



COMMONWEALTH OF AUSTRALIA

## Official Committee Hansard

# HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON COMMUNICATIONS, TRANSPORT  
AND THE ARTS

**Reference: Adequacy of radio services in non-metropolitan Australia**

MONDAY, 19 FEBRUARY 2001

BRISBANE

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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**HOUSE OF REPRESENTATIVES**  
**STANDING COMMITTEE ON COMMUNICATIONS, TRANSPORT AND THE ARTS**  
**Monday, 19 February 2001**

**Members:** Mr Neville (*Chair*), Mr Gibbons, Mr Hardgrave, Mr Jull, Mr Lindsay, Ms Livermore, Mr McArthur, Mr Mossfield, Mr Murphy and Mr St Clair

**Members in attendance:** Mr Gibbons, Mr Hardgrave, Mr Jull, Ms Livermore, Mr McArthur, Mr Mossfield, Mr Neville and Mr St.Clair

**Terms of reference for the inquiry:**

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

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

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**Committee met at 9.16 a.m.**

**CHAIR**—I declare open this public hearing of the House of Representatives Communications, Transport and the Arts Committee in its inquiry into the adequacy of regional radio services. The inquiry has generated strong interest across Australia. We have received approximately 270 submissions. They have come from relevant Commonwealth and state government departments and statutory bodies, from the peak industry associations, commercial networks, independent broadcasters, the community radio sector, shire councils, emergency organisations and individuals.

The importance of radio services in regional Australia cannot be underestimated. For many people it is their first source of information. In times of flood, bushfire, cyclones and other emergencies, it plays a critical role in relaying information to those affected by the crisis. It is highly valued for the entertainment it provides. It is portable and relatively inexpensive. But, more than this, radio has qualities of both immediacy and intimacy that are unique to it. These qualities are central to any account of its value.

Changes in the regulatory environment brought about by the Broadcasting Services Act 1992, together with technological developments, have led to substantial changes in the ownership and delivery of radio services in regional Australia. It is clear from the submissions that there is considerable concern about these developments. The issues that have been raised are many and varied but they include the impact of these changes on: (1) the broadcast of timely and accurate information in emergency situations, (2) commercial viability of broadcasters, and (3) loss of localism in programming. In addition to these issues, we have heard evidence about reception difficulties in various areas; the role and value of the ABC radio services; and the value of, and the challenges facing, the community radio sector.

The committee commenced the second stage of the inquiry, namely the public hearing stage, in December last year. We have held public hearings in Longreach, Townsville, Tamworth, Bathurst, Melbourne and Canberra. Next month we will take evidence in the Northern Territory and Western Australia. Today we are in Logan City, and we look forward to talking further and taking evidence about the adequacy of radio services in regional Australia. I thank participants and members of the public who have travelled to be with us today and welcome you all to this public hearing.

[9.21 a.m.]

**BAYLES, Mr Tiga, Chairperson, National Indigenous Radio Service Ltd**

**PYNE, Mr Gerry, Manager, National Indigenous Radio Service Ltd**

**CHAIR**—We welcome to the table today the National Indigenous Radio Service, represented by Mr Tiga Bayles and Mr Gerry Pyne. Mr Bayles, would you give us a five-minute overview of your submission. You do not have to read the whole thing; the idea is just to give us the flavour of the submission and then we will begin questioning.

**Mr Bayles**—The National Indigenous Radio Service—the NIRS—is owned and operated by indigenous broadcasters from around the country. It is a satellite delivery service from the Optus Aurora satellite system which is available across the country. The purpose is to provide a national program feed that is made up of a mix of the best indigenous programming from the

network of stations we have around the country. Many of the smaller indigenous communities lack the resources to operate their own local service but can rebroadcast programs delivered by satellite. The NIRS allows these communities access to a range of indigenous programming that is put together by the network of stations around the country. It also provides for local communities to feed programming into the national network for distribution across the country.

We are located in Fortitude Valley, Brisbane. The program is fed directly to Optus, uplinking to their B3 satellite at the Rochedale installation in Brisbane South. It is a comprehensive network of digital program lines and satellite feeds that deliver programming from different parts of the country to the NIRS studios in Brisbane. Most of these programs on the NIRS are broadcast live as they go to air. The programming includes music, spoken word, current affairs, news, documentaries, sports, et cetera. The NIRS originates a national indigenous news service from its Brisbane studios. We have just launched that this morning, so it is certainly an appropriate time to be presenting our submission to this committee.

It is a national service that we have been talking about for some six years around the country. Some 120 indigenous communities are linked by the satellite. They have their own broadcasting facilities and their own satellite receiving equipment. By having a central news service in Brisbane we are avoiding duplication of the cost of a journalist in each community, the cost of building a newsroom and so on. We have just launched, at 7 o'clock this morning, our first national indigenous news service, which is based in the National Indigenous Radio Service here in the Valley in Brisbane. I will not be surprised if I hear some of you gentlemen in a year or so saying that you are now tuning in to the National Indigenous News Service as your source of news, because it is going to be that type of service. This news service is going to air from 6 o'clock until 8 p.m. on weekdays and there are plans to increase this to weekends.

The NIRS also produces its own coverage of the AFL during the football season. Given that we are in rugby league territory, the AFL code is certainly looking to expand into Queensland. We have been involved with the AFL for a couple of years now and many of the people in our communities in the Territory and over in Western Australia are AFL fanatics. A lot of the big AFL stars over the last five years have come from indigenous communities. So we provide that service to our communities.

We are also providing a service to some of the retired indigenous players, who did not ever think there was life after the AFL, when they stopped running on the paddock and looked at doing something else. Some of the non-indigenous stars can look at media and code development and stuff like that. Now we have our own team of callers for the Brisbane Lions games. We are opening the door for those retired indigenous players to come in as guest commentators—special commentators. They have certainly taken a shine to that, especially last year, during the final series when we called from the MCG. We had our people sitting up there with commercial radio callers and they had smiles on their faces for a month before it and three months after it.

The indigenous broadcasting sector is operated under the community broadcasting section of the Broadcasting Services Act. It has presented the sector with many difficulties, as the aims of the indigenous broadcasting sector are in many ways vastly different from those of mainstream community broadcasters throughout Australia. These differences and difficulties were detailed

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in a paper prepared and delivered by the then chairman of the National Indigenous Media Association of Australia (NIMAA), Jim Remedio, to the Productivity Commission's hearing.

This paper proposed the establishment of a new category of broadcasting, under the Broadcasting Services Act, that caters more appropriately for indigenous broadcasting in Australia. It proposed the establishment of an indigenous broadcasting service along similar lines to SBS which caters for ethnic communities throughout Australia. We believe this would be of great benefit to both indigenous and non-indigenous communities in Australia.

A recent study into the feasibility of the indigenous broadcasting service was carried out under the direction of ATSIC. It is believed the study will show that such a service would be of sufficient benefit to the Australian community to warrant its existence. The Productivity Commission also made several recommendations regarding the special needs of indigenous broadcasters in Australia. Work now continues on a proposal for a national indigenous broadcasting service and the NIRS fully supports its development and introduction to the Australian community.

With this comes many new and unique opportunities for Australian radio audiences. Indigenous communities are located throughout all regions of the country. These range from the largest metropolitan populations to the most remote and regional populations. Indigenous communities are inclined to take a keen interest in indigenous activities and developments throughout the country, regardless of where they live or where they come from. These indigenous communities have embraced the medium of radio fully and rely on it as a primary source of information and entertainment.

In remote areas there are great distances between neighbouring communities, and this is a difficult concept for people living in mainstream society to grasp. These distances require a different approach to regional broadcasting and indigenous communities have met these special needs by establishing small regional radio networks. These networks are small in terms of numbers of people they serve compared with mainstream networks but cover very large geographic areas. They are often linked by satellite and unique in that they usually provide a two-way flow of information and entertainment from one end of the network to the other. The NIRS is similar as it exchanges program material from many different parts of the country, both metropolitan and remote and regional, the difference being that it is a national service.

With the NIRS we take programming from various stations. We have stations in Townsville, Cairns, Thursday Island, Rockhampton, Mount Isa, Alice Springs, Broome and Fitzroy Crossing. You can be hearing a particular program: it might be a good talk show, a good current affairs program or a good music program. We at NIRS, Gerry primarily, are charged with the responsibility of selecting programming that has been offered to us by local stations. They say, 'We think this is good enough for a national audience. Can you find time to put it on?' So if you are on the other end of the satellite, listening, tuning in, you could hear Brisbane's breakfast program, then switch to Townsville and K1G's morning show. You could then switch to a cultural program coming out of Port Augusta, Perth or Alice Springs and that happens during the course of the day. It is encouraging our communities, as sparsely resourced as they are, to upgrade their programming or produce a particular program for national broadcast. Not only does it have the effect of people being able to tune in—and they might hear the Brisbane traffic

report or Townsville's weather over in the Kimberley—but the point is they have a choice. They have an alternative indigenous information service that is coming into their communities.

Some of those smaller communities are lucky if they get the ABC, so it is an essential service that we provide. The introduction of a national indigenous broadcasting service will ensure that this sector is developed to its fullest potential and is given a fair chance of being adequately resourced so that maximum benefits flow on to the Australian radio audience. It is envisaged that the NIRS will become an integral part of the national indigenous broadcasting service.

The NIRS is interested in playing its role in attempting to ensure that communities in remote Australia have access to a similar range of programming to that of their city based counterparts. Many of our communities operate Broadcasting for Remote Aboriginal Communities Scheme, BRACS, services. These allow for the retransmission of radio and television signals in remote locations. The NIRS would like see extra frequencies made available at these BRACS communities so that people living there can have a broader range of choice in radio service. This can be done with minimal impact on the greater planning criteria of the ABA, as these services are typically located hundreds of kilometres from built-up and highly populated areas. They run very low power FM services and would have little or no impact on neighbouring services. They are also cheap to establish and maintain. Increasing the range of services at the remote community level would increase the communities' overall awareness of the media and create more local interest in generating local programming at the community level. This would have a small impact where funds were available for employment in the media at this level. It would also generate a greater sense of community for people living in remote Australia and would provide mainstream Australia with a rich source of new and interesting programming from parts of the country that most of us know little about.

Some of the other benefits of developing this type of service in those communities are a small impact in employment and a real impact in role models. For indigenous people in remote communities to hear an indigenous voice and to hear indigenous programming, talk or music would give quite a degree of self-confidence, of self-esteem and of pride. It would provide role models to young kids growing up in those communities with problems such as petrol sniffing and stuff. Indigenous media can have a big impact on the maintaining of our culture as well as developing a better understanding of mainstream society. With this better understanding we can better develop, I suppose, what our role is by making the most of what we have in our own culture and understanding mainstream society and how it operates.

Technology is already playing a major role in widening that range of programs in all areas across the country and that is set to increase. An increase in the number of frequencies of these BRACS would allow local communities to take full advantage of this new technology and the wider range of services that this makes available.

In other areas, there is no question that the best services for the needs of remote communities are AM radio stations. There are several compelling reasons for this. Many of the remote communities are located in flat country. The FM signal does not propagate effectively over long distances unless it can be originated from a high point like a mountain top. AM, on the other hand, can be propagated very effectively from ground level because of the lower frequencies used. Remote communities are often very small and have neighbouring communities from 100 to 200 kilometres away. The AM signal can travel very effectively over these distances, whereas



the FM signal suffers from attenuation after a short distance where there is no high point to locate the transmission antenna. AM receivers are very cheap and require no external antenna. This makes the service easily accessible in all communities, no matter how remote. The problem with this is that the ABA is reluctant to allocate new AM services in areas where none exist. Conversion from AM to FM has freed many AM frequencies throughout the country, and we would request this inquiry to encourage the planning authorities to consider making more AM frequencies available in remote areas where they can be put to good use.

The National Indigenous Radio Service has plans to increase its service from the one national satellite channel to a system of five channels so that it can deliver programs at the correct time displacement for each of the country's time zones. This will overcome one of the major difficulties that we encounter in delivering a live program feed to all areas of the country. Today's digital technology is making this objective achievable, as the prices become more competitive.

Networking in the Australian broadcasting industry usually means programs are sent from Sydney or some other major centre to regional areas, and the reverse is an extremely rare event. It could be said that this situation establishes an awareness barrier between city and non-city communities. There is a good flow of information from the city to the regional areas through the media, but the same could not be said of the reverse. This gives people living in Australia's major centres little chance to sample and understand life outside the city. Radio networking as it applies to the indigenous broadcasting sector plays an important and unique role in the Australian community. It allows indigenous and non-indigenous communities the opportunity to receive information and entertainment that would not otherwise be available in all areas of the country. It is unlike mainstream networking, as it provides a two-way exchange of programming to the entire audience. An outstanding example of this took place during the recent NIRS coverage of the Sydney Olympics. For five hours every day during the Olympics, the NIRS broadcast throughout Sydney, on two frequencies, programs that originated in many remote and regional centres in all states. This gave the many visitors to Sydney a unique opportunity to hear voices from all parts of the country. Small communities such as Halls Creek and Fitzroy Crossing were broadcasting directly into Sydney and the response to this was very encouraging.

With the Olympics broadcast we coordinated a team of some 30, primarily indigenous, people from around the country. There were a couple of non-indigenous people such as our technician, Mr Gerry Pyne, whom we depend on quite a lot for his expertise. We had a number of indigenous people in Sydney. We hired space at Sylvania in an Aboriginal hostel, where the kids had happened to go back to the bush for the holidays. We moved in there. We took all our broadcasting gear down, satellite dishes and the works, and set up a broadcast studio, newsroom and administration centre. At 8 o'clock each morning and each hour after, at the top of the hour we broadcast a three-minute Olympic update. For one hour of a morning, one hour at midday and one hour in the afternoon, it was a full one hour's programming of events and results—but not only of the Olympics; it was also coverage of the political developments of indigenous people at the time. There was a big tent city at Victoria Park and Broadway. There was a big camp at Kurnell of our people who had walked across from Lake Eyre. There was a big entertainment venue at Redfern Oval. We were able to cover these political developments as well as social events. There were concerts: Jimmy Little, Yothu Yindi and Christine Anu were performing around the city. We would promote that, go and interview these people, and talk about what they were doing and what their role was. There were art exhibitions and cultural

events. We went in and interviewed the organisers and put that to air as well. So we were not just there for the Olympics.

Besides that we had this number of indigenous communities, some as small as Fitzroy Crossing, Ernebella and Yuendumu in Central Australia. These guys were broadcasting in Sydney on two radio frequencies: Radio Skidrow and the Koori broadcast applicants, Koori Radio, who were test transmitting at the time and who were taking this signal as well. That was a magical experience. For the duration of the Olympics, every day you would hear two or three one-hour community segments from around the country. So it is a two-way thing. We believe that networking should be used—

**CHAIR**—Mr Bayles, I do not want to in any way shorten your presentation but a lot of it is in this submission and I want to leave my colleagues time to be able to talk to you. What you have given us is excellent material but we have to probe some of the issues, if you understand.

**Mr Bayles**—Let's start probing.

**CHAIR**—As I understand it, you broadcast a generic signal out of Brisbane that is picked up by your country stations; is that the idea?

**Mr Bayles**—Yes.

**CHAIR**—Are some of them on direct relay?

**Mr Pyne**—It works as a two-way thing. The service is basically a hub which operates out of Brisbane. We take a number of direct feeds from different parts of the country.

**CHAIR**—Are they all indigenous, or do you take some programming from some of the program providers?

**Mr Pyne**—No; they are all indigenous. The only exception to that was the last couple of years with the AFL football. We have taken some program from 3MMM in Melbourne, some of the calls direct from them. This year is the first year when we will be doing the coverage ourselves entirely.

**CHAIR**—Some stations, then, just broadcast the generic signal. Do some have their own newsrooms?

**Mr Pyne**—Yes, there are a few. That relates directly back to the resources that are available at the remote end.

**CHAIR**—The signal is picked up from a satellite and retransmitted around a particular area?

**Mr Pyne**—That is right.

**CHAIR**—How do you get these programs back? Do they come down on landline?

**Mr Pyne**—Some come down on landline, using ISDN or On Ramp; some cover over other satellite feeds. We have several other small subregional networks within our major network and, because of the great distances involved, the most economical way to get the signal from one part of the subregion to the other is via satellite feed as well. But that also means we can pick up that feed here in Brisbane and put it into our national footprint.

**CHAIR**—To what extent do local stations have autonomy?

**Mr Pyne**—I think they have complete autonomy. The decision is completely up to them as to how much—

**CHAIR**—Do most of them take the generic feed? Why I ask these questions is that one of the things we have been asking all the broadcasters—that is ABC, commercial, community and, now, Aboriginal—is: to what extent is networking stultifying local material? While you may turn out the best news bulletin or the best talk show out of Brisbane and some station might have picked that up, how do the local communities get the value from it? How many of your remote radio stations broadcast their own program? If they do, for how many hours a day and in what format? Do some of them broadcast in the tribal language of that area?

**Mr Bayles**—Some do.

**CHAIR**—Could you give us a bit of a flavour for that? What we have to be careful of is that we do not just repeat in Aboriginal broadcasting the mistakes that are being made in the ABC, commercial and community.

**Mr Bayles**—We are very mindful of that. We are doing quite the opposite.

**CHAIR**—For example, from Tamworth and Bathurst we get a very clear understanding that certain network stations go from 5.30 until nine, others go from 6 a.m. until midday, and the rest is all the generic feed from somewhere else. Give us the flavour of what one of your stations would do.

**Mr Bayles**—We have two classifications of broadcasters out there. One is the BRACS, the Broadcasting for Remote Aboriginal Communities Scheme services, which are very much underfunded. We have over a hundred of those. Then we have about 25—

**CHAIR**—Are they mainly FM?

**Mr Bayles**—They are all FM. Then we have about 23 to 25 community licensed stations, like 4AAA in Brisbane and Townsville K1G. These licensed community stations are receiving substantial funds from ATSIC, but the BRACS are primarily forgotten about. It is those BRACS that we primarily provide the service for, to support them.

**CHAIR**—Why the distinction?

**Mr Bayles**—The BRACS came out of the Eric Wilmot report back in back in the eighties, *Out of the Silent Land*. They recognised the problem in remote areas, where there was virtually

nothing for indigenous people as far as broadcasting goes. It was not until the early nineties that we started to apply for community licenses in urban situations, like Brisbane, Townsville and Perth, and what have you. We primarily are broadcasting programs to support BRACS people. The BRACS have local content. Some of them might go for a couple of hours a day. They might even go for a long stretch of 10 hours a day. Some of them might not go at all: because of lack of funds to pay somebody and because of lack of expertise in the community, they might just have the satellite switched on permanently. If the satellite was not there, they would not have any information coming in.

**CHAIR**—How do we ensure that those local Aboriginal communities are broadcasting things that are of interest to that area—

**Mr Bayles**—Provide more funds to pay somebody to do it—equipment, maintenance and repair.

**CHAIR**—the cultural life, local news, tribal languages if necessary? What is your recommendation to the committee on that? I do not know why the BRACS and the NIRS should be separate. Is it just a historic thing—that one lot gets funded and the other lot does not?

**Mr Bayles**—Basically, yes.

**Mr GIBBONS**—I understand that in the Northern Territory and Western Australia, between 32 and 39 per cent of indigenous people do not speak English; they speak either their native indigenous language or a blend. Is that the sort of target you are trying to reach with your remote stations, and are English lessons a big part of your programming?

**Mr Bayles**—Not so much English lessons; in those communities where English is the second, third, fourth or fifth language they produce a lot of their own language programs. Then if they choose they can switch across to the national service for programs that are significant for them. They can choose not to.

**Mr GIBBONS**—Yes, of course. I understand the importance of keeping that culture alive by doing that. But there is the importance of radio as an educational tool to enable them to learn other languages. Is that part of your charter or is that what you try to do with your—

**Mr Bayles**—Ours are not English language courses or English programs or anything like that.

**Mr GIBBONS**—I also understand that about 75 per cent of indigenous people actually live in Sydney, Melbourne, Brisbane—these very big urban areas. Is it your plan to extend the radio service into those areas and therefore reach the majority of your own client base?

**Mr Bayles**—Most certainly. And that is what our proposal under the umbrella of the National Indigenous Broadcasting Service is about—catering to those needs of the smaller communities as well as catering to the needs of our people in the bigger capital cities.

**Mr GIBBONS**—With educational programs on health and all that sort of stuff?

**Mr Bayles**—Yes.

**Mr GIBBONS**—Is that your long-term plan?

**Mr Bayles**—That is what is happening at the moment with our programming. There are particular policies being presented to our communities on health and unemployment and housing and what have you. It is utilised for that, as well as entertainment. There is the educational value, there is the entertainment value, there is the promotion of our artists and the achievements of our people—it is all of those things.

**Mr MOSSFIELD**—A big issue relating to radio generally is localism—that is, the need to maintain a local identity in regional towns—rather than the hub situation where everything goes to the hub. What plans do you have to maintain and extend localism so that communities themselves can not only listen to the radio but be involved in it?

**Mr Bayles**—That again comes under our proposal for the National Indigenous Broadcasting Service, which can encourage, can support, can assist and can lobby for the appropriate funds, and can organise for the appropriate training, from being a presenter right down to understanding the maintenance and the repair side of things, which is very important as well. That comes under that banner of the National Indigenous Broadcasting Services, which is similar to the SBS—very similarly driven to the SBS. Its purpose was to cater to those from non-English speaking backgrounds. We need a very similar service.

**Mr MOSSFIELD**—Would you actually have radio stations out there in the communities at all, where you are broadcasting locally? Would you have a local radio station in any of the communities or even in the main country towns where you have a local broadcaster who may be broadcasting local events?

**Mr Bayles**—Under the proposed new umbrella, or at the moment?

**Mr MOSSFIELD**—What are your plans in that direction?

**Mr Bayles**—Like I said, there is network of stations now around the country. The proposal at the moment—and there needs to be much more thought going into it—is to consider a national frequency and then a number of regional frequencies, similar to the ABC. You could not deny the existence already of this network of BRACS communities and that network of community licence stations; they would all fit in. The big issue with us is local control—autonomy locally. But because of the lack of funds, because we have been dependent on ATSIC where there is limited money, we cannot duplicate newsrooms in every community. We cannot duplicate journalists and such, so we have to try to centralise those particular services like national news. By doing that we can encourage local communities, especially the small ones, to show them how news is done and encourage them to develop some of those skills themselves.

**Mr MOSSFIELD**—Is there any opportunity for you to become self-funding in any shape or form, even at a limited level?

**Mr Bayles**—Some of the stations are. At my station that I manage here in Brisbane we are very much focused on breaking that dependency cycle on government funds. At the moment we

are raising about 50 per cent of what ATSC give us now. We are raising 50 per cent. Give us three to five years, I think we will be raising enough money to be able to say, 'Thanks ATSC. We don't need your money any more. Put it into those small guys out there that don't have the opportunity to raise the self-generated income that we have because we are in a capital city.' That is the objective of a lot of us, especially those of us who are in capital cities and larger regional stations. They are looking at breaking that welfare dependency.

**Mr JULL**—What sort of money are looking at from ATSC? What sort of budget do they have for radio generally?

**Mr Pyne**—Fifteen million at the moment.

**Mr JULL**—For the lot?

**Mr Pyne**—For the lot.

**Mr JULL**—Could I ask what percentage you get out of that for the national service?

**Mr Bayles**—For the national service we do not take any ATSC money at all as yet. Our budget for the national service is about \$120,000 a year, operational costs, before the new service. The national news service has a staff of three people. It is about \$120,000 a year for these three people. We apply to the Community Broadcasting Foundation, which administers department of communications funds, indigenous funds, identified funds. We ask for about \$120,000 from them, just for the operational, and we have also asked for the funds for our two journalists for the new service from there as well. We are largely funded through the Community Broadcasting Foundation with its identified indigenous funds.

**Mr JULL**—In terms of these remote areas, ATSC are making no contribution to them as yet?

**Mr Bayles**—For the smaller ones there is a small amount, something like \$15,000 a year, which is identified for each of those small communities. Now, bear in mind these BRACS communities broadcast television as well as radio, so the one person is supposed to be a TV and radio person and there is \$15,000 for it. They have to do battle with their local ATSC council for more funding. Because of media being one of the last to be considered as an essential service—we have had health, housing and education, and ATSC do not have any responsibility in some of those responsibilities now—because media is a new kid on the block, we are not seen to be an essential service alongside of health, housing and education. So usually you do not get any funds at a local level. Those smaller communities, those BRACS communities, usually do not get any money apart from that \$15,000 annual allocation that has been made for them.

**Mr JULL**—Your station is Triple A. You said that you raise about 50 per cent of your requirements through commercial sponsorship. What sorts of sponsorships do you get? Are they the normal Toyota dealer type, or do they tend to be government departments?

**Mr Bayles**—Both. We pursue government departments, and we pursue businesses like Toyota—we just got a few thousand dollars from Toyota. We broadcast the Tamworth Country Music Festival nationally. I went to Toyota and said, 'We can go here, here and here,' and they

said they would put up X amount of dollars. It was not a lot of money, but we got some money from them. There are a number of different types of businesses—smaller local businesses in communities, as well as government departments.

**Mr JULL**—Do you think there is any possibility that you might be able to share the joy? This is dreadful coming from a commercial radio background, I suppose, but is there any chance of developing a process of network buys? If you are feeding this news, it can be sponsored by X, Y and Z, which may allow some money to go out into the smaller remote communities.

**Mr Bayles**—By broadcasting the AFL nationally—we look around here for the funds for the sponsorship dollars—we are creating a window in those smaller communities for them to go to their local business and say, ‘Listen, all the mob in this community are tuned in whenever there is an AFL game on.’ We use up to two minutes. We make sure that at least 50 per cent of that allowable five minutes is made available for the local community as a window for them to attract money.

**CHAIR**—You have to do your time according to the community rule of five minutes an hour?

**Mr Bayles**—That is right. NIRS pursues government departments to promote their programs—for example, the ATSIC registrar. There are 1,000 or more indigenous bodies around the country, incorporated under ATSIC. There are also particular times when you have things like AGMs, change of directors and things like that back in Canberra, at ATSIC.

