not networked. 2DU is networked from midnight till 6 a.m., and from 6 p.m. till 6 a.m. on weekends. 2BS is entirely network free or, if it is automated, it is within their own automation and no-one else's These are the sorts of stations and formats we should be returning to in all cases—AM and FM.

The fact is at present that regional radio, FM and AM, with the two exceptions of 2DU and 2BS, is being more and more network driven. I would hate to live in Coffs Harbour, where you listen to a network station from 2 o'clock in the afternoon. In Wagga you listen to 2WG's formatted Star FM radio station from the hub in Albury from 10 o'clock in the morning to 6 a.m. the next day. AM radio in, say, Orange, Coffs Harbour and Port Macquarie is the AMI network—the relaxing music, the interesting time calls, basic news and basic weather information. That is just not good enough. Those commercial stations—2CS, 2GZ and 2MC—are now all FM and they have lost a lot of the quality they had when they were on the AM station.

Radio in the region is not in good shape. It is being exploited by big companies that swap licences. DMG and AMI are very good at doing that. I have just mentioned Orange, Coffs Harbour and Port Macquarie as examples of that. The networking scandal has to be revised. I have suggested in my submission that the maximum networking should be from 6 p.m. to 6 a.m., and that should be for both commercial AM and FM radio stations. As I said at the outset, if people cannot manage that or commercial organisations say, 'That is beyond our capabilities; financially we will go broke,' then the licences should be handed back in and given to other people who can have a go. I might answer questions on the auction system if people wish to ask them. Thank you for listening to me.

CHAIR—Thank you, Mr Mutton, for that very comprehensive overview. Do you have any accurate figures, either by way of organisations such as Nielsen's or surveys, as to the breakdown of the Dubbo market?

Mr Mutton—Very rough figures. I am not sure of any surveys that have been done lately. I only have a copy of a survey that was commissioned by Radio 2DU/ZOO FM before Star FM came on the air. The audience breakdown then was approximately 2DU with 65 per cent and ZOO FM with 20 per cent, with all other stations—that is, Triple J, ABC National and community stations—making up the remainder.

CHAIR—We had the same problem yesterday in that everyone made guesses and had ideas of what they thought the market share was. The only organisation we have met since we started

taking evidence that had any sort of accurate figures was 2BS, and they did that from their own regular in-house surveys.

Mr Mutton—I think that is a reasonable comment and a very valid comment. The reason you will not get information like that from any radio station is that in country regions they guard it very closely. Any survey released in country areas which says, 'This station is listened to more than any other station,' is immediately seized upon by sales managers and trotted around the place. Revenue for the other stations suffers, especially in the situation where you have 2DU and ZOO FM as a section 29 supplementary.

CHAIR—Yes, but you can see our difficulty. We are going to have to make recommendations to government on the basis of what is actually happening. While you and other witnesses have said that too many licences have been issued in country areas, we have to in some way quantify that. If we are to accept that premise and pass it on to government, we cannot just operate in an anecdotal field. Do you see my point?

Mr Mutton—I understand fully, Mr Chairman. The point I was making is that you are going to find it very hard to get any of that survey information out of radio stations. It is guarded so secretly. For instance, the only reason I have the information I have just revealed to you is that I worked within that organisation and I got hold of the survey. That survey was damning in terms of sales promotion for ZOO FM. It was taken by the sales manager and the manager of the radio station and hidden away in a filing cabinet for no-one to see for quite a long time. They feared it would affect sales.

Mr GIBBONS—There is obviously a tension between creating an environment which encourages competition and an environment which provides for commercial viability and also some local content. Do you see that there is a middle way?

Mr Mutton—I do; there is a middle way. I have suggested in my submission that FM radio stations whose diet is music continue along that line but take windows of opportunity on the hour and the half hour to place before their listeners extensive community service announcements, extensive and comprehensive weather reports, traffic information and any other relevant information. That would be done in a window of time on the hour and the half hour, when people are aware that they might be able to pick up on that particular information. To make that a viable thing for commercial FM and AM stations to take on board, I suggested that they look at their rate card and offer a package on their rate card which is very competitive to attract an advertiser who is prepared to pay that for a year.

Mr GIBBONS—What about the community stations? Do you think there is a role for them to bridge the gap that appears to be there as a result of the latest trends in commercial radio?

Mr Mutton—Of course there is a place for community radio stations, but let us look at the Dubbo situation. Our community licence is commanded by Radio Rhema. I have no complaint against Radio Rhema: they are a Christian organisation and they run very good programs—but the point is that that is all they run. So the community station in Dubbo exists for one section of the community alone, and that is the Christian people who listen to Radio Rhema. It is not representative, therefore, of the Aboriginal community, sporting groups, arts groups—I could go on.

Mr MURPHY—I was born and raised in Dunedoo. I used to listen to 2DU and 2MG for the first 20 years of my life. We certainly did get a lot of local news, which was important to the residents of Dunedoo and no doubt of Dubbo and Mudgee. It provided a very good service. I realise that in the year 2001 you have 10 stations where you live and I can understand why the local service has been so significantly reduced. What I would like to understand is what the possibilities might be for a return to stations such as those that were providing a service in the 1960s—2DU and 2MG, for example—that might be able to be sustained in the year 2001. What can this committee do to help people in Dunedoo, Dubbo and Mudgee? I am sure this committee would like to help you.

Mr Mutton—It gets back to clause (8) of schedule 2 of the act. I think you have to tighten up the word 'contribute'. You might like to say 'must contribute significantly to the community'. Stations like 2DU and 2MG would then have to program accordingly to take up this slack, along with the supplementaries—the section 29s in Mudgee and Dubbo—and along with the second commercial broadcaster in Dubbo, Star FM. I am really hoping that this particular inquiry will see that for what it is worth and say that these stations must provide X amount—probably seven minutes per hour—of community news and information services and ensure that, when they are networking, they have someone on site and on hand to quickly break across the networking if you get a situation like the storm in Dubbo.

When I worked at 2GF in Grafton many years ago, we had an automated system that started at 6 o'clock at night and went till 6 a.m. in the morning. That was the only way that station could afford to run 24 hours. The station manager at the time, a man well versed in radio, Chris Joycelyn, employed school children to study while they listened to the radio station from six at night until midnight. There were usually two of them and in those days—in the early 1980s—they were paid $2.50 an hour. Students aged 16 and 17 were very pleased to pick up $2.50 an hour just to answer the phone, but at least they were on site to answer the phone and to answer listener inquiries. If they did not know what was going on, that phone call was diverted to another person such as the program director or Mr Joycelyn himself. I think that should be instituted again if stations are going to network from 6 p.m. at night till 6 a.m. in the morning. They should do that so there is local contact and so that we can bring people into stations quickly. I also think that the ABA and this inquiry have to bite the bullet and say to radio stations, 'Okay. Your service must provide seven minutes in the hour of comprehensive news, information, community service, weather, traffic information and the like.'

Mr MURPHY—Mr Mutton, what do you think DMG might say to us about the possibility of providing seven minutes per hour of local news?

Mr Mutton—No, seven minutes an hour of local content.

Mr MURPHY—Yes.

Mr Mutton—I think DMG would freak. DMG, headed up by Australians in England, where the formats have worked well and are then brought back to Australia, completely misses the point about commercial radio, community radio and radio as we know it in New South Wales. What works in Manchester, London and Bath—that is where it is—does not work in Australia.

Mr MURPHY—Do you think that it could provide local service from a hub and provide that seven minutes per hour? Do you think that is achievable?

Mr Mutton—If it claims that its Microsoft Wizard package or its CoolEdit package is so good, yes, it should be able to do it. It has made public claims and has said that it can do these sorts of things. If it has an announcer who can say, 'Hi Dubbo', 'Hi Port Macquarie' or 'Hi Coffs Harbour' every now and again when it only goes out to those outlets, yes, it should be able to do it.

Mr HARDGRAVE—In its submission to this committee, DMG talked about what it sees as a campaign set against it in Wagga Wagga. I know you are in Dubbo, but I think the comments of DMG need to be known to you, and I will read them to you. It says:

> 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.

Does that cover your particular point of view or where you are coming from?

Mr Mutton—I can understand why people in Wagga are saying that. I have not heard that from DMG before, but it does not surprise me. Quite frankly, anybody who wants to set up a radio station—and this goes to the point of auctioning licences—will find it very difficult to set up a radio station. Obviously, if you are going to set up a radio station, you need people with experience to do that. I am not sure who is going to get to supplement the second licence in Wagga. I do know it is up for grabs. It sounds like a local organisation wants to, and fair enough. That is going to be comprised, therefore, I would think, of past radio people. Who else knows how to do it, even if they are only consultants? It would seem to me that, if the second licence is up for grabs in Wagga, as it is in Dubbo, DMG or Grundys or AMI will probably get it, the reason being that they have the dollars to spend at these ABA auctions to buy the licence.

Mr HARDGRAVE—Mr Mutton, can I just try to rephrase that to you? I am actually trying to get to the credibility of your good self insofar as DMG is suggesting that for people such as you the fact that you do not have a job in the radio industry or that you may well want one again is the motivation for your opposition to its particular approach. That is certainly how I understand that part of its submission.

Mr Mutton—As I said in my submission, I do have a job in radio at the present time. I consult for tourist radio FM88 in Dubbo. It is not a full-time job. That happens to suit me. I work there a number of days a week and then I work in another industry, a customer service industry, for the remainder of the week. I am quite happy to do that. So, yes, I have a job in radio.

Mr HARDGRAVE—So what you are saying to the committee is that these particular comments of DMG do not relate to you.

Mr Mutton—That is right.

Mr HARDGRAVE—Thank you. I felt it was important to get that out because that will obviously be a potential point of reference for DMG with regard to what you have said to us today. I want to quickly get a couple of insights from your experience as a radio industry person. Do you think that the bureaucracy that has been advising on matters in relation to radio as a form of media understands the importance of radio as far as its relationship to its listeners is concerned? Perhaps it has missed the whole point of radio's relationship to people.

Mr Mutton—I believe that some people within the bureaucracy of the ABA are very current and very aware of what is going on, but I also believe that others are not. It does surprise me—and I worry about this a lot—that the ABA is becoming too oriented towards getting the maximum amount of dollars for licences and letting the content and the ideas of a licence go west. I am not happy with that.

Mr HARDGRAVE—I want to raise something you mentioned in your submission and also in your comments to us this morning, and I ask you to give some examples. You said something about interesting time calls. Yesterday we heard about the hub station as the source of programming broadcasting in Port Macquarie talking about a beautiful day as a huge storm was blowing half of Port Macquarie out to sea. Can you give us some ready examples from your perspective?

Mr Mutton—The examples you have already cited are about the same in Dubbo. I have heard all those sorts of things happen. I will give you a further example, though, of how networking is not terribly good. If you ring any of these radio stations after hours and want advice, there are all sorts of spurious comments on their answering service which say such things as, 'If you want to do this, why don't you ring the SES,' or 'If you want further information on a storm, why don't you ring here,' or 'If you want to talk to our sales manager, his number is such and such,' or 'If you want further information, ring this number,' which is an out of town number. Those sorts of things are totally outrageous.

Mr HARDGRAVE—I want to raise the question of viability. You talked about money being soaked out of rural centres and taken elsewhere. Your understanding of the way the industry works is that the viability of a station lies in the source of a message being transmitted, selling its time to advertisers and so forth. What is the ongoing trend? What is going to come as a consequence of the way it is currently set up?

Mr Mutton—I believe that, the more a station networks, the less its revenue will be. I backed that up with my opening statement in that the Scott Maymen research from America indicates that. More to the point, as these stations swap and change, we may see a situation that happened on the Gold Coast. Two commercial FM stations could not survive on the Gold Coast—a much larger market than Dubbo. So what happened? They combined and one company bought out the other station. That is something that I fear might happen in Dubbo. For instance, if 2FM does not fire and Star FM does, maybe the DMG group with its dollars will buy out the Star FM licence from Bill Caralis. I am only speculating here. The point being, though, that if that happens you then end up with a situation where you have the two commercial FM stations in this town owned by the one company.

Again, they will go into the one building, you will get less staff employed, you will get more networking, you will get a very tight operation and you will even see a diminution of news and current affairs that way, as happened on the Gold Coast.

