



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**

FRIDAY, 6 APRIL 2001

CANBERRA

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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**HOUSE OF REPRESENTATIVES**  
**STANDING COMMITTEE ON COMMUNICATIONS, TRANSPORT AND THE ARTS**  
**Friday, 6 April 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, Ms Livermore, Mr Mossfield and Mr Neville

**Terms of reference for the inquiry:**

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

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

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**Committee met at 9.20 a.m.**

**CHAIR**—I declare open this public hearing of the House of Representatives Standing Committee on Communications, Transport and the Arts in its inquiry into regional radio. We are coming to the penultimate stage of the public inquiry process with only about three more days of public hearings to be transacted. Today we will be talking to three groups whom we would rate in the middle order of radio stations, and we feel it is very important that they be heard. There are lots of small stations that have a point of view, there are the large networks that have a point of view, and in the middle there is a whole range of either small networks or medium-sized stations, and we want them to feel that they too are part of this inquiry.

Today we will be hearing from ntl, Riverina Radio Group, Radio Sport 927 AM—who gave very good evidence, I might add, to our previous report on the ABC racing sporting service—and also 5tcb FM. The committee have received 270-plus written submissions. We have travelled extensively throughout Australia, holding hearings in not only Canberra but also Melbourne, Tamworth, Bathurst, Townsville, Longreach and Logan City—to pick up Brisbane and the Gold Coast, Darwin, Geraldton, Albany and Walpole. Today we are hearing from the medium-sized radio stations and networks. We will have two more days of sitting in Canberra and one day in Melbourne, conjointly with the Centenary of Federation, when the parliament moves to Melbourne, where we will hear the views of the advertising industry on radio ownership. At that same meeting we will form our recommendations, and the report will be written straight after the Centenary of Federation meeting in Melbourne. You can expect that we will probably come down with a report in June.

[9.24 a.m.]

**ANDERSEN, Ms Linda, Manager, Strategy and Planning, ntl Australia Pty Ltd**

**BENNIE, Mr Tom, Managing Director, ntl Australia Pty Ltd**

**KEPREOTES, Mr Peter, Business Manager, TV and Radio, ntl Australia Pty Ltd**

**CHAIR**—I would like to welcome Ms Linda Andersen, Mr Peter Kepreotes and Mr Tom Bennie from ntl Australia Pty Ltd. Mr Bennie, would you like to lead with a five-minute opening statement or an overview of your submission?

**Mr Bennie**—Certainly. First of all, thank you for inviting ntl to provide input to this inquiry and thank you, ladies and gentlemen, for your time this morning. I intend to give a very short opening statement covering some of the main points that ntl would wish to input to the inquiry. Firstly, I will give a little bit of background as to what ntl is and, secondly, explain our interest in this inquiry. ntl owns and operates the National Transmission Network. You may recall that the National Transmission Network was formerly in Commonwealth ownership but was privatised virtually two years ago, to the day, under a Commonwealth government privatisation program. ntl was the successful bidder for that network and has been running the network for around two years now. This network, which comprises sites, towers, transmitters and the like, delivers television and radio services to well over 98.5 per cent of the Australian population. Furthermore, well over 80 per cent of ntl's facilities are situated in regional Australia. ntl has extensive experience in the delivery of digital broadcast transmissions, and in Australia ntl recently won contracts to deliver digital television services for both the ABC and SBS.

ntl comes to this inquiry perhaps from a perspective which is somewhat different from the main body of evidence being presented in that we are not a content provider or a radio network—neither are we a consumer of that content, in terms of the local community. Rather we are an infrastructure owner and provider, and a source of technical knowledge as to how these services can be delivered to the consumer.

I would like to make a few points on the potential for the extension of services to regional and rural Australia from an infrastructure perspective and from the perspective of the National Transmission Network. ntl currently delivers ABC national and regional radio services to over 99 per cent of Australia's population. However, JJJ and classic FM are currently rolled out to communities of 20,000 and above only. Parliamentary News Radio is currently available only really in the capital cities. These transmissions are supplemented by satellite delivery in remote areas. There is capacity on the National Transmission Network to extend delivery of all those services—be they JJJ, Classic FM or parliamentary news networks—to all communities in regional and rural Australia which are currently receiving other ABC services. That is, there is the potential to provide greater programming diversity to regional and rural Australia. The infrastructure is there and does exist. This infrastructure also provides an access network for a wide range of commercial radio licence holders, in addition to the national radio services. Extension of these radio services could be achieved through the application of a program similar to the Black Spot program that is running for television.

I would also like to make a few remarks about digital because, in addition to the network infrastructure, ntl, as a broadcast organisation here in Australia but also in other parts of the world, has been deeply involved in the transmission to digital, certainly in television but also in radio. We have provided some supplementary information to the committee this morning on some of the digital radio services that are running in the UK and with which ntl is very closely associated. Digital radio can provide the opportunity to provide multiple services from a single transmission stream. In the UK, ntl operates a digital radio multiplex for a company—the licence holder known as Digital One—which was the first commercial national digital radio licence in the United Kingdom. It provides coverage throughout the country. Digital One programming is sourced both locally and nationally and is fed into the multiplex. Local content such as news or community announcements are multiplexed into a national content stream, and the national content stream contains such information as international and national news, racing and so on and so forth.

The technology could be highly useful in dealing with the concerns expressed to the inquiry in relation to the decrease in availability of local programming in regional and rural Australia. Digital technology also provides an opportunity to deliver new services, such as datacasting and Internet services via the radio transmission stream, providing the opportunity to bridge the gap perhaps between city and rural Australia. Again, in the UK, Digital One is delivering a range of text, multimedia and interactive services over the digital radio multiplex.

In Australia, the decision makers still have to decide on a number of important matters concerning the introduction of digital. Really, we have still to set the policy parameters for the introduction of digital radio and to decide on the appropriate model for doing so. Decisions will be required on a number of things, but I will just mention three. Firstly, there is the appropriate model for conversion—that is, is it a conversion of existing services or will digital be introduced via the introduction of new licences? Secondly, there is the decision on the technical standard to be adopted for the introduction of digital. Finally, and of high relevance to this inquiry, is the appropriate radio frequency spectrum that would be made available for the deployment of digital services in urban as opposed to regional and rural transmission areas. This is what is called the L band versus the VHF argument. The difference between L band and VHF is in the frequency of operation, with L band being a considerably higher frequency than VHF.

It is ntl's view—and we have expressed it in a number of forums on a number of occasions—that it is inappropriate to allocate the L band, which is the band allocated for digital radio in Australia, for use in regional and rural areas due to its propagation characteristics, particularly its limited range. It has a very limited range when compared with other frequencies. However, L band in major regional areas surrounding the metropolitan areas—perhaps areas such as Wollongong or the Central Coast—would be acceptable. This would avoid the potential for interfering with digital television transmissions, which are occupying the VHF spectrum. However, when one moves away from those areas into the more rural areas, the allocation of VHF spectrum would be very appropriate for the introduction of digital radio. Thank you, Mr Chairman.

**CHAIR**—Thank you. This is one area we have not done a lot of work on in the inquiry, and you are the first one to come to terms with some of the issues. We might spend a little time on digital radio, seeing that was the last thing you spoke about, and then we will move into the

other areas. One of the concerns of the committee—and three of us come from country areas, so we know how real this—is that when the UHF channels were designated at the time of aggregation, and when CDMA was supposedly put in place to give reasonable equivalence with analog telephones, neither occurred. One of the big problems is that regional Australia has relied a lot on the fortuitous coverage which was available on the old medium wave, on VHF and television and on analog mobile telephony. But given the edge-of-the-cliff digital technology and the fact that its throw is not as comprehensive as other forms of transmission, what is the task for the government in getting coverage to those areas that are currently receiving AM transmission, for example, from larger AM transmitters held by commercial stations or the ABC AM regional stations? With digital radio, will we be able to give reasonable equivalence? We are looking in this report for an opening recommendation to government on the direction they might take in digital radio.

**Mr Bennie**—Let me try to provide some background to that. First of all, the point I was making earlier about ensuring that you allocate the most appropriate spectrum frequency bands—by spectrum I mean the frequency bands for the operation of digital radio—would be an important part of that. That is why we would advocate the use of VHF spectrum, which is the same spectrum that is used by a lot of regional television stations for digital radio, for the very reason that you mentioned—its coverage characteristics would be far superior to that of L band. There is no doubt that L band would have severe range limitations and the cost of rolling L band coverage out to go anywhere near approaching the coverage that would be achieved on FM services at the moment would be astronomical compared to VHF. VHF operation certainly should allow equivalent coverage to that achieved by FM radio stations. The problem that you are raising is that, once you go beyond the coverage of the major FM stations and into very regional and rural areas, the only services available are those available on AM, which is the medium wave frequencies.

**CHAIR**—So the best we can expect from digital radio is coverage areas equivalent to FM type transmitters?

**Mr Bennie**—Clearly, virtually anything is possible—you could extend the coverage by adding more transmission stations.

**CHAIR**—Of course.

**Mr Bennie**—The question that remains is: at what cost?

**CHAIR**—On a one-for-one basis?

**Mr Bennie**—On a one-for-one basis, you are going to get equivalent coverage to existing national FM services.

**CHAIR**—Colleagues, are there any questions on digital?

**Mr MOSSFIELD**—Are you in a position to comment on the cost to small independent operators in the radio industry of the introduction of digital? Some have expressed to us some reservations; others do not seem to have a problem. Are you in a position to make any comment? Is it in your field?



**Mr Bennie**—It is very difficult because there are so many options for deploying a digital network. What standards do we use? What frequency band would be in operation? What would be the coverage parameters defined? How many stations would have access to the multiplex? It is very difficult to just throw out a number and say that it would be the cost of conversion. Clearly, once a set of parameters was defined it would be possible to go through an exercise to roughly work out what the cost of conversion would be. But I do not have that information here.

**Mr MOSSFIELD**—I am looking at who would be winners and who would be losers with the big networks.

**CHAIR**—That is our big concern; I think Mr Mossfield has hit it right on the head.

**Mr MOSSFIELD**—Would there be winners and losers, or could we have a level playing field? Would people come in without anyone having an advantage over the another?

**Mr Bennie**—What rules are set out would affect that outcome. There is no reason why people need to be disadvantaged particularly, but it depends on how the conversion process is handled.

**Mr MOSSFIELD**—It seems that the cost could be a problem for the smaller operators. They do not know what the cost of digital will be.

**Mr Bennie**—If you are looking at a cost of conversion where the small operator has to bear the full cost of providing and maintaining the digital transmission service for their area, which in geographical terms could be a vast area, then that would be a high cost—I appreciate that. If, however, the conversion model was that there was a national service rolled out in digital and that local operator was given access to a part of the transmission bearer for his regional area, then it may actually be quite a modest cost. He would, essentially, be able to share in the defrayed costs of a much larger network.

**Mr MOSSFIELD**—You provide a service to the ABC and SBS at the moment?

**Mr Bennie**—Yes.

**Mr MOSSFIELD**—What about other commercial operators?

**Mr Bennie**—Yes. We provide general site access services to a range of commercial broadcasters which use the National Transmission Network facilities to locate their own transmission facilities.

**Mr MOSSFIELD**—Is it commonly used by the commercial part of industry?

**Mr Bennie**—Yes. We would generally have a site that would be appropriate to cover a particular community. Our policy is to encourage access to those sites for all users.

**Mr Kepreotes**—There are over 560 sites across the country which give that 99 per cent reach.

**CHAIR**—What would it cost to cover Australia with the equivalent of the existing services that are available in each area with ABC and commercial with digital? Could you come up with a figure?

**Mr Bennie**—I am sure we could.

**CHAIR**—Even if it were somewhat speculative, it would be interesting. Could you come back to us on that? If you were given the task tomorrow by the federal government to make available to all radio stations—ABC, SBS, commercial, community and TAB—roughly equivalent coverage to what they have now using your combination of the L band and the VHF band, what would it cost nationally? Could you come back to us with that? That is the crux of the problem, isn't it?

