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TRANSCRIPT OF PROCEEDINGS

PRODUCTIVITY COMMISSION

INQUIRY INTO THE BROADCASTING SERVICES ACT 1992

PROF R. SNAPE, Presiding Commissioner
MR S. SIMSON, Assistant Commissioner

TRANSCRIPT OF PROCEEDINGS

AT BRISBANE ON THURSDAY, 20 MAY 1999, AT 9.05 AM

PROF SNAPE: Welcome to this, the first day of the public hearings of the inquiry into broadcasting conducted by the Productivity Commission. The terms of the inquiry are specified in the terms of reference sent to the commission by the Commonwealth treasurer. Copies of the terms of reference are available on the table near the entrance.

The inquiry encompasses all aspects of broadcasting covered by the Broadcasting Services Act 1992, its subsequent amendments and associated legislation. It covers free to air television and radio, pay television and radio, community and indigenous broadcasting, datacasting, narrowcasting, digital conversion and some aspects of the Internet. Regulation of content - for example Australian content and children's content - ownership and foreign investment are all embraced, but the legislation setting up the ABC and SBS is not.

The commission has to give particular attention to the requirements of the competition principles agreement. This specifies that any legislation which restricts competition should be retained only if the benefits to the community as a whole outweigh the costs and if the objectives can be met only through restricting competition. The terms of reference give emphasis to social and cultural considerations, as well as to economic, to the effects of technical convergence, to cultural diversity, plurality of opinion and fair and accurate coverage of matters of national and local significance, to respecting community standards and to protecting children.

The public hearings provide the opportunity for interested parties to make oral presentations. Generally this is in the form of speaking to their written submissions. They provide an opportunity for the commission to seek clarifications and to pursue with participants matters of particular interest to the commission. Transcripts are made of the hearings and are normally available on the commission's Web site within three days of the relevant hearing. Transcripts are sent to the relevant participants for checking. At the end of the scheduled hearings for today I shall invite any persons present to make oral presentations should they wish to do so.

Now, our first participants today are from the National Indigenous Media Association of Australia. We welcome them. I think we have four people who are going to speak. What I would do is to ask you each separately to identify yourselves and your positions and for the transcription service, so the transcription service will be able to identify your voices in subsequent times.

MR REMEDIO: Okay, thank you. My name is John Remedio. I'm the chairman of the National Indigenous Media Association of Australia.

MR BAYLES: Tiga Bayles, chairman of National Indigenous Radio Service, general manager of 4AAA.

MR PYNE: Gerry Pyne. I'm the manager of the National Indigenous Radio Service.

MR BOMFORD: Russell Bomford, national BRACS coordinator with National Indigenous Media Association of Australia.

PROF SNAPE: Thank you very much. I'm not sure who's going to open the bowling for you but whoever it is, over to you now. Thank you very much for your submission.

MR REMEDIO: Thank you, yes, it's a good way to start I suppose, seeing we've got the World Cup happening in England at the moment. We want to start off with a - just to give the panel an idea of some of the things that we will be talking about - and it's a very short clip, I think about two minutes, on some ceremony or inma had in central Australia. We'd like you just to have a look at that because it has a bearing on what is in our submission. I'll get Russell from BRACS to do that.

PROF SNAPE: For the transcript, we're about to view a short video.

MR BOMFORD: This is a video that was produced by the Yunkujulla Media Association in central Australia. It's title is Inma Pulka. "Inma" is the word for ceremony and "pulka" is the word for big. In an essence, this is Big Ceremony.

VIDEO SHOWN

MR BOMFORD: This is a sample of a video product that has been made by members of NIMAA. In relation to this organisation, they're a central Australian remote community. They have a network of about 12 communities and those communities have all contributed to the production of this particular video. It is a celebration across the lands, one of their biggest ceremonies that they have, and you can see that it's a ceremony that involves the complete breadth of the community life. In particular, it's a ceremony that encourages the teaching of the dance and the ceremony to the young children. It is certainly a product by indigenous media that could be used for wider broadcast. There's a whole series of different inmas or different ceremonies. On this video, this inma maku is from Mimali community. The English translation is the witchetty grub ceremony. It goes on to a whole range of different ceremonies that exist in that particular part of the country.

I'll just briefly show two or three minutes of the introduction of a video produced by the Pilbara and Kimberley Aboriginal Medial Association, based in Broome, Western Australia. They have a collective of 13 communities who contributed to this video, which is called Look, Listen, Speak. Both of these products have been produced from the preproduction stage, the planning, right through to the production stage by remote indigenous communities, in particular, communities involved in a program called BRACS, the Broadcasting for Remote Aboriginal Community Scheme.

VIDEO SHOWN

MR BOMFORD: This video, Look, Listen, Speak, as I was saying earlier, was produced by the regional coordinating unit for the Pilbara, Kimberley region, and this was made as an initiative for what was the National Indigenous Documentary Fund, and was broadcast on the ABC in 1998, had prime time television, with a series of four or five other remote and regional business film-makers. This video is being used very much as a training tool. You can see from the introduction of what Chug was talking about, that it's really a tool and a resource to encourage people's participation and to help them understand what is BRACS and how can the network help them. So once this video was produced it was then dubbed into many copies and then distributed to the region throughout the Pilbara and Kimberley, and communities can take this video and play it to their community council, to their elders, to their youth, whoever it may be, and it's a very good educational resource tool. Thank you.

MR REMEDIO: Thanks, Russell. As you can see, we went from some early part of our history to what we're doing up to now and recording both spectrums of that, if I can use a broadcasting term. I brought Tiga Bayles along today to talk about part of the early history of radio which I think is a very important part of this process, and of course, Gerry Pyne will talk on some of the technical conversions issues that we have, and also Russell will talk on some of those issues as well. I will just get into the broad part of the thing so we can push it along a bit. An important role for the Indigenous Broadcasting Sector is as an educator. This sector plays an extremely important role in educating Australia's non-indigenous communities about this country's indigenous people.

Survey statistics are showing that there is a large non-indigenous audience to the sector and this allows for the growth of a better understanding of indigenous culture and history. These are indeed extremely important objectives for this sector. These, as well as the many important objectives of this sector, have the effect of elevating this service to a status of an essential service. This sector is operated under the Broadcasting Services Act since 1992, which is a new act as we know from the 1949 act. Since its proclamation in late 1992 under this act indigenous broadcasting has been classified under Part VI as a community broadcasting sector.

During the seven years of operating within this legislation, this sector has had to deal with many difficulties as a result of this classification. It is our belief that the indigenous broadcasting sector of this country does not belong under the community classification within the act. For example, the act provides for community broadcasting under Part VI. Within this framework community broadcasting is about local broadcasting by local communities. It is about providing a voice for those sections of the community that are not catered for by existing media. It is based upon a non-profit low budget principle, a principle that encourages a labour force that is volunteer based. Its objective is to encourage maximum participation in the operation and management of services by its local communities.

Its general objective is to provide its local communities with a media outlet that they, as individuals or as community groups, can use to put their views across with. Community broadcasting within this context is about local programming by and for

local people and about local issues. These aims and objectives are vastly different to the aims and objectives of the indigenous broadcasting sector as explained earlier. This sector plays an extremely important role in the preservation and maintenance of our culture and language. It also plays an extremely important and essential role in allowing self-determination for our communities. To allow for the development of a programming environment that caters for these special objectives, it was determined from the beginning that this service requires its labour force to be highly trained and well-informed about the cultural, linguistic and other aspects of indigenous community.

This labour force also has to be highly trained in a range of technical as well as other areas such as journalism, management, industrialise (indistinct) and so on. The special objectives of this sector cannot be carried out using a labour force that is volunteer based. To allow for this an industry award was established to ensure the special needs of this sector, employees are properly catered for. This sector is the only sector that operates under the community banner within the act that has its own industrial award. It is essential for this sector to be allowed to cover all areas of population around Australia. In many cases, we are the only ones that cater for many remote communities that exist. These communities have very little profile within mainstream Australian society and are therefore often not considered for their special needs when governments and industry define their policies and plans.

This sector needs to play an important role in the education of mainstream Australian society in all aspects of its indigenous communities. This can only be carried out effectively if we are allowed access to the entire Australian community. We are currently hampered by the fact that our members have to line up alongside many community groups aspiring for a community broadcasting licence in key areas such as Melbourne and Sydney. In these two centres alone there are already many community broadcasters catering for a wide range of special needs within these communities. In both of these centres there are over 10 community groups that are in competition for very limited spectrum space. In these centres there is no service whatsoever that caters for an indigenous voice.

At the same time, there are three full-time services that broadcast programs entirely for ethnic communities. These include two services operated by SBS as well as a full-time ethnic community service in each centre. Being categorised as community broadcasters has placed this sector in a situation where it has had to compete with many other potential community broadcasters for its first chance at having a voice at these and other highly populated areas. This has caused lengthy delays in the sector's development and has deprived Australia of an important opportunity to learn about its first Australians.

The government recognises the following special interest groups that exist within the community broadcasting framework. They are general mainstream community broadcasters, ethnic broadcasters, radio for print handicapped, and indigenous broadcasters. The indigenous broadcasting sector is the only sector within these categories that has no full-time voice in these key centres. A similar situation

exists with this sector's desire to operate its own television service. There is an ongoing debate and discussion about the long-term use of Australia's sixth free to air television service.

We believe that this country would benefit greatly if a full-time indigenous television service were available to its communities. The introduction of a national television service through SBS for ethnic communities has played an extremely important role in breaking down racial differences and has aided greatly to a much better understanding of overseas culture within mainstream Australia. This service has aided development of a multicultural Australia. We strongly believe that having a national indigenous television service would assist greatly with this country's process of reconciliation, not just in the lead-up to the present government's reconciliation program, but for all time.

Being categorised as community broadcasters once again places this sector in direct competition with many other community groups in many centres for a chance at providing this beneficial service. Under the act each category of broadcaster is required to register its own codes of practice with the Australian Broadcasting Authority. The commercial sector, the ABC, the SBS, the open narrowcasters, all have their own self-authored codes of practice. They are designed especially for their individual needs. As indigenous broadcasters operating under the community broadcasting umbrella we are bound to the community broadcasting sector's code of practice.

This sector has no opportunity to contribute to the development of these codes. This is no mention of special needs and considerations that indigenous broadcasters have within these codes and they are designed with a strong emphasis on volunteers, sponsorship and other matters that related directly to community broadcasters in a traditional sense. These codes of practice have little relevance to our sector and this sector is not given recognition by government and other agencies as participants in their development in any consequent reviews that may take place from time to time. This sector needs to be able to develop its own codes of practice in a similar way to what exists for Australia's ethnic communities through its national broadcaster, SBS, which has its own codes, codes that it alone has a responsibility for the development and maintenance of.

These are but of a few of the large anomalies that confront this sector as a result of being classified under Part VI of the Broadcasting Services Act 1992. The indigenous broadcasting sector has an essential role to play in maintenance of indigenous language and culture. It has an essential role to play in the ongoing reconciliation process and in educating mainstream society about its unique culture. It has an essential role to play in profiling its remote communities to mainstream society. It has an essential role to play in providing information, entertainment, to these remote communities.

These roles give this sector special responsibilities to the entire Australian community. This sector plays an essential role in the ongoing development of

Australian society. It is our strong belief that these responsibilities cannot be properly met under the present environment as we are classified for a different purpose as community broadcasters. That's the first part of our paper that deals a little bit with deregulation. I guess what we're saying there is that we need to be little bit hard-nosed about this too and look at how we can get the market deregulated, simply to be able to grow the economy of the indigenous sector. Without the deregulation in some way of the act, it will not allow us to grow our economy and therefore grow the employment opportunities that exist within that huge economy.

We have only got to look at the map that we have brought in today and have a look at the vast area across the continent that we service. So a very strong point about our submission is that we don't fit in that part of the act. It's the old cliche of a square peg in a round hole, or the hat doesn't fit, but it certainly doesn't fit for indigenous broadcasters to be in that role. So I would like to just go back a step, take it back a step, to look at how we got here to where we are now, and this is what I have asked Tiga Bayles to come along because Tiga is the manager of a large radio station here, Triple A, and I don't want to, even as chairman of NIMA, speak for somebody else because for too long in this country other people have spoken for us in terms of broadcasting or in terms of what we do, where we are, as a people, so I'm going to hand over to Tiga to bring us through from the early days of when they started in this business of radio.

MR BAYLES: It was the early 80s when there was a small group of us, the likes of Lester Bostock, Freda Thornton, Freda Gwyne, Fred Thornton, both names I know her as. I'm not too sure which one she uses today.

PROF SNAPE: That's one person.

MR BAYLES: Same person, yes. Johnny Bukumba, they were part of a small group of indigenous people from around the country that decided that it was time that indigenous people accessed the airwaves. It was 82, I think, when CAAMA got their licence out there and that spurred the rest of us on around the country thinking, "Well, they have got this in Alice Springs, what about us mob in" - and I was living in Redfern at the time - "what about us mob in these capital cities and other urban and remote areas?"

PROF SNAPE: Could you just spell CAAMA out for us please.

MR BAYLES: CAAMA is the Central Australian Aboriginal Media Association in Alice Springs. So our access was community broadcast stations and if there was one in our community, in our area, we could knock on the door and try and negotiate. That was early eighties. We were successful and the numbers grew over the years. The numbers of indigenous communities that were presenting programming - at this time you would be hard-pressed to hear an indigenous program or an indigenous voice in any form of media in the mainstream, especially positive constructive information that was relevant at the time.

We often made the headlines of the Redfern riots and various other things - so-called riots, I might add - was presented by the media. They were far from being riots but we often made the media in a sensationalised manner as projected by mainstream media. So it was important for indigenous people to be able to access the media themselves, so as the numbers grew it then became evident that this wasn't good enough that we were just presenting a half hour or an hour a week or even 10 hours a week on a community station. We needed our own frequency. I think the first licence outside of the one for Alice Springs was the Brisbane licence offered to Brisbane Indigenous Media Association, the 4AAA frequency of 98.9 FM. That was in 1991, I think that was.

Then there was the TAIMA licence for the Townsville Aboriginal and Island Media Association, 4K1G, which came some three to four months later. These were magnificent achievements for people to come from presenting an hour or two a week. Brisbane was doing something like 25 hours a week on 4ZZZ. In Sydney we were doing 40 hours a week from Redfern in our own studio that we connected to Radio Skid Row, one of the inner city community stations. We created a satellite studio there. But to have our own licence allowed us access to the mainstream. We had full power, power equivalent to the commercial radio stations. Here in Brisbane we're situated up at the Channel 7 television tower which gives us good spread. We get Gold Coast, Sunshine Coast, people ringing in from the Gold Coast and Sunshine Coast.

Two nights ago we got a phone call from Christchurch in New Zealand, a bloke was sitting over there listening to our programming. We have ham operators around the country that pick us up and they send in their cards for confirmation of listening in that particular area of our programs, but it is an essential service. It allows us as indigenous people to articulate who we are, to define who we are. Like Jim said, for too long we have had people, non-indigenous people, defining who we are and what our roles are, and for indigenous media to have this power of self-determination and definition of who we are, is very important for us.

It's also very important for mainstream Australia, the fact that mainstream Australia now has the choice in these areas identified on the map. I might add that this map is out of date. I mean, how many have we got to add to that, Gerry?

MR PYNE: About 40 grants.

MR BAYLES: So another 40 lights to go on this of communities that are broadcasting, but for the mainstream Australia indigenous media is an essential service as well. Our target audience here in Brisbane is not just indigenous people, it's mainstream Brisbane, mainstream south-east Queensland, and that's playing a big role in this term that's getting around, this reconciliation business that's getting around, and I question that terminology because as everybody knows, reconciliation means there must have been a good relationship somewhere and you're part of it along the way and you have got to reconcile.

It wasn't the case. What it does mean is that this country is big enough for all of us to call home and it's up to us, and it's our responsibility, to be able to learn to have the respect, the understanding, the respect, and the ability, to coexist in a harmonious relationship. That's basically what this reconciliation stuff is about, and indigenous media plays a big, big role in going down this track. Non-indigenous people are able to see that we can operate in a very professional manner. We can provide programming that is of interest. Our figures, or Roy Morgan survey figures show that we have 8 and a half to 9 per cent of the Brisbane audience. That's a magnificent achievement for a community radio station, and that is a part of where our submission is saying we don't fit in section 6 of the Broadcast Services Act. We need a separate section for ourselves.

This opportunity in indigenous media allows a whole new world opened up for our young people, and even not so young. We have older people that are coming on board learning about broadcasting, learning about radio, and it has opened up a whole new career path for our young people coming through. It's providing role models. It builds up self-esteem and pride. All of these so-called problem areas are contributing towards the stereotyped images that non-indigenous Australia has of indigenous Australia and we're breaking those barriers down. That's a major achievement for us as indigenous people.

We have got to where we are today due to our commitment, not because the government is sitting back there saying, "Mate, there is buckloads of money here, come on in, help yourselves and get these radio stations up." It's developed as a result of the commitment of indigenous people who, for a long, long time, worked for nothing as volunteers, and that again is a part of the problem where community radio is dependent on volunteers, but we have been able to negotiate with ATSIC quite successfully up until the change of government. Until the change of government we saw a massive slash of ATSIC budget which is a massive slash back on our budgets - - -

PROF SNAPE: You mean after the change of government?

MR BAYLES: After the change of government. Since the change of government we have had massive cuts to budgets. We're losing 40 per cent of the budget over three years at my station alone. So it forces us to raise a self-generated income. That's what we have to do. Our programming is of a high enough standard to attract a large non-indigenous audience and with that in place, with a sizeable audience in place, we're able to make an attempt - we have a product that we can sell. Our people around the country need access to the airwaves and more of mainstream Australia needs access to indigenous programming. Really, that's what we're about. We're about identifying the problem, the problem being lack of positive projections of indigenous people, indigenous culture, to mainstream Australia. Indigenous media, be it television, radio, newspapers, film, bridges that gap. It forces people to sit up and take notice, and that's what we're pursuing. So I will leave it at that.

PROF SNAPE: Thank you very much. That was very interesting.

MR BAYLES: Okay. We want to talk about another couple of issues, Mr Chairman, but I guess you can see what - - -

PROF SNAPE: We will have a few questions but we may do that at the end of your presentation.

MR REMEDIO: At the end of the thing, okay. To pick up on just what Tiga finished up on, I just want to make another point again, is that the four-minute rule under section 6 does really inhibit us. To give just a quick example of that, we have had to knock back broadcasting to, say, Australia simply because of the four-minute rule. If we have a large ceremony which is a cultural diverse activity for Australia, we can't possibly sell that four minutes. I mean, advertising shows that. So in areas where we have about 12 of these a year that we could sell to mainstream Australian sponsorship, we're just unable to do so strictly because of the restrictions that are placed upon us. So it's okay to talk about cultural diversity and how we're going to get this stuff overseas, and to Australia in general, but we can't do that because of the round hole in the square peg sort of syndrome.

But we also want to talk a little bit about convergence and the conversion that's just recently taken place, because there are some issues there that need to be put out on the table as well. So I've brought Gerry Pyne who's technical and manager of the radio service that runs that thing behind us, and Russell who works in these remote communities in the country out of Brisbane. So which one of you guys wants to start? The convergence first or - - -

MR SIMSON: Talk about the process to digital conversion - - -

PROF SNAPE: Russell first.

MR BOMFORD: If I may talk firstly with regard the process of conversion to digital satellite decoding equipment and then secondary we might talk briefly on the issues around the convergence of IT in general, the new technologies. As you are probably aware, many people are speaking of the great advantages and the increase to the diversity of services under the new digital domain. Communities reliant on satellite delivered services will have more choice, more option, more content and more diversity. Well, that is what people and policy are saying. What is not being spoken of, including what many are unaware of, is the actual reality of this process to digital and the limited service options remote communities do have.

From the experience NIMAA has gained in representing and working with its member organisations, many hurdles have had to be overcome to simply continue a satellite delivered service as stated under the provision of the digital process, which was to continue services as at November of 1997. The Commonwealth government within its communications portfolio determined what they considered the best process and time-frame to implement a change from analogue to digital, administered by DICITAS, the Department of Commonwealth, Department of Communications

Information Technology and the Arts, administered by their secretariat for Remote Telecommunications Infrastructure Fund, RTIF, in conjunction with Remote Area Broadcasters, the RABS.

Many unfortunate stories can be told under the conversion process. For example, the designs of the IRD, set top boxes or digital decoders have been fundamentally and economically flawed as well as restrictive in operation. Retransmission sites have been forced to buy multiple digital decoder items to replace what was one analogue decoder, to replace what one analogue decoder delivered. Just to elaborate on that, basically it's the physical design of the new digital decoders that have changed dramatically to the old design of the analogue decoders. The old analogue Plessey B-MAC decoders allowed the configuration on the back of the decoder, had opportunity for two television services to be run simultaneously and up to six audio services.

The new designs of the digital decoders is very limited and restrictive and only offers one television service and up to two radio services and there are different levels or variations of the type of decoder one can buy, and with that different type of decoder obviously cost also is very reflective of the type. A domestic digital decoder is valued at somewhere on the market of around about $800 and allows you to take a television or a radio service but not simultaneously. In relation to our satellite delivery remote communities, that decoder is not retransmissionable under Optus, it hasn't been ticked off as a retransmissionable item. Instead remote communities are needing to look at the next level of technology, the professional digital decoder which varies between $3500 up to $6000 and people are needing to buy one, two or three in order to replace what the one used to do. So the process has unfortunately blown out in terms of cost in a lot of ways and has been very restrictive for people in terms of continuing their services of November 97.

PROF SNAPE: How much did the one cost? You said it's replacing the one that you had before. What was the price of that?

MR BOMFORD: Plessey B-MAC - - -

MR PYNE: They're the old analogue decoders.

PROF SNAPE: Yes.

MR PYNE: They would have been around about 2 to 3 thousand dollars depending on which model was chosen.

MR SIMSON: This is primarily for radio use, isn't it, at this point?

MR BOMFORD: And television - both. The satellite decoder box, the IRD box, delivers both radio and satellite service to all of the green communities, your green lights you can see on the map.

MR SIMSON: I appreciate that but in terms of your existing service, the emphasis is on radio, is it not, in terms of the green?

MR BOMFORD: No, the broadcasting for remote Aboriginal community scheme was established following 1987 which you heard on the video earlier - was established to deliver satellite delivered communication service to remote geography around Australia that had no terrestrial communication service of any mean. They had no radio, they had no television. Primarily the project was established to deliver both and I suppose - and I will go on a moment - is that in relation to that the premise was to bring in a television service and a radio service of which basically they had two options in no matter what state or territory you resided. That was to take one of the commercial provider and the public provider, generally the ABC initially, and same with the radio service, they could get the ABC national or regional plus pick up one commercial service on a radio. So when it was first established there was potential for two services to be delivered to every site of remote communities.

Another point with regard to conversion to digital are that the negotiations, consultations, discussions and processes for inclusion were poorly overlooked in the planning process. Planning did not allow indigenous Australians any provision to budget for the costs associated with the conversion process and in that respect, to give more insight to that, it's a process that indigenous organisations have to go through with regard ATSIC and their proposed submissions for their next financial year. The process at the moment sits that every Aboriginal or Torres Strait Islander community in the country has to have its financial budget, its financial year budget in by the December of the year before, of the current year. So for everybody at the monument who wants - basically looking at the 1999-2000 budget coming in, they were all submitted last December, and unfortunately what happened was that no-one in indigenous Australia was informed earlier enough about the process that was coming to digital conversion and hence there was no provision made by any indigenous community, whether they be involved in media, broadcasting or not, to actually affordably carry out the process.