Mr MOSSFIELD—I represent an outer western Sydney electorate, which puts me somewhere between the city and the country. I do relate to some of the concerns that you have expressed, Mr Mutton. In particular, we picked up from our hearings yesterday the importance of radio to country people. Certainly, one of the important aspects of it is the need to advise country people of emergency situations, such as bushfires, floods and other matters. Could you give us any examples of experiences you have had in Dubbo as to how those messages are getting out to the people via the local radio stations?

Mr Mutton—I can. Thank you for the question. In 1991 I happened to be the morning announcer on 2DU between 9 and 12. The early morning announcer, Peter Leslie, who is still there, does breakfast and so on and so forth, was informed of Nyngan being under flood. 2DU, being the only broadcasting station in the area at that stage that could be heard in Nyngan, immediately went to the SES, set up outside broadcast equipment and remained on air from the SES for most of the day from Nyngan. I believe that 2DU did a marvellous job. I was proud to be part of relaying information to the people of Nyngan. It is something that really sticks in my memory as part of my radio career. I was proud to be part of 2DU and proud to be part of the organisation that broadcast in those days.

Let us reflect now to Saturday night, 6 January 2001, when a very bad storm came through Dubbo. At that stage all radio stations in this town were networked from somewhere else. There was not one live radio station anywhere. 2DU was networked. ZOO FM, Star FM, 88 FM—anywhere you like—were all networked and computerised. It became very obvious—as people started driving around the town looking at the storm damage and I started getting phone calls on my mobile phone, as a councillor—people were wanting information. People were listening to car radios and there was no information coming out. I subsequently found this out. Off my own bat, because I could not get in touch with the mayor, at 10 o'clock I went to air, as the old radio broadcaster that I am, getting information from the SES, VRA, police, fire and so on and tried to give as comprehensive report as possible on 2DU, but I had to ring 2SM in Sydney to do it. 2SM in Sydney had been receiving calls all night from listeners in Dubbo wondering what the hell was going on.

When I got to the girl at the switch at 2SM, she almost welcomed me with open arms and said, 'I will put you to air immediately.' I was able to give a report and let people know what streets were blocked, when the power was coming back on and so on. It seemed to calm things down a little bit and it also seemed to get cars off the road. I made this comment to 2DU: 'I just think that it was a pity that you did not go live.' I made that comment to the program director. He said, 'Well, I'm sorry. I was on holidays.' The manager was on holidays, and the station, on 6 January, on a Saturday night, was just networking. No-one knew because they were all out of town—anybody in authority. I will say this: had anybody else tried to ring 2SM in Sydney and get hold of them and say, 'Look, we want to go live,' I do not think they would have done that because they probably would have been too frightened of the consequences of what might happen to their employment.

Mr MOSSFIELD—Thank you. That is an excellent answer. Could you suggest some formal arrangements that local organisations like the SES could have with local radio stations so that people know exactly who to contact in the case of an emergency?

Mr Mutton—I think we should go back to the model that we established at 2GF in Grafton many years ago. The SES, VRA, fire, police and so on should be given a number of phone numbers of various people who are on duty at the radio station. Those people could be at home. Those people now, with computers the way they are, by having a computer at home, via the Internet could log in to the radio station or a direct line to the radio station—they do not even have to leave their house—put over that information and then return to the network. Or, obviously, if the station is live, the SES, as they do now, have silent numbers to get in touch with radio stations that the public are not aware of to get information across quickly.

CHAIR—Is there a case perhaps for: (a) a community service obligation on radio stations to provide some local content along the lines you mentioned in much the same way as Telstra and Australia Post are required, whether they like it or not, to provide certain services; or (b) a strictly enforced protocol where radio stations are required to be able to invoke emergency broadcasting regimes when they are on network, either direct from the town in question or from a separate feed from the hub? What is your view on that?

Mr Mutton—I think that part (a) is the way to go. As I said, clause A(2) schedule 2 of the act needs to be tightened to have that particular requirement placed before radio stations. That then goes on a 24 hours a day, seven days a week basis. If you get a situation like the storm in Dubbo, the flood in Nyngan or the storm in Casino—and I wonder what radio 2LM and the supplementaries did up there with that particular storm in Casino, which hit just after Dubbo—yes, part (b) should be invoked immediately.

CHAIR—You suggested in relation to the FM stations that they be required to broadcast throughout the daylight hours for a minimum period of, I think you said, 6 a.m. to 6 p.m.?

Mr Mutton—Yes.

CHAIR—But then you said later that they should have seven minutes of local content per hour. How do you reconcile those two things? If they are broadcasting live, that automatically provides seven minutes or more of local content, does it not?

Mr Mutton—No, not necessarily. You would not get seven minutes of content out of the local Star FM here per hour as far as news, community concerns, traffic broadcasts, weather forecasts and so on are concerned.

CHAIR—Are you suggesting it should broadcast from Dubbo?

Mr Mutton—Yes.

CHAIR—From 6 a.m. to 6 p.m.?

Mr Mutton—Yes, definitely. If they are going to take advertising dollars from this town, they need to return something to this town in the form of employment and community service.

It is not satisfactory that they broadcast four hours a day from here and return very little to the community.

CHAIR—Thank you very much for your submission. It has been very enlightening. We trust that we contact you again if we need any further assistance. Thank you for making yourself available this morning.

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

Proceedings suspended from 10.50 a.m. to 11.15 a.m.

CHAIR—We will now resume. I call the federal member for Calare, Mr Peter Andren, to the table. Mr Andren, as you are making an individual submission, could you give us some background on the capacity in which you are appearing today, particularly your experience in the electronic media?

Mr Andren—Thank you, Mr Chair. I come to this inquiry as the federal member for Calare since 1996. Prior to that, for something like 26 years I was in the broadcast industry, both in Sydney and regional New South Wales. Since 1977 until 1996, I was news editor at radio 2GZ and the then CBN 8, later Prime Television, and I was responsible for the management of television and news radio services for all of that period, which initially were run by Country Television Services, who had both the television and radio licences. The history was that 2GZ was the first commercial radio station west of the mountains. It was set up in the mid-1930s, from memory, and they obtained a television licence in the middle to late 1960s.

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

Mr Andren—I certainly would. As my submission details, before becoming MP I was, for almost 20 years, news editor of Radio 2GZ and the then CBN 8, later Prime, and I wish to place on the public record my concern at the reduction in localism in local radio, particularly over the past five years. While local stations 2BS and B Rock, 2MCE FM, ABC Radio 2CR and, to a lesser extent, 2LT and KISS FM have retained strong local line-ups, I am most concerned at the trend towards hubbing that is most evident in Orange. There, the former AM service, 1089 2GZ, has been turned into an easy listening station as part of the AMI network. The traditional and long-serving—since the 1930s—local radio station is almost entirely networked, save for local weather.

2GZ was a news force to be reckoned with. While its news was, in the 1980 to 1995 era, supplied by CBN 8 or a Prime news reporter, this was a dedicated person with editorial independence to run all news at any time with backup coverage of important issues like elections or local disasters—for example, the bushfires of 1985 and 1987, which devastated the Mount Canobolas region. Now, with 1089 AM and the two DMG-operated 2GZ FM and Star FM, there is dramatically less localism with three times the number of stations. There were once 10 radio news bulletins a day, one of which was prerecorded late at night, plus comment, plus interviews, plus a huge degree of flexibility for the morning announcer in particular to field local news and events as stories broke. That all occurred on the one AM local station. Most importantly, there was editorial independence vested in the local news editor.

I was appalled to learn late yesterday that an interview I gave to 2GZ FM on this very inquiry, in which I said I believe there was a need for reregulation for adequate and comprehensive local coverage, was ordered to be edited from the 12 noon bulletin yesterday by the DMG management. I understand the story was offered to the hub as a regional story for its national news, and southern market manager, Gary Lidden, ordered it to be cut from future bulletins. Again this morning, 2GZ FM listeners were denied any knowledge about this inquiry, although it was the No. 2 story on the local ABC bulletins, when the local manager ordered the story, including a comment from me, to be dropped from the breakfast bulletins.

In the same way as centralised regional TV bosses dictate content, with generic stories to be run in all bulletins now, thus diluting localism, we now have network radio managers and local managers deleting legitimate local stories because they might embarrass the station. In the case of television, it also means a cheaper, if you like, news service that does not require as much compiling of local stories. DMG was quick to criticise a competitor for planting bogus stories that inferred its hubbing policy was destroying localism, yet it is not prepared to accept legitimate stories that suggest that localism is indeed under threat and which recommends ways to remedy the situation.

Comments were quoted earlier by Mr Hardgrave on DMG's submission that the argument is not which town gets the hub. I am saying that the argument is not which town gets the hub, which seems to be what DMG is arguing—like some Telstra call centre, as if we all should get excited about the fact that the call centre is the best we can offer in terms of employment in this particular industry. That just shows how far off the mark, I believe, they are in terms of their recognition of the requirements of the local market. What we should be talking about is how reactive is the station to the local market. Is there someone to field the call about a lost child, or the hailstorm that has just devastated the local apple crop? The way it is structured at the moment, with the last news bulletin at 12 on 2GZ FM and none now any longer on Star, and that 12 o'clock one prerecorded and nothing for the rest of the day, there is absolutely no way that anything of a breaking and important emergency nature can adequately be covered.

I am concerned that, without regulation of localism to require adequate and comprehensive local coverage and independently sourced coverage, we will soon see a situation where 1089 AM, 2GZ FM, and Star will use the same news service from Prime, turned around to suit various formats, offering no choice and no competition. In fact, I only learned today that Star FM has completely deleted any local news from its line-up in Orange. I am also concerned that, depending on the recommendations of this inquiry, 2GZ FM will cut its 11 a.m. to 2 p.m. local programming out, take Laws for the full three hours to midday and hub the rest of the day's programming. If the operators know they can get away with these things, they will. Already, Star FM has, from six to 10, a local program, no local news, then hubs for the rest of the day.

Apart from the lack of content of local relevance and quality, there is the issue of emergency service announcements. I endorse wholeheartedly the sentiment in the submission made by Mr Keys on behalf of the SES. On nights like 6 January 2001, when a devastating storm hit Dubbo—and affected Orange and district peripherally but could have been far more severe—no local staff were available for warnings to give details of emergency services et cetera. Meantime, Radio 2DU, thank God, was live on air at the time and was able to alert the communities. Mr Mutton in his earlier submissions has quite clearly demonstrated the role it played in the Nyngan floods, as indeed did 2GZ in the bushfires and as indeed still does 2BS. With its cover-

age of the floods of a couple of years ago in this particular district, it not only gave information but actively, through staff involvement in coordinating committees, helped to play an integral role in the emergency structure of the particular community, where it is part of a process that involves meetings and examining the best way of getting information out. That is the sort of localism that is certainly at risk in the hubbing process.

As members are aware, the Broadcasting Services Act is meant to prevent a person, individual or company from being in a position to exercise control of more than two commercial radio broadcasting licences in the same area. Although I am satisfied the staff sharing arrangements between AMI and DMG are no longer, apart from technical staff, as blatant as they were initially, I must express my concern at the slowness of the ABA to respond to my queries about their monitoring of such arrangements. Despite numerous follow-ups from my office, I did not receive a response from the ABA to my 9 October 1999 letter about this issue for nine months. I am concerned at the likelihood of AMI and DMG both sharing the same news service from Prime. That is certainly not the sort of competitive media arrangement to provide the three audiences with the widest choice and the most competitive and comprehensive local coverage.

As I said, Star FM has no local news at the moment. As I pointed out in my submission, there is no way Prime TV is going to give its lead stories away over the airwaves on three radio stations when it has got its competitor, WIN, down the road, sitting with an ear to the station to find out what the heck it might have missed out on. The so-called news that is being presented is not adequate and comprehensive in any way because the priority of the television stations obviously is to hang on to what they have until 6 o'clock at night. That brings me to the point of my recommendation of reintroducing a requirement of adequate and comprehensive localism. There is no point putting such a requirement into the act unless the ABA is going to enforce it and has the resources to do so. Contributing to localism is not the same as providing it.