**Mr Bennie**—We certainly could put some estimates around that.

**CHAIR**—We are just fiddling around the edges until we come to the core of the problem, which is that, if we are going to introduce digital radio, we need to be able to tell the public what it is going to cost them. Everyone is going to have to buy a new set and they will not be cheap initially. They will have to learn the technology of the screen, which will be something totally new to people using radio. There will be aspects of the portability, which is one of the criticisms of the ABC withdrawing their radio racing service. While a lot of people acknowledge that the TAB service offers as great a range of programming on sports meetings, it does not get out to the more distant areas where they used to be able to listen to the ABC in their utes, down in the shearing shed or in the milking shed. They would have the transistor radio up on the wall. People cannot do that anymore with their races because of that problem. We need to know what we are looking at in terms of cost to government, to the existing radio stations and to the consumer. Could you give us a bit of a feel for that? You must be starting to come to grips with this. You are going to be the provider of transmission facilities for a lot of those people. You must have in your mind's eye what you think it will come to. Could you come back to the committee with that?

Could I ask you one other question? We have only ever had one really technical briefing. It was in Sydney. Mr Mossfield arranged it with a former station, of which he was a director. They explained that there are a number of ways of delivering the digital technology, but one way is to send five or six signals down a pipe, so to speak. Apparently there are other ways of doing it.

Let us say that type of technology was adopted, do you come off one transmitter or do you need a transponder for each channel within that pipe? Or do you send out one signal that is decoded by the radio? How does that work? Coming off that, let us say you do send down five or six signals through one pipe, could you go to regional Australia by putting in, say, an ABC pipe that delivered regional radio, FM, Radio National, JJJ and PNN on one pipe and then, say, three commercial services, a TAB and a community station perhaps through the other pipe? Is that a feasible way to deliver it? That is the second part of the question. The third part of the question is: what has the English experience been on this?

**Mr Bennie**—The way the digital radio works, the technical term used is 'multiplexed', which means that the radio frequency bearer, the carrier frequency, is able to carry a number of separate content streams on the one—

**CHAIR**—Is five or six about the right figure?

**Mr Kepreotes**—Six to eight.

**Mr Bennie**—On the Eureka 147 standard.

**CHAIR**—So if you are going out to country Australia, would you endeavour to put two of those out—perhaps a national broadcaster type and a—

**Mr Bennie**—This, in a sense, is one of the difficulties—coming back to your question about the costs. You could say, ‘Let’s figure out what the cost would be to put up a national multiplex that would cover, say, a broadly equivalent coverage to that provided by FM services currently.’ By putting up that one carrier you could provide access to six separate content streams, some of which might be national and some of which could be local.

**CHAIR**—They could be regional?

**Mr Bennie**—Yes, regional and local. The decisions around that hugely influence the cost. I am more than willing to try to provide the committee with some information that would assist you in your deliberations, but I do not wish to provide you with information that might be misleading.

**CHAIR**—You do not want to speculate at this stage?

**Mr Bennie**—Yes. The issue is: how much access to that national multiplex would existing licence holders have? If you say that all the existing licence holders would have to have full access to that transmission system—

**CHAIR**—Take the ABC for example. Let us say that four of those five networked or hubbed out of capital cities, except the regional stations. Is it possible to send out the FM, Radio National and JJJ, and PNN signal from the state or national hubs and for the local radio—

**Mr Bennie**—To be inserted locally? Yes.

**CHAIR**—That can be done, can it?

**Mr Bennie**—Yes, it can.

**CHAIR**—Let us go to commercial then.

**Mr Bennie**—A similar thing could happen with commercial stations as well.

**CHAIR**—Let us say you had a print handicapped one that you wanted to take out of Sydney, where the local print handicapped station did inserts at certain hours of the day—that is possible?

**Mr Bennie**—Yes. But it has a cost implication, because you have to put technical equipment at the local transmitting site.

**CHAIR**—Yes, that was going to be my next question. This will not be able to be done in isolation from a company like yours, will it?

**Mr Bennie**—I think it is highly likely we would be involved somewhere along the line.

**CHAIR**—Especially in the case of the ABC.

**Mr Bennie**—Sure.

**CHAIR**—There would therefore be an argument for a commercial multiplex and an ABC type multiplex?

**Mr Bennie**—Possibly. There is another issue there which we have not mentioned but which is highly relevant in terms of this conversion process and how one would plan for the most cost-effective implementation. The planning regime for the national services is different from the planning regime for the commercial services—that is, they do not have the same coverage areas.

**CHAIR**—We probably cannot go into the details today, but we might get you back before we start writing to talk about digital on another day that you are in Canberra. You generally meet on a Wednesday?

**Mr Bennie**—Yes.

**CHAIR**—Because we have done very little work in this inquiry so far in digital and we need to—

**Mr Bennie**—I would be very happy to arrange for perhaps a technical seminar or technical briefing.

**CHAIR**—Thank you for that. That gives us a bit of a pipe opener, so to speak—to get a bit of a feel for it. On the other matters, the committee was very disturbed about the quality of radio service in Western Australia. This is not a crack at ntl—it is just a general comment. In 1994 the short-wave transmitter of the ABC was turned off. People in the eastern half of Western Australia get very little radio at all, except through the satellite. As they point out, while that is fair enough at the homestead or at the mining camp headquarters or the barracks, when you want to go out into the field or you want to work in a workshop or you want to be in your four-wheel drive or down in shearing shed or wherever it might be, there is nothing. Have the problems in Western Australia been raised with you at all?

**Mr Bennie**—No, not formally or directly.

**CHAIR**—Do you do all the ABC transmitters?

**Mr Bennie**—Yes, we do.

**Mr GIBBONS**—I have a bit of difficulty getting my head around how this fits. If, for example, there were to be a new licence granted for broadcasting into Western Australia, you would tender to provide the infrastructure to transmit the signals. Is that how it works, or would you just be contracted?

**Mr Bennie**—No, all new services are the subject of competitive tender arrangements.

**Mr GIBBONS**—If it were worthwhile, you would tender for it?

**Mr Bennie**—Sure.

**Mr GIBBONS**—If you were the successful tenderer, would you then purchase a block of ground and build a transmitter on it?

**Mr Bennie**—Yes.

**Mr GIBBONS**—And then you would take that signal from that station to your transmitter and then—

**Mr Bennie**—Retransmit it.

**Mr GIBBONS**—Who would stipulate where that signal would go? That is obviously the Broadcasting Tribunal's decision.

**Mr Bennie**—Ultimately, it is the Australian Broadcasting Authority that determines the licences—certainly for the commercial services. For the national services, I think the ABA provide a technical planning function but it is the minister who actually decides on the national services licences.

**Ms Andersen**—It is also a function of population. When you talk about satellite delivery, that is usually in remote areas, whereas ntl goes into regional rural but not into remote areas.

**CHAIR**—The Geraldton hinterland, which we actually visited, is a case in point. Once you start getting down to about Meekatharra, there is no signal. We are wondering about the best way to recommend to the government how that might be covered. Should some AM type commercial stations be allowed to do that—perhaps 100 to 150 kilometres inland from the coast or perhaps three or four of them strategically down the Western Australian coast? What we found, at least in one area where there was an AM station, is that an FM station is sometimes granted a supplementary licence. In the case of Geraldton, I understand it was a separate licence. Then the original broadcaster said, 'But we want to be in this FM too.' So they went back to FM and went head to head with two rock-and-roll, pop hits type stations. Both of them nearly went broke and were taken over by the local newspaper. Now one has a local information and beautiful music format and the other has a rock-and-roll format. But what happened is that we now have two FMs but there is no penetration into the hinterland, which the AM provided. We are trying to come to grips with two things: firstly, how do you deliver to the very remote parts of Western Australia and, secondly, to the more remote regional areas? How do we get back into them? Do you have a comment on that?

**Mr Bennie**—I can certainly comment from a technical perspective. It is certainly technically feasible to deliver those terrestrial services into the more remote regional areas of Western Australia, and cost effectively AM services are probably one way of covering large areas from one station. The issue is that you might get only one or two content streams rather than multiple content streams. The issue is more economic than technical. To put our perspective on it, in a sense we are contractors so we will do what we are asked to do. If someone asks us to provide a transmission facility to cover a particular area, from a technical perspective we will engineer it to do that.

**CHAIR**—We want to pick your brains on what is feasible.

**Mr Bennie**—It is certainly feasible. If it were deemed in a public policy sense necessary to provide national services in those areas, I presume the process would be that the minister and the ABC would consult on funding for providing those services. The ABA would license the frequencies, and the ABC would call for commercial proposals to provide the service, to which we would respond. That would be the process.

**Mr MOSSFIELD**—How many people do you employ in Australia?

**Mr Bennie**—We directly employ about 85 people.

**Mr MOSSFIELD**—Has that remained fairly consistent or has it gone up or down over the years?

**Mr Bennie**—It has gone up since we have been here, which is only about two years.

**Mr MOSSFIELD**—What was it prior to your coming here?

**Mr Bennie**—When we first came—and bear in mind that we were in an establishment phase—we probably started at about 50. Now we have gone up to about 85. That is the number of people we directly employ within ntl Australia. The actual operations and maintenance of the network is a national undertaking and responsibility which we outsource to other operators. I do not know the number exactly, but if you had to take an equivalent person year input to our business, it would probably be about 300 to 400 people actually maintaining and operating the network.

**Mr MOSSFIELD**—Who are your competitors in Australia?

**Mr Bennie**—In terms of new broadcast transmission, we compete with television systems generally. There has been competition from another UK based organisation called Crown Castle.

**CHAIR**—Is that for television and radio?

**Mr Bennie**—I specifically mentioned television because that has really been the main service that we have contested over the last year or so. How the industry operates here is that there are a number of organisations, such as ours, which can provide an outsourced transmission service,

but it has been the general industry model that the commercial sector tends to provide its own transmission service. Usually the competitive model is whether outsourcing, versus in house, provides the best solution for that organisation. For instance, in the metro areas the commercial TV networks run their own company called Transmission Australia—TX Australia—to provide their services. We find that we are in competition with that organisation in terms of delivering services to the other organisations.

**Mr MOSSFIELD**—To what extent are satellites already employed in conjunction with ntl?

**Ms Andersen**—They tend to service the remote areas, whereas terrestrial transmissions tend to serve regional and rural areas.

**Mr Bennie**—We use the satellite extensively for distributing program content. The ABC services particularly are generally distributed throughout the country via satellite means, which we then receive at the particular transmission site and then re-radiate on the national transmitter.

**Mr MOSSFIELD**—In the remote areas it is used extensively.

**Mr Bennie**—There are also the direct to home, direct to reception, services that are on the satellite. Those satellite services are not contracted by ntl; they are contracted by the content provider directly. So in that case the ABC would contract with Optus to provide those services.

**Ms LIVERMORE**—I want to look at the TV black spots program and the self-help programs that have been running with the television side of things. If a small rural community gets funding under the self-help or black spots program, do they then set up their own transmission site or do they go to NTL? With the funding that they have, do they go to NTL to set up the technical equipment?

**Mr Bennie**—The answer is that it depends. If we had to say that it was appropriate, they could approach us to locate their equipment on our site. We have a couple of hundred self-help retransmission schemes running on NTL sites. Some of those black spots are black spots because there is no transmission site that is appropriate. With quite a number of the proposals that are coming through on that program, we are finding that we have no sites in that area. So they are having to either develop their own site, although that is quite unusual, or find an alternative site—perhaps there is a mobile phone tower, a state emergency services tower or a local authority tower that they could gain access to to provide the transmission.

**Ms LIVERMORE**—This could be completely unrealistic, but if you piggybacked a radio black spots program on top of a TV black spots program or a self-help model in the TV side of things, could the incremental cost of that be quite low? You have already gone around and put infrastructure in place for the TV and you just have it piggybacked; you are not starting from scratch.