The registrar will talk to Gerry and say, ‘I want this message to go out.’ We will say, ‘It will cost you X amount of dollars and then we contact the network and tell them there is \$20 a spot or \$10 a spot. It might be \$30,000 to run a campaign. The NIRS has kept 10 per cent for its ongoing costs—it is going up to 20 per cent because it is not enough to keep us going—and the 80 per cent is divided equally amongst those stations. For example, late last year we sent the Broome broadcaster a cheque for \$10,000. The Alice Springs broadcaster received \$30,000. Money like that is sent out to these stations because we cannot put out information without those stations being a link in the chain. When the money comes in, 20 per cent is held by the central office—the NIRS. The 80 per cent is divided up. There is money going out there in that regard as well—money that they would never have had an opportunity to organise.

**Mr Pyne**—That relates to the earlier question about language. When we get those national campaigns, we commission some of the remote network stations to translate those announcements into their own local language and play them locally so that the local people can relate to them more effectively.

**Mr Bayles**—We say to government departments that we can put their information out in up to 25 different languages to indigenous people. Nobody else can do it.

**Mr HARDGRAVE**—I declare a great interest in 4AAA Murri Country radio because it is located in my electorate. I compliment Mr Bayles publicly and on the record for his tremendous stewardship of that organisation. It’s a flagship organisation, isn’t it?

**Mr Bayles**—It certainly is.

**Mr HARDGRAVE**—It really does give an example to others about what community radio can do. In previous hearings, I remember someone saying they would like to have the income that 4AAA generates. Would you mind letting the committee know about the variety of sources? I know you do not simply broadcast; you also create program content and CDs. I have appeared on one of the CDs in the 'wanna talk' series. Can you tell us a little about some of those funding sources?

**Mr Bayles**—We are developing our newsroom into talks and documentaries. We applied for Centenary of Federation funds. We have a grant under Centenary of Federation for a documentary on 18 important dates in indigenous history since Federation. We sent a producer down to Tasmania to look at facts and important dates in history, developments in Tasmania on early contact. The burning of Mapoon mission up near Weipa is an important time, and Palm Island. So we identified such projects. There was a project under the Year of Older Persons program. We spoke to a lot of our elders, got an oral history and put that to air to broadcast these people's experiences. We got multicultural funding and talked to people not from Australia but from a non-English speaking background about their experiences. We broadcast that. So what we are doing now is seeing that there is another avenue for funds to come in, but also there is a great result for our listeners, whether they are indigenous or non-indigenous.

I might add that we probably have 10 times more non-indigenous people than non-indigenous people tune in to 4AAA. I would claim that we have 70 per cent, maybe more, indigenous people tuned in in this area of Brisbane, the Gold Coast and the Sunshine Coast. So we are developing our talks and documentaries section so that there is more funding coming in there. We are developing our production studio that can do jobs for government departments. When you hear the person from the Electoral Commission talking about the elections on the radio, saying, 'If you are over 18 make sure that you are registered to vote,' 'Enrol to vote,' and stuff like this, we can tender for these jobs or make contact with government departments and say, 'Listen, you have production needs, we provide the service.'

AAA tendered for the Reconciliation Council. In the last year of the development of the Reconciliation Council they had to undertake this massive consultative exercise across the country to come up with a statement by 31 December. To do this, to coordinate each region, the Reconciliation Council called for tenders for a media group to coordinate the dissemination of information, the production of the voices, and the community announcements. We tendered for that and we were the only indigenous people who won a tender. All the states in this country, bar Queensland, had non-indigenous consultants doing the work for them and for the country in their region.

So we identify these sorts of things. We are not just a radio station; we have to be mindful of how else we can bring money into the station and we have to have a great output as well. There have to be some outputs there.

**Mr JULL**—Can I just butt in? Do you network Mr Erby yet? I notice he is in the audience today.



**Mr Bayles**—We have on occasion and we are trying to continue. Nick came on board with us some eight months ago—he is our operations manager.

**Mr JULL**—That was one case in point, where Nick Erby had an Australia-wide program that, frankly, was stuffed up by networking. Is there a—

**Mr Bayles**—There is a plan to try to develop that.

**Mr JULL**—You can get into that commercial sort of operation?

**Mr Bayles**—Yes, we can. We believe we can, and we are trying to convince some of these commercial stations that it is a viable option for them as well.

**Mr HARDGRAVE**—I think Tiga Bayles's evidence is very valuable to the committee in understanding what the potential for a community operator could be, especially when you consider the background to the actual licence where essentially there was an aspirant group in existence when your licence was originally awarded. You guys have really picked up the ball and run with it in a big way. Well done.

**Mr Bayles**—It is very different. Indigenous radio broadcasting and media is very different from community radio, and that is what we say with the proposal for the indigenous broadcasting service: you must recognise our relevance, you must recognise the importance, you must recognise that it is essential. We cannot continue for much longer to be classed as community radio; we are very different, in a number of ways.

**CHAIR**—You need a fourth category of licence; is that what you are saying?

**Mr Bayles**—We do.

**Mr McARTHUR**—In relation to receiving information by print, television and radio amongst indigenous people, what judgment would you make as to how they receive information in the remote communities?

**Mr Bayles**—A lot of remote communities do not have access to print; television, yes. Radio I believe is the most effective and preferred option. If you are on foot, you can carry a little transistor. If you are in a car, you can tune in. If you are in your home or on the job working, you cannot be carrying a newspaper or the TV. Our culture has been handed down for over 100,000 years by talking. We fit hand in glove with radio. I have taught five- and six year-old kids. They pick it up so easy—getting behind a microphone, flicking a switch and sending out a cheerio call to mum, nanna or whoever. But more than that, they can actually do a radio program. You can teach them in no time at all.

**Mr McARTHUR**—You are saying your radio programs are a very important method of communicating with the indigenous people throughout Australia relative to other forms.

**Mr Bayles**—Very important for not only indigenous people but non-indigenous people as well. Like I said, we have 10 times the number of indigenous people—people who are non-

indigenous—tuning into 4AAA every day because they like our music format, they want country music. It is a matter of identifying where there is an opening in this area. We have found two openings: country music and AFL. We have just received our survey figures for June to September last year—peak AFL period. Our audience jumped 5,000 new listeners a day. It is unbelievable. So you look for and identify an opening. We can reach non-indigenous people as effectively as we can indigenous people.

**CHAIR**—What are your ratings when they do the Brisbane ratings?

**Mr Bayles**—We cannot get into the commercial surveys. We are trying; we are working on it.

**Mr HARDGRAVE**—The category ‘other FM’ is up in Brisbane.

**Mr Bayles**—It is up considerably.

**Mr McARTHUR**—Do the AFL charge you for the right to broadcast their matches?

**Mr Bayles**—No, they waive the fees.

**Mr McARTHUR**—Just to get the extra coverage?

**Mr Bayles**—Yes. It is \$250,000 for broadcast rights. This is our third year.

**Mr McARTHUR**—Their judgment is that you do such a good job they like to be on your program?

**Mr Bayles**—Very much so.

**Mr Pyne**—They also recognise the fact that we get into regions that they do not cover.

**Mr Bayles**—Nobody else can get there.

**CHAIR**—How many stations do you have under the NIRS and how many under the BRACS? Do you know the number?

**Mr Bayles**—They are all linked. The majority of them are linked to NIRS.

**CHAIR**—But how many of each are there? Do you know off the top of your head?

**Mr Pyne**—Just over 100 BRACS and there are about 25 non-BRACS.

**CHAIR**—How many of the 100 BRACS ones for starters would be on permanent network without local programming? If you are not sure, give us a guess and you can come back to us and give us the figure.

**Mr Pyne**—It is a difficult figure to ascertain because it changes. It is fairly dynamic.

**CHAIR**—Give us a feel for it.

**Mr Pyne**—Probably 80 per cent would be taking considerable feed from the national service.

**CHAIR**—Are any of them permanently fed?

**Mr Pyne**—There are probably one or two.

**CHAIR**—If there is a fire coming towards the community, the river is coming up a lot faster than anticipated or a cyclone is turning direction, what is the chain of command? Who activates the local radio station and cuts into the feed program and broadcasts the warning? Do not be offended by this question, because it is exactly the same question we have asked the commercials—and they have not answered it very well I might add. Tell us what would happen in a remote community when there is a fire, cyclone or flood. What happens? Who is responsible? Who goes in and says, ‘We interrupt this program’? Is there an emergency service-type protocol within those 125 BRACS and NIRS stations?

**Mr Bayles**—I am not aware—and I don’t think Gerry would be—what the procedures and policies are in those communities.

**CHAIR**—Do you have a conference every year of the BRACS and NIRS stations?

**Mr Bayles**—They have meetings, yes.

**CHAIR**—And there is no protocol for emergency services?

**Mr Bayles**—No, not that I am aware of. It is not spoken about at the international conference, no. You have a BRACS operator—someone is the BRACS operator at Woorabinda and someone is the BRACS operator at Palm Island—and a community council. Between those two I would expect that there would be an announcement made to let the mob know that this was urgent. The BRACS operator can take it upon himself to get in there and say, ‘I’m just interrupting because there is a cyclone coming. You mob can start to batten down or head for high ground.’ The other option is that the local council would take it as their responsibility also to inform the BRACS operator and say, ‘This is the latest, get it out there.’

**CHAIR**—I am not being critical, I just have to understand. There is no established protocol, it is each—

**Mr Bayles**—Each community develops its own.

**CHAIR**—Do you have the ability to cut in to other stations or do you just provide a feed?

**Mr Bayles**—No. We can only provide a feed up on to the satellite and if other stations do not want to take AFL, they do not take it.

**Mr Pyne**—We can cut into whatever feed we are taking at the time but we cannot override the station at the local levels.

**Mr Bayles**—No, they have that power.

**Mr MOSSFIELD**—What role do the ABC, the commercial stations and other radio outlets play in the communities in the country areas?

**Mr Bayles**—A lot of our young ones are tuning into B105. My children and grandchildren tune into B105, B104 and what have you, similarly to what the broader community does.

**Mr MOSSFIELD**—So there is a fair bit of competition out there.

**Mr Bayles**—Very much so.

**CHAIR**—Thank you, Mr Bayles and Mr Pyne for your evidence, which has been very enlightening. We take on board your suggestion that we recommend to the minister a separate grouping of distinct stations. We made a similar recommendation in our last report that the TAB stations have a status of their own. We will certainly look at that. We thank you, too, for kindly rearranging your timing to facilitate the committee this morning. *Hansard* has recorded today's proceedings. You will get a draft of that in the near future. You will also be able to pick up your evidence on the Internet in four or five days. Once more, thank you for your attendance.

**Mr Bayles**—Thank you very much for the opportunity to present our experience and our aspirations.

[10.15 a.m.]

**FRASER, Mr Roderick, Policy Officer, Broadcasting and Language Small Program Centre, ATSIC**

**HARTLEY, Professor John, Consultant, ATSIC**

**CHAIR**—I welcome the witnesses from ATSIC. Can you give us a five-minute overview, Professor Hartley?

**Prof. Hartley**—I commend to you the report that we have already submitted. There is an awful lot of detail in there. Obviously it is not appropriate to go through that now, but I think it does give the flavour of the issues we would like to raise. I think it also backs up an awful lot of what Tige Bayles was saying in the previous submission. Australia has undoubtedly fallen in love with its black athletes, artists and entertainers. You have only to look at the Olympics and some of the events around that to see how that is also of international interest. But there is still a long way to go at the infrastructural level to make progress in other areas, not only in welfare provision or in self-determination through organisations like ATSIC but also through business and self-representational activities from both the indigenous and non-indigenous communities themselves to bring those areas together.

Our first point is that the area of radio is one in which indigenous communities, organisations and individuals have shown a pioneering spirit in bringing new activities to the fore and in bringing together these very striking cultural and entertainment aspects of Aboriginal activity with community building and self-representation. So there is a great strength in the area of radio or broadcasting provision bringing together entertainment and government, as it were.

As we discovered in the research we did for this report, the benefits of regional radio to indigenous people go beyond simply the provision of information to local communities. They include aspects of encouragement of entrepreneurship and self-determining business activity, and widening of the employment base not only in direct employment and broadcasting but also in people moving across different employment domains—for example, the connection between broadcasting and training, broadcasting and tourism, or broadcasting and other cultural activities within communities. There is a lot of evidence that radio in remote and regional indigenous communities has a major influence on the social cohesion and community development of indigenous people. As I have already tried to suggest, I think there is a clear benefit to Australia as a whole in bringing indigenous culture to much higher prominence, both for indigenous and for non-indigenous people. So the benefits are clear.

Some of the problems that indigenous broadcasting faces are regulatory. You have already heard, and we have addressed it in the report, that there is a serious problem with the status of licences for indigenous broadcasters. A community licence is not appropriate for a radio service that is a first line of service for its major clients. The argument for a move towards a national indigenous broadcasting service along the lines of the SBS, or even the ABC, is a very strong one. I think the feasibility study that ATSIC is conducting has demonstrated that it can go ahead, but obviously it needs public investment to get it going. There are also issues in relation

to the sources of funding, which is something you began to allude to in your previous questions—that is, whether that funding should come from ATSIC or elsewhere.

Some of the issues that we have brought out are, I think, quite interesting. One in particular is that, if you take indigenous broadcasting as a whole—and that means remote as well as regional—it is clear that, in working on their own without any central organisation and without any assistance from outside, indigenous radio, including the NIRS, NIMAA, the local radio stations in the capital cities and in the regions and the BRACS radio stations, have pioneered a model of national broadcasting on a shoestring that is really quite unusual. In fact, it is unusual internationally. I think it has proven to be of interest to radio broadcasters and policy makers, not only in Australia but elsewhere as well.

So the question about what networking might amount to, whether networking can come from the communities outwards rather than just being a way of supplying standardised content inwards, is one on which I think you have a live experiment going in indigenous radio. I might finish by pointing out that one of the issues that indigenous radio faces is that there is simply not enough information about it that we can gather in a systematic way. One of the adjunct requirements for developing the whole area of indigenous radio would be to have much better audience research and monitoring of the indigenous economy as a whole so that we know what proportion of advertising perhaps ought to be spent in the indigenous area as opposed to others, and take seriously the economic activity of the indigenous sector so that it can be developed properly.

**CHAIR**—You say in your submission that you find the community model inappropriate. Are you talking from a technical or a financial nature?

**Prof. Hartley**—I do not know if ATSIC wants to say something about this directly, but certainly the impression we got from the people we spoke to was that there were limits on the licences, for example, about the amount of sponsorship they are allowed to take, that just prevented development.

**CHAIR**—Yet it has been our experience on this inquiry that I do not think we have met one community broadcaster yet that has sold their full sponsorship. People say, ‘Oh yes, we want more than five minutes,’ but it would be interesting to know—we may even get back to Mr Bayles on this—how many of those stations have filled their five minutes.

**Prof. Hartley**—I could not answer that.

**CHAIR**—I can understand his argument for saying that you would get better coverage with the old AM transmitters, but, if it is not a technical problem, you might like to get back to us with some evidence on that. Just making them a separate category like SBS or ABC will not necessarily solve the financial problem.

**Prof. Hartley**—No, it raises different issues, though, I think. Certainly the issue of sponsorship is one. Quite a strong comment was made to us about the desire to move beyond the sponsorship model and perhaps more into direct commercial competition. But there are other issues, one of them being that the way that the commercial licences are auctioned precludes Aboriginal organisations from bidding because they are not fully capitalised enough.

Another is the understanding that ABC and SBS are not funded through a kind of government department in the way that ATSIC funds most of the radio organisations we are talking about. There should be a kind of whole of government approach to indigenous broadcasting, rather than leaving it to ATSIC. So there is more than one issue there.

**CHAIR**—I want to come to that other point, too. A major term of reference of this inquiry is the retention of localism. For all the good qualities of the ABC itself, there are still complaints that there is not enough local content in some areas. If we just create a third public broadcaster network, aren't we just going to repeat that sort of generic feed? You could have a basic feed that people can take if they want to or need it, including a national news program and AFL, if that is what the communities want? But surely beyond that shouldn't the encouragement then be for some sort of localism or regionalism?

**Prof. Hartley**—Yes, I think that is precisely right, and I think it is in fact what happens. Very strong views were expressed in favour of indigenous networking. In other words, the broadcasters and the communities we spoke to almost did not consider regional radio, as it were, of the standard or mainstream variety. They were only interested in the network that they understood to exist between indigenous broadcasters themselves. There, what they felt was most important was the autonomy of the local station to take or not to take what was available—to broker what was available for their communities from organisations like NIRS. Since that model already exists, the idea that setting up a national indigenous broadcasting service which was modelled on a kind of central provision to a rather passive periphery would be a big mistake, and it would be a mistake that does not have to be made because the alternative is already in place.

**Mr HARDGRAVE**—I guess in a lot of ways—no offence is meant by this—a lot of this discussion is a bit of a side bar to the main purpose of the inquiry, but I have got to say it is a very interesting discussion that is being had here. Do I take it from what you said, Professor Hartley, that this is essentially providing something that people want that is not being provided by any other means?

**Prof. Hartley**—Absolutely. I think that is the impression we have been getting very strongly, and the idea that there should be a parliamentary inquiry into regional radio that does not have indigenous broadcasting as one of its central themes is a bit of a problem in itself, it seems to me. As we point out in the report, the demographics of indigenous populations mean that for many indigenous people regions are not regions, they are hubs, and so the geographical patterns are different there. Certainly I think the demand, community support and care for and love of local broadcasting among indigenous communities is very strong and is very articulately expressed.

**Mr HARDGRAVE**—I thank you for that, because it is a very valuable retort to the preamble to my question. So what you are really suggesting is that we should dissect, if you like, what is being aspired to here and what is being done in different places around the country and try and apply it in a more universal way.

**Prof. Hartley**—Yes, I think so. What comes through is that there is an existing model of locally controlled shoestring networking in indigenous radio that is of interest to the rest of the world, even if it is not a world-class organisation, which is hard to claim because it is such a

shoestring organisation. But the main issue that comes from the questions that I have heard from you is that I think on both sides of the fence there is a kind of de facto recognition that this is a separate organisation or separate provision from the mainstream radio services, which have almost completely ignored indigenous content. I have had a look at some of the other submissions to you that are available on the web. Very few of them take an interest in indigenous people or indigenous issues, so there is a need to separate out and to give autonomy and separate development, as it were, to an indigenous broadcasting service.

**Mr HARDGRAVE**—In fact, if I could be so bold to make the observation that very few submissions seem to take much interest in local people in a lot of places, full stop. I keep thinking of 4AAA—as I said, I have a certain affection for the organisation for what it has achieved as a doable model for other places. This five minutes per hour sponsorship that is offered to community sector, for instance, is more than taken up, I imagine, in certain parts of AAA's programming, and in fact it is more of a bridge building media than perhaps they originally thought they would be able to be. It is mainstreaming itself from a solid indigenous base. Do you see that as a model to follow?

**Prof. Hartley**—Very much so, and it is not just 4AAA. 6AR in Perth does much the same and I guess Redfern Radio, when it comes on stream, will do the same. These are bound to be major hotspots of indigenous production because they have the resources, the number of indigenous people living in places like Brisbane and so on, to get the thing going. An organisation like 4AAA is always going to have a higher chance of working in a commercial environment, and in diversifying its portfolio so that it is doing music and other cultural activities as well as broadcasting, than people in very remote communities will. I guess what comes out of the work that we have done is that there needs to remain or to be strengthened the link between the metropolitan A stations, as it were, the regional radio stations that are involved in NIRS and the BRACS community.

**Mr HARDGRAVE**—I do not want to put you on the spot but it strikes me, talking to—if you have to use the term—black and white Australians, that there is a lot of criticism about ATSIC and its relevance to doing real and practical things, that there is a lot of time and money consumed in Canberra based activities. When I speak to a lot of Aboriginal Australians, they throw their hands up in the air and say they do not think ATSIC does anything for them and is pretty useless. Yet I know ATSIC is funding so much of what we are talking about here. Do you think in itself it might also be a good device for ATSIC to get the message out that they may in fact be doing something practical?

**Prof. Hartley**—To tell you the truth, I think ATSIC has some very good policy development themes in this area.

**Mr HARDGRAVE**—Fair enough, but I am just telling you that is what a lot of people say to me.

**Prof. Hartley**—I guess that is right, and maybe someone from ATSIC might like to speak to that. But certainly from the work that we have been doing, the assistance of ATSIC, for both national organisations like NIMAA and NIRS and for the local areas, has been visible and appreciated. Clearly it is not enough and people need more, and maybe they get grumpy with ATSIC for not providing it. And it may be that ATSIC needs to put on the wider public agenda



the question about whether indigenous broadcasting should be funded from a whole of government approach rather than from a departmental approach.

**Mr MOSSFIELD**—Just to expand on a couple of points that have already been raised, has the ABA been approached to create a separate a separate class of indigenous radio such as this, and what has been their response?

**Mr Fraser**—They have, and I believe they are working on one with their commission inquiry. We have just basically put ATSIIC's perspective forward and requested a special indigenous category for licences. I am not too sure what the current situation is, but we have been endeavouring to lobby the ABA about at least looking at licence changes from an indigenous perspective.

**Mr MOSSFIELD**—To enable you to do that, on the point that John has already raised relating to research, what research is done at the moment into indigenous radio and what recommendations could you make to this committee so that we have a broader range of research done?

**Prof. Hartley**—I think there are two or three different aspects to it. One is that in general there is not enough data coming out of organisations like the ABS about the size and changes of the Aboriginal economy as a whole—you can put that in inverted commas, it does not matter. Secondly, indigenous radio stations are very interested indeed in who is listening to them but they do not have the resources to find out. So there needs to be some way of developing more systematic audience research. Thirdly, I think there is not enough information about how Aboriginal radio is seen more widely; there is just not enough information out there. I think it is a kind of gem of Australian broadcasting history, but very few people know it exists. So there is an issue about doing the kind of research that gets out to the public as well as investigating technical issues.

**Mr MOSSFIELD**—You feel that the ABS themselves should be doing more research into this field, do you?

**Prof. Hartley**—I do.

**CHAIR**—You mentioned that you are forced to compete with other community organisations for licence. Are you talking about other Aboriginal community organisations or in general?

**Prof. Hartley**—No, special interest organisations, I think—for example, Christian broadcasters or broadcasters with a particular constituency.

**CHAIR**—I see what you mean. With this suggestion that you need more resources, isn't it necessary to have a feed of national news and sport and whatever and then let the other stations build around it? As I said to the other witness, we do not want to repeat in Aboriginal broadcasting the mistakes that have been made in the ABC and commercial radio. How do you guard against it happening that you get a national service in, say, Canberra or Melbourne or Sydney with its own agenda and its own idea of what Aboriginal broadcasting should be and then it becomes dominant—it is just too easy to turn that on and not to worry about local

content. How do you guard against the very same thing happening with networking that has crippled regional and rural radio?

**Prof. Hartley**—How do we stop Tiger Bayles becoming the Jonathan Shier of indigenous broadcasting? I do not know. You might want to ask him that.

**CHAIR**—Too late.

**Prof. Hartley**—I understand the drift of your question and, if you do not mind, I will just answer it first by saying that I do not think the way the SBS is set up is the same as the way the ABC is. SBS is a much more lean and hungry kind of organisation in many ways, but different again from what is needed in this area, where the important aspect is local autonomy and local control. We have heard evidence from people working in remote areas about the equipment being in a welfare hall or a school and they cannot get access to it after hours, so to have their own facilities would be very good, but that requires some funding.

**CHAIR**—Isn't that just a local management thing of arranging that there be a broadcast officer in each community and a deputy who have access to the keys?

**Prof. Hartley**—You have a broadcast officer, you have a building, you have equipment—all of these things are aspirations at the current moment rather than achieved facts in an established broadcasting system. If you had a broadcasting system that was organised nationally but controlled locally, you would be able to broker and assist the development of those kinds of issues.

**CHAIR**—We have heard similar arguments from the print handicapped people as well. But isn't localism about creating a signal that serves that community? The TAB stations put a small transmitter on top of the local TAB to cover the community. Have you always got to have studios and a lot of expensive equipment to broadcast one or two hours a day?

**Prof. Hartley**—Clearly not, because one or two hours a day are being broadcast under quite different circumstances. But I think what you are driving us towards discussing is an aspirational aspect of indigenous broadcasting that is looking to a much wider range of service than simply network programming. In other words, there is a kind of attempt to use radio networking among indigenous broadcasters as a public forum for the development of indigenous people as a whole. Therefore, it is trying to work right across the board of culture, politics, business and the rest of it, with a much wider brief than community stations usually have to sustain.

**CHAIR**—You say there is no research available but I would be interested to hear from ATSIIC the extent to which the individual stations broadcast local content. Would that be easy enough to obtain?

**Mr Fraser**—The BRACS operators do it now. Each BRACS unit has the opportunity or the equipment to interrupt their signal that they are receiving and broadcast.

**CHAIR**—When we spoke to the commercial stations, they could tell us that certain stations broadcast from 5.30 to 9.00, others from 6.00 to midday et cetera. Can you give us a profile of the BRACS and NIRS stations?

**Mr Fraser**—It would depend on each community. In some communities the BRACS unit is more organised, they broadcast longer. Some are less organised and so probably broadcast a couple of hours a day. It just all depends on the community's structure.

**CHAIR**—There is not a profile of this available?

**Mr Fraser**—No, not a general profile across the board of all the BRACS units.

**CHAIR**—Don't you think you have to establish that before you go to government and ask for a national service? If you can't say the fundamental things that are going on in a community, how do you justify the case for yet another national broadcasting service?

**Mr Fraser**—I believe that was one of our discussions in the submission. There should be in the first instance an audit of what the listening trends are of people in the outback communities who listen to BRACS. A survey should be done of the audiences so that we know how many people are listening per day and how many hours they are listening to the radio station.

**CHAIR**—The other thing that we are asking all witnesses, so it is not directed at either ATSIC or the two Aboriginal broadcasting services is whether there is a nationally accepted protocol for emergency service situations.

**Prof. Hartley**—We did not hear anything about that in the interviews we did.

**CHAIR**—Professor, you have done a lot of research. What happens if there is a cyclone, a flood, a fire coming to the community: what is the protocol? Who is responsible for breaking into the feed and getting the message out?