In conclusion, I reiterate the point made in James Oswin's report to the then government in 1984, entitled *Localism in Australian Broadcasting*. For those who do not know, Mr Oswin had an impeccable record in broadcasting, including management of the Seven network. Indeed, he was then appointed as chair of the broadcasting authority. He was then empowered with this report in 1984, in which he said: 'Great care will have to be taken to see that increased choice does not mean decreased localism.' I submit that is exactly what has occurred, first in regional television and now in local radio. A broadcasting licence should be a privilege rather than a right and should be so regulated in terms of the service it provides to its local market.

CHAIR—Thank you for that very comprehensive submission. What is your view of the Broadcast Services Act 1992? Do you think it perhaps allows too much of a laissez-faire approach to these things?

Mr Andren—Very much so. I think, as I pointed out in my submission, the trend we have seen in regional TV is now being accelerated under the radio ownership regime. We have seen a diminution of localism in regional television, to the point that they only have basically their local TV service. Now under the radio set-up you have absent owners with no commitment to that local market and no feeling for that local market. I think it is a simple step to adjust the act to a point where they are required to provide that local content. Indeed, as occurred in years past there should be a licence renewal hearing that requires each licensee to justify, as we once did at

GZ and CBN 8. We kept a database of villages and the stories, of shires and the stories, of the content of coverage of major events, of political campaign coverage and so on. That is the sort of justification for a licence that I think is again sorely needed.

CHAIR—So you think we should be recommending to the government the reintroduction of hearings?

Mr Andren—Well, I certainly would recommend that.

CHAIR—In a pre-1992 model or something similar to that?

Mr Andren—Definitely.

CHAIR—What about the idea of a community service obligation in respect of certain times of day and protocols for emergency events?

Mr Andren—That may work—the technology is probably there—but the point is that, as I said in my inquiry, it is a fairly philosophic thing, I suppose. The fabric of rural and regional Australia is being assaulted by all the economic forces that are out there now. There is an uncertainty and a feeling of disengagement. Indeed, today, with the news that the aluminium smelter is no longer for New South Wales and is heading off to Queensland, there is a feeling of a sense of neglect and loss in the community yet again. One of the things that contributes to this is the inability of people simply to pick up a phone and ring the talk-back person on the radio and express that frustration. There is not even that avenue any more. That is quite apart from the local advertiser, who has no choice but what is on offer: a disinterested, disengaged voice that is done in Wagga or in Albury, who perhaps can even make a mistake in the pronunciation of the town itself. All of these things contribute to that sense of community, and the radio station was very focal to that community.

I believe it is part of that whole feeling out there in rural and regional areas. The old people at the nursing home have asked, 'Where has 2GZ gone?' The call sign was pinched for the FM signal because it was popular, and they just do not know where it has gone. It has disappeared off the planet. The 1089 frequency is now playing muzak from 2CH, which might be all very pleasant but there is none of that connection that they once had with their local station.

Mr HARDGRAVE—I would like to take up with you this aspect of accountability to the community. I am like you: I am an old media person as well. I am convinced you cannot make a dollar out of a local community if you are actually not really hooked in. Is that a reasonable thing? What accountability mechanisms do you see are necessary to the local community?

Mr Andren—It again becomes a philosophic thing when we are talking about opening up the market to competition, but I think we have heard that there is probably too much competition to deliver anything than an inferior sort of on-the-cheap service. Someone said to me the other day that, indeed, sloppy, low-quality English radio is what we have got now. Listeners are angry, but where do they register their calls? There is a huge quality gap between city and country. The announcer no longer runs the panels; the computer runs all the programs. There are gaps between ads and songs, overlaps and so on.

As far as the local advertisers are concerned, they are a captive market. For example, the local bed shop used to get some creative, live voice-overs read by the local jock on air during the morning. He could add that touch of humour because he knew exactly where the shop was and who the clientele were. That sort of personal touch is absolutely essential to that local community. It goes right down to value for money in terms of local advertising.

Mr HARDGRAVE—Can you give me and the committee some understanding of your insight into that personal commodity that radio provides to people—that one-to-one relationship that people have with their local radio station?

Mr Andren—Well, it comes down to the sense of the person on air talking. If it is a pre-recorded commercial about a business in town it might be something along the lines of, 'Get down to Kezz Brett's, just around the corner from Bobledyk's.' Bobledyk's is a second-hand furniture store and a landmark in Orange. That sort of touch, from someone who knows exactly what that community is, is absolutely essential and it is what the local advertiser has had. He has had value for money from his advertising dollar. I really do not think that exists any longer with the person on air doing the morning show. Or for the jock in the afternoon, when something happens and there is an accident down the highway, it is likely it is the same road he drives on to get to the station every day. That intimate knowledge of how the city works—what side street you could take to avoid it and that sort of thing—is no longer there.

Mr HARDGRAVE—The 1992 Broadcasting Services Act seems to be at the heart of a lot of the comments we are getting—that lack of specific localism per station. Essentially, the act refers to the make-up of a market needing to have things that contribute to localism, but there is no particular requirement on a station to actually do anything other than broadcast. What amendments to that act do you see that we should be undertaking, given especially that, as somebody said to us yesterday in Tamworth, the horse has not only bolted but the stablehands have gone to look for employment elsewhere?

Mr Andren—I understand the country format has disappeared there. That is a classic example of a cultural icon, if you like, which was born and nurtured by the local radio industry and which contributed so much to Australia's cultural values in jobs and quality music in that format. That stands out as a very strong example of what this whole debate is all about. Again, Oswin said back in 1984 that the local sound of the station should predominate which causes listeners in the area to be conscious they are listening to their station. That is the crux of it. As to how you legislate for that, I would suggest that rather than contribute to localism the key is to provide localism. There should be minimum requirements. Richard Mutton suggested seven minutes per hour. There must be formulas that one could work out and still enable a degree of networking, which has been happening for some years. I believe there also needs to be a reintroduction of licence hearings where the community can express their satisfaction or dissatisfaction over the service they are being given.

Mr St CLAIR—Taking that further, do you believe that change has led to a feeling of alienation by regional and rural Australia because it has lost that identity and therefore it has lost its own purpose?

Mr Andren—Very much so. When I first went to 2GZ and Channel 8 in the late 1970s, the news service on radio was comprehensive with 10 bulletins a day. Television was only a

prerecorded seven or eight minutes, but under the threat of the satellite the local owners, who had become very lazy and had taken *Beauty and the Beast* at $5 a pop and that sort of thing over the years, suddenly got serious and bought an outside broadcast van and reinvested in localism. That investment was a very profitable investment and it was returned in spades from the community.

Having lost that and also having lost that sense of community with the loss of services, banks and others in smaller places, I believe that people regard the lack of a real local radio service as part of a conspiracy of big business, government, whatever—that is, that it is all part of the pattern of acceding to the pressure of the metro markets, the slavish adherence to open competition and self-regulation. That may be fine in the marketplace in other areas, but I stress that, if people thought seriously enough about it, a broadcast licence is an absolute privilege and it is now regarded as a right to be traded. Therein lies the big problem that we have in treating a radio station in the same way as we might the hardware store down the road.

Mr St CLAIR—But there is still that issue, isn't there, that the consumer—the person listening to the radio—has the choice to turn it off or go to something else? In many cases in my area they do not have a lot of choice. They do in Dubbo, which I think has 10 radio stations. It is a bit like the dilemma of people shopping at home. They all bash us to death to get better roads and when we provide better roads it makes it easier for them to drive out of town to buy something in another town. I just wondered whether that is not dissimilar with radio stations.

We heard yesterday from Warwick Higginbotham, who owned the 2TM station and began country music. It was costing the radio station roughly $300,000 a year to run the Country Music Awards and of course it was too much money for an organisation like it to do. At what point does it cut in? I was talking to the 2BS people this morning about the Bathurst races. They do a live broadcast all day, as you know, but they do not have to underwrite it or fund it as was the case with country music. I just wonder what point that comes back to.

Mr Andren—With the prominence of the country music festival and the mainstream coverage that it now receives, I would have thought that for $300,000 a year it would be a wonderful vehicle for R.M. Williams or whoever to underwrite it.

Mr St CLAIR—Or Toyota.

Mr Andren—Yes, or Toyota. That is not very big bikkies in what is now a multimillion dollar industry.

Mr St CLAIR—But it was then.

Mr Andren—Yes, I am sure it was then. Maybe there is an argument—and I know this will not go down too well—that, if it is regarded as such an important industry and a cohesive part of that community, there might be some role for some subsidy to assist that in the same way as we assist other industry if the argument is strong enough.

CHAIR—I want to come back to the point Mr St Clair made about after you fix the roads they all take off to the supermarket in the big town down the road. That is an analogy with such things as taking the shock jocks from Sydney. Some people would argue they want to hear that.

Others would argue it should be done by a local presenter in a local studio. Someone was put off the air in the Parkes area some time back who was apparently very popular in the western New South Wales area when networking arrived in that town. Is there a place perhaps for a mix of that—that is, in your localism during the day you would allow for so much morning networking and afternoon networking and so much local stuff?

Mr Andren—Yes, very much so. I always thought that we went down the wrong path with aggregation, because I still firmly believe that the same argument applies to radio. The existing local licence holder—or, indeed, it might be someone who comes in—buys the licence for that viewing area or listening area, and a supplementary licence may be offered—it may be television; that was the option way back when—and you can then cherry pick the best of what is available. There was never the quality on three commercial networks. People wanted choice, but I think they quickly realised that the open slather choice they were given meant a rapid diminution in local content.

Mr HARDGRAVE—Better than having two.

Mr Andren—When talking about a supplementary in each market, we maintain the integrity of that viewing area or listening area and then you can cherry pick the eyes out of what is on offer. As an independent operator, you could bargain with each network and do a deal and say, 'I can deliver you so much of the market.' Your local advertiser can then buy according to the station's line-ups, and that is the best of both worlds. The path we have gone down creating three outside operators of three commercial licences in Orange and elsewhere—

CHAIR—Just a part of a reflection of a capital city.

Mr Andren—It is not even that in terms of the quality of the national news they now deliver. Yes, it is probably so competitive it is unprofitable unless they do it on the cheap.

Mr MOSSFIELD—You have touched on the issue that I was going to raise—that is, the aggregation of the television industry. Maybe you could give a fairly detailed explanation of what happened prior to aggregation and how that has impacted on the radio industry. I think the committee would be interested to have that background.

Mr Andren—Prior to aggregation of television, there was a solus operator in the particular market, whether it was Wagga, RVN, CBN, NBN Newcastle, WIN Wollongong, Albury, Coffs Harbour and Newcastle. They enjoyed a monopoly over a modest market, and in those days they cherry picked.

I can remember sitting down and looking at the Nine and Seven news and saying, 'Well, which one do you think we should take?' They had taken Seven for years and, having come from Nine and knowing how they operated, I thought that Nine offered a far superior news service. So they had the freedom to switch over and take Nine news for quite some time until, in its wisdom, the government went down the aggregation path, which meant that each of Wagga, Orange, Canberra and Wollongong became part of the one southern market. So they were each able to put their signal into each of those and that supposedly created competition and choice. But all it has meant—anyone could see it was going to happen—is that the existing regionals have just become slave stations of the networks, which is exactly what Kerry Packer wanted

when he was up here in 1977 at a forum they held at the civic centre at Orange. He said, 'If the main street of Orange burnt down on Saturday no-one would know about it, anyway, so what are you talking about?' That is what scared the local operators into reinvesting in localism. They had become lazy.

CHAIR—Your premise is that radio is going the same way, is it?

Mr Andren—Exactly. They will only provide the amount of localism they are required to and they will hide behind this 'contribute to' instead of 'provide for' as long as they can. It has been suggested to me that they are waiting for the outcome of this inquiry to see how strong its recommendations are. There could well be a lessening of local morning content and extension of network. I only heard today that Star FM does not have any local news. I do not know where the local commitment is there, if that is what is happening.

Mr MOSSFIELD—What impact has the issuing of supplementary licences under section 39 of the act had on the delivery of radio services in regional areas?

Mr Andren—The fact that your frequency is so close together, say, in the Orange case—it is Bib or Bub. They are basically similar formats with only a very cursory, I believe, acknowledgment of localism in the sort of news service they do. I think having had the supplementary licence granted has diminished competition in the market as well as created too many commercial stations in that one market. They all would, I presume, be struggling, but they are still taking the advertising dollar out of there to fund quite significant purchases in the city market. One wonders whether the regions have just become a milch cow for some of their other major commitments in bigger markets.