**Mr Bennie**—That is a very reasonable comment.

**CHAIR**—That was going to be my next question. With this black spots program, Networking the Nation and the Regional Telecommunications Infrastructure Fund, they are putting up some quite sizeable towers. I understand that the commercial stations will come off one in my

electorate at a place called Agnes Water. This tower is jointly funded by the RTIF and the black spots program. Is it possible to also run radio transponders off that, if you wanted to boost the ABC and commercial signals in the area?

**Mr Bennie**—Yes, it is.

**CHAIR**—If you have mains power there and you have a tower—

**Mr Bennie**—As long as you have the tower and mains power, you can generally pool the contents stream from the satellite for rebroadcast.

**CHAIR**—Do you do the ABC radio transmission as well?

**Mr Bennie**—Yes.

**CHAIR**—So, in that instance, if you wanted to retransmit one of the ABC radio channels, they would come to you and then you would approach the council, which owns the tower, to transmit the ABC from that?

**Mr Bennie**—That is correct. I have one qualification: we are talking about FM services now. AM is very different.

**CHAIR**—Yes. The coverage that Kirsten is talking about is a small area of 15 or 20 kilometres.

**Ms LIVERMORE**—What is different about the AM?

**Mr Bennie**—The technical facility that you need in order to provide an efficient AM transmitting station is very different to that which you need for an FM. An FM station runs at a very much higher frequency in what is called the VHF band, band 2. The antennas are physically relatively small. They are mounted on a self-supporting tower, you direct energy into the antennas and it broadcasts into the area. For AM, which is at a much lower frequency, the antenna is actually the tower itself. You build the tower, which is generally a very slim mast, and then you feed energy into the mast itself, so the whole mast becomes live and then radiates energy away from it. So, in order to provide an AM station, you generally need a relatively large area of ground suitably fenced for protection. You install this mast and then direct energy into the mast. It becomes quite a unique facility in that sense; it is not really capable of being shared with other services, because the supporting structure is itself the radiating structure.

**Ms LIVERMORE**—Okay. So if an area has got an FM signal and AM signal—you are talking about two different facilities—

**Mr Bennie**—Two different transmitting sites, yes.

**Ms LIVERMORE**—And on the FM one—



**Mr Bennie**—On FM you generally want to be on a tower and generally on high ground, whereas that is less important with AM; you just want a good open space with decent ground conductivity so you can lodge the signal from that site. But there would be separate facilities. It can be done, but it is very uncommon to have the two components.

**Ms LIVERMORE**—When we were talking to the indigenous broadcasters, that was one of the points that they made. This might be more of an ABA thing than for you guys—but they said that, because of the kind of topography of the remote areas where they were broadcasting, AM was more suitable than FM—

**Mr Bennie**—I am sure that is correct.

**Ms LIVERMORE**—The FM signal sort of just filters away.

**CHAIR**—Also on this same point, we make a habit on these inquiries of going to some small remote areas. We went to Halls Creek for the roads inquiry, we went to some very remote railway areas, we went to a little place called Barraba, west of Tamworth, for the ABC sporting service inquiry. This time we got a submission from a town that has no radio, in Western Australia, nearly midway between Bunbury and Albany—a place called Walpole. They have just had an RTO program in there to put in a mobile tower. If they have got mains power to the tower, is it a big problem to put in a commercial and an ABC relay on that?

**Mr Bennie**—On FM?

**CHAIR**—Yes.

**Mr Bennie**—Technically, no.

**CHAIR**—Providing spectrum is available?

**Mr Bennie**—Yes, absolutely—provided the ABA could find spectrum.

**CHAIR**—And let us say you wanted to put three ABC channels: the regional channel, the FM and Triple J or Radio National. That would be no problem; just three transponders?

**Mr Bennie**—Technically it would be no problem.

**Mr Kepreotes**—They are all off satellite, so technically that is straightforward.

**CHAIR**—Has that Walpole situation been brought to your attention at all? Apparently there is a lot of plantation timber there, and it absorbs signal for some reason—I do not know whether it is the type of wood or just the configuration of the hills.

**Mr Kepreotes**—We would have to look at the topography of that area.

**CHAIR**—Could you have a look at Walpole for us and come back to us on that?

**Mr Bennie**—Sure.

**CHAIR**—Tell us what you think, because we were just a bit surprised that in this day and age, in that fairly closely settled part of Western Australia, a community like that has no radio. We just found that quite extraordinary.

**Mr Bennie**—We can readily do that.

**CHAIR**—Thanks very much for that. And if we could have you back one day, perhaps for an interaction on digital, we would be most grateful.

**Mr Bennie**—We would be happy to do that.

**CHAIR**—You will receive a copy of the *Hansard* draft, and we thank you for coming. I am sorry, Mr Kepreotes and Ms Andersen, we did not give you much of a chance this morning—we kept firing at Tom all the time—but we do appreciate you making your time available.

**Mr Kepreotes**—It was our pleasure.

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

That information from ntl dated 6 April, namely three brochures on digital radio, be received as evidence in the inquiry into the adequacy of radio services in non-metropolitan Australia and incorporated into the committee's records as exhibit No.22.

**CHAIR**—Thank you.

[10.10 a.m.]

**ANDERSON, Mr Barry, Managing Director, Riverina Radio Group**

**EISENHAUER, Mr David, Managing Director/Company Secretary, Riverina Radio Group**

**CHAIR**—Welcome. We thank you for your submission to the inquiry. You do have radio stations, don't you?

**Mr Eisenhauer**—No, we do not. We are a potential group based in Wagga, so I guess we are really potential joint managing directors.

**CHAIR**—I understand. Do either of you have any interests in other radio networks or stations?

**Mr Eisenhauer**—No, we do not, and that is a point that we hope to bring up through this inquiry.

**CHAIR**—We will come to that. I just wanted to clarify that point. Could you give us a five-minute overview of your submission, then we will break into interaction.

**Mr Eisenhauer**—Thank you very much for having us here today. There has been a lot of change in the industry. We are in the radio industry currently. Mr Anderson is in ABC Radio; I freelance for snow reports through winter and do various other activities, not so much in a broadcast capacity all the time but in different facets of the rural community. My background in radio is over 10 years and has only ever been in regional areas within the Riverina and south-west and central west. But we do not want to take up your time by going over territory that has been done before, because our argument is very similar to, for example, Mr Richard Mutton's or Mr Geoff Condron's in the sense that localism has indeed been lost in a lot of areas throughout regional Australia. We have some more members in the Riverina Radio Group, one of those being Mr Steven Spink, who is also from Wagga Wagga. He has put through a submission today and, if possible, I would like to at times refer to that submission. It would very much clarify some of the points that we have.

Everyone says that I am very young, but what I have seen in radio in this short time of 10 years has been enormous, from what has been existing for so long and going along so well for nigh on 60 years to suddenly being changed into a major networking operating. We have seen it in America but in Australia it is slightly different. We have things like the bushfires that have been mentioned in the inquiry. They are a very relevant part of regional lifestyle. I think to conduct, say, bushfire calls as we expect them to be conducted in the rural community, you have to be local. You cannot do that from another centre and you cannot really do it without the local knowledge. You have to know places like Henty, Harden, et cetera, where we are from. I think that comes from being a local and understanding the local region.

When our submission was compiled and sent to this inquiry, there was already major unrest within the industry. This was evident through submissions received by the Australian

Broadcasting Authority in their current licence area plan under way in the Riverina. We believe this process is in urgent need of a tune-up. It is very slow and it does tend to favour the big networks or the big operators coming in with a lot of money. I think the biggest problem with that particular process would be the price based allocation system which exists, where the licences are actually auctioned. It is a unique system. It is one of the few businesses that are fully government controlled, if you like, given out. We believe that, if a small local operator is going to come in—as they used to with radio many years ago—it is very difficult. It is almost at a stage where it is not affordable for a small operator to do so. So in that regard radio has changed, and with that have gone the local issues.

If I can refer to Steven Spink's submission, some issues have been raised and, if possible, we would like to clear these up with the inquiry. Allegations were made in the Tamworth hearing that we were associated with large-scale networks in the form of Austereo. We are certainly not, and we have never been a part of any other organisation. We are purely a local group of radio industry people wishing to start a station. But this and that are two totally separate issues. So we are definitely not involved with any other group.

Let me also put on the record that we are the group that Mr Paul Thomson of DMG has described to the inquiry as 'relentless in their attacks upon DMG in Wagga'. This relentless attack has consisted of making submissions to the inquiry; making submissions to the ABA's draft licence area plan; issuing one petition; letters and visits to politicians and to councillors asking for some local support; and canvassing business operators for their likely support. It is hardly a relentless attack. It is something that any operator in any area would do to try and gauge some public support.

I just clear up those issues initially: we are just a separate group with that intention in mind—and, also, we act for the betterment of radio, to try and bring some localism back. Having grown up on a farm in Junee, I know that you really do rely on your local radio station for so many things. One of the most important things is the company. Radio can provide that very close personal relationship, if you have an understanding of what the radio station is doing, where it is going and where it is coming from. It is very hard if that happens in another town that is providing the programming for a remote centre. It is very difficult to justify things if there is a meeting on, for example. You really have to be at the meeting to be a part of it; you cannot really get on air and comment without the credibility—not having been there but maybe having read a few lines sent through from it.

That is our opening summary. We come here today to try and suggest some things that may be of benefit to local radio, to perhaps bring some localism back to our regional communities. The metropolitan area is a separate issue, a different audience altogether, with different research. The fact is that country people do notice the changes. In the Wagga Wagga region, we are finding that country people are certainly noticing the changes taking effect in our regional radio operations.

**CHAIR**—Where are you an applicant for?

**Mr Eisenhauer**—For the Riverina-Murrumbidgee area for Wagga Wagga.

**CHAIR**—Is this the third licence for Wagga?

**Mr Eisenhauer**—This is a third licence, yes.

**CHAIR**—A third commercial licence?

**Mr Eisenhauer**—That is right.

**CHAIR**—Is it your belief that Wagga can take three?

**Mr Eisenhauer**—We believe wholeheartedly that the town is viable enough to support three stations. If you look at the situation that exists at the moment—

**Mr Anderson**—With Dubbo, for instance.

**Mr Eisenhauer**—With Dubbo.

**Mr Anderson**—Dubbo has three licences. It has a population of about 40,000. It does not have the same infrastructure as Wagga. We have an Air Force base, an Army base and a large university, Charles Sturt University. Dubbo has a third licence and Wagga is a bigger market—obviously, they should be granted one as well.

**CHAIR**—Who is the incumbent?

**Mr Eisenhauer**—DMG.

**CHAIR**—They own both stations?

**Mr Eisenhauer**—Both stations.

**CHAIR**—Do they have a beautiful music format?

**Mr Eisenhauer**—We do not have beautiful music. We have an AM service—which is the original local station, 2WG—and the supplementary, which was FM93 and is now Star FM, 2WZD. That is the FM on 93.1.

**CHAIR**—Is that a fully networked operation?

**Mr Eisenhauer**—It is not fully networked, no. The program is live in the mornings—as through the network—for breakfast, from 6 o'clock each day, and the program continues until 9 o'clock or 10 o'clock. They have what they call the 'classic nine at nine' which is sometimes from Albury and sometimes locally produced, depending on what is on. But, from that point onwards, the programs all emanate—as for Port Macquarie—from Albury.

**CHAIR**—Do they maintain a newsroom?

**Mr Eisenhauer**—They maintain a joint newsroom between 2WG and Star FM.

**CHAIR**—What sort of format are you proposing?

**Mr Eisenhauer**—Very much a research format—one that we know operates in the area, with your audience being generally 25 to, say, 55-plus. The Riverina is a fairly diverse region. There are a lot of retirees, and yet there are some young people too. In a local radio station aspect you have to try to appeal to the majority of the region—not just the business houses but, importantly, the listeners.