**Prof. Hartley**—I have no direct information about that.

**CHAIR**—Isn't that a critical area of radio, the immediacy of it?

**Prof. Hartley**—Absolutely.

**CHAIR**—One of the things that is really sticking out in the evidence that we have received from commercial stations is that there are no protocols, or very few.

**Prof. Hartley**—I think there is a kind of force in your questions that suggests that there already is a national indigenous broadcasting service which should have a secretariat that is monitoring what it is doing, a set of protocols for the kind of issues that you have just described and a way of organising its governance and financing.

**CHAIR**—That is implicit in my question.

**Prof. Hartley**—That is what is aspired to rather than what exists. What you have at the moment are individual radio stations that are aware of what they can get from the NIRS and what number of hours they are able to offer into their local community. You might have in places like Halls Creek people coming in and doing different language programs one after the other for different communities out there. There may be somebody speaking in Bunaba and somebody speaking in another language, and occasionally teaching. I heard the questions earlier, and teaching not English but teaching words in the different Aboriginal languages is part of that kind of entertainment program. Those are the kinds of things on which their attention is focused right now: what do we do for our people here with the resources we can grab, rather than how do we govern a national organisation that does not yet have the resources to exist?

**Mr MOSSFELD**—How relevant is indigenous radio to young people? What steps would you take to attract young people? This is not an issue relating to any particular culture; it applies to us all. Young people usually go for a different type of entertainment than the older people do. How will you retain the interest of young people in specific indigenous radio?

**Prof. Hartley**—My response would be that the answer is patchy. There are some innovative programs. One that we heard about a lot was the Mary G program in Western Australia, which is mentioned in the documentation. It seemed to have a pronounced effect on court appearances the following day in the areas where it was broadcast. Young people were definitely listening to it and it has a cult following. There are other radio stations that are clearly dealing with issues that are not seen as immediately relevant to young people and they listen to other programs or they do not listen. So it is patchy, but there is clearly an important agenda item there for how to keep young Aboriginal people together with their communities through radio.

**Mr Fraser**—Some media organisations do encourage young indigenous people to come in and look at their offices and hopefully encourage them to get involved. I believe Muda also does the same thing, where they actually encourage young indigenous people into the centre, get them to do interviews and so forth and so on. That is, as the professor said, patchy. Some organisations do it and some do not.

**Prof. Hartley**—We were very impressed by the urgency with which some of the people who spoke to us were looking for opportunities for employment in broadcasting for young people. It is a way of bringing people into the employment world in places where they want to be. It is not just a matter of whether they listen; it is a matter of how indigenous broadcasting serves its community in an employment and cultural sense as well.

**Mr St CLAIR**—Roughly how big an area do you cover with the broadcasts that come out in these communities? Does it vary?

**Mr Fraser**—It would vary a lot.

**Mr St CLAIR**—Are they all of a similar power or are they different?

**Mr Fraser**—Each BRACS unit has pretty much got the same equipment, so they transmit out to a certain area. Off the top of my head I do not know the transmission area of each BRACS unit. I suppose Tiga would know of some.

**Mr St CLAIR**—I ask that because I was recently on another committee inquiry right through the Kimberley area around the coast from Broome to Darwin, and you see all the communities right through there. I am just wondering whether you have to have one set-up in each of those communities or whether it is a big enough broadcast that it goes across them.

**Mr Fraser**—It is not a big enough broadcast, so the smaller communities have their own BRACS units and they can broadcast out to people in the area.

**CHAIR**—Thank you for that evidence, which has been excellent. I thank you for the time you have put into a very comprehensive submission and for the frankness of your answers today. You will receive a copy of the *Hansard* draft of today's proceedings, and indeed that will be available on the Internet in the next four or five days.

**Prof. Hartley**—Thank you for the opportunity to talk to you.

**Proceedings suspended from 10.44 a.m. to 11.10 a.m.**

[11.10 a.m.]

**JOWITT, Mr Aaron Nathaniel, Managing Director, Rebel FM Stereo Pty Ltd, and Director, Sun FM Stereo Pty Ltd**

**JOWITT, Mrs Cheryl Maree, Director, Rebel FM Stereo Pty Ltd, and Network General Manager, Sun FM Stereo Pty Ltd**

**CHAIR**—I welcome the witnesses. Could you please give us a five-minute overview of your submission?

**Mr Jowitt**—We are one of the few owner-operator independent commercial radio stations left in Australia and one of only six independents left in Queensland. We are a relatively new licence: we were the last granted by the former ABT. Our service first went to air based in Beaudesert shire in December 1996. The unique thing about our licence area—well, unique to the eastern seaboard—is the size of it. We have over half the landmass of Queensland in our licence area, stretching from Thursday Island down to Dirranbandi in the west. The model was originally a satellite model envisaged by the ABT to provide one service across that entire area. We did not believe that was a viable way to do it. Because of community of interest, we went further and broke it up into what we call a mini network, if you like, and took local content to different regions.

Since December 1996, we have expanded to provide a service down through the border country, which is Stanthorpe and Tenterfield, and out on the Western Downs through Chinchilla and Miles. These are stations which are run, in programming terms, from our Beaudesert head office, but those stations carry program which is unique to their region 24-hours a day. We take no programming whatsoever from any other commercial radio networks, apart from 4KQ in Brisbane for our state news and an assortment of small segment packages from MCM and Radio Wise. Apart from that, our content is local 24 hours a day. It is dedicated uniquely to those three regions 24 hours a day.

The model which our licence was granted on was a very fragile one. Our towns are not very big—they are in the order of 3,000-3,500 people—and the geographic distance is vast. It was a difficult model and, as I said, it was very fragile, which means it was very open to any additional services coming into the market to blow out of the water what we had in mind for it. The ABT agreed with us, after a lengthy hearing, that the model that we had come up with was viable, but since the introduction of the new act in 1992 we have seen an erosion of our market in terms of additional services coming into the market, through either neighbouring licence area extensions, additional community radio stations, TCBLs, some of which run a pseudo-commercial format, and fortuitous reception coming through from new neighbouring stations into our market.

That has had a big effect, but probably what has had the largest effect is that Tamborine Mountain in the Gold Coast hinterland is the largest population centre of our licence area—about 10,000 people—and to this date we have not been given adequate spectrum by the ABA to serve that market. We are the only commercial radio station in Australia that has ever commenced operation without serving the largest part of its market. Needless to say, that has had a huge impact on our viability. We have run at a substantial loss since day one. We have been lobbying the ABA fairly intensively to set it right, as part of the Brisbane and Gold Coast

LAP. We were looking at licence area extensions to try to get us back on our feet. In fact, what has actually happened is that since we have written our submission to this inquiry the reverse has happened.

Three Gold Coast radio stations have had their licence area extended into the Tamborine Mountain district which means that, as one of Australia's smallest commercial radio operators, if we go into Tamborine Mountain we will be in a market of five commercial radio stations in the Tamborine Mountain district. Needless to say, that puts us in a position where we cannot see a way of ever restoring our viability. On a positive note, the ABA seems to have taken this into account to a degree. They have indicated that they are prepared to look at licence area extensions for us in the coming months to try to rectify some of that situation. That dialogue with the ABA has been fairly constructive in the last couple of months. But if that does not eventuate this year, this radio station will be sold and it will most likely be sold to a network. Our concern is that we have worked very hard over the last few years to put that level of localism into those communities that previously had no local commercial radio station and previously, by a large, part of the broadcasting network sector had been deemed unviable as such.

We have also seen a situation where Star FM in Ipswich have got a lot of fortuitous signal coming down into the market this year by way of a recent upgrade they got in December. All these things are having a massive impact on us. We are not whingeing because of competition. We are not concerned about competition as such as long as it is sustainable. What we had was a very fragile model. There was no fat in it; there was not even profit in it. We had come up with a viable model. So anything that nips away at the edges destroys that. At the end of the day, we cannot keep committing to a service that makes a loss. Just by way of what we do for our communities and to give you an idea, out on the Western Downs that services reaches maybe 8,000 people—it is a very small station. Out there we have a local office, we have two people fully employed in that town, and we have a similar thing in the border country.

We do a lot of localism through our mid-morning program. We do interviews with politicians—all the localism we can get we put into our mid-morning program in terms of interviews with people in the community. We do things on a non-profit basis. For example, on the weekend that has just been we had seven full-time staff involved in Sun FM in an outside broadcast from Chinchilla and most of those had to do a nine hour return trip from base to get out there to do that. Needless to say, it cost us thousands of dollars. We got no additional revenue back in in terms of sales out in the market to do that; we did that because it was a good thing for the station to be seen to be serving its community; we were performing our role. That is how we get attached to the community as such.

So we are here today very much concerned that the ABA has mismanaged our licence in terms of Tamborine Mountain coverage since the introduction of the BSA. We are very concerned about the number of stations which have gone into regional Australia and, most importantly, that there is no regard for viability of existing stations once these decisions are made.

**CHAIR**—In your submission you list all these towns that you serve. How many transmitters do you have?

**Mr Jowitt**—We have three services each comprising two transmitters to get the geographic coverage. They are on FM, which does not reach a long way, so to extend the reach we have got two in each area. There are some 35 planned for our service though, which includes regional Queensland out through Thursday Island and Weipa. Those stations are not on air simply because of the viability issue. Because we have not had access to Tamborine Mountain since day one, that has wiped out the majority of the revenue we were expecting in from our radio service.

**CHAIR**—What was the ABA's reason for not letting you extend to Tamborine Mountain?

**Mr Jowitt**—It is in our licence area now. It is solely in our licence area. So their reason for not allowing the signal coverage at the time was that spectrum was fairly tight in south-east Queensland, that planning transmitters on Tamborine Mountain would have an impact on spectrum availability in Brisbane and the Gold Coast, and they did not want to do that at the time until such time as the Brisbane and Gold Coast lap was finalised so they could juggle the spectrum around. We were very surprised to find that what they said to us at the time was, 'There can be no guarantee that we can find you spectrum at the time because of the greater needs, for example, of a market like the Gold Coast, which is 400,000 people. How can we justify giving you a transmitter for Tamborine Mountain to reach 10,000 people that might wipe out an available frequency that could serve 400,000 people on the Gold Coast?' and that service presumably could be auctioned off.

As well as that, the ABA made an administrative error in our licence area. They actually removed the larger suburb of Tamborine Mountain from our licence area in a translation from the 1981 to the 1986 census, and they refused to put it back until such time as the Brisbane and Gold Coast LAP was done. So, while we were planning translators up there, we had to avoid overspill into our largest suburb. Ironically, the Gold Coast radio stations have just been expanded to include Tamborine Mountain in part of their licence area. The existing two stations run by RG Capital have always had a large degree of fortuitous coverage through Tamborine Mountain, as have most of the Brisbane stations. We are in a situation now after this LAP that, even if they can find frequencies for our radio stations, either by way of official licence area or fortuitous reception, there will be 13 commercial radio stations from Brisbane and the Gold Coast that can be received on Tamborine Mountain, including news services that have just been planned by the ABA, plus our two. That is in a population area of 10,000 people. That gives us about 500 per station, if you break it down. It has made the whole scenario completely unviable.

We are prepared to adapt as a broadcaster and move forward; we know times change, and we are happy to move forward with it. But getting a service up to Weipa and Thursday Island and those regions which are unserved needed to be cross-subsidised by a provision of the service elsewhere in the licence area, so they have pulled the viability from us elsewhere, and we are not viable where we are now. We have no hope of cross-subsidising an expensive satellite service to be distributed to remote areas of the state. That is what we want to do; we want to get back on track. We accept the fact there are areas of our licence area which will make money and areas which will lose money, and hopefully they will balance each other out.

We believe in the right for commercial broadcasters to make a profit, although we are not specifically aiming to do so. We would just like to be viable and have that market protected while we are offering a level of localism in most of our markets which is unseen in most



commercial radio markets in Australia today. The fact that we are a relatively new broadcaster has made that a lot harder because we have not been established for 50 years.

**Mr HARDGRAVE**—It is interesting when you compare the submission from Mr Jowitt's organisation, Sun, to that of the next witnesses who are appearing that they also have had problems with the ABA through that same period of time and in the same basic region. In the case of 4QFM, as you know, Chair—we have all received notes about that particular broadcaster—they have suffered interference due to a direct result of two ABC high-powered operations. Basically, as I understand it, the Ipswich based broadcaster could not be heard in the main street of Ipswich, which went to the viability of that station—a problem that was identified eight, nine or 10 years ago by the ABA and nothing happened. This is the same period of time. The reason I raised that is that I just want to try and get inside the psyche of the ABA through this whole period. Are you telling us today that, essentially, they were more worried about the bureaucratic processes of the LAP than supporting somebody that they had already licensed to operate?

**Mr Jowitt**—Absolutely. We were arguing that, as a licensed service, we should receive priority over the planning of our service than to head out and plan new licences first in adjacent markets. That was essentially rejected. To be honest, I think the Gold Coast radio stations had a concern of signal overspill from our translators on Tamborine Mountain to the Gold Coast. They are owned by RG Capital; they are very effective lobbyists and they are a very big radio network. Every time we put forward a proposal to the ABA saying, 'Give us X on Tamborine Mountain to solve the problem,' RG Capital would object, and object fairly ferociously.

**Mr HARDGRAVE**—That is the marketplace. RG Capital would also have a complaint about the northern New South Wales stations, 4KQ and all the other stations out of Brisbane that beam into the Gold Coast—the FMs out of Brisbane go to the Gold Coast reasonably well too.

**Mr Jowitt**—I think they are big enough to take it, though.

**Mr HARDGRAVE**—You are not, and that is the point, isn't it? You bought a licence; you bought in; you had a proposal, and the people who granted you that licence then left you out to dry.

**Mr Jowitt**—Exactly. The Gold Coast market generates maybe \$12 million a year in revenue for RG Capital. To give you an idea, we employ 10 staff in Beaudesert and two in each of our regional centres. To maintain the amount of localism we do, we employ 14 staff. I notice RG Capital runs, say, 20-odd radio stations round Australia on a budget of \$60 million. We run three radio stations with localism 24 hours a day on less than one per cent of that money, and we should not be in that position now.

**Mr HARDGRAVE**—Chair, colleagues should know that Tamborine Mountain is so close to Brisbane that you can see it out of the back window behind us. You can see that the geography of south-east Queensland dictates that anything out of Brisbane or the Gold Coast is going to hit Tamborine. In fact, RG Capital's transmitters are on Mount Tamborine at Eagle Heights, ironically, aren't they?

**Mr Jowitt**—Yes, ironically, until recently it was outside their licence area that those transmitters were licensed. They were licensed in our licence area. I think the ABA has moved to

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amend that past planning mistake simply by then adding Mount Tamborine to the Gold Coast licence area to fix that mistake up, but they have done so at our expense.

**Mr HARDGRAVE**—Can I ask about your Mareeba-Weipa example? In your submission you say that Mareeba is the closest large regional centre to Weipa—but that that is like a thousand kilometres away.

**Mr Jowitt**—It is 650-odd kilometres away. Yes, I am simply admitting that they have some community of interest because it is their next largest centre.

**Mr HARDGRAVE**—That is a pretty generous admission from you that 4AM Mareeba would have a community of interest with Weipa.

**Mr Jowitt**—It is minor, yes, but it is more so than it has with, for example, Townsville or Mount Isa. But, yes, that decision surprised us. What annoyed us most about that decision is we were not consulted on it; it just happened. There was no correspondence from the ABA. The reason that we were not on air in Weipa is that when our licence was granted in 1992, just before the new act came into place, the ABA said, ‘Hey, hang on, we know you have got a commercial radio licence but we can’t give you any frequencies until we have done a licence area plan. The only thing we can give you in the interim is retransmission of satellite.’ Retransmission of satellite does not allow us to provide localism into the market, which was the very model we had our licence granted on. So the reason we were not on air in Weipa at that point in time was that we were sitting around twiddling our thumbs waiting for an ABA LAP to be completed, which they kept saying was 12 months around the corner and in fact took over four years.

**Mr HARDGRAVE**—That was pretty quick by comparison to other LAPs, I have got to tell you, because they have been three and a half years behind for the last decade. Was there frequency in Weipa? You are no mug punter—

**Mr Jowitt**—Yes.

**Mr HARDGRAVE**—So there was frequency in Weipa. And was there frequency in Mount Tamborine, or was it admittedly a pretty tight set of possibilities? Could you go down there and find every spot on the dial actually used?

**Mr Jowitt**—No, until December, when the Brisbane and Gold Coast LAP came out, there were plenty of frequencies on Tamborine Mountain. What we have seen now is the LAPs finalised for those areas taking up most of the available frequencies left in south-east Queensland.

**Mr HARDGRAVE**—That you should have had.

**Mr Jowitt**—We should have had. What they have offered us now are two frequencies which we regard as dud frequencies. They have interference issues with them that the new Gold Coast commercial station will not have. In other words, the new Gold Coast station will have good fortuitous reception of the entire Tamborine Mountain-Beechmont area. We will never be able

to have equitable coverage with those stations, even assuming we wanted to go in there and accept the 500 person each market.

**Mr HARDGRAVE**—So your business plan is completely out of the door now?

**Mr Jowitt**—Yes, which we are annoyed about, obviously, to say the least. But I think what is of greater concern is that we have had to suffer this ongoing loss for four years and it has taken the ABA up until the last couple of months before they have had good dialogue with us to try and put it right.

**Mr HARDGRAVE**—So what you are saying there, to restate it another way, is that if they had done this to you four or five years ago it could have saved you the pain of losing money?

**Mr Jowitt**—We would not be on air now, that is for sure, but we would not have made the loss we have made. The loss that we have made propping up our services in the last four years was completely unnecessary, and most of that capital that we have done in doing so was the money that was put aside to construct a satellite uplink to provide the services to remote Queensland.

**Mr HARDGRAVE**—What does this kind of lack of responsiveness from a bureaucracy do to the radio industry?

**Mr Jowitt**—That is a good question. I think it is fair to say that the smaller, independent broadcasters, whose viability is marginal to start with, are the ones which are most affected by this. I know the stations in western Queensland, for example, the small independent ones at Longreach and Charleville, have not had to suffer this because they are geographically so far removed from neighbouring services that they have not had overspill into their market, there have not been frequency issues. But here in south-east Queensland, where we are the small player against the big needs of neighbouring markets and spectrum is tight, yes, we have been left out.

**Mr HARDGRAVE**—I just want to go back to the evidence relating to Star 106, which is the badge name of Radio 4QFM. They have been told by the ABA that the problem created by two ABC high-powered services will be fixed by moving them from 106.9 to 94.9. After building up a station profile over the last couple of years, which I am sure everyone will agree has been a pretty good build of station profile, they have to amend it. You talked about fortuitous coverage coming into your area. Do you have some empathy with the problem they have now to solve an ABA ignored problem by shifting frequencies?

**Mr Jowitt**—I do, but I think we need to put it in perspective that Star did have some deficiencies in their coverage area which need to be resolved, and I do have empathy with that problem; it should have been fixed. But it was not to the extent that our problem was. If you go to Tamborine Mountain now, with the best radio in the world you cannot pick up Sun FM. With the best radio in the world you can get Star FM everywhere in their licence area. Our problem was much larger than theirs was. I think the ABA has finally dealt with it reasonably. The change in frequency was unfortunate, but they have given them a lot more power and, with that power that they will be implementing presumably in the coming months, they will get a large fortuitous overspill right through our area, through Tamborine Mountain-northern Beaudesert

Shire. And Star is a very good and aggressive operator in the marketplace, so it is another competitor we have coming in.

I think the ABA has changed the way it looks at licensing in the last few years. I do not think it is on record anywhere, but I have great concerns, and I share industry concerns, that doubling from two commercial stations to four in Townsville was too much. Adding a third into Mildura was too much. Obviously they have backed away from that to some extent. We now see they are proposing one new station for the Gold Coast and for the Sunshine Coast and two for Brisbane, and delaying that second station in Brisbane for three years. It does suggest that they are acting a little bit more responsibly in this respect.

I do not have much respect for the RG Capital argument which says, 'Gee, in Townsville we are losing a lot of money with these radio services. You must stop the ABA putting an additional service into the Gold Coast market because that service props up the Townsville ones.' What was very different about RG Capital is that they have only been in the North Queensland market for two years. When they went into that market, two licences were on offer, they bought it. That situation has not changed. It was their business plan and, if they are really losing money, it is their own fault. They should get out and on-sell to somebody else. But, in terms of the Gold Coast market or the Sunshine Coast—which I believe have revenues of, say, \$12 million and \$7 million respectively—to suggest they have to give a slice of that to one more independent operator and they are going to have trouble at the end of it providing an adequate service and a high degree of localism on the \$8 million or so they may have left to run two radio stations in the one market, is ridiculous.

We are providing 24 hours a day of local programming to three stations on less than \$600,000 a year at the moment and not making ends meet. I am very much in favour of seeing the act modified to bring viability back into it, to protect some degree of localism of services, but I think there is a compromise between what was going too far with the market, such as Orange, Mildura and Townsville, and what RG Capital is saying, which is that there is no way that, with 400,000 people on the Gold Coast or Sunshine Coast, the market could possibly accept a new service.

**Mr MOSSFIELD**—Just to broaden the picture a little, and you started to get into some of the issues that I am interested in, I think there is a lot of sympathy on this committee for independent operators to at least compete on a level playing field. We cannot take sides specifically, but certainly they should not be disadvantaged. What is your reaction to the effects of the 1992 Broadcasting Services Act? How has that impacted on your activities and, if there were any changes, what changes would you recommend?

**Mr Jowitt**—I think taking viability out of the Broadcasting Act and handing out a lot of regional licences are the two main problems of the Broadcasting Act. Take, for example, a town like Townsville or Mildura. I do not think you can go into markets like that, hand out more commercial radio licences and not expect to have an impact on localism of the services in the marketplace. There is a finite pie of advertising revenue in the marketplace. It gets a bit bigger when a new competitor comes in, but not much. You see your share of the revenue, if you are an incumbent operator in that marketplace, drop substantially. One of the biggest cost factors of those stations has been localism, and it has to be cut back. I think where we are now, at this

point in time, it is a difficult thing to say in hindsight, how do we fix this? How do you fix Townsville without pulling radio stations out of it?

I do not think it would be fair to go back and amend the act and say, 'There is now a requirement for X amount of localism on all these radio stations.' How do you provide that on a viable ground when there are already too many radio stations in the marketplace? I think that, in big multistation markets where there are three stations or more, those markets tend to fight it out but that localism is a key important element in programming, and the market fights it out within the ability of the market to sustain those services. My concern with localism is that it goes to markets such as us. I do not think we have got anything to fear by anything like that being added into the act, but I know there are some operators out there who probably are not doing quite as much as they should in a duopoly market. As a duopoly market there is no requirement on you to even have a minimum level of localism, and I think that is wrong. So what I would suggest, in answer to your question, is that we do not go all the way back to the pre-1992 days but that we find something in the middle that works pretty well.

**CHAIR**—Give us your view on that.

**Mr Jowitt**—I would like to see an introduction of licence hearings by the ABA every five years to have a look at the adequacy of the service you are providing in the market. I would like to see the act modified in that area to encourage, but not enforce, commercial broadcasters to put localism into their broadcasts. What I would do in that respect is, say, to let the industry self-regulate, to a certain extent. For example if there were complaints about services we provide in terms of how much localism is being put into our service, they could be forwarded to the ABA. The ABA could work with us to see whether or not we are doing an acceptable job. If there is any doubt they could hold a hearing at that five-year renewal point, invite public submissions and, if necessary, enforce licence conditions. But if there are no complaints and there are more broadcasters such as ourselves doing a good job, I do not want to see us tied down with the burden of putting resources into compiling licence renewals when we could be putting those resources back into the market instead as a small broadcaster.

So, I would basically deal with it on a complaints basis and an individual station basis. So the ABA would then head out at five- year intervals and if necessary put a condition on that licence for five years to provide X amount of local content and then review that again five years later. Getting back to the Townsville situation, I do not think it would be fair to impose licence conditions on those stations, given the fact that there are so many stations in the market and it is not their fault.

**Mr MOSSFIELD**—Do you believe the same conditions of ownership, particularly relating to overseas ownership, should be the same for the three forms of the media—news, TV and radio—or is that a relevant issue to address?

**Mr Jowitt**—I think it is. In our licensed area certainly we have seen small newspapers snapped up by big groups. Australian Provincial Newspapers and the like and Rural Press Ltd have snapped up small independent operators, and this all has an effect on localism in small towns. In Chinchilla, for example, we are the only station providing any localism. There is only a weekly local paper. The television stations are too big because they cover the entire Darling Downs, so we are it as far as localism goes, and we need to be protected. As part of that—and

this is more of a personal view rather than an industry view—I feel that, when you have foreign ownership of the magnitude of the DMGs and the RG Capitals, you lose touch with those communities you are serving. For example, Cheryl and I know most of the businesses in Chinchilla, Stanthorpe and Beaudesert. We travel out there regularly; our staff are involved with those people and we know what their needs are because we know most of them. I think that, when you get to the size of DMG, particularly with foreign ownership, it needs to be reviewed, but I do not have any particular suggestions on how to do that. In retrospect, it has been done.

**Mr McARTHUR**—You mentioned that the viability of your stations was under threat. I wonder whether you would share with us your commercial background. I find it a bit surprising that you have made losses for four years. If this problem with the ABA is not sorted out, I think what I am hearing you say is that you will have to sell up. Would you care to share how you are running the thing commercially?

**Mr Jowitt**—Cheryl and I both have a background of at least 18 years in commercial radio. We worked in the industry and that is how we moved into Sun FM. We worked in managerial positions and in announcer positions before we acquired the Sun FM licence.

When we started on air in 1996, we had every belief that in the following six months the ABA would give us that spectrum on Tamborine Mountain. So we set out there with a model which, in hindsight, has proven to be right had we had access to Tamborine Mountain in serving those rural communities that we are providing to. What we do not want to do right now, while we are the owners, is pull that localism from those markets because those towns rely on us to a large extent. To a certain extent, I believe we would be cutting our own throats if we pulled out of those stations.

