

**FURTHER SUBMISSION BY**  
**DMG RADIO AUSTRALIA**

**PARLIAMENT OF AUSTRALIA**

**House Committee on Communications, Transport and the Arts**

**Radio Industry Inquiry**

## INTRODUCTION

- 1.1 DMG Group lodged a submission with the Inquiry on 27 October 2000.
- 1.2 Words and expressions defined in that submission have the same meanings in this further submission.
- 1.3 This further submission is in response to the submission lodged by the National Party of Australia (“**National Party**”) with the Inquiry under cover of a letter from Helen Dickie dated 23 October 2000.
- 1.4 DMG Group does not intend to lodge further submissions in response to the submissions lodged by other interested parties with the Inquiry. It will address some of the matters raised in those submissions at the hearings which will be conducted by the Inquiry. In the case of the submission lodged by the National Party, however, DMG Group believes that it should lodge this further submission because:
  - the National Party makes factual statements which are not correct and must therefore be clarified by DMG Group; and
  - the National Party makes express recommendations which are contrary to the position taken by DMG Group and contrary to the results of extensive surveys and research undertaken by DMG Group and AC Nielsen.
- 1.5 DMG Group recognises that the National Party is concerned about regional and rural communities and is motivated by the desire to act in the best interests of those communities. This is evident through their submission. We too focus on the best interests of regional and rural communities. The commercial radio services we provide to those communities are in accordance with their demands. They are in their best interests. We nonetheless appreciate that new technologies and other dynamics have moved with great speed over recent years and, in particular, the ways in which we satisfy the demands of our local communities may not be familiar to the National Party. There may also be other groups and organisations in the same position as the National Party. DMG Group intends through its earlier submission and this further submission to explain in detail the ways in which audience demands are satisfied by our stations today.

## **EXECUTIVE SUMMARY**

2.1 The National Party maintains in its submission that:

- localism must be defined by reference to the physical location of the studio from which programs are broadcast and not by reference to the relevance of the programs broadcast; and
- priority must be given to the physical location of the studio from which programs are broadcast and not the relevance of the programs broadcast.

2.2 DMG Group submits that this position means that commercial radio in regional and rural communities would go backwards and not forwards. It means that relevance would be sacrificed in favour of physical location. That result cannot be in the long term interests of regional and rural communities. It would hold those communities back and would mean that they cannot participate in the benefits of new technologies. We recognise that those are not outcomes desired by the National Party. With our experience and knowledge of the industry, however, we are bound to point out that to focus on physical location would in fact lead to those outcomes. With the benefit of our earlier submission and this further submission we are confident that we have now demonstrated this.

2.3 DMG Group would be alarmed and disappointed if the recommendations made by the National Party are adopted by the Inquiry. Regional and rural communities should also be alarmed and disappointed. To do so would give rise to the outcomes identified above. It would mean that regional and rural communities would no longer be able to participate in the benefits of new technologies or to continue to receive commercial radio services of unprecedented quality (notwithstanding the overwhelming vote of confidence given by regional and rural communities in favour of those services).

## FACTUAL ISSUES

3.1 The National Party states that in the case of DMG Group “networking has gone from 74 to 136 broadcast hours per week in several cases, or from 74 to 123.5 hours or 74 to 93.5 hours” (Page 2 of the submission of the National Party).

3.2 All of the actual statistics for each of our markets are contained in Appendix 4 to our submission of 27 October 2000. The hours quoted above bear no resemblance to those statistics. We do not know how those hours were calculated. But they are wrong. Based on the actual statistics, relative to the position in 1996:

- we now do more live broadcasting in 15 of our markets;
- we now do less live broadcasting in 14 of our markets.

We should also point out that the magnitude of the increases is not, on average, less than the magnitude of the decreases. In other words, these statistics paint real pictures and are not in any way distorted. They contradict the position claimed by the National Party.

3.3 The National Party refers to “networking”. It does not define that expression. DMG Group understands that “networking” can be a dirty word if it is synonymous with “centrally broadcast programs which are produced without any reference to the needs or circumstances of the local communities into which they are broadcast”.

