



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**

TUESDAY, 13 MARCH 2001

PERTH

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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**HOUSE OF REPRESENTATIVES**  
**STANDING COMMITTEE ON COMMUNICATIONS, TRANSPORT AND THE ARTS**  
**Tuesday, 13 March 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, Mr Jull, Mr Mossfield, 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.

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**Committee met at 8.00 a.m.**

**CHAIR**—I declare open the 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. This inquiry has generated strong interest across Australia. We have received approximately 270 submissions. They have come from relevant Commonwealth and state government departments and statutory bodies, peak industry associations, commercial networks, independent broadcasters, the community radio sector, shire councils, SES organisations and many individuals.

The importance of radio services in regional Australia cannot be underestimated. For many people it is their first source of information in times of flood, bushfire, cyclones or other emergency situations. It plays a critical role in relaying information to those affected by the crisis. It is highly valued for the entertainment it provides. It is portable and relatively inexpensive. But more than this, radio has qualities of immediacy and intimacy that are unique to it, and for this reason these qualities are central to our inquiry.

Changes in the regulatory environment brought about by the Broadcasting Services Act 1992, together with technological developments, have led to substantial changes in the ownership and delivery of radio services across Australia. We have just returned from Darwin and Geraldton. We are pleased to be here today in Perth and to receive four different sets of witnesses, whose contribution we believe will be valuable to our inquiry.

There has been some comment in Western Australia about why we did not go to other centres. We chose the centres according to both geography and the types of submissions we received and to get the flavour of communities of various sizes. We always try to get to a couple of provincial cities in these inquiries and even communities the size of Barraba, near Tamworth in New South Wales. Today we will be going to Walpole, near Albany. So, from the capital cities right through to the smallest country towns, we will get an idea of the part people believe radio plays in the fabric of their community life. On that note, I call to the table the representative of the Western Australian Department of Commerce and Trade.

[8.05 a.m.]

**SCHERR, Mr Daniel, Broadcasting Policy Officer, Office of Information and Communications, Western Australian Department of Commerce and Trade**

**CHAIR**—Welcome, Mr Scherr.

**Mr JULL**—Mr Scherr has an association with us in Canberra. He used to be with the American embassy as the cultural attache.

**Mr Scherr**—That is a past life and possibly relevant to this.

**CHAIR**—Thank you. Would you give us a five-minute overview of your submission? Then we will do the rest by interactivity.

**Mr Scherr**—What I had planned to do for my opening statement was just to highlight some points from our written submission. Hopefully, that will lead to other questions and comments, and I have a briefcase full of resource material in case I cannot answer a question, which might very well happen. Let me point out first that the Western Australian government is, of course, pleased to be here to make this presentation, as we have been throughout.

Our history in the Office of Information and Communications includes the facilitating of convenient and affordable access to all forms of broadcasting, television and telecommunications to all people and businesses throughout the vast area of Western Australia, and that is why I am here. I am here on behalf of the people of Western Australia. As you no doubt have noticed, there is an unequal distribution of broadcasting services throughout the country. Large populated areas are well catered for with a diversity of services, but the regional and remote areas have access to only limited services—often with very little content that is local. Market forces, together with vast distances, prevent the diversity of services in remote areas from being profitable, and they strongly limit the provision of local program content.

Broadcasting has been especially important in the state of Western Australia because of its geographical isolation, both from the rest of Australia and the world. Western Australia represents approximately one-third of the Australian landmass and the population outside the metropolitan area of Perth is relatively small. It is unevenly distributed and it is characterised by a lack of services compared with the metropolitan area. In non-metropolitan WA, 2.5 per cent of the Australian population produces over 26 per cent of Australia's export income. As well as social equity, there is strong economic argument for ensuring that these isolated people have equitable access to services, including broadcasting. This scattered population has critical need for information, education and entertainment which can be satisfied by broadcasting. They lack the array of metropolitan alternatives, such as, theatres, art galleries, TAFE colleges, universities and much more.

We seek no special treatment or legislative arrangement for Western Australia. What we have delineated in Western Australia can be replicated in most other states and territories to various extents. Our submission and my testimony are based upon our office's 15 years of work in

attempting to bridge the gap between city and country. The Department of Commerce and Trade's Office of Information and Communications and its predecessor offices have produced numerous documents to reinforce our long held argument that all non-metropolitan people should be able to affordably and conveniently receive a reasonable suite of radio services. Among the things that we have done and things that we have appended to our original submission were a 1986 report by Dr Brian O'Brien on radio services in regional and remote Western Australia and a 1997 statewide communications audit on the needs of regional Western Australia. We have contributed to numerous ABA licence area plan submissions, the Mansfield inquiry into the ABC of September 1996 and the Productivity Commission's inquiry into broadcasting, et cetera.

We laid out the principles in our submission and we summarised them in seven or eight points. I will repeat them and then you can question me about them. They include the following: that broadcasters must adhere to a universal service obligation; that the Minister for Communications, Information Technology and the Arts should issue a directive for more ABC services to fill the gaps in Western Australia; that the ABA should be given adequate resources to perform its tasks speedily and well; that resources should also be increased for the Community Broadcasting Foundation, for ATSIIC and other organisations that provide service to indigenous audiences and other groups; that the ABA, or else the minister, should enforce the historic recommendation of migration of television services from VHF band to UHF; that digital radio broadcasting by satellite be introduced as soon as possible; that communications impact assessments should be an integral part of introduction of and changes in technologies, administrative actions and legislation; that changes to direct to home satellite arrangements should be subject to the approval of the ABA; and that the Department of Communications, Information Technology and the Arts black spot program should be expanded to include reception of radio services.

We have long sought a basket of services and we think it should include at least 10 services in Western Australia: the five ABC services, one or two communities, up to three commercial services, and SBS radio. Looking at it in another way, there should not be a locality of more than 200 people in this state that does not have access to such a basket. Ten services is less than half the Perth total of 23 but a significant improvement on the typically current two in most towns and up to only six in the larger centres.

In Western Australia, only a minority of towns have their own commercial radio station and those receive the network program for most and, in some cases, all the time. This denies local companies the opportunity to advertise on radio. Of 154 towns outside the metropolitan area, only 10 have community radio stations on the air. ABC is highly valued and reasonably widely available but still there are places where none of the ABC services can reach. There is a dearth of services that focus on regional and remote Western Australia. In the south-west, television services on the accepted FM band eat away at a major chunk of spectrum that could be allocated for local services that would be relatively inexpensive to establish and support.

Those are my opening comments. I would like to make a correction to the written submission that we made. We said in the statement that 700,000 of the state's 2,500,000 square kilometres do not receive any radio services. That really should be that 1,750,000 of the state's 2,500,000 square kilometres, or 70 per cent of the landmass of the state, do not receive any radio services.

I apologise for that error. That is repeated twice in our submission and I apologise for that mistake.

**CHAIR**—Mr Scherr, thank you for that. I do not want to bog down in too much detail, but you have talked a lot this morning about the number of inquiries you have put submissions to. What has your feeling been? Has there been good response to what you have said?

**Mr Scherr**—I think over the years we have been very successful in responses.

**CHAIR**—Give us an example.

**Mr Scherr**—For example, we have long badgered the ABA about community licences and temporary community licences. A couple of years ago we submitted to them that there should be a much easier way for aspiring broadcasters to receive temporary community licences—this was 2½ or three years ago. The ABA relented and now it is much easier for an aspiring broadcaster to get a temporary community broadcasting licence. That is one of the things in radio. While that has not really opened the doors in Western Australia to community broadcasting, it has made it easier for us to work with community licensees.

**CHAIR**—Let me cut to the chase of what we have heard so far, that there are vast areas of the eastern inland of the state with medium levels of population that have little or no radio at all. We spent yesterday in the Geraldton area and when you get just beyond the outskirts of Geraldton with seven immediate shires, you have virtually got no radio. There is also a resentment there of the satellite services that come out of Karratha—they do not believe that they reflect the regional aspirations of that community.

We had a similar story in the Northern Territory. One of the things we were investigating yesterday was: what would your reaction be to some form of regional licence? By that I mean where a radio station could put in a number of transmitters and they would have to demonstrate—with reasonable lack of bureaucratic interference—that they were not going to cause spectrum or transmission difficulties in other areas. For example, Batavia Radio is about to open an AM station at the end of the month at Three Springs. The suggestion was that perhaps Meekatharra might be a good location for another commercial outreach of that station. What is your view on the idea of some sort of regional licence?

**Mr Scherr**—Going back in history, we worked with the group in the mid-west region several years ago to set up a radio station of sorts. For various reasons at the time they chose to go with a retransmission of a Perth station, which led to the current situation. Fortunately, they have had a white knight come along, in the form of Batavia Radio, to help them out of the situation.

**CHAIR**—That is a two-edged sword.

**Mr Scherr**—It is, absolutely.

**CHAIR**—To put three FM services—what was originally an AM and then two FMs that became three FMs—into one small community was doomed to failure from the outset.

**Mr Scherr**—That was a problem that we saw at that time.



**CHAIR**—In fact, that has been a criticism that we have encountered in other states. An example given to us has been Mackay, with about 80,000 to 100,000 people and four licences, whereas in the city of Sydney, when you take out the specialty licences you only have 10 licences for the whole city. So you have 400,000 people per licence in Sydney, but only about 20,000 in the Mackay area, and people make a living out of that sort of thing.

The other thing we have found here is that there is some resentment of the fact that Karratha advertising dominates right down to the Geraldton area but it has no relevance to the local community.

**Mr Scherr**—We found in talking to the communities around the state that relevance is quite important. We have not done the studies, as perhaps the communities or the businessmen may have, on the economics of it. But certainly localism is important for the benefit of the community. A regional station is one that they will identify with. You will see an example when you go to the south today of the people in Walpole trying to get a station closer to them beamed in there. If it can work out, with the rigours of the ABA, the spectrum clearances and all those things that we have to go through, a regional licence might be a very good idea. It started to work in television until the stations became aggregated. The people in Western Australia to a certain extent recognise the regions. There are nine regional development areas and, as far as the government is concerned, we work to those regions and we try to reinforce that regional outlook. So if some kind of licence can be worked out along there that is viable, that has spectrum and that meets the needs of the community, we would be happy to support that.

**Mr JULL**—In the part of your submission on community licences you are talking about localism. I think you suggested that, in the 154 towns outside metropolitan Perth, there are only about 10 of these community licences. Can you tell us the history of that? Is it that 144 towns could not get enough money together to maintain a community licence?

**Mr Scherr**—A lot of that is true. When I talk about 144 towns in Western Australia, those are towns with a population of over 200. If you look at the population figures in Western Australia you will see there is a surprising number of them—I have a chart here that can give you this information. So there is a large number of very small towns which do not necessarily have the population base that can support a community radio station. The stations that have started and been successful are, for example, in Newman, which was started as an outgrowth of the Mount Newman mining company, and in Albany, which is a big small town—it has a population of about 20,000. A majority of the towns that we mentioned—168 of them—have populations anywhere from about 200 to 1,000. That is not a very big base. And once you start a community radio station, you have to have volunteer input. As with anything else in a small community—and I do not have to tell you guys this because you are all from much smaller communities than I am—you know that if a factory closes or a bank closes you lose a number of the volunteers in that community. Also, it is just very difficult to get things going. Finding frequencies is not that difficult if you are going to start it on an AM band, but it is going to cost you a lot of money. If you want to go on the FM band, then you have to find a frequency. There just has not been the excitement and enthusiasm to get it going.

A lot of the effort in community radio in Western Australia has been expended in the Perth metropolitan area where a growing number of smaller stations are coming out in the suburbs, but it has not extended out into the non-metropolitan area. The state government has a program

called the information and communications services development project, which had been giving money to communities to retransmit SBS television. We have given over \$180,000 to over 20 communities so they can have self-help retransmission of SBS. What we have been thinking about in the office, with the new government and budget coming in, is to use some of this fund to help community radio stations get off the ground. We have given some information to a couple of fledgling community stations, one in Lancelin and the other in the Manjimup area, to look and see if they want to do that. So it is slowly working.

In Western Australia we also have the Westlink satellite service which is run by the agency called Contract and Management Services. Westlink is a satellite television education program that uses the Optus B3 satellite, and on one of the transponders on that satellite is Radio for the Print Handicapped. So anybody with an Optus B3 dish and satellite converter can get the Radio for the Print Handicapped service. What we are saying to communities is, 'If you want to start a radio service, here is the core of it. You can get it down off the satellite and for several thousand dollars you can have the beginnings of a service.' But it is a very hard slog for communities to get going unless they have got devoted volunteers—people with a lot of time and a little bit of cash too to get it going. It is a hard slog.

**Mr JULL**—But the Western Australia government is prepared to put up some money?

**Mr Scherr**—We are talking about it. We had budgeted for it but, as you know, we have a new government and the priorities may change a bit. But this is something that we are very interested in doing.

**Mr JULL**—In your work, have you determined what you believe an average operating budget would be for these community stations?

**Mr Scherr**—I have not but I think the figures run at about \$50,000. That information would be best obtained from the CBAA or the Western Australian Community Broadcasting—

**CHAIR**—Is that an annual operating budget?

**Mr Scherr**—Yes, but that is a very rough figure and I would not want you to hold me to that.

**CHAIR**—What about capital?

**Mr Scherr**—We figure that \$40,000 is probably the capital starting figure.

**CHAIR**—What radius would that have?

**Mr Scherr**—Probably only about five kilometres. It is not very strong. But, again, please do not hold me to those figures. You might want to interrogate Mike Thompson from the CBAA who will have a much better figure for it. But we know that if we gave them \$10,000 or \$20,000 then once they are at least temporarily licensed they can get up and rolling pretty well. It would only be a one-time grant. They have to make up for it on a year-to-year basis.

**CHAIR**—If you were looking at giving them the capital grant, you would see what they would do with \$20,000 first and then—

**Mr Scherr**—They would have to match it. That is still very hard, but we noticed that that is what the Community Broadcasting Foundation, CBF, does at a higher plane. Like anyone who is giving away money, we do not want to throw it away and we want to make sure that that we are investing in is a viable proposition. We will work with them as best we can and lead them to the necessary people to get a station up and rolling. There is one station in Lancelin that has started. It has not asked us for any money yet. The money is coming from other departmental funds. That might be up and rolling. In fact, they have a temporary licence now, so it is getting there, but it is a hard slog.

**Mr HARDGRAVE**—You mentioned involvement with the ABA over a period of time on the LAP process. What sort of feedback have you had from that involvement with the ABA?

**Mr Scherr**—They listen to us.

**Mr HARDGRAVE**—Do they do everything that you ask them to do?

**Mr Scherr**—They do some of the things that we ask them to do.

**Mr HARDGRAVE**—Like what?

**Mr Scherr**—For example, in the process for the licensing of the second television station throughout Western Australia we suggested that, when they established the second TV station—which was WIN—that they establish certain parameters to reach certain goals within a certain time. They have done that.

**Mr HARDGRAVE**—What about the radio industry with the LAP process? My understanding is that it is still continuing in Perth.

**Mr Scherr**—In radio it is still continuing. We have made a contribution to the most recent Perth radio LAP, and they listen. We have actually agreed with some of the things they have said.

**Mr HARDGRAVE**—What have they said?

**Mr Scherr**—On Perth radio they are granting two higher power licences to community radio stations: the Aboriginal radio station and 6NR, the Curtin radio station.

**Mr HARDGRAVE**—Isn't there a problem with 6IX and their transmission signal?

**Mr Scherr**—Yes, there is a problem with that. It has been suggested that 6IX take a second frequency that will bolster it, and the same with 6PR.

**Mr HARDGRAVE**—What is your view on that? Is that a sensible move by the ABA?

**Mr Scherr**—It is something that we have not given that much thought to because we have been more concerned with getting the community stations out. It will be inconvenient but we have long sought more diversity in radio and that will lead to it.

**Mr HARDGRAVE**—What is the role of the broadcasting services policy area within the Office of Information and Communications?

**Mr Scherr**—We try to provide, firstly, access for the communities around the state to information and communications services, mostly broadcasting. We have done surveys. We work with the ABA—answer their requests for information, respond with submissions and, basically, try to lobby and get the state's point across.

**Mr HARDGRAVE**—Do you have data or anything that suggests that you might even manage your own LAP process? Have you got that expertise in your office?

**Mr Scherr**—We have had engineers working for us over the years. We do contract two engineers: one is a telephone expert and the other is a broadcast expert. They look over the licence area plans with us and make their suggestions as to where they are going. Those comments are usually included in our responses to the LAPs.

**Mr HARDGRAVE**—How long has this office policy area been going?

**Mr Scherr**—Fifteen years.

**Mr HARDGRAVE**—So for 15 years you have had a hand in helping to improve broadcast communications through Western Australia?

**Mr Scherr**—We like to think so.

**Mr HARDGRAVE**—What about this VLX-VLW withdrawal? It is a long time ago now—seven or eight years?

**Mr Scherr**—Yes.

**Mr HARDGRAVE**—Was there any thought from the state government to intervene in that?

**Mr Scherr**—Yes. We supported the study that was done in the mid-west by the Country Women's Association. We have circulated that in numerous communications with the federal government and the authorities. We have been talking with the ABC, the ABA, or anybody who will listen, about this issue but at the time of the closure we were unsuccessful in preventing it.

**CHAIR**—What reason did they give the government for that closure?

**Mr Scherr**—I was not in the office at the time but my understanding was that nobody was listening to short wave and it was not very successful. Again, that is a question you might have to raise with the ABC.

**Mr HARDGRAVE**—The reason I wanted to raise it with you was because I thought that after 15 years of involvement in this area there would be a view from the Western Australian government. People have come to us and said that the VLX-VLW closure has robbed them of any connectivity with the outside world. They cannot get the information they used to get off their crackly short wave.

**Mr Scherr**—Absolutely.

**Mr HARDGRAVE**—So I just wondered why the Western Australian did not re-site the Wanneroo transmission site which apparently was causing EME problems—so somebody said. Was there any view?

**Mr Scherr**—I think there was by my former boss who was a communications engineer, which I am not. He investigated those things and came up with numerous suggestions and, if you wish, I will dig in the archives and send some things to you.

**Mr HARDGRAVE**—I think it would be interesting for the committee because, given that the Western Australian government has a broadcasting services section in the Office of Information and Communications, Department of Commerce and Trade and you have an ambition to service the 1,750,000 square kilometres of the state without any easy access, I thought it might have been a view of the Western Australian government to have considered this VLX-VLW matter.

