

depart from its basic format and programmes at the date of the amendment if this application were granted.

Mr Impey acknowledged there had been departures from the original detailed proposal and that major departures had been made in the afternoon and early evening programming. He said that the Tribunal's doubts expressed in page 10 of the decision (that the applicant was far too sanguine about the prospects of a significant late afternoon and evening audience based on special interest groups) had materialised. The major departure was the cessation of ethnic programmes, particularly those aimed at the Polynesian audience.

Mr B. D. Chamberlin, Chairman of Radio Pacific Ltd. and a foundation board member, outlined the history of the application and of the station after it began broadcasting. He emphasised the influence that Gordon Dryden had played in the preparation of the application.

He detailed the financial difficulties that the company encountered and the extra funds that had to be put into the company to keep it going.

He referred to the changes of format, negotiations for finance and management restructuring following Mr Dryden's resignation.

The original application had provided for the Manukau Community Foundation to take not less than 10 percent shareholding and to receive 2 percent of revenue. The trust had been formed but it had not been possible to pay 2 percent of revenue and indeed a discharge was entered into in respect of that proposal. The Foundation remained a shareholder. The station became known as a Polynesian radio station but did not rate well with Polynesians.

Mr E. C. Stevens, Programme Co-ordinator for Radio Pacific, gave evidence of his experience of working for the station from April 1979. He worked full time from April 1980. Pacific Peoples programme had been broadcast between 7 p.m. and 10 p.m. Monday to Friday but it was found that the 3 hour broadcast extended the voluntary broadcasters to the maximum limits and there were some conflict between the various hosts and contributors.

Friction led to the Pacific Peoples programme director leaving the air.

The programmes had rated poorly and failed to attract a majority of ethnic listeners. This was compounded by the predominance of the Mana Motuhake political party on the Monday night Maori programme. The station could not, in terms of the Broadcasting Rules, remain objective and neutral with the continuation of that programme.

Mr Stevens took up fronting the programmes from January 1981 and with the help of ethnic hosts continued to broadcast news bulletins in Maori and Pacific Island languages. The station also took direct news bulletins from correspondents but the new format pleased nobody. The toll calls and translators costs were cut with the financial difficulties of the station and the management decided to have talkback sessions and cut language broadcasts of any kind. The result was not only a significant savings but a rise in the evening ratings.

Mr Stevens considered that the mistake in 1979 was in taking over a high idealism and attempting to implement it without proper resources. Ethnic broadcasts would have been more successful if the station had been a music one as the cultures were music based. Oratory alone was not enough to retain a continuing audience. He thought that perhaps 3 half-hour programmes would have worked if there had been at least 2 full-time programmers involved in setting up and backgrounding the broadcasts. He considered that no commercially based station which had to rely on advertisers and ratings would be able to maintain minority ethnic broadcasts as proposed originally by Radio Pacific. Experience overseas, particularly in Australia, had showed that the task was a formidable one and that the original proposals were a reflection of an older style liberalism which bore little resemblance to the realities of modern multi-culturalism. There was a note of paternalism which was not appreciated by the ethnic groups and by shooting at too much too soon the target had been almost completely missed.

There had been a sharpening of awareness in Auckland that it was a multi-cultural centre and it had developed some people who would make outstanding broadcasters. Many non-broadcasters had also had access to broadcasting.

Since then there has been a strong link with the station in open line talk back sessions with ethnic groups expressing their opinions during the programmes at various times of the day. Previously they had many members of the Pacific Island communities who thought they could only speak during their special session. When particular broadcasts such as the Samoan programme were on, few of the other Pacific Island or Maori listeners would be listening. The segmentation seemed to defeat the whole aim of multi-cultural radio.