**CHAIR**—Will you run a newsroom?

**Mr Eisenhauer**—We certainly will run a newsroom, which will be local and live right through until around midnight.

**CHAIR**—When you say local and live, do you mean on-air live, or do you mean that after nine in the morning or 12 midday you will can most of it?

**Mr Eisenhauer**—No. Certainly it will be broadcast from Wagga by Wagga based people.

**CHAIR**—You still have not answered the question. Notwithstanding the fact that you use your own announcers and your own advertising, will you prerecord after a certain time during the day, or will you be live to air?

**Mr Eisenhauer**—I envisage that we will be live. It is the only way that news will work. Radio is such an immediate medium that news has to be live. Radio loses its effect if you are prerecording your news bulletins. Suddenly a major story happens and, ‘Oh, it’s too late to change it because we have already prerecorded it, so we will let that one run and we will fix it up next hour.’ That is not a radio station’s frame of mind, that is for sure. It has to be live and local.

**Mr Anderson**—We believe 15 hours per day will be live and local.

**Mr GIBBONS**—Given your background in the radio industry, I would like to have your comment on your view of the ABA. The ABA has come under some pretty stringent criticism in most of the hearings we have conducted. What has been your experience with it?

**Mr Eisenhauer**—They are fairly slow in making decisions. We originally approached them when they called for submissions back in June 2000, and still we await the issue of a draft licence area. I think the only way that you can really gauge whether a licence is in demand enough is by the issue of this particular draft with, say, one included. I think in that regard the Australian Broadcasting Authority seem to be a little underresourced in the area of planning issues. They seem to have a lot on in what they call a very short space of time.

It seems that in regional areas if you do have a group that stands up and says, ‘Listen, in this area we know there are two licences. We know that this is a viable issue, and here is the supporting documentation for it,’ it should assist the ABA to make a decision, notwithstanding any other operator in the market who may say it is not a viable concern because they are just protecting their own interests.

**Mr GIBBONS**—If you are successful in being granted the licence, you say you will be live 24 hours a day?

**Mr Eisenhauer**—At this stage we are looking at 24 hours. What we incorporate is a radio training school, which my colleague Mr Anderson and also Mr Spink operate in Wagga through TAFE.

**Mr Anderson**—In the old days of radio the training ground, after you got out of a radio school, was midnight until dawn. That has been taken away with networking and satellite programming. Obviously the level of experience that a radio announcer has to have to be in his chosen career is a lot higher nowadays because he is probably going straight into a prime-time air shift. We hope to utilise TAFE students in midnight to dawn programs, getting us back the old training ground—and a very valuable training ground too—that has been lost.

**Mr GIBBONS**—In a newsroom would you employ a journalist rather than, say, a presenter?

**Mr Anderson**—Yes, a qualified journalist.

**Mr GIBBONS**—How many people would you envisage employing if you were successful?

**Mr Anderson**—We would probably need at least two journalists. With announcers on air, we would need a breakfast, a morning—

**Mr Eisenhauer**—I believe we would need around 15 to 20 staff. I know that it sounds expensive—and it is expensive—to operate a station with that many staff, but if you are local and you do show that you are making an effort to bring those local issues to your listeners, the advertisers will support something like that.

The biggest problem that is faced at the moment is that the networks occasionally do service small towns—for example, Junee or Temora—but not well enough. They do not give the very small regional towns a good presence. I will use the example of Wagga's weather—Wagga is this, the Riverina is that whereas Junee, Temora and Cootamundra are all in the south-west towards the Central West slopes and plains. Sometimes that can be a little alienating to the listener.

Networking has taken those smaller towns and said, 'We don't want to know about you because the money we can get from you guys just isn't big enough. We're not concerned.' Also take into account that the money is not there that used to be. You have to give them a reason to spend money these days in smaller towns like the ones we are from. The money is there if they know they are going to get something back from it.

**Mr MOSSFIELD**—Will your organisation do any networking at all if you get established?

**Mr Eisenhauer**—No, we certainly will not. We will use automation, very much like Bathurst, et cetera, used, if need be. That will only be for overnight if the radio school cannot supply a student for some reason or other, which would be very rare indeed. It is an ideal training ground. Maybe on a Saturday and Sunday afternoon.

**CHAIR**—I think Mr Mossfield is asking whether you are going to buy in any of the shock jocks.

**Mr Eisenhauer**—No. They do not know the region. In radio in the past, you had announcers from all over Australia. But inside your station infrastructure are local people who can teach them pronunciations of names, teach them the history of local towns, teach them where that mine site is and where that property is. So in the event of a bushfire or a flood, the person who came in from out of town is a local—they know what is going on because they are actually in the town.

**Mr Anderson**—Also, our group will be totally multiskilled, which I feel is another plus. We will have a copywriter, for instance, who will have skills to go on air and do an air shift.

**Mr Eisenhauer**—So we will be able to save costs along those lines?

**Mr Anderson**—Absolutely. I personally would go back on air and do a couple of hours somewhere around the lunchtime period. It will keep the skills up as well.

**Mr Eisenhauer**—That is a point there.

**Mr Anderson**—That is why we all got into this industry many years ago. Even though we have diversified and gone on to other things, obviously it is that on air side that was the attraction.

**Mr Eisenhauer**—It is also a generator for localism if they can identify with us on the air.

**Mr Anderson**—Absolutely. So why lose sight of why you initially got into it?

**Mr MOSSFIELD**—You do not have to convince us about localism. We have been convinced of the value of it. But country people also want to know what else is going on in the rest of the world, I guess. They want to hear John Laws; whether I like him or not, some country people do.

**Mr Eisenhauer**—And offshore, national news.

**Mr MOSSFIELD**—Even some of the community radio stations take networking. I suppose this is a general question: down the track, would you see any necessity to take in some sort of networking from major metropolitan stations?

**Mr Anderson**—Most stations take two or three hours of John Laws. I do not think that two or three hours is justified in a market where he is probably already going to be on the other AM station. If they want to listen to John Laws, they can take the full three hours on 2WG. Maybe we could only run an hour.

**Mr Eisenhauer**—What is wrong with a local talk show?

**Mr Anderson**—That is right—run another local talk show.

**Mr Eisenhauer**—They are something of a past entity these days.



**Mr Anderson**—I work for the ABC on a casual basis and we have local issues all the time. We are talking about trying to cram in local issues from a Wagga based radio station. We have translators as far out as near Mildura and Mount Yalandra (?), which is a transmitter from which you can pick up the ABC all the way to Canberra. The 675 AM transmitter at Corowa on the Murray River will go all the way down to Seymour. We still endeavour to be local with our interviews and the information that we give.

**Mr MOSSFIELD**—What would you suggest? Can the large commercial networks that we talk about and the small independent operators exist side by side? If it is possible, what sort of adjustment needs to be made to the legislation to assist in that happy arrangement?

**Mr Anderson**—We believe that probably the ABA, in their wisdom, should look at a local licence, so, instead of having just one commercial licence or an AM and an FM licence or two FM licences, maybe have a network licence or a local licence or an ABC licence or a community licence. It will probably solve the problem if an extra licence, a local licence—it has to be strictly a local licence—were instigated into these markets.

**Mr Eisenhauer**—Something like what we refer to as the regional commercial radio licence. It is an addition to perhaps the existing infrastructure that is in place for licence allocation, to create—as Mr Anderson said—a forum for local people to run their local station. It is not a community station. It has to be a viable issue. If you are going to compete against these networks, you face the question of viability, as has been pointed out to the committee. Again, getting out there amongst your wide coverage audience is the secret behind that.

**Mr MOSSFIELD**—What do you think the rules on foreign ownership should be? Should there be any rules restricting foreign ownership?

**Mr Eisenhauer**—In this regard, most definitely, when you talk about a small regional community. If you are going to provide a service which is not up to scratch, is detrimental to the town, and is going to waste spectrum space, then sure. Somebody is going to come in and do it better. But in this instance it is radio. It is another radio station with that local support that has to stem out from it. I think a foreign owner would be, very much, out of touch with what is happening down the main street of Wagga at this very moment; whereas a radio station simply looks outside its window—if the station was located in the main street or wherever.

**Mr Anderson**—With foreign ownership, I think a lot of owners of radio stations have a belief that a radio licence is a licence to print money. This seems to be the attitude that has been there for probably the last 15 years, since this has all started to basically snowball. I think they are really losing sight of the charter that a radio station should be following for the community.

**CHAIR**—Not exactly, and that is why the inquiry is on. Until the Broadcast Services Act of 1992, they had to justify their licence, they had to justify localism.

**Mr Anderson**—Local is not just mentioning Wagga Star FM—this is where a lot of them seem to be—and not just using that as an example.

**CHAIR**—This committee has used the terminology ‘pseudo localism’ when it is just slotted into a hub.

**Ms LIVERMORE**—I wanted you to take me through the history of radio in Wagga over the last five years. When did DMG purchase 2WG and Star?

**Mr Eisenhauer**—That was Ray Gambal's group, so it would be about two years.

**Ms LIVERMORE**—So before that time someone else was operating the AM and FM licences in Wagga?

**Mr Eisenhauer**—That is correct.

**Ms LIVERMORE**—Was that someone local?

**Mr Eisenhauer**—That was Ray Gambal.

**Mr Anderson**—He originates from Griffith, which is a couple of hours down the road. He, at that level, owned numerous AM stations as well as 2WG and FM93 at the time.

**Ms LIVERMORE**—Do you know, anecdotally from around the town, why he sold out? Why did he sell the stations?

**Mr Eisenhauer**—There is not really any talk along those lines. There would be only hearsay, which we would not be prepared to reveal.

**Ms LIVERMORE**—Were those stations being run in a way that you aspire to?

**Mr Eisenhauer**—No, definitely not.

**Ms LIVERMORE**—So they were being run with syndicated programs and—

**Mr Eisenhauer**—Back when Mr Gambal had the station, I did two weeks work attachment for DMG. I have not worked directly in the industry for over five years, so it is very hard to say that I am a disgruntled employee.

**Mr Anderson**—And I have never worked for DMG.

**Mr Eisenhauer**—Would you mind repeating the question? Sorry about that.

**Ms LIVERMORE**—What I am trying to work out is: how do we know what listeners in regional communities want?

**Mr Anderson**—That is what I thought.

**Ms LIVERMORE**—Is there a point in time when you believe they were getting it? Are they not getting it now, and what has changed?

**Mr Anderson**—I guess the slide started to happen about the time Ray Gambal took over. Prior to that, Riverina Broadcasters were the holdings of 2WG and FM93. Once Ray Gambal

took over, the slide started to happen with redundancies and a lot more networking happening. Prior to that, the information that was being given to the community was fine.

**Ms LIVERMORE**—And someone was making a buck by running a radio station.

**Mr Anderson**—Absolutely, and they were making a good dollar out of it too.

**Mr Eisenhauer**—Indeed, it did very well, 2WG was one of the most profitable stations towards the end of the 1980s, by being a very locally committed station. They probably spent more but they certainly did well for their community.

**Ms LIVERMORE**—Did they do too well and they then became a bit of a gem for someone else to buy them up?

**Mr Eisenhauer**—I do not think so. I think if you are operating a radio station you have to create your own, if you like, personality. In that particular market, with such a very supportive audience that exists in Wagga to this day, they do like radio. It is such a regional and rural community too. You have got so many different listeners around in different hamlets and villages. They are just not regional towns like, say, Gundagai.

**Mr Anderson**—Technology changed and computers became very popular, very prominent, within the on-air application. Then it was a case of, ‘Gee, we can now record our whole six-hour program in 20 minutes just by sitting there with a stopwatch and a couple of scripts.’ So it was like, ‘Gee, we can cut a lot of costs here, but let’s not worry too much about the information and whether it is relevant.’ This is what happened; this is how it all started.