3.4 DMG Group understands how local communities may be offended by that sort of “networking”. DMG Group does not do any of that sort of “networking”. DMG Group has set out at length in its earlier submission the process it adopts to ensure that it does not do any of that sort of “networking”. DMG Group has a very different philosophy. It contends that it is possible to broadcast programs from a hub centre which are produced by reference to the needs and circumstances of the local communities into which they are broadcast. What counts is the relevance of the programs and not the physical location from where they are broadcast.

3.5 It is unfortunate that some people assume that relevance cannot be achieved if the programs are broadcast from somewhere other than the local studio. DMG Group in its earlier submission made reference to the surveys and research which disprove that assumption.

3.6 This distinction is very important. A negative trend is alleged by the National Party. It suggests that in the case of our markets we have increased “networking”. It could only form that conclusion if it focuses on physical location and therefore treats our live hub broadcasts as “networking”. We submit that it is wrong to do that.

3.7 Our stations undertake three sorts of broadcasting:

- live broadcasting from the local studio;
- live broadcasting from the hubs; and
- prerecorded broadcasting (in most cases prerecorded at the hubs although, in a very few cases, prerecorded elsewhere).

DMG Group submits that its live broadcasting from the hubs is not and should not be treated as “networking” as that term is used by the National Party. Our live broadcasting from the hubs is more relevant and achieves better localism than a lot of live broadcasting which in the past came from local studios. Again, we refer to our earlier submission for extensive details in that regard.

- 3.8 DMG Group not only broadcasts programs from its hubs which are produced by reference to the needs and circumstances of the local communities into which they are broadcast. It also broadcasts some dedicated programs from its hubs which are produced *only* for one specific market. Those programs cannot be referred to as anything other than “local”. Their content is based entirely on the needs and circumstances of the specific market. And they are better programs than they could ever be if they were broadcast from the local studios. That is because of the access to production facilities, new technologies and other infrastructure which exists at the hubs. Examples include the breakfast show on 93.9 Star FM in Young and the breakfast show on Hot FM in Charters Towers.
- 3.9 DMG Group therefore concludes that it is only possible to form the view that our “networking” has increased if our live broadcasting from the hubs is treated as “networking”. That cannot be justified in our case. Our live broadcasting from the hubs is produced by direct reference to the researched and dynamic needs and circumstances of the individual local communities.
- 3.10 The National Party states that “in a number of cases - for example 93.9 Star FM in Young and 102.3 Star FM in Pt. Macquarie - networked airtime now accounts for 100% of airtime”.
- 3.11 That statement is wrong. 102.3 Star FM in Pt. Macquarie has 23 hours of live broadcasting per week from its local studio and 145 hours of live broadcasting per week from the hub. Our other station in Pt. Macquarie has 36 hours of live broadcasting per week from its local studio and 72 hours of live broadcasting per week from the hub. 93.9 Star FM in Young has 62 hours of live broadcasting per week from the hub. Those hours include a live dedicated breakfast show which is *produced for Young* from the hub. It is for reasons of studio space and infrastructure that this show is broadcast from the hub and not from Young. Our other station in Young has 46 hours of live broadcasting per week from its local studio and 60 hours of live broadcasting per week from the hub.
- 3.12 First, the hours quoted by the National Party are wrong and, secondly, in any event, what is relevant are the aggregate positions in each market and not the positions of individual stations in a market (in cases where we have two stations in a market). Live broadcasts in both of those markets are substantial. Moreover, as demonstrated in our earlier submission, the relevance of programs broadcast, not anything else, is the most important factor.
- 3.13 The National Party states that “many programs heard on local radio stations emanate from a centre hundreds of miles away” (Page 2). Again, the use of words is very important. If “emanate” means that many programs are broadcast from our hubs, then that statement is correct. However, if “emanate” means “produced by reference to local needs and circumstances” then the programs broadcast from our hubs in fact emanate from the local communities and not from the hubs. That is because they are produced by reference to information as to needs and circumstances which is supplied from those local communities. Our hubs are physical production points. Our hubs do not presume to be able to guess what are the needs or circumstances of the local communities. They get that information direct from those communities. And the process whereby they get that

information is an ongoing continuum. This is explained in detail in our earlier submission. This is what makes us different. Our significant investment means that we are able to adopt this approach. Our surveys and research demonstrate that audiences are satisfied that our hub programs “emanate” from the local communities.

