

Withdrawal of the service and availability of alternative racing broadcasts

The ABC's decision to discontinue its regional radio racing service

- 2.1 The decision to finally discontinue the service has some history. In March 1995, the Senate Select Committee on ABC Management and Operations, expressed concern that there that there was 'a temptation for the ABC to broadcast race calling on regional radio solely or principally because the funds are available for the TABs.'¹ It suggested that the ABC should seek listener preferences with regard to continued broadcasting of racing annually when decisions about program selection were being made.
- 2.2 In April 1995 the ABC endorsed a long term strategy to discontinue the regional racing service. The strategy was to take into consideration 'the availability of alternative racing information sources and overall audience needs'.² In November 1996, the ABC formally notified the relevant TABs that it would be closely considering its commitment to regional racing during the first half of 1998.

Privatisation of the TABs

- 2.3 The date of the cessation for the service co-incided with the expiry date for the ABC's agreements with TABs in New South Wales, South Australia and Queensland. Under these agreements, the TABs had contributed funding towards the provision of radio race broadcasts in their respective states. Although the racing services were also provided to Western

1 Senate Select Committee on ABC Management and Operations 1995, *Our ABC*, Canberra, p 17

2 Submission No 156, Vol 2, p 522 (ABC)

Australia, the WA TAB did not contribute funds directly to the ABC. It did, however, provide the race calls free of charge to the ABC.³

- 2.4 The link between the ABC's decision and its arrangements with the TABs received some attention during the inquiry. In its submission to the inquiry, the ABC claimed that

While the funding of the Regional Radio Racing Service was not a significant factor in the ABC's decision to cease the service, the expiry of agreements with State-owned TABs on 30 June 1998 and the increasing privatisation of the TABs with their more vigorous plans for expanded coverage by commercial means, contributed to the timing of the decision.⁴

- 2.5 In correspondence to Mr Doug Ackerly, producer of Racing World and studio host of the ABC's radio racing service to country Victoria and southern New South Wales, the ABC elucidated on the impact of the privatisation of the TABs on the decision.

The decision to cancel the service was prompted by a number of considerations – the now availability to the audience of other racing broadcasts services, including Sport 927, and the privatisation of TABs in many areas. To continue the current arrangement, the ABC would be in breach of its own Editorial Policies and of the ABC Act on the use of external funding in the production of programs it broadcasts.⁵

- 2.6 Under Subsection 25 (3) of the *Australian Broadcasting Corporation Act 1983* (the ABC Act), the ABC is prevented from accepting any payment or other consideration for the broadcasting of any announcement, program or other matter. The privatisation of the TABs⁶, therefore, clearly prevents the ABC from continuing to accept financial contributions to the service from the TABs.

- 2.7 The legislation does not specifically prohibit the ABC from relaying a feed from a privatised TAB or racing broadcaster. However, under Subsection 25(4) of the ABC Act, the ABC could not relay such a feed if to do so would be likely to affect its independence or integrity. Situations may arise where the provision of a feed to the ABC by a privatised TAB or racing broadcaster could affect the ABC's independence or integrity, if only in the public's mind. Nevertheless, we suggest that the actual risk

3 Submission No 43, Vol 1, p 80 (WA TAB)

4 Submission No 156, Vol 2, p 523 (The ABC)

5 Correspondence to Mr Ackerly from Ms Sue Howard, Head, Regional services, ABC dated 10 June 1998 and incorporated into Transcript of evidence, 1 November Melbourne, p 161 .

6 The Victorian TAB contributed to the costs of providing racing coverage until it was privatised in 1995. New South Wales privatised its TAB in 1998.

could have been minimised by inserting into the contract with the privatised TAB or racing broadcaster a provision protecting the ABC's independence and integrity.

- 2.8 In our opinion, there is nothing in the ABC Act which would absolutely preclude the ABC from accepting free relays from the TABs or racing broadcasters. We acknowledge that, in the absence of funding from the TABs, the continuation or restoration of the racing service would have cost implications for the ABC.

Reasons for the Decision

- 2.9 In explaining why it made the decision to cease its regional radio racing service, the ABC claimed there were two main contributing factors, the needs and listening preferences of its regional audience and the increasing availability of alternative sources of racing information.

Audience needs

- 2.10 In its submissions to the inquiry, the ABC claimed that the decision to cease the service was primarily a programming decision to better accommodate the needs of a broader regional audience. In support of these claims, it presented research data indicating that there is a low level of interest in horse racing and that the level of interest in horse racing is declining. The data consisted of surveys conducted by an arm of ABC Audience Research known as Media Scan and some information from the 1998 Sweeney Sports Report.