**Mr Eisenhauer**—We do not want to seem like we are having a go at the other operator; that is not the intention at all.

**CHAIR**—No, that is okay. You just respond to the questions we ask you. If we think you are going too far, we will pull you up; don’t worry about that. We will not allow any unfairness. What is your experience of emergency services in that area? I am not asking you to carry tales, but you are people who are interested in radio and you want to go into radio, and you have obviously set a localism agenda. What is your experience of floods, fires and major accidents? Is there any criticism in the Wagga area of how they have been handled over time?

**Mr Eisenhauer**—There is in various sectors of it.

**CHAIR**—Give us an example.

**Mr Eisenhauer**—I think you have to look in perspective, for example, from my experience with bushfires. The rural fire service, if you like, the Country Fire Authority, have actually got their own pager network and radio system which they have installed to complement existing broadcasts, but if you speak to our local fire control officer—

**CHAIR**—Are there incidents that you are aware of where an emergency service—police, whatever—have wanted to get a message to the community but have been prevented by networking?

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

**CHAIR**—Can you give us an example?

**Mr Eisenhauer**—Not for dates and times, et cetera, but I can give an example of recent times. The truck rollover on the Hume Highway, which was a few months ago.

**CHAIR**—What time of day?

**Mr Eisenhauer**—It was Saturday afternoon about 1.30.

**CHAIR**—And what happened?

**Mr Eisenhauer**—There was no contact apparently with the radio station. They did not have any method to contact the actual station.

**CHAIR**—What was the effect of that on the community?

**Mr Eisenhauer**—The local community radio station did the broadcast.

**CHAIR**—What was the effect on the community: did it block a major artery?

**Mr Eisenhauer**—It blocked the Hume Highway and no-one travelling down the Stuart from Wagga—we listened to Star FM right up to Yass today, it is a fairly big coverage area, and it does encompass a lot of the Hume, including Holbrook, right down to B104's territory in Albury. I think in that regard they were not available when required.

**Mr Anderson**—In 1998 there was a situation with a big storm that went through Wagga, and there was no indication on the local radio station that this storm was actually approaching. It did millions of dollars worth of damage.

**CHAIR**—Did anyone attempt to contact the radio station that you know of?

**Mr Anderson**—Absolutely. An attempt was made. Once the storm hit, it took the local radio stations half an hour before they actually reacted anyway.

**CHAIR**—Did the ABC break from their network and localise?

**Mr Anderson**—No.

**CHAIR**—Despite the fact of a major storm coming?

**Mr Anderson**—Despite the fact that there was a major storm.

**CHAIR**—Were they advised that a storm was coming?

**Mr Anderson**—Yes, a fax from the Bureau of Meteorology was sent to the ABC.

**CHAIR**—What time of day was that?

**Mr Eisenhauer**—They issued it at 6 o'clock.

**CHAIR**—A.m. or p.m.?

**Mr Eisenhauer**—It was p.m. This particular storm came through the district without any knowledge from the radio. They did not broadcast this storm warning at the right time when it came through simply because there was no-one there.

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

**Mr Eisenhauer**—Certainly.

**Ms LIVERMORE**—Have you got a community station in Wagga?

**Mr Eisenhauer**—We do, plus a potential community aspirant, a Christian group who are wishing to do a format.

**Ms LIVERMORE**—What is the sort of format that the community station runs?

**Mr Eisenhauer**—It is very general.

**Mr Anderson**—Very general. They get some funding from an ethnic organisation, so they do run some ethnic type music, but main prime time, which is 6 a.m. to probably 6 p.m., is pretty general. They have a reasonably good breakfast program with some ex-commercial radio announcers working there. They have a program where they have a lifestyle session as well, which is mid-morning.

**Ms LIVERMORE**—Is that done at the local station?

**Mr Anderson**—Yes.

**Ms LIVERMORE**—You say that independent broadcasters are coming to you and saying that communities want this really local radio. But they potentially have that in their community station and the community station has such a low audience share. So does that not—

**Mr Eisenhauer**—It is mostly low coverage.

**Mr Anderson**—Most of them have restricted licences. Their aerial power is very low in comparison to the commercial.

**CHAIR**—So you do not get into the district?

**Mr Eisenhauer**—That is right.

**Mr Anderson**—The city limits is about it.

**Ms LIVERMORE**—I like the point that you made about having a local licence category. I think that is the first time anyone has mentioned that as a possible way around some of these things.

**Mr Eisenhauer**—It is an alternative.

**Ms LIVERMORE**—I guess the question then is—being a bit of a devil's advocate—whether the ABA will then say to you, 'That's what a community licence is.' If the community station in Wagga is doing what you say you would like to do with your licence—and you are saying that that would be very popular with advertisers and listeners—why aren't 50 per cent or 20 per cent of Wagga listening to the community station which is giving them part of that now?

**Mr Eisenhauer**—I think it is too general. For the average radio listener, community radio is too general. If you are from the ethnic community of Wagga or from the German community or whatever, you can choose a program time on the guide that they issue to listen in to your particular program at that time of day. I think community radio serves a purpose in that regard where you can turn it on and off. You can turn it on and hear your favourite program from whichever country you like or whatever style of niche broadcasting they are doing at the time. It is very restricted in its transmitter power.

**Ms LIVERMORE**—So you would draw a distinction between your notion of a local licence versus a community licence by saying that community broadcasters are really still niche broadcasters?

**Mr Eisenhauer**—They are catering for needs in a different way. I think you could put community and commercial stations in the same basket, but they both cater for separate issues in the community.

**Mr Anderson**—And the bulk of their presenters are voluntary and they have their own in-house training program, and it is quite good.

**Ms LIVERMORE**—Presenters are so crucial in building audience loyalty, and if you have amateur presenters, maybe they cannot build up the—

**Mr Anderson**—You have to be professional and have some credibility in what you do. Also, on the financial side of a community radio station, there are limits. Nowadays they are allowed to run commercials, whereas once upon a time they were classified as sponsorship and you could not actually entice anybody to buy a product. You could not mention a price or whether something was on sale or anything. You could not say any of those things. Nowadays they can because the government has actually pulled a lot of funding from within, so they had to be totally self-sufficient. But they are allowed only about six minutes per hour advertising time.

**Ms LIVERMORE**—Do you know whether the local station is managing to sell that level of advertising?

**Mr Anderson**—They are managing to sell—to the extent they actually now employ a breakfast announcer, for a nominal fee.

**CHAIR**—And yet not one community station in Australia that has appeared before us said that it used its full five minutes.

**Mr Anderson**—Is that right?

**CHAIR**—Not one.

**Mr Anderson**—That is interesting.

**Ms LIVERMORE**—It depends. If they had the footy, they would sell advertising during the time the footy was on. But they were not doing it across the board.

**CHAIR**—I have one other question. You said you were going to keep networking to the absolute minimum. Where are you going to take your national news feed from?

**Mr Anderson**—That would probably come from Sydney.

**CHAIR**—From 2UE?

**Mr Anderson**—2UE or Macquarie.

**CHAIR**—Finally, you were the subject of some derogatory comment in another company's submission. You touched on this at the beginning of your evidence. Before we close, do you have any other comment to make on the nature of that criticism? In other words, I am giving you a right of reply. Is there anything you want to add to your opening comment on that?

**Mr Eisenhauer**—We should be flattered, I suppose, that Mr Thomson has included us—

**CHAIR**—I do not want any of that sort of talk. This has got to be very fair and very straight down the line. You have been made the subject of a derogatory comment—

**Mr Eisenhauer**—Which is totally untrue.

**CHAIR**—I would like your official response, without casting any aspersions.

**Mr Eisenhauer**—We are, plain and simply, a local group of people wishing to campaign with the Australian Broadcasting Authority for a new commercial licence in Wagga. We are not involved with any other networks at all.

**CHAIR**—Have you been accused of being so?

**Mr Eisenhauer**—We have been accused of being involved with Austereo.

**CHAIR**—Being a stalking horse or being directly connected?

**Mr Eisenhauer**—As I have read in the *Hansard*, we have been accused of being directly connected with Austereo. We have never had any association with it.

**CHAIR**—You said in your earlier evidence that you believed your persistence was being trumpeted as zealotry; is that the idea? Just give me the flavour of what you were saying before.

**Mr Eisenhauer**—We do not, at any stage, attempt or wish to be a part of any major networking. We do not believe that networking is the answer to rural and regional Australia. It is fine in the city.

**CHAIR**—I do not remember the exact words, but in your opening comments you said that you were criticised by another broadcaster as being too persistent or too zealous.

**Mr Eisenhauer**—‘Relentless’ was the word.

**CHAIR**—Do you want to respond to that?

**Mr Eisenhauer**—We are doing exactly as anyone else would do in this situation. We are doing what we think is right to achieve some support for a third licence.

**CHAIR**—I want to be scrupulously fair in this inquiry. There is argy-bargy among a number of networks in provincial cities. There are some who want no third licences, there are some who want it to stop at three licences and there are some who want it to stop at four licences, and so on. As you are probably aware, that has generated a number of court actions and things like that. The committee itself has been accused of being led on by one or other of the chains. So I want everyone, if there is any criticism of them, to be given the utmost opportunity to defend themselves on the record. That was the purpose of my comment.

**Mr Eisenhauer**—If I may say one more thing to that effect, we are certainly not disgruntled employees, which is another claim that has been made through a submission received by this inquiry many months ago. We are not, because we are in the industry in one form or another and because we have not been associated with this company.

**Mr Anderson**—That is one that has come back to me on a couple of occasions—me, personally, being a disgruntled employee. I have never actually worked for DMG. I worked for Riverina Broadcasters and for Ray Gambal’s group, but never DMG.

**Mr Eisenhauer**—I resigned the then BMG, Ray Gambal’s company, to pursue this five years ago. So we are comfortable with saying that we are from the Riverina, and that is where it stops.

**CHAIR**—We thank you for that Bureau of Meteorology report.

**Mr Eisenhauer**—We do have a piece of information with us that we would like to give to you, but it is a fairly sensitive bit of information. What would you advise us?

**Mr GIBBONS**—How does it relate to the issues we have been discussing, forgetting the conflict between the two companies?



**Mr Eisenhower**—It is a conflict between a radio station and its audience for greed.

**Mr GIBBONS**—That would not be relevant to this inquiry, would it?

**Mr Anderson**—Probably the arrogance that is held would be.

**Mr Eisenhower**—The disassociation with the listeners would be.

**CHAIR**—We will have a look at it, but we will not guarantee to take it into evidence.

**Mr Eisenhower**—Thank you very much

**Mr Anderson**—Can I also mention that networking in America in regional areas, from what I can gather, has failed. A lot of the regional stations now have gone back to being smaller, family owned operations. Networking is still in the capital cities, obviously, but the trend over there is to actually go back to smaller operations and to put the localism back into those communities.

**CHAIR**—We will be forwarding you a copy of the *Hansard* draft and, if we need any more information, we will come back to you. We will also examine that complaint. We may accept it and then give you the option of making a confidential exhibit but, if we feel it is unfair, we may reject it.

**Mr Eisenhower**—Thank you very much.

**CHAIR**—Thank you very much for your evidence.

[10.50 a.m.]

**CROWE, Mr Noel, General Manager, 3UZ Pty Limited (trading as Sport 927)**

**CHAIR**—Welcome. We know you have appeared before us before. Would you like to give us a five-minute overview of your evidence, and then we will break into some questions and discussion.

**Mr Crowe**—Certainly. Firstly, I would like to thank you and the committee for the opportunity to appear today in what we regard to be a very important inquiry, the outcome of which we are very much looking forward to. I have actually written something and I propose to read that, if that is okay.