Mr McARTHUR—I would like to raise two issues. One is the availability of licences in this area. We get the impression that there are a number of licences here, which has made the competition very intense. What would be your recommendation in respect of the allocation of licences by the ABA, given one view is that more licences provides greater diversity and the other view is that the market is restricted and we ought to perhaps reduce the number of licences? Would you have a view on that matter?

Mr Andren—As I suggested, I think there are too many licences and I would have thought that 2BS B Rock, is ideal, that is, a supplementary FM licence and an existing AM licence offers the sort of program balance that is adequate for a market of 40,000 or thereabouts. You basically can cherry pick the best out of your network programming. You should be able to maintain independence within that to do it. I guess I am saying that an AM and a supplementary FM licence strikes me as the best, with very strong and constant supervision and justification by the ABA of exactly what service those licensees are delivering, with real power to take a licence away and offer it to someone else if indeed that station reneges on its responsibilities.

Mr McARTHUR—You would not have more licences, though? Would you have more licences than under the current regime or less? Would you take some away?

Mr Andren—I would certainly have less in Orange. It worries me that you have got one organisation running two FM licences down there. I just do not see any sense in that in terms of quality broadcasting for a community.

CHAIR—Do you see that as a restrictive practice?

Mr Andren—I do. I do not see that that is the sort of competition that we should be striving for. As I suggest, that extra licence creates too much competition in that market, to the point where to save on costs and maximise returns you have got this almost exclusive hubbing in one case—75 per cent in another. And in the case of the AM now—

Mr McARTHUR—Do you think that is brought about by too many licences or by other commercial pressures?

Mr Andren—I do not think there is room in Orange or Bathurst for more than two commercial radio licences. The ideal mix would be one AM and one FM. So, yes, too many licences has created that, plus an absent management with no real connection to the communities they are serving.

Mr McARTHUR—Would you like to see a recommendation from this committee that we review the licence issuing procedure to encourage regional radio to remain profitable and provide local content?

Mr Andren—Very much so.

Mr McARTHUR—My second question was really this localism argument. You have put a fair bit in your submission about that. Could I just challenge you a bit on the legislative requirement? How would you implement localism through legislation as against the commercial pressures that are now obvious in regional radio? How would you implement your views, which you have expounded before the committee?

Mr Andren—As I said, a broadcast licence, to my mind, is a privilege. If you apply for a radio licence to service a particular region or a community, it is incumbent upon you to detail and justify the amount of programming that you are going to provide specific to the requirements of that particular community. The best way I have seen of ensuring that is the old hearings process where you were required to put in a submission prior to that hearing and answer a whole raft of questions right down, in 2GZ's and CBN's cases, I remember, to the amount of time you gave to various issues.

Mr McARTHUR—But you would surely say that is a fairly difficult process, given the definitions and points of view about what localism is. Different people have a different understanding of what that means. And what about the commercial pressure by the proprietors? Say there are four or five big proprietors who say, 'Well, we don't do a bad job and we are responding to the marketplace'?

Mr Andren—I do not think it could be regarded as an adequate local news coverage to take a service from a TV station which is not going to give you the full number of stories, anyway, to do headlines and to do five or six stories during breakfast, then prerecord a lunch-time bulletin and then pretend there is nothing happening locally until 6 o'clock the next morning. I would suggest that there must be some provision for a more comprehensive news coverage.

Mr McARTHUR—In simple terms, you would bring about more regulation to encourage and almost coerce those owners of regional radio to put on defined local activities and news bulletins?

Mr Andren—Yes. And I cannot say that the local market would not respond in a very positive way. But if you had a viable number of licences in that market and return in terms of advertising dollars they might really believe they had a station that connected with their market and their customers. So I do not think—

Mr McARTHUR—It is a pretty heavy hand of government. You are telling them what to advertise, or what content to have in the radio, and you are restricting the number of licences.

Mr Andren—I am not suggesting that you tell them how much local advertising. That would depend upon whether or not people wanted to buy the time.

Mr McARTHUR—But you are telling them how much local content to have, aren't you?

Mr Andren—I am suggesting that there should be stipulation on local content because, after all, that licence was and should have been obtained to service that community and, indeed, the needs of that community need to be protected.

Mr McARTHUR—And if it is not commercially viable, what is your view then?

Mr Andren—I happen to believe that, because of that breaking down of the sense of connection in rural and regional Australia, radio is absolutely crucial to that feeling of community. I think it would follow that you would have a strengthening again, if you like, if there was that element which bridges distance and keeps the older people—as we are an ageing population out here—in their communities, such as your Cudals and your villages, more in touch. Otherwise we are only going to exacerbate that sense of isolation out there. It is a social issue. It is as much a social issue as an economic one.

Mr MURPHY—Mr Andren, leaving aside those who have a vested interest in the inquiry, what are your everyday radio listeners—your constituents—from Bathurst to Orange telling you about their local radio services?

Mr Andren—Not a lot on a daily basis except, as I say, some of the older people I have spoken to in hostels and nursing homes say, 'What happened to 2GZ? Where has it gone?' I get that question pretty often. I have had several letters and phone calls after the hubbing really got under way in a major way. They were from as far afield as 2MG and indeed from Dubbo, concerned at the loss of the local content and indeed complaining about the sort of comment they were going to get. I think the complaint about 2MG from this particular person was that they had to put up with Stan Zemanek at night whereas they used to have a country music program they thoroughly enjoyed.

It would not be once a week; it would probably be once every six weeks that someone would mention something. I can remember because I was a news editor there. People who remember the sort of coverage they got both from television and from radio long for that comprehensive

local coverage. I do not hear it in Bathurst from a radio point of view. I certainly hear it about television, though.

Mr MURPHY—What do you think those people expect of us as a committee to help their community?

Mr Andren—I don't know that they have not given up in some sense. They see this as part of the inexorable trend towards a loss of services, along with others. They do not think, I believe, that government has the power anymore to control these things. In the same way as they express frustration over the ability of government to regulate the import of New Zealand apples, they think that the free market is dominant. So it is a feeling of resignation. It is not one where they are saying, 'What can government do anymore?' Yet I think they would want government to take the initiative, if they were asked, to give us what we had before—or at least part of what we had before.

Mr MURPHY—Thank you .

Mr GIBBONS—We learned yesterday—in fact, you mentioned it in your opening remarks—that in Tamworth the local station has gone out of the country music industry, for want of a better term. They used to sponsor the festival. They are now not doing that and they have actually dropped the hoedown radio program. The reason for that was that nobody wanted to advertise on it. So how do we regulate to try to rectify that sort of situation, in your scenario?

Mr Andren—I am not suggesting for the moment that we regulate for people to buy time on a station.

Mr GIBBONS—Obviously, but that is the reality, though.

Mr Andren—What I am saying—and Mr Camplin might have some anecdotal information about his independently operated stations—is that I truly believe that people are craving for localism because of all of those forces I spoke about out there in rural and regional Australia. They want a sense of connection again and they see radio—their local radio station—as integral to that.

Mr GIBBONS—I understand that.

Mr Andren—I think the advertising dollars would follow localism. I have thought that—

Mr McARTHUR—But you could not get more local than Tamworth, though. You could not get a more local arrangement than that, and yet the advertisers did not want to follow it.

Mr Andren—That perhaps is a peculiarity of advertising. Maybe they have missed out. Even the DUs, the GZs and the TMs, before hubbing, used to do a lot of their selling on the national market as well. Maybe your national advertisers did not want anything to do with country and that was their problem. I do not know whether they are saying that. Are you telling me that the 2TM retailers did not want to advertise on TM because it had a country format?

Mr GIBBONS—That was the view expressed to us yesterday.

Mr Andren—By whom?

Mr GIBBONS—By the network, under oath.

Mr Andren—I find that hard to believe. Maybe the whole country music thing is a furphy and it really is not the phenomenon that Tamworth thinks it is.

CHAIR—You would not think so given the ABC's two programs. The ABC has put a lot of work into two country listening programs.

Mr Andren—I would have thought that it was a highly saleable commodity, but obviously it is not. Maybe it comes down to their format. Maybe it is too much country and they needed to re-examine it. But this is the skill of programming and it is the skill of horses for courses. You have local programmers who can sense where your demographics are and tailor your programming to meet it. There are some who do not like Jones but love Laws, for instance. GZ sensed that and ran Laws before the prehubbing days. Others love Jones and do not like Laws. So that is the flexibility, depending on your market, that I think is required to attract listeners and indeed advertisers.

Ms LIVERMORE—You have suggested a fairly prescriptive regime for ensuring localism on commercial radio in regional areas. I just wondered where you think that leaves commercial television in regional areas. Given your suggestion, you see strong requirements on commercial radio which the local television stations are not going to be required to meet. So how do you reconcile that?

Mr Andren—I would go so far as to suggest that it should apply to television as well. It should be not only adequate and comprehensive but it should be provided and there should be demonstration that it is provided. I think a licence renewal hearing for the regional TV stations should explore why there is so much generic stuff being forced onto their local news services about how to teach your kids to clean their teeth and stuff like this, which is absolutely non-local; it is generic and it serves no real local purpose.

I do not know that you absolutely prescribe. Prime TV, for instance, is obliged to run during the winter season a Gerard Healy, I think it is, preview of the Aussie Rules round from Melbourne in its sporting program on a Friday night. What relevance has that got to the local market except that Prime is obliged—not any longer—to run the 7 Aussie Rules signal. It is purely promotion of network material.

That happens all the time I know, but it certainly eats into the only half hour of local time. I know the journalists resent it strongly. I fought it for years when Prime took over, to the point of absolute frustration. When they said, 'No, you have to do that,' I used to say, 'Have a look at the ratings and when those ratings start to drop. We are getting out into the villages and covering the stories.' They said, 'Just chase ambulances and only concentrate on Bathurst.' I refused to and said, 'Look at the figures.' But of course, over the last few years they have just ground away and ground away—they have taken away staff and facilities—and it is heading towards

being a Clayton's local coverage, I am sorry to say. That is on television, so they, too, should come under this scrutiny.

CHAIR—I am afraid we are going to have to wind it up there. Mr Andren, that has been very useful and very helpful. Your background in the industry has enhanced your submission. We trust we can come back to you, no doubt in Canberra, if we need any additional information. As you would be aware, you will receive a copy of the *Hansard* draft in due course.

[12.07 p.m.]

MARTIN, Mr Gerard Francis, Member for Bathurst

CHAIR—Welcome. I will not place you under oath, but you should understand that these are proceedings of the federal parliament and warrant the same attention as do proceedings of the House itself. The giving of false or misleading evidence is a breach of privilege.

Mr Martin—I understand.

CHAIR—Would you state the capacity in which you appear before the inquiry?

Mr Martin—I am the state member for the electorate of Bathurst in the New South Wales parliament and it is in that capacity that I wish to address the committee.

CHAIR—Mr Martin, you have made a submission, but do you have a view or a particular area of concern that you would like to express to the committee this morning?

Mr Martin—I agree pretty much with what my federal counterpart has said. I would like to highlight dot point 3 of the terms of reference in relation to the effect on individuals' families—local news services and such. Because you are here in Bathurst, I would like to highlight what I see as a prime example of what is good about country radio—that is, 2BS and B Rock. For whatever reason, they have been able to resist networking. I could say the same about 2LT, which services the neighbouring city of Lithgow in my electorate. The level of services that those stations are able to give to the community in terms of local and immediate news on a 24-hour basis—they also have a heavy involvement in charities and community organisations—is something that we do not want to lose and that we have lost in rural communities. I think it is a very important part of our infrastructure. I am highlighting not so much what is wrong but a prime example of what I feel is a very appropriate level of radio service. I suppose you could say it is delivering those community service obligations, which I think should be given more prominence. We talk about them in other areas—in relation to Telstra and so on. I think that should be very much a part of the letting of radio licences.

CHAIR—So you favour the return of the pre-1992 type hearings?

Mr Martin—Yes. I cannot claim to be an expert on the federal legislation. A lot of what I am saying is anecdotal, but I get a number of complaints from people around the electorate.

CHAIR—Do you sense this disengagement or disenchantment with radio that Mr Andren spoke about?