There was indeed a subsidy given by the government but it has created an enormous shortfall gap to establish the new services. Information was not given to remote and rural Australia before the process unfortunately, but given rather during the process. Issues of redundancy or spare decoding equipment, because of the issue of affordability, has unfortunately been overlooked for decoding equipment. It's just well beyond the reach of most communities and regional areas. Mail-outs were unfortunately lost or withheld in regional post offices, contained complex English and often did not reach the organisation or individual intended. The video that you saw earlier this morning from the Pitjantjatjara Yunkujulla Media Association in Central Australia is a group of people that speak English as a fourth or fifth language. They speak Pitjantjatjara, Yunkujulla, Warlpiri, Arrente primarily as four languages before they even use English. So the NESB, non-English speaking background, has definitely been a barrier in this conversion process of basically regional and remote Australia not being fundamentally aware of the process and how they participated in it.

The roll out dates for the conversion was unknowingly set for regions coinciding with what was wet season, meaning that basically the top end costs blew out and was well beyond the affordability of budgets. Unfortunately the people who are decision-makers in this process sit far away from the constituency that we deal with and very much fundamentally overlooked wet season, which runs from generally late November, December through to up to March or April and has really affected the costs and the process of getting reach to communities. To do the process during dry season is very affordable and cost-effective and accessible by road. Wet season you basically take every road access out, you have to charger light aircrafts, you're trying to get to the Torres Strait Islander communities or the Cape York or the top end communities in which budgets just go over the top. So that's been very difficult.

Also cultural boundaries have not been recognised under what is a European legislation determining state and territory boundaries. An example of that in particular can be taken from a community region based around the West Australian border line. There's a collective of 12 communities based around this Western Desert region. They are a group of people called Unganu. Unganu not only reside in this part of the country but they also live in the Pitjantjatjara Yunkujulla region and they basically - their whole cultural group, even though different languages exist, overlap what is the defined sort of European boundary. Imparja and CAAMA - Imparja is a television service and CAAMA a radio serve that comes from Alice Springs. When CAAMA and Imparja was established they serviced these Irryjuntju communities, 12 communities over here, in particular because there was no-one within Western Australia to provide them with any indigenous content as a Remote Area Broadcaster.

Unfortunately as the years have gone by, the Remote Area Broadcasters' demograph as such or their state or territory footprint has become very commercially protected. The licences financially are very expensive and GWN used to be the only service - remote area commercial service provider to Western Australia of which there is around about a 400,000 people population that actually reside in regional Western Australia. Even though it's an enormous state there is only roughly 450,000 people in that area. WIN Television have just come in and bought a second commercial licence just before Christmas of last year which they paid in excess of 39 or 40 million dollars for, so a very expensive licence for a demograph of what is only 400,000 people. The ABA looked at a process last year through - open for public comment was to potentially merge the footprint service between Imparja and what was coming out of Queensland, out of QTV in Townsville, which is another uplink, satellite uplink site. The other satellite uplink site is in CAAMA over here in Perth, in Sydney.

The ABA eventually, after determining the comments made by public, has decided to merge, allow the two services to overlap that state boundary. In the process it's been very favoured to go to the east and very not favoured to go to the west. There's no similar process going in terms of Imparja merging into the West Australian footprint, LGWN, or WIN going into the Central Australian footprint. Unfortunately, what has happened in that is that there has been a very strong ruling made they are no longer to service those communities, of which the community size

varies from about 250 people through to probably 1000 - very, very remote central western desert country looking at probably out of 12 communities what might be 5 or 6 thousand people. They, as of when the conversion process finished in Central Australia, have no longer been able to receive what is, and they the way affiliate themselves with is, their indigenous television service. They are no longer Imparja and yet they can go 20 kilometres across the border to another community, Pitjantjatjara, and they can pick up the service. They're the same people, they're Uningu, they're family, they talk the same language, they share different languages and yet unfortunately they have been cut off due to the current ruling.

That's a concern in terms of limiting their ability to receive a service delivery culturally relevant to their needs, to their concerns, to their interests. So now they're pretty much predominantly just taking what is coming from Bunbury, two commercial services and a public service. There is some very important programming content which our members provide. Imparja provides very important health television programs. CAAMA radio does a series of health programs. The other issue that I must mention with regard to these new digital decoders, one of the fundamental flaws I was saying earlier in their operational design is that depending on what version you are able to afford - and that's what it has basically come down to; it was not going to be an issue of affordability but it has ended up as one, unfortunately - depends on what that actual decoder can do. One of the biggest concerns for particularly coastal, northern or island Australia is the text titling capability that decoders can carry. These test titling functions provide the cyclone warnings and the weather warnings and things that are very relevant and, as you know, just come up overnight.

For a lot of our communities - I haven't got a number in terms of a percentage, but a lot have now lost that capability. They are no longer able to receive cyclone warnings. It's an issue that the RABS also raise themselves with Optus as the designers of the new technology. We have also ended up with an issue around continuity, that we don't have the same decoders right across the country. Telstra own what is PAS2, or least PAS2, the satellite which delivers its services to the West Australian footprint and the West Australian footprint only. Every other service is being delivered by the new Optus Aurora B3 platform to every other part of the country except WA. Both companies have decided to use different manufacturers, different designs in technology and hence we have different decoding equipment now spread across the company and that is an issue with continuity.

MR SIMPSON: Excuse me interrupting there. Can I just clarify at what point you can aggregate local content into the radio or television signal that's coming in? Is it only at the red centres, marked red, or can some of the green ones also inject local content?

MR BOMFORD: Absolutely. You have here, say, CAAMA which is a licensed community radio station surrounded by licensed BRACS communities, also considered licensed radio and licensed television stations. That's the reality of their licence.

PROF SNAPE: For the benefit of the transcript could you just define the green and the red.

MR BOMFORD: Certainly. The green lights are BRACS communities, the Broadcasting for Remote Aboriginal Community Scheme communities of which there are 101 around eight regions of the country. The red lights on the NIMAA's map of Australia represent what are the full-time licensed community radio stations and the yellow lights represent on the NIMAA map what are aspirant community organisations either, one, looking for funding to become a part of a player or, more importantly, looking for a spectrum space to grab a licence.

PROF SNAPE: Thank you.

MR BOMFORD: Just to continue where I was, there's one radio station surrounded by what is a network of other remote communities that have equipment within those communities to allow them to what is program share or program contribute. They can just take services from their satellite service and do their own local programming. So they might record a native title hearing or meeting that's going on in the community nearby, go back and then broadcast that to their community both in audio and in vision. They might then decide that they want to share that and they can, using the existing 3K line - and that's one of the issues that we will get to with the convergence, is the upgrading of these lines from just 3K to ISDN and faster capabilities, is that they can then shoot their message to a larger regional centre which can then take on the footprint that that organisation has with its transmission output.

So a remote community in Pintubi or Yuendumu could do a half-hour program that's actually shared right across the footprint, and the next level of that is actually taking it from a regional distribution point to a national distribution point which Gerry runs through the National Indigenous Radio Service. So a remote community can share their content from here to their region and from their regional larger radio station to the National Indigenous Radio Service here in Brisbane which hits the satellite and can be delivered nationally around the country.

MR SIMSON: So the BRACS can actually cut in both local video vision and local audio?

MR BOMFORD: Yes.

MR SIMSON: Then people in that community or the community to which that's broadcasting, when they tune into ordinarily what would be the commercial signal they can get a mix of the commercial signal, the commercial-content program which has come in from Perth or somewhere, plus some local content?

MR BOMFORD: Yes.

MR SIMSON: Are all the BRACS dual facilities in terms of both audio and vision?

MR BOMFORD: Yes.

MR SIMSON: Just in a nutshell just explain how do you do this technically in a very small cost-effective way.

MR BOMFORD: At the moment basically - - -

PROF SNAPE: You will be making a fuller submission in writing?

MR BOMFORD: Yes, we are.

PROF SNAPE: Would it, Stuart, be adequate for that to be done in that submission or would you just like a bit of a - - -

MR SIMSON: No, I'd like some explanation so I understand how it happens.

MR BOMFORD: With regard the maintenance of that equipment or the servicing? Is that what we're - - -

PROF SNAPE: Just how do you do it.

MR BOMFORD: Okay. Initially it was set up - I suppose the best way to do it is to describe how it's serviced. Imagine the satellite here sending its service. It hits that satellite dish here, goes inside to what is a - - -

PROF SNAPE: I see.

MR BOMFORD: From a satellite dish. That's the receiving point. Hits a decoder or receiver which then is fed back into a transmitter and the transmitter, which is probably on the left or another pole or a mast somewhere nearby has an antenna on it and what is often there is two transmitters, one for the radio service, one for the television service or sometimes more to dedicate a service. Initially BRACS was set up with a switching mechanism where they basically switched between services. Now, over time and in terms of trying to upgrade the program, they have duplicated in a sense infrastructure so they have been able to dedicate a whole service by having a transmitter for just television, ABC, another transmitter just for the commercial provider and then they can use the radio services off that. Next to that radio equipment-wise there's two CD players - - -

MR SIMPSON: An edit suite.

MR BOMFORD: An edit suite.

MR SIMSON: And a video edit suite.

MR BOMFORD: And a video edit suite. Off they go with their field equipment, come back, do the cutting and editing within the community and then they can either broadcast it to their community or share it to other communities.

MR SIMSON: When you say broadcast, the signal goes up to the satellite and comes down again to the community?

MR BOMFORD: No, it's a local - - -

MR SIMSON: Okay. What's the geographical limitation on that by distance?

MR BOMFORD: They have basically got a one watt.

MR PYNE: Typically a 10 watt, 10 to 20 watt.

MR SIMSON: So what does that mean in terms of distance from the distribution point?

MR BOMFORD: In BRACS communities it's only about five kilometres.

MR SIMSON: So that's why you need a lot of them.

MR BOMFORD: Yes. That's where this community service can't reach that one by just the broadcast off the aerial, but they then go on to the plain old telephone system and send a signal down the line and - - -

MR SIMSON: They play it down there.

MR BOMFORD: That used to be just done up here. There's an organisation in the Top End called TEBA. They basically just used to use a 3K line and what some communities have done, just to make it easier for you, they've put in the compression equipment, the Codec equipment, to try and speed up that service along a 3K line whether it's over 20 K's or 200 K's.

MR SIMSON: It's only good for audio, isn't it?

MR BOMFORD: That's it.

PROF SNAPE: Just one clarification. The convergence that you've been talking about so far, could just specify what that - - -

MR BOMFORD: Certainly. The segment I have just been explaining is the process of converging of - it's the digital conversion process of analogue satellite equipment to digital satellite equipment.

PROF SNAPE: Yes, which you have already been having to do.

MR BOMFORD: Yes, and are currently still doing.

PROF SNAPE: And currently still doing.

MR BOMFORD: Queensland and the Torres Strait are the only areas remaining to go from an analogue satellite delivered (indistinct) to digital.

PROF SNAPE: So all of Queensland isn't yet and Torres Strait isn't yet.

MR BOMFORD: Around about 50 per cent is, halfway through, yes. We are also wanting to talk about convergence of new technologies.

PROF SNAPE: Yes. Good, thank you.

MR REMEDIO: We will go on to the next sector and talk about convergence. We're going all right for time, are we?

PROF SNAPE: We will have to move fairly quickly, I think - - -

MR REMEDIO: Yes, we will move fairly quickly on this. We do have a detailed submission of course. I'll just give it to Gerry to talk about conversions.

MR PYNE: Thanks, Jim. Yes, I'll keep this fairly brief because the detail will be in the written submission.

PROF SNAPE: Yes, thank you.

MR PYNE: This sector, like any other sector, is interested in the digital convergence issue. I guess in many ways this sector is more appropriately placed to utilise the advantages of the new digital environment that now exists with technology throughout this country. Some of the exercises that we're currently involved with are the conversion to the digital platform as far as the satellite delivery of remote area television and radio services has been concerned. We're currently broadcasting our national radio service from Brisbane here on a national digital platform utilising some of these new technologies and exploring the use of them for our other members across the country as we speak. That's already happening. We're working with SOCOG at the moment to deliver Olympics programming based over both the World Wide Web for our communities as well as through our national digital radio network.

The issue of delivery of digital services to us is an important one and if we reflect back on what Russell was just explaining there about using 3K telephone lines to deliver audio programming, that places huge restrictions on our ability to properly communicate from community to community and for communities to share programs at reasonable quality audio levels such as those that we're all so used to in mainstream society. We're particularly interested in exploring ways of using new technologies through convergence to deliver that audio stream across the existing - or the networks

that companies like Telstra and Optus and others are putting in place at the moment. There are technical issues there that we need to have raised and put on the platform, issues that companies providing these services need to be made aware of such as the provision of gateways into these networks through the remote communities.

One of the things that we're quite often finding is that the communications companies are ploughing huge strips of optical fibre through traditional lands, lands owned by indigenous people. Those optical fibres run straight past the communities and they don't stop; therefore the lands owned by the indigenous communities are quite often being tampered with by companies installing these services for the benefit of mainstream society, yet the communities that are most crucially and directly affected by the installation of these lines throughout the country are not given the opportunity to access these services. If they were given that opportunity they would be able to implement many of the things that we're seeing here.

Coming back to the issue of the status of this sector under the act as it sits, for us to adequately provide services through multimedia, through convergence, through existing media resources to the remote communities is a very expensive exercise. It's more expensive for us to provide services to remote communities because of the fact that we need the satellite technology and the lines to give us the ability to send programming back to our hub stations wherever they be situated across the country. Another reason for us wanting to explore the act at the moment and the classification of indigenous broadcasters within the act is that unfortunately the culture that surrounds community broadcasting, when you talk to business and try and promote broadcasting within the business community, is that when they look at commercial broadcasting they think dollars, when they look at community broadcasting they think cents. So it's very, very difficult for us under the current restrictions to adequately resource and fund our own sector to a level that meets our needs and requirements.

We believe very strongly that if we were given a different classification under the act it would open many more doors for this sector to be able to become more productive within its own framework and to be able to resource itself much more independently of current government funding lines and therefore provide a whole range of services including the ones that exist at the moment and the up and coming digital services that are going into that multimedia and convergence as a result thereof. I'm conscious about the limitations on time here. I'm quite happy to leave it at that and perhaps answer any questions you might have and refer to the detailed submission for more details on that issue.

PROF SNAPE: Thank you. We do look forward to the detailed submission. As you know, we just had a very short one to start off with and I'm sure a great deal of what you're telling us will be elaborated in the detailed submission.

MR PYNE: It certainly will.

PROF SNAPE: We look forward to that and the staff will probably be back in touch with you on various points to ask further clarifications, but I think we do have

to move fairly smartly. I have just one or two questions that I would like to ask and I think Stuart probably has too. One I was going to ask is do you have any measure of your audience. You're telling us about the coverage but do you have any indication of the audience that actually watches or listens?

MR REMEDIO: No, we haven't been able to do any audio surveys that are recognised by the major parties, like Morgan Research or surveys like that, but our own listening audience we know by using the old rule of thumb of talking to taxi drivers in major cities, and I think a lot of opinion polling is done by taxi drivers, they tell me. You'll find that in a lot of the areas that if they're listening a large part of the population in those specific areas are listening.

PROF SNAPE: I was meaning in the outback rather than the capital cities.

MR REMEDIO: Okay. Well, anyone else here can jump in, but I think in the outback we'd have certainly a 100 per cent indigenous listening audience particularly because of that sort of programming that's delivered. We also pick up a large part of the non-indigenous population, if you want to put it in those terms, or mainstream population in those areas too that are gradually coming over and listening to the service we provide. To answer your question there, no, we don't have specific numbers of people.

MR BOYLES: Because of the lack of services out there and its culturally appropriate programming and so on we expect a 80 to 100 per cent participation and involvement.

MR BOMFORD: If I may continue, I would have to agree with Tiga. In terms of, say, the remote communities you can guarantee that in terms of the actual decoding equipment being there that there's an indigenous and non-indigenous population viewing or listening but what isn't known is at what times of the days they might be watching or listening, depending on the numbers of that community. What we found in terms of what Jim mentioned earlier with the mainstream commercially recognised surveys is that it's again the non-English speaking background issue that has basically posed an enormous difficulty here.

In terms of even doing a survey in Brisbane, when they knock on the door if they get someone of a non-English speaking background they move on to the next door and they move on to the next door and the next door until they find someone who speaks English. So in that respect we found it very difficult. We did look into it a couple of years ago and basically needing it to be more suited and tailor-customed to our needs, someone who can actually carry out a survey, and in some of those areas you're talking four different languages.

PROF SNAPE: What about the number of television receivers, television sets and radios which would be in the remote communities?

MR PYNE: If I can just come in there. There are a couple of examples there that I can perhaps illustrate with our national radio service as direct examples. We are providing a service for people who have a promotional message about their services, mainly government services, where they can use our service to deliver messages to remote communities. We're providing a service that translates that message into up to 24 different indigenous languages and we coordinate the broadcast of those languages throughout different regions of the country from our point here in Brisbane.

We're finding that over the last 12 months since we have started doing that we have had a lot of interest coming to us from government agencies in particular wanting to get a message out. It might Centrelink wanting to get messages out about CDEP or about Abstudy or about other services they offer and they're finding that our service is becoming very, very effective in delivering that message. It's more effective than their traditional means of getting that message out. So to me that's a good indication of the upkeep or the uptake of our service. The other one is with our national radio service once again, that service is the same service that can be received on the domestic pay TV decoders that they're getting around the country at the moment with the right SIM card and also the decoders that have been made available to privately-owned installations and homesteads in other remote areas.

We have got our telephone number on the electronic program guide that comes up on the TV screen and we're finding that constantly we're getting several inquiries a week from non-indigenous people who own their own decoders wanting access to our service as well.

MR SIMSON: So your service is just almost coming in by accident via the Foxtel Austar Optus satellite service?

MR PYNE: Not by their service directly but on a similar platform, the Optus Aurora platform that is providing telephone and radio services to the remote community.

MR SIMSON: I've got some questions. Maybe if I just ask the questions and you may like to reflect on them in your submission, just in the interests of time. I would be very interested in hearing from your in your submission as to in an ideal world what you see as the big picture. You talk about convergence. At the moment in a number of areas you're repackaging your content with others' content in both audio and visual. Clearly you have got the opportunity with the Internet to bring other content and other interactive services into this. Ideally, where do you want to end up as an organisation.

The second question I would be interested in hearing from you is with regard to the conversion issue - conversion, not convergence - the conversion issue, what are the dollars that you're talking about there, in terms of getting on top of that. I have one other question, if you will bear with me. Yes, specifically with regard to getting out of part 6 of the act, what are the specific problems you've got with it? You've mentioned spectrum for example is one but what are the specific barriers, and then if

you could elucidate specifically the opportunities you would see by being reclassified, specifically.

MR PYNE: Yes.

PROF SNAPE: Maybe I could add two more. One was the question of pay telephone in the cities that you mentioned - the problem of community being classified in section 6 etcetera, and the problems of the competition with the community sector and the constraints being regarded in there. But access to the cables in the cities and, secondly, the sources of self-generated income or the size of self-generated income which you referred to in the potential there. That overlaps I think with the question Stuart was asking as to where do you see that you're going - do you see yourself becoming potentially a fully commercial service through the country. But they're probably best dealt with in reflection. Mr Remedio, was there any final statement you wished to make?

MR REMEDIO: No, I don't think so. I think that was quite adequate. We've covered most of the things. We'll get the detailed submissions and perhaps have a look at the draft report and perhaps if we need to come back at some later date, we will be available.

PROF SNAPE: That has been very, very helpful. The transcript will be available. Normally it's available within three days. It will be on our Web site. If you didn't get down the questions precisely then you can pick those up from the transcript. Also, I think that there are a number of words there that I certainly would have had trouble spelling and I think that if you could have a word with the transcript service she might be very grateful. But thank you very much, it has been a very enlightening and helpful submission and we look forward to getting your full written submission. Thank you very much.

MR REMEDIO: Thank you very much for your time.

PROF SNAPE: We are now moving to 4CBL Radio Logan 101 FM Inc and we have three participants from Radio Logan. As is the practice, I'll ask each of them separately to identify themselves and their positions for the purposes of the transcription service.

MR SCHOLZ: Good morning, Mr Chairman, ladies and gentlemen. I'm Myles Scholz, president of Radio Logan Inc 4CBL, and our call sign is 101 FM. I'm here this morning to put our submission to you. I'll introduce our station manager.

MS BUDGE: Good morning, sirs and ladies and gentlemen. My name is Lea Budge. I'm the station manager of 4CBL 101 FM.

MR HORROCKS: Good morning, Mr Chairman, ladies and gentlemen. My name is John Horrocks. I'm the technical director of Radio Logan 4CBL.

PROF SNAPE: Thank you very much. We have your submission, with a number of attachments. I gather that there's an additional attachment this morning from the office of the mayor, which we shall incorporate probably as an additional submission is the way - since the submission has already gone on in its present form on the Web site. So thank you, and who is to speak?

MS BUDGE: Okay, we would like to thank you very much for the opportunity to address the inquiry this morning. Our submission I suppose is reasonably short. We have probably basically three points that we would like to just briefly address this morning. Probably our technical director will do most of the talking because most of it is on a technical level.

The first area that we would like to address is with regards to frequency allocation with relation to aspirant radio stations. I guess we're all under the impression - we're all told - that we do have a limited number of frequencies that are available on the FM dial. However, there doesn't appear to be any limitations placed on the number of aspirants that are wishing to get a licence. Therefore we have situations that are created, such as a fellow community broadcaster in Brisbane, who has been an aspirant radio station now for some 25 years and still doesn't have a full-time licence - was I believe awarded a temporary licence. But now, because we have aspirant stations in that area wishing to gain a licence, it means that that station of some 25 years is now having to share that on-air time with these other aspirant stations which have just basically popped up. To I guess our way of thinking that seems rather unfair and something that needs to be addressed on that basis there. Have you got anything you want to add to that?

MR HORROCKS: Yes, Mr Chairman. There would seem to be a need to in the long term cap off, so to speak, the number of aspirants which could be admitted into the broadcasting service. There are, as we all know, a limited number of spectrum frequencies. It is to me really a nonsense to think that bona fide community - speaking on the community side - bona fide community operators of long-standing credibility and professionalism on the air, and having been awarded a TCBL, are

having to stand down to allow someone to come along and under the act I am told by the ABA they have an equal right as a presence on the air.

We have got a situation in the spectrum that there are very, very few frequencies left. There are frequencies left, even though I'm told - and I freelance as an engineer for several stations - there are frequencies left. Indeed, the Gold Coast is a particular bad problem. But we are told there are no frequencies left. The situation must get down to the point whereby we are in control of the spectrum of available licences for the number of aspirants that come along, and we can't keep adding to the list. I believe that is a provision under the act. In other words, the bucket is going to overflow. In fact I think it just about has.

The other situation that I would like to talk about while I have the thought here is the fact that I believe that since the ABA has relinquished its presence in the capital cities and deregulation has commenced to a fair degree, there is a definite need to reintroduce some form of policeman over the FM spectrum or over the broadcasting spectrum. There is already evidence in certain sectors of some anarchy on the FM spectrum. I guess if you look at it I suppose that's to be expected.