- 3.14 The National Party states that “so-called local news bulletins are prepared by journalists in the main “hub” newsroom who frequently have no knowledge of the local issues of importance to a particular community for which they are preparing broadcast material” (Page 2). The first part of that statement is wrong in some cases and the second part of that statement is wrong in all cases, insofar as that statement relates to DMG Group. Again, the correct position is set out in our earlier submission.
- 3.15 We employ journalists or have arrangements with independent journalists in all of our local markets. Those journalists supply local news, current affairs, weather, sport and other items of local significance in written form to our hubs. In other words, the primary data is supplied from journalists in the local communities. In some cases, that data in exactly that form constitutes the local bulletins which are broadcast from the local studios or from the hubs into the local communities. In other cases, journalists employed at the hubs will first review and adapt that data, along with national and state data, to produce the local bulletins. Those bulletins are then broadcast into the local communities from the local studios or from the hubs. The National Party suggests that this is done without services of journalists and other professional data gathering sources in the local communities. That suggestion is wrong insofar as it relates to DMG Group.
- 3.16 The National Party states that “an important area of concern about widespread radio networking is that it diminishes the ability to broadcast local community and emergency service announcements ... there is less opportunity for local Police, emergency service or bushfire brigade officials to quickly interrupt programs and advise the community of a particular accident, road closure, power failure, storm, flood or fire” (Page 2). This statement might be correct in markets which are not serviced by DMG Group. We cannot comment on that. We do note, however, that the example referred to by the National Party, in relation to Shepparton, does not involve DMG Group.
- 3.17 DMG Group has long established formal guidelines and procedures to deal with all sorts of disaster and emergency situations. This is set out in detail in our earlier submission. We have had no complaints. To the contrary, we have received many compliments. We refer to selected interview quotes contained in Appendix 6 to our submission of 27 October 2000.
- 3.18 We will not repeat the analysis in our earlier submission. However, it might help if we outline just one example. A cyclone went through Cairns in 1999. A disaster coordination centre was established at the city council and it thereupon used 4CA FM as the main communication device for residents. Direct telephone hookups were established between the disaster coordination centre and 4CA FM. Throughout the entire ordeal we made live crosses to (and in a small number of cases did complete broadcasts from) hospitals, shelters, council rooms, etc. We maintained constant communication with supply outlets such as chemists, hardware and supermarket stores. We were live from our local studio around the clock for more than three days. All of our staff were requested to come to work and, as often happens, many of them moved their entire families into the station for the duration of the cyclone. That enabled them to be of service around the clock. For weeks following the cyclone, we ran numerous promotions and fundraising requests, free of charge, to assist with the rebuilding process. We helped in the coordination of cleanup working parties, not only through regular broadcasts on air which

were inserted into hub programming, but also through the maintenance of working party rosters and other essential “hands on” information. We were very much at the centre of the relief and recovery efforts. The results of our surveys and research show that the local community appreciated this.

- 3.19 The National Party states that “detailed local weather reports, river heights, market reports, sports results and even funeral announcements are important pieces of information to local communities. They used to broadcast [sic] by local radio stations free of charge in the community interest. They are now either non-existent, heavily curtailed, or can only be aired through paid advertising. ... while networked radio stations provide timeslots for some local content, such as weekly reports by local mayors or shire presidents and local business advertising, the National Party contends this is nowhere near as substantial as it used to be. In terms of advertising, there is less opportunity for local businesses to advertise their products on local radio” (Page 2). This statement contains a number of assertions which are wrong insofar as they relate to DMG Group. Moreover, some of those assertions make assumptions about commercial radio which must be rebuked.
- 3.20 DMG Group provides just as much local news, current affairs, weather, sport and other items of local significance as provided on its stations at any time in the past. Again, we refer to the selected interview quotes in Appendix 6 to our submission of 27 October 2000. By way of example, Kevin Wales, Mayor of Wagga Wagga, has said that since the introduction of our hubs:

*“... community service is as good as ever”,*

and Peter Maguire, Mayor of Emerald, has said that since the introduction of our hubs:

*“... local content has been re-introduced ... there has been an increase in local news, national programs have been cut down and a rural program “The Country Mile” has been re-introduced ....”.*

There are many other examples like this. Nick Veitch, Deputy Mayor of Young, pays particular tribute to our daily funeral announcements. We refer to that because it is a particular matter identified by the National Party.