Mr Martin—Not so much in Bathurst because for whatever reason the station has been able to resist the supposed rationalisation and commercial pressures. 2BS is unique. It is one of the few country stations that is a John Laws-free zone. I am not saying that is good or bad, but it means a local announcer and a local flavour all the time. I do get a lot of criticisms from people in parts of my electorate, in Blayney in particular, about syndicated programming at night. There has been mention of that. It has no real impact locally. They are constantly being bombarded with national programming and there is no feeling of local immediacy. As I say, 2BS and B Rock are perfect examples.

One aspect of protecting a station that is prepared to adopt a really local attitude, such as 2BS, relates to the threat they face from proliferation of licences. At the moment we have something like 19 or 20 possible licences servicing this area. That has more than doubled over the past few years. No-one could argue that it has been to the benefit of the listener, except in relation to FM community licences I suppose. So there is a threat that I see. This proliferation of licences threatens stations such as 2BS and B Rock, which I believe are doing the right thing by the community. The fact they are able to do that points to the fact that people appreciate it.

Mr MOSSFIELD—Over the last couple of days we have really gotten a feel for how important radio is to country areas. Do you feel that we as legislators, both at the state and federal level, should be treating the country differently from the city—to bring in legislation that will enable independent radio to flourish in the country areas?

Mr Martin—The short answer is yes. I believe we should be putting emphasis on these community service obligations. I do not believe the genuine operators that have a feel for their community in country areas would see that as onerous. There are a lot of little things around the edges, for instance, that become more difficult, particularly emergency services notices and so on.

People in my electorate live in an area that is very susceptible to bushfires and all sorts of problems. Even though it may seem just tinkering at the edges and not a major problem, the syndication that comes with networking makes it much more difficult for the local organisations to access their local radio station. 2BS has a system whereby if I have a problem at 11 o'clock at night I can ring through to a certain number and it goes direct to its newsroom and it picks it up straight away. That is available to everybody. It is pretty handy to the local politician if you are trying to stem a problem or to get some quick response. It is available right across the community. It is the little things like that that you lose with syndication and networking through the bigger operators.

CHAIR—Thanks for that brief presentation, Mr Martin. It is a pleasure to be in your electorate. Thank you for the courtesy you paid the committee in coming this morning.

[12.14 p.m.]

KEYS, Dr Charles Lawrence, Deputy Director-General, NSW State Emergency Service

CHAIR—Welcome. Dr Keys, where are you based?

Dr Keys—In the state headquarters of the organisation. It happens to be in Wollongong, but it serves the entire state.

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

Dr Keys—Thank you. My interest is perhaps narrower than that of the others who have spoken today, but I think it is in something which is fairly undeniably important. My interest is in protecting the ability of the emergency services, specifically mine, to get urgent messages to the community which will help to save lives and will help people to protect their property.

Perhaps I should start with some clarifying points. The SES recognises the irreversibility of radio networking. It recognises the increased competition for the airwaves and the need of radio stations to ensure their commercial viability. We are not hostile—and I hope my submission is not taken as being hostile—to the industry or to any part of it. We are having some trouble getting our messages not only onto commercial radio but also onto the ABC. We need the willing cooperation of radio stations for reasons of emergency communication in the context of the protection of life and the minimisation of property damage in difficult moments, and I speak here particularly in the context of floods and storms for which the State Emergency Service in New South Wales is the legislated combat agency. Much the same applies, incidentally, in the other states, although I do not speak for them.

I should say that, since putting in my submission a couple of months ago, I have met with representatives of the Federation of Australian Radio Broadcasters and we agreed that there needs to be a forum between the federation and the emergency services. I think this might take place under the aegis of the state emergency management committee in New South Wales. This forum would discuss the question of the way in which broadcasts of emergency information by radio stations could be ensured. I think that forum could help us to reinvigorate some routines which have perhaps fallen into some disrepair over the years.

I think we, on the emergency management side of the house, need to ensure that the material we provide to the radio stations communicates well in a radio context—and sometimes, I have to say, it has not. Sometimes our flood bulletins are very long, they are not very radio friendly and they incorporate material which is perhaps best dealt with by other communication modes—perhaps by advertising a 1800 number for people to phone. I am thinking of things like lists of minor roads which are closed and lists of gauge heights in a flood, which might be pretty boring or of relevance to only small numbers of radio station listeners. I certainly do not wish our material to turn people away from radio, so I want to give an assurance that we recognise that we need to work on the way we communicate with radio stations.

All that said, I do have some concerns that networking has seen increased impediments to the effective broadcasting of emergency messages to rural and regional areas. Access has become harder than it was for my organisation. It is harder than it was in the days when local radio stations were fully locally owned—if I can use that term—and fully locally operated, and I have given some examples of these in my written submission. These impediments these days relate to delays in the broadcasting of information and to sometimes confused and confusing broadcasts by people not familiar with the environment for which the emergency message is intended. I reiterate Peter Andren's example of 'Canowindra' versus Can-ow-in-dra. One which might be applicable today, given that there is a flood on the Gwydir, is Pallamallawa, which can be exceedingly seriously dealt with by people who do not understand how to pronounce it. While that may sound trite, it is the sort of thing that does damage the integrity of a message, and the confidence of those who are listening to it, in its meaning. I know of possible cases in which local breaking in—if I can use that term—to network programs is being discouraged, and that is a considerable worry when you cannot easily get to the people who are stopping the breaking in from happening. Sometimes that is happening at a very psychological level.

CHAIR—Discouraged by whom?

Dr Keys—I am assuming directly or indirectly by the owners of the networks. I say 'directly or indirectly' because it might be a matter of fear on the part of regional staff to break in on the grounds that their position might be trammelled in some way.

CHAIR—Can you cite us an instance?

Dr Keys—I have cited one in my paper which relates to Gunnedah. I do not know whether there are very many of these. I am talking at least in part about a potential, but there is an actual case that I have heard of. I think we can do the job better—we and the radio stations operating in a partnership—with better communication and planning between the stations and organisations like mine. But I do not believe that better communication and planning is likely to be sufficient by itself. I do not think we can, in this day and age, do without any regulation at all in this field, which is to say that I think some licensing regulation to protect the capacity to broadcast emergency messages effectively and in a timely fashion is likely to be necessary in the end. I do not think we can risk access being reduced. We need some sort of guarantee, in my view, that emergency messages will be carried.

There is a capacity I suspect, on rare occasions, for real disaster if these guarantees are not available and if organisations like mine cannot communicate quickly via radio to people. I will just give you a couple of examples. I have not talked about these in depth in my submission. I refer here to what would happen if, today, we had a flood equal to the record flood in European settlement, which is a very brief period of time in Australia. I make that point to indicate that these are not the worst floods possible on these rivers. If there were to be a flood on the Hawkesbury-Nepean River, on the north-western edge of Sydney, equivalent to the worst known, which happened to be in 1867—so no-one remembers it—in today's environment, and that flood was definitively not the worst flood that could happen on that river, 40,000 people would need to be evacuated. If they did not evacuate and the flood turned out to be worse than in 1876—which is inevitable, although a flood of that magnitude would be rare—these people would be trapped on islands which would cease to be islands. In other words, the islands would be submerged. The roads have low points on them, which are the critical points, of course. Once

those roads go and if the islands then go, whichever of those 40,000 people have not escaped will drown, because there is no way that we would get enough boats or helicopters in to take off the numbers of people we are talking about. That, I suspect, would probably be the worst natural disaster in terms of deaths that Australia could experience, and that would be up to 40,000 in the context of a flood equal to the flood record without talking about a bigger flood than the worst ever seen—and records do get broken in this area, obviously.

Another case which I have done some work on myself happens to be in the lower Macleay River in New South Wales, in the town of Kempsey. A similar thing: there are 4,000 people there whom would have to evacuate if we got a flood equivalent to the record flood of 1949. There would be great difficulties in terms of the floods getting over the roads. A significant number of those people would be in danger if we were not able to get them out, and a large part of getting them out is being able to convince them of the need very quickly. Along those coastal rivers the warning times are not long, and radio is critical to that.

I make those two cases simply as microcosms of the broader reality, particularly in New South Wales and in Queensland, which between them have something like 80 per cent of the Australian flood problem. There are many of these areas—mostly on the coast but some inland—with very large numbers of people with whom we need to be able to communicate quickly in the interests of public safety. That is regardless of the property saving imperative even in quite routine and lesser floods: the saving of pumps, for example; the saving of farm equipment, which is routinely damaged in floods; and the saving of private property in floods which invade towns, as they do from time to time.

CHAIR—We have heard of the deficiencies of the radio stations, but let us take a couple of those instances, like the 6 January instance. Who takes command of SES or emergency operations in this area in a circumstance such as that? What would they normally do in contacting the media? Let me just clarify that a bit more. Is the responsibility on the SES commander, or the police commander, or the appointed head of the emergency committee? Whose job is it to communicate with the emergency services and at what level? Does it have to all feed back through Wollongong, or is there a local autonomy?

Dr Keys—No, there is a good deal of local autonomy. I guess the way to answer that question, because it is a complicated one, is to say that in New South Wales, as in the other states—

CHAIR—You take my point?

Dr Keys—Sorry?

CHAIR—You take my point?

Dr Keys—Yes, I do.

CHAIR—Why I am coming to this—

Dr Keys—Sure.

CHAIR—is that you cannot just criticise the radio stations if the lines of communications coming to them are not equally clear.

Dr Keys—Sure, absolutely; and I have already made the point in my preparatory remarks that we have got some work to do to make sure those lines are clear. In New South Wales, as in the other states, we have a system whereby there is a lead agency declared for the management of the predictable and common threats—like bushfires, which in New South Wales is the Rural Fire Service; like floods and storms, which is the State Emergency Service. These are organisations with legislative responsibility to manage those threats as they occur, which includes, of course, the broadcastable moment, if you like, in terms of public safety messages. It also conveys the responsibility to prepare for these events by way of public education and training of emergency services personnel—in our case in flood boat operation, operational management and the like. The State Emergency Service is responsible for making sure that the public is kept safe during floods and storms, and that includes making sure that we communicate effectively with the radio stations, who are our conduit to the community.

CHAIR—You have cited an instance in your submission. That aside, what is your general perception, as the deputy commander for New South Wales, of getting messages out in emergency situations, firstly now and secondly, say, five years ago before the intensity of this networking?

Dr Keys—I work at the state headquarters so I am not as close to the coalface as I would like to be in terms of giving you an informed answer to that question. If I can speak for the people that I have spoken to in the field, both volunteer people and paid people in the SES are saying to me that it is getting harder. How much harder in those five years I do not know. I would have thought over the last 20 years it has probably become considerably harder. Whether it has got that much harder in the last five years, I would not be so confident of saying; but I think the trajectory—

CHAIR—Do you or your superior, in the event of one of these instances, lodge an objection or a formal complaint with that network or with that station?

Dr Keys—No, I do not know that we ever have. I think one thing needs to be said about this—

CHAIR—How would the radio station know the gravity of that situation if, after an instance like we had quoted to us before of the town being put in quite some peril because there was not an announcement of the storm, you or your organisation do not then communicate with that network or that radio station and tell them where the deficiency was? Do we all go back into our cocoons and wait for the next disaster?

Dr Keys—No, not at all. We have a regional structure of 18 divisional officers around the state. Those divisional officers, amongst their many responsibilities, need to network with their local media. They would bring to the attention of a local station concerns they have had about the broadcasting of information. If you are thinking of the storm—I am not sure whether I have got you right here, Mr Chairman; you mentioned the last storm—

CHAIR—6 January.

Dr Keys—Yes, 6 January. I have no complaint with 2DU, for example, in terms of its carriage of the storm warnings at that time. There were a lot of complaints in the community about a lack of storm warnings.

CHAIR—According to Mr Mutton's evidence, that was more by good luck than good management.

Dr Keys—It might have been. I was not there and I am not able to listen to 2DU from Wollongong, obviously. But I am aware that 2DU carried the bureau's storm warnings. I am not making any complaint about 2DU's performance in that event; I am talking about the occasional general difficulty of getting emergency service announcements onto radio.

CHAIR—On that point, what we got yesterday in evidence was that, since networking has occurred, the nature of the broadcasts are very much generic and regional rather than town or small subregion or city specific. Is that your experience of that?