- 2.11 The ABC's Mediascan research submitted to the inquiry consisted of the following surveys:

- National Regional Radio Survey AUG-Oct 1994;
- Audience Survey of Regional SA Aug-Oct 1995;
- Western Australian Regional Survey May-June 1996; and
- Queensland Regional Radio Survey Sept-Oct 1996.

The research indicated that 79% of all local radio listeners in regional Australia said that they were not at all interested in listening to horse racing on ABC radio. ⁷

- 2.12 A number of submitters expressed concern about the quality of the research. The WA TAB, for instance, questioned the accuracy of the survey results in Western Australia. The only question relating to racing included in the survey was 'How interested are you in listening to horse racing information on Saturdays on ABC Radio, and trotting races on Friday nights? The results were as follows:

Very interested (in either sport or both) 9%

Slightly interested 6%

Not interested at all 83%

Can't say 2%

The WA TAB suggested that had questions been asked in a similar vein on topics such as dressmaking, painting, fishing, netball or any host of other subjects, the percentage results would have been the same.⁸

- 2.13 Radio Sport 927 was also highly critical of the research used by the ABC as the basis for its decision to discontinue race broadcasts. It identified a number of flaws in the ABC's research data including poor geographic sampling; the exclusion of research relating to the key racing states of NSW and Victoria; lack of consistency in research approach with research data originating 'from a number of different sources with different questions being asked at different points of time to listeners in different geographic areas'⁹; the timing of the research with some being conducted as far back as 1994 and some conducted **after making the decision**; poor and unbalanced question/answer construction, and lack of reliability owing to insufficient sample sizes.¹⁰

- 2.14 While Radio Sport 927 was not critical of the actual research conducted by Sweeney and included as supporting evidence in the ABC's submission, it did point out that the sample derived from the five mainland capital cities and Canberra and as such should not have been included in the submission.

This obviously is not regional Australia and who is to say that the trends in the city are a fair and accurate reflection of the situation in regional Australia. Apples should be compared with apples, not oranges!¹¹

- 2.15 According to Radio Sport 927, instead of relying on the provision of erratic material as the basis for its decision, the ABC should have commissioned

8 Submission No 43, Vol 1, p 77 (The WA TAB)

9 Submission No 119.01, Vol 3, pp 695-698 (Radio Sport 927)

10 Submission No 119.01, Vol 3, pp 695-698 (Radio Sport 927)

11 Submission No 119.01, Vol 3, pp 695-698 (Radio Sport 927)

an independent research company to conduct a one-off research project on its behalf.

The sample would have been based on appropriate regional population distribution levels throughout each state where the regional radio racing service was heard, asking respondents the same question at the same point in time, irrespective of where they lived. Then, and only then, will the research have a consistent approach. In essence, the underlying objective of the research would have been to establish how important the regional radio racing coverage was to listeners and determine whether the coverage was of greater, less or the same degree of importance and relevancy as previously. Results from such a project would have assisted immeasurably with the decision making process and provided a basis for a logical, rational and sound decision making process.¹²

- 2.16 In the course of this inquiry, both the ABC and Radio Sport 927 lodged further research data about the level of interest in racing in Victoria. The research presented by Radio Sport 927 was conducted by Racing Victoria in conjunction with the advertising agency, Ammirati Puris Lintas and found the interest in thoroughbred racing, in both Melbourne and in non-metropolitan Victoria, to be around 20 per cent.¹³ The research presented by the ABC was conducted by A C Nielsen for commercial broadcasters during 1999 and later on sold to the ABC. The research found that 12.5 per cent of people in Victoria were interested in racing.¹⁴
- 2.17 We do not wish to become engaged in a debate over the actual percentage of people interested in racing in regional Australia. From the figures offered in submissions, we are prepared to work with a figure somewhere in the range 12–20 percent. Of more interest to us is whether such a figure provides reasonable grounds for making the decision to discontinue the service.
- 2.18 We note that the Australian Bureau of Statistics data on sports attendance gives the figure 11.8 per cent for the attendance rate for horse racing.¹⁵ The figure is consistent with the figures given above to describe the level of interest in horse racing. Significantly, however, it is being used to describe horse racing as the second most popular spectator sport.¹⁶ Twelve per cent

12 Submission No 119.01, Vol 3, pp 695-698 (Radio Sport 927)

13 Exhibit No 12, (Radio Sport 927)

14 Russ Knight Research, 1999. 'Level of Interest & Involvement in Thoroughbred Racing'.

15 Australian Bureau of Statistics, *Sport Attendance Australia*, April 1999, Cat No 4174.0

16 Australian Rules 16.8%, Horse racing 11.8%, Motor sport 10.6%, Rugby League 10.1%, Cricket 6.3%, Soccer 4.2%, Harness racing 3.6%, Basketball 3.5%, Rugby Union 3.0% and Tennis 3.0%.

therefore is not necessarily an indication of a low level of interest in the sport.

