

*Radio Rhema* had not changed its position but during the course of the hearing did suggest other possible frequencies which could be allocated. It pointed out that if 12M was permitted by the Tribunal to transfer to FM that would release 1251 kHz and if 1YC went to FM it would release 882 kHz.

Mr Gatland had said that the reason for the particular frequency being chosen for ethnic use was to provide a good rural audience coverage where there was an ethnic audience resident. It was also planned to use a further transmitter in the Waikato to serve Hamilton City and to cover the mush area which would occur between the Auckland and Bay of Plenty synchronous stations.

A tape was presented to illustrate the distortion which occurs in the signal when two synchronous stations' signals are received in an area at about the same strength. There is evidence that 5.5 percent of the population in the proposed areas would be affected. There was concern that at a later stage there would be pressure brought to bear by listeners to *Radio Rhema* to eliminate the coverage deficiencies caused by the mush areas through the use of another frequency or frequencies.

In evidence for *Radio Rhema* Mr S. D. Brewster said the primary reason for sticking with the AM band was the larger number of AM only receivers presently at the disposal of the public and particularly one of *Radio Rhema's* larger audience sectors, the elderly. *Radio Rhema* believed that these people were less likely to change their listening habits, either by buying a receiver with an FM band by remembering to switch bands if they did have an FM receiver or by erecting the necessary antenna which was usually attached to such a set.

*Radio Rhema* submitted people over 50 needed the radio because of changes, increase in infirmity and general loss of confidence. Other reasons which Mr Brewster described as compelling were—

1. The high cost of linking transmitters for stereo operation. Although *Radio Rhema* would love to broadcast high quality stereo which its studios were set up to do, that desire had to be balanced against the considerably greater running costs and the fact that the different mode would add very little, if anything to the station's message.
2. The high cost of co-siting with the BCNZ.
3. The ability to make use of existing AM transmitting equipment.
4. At least one AM warrant holder would opt to change to FM or cease operations which would make another frequency available and the Concert Programme would relocate on the FM band.
5. The dynamics were such that things were unlikely to remain as they were for any great length of time so to be over concerned about apparently diminishing resources may be unnecessary in the longer term.

*Radio Rhema* saw a place for FM broadcasting where there was low ground conductivity such as in the Taupo area or as a last resort where a AM frequency was not available and the terrain was suitable for FM, or where, for a combination of reasons, FM may be the more desirable mode.

Mr Anastasiou pointed out that since 1981 no application had been lodged for the use of 603 kHz, and that there were other possible frequencies that could be allocated to Auckland.

While the use of the proposed frequency is economical in that it can cover four areas for *Radio Rhema*, the corollary is that the use of other frequencies will be required to provide later services. If *Radio Rhema* were to use several frequencies then 603 kHz would remain available as a regional frequency for other uses in the future. A significant use of the spectrum is thus involved in covering four centres.

The Tribunal considers the situation from the standpoint of concern for conservation. Only the Tribunal can exercise this consideration since the Post Office is only concerned with certifying the frequencies for stations in relation to proposed locations.

The Tribunal is concerned that the last major frequency at present available in Auckland should be allocated for use when later it may be required for any one of a number of uses which it may not at present be possible to imagine.

The Tribunal is particularly concerned because the frequency at the lower end of the AM band provides extraordinarily good coverage of rural areas, hence its possible use for ethnic or Polynesian broadcasting.

On the other hand the Tribunal is also aware that we are in a period of rapid change, that radio needs and developments will themselves need to be reassessed from time to time.

In our consideration of this matter we are not convinced that the *Radio Rhema* case for use of 603 kHz has been made out. While it does provide an economical use from the point of view of *Radio Rhema*, we must take a different view from that of an operator who seeks merely the best solution for his own purposes and we must look at the case for best use of frequencies in the public interest.

The reasons for not accepting a FM system of broadcasting are personal to *Radio Rhema*. We do not accept the argument which relates to the unwillingness of their potential audience to switch to FM as an overwhelming argument when it is clear that in a short time a large number of radio services in New Zealand will be provided on the FM band. These will include the Concert Programme which has a following of older listeners who will all have to make the adaptation.

We cannot comment on the actual cost of co-siting, but we can note that the best use of frequencies does not necessarily result in the cheapest solution for any one party.

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

The *Radio Rhema* proposal would introduce a new news service with four and a half minute bulletins. It would also bring in some BBC current affairs programmes.

The hours during which the applicant proposes to broadcast programmes

The station would provide an 18-hour service daily and this appears to be adequate for its target audience. The local origination periods appear to be adequate and we would not have considered it necessary to impose any conditions in that respect.

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

The representation that we should refuse the warrant because the station would promote Christianity we did not find easy to deal with.

However we did decide previously that the services of Christian oriented talk and music offered in Christchurch by *Radio Rhema* fulfilled an audience need. Care has to be taken to comply with the Act and, in particular, in matters of controversy to give an opportunity for significant points of view to be expressed, which could prove difficult for the station, but in fact complaints have not been a problem.

- (o) Such other matters as may be prescribed in regulations on that behalf

By regulation 15A, Broadcasting Regulations 1977, the Tribunal is required to have regard to Government policy under which FM broadcasting is to be developed as an integral part of sound-radio broadcasting.

We do not find that the reasons put by the applicant for spurning FM, such as costs and set penetration to be compelling. The programming is suitable for either AM or FM.

Government policy is to develop FM broadcasting. This application does not fall in with that policy which has been in effect since 1981. That policy has in fact changed radio in New Zealand.

*Conclusion*—We have to weigh not only the merits of the application, but also the somewhat limited nature of the programme material, the limited background and direction of the station itself and the extension of its power and authority to cover the bulk of the audience in New Zealand.

It may well be that ultimately an AM frequency can be made available for this warrant holder. At this stage we cannot satisfy ourselves that the advantages of allocating the last immediately available frequency would outweigh the disadvantages.

The application has pointed up the need for an analysis of Auckland's frequency needs with an emphasis on the large urban population in Auckland and its obvious claim for a choice of services. A reappraisal of frequency planning should be combined with the consideration of potential uses in Auckland and the possible reallocation where necessary of frequencies among existing stations.

The Tribunal is aware (and it is public knowledge) that applications are likely to be made for the transfer of some AM warrants to FM and there is other interest in the establishment of stations in and around Auckland.

A consideration of Auckland's present and foreseeable radio needs could be undertaken—by the Tribunal requiring all those interested to lodge notifications of any interest in applications for warrants or changes of frequencies. These could be heard next year and proper weight given to the comparative merits of the particular proposals and the availability of frequencies, including FM frequencies.