One of the points in our submission is that I would strongly recommend the introduction of a form of control and that form of control we have listed in our submission to - which one was it again? Yes, the introduction of an advisory committee. An advisory committee has worked in other areas of the spectrum associated with the ACA. Indeed, I have been part of that advisory committee. An advisory committee would be a worthwhile consideration to be introduced that could report back to the Australian Broadcasting Authority on issues which are or look like being a concern.

MS BUDGE: Thank you, John. It also appears with regards to the frequency allocation as well that - I guess there seems to be an attempt to overpopulate the frequency dial or channel. Long-standing community broadcasters, such as ourselves, 4CBL, could have our broadcast range interfered with should, say for example, a Gold Coast aspirant station be given a very similar frequency to ours ourselves. Ours is 101.1 FM. A frequency that we have heard could be allocated is 101.3 FM, which could obviously have some detriment to our broadcasting future. We have been going now for some 11 years full-time and this is another aspirant station that has just come onto the scene that is wanting a licence as well. So that's another consideration, and I'm sure we're not the only station that would be in a situation such as that.

MR SIMSON: Could I just seek one point of clarification. With regards to the 101, your signal, are you suggesting that aspirants actually reduce the amount of on-air time you have?

MS BUDGE: What is happening with people that get temporary licences, if there's another aspirant in that community that wants a fair share as well, what happens is they have to divide that time between the number of aspirants in that station. What we're referring to in this particular case, however, is the fact that our broadcast

coverage area could be interfered with because we have another channel interfering on so close a band.

MR SIMSON: You mean technical interference?

MS BUDGE: Yes, technically.

MR SIMSON: But does your number of hours vary depending on - - -

MS BUDGE: Ours doesn't, because we are a permanent full-time broadcaster. But with reference to the other ones on the TCBL lines, they would have their hours changed depending on the number of aspirants in that area, yes.

MR HORROCKS: See, we've got a very serious situation from a long-standing station programming entirely jazz programs on the Gold Coast. That particular station is now off the air because some small station comes along, in the last few months, and has indicated that they require a presence on the air, and as far as test broadcasts are concerned - which brings me to test broadcasts in general as being allowed by the ABA. I fail to see what they're achieving. Test broadcasts - and indeed, if you look back at our particular transcript of our licence hearing, and we did probably only a half a dozen test transmissions - not one question, not any reference to the level of success or failure of any of those test transmissions, were taken into the licence hearing.

So what I'm suggesting is they seem to be, as far as the ABA is concerned, a little bit of a waste of time, and should be a more meaningful process whereby aspirants should be regarding test transmissions as part of what we could call an examination process in terms of their competence and ability to obtain a full-time licence. These areas I believe need to be addressed.

PROF SNAPE: Do you wish to go on to your third point now?

MS BUDGE: Yes, I've got a second point, thank you very much.

PROF SNAPE: Second point - I was reading your letter and - - -

MS BUDGE: Okay, we're sort of following that I suppose, yes. Our second point I guess basically is with regards to narrowcasting and the narrowcasting licences. There seems to be a blatant disregard for program content with regards to a number of narrowcasters. As we see it, a narrowcaster should be presenting a program that is of narrow appeal, for example an education program or a tourist information service or even within a shopping complex, giving information with regards to the specials etcetera in that shopping complex. But we are finding that narrowcasters are trying to emulate both commercial and community broadcasters by providing a variety of programs on their dial.

Also, I mean, they are a commercial station but a lot of times they are saying that they're a community station as well, just because they give community announcements on air. With reference to the CBAA's submission - a part there that says that in section 15 of the Broadcasting Services Act of 1992 - it says that:

> SOLO defines the service category of community broadcasting and requires that the services are provided for community purposes, not operated for profit or part of a profit-making enterprise, and that programs are receivable on community available equipment free of charge.

So in our perception of this, this seems to be quite a conflict here with regards to what they are doing. It also appears that a few of these narrowcasters are buying up a lot of licences and having control over a lot of narrowcasting licences and in effect what they're trying to do is network these licences, and in fact that's going to give them a larger geographical area to broadcast, where when you look at the act I believe in a city area it should only be a two-kilometre sort of limit. In a rural area it's about 10 kilometres. So in effect what they're trying to do is provide a greater broadcasting area by networking.

Also, by allowing them to purchase a number of narrowcasting licences at possibly - I think the figure is about $29 per licence or so - they're also adding computer programs to that and then selling the licence as sort of like a fully-blown radio station, somewhere in the vicinity between 90 to 120 thousand dollars. So they're very much in a commercial enterprise on that point.

PROF SNAPE: Are they actually selling for that price or offering for sale at that price?

MS BUDGE: Well, I don't know if people are buying them but they are offering them, yes. That's in our submission as well.

PROF SNAPE: Yes, I saw the table.

MS BUDGE: So I mean, that's come off the Internet. So they're offering them at those prices. Once again this is referring back to John's suggestion of having a closer monitoring service, some sort of advisory committee that may be made up of various representatives within the commercial community and also narrowcasting community, to sort of watchdog this type of activity so that it's a fairer playing field for everybody.

PROF SNAPE: Yes.

MS BUDGE: I guess our third and final point is the fact that all community broadcasters are restricted with their sponsorship time to four minutes per hour, which is I suppose okay if you can sell 24 hours a day, but I think most community broadcasters - and even commercial broadcasters I should imagine - would find that their best selling times are probably from about 6 am in the morning to about 8 pm at night. So effectively you're looking at probably 10 hours of basically non-saleable

time so you're really restricting your income revenue there. Even though community broadcasters don't use sponsorship as their one be all and end all of their revenue raising, it still is a large percentage. Because of various community organisations within our community nowadays, activities such as fundraising are very much curtailed because there are a lot of community organisations out there trying to get money to raise revenue for their organisation. So the field is becoming very competitive in that area. That also has an effect on community broadcasters trying to get revenue into the station.

When you have stations such as 4CBL, who employs three people to make sure that the station is run efficiently - and also we have to purchase equipment which - we don't get it at any cheaper rate unfortunately, being community. We still have to pay the commercial price, and we need to maintain it. Particularly going into the digital area now of equipment etcetera, maintenance on digital equipment is just tremendous. So all these factors sort of lend us to hope that the Broadcasting Act will increase our opportunities for revenue raising in the sponsorship area.

PROF SNAPE: Thank you very much for that. Do you have an estimate of your audience size?

MS BUDGE: We did do a survey in 1994, with students of the TAFE college. It was part of their marketing research examination. They surveyed 386 people within the Logan area alone. Out of that, out of 19 stations that they could listen to, we rated as the fifth listened to station, with about - what percentage was it - 38 per cent or something like that of the listening audience, I think it was at that time. Also, our I guess listening area does go further afield to that. So potentially you could be looking at maybe a quarter of a million people that could turn into the station at some time.

PROF SNAPE: So your coverage would be about a quarter of a million people?

MS BUDGE: Yes.

PROF SNAPE: I was interested in the description of what you - - -

MS BUDGE: So potentially you could be looking at maybe a quarter of a million people that could tune into the station at some time.

PROF SNAPE: So your coverage would be about a quarter of a million people, that is, your range of your - - -

MS BUDGE: Yes.

PROF SNAPE: I was interested in the description of what you broadcast in your submission and I was having a great deal of trouble to distinguish it from what a commercial station might do and I was wondering what the distinction - I mean, it seems a very professional outfit, if I may say so - and I was wondering what the

distinction between a commercial station is other than the nature of your licence. I don't mean what the regulatory distinction is. I mean how do you see yourselves as distinct from the commercial station?

MS BUDGE: I guess we try to be as professional as possible. I guess the major limitations that are put on us are the fact that we are restricted to four minutes of sponsorship or advertising per hour and all our sponsorships have to be acknowledged as sponsorships, where in the commercial area they don't. But the music we play, we try to fit it to the lifestyle of our listening audience, which is quite varied, and we do have a lot of community content with regards to interviews with community organisations, community announcements etcetera, but I suppose to a certain extent, yes, we are, I mean, if you're listening to us, because we try to be professional. We are very similar, I guess, in those areas.

PROF SNAPE: So would a commercial station therefore, if it was trying to compete into that area, feel that you were being favoured and that you were indeed an unfair competitor?

MS BUDGE: Competition is always there and I guess it's up to everybody to provide a service which is applicable to that particular area. I think the fact is too that probably our broadcast coverage area is probably only a tenth of what a commercial radio station's area would be. The fact that a commercial station covers such a large geographical area and hasn't the opportunity, such as a community station, to focus primarily on a specific geographical area, and that's, I think, one of the major differences between a community station and a commercial station, that we focus on activities and things that are happening within a specific geographical area.

And also, as an addendum to that, our council - who is very supportive of us - also sees 101 FM as a viable source in the council's counter-disaster plan. So should a disaster befall Logan City primarily we would have the wherewithal to broadcast information to our community; the police, the fire brigade. Whoever would be needed would be given the air waves to broadcast that information, and most householders either have a transistor or a car radio that they could tune into if they had lost power or something like that. So there's also that emergency aspect, that we can actually hone in and focus on a specific area which a commercial station probably can't do.

MR SCHOLZ: Mr Chairman, our limitations are - I believe our technician could back this up - our area is defined by the radiated pattern from the aerial which is defined under our licence, also our output radiated power. But you asked before about our listening audience and how we do - a bit of a double-ended question here - but to answer that; for instance, Monday night we have Spanish, a program transmitted totally in Spanish. These people get approximately 60-odd phone calls per hour for requests and information in Spanish from their - I don't know what it's about, I don't understand it. We have country programs, country music, where they have at least 60 phone calls an hour - we do document all these - people wanting a particular country music. On Sundays we have gospel, we have jazz, we have blues and we have a broad range of programs which most commercial stations don't do.

They have either easy listening or rock or whatever the thing. We cover all spectrums.

Monday to Friday through the week we have a morning magazine program where we have, like, our station manager said we have cooking segments, the RACQ, we have tidbits about information on vehicles etcetera. We have an evening program called Focus, similar live interviews and so on, all sorts of interesting things about computers and about anything that's going on in the area. So we do cover a very broad range of subjects and topics. My point mainly is this restriction of the four minutes of an hour of sponsorship or advertising. I heard the indigenous broadcasters were putting their submission in the same manner. I feel and I believe the commercial stations it's more or less unlimited.

Now, I think, we've put in a submission to raise it from four to six minutes. I think the CBAA in their recent submission have suggested four to five minutes. However, I think, even for instance if the ABA was totally removed, if any station - be it community, commercial etcetera - were to put in too much advertising, people would just turn off. You'd kill your listeners anyway. So I think that part of it would be self-regulatory. As Lea said before, you can really only get your sponsorship during certain hours of the day. Nobody wants to pay for advertising in the middle of the night. You asked about how we differ to commercial stations. We run 24 hours a day, 365 days a year, totally by volunteers.

Now, for people to come there - I've been involved probably about eight years. I've been president for the last four. Now, I've been in there every second Thursday night for many years. For instance, one couple, they come there at about a quarter past 11, go on air at midnight till 6 am Friday morning. They've done that for as many years as I've known. To me that's total dedication and I think pretty well all our members are the same. They go there with no thanks, no money. It's just total commitment to the community at large for the benefit of the community. Thank you.

MR HORROCKS: One of the other aspects I'd just like to quickly touch on, Mr Chairman, is the fact that 4CBL has developed rather a very effective outside broadcast situation to enhance our credibility in the community and our vision as perceived by the members of the community. We are out and about quite a lot handling various aspects of community functions in the Logan and in our service area, which is I believe to attend community functions and things like that. That is one aspect which is not handled in an outside broadcast regime, to a large degree, by the commercial broadcasters.

PROF SNAPE: Good. Thank you very much. It's very helpful.

PROF SNAPE: We're now ready to resume and we're resuming with 4MBS and the Queensland Community Broadcasting Association. There's two submissions, 19 and 20, and we have Mr Gary Thorpe who is going to speak to both of them, with both hats on I think, and if you could introduce yourself to the tape please, Gary, and the role in which you're here. Thank you.

MR THORPE: Thank you very much, and good morning. Gary Thorpe, first of all in the role of treasurer of the Queensland Community Broadcasting Association. I'd like to talk to that submission first and follow it briefly with the submission from 4MBS Classic FM, of which I'm the general manager.

The Queensland Community Broadcasting Association's submission primarily addresses ownership and control aspects of the act, which we feel may restrict competition. The QCBA, for short, is one of the state bodies - there's one in each state - and there are parent umbrella organisations or a parent body for the community radio and television stations in each state. The QCBA represents 19 licensed community radio stations in Queensland and it has been very active for at least a decade to 15 years now. We work closely with the CBAA which is the overall parent body, overall umbrella organisation for community broadcasting in Australia.

The QCBA submission comes under three broad headings. The first is Free Access to Spectrum, looking to the future in particular with digital broadcasting conversion. The second is addressing an issue which we put under the heading of Second Licences, and third is Broadcasting Power. In terms of free access to spectrum, we maintain that it's important to retain the principle of free access to broadcast spectrum in Australia for community broadcasting services, particularly in relation to digital conversion. We're putting the submission in case there is any thought or consideration being given to charging for community stations to take up a digital frequency. Now, the community broadcasting sector was created about 25 years ago to provide all Australians with the opportunity to participate in broadcasting. It provides them with a voice in the media. It was seen as an important consideration in the early seventies and it's just as important today, more than 25 years later.

Community broadcasting was also created to spread the ownership of the broadcast medium beyond commercial networks and the government services, and the tremendous growth that we're seeing in the community broadcasting sector in terms of numbers of organisations that are putting up their hand for licences, the number of aspirant organisations, and the continuing interest in growth of the licensed stations shows that these goals were valid then and they're just as valid today. That's why the QCBA would support the principle, very strongly, that free access be allowed to the digital broadcast spectrum for community broadcasters so that we don't have a sector of the broadcast medium that has different principles applying to it than currently apply.

The imposition of a cost for access to a spectrum would dramatically reduce the ability of many community-minded groups to participate in broadcasting to the

Australian public and we believe it would be against the public interest to impose a cost. Free access of community broadcasting sectors to the digital media would help ensure a better chance of promoting what is enshrined in the act, and that is helping to create a sense of Australian identity, cultural diversity and character. So we think it's vitally important that that principle be carried through to the allocation of frequencies in the digital conversion process.

Our second point regards licences which really comes under, I suppose, the entry and competition facets of the act. We think, to some extent, entry and competition has been constrained by a difference in the way that the commercial sector and the community sector are dealt with in relation to the numbers of licences that can be held by a broadcasting organisation. Commercial radio broadcasting organisations can hold two licences in the one area. We understand under the act that community broadcasting organisations can only hold one licence. We think this is not particularly fair to be enshrined in an act. It's certainly disadvantageous for the community broadcasting organisation. It's a very basic disadvantage. So we would propose a change to the act to allow community organisations to hold an equal number of licences that commercial organisations hold.

PROF SNAPE: Is that any real barrier in practice? Could one not form another association which would be affiliated with the first, which would have a common membership with the first? I mean - - -

MR THORPE: No, there's fairly strict restrictions in the act spelling out separateness and the basic controls and separation of the two.

PROF SNAPE: So you couldn't have the Beethoven Music Society and the Mozart Music Society?

MR THORPE: Not with people where it could be seen that there is control of those two licences directly. For example, you wouldn't be able to have the one manager or members on the board. The act is really very specific about that and I'm sure it's - - -

PROF SNAPE: The same technicians? I mean, you were talking about experience. The same technicians could be used?

MR THORPE: Same technicians, yes.

PROF SNAPE: The same premises could be used?

MR THORPE: Yes, community broadcasting stations now often share technicians. They're shared but they're paid separately and they're contracted separately but it's usually the one person and that's again through - there's practical considerations and people's experience.

PROF SNAPE: So it is in practice a barrier?

MR THORPE: Yes.

MR SIMSON: I suppose the concern would be - and we heard this in discussion with the previous witness - the concern would be that by looping together a de facto network you're in effect widening your reach to that of something approaching a commercial licence, for which they pay money.

MR THORPE: Yes, well, I'm not certain that two stations constitutes what I'd regard as a network.

MR SIMSON: So you'd seek no more than two?

MR THORPE: Yes, basically trying to achieve parity under the act that the commercial stations have, and we think that's a very fair principle. Basically two licences would allow some synergies to occur. It would allow some savings in various areas and primarily in terms of the community sector it would allow things such as the use of one sponsorship salesperson, for example. With most community stations now the sponsorship salesperson has a very hard time making a living. The four minutes in the hour restricts the potential income. It's very hard for one person to actually make a decent living out of that but if they are indeed contracted to a couple of stations, they can do so, and it would be easier then for that person to deal with two stations that are of a similar demographic. It would make their job easier as opposed to - what could happen now is one salesperson selling for two different sorts of stations. It is substantially easier for them to deal with potential clients who are interested in similar types of demographics for a broadcaster. So very practical considerations.

MR SIMSON: In the context of equipment though, digital equipment and conversion and so on, as it is appropriate you can share that equipment with others.

MR THORPE: Yes, if it's practically or technically viable, yes. So there are some savings that could be made which could enable a second service which serves a community need, and that's at the basis of the whole community broadcasting sector fulfilling a community need. So our argument would be that if there was a community need that could only be filled by that one licence - one licensee taking on a second licence - that should be able to be considered. I'm not saying it should be something that's forced upon anyone if they take a second licence but the ability to take on that second licence should be allowable under the act in order to maintain parity.

The third submission relates to controls over broadcasting power and this is part of the QCBA submission but I'll roll it into the submission from 4MBS Classic FM which is basically an expansion on that submission. Basically we're saying that the current controls over broadcasting power is restricting competition particularly in situations where you have, for example, government-run broadcasters such as the ABC providing programming that is already provided or is provided at the same time in the same broadcast areas as community stations. It doesn't occur so much in the

commercial sector in some senses - the fine music service, for example. There's no commercial station has gone into that area. There are probably in Brisbane a couple of prime examples of how the controls over broadcasting power set up an unfair situation whereby the ABC service for example, ABC Classic FM, is enshrined under its own legislation and has no limits in broadcast power. It can broadcast at 50 kw. The equivalent community service is restricted to 7.2 kw in power.

MR SIMSON: Just on that, presumably you've got to draw the line somewhere.

MR THORPE: I would draw the line at the ability to broadcast at an equal power as their competitor, not try and go at more power.

MR SIMSON: But then you're a de facto commercial station.

MR THORPE: In what way?

MR SIMSON: In that you've got the power of - in this case - an ABC FM station and you've got the reach and you can still sell sponsorship.

MR THORPE: Yes, power and reach doesn't define a community station. A community sector is defined - it's run for the public and by the public. They're run mostly by volunteers and they are licensed to provide a specific service. A community sector is not defined by its power or reach. It's defined by its programming and what it was licensed to provide.

MR SIMSON: Its power or reach gives it the economic clout, doesn't it, the business clout?

MR THORPE: There's nothing in the definition of community broadcasting which denies it the right to have economic clout or - - -

MR SIMSON: No, I appreciate that.

MR THORPE: But under the Broadcasting Act, at the moment we are limited. It is unfairly limiting our ability to compete with the ABC. An example would be with 4MBS. A classical station needs a good strong signal and plenty of height for its antennae in order to be able to have good reach. The classical stations, for example, don't use the heavy compression that rock stations use in order to give that perception of strong power primarily because they want to maintain the full spectrum and we can be broadcasting everything from a solo piano to a full orchestra of 120 musicians. So they try and maintain that full range of sound. They don't use heavy compression. So it's vitally important that there is something else there to help get that strong signal out, and it's not without good reason that the ABC broadcasts at 50 kw, their classical service, because basically they need that power in order to provide a good service to their listeners. We cannot provide such an equivalent service because we're limited to 7.2 kw. It's a basic anomaly which has been there for 20 years and we're unable to compete fairly on that basis.

So we're proposing - this is from 4MBS Classic FM - that not just stations such as the one that I'm the manager of, the classical service, but the principle again should be enshrined in the act that community broadcasters be allowed to broadcast at a level of power that matches their competitors, if they are able to or if they wish to. Some may not but again it should be enshrined in the act, the ability to do so, in order to maintain fair competition.

PROF SNAPE: Good. I noticed your remark at the end about the competition principles agreement and thought about competitive neutrality and I'll brood a bit more on that one.

MR THORPE: I was also representing the Music Council of Australia.

PROF SNAPE: Yes.

MR THORPE: I can make a one-sentence statement on that.

PROF SNAPE: Thank you. I don't think we have a written submission on that.

MR THORPE: No, we don't, because I didn't think it warranted a written submission, one sentence.

PROF SNAPE: The one sentence, yes.

MR THORPE: I'm the chairman of the broadcasting committee of the Music Council of Australia which is the peak body in Australia representing music organisations in this country made up of 50 representatives of various music organisations from record companies through to radio stations, orchestras, festivals etcetera.

The Music Council of Australia wishes to strongly lend its support to any moves in favour of helping to maintain the financial viability of the community broadcasting sector, for one very good reason, in that the community broadcasting sector is a very strong supporter and advocate of Australian music. It has been so for the last 25 years and it continues to have a strong level of support for that. So on that basis the Music Council of Australia would strongly support anything that helps the community broadcasting sector to be able to continue in that role.

PROF SNAPE: Thank you very much.

MR THORPE: Thank you.

PROF SNAPE: Good, thanks very much.

PROF SNAPE: We have next the Australian Racing Radio Association. We have Mr John McCormack from the Australian Racing Radio Association and I would ask him now to identify himself for the transcription service and then speak to his submission. Thank you.

MR McCORMACK: Thank you. I'm John McCormack, the chairman of the Australian Racing Radio Association, which has submitted two submissions to the inquiry. The first of the issues listed in the paper detail the matters relating to this inquiry is the changing nature of broadcasting. That statement really is the genesis of the two submissions the Australian Racing Radio Association has made. Seven years ago neither the Broadcasting Service Act 1992, the Racing Radio Association, nor the problems we've raised, existed. It is the rate of change that turns eminently sensible decisions into problems in a very short space of time. No-one could have predicted 10 years ago that racing broadcasting could grow to the extent that it has, and whilst we sit here now with perfect hindsight and the warning of history, I doubt that we could accurately paint a picture for 10 years hence.

Our first submission details 265 Racing Radio licences in Australia, 95 are open narrowcast licences issued under the provisions of the Broadcasting Service Act 1992. That's 35 per cent of the licences. 35 per cent, however, is a deceptive figure for these are licences that cover many of the larger population centres throughout the country. In New South Wales: Newcastle, Wollongong and provincial centres such as Mudgee, Bathurst, Albury, Orange, Dubbo and Parkes. In Victoria: Bendigo, Swan Hill and Wangaratta. In Queensland: Bundaberg, Gladstone, Rockhampton, Mackay and Townsville. In South Australia: Adelaide and the Riverland. In Western Australia: Perth, Albany, Broome and Carnarvon. In Tasmania: Hobart and Southern Tasmania. In the Northern Territory, all centres from Darwin to Alice Springs.