**CHAIR**—How long is it?

**Mr Crowe**—It is two or three minutes, as an introduction.

**CHAIR**—I do not want you to waste your time.

**Mr Crowe**—No, that is fine. By way of introduction, Sport 927 is a commercial radio station based in Melbourne that broadcasts race descriptions and supplementary racing and sports programs into the Melbourne market and provides a network of those programs into a lot of regional and rural areas throughout Victoria, operating through a mix of commercial and open narrowcast licences, at both high and low power. I have a little card here, for the record, of the location and relative strength of each of those markets. We estimate now that our broadcasts reach between 85 and 90 per cent of the entire state's population. Once the group 5 LAP process is completed in the Western District in Gippsland, it is our intention at this stage to bid vigorously for those licences to enable all Victorians, if they so wish, to listen to racing radio, which would otherwise be denied to them, particularly in light of the recent cessation of the ABC radio service.

You will see on that card that we have commercial licences that we utilise to broadcast or relay our program, or in effect network, into Shepparton, Ballarat and Mildura—those being commercial—and high powered open narrowcast in Swan Hill, Bendigo and Wangaratta, the strength of which varies quite considerably, and into Horsham, Traralgon, Sale and Gippsland on open narrowcast licences that effectively only have a two- to three-kilometre radius. They are really, in our view, very much a stopgap measure.

Our pattern of operation is pretty much replicated by each of our sister racing radio stations around the country. Apart from the Triple J and ABC networks, we are the most prolific networkers of content in the country. With respect to racing radio stations, in terms of high power and low power open narrowcast licences, I think we operate three-quarters of them, which would be probably in the order of 350-plus, I would have thought. That is in an effort to spread and provide that service.

We regard the term ‘networking’ as having some very positive and some very negative implications. I will just touch on that, if I may. Having had the benefit of reading a lot of the submissions, we agree with many of those submissions that identify the loss of localism as a very real and negative outcome, particularly in markets where stations have either been scaled back or effectively shut down, as has been the case in some areas. There is a real negative in respect of what people grew up being reliant on from their local radio station.

We also recognise and have some sympathy with the economic realities that have forced the proliferation of networking to the extent that it exists today. We also believe that the networking of programs, as was touched on earlier, like the John Laws program and others, has added to the diversity in a sense, and generally, particularly in music stations, has certainly improved the level of quality of programming in certain areas. We are cognisant of a perceived lack of localism, but from a content perspective it has certainly added to the diversity, and in some areas the quality.

We understand that remote broadcasting, or networking from remote facilities far removed from those communities they are licensed to serve, has raised the ire of some local residents, business communities and local broadcasters, because they are providing a service to which they are not accustomed, given the traditional sense of what radio and local radio used to be. Local radio traditionally have been a real part of their community, the voice of their community, whereby some of the network radio, notwithstanding some breakfast content and what have you live from areas, perform their community duties by way, pretty much, of community air time, but they are not really part of that community.

I think those issues have been covered quite substantially with a number of submissions and the vigour of those submissions. I would like now to restrict my comments to what we believe to be a positive form of networking, and that is the service that we provide. There are two very distinct forms of networking as we see it. If it were not for the networking of racing radio services, Triple J, ABC FM and ABC services, they would simply not exist in those areas. While we believe that networking as deployed by the racing stations—certainly ours and our sister stations, and Triple J and ABC—is a positive form of networking, we can understand that some regard the network approach as deployed by the DMGs and so forth as a real negative as it relates to a loss of localism.

We are of the firm view, quite obviously, that the networking of racing radio stations, that is the relay of our total metropolitan content into these areas, is a real positive insofar as it would otherwise be denied to people living in those areas.

**CHAIR**—To save you going into it in a lot of detail, I think we understand the nature of TAB stations, because you have appeared before us before—

**Mr Crowe**—Yes, that is right.

**CHAIR**—And we understand that, of its very nature, there has to be a high element of networking.

**Mr Crowe**—Yes.

**CHAIR**—We are not being critical of that in this instance, any more than we would be critical of the ABC for having its FM program, because it is a classical music program and localism is not an intrinsic part of the service. So I do not think you need to convince us.

**Mr Crowe**—Okay. I raise these points in respect of there being, in the committee's wisdom, some imposition that you may deem reasonable to preserve the content of localism—that we be exempt from that by way of the very specific service that we operate. I will also touch on the fact that, whilst we do not have studios in the areas in which we serve, we actually broadcast in Victoria from 72 different race tracks around in the state. For example, today we are broadcasting from Hamilton, Mildura, Geelong, Shepparton, Horsham and other areas. We actually have six staff at the race tracks, so we do not have an actual broadcast operation there but we are broadcasting—

**CHAIR**—A different style of localism; I understand that.

**Mr Crowe**—Correct. So the point that we were making, Chairman, is that, if there were to be any imposition, we seek that the committee recognise what we do and that we should be exempt from any such imposition, because if we had to install and man studios in these areas, we would be in deep trouble.

Whilst unrelated to the core of this inquiry, I just wanted to draw the committee's attention to an inquiry that is currently being conducted by the ABA. That is an inquiry that we believe has real potential to disrupt, restrict or, in some cases, cease the current provision of racing services around the country. That inquiry was initiated by the ABA in response to a complaint from a Bathurst commercial broadcaster.

**CHAIR**—We have not heard about this. What is the substance of it?

**Mr Crowe**—They are suggesting that there be some tightening and some very firm definition of what can be broadcast over open narrowcast class licences. I have copies of the news release if I could perhaps distribute those.

**CHAIR**—Could you please give them to Janet Holmes, and we will have them photocopied and we will take it into evidence as an exhibit.

**Mr Crowe**—In essence, a local broadcaster in Bathurst has complained about the holistic nature of the 2KY service that has been broadcast into that area. The ABA have released quite a substantial paper within which they identify three options, particularly for racing and radio stations, for the type of content that they can provide by way of open narrowcasting. I am absolutely horrified at those three options.

**CHAIR**—Just run those past us.

**Mr Crowe**—The committee may be aware that our principal objective is racing radio, providing—

**CHAIR**—We understand that.

**Mr Crowe**—But we supplement that with general sports programs, particularly in the morning, and music and news—so it is a direct relay. What they are suggesting in one scenario is that it be a pure, 100 per cent racing format, with no music, no fillers, no commercials—nothing. So in effect, if we are between race 4 at Cranbourne and race 8 at Townsville, we would actually switch off in those regional areas. That is one scenario they have outlined. They are not cognisant of the operational restrictions and the farcical situation if that were to be the case.

**CHAIR**—Were they suggesting that you could not run an update on where the cricket was at that time of the afternoon?

**Mr Crowe**—Correct, and also that we could not run in tandem programs such as the breakfast program which has a very high content of racing.

**CHAIR**—You tend to talk to trainers and to jockeys about your bets and things like that?

**Mr Crowe**—Yes, as we do with footballers. The reality is that we have to do that in our metro market to provide a means by which we can try and generate some advertising revenue.

**CHAIR**—I think it would be fair to say that in the other report there was a very strong inference that we believed that—and it may not have been said in this many words—licences that you and the other TAB networks held should be treated separately; you should be given a longer period of licence certainty.

**Mr Crowe**—That is correct.

**CHAIR**—I do not think we were unsympathetic to your point of view.

**Mr Crowe**—Certainly not, no.

**CHAIR**—We will investigate this, but rather than lose time now—we have been on these preliminaries now for over 10 minutes, and we want to get to the core of some of these issues—just provide us with a letter dot-pointing those three things and we will take that as a supplementary submission.

**Mr Crowe**—I could actually provide a copy of that now. That inquiry is open for written submissions until 27 April, and I can assure you that we will most vigorously be presenting a case against each of those options that have been identified by the ABA. We will be putting forward our own option—that is, that all racing radio stations undertake to guarantee a minimum percentage—75 per cent—of pure racing content as it relates to that total broadcast, which I think is an eminently sensible position.

**CHAIR**—I do not think the committee has got any objection with programs that relate to the racing genre without necessarily being races, for example, talking to jockeys, talking to trainers, talking to track owners, supervisors, clerks of the course, veterinary people, talking about horse health—all sorts of things that are an integral part of racing. We saw evidence of this when you look at how far the tentacles of racing go out into the community to all sorts of things. It is not just the jockeys and the strappers and the trainers, but horse breeders, stock and station people, veterinary chemists, vets themselves, people that work at the track on weekends for part-time

employment, bookmakers and their employees, printers—all sorts of people enjoy part of it. I think we understand that.

**Mr Crowe**—The point I make is that we have to broaden the scope of the racing content in breakfast to include things like AFL football and cricket commentary to act as a point of promotion for people who are otherwise not interested in racing and also to try and get a quid in. If the ABA were to enforce any of those three options, it would mean that in those areas in which we provide our racing service that is 100 per cent racing—apart from commercials and a few music fillers from 9 a.m.—we would not be able to provide them with what is being provided now on the breakfast program. In the case of Hobart, where they are licensed on a high-powered open narrowcast, they would not be on air—they would be switched off.

**CHAIR**—Rather than keep going over this, could I suggest that you call together the other five state colleagues and the ACT and the Northern Territory—you meet six-monthly or 12-monthly—

**Mr Crowe**—Yes, six-monthly.

**CHAIR**—and present to this inquiry what you feel would be an acceptable format and the justification for it. We would be prepared to look at that as a supplementary submission. That can either come from you or the chairman.

**Mr Crowe**—The chairman or me, yes.

**CHAIR**—Or a CEO or an acting CEO. We now want to get on to questions about your submission. You say that you cover 95 per cent of Victoria.

**Mr Crowe**—We estimate it to be between 85 and 90 per cent.

**CHAIR**—Is that the landmass of Victoria or people in their homes?

**Mr Crowe**—It is people in their homes.

**CHAIR**—Are all these stations owned by your network?

**Mr Crowe**—No, they are not. We actually lease a couple of commercial licences, one in the Ballarat region and the other in the Mildura region.

**CHAIR**—Do any others take your program on relay?

**Mr Crowe**—Some interstate stations take our race broadcasting.

**CHAIR**—You provide it to the other states?

**Mr Crowe**—Yes, we do—and our breakfast program.

**CHAIR**—For example, do any Victorian stations take your racing service on a Saturday afternoon?

**Mr Crowe**—No, they do not.

**CHAIR**—You were having trouble with the LAP process when we last spoke to you. Has that improved?

**Mr Crowe**—A representative from the ABA, Giles Tanner, was at the racing radio conference. He suggests now that the LAP group 5, on which we have waited for about five years, should be completed late this year. So we are hopeful of that time frame being adhered to.

**Mr GIBBONS**—I know this will be a guesstimate, but how many people would the racing industry employ throughout Victoria?

**Mr Crowe**—We understand it employs, both directly and indirectly, between 32,000 and 34,000 people—being the second biggest employment generator. Racing is a huge industry in the state. It is a very popular sport as well as an industry in itself.

**Mr MOSSFIELD**—I am interested in the relay stations and local services. Just what sort of structure do you have in each location?

**Mr Crowe**—We have transmission towers—as Mr Bennie was explaining before—either AM or FM, and the transmitter itself. We do not actually have a studio or a building. It is a means by which we can relay the service that we provide in Melbourne.

**Mr MOSSFIELD**—So you are not in a position to provide any localism in any of those particular locations?

**Mr Crowe**—Only insofar as broadcasting from those regions when race meetings of all three codes occur.

**Mr MOSSFIELD**—But your localism really comes from your broadcasting from the individual racetracks?

**Mr Crowe**—Yes, that is correct. It is interesting, because the racing industry is a transient industry. The trainers who have their base in Wangaratta need to travel to Warrnambool to chase prize money and so forth. They are all over the place, in fact.

**Mr MOSSFIELD**—So if you had an individual racing program at the racetrack, would you then broadcast other sporting information covering that particular area?