- 3.21 Next, the assertions about detailed local weather reports, river heights and market reports, must be considered against the objects of commercial radio and its history in the local communities. Commercial radio has *never* been the primary source of local weather reports, river heights and market reports. Commercial radio has *never* been where local communities have tuned to for stock reports, sales results, price movements and other rural business information. That has always been the function of the ABC. Our commercial stations do just as much, if not more, in those areas today, than they ever did in the past. DMG Group understands the concern now harboured in some local communities about the budget cuts at the ABC. Reference is made in particular to an article by Tony Wright entitled “Don’t Touch That Dial” (The Bulletin, 7 November 2000, Page 18). DMG Group again emphasises that commercial radio should not be the target of criticism or reform just because of a reduction of services by the ABC.
- 3.22 DMG Group feels that it is an insult to suggest that it might not be willing to broadcast matter “free of charge in the community interest”. All of the figures are set out in our earlier submission. DMG Group provided \$22 million of free airtime to community causes during financial year 2000. That speaks for itself. DMG Group has not received

one single complaint about its willingness to participate in those areas. To the contrary, it has received enormous favourable feedback, again as set out in Appendix 6 to our submission of 27 October 2000. By way of example, Tim Mulherin, MLA for Mackay, Legislative Assembly of Queensland, has said that:

*“... In relation to Hot FM and Sea FM, local support is generated by their sponsorship of Mackay events and festivals, their assistance of locals from time to time by holding appeals for people in crisis, and through their employment of members of the Mackay community. An example of how radio stations can provide crucial support concerns the joint campaign [sic] 4MK and the Mackay Daily Mercury, a local newspaper to create local employment. This campaign demonstrated that reducing Mackay unemployment was of concern to these media bodies and, practically, resulted in the target of new positions created being doubled. Having stations with a local component reflects community aspirations and supports its endeavours which, I think, is very important ...”*,

and Greg Muller, Chief Executive Officer, City of Mt. Gambier, has said that:

*“... The station’s commitment to the community is without parallel in Australia. The level of community support and involvement by the station is the obvious centrepiece of the station’s very successful policy. Its achievements for the region have ensured that the region is served with quality radio broadcasting, excellent regional news service and community access and an outstanding record of community service across all spectrums of the region. The station has always responded to community needs and is always available to provide assistance and expertise to the region and its people. We are proud of Radio 5SE and FM 96.1 for what it has achieved and will achieve for our region”*.

There are many other examples.

- 3.23 DMG Group agrees that “country communities now have to pull together perhaps more than at any time in the past” and “it is, in every sense, the community spirit of local people that keeps many small towns and villages going” (Page 2). DMG Group submits that in each of its markets it is an integral part of the community spirit encapsulated in these statements. All of the feedback received by us supports that position.
- 3.24 The assertion that “there is less opportunity for local businesses to advertise their products on local radio” is absolutely wrong in the case of DMG Group. Again, we refer to the statistics set out in Appendix 4 to our submission of 27 October 2000. The hours of broadcasting per week devoted to advertising for local businesses has increased (or remained the same) in 22 of our markets and has fallen in only 7 of our markets (and, in each of those 7 cases, the falls have been very small). As set out in our earlier submission, we have more local business advertising today than in 1996. This is not just dollars. It is actual hours.
- 3.25 Aggregate hours of broadcasting per week devoted to advertising for local businesses was 701.85 in 1996 and is 1,052.27 in 2000.
- 3.26 Local businesses themselves recognise their increased opportunity to advertise with us. John Thinee, Principal of Jay’s Real Estate, Mt. Isa, has said that:

*“... My occupation and my position in the Chamber of Commerce has necessitated ongoing business dealings [ie advertising] with these radio stations.*



*In all aspects of their operations, they are very professional and maintain a strong focus on the region covered by their broadcast area. I believe this would be the view held by the majority of the business houses in this City ...”*,

and there are many other examples.