- 2.19 In making this observation, we are simply pointing out that a figure in isolation from comparative data is of limited use. How, for instance, does the level of interest in horse racing compare with the level of interest in a number of subjects or activities that the ABC gives time to in the interests of fulfilling the obligations of its charter?
- 2.20 We are primarily concerned by the lack of information available at the time of making the decision particularly in view of the ABC's consistent claims that the decision was made in order to better serve the needs of its audience. While we understand that the ABC has since taken steps to address the situation of lack of information about its regional audience by working with Nielsen, the ratings provider, to start having annual regional surveys 'because it has been a huge weakness in the industry that there are not any',¹⁷ we believe that the ABC was not in a position to make an informed decision at the time of making its decision to discontinue the broadcasts. Given the consequences of the decision for many racing enthusiasts in regional areas, we consider that the decision should have been based on firmer evidence. The evidence should have included not only levels of interest in the service but detailed information on access to alternative free-to-air race broadcasts, clear identification of gaps that would be created in such access as a result of any discontinuation of the service and consequences of the decision on listeners.
- 2.21 The inadequacy of the ABC's research before making the decision to discontinue the regional radio racing service highlights the issue of how the ABC makes its programming decisions. The ABC Charter requires it to 'broadcast programs that contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of, the Australian community'.¹⁸
- 2.22 Although the ABC consistently justified its decision to us by referring to the low levels of interest in the racing service, it also admitted that there are very small audiences for some of its other programs.
- The fulfilling part of our charter is to provide that kind of arts programming that is not available in any other service.¹⁹
- 2.23 We support a programming policy which allows for the inclusion of programs despite them having a small audience. In fact, across the ABC

17 Transcript of evidence, 18 October 2000, Canberra, p 142 (Ms Heaslip)

18 Section 6 of the ABC Act.

19 Transcript of evidence, Canberra 18 October 1999, p 130 (Ms Heaslip)

network, programs with an even smaller audience than that identified by the ABC for its regional radio racing service are maintained.

2.24 We acknowledge that the ABC cannot satisfy every single interest and that fulfilling the terms of its Charter is a challenging balancing act. We also accept that there may be a greater number of people in regional areas who are interested in football or cricket than they are in racing. However, the issue of whether or not to continue with the racing service was never an either/or question. The continuation of the racing service posed no threat to the continuation of the broadcast of cricket or football. While the race calls may have interrupted the cricket or football, they did so only intermittently. The choice, therefore, was not between cricket / football or horse racing but between cricket / football and horseracing or uninterrupted cricket / football.

2.25 A continuation of the coverage as it stood before June 30 1998 would have allowed football, cricket and horse racing fans to follow their sport of interest on free-to air-radio. The discontinuation of the service, by contrast, effectively denies horse racing enthusiasts in some parts of regional Australia this opportunity. It is of little surprise to us that so many regional racing enthusiasts feel so disenfranchised by the decision.

The football and cricket is comprehensively covered by other media outlets available to the majority in regional areas along the coastal strip. Listeners in isolated areas who are racing enthusiasts are also in many cases football and cricket fans. Racing affects about five hours of broadcast time on a Saturday afternoon. Cricket matches are for five days. Football is played on Friday and Saturday nights and all day Sunday. We feel it is reasonable to request a shared, not exclusive, coverage of all sports for this time. Surely it is the ABC's charter to give fair coverage to as many sports as possible and not to endeavour to compete with commercial stations for football and cricket listeners.²⁰

2.26 A number of submissions argued that followers of other sports are already well catered for by commercial stations.

Residents of this community who are interested in AFL football on radio are catered for "to excess" by a combination of commercial and ABC radio live-broadcasts of games, whilst live broadcasts of racing cannot be heard at all on radio in parts of the far south west region. ... There are other radio stations with uninterrupted football (apart from advertising) which people can hear (if they don't like racing) in far south west Victoria but there are now some

parts of the region where NO racing descriptions can be heard on any radio station.²¹