**Mr Crowe**—In between racing we would not, other than if it were to be that Greg Norman was on the 18th and about to sink a putt. It is pure racing. We have commercials through it, and they are Melbourne based commercials. We do not sell into these areas at all; we do not derive a benefit at all. In fact, it costs us quite a substantial amount of money to provide these services for no specific benefit. Why do we do it? We are owned by the racing industry and it is a means

by which the industry can hopefully prop up and promote turnover and interest in sport itself. If we have a gap between races, we might put a song on. Today, we may play one, for example. But we would generally only talk about things of a major nature—if someone won a gold medal in the Olympics—and that is it. It would be brief. It might be 10 seconds and then you are back to the racing, so it is a pure racing format, interrupted only by commercials and a bit of chat.

**Ms LIVERMORE**—Are all your stations here in Victoria the open narrowcast?

**Mr Crowe**—No. Three are commercial. The commercial services that we use to relay our programs are in Mildura, Shepparton and Ballarat. The others are narrowcast.

**Ms LIVERMORE**—Do you lease the commercial ones?

**Mr Crowe**—No. We own Shepparton, plus we lease some air time from Ballarat and Mildura.

**Ms LIVERMORE**—Where do you get your revenue from?

**Mr Crowe**—Purely and simply from the Melbourne market; advertising sales, in the main. We do charge our state TAB. We are the only independently owned racing station in the country. 2KY has been bought by the TAB, which may have some further consequences for regional markets—in the negative. We charge them for providing our service because, if we did not charge them, we would be in significant loss and would not be able to afford things like regional networks. Fortunately, the sum of all of those revenue streams puts us in a profitable situation. But we are the only profitable racing station in the country. Some of the others are losing considerable amounts of money, and that is putting further pressure on the cost of regional services.

**Ms LIVERMORE**—So the Victorian TAB pays you?

**Mr Crowe**—We charge them a fee for their service, because we are a critical driver of their core business, which is wagering.

**Ms LIVERMORE**—What sort of advertising? I am just trying to flesh out this argument that you are putting that you should be treated differently to standard commercial radio.

**Mr Crowe**—In so far as us not deriving a dollar from any of these markets that we sell. For example, an ad airing today may be for Melbourne City Toyota or a restaurant in Collingwood or a menswear store in Albert Park—nothing to do with the broader regional or rural markets whatsoever. There is no means by which we can actually do it unless we have sales staff in those areas. It just would not be economically viable, and we see no need. Our principal objective is to provide the race broadcast and the racing information that there is a critical need for and a large need for in regional areas, particularly after the ABC got out of it, I think two years ago.

I make the point that we are the only independently owned station. Recently, 2KY was bought by Sky, which is owned by TAB Ltd. Mr Chairman, you made the suggestion that we get all of the interstate stations together. We have come up with a concept which we do not enjoy 2KY's



support on but we do, however, from each of the other racing stations. If I were cynical, I would suggest that the regional market that has been constructed over years under the general management of Barrie Unsworth at 2KY—who recently retired—is no longer as important as it once was. That is only a perspective.

**CHAIR**—How can you make it work without the seven or eight services integrating? The average punter wants to listen to the main race in Brisbane, Sydney, Melbourne and Adelaide. If there is a special meeting like the Toowoomba Cup or something like that, or the Townsville or the Cairns picnics or whatever, it might be that people want to hear those.

**Mr Crowe**—Yes. It may be presumptuous of me, but I am suggesting that the level of enthusiasm with which 2KY have built their network perhaps does not exist under the new ownership structure. If I were to be further cynical, I could suggest that perhaps they have an alternative, and that is to make people pay for their Sky service as opposed to the free-to-air service. That may or may not be the case, but I have noticed a distinct cooling of enthusiasm for the Sydney regional network.

**CHAIR**—What is the particular proposal that the other states want to put up that 2KY will not accept?

**Mr Crowe**—We have suggested that in the face of this ABA inquiry all racing radio stations guarantee that 75 per cent of their total program content is pure racing, which we think is a reasonable position under the definitions of a reasonable format for open narrowcast licences. I think 2KY's is only about 58 per cent or in that order. So we would undertake to give them specific guarantees.

**CHAIR**—But, to be fair to 2KY, the sort of programs that they did provide, they were not trying to be a de facto broadcaster, they just provided more comprehensive news services and things like that.

**Mr Crowe**—And fishing programs. Yes, I accept that.

**CHAIR**—It is sports related and more news related.

**Mr Crowe**—Correct. News and music related. But a close inspection of the ABA's investigation summary suggests that a general sport breakfast program, for example—this is what is provided by each of the interstate stations—is unacceptable. And that is one of the reasons why they have been—

**CHAIR**—As I have said, we would like to see a submission from you on that.

**Mr Crowe**—Certainly.

**CHAIR**—And then we will give that very careful consideration, but we certainly do not want to have our previous report undermined.

**Mr Crowe**—Certainly not. That is why I have raised it, Mr Chairman.

**CHAIR**—You only have six of these low powered four-kilometre radius stations. Is this part of the problem—that you cannot get stations because of the LAP? For example, in Queensland I think Mr McCormack has about 67. Is that right?

**Mr Crowe**—Yes, thereabouts. We elected to go down the other road.

**CHAIR**—You have places like Stawell, Seymour, Castlemaine, Warrnambool and Portland; wouldn't there be a case there for a transmitter on top of the TAB, or something?

**Mr Crowe**—Those areas are pretty much covered by our commercial stations in Shepparton and Ballarat and the open narrowcast in Bendigo.

**CHAIR**—They are AM stations, are they?

**Mr Crowe**—Yes, they are.

**CHAIR**—A fairly big coverage?

**Mr Crowe**—The one in Shepparton, for example, is widely regarded as the strongest commercial radio AM signal in Australia, and that covers throughout the north-east area. We elected to go down that road rather than go down the road that some of the interstate TABs—

**CHAIR**—All the little ones?

**Mr Crowe**—We have 132 of the little ones. The reality is that the little ones, at best, would provide a three- to four-kilometre radius. It does not help the man on the land; it does not help the man on his tractor.

**CHAIR**—How many of those are AM stations?

**Mr Crowe**—We have got Ballarat, Bendigo and Shepparton.

**CHAIR**—They are all AM?

**Mr Crowe**—Correct.

**CHAIR**—All that central part of Victoria is very well covered?

**Mr Crowe**—Absolutely, yes, as is Mildura, too. It is only the Western District and Gippsland that we are hopeful of participating in, by way of either a network of high powered FM, on what is termed the single frequency network, or AM stations. But we will not know that until the ABA conducts that process.

**CHAIR**—Where do you take your news bulletins from?

**Mr Crowe**—We generate our own, but only from 5.30 in the morning until 10 a.m. That is it. We do not have news beyond that because, frankly, we cannot fit it in with the plethora of racing and supplementary information.

**CHAIR**—Does 2KY do the same?

**Mr Crowe**—No, I think 2KY may go beyond that, but I cannot be sure of that.

**CHAIR**—What program do you use from midnight to dawn?

**Mr Crowe**—At the moment we have a fellow who conducts a bit of talk-back; that is all. Under our recommendation to the ABA, we would delete midnight to dawn in those areas if we had to. We would be reluctant to because that is taking away a service into these areas but, if the ABA were to deem it appropriate that we reduce it in order to get our content up, we would delete it. That is pure relay of what we do in Melbourne. It just goes right around the state.

**CHAIR**—Mr Crowe, you have been very good coming again to the inquiry; we appreciate it. Your evidence has always been very professional, as have your colleagues in the radio racing broadcast industry. We have given you a few tasks to complete, which we trust you will get back to the committee on.

**Mr Crowe**—Yes, I will.

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

That a copy of the ABA news release, an extract from submissions and a brochure from Sport 927 dated 6 April be received as evidence to the inquiry into the adequacy of radio services in non-metropolitan Australia and incorporated in the committee's records as exhibit No. 24.

Resolved (on motion by **Ms Livermore**):

That submission No. 275 from Mr Spink dated 5 April 2001, together with any attachments that have not otherwise been received as exhibits, be received as evidence to the inquiry into the adequacy of radio services in non-metropolitan Australia and authorised for publication.

[11.24 a.m.]

**McINERNEY, Mr Kenneth John, Chairman (Non-Executive), Board of Management, Tatiara Community FM Broadcasters Inc (trading as 5tcb)**

**WILLIAMS, Mr Geoffrey Alan, General Manager, Tatiara Community FM Broadcasters Inc (trading as 5tcb)**

**CHAIR**—I welcome to the microphone representatives from 5tcb FM, who will give transmitted evidence today. I would like to caution you that these proceedings are proceedings of the House of Representatives and warrant the same respect and attention as would proceedings of the House itself. The giving of any false or misleading evidence is a serious matter and could lead to contempt of the parliament. Do you understand that?

**Mr Williams**—Yes, we do.

**CHAIR**—To commence your evidence, could you give us a five-minute overview—shorter if you like, but not more than five minutes—of your submission and the things you would like us to look at.

**Mr Williams**—5tcb is the community radio station based in Bordertown, which is the administrative centre of the Tatiara District Council. The Tatiara council is one of the largest councils in the populated areas of Australia. It is in excess of 7,000 square kilometres, with some 6,500 people. It is a very big area and quite small in population, particularly the density. We have been operating as a community station with what was known as a C class licence since 1986. We have grown to a point where our station is the only recognised local daily media. The difficulties that we face now include feeling that the outer areas of the Tatiara and beyond are disadvantaged by not being able to receive our station.

Like most community radio stations, we have quite low power output. To augment that, we have set up a translator at Keith, which is the next neighbouring town and the second biggest town in the district. So we now have two translators. If we acquiesced to public demand and, at the same time, shored up our own future by increasing our market—most of our income is derived from fundraising and sponsorship—we would be required to install up to five more translators in various areas surrounding the town of Bordertown and including the whole of the Tatiara district and portions of the neighbouring council areas. To do that would require a considerable amount of work on the part of the ABA in allocating frequencies and would require a fair amount of expenditure by the station. It has to take into account the difficulties that new technology may present. The opportunity arose, with your sitting, for us to put our particular case and to remind the ABA at the same time that it has been working on the Australian area since 1994.

The opportunity arose, with your hearing, for us to put our particular case and to remind the ABA at the same time that it has been working on the Australian area since 1994. I believe it has been working on group 5 for licence area planning since May 2000, so that is 12 months, and it has been very difficult for us to get any indication of what our future holds with respect to

increased coverage. So we took the opportunity to present to you the fact that there is a problem in this part and the upper part of the upper south-east of South Australia, that we may or may not have the solution to that problem but that it is important that you understand that we are here and able to do that. Because of that digital technology coming in shortly, there is a feeling that each translator that we manage may need \$70,000 to \$100,000 spent on it to convert it over the next 10 or 15 years. That is clearly not something that we can manage. So, looking at a holistic solution, it is probably our belief that the idea best attended to is one of a central location transmitter which would service the whole of the area that is asking for the service and which might have a 20-kilowatt output. As I understand it, there probably are not any community radio stations currently with that kind of output because mostly they are in areas where there is already an existing commercial service area. What we are trying to do is plug the gaps, fill the black holes, and if that is the best way to do it then we want to take this opportunity to make you aware of that and then see where it goes from there.

**CHAIR**—Thanks for that. You say that you are unique in that coverage area. Where is your nearest ABC and your nearest commercial station?

**Mr Williams**—The surrounding stations are based in Murray Bridge, Horsham and Mount Gambier.

**CHAIR**—So you are right on the border there. What is reception like from those stations?

**Mr Williams**—The reception is indifferent in the major part of the Tatiara, and in the outskirts it is almost negligible. Obviously as you go towards the north-west you are going to reach closer into the service area of 5MU, the commercial station at Murray Bridge. As you go further south you come into the service areas of 5MG, the ABC regional station at Mount Gambier, and 5SE, the commercial station at Mount Gambier, and as you head east towards Horsham you are more likely to hear 3WM, which is the commercial station at Horsham, and I think 3WV ABC, which is at Dimboola or somewhere. But in the middle where we are there is not a strong signal from any one of those stations.