So it can be seen that the population covered by the open narrowcast licences of Racing Radio is considerable and at this time there is no security of tenure on these licences past their current expiration date. A decade ago you could be forgiven for saying, "So be it," and "So what?" The population always had the security blanket of the ABC to fall back on. That security blanket no longer exists. In fact the blanket coverage of Racing Radio, whilst it is seven days a week and as comprehensive as you could wish, does not and probably never will equate to the geographical coverage that had been provided by the ABC. The owners of Racing Radio licences submit that there is a portion of the population who require a service such as they provide. They submit that such an audience at least measures up in size and interest to those who would claim to have an interest in certain community licences and yet the open narrowcast licences of racing radio do not enjoy the security of tenure that a community licence does.

We do not contend that this circumstance has happened with any malice or forethought. In fact the body charged with the responsibility of administering this particular type of licence - the Australian Broadcasting Authority - has in its planning section been most cooperative with Racing Radio members in listening to requests for

coverage as the planning process of analogue radio has proceeded. We don't believe that open narrowcasting licences were originally seen as a vehicle for Racing Radio but circumstances has led them to being one of the more efficient methods of disseminating the racing program past the boundaries of metropolitan Australia. The method of disseminating racing radio a decade out from now, maybe very different.

Racing Radio is on the Net. Digital audio broadcasting from terrestrial transmitters is currently under investigation. In fact a Racing Radio member holds one of the first DAB experimental licences in Australia. Direct broadcasting from satellites is not out of the question. That however is the future. At the moment there is a large capital investment by Racing Radio, open narrowcast licence holders in the provision of a service. We submit that natural justice would suggest that the security of tenure that applies to most other forms of broadcasting licences should also apply to these licences.

Our second submission also calls on the principles of natural justice. The low power open narrowcast licences issued in the 88 meg band are issued by the Australian Communications Authority. Whilst the Radio Communications Act is not listed for investigation in this inquiry, the matter does have to do with broadcasting as such. The simple fact is that these licences are missing one condition that apply to most other broadcasting licences. That condition is the commonsense condition that it be used. We are quite sure that governments that preach that the radio frequency spectrum is a scarce resource, the use of which thus has to be licensed, would not approve of persons or organisations stockpiling these resources to profit by their lease or resale or indeed to keep them out of use to minimise competition to other parts of their enterprise.

Both these submissions stem from a want to reduce the hurdles in bringing a Racing Radio service to the population of Australia. We commend them to you and are happy to answer any questions.

PROF SNAPE: Thank you very much for that. Perhaps I should just clarify that the two submissions are in fact incorporated into the one listed submission which is submission 13. When you started I thought I had not brought everything I should but then you reminded me that the two submissions are in fact in the one. It's a very interesting statement that you have here. It's a very special request in a sense. It's a very particular concern that you have. It's very well expressed. Stuart, do you wish to - - -

MR SIMSON: Yes, I've got one or two questions. I'd just be interested to know - I must confess I haven't tuned in to one of these stations - do you carry any other information other than racing information? In other words, to what extent are you a racing station but you also carry community information in these areas, on the narrowcast?

MR McCORMACK: It varies, depending on where the station is and who the owner is. If the operator is a commercial broadcaster, as in the case of, say, 2KY

Sydney, then they run other programming of a commercial nature outside of racing hours. In Queensland we start our racing information at 8 o'clock in the morning and it goes right through the day until close at night.

MR SIMSON: I'm thinking more of the smaller ones, the narrowcast - - -

MR McCORMACK: In most cases they are only just relays of the capital city broadcast.

MR SIMSON: Okay.

MR McCORMACK: As a matter of fact, I think in all cases.

PROF SNAPE: Do they carry any sponsorship?

MR McCORMACK: Yes, commercials are available on narrowcast licences.

PROF SNAPE: Okay, and are they commercials other than for the TAB or - - -

MR McCORMACK: Yes, for general commercial property.

PROF SNAPE: General commercial, yes.

MR McCORMACK: Stations such as this don't attract a large commercial load but that basically stems from the size of its audience.

PROF SNAPE: And you're not restricted to four minutes per hour on the narrowcast?

MR McCORMACK: No.

MR SIMSON: Could you also just provide a little bit of background to the experimental digital audio broadcast licence that's currently under way.

MR McCORMACK: A number of our members have been very closely interested in digital since it was proposed and they've attended the symposiums overseas on such. Their interest has grown to the point where they wanted to try it out in Australia to see exactly how it worked from a physical point of view. There are parts of the proposals for digital audio broadcasting that have yet not been physically tried and perfected in other parts of the world. They wanted to see how it would work here in Australia.

MR SIMSON: But what are you proposing to do, just in layman's terms?

MR McCORMACK: Digital audio broadcasting from a Racing Radio point of view means providing the program that we do now but also providing some graphical

interface inside the radio itself so that it will bring you extra information over and above the radio program. So after a race there might be, for instance, the information on results and dividends might come out and a graphical thing on a screen on the digital audio radio. That's theoretically possible at this stage. As a matter of fact I think it's practically possible as long as you don't want to get too complicated in those graphics.

MR SIMSON: And as long as you've got the receiver.

MR McCORMACK: That's right, and that's a bit of a problem internationally at the moment too. The penetration of sets is very, very low.

MR SIMSON: And just briefly, you touched earlier on the Internet and the ability to obviously capture streaming audio over the Internet. What are the implications of that for your members?

MR McCORMACK: One of our members is already putting a program onto the Internet in Western Australia. We intend to do it here in Queensland in the near future and I think that that will spread throughout the states fairly quickly. It gives people the opportunity to tune in if they have a computer but they are not within range of our transmission, and there are still quite a lot of black holes around the country where we do not have coverage.

MR SIMSON: Is that right? So in the context of narrowcast, for example, it could substantially widen the reach, couldn't it?

MR McCORMACK: Yes, it could but it's also costly for the consumer, particularly if it's a consumer who's in a remote location.

MR SIMSON: Because of the connection costs?

MR McCORMACK: Yes.

PROF SNAPE: As you say, 10 years ago you probably wouldn't have seen where it is today and the future is very uncertain but do you have any picture of where it would be going, where Racing Radio would be going in the future?

MR McCORMACK: I would see its format staying fairly much as is.

PROF SNAPE: On the narrowcast plus the - a format in that sense.

MR McCORMACK: Yes, I think it's pretty much an ideal narrowcast program in that it is narrow by definition. Where the changes will come, I think, will be in the transmission area. I don't see us rushing into digital broadcasting but that seems to be the future, particularly not because a number of the organisations involved in Racing Radio have put such a lot of capital into analogue broadcasting in the recent past and as we sit here there are licences being auctioned in Sydney which involves more

expenditure. Until such time as that expenditure has been advertised, I can't see them rushing into new technology.

PROF SNAPE: The TAB has been very much behind a lot of the development, I think, has it not?

MR McCORMACK: Yes, it has.

PROF SNAPE: Would there be other sports in which they would be taking a similar initiative?

MR McCORMACK: That's already happening to some extent in that the TABs are involving themselves in wagering on different sports. Footy TAB's been in existence for quite some time now. I see that sports betting in TABs may increase in the future and if that happens I see that some of that coverage may happen on these narrowcast licences, but to be honest, it will be at best peripheral because the major thrust of the horse-racing product takes up such an enormous amount of time.

PROF SNAPE: I was looking on another set of narrowcast stations.

MR McCORMACK: Possible, but I wouldn't think probable.

PROF SNAPE: So we're not going to get Tennis Radio, Football Radio?

MR McCORMACK: They're generally very expensive to run and I wouldn't see the TABs backing that sort of routine, no.

PROF SNAPE: Thank you. That's a very interesting submission, and thank you very much.

MR McCORMACK: Thank you, gentlemen.

PROF SNAPE: I think the next is Mr Terry Flew. I'd invite you to identify yourself, as you've heard others do, for the purpose of the transcription service and then to speak to your submission.

MR FLEW: Thank you. My name is Terry Flew. I'm a lecturer in media studies at the Queensland University of Technology and I'm also director of the Centre for Media Policy and Practice which is based within the School of Media and Journalism of Queensland University of Technology. I come to this inquiry speaking in an individual capacity as a person who has undertaken research on Australian media industries, media policy, the question of media and citizenship, new media technologies in which I'm preparing a textbook to be published by Oxford University Press, and also in recent times I've undertaken research on media and technology in education for the Department of Education, Training and Youth Affairs. I have a background in economics from the University of Sydney although I recognised that I haven't worked in that field for about 10 years, and in a sense my comparative advantage no longer lies there, vis-a-vis the Productivity Commission. I've also been undertaking doctoral research at Griffith University on the history of Australian broadcasting policy.

I'll just say at the outset that I'd like to recognise the quality of the work undertaken so far by the commission in the wide range of issues that it's canvassed. It's a very impressive issues paper that has a very broad coverage of issues. It also shows evidence of a commitment to openness of process and to involving a diverse range of interests in the overall inquiry. I also recognise the importance for the commission in the framework within which it operates provided by the Productivity Commission Act of 1998 and also other factors such as the competition principles arrangement, which I'll say more about shortly.

My submission does not focus upon the full range of areas covered in the issues paper but rather I've sought to focus upon those covered under the area of the public interest and the objectives of broadcasting policy. I'd recognise in doing that though - I will touch upon the three major terms of reference of the inquiry including reporting on practical courses of action to improve competition, efficiency, and the interests of consumers in broadcasting services, balancing the social, cultural and economic dimensions of the public interest and taking account of technological change and convergence.

I think one of the issues that we face in an inquiry like this is the question of how do you evaluate the performance of broadcasting industries, and particularly in light of such a diverse sector with diverse organisations pursing very different objectives. How do you work out whether the industry is working well for its consumers, its audiences, its users, and how do you work out whether the regulatory framework is an appropriate one that is working well?

Certainly the literature - and here I draw upon the work of writers like Denis McQuail - stresses the concept of the public interest as a central element of framework by which we can assess media performance and the effectiveness of media

regulations. In the submission, following on work that Stewart Cunningham and myself have done, I try to differentiate some of the objectives of the Broadcasting Services Act in terms of their relationship to what could be defined as economic policy or competition policy goals, cultural policy goals and public communications goals. I'll refer people to the submission for more detail on that.

Certainly characteristically the analytical frameworks that have informed the notion of the public interest in broadcast media have tended to stress the extent to which mass media are not the same as any other business or service industry but, to quote McQuail, "carry out essential tasks for the wider benefit of society, especially in cultural and clinical life." Certainly in the literature in the field we find discussions of market failure in commercial free to air broadcasting, the importance of the distinctive contributions of the ABC as a national public broadcaster, the SBS as a specialist broadcaster, and the community and indigenous broadcasting sectors, and historically the significance of the public trust obligations of commercial free to air broadcasters in their exclusive access to broadcasting spectrum.

What is apparent, however, is that the national competition policy framework, as well as the terms of reference of this inquiry, place a strong onus upon those who argue that media are "not just another business" to defend regulatory arrangements which restrict competition, by providing evidence both that "the benefits to the community as a whole outweigh the costs" and that "the objectives can be met only by restricting competition", to quote from the issues paper. In light of recent applications of competition policy in law - - -

PROF SNAPE: That actually was a quote from the competition principles agreement. It was not something that we invented.

MR FLEW: Certainly, thanks, but I took it from the paper. A recent statement by Prof Alan Fels of the Australian Competition and Consumer Commission, who draws attention to the aspects of Australian higher education which are susceptible to national competition policy, which include undergraduate teaching as a commercial activity - and if you think about the higher education sector, there's not a lot outside of undergraduate teaching in that regard - the domain of application of competition policy will be a broad one rather than a narrow one in relation to Australian broadcasting.

In light of that, I think it's important to consider the issue of the extent to which we can set meaningful performance benchmarks in the broadcasting policy area. This is the first recommendation that my submission: that recognising the diversity of objectives of broadcasting policy and the diverse range of services which broadcasting policy covers, that a medium-term objective would be to establish a set of benchmarks against which the industry as a whole can be assessed in terms of agreed broadcasting policy objectives such as those found in the Broadcasting Services Act of 1992. This will also indirectly provide a set of benchmarks against which the performance of regulatory agencies can be assessed.

Associated with this will be the need for a coordinated approach to the compilation of statistical information relevant to broadcasting across various government agencies. I believe that a large amount of this information is already collated by the Australian Broadcasting Authority, in other areas by the Australian Film Commission and so forth, but thinking through an overarching framework which can inform analysis here.

So to take a couple of examples from the act itself, one of the objectives of the act is the promotion of Australian identity, character and cultural diversity. Now, going beyond the platitudinous, how do we assess that? We could look at the level of Australian produced material that screens across and is broadcast across various services. We could look at the ratings for Australian produced material vis-a-vis imported material. We could look at that material itself and assess the extent to which it reflects the cultural diversity of Australian society as a whole. We could look at more qualitative assessments of Australian produced material throughout the diversity of the community.

Likewise, in taking an issue like quality and innovative programming, the question of how you measure quality has been one which has widely discussed and debated in the academic literature and in the wider policy community. I'm aware of studies that have attempted to measure, for example, the proposition that Australian films of the 1990s were of a higher overall quality than those of the 10BA period of the 1980s, which is one of those commonsense observations that's widely made, but what are the empirical tools that could be used to measure it. They could include levels of export, diversity of program types, international awards for local productions and so forth. I have indicated possible benchmarks across the 10 objectives of the Broadcasting Services Act.

In referring more specifically to the issues raised in the issues paper about social dimensions and the public interest, I think there is a need to consider the relationship between structural diversity and content diversity, and the need to recognise the extent to which particular broadcasting policy goals may best be met by broader government commitment to, if you like, a broad slate of broadcasting service types. In light of this, a second recommendation of this commission is that the Productivity Commission should provide an in principle endorsement of structural diversity as a guiding objective of Australian broadcasting policy, which recognises the distinctive contribution of broadcasting sectors based upon non-commercial as well as commercial ownership and/or financing structures in enhancing the overall diversity of services and programs available to all sections of the Australian community.

I would also, having heard the NIMAA submission from today, like to endorse the arguments put by the representatives of NIMAA about indigenous broadcasting being framed as a distinctive sector within Australian broadcasting, rather than simply subsumed within community or multicultural broadcasting.

PROF SNAPE: That would give you five columns now, would it?

MR FLEW: Yes, it would actually.

MR SIMSON: So you would see them as a structural enhancement, if I could put it that way?

MR FLEW: Yes, and also it would enable them to develop a framework that's appropriate to their objectives, rather than having to, as they indicated, fit it within community broadcasting. We could talk about many reasons that could be put for that. The third point I wish to make relates to a general issue of broadcasting policy about the extent to which broadcasting policy meets the needs of minority or under-represented groups within Australian society and the extent to which it meets identified, if you like, pro-social objectives. As well as issues facing indigenous communities and ethnic communities there, we could also look at the issues concerning programming provided to children and educational programming, which it has been argued for some time the commercial free to air sector is not likely to realise any of those objectives in the absence of regulation, or are they likely to be met by the system as a whole in the absence of support for other frameworks.

In light of that, a third recommendation I have made is that the Productivity Commission should give some indication to government on how mechanisms for dialogue could be developed between academic researchers, relevant industry and community groups and the broadcasting sector as a whole, in order to assume more effective medium-term realisation of cultural policy and public communications objectives of Australian broadcasting policy.

My final comments will relate to technological change and media convergence, with particular reference to education. The implications of technological changes associated with digitisation and convergence of media will be fundamental and profound. That said, whatever the new technologies or their speed of adoption, some core principles of media policy will remain, such as those of, "balancing the benefits of private ownership of intellectual property and the means of information production, distribution and exchange, with the realisation of citizens' entitlement to information and communication," to quote Collins and Murroni.

The Internet at present clearly has a far greater element of structural and content diversity than broadcast television. Will this continue to be the case in accessing on-line material from a converged digital television medium. Evidence so far suggests that the growing presence of large corporations on the Internet, as measured by the rapid growth of dot com sites, has not led to a reduction in the diversity of materials available from the Internet.

Media convergence should be a positive development for public broadcasting. My argument here is that this is because the media genres in which public broadcasters have specialised, such as news and current affairs, documentary, children's and educational programming, are also those where access to ancillary text based and interactive materials have the greatest potential to add value to the overall product.

There is a strong case I believe for arguing that government should recognise that the potential provided by digital broadcasting for an organisation such as the ABC to, if you like, go "beyond open learning" in educational media, developing integrated course materials accessible to lifelong learners throughout the community, most notably providing access to those without a networked personal computer at home or those lacking familiarity with the Internet.

I would note in concluding that international trends are pointing to the importance of recognising the significance of digital broadcasting for new modes of educational delivery. I draw attention here to some of the recent initiatives in Britain, including the activities of BECTA, the British Educational Communications and Technology Agency - sorry, a lot of acronyms emerging in this - the Blair government's newly announced "university for industry", and in the United States the advisory committee on public interest obligations of digital television broadcasters set up when digital broadcasting legislation was put forward in the US, and its recommendations that spectrum space be reserved for non-commercial education broadcasting channels, as well as the provision of additional funds for educational datacasting.

PROF SNAPE: Thank you very much. That's a very thoughtful submission and thank you very much for it. Narrowcasting seemed to be another capacity. I mean, you've added a fifth column to your four-column classification, in indigenous. What about narrowcasting?

MR FLEW: Well, I think it's apparent from some of the discussion that I've heard today that the lines of distinction between broadcasting and narrowcasting will become more difficult to sustain, just as the lines of distinction between those services that we classify as broadcasting services and those which involve datacasting or Web based activities will become again more difficult to sustain. That's an issue which I - how you draw the lines there - we have heard discussions about the lines that are drawn between broadcasting and narrowcasting and also lines between commercial and community broadcasting. They will be the challenges of this inquiry and I wouldn't want to gainsay what your findings will be but clearly in recognising the importance of convergence it's indicated that one implication of convergence is those lines will become much less clear cut than we have been able to presume so far.

PROF SNAPE: So you're cutting the cake a bit in one direction, including in terms of ownership and giving a particular role for public ownership - and I emphasis that the ABS Act and the SBS are not within our terms of reference. But would it be that the possibilities through the multiplicity of narrowcasting, which is not necessarily in public ownership for example - well, obviously the racing narrowcasting, which is the prime example of it, isn't - whether that may be the avenue for diversity?

MR FLEW: I think it will service some areas well, some areas less well. I think we can take a bit of the yardstick here from the implications of developing subscription services - pay television - in areas like sports broadcasting, some areas of children's

broadcasting and some areas of documentary. Pay TV has clearly provided a more diverse range of offerings.

I would say, though, that if you were to break down the categories of children's and documentary, you would find some kinds of children's programming had been enhanced by that diversity, some less so - and more enhanced in fact, as well as their reach widened, by being involved with the public broadcasting services. Likewise in the area of documentary: nature documentary has strongly benefited from pay services, social documentary less so. Without wanting to reopen the question of charter obligations of public broadcasters, I think there's still considerable evidence. I quote in the study the work done by the then Bureau of Transport and Communications Economics on the viewer program choice implications of public broadcasting which indicated an overall enhancing of diversity on free to air services in the range of 20 to 70 per cent, and 40 per cent overall.

PROF SNAPE: In your table on page 5 I'm a little unsure about the classification that you have there of public broadcasting and diversity of ideas and options as most likely there. I think in totalitarian societies you get public broadcasting but you hardly get a diversity of opinion on it. It's the first thing they control. It may be that our experience of this in liberal democracies may be - may be - but I don't think it's a necessary relationship that you've got there. Owning the broadcasting is a very good way of getting only one of opinion across.

MR FLEW: Certainly. When I'm referring to public broadcasting here I'm referring to those broadcasters which come from the tradition of structural separation between the broadcaster and government, as founded really with the BBC under Lord Reith. I'm not necessarily talking about Radio Bagdad. So I would recognise that qualification. That said, I think the proposition is defensible since, if you like, the charter obligations of an organisation like the ABC require it to address a broad spectrum of opinion on particular issues. I note this afternoon that Prof Graeme Turner from the University of Queensland will be speaking and I'm aware of a major study Prof Turner did comparing news and current affairs in television and radio between ABC services and particular commercial services. So he may want to say more about that but I think at least in the Australian context it's a defensible proposition.

MR SIMSON: With regards to benchmarks, I'm interested in the approach that you're taking on pages 6 and 7. This table has been put together from an industry benchmarking perspective. Is that correct?

MR FLEW: I'm not sure.

MR SIMSON: I'll ask the question. Could that table be adapted to actually measuring performance of individual players within the industry?

MR FLEW: I believe that it could, yes.

MR SIMSON: So that you actually then had an objective set of measures, as it relates here, across actually a bunch of objectives. Second, particularly in the context of the fair and accurate coverage of local events - because in some of the issues that we have been asked to consider a lot of the fire and brimstone, in terms of possible change, is to do with opinion, comment, news, bias, political manipulation, those sorts of issues. You've got here you could have complaints of bias, measures of balance, bias of programming and so on. Now, to an extent that's already picked up by the ABA. I mean, the ABA already gather some of that material. But that could be fleshed out?

MR FLEW: Yes, it could. The issue about how you develop methodologies to measure balance and bias is a very challenging one. There have been a number of studies - the Turner study I mentioned, the study by the Institute of Public Affairs on coverage of the 1998 federal element, coverage of the waterfront dispute. There have been studies done that could be drawn upon. I think also in relation to this inquiry one of the issues that is frequently being raised, and I have mentioned under the third benchmark there, is whether there is evidence of owner influence upon program content and production processes. Now, developing a methodology for that would be quite a challenge but clearly in terms of the way in which these issues are being debated in the public domain it's clearly a threshold issue for the commission to consider.

MR SIMSON: Would you - I'm not attempting to ask a loaded question - would you acknowledge that in terms of quantifying a lot of these issues there's not a lot around? In terms of actual quantifiable measurement, benchmarking, facts as opposed to belief, there's not a lot around.

MR FLEW: There's not a lot around. I guess my submission is indicating there's not as much around as there should be. Here I'm drawing upon, to some extent, the experience in areas of arts policy - that there have been some real questions about how well is the arts dollar spent, and that has required some much more rigorous benchmarking of those procedures over time. It's in danger of becoming a full dimensional chess game, I recognise, because measuring bias is very different to, say, measuring ownership, which is in turn very different to measuring investment in new program types.

But I think there's a challenge there which is worth pursuing and I think if this inquiry can move that discussion forward about how you would actually develop objective benchmarks of performance, which go beyond the perception that the minister of the day says this or the government of the day - - -

MR SIMSON: Somebody is somebody else's mate or something.

MR FLEW: That's right. I think it would be a very valuable contribution.

PROF SNAPE: I wonder if I could return you to your economics background for just a moment.

MR FLEW: Yes.

PROF SNAPE: On page 3 you say that - you're referring to other people's works, I should say, so you may not wish to elaborate - "widespread awareness of market failure in commercial free to air broadcasting." I can think of some areas that might be market failure there - and focusing purely on the economic rather than the social and cultural dimensions here, because of course it's separate. I wonder if you could elaborate on what are the main concerns there, from an economic perspective.

MR FLEW: Okay. I'm recalling the literature but one issue is the concern that's raised about excessive sameness of scheduling that - and the issue doesn't necessarily arise from the commercial nature of the broadcasting as much as the reach for a mass audience or the largest possible audience at any particular time of day, so the pay TV sector in many ways works to different economic principles in that respect. So the issues that have been raised include excess of sameness of programming, the - - -

PROF SNAPE: That's not a market failure as such in the usual sense but go on.