**Mr Scherr**—We have been considering it since it happened. We have had numerous submissions and I can quote you that it has happened. Unfortunately, we have not been successful. We worked with the Flying Doctor Service when they retransmitted the one or two hours a day of the ABC service, which has now come to an end. We have been talking with the ABC and their plans—which they will probably talk to you about later today—on covering the region and they have made some suggestions on how to do it. So they have done some investigation along those lines. We have been working with the community in every way we can.

**Mr HARDGRAVE**—What is the status of those particular frequency licences? Are they still in existence or have they been handed back?

**Mr Scherr**—Which ones?

**Mr HARDGRAVE**—The VLX-VLW?

**Mr Scherr**—I do not know.

**Mr HARDGRAVE**—One of the points you made in your representation to us is that the Western Australian government proposes that non-metropolitan people should have access to a minimum set of radio services comprising the five ABC services, voluntary community services, up to three commercial services and SBS. There is nowhere in Australia, outside of the capital cities, that has such a minimum standard anyway, so it is a good aspiration to have. I was trying to work out what the Western Australian government has done to try and help people get one radio service.

**Mr Scherr**—Back in the days when the VLW closed down, we supported that study. That was quoted back to you when you were in Geraldton. We have been making numerous submissions to them and looking for ways to do that. I do not have at hand all of the points, but I will be happy to provide them to you.

**Mr St CLAIR**—What is your view on some big transmission centre out from Geraldton, maybe even at Newman, that broadcasts ABC to the whole of the region?

**Mr Scherr**—My understanding is that, if you are going to go on a medium-wave transmitter, it would be too powerful. Again, from what the ABC have told me, that would be interfering with other services, so it is probably now too late to put in, from what experts have told me, a medium-wave transmitter that will cover that area. That is why we are looking for other ways of resolving the problem. It is also a very expensive proposition, and that is a killer right now.

**Mr St CLAIR**—Why is that?

**Mr Scherr**—Because of the power you need for the transmitter. Again, I defer to the ABC to answer that question because they have done greater research on that than I have.

**Mr HARDGRAVE**—Do you mean electric power?

**Mr Scherr**—Electric power, yes, and just to build it.

**Mr St CLAIR**—It used to be the case that, when the short wave was around, you could have your little crystal set or your little transistor radios—as was pointed out by a member of this committee yesterday—and you could pick up anything.

**Mr Scherr**—That is right.

**Mr St CLAIR**—And now you cannot. So the service in country areas of Western Australia and the Territory has gone backwards?

**Mr Scherr**—That is right.

**Mr HARDGRAVE**—Mr Scherr, in your submission it says that ‘the frequencies have long been assigned to the ABC, but the funding to put the frequencies to air have not been obtained.’ What is happening to these frequencies that are sitting out there allocated, I presume by the ABA-LAP process, to cover these 1,750,000 square kilometres, if the ABC is not using them? Is that essentially what you mean?

**Mr Scherr**—There are a lot of frequencies that the ABC have available to them that they do not have the funding to put on air. That is as I understand it.

**Mr HARDGRAVE**—But the Western Australian government will put money in to allow SBS to be seen in certain communities but will not assist in this aspiration—when there is a basic radio service that is not available in a vast chunk of the state?

**Mr Scherr**—We had thought we could be a funder of last resort in some cases. We found that SBS was something that was desired in a large number of cases, and that could be done. The ABC service was something that we had thought the ABC and the federal government could do, and we had preferred to be the funder of last resort.

**Mr HARDGRAVE**—But SBS television is preferred over an ABC radio service?

**Mr Scherr**—Not necessarily. But that was the program we thought we could handle and with a finite conclusion.

**Mr JULL**—On that point of remote service, this year you have had four, six cyclones building across the coast. What happens in emergencies in these areas these days? Without short wave how do people find out what is going on or what danger they might be in? Or do they just sit in their homesteads and wait for a cyclone to hit them?

**Mr Scherr**—That is a good question. They are in trouble. A lot of them may be within the reach of satellite mobile phones. My understanding from reading some of the submissions to the committee is that some of the stations in the north, both the ABC and the commercials, have been out there. But, again, they are in areas that cannot be reached, and it is a serious problem.

**Mr JULL**—Does the Western Australian government have any contingency plans? Do they fly a light plane over dropping leaflets saying, ‘You are in danger. There is a cyclone coming’?

**Mr HARDGRAVE**—Just like Christmas Island.

**Mr Scherr**—I know there are cyclone warnings broadcast on the ABC and on the commercial stations. I am not familiar with what the SES and the other emergency services do, but I could find out.

**Mr HARDGRAVE**—But it comes back again to this circumstance where we have had submissions put to us that, all around the coastal fringe—the cyclone frontier of Western Australia—there are radio transmitters. But there are gaps between major centres. The Western Australian government will fund, as a funder of last resort, the expression of SBS television on to communities, but it will not put money into ensuring that there is a transmitter, which is not being provided by other means, available to broadcast ABC radio, which apparently does an excellent job on the broadcasting of cyclone warnings. Maybe it is something on my side of the Nullarbor that has got me thinking this, but it just strikes me as a little bit of an odd priority for the Western Australia government to have.

**Mr Scherr**—I do not think it is a matter of priorities. I think we thought, however mistakenly, that it could be handled through the ABC’s channels better than through ours. I will be happy to investigate if there had been any other questions. If communities do come to us, I am sure we will be happy to investigate.

**Mr MOSSFIELD**—I would like to speak about that same issue. Looking at the remoteness and sparsely populated areas of Western Australia, there seems to me two fairly straightforward solutions to the problem of coverage. Certainly, one is the ABC and the other one is new technology. I do not think there is anything in between that is going to give the coverage

anywhere near what people are entitled to. Would you be saying that the Australian Broadcasting Authority should be the body to put in the appropriate infrastructure to provide a maximum service to the remote areas of people in Western Australia?

**Mr Scherr**—Not the Australian Broadcasting Authority, but I think they should put in the necessary regime so that it could be done. They do have the ability to do that, but often, according to the law—and I am not that familiar with the law—they have to rely on ministerial advice. If the minister decides and makes the declaration that the ABC will go into such an area, that is what will happen. I guess the bottom line, in a lot of the ABC issues, is the ministry, the ministerial declaration for a service.

**Mr MOSSFIELD**—Going with that view, of course, then you have got to have adequate funding to enable the ABC to do that.

**Mr Scherr**—That is right.

**Mr MOSSFIELD**—You knocked over the idea of a new transformer, that that may not be the appropriate way to go. Have you got any specific suggestions or recommendations that you could put to the federal government?

**Mr Scherr**—At the moment we would think that, if they increase the planning for digital radio both terrestrially and by satellite, that would cover that. But that is a very long way to go. Transmitters, perhaps on a lower level, not the highest frequency, may be the answer. Where they would have to be put would have to be very strategic and necessary. But there is no easy answer once you have dismissed short wave and if you have got to wait for digital. The high power AM does not look to be a good option.

**Mr MOSSFIELD**—On digital radio, in your submissions you refer to the fact that it would provide enhanced and localised services. That seems to be a bit of a contradiction. How can it be a localised service if it is going to be a satellite digital broadcast?

**Mr Scherr**—Some satellites can be programmed, but I was also thinking in the submission that there would be terrestrial transponders that could be providing some local services.

**Mr MOSSFIELD**—People would be able to have inputs at the local level using that technology?

**Mr Scherr**—Yes.

**CHAIR**—Even with ABC?

**Mr Scherr**—Yes, I think the ABC.

**CHAIR**—That would mean the ABC would have to have a string of representatives in each area who would perhaps read local news and things. It is an interesting concept. You would pull the bulk of the ABC program down off the satellite and then have ABC casuals in the country who would perhaps work a couple of hours a day, or something like that.



**Mr Scherr**—They are doing a lot of that now. They have got about a dozen small country stations in Western Australia.

**CHAIR**—Yes, but are they permanent staff?

**Mr Scherr**—Yes.

**Mr MOSSFIELD**—We also had submissions yesterday from one of the people. It said:

The value of Digital Radio in rural Australia is absolutely zero. Why? Because the average person in rural Australia has less disposable income than his city counterpart, and the range of such modes of transmission would prove to be very limited.

Where do we stand on what you are saying and that submission?

**Mr Scherr**—I do not disagree with what has been quoted. We looked at digital radio as a solution, not an immediate solution. As I said, I do not think we have a very good solution to the problem. What digital radio and digital television will require is a mass take-up by people to use it or a great effort on the part of the broadcasters and set manufacturers to do it. For example, for digital radio to be successful anywhere it should be designated that all new cars be equipped with AM-FM and digital radio and perhaps that all new radios imported into the country have that so that it will be a mass medium. It is going to take a while to do that. You have to finally decide what the standards are, and that has not been decided yet. You have to get people who are willing to invest in it. It is something that people have been talking about as an answer for 15 or so years. It is going to be a long way off and we are not relying on that as an answer. We are really clutching at straws to find the answer to those 2,500 people in the mid-west who are without services and all those others who are not covered. If there is an answer, and we can find it, we will certainly recommend it.

**Mr HARDGRAVE**—I am trying to get a handle on what is happening here. It strikes me that the Broadcasting Services Act is not working to the benefit of a lot of people in remote and regional Western Australia. To cut through what you have had to say and what others said to us yesterday, we have now got the ‘magnificent seven’ shires around Geraldton having to essentially subsidise the cost of retransmission of a station from there into their local shires, and we have the Western Australian government having to have a broadcasting policy section to look at ways to lobby to get certain results that subsidise the costs of transmission. Is there a coordination of these various efforts from local government and state government? Is this as a result of the fact that, from an ABA point of view, there is no complete understanding about what is happening in this part of the world?

**Mr Scherr**—We try to educate the ABA as best we can. We have had visits over the last couple of years from representatives of the ABA. A year or so ago they visited the Magnificent Seven shires and got a feel for it, which may have helped get that final response. We work with the shires in pointing them to the right people to deal with in Canberra and we give them what advice there is. It is a slow, seeping process to educate; and, as in any bureaucracy, people change and I think they are slowly coming around to it. They are encumbered by legislation. I am sure whatever recommendations the committee might have in making their work more effective will be appreciated.

**Mr HARDGRAVE**—What we have here is seven shires ganging up and saying that the remote licence allocated by the ABA to North West Radio Pty Ltd is not providing an adequate service. So the local communities have ganged together and are saying the ABA did not do their job in this regard.

**Mr Scherr**—I guess the fault there is in the legislation because it does not talk about content. You may know this better than I, but I think the phrase it uses is ‘adequate reach’.

**Mr HARDGRAVE**—Comprehensive service.

**Mr Scherr**—Content is not an issue in licensing, and that is a serious problem.

**CHAIR**—People up there say that the Murchison is a dividing line, so to speak, and that there is a wider community of interest in Geraldton and Carnarvon and the areas in between and to their immediate east, and a different community of interest coming out of Karratha. They say that the current configuration of radio stations does not provide umbrellas that reflect community expectation and aspiration. What is your comment on that?

**Mr Scherr**—I think they are right.

**Mr HARDGRAVE**—But doesn't it go further than that, because that remote licence, as I understand, is basically from Karratha to Walpole?

**Mr Scherr**—Basically the remote licence—and holders of the licence are here and can clarify it—is the whole state.

**Mr HARDGRAVE**—Basically the whole state except for the south-west?

**Mr Scherr**—Yes, that is where it has been given—except for where there are terrestrial licences. The idea you came up with earlier of regional licences is one worth suggesting.

**Mr HARDGRAVE**—What I am trying to drive at is that the ABA—which is based over in Sussex Street in Sydney and cannot even get the area around Sydney right in its plan—is trying to make a guess about what is happening in Western Australia and hands out a licence for the entire state, bar the south-west corner. Communities which are theoretically, according to the ABA's map, covered by radio service are not. Communities are essentially striking back. I guess that is a fair way to put it. Is that true?

**Mr Scherr**—Yes. Of course, one of the issues is economics, as we have seen. To support stations in some of those small communities is very hard, and that leads to the problem. But the question of content is a serious one and one that we are trying to tackle in whatever way we can.

**Mr HARDGRAVE**—Can I just ask again what I asked before but in a different way: how extensive is the Western Australian government's involvement in subsidising, in cooperation with local governments, the retransmission of existing radio programming into communities that are not serviced? How far and wide do you do that?

**Mr Scherr**—It is not very extensive, but it is something that we can look into. What we have tried to do is work on different plains—lobbying the ABA and working with the groups in coming up with solutions, subsidising studies, as we have done for the mid-west, and also doing other kinds of research.

**CHAIR**—Essentially a facilitator rather than a contributor?

**Mr Scherr**—Rather than a contributor, yes.

**Mr HARDGRAVE**—Except in the case of SBS television?

**Mr Scherr**—If I can just go back to that, that had been a long study issue. Only Perth had SBS television, so we felt it was necessary to do what we could to get the multicultural services out.

**Mr HARDGRAVE**—So you would be in favour of the Department of Communications, Information Technology and the Arts black spot funding being extended to a radio circumstance?

**Mr Scherr**—Absolutely.

**Mr HARDGRAVE**—Who would you prefer to see? Would you like to go back to your aspiration of five ABC services, one or two community services and up to three services from the commercial sector covered by one transmitter that just basically pushed all this out there to the world? Would that be the sort of thing you would like to see happen?

**Mr Scherr**—We would like to see that each community has that choice. If it can be a local choice, that would be fine. It really would depend on where it can go. We would prefer it to be local rather than networked, and it is an aspiration.

**Mr HARDGRAVE**—I am a bit unsure on a few points after our conversation this morning and also from your submission. Could I ask you to recheck the circumstance of frequencies being allocated to the ABC or not. Part of your submission says that the ABC itself has not really found a frequency for Radio National in significant parts of the south-west, for instance—

**Mr Scherr**—They have actually found that frequency in the south-west—Radio National. I think they inaugurated it a few weeks ago.

**Mr HARDGRAVE**—That has probably clarified that already. Then in other parts of the submission there is a suggestion that they have a whole pile of frequencies already allocated but are not using them. I would just like to know exactly what the status of those are.

**Mr MOSSFIELD**—Another point you raise in your submission is the fact that your government supports the concept of a universal service obligation. Could you expand on that so that we clearly understand the areas that you are referring to.

**Mr Scherr**—We say in the submission that the licensees should reach all the viewers and listeners in their licence areas. If a signal does not reach an area it is licensed to serve, the broadcaster should not be able to claim any exclusivity over that location, meaning that someone else can try to go in there. Content should be a factor in the licensing of broadcasting services. If a community is unserved in a licence area, it should not be prevented from accessing a commercial service from another source. If a community has built their own self-help retransmission facility, they should have a choice in what they are being able to transmit. There should be a range of broadcasting services.

**CHAIR**—This is motherhood stuff. Let us get down to the practical stuff. Mr Mossfield wants to know what are the practical applications of a USO. You can have all the CSOs and USOs up there as objectives, but how would you see a practical application of a USO? Would it be that a community would have one ABC station and one commercial station, even it had to be transmitted by some unusual means—by satellite, by short wave? Wouldn't that be a more practical way of coming at it?

**Mr Scherr**—It would be.

**CHAIR**—We can talk about giving 10 services to every part of Western Australia, but in 15 years time we will be no better off than we are now. As a committee we want to come back to the minister with some very practical solutions to improve the quality of radio as quickly as possible for Western Australia. Give us a bit of a lead. We do not want the motherhood stuff. We want the really gutsy stuff so we can provide alternatives.

**Mr MOSSFIELD**—That is the sort of thing we are looking at. I was also interested to know whether there should be a requirement for radio stations to have an obligation to broadcast emergency services and whether this should be structured in so that there is no misunderstanding, when these emergencies arise, as to the process. It would mean that even if the radio station was on automation there would have to be people available who could readily cut in to the program and broadcast these emergency services. Are they the sorts of things that should be taken into account when licences are issued?

**Mr Scherr**—I think so. I think you have mentioned a couple of the practical aspects. We have not yet come up with the best ways of doing this. If it means getting in by satellite and covering that community, fine. If it means spending \$40,000 to put in a transmitter to retransmit, those are the kinds of things we would want to do. I guess the USL is a motherhood statement that you have got to work down from. I must confess we have not done all the work. We have been doing a lot of ad hoc things but at the moment have not come up with enough of a plan to redress each of the issues. We would be very happy to hear what other recommendations have come up and see how practical they might be in Western Australia.

**CHAIR**—The thing that my colleagues and I found a bit surprising yesterday was evidence that anything between 2,500 and 3,000 people—not 200, as the ABC said at the time—lost out with the closure of the short wave services. If that happened on the east coast there would be such a hue and cry, it would be deafening. I cannot understand why the state did not put up some fight.

**Mr Scherr**—I was not in the position at the time but I understand there was some. The state constantly sent messages back and forth to the ABA, the ABC and the then National Transmission Authority about the issue, but it was overruled. I think the state ABC—and I am not sure whether anybody who will be here today was there at the time—was fighting it as well. We are just a long way away.

**CHAIR**—Mr Scherr, thanks very much for coming in today. I know it is very difficult to take on one bureaucracy when you have to work in another and that to some extent as a public servant your hands are tied behind your back because you have to operate these things within policy constraints rather than within commercial reality. Do not take offence at my comments. If there was impatience there, it was because we want to get to the nub of the problem in WA with a view to solving it. We thank you very much for your submission and trust you will convey to the minister our best wishes and congratulations on his appointment. I hope that at some time when he is in Canberra he might like to meet with the committee, give us his personal views and have a talk to us about his expectations. You will receive a copy of the *Hansard* draft. Once again we thank you for your attendance.

[8.55 a.m.]

**PERRIN, Mr Peter Michael, Network Program and Operations Director, North West Radio Pty Ltd**

**RINGROSE, Mr Nicholas Howard, Managing Director, North West Radio Pty Ltd**

**CHAIR**—Welcome. Are you going to lead, Mr Ringrose?

**Mr Ringrose**—Yes. By way of background North West Radio has operated in its present form since May 1998. We hold AM and FM commercial radio broadcast licences for Karratha and Port Hedland areas and two other licences for regional and remote Western Australia which include the popular tourism town of Broome. Most programs originate from Karratha and are distributed by satellite technology to 80 retransmission sites throughout the state. The population centres of Karratha, Port Hedland and Broome receive locally originated programming during specified times of the day. It is worth noting that 74 per cent of our commercial revenue is sourced from local retail service and hospitality outlets.