- 2.27 It is inconceivable that the ABC did not foresee the consequences of its decision to withdraw the radio racing service for regular listeners in regional, rural and remote areas. Given these consequences, we believe that the ABC owed it to its regular listeners to consult more effectively with them before making this decision. The failure to do so reveals an arrogance on the part of the ABC and suggests either, or both, a lack of commitment to its audience or poorly developed processes for consultation with its audience.
- 2.28 The ABC is not without a community consultation mechanism. The *Australian Broadcasting Corporation Act 1983* created the National Advisory Council (NAC). The role of the Council, under Section 11 of the Act, is 'either on its own initiative or at the request of the Board, to furnish advice to the Board on matters relating to broadcasting programs and television programs of the Corporation.' The NAC's website further describes its role as follows:
- To facilitate communication between the community and the ABC Board.
 - On its own initiative to provide advice to the ABC Board in relation to ABC programs and program policies. To provide constructive advice on ABC programs and programming issues, in response to requests from the Board and senior management.
 - To provide an overview for the Board of community concerns and interests. To carry out community consultation programs seeking community views on ABC programming initiatives and policies.²²
- 2.29 Despite the existence of this body, the ABC Board did not refer the issue of whether to continue its racing service to the NAC. Nor did the NAC take it upon itself to repond to the level of the concern in the community. The three year period between when the long term decision was made in April 1995 and the cessation of the service in June 1998 provided ample opportunity for the ABC to ask the NAC to consult with the regional community to ascertain the impact the decision would have on listeners.
- 2.30 In our view, the profile of the NAC is so low that is unlikely many people in the community even know of its existence. This seriously limits its potential effectiveness.

21 Submission No 70, Vol 1, p 156 (Mr G Whipp)

22 Information taken from NAC web site at www.abc.net.au/corp/nac/nac.htm

- 2.31 The NAC has placed Sports programming on its strategic workplan for consideration possibility in the latter half of 2000. It is proposed to examine sports programming on radio, television, online and in the light of future digital programming and funding arrangements. We suggest that as part of this examination, the NAC consults widely with the regional audience to ascertain its interests and needs in terms of access to regular racing broadcasts.²³
- 2.32 The ABC's attitude to its audience is in stark contrast to the British Broadcasting Corporation (BBC) which places its relationship to its audience at the centre of its commitment to accountability. In addition to a range of informal measures, the BBC has adopted procedures for formal public consultation, described on the BBC web site as follows:
- The precise approach depends on the nature of any proposed change but, as a minimum, the BBC consults its advisory bodies, the National Broadcasting Councils and the English National Forum, and other groups representing audiences as appropriate. In the case of major initiatives which involve material changes to the nature of licence fee-funded services, comments are invited on a published consultation and the process is widely advertised on air. The results of all such consultations are reported to the Governors and summarised in the Annual Report.²⁴
- 2.33 We understand that the ABC Act guarantees the independence of the ABC, giving it the power to make programming decisions on behalf of the people of Australia and that by law and convention neither the Government nor Parliament is to intervene in those decisions. Having said this, we consider that, in order to fulfil its obligations to the community, the ABC should be more rigorous in its approach to consulting with its audience. We suggest that it review the measures that it has in place to ascertain the views of its audience with a view to improving its performance in this area.
- 2.34 Although the ABC has a Service Commitment, described in its most recent Annual Report as 'a statement of what individuals are entitled to expect in their dealings with the ABC'²⁵, no mention is made in it of consulting with its audience. The BBC, by contrast, is required by the terms of its Agreement with the Secretary of State for Culture, Media and Sport²⁶, to consult with the public before making any major changes. We consider
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23 Correspondence from the ABC Board Secretariat dated 14 March 2000

24 www.bbc.co.uk/info/govbbc/listen.shtml

25 Australian Broadcasting Corporation, *Annual Report 1998-1999*, p 42

26 The Agreement with the Secretary of State for Culture, Media and Sport is one of the three documents which defines the BBC's obligations to the public. The other two are the Royal Charter and the BBC's Statement of Promises to Viewers and Listeners.

that a similar requirement should be incorporated into the Charter of the ABC.

Recommendation 1

- 2.35 **The Minister for Communications, Information Technology and the Arts should prepare amendments to the *Australian Broadcasting Corporation Act 1983* to require the Australian Broadcasting Corporation under its Charter to consult more openly and comprehensively with its audience.**

Availability of alternative sources of racing information

- 2.36 The growth of alternative sources of racing information and in particular the development of dedicated racing radio services provided by commercial and narrowcast operators and racing industry bodies such as the State TABs were also factors influencing the ABC's decision to discontinue its racing service.
- 2.37 The main alternative sources of racing broadcasts in regional areas are from dedicated free-to-air racing radio stations and Sky Channel available in TAB outlets and pubs or as Sky Racing via pay-TV. The audio of race broadcasting stations is also available over the telephone or to anyone who has access to the internet. Channel Nine also has a very limited coverage of races on Saturday afternoons.
- 2.38 Racing information, as distinguished from broadcasts, is also available in the following forms: AUSTEXT which provides information via television with teletext decoders; TABTEXT information through SKY Channel; newspaper form guides, race results and other information; TAB and racing broadcasters' internet sites, and electronic form guides from third party operators.²⁷

Free-to-air radio

- 2.39 Racing is broadcast on a number of stations through a mix of commercial, narrowcast and community licences. Most race broadcasting is done by stations that are either owned by or closely affiliated with TABs. Although

27 Productivity Commission 1999, *Australia's Gambling Industries*, Report No 10, AusInfo, Canberra, p 13.35

different approaches have been taken in different states, racing broadcasters in all states and territories have all been involved in extending the coverage of their broadcasts. A description of the services in each state and territory is described below.