MR FLEW: Okay. So the question of parallel scheduling and the implications of that for viewer choice. The tendency to over-invest in some program genres and under-invest in others, and the question of the degree of innovation which is likely under a oligopolistic market structure.

PROF SNAPE: You see, it relates then to what you're creating at the top of page 6 as well of the submission when you speak about a study which is the BTCE showing that an additional commercial free service didn't change commercial choice very much.

MR FLEW: Yes.

PROF SNAPE: Is there a threshold there, and we know that the old argument that if there are only - there are two, then they will probably tend to cluster.

MR FLEW: The hotelling principle, yes.

PROF SNAPE: Exactly. But if you start going above a certain threshold in numbers then it starts to be not just being the same but in fact targeting some other audience so that there is a threshold matter there. So just adding one in that BTCE doesn't necessarily tell me a great deal because it may be under the threshold, and as you hit the threshold you may in fact start to have a dramatic effect.

MR FLEW: Sure. I can say that the BTCE study, it looked at the introduction of one new service in Perth and two new services in Canberra, so it has got a study of two commercial services as well as the case of - - -

PROF SNAPE: But I do remember in the Melbourne market, and I wasn't inquiring into broadcasting in that time, and this was before FM, when there were a number of AM stations on radio which were in fact appearing to concentrate on separate parts of the market quite strongly. It seemed to be, at least at that time, they had gone over this threshold, and indeed you had a racing station; you had another one which was targeting the young music group and various other music groups as well; you had another one which was in fact going into quite a lot of discussion and talkback, so there was quite a lot of market targeting, and it wasn't sameness. Now, are there any substantial studies of this? Where is the critical number etcetera to get away from the two ice-cream sellers selling beside each other and spreading out along the beach?

MR FLEW: I'm not sure what have been the more recent studies than the BTCE work and I think others in the communications economics field could refer you to more recent studies on that. I will say my anecdotal perception is that there has been some movement in the 1990s even with a limited channel environment, particularly marked by Channel 10, and what's known as the so-called Generation X strategy of Channel 10 of moving from ratings for the overall service to profitability for each individual program and more tightly targeting the 18 to 39 demographic, so there is certainly counter-tendencies within restricted markets, but my point would be that I think even were there to be a threshold beyond which a substantial increase in the number of commercial services leads, as is suggested, to a substantial diversification of program types.

I still think there will be very significant areas of community demand which would remain under-represented within that framework, and I think the pay television experience where a pay subscriber's access to a number of channels has moved from six to 40, yet we can still see areas where, in the absence of non-commercial or specialist forms of provision, there would be formats that would be catered for.

PROF SNAPE: Yes. This is, I think, probably as one looks to the future, a very important consideration as to whether there will be the clustering effect or the diffusion effect in terms of covering markets. We're frequently referred to the American scene in this and there hasn't been a great diffusion in types.

MR FLEW: In fact, studies in radio in the 1980s suggested that there was a reduction in diversity with an increase in the number of channels.

PROF SNAPE: Yes.

MR SIMSON: Just taking this point a step further, you can have an increase in structural diversity. Let's just take the Internet as an example. Okay, new service, new structure, all right?

MR FLEW: Yes.

MR SIMSON: New media type. But I think what we're talking about here is sort of tangentially is at what point does that become significant enough to represent

diversity, and how do you measure that. Is it the number of people using the Internet? What are they using the Internet for? Is it for news and information or is it just to go to game sites or whatever? Capacity to pay in that there may be structural diversity but only structural diversity for people who can afford to pay for that structural diversity, so at what point in terms of reach and penetration of a particular new media does it become significant?

PROF SNAPE: And can the diversity which be sustained over time?

MR FLEW: Yes. I will answer that referring to pay television rather than the Internet actually. I think that pay television's take-up rate is now in the range of 15 to 20 per cent nationwide.

MR SIMSON: 13 per cent.

MR FLEW: Okay, right. Well, I think - - -

PROF SNAPE: There are various figures around.

MR FLEW: There are, yes.

PROF SNAPE: It also matters in part as to whether you're counting the number of cables connected to houses.

MR FLEW: Yes.

PROF SNAPE: Or the number of people that still continue their subscriptions.

MR FLEW: That's absolutely right, but I think it has moved close to the point in Australia where it is having a threshold impact upon the commercial free to air sector, and I think that has been the driver, not the only driver, but that has been a driver of the repositioning of commercial broadcasting because the evidence strongly suggests that it is a younger audience that are attracted to the new services. I also believe - - -

PROF SNAPE: Including cable.

MR FLEW: Including cable, yes. I believe There is now in the United States some evidence of substitutability between television and the Internet. It's very hard to measure. It assumes you can't use both simultaneously.

MR SIMSON: In terms of leisure time, available leisure time, that must be so, mustn't it?

MR FLEW: There seems to be evidence coming through to suggest that.

MR SIMSON: Just taking your pay TV analogy then, but you need to take it further, do you not, because you then need to look at categories of content within that. Okay, pay TV as a whole, let's accept your argument, is reaching that a critical point of threshold in terms of reach. Penetration of households, how do you want to measure it? But what about for example the news, information, opinion area. I mean, how much real diversity are you getting in that content category from pay television?

MR FLEW: You're clearly getting much less, I would say, than content diversity in areas where there is identifiable channels associated with sport, music and so on, and also importantly, the extent to which new channels produce this diversity is reduced by the extent to which the news services are either a direct feed of an overseas service or that there is not significant investment in local news-gathering, so the issue has a local dimension as well. To get CNN by having cable you have clearly got more diversity in new sources than you had without it, but you haven't necessarily got more diversity of news sources in relation to matters of local and national significance, so you would want to look there at whether the channels that are provided through the pay services have been investing in news-gathering, in development of new formats in current affairs, documentary and so forth.

PROF SNAPE: But I suppose what you do get is diversity in the sources of interpretation of international news.

MR FLEW: Yes, you certainly do get that. Yes, but you also, and I think this is where I would return to my original argument, I think you also get that, for example, by having the special broadcasting service and you get that in part in an important way because of its governing charter obligations and how it meets those.

PROF SNAPE: Yes, but it doesn't give six different interpretations and if you - - -

MR SIMSON: With regards to your table again on page 7, Diveristy of Control, which is the third item in that table on the left-hand side, the last item under Policy Benchmark is, "Evidence of owner influence upon program content and production processes." Have you done any work on that in terms of how again you might benchmark that, quantify it, account for it?

MR FLEW: I haven't personally. I am aware for instance of a program like Media Watch used to repeatedly provide suggestions that this was taking place and whether that could be looked at. I mean, there is always that issue that if you're looking for evidence of this in the media it may be surprising that you won't find it in the media, if you know what I mean, so that could be a possibility looking at particular cases and investigating those more closely.

PROF SNAPE: It has been put to us along that line that it may be - and I emphasise that it has been put to us "it may be" - that influence is not exercised so much as someone ringing up and saying, "Don't do this," or "Don't do that," but rather more in terms of the general atmospherics if you like, that one might only need to interfere, or there may only need to be an intervention every five years.

MR FLEW: Yes. I'm not a believer in the smoke-filled room theory of media influence. For one thing the organisations are diverse conglomerates and the idea of an individual being able to manage that whole process is, I think, open to question but, yes, at the same time there is an awareness that there are, if you like, cultures that prevail in organisations and often very subtle ways in which influence can occur.

PROF SNAPE: Are there studies of this, in particular for example, not necessarily in Australia, in which by changes of ownership or by other changes, that there has been a significant change in that culture, and are there studies which are showing the change in the culture and its influence upon the relationship to the output of that institution?

MR FLEW: I can't think of examples but it's a very good question, isn't it, that you do need a snapshot period where you can trace what happened in this period as compared to that period.

PROF SNAPE: We're looking for empirical evidence.

MR FLEW: Yes. I think in Australia, I think one very interesting one to have a look at would be the period where there was the Super League issue in rugby league where you had particular media organisations had strongly identified with one or other of the competing rugby league competitions and you could do an empirical study of reportage in that period that might produce an interesting finding.

MR SIMSON: I don't know how empirical it was but certain assertions were made at the time as to the way the owners covered that.

MR FLEW: Yes.

MR SIMSON: Could I just go back to your earlier point where you used the term "conglomerate" in a media sense.

MR FLEW: Yes.

MR SIMSON: That's an issue that some people see in this because as media owners become conglomerates and have their involvement in a number of different industries, the ownership of a particular media becomes perhaps more interesting from the perspective of coverage of that individual, their business interests, their other business interests, and so on. I mean, I have known of circumstances in the past where stories that related to an owner's business needed to be seen by someone for publication, not necessarily bettered or edited, so that while you asserted earlier that they're different organisational structures, different cultures, the actual conglomeration can actually exacerbate the issue in some cases. It's perhaps not quite as (indistinct) your thought on that.

MR FLEW: It can. I mean, it's difficult to comment on it in the absence of identifiable case studies, but again another example I'm aware of was the issue of how, say, the airline pilots' dispute was covered 10 years ago with News Corporation being a 50 per cent shareholder in Ansett Airlines. Did it matter in terms of how that was covered as compared to coverage in other media?

MR SIMSON: Can I keep going with a question?

PROF SNAPE: Yes, go ahead.

MR SIMSON: Page 9, I would just like you to talk a little more if you wouldn't mind about the question you raise, "The Internet at present clearly has a far greater element of structural and content diversity in broadcast TV."

MR FLEW: Yes.

MR SIMSON: "Will this be the case in accessing on-line material from a converged digital television medium?" Then you go on and talk about the presence of large corporations. What are the other issues there that will basically determine whether in fact that superficial structural diversity does in fact lead to genuine content diversity?

MR FLEW: There is billions of dollars being invested in the question of whether television will become more like the Internet or the Internet will become more like television. Will digital broadcasting mean a dramatic enhancement in the range of services which can be accessed as there is with the Internet, or will, if you like, the access points to accessing Internet-type materials through digital television be limited in ways that, if you like, your points of entry will be more restricted. I must say, I'm not from a technical background in that respect so I'm not sure of the answer. Certainly some companies have positioned themselves strongly in it going one way or another, Microsoft, TV more like the Internet; Sony, Internet more like TV and so on. I think if it were the case that digital will mean that television will become more like the Internet, will become a more interactive medium, will provide greater access to a multiplicity of sources, I think that will be a great boon to the community.

In particular, I'm thinking here about the 50 per cent of the population who don't use personal computers and who are unlikely to access the Internet in the immediate future. Studies seem to suggest that the movement from zero to 50 in terms of accessing the Internet happens far more quickly than the movement from 50 to 100 for the same reason as people still bank with the teller and so forth.

MR SIMSON: Yes.

MR FLEW: I gave education as an example there. I think life-long learning and flexible learning imply a much greater need to disburse where you get access to education; that it must be more driven by where and when the individual use and needs it rather than where and when the institution chooses to provide it. So in that respect I have emphasised the possibility of digital television being a way in which

on-line education will be piggybacked to a wider section of the community. In doing that though, and I was involved in the study two years ago looking at new media and borderless education, I'm aware that the majority of commercial media organisations did not see themselves moving into education in a significant way.

It was a sector that was a long way from their core business and their core competency, and so in that respect I have pointed to the ABC here, not for any particular reason related to the ABC, but simply in recognition of the fact that an organisation which has national reach, which has a history of specialisation in this area, and which has a degree of credibility in the community in delivering this area, can be identified as an organisation which could be a principal deliverer in this area.

PROF SNAPE: I have a question that goes to or relates to something that you have on page 4 but it's concerned with regulatory policy. The introduction to the act says:

> Parliament intends that different levels of regulatory control be applied across the range of broadcasting services according to the degree of influence that different types of broadcasting services are able to exert in shaping community views in Australia.

I'm sure you're very familiar with that sentence. How does one measure the sort of degree of influence that is being referred to here, and are there any studies, if not views, on what forms of media are the most influential in this sense?

MR FLEW: Yes, the use of influence that informed that statement, influence was measured primarily in terms of ratings or audience reach, was I think the primary principle - that was the primary identifier.

PROF SNAPE: Was that a sensible way or a sound way to go?

MR FLEW: I think it was, and I would be inclined on balance to think a principle like that is worth preserving. I was very interested in the earlier discussion about community broadcasters who are clearly moving into the territory of becoming commercial broadcasters and whether there's if you like a regular true fiction that identifies one type of service in one way or another.

That said, I think that the sliding scale principle is still a valid one, and I think the reasons for those influenced criteria were cultural and communications ones as well as economic ones. I was thinking that there should be stronger, say, standards on what material is available at certain times of the day on free to air television. That was one factor that was informing that; that there be stronger Australian content rules again for commercial free to air because it's viewed by a wider number of people and therefore more a part of the culture.

Within those sectors that are financed primarily by commercial means, I think there's going to be blurring of that distinction, although I think, say, in terms of influence upon events, say in the news, current affairs area, commercial free to air

television has a much greater degree of influence than pay television. I think there's absolutely no doubt about that, and I think even in an era of the Internet, I think that remains the case.

MR SIMSON: Hang on, but on page 5 in that table, you say that commercial free to air is less likely if we're to have another free to air station; the implication that it's less likely that we'd actually add to diversity.

MR FLEW: Yes.

MR SIMSON: How does that follow then?

MR FLEW: It follows from the likelihood of that - which - - -

MR SIMSON: If you have a number which says or an audience reach which says a certain owner can't - let's talk for free to air, can't go over a certain level, and you still think that's a fairly good yardstick in terms of "judging influence", I'm just referring you to your submission where you say - and I'm taking the reverse of that, and I'm saying, okay, if another free to air were thrown in, you're saying that wouldn't necessarily add to diversity of ideas and opinions; that is ipso facto wouldn't necessarily reduce the power of influence because of the nature of the programming presumably we're talking about.

MR FLEW: I think a fourth commercial free to air - just say television here for the purposes - I think a fourth commercial free to air television channel would be unlikely to be a significant investor in the area - - -

MR SIMSON: You're making that judgment.

MR FLEW: I guess I would be making that judgment on balance.

MR SIMSON: You are making that assumption, sorry.

MR FLEW: Okay.

PROF SNAPE: First of all are there good studies around on the degree of influence, and we're talking here - it says "able to exert in shaping community views in Australia". That's in fact the wording in the preamble to this act which they're saying is the basis for the differentiation. What do we mean by "influence"? Are there good studies on what forms of media exert the most influence? Does it differ according to influence on what? To illustrate, but then to go back to the questions, I think if I were a politician - which thankfully I'm not - and if I were trying to influence the community views favourably towards me, would I have a chat to the newsreader on Channel 10 or the news service on Channel 10 or would I get to one of the talkback people on radio?

MR FLEW: If I were in that position, I would get material out that evening that would be reported in The Australian the next morning, I would get on the John Laws show later that morning, and I'd be on A Current Affair that evening. That would be my perception.

PROF SNAPE: Yes. I mean, you've given me your strategy, but is it not at least arguable that the Johns Law show - since you named him - or Alan Jones for example have a greater degree of influence on the sort of thing I was just talking about than say Channel 10?

MR FLEW: It would have a greater degree of influence than Channel 10, yes. Whether it would - - -

PROF SNAPE: At Channel 10, and yet the restrictions on Channel 10 are much greater.

MR FLEW: That's true.

PROF SNAPE: So where do we get with this - even within the current framework, where do we get with this degree of regulation being related to degree of influence?

MR FLEW: I guess one point to make there would be that all of the examples we've discussed there are commercial free to air broadcasting. So they all remain within a similar structural framework as identified in the act. I think the - - -

PROF SNAPE: We are asked to clarify the objectives of the act.

MR FLEW: Certainly, and I think that's a very valid point, and I'm also aware of, from previous inquiry conducted, a submission from News Corporation which indicated that it was considerably less influential than the ABC. So there are issues about - because fewer people buy newspapers than watch television and - - -

PROF SNAPE: But we're not looking at the ABC of course.

MR FLEW: No, certainly not. The influence question I think has had two dimensions to it. One is the influence upon public opinion, and that's the dimension in which we've been discussing it, and I think the points that have been raised are very valid ones there. The second dimension of influence would be in relation to I guess broadly defined cultural and community values; you know, does say the diversity of range of faces on prime time TV drama matter; that level of diversity. Does it matter what sort of material is available to children at different times of the day. So I want to separate those, too.

MR SIMSON: So to what extent then could you say that diversity in its various forms could be seen as a proxy for influence. If you've got diversity from a number of perspectives and dimensions, you can be pretty certain that you're on top of the influence problem.

MR FLEW: The greater the degree of diversity, the lower the propensity for influence. It sounds a plausible argument. I must say it's the first time I've thought through the connection between the two. It sounds like something that should be pursued.

PROF SNAPE: Well, we would be grateful for further thoughts, and also if you have some - in contemplation can point us to some particular studies that might be useful for us in this. I think you can see our concern that we have to try to go back to these questions and to examine the factors that are underlying the whole different regulation for different media, and of course then after having done that, we then come to the next question with the technological convergence, does regulation very firmly based upon technology continue to make sense in the context of converging technologies?

MR FLEW: Yes.

PROF SNAPE: So we'd be very grateful for any further thoughts that you have on that.

MR FLEW: Thank you very much.

MR SIMSON: Thank you.

PROF SNAPE: I think that that just about takes me through, and I think you've probably had enough of us by now anyway, and that isn't always the criterion for stopping I might say.

MR FLEW: No. We've only just started, I suspect.

PROF SNAPE: But thank you very much, Mr Frew. It's been very helpful to us, and it's a very thoughtful submission and of assistance to us. I see we are remarkably back on schedule, and we now have on our schedule a break for lunch until 1.30, and we'll resume at 1.30 when Prof Graeme Turner is going to be the first person appearing there. Thank you very much.

(Luncheon adjournment)

PROF SNAPE: We will now resume the hearings after our lunch, and the first participant after lunch today is Prof Graeme Turner of the University of Queensland, and if you would introduce yourself on the tape for the transcription service, and then speak to your submission, I'd be very grateful.

PROF TURNER: Prof Graeme Turner from the department of English at the University of Queensland. The main issue I think that I wanted to talk about in relation to my submission has emerged from work that I did a couple of years ago when I was doing some research for the ABC. It was independent research commissioned by the Key Centre for Cultural and Media Policy here, and it was paid for by the ABC, and it was to address a range of issues around the provision of services on television and radio in news and current affairs. The issues included balance, accuracy, comprehensiveness and so on.

The thing that I wanted to draw to the attention of the Productivity Commission was something that I found that surprised me which was that since deregulation of commercial radio in the late eighties where the requirement for radio stations to produce their own news service for instance - and that seems to be the crucial one - where that requirement was relaxed. There has been quite a change in the provision of news and current affairs provided by the commercial sector. At that time in the late eighties, they were under intense pressure that was partly caused by policies around the national radio plan that you probably know all about where there are invitations for AM broadcasters to move over to FM and so on; very destabilising for the industry, and a range of other policy initiatives in television for instance meant that broadcasters were competing for the same advertising pool for quite some time.

Some level of relaxation was more or less inevitable because the viability of a lot of those radio stations was in jeopardy, and one of the things that went was the employment of in-house journalists, and the downsizing of journalism within the commercial radio sector has been quite substantial, and where once upon a time every radio station was required to have its own independent news service, that's no longer the case. In Brisbane there is only one station that has its own newsroom. Most of them share. All of them network from outside the state, and you really do have a pretty basic rip and read service being offered. As a result of the downsizing of journalists that's been required to do that, the capacity for current affairs is almost gone.

So the only current affairs programming on radio is provided by the ABC, not just through Radio National and the obvious places, but also Triple J provides some current affairs coverage, but I wasn't aware of that. As somebody who had been looking at news in television, I wasn't aware of that change, and the extent of it meant that you simply couldn't compare the ABC properly with any provider in the commercial sector in the area of radio. So it did seem to me that a range of repercussions of regulatory policy had done the community a disservice; that there was no longer the range of independent news services and current affairs programming that had existed prior to this time.

So the weight was disproportionably borne by the ABC, and I think it's kind of unhealthy that the only provider of that sort of programming should be the ABC. So that was the main issue that I felt I should draw your attention to. The material that I'm referring to has been published. I can provide a copy of the article if you require it.

MR SIMSON: That would be helpful, thanks.

PROF TURNER: So you can see how it backs up, but that's the main item that I wanted to raise with you.

PROF SNAPE: Good. That I suppose leads one to think about what is the community demand for news?

PROF TURNER: I think one of the problems with regulatory responses to that problem is that there's a contradiction between demand and need I suspect that one of the arguments within television has been that there is not a strong demand for news, and clearly that's declining; that the audience figures for television news was declining and they're declining in specific demographics. However, one of the arguments for having at least some oversight from government about the operation of the media is to provide information, to provide a decent news service that is relatively independent of commercial or political interference, and one of the ways you do that is by having a diversity of points of view.

So there is if you like the democratic argument about the freedom of the press which can get turned into a bit of a fetish, but nevertheless exists as an argument for how you actually operate the media. There is that placed against the notion, "Well, simply if people don't want news, why should it be provided?" When the regulatory frameworks were overhauled prior to this last period in the eighties, the notion that the news services were important and constituted a social service that was provided by media owners in return to being able to operate with a relative degree of privilege in that commercial framework, that argument seemed to be pretty widely supported, and I think as long as there is a provision of news or a range of news outlets and of independently sourced news outlets you don't have any difficulty but once that starts to shrink, once it starts to dry up and you get a couple of network services and that's it, you start to wonder what's the point of asking them to run a news service if that's all it's going to be and you also say, "Well, should we have something better?"

PROF SNAPE: Is it that some of the news is being provided in a different format, and if one listened to talkback shows that are very popular on a number of radio stations you might say that they are to a significant extent based around news items and elaborations in one form or another of those news items?

PROF TURNER: Yes, I'd argue that there was a difference between talkback radio and current affairs or news radio. When I did my survey I ended up excluding talkback, partly because initial research found that the vast proportion of the talking on the radio during talkback programs was the host, not the callers, that very little of

it actually contained either news or informed comment on the news. They tended to be personal responses to the news and so what you were looking at was a kind of - it was more equivalent to a chat program, more equivalent to Ray Martin at Midday, say, than to Ray Martin in A Current Affair. That was the view I took on that format. I also think that talkback radio is dominated by what we think of as columnist-style approaches to news and information which is highly opinionated and, because it comes from a named source, also it feels quite free to name its biases and to operate through them. So as an independent objective news source, if that's your aim, you don't get that from talkback radio.

MR SIMSON: Not news but it does provide polarity of opinion and comment.

PROF TURNER: Yes, which helps you learn - that provides information about that opinion but I don't think it necessarily helps you find out information about the issue towards which that opinion has been directed.

MR SIMSON: Well, I'm sure some of the station managers might debate that with you but let's accept that's correct for a moment. In your submission you actually go further than that because what you say is that, given the way you see the development and broadcast of news in Australia, there's really not much point in having regulation at all if that's supposed to be achieving a diversity in news and information.

PROF TURNER: I accept that implication, not that in principle there's no point in having regulation but my view would be that regulation hasn't inhibited the concentration of news down to relatively small sources.

MR SIMSON: Now, you've spoken of radio. Talk to us a little bit in that context about the news on commercial free to air television, news and current affairs.

PROF TURNER: Yes, the news - there the market works in slightly different ways, I think. Again you're talking about a declining market in terms of the total numbers who are turning on to it but what you're finding is a narrowing down of the kind of stories that will be offered. There are differences between commercial and ABC, slight differences; crime, for instance. Crime stories figure more large in commercial news programming than they do in the ABC. It's not an insignificant difference but it's a difference of degree.