To a large degree, the Chinchilla and Stanthorpe stations are roughly breaking even, not including the fact that Beaudesert as the main station provides a lot of network infrastructure to those stations in terms of administration and programming. Our Beaudesert station viability has suffered a lot by not having Tamborine Mountain on air. Now, even if we get that on air, as a result of the Brisbane and Gold Coast lap our market has been eroded so much that we cannot see a way to sustain what we have got. What we need to do is not just sustain what we have got but get out there and provide a service—and we accept it will be on a loss making cross-subsidisation basis—to the remote areas such as Weipa and Thursday Island. We are prepared to do that but we need to have our market protected to do it.

**Mr McARTHUR**—You are a smaller private operator who has basically been done in the eye by the ABA. Undertakings that were given to you were not carried through. It took four years to get the licence—and all that scenario you have put to us.

**Mr Jowitt**—We went through a very extensive public hearing process under the old ABT to get the licence in Townsville and North Queensland from 1988 onwards. That model that we put forward to them was scrutinised very closely on viability. The ABT actually commended us in the licence grant for how innovative we had been in terms of taking this structure and saying, ‘We are not going to provide one blanket service because it is not relevant to all those communities and it won’t be viable; we have to break it up and provide local content to each of those areas.’ They commended us on that platform. That platform and all the figures and budgets that they themselves analysed and had independently analysed included revenue

coming from Tamborine Mountain, because we had assumed—as they had, prior to the ABA—that we would be terrestrially serving Tamborine Mountain.

**Mr McARTHUR**—Do you think you can survive against DMG and the big multinationals that you were talking about?

**Mr Jowitt**—I think that the ABA is favourably looking at a licence area extension for us at the moment which may enable us to get back on our feet. There have been some big benefits to—

**CHAIR**—Over and above Tamborine?

**Mr Jowitt**—Yes. We cannot survive now with just Tamborine.

**CHAIR**—Can you share that with us or would you prefer not to?

**Mr Jowitt**—We are looking at a licence area extension. We have put a few options to the ABA.

**CHAIR**—You do not have to say it if it is commercial-in-confidence.

**Mr Jowitt**—Sure. We have put a few options to the ABA where what we would like to do is extend into part of a neighbouring licence area because we do not believe in heading in and taking on, for example, a Mount Isa or a Charleville in those markets, because if that made us survive we would only be sending them broke and that is not good for the industry. What we are interested in doing is taking a very small part of somebody's market so that it is enough to get us back on our feet but we can provide localism in that area where it has not been provided before because they are serving a much bigger area. For example, Brisbane serves a million and a half people. If we took an area of 30,000 people on the outside, that particular area is getting a Brisbane service, it is not getting a local service and that is fine, but we would give them that choice. The local revenue we can generate in that market and support from local business that cannot afford big metropolitan stations would be enough to get us back on our feet. I think the ABA is looking at that favourably at this stage.

**Mr McARTHUR**—I get the impression that you have been pretty close to the ABA over the years. What do you think of the ABA's approach to issuing more licenses to regional Australia where there is a limited market where they only issued one or two in the Sydney and Melbourne markets? Would you give us a comment on that scenario?

**Mr Jowitt**—Sure. I just indicated to you before that I think they have backed off a little bit in the last couple of years. We have seen that with what they are recommending in Brisbane—or, more to the point, the Gold Coast and Sunshine Coast. Obviously the ability of Brisbane and the metropolitan markets and the big regional markets to sustain services is much greater than it is in regional markets as small as Townsville.

**Mr McARTHUR**—Why would the ABA put you fellas under such strain in regional Australia by issuing yet another licence compared with the city market which has four million listeners?

**Mr Jowitt**—I think the spectrum availability is one problem there—they do not have much spectrum left in Sydney. I think they would have put more licences in there but—

**Mr McARTHUR**—Do you mean in the inner city location?

**Mr Jowitt**—In a city location. The closer you get to the metropolitan centres, the more shortage of frequencies you have to hand out, so they are probably not available on the FM analog band, at this stage. But I think the big culprit is the Broadcasting Services Act, the BSA. There is nothing in there which protects the viability of existing stations. If you go to a market like Townsville or Mildura—or indeed any part of our market—and say, ‘Look, there are a lot of frequencies available here,’ you can dish them out and you do not have to look at the viability of the existing stations. In that respect, they are working within the confines of the act; I just believe the act is wrong.

**Mr McARTHUR**—Are you suggesting we change the act to the viability so that the limited market has a direct relationship with the viability of the stations?

**Mr Jowitt**—Yes.

**Mr McARTHUR**—You can have two stations that are operating viably, but if you put another one in they all become unviable.

**Mr Jowitt**—Absolutely. Ron Camplin made that comment in Bathurst. He is in a much bigger market than we are and, thankfully, he has not had quite the extent of competition coming into his market, so you see a solid example of two stations with a lot of independent programming in that marketplace. Next door in Orange you do not see that. A third commercial station was granted in that market and the market fell to pieces in respect of localism and who grabbed those licenses. I do not want to hit out at DMG in particular, because I think that one thing that has not really been touched upon in this inquiry, other than by DMG and the network operators themselves, is that there have been some benefits of that networking, including the quality of programming coming out of DMG. It is, indeed, world class; it is very good. I think that, yes, people in regional radio probably want localism most as a priority, but what they also want is quality programming.

If you turn the clock back, say to Orange 15 years ago, a lot of people would be much happier that they got a lot more localism; but by the same token there would be a new barrage of complaints that maybe the quality is not there in the way it used to be. It is a very difficult trade-off between localism, diversity and quality of programming, and we tread that line all the time in our markets. We compete with Brisbane stations over spilling into the Beaudesert marketplace, in part, where our coverage area is completely encircled by 4KQ in Brisbane. We are getting ready for Star FM to hit us a bit later this year, because they are a very aggressive regional operator and that is going to have an effect. At the end of the day, all these things relate back to the Broadcasting Services Act.

**Mr McARTHUR**—How do you think you personally can survive in this very tough market with all these problems; how can you keep going?



**Mr Jowitt**—In Beaudesert now we cannot as a stand-alone radio station. I believe that, with the licence area extensions we have before the ABA, if that market is large enough to enable us to stand on our own two feet we will continue this operation in Beaudesert by cross-subsidising it, and we will cross-subsidise the provision of services out to regional markets like Thursday Island. We are prepared to do that to the extent that we do not put ourselves in loss. We are prepared to forgo our commercial return because we are industry people. We generally would love to get to the day that we actually get a commercial return on the business; that would be nice, but it is not our aim. We want to provide quality services, do so on a viable basis and have that viability protected.

**Mr McARTHUR**—Your main forte, though, is providing localism. You are good at doing it and that is what you are committed to personally?

**Mr Jowitt**—Yes.

**Mr McARTHUR**—That is how you really compete with the big players?

**Mr Jowitt**—Yes. I would not like to take on DMG because of the resources of DMG. They are a very big company and they are very good at what they do. Again, I come to this question of localism versus quality. Say, for example, we went head to head with DMG: we may win on localism but they may win on quality. At the end of the day that might give us a greater percentage of the rating in the marketplace, but our cost structure would be so much greater with that localism that they would be the people making the money and we would be the people losing the money. So at the end of the day it is catch 22.

**Mr St CLAIR**—I want to know how you get on with the community radio stations that you might compete with, or which compete with you—in particular Tenterfield and what happened there with the local FM community station and then when you came in. Can you talk to us about that, because obviously one is a community thing and you are commercial.

**Mr Jowitt**—In Beaudesert, for example, we have a community station that we co-exist with quite well, which came into the market after we started. We are happy with them because they add to the diversity in the marketplace—they do not take us head on. In Tenterfield, I have the greatest respect for what 10 FM did in the marketplace before we got there. I have some concern with what they do now since, between the hours of 6 a.m. and 6 p.m., because they have felt the commercial competition of us coming to town and the market is very small they have decided to run a pseudo-commercial format. So they, if you like, imitate our service across the day.

I do not think the market has benefited to any extent because of that. I think it is difficult because they are having an impact on us by doing that. We would have normally, as a commercial operator, had they been a community radio station that was offering an alternative in terms of programming, gone in there and put in an office and employed somebody in that marketplace by now. It is making it difficult but I understand that they are just fighting for a slice of the pie to survive as well.

**Mr St CLAIR**—In a little community of 3,200 people where you already had an existing community licence a commercial licence was then given for you to broadcast back into that market. Being so small, how did you survive?

**Mr Jowitt**—We do not in Tenterfield; we make a loss out of Tenterfield as such, but we accept that because just up the road is Stanthorpe, and Stanthorpe offsets that. What I have said is that—

**CHAIR**—Is that one transmitter?

**Mr Jowitt**—It is one transmitter for Tenterfield and one for Stanthorpe. But we accept, as I said before, that some of our markets will lose money and some will make money. I know a lot of commercial operators do not work on that premise; they work on the premise that, unless they can get X per cent return over a five-year period they are not going into the market. We will go into a market as long as overall within our licence area we can see a way to survive and provide that service.

**Mr St CLAIR**—What is the commercial reality of the businesses in Tenterfield, for example?

**Mr Jowitt**—It is difficult because it is a very small market. It is a small market for us too. The fact that they can run five minutes an hour of sponsorship on the radio station has had a big effect on us because, as we are a small station in that area, we do not run more than four or five minutes an hour of commercial advertising on our radio station. So in that respect they are a 100 per cent direct competitor for us. They do have the advantage, as community stations do, that they have a volunteer base. I commend them for their localism. They are very good at that and I think the service should be protected for the marketplace; they are good at what they do. I just do not like the fact that they take us on across the day, because it makes our job harder—but I understand why they are doing it. In terms of revenue, they are surviving; in terms of revenue, we are running at a loss in the marketplace. Between the two of us I guess that, to a large degree, we are providing a complementary service except for that greater day part.

**Mr St CLAIR**—In the communities themselves there is often confusion: we have a community station, so why is a commercial station suddenly allowed to come into the marketplace?

**Mr Jowitt**—Indeed, we got that in Tenterfield and it takes a while to settle down in the marketplace. We had a situation recently where lightning completely destroyed our transmission facility on Mount McKenzie and it was a heck of a mess to clean up and it took us a day and a half to get back on air. We had a lot of people calling the station all day saying, ‘Where are you guys? We need you.’ A certain percentage of the community will say that the community radio station is local in town, it was here first, and so we need to protect it. But there are other people who realise that the commercial station is the station that provides that quality of programming with well-researched programming that provides a different standard of programming to community radio and that people want that choice. So I believe at the end of the day Tenterfield is very well served. Unfortunately, commercially it does not work out very well for us but, as long as it works out across our licence area, we are happy with that.

**Ms LIVERMORE**—I was curious about the service in Collinsville just because that is a town that I have a fair bit to do with. Can you describe where that program is broadcast from and the nature of that service.

**Mr Jowitt**—I would love to because Collinsville is one of the communities which contact us on a regular basis saying, ‘When are you going to start here?’ because we are not on air in Collinsville. Collinsville would have to be part of the satellite infrastructure we need to get in place to serve it because it is so remote from our operations. It is a very small community and the retail sector of Collinsville, as you would be aware, is virtually non-existent; it comprises a couple of shops. So the retail money advertising spend we would get back out of there would be negligible, if it exists at all. But again part of this business plan of ours is to cross-subsidise within the licence area. If we can get on our own two feet—get our original plan back on track that the ABA and the BSA put off course; albeit with a lot of changes along the way, which have been enforced—and we are in a position to cross-subsidise the satellite service, we will, and Collinsville will be one of the first places that go on air. They are very pro us. They understand the position we are in and they are just waiting for us to start—as we are.

**CHAIR**—I would like to touch on a few other questions. You talked about Tenterfield cross-subsidising Stanthorpe. They both have separate transmitters but do you cluster their programming there?

**Mr Jowitt**—We do in the border country, because they are only 40 kilometres apart.

**CHAIR**—With Inglewood?

**Mr Jowitt**—Inglewood is not on air, as yet.

**CHAIR**—Do you spill into Warwick?

**Mr Jowitt**—No. The overspill from our services is pretty negligible, in terms of other markets they virtually do not exist. It is more like the other way around. We have seen that over the last eight years as services have been planned. I guess there is this trade-off for the ABA. When they planned Brisbane, for example, they put a new commercial station in Brisbane and said, ‘This is here to serve one and a half million people. We cannot stop the signal on a line on a map, so therefore it is going to overspill across Tamborine Mountain and serve that 10,000 people down there.’ That is, in their view, a very small percentage of overspill, so they do not move to protect it. But the other way around, when we put a transmitter on Tamborine Mountain, we are serving 10,000 people but we may overspill 20,000 or 30,000 people outside our licence area. We cannot stop it, and the ABA look at that and say, ‘That is unacceptable.’ So we are in this catch-22 situation where the big stations hit us with a lot of overspill and are very well resourced with quality programming, and we do not get the same look-in the other way. It is not a two-way street. It is not fair.

**CHAIR**—You say you have staff there. Do you cluster the border stuff around Stanthorpe?

**Mr Jowitt**—We do.

**CHAIR**—How many staff would you have there?

**Mr Jowitt**—We have two staff based in Stanthorpe in an office in the main street of town.

**CHAIR**—Is their role just sales?

**Mr Jowitt**—Their role is twofold. It is sales oriented mainly, but another important part of their role is community liaison and contact.

**CHAIR**—How do you do your localism? Do they send you back the local paper, the *Border Post*, and you read from that?

**Mr Jowitt**—That is the minimum we do. We subscribe to all those papers.

**CHAIR**—Do you have any newsrooms outside Beaudesert?

**Mr Jowitt**—No.

**CHAIR**—But you do have a focused news bulletin to those clustered areas?

**Mr Jowitt**—Because the areas are so small there is not a lot that would sustain a local news bulletin as such—for example, three minutes an hour to do that. The news stories generally are not there. The way we find best to serve that area is in our mid-morning program. We may do a series of, say, daily five or six three- or four-minute interviews with people through the border country about local issues in the area.

**CHAIR**—How do you do that? Do you take that on tape or do you take it on a phone line?

**Mr Jowitt**—We interview people by phone via Beaudesert. That goes back into our program feed for that area. We have separate studios in Beaudesert for each of these radio stations. It is not a DMG type scenario where we are beaming up to a satellite and inserting windows. We have separate studios for each of these stations in Beaudesert. That is the way it works, so we are putting in one hundred per cent—

**CHAIR**—Is there any generic programming at all?

**Mr Jowitt**—Is there—

**CHAIR**—What is your broadcasting profile for the day? Do you have these separate stations beaming into that border group and other groups? Do you go on line with a generic program at any time during the day to all stations?

**Mr Jowitt**—No.

**CHAIR**—What about overnight?

**Mr Jowitt**—No.

**CHAIR**—Do you still run separate programs?

**Mr Jowitt**—We still run separate programmings, but overnight—

**CHAIR**—Prerecorded or with announcers?

**Mr Jowitt**—Yes, we use automation technology fairly heavily.

**CHAIR**—So you have a different program profile for each cluster?

**Mr Jowitt**—There is a lot of program that is very similar in content—for example, the music across the stations is common issue.

**CHAIR**—But if you had a cluster that was very much into country and western, would you build that into that program profile?

**Mr Jowitt**—We would if we could, but we cannot because, under the Broadcasting Services Act, we are restricted to do a regional variation of the main programming feed, which means that we are not allowed to run separate programming for a market like Chinchilla. We have asked the ABA for a definition of what is a regional variation, and we received a very broad answer. For example, when we went to Chinchilla on Saturday we did an outside broadcast from the main street. Our outside broadcasts are not done in a van looking on the street; we get out there in the crowd with people. We send people roving out into the crowd to talk to people as part of the festival and put all that live to air. In all honesty, there is a concern that we may have breached the Broadcasting Services Act doing that, because—

**CHAIR**—What could be wrong with that—it is just another broadcast, isn't it?

**Mr Jowitt**—Because the program for Chinchilla at that point was 100 per cent different to what we were running, say, for example, in Beaudesert and Stanthorpe. It is no longer a regional variation. It is completely different. We do not know whether a regional variation is looked at in terms of over a period of a year or an hour.

**CHAIR**—How did you run that? Did you landline back to Beaudesert and then send that program out again?

**Mr Jowitt**—Yes.

**CHAIR**—Is everything back at Beaudesert or do any of your stations have studios or a booth?

**Mr Jowitt**—No.

**CHAIR**—You cannot broadcast from any of these towns?

**Mr Jowitt**—We cannot.

**CHAIR**—What do you do in an emergency situation—a bushfire, flood or cyclone? What protocol do you have in place to break into a program, for example?

**Mr Jowitt**—We can break into any of our programs and do 100 per cent independent programming on each of the stations. We do that sometimes—

**CHAIR**—Do you have a supervising announcer overnight?

**Mr Jowitt**—No, we do not. Keep in mind that these communities are fairly small. The role of the staff out in those regional areas is community contact. Most of them are actively involved in the local chamber of commerce and the council. As such, everyone in the community who is anybody—the council, the SES, the police—all have mobile telephone numbers for those staff. In turn, those staff have contact details for us. On a quarterly basis, we ensure that we update our phone number lists for staff to the SES, to the council and to the police. We put them out there on an emergency basis only. But, yes, if there were a flood, they would ring us. They would contact us. We would immediately be told.

**CHAIR**—When the Condamine is up, for example, at Chinchilla, do you do the flood heights especially from Beaudesert?

**Mr Jowitt**—Yes, absolutely. In that case, on a daily basis, the weather forecast for our Beaudesert station may be 10 seconds, because that is all it needs. Yet we have a two-minute weather forecast out there running through the river warnings, the flood heights—any of the information we can get and feed back. Again, that is what is very different to the DMG scenario. We have this complete flexibility to break into the programming at any point in time and vary that any way we can. We specifically set it up that way knowing that these towns—because there are only 3,000 people in them—cannot sustain a local stand-alone radio station. But what we have done is the next best thing: we are providing full localism 24-hours a day from one central point. Our announcers are actively involved here. For example, in Beaudesert, they are required to go out to those markets. We get them out there any way we can. We put them in a vehicle and send them out once every couple of months. We say, ‘Go and talk to people; meet people; get involved in local festivals.’ So they know who they are talking about. They know the towns. They know the people. That is a requirement that we think we will probably always have while the stations are within commutable distance.

**CHAIR**—Of those various clustered groups, do you have any actual live broadcasting, say, between 6 a.m. and 9 a.m. or between 6 a.m. and 12 noon? Or is the whole station prerecorded?

**Mr Jowitt**—The station is primarily automated, except in emergency situations.

**CHAIR**—But do you have any live stuff? Do you have any talkback?

**Mr Jowitt**—In our Beaudesert station, we have a two-hour talkback session once a week, which we have introduced to discuss local issues. We introduced that a year ago. We would have also done so on a different day of the week for those regional stations too. But, as you can probably appreciate, we have been mindful of our ongoing loss and of what our accountant says to us every week—

**CHAIR**—Your landline costs would be pretty high. You would have to be—

**Mr Jowitt**—We would bear that. We have got landlines in place. We have two-way links already between Chinchilla via landline and—

**CHAIR**—So everything is automated other than the talkback at Beaudesert?

**Mr Jowitt**—Yes, is it. But we have a very flexible system—world's best—which we got a team of programmers in to rewrite so that we could update it.

**CHAIR**—I am not being critical. I just want to understand the dynamics.

**Mr HARDGRAVE**—Would any of your problems in the south-east Queensland area—in your biggest market that you are not able to get access to—be solved by creating a single treatment of south-east Queensland so that, essentially, if you are in there, you can broadcast wherever you like, anywhere in south-east Queensland? It would be marvellously fortuitous for you; you would be going to Brisbane.

**Mr Jowitt**—I do not think so.

**Mr HARDGRAVE**—It would not solve it?

**Mr Jowitt**—No. We are happy with our role and what we do. We are committed to the communities that we are in and we just want to serve those viably. If it were open slather in south-east Queensland—for example, if we extended into Brisbane, if the Ipswich radio station extended into Brisbane—somewhere along the line there would be pressure to drop the localism in that area and go after the big market. We do not see that that temptation should be put in front of broadcasters. We think that licence area should be kept local to a specific area.

**Mr HARDGRAVE**—You made a comment in your opening remarks that the ABA has been a little more forthcoming in recent months in dealing with you. Have you noticed a difference since this inquiry started?

**Mr Jowitt**—Yes. I know where you are probably going with this. Yes, we have, and it is good to see that. We just simply want to get back on our feet. If the ABA can see a way to do that for us—a way that meets the objectives of the current broadcast act and meets our objectives—I will be glad that they have finally sat up and taken some notice. If it does not happen, I might add—because there are no guarantees at this point—then we are in a situation now where we cannot possibly curtail our loss that will be ongoing? The only way we can do that is to cut the localism we have or sell to a network, and we will end up with exactly the same problem, which probably was the reason for the instigation of this inquiry, to a certain extent. So we are hanging in there against our accountant's advice, to say, 'Well, here's one last chance for the ABA to sort it.' We agree that, if they do not sort it this time, as committed as we are to the markets we cannot always keep running a loss-making business and propping it up when we are regularly working 12- or 14-hour days. We have to move beyond that.

**Mr MOSSFIELD**—One of your recommendations, Aaron, is that the BSA be amended and the ABA be given the power to enforce, where necessary, minimum local content standards. Could you give us a view on what you consider to be minimum local content standards?

**Mr Jowitt**—I think it is important that the ABA have the power to reflect on that on a market-by-market basis. I will give you three scenarios. Take, for example Roma, which is a duopoly market, and there is no competition. They are the only two commercial stations in that marketplace. I think it is important that those stations certainly have to have some localism on them in terms of local people in the town having input into that radio station, and that should be enforced if the licensee does not want to do it. In another scenario—Townsville—I do not think that would be a good move, because they are probably always going to struggle to survive, and putting localism requirements on them is not going to help; the damage has been done in that respect. And yet other markets, like Bathurst, are big enough as independent operators. They are providing a lot of localism and indeed they should. So those markets should be required to put a lot of localism on. I think the ABA would, by way of five year-licence renewals, if there were complaints from the community, need to investigate it on a case-by-case basis with regard to the financial position of the broadcasters, how many broadcasters there were and what their structure is. But certainly, probably in a lot of cases, there should be more localism out there than there is. We are doing it on a shoestring and I think we are doing it very well. I think other people could do so, as well.

**Mr MOSSFIELD**—Okay, so it would be on a market-by-market basis—

**Mr Jowitt**—I think it has to be because they are so different.

**Mr MOSSFIELD**—and the ABA themselves would have to determine the level of local content?

**Mr Jowitt**—Yes.

**CHAIR**—Mr and Mrs Jowitt, thank you for that. That has been excellent evidence and a very well structured and very forthright submission. The best submissions we have got have been the forthright ones, not the ones that have danced around the subjects, and we thank you for that. Once again, thanks for your attendance.

**Mr Jowitt**—Thank you for the opportunity.



[12.10 p.m.]

**BURNS, Mr Richard, Chief Executive Officer, Star Broadcasting Network**

**JOHNSON, Mr Robert Alexander, Director, Star Broadcasting Network**

**PISASALE, Councillor Paul John, Deputy Mayor, Ipswich City Council**

**CHAIR**—Welcome. Do you have anything to add to the capacity in which you are appearing?

**Mr Johnson**—I am a semi-retired broadcasting executive and a former chief executive officer of Macquarie Broadcasting. I now serve on the board of directors of Star FM in Ipswich and consult to an organisation called Rural Press on broadcasting and electronic media matters.

**Mr Burns**—I have been in radio for about 22 years now, and all that time has been spent in regional radio. Star deals with stations principally in regional South Australia and with the radio station we have here in Ipswich.

**Mr Pisasale**—I am also chairman of the economic development committee of the council. I am here to represent the views of not only the council but also many business and community representatives.

**CHAIR**—Who is going to lead? Mr Burns? Could you give us a five-minute overview of your broad submission. Before you start, one of my colleagues wants to make a declaration.

**Mr HARDGRAVE**—I just want to say that I have had dealings with this organisation—as, I suspect, every federal member in south-east Queensland has. We have written letters of support to the ABA and to the minister in connection with their substantial claims and I felt it was good to remind colleagues of that.

**CHAIR**—I declare a similar interest.

**Mr Burns**—And we appreciate it.

**Mr HARDGRAVE**—I think we are reflecting the views of a lot of people in the Ipswich and the greater Brisbane area.

**CHAIR**—Mr Burns, you will give an overview and I will then ask Councillor Pisasale to comment before we go into cross-examination.

**Mr Burns**—The key issues for us are that the proliferation of electronic media in regional and provincial Australia does impact on the kinds of localism that can be provided. That sort of media is not limited to just radio broadcasting and is not limited to commercial broadcasting. When the ABA are talking about licences in regional and provincial Australia, they need to take account particularly of ABC services, radio, television, community radio services and cable

television, because they all impact on the kinds of localism that can be provided by the local radio station.

The ABA, through a number of submissions, was told of the likely effects of the provision of new services to these markets, yet they ignored those submissions—or certainly seemed to—from the incumbent broadcasters over quite some period of time. They have handed out licences like confetti based upon entrepreneurial demand. There certainly is no evidence to suggest that the demand came from any quarters other than entrepreneurial. We have seen very few submissions to the ABA that relate to residents of these local areas actually asking for additional commercial services. What really happened was that the ABA was not catering to listener demand but in fact administering policy to satisfy entrepreneurial demand. I think that is why we have these services that we have now.

The government policy on selling public broadcast spectrum to the highest bidder guarantees that programming must attract the largest audiences. This in itself ensures that a wide range of services will not be made available. Merit based allocation is one way that could ensure that the public interest issues and a wider variety of programs would result. The government cannot have it both ways. They cannot on the one hand be saying, ‘We will sell to the highest bidder’, and on the other hand be enforcing some sort of programming restrictions or benchmarks that need to be met.

There is no mechanism or imperative for the ABA to have regard to financial viability when considering services for a market. If the financial viability test was a primary criteria, then I would suggest that very few new commercial services actually would have been allocated in regional or provincial Australia. We would like to know exactly why it was considered necessary that this test be removed. If the ABA received its licence fees on a percentage of profits rather than on a percentage of gross revenue, the motivation towards handing out some of these licences may have changed.