A further breakdown of that, from a recent survey, is Karratha 23 per cent, Port Hedland 20 per cent, Broome 22 per cent and the remote towns nine per cent. The balance of 26 per cent is nationally sourced. We believe these figures illustrate that the continued viability of remote radio services in regional Western Australia is wholly dependent on our ability to cross-subsidise the company's overall radio services from revenue earned in the relatively bigger regional population centres.

Another indicator of our positive commitment to communities is that 19 of North West Radio's 24 employees are based and supported in regional areas—13 of them were sourced locally. Present staff numbers are Karratha 13, Port Hedland three, Broome three and we have five administration staff in Perth.

Localism is central to North West Radio's operation and our regionally based infrastructure with established studios in Karratha, Port Hedland and Broome are the framework to this ideal. In addition, to ensure program diversity for our markets, North West Radio embraced the concept of section 39 licences which were offered to all existing regional AM commercial radio stations. North West Radio considers localism is a broadcaster's responsibility and we take it very seriously. We believe local revenue achievements are a direct reflection of the efforts and commitment of a regional radio broadcaster. Localism in radio has long proved to be the vehicle by which local businesses can cost-effectively tap local communication opportunities for retail penetration.

You have probably heard this side of the discussion before but the cost of maintaining a local product is very high. This applies more particularly in north-western parts of Australia because of the hot climatic conditions and the costs of operating are significantly higher than in other licence areas. One point of reference I have is that in RG Capital's prospectus they stated that operating costs absorbed up to 70 per cent of their station's revenue. In our case, actual

operating costs account for 80 per cent of our revenue which cancels out all our local revenue plus more.

An issue of concern to us as operators of a commercial licence is that the current legislation makes provision for a variety of alternative narrowcast type broadcasting licences to be granted throughout Australia. These are commonly referred to as LPON or HPON licences, section 40 or community licences. Successful applicants will not have similar operating costs to ours—some examples being our current revenue based annual licence fees paid, the sundry regulatory returns we have to complete and the detailed codes of practice we are required to adhere to. However, they will have the capacity to collect revenue from local markets.

Mr Chairman, I am pleased that our current narrowcast program supplier Red FM has made a submission to the committee. In anticipation of Red FM's oral evidence I must draw the committee's attention to the fact that the ABA, at our request, is currently conducting an investigation into Red FM for supplying narrowcast program to locations which may not meet the narrowcast definition of their service.

In their submission, Red FM acknowledge that townships which have no apparent qualification under the fly in-fly out narrowcast service requirements have apparently expressed a desire to receive, and have in fact received—we would submit illegally—Red FM's Perth sourced program rather than a regionally based program. This demands detailed research and inquiry before any changes or proposals to change are made in this regard. We must submit, too, that, in relation to an established operator of a regional commercial radio service that is licensed to provide radio service to sparsely populated portions of WA, the committee should give consideration and considerable weight to this situation in light of North West Radio's present structures, liabilities and attention to localism. We would also note that the ABA is currently conducting a narrowcast inquiry and calling for submissions on how it can clarify the definition of open narrowcast radio services. In the call for submissions, the ABA states:

... some players are jumping the queue for a community or commercial licence by applying for a narrowcast licence, but in fact broadcasting commercial or community programming.

Needless to say, North West Radio will be making a submission and hopes to contribute to this inquiry.

In conclusion, I emphasise the extent of localism in non-metropolitan radio can only be maintained by, and is intrinsically reliant on, the local revenue base. I trust that it will be appreciated by the committee that any erosion of the company's local base will by necessity require comprehensive reviews of all operating costs, which could include our current commitment to localism and our likely prospects or otherwise of contingent liability. Thank you.

**CHAIR**—Mr Ringrose, you have those services in Broome and Port Hedland?

**Mr Ringrose**—Yes, indeed.

**CHAIR**—Do you have an FM licence in Karratha, too, or just the satellite service?

**Mr Ringrose**—No, Karratha has AM-FM service. Hedland has an AM—

**CHAIR**—With a section 39 licence?

**Mr Ringrose**—That is right; FM is a 39 licence, yes.

**CHAIR**—In all three towns?

**Mr Ringrose**—Broome is a bit different because it comes under the umbrella of the remote licences and has two services in there.

**Mr Perrin**—However, it has local input as well: the FM service in Broome, WAFM, has its own studio based in Broome and originates commercials and local program from there.

**CHAIR**—Do you have any other stations other than Broome, Karratha, Port Hedland and the remote service? That is your total?

**Mr Ringrose**—No, that is it—six licences altogether.

**CHAIR**—In evidence yesterday there was some criticism of your program content; that you went from the extremes of rap in some of your programming and that you did not provide a good, modern format in terms of rock-and-roll and the like. Do you want to respond to that?

**Mr Ringrose**—Certainly. I will defer to my—

**CHAIR**—Let me put it a little more bluntly. The reason people did not want to take your service in the hinterland of Geraldton was specifically that. We had a shire councillor saying that they were younger, middle-aged people who had grown up during the rock era and they did not think that you having an exclusive service would fulfil that.

**Mr Ringrose**—For the benefit of the committee, there is a bit of history attached to the Geraldton ‘magnificent seven’ shires. In my previous life I had a bit of experience in that as well. I was associated with a satellite service which first came on line in 1989. At that time the ‘magnificent seven’ shires, as you call it, had lost their service from the existing Geraldton station because they had gone FM. The previous AM service was a very powerful one; they lost that service. They always related to the Geraldton service. And from that day in 1989 the service was not coming from Karratha; it was redistributing a Perth program format through the GWN service that then existed. Those shires resented that service that was made available to them. And that was an ABA decision that—

**CHAIR**—Were they under pressure to surrender the AM licence?

**Mr Ringrose**—No, that was a decision made by the broadcasters in Geraldton at the time when—

**CHAIR**—How could they have made a decision like that knowing that it would have affected the coverage automatically?



**Mr Ringrose**—It did. It disenfranchised a huge number of the communities out there. That was to do with the second FM licence.

**CHAIR**—Then they got a supplementary?

**Mr Ringrose**—No, the history in Geraldton, if I may—

**CHAIR**—Just take us through it, because we went there deliberately.

**Mr Ringrose**—Yes, it is a very critical area. The history of Geraldton back in the mid-1980s was that they had an existing AM service, a strong service, going. Then the ABA—or ABT in those days—allocated an FM licence for the town, under separate ownership.

**CHAIR**—Not a supplementary one?

**Mr Ringrose**—No. In a little town of 30,000 people, it operated a separate licence. What resulted from that is that the existing AM felt disadvantaged because the new boy on the block had the FM frequency, and it got back to this argument that FM frequency is superior to AM frequency.

**CHAIR**—That it is better quality sound.

**Mr Ringrose**—Yes, that sort of stuff. The existing one then applied to the ABT in those days to transfer to FM so that they could compete with their new competitor. They went head-to-head, bang-to-bang; there was no diversity of programming. In the end, things shook down and they ended up both belonging in the same camp now, Geraldton Newspapers. That was what drove the decision—to compete with the new boy on the block. They disenfranchised their ‘magnificent seven’ shires.

**CHAIR**—Are you saying to us then that part of this resentment of your service is that the locals are perhaps still conscious of that fact that the community stuffed up its own future, so to speak?

**Mr Ringrose**—I think the community feel that the satellite service, no matter where it came from, was imposed on them to fill the gap that was left by the decision.

**CHAIR**—By their own decision, so to speak—

**Mr Ringrose**—Yes, the service which had served them well in the past. It certainly had.

**CHAIR**—What is your reaction to the idea of a regional licence scheme in a given area, provided that it does not infringe into frequencies and does not become a de facto second station?

**Mr Ringrose**—I think the concept is a good idea, and what Geraldton is doing at the moment is probably a good idea because those towns do relate to Geraldton. We objected to the section 212 rebroadcast permission that the ABA gave, but it is given now and we have to move on. The

regionalisation of services I guess gets back to the population of the region that you are going to service. It is unfortunate that the committee did not visit the Karratha and Broome areas. You mentioned earlier on about Carnarvon or Murchison being regarded as the Geraldton area. Above that you get the Pilbara and above that you get the Kimberley. One of the factors that we constantly face is that people in the Kimberley see themselves as different from the Pilbara region. Having a satellite service, we go into places like Leonora-Leinster, which is near Kalgoorlie and probably relates more to Kalgoorlie. Due to the sparse population of Western Australia, which is a fact, it would be practically very difficult to deliver that ideal. But I understand what is driving it.

**CHAIR**—The criticism was also that a lot of the advertisements refer more to the north-west than they do to the mid-west.

**Mr Ringrose**—And that is a factor of the product. The day when it was sourced out of Bunbury and was running in Perth, we used to insert advertisements as well which were mainly Kimberley based—and that criticism was also made then. Those commercials that we are putting in are commercially based because Karratha businesses see themselves as a hub.

**CHAIR**—You cannot segment various parts?

**Mr Ringrose**—Not on a satellite service, no, because what goes up to the satellite goes up to the satellite. You have to have a ground based situation at every little location, and that infrastructure is very expensive.

**Mr Perrin**—Can I explain to the committee that Broome receives Broome commercials that relate to the Broome area; Port Hedland receives Hedland commercials; Karratha receives Karratha commercials; and then the feed that goes out via satellite—

**CHAIR**— But you are on the ground there.

**Mr Perrin**—That is correct. But the service that goes out for remote can carry anything from an advertisement for a hotel in Kununurra to the local service station in Leonora, for instance. It is a very generic service.

**Mr HARDGRAVE**—How much of your licence service area is actually receiving you?

**Mr Perrin**—This has been a fact finding exercise that we have been through lately.

**Mr Ringrose**—It is an ongoing exercise. We own and maintain 11 transmitters, spread through our service area. There are 80-plus self-helpers and direct-to-home users that we are aware of.

**Mr HARDGRAVE**—So they pull it off the satellite and listen to it themselves.

**Mr Perrin**—They retransmit or desktop.

**Mr Ringrose**—Peter can probably answer this better, but we have run programs which have 1,800 phone-in requests for music, et cetera, and we get them from all over the state.

**Mr Perrin**—Yes we do.

**Mr HARDGRAVE**—The reason I ask is that we had a councillor and pastoralist at Meekatharra yesterday who described having to start generators to pick up a radio station that he did not like listening to anyway, so he would not turn on the generator to run power to his house 24 hours a day. There is none of the portability of radio services that he would like. I am trying to get a handle on the extent of that retransmission. Essentially, you have a service area that is licensed from Walpole to—

**Mr Ringrose**—Wyndham.

**Mr HARDGRAVE**—And heavens knows where—Kununurra and lots of green areas I can see on the map.

**CHAIR**—Could we have a copy of that map?

**Mr Perrin**—Yes.

**Mr HARDGRAVE**—But, essentially, the capacity for people in that area—and I guess there are not too many thousands of them—to actually hear it relies upon their own ingenuity to have a satellite receiving dish or a local community making a conscious choice to retransmit.

**Mr Perrin**—Our service is multiplexed with the GWN television signal, so literally wherever GWN go within Western Australia the WAFM service can go as well. Yes, we acknowledge there are difficulties in certain remote areas where they cannot pick up programs. I suppose those are some of the operating problems we have to address in servicing such a harsh environment.

**Mr HARDGRAVE**—How many locals would be left out of this easy access loop that exists?

**Mr Ringrose**—When you say ‘local’ do you mean residents of that green area?

**Mr HARDGRAVE**—As in residents. Would it be 10,000 people?

**Mr Ringrose**—Probably, and that is probably less than 10 per cent of our listening population.

**Mr HARDGRAVE**—Would you agree that there might be 100,000 people who are travelling through the area that don’t get it?

**Mr Perrin**—Easily.

**Mr Ringrose**—Yes.

**Mr HARDGRAVE**—So there would be some advantage in having a standard retransmission system, by private or government means, through that area?

**Mr Ringrose**—Yes.

**Mr Perrin**—And also a common frequency, so that people could turn to a particular frequency and know they are going to get our service right the way through.

**Mr HARDGRAVE**—Have you put any submissions to the ABA about a common frequency access?

**Mr Ringrose**—No.

**Mr HARDGRAVE**—It is not really your concern, I guess, at this moment. Could you concede that in the case of the Magnificent Seven mid-west shires retransmitting 98 AM or FM on 98 AM there is probably a factor of ‘use it or lose it’ in the minds of some people because ease of retransmission is not there? Are there other factors at play there?

**Mr Ringrose**—In that case of the Magnificent Seven I think it is because those shires do relate to the Geraldton market.

**Mr HARDGRAVE**—As you outlined earlier.

**Mr Perrin**—I find it a problem, though, when they have the service for nothing originating on AM, that they now have to self-fund to get a radio service back into their area. If they had stayed AM they would not have to do this.

**Mr HARDGRAVE**—I do not want to put you too much on the spot here, but would it also have been fairer, when they have gone to the extent of retransmitting one station, if they then made a range of stations available on a retransmission?

**Mr Perrin**—I believe that we are still there.

**Mr Ringrose**—Our retransmission points are still there and our frequencies are still allocated on the transmitters.

**Mr HARDGRAVE**—What sort of an impact does this ‘magnificent seven’—I hate using the term but it is on the front of their brochure—

**Mr Ringrose**—It is what they have chosen, obviously.

**Mr HARDGRAVE**—It is their chosen terminology. What sort of impact does that have, as far as your market expectations out of this area are concerned, from a revenue point of view?

**Mr Ringrose**—It really does affect us. We are anticipating a \$5,000 drop in revenue.

**Mr HARDGRAVE**—Would you see others perhaps doing a similar thing to you; that with this remote licence you are pretty vulnerable to cherry picking?

**Mr Ringrose**—That is a very firm point. The point in our submission to the ABA is that with the remote licence—as I have said in my address—the revenue base of population centres' services cannot survive. The more areas that are picked off the more it will undermine the whole operation.

**Mr Perrin**—The parts are greater than the whole.

**Mr HARDGRAVE**—I do not want to distress you or anybody who supports you in the sense of being a financier or anything, but this is a pretty vulnerable exercise you run, isn't it? These remote licences without terrestrial retransmission are a very vulnerable exercise.

**Mr Ringrose**—We are vulnerable. The only reason that makes it possible is those three major centres of each one, when you think there are probably 15,000 people in each—Karratha, Hedland and Broome. Broome has a very busy tourist season where you get extra people in, but Broome is the one that is really growing. The growth of the towns of Karratha and Hedland is controlled by the mining companies—not controlled, but—

**Mr HARDGRAVE**—Governed by their activities.

**Mr Ringrose**—It is. And as soon as our market is threatened in any one of those towns then the ripple effects will follow through.

**Mr HARDGRAVE**—How secure, though, is your case against that cherry picking that may come? Say that Kalgoorlie radio decides it now wants to go out and retransmit at Mount Magnet or somewhere like that, miles up the road—it might want to do it for some strange reason. Do you run a risk there?

**Mr Ringrose**—The only protection we have got is that we and ABA have had frequencies allocated in all the towns that are located there. If a Kalgoorlie station wanted to rebroadcast there they would have to get a frequency allocated, and the regulators and ABA and ACA presumably would not allocate them a frequency because they are not a licensed service.

**Mr HARDGRAVE**—So you have actually got licences linked to these?

**Mr Perrin**—We have an apparatus licence.

**Mr Ringrose**—Yes, we have a frequency allocated in each community.

**Mr HARDGRAVE**—So right across your whole licence area you have a retransmission licence allocated to you?

**Mr Ringrose**—It is not blanket—there is a list there. You may want to table it, Peter.

**Mr Perrin**—Yes, we will table that.

**CHAIR**—Thank you.

**Mr Ringrose**—Each location, like Leonora-Leinster, has a frequency allocated—102 or 103FM—which is nominated for our commercial service.

**Mr HARDGRAVE**—You just said that you would prefer to have a standard frequency. From your understanding of the technicals of that, would it be possible to do a standard frequency?

**Mr Perrin**—I believe it would be. Nick has mentioned his prior life. I went through an exercise when I was managing a radio station in Mandurah, just south of Perth. We applied for a section 39 FM licence. The ABA came back and said, ‘But there’s not a frequency.’ We were very fortunate inasmuch as my manager was actually an engineer, and we identified frequencies. We went back to the ABA, and the ABA said, ‘Well, we’ve told you there is not a frequency. If you can find one and you are prepared to do it at your own cost, we’ll grant it to you.’ We did; we ended up with that frequency.

**Mr HARDGRAVE**—How long ago was that?

**Mr Perrin**—Five years.

**Mr HARDGRAVE**—Well within the time frame of the never-ending lag process?

**Mr Perrin**—Precisely. You mentioned earlier on the great divide and allocating services without really understanding the sensitivities that are in place stressing the communities. I believe a common frequency would be advantageous to us and would certainly help people driving from one district to another and being able to identify where they can pick up a radio service, where they can pick up news, where they can pick up weather warnings and where they can pick up road conditions—these sorts of things—without having to have something that folds out that big to be able to find out what frequency they are on in what area.

**CHAIR**—You say that you get about 70 per cent of your revenue—I am just going from memory there—from Broome, Port Hedland and Karratha. Is that right?

**Mr Perrin**—Major population centres, yes.

**CHAIR**—And another 26, I think you said, nationally?

**Mr Perrin**—That is right.

**CHAIR**—How much do you pick up from the rest of the state? If Geraldton wanted a regional service, is it really going to make that much difference to your revenue base?

**Mr Ringrose**—You refer to Geraldton and regional services. They have got it, I think, haven’t they?

**CHAIR**—Well, if they want to go a bit further—for example, if they want to go to Meekatharra—does that really affect you at all?

**Mr Ringrose**—No. The real nub of it would be if they came into Karratha, Hedland and Broome. That is the bottom line.

**CHAIR**—So, if the ABA were to define regions and the region that reflected your core constituency was made exclusive to you—

**Mr Ringrose**—I follow your thoughts and I agree with the concept. But you made the point earlier on that these are the tip of the iceberg. As soon as that happens, you would get Leonora-Leinster-Menzies, which relate to the Kalgoorlie mining area, breaking off and wanting to go there. When you add all that up—I said that nine per cent of our revenue comes from those and other remote areas—it would probably take another three per cent of that, I guess. But, I do not think—

**CHAIR**—Let us go another way then. Let us say that there is some ambivalence with your program in some areas. What are the costs of your having a dual service?