Dr Keys—I think it must be. I think if the broadcasts are coming from distant places there will be changes in the nature and quality of the broadcast. I think what happens now is that there are times when it is still highly local, as we have heard, and there are times when it is not. We have really got coming out of regional radio stations now two different styles of broadcasting.

CHAIR—You made a criticism earlier in your comments about the ABC which surprised me. Let me preface my remarks by saying that I come from a tropical area so my experience is in a tropical cyclone context, not so much in floods and bushfires. I have found the ABC extraordinarily focused, to the point of their cutting out the state feed from Brisbane, even at the least sign of a cyclone, and going online from the local station 24 hours a day, if necessary, right through the night, rostering all of the staff and newsreaders on a 24-hour roster. When cyclones and things have struck it amazes me the extent to which the ABC announcers and cameramen go out into the storm, I think, very much at their own peril. That seems to work like a very well oiled machine. Why is it that in other states it does not cut in for floods and fires in much the same way?

Dr Keys—I think you may be misinterpreting some of the things I am saying here.

CHAIR—What is the deficiency in the ABC you talked about?

Dr Keys—It often does work in the ABC and in the commercials, to use your term, like a well oiled wheel. Sometimes, however, it does not. I have heard of cases in the ABC—and I was talking to an ABC journalist here this morning at morning tea—where they are not sure when and how to break in. The ABC is networked just as the commercials are networked. The same difficulty—it is generic in a sense—applies in both cases. That is not to say that all radio stations fail all the time to broadcast emergency messages. I am not saying that. I am saying that it often does work extremely well, even under the circumstances that we are talking about. My point is that the system now is almost certain to create more instances of it is not working well, and this is a little bit dangerous.

CHAIR—I see. Are you talking about a rigidity in management in ABC New South Wales?

Dr Keys—No, I am talking about networking. The word 'localism' has been used. When a radio station or a television station is wholly local all the time it is very easy to get to from an emergency management point of view. It is easy for emergency managers to build up a networking culture with their local people. When that localism is lost, some distance is created and an impediment is placed in the way of communication. That can be resolved by good procedures—making sure the emergency managers have the phone numbers of the parent station, be it 2SM or whatever it might be. But there is an impediment there which creates the potential for things to go wrong more often in this communication than previously was the case. That does not mean it is always a complete mess. It is not. It often works very well. But there is a problem developing with it.

Mr MOSSFIELD—Dr Keys, you were touching close to home when you mentioned the Hawkesbury-Nepean River. I am a bit worried about this 1869 flood with 40,000 potential fatalities. I live in western Sydney. We had a fairly fierce windstorm a couple of weeks ago, with a lot of damage. Charity begins at home. What arrangements do you have with the major networks, which in fact do reach out into some of these country areas, to broadcast storm warnings and other emergency warnings? Is there a structured arrangement whereby you communicate with these networks and they get the message out?

Dr Keys—Yes, there is. We provide, via media release, information to them about, for example, the height which a coming flood will reach; what it will mean in the areas around a particular gauge, say, Windsor, on that river; and what people should do. Our media releases go to the radio stations in general, but I would not want to promise that we would get to every tiny little community FM. That is nearly impossible. Like everyone else, we have limited staffs and limited ability to till the vast number of media organisations that now exist. But, yes, we do have a means of getting the stuff out and we till those relationships as best we can. Often I think we probably do it better in the regional areas than we do in Sydney. The Sydney media industry is a harder animal to grapple with, shall we say—there are many stations, obviously—than the media industry in, for example, Dubbo.

Mr MOSSFIELD—Have you got any criticism of the city media in relation to their broadcasting of your warning signals?

Dr Keys—No, not specifically. I cannot point to cases where—

Mr MOSSFIELD—Are there no examples of where they have let you down, where they have not broadcast the—

Dr Keys—No, I do not know of any off the top of my head. That is not to say there are not any. You need to know, I think, that it is difficult to monitor the media when you are very busy trying to manage a flood. There is a whole heap of it out there. I do not ever know precisely what is said by way of the broadcasts of the warning, so it is difficult for me or anyone else in my organisation to answer your question specifically. I think the bigger problems, though, are not in Sydney; they are out in the regions, where localism no longer exists to the same extent it used to.

Mr MOSSFIELD—I appreciate that. Thank you.

Mr HARDGRAVE—Mr Keys, thank you for your submission and for the points you have made. Have you or your organisation any examples of the way things work overseas, for instance? Sometimes making comparisons with other places is very important. Do you have any examples of how emergency messages are transmitted in other countries, say in America for instance?

Dr Keys—Yes, I do. There are examples of better practice and poor practice in America and elsewhere. The Americans, as I understand it, do very well in the context of tornadoes. That has a bit to do with the considerable experience they have of that particular hazard. I do not know that as a statement of average I could say that, generally speaking, America, Canada, Europe or anyone else does this necessarily better or worse than Australia. They are subject to many of the same pressures from organisations like mine and from institutional pressures with regard to the operation—

Mr HARDGRAVE—Can you qualify that at all? Could you provide to the committee—I do not necessarily expect you to have it at your fingertips—any follow-up information to show how that particular example of the tornado warnings is handled, with a particular emphasis on who has control of getting the warnings out? Do you have any evidence you could gather on that? It strikes me that this whole matter of getting warnings out in times of crisis is so important. This relates to the sort of philosophy flowing through America in the Cold War era. I was not in America at the time, but it seemed to me there were all these sorts of national warning systems and everyone was told to duck and cover and all those sorts of things. It strikes me that the Americans tend to say, 'Take control.' In other words, even if there is an automated radio station going to air, it is the emergency networks that tend to demand an interruption to take control. I am wondering if you can quantify if there is information to show what happens in that country and that circumstance.

Dr Keys—I cannot easily give you anything concrete.

Mr HARDGRAVE—Can you make an effort to try to find out?

Dr Keys—That is difficult from here. What I would have to say on that would be comments I have had made to me in conversation with North American emergency managers who have suggested to me that what we should be seeking, for example, in the context of the Hawkesbury-Nepean is some sort of separate communication facility. I think he means an emergency radio network.

Mr HARDGRAVE—Like 2SES FM, for instance?

Dr Keys—Yes, that is very well named.

Mr HARDGRAVE—Like tourist radios all around the state. There seem to be tourist radios in umpteen hundred towns. Do you need a narrowcast licence frequency made available to the SES? That is actually where I was going to take this question.

Dr Keys—I would say, definitively, no. I have no idea how an organisation like mine would manage such a thing, nor would I want to say that we will nominate a particular radio station in each place, which has been suggested. It has been suggested that we should nominate 2DU in

Dubbo or 2BS in Bathurst or whatever in wherever. I think the way for us to go is to have a robust system of guaranteed communication through the existing system rather than try to create a new system which would be utterly unviable. The SES does not need to communicate every day, and nor does any other organisation of an emergency nature, with people who are under some threat. It is a fairly occasional thing. I do not know what we would do between times. We would never get people to switch off 2BS or 2DU to the station anyway, in my view. I do not think it is practical from an operational point of view or, shall we say, from a public consumption point of view.

Mr HARDGRAVE—Fine, but it is certainly an alternative.

Dr Keys—And it has been raised.

Mr HARDGRAVE—The last point I want to make is this: who has control of this circumstance? You said just a few moments ago that because you are too busy trying to manage a flood you are naturally not monitoring the media to know whether or not the warnings you have sent out in good faith have in fact actually been issued. That in itself becomes part of the flood management difficulty, I would submit—and you readily agree by nodding.

Dr Keys—Yes.

Mr HARDGRAVE—We have so many hard drives in radio stations—they are no longer disk jockeys; they are hard drive jockeys, we have decided, I think. There is all this technology available which station managers can use to monitor what is going to air and to interrupt, as we were told yesterday in Tamworth, the broadcast of a program if necessary from the comfort of their lounge room. So this technology is available. Is there in fact a necessity to enforce your importance in a flood crisis or a bushfire crisis? I still have a chilling feeling every time I hear a cyclone warning put to air. Does the SES say, 'If we can't rely on the stations getting it out, we're going to hit a button and, no matter what is going to air currently, every station will issue a warning'? Is this the sort of use of technology that might be of some assistance to you? Have you thought about those processes?

Dr Keys—You would confer with that sort of thing an enormous power on organisations like the SES which I would be very hesitant about. I do not seek what I would regard as a sledgehammer solution to the problem. I think there are other solutions within our grasp which are simpler, less likely to be intrusive and less likely to start World War III than that one would be. I think they have to do with a small amount of regulation to give some sort of guarantee to accredited organisations and an effort on our part to make sure we communicate appropriately with the radio stations. I have already admitted to some deficiencies in our industry in that regard.

Mr HARDGRAVE—Mr Keys, I am not advocating that as a solution; I am simply trying to provoke some discussion on it. It strikes me that the enormous power you do not seek has to then be balanced against discussion about the enormous responsibility of ensuring a message that is so important is actually broadcast. It strikes me that part of your problem in handling a crisis is made worse by currently not having any guarantee that a message is broadcast. I guess that is why we welcomed your submission.

Dr Keys—I am saying exactly the same thing. I guess what I am saying is that we could have a less serious solution than the one which you propose arguing devil's advocate, which I think you are.

Mr HARDGRAVE—Thank you.

Mr MURPHY—Dr Keys, you picked up on the point Mr Andren made about the pronunciation of certain words. He gave the example of 'Canowindra' and Can-ow-in-dra. How important do you think that is in relation to an individual broadcaster talking to an audience in relation to putting the emphasis on the wrong syllable?

Dr Keys—Yes, it is hard to mispronounce Lowe or Strathfield, isn't it? I would not want to say this is a point I would go to war on. I am talking about the credibility of message reading or giving when the person who wrote the message is not the person who is reading it. It is important to the extent that mispronunciation or garbling of a message, editorialising it or truncating it reduces the integrity of the message and damages the understanding that the recipient has or the confidence that the recipient has in the integrity of the message. I would not want to take it any further than that. The repeated mispronunciation or garbling of such messages will do damage, however, and it is more likely to happen if non-locals or non-schooled people are reading it.

Ms LIVERMORE—Dr Keys, I hope I am not taking this off on a tangent, but I was wondering about the interaction and whether there was any formal interaction between your service—as you say, the lead agency in a crisis situation—and the Bureau of Meteorology. Is it the case that you would have a statement from the Bureau of Meteorology going to a regional radio station and one from the SES? Which one do you read? How does that all work?

Dr Keys—With a bit of complexity, but we have worked a few things out to get rid of the worst of that complexity, and this comes back to an earlier question the chairman asked about Dubbo. In the context of storm warnings, the bureau and the State Emergency Service in New South Wales have put together a pro forma for the broadcast of a warning of a storm like the one that hit Dubbo on 6 January, which 2DU carried. The message is a page of fairly generic words with gaps to put in the right region and to put in the nature of the storm, because not all storms are the same. Some of them are thunderstorms, some of them are heavy rain, some have hail, some have wind, some have all three or two of those three. So the message has a capacity to put in where the thing is going to hit; over what time frame, which cannot be pre-logged, of course; and what will be in the event.

There is then an SES component at the end which is often truncated and not read, I believe, although I have only heard a minority of these, which says that the SES advises that you do A, B and C, which will be different advice in a hailstorm as opposed to a heavy rainstorm. So we have fairly practised liaison with the Bureau of Meteorology with regard to storm warnings. In the case of floods, the bureau puts out a flood warning which says, for example, that in Canowindra the river is going to reach a height of six metres at midnight tonight. The bureau will say that. We broadcast verbatim the first part of the bureau's message. Then we say, 'The SES advises that that means the water will go into this street and onto that rural area. This bridge will go under, these roads will be closed, et cetera,' and that the people in these areas should do A, B and C by lifting property, preparing to evacuate, et cetera. So there is a degree of

seamlessness, I think, that has been achieved between the forecaster and the manager of the events which are being forecast, which, in our case, is floods and storms. I think—although I cannot speak for them—the Rural Fire Service would say the same about fire weather.

CHAIR—Thank you very much for that. It was a very interesting submission. Forgive us if our questioning was rigorous because we are detecting from day to day a real weakness in the transfer of information from emergency services to radio stations and from the radio stations to the public. Also there has been criticism of the quality of forecasting, or the generic nature of forecasting as distinct from detailed forecasting. I would like to thank you for your input today. I suspect we may have to come back to you before the inquiry finishes. I trust that you would make yourself available if we needed you again. As is normally the custom, you will receive a copy of the *Hansard* draft and five days from now you will be able to read your evidence on the Internet. Thank you once again for your attendance.