When looking at a market that can support additional services, we think it should be mandatory that the market is assessed in regard to where the revenue base is generated from. In regional Australia, direct advertising revenue from clients, in percentage terms from all media, is larger than in metropolitan areas. That means that less services can be supported. In regional areas the radio stations, the television stations and the newspapers are all out there seeing the same clients for the same revenue base. Being on the fringe of a metropolitan market, I can tell you that is not true here. It is a different ball game entirely.

We also think that ownership and control issues need to be addressed differently in regional and metropolitan Australia. We are not exactly sure what the purpose of the ownership and control policy is. If it is to provide a diverse range of choices in news and information services and in opinions, then in some areas of regional and provincial Australia that does not happen because competing operators get together—television and radio, and radio and newspapers—to share information on cost implications. If the broadcasting control ownership rules are to provide diversity, in that case maybe that does not happen.

One of the other issues, finally, that is of importance to us is section 51 of the Broadcasting Services Act. The ABA is not allowed any discretion in administering any parts of that act. To give you an example of how that is actually adversely affecting a very large regional population

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in South Australia, two stations that we have down there happen to be over the 30 per cent limit—marginally over; I think 213 people in the area are actually in overlap—which means that the centres of Whyalla, Port Augusta, Port Pirie and the Yorke Peninsula cannot have FM radio. We have been wanting to do that for some time now but 213 people or so have been holding up the process because the ABA has no discretion in administering section 51. If they had discretion then those markets would be able to have FM radio now. That is the basis of what we think needs to happen.

**CHAIR**—Please explain that point again. What sorts of stations have they got at present?

**Mr Burns**—AM radio—two AMs and a community FM station in Whyalla.

**CHAIR**—Why the limit? There is a limit and you say it is exceeded by 213 people.

**Mr Burns**—The limit is a 30 per cent overlap provision. If the overlap between two stations is greater than 30 per cent it is considered to be a significant overlap, in which case they are not able to allocate section 39 licences. Having said that, the population drift from places like Whyalla since the 1996 census has been quite large, but all the population figures are based on the 1996 census. If there was discretion allowed, then someone would be able to say, ‘Gee, 4,000 people migrated out of Whyalla in that preceding period so surely we can take that into account.’ They are not allowed to do that. They have to take the 1996 census as the benchmark, or the most current census information. In this case that is holding up the process quite significantly.

**CHAIR**—What is your programming in those South Australian stations?

**Mr Burns**—One station is a classic rock radio station and the other one is an AC contemporary station.

**CHAIR**—In the same town or in different towns?

**Mr Burns**—Different towns: one is based in Port Augusta the other in Port Pirie. They essentially service the same markets.

**CHAIR**—So you cross-refer programs, so to speak? How many journalists do you employ in your South Australian operations?

**Mr Burns**—One.

**CHAIR**—Does he or she cover the whole network? Is that the idea?

**Mr Burns**—That is the idea, yes.

**CHAIR**—Do you do one generic news bulletin or do you do separate ones?

**Mr Burns**—No, we localise them. We send a different news bulletin to Port Lincoln, for example, from the one we run in Berri.

**CHAIR**—What degree of live localism do you have? Does each station run its own program all day? Or do you cross to a generic program at a certain time of day?

**Mr Burns**—All stations are local 24 hours.

**CHAIR**—All local 24 hours?

**Mr Burns**—Correct.

**CHAIR**—And how much of the 24 hours is live?

**Mr Burns**—Typically breakfast and, in some cases, breakfast and mornings.

**CHAIR**—So at midday you swing to your generic programs.

**Mr Burns**—Yes, sometimes before that. It just depends on the station. They do live shows on the weekends at various times.

**Mr GIBBONS**—You said all places are local 24 hours a day, but the two stations have separate local programming?

**Mr Burns**—In that particular case, yes.

**CHAIR**—The music choice is different but they each have their own news bulletins?

**Mr Burns**—Yes.

**Mr HARDGRAVE**—I want to explore some of what we have been talking about this morning, if I may. Both Mr Burns and Councillor Pisasale may care to make some comments as well.

**CHAIR**—I am sorry, Councillor Pisasale, I did not give you a chance to comment. But after Mr Hardgrave speaks, if you want to raise an issue feel free. We will go on with the questioning and you can let me know if you want to speak.

**Councillor Pisasale**—I have a statement here.

**CHAIR**—After Mr Hardgrave's questions, then.

**Mr HARDGRAVE**—I have some knowledge of what has occurred here and, frankly, as I have written in letters, ABA's sluggish response to a problem they identified virtually 10 years ago concerns me greatly. I would like to draw this out a little bit. 4QFM Ipswich is regarded as a regional station but its eastern-most boundary is the city of Brisbane boundary. So we have a circumstance where theoretically you should not be broadcasting into Brisbane according to your licence but where fortuitously coverage comes across about three-quarters of my own federal electorate. I know that you do some work into this area here around Logan as well. In

comparison, according to your submission, all Brisbane stations include Ipswich in their licence areas. Is this a unique circumstance here or is this the circumstance in other near-metro stations?

**Mr Burns**—It does happen in other near-metro markets. The closest example we could probably find would be Katoomba to Sydney, but there are some fairly large differences between the two. The ABA has consistently tried to draw parallels between Ipswich and Katoomba, and we say that there are none. There are none for a number of reasons. The travelling time from Katoomba to Sydney is nothing like the travelling time from Ipswich to Brisbane.

**Mr HARDGRAVE**—What would the difference be, just for the record?

**Mr Burns**—From my recollection it is an hour and a half from Katoomba to Sydney CBD and from Ipswich to Brisbane it is 35 or 40 minutes worst case. So there is a big difference. That really affects population drift in terms of working and leisure activities and so on. They are the sorts of things that have a major impact on a radio station's viability.

**Mr HARDGRAVE**—Isn't it, though, a bit out of whack if you have essentially got a continuum of population? Councillor Pisasale can jump in here immediately, because Ipswich have got this huge identity crisis in the outside world. Ipswich people know that they are from Ipswich and Brisbane people know that Ipswich people are from Ipswich, but to the outside world it is the same place, isn't it? It is like the difference between Logan and Brisbane—it is exactly the same thing. What is the importance of a local radio station to Ipswich people in comparison with a Brisbane radio station coming into Ipswich?

**Councillor Pisasale**—I want to comment because, as chairman of economic development, we have never seen any boundaries when it comes to trying to work in south-east Queensland. As local authorities I think we have to work very closely together. We have—and I will leave a copy of it for the inquiry—a deed of agreement with the local radio station in regard to where we push a lot of our own parochial 'Ipswich—a great place'. We are able to do that effectively. However, the biggest problem we have is being able to get that message outside Ipswich, whereas you have Brisbane radio stations broadcasting into our area, and quite effectively, with only negative. So they pick it all up. Our own radio station not only cannot broadcast back but cannot even cover the entire Ipswich region. Brisbane will probably fit into our region a couple of times, yet a person in Ipswich cannot even drive from Ipswich to their workplace in Brisbane without having to change stations because they cannot pick up their own radio station. So even our own people cannot stay tuned and be loyal to our own radio station. It is very difficult and I will address that.

**Mr HARDGRAVE**—But a Brisbane person driving to Ipswich could listen to a Brisbane station?

**Councillor Pisasale**—All the time. It would probably go all the way to Toowoomba.

**Mr HARDGRAVE**—What about the problem that you still have—I guess it is about to change—with the two high-powered ABC services? What is this doing to your signal in Ipswich?

**Mr Burns**—In Ipswich city itself in terms of a CBD, we do not know what the impact is and no-one can tell us. But in terms of Springfield and Goodna, we do know what the impact is. The practical problem is that either people cannot tune to 106.9 because their radios will not lock onto it—they will tune to 106 and they will end up getting Triple J because the Triple J signals are just so powerful—or they simply do not get anything at all; they get white noise. That has been a problem that the ABA has known about since 1993 when it was first recognised. It is a significant problem and we have had to cop it. On this issue of the two markets, Ipswich is officially a part of the Brisbane licence area yet it covers a majority of the population outside of Ipswich—that is the overspill issue; it cannot stop the signal, which is fair enough and everybody accepts it—but if we had the same sort of overspill into Brisbane that it is allowed to have and the ABA allows it by design to have into our area, then it would be screaming from the rafters.

**Councillor Pisasale**—That is one of the main problems we had with the amalgamation with Karana Downs. The council could not get that information out to the general public no matter how hard they tried because of the coverage of the *Queensland Times*, which did not cover them effectively.

**Mr HARDGRAVE**—This is the former Ipswich suburb of Karana Downs, which went into Brisbane City Council 12 months ago.

**Councillor Pisasale**—Because they felt they were more associated with Brisbane. They are now finding that the service is not as good so some of them want to come back. We are worried about the areas of Springfield and Goodna because the same thing is happening. We need a medium that can actually penetrate our customer base, and that is not available at the moment.

**Mr HARDGRAVE**—This is all background to the question of viability, which you and previous submissions have raised. The viability test for your station on its official market would give you one result and you would, I imagine—and I am not wanting to put words in your mouth—rely on improving your viability by the fortuitous coverage that you get outside your market, or are you not supposed to confess that?

**Mr Burns**—I do not think we can confess that. Everyone knows it and we have presented the numbers to the ABA—I think we are probably one of the few operators that have ever done it. The facts are that, if the radio station had to survive on revenue from its official licence area, it would be generating less money than the radio station in Port Augusta, and we are expected to compete with the Brisbane metropolitan radio stations. That is the nonsense, but we cannot make anyone understand that.

**Mr JULL**—How far west does your coverage area go?

**Mr Burns**—It goes to Withcott, which is at the bottom of the Toowoomba range officially.

**Mr JULL**—So the ads I hear for the Gatton fruit market, Fred's Pub and this sort of thing are classed as legal?

**Mr Burns**—Yes.

**Mr JULL**—In terms of the market research and the surveys that are done, Star FM is not noted in the Brisbane surveys?

**Mr Burns**—That is correct.

**Mr JULL**—So you have very little idea as to any potential audience that you may have there?

**Mr Burns**—Yes and no. We do have a benchmark that we can use. AIS media, the leading government media buyer, have put out a memo to this effect—that is, that on the north side of Brisbane there is a defined number of what are termed as ‘other FM’ radio stations, which includes your community stations and others, and on the south there is also an ‘other FM’ figure. The only difference is that Star FM is included in that number. There is a great difference between the ‘other FM’ figure for the north of Brisbane where Star is not received and the south and west where Star is received; it is quite pronounced. AIS say that the difference in certain demographics is Star and that is the only gauge that we can use.

**Mr JULL**—But can the Brisbane stations define their audience within Ipswich?

**Mr Burns**—Yes, and in fact, when the Brisbane stations survey their market—and that includes Ipswich—the books that are actually dropped in Ipswich have Star FM in them. The books that are dropped in the southern suburbs do not have Star, they just have ‘other FM’.

**CHAIR**—I will ask Councillor Pisasale to make his statement and then we will go back to questioning.

**Councillor Pisasale**—Thank you. I do have some written statements here and a deed of agreement. If I could just table that for the inquiry.

**CHAIR**—I will take that as an exhibit.

**Councillor Pisasale**—There is also some general information about the city—as a marketing opportunity for people to familiarise themselves.

**Mr HARDGRAVE**—Chairman, I think this witness should be asked to leave. This is just a blatant abuse of our time!

**Councillor Pisasale**—I did not want to disappoint, Mr Hardgrave.

**CHAIR**—We will use that as a minor exhibit.

**Mr Pisasale**—Thank you for the opportunity to be here today and thank you to the inquiry members for giving communities the chance to express the frustrations we have had with the ABA in regard to regional radio services. As you are aware, I am involved with the local council. We have been affected by the inequality that exists with our local radio station due to the proximity of its positioning in regard to other metropolitan radio stations that penetrate our city and its airwaves. The city itself—I think there is some information there—has approximately

135,000 people. We are the fourth largest city in Queensland. It is a 55-minute drive to the international and domestic airports, and 40 minutes from CBD to CBD. We do share common boundaries with Brisbane but we also share common boundaries with outlying regional shires that use our city for shopping and general commercial activities. People may not be aware that, over the last 10 years, we have progressed down a path of virtually trying to take our city forward with information technology. We have tried some very innovative ways of leading our city in smart technology, some of these just being the global information links, which now comprise the largest community-based ISP in Australia. With the formation of Senior Net and Auskids we are trying to get the whole community trained in use of the Internet.

In 1994 the council gave every school in the area, whether they were in Ipswich or in the community or in part of Brisbane, free modems and free connection to the Internet. We also trained the teachers in that regard. I see that the federal government is now pursuing that in schools as well, and that is really great to see. We were able to implement in the last couple of years our global art link, which is now known throughout Australia for its innovative approach to the arts. More importantly, lately we have been able to track the University of Queensland, which is specialising in e-commerce and communications.

We are the home of the F111. Cameron Thompson, the local member, has been pursuing the aerospace industry and, of course, ours is the fastest growing Air Force base in the country. As I said before, we do have Springfield, which is the largest planned community development. Virtually some 50,000 people will be there, and it is the largest development in the Southern Hemisphere. But what we are frightened of is being able to communicate the right message to the people who are moving in.

**CHAIR**—What is the population of Springfield?

**Councillor Pisasale**—It will be about 50,000 people when it is finished, probably a little more. The commercial centre of Springfield will probably be three times the size of the commercial centre of Ipswich and twice the size of Brisbane CBD. That is what you are dealing with. My reason for giving you an overview is to have you understand the proactivity that we, as a region, have shown with regard to modern Australia. As you are aware, we believe that you do have to think globally and act locally .

The key in all this is going to be the ability to communicate, and hence my reason for being here today. I am really pleased that, as a councillor, I am able to be. I must admit that we have sat down around the table with Star FM and there have been times when it has not been amicable because we have been hit with the old 4IP days: we blame them for what happened to our city when we lost 4IP. They assured us they were not 4IP and they are committed locally. We came up with something that is probably a first: a deed of agreement between a city and a radio station. I have left a copy of that as part of my witness statement. It has worked out very well. I must admit that is the minimal. We have actually received a lot of benefit.

**CHAIR**—I do not want to interrupt you, but just on that point: I do not know who the regulator was at the time, but on what grounds did the federal broadcasting authority of the day allow the 4IP licence to move? The rules were a lot stricter in those days too.



**Councillor Pisasale**—The were allowed to shift and the rest was just 4IP. They shifted their base to Brisbane and that was the end. We lost everything, such as localism. It was very profitable.

**Mr HARDGRAVE**—The transmitter went to St Helena Island.

**Councillor Pisasale**—Yes. It was a very profitable radio station where it was and the city, by losing some of its other industries plus 4IP, has had to fight back. It has had a major effect and that is why we are keen not only to help our radio station to grow but also to make sure that it is in a level playing field and that we work in partnership. There has to be that partnership.

**Mr JULL**—The acknowledgment of the 4IP days was that 4IP was part of the overall Brisbane area, wasn't it? That was the acknowledgment.

**Councillor Pisasale**—Exactly right.

**Mr Johnson**—May I interrupt for a moment? My looks might belie it, but I am an old fellow.

**CHAIR**—I would not have noticed.

**Mr Johnson**—No, of course, I realise that. There was a series of fortuitous circumstances which just happened to allow these sorts of things to happen when 4IP was able to make its case to go into Brisbane. I think there was some flooding on one occasion and a whole series of fortuitous things happened to enable the claim that the licence could be moved, and also the claim, as Mr Jull points out, that it was indeed part of the Brisbane market.

**Mr JULL**—Number one rating.

**Mr HARDGRAVE**—My memory was that the transmitter was at Riverview and it went under in the 1974 floods. They ultimately located it at St Helena Island and it ended up becoming the station heard on the Gold and the Sunshine coasts and in Brisbane and Ipswich.

**Mr Johnson**—That is right.

**Councillor Pisasale**—One of the things we found is that both the federal and state governments have really responded to the growth of the western corridor, and particularly Ipswich, and we do thank them for that; but there has been one organisation that has shown a total lack of consideration for the city, and that has been the ABA. On my own personal visit to Sydney last year I was confronted with first-hand experience of this when I tried to explain to the members of the ABA our deed of agreement, which they were not interested in. Also, I was hit with the explanation that they are there from a technical point of view in regard to licences. All I wanted to do was explain to them the importance of the profitability to the community rather than to the shareholder. It was just like I was talking to a blank wall and you could feel the frustration across the room.

One particular thing was that, on one hand, we as a city wrote to the chairman of the ABA to ask him to come and talk to us and there was no response until after the licence agreement was

delivered—so they decided to talk to the city after the agreement. On the other hand, they chose to speak to the Lord Mayor of Brisbane on the matter before the end of their deliberations—and I do not disagree with their decision regarding Brisbane representation but I do highlight the inequality in regard to the process. We felt that we had the right to be heard before the final decision because otherwise it makes you feel like you are being patted on the head and told to go away.

The decision by the ABA has not allowed the one radio station we have in Ipswich to access the Brisbane airwaves. I contend that this is stifling our potential to market our region, our city, its business and community and to allow it to grow and attract the widest possible audience. Alternatively, Brisbane stations have been given access to the airwaves of our region and our markets, and so businesses from outside our region have open access to advertise their products while our own regional businesses are inhibited in the same potential market. In other words, those outside businesses are able to come in and take the dollars without any local feedback or content.

The Brisbane stations include a degree of community interest, local content items in their programming, yet it is almost impossible to gain any of this for own local region. To get community and positive news out of those stations is almost an impossibility. With fair access to the airwaves, our local radio station could and would provide the service in relation to our region. It would penetrate the business markets and, in turn, would help to overcome the negative image that this Brisbane media has helped generate in regard to our city over the years. Given that the importance of regional growth in Australian markets is one of the key factors for survival for Ipswich businesses, our CBD is hurting because one of the key tools available for marketing our district and product lines is hindering us because of access to new markets through our own radio station.

In its policy to manage regional limitations, Ipswich City entered into a deed of agreement with our local radio station to maximise the profitability and growth of our community. That has worked quite well and I must congratulate the radio station because, no matter where you go, they have got a good name in the city and have supported numerous community events and also helped generate many marketing opportunities.

The ABA showed total contempt in considering this willingness to work together to promote radio and regional communities when it refused to allow input into this decision making process—I will leave a copy here of what occurred there. The ABA has also announced an intention to allocate two additional commercial licences that will boom into Ipswich and further take the audience away from our local radio station. An outcome will be a threat to the commercial revenue base of one of our local businesses and, again, localism will be in jeopardy. All of this could have been avoided if the ABA had listened to the local concerns of the council, the businesses and the community and amalgamated the markets of Ipswich and Brisbane for the Ipswich radio station. Remember, they are already amalgamated for the Brisbane stations. For many years our local radio station has been fighting for survival and cannot even be assured of equality of opportunity. It cannot even broadcast in the whole of the city let alone the whole region. As I explained, people cannot drive from Ipswich to Brisbane and stick to the same radio station.

Until the ABA takes into consideration the importance that local radio stations have on their local communities, the ability of stations to compete fairly on a level playing field with other radio stations will be denied. Any time that we have spoken to the ABA, it appears that the big boys are the only ones who have the ear of the ABA. We felt that, as a small player, or local authority, or community, in Queensland, we were not able to get any attention. We are really pleased to have the opportunity to voice our concerns today, and we hope that you will become the ear for the community.

We only need to look at the elections over the past two weekends, where regional Australia was crying out to be treated fairly and small business needed assistance rather than hindrance, to recognise the importance of the issues to regional Australia and the importance of your role in the inquiry. I have found my dealings with the ABA, both in a face-to-face meeting and in written correspondence, to be totally uncaring for the needs of the community and its business. Maybe this factor needs to be considered with prominence rather than to be lost to the profit-making machine that it has become.

We all know that the transmission of information in any community is the key, be it for business, community or even political benefit. People have the right to know, and radios are an integral part of any communication methods. Our council has developed a good working relationship with our own local radio station, Star 106.9, and it is through this partnership and the deed of agreement that we have started to generate pride in our community. The decision by the ABA to take our local radio station off the level playing field has stifled not only our own ability to generate external pride to our city but also the long-term viability of local businesses.

There are a number of issues I want to highlight in conclusion. Ipswich is a regional community and has the particular problems that are associated with all cities neighbouring capital cities in Australia, but that does not alleviate the fact that our concerns mirror those of regional Australia. While we do not totally embrace the national competition policy, this does not mean that we are not supposed to enjoy equality of opportunity in Australia. It seems that the ABA is establishing a network that will comply with inequality rather than equality for commercial opportunities.

Marketing is a key for stimulating growth. This decision by the ABA limits the ability of Ipswich to market. Surely no-one here could believe that a radio station, when its base is in the capital, could see equal prime time and equal exposure to that of a neighbour in regional Australia as a prime policy for its operation. One can only assume that there are big players in the field who are stifling local community growth through their radio stations because it affects the shareholders' profit rather than enhancing the growth of regional Australia in partnership with the rest of Australia.

Finally, our city recognises itself to be a totally unsatisfied customer of the ABA. However, unlike other businesses that have a complains department, the ABA does not appear to have one. We are pleased to be able to given you the information here and hope that it may help us action some of our concerns.

**CHAIR**—Thank you, Councillor Pisasale.

**Mr MOSSFIELD**—You said that you travelled to Sydney to make submissions to the ABA. Did the ABA actually come up here to Ipswich?

**Councillor Pisasale**—No, they sent up a representative to talk to us.

**Mr MOSSFIELD**—So, for the formal hearing, you had to go to Sydney?

**Councillor Pisasale**—Yes, and only after Star FM helped us gain that hearing.

**Mr Burns**—It was not a formal hearing; it was a meeting with some ABA representatives. Our understanding is that the ABA chairman did come to Brisbane to meet with parties but did not choose to meet with the Ipswich City Council.

**Mr MOSSFIELD**—So it was a restricted visit and they only met certain people?

**Councillor Pisasale**—There were three people. There was an engineer and a couple of other people who, rather than listening to us, wanted to ram at us all the technical problems. We were not there to listen to that. We understood there were problems, but we just wanted some community solutions that we could talk about. I do not understand how the technical part works, and I did not go to Sydney to learn, but that was what the whole meeting was based on.

**Mr MOSSFIELD**—Communication is a two-way thing.

**Councillor Pisasale**—Yes.

**Mr MOSSFIELD**—You have made foreign ownership an issue in your submission, and I think we basically agree on the point you are making. Can you give any practical examples of how the foreign ownership arrangement in the radio industry has created problems on a commercial basis in your operation—or in relation to fairness or service to the public?

**Mr Burns**—It would not take much assumption to see the effect of the Australian dollar versus some of those stronger overseas currencies. It allows those foreign countries 100 per cent access to our radio medium, which is an influential medium, and that is not allowed in most other countries. I cannot think of any country that allows 100 per cent foreign ownership of radio. And I cannot think of any countries that actually have foreign ownership restrictions applying to one electronic media and not to another. My opinion is that foreign ownership gets to the heart of the reason that you are doing things, and I think that is why we are sort of saying, 'A foreign ownership is fine for radio at 100 per cent. It is fine for everything at 100 per cent, and if it is not fine for everything else at 100 per cent, it is not fine for radio.'

**Mr GIBBONS**—I am interested in this deed of agreement which you have with your local station. I understand there is no regulatory requirement on you to do so, so it is obviously a voluntary code of conduct, if you like. I would like to just have a brief few words from both of you, Mr Burns and Councillor Pisasale, on just how it works.

**Councillor Pisasale**—I have a copy here. It probably took eight months—

**Mr Burns**—Actually, it took 17 very long months. What the agreement does, and what it was designed to do, is ensure that a 4IP, if you like, was not going to happen again. The agreement was designed to enshrine the key local aspects of the radio stations' broadcasting services so that they would remain in all circumstances going forward. And that meant that in the light of amalgamation if that occurred, local services would remain—including local news, information, traffic, community and it even went to the extent of outlining what sort of staff members would be located within the confines of the Ipswich City boundaries. That was really to give the comfort required to the council that we were honourable in our intentions to be an Ipswich radio station broadcasting into Brisbane rather than the other way around. That is what it was really designed to do, and it did enshrine those key aspects.

But it needs to be said that the issue here is that the ABA is putting new services into the marketplace, and we talk about two new commercial services and that is fine, but there are also a plethora of communities and narrowcasts and all these other things that are designed to take audience away. The fact remains that those new commercial services when they come in are going to affect even further commercial viability because they are designed to attract audience, and anything that attracts audience away fragments the market—and it is fragmented enough as it is. But that is not a view that they are concerned about.

This issue of overspill is also an issue that they are not concerned about. They could have taken the choice, with the two new licences coming in, to change their technical specifications to stop their signal from overspilling unnecessarily into parts of the service area where they are not supposed to go, but they chose not to do that either. They could have done it and they did not, and they also could have used the opportunity to change the Brisbane stations' technical operations to stop them from coming into Ipswich, and they did not do that either. Yet when we have got an overspill of 10,000 or 20,000 people here or there, all hell breaks loose to try and stop us from doing it.

Another issue on this point is that the only people who complained, to my knowledge from submissions that I saw, in relation to amalgamating the markets were the incumbents, and it was not even all of those. Yet the support that we had for amalgamation was overwhelming and it just gets ignored, so you sort of wonder why you bother putting in all the submissions because it just does not go anywhere.

**Councillor Pisasale**—That is how we felt. With the deed of agreement, there are statements about the obligations of the council. We believe that it is a two-way street. We said that we would make sure that we promoted our local radio station and the obligations of the broadcasters lists things, even to the extent of the minimum number of community announcements that will be made.

Even before Rural Press took over there was a reluctance from some of the announcers to even say from management that they were broadcasting from Ipswich, so that has all been addressed. But the most important issue, and what happened with 4OP, was that it used the blood, sweat and tears of the local community to build up a fairly good base and then it was sold off and the community got nothing in return. We have therefore even got things in here about the transfer of the licence, and I must admit that Rural Press have been wonderful to work with, and it is probably something you could take on board in regard to other local communities where a partnership is developed.

**CHAIR**—What is the legal status of that?

**Councillor Pisasale**—We do not know. We have had our legal people look at it and—

**Mr GIBBONS**—It is a gentlemen's agreement.

**Councillor Pisasale**—It is, and our legal people tell us that, if there was a sale, we could enforce it because it is legally binding.

