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Secretary:.....

RECEIVED

30 OCT 2000

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

Committee Secretary
House of Representatives Communications Committee
Parliament House
Canberra

October 25 2000

RE- RADIO INDUSTRY INQUIRY

House of Representatives Standing Committee on Communications, Transport and the Arts	
Submission No:	194
Date Received:	30/10/00
Secretary:	Janet Holmes

Dear Sir/Madam

I act as representative for HOT FM and for 1359AM and enclosed please find submissions from these two broadcasters.

I am currently station manager and a Board member of HOT FM and program Manager of 1359AM.

Should your committee require further information on these submissions I would be happy to assist, providing I can adjust my current schedule.

Yours faithfully

Max Thorburn
Managing Editor



Original hits 24 hours a day

OLD GOLD RADIO - All the hits from 1956 to 1966

P.O. BOX 2151,
MILDURA, VIC., 3502

ABN: 66 909 088 593

TELEPHONE: (03) 5023 7845.
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(1)

HISTORY: This station operates in Narrowcast format and was the first of the higher powered stations which was allocated under the auction system, having been granted to Radio 3UZ in Melbourne for the reserve price. It is the first of these licenses to expire and I have already been in contact with the Minister regarding the situation.

Because the technical specifications allocated to this station were "impossible" Radio 3UZ transferred the siting to an area of land in Sandilong Avenue but this could not be used because the Department of Natural Resources would not issue a permit to install an antenna on the land.

The license was purchased by Sunraysia Community Radio Association Inc but the Department would not approve the transfer of the broadcast site without expensive tests.

Some further 12 months elapsed and I then offered to buy the license and pay for the required studies to allow the license to operate from an "approved" site.

The investment so far is in excess of \$100,000 but I am loathe to continue to provide studios for localised programs because of the uncertainty of the license.

PROGRAMS: The 1359 AM is what is termed a definitive oldies station, which broadcasts only original versions of songs in a specific span of years. The format was selected after consultation with the existing commercial operator (3MA) which dropped a similar type of format for seventies and eighties music in the middle of 1999.

When 3MA and Star FM, jointly owned in London, reduced local content, we introduced daily local news services after the hours of 2pm (because both ABC Radio and commercial radio) have no localised news bulletins after midday.

However, until the narrowcast license issue is resolved, we can't commit to further localism, although the ABC report and the Productivity report both recommend to Government that narrowcast licenses be converted to full licenses.

DEMISE OF LOCAL PROGRAMS ON COMMERCIAL RADIO STATIONS IN REGIONAL AREA:

Reasons for the decline of local programs:

(a) A reluctance of the former Australian Broadcasting Tribunal and its successor the Australian Broadcasting Authority to allow new players into the commercial broadcasting field.

My father, the then Managing Director of Mildura News Group Pty Ltd was totally opposed to the grant of supplementary licenses to AM operators. He was victim of the longest Tribunal hearing in Australian Radio History. The Mildura supplementary license hearing ran for four years and was unresolved. The Tribunal hearing was overturned at Court level, which directed a re-hearing and that rehearing was never held.



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(2)

(2) The acquisition of regional radio stations by metropolitan people and overseas people has resulted in local stations becoming revenue tools and not service tools.

Local people can lodge objections to management, but it is doubtful if any of the 55,000 residents of this district know who owns STAR FM/3MA FM or has had any contact with the owners.

The owners of these stations, to our knowledge, have never been in Mildura to see their acquisition.

(3) The sale of regional stations to "overseas" and "non-local" people was only possible because local owners who developed stations decided to profiteer and accept high prices for their stations.

It is important to remember that should the Government "re-tender" this narrowcast license (as against the recommendation to convert it to a full license), there is every chance that local people will be outbid by outside persons.

The ability to be rich should not be a criteria for a license. An ability to provide a localised service should be a more important reason for allowing local ownership, control and operation.

(4) The commercial radio industry has used technology against local people. While in one hand it allows for the presentation of city standard broadcasting to regional areas, through satellite and ISDN facilities, the commercial industry has decided on a policy of centralization (or hubbing) with programs coming from Albury to the Eastern Sector and Townsville for the Northern Sector and Sydney/Newcastle in the central part of the Eastern Seaboard.

The same technology could have been used to have local people "program" their own stations. One of the first local automatic commercial stations in Australia was up at Broken Hill which in the early 1980's had its announcers pre-record the days program just after 9am. It took about an hour for an announcer about an hour to record the announcements for use up until the next day breakfast program.

In America, computer technology is being used to retain localism in a number of ways, including a live announcer pre-recording his announcements during a song, for broadcast a few minutes later.

(5) The cluttering of the FM spectrum has put further pressures on the commercial sector and has increased the value of licenses and depending on economic times, caused some operators to reduce localism to secure better financial returns.

The ABC has a national radio and a regional radio network which occupies FM spectrum when the type of program broadcast (an emphasis on talk and information) would be better suited to the AM band. Music is enhanced on the FM band because it is stereo, while voice is the same whether on AM or FM. Several ABC stations in rural Australia send out a mono signal on the FM band which is a waste of spectrum resource.