Dr Keys—Thank you, Mr Chairman.

[12.48 p.m.]

CAMPLIN, Mr Ronald Barry, Chairman, Bathurst Broadcasters Pty Ltd

COLE, Mr Philip Bruce, General Manager, Bathurst Broadcasters Pty Ltd

CHAIR—We will commence with you, Mr Camplin. Would you please state the capacity in which you appear before this committee?

Mr Camplin—I am Executive Chairman of Bathurst Broadcasters Pty Ltd, the licensee of 2BS and 2 BXS, and B Rock.

CHAIR—Mr Camplin, could you give us a five-minute overview of your submission, and then we will break into questions.

Mr Camplin—As part of our opening statement, I would like to play a short tape. It is only four minutes and summarises yesterday morning's program on 2BS, when we asked our listeners to comment on what they thought of the services we provide on 2BS and B Rock.

An audio tape was then played—

Mr Camplin—That is it. I suppose after listening to that you might believe that we are living with the angels, but I apologise for that.

Mr GIBBONS—The wonders of radio.

Mr Camplin—The preservation of localism in smaller regional markets such as Bathurst is dependent on the commercial radio broadcasters and on the commercial viability of those broadcasters. A recognition of this has been mentioned on several occasions today. While the growth of networking may or may not pose a potential threat to localism, it must be recognised that many regional operators have been forced into this position by increased competition within their markets. Again, I draw your attention to the 1984 Oswin report on broadcasting where he warned, 'new services in the form of independent licences may have a noticeable effect on localism through the effect on the overall general program service—that is, if revenues are reduced sufficiently so that neither the old nor the new station is profitable, program expenditure will invariably suffer and employment will be curtailed.' I think that is all I need to say in my opening statement.

Mr MURPHY—I have a question of you. How did you think this committee could help people like you in your industry provide an improved service for the community you service?

Mr Camplin—One of the most significant things that happened to us was the issue of section 39 licences. It took me 31 years to get that FM licence in Bathurst; I first submitted it in 1964 and we finally went to air in December 1996. But finally we got to air with our FM supplementary licence. This gave us the opportunity to diversify programming within our own community. Had there been a new independent competitive licence given in this marketplace, we would already be networked or sold to a network. But we managed to survive because we

were fortunate enough not to get that third licence in our market. We did get our supplementary licence. It has not made any difference to our revenue, because the revenue base in a market this size is finite and it does not matter how many more licences come into this market, there is no more revenue to sustain them.

However, the one thing I would like to say is that, even though in these small markets we are unable to sustain additional competition, that is not any reason why people in regional areas should not have the best possible program service that we can provide. I believe that there are ways that that can be done. I believe there are ways already in the act where that can be done. You may have noticed in your inspection this morning of our broadcasting station that we have two narrowcast services. They are very small, both of one watt in power. One is for tiny tots, under six. They can listen to *I'm a little teapot* and *Baa, baa black sheep* 24 hours a day. The other is a service for the over 65s. Again, it is only one watt. We would like to see the opportunity for us to extend those services. We would also like to have the opportunity of presenting a farm station. We also believe that there is a different need for teenagers. We would love to be able to provide those services.

Today, with the technology that we have available to us, these are service that we can provide. Mind you, there is no additional revenue available to us for these services. But we believe that we could sustain those services under the current organisation that we have. This is my view. It is not a general view. It is not something that I have submitted to my fellow directors on the FARB board. But I believe this is one way that we can increase and improve the services in regional areas.

Mr McARTHUR—I wish to raise two or three issues. Firstly, in your submission you talk about the competition from regional television. Would you care to run through that argument that the reduced price of television advertising has a major impact on your station?

Mr Camplin—Commercial radio is, firstly, an advertising medium, so it competes with every other advertising medium, including aggregated television, the local newspaper, the local cinema—every other form of local advertising, we have to put our hand up to compete with them. Our biggest competitor in this marketplace in the last few years has been aggregated television. As to what happened with television going from one locally controlled television station in Orange that covered the local region to three, which covered a huge area networking everything, including windows for ads, the net effect of that was that it went from nine minutes an hour of advertising to 39 minutes an hour of advertising. If the nine minutes were not filled on the local radio station, just like my radio station, you play another record. However, when you are relaying the advertising windows as well as the programs you have got to fill them.

What then happened was that instead of paying, say, $500 for a local ad on CBN Channel 8, with us being able to say, 'At 60 bucks, we're cheap,' today $500 can buy you many, many ads and we cannot compete in price. We had a letter this morning from one of our advertisers who advised us that in view of the rates on television they could no longer afford radio. Our rates are less than they were in 1990, when aggregated television was introduced, but we cannot compete in price with television rates. We compete in a different way today, saying, 'We're very local. You know where we are. We're in Bathurst and your customers will know where you are if you advertise on 2BS.' That has been reasonably successful. You may have noted from our submission that revenue on our radio stations has not moved very much in the last decade.

Mr McARTHUR—I will raise a couple more issues. I notice that the other radio operators are big conglomerates of 61 or 31 stations and you are operating—

Mr Camplin—I am a network of one.

Mr McARTHUR—How do you think you can survive with this family operated good station in that environment?

Mr Camplin—Provided we do not get any additional competition in this marketplace, we will survive. We do not have any other shareholders. My staff are my consultants. Most of my people have been with me for many, many years. I have two sons who are very keen on radio. So we believe that we will stay in the radio business as long as it is economically possible for us to do so.

Mr McARTHUR—Could I refer to your preferred outcomes? At least you have got some recommendations, as opposed to complaining about the problems. Could we just run through your submission, which mentions the reintroduction of the concept of economic viability to the BSA for allocation of new licences. Would you care to add a comment on how an authority might evaluate economic viability?

Mr Camplin—The reason that I put that in was that economic viability was in the original act, such that the ABA, the tribunal or the Australian Broadcasting Control Board—I have dealt with all of them over the years—had to take into account the economic viability of the marketplace. But in return they insisted on adequate and comprehensive coverage. When they took out 'economic viability' the industry argued that it was not fair to leave in 'adequate and comprehensive' within those marketplaces. I am not quite sure precisely what happened at that time, but viability was always a question that was taken into account when looking at new licences.

Mr McARTHUR—That was a trade-off for the comprehensive coverage?

Mr Camplin—Yes.

Mr McARTHUR—I guess that was to incorporate local content?

Mr Camplin—Yes. In those days, we were subject to enormous scrutiny. We would have a public inquiry. It would take us up to six months to prepare our submissions, which took me out of the marketplace. I would not like to see the return of public inquiries. They are an enormous amount of work for small operators like us.

Mr McARTHUR—Would you agree with Mr Andren that you ought to have a review of the operation of the licence holders?

Mr Camplin—Yes. If it happens, we will cope. We have coped with changes in the broadcasting industry. I have been in it now for 53 years and I have seen many changes. If that is the way it is to go, probably I will do it better than anyone else.

Mr McARTHUR—Let us move to the next recommendation, which is that no new licences be allocated.

Mr Camplin—That is our greatest concern. I know that my small company could not survive in this marketplace if we had a third licence. I am sure that third licence would be bought by one of the larger networks. They would be able to operate much more economically than we operate. That would make it very difficult and we would end up being either part of that network or sold to another one or being a mum and pop operation doing a terrible job in Bathurst.

Mr McARTHUR—How can you argue that in the parliament, though, if the market forces are saying that networking—

Mr Camplin—If you want an adequate and comprehensive service, if you want the kinds of services of localism, that costs money. If you want the people that you met this morning to be able to stay in their jobs—and we have kept them in their jobs, most of them—then we need to be economically viable and we will not if the market is flooded with more radio stations.

Mr McARTHUR—Your next one: a clearer definition of the role of community in narrowcasting licence operations.

Mr Camplin—Yes, this is of great concern to the industry in general. When narrowcasting was first introduced, we were very excited about it and we immediately applied for as many narrowcast licences in our markets as were available, including the low-power licences, in which we put tiny tots on one and now we have the over 65s on another. In Oberon we have the Oberon service and in Blayney we have a Blayney service. In Oberon even the council has it on their phone lines when people ring in. So we are very pleased with what we have been able to do. We have not sold an ad on our narrowcast services for three years. We sold one once. So it is not as though it is a profitable exercise for us but we think that it is very important as a service that we can provide for our community.

Mr McARTHUR—Finally, would you give us a comment on your assessment of—

Mr Camplin—Now, what has happened in our market in Dubbo—the station that Richard Mutton works for—is that there have been many complaints about that radio station to the ABA as acting as a pseudocommercial station. It operates as a small power local radio station with all the trimmings and trappings of a commercial service. It was licensed as a tourist radio station but plays music, competitions, local ads—whatever you like—and it has an ex-2DU announcer consulting for it.

Mr McARTHUR—My final question is: what is your view on John Laws being broadcast to the whole of rural Australia compared to your local programs?

Mr Camplin—Let me make it quite clear: John Laws is an outstanding broadcaster. I think the two broadcasters in my time that I look to being outstanding radio people are Jack Davey and John Laws. I do not have John Laws on my radio station because I had a very enthusiastic man at the time, Luke Bona, who is now with 2GB, say to me—20 years ago, was it, Philip?—'Boss, give me the opportunity and I will show you that, by talking local, I can beat John Laws.'

We were one of the first radio stations to have John Laws on air. We took an hour taped program in those days. Then John Laws went on to 2GZ and 2LT. He could be heard on 2UE so you had John Laws on four radio stations. I thought that was a bit silly and Luke wanted the challenge. So we gave it to him and it was one of the best things we have ever done.

Mr McARTHUR—So you are saying that if you are local enough and you are good enough, you can beat John Laws?

Mr Camplin—Yes, provided you can afford it.

Mr HARDGRAVE—Mr Camplin, what you have had to say in your suggestions as to the way ahead, if you like, about the commercial viability of the industry and the additional licences, it is not just true here in Bathurst; it would be something for considerations across the industry as a whole?

Mr Camplin—Yes, if I can just say something in DMG's support. I bought my first radio station from the *London Daily Mirror* in 1958. So what goes around can possibly come around. But DMG is operated by some of the best professionals in Australia. I sit on a board of directors with its managing director, Paul Thompson, and he is only concerned about presenting outstanding radio programs in his community. I can tell you—and Philip, who is our general manager, can tell you—that, in this marketplace, they are very competitive. They have more listeners in my marketplace in the under 25s than we have. That was our last survey, wasn't it?

Mr Cole—Yes.

Mr Camplin—We do not go for that audience anymore. They do it so well that our audience is concentrated on the over 25s.

Mr HARDGRAVE—Can I just ask again the question of the issuing of licences. Each time a licence goes into a marketplace, be it Bathurst, be it Sydney or be it Brisbane, it has an impact on the viability of the existing operators.

Mr Camplin—Absolutely. In these small markets, the advertising pie is finite.

Mr HARDGRAVE—But also in Sydney; would that be the case?

Mr Camplin—I did a little exercise for the Productivity Commission, which I think they have ignored, to show that in regional areas there is about one radio station for every 2,000 to 3,000 people. In city areas, there was one radio station for about every 87,000 people. I think that is a bit easier to operate.

Mr HARDGRAVE—So you are telling me that putting extra licences into the major metropolitan markets is not as big a problem as it is in the country areas?

Mr Camplin—We have more than doubled—trebled. We have gone very much more than that in our small market, and Bathurst is one of the growth centres in regional markets. We have a pretty good-sized football crowd in our town when compared with what they get in Sydney.

Mr HARDGRAVE—Sure.

Mr Camplin—We have about 30,000 people in Bathurst and about 40,000 people in our total service area. But I know that DMG acted within the law. The law allowed overseas ownership of radio. It did not allow overseas ownership of television or newspapers but of radio because there were so many frequencies. It has been a very good revenue raising exercise for the government. DMG have paid very big prices for their radio station licences and I would think that the only way that they could possibly get any return is operating the way they are right now.