Mr A. G. Wadsworth, a chartered accountant, is experienced in the financial management and direction of commercial radio stations. He gave evidence of the involvement of himself and Mr Lowe early in 1982 and a crisis with the bank which was averted. One of the conditions of that was that Mr Wadsworth would report to the bank monthly. In July 1982, Mr Lower became managing director and

the financial year resulted in a net profit of \$74,832 which was a turn around of \$392,503. This had been effected by reducing expenses by \$452,870 (25.5 percent) with a drop in gross income of only \$60,310 (4.1 percent).

The additional capital contribution and time commitment of the directors had saved the company. The budget expectation for the year ending March 1984 is for a net profit of \$190,449 based on a break even calculation of \$118,700 per month. The company hoped to maintain its audience share above 10 percent, to improve its gross income, strengthen the news room and provide a news service to other stations, relax the fixed cost structure to relieve pressure on staff and develop the potential of the station and to improve profitability to exceed 10 percent of gross income.

Forty-three percent of the capital of the company is now held by Mr Lowe, Mr Wadsworth, Mr Chamberlin, Mr Finlayson and Mr Whitten and/or their associates.

A little over 7 percent is held by the Community Foundation and some individual shareholders and just under 50 percent of the shareholding is held by approximately 1100 shareholders.

Mr Lowe gave further evidence about the management and direction of the station. He pointed out that only 2 of the original directors were still with the company and emphasised the programming policy with its principal information components of talk back and interviews with guests, news, sport, including racing, community information and special interest documentaries, many of a musical nature. There were 131 hours of talk back each week or for guests to express opinions on a variety of subjects. He believed that this had involved the community in discussion and decision making and provided a free flow of information between people as set out in the application.

The Aucklanders who preferred those programmes were mainly older citizens. Music tended to attract the majority of younger listeners. The station currently provided a form of companionship for older people and a catalyst which brought people of similar interests together. The station was heavily committed to news and was providing a news service to 3 other stations. News headlines were given on the quarter hour. Efforts to maintain a regular daily news update from the Cook Islands, Western Samoa and Tonga had not been successful in setting up reliable sources. The service had not been sustained.

The emphasis on sport had increased, particularly with the introduction of racing, which tended to appeal to an older audience. The main concentration of sport was on Saturdays.

Mr Lowe claimed the station had a heavy commitment to community information, both through talk back, open line and other programming features, as well as the community notices and produced spots for matters which required ongoing assistance such as Alcoholics Anonymous, telephone counselling services and the like. There were regular community information features, home handyman programmes, early history mini programmes and special documentary programmes of a musical nature.

The station drew 90 percent of its revenue from the retail sector, partly because advertising agencies regard the bulk of its audience profile as relatively unimportant in the eyes of media managers. The station was represented by Radio New Zealand network sales offices in Auckland, Wellington and the South Island.

Mr Lowe accepted that the station had departed from the conditions of its warrant as it could not live with them. It could not concentrate the majority of its time on these objectives although it could give some of its time to those which were relevant. The station was not courting teenagers and children but it was still involved in health education, cultural and ethnic matters in the programmes through open line activity and guests. He claimed that Radio Pacific was involved in the community.

Opposition

For Hauraki Enterprises Ltd., Mr Bryers said at the time of the granting of the warrant section 71 (2) (d), as it was then worded, did not enable the Tribunal to impose conditions limiting programme content but section 71 (2) (c) gave power to the Tribunal to specify in a warrant any undertaking given at the hearing which governed the warrant. During the course of the appeal hearing counsel for Mr Dryden tendered a written undertaking which enabled condition 4 (b) to be included in the warrant.

Mr Bryers submitted that the application for amendment was an attempt to withdraw the undertakings given at the original hearing. He submitted that it was only in the most unusual circumstances that it could be in the public interest for a condition imposed as a result of an undertaking to be subsequently revoked at the request of the applicant. He said it amounted to the Tribunal being asked to reassess the whole question of whether the applicant is entitled to a warrant at all.

Mr Bryers said the evidence sought to demonstrate that Polynesian, educational, community based and news programmes did not have widespread appeal, and were unprofitable. They were therefore undesirable. The applicant had experienced financial