- 2.40 Radio racing broadcasts are also available via a number of TAB or racing broadcasters' web sites. Audio coverage of racing broadcasts is also available over the telephone. For instance, Radio Sport 927 can be heard anywhere in Australia by calling a 190 Premium service at a cost of 75 cents per minute.²⁸

New South Wales

- 2.41 2KY Broadcasters Pty Ltd, a commercial broadcasting station within the Sydney broadcast licence area, has broadcast various codes of racing for over forty years. Since 1983, under arrangements initially with the Totalizator Agency Board of New South Wales and more recently TAB Limited, it has broadcast coverage of every race meeting on which the TAB provided wagering opportunities.
- 2.42 Since the introduction of the *Broadcasting Services Act 1992*, 2KY through an associate company, NSW Race Narrowcasts Pty Ltd, has embarked on a program of extending its racing service to other parts of the state. Initially this was through the purchase of low power open narrowcast licences. By 1999 it had 100 low power narrowcast licences, the transmitters for which were located at TAB agencies.²⁹
- 2.43 Since 1996, as the ABA has made medium and high power narrowcast licences available throughout rural NSW, NSW Race Narrowcast has been bidding for these licences and subsequently installing the appropriate transmission equipment with a view to being able to 'provide a full racing broadcast service (via the Racing Radio Service) similar to that available in the city areas, to rural regions.'³⁰ It has obtained 'almost all the available New South Wales narrowcast licences through bidding at ABA auctions.'³¹
- 2.44 In its submission to the inquiry, TAB Limited advised that it is intended that 2KY/TAB will bid for high powered FM licences as they become available and if successful will 'continue to supersede the low-power town-based transmitters with high powered replacements' ultimately allowing almost all residents of NSW to have access to its service.³²

28 Exhibit No 15, Map of Radio Sport 927 coverage

29 Submission No 159, Vol 2, p 555 (TAB Limited, NSW)

30 Submission No 159, Vol 2, p 555 (TAB Limited, NSW)

31 Submission No 74, Vol 1, p 167 (2KY Racing Radio)

32 Submission No 159, Vol 2, pp 554-555 (TAB Limited, NSW)

- 2.45 Radio 2KY has also obtained temporarily AM frequencies 1341 Newcastle and 1314 Wollongong.
- 2.46 The 2KY Racing Program is broadcast on a variety of AM and FM frequencies. It is available in TAB outlets where it is received by satellite transmission in conjunction with SKY Channel television distribution. 2KY Radio has installed satellite uplink facilities at its Paramatta studios and sends its signal to the PanAM Sat PAS2 satellite. For the cost of a satellite dish and decoder, this signal is available to anyone living anywhere in Australia and New Zealand. The audio signal is also available on the internet on the station's web site.

Victoria

- 2.47 Radio Sport 927, a commercial radio station owned by the Victorian Racing Industry, broadcasts racing to the metropolitan market on frequency 927 AM and to a number of regional markets through a network of open narrowcast and commercial AM and FM licences that are either owned or leased by the station.³³ It also has LPON licences in Bairnsdale, Lakes Entrance, Traralgon, Sale and Horsham.³⁴
- 2.48 The ABA has yet to complete the LAP planning process for Gippsland and the Western District. According to Radio Sport 927, it has exercised every available option, without success, to establish broadcasts in these regions.³⁵
- 2.49 Racing is also carried to the North East District in Victoria by 107.3FM, a community radio station based in Albury-Wadonga.³⁶

Queensland

- 2.50 TAB Queensland has a substantial investment in racing broadcasts in Queensland through its ownership of Race Broadcasting Station 4IP Pty Ltd and 39 low power frequencies spread throughout Queensland. In addition, it provides 23 other frequency holders with cash, equipment and free access to its race broadcasting service.³⁷
- 2.51 TAB Queensland relays its broadcasts to its TAB Radio network and TABs by satellite. 4IP racing can be received, via satellite, anywhere in Australia.