Frankly, if I owned 60 radio stations, I would have to be looking at doing the same thing. I did a very similar thing when I owned three radio stations. We did not call it networking; we called it shared programming. We had people in every centre. I owned the station in Young—2LF; my company owned the station in Mudgee and we owned 2BS here. The only way we could economically operate those two smaller stations was to share programs. They had their own announcers there who did a program for the whole group in the afternoon and another announcer from Young did a program for the whole group at night, but we maintained the localism as far as we could for those markets.

Mr HARDGRAVE—How did you do that?

Mr Camplin—Just by landlining between the three stations.

Mr HARDGRAVE—What do you think of the way things have developed after 53 years in the industry? Have you got a view of the way the bureaucracy, the parliament for that matter and the cabinets understand the radio industry versus other forms of media?

Mr Camplin—FARB, of which I am deputy chairman, argued very strongly for the supplementary licences and finally, after many, many years of submissions to both governments, we were issued with a supplementary licence in most of our markets. We think that it was folly to issue the third licences in small regional markets. Second licences failed in Geelong, second licences failed on the Gold Coast, second licences failed in Shepparton and, eventually, they were all merged into the one. They were much bigger markets than Orange and Dubbo, where we have got third licences now, and I think that has to be looked at.

Mr HARDGRAVE—But has radio been a bit of an experimental form of media?

Mr Camplin—Absolutely, absolutely. I think radio has been the one, because there are so many frequencies available in radio, that they are able to experiment with. I would very much like you to consider that you would experiment with radio with digital. We are very keen to be looking at the digital era. FARB has a very strong proposal to the minister for communications and I support that FARB policy for moving into digital and providing regional areas with digital broadcasting in the future. I hope that it does not take us as long to get that as it took to get my FM licence, because I will be over 100 years old.

Mr HARDGRAVE—Could you also just briefly give the committee an understanding of how radio works as far as its relationship with its listeners is concerned? We have heard the words ‘personal’ and ‘intimate’ and all of that.

Mr Camplin—Look, we like to be involved. It is not just local ads and local community service announcements. I think last year we gave over $1 million worth of community service. It was very close to the amount of total local revenue we wrote in the value of community service. We like doing it. It involves us very closely with the community. But it is also being there. Phillip is involved with the SES here and has meetings with the SES on emergency planning. I am chairman of the university's foundation. I am a past president of Legacy, of which I was a ward when I was a child. I am the patron of the Bathurst eisteddfod, et cetera. Other staff members are involved in all means of local organisations, and that also adds to localism. I think local employment is terribly important in regional areas. I am quite sure that DMG is offering a very good radio product. I think where it is probably getting the adverse reaction is in less local employment in some areas. But that is not something that I want to comment on or judge.

Mr MOSSFIELD—You have raised the issue of digital radio. One of the independent operators who appeared before us yesterday expressed some concern about the cost of introduction of digital radio. I think his recommendation to us was that it possibly should be delayed somewhat, that it could be a major hurdle for small operators. Do you have comments on that?

Mr Camplin—I think we should be given the opportunity to decide ourselves in a marketplace. My people would never forgive me if I delayed digital radio. We were the first station to go AM stereo and I was the only one on my broadcasting station who voted against going AM stereo. Eighteen of my staff said, 'We want to go AM stereo because it's new; it's exciting.' AM stereo never really got off the ground in Australia, but it was very successful in Bathurst because they believed in it.

Mr MOSSFIELD—Would you support Mr Andren's view of a prescriptive solution to radio in the bush? I think he is advocating a pre-1992 position, which would need a fair amount of government intervention, I guess, and legislation. How do you feel about that?

Mr Camplin—I feel very strongly against that. I believe that we have co-regulation working now with the ABA. We spend an awful lot of time at a FARB level on our codes and practices—probably more time than on any other issue. I think perhaps FARB has already commented to you on that, but I would not like to see any further regulations into the broadcasting system. However, if they come we will adapt.

Mr MOSSFIELD—You have made some reference in your submission to a local emergency manager/officer. Also you have listed the telephone numbers of your senior executives, which I think you are to be congratulated for, because you obviously have a structure in place to handle any emergencies. Could you tell the committee who the local emergency manager/officer is? Who employs him?

Mr Cole—In Bathurst we have a local emergency management committee. They meet every two months. Their next meeting is on 20 February. I am the media liaison officer on that committee. There are representatives of SES, police, fire, ambulance, hospitals—you name it, they are all there. Basically there we look at the plans that are in place for emergency services in Bathurst. Exercises are scheduled where necessary so they can be carried out to make sure our routines work when they need to. We have a great relationship with the police and the SES here,

so they just call where necessary. Our list of priority contacts is me first of all and our breakfast announcer on 2BS second of all, and one of our other announcers is the third priority. So they can get hold of us whenever they need to.

Mr MOSSFIELD—Who is the convenor of this local emergency management committee?

Mr Cole—We generally hold our meetings sometimes in this room and sometimes in the council chambers. It is probably more under the auspices of Bathurst City Council.

CHAIR—I want to explore this matter of regulation. When you say that you do not want regulation, are you saying that you would not favour a return to the pre-1992 licence justification?

Mr Camplin—Of the open inquiries—

CHAIR—I am not saying it in exactly the same form, but that periodically a station has to be able to justify its links with its community.

Mr Camplin—I think you have to do that all the time. I still believe that I have a licence that is—

CHAIR—With great respect, not all radio stations are like you, not all of them are family run and not all of them are so close to their community. As you know yourself, some people will push the envelope as far as they can. What we want to know is this: what mechanism of regulation is appropriate in assessing whether a station has fulfilled that clause in the act that we had read to us by Mr Andren and read to us yesterday? What sort of rigour should be imposed to make sure that that is being observed, not just in theory but in practice?

Mr Camplin—I find it difficult to comment about other operators. Please understand that we are very competitive—

CHAIR—No, I am talking in generalities.

Mr Camplin—All right. I think that we were asked to give a trade-off. I was not happy with some of the changes in the act. I was not happy that radio was singled out to be bought by overseas owners, but we went along with it. I was not happy at all that viability came out of the act. I was not happy with the ABA's interpretation of demand for new licences. We always believed that to be demand from within the community; however, the ABA took it to be entrepreneurial demand and anybody from outside the community could apply for a third licence in the market if they put their hand up. These were the trade-offs that we were given: you will have less regulation if you have more competition. We have more competition and now the suggestion is, 'Okay, you've got more competition. We're going to bring back more regulation.' I find that very disconcerting.

CHAIR—Okay. So you do not believe there should be any justification of licence? The either/or is that if there is no rigour you have to accept a world of laissez faire.

Mr Camplin—If that was the case, I would not be in business long. There is competition. If you ask any local businessman what industry they get most representatives through their door from, he will say from the advertising industry—the commercial radio industry, the commercial television industry, the newspapers. They are there far more often than anybody else serving the local industries.

CHAIR—Mr Hardgrave wanted to pursue this matter.

Mr HARDGRAVE—Mr Camplin, this morning we heard a suggestion from the local federal member that having a broadcasting licence should be a privilege, not just a right. I think the chairman has really tried to push that point. How do you view that?

Mr Camplin—I believe I am the most privileged man. I am probably the luckiest man you have ever met. I have the most beautiful wife. We live in a beautiful house in a beautiful city and I have radio licences. What more would I want? I am privileged, and I agree with that.

Mr HARDGRAVE—In your case—and your submission backs this up—you have a lot of support from right across the community. I heard the phone calls that you took yesterday that admire your approach. It is not hard to tell having visited your station this morning that there is a great sense of urgency about your local community. But, as the chairman rightly pointed out, we have 300 submissions from around the country and so many of them say that you are a real odd one out. You are vice-chairman of the Federation of Australian Radio Broadcasters, an organisation which represents the body of radio stations in Australia which are providing a service that a lot of people from a lot of walks of life are saying to us are not providing a service, that they are not being accountable to their local communities; they are more accountable to their shareholders. Where do you stand on that side of the argument?

Mr Camplin—If old regulations are brought back, we will live with that. The one thing we cannot live with is additional competition within our marketplace. We were told that if you have all this additional competition then there will be no need for all this regulation and you will have co-regulation with the ABA. I think it is a little unfair now that after all of that has happened we are to be re-regulated, but I will accept it.

CHAIR—I pick up Mr Hardgrave's point again. You are doing it. Witness after witness has told us that running the station on local content from 5.30 or 6 a.m. till 9 or others from 6 a.m. till 12 noon is not satisfactory. What do we recommend to the government to get even the rudimentary aspects of localism back into the system?

Mr Camplin—I do hope that you recommend to the government that there will be no new licences in regional markets. I do hope you take account of the many regional stations that are still out there who are local, like ours, like 2DU Dubbo that is part of the Caralis group, remember. They are on live every night until midnight. Reg Ferguson, who is the general manager, has been up there for 50 years running that radio station. There is the Janet Cameron group of stations; you know Grant broadcast as well. I believe one of them, or two of them, are in your marketplace. There is Kevin Blyton of Cooma-Canberra; there is the Ace group; there is Deniliquin and 2LT Lithgow. There are still lots and lots.

Mr HARDGRAVE—But how do we take the standard that they have maintained back into the broader industry? That is our dilemma.

Mr Camplin—I do not know whether I am answering your questions properly this morning, but I am sure that if you tune across the band today, there are far more radio stations in regional areas than there were many years ago. That makes it very difficult.

Mr HARDGRAVE—But are they broadcasting local content after 9 a.m. and after 12 noon?

Mr Camplin—Many of them are not, because that is an economic necessity. We have done it a different way. You saw some of the equipment that we have, but I have had to reduce the staff at 2BS from a total of 34 people employed on our radio station in 1990 to—what do we have today?

Mr Cole—About 20: 16 full-time and four part-time.

Mr Camplin—See, we have done the same. We could not economise through networking, but we economised in a different way.

Mr HARDGRAVE—But with the economics of the industry—the cost of providing the local service versus the cost of just simply pumping out something through a stick that you happen to have the licence to pump through—there is this cost-benefit trade-off, isn't there, all the way through?

Mr Camplin—Yes.

Mr HARDGRAVE—What you get back for what you have sent out.

Mr Camplin—Yes.

Mr HARDGRAVE—Can you make a real dollar out of a community that you are not actually focusing in on? Can you actually just provide a city radio in the bush without any connection? Can you really make the money that you need to justify having that licence or do you have to be very focused on your local community listener and drive yourself that way?

Mr Camplin—I would think you would have to ask DMG that question.

Mr HARDGRAVE—But you are an industry professional with 53 years experience.

Mr Camplin—I know that my friend and colleague Paul Thompson spent a lot of time in all of the local markets that he controls, or DMG controls, and he believed that this was the best way to do it. Paul is very conscious of the people in the marketplace and I think he could provide you with the information you require. I know that the last ACNeilsen survey that we did in conjunction with DMG stations in this area showed that local commercial regional stations in this area commanded almost 80 per cent of listening. So they must be doing something right.

Mr HARDGRAVE—Thank you.

CHAIR—That has been a fascinating presentation, as indeed is your whole operation, and we thank you for both your hospitality and your willingness to appear before the inquiry, if not to answer my seminal question.

Mr Camplin—Did I miss one?

CHAIR—Yes, I am sorry.

Mr Camplin—Do you want to try again?

CHAIR—No. However, it brings to a conclusion a very interesting period at Bathurst. We are seeing in this part of New South Wales—the central west and the north of New South Wales—certain themes emerging which we will now start to test in Queensland and elsewhere. So to the extent that you have contributed to that, we are most grateful, and we trust that we can come back to you if we need any further information.

Mr Camplin—Yes.

Mr St CLAIR—Can I just make another statement?

CHAIR—Yes, Mr St Clair.

Mr St CLAIR—Just so that it is on the record as to why we all get frustrated, I would like to say this. This hearing was held in Tamworth yesterday, as many of you would know. Prime Television in Tamworth have just now announced that they will not be having local news on Saturday night and Sunday night. The insensitivity of a lot of the broadcasters is really quite amazing—to have a public hearing there one day, the next day we have got the local television saying, 'We are not going to have local news.'

Mr Camplin—Chairman, may I on behalf of my company thank you and your committee for giving us the opportunity to put forward our case.

CHAIR—Thank you. May I express my thanks to members of the media, to the public gallery, to witnesses who appeared before us today and to the Bathurst City Council.

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

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

Committee adjourned at 1.34 p.m.