**Mr Perrin**—We have a dual service available off satellite and in some areas, such as Kununurra and Derby—

**CHAIR**—They have a choice. Do you have a beautiful music format and a rock format?

**Mr Perrin**—We do. I would like the opportunity to reply to your first question, which was about the comments made about Geraldton.

**Mr JULL**—It looks like an old Motown devotee.

**Mr HARDGRAVE**—A bit of Motown rap would probably suit you.

**Mr Perrin**—It is very hard to be all things to all people.

**CHAIR**—Yes, I understand.

**Mr Perrin**—And what we have got is two services. We have our WAFM service which is predominantly younger music and it is probably slightly male skewed in its appeal. That looks into the areas of Karratha and Port Hedland where the majority of the population is male. Then we have our North West Radio service which is an easy listening/oldies—which is your Neil Diamonds or your Beatles and that sort of thing. There are some areas that do not get both services—and I will let Nick expand on that. In areas such as Kununurra, Derby and Broome, they have both and I think one of the main services in Tom Price—

**CHAIR**—Can you put both up in the satellite?

**Mr Perrin**—They are both up there now.

**CHAIR**—So can these communities that have your retransmission rights pick one or other or both?

**Mr Perrin**—They are coming down via different technologies. As I was saying earlier on, the WAFM service is multiplexed with the GWN television service, whereas the North West Radio service, or the easy music service, comes direct, down off the satellite. It is not multiplex.

**CHAIR**—What proportion does each one take, do you know?

**Mr Ringrose**—The vast majority take the WAFM service because that is multiplexed with the GWN service.

**Mr Perrin**—And there is history associated with that.

**Mr Ringrose**—And that is the key to the success. To get the other service that is available on satellite requires investment by the receiver and another transmitter if they wanted it to be transmitted.

**CHAIR**—Do many do that? Do many put out the two signals?

**Mr Ringrose**—No, but I should add, for the committee's sake, that we are working very hard to try and find a way around that problem to get both signals multiplexed into the TV service, as we move forward to try and solve that problem together.

**Mr MOSSFIELD**—I am just trying to come to grips with the whole concept, particularly your coverage. Clearly, you have got a licence to cover that particular area and you do cover that area, but your base, your income, mainly comes from the northern sections. With that in mind, you provide community services. You refer here to school activities, fetes and forthcoming events on the one hand and on the other hand to information relating to cyclone warnings, tidal surges and emergency evacuations. Can you adequately cover all that area in relation to those particular arrangements?

**Mr Perrin**—Yes, we can. Our representatives in Karratha, Hedland and Broome are available 24 hours a day, seven days a week. We can have someone within our studios within 20 minutes and have an announcement on the air. An example of that was a location where we did not even have someone; the area had been inundated with catfish in the seaweed. I got a phone call here in Perth, because they had my number as well. They wanted to put an announcement over to warn people of these conditions. That announcement was on within 10 minutes of receiving that call from me. We have a manager in Karratha. So if an announcement is required during a network program, it can be put over—for example, in the case of the cyclones most recently—on the hour and on the half-hour.

**Mr MOSSFIELD**—What happens if there is an emergency somewhere around Geraldton or south of where your main base is?

**Mr Perrin**—It still comes through. If it is an emergency announcement, it gets put out over the network anywhere within Western Australia. We are cognisant of the fact that we do cover such a vast area. It is something that all our staff are briefed on when they join the company. They cannot be specific to say Karratha in a network program because that program could be heard in Bremer Bay or Kununurra. They have to be aware of this.



**Mr MOSSFIELD**—Do you have contact points further south that would advise you of any emergencies that might be taking place in that area so you can broadcast them?

**Mr Perrin**—They simply have to phone WAFM or North West Radio. They will be diverted through to the manager's mobile or the program coordinator's mobile phone or pager.

**Mr JULL**—How much of your program is actually live?

**Mr Perrin**—On North West Radio we are live from 6 a.m. to midday, Monday to Friday and from Saturday morning, 6 a.m. to midday. On WAFM the program is live from 6 a.m. to 10 p.m. Monday to Friday and from 6 a.m. to midday on Sunday. There is someone live in the studio seven days a week so that facility can be manned. Broome does a four-hour breakfast program Monday to Friday and Hedland does a four-hour breakfast program on Monday to Friday plus Saturday morning.

**CHAIR**—On both channels?

**Mr Perrin**—On AM only in Hedland and on FM in Broome.

**Mr HARDGRAVE**—Red FM in their submission to us have made a suggestion that it would be worth considering an automatic grant of an HPON radio frequency to each municipality so that they can control the content in their jurisdiction. Your first reaction to that would not be polite, necessarily?

**Mr Ringrose**—No. I understand where Red FM is coming from. The 'magnificent seven' were very much involved in that exercise with Red FM. That is what I alluded to as a great weakness in the present legislation that allows this situation to happen. We have had to spend a lot of legal money to protect our area from this sort of thing. That suggestion from Red FM is fraught with danger because you could have a community broadcast, in theory 2UE if they wanted to—and that happens.

**Mr HARDGRAVE**—And heaven knows why. Not being a friend of lawyers, I want to see you spend less on legal fees. What if jurisdictions were given a chance to have a variety of HPON licences in their municipalities in these remote areas, to bring in first and foremost the station licensed to that remote area and then other relevant services? Yes, you might end up with 2UE.

**Mr Ringrose**—That is exactly right.

**Mr HARDGRAVE**—I apologise to colleagues on the committee, but I personally would have a difficulty with local government making decisions about what its citizens hear. I think that happened in Berlin in 1934.

**Mr JULL**—Councillor Goebbels will be taking over.

**Mr HARDGRAVE**—Exactly. Would you be offended by amending that suggestion of Red FM's to perhaps looking at offering remote area licence municipalities the opportunity to have alternative services? Would that damage your business plan?

**Mr Ringrose**—I understand what you are saying. The danger with that is if a community like Morawa which they allude to, which is part of the magnificent seven, were given that licence to have another HPON, what happens in Karratha, Port Hedland and Broome? Once those ones are tampered with—

**Mr HARDGRAVE**—That is fair comment. I do not want to put you on the spot. You are right with what you are saying. You end up being completely gutted or eroded. I was trying to think of a polite terminology for what I think we all know I was about to say.

**Mr Perrin**—There is a fundamental problem with this whole issue of the low power open narrowcast and the high power open narrowcast. Dare I say, they are being used as de facto commercial radio stations without having to go through the commercial radio station application process and adhere to all the rules and regulations that we do.

**CHAIR**—I think we understand that. What we are looking for are solutions for choices. Let me go right over to left field and ask this: what would be your reaction to a short wave service? There has never been a commercial short wave service that I am aware of—or not in recent years anyhow. If the government were to subsidise a commercial short wave service and an ABC short wave service, how would you react to that?

**Mr Ringrose**—Such a service in WA I think would probably emanate from a Perth base and it would be networked programming.

**CHAIR**—But what if it were up for tender, you could tender for it from Karratha if you wanted to?

**Mr Ringrose**—Yes, but the reality of it would be—

**CHAIR**—It would be broadcast from Perth, would it not?

**Mr Ringrose**—Yes. I anticipate that is what would happen.

**CHAIR**—There seems to me to be a lot of people out there that, even with these retransmission sites, are still missing out.

**Mr Ringrose**—That is right, absolutely. It is particularly so in the Kimberley area.

**CHAIR**—With great respect to the former witness—and he is presenting his government's view—I think it will be a long time before the 10 services are delivered to some of those areas. Would it not be better to have two very secure short wave services that people could rely on totally in all sorts of situations?

**Mr Ringrose**—Yes, we would be happy with that.

**CHAIR**—And you could put the commercial short wave service up to tender.

**Mr Perrin**—I lived and worked in Singapore for two years, and one of my daily habits was to listen to Radio Australia on the short wave. I found that invaluable. Unfortunately, I do not think that exists any more.

**CHAIR**—That was the Cox Peninsula one.

**Mr Perrin**—Yes, and that to me was a great tragedy. There are areas of great remoteness and isolation where that could prove to be a good point. I do not know how you would go about it because my understanding is that it is an extremely expensive operation requiring enormous amounts of power. You need to put that site somewhere where it is fairly remote, because it does emanate a fair amount of electromagnetic radiation.

**CHAIR**—Let us go back just briefly, before we finish your evidence, to talk about the narrowcast commercial licences. You talk about narrowcast commercial licences and then you also mentioned the word ‘community’. Are you talking about them in the classic community sense?

**Mr Ringrose**—No, the word ‘community’ is being used as a guise for people to get under the system.

**CHAIR**—I see what you mean.

**Mr Perrin**—Any community operation or low power open narrowcast or high power open narrowcast that moves into smallish areas— and I define Karratha, Port Hedland and Broome as small when compared to a metropolitan area—is going to have an impact on potential revenue for a commercial operation such as ourselves if they are going to be broadcasting commercials.

**CHAIR**—You would have heard earlier my mentioning the Mackay circumstances. Is it a fact that the ABA perhaps do not take commercial viability into account enough?

**Mr Perrin**—They do not. In the first act, the 1942 Broadcasting Act, commercial viability was a consideration but, in the revision of the act in 1992, commercial viability was withdrawn. In regional areas, if ever there were a need for protection—and perhaps at the risk of saying big brother—I believe that is an essential requirement if we are to maintain both the professionalism and standard.

**CHAIR**—Do you believe that, where there has been a lot of networking, the station did become less viable?

**Mr Perrin**—Yes, and that is why.

**Mr Ringrose**—Yes.

**Mr Perrin**—If we cannot get that revenue we have to examine costs and look for efficiencies. For instance, there is a large Muslim population in Hedland. If a community radio

station started up that was in that language and catering to that culture, I do not think we would have any objection to that existing. But if it is an English speaking radio station that plays rock music plus commercials and that is going in there under the pretence of servicing a niche community, then we have a very large problem with that.

**CHAIR**—Would you object to having, for example, an SBS radio station there?

**Mr Perrin**—No.

**Mr Ringrose**—They are already there—a TV station and Triple J is there.

**Mr Perrin**—We actually house them in our transmitter facility.

**CHAIR**—Do you network between the three stations at all?

**Mr Perrin**—Yes, we do.

**CHAIR**—At what times of the day?

**Mr Perrin**—It will take some explanation. Shall I talk about WAFM first?

**CHAIR**—Let us deal with WAFM first, the biggest one.

**Mr Perrin**—WAFM is networked 24 hours a day from Karratha to Hedland and remote. Broome has its own FM breakfast program from 6 a.m. to 10 a. m. Monday to Friday. What we refer to as the AM service or North West Radio—the oldies-gold-easy music format—

**CHAIR**—Which is in what towns?

**Mr Perrin**—That is in Karratha, Hedland, Broome and also some remote areas, such as Kununurra, Derby and Newman. That has a local breakfast program in Karratha, a local breakfast program in Port Hedland and a separate program which goes out to the remote stations.

**CHAIR**—When do you cut that off?

**Mr Perrin**—That is at 10 o'clock in the morning. It goes back to a network program until six the following morning.

**CHAIR**—Do you generate your own programs for the rest of the day? Do you pre-record the rest?

**Mr Perrin**—WAFM is live, with an announcer in the studio, from 6 a.m. until 10 p.m. every day, Monday to Friday.

**CHAIR**—You do not buy in programs, you generate all your own?

**Mr Perrin**—We buy in some specialty programs from the MCM network.

**Mr JULL**—*How green was my cactus* and all that sort of stuff?

**Mr Perrin**—Yes, that sort of thing. There is some long form as well—we have *Take 40 Australia*; there are specialty music programs. We have a live request program each night from six until 10, with an 1800 number so people can ring free of charge from anywhere in the state with song requests.

**CHAIR**—That is on your beautiful music format?

**Mr Perrin**—No, that is WAFM, the younger station. And we have a jukebox program with oldies on North West Radio.

**CHAIR**—What sort of news do you use?

**Mr Perrin**—We take our news from 6PR in Perth, which is Southern Cross Broadcasting. That news is on the hour.

**CHAIR**—That would be state news. What about local news?

**Mr Perrin**—We do not have any.

**CHAIR**—Don't you have a North West news?

**Mr Perrin**—No. Any news item that arrives at our desk we forward to 6PR for inclusion in their regional bulletin.

**CHAIR**—Do you have a journalist in North West?

**Mr Perrin**—We have a qualified journalist in our Karratha station. She coordinates information and supplies it to a couple of the programs we take.

**Mr HARDGRAVE**—How big is your share of the total market? You have those three major centres, so your remote licence has a few per cent more people?

**Mr Ringrose**—A lot more. The population that we serve is plus or minus 130,000. Those major population centres account for 45,000. There are places like Exmouth and Tom Price, Paraburdoo and Pannawonica mining centres which have reasonable sized populations.

**Mr HARDGRAVE**—So your viability is maintained by maintaining those as part of your licence area?

**Mr Ringrose**—Absolutely.

**Mr HARDGRAVE**—Without that you are not viable?

**Mr Perrin**—There was a fair example of this towards the end of last year, when there was an enormous cloud hanging over the HBI plant in Port Hedland. You could gauge it by watching the revenue figures plummeting. Paul Anderson came over from the eastern states and announced, ‘We are not shutting it.’ Literally within 24 hours we could see people having confidence in the area again and spending money. That is how precarious, at times, what we are doing is.

**Mr HARDGRAVE**—So every little incursion from an LPON or an HPON is very damaging?

**Mr Ringrose**—Yes.

**Mr Perrin**—It is sensitive. At the moment, in relation to Woodside, in the Karratha area it is a hands-in-pockets situation until people work out what is going to happen there and what the effect will be.

**CHAIR**—So, even with a decision on that level, the Shell-Woodside thing is having an effect on business?

**Mr Perrin**—Yes, because it creates an uncertainty.

**Mr Ringrose**—At the grassroots level, people are uncertain about their jobs. Whether it is right or wrong does not really matter—it happens.

**Mr Perrin**—It is the perception there will be change. As soon as that is there, people say, ‘We have to hunker down and sit tight, we may have to move.’

**CHAIR**—Good point.

**Mr JULL**—This actually has nothing to do with the case, but do you get a share of federal government advertising?

**Mr Ringrose**—Yes. That fits into that 26 per cent I was talking about.

**CHAIR**—On this map here Derby seems to have its own area.

**Mr Perrin**—That is actually the gulf.

**CHAIR**—I thought it might have been another broadcast area.

**Mr Perrin**—That white area around Karratha and Port Hedland is ours as well. It is just that that map is actually the licences in the remote areas.

**CHAIR**—What is this pink area around Carnarvon called?

**Mr Ringrose**—Carnarvon is 6LN.

**CHAIR**—And you concede that area to them, do you?

**Mr Ringrose**—Absolutely. That has been in existence for years and is nothing to do with us. The bit of history in that map is that Exmouth used to belong to Carnarvon. Two or three years ago they used to landline their signal up to Exmouth. They were finding they were not getting any revenue from Exmouth or the cost of keeping the service was too much for them, and we bought that area from them with the ABA's consent. That is the map that recognises that change has taken place.

**Mr Perrin**—I think we have had it wiped out twice by—

**CHAIR**—What is this bit down here to the east of Esperance?

**Mr Perrin**—That is around Eucla, and there is no coverage down there. I do not know if any station exists down there, so they are missing out.

**CHAIR**—And your signal does not get into there, for some reason?

**Mr Perrin**—If somebody put in a satellite receiver and a retransmission facility that area could be covered.

**Mr St CLAIR**—How much does that cost?

**Mr Ringrose**—Between \$5,000 and \$20,000, depending on the power of the retransmitter they want.

**Mr HARDGRAVE**—So it is doable for a local authority who wanted it?

**Mr Ringrose**—Yes, very much so. Many have.

**Mr Perrin**—This is one of the other things: if they would like more program diversity, the fact is that two program streams do exist that they could have access to.

**Mr HARDGRAVE**—So in that regard the ABA have actually potentially achieved their coverage of Western Australia with radio services. But it is still falling down if a local authority does not take up the option of retransmission and it is still frustrated by the fact that there is not a standard signal for you to be received on wherever you go?

**Mr Ringrose**—Exactly.

**Mr Perrin**—For instance, in Exmouth the program received is WAFM but the transmitter is AM.

**Mr Ringrose**—I want to clarify a point. Peter mentioned that we have two services going out on satellite, but only one is now multiplexed with the GWN signal. The reason there is only one multiplex GWN signal is, again, history: there is no capacity within the GWN signal for another service to be multiplexed at the moment in the satellite service. So if anybody wanted another

service, that would require additional equipment. As I said, we are currently looking for ways to overcome that problem to ensure that in future both services are multiplexed with a television signal so that they have a choice.

**CHAIR**—You gave us a list of the retransmission sites. Do you need that back?

**Mr Ringrose**—No—the shaded ones are the company owned and operated sites.

**CHAIR**—So you actually bought some retransmitters yourself?

**Mr Ringrose**—Absolutely, we own some, yes—Derby's and Kununurra's.

**CHAIR**—Is there another radio station in Kununurra or just yours?

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

**Mr Perrin**—I do not think so.

**CHAIR**—There is an ABC studio?

**Mr Ringrose**—Absolutely. ABC is everywhere.

**Mr Perrin**—The ABC is in all those sites.

**CHAIR**—The committee has agreed that information dated 13 March—namely, documents 19 and 20, the map and the list of stations—be received as evidence to the inquiry into the adequacy of radio in non-metropolitan areas and incorporated in the committee's records. Thank you for your evidence today. It was kind of you to come and be so frank and open in your responses. You will receive a copy of the draft *Hansard* transcript. We trust we can come back to you if we need more information.

**Mr Ringrose**—Certainly.

**Mr Perrin**—Most definitely.

**Proceedings suspended from 9.44 a.m. to 9.54 a.m.**



**KENNEDY, Mr Ian Gordon, General Manager, Red FM**

**CHAIR**—Welcome, Mr Kennedy. You might give us a five-minute overview and describe the function of Red FM as part of that.

**Mr Kennedy**—I will first bring you up to date on certain things that have changed since the submission was sent in. Red FM was originally granted an open narrowcast opinion from the Australian Broadcasting Authority and had been broadcasting to mine sites around Western Australia for the last 2½ years, 24 hours a day, seven days a week. As of yesterday, the Australian Broadcasting Authority has put us in the category of commercial broadcasting. This opinion has come through as of late yesterday. I do not have the ramifications of that for you yet but I can forward those to you. That came about from an opinion that we sent to the Australian Broadcasting Authority in December, looking to expand our audience and sites to take in mining communities around Western Australia. So as of late yesterday, Red FM is in the commercial broadcasting category under the Australian Broadcasting Authority.