33 Submission No 119, Vol 1, p 282 (Radio Sport 927)

34 Submission No 119, Vol 1, p 283 (Radio Sport 927)

35 Submission No 119, Vol 1, p 289 (Radio Sport 927)

36 Submission No 92, Vol 1, p 221 (107.3FM)

37 Submission No 71, Vol 1, p 157 (TAB QLD)

Western Australia

- 2.52 The WA TAB carries racing to regional centres in Western Australia on a mixture of AM and FM licences. In addition to its main transmitters in Perth, Mandurah, Busselton and Albany, it has 17 low powered transmitters operating in other regional centres.
- 2.53 The WA TAB also holds a number of other licences including four AM licences for 2KW transmitters. It considers it uneconomical at this stage to proceed with them owing to the costs of establishing the infrastructure. WA TAB has declined on economic grounds to purchase a number of medium power licences still on offer.³⁸

South Australia

- 2.54 The SA TAB provides racing services to parts of the state through its open narrowcast TABRadio services. With the exception of one high power licence in the State's Riverland region, all other regional services provided through the TABRadio network are through low power narrowcast services. According to the SA TAB, this results in significant gaps throughout the State.³⁹

ACT

- 2.55 Races are broadcast in the ACT by a community station Triple S FM 103.9. The station is owned by Canberra & District Racing & Sporting Broadcasters Limited, an alliance of sporting and racing clubs and the ACTTAB, formed in 1984 to apply for a public broadcasting licence.
- 2.56 The station's principal funding is from the ACTTAB, the three local racing codes, membership and sponsorship. It also generates revenue from the hire of its facilities and a range of other sources. It currently buys the racing service from 2KY. The signal reaches most parts of the ACT and some outlying areas.⁴⁰

Northern Territory

- 2.57 In late 1993, the Northern Territory Government established a racing radio network throughout the majority of the Northern Territory. The service, through the Radio 8TAB network, provides full weekly coverage including Sundays. The Network utilises open narrowcast licences with transmitters in Darwin, Alice Springs, Alyangula, Nhulunby, Jabiru, Katherine, Tennant Creek, Pine Creek and Yulara. Areas unable to access

38 Submission No 43, Vol 1, p 82 (WA TAB)

39 Submission No 167, Vol 2, p 586 (SA TAB)

40 Submission No 208, Vol 4, p 803 (Triple S)

the signal through these transmitters are able to arrange to receive the audio signal utilising Imparja Television satellite receivers.⁴¹

Tasmania

- 2.58 Radio racing coverage in Tasmania is provided by TASRADIO. In the early 1990s, in a move to protect the racing coverage to the Tasmanian community, the Tasmanian TAB purchased TASRADIO Pty Ltd which holds licences for 7HT Hobart and 7EX Launceston.⁴² Through the purchase of a number of low power open narrowcast (LPON) licences, it has extended coverage to some small population centres on the state. However, its efforts to extend coverage to the more populated centres of the north west by leasing air-time on commercial AM stations have been unsuccessful owing to the high asking price for the leases. Similarly, its efforts to purchase additional LPON licences have been frustrated by the apparent hoarding of LPONs, an issue discussed in more detail at 3.70.

Sky Channel

- 2.59 In April 1998 the NSW TAB purchased Sky Channel, a satellite television service that telecasts race meetings throughout Australia. Sky Channel has exclusive commercial rights to televise the major race meetings of the three codes of racing and is the principal means by which racing is telecast into wagering outlets, clubs and hotels throughout Australia.⁴³ According to the ABC, Sky Channel is widely available in TABs and participating pubs and clubs around the country as well as through a proliferation of online services. It is available in homes as Sky Racing via pay -television.⁴⁴
- 2.60 Sky Racing is carried by AUSTAR to many but not all parts of regional Australia. Installation and subscription costs to the AUSTAR pay-television service vary according to the location and size of the satellite receiving dish required. AUSTAR has a number of promotional deals throughout the year. As an indicator of the costs involved in accessing racing services by this means, AUSTAR was offering for the month of March 2000 an installation price of \$34.95 for satellite subscribers (a 50 percent reduction on the normal installation costs) and a range of packages costing between \$49.95 and \$65.95 per month.⁴⁵

41 Submission No 63, Vol 1, p 141 (NT Government)

42 Submission No 90, Vol 1, pp 210-211 (Tasmanian Government)

43 Productivity Commission 1999, *Australia's Gambling Industries*, Report No 10, AusInfo, Canberra, p 13.32

44 Submission No 156, Vol 2, p 535 (ABC)

45 Exhibit 19, Information provided by the Department of Communications, Information Technology and the Arts

Other sources of racing information

2.61 There is limited coverage of racing on free-to-air television. Channel Nine has some racing coverage but it is very limited and not available everywhere. According to a submission lodged by one community, the Channel Nine service was not yet available to many areas in Queensland. Nor does the service cover Queensland Racing. A further factor against the service was that 'many remote dwellers are not yet connected to grid power and would have to start a generator in order to access the program.'⁴⁶ The limited value of the service as an alternative to the ABC's regional racing service was described further in the following evidence from the Tura Beach area.