PROF SNAPE: Do you say not an insignificant or not a significant?

PROF TURNER: Not insignificant.

PROF SNAPE: Not.

PROF TURNER: So it reflects different news values, I think, but I think the general trend that you'd see in news and current affairs on commercial television over the last 10 or 12 years has been a move away from events of the day of political or social importance, however you might want to argue that that could be defined,

towards events or stories that are either organised around predictable events or opportunities or they're designed and developed in-house, in some cases many weeks before the program. Current affairs in particular has become dominated by stories that are produced in-house, that are set up in-house, that are not responding to the news events of the day and typically use the kind of set-up routines I was talking about in the submission where you have uses of hidden camera and other kind of methods of entrapment as a way of generating a story but not necessarily responding to a particular public concern or a particular news issue of the day. So that's a shift in what current affairs has done historically in Australia and it's been a slow gradual shift but it is a shift towards looking at the entertainment value of the stories rather than the informational value of the stories, and that dichotomy is one that I think has overbalanced now to the point where there's not a lot of interest in these programs, in issues that you'd see as being hard news. Most of them would go to fairly soft news around personalities and dogs up trees or cats up trees types - - -

PROF SNAPE: I suppose that you can lead horses to water and all that and then you say, "Well, what is the value of putting on alternative news services if no-one watches it?"

PROF TURNER: One of the answers to that - approach it a slightly different way by saying, "Let's think why people who you would expect would watch news don't watch it?" So the largest decline has been in the youth demographic from teenagers through to young adults and one of the reasons advanced for that is the way in which the news and current affairs represents stories that are to do with youth, and they do stigmatise them, demonise their activities and use it as an item of often prurient interest and so there's a feeling that the people who produce the news are not particularly interested in the problems of youth and the version you get of youth from the news is itself disparaging and therefore why would young people watch it? It may not be as simple as, "We're putting out the programs. We look at the ratings. If you don't like it, you tell us and we change our programming." I think there are certain things that remain pretty constant irrespective of how they tweak it. It's clear that if you're going to put John Howard on for half an hour on A Current Affair people aren't going to watch it unless there's something really spicy to go with it, but that's not an argument for not covering political stories. You can cover political stories at the point of the impact of policy rather than through the politicians, for instance, and that's something that I just don't think they've been particularly inventive in the way that they've dealt with that.

PROF SNAPE: So there's a market there which they're missing.

PROF TURNER: I think so because if you look at what Triple J does on radio, for instance, they do current affairs that's aimed at a particular audience and they attract them and they don't have a fall off in their listeners when they move from the music to the current affairs programming and that suggests that they're doing something right.

MR SIMSON: But in the context of the act, the Broadcasting Services Act and its intention to enhance diversity of news, information and comment, what you're saying in a nutshell is it's just not achieving that objective.

PROF TURNER: I am saying that. I mean, I think one of the problems is that if you move from regulating issues of ownership for instance to regulating at the content end, which is I guess what you're implying, to talk about diversity of content - - -

MR SIMSON: I'm talking content.

PROF TURNER: Yes. I'm not sure how you actually do that without intervening quite radically in the commercial operation.

MR SIMSON: Well, we will come to that. I will give you the opportunity to perhaps comment on that in a moment but I just want to be clear - because one of the intentions of the act and its regulation and the way it's structured is to enhance diversity in this area that we have been discussing this afternoon. You're saying it's not achieving that objective. That's pretty significant because that's telling us that wherever we might go to from here, we're not actually achieving what the act currently says.

PROF TURNER: In this area of news and current affairs I don't think you do have diversity - I mean, let me give you an example of the kind of regime, for instance, that can operate. For a long time in the US the networks had the same kind of highly competitive environment that our networks operate in, where you had three major networks competing head to head and you had a syndication complicating that. One of the things that network CEOs did was quarantine the news and current affairs from ratings. That is, they read the ratings and accepted them, but they argued that what determined what constituted an appropriate news service was not one that was entirely going to fit with what constituted the most entertaining and successful in terms of ratings. So they quarantined - and this happened for 20-odd years - they quarantined them off from the influence of the ratings in order to preserve a particular kind of service.

Now, that regime has worn away now, particularly under competition from cable from CNN and also when Fox turned up. But that was a strategy that said, "All right, there is going to be a conflict of interest between commercial objectives and social or information objectives, and we are going to recognise that concept and say, 'This part of our programming we are going to set another collection of indicators or another set of performance measurements that tell us we are doing a good job, other than just ratings.'" During that period there wasn't the fall-off that we are now seeing from network news in the US.

So it does seem to me there are approaches to the problem of providing a responsible and diverse news service through the mass media. There are approaches that have existed at other times that suggest that we could do better than we're doing now. It doesn't necessarily have to be a change to the regulatory environment. In this

case, this was a commercial decision by people who ran the networks - about how they actually saw their social responsibility. That's a rhetoric that's completely absent from arguments with commercial television about news these days. That notion of social responsibility is seen as being an outdated notion.

PROF SNAPE: Could it be that CNN in the US killed the others? I mean, a fully devoted news service - - -

PROF TURNER: I think that's possible, although - see, CNN gets a tiny share of the audience. It's a minute percentage of the audience that watches CNN.

PROF SNAPE: But you know you can watch it.

PROF TURNER: Yes.

PROF SNAPE: I mean, we don't know - if they drop the ratings for the news services you're not sure what percentage they got on their news services either I suppose. But it may be that that competitive pressures killed them, by an alternative source.

PROF TURNER: Well, certainly some form of competitive pressure reduced that commitment.

MR SIMSON: If we just accept what you're saying is correct, just for discussion purposes, your judgment with regard to the news and information on free to air commercial television - and radio for that matter. How important do you think the Internet are, and pay television - those two new media - will be or are already being in terms of helping provide a diversity of news, information and comment, in other words filling that void that you're seeing emerging?

PROF TURNER: I don't see there being much difference at the moment, because in most cases you're looking at the same providers simply using a different outlet. So what you're getting is a diversity of systems of delivery but you're not getting a diversity of content. I don't see an indication that that's going to change. Certainly pay TV - I mean, to argue that news services on pay are offering something different is pretty comical, because in many cases they're using exactly the same footage that's being used on free to air. If you watch Sky, for instance, it's the same one. It's exactly the same people, exactly the same footage.

PROF SNAPE: Apart from one program I think that we are aware of, which Mr Simson is associated with.

MR SIMSON: The Internet?

PROF TURNER: A similar argument I think - that you're looking at similar patterns of ownership and it doesn't seem to me that, given the figures of penetration of Internet use, it doesn't seem to me to have made an enormous difference yet, other

than - well, what seems to be the development is a lot of people tuning in to Channel 9 Web site, Newscorp Web site etcetera. They're going to the existing new sources to get the same news that they would get through television or through the newspaper but they're getting it from a different location.

MR SIMSON: Yes, but you can go just - in some cases those Web sites are offering additional news and information.

PROF TURNER: Yes, that's true in some cases.

MR SIMSON: They're putting experts on for after show commentary. They're allowing you to dig deeper into particular issues.

PROF TURNER: That's true. For instance, you can get transcripts of individual programs for instance on the ABC Web site and you can get certain other kinds of additional information. But in most cases it seems to me it's coming from the same sources that your free to air television and broadcast radio and so on is coming from. But there's not a whole bunch of new news providers there, nor are there a whole bunch of new news providers waiting in the wings.

MR SIMSON: Yes, that's true of course in the case of repackaging stuff from a newspaper or from a TV news program or, let's say, Internet delivery. However, does not the Internet allow the consumer to go out and search a whole variety of sources for news, information and comment through search engines on particular subjects. If they go to a portal, a Newscorp portal or a Fairfax portal, it may be that a lot of information they get is news drawn from their existing sources but does not the technology of the Internet also enable you, if you wish as a consumer, to go well beyond that, in terms of searching for information, news and comment?

PROF TURNER: Yes, it does.

MR SIMSON: You've done, obviously, work in the radio area, in the commercial radio area in measuring - or at least looking objectively at what has been happening in news and information, news and information coverage. Have you also done that in the free to air television area?

PROF TURNER: Yes.

MR SIMSON: Okay. Could you perhaps just elaborate a little bit for us at the moment, just at this inquiry now, as to how you go about the benchmarks, the key performance indicators you use, how you go about actually quantifying this area?

PROF TURNER: Okay. The kinds of things you use when you're trying to look at the service provision with television - you look at the obvious things like story length, the amount of visual material that they provide from the scene, rather than simply commentary. You look at the amount of actuality footage, I suppose is what you'd call it, that comes from the event where the news occurred. You look at what their

source is, whether it's networked or whether it's coming in from a newsagency from overseas or whether it's coming in from their own correspondent.

Clearly material that's coming - I mean, the argument would be the more independent the source, the higher quality the product that you're getting. So just repackaging a piece of file footage with your face on it is kind of fairly low level provision. Actually having a correspondent on the ground, providing on the spot information, is high level. That's seen as a high quality report. So you look at the length of time given to issues, you look at the proportion of time in a bulletin, say, given to particular issues - how much is devoted to sport, how much is devoted to politics, how is the hierarchy of - - -

MR SIMSON: Diversity of content categories?

PROF TURNER: Yes.

MR SIMSON: Yes.

PROF TURNER: And how is the hierarchy of values that you would deduce from - their selection of stories - how does that look. As I mentioned before, the fact that crime for instance is a major category in most of the commercial broadcasts on television - how do you put that against how much is given over to politics. So there are issues around there. So it's impossible to determine accuracy without actually following each story up and going back through it. The way in which you can get a good line on accuracy and independence and the balance of a story is by looking at the source, looking at the way in which it's presented in terms of the relationship between the reporter and the event - are they there, who have they talked to, who else have they talked to. There's a lot of talk about bias obviously but I don't believe you can do anything about - I mean, you can't quantify bias.

MR SIMSON: Do you also bring this particular piece of science to newspapers? Have you also done work on newspapers approaching it from - - -

PROF TURNER: I haven't no, but it has been done. There are plenty of content analyses of newspapers that in a sense do a similar kind of routine where they're looking at the amount, the proportion that is given over to a particular subject area; the reliance on outside sources rather than their own inhouse correspondence; the level of attention to issues of balance, that is, making sure that you're given an equivalent amount of time to the person who is supporting an opposite point of view and so on.

MR SIMSON: All right. What would be your opinion in terms of the effect of a change in the cross-media ownership rules in terms of diversity of news, comment and opinion?

PROF TURNER: I can't see how it would help it in that I think that the intention behind the cross-media rules as we have them now was to hold the line, to keep the

number of proprietors in the business at roughly where we are now and not to have it reduced any further. It seems to me that the obvious outcome - at least obvious to me - of a relaxation of that would be the movement of the large television proprietaries into print and vice versa, and you'd have further concentration of ownership. Now, I understand the argument that says, "Is that necessarily a bad thing and is it a lot different to have the concentration of ownership you might predict occurring out of that? Is that any worse than what we've got?"

My answer to it, I suppose, would be that I think it would be marginally worse but I think one of the difficulties of the situation we've got before us now is that it's gone so far that people working in the newspaper industry, for instance, have to accept the fact that nearly 70 per cent of them have to work for a Murdoch company and if they can't do that, they don't have too many opportunities. So my view is that the cross-media regulation serves a useful purpose because it does provide some kind of hedge against a further concentration of ownership. I don't think it does ensure diversity of content and I think it implies a slightly demonic version of the proprietor that implies a level of hands-on involvement with their product that is actually implausible. But I do think what it does is at least allow some possibility for a future scenario where access to the media for another player is at least possible and I think that the only people who would have the money to benefit from a relaxation of the cross-media. laws now are the people who are already in the game, and there aren't very many of them.

PROF SNAPE: That's within an Australian context I assume. Did that comment allow the possibility of foreign investors?

PROF TURNER: No, I guess I'm assuming that the foreign ownership restrictions stay too, the way I've said that.

PROF SNAPE: There are submissions which are suggesting that we should differentiate quite strongly between those two restrictions, between the foreign ownership on the one hand and the cross-media on the other.

PROF TURNER: I see. My position would be that - well, it's complicated because I think there are principle reasons why you would be against foreign ownership of the media depending on the extent to which that was allowed to happen. You wouldn't want all of your media to be owned from outside. I think there are fairly clear political reasons why you wouldn't want that to happen. But I also think that if the foreign ownership regulations are actually put to work in favour of further concentration of the existing Australian owners then that could have a negative effect too.

PROF SNAPE: One suggestion that has been made in talking around the place is that if one were to relax the cross-media rule then the foreign investment rule restriction should be relaxed some time ahead of relaxing the cross-media rule, so that if one were to be going that direction one would allow another player from abroad to be established before one relaxed the cross-media rule. As I said, that's not a

suggestion that's coming from us. That's a suggestion that has come from outside. But I would invite your reaction.

PROF TURNER: I could see the point of that, although it does seem to me the point of that is a highly contingent one about the existing situation - that it would be a blocking move to deal with existing operators, I would have thought. Whether you want to actually frame your policy specifically for that situation - I don't know that that's necessarily a good thing.

PROF SNAPE: I mean, the argument I think is something like that in any industry which is fairly highly concentrated the incumbents may have an advantage. So it was saying, "Okay, let's give the newcomer an advantage for some time," as is done in some aspects of the telecommunications and it's explicitly done in some aspects of telecommunications. So it could be interpreted not so much as a blocking move but rather to make it a more contestable market.

PROF TURNER: I could see the point of that. I wouldn't think that there was a principle position against it.

PROF SNAPE: Okay.

MR SIMSON: In the context of, again, diversity and cross-media, the point you make in your submission that there needs to be an independent body with the powers to require speedy retraction and correction to prevent Australian citizens from media organisations who don't observe their responsibilities. Do you believe it would be possible to put together a series of performance measures in the area of diversity, particularly in the area of diversity of news and information, in a check list, for want of a better term, that would enable - and even to evaluate in advance perhaps - whether a prospective change in the cross-media ownership would be good or bad? You used the adjective earlier "demonic". In other words, is there some way of actually bringing some objective measure or objective analysis to this, some science to this, to be able to evaluate the likelihood or not that a change in the cross-media in a particular circumstance would increase or reduce diversity in news, information, plurality, fairness and that sort of thing?

PROF TURNER: I think it's theoretically possible. I'm just trying to think where you would start. So the argument would be that if you get rid of the cross-media regulation you actually do want to still maintain the principle of diversity of content, so then how do you actually set up a regime that would allow that to be transparent?

MR SIMSON: Yes. I mean, to make your point - that ipso facto you may be having a greater concentration of ownership - is that necessarily going to be bad? How do you actually address that question without necessarily assuming - and I'm not drawing any judgment on this, and perhaps for all the right reasons - that it would be bad?

PROF TURNER: So in a way you're getting rid of I suppose what is a traditional notion of access I suppose as being the one that determines diversity and you say, "Okay, that's not necessarily what you do. You look I suppose at the point of production, of there being guidelines there."

MR SIMSON: Yes, what are the sort of things that - just talking hypothetically. If you were the arbiter in this or sitting in some position in this, what are the questions that you would want to see addressed, just raising this hypothetically in the context of your earlier comments?

PROF TURNER: I think it's theoretically possible, although in a way it would probably require acceptance of a certain number of principles of operation that were inhibitors on I guess the commercial nature of the operation. That would be talking about using different sources for news, for instance, or requirements about categories of news that the regulatory authority thought were important to be addressed, whether or not they were seen as being particularly entertaining. I think that's possible, isn't it?

PROF TURNER: That may be so. As you point out, they may be inhibitors on the commercial side.

PROF SNAPE: But we would still need to have a set of criteria which were objective enough to be enforceable.

PROF TURNER: Yes, I think so. I mean, they would have to do with, I suppose, inputs into the news rather than the actual content. So the regulatory regime would operate at the point where material was coming into the process, rather than at the end.

MR SIMSON: I think perhaps the operative word in what you've said is the process, perhaps.

PROF SNAPE: I wonder if I may take you a little bit beyond your submission, which of course we have been a bit beyond it anyway, but to ask a question which I asked this morning also, and that is to be looking at the introduction to the Broadcast Services Act and where it refers to the degrees of influence and it is basing the degree of regulatory control according to the degree of influence that different types of broadcasting services are able to exert in shaping community views in Australia. Are you aware of or been involved in trying to determine degrees of influence?

PROF TURNER: Not in that context, no.

PROF SNAPE: Not in that context. So you wouldn't be able to comment on that as a basis for the regulatory control?

PROF TURNER: I can comment on, I suppose, what would generally be regarded within people working in this field as being, I suppose, the kind of influence that is

exerted by each of the media. You know, I could comment on that. There are arguments about who actually break stories and therefore sets an agenda that then all the rest of the media follow. The argument is still that it's the print media that break stories even though television can get there first with pictures, and it's not just newspapers but it's magazines as well. Gossip magazines, for instance, can break stories.

PROF SNAPE: And Internet these days too.

PROF TURNER: Yes, that's right, and so it's not uncommon now for television to operate as a secondary medium so that it operates as the medium of dissemination rather than the medium of discovery, and it's more likely that the other media, the print media and radio, operate as the first point where stories are broken and television is happy with that in a sense because it has that greater amplificatory potential; it's consumed by the largest number of people as the major source. And so it doesn't seem to matter to television whether it's providing stories that it generated because in a sense it's not competing in that particular way.

So to that extent I suppose I can comment on there being differentials of influence but you'd have to look at things like the way in which particular outlets targeted particular markets, you know, the kind of advertising for a magazine for instance that would argue that it was read by opinion leaders when it's selling advertising space to advertisers. It sells the demographic. If that's true, then obviously they have a great deal of influence on what opinion leaders think and therefore the rest of the community. So you're probably looking at segments within media, sectors of the media, rather than media-specific differences.

PROF SNAPE: I think what you're saying there might lead us to think that the structure that we have of regulatory control being most stringent upon the free to air television is not necessarily in fact related to degree of influence. I think what you are saying there is that it may be in fact that other media have greater degrees of influence.

PROF TURNER: I think that's arguable certainly in particular areas, particularly in politics. I think that's true.

PROF SNAPE: Are there any studies of this?

PROF TURNER: Let me think.

PROF SNAPE: I mean, if you think afterwards, we'd be very grateful to see them because this after all is the foundation of the existing act.

PROF TURNER: Yes, there are studies, particularly of what's usually referred to as a gender setting, yes. I can give you some references.

PROF SNAPE: If you could. And also if you think of other things that we've been touching on because we've been going pretty way - - -

PROF TURNER: Yes, sure.

PROF SNAPE: Then we'd be grateful if you could be in touch with us, perhaps with a subsidiary submission if you're able to formulate your own positions on it. Good, thank you. Stuart?

MR SIMSON: No, that's fine, thank you. It's been very good.

PROF SNAPE: It's been very helpful and we would be very grateful for any more information you can give us along the lines about which we've been talking. Should you need a jolt or two about the matters, the transcript will be normally available within three days.

PROF TURNER: Good, okay.

PROF SNAPE: Good. Now, thank you very much indeed.

PROF TURNER: Thanks very much.

PROF SNAPE: That's been most helpful.

PROF SNAPE: I think next we have Mr Harvey May. Now, Mr May, I thank you very much for your submission and if you would be so kind as to identify yourself for the transcript, and I was just trying to see who you're representing but I think you're representing yourself. Is that correct?

MR MAY: I suppose I am representing myself. I'll identify myself first. It's Harvey May, but I am a research student in the Queensland University of Technology in the School of Media and Journalism and my submission really relates to research undertaken there for doctoral studies there. However, I think I could also accept that I'm speaking individually as well.

PROF SNAPE: Thank you.

MR MAY: Would you like me to - - -

PROF SNAPE: If you would like to speak to your submission. Thank you.

MR MAY: I guess the submission I made was about the portrayal of cultural diversity, particularly within commercial television drama, and I think that's important because section 3E of the BSA and indeed the object of the Australian Contents Standard is for promoting and reflecting Australian identity, character and cultural diversity. In my research, which covers the last 10 years, I think that this object of the act and the standard is perhaps not being fulfilled as well as it is indicated in the wording of the act. I base that on previous research which was carried out in the early nineties and also on my conversations with people from the film and particularly the television industry and also with people within policy within the government, and there does seem to be an agreement that the object of the standard and that section 3E of the act, "Yes, it's important, we understand it, we recognise it, however we also all agree that perhaps it's not being met with relation to" - but let me be specific - "commercial free to air drama programming."

One of the things in my submission is that I'm not convinced that any further regulatory intervention will be useful in this respect. However, I'd also like to state today, if I didn't really state in my submission, that after reading the FACTS submission and after reading the SPA submission, I must say that I do not agree - if I can put that forward, an argument against another submission - is that? Yes.

PROF SNAPE: Yes.

MR MAY: That I do not agree with FACTS in that the contents standard should be watered down, let's say, or changed. My research indicates that it's most important that the Australian content standard remain in order to further achievements that have been made in the nineties in indeed helping to reflect the sense of cultural diversity in Australian drama programming. I'm only within the first year of the research, so my comments are somewhat incomplete. If you'd like to question me on filling any of that out or - - -

PROF SNAPE: Yes, thank you very much. I would just like to take up one point and it's really the objects of the act as stated in 3E as you mention. It's:

> To promote the role of broadcasting services in developing and reflecting a sense of Australian, identity, character and cultural diversity.

Now, in the second paragraph you refer in fact to programming produced under Australian control.

MR MAY: That's true.

PROF SNAPE: Now, that's not what my understanding is of the objective.

MR MAY: No, that's - - -

PROF SNAPE: It's not stated there.

MR MAY: You've made a good point there. The statement you've just cited is correct as to 3E of the Broadcasting Services Act. This statement is repeated almost word-for-word in the Australian Contents Standard which the ABA are responsible for. However, the ABA add another sentence by saying that, yes, this standard and the Australian Contents Standard's response for what you've said - the promotion of Australian identity, character and cultural diversity - by ensuring that Australian content is made under Australian creative control. There's this equation or this belief that if programming is made and there's tests that ensure that the programming is made with Australia's creative people, there will naturally be reflection and development of cultural diversity.

I would say to you that in fact the complete opposite in fact happened; that, yes, you can ensure that Australian content is made under Australian creative control however it could end up being entirely Anglocentric and only reflecting the mainstream. That to me seems to be somewhat of a problem within the contents standard and I assume, as the wording from the Australian Contents Standard is so similar to the 3E of the BSA, that the two must be fairly well related. I mean, the contents standard wording must have come from the BSA, I assume, in order to fulfil the BSA's objectives in that respect.

PROF SNAPE: One of the things, I think, that we have to address - and of course we don't have any solution to this, we may not even at the end of the process, we certainly don't at the beginning - is the relationship between the social and cultural objective as reflected, particularly for the current purposes, in 3E and what you might call as industry protection. And one of the things that we need, I think, to try and see if they are unpackable but they may not be unpackable but we have to address the question, is whether those two things are the same. Of course, the commission in its previous various manifestations has for decades heard industries come and put arguments for protection of the industry.

MR MAY: Indeed.

PROF SNAPE: And that's old hat and the government has positions on that.

MR MAY: Yes.