**Mr HARDGRAVE**—If there were public hearings on the licence, would that make it easier to enforce that kind of an agreement?

**Councillor Pisasale**—That is what I am saying. Part of any licence agreement has to have relationships with communities. They are the sorts of things that we, as a council and a community, feel are always overlooked. You know yourself with Bundaberg that it relies totally on communications and the medium. We feel that sometimes media gets generated by the commercial dollar rather than the community dollar.

**Mr JULL**—On Saturday night there is a cloud burst, the Bremer is going into flood, the water has got into another box flat mine and it has collapsed. The whole place is a disaster area. Every Brisbane station is pre-programmed, with the exception maybe of 4BC, and I think Star probably use them. What arrangement does the council have to look after things such as national emergencies?

**Councillor Pisasale**—Allan Roebuck, the program director, is on a pager and a mobile to respond to any needs. He will go straight in and open up the radio station and respond accordingly, and that has already occurred. It is one of things where we have come to a compromise and it works very well. The other thing we like is that all the people who are actually working are starting to enjoy living in their own city too. They are buying houses and feeling part of the community.

**Mr GIBBONS**—I have some final questions on the deed of agreement. How long has it been in place? How long is it scheduled to be in place? Is there any room to renegotiate it after a given time? Is it a contract of two or five years?

**Councillor Pisasale**—The deed was to be activated by the ABA amalgamating the service areas, so in legal terms there is no deed because that did not happen. The deed was a guarantee of a minimum requirement, from our point of view, to give comfort in the event of amalgamation occurring and, therefore, us being potentially a Brisbane radio station. It was designed to ensure that we remained an Ipswich radio station broadcasting to Brisbane. That is still our view and we see no reason to change anything in that deed, even though we are not obligated to do it. We would do that as a minimum anyway. We were already doing it when we put the deed in place so it was not as if we had to do additional things as a result of negotiating the deed. It was defining the minimum that we would do. As far as we are concerned, life continues along and there are no changes to that. But as far as an official deed existing, there does not.

**CHAIR**—Let us say the ABA's attitude could be turned around, partially or in toto, and then you get heavy pressure to take Brisbane-based ads. At what point do you say, 'We cannot take your Brisbane-based ads'?

**Mr Burns**—Commercials are not the only localism the radio station does.

**CHAIR**—I realise that. I am taking the commercial thing first.

**Mr Burns**—At what point wouldn't we do it? I do not think there is a point where we would not do it. We are a commercial organisation, you accept revenue from wherever you can accept it from. You do not accept it when you are full.

**Councillor Pisasale**—I think the key to all of this is it is an Ipswich station broadcasting into Brisbane, rather than vice versa. I think that is the key—seeing the station there, the importance for its economic growth, the importance of knowing it is there.

**CHAIR**—I understand all your argument.

**Councillor Pisasale**—But from a commercial point of view I do not see any boundaries.

**CHAIR**—If Rural Press decided—and they have changed their policy over the years—tomorrow to sell it to another network, then the other network could say, 'I don't want any more of this sort of nonsense. We'll run this station the way we want to. We bought the licence.' And this new station could also say, 'There is a new shopping centre a couple of suburbs over in Brisbane and they want us to OB from there once a month and carry all their ads and promote that area.'

**Mr Burns**—It will be no different from what it is now. That is exactly what happens now.

**CHAIR**—I am playing devil's advocate because I want to understand the dynamics.

**Councillor Pisasale**—We enjoy that. In actual fact it is an advantage for us to have someone in Brisbane using one of our local products.

**CHAIR**—When you are talking about localism, how many hours a day do you live broadcast?

**Mr Burns**—We are live from 3 a.m. until 7 p.m. Monday to Friday and until midday on the weekends—five days, typically.

**CHAIR**—What do you do for the rest of your programming?

**Mr Burns**—It is automated locally.

**CHAIR**—Automated, but local. Do you take any network?

**Mr Burns**—No.

**CHAIR**—No network whatsoever?

**Mr Burns**—None.

**Mr MOSSFIELD**—Not even John Laws?

**Mr Burns**—No, especially not John Laws.

**CHAIR**—The other question is: with regard to localism, do you have a newsroom?

**Mr Burns**—Yes.

**CHAIR**—Do you generate all your news?

**Mr Burns**—Yes.

**CHAIR**—Do you take a national news feed as well?

**Mr Burns**—No. In Ipswich we generate composite news bulletins which are local stories—and when we are talking about local stories now, we are talking about Ipswich—

**CHAIR**—You take your national news off the wire and then re-do it?

**Mr Burns**—Exactly, we have an AAP feed in there and the AAP is the source and we focus on Ipswich and Logan news.

**Mr MOSSFIELD**—What is local? Give me your definition of what you mean by local.

**Mr Burns**—We mean Ipswich and Logan as being the local content and Brisbane being the national based content. With the news at Star we try to give the audience the news they cannot get anywhere else. Our view is that if they want a national news bulletin they will get that from some other location.

**Mr McARTHUR**—Like the ABC.

**Mr Burns**—What we are trying to do here is to have a service that focuses on those local issues. It gives people in Ipswich and Logan access to radio news. For example, I live on the bay side and I get no information from any of the Brisbane radio stations about what is happening on the bay side. Whereas, if I lived in Ipswich or Logan, I would get all the information required on what is happening in Ipswich and Logan. There is a difference. It is your point of orientation. That is what the deed was designed to do—orientate the service around Ipswich rather than orientate it around Brisbane.

**Councillor Pisasale**—In some news bulletins you might get a statement from Ipswich City Council or a statement from a Toowoomba councillor and a Logan City councillor all in the same bulletin on different issues. That is fantastic, but it is all regionalised.



**Mr McARTHUR**—Can I get you to expand on this entrepreneurial demand for licences. We have heard quite a bit in this inquiry about the ABA issuing licences in country areas. Could you tell us what you mean by that? Does the government need the money?

**Mr Burns**—No, the entrepreneurial demand really was other operators viewing markets with envious eyes saying, ‘That is a fantastic market. We could have a network by putting a station in there.’ The ABA was well advised by us and other operators at the time. At the time, I think Rural Press had 38 or 39 radio stations around the country and we advised them on each and every individual market what problems would result from them handing out these licences because we knew how profitable those stations were or were not and what they could and could not support.

There is a big difference here between quality of programming versus localism. I heard some commentary about that before. Really, what it gets to the heart of is how regional people use their radio as opposed to how it is used in metropolitan areas—and there is a big difference. In metropolitan areas, the metropolitan radio stations are principally entertainment mediums and yes, they provide news, and yes they provide promotions and other things but, principally, people turn their radio on for entertainment.

In the regional markets, I suggest they do it for more than entertainment. It is for news, information, a sense of community and all those things. Those radio stations in those markets—and I do not care where they are—were never built by networks in the majority. They were built by local business people who got together and said, ‘Hey, we need a radio station for Whyalla. Let’s build one.’ They got together and built it. That is what it was designed for. It was designed for a sense of community. That is what the radio stations need to be used for now. You can create localism in all sorts of forms. You can do it by networking and sending out local bits, et cetera, but how local is it really?

**Mr McARTHUR**—Why has the ABA allowed a third licence in a two-licence area to be issued with that type of background?

**Mr Burns**—I do not know.

**Mr McARTHUR**—Have a go.

**Mr Burns**—I could not begin to tell you, but I will tell you that it is ill advised.

**Mr McARTHUR**—That is the crux of the argument that we are hearing. You have two viable stations and yet the ABA will allow a third operator to come in—and I have a bit of trouble understanding why.

**CHAIR**—Or worse, a fourth.

**Mr McARTHUR**—You ought to have a view on this. You are arguing the case.

**Mr Burns**—We say it is entrepreneurial demand. Say someone writes a letter to the ABA— if we use Cairns or even Townsville as examples—and says, ‘We’re not interested in buying a licence for Cairns and Townsville unless we have two because that would be unfair. The

incumbent already has two. Why can't we have two as well?' Our view is that if the ABA views that sympathetically they have bowed to entrepreneurial demand. Yet where are all the letters from the listeners saying, 'We want more radio stations'? Where are they all? We have not seen any. I do not think anyone has seen them. It is the ABA deciding that because someone views that market with envious eyes—whether it is Cairns, Townsville, Bunbury or wherever—they can support more services. They are saying, 'They're big, wealthy markets and those guys are making heaps of money. We'll just put some new services in.'

**Mr McARTHUR**—Given that scenario—the scenario that is put to me personally and to the committee—you have the two stations, you bring another one in and then they all get to break even, go broke or amalgamate.

**Mr Burns**—They cannot amalgamate, because you are not allowed to own more than two stations in a market.

**Mr McARTHUR**—I have seen that in my own territory where they took over both stations.

**Councillor Pisasale**—One of the biggest problems that I am finding with the ABA as a local representative is that when they talk to them they have a different scenario. I do not know what their real role is. Is their role to improve the services or control the radio licences? No-one really knows because to the general person out in the community whom they are supposed to be serving it feels as if they have drifted to another planet; they are out there somewhere floating around and they have changed their own agenda. I think that is what has happened to a lot of places around Australia, and that is why people are crying out just to be heard. Whether we are right or wrong does not matter but we would like some explanation.

**Mr McARTHUR**—I would like to get Mr Johnson's view on this argument. He has been around a long while.

**Mr Johnson**—Thank you. I want to read from something I wrote in July 1997. It is a submission about the draft licence area plan for North Queensland at the time. I said:

On page 8 of the draft document—

From the ABA—

reference is made to the 1995 statement of chairman Peter Webb—

Chairman of the ABA—

that "the approach the ABA has adopted—

to issuing new licences—

*is to plan for presently manifest demand."*

As there is no specific reference to 'listeners' in that, we wonder. The listeners, we believe, are the most important people in the equation but there was no reference anywhere to what the

listeners wanted. It was unstated but we believe implicit in that statement that the demand was coming from entrepreneurial aspirants rather than from the public. I said:

We therefore wonder whether 'listeners' would give enthusiastic support to new licences if they knew or were told what precedent indicates could happen in that event—a downgrading of services.

RBA of course recognises that, although the commercial radio landscape is littered with the losses of those who have tried to make incursions into attractive-looking markets, the ABA is not under any obligation to have regard for the financial welfare of those brave or foolish enough to try. However, Part 3 (section 23) of the BSA—

**The Broadcasting Services Act—**

surely makes it incumbent on the Authority to have regard for the welfare of listeners and advertisers i.e. the quality of services delivered and not just the demands of aspirants who may or may not have done their homework.

And the media, especially the electronic media has always—

**In our opinion—**

been unrealistically attractive to new players.

That is how we viewed it that many years ago.

**Mr McARTHUR—**What is your recommendation?

**Mr Johnson—**I have a view that there are two sides to this; that is, if the government, the ABA and those who control our destiny in radio want to have a free-for-all system. I have seen over many years of being in the industry ministers for communication and shadow ministers for communication go to North America and come back and say, 'There it is. That's the bee's knees. We should have a system in Australia like they have in North America: everybody in a , free market. Go for the doctor.' They conveniently forget the fact that there are 15 times as many people and 15 times as big an economic base from which to run. We can have a plethora of licences and radio services putting out rubbish—in my opinion—or we can have some restrictions. I am trying to stay neutral in this and say that we can have one or the other but not both. Or we can have a cap put on the number of licences delivered to us and therefore put some requirement on those delivering the services to maintain high quality services because they have a cap.

**CHAIR—**I will pick you up on that. At present your licence fees are determined purely by advertising revenue. What would you say to the idea of a two-tiered licence payment system that took into account the number of local services you provided, and whether you have a journalist on staff and the like?

**Mr Johnson—**A top of the head reaction is that I would have a positive response to it.

**CHAIR—**Just one other thing before we move to Mr Hardgrave again: you do not have an AM and a supplementary FM, so what is your format for Ipswich for here?

**Mr Burns—**Principally it is an AC based oldies station, so it targets 35- to 49-year-olds primarily. We have to do that, because if we do not have a target—

**CHAIR**—Your music is in what eras?

**Mr Burns**—Sixties, seventies, eighties and nineties in some sort of form.

**Mr McARTHUR**—Do you do your own survey to work out the target audience? How do you pick it up?

**Mr Burns**—We figure out what part of the market segment is not being catered for by the Brisbane stations that we may have a chance of getting some audience in and then try and expand out from there, and that is what we have done.

**Mr McARTHUR**—Do you do it with AC Nielsen or do you do your own survey?

**Mr Burns**—We do our own surveying. AC Nielsen for us is out of the ballpark and we cannot have access to the Brisbane stations survey; they will not let us in.

**Mr McARTHUR**—So you do your own work. They can come into yours but you cannot go into theirs.

**Mr Burns**—If we did a survey they would have to be invited into it but we are not allowed to go into the Brisbane radio station survey. We have asked that question and said, ‘We are happy to contribute to the costs of the survey, will you let us in?’ The answer has always come back, ‘I don’t think so.’ That is another problem.

**Mr McARTHUR**—Do you reckon your survey is pretty reliable?

**Mr Burns**—Yes. We know what the audience trends are and we have to know. That is one of the things about being in a market like this: unless you invest the money into programming research and other things you have got no way of competing with the Brisbane stations, and that is our problem. You have radio stations with revenue bases 10 times more and you have got to compete with them and do the same sorts of things.

**CHAIR**—Where do stand on the scale of things in the Ipswich market?

**Mr Burns**—It would depend on the demographic but we are between three and one, depending on the demographic, in the west.

**Mr McARTHUR**—Do your advertisers accept your surveys?

**Mr Burns**—Yes.

**Mr HARDGRAVE**—We have been told the ABA have been totally uncaring about the needs of the community or its businesses as far as Ipswich City Council is concerned. Councillor Pisasale said there were technical problems associated with the 106.9 frequency. I just wondered if Mr Burns might outline what those problems are.

**Councillor Pisasale**—That is what the ABA told us.

**Mr Burns**—The problems are that in the Ipswich CBD the station cannot be heard inside buildings and the Brisbane stations can be. Similarly, in parts of Ipswich CBD you cannot pick it up in vehicles. There are other suburbs—Raymonds Hill, Brassall, Karana Downs, Denmark Hill and a few others—that cannot receive the radio station yet they can receive the Brisbane stations.

**Mr HARDGRAVE**—Is 106.9 close to the Triple J signal at 106—is that correct?

**Mr Burns**—Triple J is at 107.7 and ABC FM is at 106.1. They are considered to be adjacent channels. Anywhere else in the world adjacent channels must be co-located, which would mean in this case that 106 should have its transmitter site located at Mount Coot-Tha to avoid interference.

**Mr McARTHUR**—After eight years of acknowledging the problem, the ABA has decided to fix it by moving, according to your submission, your frequency from 106.9 to 94.9. That I guess would be a bit of a blow and a blessing all rolled into one, wouldn't it?

**Mr Burns**—You are right. My problem is the issue of a principle. In what other line of industry does the aggrieved party have to pay to fix the problem? That is what is happening here. We have got to spend millions of dollars to fix a problem we did not create. The ABA created it by allowing the ABC to site their services when they knew that it was going to cause interference and to allow the ABC to continue to cause interference. Now we have got to pay to move. We have got to pay for a marketing campaign to switch all the listeners over and so on and so on and so on. Where is the ABA in helping us do that? They are nowhere. We have asked them that question. We said, 'What about some compensation?' They said no.

**Mr HARDGRAVE**—Mr Burns, what will happen to the 106.9 frequency? Is it going to retire from the race in the Brisbane area?

**Mr Burns**—No, 106.9 will be reallocated within, I think, two years to a Brisbane station.

**Mr HARDGRAVE**—Are you telling the committee that 106.9, a problem frequency in Ipswich—which is adjacent to Brisbane and has Brisbane stations coming into it—will be taken off you and allocated to a future competitor in a couple of years time?

**Mr Burns**—Correct.

**CHAIR**—And they will be allowed to broadcast from Mount Coot-Tha?

**Mr Burns**—Yes, and broadcast into Ipswich.

**CHAIR**—That is almost inconceivable, isn't it?

**Mr HARDGRAVE**—That sounds like the ABA, Chair.

**Councillor Pisasale**—In my discussions with ABA—we were talking across a table—all they cared about, if they made any decision, was the possibility that the radio station could

become viable. That was all they were concerned about: making the radio station viable. I could not believe it. I walked out of that room and could not believe that I was talking to people who were supposed to be there to listen to the community about its needs. In actual fact, they were happy for the station to be unviable based in Ipswich. With the introduction now of two new licences that broadcast, that is one of the main reasons I made sure that I came down today.

**Mr HARDGRAVE**—In your submission you were talking about south-east Queensland as a marketplace. I know it would be a windfall for you guys if you were made part of Brisbane and all of that, but on the question of managing this issue, wouldn't it be more viable for the existing Brisbane stations to have only you to compete with and not you as well as two other new commercial licences?

**Mr Burns**—I would have thought so. The issue of windfall is one that we get a bit upset about. It is not the ABA's decision to be considering who gets a windfall and who does not. Nowhere in the BSA do they talk about windfall. They are talking about the economic use of the spectrum, issues of localism and other things they have to have regard to. Nowhere does it say they have to worry about a windfall. Yet, with us, all they seemed to be concerned about at various stages was, 'If we fixed the technical problem by moving you to Mount Coot-Tha'—they have could have done that on 106.9, which would have been a technically efficient solution—'you would get a windfall.' And they are not going to let us have a windfall.

**Mr Johnson**—They actually told us that over a conference room table at ABA headquarters in Sussex Street, Sydney. It was almost through clenched teeth that they said, 'We are not about to give you a windfall.'

**Councillor Pisasale**—I was not present at that meeting.

**Mr Johnson**—That seemed to be their chief concern. I would like to take about 30 seconds to parade a pet hobbyhorse of mine about the ABA: they do not seem to pay any formal regard to what the ABC does. The ABC has some 700 transmitter sites around Australia. The ABA would deny that they do not pay any attention to it. Formally, they do not have to pay any attention to what the ABC is doing in any given market. They can ignore that completely when issuing licences there. The ABC does not come under the jurisdiction of the ABA in any way, and the ABA does not have to pay any heed beyond taking account of frequencies that are signalled to it for reservation for use by the ABC. I would contend that it is a major problem that the ABA is not required to take account of what the ABC is doing.

**CHAIR**—Thank you very much for your evidence today. It is a situation that has been around for a while, as a number of Queensland members of parliament are aware. We have taken on board what you have said. We thank you for the thoroughness of your submission and thank Ipswich City Council for explaining the urban and community dynamic of your proposal.

Resolved:

That the information dated 19 February from Councillor Paul Pisasale be received as evidence to the inquiry and incorporated in the committee's records as exhibit No. 13.

**Proceedings suspended from 1.16 p.m. to 2.46 p.m.**

**DUNPHY, Mr Thomas, Station Manager, Bundaberg Broadcasters Pty Ltd**

**STONE, Mrs Sally, Chairman of Directors, Bundaberg Broadcasters Pty Ltd**

**CHAIR**—I welcome representatives from the Bundaberg Broadcasters. In doing so, I declare for the committee that one of the difficulties that 4BU have encountered I was privy to. So I declare that potential conflict of interest. Mr Dunphy, could you give us a five-minute overview of your submission? I understand that there are parts that you may wish to have taken in camera. When you come to that point in the questioning I will ask the people in the public gallery if they would be good enough to leave for that period. But there is no necessity to leave at this minute.

**Mr Dunphy**—I thank the committee for the invitation and the opportunity to state our case today. We consider ourselves somewhat of an anomaly in today's regional commercial radio environment in that we are independently owned and operated by the same private company who commenced the first commercial service in Bundaberg in 1935. We now operate that service, which is 4BU AM, a commercial FM service and three narrowcast services. We are fiercely proud of our independent status and committed to local radio for our community.

We have never quite understood the mind-set of the ABA in recent times, but in our original submission we did not feel it was productive to condemn their decisions. The concept and reality of competition are understood by us and accepted because we have always had media competition. We also acknowledge that one commercial radio station, in a market area of some 68,000 people, cannot be all things to all people. The emergence of the S39 licences did something to address this concern. It increased the diversity of service. It also increased costs but did not increase revenue because we still had to draw from the same revenue base.

Since our submission, another commercial licence has commenced in our market. This has now raised other issues that, on legal advice, we respectfully would like to raise in camera this afternoon. Previous management was involved with the ABA during the licence application plan process. We advised at the time that a third licence was not, in our opinion, economically viable. The ABA representative at that particular meeting stated that diversity was the issue and that economic viability was not a concern for them.

The key concerns that we see for our market, and the key issues, are economic viability, the pressure of meeting community expectation and demand, and competing on a level playing field with a third licence. Specifically, to clarify that point, a full local operation which employs 29 people in all facets—including engineers, announcers, a journalist, administration staff, promotions, sales and even unskilled labour—as opposed to a networked program from another area, enables the operator to run on a transmitter in a sales office. These factors and some of the tactics employed to create market share add increased pressure to the viability of our operation. The reality is that a third commercial licence has not increased diversity, as the new licence simply is a duplication of our existing FM service. Some of the intimidatory tactics to take away program features that we have built loyalty on have also increased the pressure on us as a viable operation.

**CHAIR**—Would you like to give the in camera evidence now or later?

**Mr Dunphy**—If the committee would like to ask questions first, I am happy to do that.

**CHAIR**—We will get the in camera stuff first.

*Evidence was then taken in camera, but later resumed in public—*  
[3.08 p.m.]

**CHAIR**—We will resume public evidence. Mr Jull?

**Mr JULL**—You bought program blocks at various times. How much of 4BU and the FM offshoot are locally generated?

**Mr Dunphy**—They are all locally generated.

**Mr JULL**—Virtually 100 per cent, apart from the blocks that you buy?

**Mr Dunphy**—That is right. We do take the John Laws show on 4BU for three hours on week days, Monday to Friday.

**Mr St CLAIR**—How many staff do you have, in case I missed it?

**Mr Dunphy**—There are currently 29.

**Mr St CLAIR**—All in Bundaberg?

**Mr Dunphy**—That is right.

**Mr HARDGRAVE**—Can I ask a bit about viability, because it has been raised in other evidence. Do you think that the Broadcasting Services Act should take into account that commitment to the local area and the viability question—in other words, whether the community will be able to afford to keep that local radio station—in restricting the number of licences to ensure certain outcomes?

**Mr Dunphy**—Absolutely. I raised earlier the community expectation. A local community expects many things from their local radio station. They expect to have access. They expect to be able to put on announcements about lost dogs. They expect the local radio station to be involved in events and to publicise those events. As I stated earlier, we are fiercely proud of the fact that the company was built on that, and over some 65 years that has been the major focus. We are a community minded, community based radio station; as such, our personnel are involved in lots of community events—just like any other business, I guess—and community organisations. We also have representation on the area disaster committee, a specific committee which operates in Bundaberg.

**CHAIR**—On that point, is there a protocol in place in Bundaberg? We have been getting some quite disturbing evidence, especially with network stations, of emergency protocols not being firmly in place. What happens if there is a flash flood and the Burnett River is coming down? What is the chain of command? What happens? Who contacts whom?



**Mr Dunphy**—The district inspector of police is the chairman of the disaster committee. He has access not just to one contact number at the station but three: mine, our program director's and also our sales manager's.

**CHAIR**—Do you go on line at all or do you generate your own programs after a certain hour? What hours are you live?

**Mr Dunphy**—We are live from 6 a.m. to 6 p.m. weekdays and until midday on weekends, after which we rely on automated technology which is done by our own announcing staff.

**CHAIR**—How do you get the station on if there is an emergency on a Saturday afternoon?

**Mr Dunphy**—The process is, as I said, that all the emergency services have those three contact numbers. The procedure then is that whoever they contact contacts a member of the announcing team. Two members of the announcing team live within two minutes of the station, and the chain of command is that one will go in and get the station off automation. That allows time for the other staff to come in. We have a procedure in place where we do not bring the entire staff in in the case of emergencies; we have a disaster plan whereby the key personnel are brought in. The decision on that generally comes from the inspector of police, who is the chairman of the disaster committee.

**Mr St CLAIR**—Do you actually sit on the local emergency management committee? Do you have a role with that?

**Mr Dunphy**—Yes.

**Mr St CLAIR**—Is that run under the local government authority up there or is it run by the emergency services?

**Mr Dunphy**—The emergency services are involved, as are most of the community organisations there; Ergon Energy and Telstra, for example, have representatives. But my understanding is that it is under the control of the police.

**Mr St CLAIR**—There is a local emergency management plan, obviously, for the district and the town and you are obviously an integral part of that.

**Mr Dunphy**—Yes.

**Mr MOSSFIELD**—As a small, independent operator we are anxious to hear from you about some of the problems that you have, particularly competition from the larger groups that are networking and hubbing. One of the issues that some independents have raised with us is the question of new technology, particularly the move into digital radio. Do you see any problems in that field in the future?

**Mr Dunphy**—There are obviously problems. With any diversity of the service there are economic factors that have to come into consideration. The economic factor that is our concern at present—and not only for digital—is the level playing field. We can continue to provide the

service that the community has expected over 65 years, but at a cost. Another licence coming in cannot offer that service, but has the ability to reap the financial rewards.

**CHAIR**—Are you expecting a fourth service like Mackay to be offered?

**Mr Dunphy**—No.

**CHAIR**—Have you been told by the ABA that three will be the limit?

**Mr Dunphy**—We have not been told it is the limit.

**Mrs Stone**—No, we have not been told that.

**CHAIR**—Would you be forced to networking if there were another station?

**Mr Dunphy**—I would say yes, and we do have that option. We can take syndicated programs from any number of other stations and provide a network service into the community, if we choose to. We choose not to.

**Mr MOSSFIELD**—Would you support the legislative changes to overcome these problems, particularly the one about the large number of licences in the one area? Should there be some legal restriction?

**Mr Dunphy**—We would support legislative changes. I think the major one would be that there should be minimum standards of operation.

**Mr MOSSFIELD**—I am interested in the local content area. Do you think the ABA should have the power to enforce, where necessary, minimum local content standards?

**Mr Dunphy**—I believe so.

**Mrs Stone**—You were asking whether we thought they may put four licences in our area.

**CHAIR**—We have this in evidence.

**Mrs Stone**—Recently our competitor, RG, who originally had two licences in Maryborough, have gone and purchased a third licence. They bought off Carilis. They now have three licences in Maryborough and have been given an extension of time.