- 3.27 Attached to this further submission is another copy of selected interview quotes in support of the various points made by DMG Group.

## OTHER OBSERVATIONS

- 4.1 The National Party makes many references in its submission to “localism”. It refers to the “erosion of localism” (Page 1) and the “further loss of localism” (Page 2). It treats “localism” as synonymous with the physical production and broadcast of programs from local studios which are physically situated in local communities. There is no attempt to question whether that is the correct view of “localism”. We have demonstrated that it is not.
- 4.2 The National Party states that the decline of “locally owned and run newspapers and radio stations” leads to the “further loss of localism”. It states that “centralised production” has an “adverse impact on local content”. It states that the “takeover by larger groups and networks” of “local, family owned [country papers and radio stations]” has resulted in “an erosion of community of interest commitment by the so-called “local” media and a significant decline in local content, especially in terms of news, community service and emergency announcements”. It states that “sophistication diminishes local content opportunity and airtime”.
- 4.3 No evidence or argument is put forward in support of any of these statements. There is no attempt to test their accuracy. There are no surveys or research. There are only a very small number of press articles and letters.
- 4.4 On the other hand, we have referred to extensive surveys and research, and external quotes, in full support of our position.
- 4.5 We have in particular demonstrated the inaccuracies and self interest inherent in the press campaign mounted in Wagga Wagga. The National Party seems to rely a lot on that campaign in Wagga Wagga. That campaign has now been discredited by Kevin Wales, Mayor of Wagga Wagga. The full text of one of his statements is contained at the start of the selected interview quotes which are attached to this further submission. We also refer to our indepth analysis in paragraphs 8.9 to 8.17 of our earlier submission wherein we highlight the errors and inadequacies, and conflicts of interest, inherent in the campaign in Wagga Wagga. We will not repeat that analysis here. However, we reiterate that that campaign does not reflect the views of audiences in Wagga Wagga. It represents only the commercial preferences of those with vested interests.
- 4.6 We have also demonstrated that certain letter writing campaigns were a prank and a hoax. This applies in particular to letters written in the name of “Peter Johnston” and “Peter Townsend”. In our earlier submission we referred to another letter writing campaign under the name “John ‘Long John’ Chapman. We said that we had been unable to contact him and were still making attempts to do so. We now confirm that our comprehensive enquiries are complete and we have not been able to identify or locate him. We are forced to conclude, once again, that these letters do not represent genuine concerns by the person who purports to have written them. They are a prank and a hoax and, again, we believe that they were orchestrated by one of our major competitors. These letter writing campaigns must therefore be ignored by the Inquiry.
- 4.7 It is inappropriate for so many untested statements to be made by the National Party. In fact, they are recognised to be untested, because it states that “the trend in radio broadcasting in non-metropolitan Australia is self-evident and continuing” (Page 3). DMG Group submits that it is just not enough to assert that something is “self-evident and continuing”. DMG Group believes that concrete evidence in support of this statement should be requested by the Inquiry. DMG Group has put forward voluminous concrete

evidence in support of its position. Any interested parties who dispute that evidence should be required to produce their own evidence in support.

