

The proposed managing director has been a successful manager in private radio and we consider his management capability will attract staff of sufficient calibre to provide a good standard of programming, sales and service. Mr Colcord has the potential for the programme director role.

With regard to the programme quality, we note that there could be some difficulty over the quality of the signal due to the off air links proposed. But we accept them as a reasonable cost compromise. We believe however that the company is genuine in its determination to provide a good quality programme and accept that its intention is to provide more sophisticated links if off air arrangements prove unsatisfactory for any part of the coverage. It has the capability of doing this.

(g) *The results of any survey available to the Tribunal.*

A survey was carried out by Colmar & Brunton Research Ltd. of 18 to 39 year olds. Evidence was given by Ms Colmar. The survey was helpful but there are some limitations on its relevance to the hearing. We noted that dissatisfaction with Radio Northland was not high and that Ms Colmar concluded Radio Northland exploited only 40 percent to 60 percent of the revenue potential of the Whangarei area.

(h) *The requirement that frequencies be best utilised in the public interest.*

We accept the criticism of off air linking and the attitude of the Post Office that this may not be possible with later allocations of frequencies. That is understood by the applicant. It is nevertheless a reasonable basis on which to start a service.

This proposal makes good use of frequencies given the size and difficulties of the coverage area.

(i) *The desirability of avoiding monopolies in the ownership or control of news media.*

The station will introduce another news source to the area by the use of Radio Pacific's national and international news services. It will not provide a local news service.

The owners of the Northern Advocate, the Whangarei daily newspaper, will have a shareholding in this company of slightly less than 20 percent. We have received detailed evidence about the shareholding and the cross-media arrangements.

There is no suggestion of a proper news service from the newspaper company. As no local news service will in fact be provided there will be no undesirable reduction in choices as a result of this shareholding.

It seems likely that sales combinations will result but we are not convinced that there will be any tendency towards monopoly by a modest shareholding in the radio company by a substantial newspaper owner.

However, in order that the Tribunal can retain some control of the situation there will be the usual restriction on news media company shareholding of 30 percent.

(j) *The hours during which the applicant proposes to broadcast programmes.*

The 24 hour service would not include any relays as the station intends to use the midnight to dawn period for training new announcers.

(k) *The extent of advertising matter which the applicant proposed to broadcast.*

There is some confusion on the part of the applicant or its counsel regarding advertising. It was described as being limited to between 6 and 8 minutes per hour but that the applicant thought it reasonable for the Tribunal "to impose a maximum of 10 minutes per hour average commercial content or at least a minimum of 8 minutes average".

We are not certain what this means and we are not attracted to a proposal for control of average commercial content. The Tribunal considers the stations must in providing an alternative FM format be prepared to accept a lower commercial content. The Tribunal fixes the maximum advertising at 8 minutes per hour. This is not an average. It is a maximum amount permitted in any one clock hour.

(l) *The proposed rates and charges to be made in respect of advertising programmes.*

The rates as set out by the applicant were reasonable.

(m) *Such matters as may be necessary for the purpose of imposing conditions under section 71A of this Act.*

We considered the length of any warrant granted. In view of the technical, programme and other conditions it is appropriate to fix a term of 3 years.

It is intended to commence broadcasting simultaneously through all 4 transmitters but, to allow some flexibility, we fix 3 months as the period within which all 3 relay stations must be operating. As Mr Vernall requested relay

stations may be added to the warrant for pocket translators in the Bay of Islands should the applicant seek to provide between coverage.

The exemptions from the technical rules will be granted but the usual condition will be inserted in the warrant.

(n) *All relevant evidence or representations received by it at the hearing.*

A submission opposing newspaper shareholding was received and the points made have been dealt with earlier.

(o) *Such other matters as may be prescribed in regulations in that behalf.*

Regulation 15A as inserted by Regulation 5, Broadcasting Regulations 1977, Amendment Number 5, S.R. 1981/295 reads:

"15A (1) In considering any application for a sound radio warrant in respect of an AM broadcasting station or an FM broadcasting station the Tribunal, before determining whether to grant the application, shall have regard to the policy of the Government under which a frequency modulation broadcasting service is to be developed as an integral part of sound radio broadcasting in New Zealand.

(2) Nothing in this Regulation limits the provisions of paragraphs (a) to (n) of section 80 of the Act."

The application is consistent with Government policy for the development of FM stations. It is also consistent with the policy of the Government set out in the direction of the Minister of Broadcasting dated 27 October 1981.

Decision

We have no doubt that the desirability of this service outweighs the only outstanding disadvantage, the reduction of revenue to the Corporation.

We believe that reduction will not be as large as the Corporation fears. The limitation on the advertising minutes per hour will tend to provide some limitation on the competition it can offer Radio Northland while still permitting the new station to be viable.

The application is granted subject to conditions.

Conditions

The initial term of the warrant will be 3 years.

The usual conditions will be inserted in the warrant. The warrant will lapse unless it is taken up within 12 months of the date of this decision or of the date of the final determination of any appeal unless extended by the Tribunal.

The following conditions will be imposed:

1. Advertisements shall not be broadcast after 6 a.m. on Sundays, on Christmas Day, on Good Friday and on Anzac Day. When Anzac Day does not fall on a Sunday, advertising is also permitted from 1300 hours to 2400 hours.
2. Advertising will be limited to a maximum of 8 minutes in any clock hour.
3. It is a condition of the warrant that relay stations be established and co-sited at Horokaka, Hikurangi and Maungataniwha within 3 months of the commencement of broadcasting. Transmission from Maungataniwha by a 2 kW transmitter will be authorised but will be subject to review at the end of 2 years. The coverage objectives will be modified until the full facility can be provided. Leave is given to make submissions on the wording and description of the interim and final coverage areas.
4. Subject to approval by the Post Office the warrant holder may establish such pocket translators as relay stations as may be desirable to extend or improve the coverage in the Bay of Islands. The location frequency and power will have to be approved by the Tribunal for endorsement on the warrant.
5. The warrant holder shall, unless exempted by the Tribunal, conform to and maintain the technical standards and rules as formulated by the Broadcasting Corporation of New Zealand in consultation with the Independent Broadcasters Association (N.Z.) Inc., including the furnishing of such technical returns as may from time to time be required by these rules and standards.
(The Tribunal grants the applicant the exemptions sought from the technical standards and rules for a period of 2 years from the date of issue of the warrant. An application for extension of exemptions should be made 1 month before that period expires.)
6. The mixed polarisation to be used will be slant.
Allocation of frequency will be made after the parties have had the opportunity to make any representations to the Tribunal.
7. The undertaking by the applicant to enter into a deed to guarantee editorial independence of the station on the same terms as approved for the Independent Broadcasting Co. Ltd. if required by the Tribunal will be incorporated in the warrant as a condition.