**CHAIR**—That is not allowed under the act.

**Mrs Stone**—It is at the moment. That is what they have been given. So from my point of view on the board it is a concern if they can have three licences in our neighbouring area. If we may only have two and they have one, there is a concern about what is going to happen, but they bought the FM licence off Carilis. I think originally they were supposed to get an extension for so many months to offload their third licence. Rhys Holleran, the manager, told me that they

had actually bought that one. Then I heard on hearsay that they have been given an extension. I believe that is a concern—not to us. I am not going to say they are not going to sell it—

**CHAIR**—Is it short term?

**Mrs Stone**—I really would not know. One minute they are saying six months; the next minute it is 12 months. What do we know? It is like everything. Sometimes you hear from the ABA that you are going to have something for so many months and then it is going to be so many years and then it is going to be so many decades. What is the difference?

**Mr St CLAIR**—Is Carilis still only an AM station?

**Mrs Stone**—In Gympie, not in Maryborough.

**Mr St CLAIR**—I just was not sure.

**Mr JULL**—What was he playing through that Maryborough licence—2SM?

**Mrs Stone**—Nothing. He had bought it at auction and it had not gone to air.

**Mr St CLAIR**—The Gympie station?

**Mrs Stone**—Maryborough, Hervey Bay.

**CHAIR**—The third Maryborough station.

**Mr GIBBONS**—We took some evidence from the previous people about a special arrangement that they have with their local government agency in Ipswich. In fact, a deed of agreement has been drawn up by both parties on behalf of the council setting out what it expects of its local radio station. Do you enjoy a similar relationship with your local government agency? Would you consider having a similar deed of agreement in terms of your operations there?

**Mr Dunphy**—We do not have a formal deed of agreement with the local authority. There are two local authorities in the Bundaberg area—Burnett and Bundaberg. We enjoy a good relationship with both. We jointly coordinate some community events. We have a good working relationship with the CEO and the councils of the day. If we had to formalise an agreement, we would not have any objection to doing that, but we do not believe it is necessary. Bundaberg may be a big place but it is still not a very big place, if you know what I mean.

**Mr GIBBONS**—I do.

**Mr St CLAIR**—What is the population?

**Mr Dunphy**—Probably about 50,000.

**Mr McARTHUR**—Could we go back to the issue of another licence in your viewing area. If this licence holder makes some inroad into a new market, what do you anticipate will happen to your commercial operation? Mrs Stone, what do you think? You are handling the money.

**Mrs Stone**—I try to. There will not be much money there for me to handle, so I will not have to worry. Depending on the viability, we can cut corners and we can do automation down as much as we possibly can. We just have to hope that we can provide a far better service and keep the business people behind us. We have to hope that they can see what we can do for them in the future, that they think of the town and its surrounds in the same way as we do and that they will support us. That is what I hope will happen, but I do not have a crystal ball and I do not know what is going to happen as far as viability is concerned.

**Mr McARTHUR**—Why did the ABA let another licence holder come into the area?

**Mrs Stone**—When originally they were putting up the LAPs, they came to see us. I was at that meeting and I said, ‘From a viability point of view, it is not possible to have another licence.’ They said, ‘Viability is not the question. We are not interested in viability. Forget about viability. We do not want to know about it.’

**Mr St CLAIR**—How many people do you employ?

**Mrs Stone**—At that stage we had over 30 people, but we have had to drop that number slightly to try to be viable.

**Mr McARTHUR**—Would you be recommending to the committee to reinstate the viability provisions in the act?

**Mrs Stone**—Definitely. If nothing is viable, you are going to end up with nothing.

**Mr McARTHUR**—How do you define viability?

**Mrs Stone**—Mainly in a money sense, but I think there is more to it than that. We have to give something back to the shareholders, we have to give something to the listeners to listen to, we have to provide type of employment and we have to give something to the advertisers who are going to advertise with us. We have to try and to make sure that everyone gets a little. I am not going to say that you have to make millions, because you will not, but I think you have to at least be able to operate at a profit, not at a loss forever.

**Mr McARTHUR**—One of the witnesses, who would be known to you, actually said that we should freeze all the licences, as they are now operating, for 10 years. What would you say to that proposition?

**Mrs Stone**—In our specific area—and I am talking only about our area—a third licence has already been put in. So, if you freeze it, what difference is that going to make to us with regard to whether or not we are going to be viable? It has already been done.

**CHAIR**—You will not get a fourth.

**Mrs Stone**—If they put a fourth in, we may as well walk out the door.

**Mr St CLAIR**—Taking Mr McArthur's point further, should one of the criteria be the employment opportunities you provide in regional Australia? To me, it is paramount. You employ 29 people in a rural city.

**Mr Dunphy**—I think minimum standards of service is not an unrealistic expectation.

**Mr St CLAIR**—Service or employment?

**Mr Dunphy**—It goes hand in hand: if you are providing the service, you need people to provide that service, depending on the level of service you are going to provide, and that comes down to the viability question. I repeat that I really do not believe it is unrealistic to put minimum standards on an operation.

**Mr McARTHUR**—How would you argue the case that the supermarket chains want to move into Bundaberg? There is obviously a limited market in the number of shoppers in that area, so town planning would have an interest in that matter. Would that permission to build yet another massive supermarket in Bundaberg be related to allowing a third radio licence to come into the area—if we were to argue that case?

**Mr Dunphy**—Yes. It is another issue, but it is very much the same. It does not matter where you are drawing the revenue pie from, just because you create something else does not mean that the revenue base is going to increase at the same time. If you have three supermarkets servicing your town, just because a fourth comes in does not mean that those four supermarkets are necessarily going to make the same profits.

**Mr McARTHUR**—Supermarkets are not run by the ABA, though, are they?

**Mr Dunphy**—That is right.

**Mr McARTHUR**—They come in and make a commercial decision, and they have the same market position. If you are making this recommendation to us to stop a further operator coming into the system, how can we argue the supermarket type proposition to the public at large?

**Mr Dunphy**—Probably—and it was raised earlier—with the argument that I do not see any evidence that the public want so many radio services.

**CHAIR**—Could you guarantee localism if there was another station?

**Mr Dunphy**—Not the same level of localism that we have now. We syndicate three hours of the John Laws program. The rest of our programming, when we are not live-to-air, is done by our own team. The options we would have are to automate more—whereby we can keep some people employed for a bit longer—or to syndicate more.

**CHAIR**—In northern New South Wales we asked people whether they wanted three hours of syndicated chat shows from Sydney. Have you found anything in Bundaberg to indicate that people would perhaps prefer two hours of John Laws and an hour of the local talkback?

**Mr Dunphy**—I can go on what I know and that is that we commenced the John Laws program in 1991. At that time we took it for one hour. The request we got from listeners was, ‘Can we have it a bit longer because, by the time he does an introduction and plays a song, it has gone again.’ So we increased it to two hours. Then it was a natural progression, once again based on listener information, to: ‘Why can’t we have the whole show?’ So in our market the John Laws show is very popular. I am not saying that everybody in our market likes John Laws or agrees with his views, but most people can tell you what he says.

**Mr McARTHUR**—What will you do when John Laws is no longer around?

**Mr St CLAIR**—Heaven forbid!

**Mr Dunphy**—Once again, it would come down to a program decision at the time as to whether we would maintain that, depending on what was offered by that particular station at that time. I would say at this stage that we would not take another syndicated program. But that is probably a bit down the track.

**Mr McARTHUR**—Can you give the committee a view on why John Laws is so popular in Bundaberg? That is a fair way up the coast. They have a good local member of parliament. It is interesting that John Laws is syndicated so far away from Sydney, and you had listener demand. What is your professional radio assessment of that?

**Mr Dunphy**—Of why he is so popular?

**Mr McARTHUR**—You are claiming localism. You are claiming that you are a great local station and yet you bring Laws in from Sydney.

**Mr Dunphy**—The fact is that Laws touches on a lot of issues that are important to regional Australia. We do not necessarily agree with all of his opinions, but it is an avenue where you have a diverse range of people who are able to put in a diverse range of views. That is what the John Laws show does. It is talkback for all those people.

**Mr McARTHUR**—How many Bundaberg listeners get a run?

**Mr Dunphy**—I could not give you any exact figures, but I know that Bundaberg listeners have been on air.

**CHAIR**—You have a third station, Mr Dunphy—CQ-FM. Where is that?

**Mr Dunphy**—It is in Bundaberg. It is a narrowcast service.

**Mrs Stone**—It goes from Hervey Bay right through to Yeppoon.

**Mr Dunphy**—There are three licences there.

**CHAIR**—You have three transmitters—

**Mr Dunphy**—There is one in Hervey Bay, one in Rockhampton, and one in Bundaberg.

**CHAIR**—What sort of a program format is that?

**Mr Dunphy**—It is 24-hour country music.

**CHAIR**—Do you present this yourselves? Do your own announcers do it or do you buy that in?

**Mr Dunphy**—No. Our own announcers do it. It is done by automation, but it is done from Bundaberg.

**CHAIR**—Do you sell advertising into that?

**Mr Dunphy**—We attempt to—not successfully, I might add.

**CHAIR**—What proportion of your advertising budget would it represent, in round figures?

**Mr Dunphy**—In income?

**CHAIR**—Yes, as a percentage.

**Mr Dunphy**—Probably about two per cent.

**CHAIR**—Why do you do it, then?

**Mrs Stone**—For diversification for the public. You asked for diversification, and that was a decision we made. We thought we should have something which was diversified.

**CHAIR**—So if you have an AM and FM licence you are not precluded from having a narrowcast?

**Mrs Stone**—No. But it has to be run completely differently.

**Mr Dunphy**—There are separate guidelines and there are fairly specific criteria of how a narrowcast is to be run. We have to satisfy those requirements.

**Mr MOSSFIELD**—If you were not running that narrowcast, would there be concern that a competitor would come in and therefore set up competition?

**Mr Dunphy**—Knowing what we know now, it would not be a concern to me at all. But at the time, yes, that was a concern.

**Ms LIVERMORE**—Mr Dunphy, with this third licence coming into your area, have you got any feedback from your listeners, firstly, and from your advertisers, secondly, as to why they might switch over to that other station or, conversely, why they would opt to stay with you? What is it about these different services that do or do not attract?

**Mr Dunphy**—That is a fair question. The reality at present is that it is new; it has only been on air since December. Human beings being what they are, if something is new they want to sample. We fully understand that and we know that that is going to be the case. If you have listened to a sample, of course your advertisers are going to sample as well. We are not against competition; competition is what our economy is based on. But a level playing field—if you are playing with the same bat and ball—does make it a little bit easier.

**Ms LIVERMORE**—Do you find that listeners might say to you in your surveys, ‘We like you because you are local,’ but that they are quick to switch over to the new kid on the block just for the novelty of it?

**Mr Dunphy**—As I stated earlier, I think community expectations are about perceptions as well. A community probably expects you to be able to do the things that you have been doing for so long and probably expects a new operator to be able to do the same thing. The reality is that the same level of community involvement is not possible simply because the numbers are not there on the ground. And that is our concern. As I said, if we are all playing with the same bat and ball it would be great. But we find we are trying to sustain a service that people expect and that we are up against something that is perceived to be commercial radio where in fact it is a transmitted signal.

**CHAIR**—On that note, I thank you for your evidence. We will be sending you a copy of the *Hansard* draft, and that will also be available on the Internet in four or five days time, excluding of course your confidential submission. Thank you very much for giving evidence today.

**Mr Dunphy**—Thank you very much for the opportunity.

**Mrs Stone**—Thank you for listening to us.



[3.33 p.m.]

**BUDGE, Mrs Lea, Station Manager, Radio Logan Inc.**

**HORROCKS, Mr John, Technical Director, Radio Logan Inc.**

**DEPUTY CHAIR (Mr Gibbons)**—Welcome. Would you like to give us a five-minute overview of your submission and then we will throw some questions.

**Mrs Budge**—Thank you very much for the opportunity to address the inquiry today. To give you an overview of Radio Logan Inc, we were established back in 1985 as an initiative of the Logan City Council. After several years of test broadcast we finally got our full-time community licence. The 101FM service area is primarily Logan City. However, it does include Beenleigh and adjoining areas.

Soon after we became licensed, because of the extent of country music programming, we applied to extend our licence service area to include the outlying areas of Cedar Creek, Tambourine and Tambourine Village. This extension was granted and our technical director, John Horrocks, will elaborate on that later.

Our general philosophy as a community broadcaster is to provide news, information and entertainment which is relevant to the lifestyle of our listening audience. We act as a training ground for students undertaking a career in journalism at Griffith University and TAFE, and some of these students have actually obtained commercial employment; some have also become aspirant announcers; some have succeeded in the commercial industry as well. And, of course, there are those who wish to contribute to the community via our service. We have three paid staff: me as station manager, I guess sort of part time; our sales manager who does it on a commission basis; and also our technical director as a consultant. We offer our service 24 hours a day, seven days a week, with a personal and non-automated program. Our format is varied to encompass primarily the 35-plus age group; however, we do cater for the 25 and under audience with two youth programs. We are set up with a three-studio complex, two of which alternate live to air. We take a 24-hour satellite national news service from Sky. However, this is supplemented with a local news bulletin which is twice per day. Also, we are set up with telephone talkback and invite comment from our listeners on subjects of a topical nature. These range from outside sporting events to local politicians, to the buy and sell program—just a whole range of things. We also have a delay system which is installed for our protection.

We specialise in the production of many and varied outside broadcast programs of local content. Our outside broadcast facilities include a live link unit which has the capability to link various outside broadcast sites in a very short space of time. We have even broadcast live to air from the south-east Queensland country music festival from the Rosewood showgrounds when local bands have the chance to actually go to air. We are well supported by Logan City Council and to a lesser extent Gold Coast City Council, because our service area includes Beenleigh which is part of the Gold Coast. We have provision for emergency situations enabling us to turn over our broadcasts to people like the SES, our police, fire services, council, whoever, should the need arise. One of our executive management is also on the counter-disaster committee. I

guess we are here today because of what we regard as somewhat unfair treatment from the ABA in terms of our licensed power output given the geographical area that we are required to cover. If you allow me, now I will hand over to our technical director, John Horrocks, for his report. Thank you.

**Mr Horrocks**—Thank you, Lea, and a very good afternoon, ladies and gentlemen. Thank you once again from my side of things for being able to be here to contribute to the evidence. As technical director and as a technical broadcast consultant to radio station 4CBL, known as 101.1 FM, I am also a consultant to several other community stations in south-east Queensland which do not have the technical support that is required to maintain community radio services. I give a lot of free time to these other services in an attempt to preserve the role of community radio. I believe the role of community radio is a very, very important role and must be maintained at all costs.

I would like to now say just a little about the problems and what I regard as the inconsistencies of the ABA in licensing. Particularly I make reference to the power output of commercial and community stations, and indeed the Australian Broadcasting Corporation, which I know is not responsible to the ABA but it has been mentioned here in evidence prior to us being here. It started a lot of problems in terms of high power licensing right around the country.

I will talk quickly on the national side. I am ex-ABC radio and television, working 40 years in the engineering section in Brisbane. I believe that we have a totally overengineered situation in relation to ABC FM broadcasting power outputs. You have a station on Mount Coot-Tha that is running 100 kilowatts and a station at the Gold Coast and one at Dalby running the same power. The same program emanates from all of them: 4JJJ and ABC FM. This clogs a very valuable spectrum and spectrum space is not available to allow an aspirant community broadcaster space to get in there and become licensed. It is one of the growing problems of the engineering section of the ABA. I sympathise very much with those people. It is intolerable. We can actually hear 4JJJ on the Darling Downs from Brisbane and Logan. We can hear 4JJJ at the Gold Coast, not to mention 4JJJ on Mount Coot-Tha—4JJJ and the ABC on top of Mount Coot-Tha have primarily been responsible for the evidence you have heard this morning on the 106.9 situation. The interference created by the power levels of those services is directly contributable to the problems that you are now seeing on 106.9, and I sympathise with those people.

As far as the power output is concerned in relation to community radio, I do believe it should be more consistent with the power output of its commercial relations. We have a situation on the Gold Coast where new community radio licences are being established at a power level of 25 kilowatts exactly the same as the power level of the commercial stations. These power levels are being radiated from Mount Tamborine at a height of nearly 600 metres above sea level. We all know that the effectiveness of transmission of FM signals is directly related to three primary things, and that is height above sea level, the power output of those stations and the geographical area that they have got to cover. The geographical area of the Gold Coast is very similar to the geographical area of Logan. Yet, we are situated on the back door of those stations, and after an application for an increase in power, we have not had a reply to the ABA.

In the last lap we remain at our effective radiated power of four kilowatts. We cannot maintain effective transmission under emergency situations at a power level of four kilowatts

into areas newly developed behind Beenleigh, which is part of our service area—areas such as Windaroo, Mount Warren Park, all with expensive homes. In the cases of emergency, these people have got no power, they probably have no telephone either because there are lots of aerial services down there and they are relying on their only string, and that is the transistor radio. Transistor radios, inevitably, are less sensitive than their big brothers in cars and hi fi sets. It makes us impossible to guarantee, and I mean guarantee, the transmission of 4CBL into these areas under emergency conditions.

The Logan City Council has been marvellous. We have got in an emergency generator for our studios. We have an emergency generator for our transmitter. We have got stand-by systems, belt and braces wherever you look. If the wind blows over one antenna on the water tower, I have another one. So we have developed everything to encompass the need for emergency situations in Logan City. All this is totally useless if we cannot get to the listener. We are finding that other community stations have received increases in power. We have Bay FM, which radiates from the top of Mount Cotton, and received an increase from a measly 800 watts to four kilowatts. Redcliffe is primarily concerned with emergency situations on the bay too. They have had an increase in power from 200 watts to two kilowatts. We have remained at four kilowatts since the day we were licensed, and we have seen a dramatic growth in the areas that we are intending to serve. I put it to you that this situation must be corrected if the viability and effectiveness of transmission of 4CBL is to be maintained with money being poured into it from the local authorities.

**ACTING CHAIR**—How many times have you been required to utilise your station for emergency signals and broadcasts?

**Mr Horrocks**—Fortunately, I think it was only once.

**Mrs Budge**—That was with the Y2K bug.

**Mr Horrocks**—We were in the position with the bug to be able to offer emergency power to essential services, such as the SES and the police, from our transmission site. They did not have this facility.

**ACTING CHAIR**—So the answer to your prayers would be a reasonably substantial increase in transmission power?

**Mr Horrocks**—I asked only for 3dB in my application, which would put the power up to about eight kilowatts.

**ACTING CHAIR**—And that would be sufficient?

**Mr Horrocks**—Yes, from the measurements that I have done around these suburbs that would be adequate. One other thing is on our frequency allotment of 101.1 we are now being crowded out with other community broadcasters. I take sight of the community broadcaster which will be operating out of Murwillumbah with a three kilowatt omni-radiation pattern from the top of Terranora. This will undoubtedly cause interference in the low signal areas of Logan. It is only 200 kilohertz away from 101.1. So, from a technical point of view, that is a very dangerous situation for the ABA to enter into.

**Mr JULL**—I would like to declare an interest. I have been a member of this radio station since its inception as an occasional broadcaster and I appear on it fairly regularly. I suppose, in some respects, I was bit of an instigator in asking you to give some evidence. I did that because I think this radio station—and they can correct me if I am wrong—has a greater commitment to the local community than most other community stations in Australia and in my mind it epitomises what community radio should be all about. But that aside, I want to ask about the arrangements you have with the Logan Council. You mentioned that they were the instigators in having the station established. What obligations have you got to them by virtue of that? What sort of financial backing do they give you, if any? Do you have any written agreement with the Logan Council as to what your operation should be all about?

**Mrs Budge**—We have received financial backing to date. Each year we have received a grant of about \$20,000, which has been a good basis for us. The council also enable us to broadcast out of the previous Woodridge Police Station premises. We do pay the electricity bill for that, but they are very gracious there. In return, we do things for them such as provide an outside broadcast when they have an activity and do their telephone on hold. Also the mayor and the councillors come on air on a regular basis to discuss issues with regards to the listening area. We provide a talkback from time to time when requested as well. So wherever we can support the council, we endeavour to do that. In turn, they have been very supportive of us. I think—and probably John will back me up here—that Logan City Council were really held as the epitome of council support with some of the other community stations, particularly Bay FM. I believe they took it to their council and said, ‘This is what Logan does for this radio station, why don’t you support us the same way?’ They have been more than just the initiative.

**Mr JULL**—But you haven’t got the heavy hand of the local government bureaucracy over you as such?

**Mrs Budge**—No. They do not tell us what to do and they do not tell us what to broadcast, et cetera. We are still very flexible in that manner. Also with their media releases, we put that information over the air and include it with our local news service. They are not there to be our school mum and tell us what to do. They give us the freedom to do that. Obviously, we try to stay within the realms of what we need to do as a community broadcaster.

**Mr JULL**—How long does it take to swing the emergency operation into action if there is a bushfire at the back of Logan or something that is going to engulf the whole city? How long does it take you to get on the air and do it?

**Mrs Budge**—It is immediate as soon as we get the information. If we were to lose power, it would take us 12 seconds to get back on air because we have the generators there to put that immediately to air. We do it as soon as we find out that information, whether it be by phone call, fax, email or personally if they want to drop in and tell us. We had a situation—and it may sound funny but I guess it was a matter of a health issue—where a possum fell into the water reservoir a few months ago on a Saturday and the council public relations officer tried to ring one of the commercial stations and could not get through because their station was automated and nobody was answering the phone. After probably about three hours of trying to get through to them, the council rang us and not only could we put the information straight to air but we actually did an interview with him on air to give the information out. It may seem like a very small issue but the fact was that, because we have live personnel on air 24 hours a day, seven

days a week, 52 weeks a year, we are able to get that information directly to the community as soon as we receive it.

**Mr JULL**—And is 101.1 in fact designated as the emergency station?

**Mrs Budge**—It is. The previous mayor actually put that in place. He was very much into counterdisaster and he saw that 101 FM played a very integral role and, as John has mentioned, people may lose power and contact in other manners but they have always got either a car radio or a transistor at home. The SES or council or police or whatever are welcome to come in and take over in an emergency situation.

**Mr JULL**—Are any of the Brisbane stations also designated that way? If there was a disaster in Brisbane do you know of a station that takes over?

**Mrs Budge**—Not that I know of. With commercial stations, because they cover such a large geographical area, it is very hard for them to pinpoint a specific geographical locale if something is happening whereas, with community broadcasters—not just us, but any community radio station—we have a target service area and that is the area we look after, whether that be with counterdisaster plans or information or whatever. I guess that is the very important role of a community broadcaster.

**Mr JULL**—I thought you undersold the situation a bit on some of your training. In actual fact, one of the top-rating ABC breakfast announcers came out of 101, I think.

**Mrs Budge**—Anthony Frangi.

**Mr JULL**—Now he is on 4BC. The training program that you offer has taken the place of many of the country commercial stations now.

**Mrs Budge**—Yes. When I was in commercial radio some 20-odd years ago—

**Mr JULL**—What was that radio station again?

**Mrs Budge**—It just happened to be 4IP. At that time, because they had associations with 2SM and Longreach, et cetera, aspirant broadcasters who had the potential were actually sent out to these regional stations for their work-out, I guess, and then they came back to the city. Now a lot of the community stations are filling that role. They are giving these people the training and the experience that they need and we have legitimately had several people that have left our door, and a number of other community broadcasters' doors, to go into the commercial sector. So it is a very viable and a very important role that we play as a community broadcaster in the area of training.

**Mr JULL**—Is there any financial arrangement with the university school of journalism or do you take them out of the goodness of your heart?

**Mrs Budge**—We take them out of the goodness of our hearts. It fulfils two roles: they are able to put into practice what they have learnt and get the experience to give them the potential

of getting full-time employment; but it also fills our service as well as being able to provide that information to the community. The only thing we do ask is that they become members of the association for a minimal fee. But that is the only financial thing.

**Mr HARDGRAVE**—You talked about a target market area or whatever. What is that?

**Mrs Budge**—It is primarily our 35-plus audience. When we started, probably in about 1985, we looked at what radio stations had to offer at that time in the commercial sector. Primarily, the only other station that targeted to anywhere near that age group was 4BH. So we felt that would be the area that we would target with our music and our general format.

**Mr HARDGRAVE**—What about their geography, though? What is your responsibility? What area are you licensed in? Are you licensed in the Brisbane market or are you a regional station?

**Mr Horrocks**—To the best of my knowledge, the Logan city area is part of the Brisbane radio market. I have not heard anything to the contrary as yet so I guess we are part of the Brisbane radio market.

**Mr HARDGRAVE**—The reason I ask is: because you have four kilowatts, I guess that is to try and restrict your activity to the geography of Logan, roughly. Is that the way your transmitter is tweaked?

**Mr Horrocks**—That is what has happened. In yesteryear we were licensed for two kilowatts plus or minus 3dB. The ABA engineering section now has determined that all stations will be licensed to the maximum ERP. Two kilowatts plus or minus 3dB is really the average ERP. So we have been operating at that figure since 1988.

**Mr HARDGRAVE**—What is the geography of that? I know you do your broadcast from the Mount Gravatt show opening, Mr Jull. I stood on the verandah with your outside broadcast and four other people as it poured rain a few years ago, but we knew everyone listening to 101 was hearing us. Is that included in your area as well?

**Mr Horrocks**—Yes. The outer southern suburbs of Brisbane are part of the licenced service area for CBL.

**Mr HARDGRAVE**—You said before that you have written to the ABA recently. How long ago?

**Mr Horrocks**—Yes, that was at the end of last year when there were the last submissions in relation to the LAP for south-east Queensland.

**Mr HARDGRAVE**—So was that November of last year?

**Mrs Budge**—It probably would have been a little earlier than that. It could be around September, October.

**Mr HARDGRAVE**—So four months ago. You have a response—

**Mr Horrocks**—No, we have not.

**Mrs Budge**—No.

**Mr HARDGRAVE**—No response at all?

**Mr Horrocks**—No, except for the draft plan that came out which showed us at the same power with the other community stations receiving, I noted, as the higher power.