WIN-TV covers 3-4 races each Saturday. However, you never really know in advance which races there will be and unless you wish to sit there all day watching an ancient "B-Grade" movie you do not get to see those selected races.⁴⁷

2.62 Racing information is also available on TAB or racing broadcasters' web sites or by means of AUSTEXT⁴⁸, TABTEXT⁴⁹ or electronic form guides. Although the information available through these sources is valued, they are not considered by any of the people who made submissions to this inquiry as satisfactory alternatives to being able to listen to the broadcasts.

2.63 Information about races was only ever part of what constituted the ABC's regional racing service. Just as followers of football or cricket wish to actually view or listen to the progress of the match, so to do followers of horse racing want to be able to experience the excitement and thrill of listening to or watching the actual races.

2.64 What matters for racing enthusiasts in regional Australia is the access they have, not just to racing information, but to racing broadcasts. The ABC's justification of its decision to discontinue the racing broadcasts by citing a long list of alternative sources of racing information as opposed to broadcasts significantly undervalues the importance of the service it withdrew. Therefore, in assessing the extent to which alternative services are available, we have focussed on alternative sources of racing broadcasts and have not included services that provide print information only.

46 Submission No 20, Vol 1, p 25 (Mrs Kelsey Neilson et al)

47 Submission No 43, Vol 1, p 94 (WA TAB)

48 AUSTEXT provides racing and wagering information throughout Australia for televisions with teletext decoders. Submission No 159, Vol 2, p 553 (TAB Limited)

49 TABTEXT provides racing and wagering information through Sky Channel.

Limitations of Alternatives

2.65 Clearly there are a range of sources of racing broadcasts available that were not available when the ABC started its regional racing service. Some of these offer a far more comprehensive coverage of the races than did the ABC's regional racing service. At issue, however, are questions of access, affordability and portability.

Access and affordability

2.66 Although racing broadcasters have made efforts to extend their coverage, they have not always been able or willing to obtain the licences that would enable them to deliver broadcasts to some parts of regional Australia. Many of the licences that have been used to extend the coverage of race broadcasts have been Low Power Open Narrowcast licences (LPONs), the coverage radius for which rarely extends beyond the actual township and in some cases, covers only part of the town. Consequently, there are still vast tracts of Australia which do not have access to conventionally delivered free-to-air radio race broadcasts.

2.67 We received submissions and form letters from small communities and individuals across regional Australia claiming that they no longer had access to radio race broadcasts as a result of the ABC's decision to discontinue its racing service. According to the TAB/Radio Racing stations, in informal evidence, the percentage of people who are out of range of their signals varies between 10-20 percent in different states or territories. The ABC itself estimates that an estimated two-thirds of the 15-20 per cent of Australians in regional areas interested in racing information do not have access to TABs/Racing Radio stations.

2.68 Access to race broadcasts is denied not only by proximity to transmitters but also limited by the costs of accessing alternative sources of information. The ABC's regional radio racing service was a free-to-air service with no additional costs. Although in theory it could be argued that all Australians have access to free-to-air radio racing broadcasts via the internet, over the telephone or by the use of a satellite dish and decoder, it must be recognised that access through these devices comes at a cost that was simply not part of accessing the ABC's regional radio racing service.

2.69 The costs associated with alternative means of accessing radio race broadcasts can be prohibitive. Access to race broadcasts using the internet, for instance, involves not only the costs of dialling in, and charges to the Internet Service Provider but require the possession of a personal computer. While we acknowledge the rapid uptake of the internet in Australia (17 per cent of households, at November 1999, located outside

capital cities had home access to the internet, an increase of 3 per cent from November 1998⁵⁰), there are still many homes without this resource. Indeed, many of the submissions we received were hand written suggesting the authors do not have access to or do not use typewriters let alone personal computers. Many are reluctant, even if able to afford the equipment, to take up the internet. This perception is borne out in a number of submissions including the following.

Computers need power too and access to a line. Many rural people are not on line. Elderly people are not computer orientated and do not have ownership of or access to computers.⁵¹

2.70 The government has in place specific measures to increase access to the internet in regional, rural and remote areas which will reduce the associated costs and over time, the internet may become as prevalent in rural homes as the radio.