- 4.8 The National Party refers to “the contraction of ownership” and “declining profits” (Page 1). DMG Group does not disagree with either of those statements. We do point out, however, that contraction of ownership and declining profits are very much the result of the issue of many new commercial licences in regional and rural areas which were unable to support those new licences. The ABA doubled the number of commercial licences in centres such as Townsville and Cairns, and increased the number of commercial licences by 50% in centres such as Coffs Harbour and Pt. Macquarie, yet it has just announced that it plans no increase at all in Adelaide and the increase has been only about 10% in Sydney and Melbourne. How can that be justified?
- 4.9 DMG Group has invested \$24 million in capital equipment and infrastructure to be able to enhance the quality of the services provided by it to each of its local communities in the face of the increased competition thrust upon it by the ABA. No other owners of regional and rural stations have undertaken any such investment. They therefore may not have been able to enhance the quality of their services in the face of the increased competition. We cannot comment on that. But it is unacceptable if we should suffer as a result of it.
- 4.10 The National Party refers to an advertisement by Sea FM in Mackay (Page 3). Sea FM, in that advertisement, emphasises that eight hours of its programming is live from Mackay. It states that Hot FM is on “relay” from Townsville. We cannot comment on the accuracy of the assertion of its own live broadcasting made by Sea FM. However, Hot FM in Mackay is not all on “relay” from Townsville. First, it has four hours of live broadcasting per day from its local studio. Secondly, our other station in Mackay has six hours of live broadcasting per day from its local studio. Thirdly, in aggregate they have 130 hours of live broadcasting per week from the hub. Fourthly, it is our understanding that this advertisement (and a related campaign) was run by Sea FM in an attempt to gain a competitive advantage during the course of an official audience survey in Mackay. It did not work. Hot FM won that survey (and did so by a very convincing margin as set out in Appendix 3 to our submission of 27 October 2000). Finally, the word “relay” is again misleading and was used by Sea FM in an attempt to extract competitive benefit rather than by reference to any proper understanding of the situation. The word “relay” camouflages the fact that Hot FM in Mackay has 12 hours per day of live broadcasting *produced for Mackay* from our hub at Townsville. This is very important. This is another example where words such as “relay” or “network” can be used in an attempt to hide behind the facts and to confuse audiences. We are fortunate that our audiences have not been confused. They see and appreciate the real position. The results of surveys and research prove that.
- 4.11 We note that TT FM in Melbourne has claimed to have the only locally produced night time program in Melbourne (at least on the commercial FM networks). In other words, this is the sort of claim which networks make even in capital cities *when they are losing in the ratings* . But we also note that audiences tend to prefer FOX FM over TT FM in that timeslot in Melbourne. The fact that a program is “locally produced” is obviously not the issue so far as audiences are concerned. Regional and rural communities are no different to metropolitan communities in that regard.
- 4.12 Surveys and research demonstrate that audiences do not know and do not care about the physical location of the studio from which programs are broadcast. This is discussed in more detail in our earlier submission. We point out once again, however, that in a survey undertaken in Wagga Wagga, after the introduction of our hub in Albury, audiences

responded to the question “where do you think most of our programs originate from” as follows:

- 43% thought that most of our programs originated from a local radio or television studio;
- 18% thought that most of our programs originated from major non local cities (the most prominent being Sydney and Albury);
- 35% did not know or care and could not express an opinion; and
- 4% did not respond to the question at all.

It is clear that the physical location of the studio from which programs are broadcast is just not regarded by audiences as important. DMG Group submits that that is telling and is contrary to the position taken by the National Party.

- 4.13 The National Party “accepts that stations networked through group ownership can provide a more sophisticated radio service than an independent, locally owned station” but that “if such sophistication diminishes local content opportunity and airtime - which the National Party believes is the case - then the radio station is not serving the local community adequately” (Page 3). DMG Group is alarmed and disappointed by this position. It submits that regional and rural communities should also be alarmed and disappointed if this position is adopted by the Inquiry. This position means that commercial radio would go backwards rather than move forwards. This position cannot work and, in particular, cannot be in the long term interests of regional and rural communities.
- 4.14 DMG Group has demonstrated in a variety of ways that it has been able to achieve a more sophisticated radio service with enhanced, not diminished, local content opportunity and airtime. DMG Group therefore submits that these two statements do not go hand in hand in relation to the operations of its commercial stations.
- 4.15 DMG Group submits, however, that these statements demonstrate a focus on physical presence which overrides and marginalises any focus on other issues. It also demonstrates a belief that physical presence is essential for localism and that audiences in regional and rural communities would prefer physical presence at the cost of better quality services and at the cost of broadcasting which is most relevant to those audiences. DMG Group submits that surveys and research demonstrate that audiences do not agree with that position and, in particular, their preference is for quality and relevance, and not physical presence.
- 4.16 The National Party refers to “an adverse impact on ... local jobs” (Page 1) and “while some additional jobs may be created in network “hub” centres, there is undeniable loss in jobs in communities whose radio stations have been drawn into networked production” (Page 4). DMG Group has provided a large amount of data in respect of jobs in its earlier submission. We therefore will not repeat it here. We should point out, however, that the fact that our stations employed 449 people in 1996 and yet today they employ 457 people, is enough to counter these statements. Decreases in jobs in local communities have been modest across the board and increases have been extremely large in Albury, Bunbury and Townsville. Moreover, the introduction of the hubs has provided enhanced training opportunities and has not diminished those opportunities in the manner which is assumed by some people. To be frank, in our experience, the only people who argue that training opportunities have been lost, are former industry workers who are no longer with our

stations (or who have never been with our stations). That can be seen for example in Wagga Wagga.