PROF SNAPE: I must say some of the submissions that we've seen from some parts of this industry at times - not necessarily submissions to this inquiry but submissions to other inquiry - have looked very much the same, of "Protect the industry because it's good for employment of Australians because it's good for this, because it's good for that," and it's looked very much like an industry protection argument. Now, the question is, can the cultural and social objectives as shown in here, is it necessarily that you have to have an industry protection element to the policy to address those objectives?

MR MAY: Basically I would say yes, because I think there are - arguments have been put forward in research previously that if you remove industry protection for the domestic market, the product, the cultural product that will be produced by outside forces, by international production companies, overseas production companies, is less likely to reflect that country's particular aspects of its identity and cultural diversity. I mean, I think we can accept that Australia's multicultural society is not only unique, but it's something that previous governments, regardless of their colour, have been very keen to not just promote, but to encapsulate into many parts of its governance; you know, whether it be workplace EEO principles, whether it be education.

In the case of media in the country, we have these expressions of multiculturalism; in the ABC charter of course, SBS, and in the BSA, and I think if you remove the - I'll give you that. That protectionist philosophy, you may have the case where you will lose the possibility for creative representations of our society because surely we can accept that it takes Australian writers, directors and actors to tell our stories and represent our cultural diversity and our identity, and the case of the New Zealand Project Blue Sky case is a case in point, and I know that the senate committee has recommended that the ABA monitor this sense of cultural diversity in Australian identity over the next three years to see if it's been diluted by the input of New Zealand programming.

PROF SNAPE: Let me give you an example. Let's say that Les Murray's poetry was being read in Britain for British television. Would that be promoting Australian culture?

MR MAY: I'm sure it would be.

PROF SNAPE: Well, there is no Australian producer, no Australian production crew - - -

MR MAY: I know the argument.

PROF SNAPE: - - - etcetera, etcetera. Wouldn't that qualify as promoting Australian culture rather than producing a spaghetti western in Sydney?

MR MAY: My defence or my argument to that would be if you remove too many of the core creative elements or the creative test from cultural production or some creative artefact, you do run a risk of denuding it and reducing its cultural relevance to that country. Now, your example is set in Britain. Sure that promotes Australian identity and character to another audience, but surely Les Murray reading his own poetry in Australia has a greater impact than if someone else was reading it.

PROF SNAPE: Well, poets are not necessarily the best people to read their own poetry.

MR MAY: True, but when you think of the awe of Les Murray and who he is, and remember I'm focusing on drama which the ABA study in earlier years found that in a rather large sample, the public do believe that drama is a great tool in educating us about our society, and it's in drama which is really an art and a craft combined, and it's a very complex one, it's very slippery to make quantifiable outcomes and statements, but I think it's something that needs to be protected, and it's something that from earlier studies, which are now getting a little old, seem to indicate that the public would agree with that.

PROF SNAPE: Well, it is very difficult to tie down though, isn't it?

MR MAY: It is. I agree with that, and I think it needs to be investigated and researched which hasn't been done since the early nineties.

MR SIMSON: You speak in your submission of the need for clear quantifiable outcomes.

MR MAY: Indeed.

MR SIMSON: How much work have you done on this? How much work has been done on this?

MR MAY: The work in this decade basically stopped in 1993-94. No work has been done since then. The MEAA and other players have indicated that they have no idea quantifiably. Anecdotally people have been telling me great amounts of information, and all of them point to the fact that, yes, the situation has improved. There has been a better portrayal and participation by people of non-English speaking background and our indigenous populations. The representation of those people in our drama has improved, participation for those people has improved. However, there has been no quantifiable research done which is what I'm hoping to achieve by the year 2000, and really this will demonstrate that to a degree, the legislation is working, and advances have been made and improvements have been made. So let's not wind those improvements back by taking away what seems to have worked to a fair degree as in the Australian content standard.

PROF SNAPE: If we come back and assume that we can tie down the Australian cultural etcetera, we then get what is the best way of supporting it? We've got our objective and we've been able to identify it. Now, let's say contents standards are the way that it's been addressed. There are other subsidies to the arts etcetera, of course, but can you comment on comparing for example content requirements with other forms of assistance, and the content requirements do seem to me to be getting more and more complicated, and of course the Blue Sky decision has complicated things again perhaps. That is there, and I am rather reminded again of the motor vehicle industry in the 1960s which had content standards, and the content standards were based on different types of models. You had to have a different type of content for one set of model. So then you had to define a model.

MR MAY: Yes.

PROF SNAPE: So how did you ever define a model, and you had bureaucrats going out there measuring panels, and I joke not. They were measuring panels to see whether this car was the same model as another car. If it was, then it came under one content rule, and precisely the same thing is occurring in the content regulations that we are concerned with here.

MR MAY: Okay. You're quite right. It would be ludicrous to try and bring in a cultural diversity factor and somehow give a value to the level of representation of an Italian this year, and does that represent a fair proportion of Italians as per the census in Australia? I had a discussion where you say, well, let's say we're getting towards 2 per cent of the population are indigenous. Are we seeing 2 per cent representation in mainstream popular drama, in main leading sustaining roles, and may I just mention that indeed we are - if you wanted to go down that road, but your example of Les Murray comes into play. It can be very dodgy to try and quantify or explain explicitly whether this content meets a certain requirement for ethnicity for indigenous representation. Does this satisfy 3E in promoting cultural diversity. I think I'd agree with you. That's not the way to go.

PROF SNAPE: I'm raising the questions rather than - - -

MR MAY: But there's - - -

PROF SNAPE: The other thing, if I may, on this one is that under the point system for content you get more points for a drama than - - -

MR MAY: Indeed.

PROF SNAPE: - - - you do for something else etcetera, etcetera, and therefore that induces people to be producing one sort of thing rather than another sort of thing simply to get the points.

MR MAY: And it does because audiences in research indicate, ratings indicate that Australian drama rates well, is popular and is important. I'm not sure if you removed Australian drama from the broadcasting landscape on commercial television how you would be satisfying 3E in promoting and developing character, identity and cultural diversity if it was just led to lifestyle problems, quiz shows, reality shows - you know, Funniest Home Videos. I just don't think that that would be appropriate type of programming in satisfying 3E.

PROF SNAPE: It may well not be, but one might think of alternative ways of assisting the production of the type of programs which we would agree satisfy the 3E, and in fact instead of having content requirements that they be shown, one would simply subsidise the production of them.

MR MAY: Yes. We've gone down that road with the commercial television production fund where for three years out of Creative Nation the federal government financed three years of commercial drama, and very interestingly the great majority of it was produced by independent production companies, not by the networks. SPAA indicate and the three commissioning heads of drama of the networks indicate and anecdotally the industry also all agree that the outcomes of that were most positive, that it was a much more diverse slate of programming, and it gave a lot of cultural production or industry protection. It gave the industry a real boost, and I think a lot of people made some careers out of it, made some money out of it, but it also gave a great boost to satisfying diversity on the whole - actually I'll go broad and say that really helped as far as diversity goes.

So the CTPS was subsidisation. It worked. However, I'm not sure that the federal government would be willing to eternally support such a system. I also don't think it's appropriate that such programming is only relegated to the ABC or SBS which of course is all subsidised mostly. Yes, they do have culturally diverse programming. However, I don't think it's appropriate that that sort of programming or - because 3E may also apply to the state system, but it's not appropriate that they become the ghettos of satisfying 3E. I think it's important that the free to air is also satisfying that.

PROF SNAPE: No, I was concentrating on the free to airs, but are there any studies that have examined the success of that particular fund that are published?

MR MAY: Actually, funny you should ask; myself and Terry Flew have written a paper that will be presented in July which looks at the CTPF and SBS independent and in comparative terms and how well they've satisfied the aims and part of Creative Nation was to help build a multicultural Australia and a representation of that.

PROF SNAPE: We'd be interested to see that paper.

MR MAY: You're very welcome.

PROF SNAPE: Because what I'm just trying to explore there is the means to achieve the end and whether a subsidisation is in fact an alternative - a viable alternative - to content rules.

MR MAY: It's very viable, and I'd be a fool to say no. I would say yes. A situation where the independent production industry was subsidised, and the SPAA submission also suggests that independent production houses take on the great majority of drama programming; it be taken out of the hands of the networks and given to the independent production industry. Just by numbers alone, rather than having three voices as in Channel 7, 9 and 10, having a share of production across a number of production companies will also lead to diversity. I agree with that SPAA submission and that fact that they see that as also a way of satisfying BSA regulations for diversity.

MR SIMSON: But the networks would still have to then run the programs.

MR MAY: The networks would run the programs.

MR SIMSON: I mean, having the stuff made doesn't necessarily mean they would run it, does it?

MR MAY: No, but as in the commercial television production fund, they were legislated to run it because the subsidisation was linked to an agreement that the station would definitely pay the licence fee as part of the budget. You don't pay your licence fee as a station and then put it in the vault. You could, but it would make the most poorest economic sense I would imagine because these problems rate well. Blue Heelers brings in four times the amount in advertising revenue as it does cost to Channel 7 for a licence fee. So they're very profitable parts of the industry.

PROF SNAPE: If you run that argument too hard, then you argue that the content rule isn't necessary.

MR MAY: I know. I sometimes lead a very schizophrenic life myself in this fact because there's places where I think regulation has been antagonistic towards the object, and then other times where I think there has been intervention that has helped a lot. It's a tough point because you're dealing with very creative people and very creative artefacts, unlike news and current affairs and logistics and spectrum. Drama programming in Australia is basically the responsibility of artists. I don't mean to be forward but, yes, it's not always an easy area of population to reconcile with bureaucracies and regulation.

MR SIMSON: Just as a final question on this, given the drift - and I won't put it any more strongly than that at this point - of audience from free to air to pay and other new media and other lifestyle choices, how sustainable on say a five-year time-frame do you think the local content - the status quo is; that is with the local content rules, some financing support from the federal government. Film Finance Corporations are

financing support through state governments as well. If the free to airs continue to lose audience, is not a point reached where there's an economic clash.

MR MAY: In which case you would try and support the free to airs in maximising their business. I think you're right. If we do reach a point where free to air becomes - if it ever becomes the minority audience, if it attracts only minority audience as in lower than 50 per cent, but that historically has never happened. In America this has never happened. Yes, you lose a share but I think while the majority of Australian audiences watch the free to air, there's the need to continue their responsibility in supplying the programming which satisfies diversity and cultural diversity in Australian identity.

MR SIMSON: I wasn't suggesting that it need even get to minority. I suppose to cut to the chase, I was just suggesting if - and I underline if - a point was reached where audience did drift to whatever, notwithstanding the support that's provided to the independent production industry, that free to air simply may not be able to afford it, and to afford to be able to honour the quota requirements, the existing protection regime if I could put it that way.

MR MAY: No. The SPAA indicates through statistics that the amount that free to air spend on local programming is far less than what they spend on overseas programming. So perhaps shouldn't they be adjusting the amount they are spending on overseas programming as to local programming? No, I don't accept that argument because they can adjust the amount they're spending on overseas.

MR SIMSON: I'm sorry, I'm trying to attack this point from an economic perspective and from a business perspective of free to airs. I mean, the SPAA submission also makes the point that the cost per hour of local programming is way above the cost per hour of overseas programming.

MR MAY: Sure.

MR SIMSON: I'm just trying to test your view a little bit in terms of pushing your eye out five years where free to airs may have had some diminution in audience, maybe some significant diminution in audience. Let's say the existing protection regime continued for the local content, drama and so on. I'm just wondering how viable from a business perspective for the free to airs that protection regime would be. It's not dissimilar to the sort of analogy Prof Snape was making earlier on the protection regime for the motor vehicle manufacturers 15 years ago.

MR MAY: I think if that happens in five years then a reassessment would be in order, that's the bottom line on that. Pay television also has the 10 per cent requirement that they spend of their purchasing expenditure on Australian programming so that may then have to be raised to 20 per cent, for example, that may be the way and relieve the commercial free to airs of some of that responsibility. I would concede that as far as business goes, yes.

MR SIMSON: Well, we noted that Minister Alston had something to say about that.

MR MAY: Actually I would agree. If you can't make a business of it everyone loses.

PROF SNAPE: Thank you very much. That's been very helpful and we look forward to - if you can follow it up with some of the things that we were discussing and particularly that paper that you referring to then we would be very grateful.

MR MAY: Sure.

PROF SNAPE: Thanks very much.

MR MAY: Thank you for your time.

PROF SNAPE: Next we have Mr Jim Elliott, I think who has been patiently sitting there all day.

MR ELLIOTT: Thank you for a very interesting day.

PROF SNAPE: Mr Elliott has given us two submissions which are registered as number 22 and 60 and I would invite you, Mr Elliott, if you would to identify yourself for the transcript and then to speak to your submissions.

MR ELLIOTT: My name is Jim Elliott. I see myself as a concerned citizen of Australia. I would like to congratulate the commission on the issues paper and the whole process of this inquiry. It was the issues paper which stimulated my interest and in the submission. I see myself as a citizen and I do not have the resources to put into this kind of submission which obviously other organisations have. I do feel that this topic is extremely important and I think this is made quite clear on page 9 where it's said that broadcasting is fundamental to do good or to do bad for our Australian community. I would also like to stress that while broadcasting is an industry, it is perhaps more important as a vital service to our community and this is the approach I'm taking. I'm really trying to stress principles from a community point of view.

This is why I would prefer to use the word "citizen" rather than consumer because I think citizens in our community have certain rights and governments are there partly to fulfil these rights and protect the rights of citizens. So I'm not too happy with the use of the word "consumer". I think we ought to be looking at both terms. One point which is made is regarding consumer's choice which is on page 9 also. "Judged by the number of channels consumer choice has been improved considerably." Well, I wonder about that. Since the beginning of the, for example, television media - which I remember being introduced - judged by the actual content, the channel content, I would suggest that the consumer has less choice in our community now, not necessarily more choice. So I do wonder about this kind of statement. As I say, there may be more restaurants available in Australia but if they're all fast food restaurants there has been no increase in choice.

It can also be suggested that people now over 30, 40 or 50 years have been conditioned to expect what is available at this time, and again whether one can say they're actually choosing, this I think is questionable, whether this is freedom of choice. Also one can wonder - and I think this has already been said - that greater choice is really withheld from poorer sections of the community and maybe it's also held from people who are less well-educated in our community because they're in a much poorer position to judge and to evaluate programs than better-educated people and we've already been told that the Internet and PC's are not available to many people in the community and maybe that will always continue to be so. So when we talk about more choice, I think we need to be careful about that.

I heard Mr Murdoch arguing this in London last year and his big argument for his development of his network and his organisation was this whole basis of choice. But as I say, I do wonder this, and even in terms of globalisation wherein theoretically

one might be in favour of globalisation but globalisation does not necessarily again lead to more choice. I've just spent some time in South Korea and Thailand and governments there are very much concerned with globalisation and its effect upon the cultures of those countries, and other countries in Asia for that matter. So that is one major point I would want to make. In fact you could argue that the media in many ways is very much a controlled mechanism. It socialises people and this is actually restricting choice.

If one follows up some of the sociological arguments over the years, George Orwell's 1984 talked about people being controlled directly but if you look at another book, Brave New World, it takes a different perspective. All you do is to keep people happy, stop them from thinking.

PROF SNAPE: I think there is somewhat a lack of diversity of sources in both those cases.

MR ELLIOTT: That's right but I think many people would accept that these are significant works of reflections upon our society and what's been happening to the western world. The other thing obviously which is of great interest is the public interest and the objects of the policy, and one would argue, I think, here - I think many people see it - that the public interest is to enrich the Australian people and to assist those least able to help themselves, and in this sense the box which is on page 12 fits that admirably.

PROF SNAPE: That is in fact straight out of the act, of course.

MR ELLIOTT: Yes, straight out of the act. The problem with the act is not what it actually expresses but it's whether it holds people into practice, and the experience, I think, of western society - the Asian societies also - over the years is that many of the principles have not been practised and put into effect by the media. Tied up with this, I think, also is the social dimension. I think that public interest and social dimension really go together and I do mention criticisms of the media. The most popular one would obviously be the Media Watch, that weekly TV program, but there have been many criticisms of the media and I do mention also the article from the Chicago Tribune talking about the toxic diet of violence under fire. And recent happenings in Australia and in North America have obviously raised community concerns about the media and the effect of the media on our society now and how it maybe has conditioned people, especially young people, over a period of time.

I think the other important thing in terms of the public interest is obviously what it does and what effect it has on Australian society, and obviously this inquiry has been discussing this as it's mentioned specifically in the act. I think it would be helpful - and this, I think, is very difficult - but if the inquiry could either reaffirm or re-examine what we mean by public interest in terms of the media, but certainly I would see it as something which should enrich the Australian community, both educationally and culturally. We are becoming more and more of a pluralistic society and the industry should be supporting our society to become more cohesive. It should

be supporting in a greater sense of national identity, especially as we move towards a republic; a greater sense of nation in what we stand for as a nation and what our destiny is.

I see there was criticism of the treasurer that he said nothing in the budget about the future of Australia and I think this inquiry is very much concerned about the future of our country and our people, and here we're thinking especially of the effect upon young people, migrants and minorities. In what sense do we have a common culture and how is the media building up our sense of common culture, our sense of belonging, a sense of shared values, mutual caring? The whole question of sensitivity, I think, is extremely important here and how well broadcasting has dealt with this over the years, and as I say, it's especially important for certain groups in society rather than others. Certainly Australia is made up of many diverse groups, where it's actually been a very quiet society. There's been very little trouble here but in the future one wonders, if there is a growing lack of sensitivity, whether broadcasting will either help this or not. So I would very much stress the concept of public interest in this sense of service, helping the Australian community in terms of values and behaviour and understanding.

In terms of the economic dimension, I do make a couple of points there about that. In terms of control and regulation I make there also about that. Some of the questions in the issues paper are very provocative. I don't know whether they're very deliberately provocative but - - -

PROF SNAPE: The Productivity Commission never seeks to provoke.

MR ELLIOTT: That's certainly true. It almost seems to be suggesting that the commercial side of the industry shouldn't have any cultural and social values. They should be left to the ABC and SBS, and I found this was an incredible - - -

PROF SNAPE: It wasn't meant to say that.

MR ELLIOTT: You know, this would really - and I think this has already happened in some ways - cut off millions of our fellow citizens from cultural and social values which would certainly not be in the public interest or the long-term interests of this country. I think I'll leave it there, Mr Chairman.

PROF SNAPE: Thank you very much.

MR ELLIOTT: I will be quite happy to put some further thoughts in. I did do it rather quickly and briefly, sir.

PROF SNAPE: I thank you very much for that and we'd look forward to any more thoughts you choose to send us. I wondered, we hear a great deal about the negative effects that broadcasting is having upon us and the changes in broadcasting that have occurred and the negative effects of that, and we've got a number of submissions that

have been drawing attention to those negative effects. Have you any thoughts about positive effects?

MR ELLIOTT: Well, certainly I'm looking at it in a longer term frame. I am a radio person, a radio child, because I was brought up under the influence of radio and coming from a poorer background where there was very limited sources of knowledge and so on in our home, radio had a very positive effect, I think, on us as children because you were getting things from the radio which you got nowhere else and I think this is still true.

PROF SNAPE: I'm particularly thinking about changes. We have had a number of submissions talking about recent developments in broadcasting which people are arguing have had negative effects and reinforcing some of the baser instincts of society. I wonder whether you have any thoughts as to whether any of the changes which have been occurring in the last decades have in fact been working in the other way or have they all been negative?

MR ELLIOTT: I think there's probably a greater knowledge of, say, overseas countries because some of the travel programs and some of the nature programs and things like that, I think, have been positive educational information. The news programs however on commercial television, I think, have definitely moved backwards and certainly in terms of the radio programs which we had in earlier days, and extremely limited. I'm rather bothered about the submission, the issues paper. It doesn't really mention much about the international news. It's national and local. I think we as Australians in our position really need to be very much aware of what's happening internationally and I don't think we're getting enough of that, certainly the channels in this city.

PROF SNAPE: Yes.

MR SIMSON: That's not specifically addressed in the - - -

PROF SNAPE: In the act, I don't think.

MR SIMSON: - - - in the act.

PROF SNAPE: No, the act does refer to local and national rather than international.

MR ELLIOTT: Well, maybe the inquiry could make a note of that because I think that's an omission. Certainly in this day and age, I think, of Australia where we as a country need to be very much aware obviously of what's happening next door and overseas because we're so much dependent upon that.

MR SIMSON: So what do you listen to each day? Where do you get your news from?

MR ELLIOTT: I get it mainly from public service radio, 792, 612, 1296, - well, ABC basically.

MR SIMSON: That's the local ABC stations.

MR ELLIOTT: Yes, the local ABC station. You can also get the BBC and you can also get shortwave. I normally watch ABC or SBS.

MR SIMSON: The news?

MR ELLIOTT: The news, yes. The other programs - I've just been on Stradbroke Island. You can't get SBS there and so on, so I've been watching some of the commercial news and really they're fairly pathetic in my opinion, which I think is a disservice to our community.

PROF SNAPE: Good.

MR SIMSON: Thank you. Thank you very much.

PROF SNAPE: Well, I think that you've gone into a lot of interesting thoughts there for us.

MR SIMSON: Thank you for your submission.

PROF SNAPE: And thank you very much.

MR ELLIOTT: It's been a pleasure. Thank you for having me.

PROF SNAPE: We're a little bit ahead of time. Well, there was no time in fact for afternoon tea but we should break for afternoon tea and we'll resume at approximately 3.15.

PROF SNAPE: Thank you very much. We resume our hearings. We have had a cup of coffee. I should note that there is an addition to the program, that after the Catholic Communications Commission we will have then the Australian Trade and Shipping Radio FM, AT8, Springwood. They have put in a submission which was submission number 41. They weren't scheduled to speak today but they have now asked to do so, so we will be hearing them after the Catholic Communications Commission. From there we have Mr Mick Sullivan. I would be grateful, Mr Sullivan, if you could identify for the tape and then speak to your submission.

MR SULLIVAN: My name is Mick Sullivan. I am a member of the Catholic Communications Commission, Archdiocese of Brisbane.

PROF SNAPE: Thank you. If you would speak to your submission.

MR SULLIVAN: Thank you. We believe that part of the social and cultural aspect of Australian life is the fact that a large number of people in Australia would regard themselves not necessarily as churchgoers but certainly having a religious aspect to their life. Whether they called it a belief in a higher being, perhaps God, perhaps another term they would use, or whether they just talk about their spiritual yearnings or their spiritual feelings, but all surveys show that there is that feeling among the majority of Australians, and in nearly every survey they say they aspire to a moral code of fairness and justice for all. That doesn't necessarily mean the Judo-Christian code of ethics. It means a belief in doing the right thing all the time. So we believe that if broadcasting is show the Australian life it should show this aspect of Australian life as part of our social and cultural being.

We're not saying that we want religious broadcast as such inasmuch as a church service to be broadcast. However, next year being the year 2000, there will be many major religious events. We would hope that the electronic media would show those, broadcast those. We would hope that when scriptwriters are looking at a script for a program they take into account that in a country town there is normally a clergyman or woman who is involved in the lives of a lot of the people. Certainly the majority of people are still married in a church, and are still buried from a church, and so again the other important aspect when writing even a non-documentary, even a soap, if you want to call it that, is this aspect of the "fair go for all" and the fact that a lot of young people especially, but not only, set their standards by what they see on some of these programs, and if these programs are showing an honesty, not necessarily with cops and robbers, but the honesty in the right place, and if they're showing a good moral code, people caring for each other, that's all part of what I call the spiritual aspect of a person's life.