2.71 A number of submissions also expressed concern about the cost of pay-TV.

Pay-TV is satellite-based and in Country Areas is very expensive. In the Bega Valley the provider is AUSTAR and the average householder is looking at an installation fee of up to \$200 – although brochures periodically appear in letter-boxes offering discounts on installation if you sign your life away for a period of time. In addition there is a monthly fee of about \$40. This type of spare change is not available in the Bega Valley as, according to the last Census, the average income was less than \$13,000 per household.⁵²

We have no desire to acquire Pay TV nor can we afford to do so.⁵³

2.72 For those who cannot afford pay-TV themselves, racing is available in a number of TAB outlets or hotels through Sky Channel. According to one submission, however, it is not accessible in some remote areas 'because it is too expensive for small town hoteliers to carry'.⁵⁴

2.73 Many submitters resented having to go to a pub or TAB to listen to the broadcasts.

50 Australian Bureau of Statistics, *Use of the Internet By Householders*, Catalogue No 8147.0, November 1999

51 Submission No 20, Vol 1, p 25 (Mrs Neilson et al)

52 Submission No 47, Vol 1, p 94 (Private citizen, Chairman of the Bega Valley Health Council and representative of Tura Beach Residents)

53 Submission No 69, Vol 1, p 152 (Fr Barry Shield)

54 Submission No 29, Vol 1, p (Mr Ian Bryant)

The country community has been FORCED to either pay \$40 plus a month to receive AUSTAR and most of its unwanted programs OR spend the day at the local pub or club if they want racing coverage.⁵⁵

The only other outlet for accessing racing is at the local TABs – or should I say, was, not is. At least three local TABs have closed in the past 12 months – Tathra, Merimbula and Eden – leaving Bega as the Only NON-smoking TAB in the valley. As the TABs closed they were replaced by outlets in the licensed clubs. This then put barriers in the public's way. All Clubs are smoking establishments and the NSW TAB do not have any control over this policy. This means that a good majority of people, susceptible to cigarette smoke, are unable to attend a Club to either watch a race or have a bet. Another major problem with Club outlets is that you have to be a member to gain access if you live within 5 kms of that establishment. No membership, no admittance. Many people are not 'Club People' and should not be made to join a Club just to have access to a racing service.⁵⁶

Portability

- 2.74 One of the most valued features of the ABC's regional radio service was that it allowed racing enthusiasts to follow their interest in racing while at the same time getting on with the daily business of their lives. The impact of the loss of this capacity has been severely felt by those who live beyond the reach of other TAB/Radio Racing stations.
- 2.75 A large proportion of submissions from private citizens expressed a desire to be able to listen to the races while working outdoors on properties.

I realize that I can subscribe to AUSTAR, but do not want to spend Saturday afternoons watching television.⁵⁷

It may be argued that race programmes can be seen and heard on satellite TV, but by the nature of life and work on the land, most people are outside working not only during the week but also on weekends.⁵⁸

The country people are not couch potatoes; they do not sit inside and watch Sky Channel. They are, by necessity, out working. They

55 Submission No 25, Vol 1, p 47 (Mr Glen Cook)

56 Submission No 47, Vol 1, p 94 (Mr Laurie Ryan, Chair of Bega Health Council, representatives of Tura Beach)

57 Submission No 4, Vol 1, p 4 (Mr G Brown)

58 Submission No 36, Vol 1, p 67 (Mr O Tait)

simply cannot follow their interest in racing that they have traditionally grown up with.⁵⁹

Many farming people and associated industries are often working several months of the year on Saturdays (ie Seeding, Harvesting, Shearing).⁶⁰

- 2.76 Rural living involves travelling long distances for many people. A number of submissions lamented no longer being able to hear the broadcasts while on the road.
- 2.77 The issues of affordability and portability of alternative means of accessing radio race broadcasts are significant. We concede that there are alternatives to the ABC's regional radio service as suggested by the ABC. However, we are not impressed by the ABC's failure to give due regard to issues such as the cost involved in accessing these alternatives. For instance, while we acknowledge that 'anyone with a phone has access to racing information ' as suggested by the ABC⁶¹, we consider that an afternoon of listening to the races over the telephone, at a cost of 75 cents a minute, is out of reach of many people in rural Australia who previously were able to do the same thing for free.
- 2.78 In the context of the cost of alternative means of accessing broadcasts and other limitations, it is small wonder that the loss of the ABC's regional racing service has been so keenly felt by racing enthusiasts who live beyond the reach of radio racing broadcasts.

59 Transcript of evidence, 1 November 1999, Melbourne, p 177 (Dr Corones)

60 Submission No 58, Vol 1, p 133 (Mr Winton Nazzari)

61 Transcript of evidence, 3 April 2000, Canberra, p 288 (Ms Sue Howard))