**Mr HARDGRAVE**—Do you know they got your submission? Have they got an acknowledgment back to you to say thanks for the submission?

**Mrs Budge**—I believe they sent it. We emailed it and then probably sent a hard copy as well. If I remember correctly, we did get acknowledgment at that time. Maybe that is why they did it; maybe they just sent out the book afterwards. I do not know.

**Mr HARDGRAVE**—The only reason I ask is that it is an insight again into the operations of this organisation, which seems to have all the power but very little accountability, responsibility or good manners, as Mr Jull says. The accountability mechanisms that do not seem to exist on the ABA's decision making are becoming a matter of concern, given evidence we are hearing. Would public hearings help to open up that process a lot more, to understand what the ABA are on about and, for that matter, understand if the licence holders have fulfilled their commitments to a community?

**Mr Horrocks**—I believe so. I believe that deregulation in the industry can only go so far when it becomes necessary to look at accountability.

**Mr HARDGRAVE**—So it is not a case of: whatever happens inside the boardroom assessments is not good enough; we want to have the public involved in the process?

**Mr Horrocks**—I think so. We are the holder of the broadcasting services licence, and that is no mean achievement for any community group. We have to be responsible in terms of efficient utilisation of the spectrum and, therefore, to some degree we should be accountable to the ABA.

**Mr HARDGRAVE**—You raised this 'overengineered ABC' matter. It is not perhaps unusual in one sense that they might overengineer it. Has that matter been communicated to the ABA?

**Mr Horrocks**—I believe the matter has been raised on several occasions beforehand. It was interesting to see that it was raised here this morning. It is something that I thoroughly agree with. The ABC is the national broadcaster. The ABA is the judicial body of broadcasting in Australia. To my mind, the ABC should be accountable to the ABA, not directly to the minister.

**Ms LIVERMORE**—Lea, has there been a manager's position at 101.1 FM ever since it started up?

**Mrs Budge**—No. We had a station coordinator to some extent on a purely voluntary basis. I am going into my 10th year now as station manager, and when I became the station manager it was a paid position. Prior to that it was purely voluntary.

**Ms LIVERMORE**—Do you think that makes a difference to your community station—compared to others that run on a totally voluntary basis? Are you able to do more or have a more comprehensive service because of having a full-time manager?

**Mrs Budge**—I definitely agree that it does have advantages. I can afford, both financially and otherwise, to be at the station five days a week for whatever time. I believe that any station needs some direction on a day-to-day basis. Sure, you can have a management committee, but there needs to be direction on a day-to-day basis. Also, in the voluntary realm, if somebody has to be smacked on the wrist, they would probably take a bit more notice if the person doing it is actually paid to be in that position rather than just another volunteer. It has a lot of advantages in-house. There is also the time factor—that you can have some consistency with regard to things. You are there on a day-to-day basis, you can follow through and you can initiate things, perhaps via the management's direction, et cetera.

**Mr MOSSFIELD**—You did say you were a 24-hour broadcasting operation?

**Mrs Budge**—Yes.

**Mr MOSSFIELD**—So you have a person there around the clock?

**Mrs Budge**—Yes, we do.

**Mr MOSSFIELD**—Is that person a volunteer?

**Mrs Budge**—None of our on-air presenters are paid.

**Mr MOSSFIELD**—How many of these volunteers do you have?

**Mrs Budge**—We have about 75 at the moment. We have about 40 who come through the station in any one week. Our breakfast announcer is the only person who does one shift five days a week. All the other shifts are broken up and different people do them—there is either a roster system or, for example, on each Monday afternoon a particular person comes in.

**Mr MOSSFIELD**—Are they a particular type of person? Are they young, middle-aged, old? What are their occupations? Are they retired people?

**Mrs Budge**—We have a mixture. The ones we have on air during the day tend to be either shift workers, retired people or homemakers, who do not have work commitments outside. The majority of our membership would be 30 years upwards with a swing towards 45 upwards. However, that is not to the exclusion of young people. About 60 per cent of the population of Logan City is 25 years of age or under. As a community broadcaster, even though we cannot compete with commercial stations that are youth orientated, we still have a commitment to provide something for those young people and a training ground for them. In the system at the



moment we have got about five who are directly associated with the station. On one of those programs there are about 20 people because it is a 'radioactive' Internet program. They have about 20 people on their team, who basically help to get the program to air.

**Mr MOSSFIELD**—That is interesting. I would like to ask you a few questions about your board of directors or management committee—whatever it is called. How often do they meet, and what is the type of issue they would discuss?

**Mrs Budge**—The executive management deal with the organisation side of things. Obviously, as station manager, I am invited to the meetings, which are held once a month. We discuss various things: any technical equipment we need to purchase; grant applications that we can apply for; what is happening within the station so that they are kept abreast of day-to-day issues; and any recommendations that they decide upon, which it is my job to implement on a day-to-day basis. It is a whole spectrum. The executive management are there to look after the organisation as a whole rather than have hands-on involvement on a day-to-day basis. They leave that to other people and me.

**Mr MOSSFIELD**—Do you run advertisements?

**Mrs Budge**—We are restricted to five minutes per hour. In 24 hours people think, 'That is quite a lot.' But most of the sponsors do not really want to advertise after midnight and pay for it. So I guess that is one of the areas that community broadcasters across the board find very difficult. It is one of the ways they generate revenue. Unfortunately, however much equipment we need and use, we still have to pay the commercial costs for that equipment. We do not get charged any less because we are a community station. So it is a very important way to look at things to keep us financially viable. Sponsorship is one of those areas. Outside broadcasts is another area. We do a lot of fundraising activities. We rely on our membership and subscription fees, general donations and what-have-you. For any community broadcaster that is a very integral part of keeping on air.

**Mr MOSSFIELD**—Finally, during the peak periods would you use up the full five minutes of sponsorship?

**Mrs Budge**—Yes. There are times when we wish we had a lot more. It is not like that every week, unfortunately. But there are times when that happens.

**CHAIR**—What proportion of your sponsorship would you use, between 6.00 am. and 6.00 p.m., of that five minutes per hour?

**Mrs Budge**—Do you mean on a general basis?

**CHAIR**—Yes.

**Mrs Budge**—I suppose during breakfast and drive you can usually fill your five minutes per hour, and probably during the morning programs up until midday. The afternoon is probably the only area that may be reduced—but, as we say, at specific times. It is becoming more of a regular feature. It is sort of like five minutes across the board.

**CHAIR**—You would be one of the few. A lot of people have said how difficult it is, but when we talk to them about filling their sponsorship, very few of them have actually filled their sponsorship. You are the first one who claims to have filled the bulk of it, in daylight hours, anyhow.

**Mrs Budge**—We have an excellent sales manager who came out of the commercial sector. He cares about his clients, which is a refreshing thing.

**CHAIR**—Is he a paid officer or is he on commission?

**Mrs Budge**—He has a retainer and he receives commission. I guess, too, because of the rapport he has with his clients, most of the sponsorship we have on air is repeat business. He does a very good job in that area. Also, a lot of that revenue is outside broadcasts. That is where he obviously works hand in hand with John.

**CHAIR**—Discounting your personal involvement, do you think there is a case for community stations to have one paid managerial officer?

**Mrs Budge**—Yes. I think it would be very advantageous.

**CHAIR**—In terms of professionalism and keeping the medium together and that sort of thing?

**Mrs Budge**—Yes. I think you have to look at community radio eventually as a business, whether or not it starts off that way in the beginning. To stay viable, any small business has to have a person who is accountable, who can put things in place, who can motivate people, who can keep people working together and who can initiate things that will be viable for the station.

**CHAIR**—What is your annual budget?

**Mrs Budge**—Our income at the moment is probably around \$130,000 a year. We probably spend about that much. Being a not-for-profit organisation, everything goes back into the station with regard to the purchase and maintenance of equipment. As you can appreciate, with equipment that is on 24-hours a day, seven days a week, there is a major issue of wear and tear.

**CHAIR**—Do you do any networking at all?

**Mrs Budge**—No.

**CHAIR**—Not even from midnight until dawn?

**Mrs Budge**—No. We always have live people in there on air. In the 12 years that we have been on air we have never had—I do not think—a program that has not gone to air without having a real live person in the studio doing it.

**CHAIR**—That is excellent.

**Mr McARTHUR**—How many listeners do you think you reach?

**Mrs Budge**—It is very difficult. As mentioned earlier, to have something like the McNair survey done costs about \$70,000 per survey, if not more now. A community station cannot afford that. Several years ago, we asked the marketing students at TAFE to do that as part of their end-of-year assessment for their marketing program. They had to choose a business that would actually utilise the information that they gained and so they did a survey for us—this was back in 1994—and at that time, out of 19 stations that people could listen to within the Logan area, we were the fifth most listened to station, and we had 5.8 per cent of the radio listening audience—that is only in Logan. Our population at that time was probably about 160,000, but of course we do spill over into other areas. As hard as I try each year to try and get another survey done, to date it has not been successful.

**CHAIR**—Thank you for that. It has been very interesting evidence. We have come across your station in evidence in other places. You are held up as being a shining light amongst community stations, so we congratulate you for that.

**Mrs Budge**—Thank you.

**CHAIR**—You will receive a copy of the *Hansard* draft of today's proceedings.

**Mr Horrocks**—Mr Chairman, I would just like to touch very briefly on the advent of digital radio broadcasting and how it will affect community broadcasters. Do I have time to do that?

**CHAIR**—Probably not, I am sorry. Would you like to give us that in written form?

**Mr Horrocks**—We can do that, yes.

**CHAIR**—If it wasn't for planes and things, I would say yes. We are on a very tight time commitment this afternoon. We are already running 10 minutes late. But we would be pleased if you would forward us your views on that and we will take them as a supplementary submission.

**Mr Horrocks**—Thank you very much.

**Mrs Budge**—On behalf of John and me and 101 FM, I would like to thank you very much for the opportunity today, and for your time.

**CHAIR**—Thank you.

[4.12 p.m.]

**SMITH, Mr Mark Leslie Chapman, Owner/Operator, Radio 4GG Gold Coast Pty Ltd**

**CHAIR**—Welcome. Would you like to make an opening statement.

**Mr Smith**—I am the proprietor of Radio 4GG, which is an operator, at this point in time, of five narrowcast licences spread from Currumbin through Nerang, Mudgeeraba and Eagle Heights on the Gold Coast. We have a microwave link service from Currumbin through to Eagle Heights on the Gold Coast. Three of those services are on 87.8 and the other two are on 87.6. We have been operating those services on those frequencies for the last six years now on the Gold Coast as a country music format.

Personally, I have been in broadcasting as a commercial broadcaster since 1968. I started at 2GB in Sydney in 1968 when I left school, and I have been in the broadcasting industry ever since. I worked for the number one radio stations, when they were number one, in Sydney, Melbourne and Adelaide—5KA in Adelaide under Paul Thompson; 3XY in Melbourne under Trevor Smith; and under several program directors—Ian Grace, Barrie Chapman and Trevor Smith—again at 2SM in Sydney when they were number one and had 24 per cent of the market.

I was also one of the original announcers when 2WS commenced broadcasting. I was with 2WS for two years. I spent four years in the States working as a sports broadcaster for Radio WSOC in Charlotte, North Carolina. I was very distressed this morning to hear that unfortunately Dale Earnhardt was killed in a race this morning at Daytona, so I have come here today with a heavy heart having been personally involved with the NASCAR racing in America for four years, broadcasting it, and it was very sad news today. So I am not feeling that happy about that, but be that as it may, that is the racing game.

**CHAIR**—Would you like to give us an overview of your submission?

**Mr Smith**—I would, in the form of the letter that I sent on 8 January to Richard Alston, the Minister for Communications, Information Technology and the Arts and to the Chairman of the Australian Broadcasting Authority, Professor David Flint. This letter went to both those gentlemen. It regards the determination for the Gold Coast Licence Area Plan, which was released around 22 December. This is my response to what was issued by these gentlemen and the ABA:

Dear Senator Alston and Professor Flint

The recent release of the Radio Broadcasting Licence determination for the Gold Coast licence area from the Australian Broadcasting Authority leaves a tremendous short fall for local consumers in their choices of Radio programming.

As an example Radio 4GG Gold Coast on LPON licenses has been the only twenty four hour a day radio outlet for local, national and international country music artists and performers.

Your determination does not fulfil the broadcasting legislation enacted nine years ago to make full and proper use of the broadcasting radio spectrum.

The fact it has taken nine years for you to have acted to release broadcast spectrum is a clear demonstration of support for existing commercial radio broadcasting service providers who do not wish extra competition in the Gold Coast radio market.

One new commercial radio licence for the Gold Coast is completely inadequate for this growing region.

The placement of a 1Kw licence at Currumbin for a Murwillumbah licence holder is another brazen example of the Commercial Radio Federations influence over this current determination. This writer has heard that leading Murwillumbah business people wish to have the 2MW operation and studio returned to its rightful location, in Murwillumbah, serving the local residents with news, sports and local events coverage.

The old ABC and 4GG 1197 and 1593 AM frequencies have not been included in the current determination and should be included as Gold Coast broadcasting assets which have been excluded from this market place by the ABA for no good reason over the past four years and seemingly into the future.

The residents of Tamborine Mountain, Lower Beechmont and Currumbin can hardly be thrilled with the prospect of an extra 85,000 watts of Electro Magnetic Radiation in their backyards. These sites are no longer acceptable for high powered broadcasting. Transmitters should be relocated to industrial areas at the very least. Keeping in mind the latest findings overseas and here in Australia concerning EMR.

The new digital Television legislation also follows along the same protectionist vein with no hope of new service providers gaining spectrum for niche broadcasting. The ABC Four Corners program dealing with Digital Television described your decision perfectly: "A DIGITAL TRAIN WRECK".

Wasn't the public excited about the launch several days ago? an unmitigated disaster.

Ten new commercial licenses (or service provision contracts) would be more in keeping with the aims of your legislation, none of which need to be 26Kw. The technical bar (a Rolls Royce model) your planning office has to jump across in relation to spectrum planning, is set way too high and excludes opportunity for new and different service providers.

Your crowding of the spectrum with well-meaning volunteer community licenses is a waste. The current Gold Coast aspirant broadcasting community groups would fit the narrowcasting legislation (or a service provision contract) perfectly.

The three frequencies should be made available at auction as narrowcast services (or as service provision contracts) with no five year time limit. The current community licence operating now on the Gold Coast demonstrates that much airtime already exists for community groups wishing to gain broadcast exposure.

The current LPON (low powered open narrowcast) country music service 4GG has provided for the last six years will soon fail for financial reasons as well. The new LPON lose it or use it determination by the ABA will mean that the ten narrowcast LPON frequencies 4GG has available to it will require \$40,000 worth of link and transmission equipment and then an ongoing site rental bill of over \$2,000 per month. Hardly economically viable when we can only sell our advertising on these low powered licenses for around 50c a spot.

The fact that so many LPON licenses have been hoarded and not used over the past ten years must point quite clearly to their non-viability at such low power settings.

The 4GG Gold Coast crystal ball for local broadcasting sees the current situation continuing if your current determination cannot be enlarged. NO Gold Coast extended news coverage, NO Gold Coast talkback, NO Gold Coast sports coverage, NO Gold Coast live community feedback lines and coverage of few local activities.

The Federal Government will extract \$30 million dollars at auction from the Gold Coast as it did with the airport, probably in Sterling or US Dollars and leave the Gold Coast with another replication of current commercial programming, giving us more of the same safe formats to ensure an international investors return.

We have a hard working professional Country Music fraternity on the Gold Coast who deserve wide coverage commercial radio broadcasting exposure. Artists, agents, recording studios, radio announcers, radio producers, radio sales personnel, radio management personnel, artist managers, venues, fans, diversification, free enterprise all in dire need of some true democracy.

Radio 4GG Gold Coast Pty Ltd believes radio broadcasting licenses should be changed to service provision contracts with the ABA and that the current categories of National, Commercial Community, Narrowcast with all the empty and useless restrictions is a system that does not work. Service provision contracts could accommodate all the political and pressure group forces that encapsulate broadcasting issues in Australia.

Please release all available spectrum in this current determination.

Mark Chapman Smith.

In a nutshell, that is what I think.

**CHAIR**—How did you come by the old 4GG logo?

**Mr Smith**—I registered the business name for \$90.

**CHAIR**—Had the previous owners surrendered it?

**Mr Smith**—Yes, that is correct.

**CHAIR**—Is it a country and western format.

**Mr Smith**—Yes.

**CHAIR**—Do you do 24 hours a day?

**Mr Smith**—Seven days a week.

**CHAIR**—Do you do all your own programming?

**Mr Smith**—Yes, we do.

**CHAIR**—You do not take any on-line?

**Mr Smith**—No. We are an automated service, but we update that on a daily basis or a weekly basis, depending on the events.

**CHAIR**—Do you have a news bulletin?

**Mr Smith**—No, we do not have any news at all. We are not viable enough for a news service.

**CHAIR**—Right. Do you take any national news on-line from anyone?

**Mr Smith**—No, we do not.

**CHAIR**—So it is purely country and western?

**Mr Smith**—Yes. Sixteen songs an hour with two commercial breaks is essentially how we operate. We are playing Mr Nick Erby's list. He is with us today. Also for our play list we use the radio and records chart, which we get from the Internet each week. So that is our play list.

There is a nice 50-50 mix of local artists. We also run about six concerts a year, which we have been doing for quite a long time now. We call them Opry concerts at the Robina town centre. We record those concerts, find the suitable tracks and include them into our play list. Our most recent concert was at Fan Land in Tamworth on 26 January this year. We had something like 11 local acts from south-east Queensland appearing in Tamworth on our show, which we recorded onto minidisc. We have since brought it back and we replay that. So we are supporting artists like Tanya Self, who had a big launch at Newfarm last week for her new album. Out of all the radio stations in this neck of the woods, I would imagine only a handful are playing her new album, and she is a local artist who deserves to be played.

**CHAIR**—I noticed in your letter to the minister you made reference to the fact that you had unused licences. Other than the five that you are currently using, how many others do you hold?

**Mr Smith**—I have sold nine of them to Mr Wayne Price and he is letting me continue on those. He is holding those at the moment. I believe he has since found a buyer, so I expect to leave the 87.8 licences. There are two 87.6 licences—one I am operating in Tamworth and one I am operating on the Gold Coast. I expect to sell the Gold Coast one in the near future, because I cannot continue as I have done in the last six years with this new legislation that has arrived where we will lose those licences if we do not use them.

**CHAIR**—You realise there were 40?

**Mr Smith**—For good reason, because the licences are useless. If the licences were a useful item, people would use them. They are absolutely and totally useless.

**Mr JULL**—I was just following up something that you made reference to—the availability of the two AM licences. That is the old 4GG.

**Mr Smith**—Yes, two frequencies.

**Mr JULL**—And 4SO.

**Mr Smith**—At 1197 and one of them is 200 watts. The old ABC one has gone to Terranora, which is not Gold Coast; that is the Tweed area. That has been moved south. I believe that is the 1593. I do not know where the 1197 has gone, but it is not on the Gold Coast any more. One was at Mermaid Beach and one was at Bundle. Why are we losing those two licences that belong to the Gold Coast, let alone the 250 licences we should have on the digital spectrum now, and not in 15 years time? Why aren't we having digital broadcasting now? The technology is available. Philips are building the radios. Give us a go!

**Mr JULL**—So if you get your hands on those, somehow you would?

**Mr Smith**—Yes, but I have depleted my resources over six years waiting for legislation that was written nine years ago. When the auction comes around in March, I have nothing to go to the auction with. I am a spent force.

**Mr JULL**—But those AM licences are not coming up.

**Mr Smith**—One of them is coming up at Terranora, but that is not on the Gold Coast. That is in the Tweed. It has been moved out of the Gold Coast area and they have just forgotten completely. That old 4GG licence is, I believe, something like a 5,000 watt directional licence, which would be wonderful.

**Mr JULL**—It would be a ripper.

**Mr Smith**—It would be fantastic. But I am going to have to go to an auction and compete against people who have got money from other sources outside the industry. After having spent 30 years in the industry I have nothing to go to the auction with. That is the system. What they are auctioning is only a handful of what is available. There is a huge spectrum out there. I agree about the overpowering of the ABC that was mentioned a minute ago—ridiculous overpowering. How many people driving a combine harvester in Tamworth are listening to classical music on their combine harvester? You could count them on one hand, I bet. Yet the amount of transmitters surrounding Tamworth that are playing classical music to the crows is a huge expense, and a huge waste of spectrum. It is criminal. If the community broadcasters were given service provision contracts and they told the government, ‘We want to be community service providers’, then all well and good. It should be an equal playing field. I believe the community stations should have equal power to the rest.

The Brisbane FM licences are overpowered. The CFM and Gold FM licences on the Gold Coast are overpowered. They are blocking up the spectrum. The handwriting of the federation of commercial broadcasters is all over this determination that we are talking about, just concentrating on the Gold Coast. It is written by them, given to the ABA and rubber-stamped. The reason is that the government, when it comes around to the election, want to receive the funding from the federation’s members for their next campaigns. This is the reason the Productivity Commission, which was only announced three or four months ago—

**CHAIR**—Mr Smith, I do not think either the government or the opposition are motivated by that. I would ask you to withdraw that remark.

**Mr Smith**—I will withdraw it, but the evidence in my mind is that it is the only rational reason for the restriction of the marketplace. You mentioned the supermarkets in the small towns. I was amazed at those people from Bundaberg. What right do they have to a radio station and to restrict the market in Bundaberg when anyone can start a supermarket or a service station, or any other business—

**CHAIR**—The bulk of the evidence we have received—and I am not saying which way the committee is going to rule—is that the issuing of licences has been so uncontrolled as to make a lot of licensees unviable. On top of that, because they become unviable they become easy targets for networks and, because of that, localism has died. We have had a very strong vein of evidence along that way.

**Mr Smith**—I believe that the measurement you are taking there is measured on the old scale of having 29 staff in Bundaberg, which is ridiculous with what we estimated minutes ago would be a \$2 million payroll—in a tiny town like Bundaberg with 50,000 people. Getting back to the supermarket analogy, why has the radio station got any more right to a free enterprise business in Bundaberg than a supermarket operator?



**CHAIR**—That is the free market argument.

**Mr Smith**—Why doesn't it exist in broadcasting?

**CHAIR**—What the minister has asked us as a committee to report on is whether or not localism has suffered—local news, local weather, local sport, local talkback—and the extent to which networking has done that. There has been a lot of evidence, and we are still testing evidence, that, because there have been so many licences—some semi-viable, some not viable at all—they have been snapped up, networked back to hubs on the Gold Coast, Townsville, Sydney and Melbourne. This has left those country towns without any localism. We have had evidence also that emergency services announcements cannot be made in some areas because the radio stations are networked permanently all day.

**Mr Smith**—If 300 radio operators were able to operate in Bundaberg—which they should be able to—the same as 300 supermarkets should be able to operate in Bundaberg, that content will remain. You took evidence this morning from the Bundaberg operator who said his whole morning show comes from Sydney anyway. The networking is there. You will never get rid of the networking. The viability of broadcasting means that there has to be a networking contribution.

These radio stations that are operating huge staffs in tiny markets are a dinosaur. They are things of the past. A radio station can be operated now out of equipment that would fit on that mat. When I started in broadcasting at Mudgee, we had mountains of equipment to do the same job. Now my radio station would fit on that mat. It is viable. I have been going for six years at 50c a spot. I have made a living out of it. Because she is making \$2 million a year for her staff in Bundaberg, why cannot I go to Bundaberg and operate my radio station there? I am doing it in Tamworth. I am localising my content in Tamworth, but I am localising it to a niche group audience in Tamworth. And I want to do the same thing in Bundaberg.

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

**Mr Smith**—I do not employ anybody directly. I pay people to come in and do the work that is required, like voiceovers. Any research that needs to be done, I pay for it on a piece by piece basis. On a Sunday night, for instance, we operate the radio station on a computer hard drive and we update that hard drive with all the new current events. We have called the football on the Gold Coast from the big stadium on my station in the past. We have church groups who cannot get any exposure on any other station, including the Christian community station 4CRB—they have come to us. The Christian Science Church has been with me for nearly five years on a Sunday night at 6 o'clock. I have got a Church of Christ and I have also got Good News broadcasting from Sydney. So I am encapsulating lots of little things into my radio station that sits on a mat. I do not need 29 people to provide my niche service.

That is where broadcasting is going. If you do not believe me, wait two years when the satellite goes above us and people can download what they want into their car off 600 radio stations. All these arguments will be out the window. You will have no control over it anyway. So we have to sit on our hands until we can get a transponder to the satellite to get to the masses because you people in government will not hand out the spectrum which, in 1992, you were directed to do, and you have not done it.

**CHAIR**—This committee does not hand out the spectrum. We have been asked as a bipartisan committee of the three major parties to report to the minister—

**Mr Smith**—That is right; I understand that, but it has not happened.

**CHAIR**—on how to retain localism in radio; what part local radio plays in the fabric of communities; and what part it plays in the employment—

**Mr Smith**—That is right. If I go to Tamworth and I do not include Tamworth into the agenda of my radio stations, as an example, and separate my Tamworth content to my Gold Coast content with the same music, then the Tamworth people are going to resent that service and they are not going to listen. I will go broke, fall over and go away. The person who replaces me in that spectrum will realise the mistake that I made and will include the local content because it is to his benefit that he does. If he does not, he will have a failure on his hands. It is a self-serving process. Legislation is not going to do a damn thing for programming—what people want and what people listen to.

**CHAIR**—On that note, thank you, Mr Smith, for your evidence today, for your submission and for your very forthright presentation.

**Mr Smith**—Sorry, it was a bit forthright.

**CHAIR**—That is okay. We said we like it robust, and you gave it to us that way. You will receive a draft copy of the *Hansard* of today's proceedings. We thank Hansard, those in the public gallery who remain and those who have assisted us from the media and the public during the day. Our thanks also go to the Logan City Council for their generosity.

Resolved (seconded by **Mr Jull**):

That, pursuant to the power conferred by paragraph (o) of sessional order 28B, this committee authorises publication of the evidence given before it at public hearing this day.

**Committee adjourned at 4.34 p.m.**