**CHAIR**—Can you just describe what your whole network is?

**Mr Kennedy**—The network has set up a series of LPON licences. We broadcast to mines around Western Australia that operate on a fly-in fly-out basis—I am not sure whether you are familiar with the term fly-in fly-out—bearing in mind that the audience that we broadcast to live in Perth but happen to work in various parts of the state and in various parts of the mining industry—

**CHAIR**—And you do that via satellite?

**Mr Kennedy**—We do that via satellite.

**CHAIR**—Out of?

**Mr Kennedy**—Our studios are in Leederville in Perth. A signal is landlined to Bunbury and is sent up to the GWN satellite and dispersed on channel 0169.

**CHAIR**—Would you like to give us an overview of your submission?

**Mr Kennedy**—As I have already said, when we put forward our submission to the committee Red FM was in the open narrowcast category service at the time and it is now considered a commercial broadcasting category service as of yesterday. The problems or areas—

**CHAIR**—Is there a specific covenant of what you can do?

**Mr Kennedy**—Yes. Under the open narrowcast service we are allowed to broadcast to fly-in fly-out mine sites around Western Australia. That was our brief from the Australian

Broadcasting Authority and we have kept to that, although there have been townships that have taken the signal—

**CHAIR**—But what I am saying is that, when you translate to an open licence, do those conditions still apply?

**Mr Kennedy**—Those conditions apply but it would give us—on our understanding—further jurisdiction to actually broadcast via an LPON system.

**CHAIR**—We might flush that out in the evidence. Are there any other comments you want to make?

**Mr Kennedy**—No. I just wanted to bring you up to date with the opinion as of yesterday.

**CHAIR**—How many mines would you transmit to?

**Mr Kennedy**—We are broadcasting to in excess of 50 mines at the moment, 24 hours a day, seven days a week.

**CHAIR**—Do you have a mother station?

**Mr Kennedy**—All mines receive the same signal at the same time.

**CHAIR**—But you do not have a circumstance like your colleagues in North West Radio? You do not have a location where you operate as a standard broadcaster as well?

**Mr Kennedy**—Everything comes from our Leederville studios in Perth.

**CHAIR**—And only to mining?

**Mr Kennedy**—Only to mining centres—mine sites.

**CHAIR**—And how many of those?

**Mr Kennedy**—We have in excess of 50 of those around the state.

**CHAIR**—What is your company shareholding?

**Mr Kennedy**—The company is owned by five major shareholders that are all on the board of directors. I do not sit on the board and I have a minor shareholding.

**CHAIR**—What are their backgrounds?

**Mr Kennedy**—Their background is a financial background. They have all been dealing in stockbroking and investments generally.

**CHAIR**—They are not in the radio industry?

**Mr Kennedy**—They are not media people, no. My background is media.

**CHAIR**—What triggered the thing? Were there people with interests in the mining areas that wanted a service?

**Mr Kennedy**—The gentleman who started Red FM was actually a miner—once again, he had no broadcasting background—who worked on one of these fly-in fly-out mine sites. He saw the opportunity and also the need to get something like this started and approached the ABA for their original opinion. I believe that with the red tape, letters going backwards and forwards, it took about two years to get under way.

**CHAIR**—Can you give us a brief overview of your daily format?

**Mr Kennedy**—Yes. Everything we do is aimed at mining.

**CHAIR**—And you run for 24 hours?

**Mr Kennedy**—We are 24 hours a day and we operate seven days a week. We play music that is designed for the male audience—the bulk of the people working in the mining industry are male—and it would be aimed at the 20-44 age group. We have news services; we also have industry news services.

**CHAIR**—Who do you take your news from?

**Mr Kennedy**—We take our news from Southern Cross Broadcasters, their regional feed, and we do our own resources report each day, Monday to Thursday, which just takes in mining news.

**CHAIR**—How long are those bulletins?

**Mr Kennedy**—Those bulletins are roughly five minutes.

**CHAIR**—And how many times a day?

**Mr Kennedy**—We do that at midday and midnight.

**CHAIR**—Midday and midnight every day?

**Mr Kennedy**—Yes, Monday to Thursday.

**CHAIR**—And do you have your own journalist to put that together?

**Mr Kennedy**—That is put together ourselves. We do have a journalist that puts together our mining update, which is a half-hour program on Fridays. He is an experienced resource editor with the *West Australian* newspaper and he comes and works for us on a part-time basis.

**CHAIR**—And is all your programming live around the clock, or do you prerecord some of it?

**Mr Kennedy**—It is prerecorded.

**CHAIR**—Do you have any live?

**Mr Kennedy**—It is live between six and nine, which we take from PM-FM in Perth—we take their breakfast program live. After that we do our own prerecorded programs—

**CHAIR**—From six until nine?

**Mr Kennedy**—Yes.

**CHAIR**—And do you have any live within the other 21 hours?

**Mr Kennedy**—No.

**CHAIR**—What do you do when you have got emergency situations?

**Mr Kennedy**—For any emergency situation that we have, we can break into programs. That is not difficult to do. Our studios are located at our offices so we can take care of emergencies.

**CHAIR**—So you have a duty announcer around?

**Mr Kennedy**—We have people available 24 hours a day, seven days week. I can get to the station within 20 minutes.

**Mr St CLAIR**—When you get to 50 mine sites, how many people do you reach?

**Mr Kennedy**—We are getting to about 44,000 people which takes into account employees, subcontractors, people who are contracted who work for electrical companies and catering people. Some things are sometimes outsourced rather than done by the mining company themselves.

**Mr St CLAIR**—The signal is in the mine site itself obviously?

**Mr Kennedy**—Yes, it is retransmitted on site.

**Mr St CLAIR**—How far around does it go?

**Mr Kennedy**—They are on LPONs. Depending on the topography of the land, they would do two to five kilometres around the site.

**Mr St CLAIR**—Where do you get your revenue from?

**Mr Kennedy**—Our revenue comes from advertising which we sell through Perth. Because our audience is Perth based, our revenue is raised out of Perth; it is not raised regionally.

**CHAIR**—What sort of people would buy that advertising?

**Mr Kennedy**—Financial planners, investment companies or people selling property. Miners, as you would appreciate, are high-income earners, so people target them for holidays and big boys' toys, as we call them—elaborate entertainment systems et cetera.

**Mr St CLAIR**—So what you are doing is a very specific thing, isn't it?

**Mr Kennedy**—Yes, I am not going to be selling a pair of stockings or anything like that on Red FM.

**Mr MOSSFIELD**—Not to miners.

**Mr Kennedy**—Not to most of them anyway.

**Mr MOSSFIELD**—Thank goodness.

**Mr St CLAIR**—Do you have editorial comment?

**Mr Kennedy**—On our Friday morning update, there is a resource journalist. He will comment on the week's events in the mining industry and also interview key personnel or people connected with any of the stories that have happened over that previous week.

**Mr St CLAIR**—Political comment?

**Mr Kennedy**—No political comment.

**Mr St CLAIR**—So you would not have a minister on there?

**Mr Kennedy**—We are attempting for the first time to get the new Minister for Mines here in WA, Clive Brown, involved in that program, within the mining update, to give the miners a chance to actually ask him questions.

**Mr St CLAIR**—So a talkback type thing?

**Mr Kennedy**—We cannot do talkback for safety reasons.

**Mr St CLAIR**—Sorry, what do you mean?

**Mr Kennedy**—On the mine sites they work 12 hours a day, 6 a.m. to 6 p.m. and 6 p.m. to 6 a.m. We have gone out of our way not to drag people away from their job. They are working with, as you would appreciate, expensive and sometimes dangerous equipment. We do not do any of these ninth callers to win a CD or a holiday or anything like that on air and the same goes

for talkback. In the case of the minister, the questions would be either emailed or faxed to us and they would be presented.

**Mr HARDGRAVE**—The ABA after two years of deliberation have said you can be an open narrowcast service category broadcaster and collect advertising revenue. How many minutes an hour do you sell?

**Mr Kennedy**—We have an in-house policy of six minutes, but we run about four minutes at the moment.

**Mr HARDGRAVE**—You are selling four to six minutes of advertising an hour, broadcasting to 44,000 people, a bit over a third of the people in North West Radio's rural and remote service area—

**Mr Kennedy**—They are not people who live there though.

**Mr HARDGRAVE**—No, but my point is that they have just now decided that you are a commercial broadcaster, but you have been selling advertising for all this time?

**Mr Kennedy**—Under an open narrowcast, you can still sell advertising and that was always in our original opinion and brief.

**Mr HARDGRAVE**—Why have they decided you are a commercial operator now?

**Mr Kennedy**—We put an opinion to the ABA in December seeking permission to broadcast via the LPON system to certain communities and townships around WA that have mining as their major economy. Out of that has come this category.

**Mr HARDGRAVE**—In the feedback section of your submission you say that:

Rural communities can be dissatisfied with the current options of radio available. Rural communities would like a choice of radio services, as their city counterparts do.

For remote communities receiving radio on satellite, there is the 'it's our equipment, we should be able to broadcast what we want' attitude. It should be noted that some townships have switched to Red FM and are so dissatisfied with current arrangements, that they are prepared to contravene current legislation just so they can get a service they are happy with.

In other words, the ABA in fact are now helping those communities? Is that what you are suggesting?

**Mr Kennedy**—No, that is not what I am suggesting at all. That feedback has come from comments from people who know the Red FM service is there and would like to take the Red FM service. Some of them have actually taken the Red FM service without any permission from anybody. We are looking at going to communities and townships which have mining as a background. Some of these that we are talking about in the feedback are actually agricultural areas and have nothing to do with mining but would prefer to take Red FM's signal.

**Mr HARDGRAVE**—You have 44,000 people officially. What is your fortuitous coverage from these renegade townships that are pulling your signal and retransmitting?

**Mr Kennedy**—I would not be able to sit here and list all the townships that may or may not be listening. A couple even came to hand just yesterday. We have never chased them. They have done it themselves. Most of them do not even let us know it is happening. I have never included them in our figures.

**CHAIR**—Don't they have to get licences from the ABA to do that?

**Mr HARDGRAVE**—Can't you encode your signal?

**Mr Kennedy**—There is no encryption on the signal. The way it is set up at the moment is that it is part of the Telstra packages that they distribute to various parts of Western Australia.

**CHAIR**—You do not encourage it, I hope.

**Mr Kennedy**—No. In the past if people have called and said they want to take Red FM, and it happens on a fairly regular basis, I firstly outline that it is a mining radio network catering for fly-in fly-out mine sites in Western Australia and that they should approach the ABA.

**Mr HARDGRAVE**—Maybe they have. Maybe that is why the ABA decided to change your category to that of a commercial broadcaster. Does this then give you greater freedom to go to these communities?

**Mr Kennedy**—The communities that we actually listed in our opinion to the Australian Broadcasting Authority are not the same communities that we are talking about here. Our only interest with those communities is if mining is their prominent—

**Mr HARDGRAVE**—Do the ABA give you or others an opportunity to comment on this change of category before it is cemented?

**Mr Kennedy**—No. This was given to us yesterday. It is an 11-page document from the Australian Broadcasting Authority. As you can see, the original has not even arrived. It is a faxed copy that arrived on their deadline yesterday.

**CHAIR**—What are its main points essentially?

**Mr Kennedy**—The main points are that they consider that we do not fall into the open narrowcasting category any more; we fall into the commercial broadcasting category. What they are saying is that, because we do want to encroach on some townships that have mining as their main economy, there are other people who may well want to listen to Red FM and there is no way of blocking those people out. So they have changed the category. That is our understanding of it at the moment.

**Mr HARDGRAVE**—When did you make your approach to the ABA?

**Mr Kennedy**—On 21 December last year.

**Mr HARDGRAVE**—That must be the fastest thing the ABA have done in their history.

**Mr Kennedy**—For opinions they have a 45-day self-imposed limit. That was extended by 30 days when they made some inquiries of us. That is in their act.

**Mr HARDGRAVE**—But surely this decision has now changed the complete operating circumstances of other licensees in the area that you are now encroaching. Surely there must be some appeal mechanism to this decision. Is that possible?

**Mr Kennedy**—The decision, as written here, reads:

The ABA has formed the opinion that the proposed service falls within the **commercial broadcasting** category. A copy of the signed opinion is enclosed, together with the ABA's assessment of the application.

Under subsection 21(5)(a) of the Act, the opinion is binding for a minimum of five years, so long as the circumstances relating to the broadcasting service remain substantially the same ...

**Mr HARDGRAVE**—What are you going to do now?

**Mr Kennedy**—We will go and talk about it first. We received this only yesterday. We hope to be able to act on it and make our service available to some of the townships that have mining as their main economy.

**Mr MOSSFIELD**—Taking into account the background of your directors and also the fact that your footprint covers all of Australia, what plans do you have for expansion? Is it possible that you may transmit to, say, mining sites in other states?

**Mr Kennedy**—It is possible, and the request has been made to us from other states. At the moment it is not something that we are looking at. Our home is Western Australia. I cannot rule that out for the future, but no positive action has been taken in that direction.

**Mr MOSSFIELD**—The board of directors will be looking for a financial return and looking to improve their financial position.

**Mr Kennedy**—Correct.

**Mr MOSSFIELD**—What plans do you have to increase the revenue of your station?

**Mr Kennedy**—Our revenue has been increasing over the last 12 months anyway through advertising. We have had natural increases in revenue.

**Mr MOSSFIELD**—That is the only income you would get.

**Mr Kennedy**—That is it. There are no grants or promises from anybody or anything like that. It is not subscription in any way. The mines do not pay us anything to take the service. It is a free-to-air service from their point of view. They retransmit it on site. To the future, that is why the opinion was sent through—to increase our audience in the mining area. We have been approached to broadcast to other states and other mines in other states and even overseas, through different expos that have been on.



**Mr MOSSFIELD**—To broadcast overseas?

**Mr Kennedy**—Yes, or to set up a separate service overseas, which would be more the case.

**Mr JULL**—What makes it definitively mining?

**Mr Kennedy**—Everything we do is done with mining in mind. Any segments on the station are repeated twice, for day shift and night shift. Music rotates are very low, bearing in mind that they are working 12 hours a day and probably listening anywhere up to 14 hours a day on site, so there is no repetition every three or four hours or anything like that. We also add in the mining news each day, which they are not going to find anywhere else. Some of these places do not even get the paper on the same day, they get it three days later—that is how remote they are. On Friday the mining update gives a half-hour, in depth look at mining over the week, so again it is mining orientated. There are no on-air competitions where people have to rush to phones and do things like that. We do fax the mines on Sundays with a newsletter and that is where we do our competitions so they have a week to fill out the coupon and fax it back to us. Once again, it does not interfere with the work practices. The other thing we have recently introduced, with the blessing of the Department of Minerals and Energy in WA, are safety messages. They have written up some safety messages which are pertinent to the mining industry and we have surrendered some air time to broadcast those at the rate of 60 per week.

**Mr MOSSFIELD**—What other commercial obligations do you have relating not just to safety but to emergencies in general, such as floods and cyclones, and sporting events and things like that?

**Mr Kennedy**—We have just introduced a Saturday afternoon sporting program.

**Mr MOSSFIELD**—Do you carry the rugby league results?

**Mr Kennedy**—We do not carry any live broadcasts of football. The AFL is covered by the ABC. We do an updated sports results program every half hour from midday to six, covering any sport and anything that moves—progress scores, final results, things like that.

**Mr JULL**—Most of the program is live?

**Mr Kennedy**—That part of it is live. The announcer himself is not doing it. This is interspersed in the program, but it is live.

**ACTING CHAIR (Mr Gibbons)**—Are there racing results?

**Mr Kennedy**—Yes, from major races and the local Perth races.

**Mr HARDGRAVE**—Do the mining companies, the mine sites, meet the retransmission costs for you?

**Mr Kennedy**—They had the equipment in the first place to receive their other communications—TV and stuff like that. Their TV comes in via satellite, not by normal

transmission means, so the equipment is there. If it is a new mine site and they need to purchase the equipment, the latest quote I had was in the vicinity of \$3,300 to \$3,500.

**Mr HARDGRAVE**—What will happen with your new circumstance?

**Mr Kennedy**—We will probably be footing the bill in most cases to get the equipment put in, but that needs to be explored further.

**Mr HARDGRAVE**—What is now going to be your market?

**Mr Kennedy**—It will still be mining.

**Mr HARDGRAVE**—Does that include everything from the North West Shelf through to the back streets of Kalgoorlie?

**Mr Kennedy**—It would cover what is termed the resource sector of the economy. So, yes, North West Shelf, gold, nickel, copper.

**Mr HARDGRAVE**—That sounds like the whole state of Western Australia.

**Mr Kennedy**—Mining is the major economy in Western Australia and that is one of the reasons we do what we do.

**Mr St CLAIR**—Oil and natural gas as well?

**Mr Kennedy**—That is covered as part of the resource sector. The problem with some of the oil platforms is that they are floating platforms, so taking the signal is a more difficult task and the cost can be in the vicinity of \$50,000 to \$100,000.

**Mr HARDGRAVE**—Can the mine break into the signal during the day?

**Mr Kennedy**—No. They are not equipped for that.

**Mr HARDGRAVE**—Good luck to you, Mr Kennedy, but I am just a bit stunned that the ABA can grant a commercial broadcasting licence in 45 plus 30 days in an area that basically covers the entire state of Western Australia. When you think about it, this is the most extraordinary—

**ACTING CHAIR**—Out of character.

**Mr HARDGRAVE**—As the acting chair has said, out of character as well as an extraordinary development.

**Mr Kennedy**—The ABA have a section in their own act which states that, when asked for an opinion, they must answer within 45 days.

**Mr HARDGRAVE**—But there is a consequence of this opinion, Mr Kennedy. I will take it up with the ABA—

**Mr Kennedy**—That is for them to decide.

**Mr HARDGRAVE**—because it just strikes me as extraordinary that out of the ether comes a commercial broadcasting licence.

**Mr Kennedy**—It is not a broadcasting licence. It is a commercial broadcasting category. They are not issuing us a licence. It is an opinion.