**CHAIR**—You are asking for an AM licence or an FM licence?

**Mr Williams**—This is where technology comes into it, because at the moment we are an FM station and we would like to remain so. To achieve the sort of coverage that we are foreshadowing, we may need to go to AM, and when the digital comes in that may not be necessary because that is probably going to be a similar thing to AM anyway. One of our difficulties is that, because of our location and the size of the town, we do not actually have an engineer, nor do we have easy access to that kind of advice.

**CHAIR**—I will just swing to my colleagues. Ms Livermore.

**Ms LIVERMORE**—I am speaking to Geoff Williams, am I?

**Mr Williams**—Yes.

**Ms LIVERMORE**—If you were to expand your coverage to meet the demand that you say is there in the outlying areas, would you overlap with the coverage areas of some of those commercial stations that you have just talked about from the Victorian side of the border?

**Mr Williams**—Yes, I guess that is a likely result, depending on the power output that we have, but the short answer is yes.

**Ms LIVERMORE**—So if you had the 20 kilowatts you would encroach on those other licence areas?

**Mr Williams**—That is what happens. It is a difficult thing—there are no walls to stop it. 3WM, for instance, is licensed to the border but it continues across the border for a certain way. I guess if we were to dial up the required power to reach the extremities of our area there would be some fortuitous signal that would encroach into those other areas. But there is already an existing overlap in service areas because they are not drawn on the same map. The commercial stations design their service areas without regard to community stations. 5SE in Mount Gambier considers that it has a service area that extends right up to Bordertown, but in fact they do not actually cover that area. There is a difference between coverage and licensed service area.

**Ms LIVERMORE**—This might be a question for the ABA rather than you. In remote areas in Western Australia there was talk about a regional licence maybe being the answer to some of these problems. Would that be a solution? You are saying that you have got a licence for Bordertown and Keith and that to expand your service you would need the translators. Would you also need licences for those specific little towns?

**Mr Williams**—Yes, for some of them. We are actually licensed for the whole of the Tatiara district and we are currently unable to satisfy that licence. Our licence area extends into Murray Lands as well, which is getting closer towards Murray Bridge and 5MU.

**Ms LIVERMORE**—So it is more a product of funding and technical support or the technical infrastructure rather than the licence issue?

**Mr Williams**—The coverage is a product of that, but the actual licensed service area is more a product of the existing community interest that lies between the towns that are in the same council area, because of the football thing. We play football against each other, so we have that community of interest.

**Ms LIVERMORE**—Has there ever been a commercial station in the area or have there ever been serious discussions about whether there would be a commercial station in your area?

**Mr Williams**—No. I grew up here and I used to listen to 2UW. To my knowledge—having been involved in radio for 16 and something years—there has been no interest in a commercial activity here, and that is simply numbers. We have to work pretty hard with volunteers to survive and a commercial station would not be able to do that. At best, we can hope to rope in about 9,000 listeners, and that is not really enough to support a commercial enterprise.

**Mr MOSSFIELD**—My questions relate to the centre radio transmission that you suggested would be necessary to provide the coverage—the 20-kilometre coverage, I think. How would you suggest that should be financed?

**Mr Williams**—The same way we finance everything, I guess. I do not mean to be smart about that. We are currently setting up a new radio station in Bordertown, and we are spending in all about \$70,000, having purchased our own building. We go to the community and they think well enough of us that every, woman and child in this district puts their hand in their pocket to the tune of about \$20 a year, which is pretty significant. So in that way, and with support from local government, which we have in spades, we would hope to tie together the funding to do that. In fact, it would be easily balanced and paid for over a period of time by the increased income that we would expect to receive.

**Mr MOSSFIELD**—My next question also relates to funding. I just want to get a feel for your conversion to digital radio broadcasting. You gave us the figure of \$70,000 to \$100,000. Would your station be in a position to make that contribution to the changeover of technology, or would you be seeking government assistance?

**Mr McInerney**—Being part of the board of management, we have used the opportunities to put in grant applications and also apply through the local council to get most of the funding that we have been able to get in the past. I think it is fair to say that we have probably exhausted most of our resources in a local sense. At the end of the day, what we are trying to do is provide a service to a greater range of people within an area where they do not have the availability of selection of a radio program that gives them versatility. So, to answer your question quite bluntly, we are really looking for some financial support from the government, obviously, but at the same time we would certainly put our best efforts forward in trying to raise some funding from our own resources.

**Mr MOSSFIELD**—I will move on to sponsorship. At the moment, do you fill your allocated five minutes per hour sponsorship?

**Mr Williams**—At the peak listening times of breakfast, the farming session at lunchtime and what is commonly known in the commercial world as ‘drive’ in the late afternoons, we are running at about four minutes. The rest of the day, it is between one and two minutes per hour.

**Mr MOSSFIELD**—Finally, do you take any networking programs from any commercial stations in the area or from any of the city commercial stations?

**Mr Williams**—We are under a bit of pressure to take Lawsy. But, no, we do not. In fact, we take some programming from the community network and we supply programming to the community network in that we create and produce the only regional national rural affairs program.

**Mr MOSSFIELD**—Have you investigated the commercial viability of networking? Would that improve the economic position of your radio station?

**Mr Williams**—We have had a bit of a look at that. The issue at the moment is that the programming which we do put together for the national scene is funded partially by the

community network, so they would not be very keen for us to go and market it in the commercial world. But, should that funding disappear, that is an option which we have available to us.

**Mr MOSSFIELD**—Thank you.

**CHAIR**—Just on that point that Mr Mossfield was talking about, you are not using your full time. In fact, we have not found a community station yet that has used its full time allocation. I suppose it begs the question: have you really got the support of your communities if you cannot fill five minutes an hour? What is your response to that?

**Mr Williams**—That is a good question. You have to bear in mind that we have lifted our rates from \$2 per 30-second spot to \$20 over the past 10 years. We have also maintained a 91 per cent weekly cumulative audience. For us to knock on the door of five minutes an hour, we would need to reduce our price, which we could do, but then we would be full and we would lose interest from our listeners. I guess we are pretty happy where it is at four minutes. I do not really want it to go up to five, but it is nice having that buffer because there are times when you have a particularly interesting program—it might be the football grand final or a field day—where everybody wants to get on the bandwagon and you do have that five minutes available to you.

**Mr McInerney**—Just to add a little bit more to that, we are, of course, based in a rural sector. You tend to find that the amount of finance that is available for the advertising within this particular area to some degree relates back to the amount of money that is in the economy. We have had 2½ years where things have not been all that good. People have not been prepared to spend some money. Consequently, we are really looking at a situation where we are marketing to the best of our ability. Everybody is very supportive. But what Geoff says is quite true. On the odd occasion we are full. We really would not like to have that happen all the time. But, sure, it is an answer to some of the funding.

I believe we are a very successful radio station. We have such a good listenership. We happen to be in a bit of a dead area—we happen to be in a little bit of a bowl—and line of sight is very important in the type of radio that we are dealing with. Consequently, we do have some limitations as far as that side of it is concerned. It is a fair question. As a board we are continually looking at this because financial viability is the only thing that keeps us successful.

**CHAIR**—What things do you take on relay? Do you take a national news bulletin?

**Mr Williams**—At the moment we are taking national news from the community radio satellite. In the past, we have taken a sustaining service for overnight broadcasts—the midnight to dawn session—and we do, from time to time, pick up on some of the health and other lifestyle programs from the community radio network.

**CHAIR**—You say you provide them with a rural program. How do you fund that and how do you make it work? Do you have some people there who have pretty good connections?

**Mr Williams**—As a matter of fact, we do. We are very fortunate in having a lass who is arguably the leading rural journalist in South Australia at the moment. She works at this radio

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station and for the local press. She is a qualified journalist and operates with an intense interest in biodiversity, which really keeps her at the forefront of what is happening in the rural segment. She puts together a program called *Landlink*. We have our own production facilities which are not quite state of the art but not too far behind. To a certain extent, we are funded by the Community Broadcasting Foundation to put that together and to distribute it.

**CHAIR**—I congratulate you on that. I think it is pretty innovative. To be able to do your own rural broadcast and, better still, to make it available to other stations is excellent. What is the reaction of the ABA to you having a series of translators?

**Mr Williams**—I do not know the answer to that.

**CHAIR**—Have you actually applied for other towns beyond Keith?

**Mr Williams**—Yes. We applied back in 1994 for Naracoorte, which was outside of our service area. The response then was, ‘We can’t allocate a frequency until you increase your service area.’ We have had a lot of phone calls and written a few letters over the years, but really what we are hearing is, ‘Leave us alone because we are pretty busy working on the rest of Australia.’ The last communication I have from the ABA, which gives us an idea of what they are thinking, is the information paper of May 2000. That shows the FM band projected usage, and does not even list Bordertown, let alone the areas that we are interested in. That makes us a bit concerned that perhaps they have not got us on board like we thought they might have.

**CHAIR**—What sort of program do you take overnight from midnight to dawn?

**Mr Williams**—We have installed a computer system—a digital storage and retrieval system—and a lot of our music is recorded onto the hard drive. We have invested in professional radio software. We play software which is developed in Perth.

**CHAIR**—So you package your own programs for overnight broadcasting?

**Mr Williams**—Yes, that is correct.

**CHAIR**—Have you had any incidents with regard to flood and bushfire where you have experienced difficulties with the SES, the police and so on? What is the methodology if there is a fire, a flood or a major accident on one of the local roads? What triggers the information coming to the radio station?

**Mr Williams**—The radio station is set up as an early warning device by the disaster control committee for the south-east. We would expect the first contact to come from the police. Failing that, it would be from the CFS based in their headquarters in Naracoorte. We have a siren and an emergency live read script in an emergency pigeon hole for people to grab when it is authorised.

**CHAIR**—The question I am asking is: does it work well? We have had evidence across Australia, especially with network commercial stations, that this is not working nearly as well as it should. What is your experience as a community station?

**Mr McInerney**—We have only had one experience of it, and it was not threatening the town of Bordertown but threatening an area at the extremity of our coverage. My understanding is that it worked very well. That was possibly because we had a 91 per cent audience, and a lot of community stations are targeting a niche in between the existing services and are left with four per cent or five per cent audiences. We are a solus market and so we are covering everybody.

**Ms LIVERMORE**—I am not big on the technical aspects of this. Can you tell me what is involved in setting up a translator? You were talking about needing five translators if you were to cover the area where a demand exists. What is involved in setting up a translator?

**Mr Williams**—You have to negotiate for the use of some land, then you need to have power coming into the land or to the site. There is usually a concrete water tank type arrangement as a hut to house the equipment. Then you have a TV type mast—the usual sort of thing you see out in the country like a 30-metre tall mast with an antenna on the top—which listens to the nearest outlet of our station. That signal is downloaded into the hut, goes through some equipment, comes out again as a different frequency and is sent out on another antenna. So what is in the hut is basically what they call an exciter, which is a free amplifier, a radio to tune it, so it can actually hear the signal, and a main power transmitter.

**Ms LIVERMORE**—We had ntl in this morning, and they were talking about being able to piggyback different services off the one site and those sorts of things. I take it that that is not an answer. There is nothing in your area that you can piggyback onto that would save you doing that from scratch five times over?

**Mr Williams**—Yes, there are some areas that we could piggyback on, but they are not the areas where we need to be.

**CHAIR**—Thank you for your evidence today, Mr Williams and Mr McInerney. It has been very interesting. You add another dimension, particularly rural program, and I thank you for that evidence. We will take on board what you have suggested in compiling our final report. I would like to thank all witnesses who have appeared before us today and members who have been in the public gallery, including the two that just came in. I am sorry you were not here earlier to hear some of the evidence. It has been very interesting and it filled some gaps in the evidence we have been taking.

Resolved (on motion by **Ms Livermore**):

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

**Committee adjourned at 11.54 a.m.**