

Secretary:.....
RECEIVED
15 NOV 2000
HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
COMMUNICATIONS TRANSPORT AND
THE ARTS

Tom Baker
3 Knight Street
Toowoomba 4350
Ph 0746316542
10.11.00

Committee Secretary
Radio Industry Inquiry

You may only get this after the closing date for submissions, but I beg your indulgence. I only received the enclosed letter from ACCC by the afternoon mail today. I think it is relevant to the Inquiry. I know that there is no limit on how many Commercial Radio Broadcasting Licences any one person/group/company can own, but I was concerned by what I saw as monopoly and anti-competition. I don't know if ACCC can only handle one issue at a time, but it seems to me that, when a person/company in Sydney buys all the commercial radio broadcasting licences in a particular regional/rural town; sacks most of the local staff; eliminates local services (ie talkback, local advertising, country style music, crop and stock sales information, etc,) and networks them all from the same Sydney radio station, they have created a monopoly, and eliminated competition. The local ABC, by its charter cannot compete at these levels. I submit that, if there is no limit on how many commercial radio broadcasting licences any one person or company can own in a regional or rural town, there should be a limit on how many such licences they can own in a group of connected regional/rural centres. I intend to answer the ACCC letter. Many thanks for your interest.

Sincerely

Tom Baker

House of Representatives Standing
Committee on Communications
Transport and the Arts
Submission No: 61.01
Date Received: 15/11/00
Secretary: *Janet Holmes*



Australian Competition & Consumer Commission

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Our Ref: 205129
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November 3 2000

Mr Tom Baker
3 Knight Street
Toowoomba QLD 4350

Dear Mr Baker

Radio Industry Inquiry

I refer to your letter of 25 October 2000 in relation to the Radio Industry Inquiry. You allege that there are presently 12 companies holding over 200 commercial broadcasting licences and that they are in the process of increasing their holdings. You state that this should be of interest to the Commission because of our interest in monopolies.

Before proceeding further, it may be appropriate to outline briefly the *Trade Practices Act 1974* ('the Act') and the Commission's role. The main purpose of the Act is to promote competition and efficiency in markets within Australia and to protect consumers and business from unlawful anti-competitive and unfair market practices. The Commission's role is to seek compliance with the Act. Its primary role in fostering fair and informed markets is to identify important issues as they emerge and to develop national or industry-wide solutions. It is not a complaint-handling authority and cannot provide legal advice.

On your behalf, I have spoken to Mr Bruce Flood from the Australian Broadcasting Authority (ABA) in relation to the granting of commercial broadcasting licences. He has advised that the Broadcasting Services Act, which is legislation administered by the ABA, provides the rules and guidelines for the granting of these licences around Australia. He further advised that the current rules allow for companies to own more than one licence.

Anti-Competitive Behaviour

You allege that there is a monopoly in the operation of commercial broadcasting licences. In general, evidence of a corporation having a monopoly or a substantial market share in a particular market does not by itself invoke a breach of the Act. The Act does prohibit a corporation with a substantial degree of power in a market misusing that power for certain proscribed purposes, including eliminating or damaging a competitor or preventing a person engaging in competitive conduct. However on the information you have provided there is no

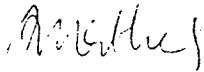


suggestion of such conduct. My understanding is that the ABA is responsible for granting the licences in question.

The anti-competitive provisions of the Act are applicable to Commonwealth Governments and Commonwealth government Authorities in as far as the government is carrying on a business. However the Act provides the granting, refusing to grant, revoking, suspending or varying of licences (whether or not they are subject to conditions) do not amount to carrying on a business. Accordingly those provisions of the Act do not apply to the conduct of ABA in granting the licences in question. In this instance I am unable to take any further action in this matter.

If you have any questions in respect of this matter, please contact Natalie Moore of this office on (07) 3835 4666.