**Mr HARDGRAVE**—Okay, but using LPON?

**Mr Kennedy**—We are using only the LPON system. The LPONs that we have purchased have come from the Australian Communications Authority, not the ABA.

**Mr HARDGRAVE**—If I were in Queensland, I could call at the Australian sandstone mine at the back of Helidon and say, ‘Helidon is a mining community, so it should be covered.’ Where does mining stop and mining start in Western Australia?

**Mr Kennedy**—We are dealing with Western Australia. We are not dealing with the rest of the country.

**ACTING CHAIR**—So you do not go to Broken Hill?

**Mr HARDGRAVE**—I guess the point I am trying to make is that the ABA have given a commercial broadcasting category to an LPON operator based on the fact that they are going to service the mining communities.

**ACTING CHAIR**—It almost has you speechless.

**Mr HARDGRAVE**—I am quite stunned.

**Mr Kennedy**—The ABA themselves do not usually administer the LPON system. The ACA issues the LPON licences. We have decided to go to the ABA to get an opinion on purpose.

**Mr HARDGRAVE**—So you can work?

**Mr Kennedy**—We want to do it with their blessing not behind their back, although I am led to believe that we did not really need to go and get an opinion under the LPON system.

**ACTING CHAIR**—You said it cost them about \$3,500 for the equipment? If a pastoralist out in the middle of WA wanted to spend that amount of money, your footprint would—

**Mr Kennedy**—He could actually take it. He would not have our blessing to do that, but he could actually take it.

**ACTING CHAIR**—Why wouldn't he have your blessing?

**Mr Kennedy**—We are a mining radio network. I am at pains to describe that to anybody who calls us.

**ACTING CHAIR**—What if he likes the music that you play?

**Mr Kennedy**—He can take it, but he does not take it with our blessing. The program goes to mine sites as it stands at the moment. In the future, depending on how we go watering this down and sorting it out—

**Mr St CLAIR**—But they do not pay you anything to receive it?

**Mr Kennedy**—No.

**Mr St CLAIR**—So the person who puts it on his pastoral place—

**Mr Kennedy**—Could actually theoretically do it.

**Mr St CLAIR**—But it only has a radius of—

**Mr Kennedy**—Two to five kilometres, depending on the topography. You can shove it high up on a hill and it will go a bit further. If it is down in a valley, it will not go as far. The LPON equipment comes in virtually kit form—a satellite dish and decoder—

**Mr HARDGRAVE**—What is it worth?

**Mr Kennedy**—About \$3,300 to \$3,500.

**Mr St CLAIR**—What else does it receive?

**Mr Kennedy**—It can receive anything that it can take off that particular satellite, which is PAS 2.

**Mr HARDGRAVE**—I will declare right here and now a vested interest, and I am considering applying for LPON licences for the fishing industry in Queensland.

**Mr Kennedy**—People have done it. The church has done it. They are sitting on 180 LPON licences around the country, not operational, to broadcast Christian music.

**Mr MOSSFIELD**—There is not the demand for it at the moment?

**Mr Kennedy**—I do not know that they have the dollars to go and do it. They have bought so many licences. It would be an astronomical expense for them to go and set it up.

**Mr St CLAIR**—Advertising might be short.

**Mr Kennedy**—Under the new rules about hoarding of LPON licences, they will have to use them or lose them by 1 September.

**Mr St CLAIR**—This year?

**Mr Kennedy**—This year.

**Mr HARDGRAVE**—You have shut me up, Mr Kennedy. I am completely blown away by all of this.

**Mr Kennedy**—There is a gentleman on the Gold Coast known as, I think, Beech FM. He has two LPON licences and broadcasts throughout the Gold Coast. Under the LPON system, you can do it. I guess what Red FM has done is not bought two but gone and bought a whole group of LPON licences with the intention of using them.

**CHAIR**—Do you own all of them or do some people—

**Mr Kennedy**—Some of the mines own their own licences. Some of the mines have been granted their own frequencies when they are in their set up stage. We own 78 LPONs all up, and not all are on mines. Some of them are in townships—hence the opinion—and some of them that we hold will be of no use to us.

**CHAIR**—Have you ever been requested to go into the north-west of Queensland?

**Mr Kennedy**—We have had a request from the Pasminco company to broadcast into Queensland and a couple from the Northern Territory, one from Victoria and one from Canada—not to relay our service, but to set up a similar service for them.

**Mr St CLAIR**—The mining areas of Canada and Alaska are just huge.

**Mr Kennedy**—Yes, and South Africa would be another area.

**Mr GIBBONS**—Does that system prevent you from going into other areas if there is an existing commercial licence—for example, if there is a mine in Carnarvon?

**Mr Kennedy**—Our initial brief was the fly-in fly-out mine sites in the open narrowcast service. At the mine sites close to places like Kalgoorlie, the people used to live in Kalgoorlie, so we do not broadcast to those mine sites, they are out of our—

**Mr GIBBONS**—You cannot, or you choose not to?

**Mr Kennedy**—We cannot under the fly-in fly-out arrangement, so we did not broadcast to those mine sites. We still do not broadcast to those mine sites. However, a lot of those mines now are actually changing to fly-in fly-out rosters because it is cheaper and it is easier to keep staff who still get to come back to Perth rather than have to live in Leonora, Leinster, Menzies or any of those places. Interestingly enough, it was the township of Menzies—just to elaborate a little bit—that rang the ABA wanting to take Red FM's program. They were told by the ABA

that the only way that they could take the Red FM program was to have an LPON licence, which they now have, and it is up and running.

**Mr HARDGRAVE**—What is your turnover? Are you a publicly listed company?

**Mr Kennedy**—No, it is private shareholding.

**Mr HARDGRAVE**—I just wondered what your circumstance was, but it does not matter if it is not on the public record.

**CHAIR**—Mr Hardgrave asked you right at the beginning, but have you got any estimate of your fortuitous coverage to other—

**Mr Kennedy**—I do not have any estimates.

**CHAIR**—There must be some.

**Mr Kennedy**—I cannot even sit here and tell you the townships who may be taking us where they are not supposed to be taking us, and we have never included them in our figures for that year.

**CHAIR**—But what about where you have got a mine site and there is a small town near it? You would get fortuitous coverage there, wouldn't you?

**Mr Kennedy**—I am not led to believe so. I believe there are some leaks from mine sites close to Mount Tom Price, but we are actually on the mine site, not in the township, and it is more of a drift. It is more of a drift than anything else and once again is not included in our figures.

**Mr HARDGRAVE**—The key to your category was the fly-in fly-out?

**Mr Kennedy**—The key to the category originally was fly-in fly-out.

**Mr HARDGRAVE**—But now it is no longer relevant?

**Mr Kennedy**—I will have to get this looked at properly; it only came yesterday as you might appreciate.

**CHAIR**—Is it restricted to WA?

**Mr Kennedy**—It is restricted to WA.

**CHAIR**—Thank you very much for that, Mr Kennedy. That is very interesting information. The more we see of WA, the more complex it gets.

**Mr Kennedy**—It is a big state.

**Mr HARDGRAVE**—The state of excitement.

**CHAIR**—I think we need the wisdom of Solomon more than the state of excitement.

**Mr HARDGRAVE**—What seat does he represent?

**CHAIR**—Thank you once again. You will get a copy of the transcript.

[10.24 a.m.]

**ALTHAM, Mr Steven, Local Radio Manager, Australian Broadcasting Corporation, Western Australia**

**DAVIS, Mr Gary John, Manager, Technical Services, Australian Broadcasting Corporation, Western Australia**

**DUNCAN, Mr Geoffrey Milward, State Director, Australian Broadcasting Corporation, Western Australia**

**CHAIR**—You are probably aware that we have come across a totally different circumstance here and, to a lesser extent, in the Northern Territory. Would you like to lead, Mr Duncan?

**Mr Duncan**—Yes, I would like to start by saying that I am responsible for radio, television and online. I have a key responsibility for everything that affects the performance of the ABC in the state.

**CHAIR**—I would like you to give us a description of your services, especially your radio services in WA. How do you deliver them in each area? Do you have an outreach studio that may be integrated with another studio from which you transmit? We want to get a bit of a feel for where you are and your coverage and so on.

**Mr Duncan**—We have six regional stations in Western Australia: Albany, Bunbury, Kalgoorlie, Karratha, which covers the Pilbara, and Broome, which covers the Kimberley. We also have a service in Kununurra, which is not a full service but we have plans—

**CHAIR**—That is an outreach of Broome, is it?

**Mr Duncan**—Yes, that is right, and Geraldton, of course. We also have a rural reporter in Esperance. Do you want to go into some detail about the transmissions?

**Mr Altham**—If it is of any assistance, here is a map of the ABC's radio services in WA.

**CHAIR**—We will distribute these and we will take it into the record as an exhibit later when you finish your evidence. Do you have a satellite service as well?

**Mr Duncan**—Yes, we do.

**CHAIR**—And where does that broadcast come from?

**Mr Altham**—We have two. We have one that was started in Karratha some years ago. Because of the difficulty in providing a signal to some of the ABC locations, we had to select one studio operation to provide the ABC's composite regional services. These include things like the cricket and football, and whatever comes from the eastern states, and the news services that come out of Perth as well as the local services. Karratha was chosen because we had to



deliver a satellite signal to 16 locations in the state, and by choosing Karratha that would actually be the local service for the greater number of those 16 places.

**CHAIR**—Where does the other one come from?

**Mr Altham**—The second one, which we put to air in November last year, is based in Kalgoorlie and that solved the problem for the next highest number of regional studios that were until that time getting their program material from Karratha. So that meant that places like Menzies, Leonora, Laverton, Norseman, Ravensthorpe, Hopetoun and areas in the natural community interests of Kalgoorlie were able to access the local service. So, in effect, we now have each—

**CHAIR**—Do all these get retransmitted through ABC transmitters or do you make the signal available to local shires and communities if they want to take the signal?

**Mr Altham**—They are made available to local communities or mining companies for that matter. So anyone who is able to access a downlink of the satellite service can take it.

**CHAIR**—Do you have a list of those?

**Mr Altham**—No, we do not. We have an idea of where they are but we do not actually have any—

**CHAIR**—Can you let us have that list because that will match up very well with the two previous witnesses. We want to get a feel for what areas you are getting into. Are most of those low-powered licences the ones that you do provide to?

**Mr Altham**—I do not know about the legalities of licensing.

**CHAIR**—Two to five kilometres.

**Mr Davis**—Yes, they are all self-help sites of low power.

**CHAIR**—If you are out by a couple, do not worry about it. We just want to get the feeling for where you have got them.

**Mr Altham**—There is the occasional one that goes as a sort of special case to a higher power transmitter—for instance, in the indigenous communities in the far north of the state. Many of those for quite a long period until comparatively recently were taking ABC programming for a large part of the day and were for a period using the ABC transmitters. As they have started to get their own services, they have gradually moved to producing their own programming, but some of them still do take our programming from time to time. We do not know precisely when that is because they have the power to basically choose to use it or not to use it in a particular circumstance.

**CHAIR**—Okay. I interrupted you, Mr Duncan. Would you like to give me your overview now for about five minutes?

**Mr Duncan**—Thank you very much for the opportunity to make some opening remarks about the role of the ABC in regional Western Australia. As you all know, WA occupies a third of the continental landmass, with a comparatively small number of people living across what is a very vast area. It is a huge state. Over the years, this has presented many challenges and some opportunities. Not the least of the challenges has been trying to provide at least a basic level of ABC service to people in some fairly remote areas of the state.

This morning I would like to address two key areas: transmission and localism. In terms of transmission, the size of WA makes it virtually impossible to provide a free-to-air radio signal across the entire state. In fact, some 70 per cent of the surface area of WA gets no free-to-air radio or television signal of any kind—commercial or ABC. This is something people in regional communities are concerned about, and we hear it often and regularly. The ABC has done its utmost to get the national broadcaster into as many communities as possible. Some 98 per cent of Western Australians get at least one ABC signal; most get probably more than that. This is provided by a combination of wide-area power AM transmitters and by smaller but higher quality FM transmitters, which are familiar in many smaller communities. AM transmission can cover a wider area, but FM, of course, sounds better. We would like, therefore, to have more power AM transmitters in WA. This would allow more people to hear the ABC when travelling, particularly in remote areas. But it seems Australia has virtually reached saturation point with AM frequencies and it is unlikely the ABC is going to be given this capacity. Until there are developments in satellite technology or digital broadcasting, our terrestrial network is unlikely to expand.

On localism, the ABC, as I mentioned earlier, has six fully staffed regional operations in the state, broadcasting some 20 to 25 hours a week of local programming at breakfast and in the afternoon. Staff in these offices also provide programs to the rest of the state and even nationally. For instance, at Albany we currently broadcast a Sunday evening program to the whole of Australia every week—something of a coup for WA. Albany is also the base of a trial of the new multimedia technology, with a member of staff working on ways of using alternative media to provide news, information and entertainment to people in regional areas. That staff member is also helping other staff in other regional offices develop the web sites which are now a feature of all our broadcast regions. The building which we originally designated for five people in Albany is currently bursting at the seams, with up to nine people working out of this office at various times. During the winter months, we broadcast a Sunday morning program to all of Western Australia, including Perth, from Broome. So, as well as broadcasting directly to the local communities, many of our regional broadcasters get to present programs from their regions to a much wider audience.

As well as our six fully staffed regionals, we have two smaller outposts—one at Esperance and one at Kununurra. We have plans at present to move to larger premises in Kununurra and employ another full-time member of staff to provide specialist programming in the east Kimberley. We are also working on further plans to increase ABC radio services to regional Western Australia. We want to open a local studio in the great southern region. This region comprises some 35,000 people, with the main population centres being Narrogin and Katanning. It is a discrete area which the ABC has until now serviced variously from Perth, Bunbury and Albany. The region features two commercial radio stations which have substantially reduced local operations and provide most programming from Bunbury. We have made a firm proposal for a local studio to be developed, employing up to three people within

the region, broadcasting a local breakfast program, rural and news reports. Last year we completed a three-year program of upgrading all our regional studios, the Bunbury operation being last, but not least, to get new equipment and facilities. This has given each of our regional broadcasters the latest technology to work with and demonstrated our commitment to local broadcasting. Incidentally, Perth has just been upgraded to digital technology, but only after all the regional offices were first given the new technology.

Over the years the ABC has been quick to respond to particular needs in regional communities in a variety of ways. Recently we went to Newman to broadcast live, and on all ABC local radio stations in WA, a memorial service for the four police officers who died in a plane crash last month. This gave police officers, their families and those involved in the aviation industry throughout Western Australia the opportunity to participate in the service. It was the type of thing only the ABC can provide, and only the ABC did. When cyclones strike the north-west coast, as they do with monotonous regularity, we combine the resources of the local stations in the affected region and staff in Perth or other regions to provide a continuous flow of emergency information, weather, news and entertainment. We have developed a specialist expertise in this area and it is a task for which we have now well prepared. In the Gascoyne floods last year we flew reporters from Geraldton and Karratha to Carnarvon to provide on-the-spot reports through the night of the emergency. Pastoralists and others in the region were phoning our Perth studio, where we were able to broadcast rainfall figures and provide the emergency services with critical information.

With the resources we have available I believe we are providing a good service to regional WA. As I have already outlined we have plans to increase that service partly in response to the decline of the local commercial radio services but also because we have always been serving Western Australians living outside of the metropolitan areas as core business. Thank you very much for that opportunity.

**CHAIR**—A very good overview. I was just looking at your map and see that you have boxed in the ones where you have an ABC studio or an outreach.

**Mr Altham**—They are staff offices. The Kununurra one and the Esperance one—

**CHAIR**—In different areas you are providing a different service and in most areas a couple. It is surprising that you give Radio National as the second choice in a lot of areas when its listenership across Australia is about 1.8 per cent. Why would you do that ahead of FM or Triple J?

**Mr Altham**—My understanding was that it was a policy that Radio National was to be extended to be made available to all Australians where possible. That is not my area of responsibility.

**CHAIR**—Did the national advisory committee get a look-in on that? It surprises me that that is your second choice for provision after regional radio.

**Mr Duncan**—I can only reiterate what my colleague has said. As I understand it, there is a national policy. I assume that the priority that may be given to Radio National is on the basis of the particular quality and style of service that it operates.

**CHAIR**—If you look at some of those places—Leeman, Jurien and Eneabba in the wheat belt—they do not even have the regional radio but have Radio National.

**Mr Altham**—Most of those areas are the regional radio services received by a comparatively high-power or mid-level power AM transmitter. With the exception of Leeman and Jurien which are outside the circle on that map, all of the wheat belt and the southern region would get a local radio service plus those living closest to the Radio National transmitters will also be able to get a Radio National service.

**CHAIR**—Are some of those rebroadcast ones or are they all your own?

**Mr Altham**—Radio National ones?

**CHAIR**—Are all these other dots that are either not in those red circles or not near those boxed names ABC owned sites or are they some retransmission sites?

**Mr Davis**—They are all ABC transmitters but owned by NTL.

**CHAIR**—You do not have a map of the other self-help ones?

**Mr Davis**—We do have some records of it but we do not have it translated to a map.

**CHAIR**—Just so I have got this clear, you were saying, Mr Duncan, that it is national policy to provide Radio National as a second service to any area?

**Mr Duncan**—I would need to check that.

**CHAIR**—You were not consulted in the policy?

**Mr Duncan**—I have been here for 3½ years and I assume if that is a policy it certainly pre-dates my coming here. I would need to check that.

**CHAIR**—I am surprised how little FM you have got around the state. On the eastern seaboard, the FM stations came ahead of the Radio National. You have got Perth and Geraldton. Broome, for example, does not have the fine music network nor Kununurra or any of those. Is there any policy there?

**Mr Davis**—There is a submission. The expansion of the ABC network is pretty stable at the moment due to the recent sell-off to NTL. The ABC's funding is to maintain the existing network but expansion of the network is limited. There is a proposal at the moment to provide Triple J and PNN services to the regions.

**CHAIR**—Ahead of fine music?

**Mr Davis**—I believe so, yes.

**CHAIR**—I will leave the questions on short wave to Mr Hardgrave. You have probably heard of how the two commercial FM stations broke down in Geraldton because they went head to head with the same programming? We were also given evidence in a forum at Longreach of the danger when the Triple J signal is put into an area that can only marginally provide a Hot FM or popular music type of format. If you get requests for the retransmission of the Triple J signal, do you do some sort of investigation of whether that is going to put the local service in any jeopardy?