## National Party Recommendations

- 5.1 The National Party recommends “a detailed review be undertaken into the impact of the Broadcasting Services Act 1982 [sic] to establish the extent of erosion of local program services across non-metropolitan Australia” (Page 4). DMG Group submits that such review is unnecessary and would be a waste of the taxpayers’ money. There is no objective evidence to support that review and it is not demanded by audiences. Nonetheless, if such review occurs, we are confident that it should lead to complete confirmation of our position. Any such review must focus on a proper definition of “local program services” and that definition must not be based on the physical location of studios. Rather, it must be based on the relevance of programs broadcast.
- 5.2 The National Party recommends “a minimum amount of local content be a requirement of gaining and retaining a regional broadcasting licence; licences be reviewed every twelve months to ensure compliance with local content criteria” (Page 4). DMG Group submits that these actions are unnecessary and would be unacceptable and open to challenge. They are not supported by evidence or by audience demands. At the very least it would first be necessary to undertake the detailed review referred to in paragraph 5.1. That review must focus on a proper definition of “local program services”. That review will demonstrate that there is no need for these further actions and that there is no need for any requirement to do with “local content”. It would also be unfair and discriminatory to take such actions in connection with regional and rural commercial radio, without taking the same actions for metropolitan commercial radio, regional and rural commercial television and metropolitan television. Accordingly, there should also be a detailed review into those other forms of media.
- 5.3 The National Party recommends that “the Australian Broadcasting Corporation be required to maintain a comprehensive broadcasting service throughout non-metropolitan Australia to deliver local news and community information as well as national and international news and current affairs programs” (Page 4). DMG Group does not regard it as appropriate to comment on this recommendation. DMG Group does again submit, however, that it would be unfair and without cause to impose additional requirements on commercial radio as a result of any perceived inadequacy in the services provided by the ABC. DMG Group also submits that services provided by community stations in regional and rural markets should first be reviewed in that context.

# **ATTACHMENT**

## **External Interviews**

### **Kevin Wales (Mayor of Wagga Wagga, New South Wales)**

“Local radio is very important to rural communities. 2WG plays a vital role in the Wagga community. It is interested and involved in local events and issues. It works with the City in getting a positive message out. I have a regular monthly talk show on 2WG which ensures local issues are known and discussed. I initially had reservations about the hub arrangement, but they have been unfounded and the community service is as good as ever.”

### **Shaun Nelson (MLA, Member for Tablelands, Legislative Assembly of Queensland)**

“It is my belief that Northern Talking Point has given me the ability to address Tablelanders on a personal level regardless of their linguistic capability. Many people would find it hard to read the concepts that can be clearly understood when spoken to them. With TV reception in the remote parts of my electorate limited to only two channels or none at all, I have found the access to local radio invaluable in my position as a community leader.”

### **Mick Veitch (Deputy Mayor of Young, New South Wales)**

“From Young’s perspective, local management at 2LF has shown that you can combine a local approach to broadcasting with a national format. Good examples of local programs are the local rugby football broadcasts and the daily funeral announcements.”

### **John Thinee (Principal, Jays Real Estate, Mt. Isa, Queensland)**

“I am the Licensee of a fairly large local Real Estate Office with 20 staff and have resided in Mount Isa for 34 years. For the past six years I have been President of the Mount Isa Chamber of Commerce.

My occupation and my position in the Chamber of Commerce have necessitated ongoing business dealings with these Radio Stations. In all aspects of their operations they are very professional and maintain a strong focus on the Region covered by their broadcast area. I believe this would be the view held by the majority of the Business Houses in this City.

The various branches of the media can have a significant beneficial or other impact on Regional Communities. Radio Stations 4LM and Hot FM have been extremely supportive and involve both management and staff in the promotion of community related events and issues.”