Yours sincerely



Sally Mathews
Assistant Director

SUMMARY OF MAJOR LICENCE HOLDERS

<u>Major Licencee</u>	<u>No. of Licences</u>	<u>Call Signs</u>
DMG	61	2AAV, 2AY, 2CS, 2CSF, 2GZF, 2LF, 2LFF, 2MC, 2OAG, 2RG, 2RGF, 2ROX, 2WG, 2WZD, 3BBO, 3BDG, 3MDA, 3RMR, 4AM, 4AMM, 4CC, 4CCA, 4CHT, 4GC, 4HI, 4HIT, 4HOT, 4LM, 4MIC, 4MKY, 4MMK, 4RAM, 4ROK, 4ROM, 4TOO, 4ZR, 5AA, 5SE, 5SEF, 6AAV, 6AM, 6BET, 6BUN, 6BY, 6KAN, 6KAR, 6KG, 6MD, 6MER, 6NA, 6NAM, 6NAN, 6SE, 6SEA, 6TZ, 6VA, 6WB, SL10053, SL1150051, SL1150055, + Super FM Sydney Licence purchased 2000
BILL G CARALIS	31	2AD, 2CLR, 2DU, 2GG, 2GEM, 2GF, 2GGG, 2HD, 2LM, 2MG, 2MO, 2MVB, 2MW [Radio 97], 2NEB, 2NEW, 2NOW, 2NZ, 2PK, 2RE, 2ROK, 2SM, 2TM, 2TTT, 2VM, 2ZOO, 2ZZZ, 4AK, 4GR, 4NNN, 4WK, SL1150054
REG. GRUNDY	26	2BDR, 2CFM, 2GGO, 3MP, 3SRR, 3SUN, 4CEE, 4GLD, 4GR, 4MB, 4RGC, 4RGM, 4RGR, 4RGT, 4RO, 4SEA, 4SEE, 4SSS, 7AD, 7BU, 7DDD, 7LA, 7SD, SL1150057, SL1150094, SL1150183
Anglia Television/ Austereo/O'REILLY	25	ICBR, 2DAY, 2KKO, 2MMM, 2ONE, 2ROC, 2UUS, 2WFM, 2XXX, 3FOX, 3KKZ, 3MMM, 3TTT, 4BBB, 4BH, 4KQ, 4KRY, 4MMM, 4SB, 5ADD, 5DN, 5MMM, 5SSA, 6MIX, 6PPM
Grant Broadcasters/ JANET CAMERON	14	2EC, 2EEE, 2NM, 2ST, 2UUL, 2VLY, 2WSK, 3BAY, 3BBA, 3CAT, 3RBA, 5EZY, 5MU, 6IX
Ace Radio/HANDBURY	9	3CCS, 3CS, 3HA, 3SH, 3SHI, 3TR, 3WM, 3WWM, 3YB
Capital Radio/BLYTON	7	2CA, 2CC, 2GN, 2SKI, 2SNO, 2XL, 3BT
FAIRFAX FAMILY	7	4QFM, 5AU, 5CC, 5CCC, 5CS, 5RIV, 5RM
AMI Radio Pty Ltd	6	2GZ, 3CV, 3MA, 4CA, 4MK, SL010074
Mary ASPINAL	6	6FMS, 6HED, 6KA, 6NW, 6RED, 6SAT
3AW Southern Cross	5	3AK, 3AW, 3EE, 6NOW, 6PR
R. L. HARRIS/Alice Springs	3	4KZ, 4ZKZ, 8SUN

BROADCAST LICENCES CURRENTLY CONTROLLED BY BILL G. AND PAMELA A. CARALIS AS AT 27TH JANUARY 2000, EXTRACTED FROM LISTING BY AUSTRALIAN BROADCASTING AUTHORITY.

<u>Callsign</u>	<u>Licensee Name</u>	<u>Station base</u>
2AD	New England Broadcasters Pty Ltd	Armidale
2NEB	New England Broadcasters Pty Ltd	Armidale
2CLR	Grafton FM Radio Pty Ltd	Grafton
2GF	2GF AM Radio Pty Ltd	Grafton
2DU	Western Broadcasters Pty Ltd	Dubbo
2ZOO	Western Broadcasters Pty Ltd	Dubbo
2MG	Mudgee Broadcasting Company Pty Ltd	Mudgee
2GEE	Mudgee Broadcasting Company Pty Ltd	Mudgee
2VM	Moree Broadcasting & Development Co Ltd	Moree
2NOW	Moree Broadcasting & Development Co Ltd	Moree
2MO	2MO Gunnedah Pty Ltd	Gunnedah
2GGG	2MO Gunnedah Pty Ltd.	Gunnedah
2HD	2HD Broadcasters Pty Ltd	Newcastle
2NEW	Newcastle FM Pty Ltd	Newcastle
2LM	Richmond River Broadcasters Pty Ltd	Lismore
2ZZZ	Richmond River Broadcasters Pty Ltd	Lismore
2RE	Manning Valley Max the Heat FM Pty Ltd	Taree
2MVB	Manning Valley Max the Heat Pty Ltd	Taree
2NZ	Northern Broadcasters Pty Ltd	Inverell
2GEM	Northern Broadcasters Pty Ltd	Inverell
2PK	Parkes Broadcasting Company Pty Ltd	Parkes
2ROK	Parkes Broadcasting Company Pty Ltd	Parkes
2TM	Tamworth Radio Development Co Pty Ltd	Tamworth
2TTT	Tamworth Radio Development Co Pty Ltd	Tamworth
2MW	Tweed Radio and Broadcasting Company P/l	Tweed Heads [Radio 97]
4AK	Radio 4AK Pty Ltd	Oakey
4GY	Gypie-Noosa Broadcasters Pty Ltd	Gympie
4WK	Amalgamated Marketing Pty Ltd	Warwick
2SM	Radio 2SM Pty Ltd	Sydney

[with central FM studios for network broadcasting]

Service Licence Number where licence has not yet been allocated a call sign*

*SL1150054 Broadcast Operations Pty Ltd

Number of Licences held in sole control of Bill G and Pamela A Caralis: 30