**Mr Duncan**—In that kind of situation we would obviously be interested in what impact the Radio National service would have in that market.

**CHAIR**—I am asking about Triple J. If you have a Hot FM type program or a supplementary licence to an AM station that is only marginal, and you get a request—

**Mr HARDGRAVE**—Viability is marginal.

**CHAIR**—Yes, viability is marginal. If you get a request from some group of zealots in the area who like Triple J and want to put a Triple J service in there—a retransmission of your signal—do you do an investigation to see whether that is notionally viable?

**Mr Duncan**—Financially viable?

**CHAIR**—Yes.

**Mr Duncan**—I think it is fair to say that the priority for the ABC is to deliver a service to—

**CHAIR**—No, this is not you delivering your service, this is where someone in a small community that you might not otherwise service asks to retransmit your Triple J signal. What is your policy there?

**Mr Altham**—My general policy would be that if somebody could get another service in there that would be fine. If I were still running North West Radio, which I did for some time years ago, I would probably have a different view because it would have an impact on the profitability of the enterprise. If somebody had the opportunity through their own efforts, and because we had failed or were otherwise unable to fund it, to bring in an ABC service then we would say that would be to the community's benefit, unless it did something like technically affect the signal or there was a situation like in Geraldton where one station went from AM to FM so there were two FM stations and the size of the service reduced. I think that would be our view, which we would then put to the ABC's national transmission people. I am sure they would seek to confirm the technical side of it. But I would see that as more as a technical argument.

**CHAIR**—This came up as an actual situation in Longreach. It was very similar to the circumstances you have got in Western Australia. I was just interested to know what your policy is going to be here.

**Mr HARDGRAVE**—I note that the ABC in Western Australia is bucking the trend within the ABC to bring everybody to Sydney and to close down regions. I congratulate them for that and wish it to be kept a tremendous secret, because the last thing I want is for the Ultimo people to

decide they want to reverse that tremendous trend. Having said that, it concerns me that the ABC short-wave service, VLX and VLW, closed down in 1994 and left about 2,500 people without a radio service. Can you revisit what was done from the ABC's perspective? We talked this morning to the Western Australian government, who raised this as a concern. And we have spoken with people who are more than a little upset about it because, seven years later, they have no radio service where there used to be one. Was there concern about EME at the Wanneroo transmission site? Was it simply a case of old technology that was no longer viable to maintain? Why wasn't some alternate technology looked at to try and provide that service again?

**Mr Altham**—My understanding when I arrived at the ABC was that the short wave service was originally set up in 1939 in Hamersley, which is in the northern suburbs of Perth. There were two transmitters used to basically provide the ABC's regional services, particularly into the north of the state where there were no terrestrial transmitters. So the service was there for quite a long time.

In 1987, I think the National Transmission Agency would have owned the ABC's transmitters. They approached the ABC and said that these transmitters were getting old and that they would become expensive to maintain and were expensive to replace. By that time, a number of additional services had been put in place around Western Australia to a point where, if you take out the short wave transmission side of it, the ABC was reaching some 99 per cent of Western Australians in their residences or in towns.

I understand that there was a debate that went on from 1987 to 1994. A number of trials were conducted and requests were made, and they adopted various techniques to go and find out exactly how many people would be affected by the demise of the short wave service. By 1994, they were saying, 'We are about to lose one,' or that type of thing. At their best estimate, the maximum number of people that would be affected would be 2,500 not living in towns in—

**Mr HARDGRAVE**—Which is about one per cent of the Western Australian population.

**Mr Altham**—The maths are beyond me at this stage, I am sorry. So at that point there was going to be no transmitter. The transmitter, within a period of 18 months or two years, would cease to exist and it simply would not function any more.

**Mr HARDGRAVE**—What was wrong with the transmitter?

**Mr Altham**—Age—that was my understanding—and also the cost of replacement parts. So it required a replacement, not a continual repair or update type process.

**Mr HARDGRAVE**—Out Meekatharra way, I think it was because the city trendies did not like the idea of a transmitter in their neighbourhood and the EMEs were probably frying their toast on them and they wanted it out of their town.

**Mr Altham**—I am sure that would have come up as an issue some time but, from my understanding of it, it was always to do with the technical veracity of the service and the fact that so many of these places which had previously relied on the scratchy short wave service were now able to get something else. For instance, in Meekatharra itself you can listen to the

ABC's local radio service at a higher technical quality than you can in Perth, because it is on FM. Obviously you do not get the reach.

**Mr HARDGRAVE**—No, you cannot get it 200 kilometres out of town.

**Mr Altham**—Yes, that is true.

**Mr HARDGRAVE**—You cannot get it 200 kilometres out of town. One of our witnesses yesterday, a pastoralist, used to enjoy listening to the ABC service on a short wave, the VLX or VLW.

**Mr Altham**—The other mechanisms are there. If somebody can spend \$1,500 or \$1,600 and get a satellite, then they can get not only the ABC's local radio service but also, I believe, News Radio and SBS television and the various commercial television services and whatever. Obviously it requires two things: first, that they be static—so it is a homestead type service and not a mobile one—and, second, that they have power. So the pastoralists who are operating their lighting plants are possibly going to do that in the evenings and watch television or whatever, but are less likely to do so at 9 o'clock in the morning, which may be more of a radio time.

So we actually put together a submission and put it into our local radio business plan—in fact, ABC's business plan in Western Australia—that we would seek to try to come up with what would be solutions for those 2,500 people, if that be the number. In existing technology, it really boils down to high-powered AM transmission. In technology that may become available in the near future, but may not, there needs to be some sort of satellite system that would allow us to get to very remote areas cheaply.

**Mr HARDGRAVE**—Sure. Like the AsiaSpace—

**Mr Altham**—WorldSpace is what we have actually been looking at but, unfortunately, they do not quite get down far enough. I again had a discussion with the national head of technical services about the high-powered AM one as recently as a fortnight ago. Forgetting the money—the cost of actually putting it up and having to justify the amount of money that we spend on providing an extra service, divided by the number of people that we are trying to reach—it is difficult coming up with the frequencies. The ABC does not have high-powered AM frequencies warehoused. There are particular difficulties as far as us meeting international requirements goes. There is some sort of covenant that Australia has with places like Indonesia. There are some forms of international agreements. We cannot go out and have a 10-kilowatt or a 50-kilowatt transmitter in Meekatharra, which was one of our proposed solutions.

**Mr HARDGRAVE**—Because it would drift to Indonesia?

**Mr Altham**—We would simply not be allowed to have that frequency.

**Mr HARDGRAVE**—Thank you for that. The submission from the Western Australian government suggested that—they were not 100 per cent sure and are going to check it out, but you might be able to clear it up for us—the ABC had frequencies long assigned to the ABC but the funding to put the frequency to air has not been obtained. Or you are suggesting that you do not have the frequencies allocated; you are using every frequency you have got.

**Mr Altham**—I am saying that on frequencies—financially it is a separate argument and we could get to that—we could probably have just about as many low-powered FM transmitters as we would want, because you can roll them round the place.

**Mr HARDGRAVE**—But do you have frequencies allocated to the ABC that you are not using?

**Mr Altham**—Not to my knowledge.

**Mr HARDGRAVE**—One of the suggestions put to us also was that there might be 2,500 people living in homesteads or whatever but there are probably 100,000 people who are on the road. When people are driving up the coast from Geraldton to Carnarvon, although there is a service in Kalbarri, they will find that along the road they cannot even get ABC radio. And the same is true to Exmouth, to Karratha, to Port Hedland, to Broome, to Derby—let us face it, to the whole of Highway 1. There is no ABC radio coverage continuing, and perhaps that was a factor that needs to be talked about more. This is not a criticism of the ABC; this is an attempt to try and help you. I got a whoop from the room when I suggested that maybe you need to put a 50- or 100-kilowatt transmitter at Newman and just do what the Americans used to do to the Cubans, if necessary—but you would nevertheless get the signal out. That is the sort of solution you are saying you have already looked at, but you have not got a frequency?

**Mr Altham**—We have worked on three transmission sites in Western Australia, which still would not cover everything but they would cover the new outback highway which is proposed from Laverton—it does not exist at the moment—out to Alice Springs, which is some 1,600 or 1,700 kilometres. There is a new road that comes down the middle. That was actually the basis of our argument, because we always understood that 2,500 people into however much money it is going to cost—and it will not be cheap—was never going to be an argument that would run.

**Mr HARDGRAVE**—But 100,000 motorists—

**Mr Altham**—Yes. We have actually done traffic counts on key roads and whatever, and that formed the basis of the argument. But, if you are talking motorists, you are talking high-powered AM transmission as the only available technology at present to reach those people. I personally think that is the solution—

**Mr HARDGRAVE**—So do I.

**Mr St CLAIR**—What is the problem with that? You mentioned something about the fact that it was going to go across to Indonesia. What do you mean by that?

**Mr Altham**—I do not understand the technicalities. Do you, Gary?

**Mr HARDGRAVE**—Before you answer, Mr Davis, can you not tweak the transmitter? I suppose it would be gratuitous coverage, but you can squeeze the signal so that it is an egg shape and it would just cover part of the state—

**Mr Davis**—You can do that. There is a cost factor in doing that. You certainly can tune the antenna, but the problem is still that high-powered AM travels around the world, and there are



certain agreements in place between our South-East Asian countries whereby we cannot transmit into there. We currently in Perth receive some Brisbane AM radio stations every night. If we had transmitters on the same frequencies, they would interfere with each other at various times of the day. We get what they call QSL cards, which is radio amateurs listening into local radio from Holland on occasions.

**Mr HARDGRAVE**—I used to have a fellow in Kobe, Japan, who would write to me when I was doing midnight to dawn on 4IP—at least I knew I had one listener in 1977.

**Mr St CLAIR**—But you are suggesting that the problem is an international treaty type gadget thing rather than a mechanical problem?

**Mr Davis**—Yes. In the AM band there are only so many frequencies that can be fitted into that band because it is such a low frequency band. When you go up higher into the FM bands and satellite bands, you can fit a lot more discrete frequencies in there. But AM is absolutely full at the moment. One of the other proposals we looked at with some of our low-powered AM frequencies was converting them to high power which is used in other areas of Australia. But, because they are low power to minimise interference, we cannot upgrade those licences.

**Mr MOSSFIELD**—I have a question about funding. We are talking about the technical difficulties and it looks as though they could be overcome, so funding is the issue that we have to come to grips with. Bearing in mind the additional work that you have to do to fill the gaps in Western Australia, from the ABC's point of view would you then be looking at existing funding, which would mean that something else would have to go by the board? Would you be looking at additional funding from the federal government to carry out this program, or would you also go to the state government to seek funding for a particular issue within their own state?

**Mr Davis**—Frankly, in terms of wanting to represent the best situation for Western Australian listeners, we would probably want to go to all those options. I would like to put on the record that it was this branch that really came up with and investigated this whole idea of a big high-powered transmitter, and it ran into the stumbling block of international regulation. It was this branch that argued and fought very strongly to get a second satellite service in there to service Leonora, Laverton and the areas around Kalgoorlie which, until a few months ago, could only get a service from Karratha. It is obviously an issue internally within the ABC, in terms of limited funding, and we have to lobby, like the other states have to lobby, for the transmission issues that are pertinent in their area. Ultimately, it has to be a national ABC decision as to whether they make submissions to the federal government for more funding. I would certainly be interested and part of my role is a constant lobby and conversation with the state government about how we can improve our services generally.

**Mr MOSSFIELD**—Would you be aware of any specific submissions to the federal government for additional funds?

**Mr Duncan**—We believe there is; I believe it is about \$15 million.

**Mr MOSSFIELD**—This committee will be able to follow that through.

**Mr HARDGRAVE**—I would like to reiterate my congratulations, and I am not just being gratuitous here. I am taking nothing away from others but I think it is refreshing in the extreme to see ABC management having a very good stand-up fight as you are having on behalf of the people you are trying to service, so well done.

**CHAIR**—Obviously you have tweaked your own budgets well, if you have been able to double your regional staff. You must have done that with some conscious savings in other areas. When you do put a funding submission together, following on what Mr Mossfield said, does that go in as WA's bid as part of the ABC submission to government, or once it gets to Sydney, does it just become part of a generic application?

**Mr Duncan**—Obviously, we have to make decisions about what is needed and what is best for our audience. If it is particularly a transmission issue Gary Davis, as technical services manager, would be across the detail and would be putting a lot of the arguments, and Steve, as local radio manager, would be involved in that process. I would be putting my imprimatur on that and then it just goes into the contest of ideas. It is then a question of what other states—

**CHAIR**—Who writes the generic submission?

**Mr Duncan**—It would depend.

**CHAIR**—Is that done in Sydney?

**Mr Duncan**—It would ultimately be a submission written by the head of TS&D, which would be one of the divisional directors.

**CHAIR**—Are you invited across to see the final draft of that?

**Mr Duncan**—We would certainly get copies and we would certainly—

**CHAIR**—Do you get into a constant consultative link, so to speak?

**Mr Duncan**—We would certainly be involved in not only putting the arguments and putting the presentation but also in following the process of that contest of ideas. To that extent, we would be very involved.

**CHAIR**—Why I ask that question is that, when I asked you right at the beginning of your evidence if you were in the loop in deciding what the second program was going to be after regional radio, you said you were not in the loop. To what extent are you consulted when the cake is divided up? You put in your application and your ambit claim to management: to what extent are you consulted before the final approach to government goes in?

**Mr Duncan**—We have just had a major reorganisation of the ABC, as I am sure you are aware. The state director role—which was originally the state manager role—means, in effect, that in any situation that affects WA I am able to have a conversation of equality with any of the divisional directors—whether they be technical services, TS&D, news and current affairs, television—and put the case very strongly on behalf on WA.

**CHAIR**—You have a lot stronger bargaining chip than you used to have?

**Mr Duncan**—I think that is true. Of course, the ultimate recourse there is that, if I am not satisfied with the response I am getting, I can then go to the managing director, who can then intercede and make a decision. Theoretically, there is quite a lot of force behind my role.

**CHAIR**—Mr Davis, are there new technologies for short-wave broadcasting? In the old days short-wave transmitters were fairly big and cumbersome, going right back to the days of valves and the like. What is a modern short-wave transmitter like in comparative terms?

**Mr Davis**—It is a lot more sophisticated, with a lot greater control. It is a lot smaller, more compact. It still uses the same size antennae arrays as in the past, there is a lot more refinement to give better radiation patterns, but it is still very expensive. It is older technology. It is a receiving technology that is very hard—

**CHAIR**—What would a short-wave transmitter cost today?

**Mr Davis**—To set up from scratch it would be well over \$1 million.

**CHAIR**—I will put forward an idea that you might all like to comment on. Say we made a recommendation to the government that Western Australia be granted two specially subsidised short-wave licences, one available to the ABC and one available to a commercial—perhaps on a competitive basis for a five-year period, or something of that nature, for the commercial one—so that most of the state that does not have a service could be covered with both an ABC and a commercial signal. What would be your view of that?

**Mr Altham**—I would be in favour of any opportunity to get extra coverage for the ABC in Western Australia. My only problem with it is that it does not solve the problem of portability, because car radios do not generally have the short-wave band on them. In terms of our argument about trying to cover the vast area of this state, fair enough, there would be a signal there. But how easy is it for people to access it?

**CHAIR**—We will write to all the manufacturers. I can remember the early transistors in the sixties and seventies: as a matter of course they had two bands of short wave on them. You do not see many of them today, I must admit—you see the odd one, but they are not nearly as prolific as they used to be. It would be interesting to know whether that is a reflection of the way the world is going or of the fact that they do not send them to Australia anymore because we have been cutting out all our short-wave stations. We would want to check out, before we went down this track, if Sony and others like that still make them and they could be bought in Western Australia if wholesalers were prepared to stock them again if there was a service available. But you would find difficulty in funding \$1 million from your existing budget, I imagine?

**Mr Duncan**—Yes, absolutely.

**Mr St CLAIR**—It is not a lot of money, in the context of things—I do not mean from your personal budgets—to provide that service.

**CHAIR**—We are talking about a third of the landmass of Australia and there are people here who have no contact whatsoever. I have an area of my electorate sitting between two provincial cities—Bundaberg and Gladstone—where there is no television and no mobile telephony. I know the angst that that causes there, but that is a comparatively new area that has grown up in the last 20 or 30 years and they will get services very shortly under the Black Spot program. But if I lived out in the backblocks and I had a service and it was taken away for a two-month trial and then I got nothing back to replace it, it would not be angst I would feel, it would be pure rage. I would say, ‘Am I some sort of second-class Australian?’ that they can just take that away and say, ‘The transmitter was a bit old and, after two months, we only got 200 replies to a questionnaire so we chopped it off.’ I think that is one of the worst cases of equity that I have heard in all the hearings we have been to in recent times. That is why we have been questioning you so closely on it.

**Mr Duncan**—I have asked my colleagues to give me their view. It seems to me the two critical issues in terms of that vast area of WA that does not currently get a signal is firstly that it is difficult for people who are in a stationary situation. But one of the critical issues in WA is the degree of mobility and travelling where people could not get a short wave service. Even if you are stationary, is the quality of that signal variable on a short wave?

**CHAIR**—It varies.

**Mr St CLAIR**—Can I ask you a question which you may not be able to answer and, if you cannot, I understand. Surely, people travelling in that country would have other means of communications in their vehicle, either UHF or just standard CB radios. Is that a fair comment? People do not suddenly tear off up to Meekatharra without something.

**Mr Altham**—You would be surprised how many do.

**Mr St CLAIR**—Do they really?

**Mr Altham**—For the really remote areas HF is used. In fact, we still use HF in a couple of our regional vehicles in the north. But that is changing gradually with satellite technology and we are down to a laptop size that you can put on the roof.

**CHAIR**—There is a certain irony in that if the ABC are going to use the old technologies.

**Mr Altham**—Yes. There is now a smaller version that is going into cars, which is what we are going to put in our next generation of vehicles. I suppose it is because WA is such a big state. Most cars have a car radio. Even though we say that we do not cover a large area of the state, these are primary signal areas. There is a fair amount of the state where you can still pick up a signal, but it is not ideal. I think we would be very keen to have a look at anything that we could do to extend that.

**Mr GIBBONS**—The red area there is obviously your coverage. How much overlap would there be from the ABC service in Darwin coming down to Kununurra? Would there be any?