So I suppose what we're saying is we want broadcasters to be aware of this aspect of social and cultural life of Australian people, but there are times also when there are actual religious events that should be shown, not necessarily in full, some of them are far too long, but at least aspects of them included in broadcasting.

PROF SNAPE: Good, thanks, Mr Sullivan. I was wondering, in the submission you say, "It's important that they're encouraged to broadcast religious segments." What form of encouragement were you looking for?

MR SULLIVAN: I think it has gone past the time of very strong regulation. I think there are guidelines and guidelines should include this type of encouragement.

MR SIMSON: Is there no reference at all to religious content in any aspect of the act or the codes or the standards that you're aware of?

MR SULLIVAN: That has gone now, I think.

MR SIMSON: Was there reference in the act prior to 1992, was there, to religious - - -

MR SULLIVAN: Yes, there was. It said that a certain amount of time should be given each week to religious broadcasting. Where that fell through was that the amount of time was stipulated but not what time of day or night, so 3 o'clock in the morning became the favourite time for these religious programs. That occasionally happens now, when you get a program that, because it has been made by a group that often do religious productions, will even have - a case in point was a show that was made that had stars from Blue Heelers, a very popular TV program, but because the write-up about it said it was produced by a religious organisation, it was shown at 6 o'clock on a Sunday morning.

Now, granted when people heard what they had missed they rang the station and it was later shown in an afternoon show, but again unfortunately when the word "religious" is put in front of a program, very often it's that time-slot.

PROF SNAPE: Almost as bad as educational.

MR SULLIVAN: Yes, that's true.

MR SIMSON: Just on a general point, how do you see the trend in coverage of religious matters if I could use that term very generally, by broadcast media in Australia. If you looked at, say, reflected over the last 10 years what has happened?

MR SULLIVAN: What was legislated for, recorded, is no longer legislated for, has gone. However, because you have still got people in the broadcasting industry who are old enough to remember the times when they had to have things on, there are still quite a few that are very keen to have a religious segment of some kind. Radio stations find it very useful to have a clergy person, I don't know another word for male or female clergy, a clergy person to be on some of the talkbacks or these shows, particularly in the evening where people ring up with problems. So the stations find that very useful. These people normally do it in an honorary capacity so again it's no cost to the station.

On television there is very little, apart from the paid ones on Sunday morning, on commercial stations. ABC, on its metropolitan station, has very little, but Radio National of course has an excellent line-up of religious programs. ABC TV has occasional, like Compass on Sunday night and, occasionally, others, and SBS has some very good documentaries that you would put in the area of spiritual or religious, all that type of thing, and the good thing about it is it encompasses the wide version, as does Compass, not just Christian, but all the religions represented in Australian society.

MR SIMSON: I suppose what I was driving at is that notwithstanding the fact there may not be specific programs or broadcasting, Sunday morning church service or whatever, to what extent are religious - or values that you would consider to be important in this area reflected in other programming?

MR SULLIVAN: It was not uncommon 10 years ago or more for someone like the local minister in the town to be involved in a sitcom or that type of thing. It is very rare these days. It was not unusual to find a chaplain in the hospital or even a prison - very rare these days. So that aspect of life is not shown as being part of a normal life on commercial television.

MR SIMSON: Why do you think that has dropped off?

MR SULLIVAN: I think that the people who are writing it are probably not used to what often happens in these cases. A lot of them are young people. They have never been to a funeral, a lot of them haven't been to a wedding, and they mightn't have been in a prison or a hospital so they're not used to chaplains in those areas so I think they just don't know about it.

PROF SNAPE: That's an interesting perspective. You referred in passing to "except for the paid ones" when you were referring to religious programs on commercial television.

MR SULLIVAN: Yes. There are paid religious - - -

PROF SNAPE: Could you elaborate on that please?

MR SULLIVAN: I will. There are paid religious programs on commercial channels early on Sunday mornings and they're - - -

PROF SNAPE: They pay to be on. Is that correct?

MR SULLIVAN: Yes, that's correct.

MR SIMSON: What's happening though in narrowcast in the community area? I mean, given that much greater prevalence of this media as we have heard today compared with 10 years ago, is there or is there not some proliferation of "religious content"?

MR SULLIVAN: Yes, there is. In fact, there are quite a few religious stations. They tend to be mainly Christian. Some of them tend to be very fundamentalist Christian stations operating in Australia now. Some of the Christian stations are very broad Christian, so what I mean by that is you would have a station that would call itself Christian and would play religious music most of the time. You would have yourself a station that would call itself religious which would talk about social justice issues, which would have these programs where people phone in for assistance, where you would have commentators who would comment on daily affairs such as, for example, in Melbourne's 3AK at some time before an early morning news, where someone would speak from a social justice or fairness moral code type of aspect on what's happening in today's news.

PROF SNAPE: You haven't thought, since you're from the Catholic part of the spectrum, as one might say, you haven't thought of establishing a network like the racing radio. I'm not sure if you were here when - - -

MR SULLIVAN: No, I wasn't.

PROF SNAPE: No. They were talking about this network of predominantly narrowcasting throughout the country. You haven't thought of, within the Catholic - - -

MR SULLIVAN: Yes, we have certainly thought about it but despite our size, financial resources aren't very great in the Catholic Church. They're normally spent on the schools or on the hospitals or on work in the parish, and so our archdiocese which would have over a quarter of a million people has two people only working in the whole of communications.

PROF SNAPE: Yes. I was thinking of an Australia-wide network of course.

MR SULLIVAN: Yes, I know. Certainly a submission was made to the Australian Catholic Bishop's Conference for a pay TV channel and approval was given for that. But the people who tried to organise it haven't been able to raise the funds.

MR SIMSON: That's an entirely different kettle of fish.

MR SULLIVAN: Yes, I know.

MR SIMSON: The cost of establishing a pay TV channel, whoever might distribute that is another issue, but compared with - - -

MR SULLIVAN: 3 million, I think they were looking for.

MR SIMSON: Yes, at least, compared with the cost of, as we're chatting here, doing some narrowcast community, it just seems from what we have heard today that

there is a lot of, if I could call it, special interest group, like it was a large special interest group, exploiting these new opportunities.

MR SULLIVAN: Well, certainly our archdiocese is on the board of Family Radio here in Brisbane but it's very small and it doesn't have a permanent licence, but certainly we're helping where we can.

PROF SNAPE: You said a pay TV channel but then one could be a program supplier to an existing network.

MR SULLIVAN: Yes, our religious congregations fund a program like that in Melbourne but again the funds aren't that great. So I think they make something like four or five programs a year.

MR SIMSON: And what does that go on, Channel 31, does it?

MR SULLIVAN: No, that's mainly on 7, I think.

MR SIMSON: 7.

MR SULLIVAN: You'll get a submission from them when you're in Melbourne. I think it's called Albert Street Productions.

PROF SNAPE: Yes.

MR SIMSON: I'm done.

PROF SNAPE: Yes. Well, thank you very much.

MR SULLIVAN: Can I just make one personal - - -

PROF SNAPE: Yes, of course.

MR SULLIVAN: I had hoped to make a submission but time ran out on me, I'm afraid, and I refer to complaints to broadcasting stations - that section of your reference - and you ask, "Are complainants adequately aware of their rights under the act and codes of practice?" I find here that TV stations do not let people know what their rights are if the TV station refuses to make a correction and virtually what they seem to say to people is, "Well, you take us to court." So a classic case is - I'm involved in Catholic education - is a football match that made a lot of news. There was a 20-second brawl in the football match, and the announcer gave the names of those involved as the brawl went on.

The mother of a boy who was incorrectly named, and a very good footballer, but incorrectly named was in the supermarket and heard a couple of women saying, "Oh, you heard that young Bill Smith" - we'll call him - "was involved in that brawl on TV the other night." So she asked that they just make a correction and say, "We got

the name wrong, it was actually someone else." No way. They said, "Sue us." So she is. But of course it's been going for three years already. They expect it will take 10 years, if she can afford the money to keep it going that long and I don't think that's fair.

MR SIMSON: It's not very often - just reflecting on that - it's not very often you hear corrections on - - -

MR SULLIVAN: On TV.

MR SIMSON: - - - broadcast medium. You see them regularly in the newspapers.

MR SULLIVAN: Yes, and ABC News you will find often does or occasionally does.

PROF SNAPE: You have to look for them pretty hard in the newspapers too. They don't exactly carry the same weight as the original story.

MR SULLIVAN: But I don't know what can be done about that but I really believe that TV stations especially - I know other cases but that was just an example for you.

PROF SNAPE: Yes, and that's an interesting point too.

PROF SNAPE: Thank you very much, Mr Sullivan.

MR SULLIVAN: Thank you.

PROF SNAPE: I think that now, as I said, we are going to have Mr Jeffrey Shaw. He's been sitting here during the day, I think.

MR SHAW: I've had meetings to go to as well. My pleasure.

MR SIMSON: Stuart Simpson. How do you do?

PROF SNAPE: Thank you for coming. Well, we welcome Mr Jeffrey Shaw from Australian Trade and Shipping, Radio FM88 Springwood, and if you wouldn't mind just introducing yourself for the purpose of the transcription service and then - I'm not sure if you're going to be speaking to your submission or if you're going to be speaking about other people's submissions but I'll leave that up to you.

MR SHAW: Thank you very much. It's Jeffrey Shaw and I represent Celestial Industries, Australian Trade and Shipping, New Zealand Shipping Co, Camphor House and Radio FM88 Springwood along with australiatrade.com.au. Now, the basis of the last minute speaker was on the basis that we had put our submission through and it said that you're welcome to attend but it was not necessary. Coming in this morning I felt that Radio 4CBL required a right of reply on behalf of our organisation but on behalf of the narrowcasters. We've had a radio station for over four years. We have not received any income over $5000 in four years. The reason we haven't received that income - - -

PROF SNAPE: Is that per annum or - - -

MR SHAW: No, four years.

PROF SNAPE: A total for four years?

MR SHAW: Yes.

PROF SNAPE: Thank you.

MR SHAW: The reason that's transpired is that we're new boys on the block. Based on our business we have enough acumen to facilitate the Broadcasting Services Act and we've got to the point we know it extremely well. We've had our radio station stolen within a matter of 24 hours of advising the public. We've had our signs on the freeway that says, "Tourists, tune to FM88" stolen; both signs in the north and south direction.

PROF SNAPE: When you said that the radio station was stolen, you mean the equipment?

MR SHAW: Have had, yes, broken in and stolen.

PROF SNAPE: Thank you.

MR SHAW: Our signs, which alert everybody to say, "Tourists, tune to FM88" has been stolen before the peak tourist season at Christmas. So we're informing the public what's going on. We've had our transmitter tower from our transmitter to our aerial cut twice. We've had 4CBL lodge two complaints, with the first one primarily driven by a federal member of parliament who we found was broadcasting - been involved in broadcasting. We found, subject to that later on, that himself and his wife were members of 4CBL and broadcasting. So we're finding a lot of conflicts of interest and as a young player we've got to know that our parameters as to service are a limited audience, a limited appeal, targeting special interest groups or for any other reason, and we - and myself personally - receive probably close to 50 phone calls a week for our group of companies seeking job opportunities.

So we set up our radio station to be one where individuals could come and volunteer to target a special interest group, and that was highly received in the marketplace because Logan City is the third largest city in Queensland, a population of 168,000, and 4CBL was the only radio station operator in the city. So if you were in Townsville you'd probably have a radio station of probably three or four but in Logan City we just had the one. Now, that particular organisation is well-funded from the council with peppercorn rent. Their transmitter tower is rent free, they receive numerous grants and they receive quite a number of sponsorship deals plus they do live broadcasting where they earn an income from being on site.

We on the other hand, how could we go to the marketplace with those obstacles being presented to us? So my driving point here is that when we were attacked for the first time - - -

PROF SNAPE: I think, if you wouldn't mind just a moment, we are, of course, not able to deal with anything which might be of criminal activity and of course would not wish to have put before us anything of that nature in this inquiry but I just mention that in passing.

MR SHAW: Sure. Taking those points on board, the resolve was that we developed a close working relationship with the actual ABA in terms of the Broadcasting Services Act, and the area of special interest groups, when you have various individuals coming in at 15 minutes or perhaps on an hourly basis to promote an actual activity relating to the tourism industry or the lifestyles of our city, was construed by the ABA not to be of narrowcasting ability. I actually got a call back from the ABA to say, "You can continue broadcasting" and in the hurly-burly I was told from other sources that, "Jeff, you as a narrowcaster, the first guy off the rank, they'd like to make an example of you." So we chose to go off the air. We went off the air and we got a software program written for the radio station, Australian made, Australian invented, inhouse, and it runs our radio station. It does all the features: tourist, time calls, and other sponsorship advertising in the form of promoting Australia. Our core business is actually, with the rest of our group of businesses, involved in taking an idea, invention and product from Australia and promoting it worldwide, and of course the radio station plays an important part in that role.

So when we got our software written we now sell that software worldwide. It's up there amongst DCS, the technology from the states - in fact it's cheaper. We sell it to third world countries because they can use an IBM platform and basically we've got people now who have come to us who have had problems with the ABA and the interpretation of the Broadcasting Services Act from the ABA's point of view. We've got stations in the narrowcasting network who provide just country music. We've got those who provide tourism news. We've got a gentleman down in Ballina who provides total music from the Lismore/Ballan/North England Shire, totally narrowcast, and now has been told by the ABA that he's a commercial radio station and a fine of $250,000 a day.

Now, I've been targeted once again by our community station 4CBL and we weren't even on the airwaves. There was another FM88 that has started up at Mount Gravatt and they used the tapes from that show to put forward a case. So, with the greatest respect, I think that the narrowcasting network in the last five years is now a total of something like 1560 licensed operators - there's probably more than that - and with the greatest of respect, we pay a premium in the terms of a payment up front and an annual renewal for a one watt licence. The community - - -

PROF SNAPE: How much are they?

MR SHAW: It's $34. It's $200 now to get a licence and $34 annual renewal thereabouts. And of course we've now generated close to - I'll have to pull the figures out and the rustle will come through the microphone there - but it's quite a sum of money. When you've only got one watt and penetrating the walls and windows of businesses, motels, shopping centres, all the tourist attractions, bus stations, our port facilities, our airports - - -

MR SIMSON: How far does a watt go in distance?

MR SHAW: Well, the licence was based on a 10 kilometre radius and I heard the manager from 4CBL, Lee Selbourne, mentioned two kilometres. That's incorrect. The actual ratio is two kilometres out of 48 Dbu at a range but the signal, being on the FM band, continues and so the licences were set up at a 10 kilometre radius. One watt is insufficient and the only reason one watt was established, because the guy in the ABA in Canberra rang up a local manufacturer of transmitters and said, "What's the smallest transmitter?" "Well, one watt." So that's why one watt was established. It's sadly reflecting. I also heard 4CBL said, "We don't want another radio station on the Gold Coast on 101.3" because they interfere with them. Well, that's really, to be quite truthful, hogwash because here's all the FM88's and the 87.6's, all in a 10-kilometre radius, all going at one watt, and they all come and impact within the five-kilometre radius. So we're doing it but we're doing it very tough because our listeners have to be on a car radio to pick us up. That's essentially it.

Now, I've got shipping businesses, I own ships. Our export industry is such that we can gravitate and bring the customer off the street and facilitate - and we give

them shipping knowledge, when the ships are all sailing, Australia Post, all the rates for the Australia Post. We give them all on-line documentation, insurance. We give them tourist attractions. There's an on-line tourist domain on our site. You click it on, on the map of Australia, and up comes the local region. You click onto the suburb or the town and up comes all the tourist attractions in that city. We're taking that worldwide.

MR SIMSON: So to what extent is your radio station an adjunct to your business?

MR SHAW: Well, we've found that because of all those other complaints we couldn't go to the marketplace to ask for advertising dollars from businesses who could generally benefit from the fact that our signs on the highway say, "Tourists, tune to FM88". We're here to promote the Logan City, the tourist attraction of Logan City. The lord mayor has told me, "We haven't got any tourist attractions. They just drive past us," and I've said, "There's 26 suburbs in Logan City. There's 10 tourist attractions in each suburb."

MR SIMSON: No, I'm sorry. What I'm trying to understand is the actual purpose of this radio station.

MR SHAW: It's to promote the lifestyles, the business, everything associated with Logan City.

MR SIMSON: It's not to promote your business?

MR SHAW: Well, I've had to go that way because if a radio station is stolen, how are you going to get advertisers to come and see you when you're a new kid on the block? You've had your signs taken off the freeway and you've actually promoted the fact that you've got signs on the highway and you've got 110,000 vehicles going past your door everyday. It's captured cargo. It's like you've been on the Sydney Harbour bridge at North Head. You've got all those cars going through the harbour bridge all at once. That's exactly the same as us. Now, those get stolen. You get your cable cut twice. How can you justify if you go to an advertiser or a business in the area and say, "We would like to promote the business - - - "

MR SIMSON: No, I was just asking. I'm not challenging you at all.

MR SHAW: No, I realise that but I'm - - -

MR SIMSON: I'm just interested to know what you're on about with it.

MR SHAW: Yes, but now I heard - in response to 4CBL - the fact that on our Internet site we sell radio stations because the reason that came about is that we were picked off.

MR SIMSON: This is your software package? This is the virtual radio station.

MR SHAW: Well, we sell the radio station but on the Web site there it says there's guys there selling them stations for $100,000.

MR SIMSON: Yes.

MR SHAW: You made the good point, "Are they selling them?" Very good point. The answer is "No" but because of our business and our presence worldwide we get over 133,000 customers worldwide through our Web site. 23 per cent is Australian. The rest of them are from around the world. When the exchange rate was 58 cents out of $100,000, it's nothing, is it, to an American or anybody in US dollars, particularly if they want to do some joint ventures? If you're going out to the bush where most of these licences are offered - and by the way, they're not owned by any of our businesses or subsidiaries or personal interest; it's other members of the public who have got radio station licences who've seen our software package and realised that they can make their local community, their local town, their local village, become very economically viable and they could promote their suburb, their town.

So when we come along and say, "Yes, we'll come in and we'll do a turnkey project, we'll come in and we'll bring all the infrastructure - that's the cables, all the connectors, aerials - we give you the software package, it's all loaded up with all the music and your time calls, your adds, all your features for your local area" - and of course you've got your labour and you're going out in the bush there, at the end of the day you've got to have some room for negotiation.

MR SIMSON: Yes, I mean, but just going back to your submission, it seems to me that the pertinent point that you're raising here is the wattage issue, it's the power issue.

MR SHAW: Yes, that's the second part. The first part definitely is the fact that I think that we've earnt our spurs now to be a representative on the ABA and because originally the broadcasting, when it first started, if you go back we all - - -

MR SIMSON: When you say "we" you mean the narrowcasting?

MR SHAW: No, I'm talking about we as human beings when we started radio stations in the early days. You had to serve your apprenticeship. But they've served their apprenticeship and now there's links between people who have now established a relationship in radio. We're the new kids on the block. I think that we would like to say - I think a lot of these disputes that have arisen with the ABA and the ACA could have been null and void simply by the fact of having some representation on the board and when you've got 1560 licensed operators, I think we have a voice to be heard. At the moment we're just being picked off by the CBAA and who's got only 158 radio stations and only 133 operating. I think it's fair to say there.

The second point is that at 50 watts I can get my signal into the Brisbane international airport terminal to make their arrival and departure dates for all our customers because we're based in Springwood and everybody has to go through

Springwood to get to Brisbane or the Gold Coast or get to the airport. Plus I can get into our shipping infrastructure with the Port of Brisbane authority to advise our customers when the containers are arriving and discharged to go on rail. Our facility when you see it is unbelievable. We're five years ahead of any other national country in the world. And of course you want to get into the motels, you want to get into the hotels to let people know of the tourist attractions. So at 50 watts what's going to happen is the other operators are going to be on the same power, we'll be able to be picked up, and sure, because we're offering at the same carrier level we will come at that medium point. So what happens is, the person who's driving in off the highway will get a good clear signal and then transfer across into the next radio station on the FM88 or the 87.6 who is providing a different content under the narrowcasting act.

PROF SNAPE: But the signal isn't going to cut out on anyone at one point. They're going to mesh in at one - - -

MR SHAW: Exactly right, at the medium point.

PROF SNAPE: - - - if it's on the same frequency but you'll get a lot of interference anywhere near the entry, will you not, from one to the other when you're near the mid point?

MR SHAW: At the mid point you do.

PROF SNAPE: Yes.

MR SHAW: Yes, at the mid point but the thing is, the five kilometre radius, if you've got other stations at the 10-kilometre radius all impinging there, at least you've got yourself a five kilometre radius where people are going to hear, whether they're in the motels or the bus stations, shopping centres or of another business operator who wants to hear his ad being talking about, about his new invention.

PROF SNAPE: Obviously there's tension. There is a great deal of tension between narrowcasting and community broadcasting and then, I suspect, spilling over also into the commercial area as well and - - -

MR SHAW: The commercial players are understanding because they've been there, done that. I've always had a great relationship with the commercial operators and they understand that.

PROF SNAPE: Yes, but one can imagine that there'd be commercial operators out there who may feel that a community broadcaster or a narrow broadcaster was encroaching on their territory, and we've had submissions that the ABC FM was in fact encroaching upon the community on 3MBS, and we've got all these tensions going on.

MR SIMSON: It's a problem when you haven't got enough spectrum, isn't it? It's a finite resource.

MR SHAW: 4MBS is one of the best professionally run classical music stations. Now, they deserve every success they can. All I'm saying is that I think it's time - we've set up the union of radio station owners, of people in the narrowcasting community, so we could have some leverage. We actually had a yarn with the ACTU president to save our staff. We've got all these Neville Nobodys and trained from 13-year-olds to 70s.

MR SIMSON: All these what?

MR SHAW: Well, Paul - do you know Paul Thornton on the Footy Show? Yes? Neville Nobodys - people from no background whatsoever - and we've trained them, only to see them go out the door. That, I find, is sacrilegious and that's part of Australia's ethos about developing and giving people a job. I had four 70-year-olds and they were the greatest people I've ever had because they trained the 13s and the 16-year-olds, and the best ones were the mums because they could see and hear four or five things all at once. They were absolutely brilliant. But, like, we're Australians and we should be having a go, and that's what we've done and we've transacted that. I think at the end of the day we'd like to have a go and I think one watt is not sufficient.

PROF SNAPE: I see that - no, it's a very well-made point, and thank you very much.

MR SHAW: Thank you.

PROF SNAPE: Good.

MR SHAW: Your generosity is overwhelming. Thank you. I'm very enthused. Thank you for the last-minute opportunity.

PROF SNAPE: Thanks very much, Mr Shaw. Now, as I said at the beginning of the day, if there's anyone present who would like to make a presentation, having been sitting here - and I don't think we're drawing from a very large set at the moment - but if anyone present would, then please indicate. If not, then we'll end the day's hearings at that point and the hearings will be resumed in Sydney next week on Monday. The hearings will in fact be taking place in the Australian Business Centre, 140 Arthur Street, North Sydney and we'll be resuming there at 9 o'clock on Monday, 24 May. Thank you very much.

AT 3.50 PM THE INQUIRY WAS ADJOURNED UNTIL
MONDAY, 24 MAY 1999

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