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(3)

LOCALISM IN MILDURA HAS NOT SUFFERED:

In 1982 Mildura had one commercial radio station - it was the only radio station in town. The area received fortuitous reception from commercial operators at 5RM Renmark and from 3SH Swan Hill. There was also an (AM) ABC service from Horsham.

Today the following services operate from Mildura:

- (a) Radio 3MA-FM: Commercial operator, ownership in London
- (b) STAR FM : Commercial operator, ownership in London
- (c) Sport 1467: AM service of horse racing/sport: Station owned by outside company (head office Adelaide) and station leased to 927 Sport in Melbourne.
- (d) HOT FM 106.7 : Community broadcaster. Operates with translators at 90.7 Robinvale and Wentworth. Licensed for 90.7 Ouyen (service to be installed 2002). Around 50 volunteer presenters produce 153 hours of local program per week.
- (e) 3ML Multi-lingual Radio 89.1 FM: License held by owners of Rete Italia. Lease arrangement with local community allows for local input of other local programs and SBS radio programs at night.
This license is "borrowed" from the Print Handicap and was a frequency originally listed for a Robinvale translator.
- (f) 3MPH- First Print Handicap regional station in Australia. Local programs inserted seven days a week. Around 15 hours of local programs weekly using local volunteers.
- (g) 1359 AM : Locally owned by me and operated by my father.
- (h) Tourist Radio: Owned by the commercial operators of Star FM and 3MA.
Broadcasts from Mildura.
- (i) Ethnic radio (low power) : 88.0 at Red Cliffs and Merbein. Licenses held by Sunraysia Community Radio Association.
- (j) ABC Regional Radio. Studio at Mildura, transmitters at Mildura and Swan Hill.
Broadcasts around 25 hours of local Mildura studio programs per week.
- (k) ABC TRIPLE J
- (l) ABC Radio National
- (m) ABC Classical.



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(4)

HAS THE DISTRICT LOST OUT BECAUSE OF COMMERCIAL RADIO REDUCING LOCAL PROGRAMS AND REDUCING ANNOUNCERS?

The honest short answer is no.

(i) Radio 3MA chose not to broadcast the local football matches in the Sunraysia Football League this year and within two days the Community Broadcaster took up the opportunity.

In fact the Community Broadcaster improved the service by not interrupting the description with advertisements and sponsorship announcements were put over at the end of each quarter, at half time and before and after the game.

The community broadcaster put in a broadcast line to the ground and instead of using a mobile telephone to broadcast from the grounds at nearby towns, installed improved technology to bring listeners a better quality.

The community broadcaster also conducted a broadcast of the junior football best and fairest medal count.

The community broadcaster also introduced for the first time, Sunday matches broadcast and night games and a Monday game, not previously ever provided by the commercial broadcaster.

(ii) When 3MA withdrew live broadcasting from events such as the Mildura Show, the Show Society, in conjunction with the Community Broadcaster took out a special event license and established its own station and studio on the Showgrounds and this broadcast over 60 watts to a coverage area (eight kilometres radius) of the Showgrounds.

The Community Station also helps the Jazz Festival and Country Music festival to operate "special event" licenses.

(iii) When the two commercial radio stations reduced the length of their news bulletins (because of space allowed for in hubbing), the community broadcaster increased its local news to seven minutes at 5am, 6am, 7am, 8am and 9am on six days, with 8am and 9am Sunday bulletins.

The narrowcaster (1359AM) introduced afternoon and night local news (at random times) to further compensate for reduced local news on the commercial stations.

(iv) To our knowledge, local business is able to still have "live advertising crosses" to local stores and businesses in exchange for a commercial fee. This service, which is only possible on commercial radio, has been retained. It has not been reduced in anyway.



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(5)

IN SUMMARY:

Overall, while there has been a reduction in "local content" on the districts three commercial radio services, there has been no reduction in "localism" because other broadcasting stations serving the district have taken up the services, in many cases providing additional local servicing of events and sports.

However, to ensure that the district is served to capacity, the Government must provide some certainty to the Narrowcasters, especially AM narrowcasters.

The future and stability of narrowcasters, such as 1359 AM can be looked at in several ways (the NSW and Victorian racing industry have been reluctant to invest huge amounts of money into a system which could be at the whim of "Government" or "auction").

We believe that localism in broadcasting can be retained by one of two measures:

(a) That existing narrowcast licenses be converted to full commercial licenses with perhaps some kind of program restrictions and in areas where there are no high powered narrowcast licenses that they be made available at the top of the AM spectrum (frequency range from 1600 to 1700).

The use of the 1600 to 1700 AM spectrum was a recommendation of the Australian Broadcasting Authority in 1999 but was rejected at ministerial level.

The use of this space - for narrowcast services - would be especially useful for multicultural and sporting broadcasts and special services.

(b) That existing narrowcast license holders be allowed to have their licenses renewed just as a commercial license is renewed and that narrowcast restrictions continue as now.

*It should be noted that under original supplementary license system, commercial broadcasters were to "surrender" one of their licenses after eight years. If Narrowcasters are not to have their license renewed, then commercial operators should be asked to do likewise, as per the original supplementary license legislation.

Further details on our submission can be provided at future hearings.

Yours faithfully

Ashley Scott Thorburn
1359AM Mildura.
Licence holder