**Mr Davis**—Almost none, I would have thought.

**Mr Altham**—It is too far away.

**Mr GIBBONS**—It is still too far away. And likewise is there any South Australian ABC service?

**Mr Davis**—No.

**Mr GIBBONS**—So none gets in there at all?

**Mr Davis**—No.

**Mr GIBBONS**—They are both high powered—

**Mr Davis**—Yes. South Australia has a number around Adelaide and the central populous areas like we do in the southwest. But when you get out into the more remote areas there is no high-powered stuff at all.

**Mr GIBBONS**—So the high-powered service in Adelaide does not get out that far?

**Mr Davis**—No.

**Mr Altham**—You could get a bounce from them but you would not get a primary signal. You might get some sort of interference but you will not get the primary signal that you would hear in Adelaide.

**Mr GIBBONS**—So the problem with the high-powered transmitter at Newman, for example, is that it would go right over to Indonesia?

**Mr Davis**—Yes, and whether the frequencies are actually available. So it could interfere with other sites in Australia.

**Mr GIBBONS**—My geography might be a bit odd, but it does seem to me that Adelaide would be closer to Laverton, for example, than Indonesia is to Newman, so would it depend on the actual power?

**Mr Davis**—There are two factors. It depends on the power but it is also, as Steve alluded to, the skip or the bounce. It may not interfere 500 kilometres away but it may interfere 1,500 or 2,000 to 3,000 kilometres away, and that is just the nature of that lower frequency transmission. They get up and bounce off the ionosphere and come down into another country.

**Mr Altham**—When we were looking at trying to expand, we started off going through this process. We have got four transmitters in the Pilbara—Newman, Tom Price, Paraburdoo and Pannawonica—which are all on the same frequency but are comparatively low-powered AM, so we asked, ‘Why can’t we have one big one on that same frequency so that it would cover those towns but would then also get into the road system?’ That was question number one and that was the answer, as Gary explained.

**Mr GIBBONS**—You can still buy the average short wave transistor because a lot of shops have them with those two bands. Would they work in a vehicle?

**Mr Davis**—Not very well.

**Mr GIBBONS**—If you stopped the vehicle and got out?

**Mr Davis**—Yes. You stop the vehicle and put up another antenna or just align it—that is when they start to work. It does not work in a moving car.

**Mr GIBBONS**—So they would work but not satisfactorily?

**Mr Davis**—Yes.

**Mr GIBBONS**—But if you are doing a long trip in a caravan, for example, and there was that service available, it would be well worth people buying for \$40 the transistor to listen as they are driving.

**Mr Davis**—For their nighttime stops, yes, but not for the actual trip. The question you asked before about the travelling up and down the highways with communications, the roads are becoming so much better nowadays that a trip from here to Newman is just like a day trip. People do not consider it is a major outback adventure anymore. Therefore, they do not go to the expense of HF communication, which is in the order of \$5,000 a set or a satellite phone. With things like Global Star and the portable satellite phones for normal communications, those prices are coming down somewhat to around \$1,500. More people are starting to use that, if they are out there a lot. But the average person travelling on a camping holiday will not have that sort of gear with them; it is too expensive.

**CHAIR**—One of the things we got yesterday was that, with regard to the area east of Geraldton, you have just put in this new transmitter at Dalwallinu recently.

**Mr Altham**—No, again that was another one of these proposed solutions. Dalwallinu is actually an existing service. We have got three comparatively high-powered AM services. One is at Dalwallinu and the two biggest ones are at Wagin in Perth.

**CHAIR**—That area of Mount Magnet to Meekatharra seemed to have been an area of great concern yesterday in the public forum.

**Mr Altham**—It is certainly an area where we do not get out of the towns. The FM transmitters deliver a high quality service to Meekatharra and Mount Magnet.

**CHAIR**—Is there any capacity there for a medium size AM?

**Mr Altham**—Again, in one of our solutions, Meekatharra, Newman and Laverton were the three base points and we worked out mathematically roughly that, if we were able to put high power—

**CHAIR**—You would have picked up all those farm belts with that, or most of them?

**Mr Altham**—We would pick up the highways, because they are pastoral properties. They are actually not very many people there. They are important people, but there are not very many of them.

**CHAIR**—You would pick up the highways?

**Mr Altham**—It is the highway traffic that we were looking at. If you base an argument on that, you have got a better chance of getting that up than if you base the argument on the very small number of people who live there permanently.

**Mr Davis**—There is another problem with AM transmission out into this region. The soil conditions are very bad. Those red lines you see on the map are our anecdotal coverage areas where we know our listeners can get good coverage from our signals. They do not necessarily match exactly with what the NTL say on their predicted coverage maps. If you look at Kalgoorlie, for example, that is a fairly large coverage area for quite a small transmitter. That one is only a couple of kilowatts. When you move further out into that desert country up north, the sand basically absorbs the radiation. When you get into places like Saudia Arabia, you need a megawatt, one million-watt transmitter to cover some of these areas. All we were talking about was 50 100-kilowatt licences.

From personal experience in a previous life, in that area that type of communication does not go very far at all. You might get coverage of a couple of hundred kilometres in radius in the south of Western Australia, but if you move a 10-kilowatt transmitter into those desert areas, you might be down to a 40- or 50-kilometre radius. Consequently, the area you cover decreases the further up you go into those desert areas. That creates another problem. So trying to cover that whole area is extremely difficult. You may be able to cover, as Steve suggested, the roads with a couple of 10-kilowatt services, but that would probably be all you would be able to achieve technically.

**CHAIR**—With regard to programming, what is your classic regional programming? Does each station have a breakfast program and a morning program?

**Mr Altham**—That is right. Each station has a base breakfast program and now an afternoon program.

**CHAIR**—Drive time or what?

**Mr Altham**—Yes, four to six, which is drive time. That is Monday to Friday. We also have a Saturday morning local program in each region, six to 10.

**CHAIR**—You are doing better than Queensland; they have a generic program on Saturday morning.

**Mr Altham**—On Sunday nights, we do a national program out of Albany that goes to all the ABCs through the whole of Australia. It comes from Albany.

**CHAIR**—Who is the presenter?

**Mr Altham**—John Cecil.

**CHAIR**—I have heard that program.

**Mr Altham**—On Sunday mornings from 10 to midday, we take a program for the whole of Western Australia from Broome. We also do a one-hour music program each evening which is actually prerecorded during that day from each of the regions. That is just a music program in the evenings. One day Broome does it; one day Geraldton; the next day—

**CHAIR**—That is a local amenity?

**Mr Altham**—Yes. Each station also has access to its own website which it does as well.

**CHAIR**—Your regional news bulletins are at what times?

**Mr Altham**—They are at 5.30, 6.30 and 7.30, the standard times. We vary that a bit in some regions.

**CHAIR**—There is a midday one?

**Mr Altham**—Not normally. There is a 12.30 composite regional bulletin, which is a statewide one. In fact, we are doing that with the 5.30 news bulletin at the moment while we are moving some staff around the state. That is the minimum. In fact, one of the reasons why we have a breakfast and an afternoon program, rather than a breakfast and a morning program, is that our journalists do a news bulletin in the afternoons. We have a local program going to air at the same time as the regional news journalist does their job.

**CHAIR**—In the morning program, does each station have its own morning program?

**Mr Altham**—Breakfast program, not mornings. The morning program is statewide out of Perth.

**CHAIR**—What about after the 8.30 news until nine?

**Mr Altham**—Eight-thirty until 11 is out of Perth. That is a statewide program.

**CHAIR**—So you do not have any local talkback?

**Mr Altham**—No. We have moved that to the afternoons, to the four to six slot.

**CHAIR**—That is different. That is more like the Victorian model rather than the Queensland and New South Wales model.

**Mr Altham**—We actually started it. We did a trial in 1998. We advertised regionally and put it out and tried it out.



**CHAIR**—Not quite as good from a local point of view?

**Mr Altham**—It gives you the same amount of localism, if you like, in each day.

**CHAIR**—Yes, but it is all generic. It does not particularise per region.

**Mr Altham**—We do exactly the same number of hours each day.

**CHAIR**—Yes, but you are missing the point. If something is of importance to Geraldton but it has just a local civic flavour about it, you are not going to belt the state around the ears with that for three days a week. So even in the 8.30 to nine slot you do not?

**Mr Altham**—No. We have replaced it with the afternoon program. In the old days the afternoon program used to be a statewide program. The reason for it is that we are able to keep staff in the station from six in the morning until six in the afternoon. Under the old regime, it was only six in the morning until two in the afternoon.

**CHAIR**—Queensland is the other way around, isn't it?

**Mr HARDGRAVE**—Yes.

**CHAIR**—In Queensland they do the individual programs in the morning and the generic one in the afternoon.

**Mr Altham**—Yes. The most important part of it was that we were doing yesterday's news. Because you have a morning program, the team comes in at seven o'clock in the morning. They are on the air at half-past eight and they are doing stuff either out of the regional newspapers or things that have happened the previous day. By going on air at four o'clock in the afternoon with the same number of people—still two full-time people there—all of their production effort starts at 10 o'clock in the morning and goes right through the day. They go on air at the time when the new local weather information is coming out. At 10 o'clock it is still the earlier weather, and in the afternoons we used to have to provide a generic weather. At 5.30 in the afternoon, we can now actually do a local fully detailed weather for each regional office because they do it from their own region.

**CHAIR**—For the remainder of that day and the next day?

**Mr Altham**—Yes, plus they have their own regional news on air at that time. You could easily move back the other way. If we did not have such a good statewide morning program, we might reconfigure it differently. The bottom line is that we do not change the number of hours that we do in a day locally, but we have to provide a service 24 hours a day wherever, so we try to come up with the best combination.

**CHAIR**—Who do you take advice from? Which people act as sounding boards? Do you have a Friends of the ABC in Perth?

**Mr Duncan**—We do.

**CHAIR**—Do you ever have meetings here of the national advisory committee?

**Mr Duncan**—I cannot remember the last time they met in Perth, but certainly I meet regularly with the Western Australian representative. I follow, obviously, the minutes of NAC fairly closely. I obviously feed issues that I think are pertinent or relevant to the—

**CHAIR**—We were very surprised in our previous inquiry that the radio racing service was discontinued before the national advisory committee was consulted.

**Mr Duncan**—I was not aware that the NAC was not consulted. That comes as a surprise to me.

**Mr HARDGRAVE**—I have a quick question, which will probably take about an hour to answer because it is difficult. There is obviously a case for ABC radio—really it is the NTL now—to look at a rationalisation of all these AM licences that are floating around, if AM is the answer for what we have here in the west. Without looking too hard, we have six or seven of them floating around the coast doing small areas, and one could submit that they are areas that could probably be just as easily serviced by an FM transmitter. That would free up a bit of AM spectrum. Is that part of the solution, or is that all too hard? When I say ‘too hard’, I am not having a go at you. Is it pretty hard to do?

**Mr Davis**—I believe that it may be part of the solution. As we said before, we have looked fairly extensively at 567 kilohertz up at Tom Price, Newman and Paraburdoo. They are also duplicated in other areas of Australia. But just because you have the frequency does not mean that you can increase the power of it. They are only 25-watt services or something like that—they are quite small—but that way they do not interfere with stations in Queensland or other places. There may be some scope to rationalise, but it would be a very large exercise, looking at all the frequencies. We have a reasonably high powered service for 720 in Perth. The problem if they went on to FM would be the coverage—you would disenfranchise some of your listeners here in Perth because coverage of FM is so much shorter than the coverage of an AM service.

**Mr HARDGRAVE**—But if you were to make it, say, 612—the same as 4QR in Brisbane—you could have 612 ABC operating out of Perth on a relatively low power. I guess you are saying that, at night, 612 from ABC Brisbane might interfere with it.

**Mr Davis**—Yes, it would blow us out of the water. It is probably worth a look, but it is a very big exercise.

**Mr Altham**—It is certainly one we could look at because competitively in Perth—and we probably have to be competitive in Perth, whereas less so in a regional area—to be on FM would probably be an advantage to us—

**Mr HARDGRAVE**—Would it?

**Mr Altham**—But we would need to have the coverage, because some of the commercial stations in Perth have difficulty reaching into the regions just around Perth, where people are too close to Perth to be considered part of a regional area but are close enough to want to be serviced by Perth. I used to live in that area and there are limited AM services up there.

**Mr HARDGRAVE**—But do Triple J and ABC Classic FM get the same reach as 6WF?

**Mr Davis**—No. Their FM frequencies do not—

**Mr HARDGRAVE**—They do not get the same reach, but they would be 50,000 watts, wouldn't they?

**Mr Davis**—No. I would have to check this but I believe they are only up to about 10 kilowatts.

**Mr HARDGRAVE**—Really? In Brisbane, ABC Classic FM blows off a commercial radio station in Ipswich because it is at 50,000. You are a bit underpowered here on FM, by the sounds of it.

**Mr Davis**—Not really. Because of the topography of WA and Perth—it is fairly flat—the coverage is quite acceptable.

**CHAIR**—Mr Mossfield has a point he wants to raise.

**Mr MOSSFIELD**—I am moving on to another issue. We visited the AsiaSpace facility in Melbourne. Has the ABC seen that facility? What would be required in infrastructure and legislation to enable a satellite digital radio service to deliver radio services that could be picked up by portable receivers in remote areas? Have you had some discussions with that organisation?

**Mr Altham**—No. I have had discussions with Murdoch University in Western Australia which has a liaison with the WorldSpace satellite set-up. That was one of the paths we went down when we were looking for a way of getting into regional WA. The initial part of it seemed very exciting, in that there were receivers currently available at around \$150—which would go down to \$50—that, with the appropriate terrestrial stations, could give coverage all over the state. But closer investigation revealed that the satellite does not actually come down that far: you could probably get into the Kimberley region at a stretch, but it is not possible to come down further than that at the moment. That is as far as we have taken it.

**Mr MOSSFIELD**—But there are other satellites available that cover all of Western Australia.

**CHAIR**—Have you come across to see that facility, Mr Davis

**Mr Davis**—No, not that one.

**Mr MOSSFIELD**—Is it possible to use other satellites that are available that would give you the footprint?

**Mr Davis**—I do not know.

**Mr GIBBONS**—What Mr Mossfield is referring to is that we saw a footprint of the AsiaSpace and it covered the whole continent—it included all of Western Australia.

**CHAIR**—And right out to Norfolk Island.

**Mr GIBBONS**—Almost over to New Zealand.

**Mr Davis**—I believe the issue at the moment is setting a standard for the delivery of the technology. Not unlike digital television, where we have gone for high definition and multichannelling options and using DTTB, the Americans chose a different option. Digital radio broadcasting it is still in the embryonic stage, about which way the technology is going to go, before any real decisions can be made. There is no reason any of the technologies could not be used; it is just that one will be better and will come to the forefront, but which one that will be I do not know.

**Mr St CLAIR**—Is there still a phone and radio news service here, where you can pick up a telephone and ring a news service and get recorded news? Is that still available?

**CHAIR**—You get it on the ABC online.

**Mr St CLAIR**—I realise that.

**Mr Altham**—I am not aware that there is an ABC service.

**Mr St CLAIR**—Whether there is an ABC service?

**Mr Altham**—No, whether there is a weather service, weather bureau, in its various forms. If you are a fisherman and you only want the boating, whether you can dial the right number.

**Mr St CLAIR**—There is no rotating news service that you know of?

**Mr Altham**—No.

**CHAIR**—The government just awarded a \$25 million contract to Vodafone recently to beef up the highway connection for mobile telephony. I only ask this question in the context of WA because you have these huge distances between towns and a few well-defined highway systems, which eventually, no doubt, will be covered by mobile telephony. Has anyone looked at co-locating a one-frequency radio signal along there? Would that be technically possible if you had the appropriate arrangements with Vodafone and Telstra?

**Mr Davis**—I believe you could put some FM services along the highways, yes. It would not be one frequency; a couple of frequencies of FM services would probably work better.

**Mr St CLAIR**—It would not be the 88 frequency that they use for the tourists around the whole nation?

**Mr Davis**—It would be something like that, but if you had the one frequency and you tried to overlap your coverage, you would end up with interference zones, that is all. The 88 frequencies seem to work with an isolation between them and the next town, but you could do it with a number of frequencies and cover the highways.

**CHAIR**—Would that be very expensive to put in?

**Mr Davis**—Yes. The costing I did for an FM service, low power, was about \$20,000.

**CHAIR**—Per site?

**Mr Davis**—Per site; it can vary. It can be cheaper or dearer, depending on what you have got to do to get to it, because you have got to provide power and ongoing maintenance, and so on, to it.

**CHAIR**—Presumably, they have power to all these towns?

**Mr Davis**—They may use a combination of solar. If you try to run a one-kilowatt or FM service off that, solar would probably not be the ideal solution. You would need a combination of generator, wind and solar possibly. Those low-power FM services probably only cover 10 or 15 kilometres. To go on the highway all the way up to—

**CHAIR**—A lot of money for 10 kilometres, isn't it?

**Mr Davis**—Yes, but you could cover the highway portion, but not inland off the highways with that solution.

**CHAIR**—As ever, any contact with the ABC is of much interest to this committee. We visit Ultimo periodically and we have had various members of your Sydney staff and regional radio staff in to brief us from time to time, but there is nothing like coming to the regions and seeing the problems. What we have seen in Western Australia—and to a lesser extent in Northern Territory, but similar—there is a totally different dynamic here from what we encountered in the eastern states. We thank you for being so helpful and for bringing such a competent, well-briefed team to our hearings. Well-briefed teams have not always been the case. You will get back to us with the rough number of where you have got these private retransmission sites.

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

That the information contained in the Australian Broadcasting Corporation coverage map from ABC Radio Western Australia be received as evidence to the inquiry into the adequacy of radio in non-metropolitan Australia and incorporated in the committee's records as exhibit No. 21.

**CHAIR**—Thank you for your attendance. You will receive a copy of the *Hansard* draft. If we need any further information, we trust that we can come back to you.

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

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

**CHAIR**—I would like to thank all those present today particularly the witnesses and their teams of back-up staff. I would like to thank the media who have followed us throughout Western Australia and to this site, particularly the ABC regional stations and Batavia Radio. Their coverage was very helpful in getting our message out to the Geraldton area. We go on this afternoon to Albany to inspect the art gallery and then on to Walpole to conduct another hearing in the form of a public forum. Once again thank you for coming. Thanks to our colleagues here in the Commonwealth offices for providing this facility today.

**Committee adjourned at 11.31 a.m.**