### **Tim Mulherin (MLA, Member for Mackay, Legislative Assembly of Queensland)**

“Mackay is well-serviced by radio. Through the ABC, there are a number of stations providing national broadcasts, and there are also radio stations such as Hot FM and Sea FM with a strong local presence. In relation to Hot FM and Sea FM, local support is generated by their sponsorship of Mackay events and festivals, their assistance of locals from time to time by holding appeals for people in crisis, and through their employment of members of the Mackay community. An example of how radio stations can provide crucial support concerns the joint campaign of 4MK and the Mackay Daily Mercury, a local newspaper, to create local employment. This campaign demonstrated that reducing Mackay unemployment was of concern to these media bodies, and, practically, resulted in the target of new positions created being doubled. Having stations with a

local component reflects community aspirations and supports its endeavours which, I think, is very important.”

**Peter Maguire (Mayor of Emerald, Queensland)**

“In recent times [since introduction of the hubs], I have noticed that local content has been re-introduced at 4HI/Hot FM. There has been an increase in local news, national programs have been cut down and a rural program, “The Country Mile” has been re-introduced. This has had a positive impact on the town and the region. It is important, particularly in country areas, for a radio station to respond to community needs and to be part of the community.”

**Barry Bishop (MLC, Member for North Western Province, Legislative Council of Victoria)**

“My office utilises the local news service provided several times a week, owing to a good relationship with the journalist, and the fair and equitable air time I’m afforded in regard to community or Parliamentary issues. The news service is an invaluable guide to what’s happening now, as opposed to three hours ago.

The station is often utilised for listener feedback on topical issues, which makes for a varied program, in addition to providing a good medium for the support of community services.”

**Greg Muller (Chief Executive Officer, City of Mt. Gambier, South Australia)**

“For some considerable time, 5SE has excelled in providing continuing quality radio broadcasting to our region. In addition, the Station’s commitment to the community is without parallel in Australia. The level of community support and involvement by the Station is the obvious centre piece of the Station’s very successful policy. Its achievements for the region have ensured that the region is served with quality radio broadcasting, excellent regional news service and community access and an outstanding record of community service across all spectrums of the region. The Station has always responded to community needs and is always available to provide assistance and expertise to the region and its people. We are proud of Radio 5SE and FM 96.1 for what it has achieved and will achieve for our region.”

**Baden Waldron (Deputy Mayor, Roma Town Council, Queensland)**

“On New Year’s Eve 2000, Roma celebrated with its biggest ever, and most successful town party. The Y2K Party, instigated by Roma Town Council, and organised by a high profile community committee; including community Radio 4ZR manager, Deb Beran, attracted more than half of Roma’s population, of 6400 people.

4ZR played a key role in community awareness of this event, promoting at no cost to the community, all of the pre event fundraising (which meant residents of Roma and district were admitted free of charge).

In the month leading up to New Year’s Eve, the station promoted the event constantly, building to almost blanket coverage over the last ten days.

Once again Radio 4ZR fulfilled its community obligations, assisting strongly to bring the people of Roma together, on this historic occasion.

4ZR, since its foundation, has actively promoted major community events and it is great to see the tradition continuing into the 21st century.”



**Helen Brayne (Mayor, Griffith City Council, New South Wales)**

“Council has always found our local radio station, 2RG, to be very supportive of the community.

Their local news segment services not only Griffith but the wider Western Riverina with regular informative news bulletins. They also provide community information segments for many local organisations to allow them to keep the community informed, for example, Red Cross, Radiotherapy Appeal and sporting events.

Council itself has a regular half hour “Mayor on the Air” segment which is well received.

There appears to be no difference to the range of community and news programs offered since the introduction of the hub. All features have been maintained and we are probably better off for immediate urgent broadcasts with the hub operating from Albury.

I have received no complaints from the community of any lessening of service. Staff and management are all very committed to providing excellent community radio.”

**John Castrilli (Mayor of Bunbury, Western Australia)**

"Every region has its own cultural characteristics. Therefore, due regard has to be given to local content. In my opinion, the balance of radio coverage is adequate because not only do those people need local content, but also broader regional and national content. It's all about information; people need to know what's happening not only in their own locality, but also what's happening outside of it. A spread of information has local, regional and national significance."