

Decision No. 18/85  
Bro. 58/84 112/84 66/84 113/84

*Before the Broadcasting Tribunal*

IN the matter of the Broadcasting Act 1976, and in the matter of applications for sound radio warrants for Horowhenua by:

- (1) UNITED BROADCASTERS LTD.
- (2) RADIO HOROWHENUA LTD.
- (3) CAPITAL CITY RADIO LTD.
- (4) GOLDEN COAST RADIO LTD.:

Chairman: B. H. Slane.

Members: A. E. Wilson and R. Boyd-Bell.

Hearing: At Levin 30 April, 1, 2 and 3 May 1985. At Palmerston North 14 May 1985. Final submissions in writing: June 1985.

Counsel: J. V. B. McLinden for Radio Horowhenua Ltd., A. J. Sherriff for United Broadcasters Ltd., D. R. K. Gascoigne for Capital City Radio Ltd.

Appearance: A. J. Little for Golden Coast Radio Ltd.

DECISION

THE Broadcasting Tribunal called for applications to be filed for commercial FM warrants for the Horowhenua area and two were filed. Two applications for AM warrants were also filed and the Tribunal resolved to deal with all the applications at one set of hearings.

*Applicants*

*Radio Horowhenua Ltd.* applied for an AM warrant to operate from studios in Levin and Paraparaumu through a transmitter sited at Otaki. The station proposed to broadcast a programme with local content provided through the 2 studios on weekdays between 6 a.m. and 7 p.m. From 7 p.m. to midnight it would rebroadcast 2ZM's programme. From midnight to 5 a.m. Radio Horowhenua would rebroadcast the Radio New Zealand community network All-Nighter. From 5 a.m. to 6 a.m. it would rebroadcast the ZM network Breakfast Show. All these programmes originate from Wellington.

On Sundays the station would broadcast the Radio New Zealand community network from 5 a.m. to 8 a.m. and would switch to local origination from 8 a.m. to 5 p.m. From 5 p.m. to midnight it would take up the 2ZM programme and from midnight to 5 a.m. the Radio New Zealand community network All-Nighter.

The programmes locally originated would primarily serve the 15-44 age group.

Estimated sales in the first year would result in gross revenue of \$612,360 which, after expenses, would produce a trading profit of \$22,218. After deducting pre-operating expenses the anticipated first year loss is \$173,482.

The station expected to produce a profit of \$60,864 in the second year in which inflation was estimated at 13 percent. In the third year a profit of \$117,817 was predicted on a 10 percent inflation factor.

The applicant proposed to broadcast on 1377 kHz.

*Golden Coast Radio Ltd.* applied for an FM warrant. The station proposed to broadcast 18 hours a day from 6 a.m. until midnight playing a wide range of popular music: selections from the early '50s to hits of the day, but including easy listening music and other forms beyond that of a normal AM station's contemporary golden oldies and pop. The station anticipated gross revenue in the first year of \$460,000, and after expenses, a net trading profit of \$21,072.

*United Broadcasters Ltd.* proposed an FM station operating 24 hours a day. From 6 a.m. to 1 p.m. it would originate its own programmes and outside those hours it would rebroadcast 2XS Palmerston North. It would also rebroadcast the 2XS programme on Sundays. During the daylight saving period in the summer, the station would broadcast locally sourced programmes from 6 a.m. to 9 p.m. Monday to Saturday and 9 a.m. to 5 p.m. on Sundays.

It would include a heavy concentration of adult album-oriented music. The programme would be diverse, including music from classical through jazz, gospel and country to contemporary music during the 9 a.m. to 1 p.m. period.

The site of the transmitter would give good coverage to the Kapiti area right through to Levin and north.

*Capital City Radio Ltd.*, warrant holder for Radio Windy in Wellington, applied for an AM warrant to broadcast a 24 hour service with local origination from 6 a.m. to 7 p.m. daily. For the remaining hours the station would rebroadcast Radio Windy's programme.

The station would be based in Levin and would serve Levin and surrounding districts and would not aim to serve the Kapiti coast area.

The station would aim to provide an extremely varied programme format—an "all things to all people" approach. Music would not be the dominant element of the programme format but music research would be carried out.

*Manawatu*—At the conclusion of the hearings of the present applications, the Tribunal had to consider applications for FM warrants for the Manawatu region. It was necessary to consider the applications in that area and make a decision on them before the present decision, since the Tribunal needed to know what other programme services were to be available in much of the Horowhenua region. The reason is that the transmissions of FM programmes by VHF from Mount Wharite will extend down the coast where a considerable part of the population, notably in Levin and coastal regions south of Levin, will be able to obtain a stereo programme from Palmerston North.

As the Tribunal has resolved to grant both Manawatu applications, there will be two programmes of equal signal strength available providing FM programmes originating in the one case in Palmerston North, and in the other case partly in Palmerston North and partly by network from Wellington.

This does have an effect on the issue which was argued before us as to the respective merits of local stations broadcasting in AM or FM.

*Consideration*—Two of the applicants proposed FM programmes. For reasons which we examine in detail, it became clear that the Golden Coast case was the weaker. No evidence in support of the application was produced beyond verification of the information filed with the application.

The AM contenders argued for AM as the best way to satisfy the needs of the region. The FM contenders argued for FM as a new service needed in the region. These arguments are examined later.

The Tribunal has to say that of the two AM applications and the United application there were a number of balancing factors which has made the decision a difficult one. Each had a number of advantages which it would bring by undertaking a broadcast service to the area, but each of the applications also had some disadvantages.

*Section 80*—In considering the applications the Tribunal, before determining whether or not to grant the applications, had regard to the following matters set out in section 80 of the Broadcasting Act 1976, so far as they were applicable.

(a) *The extent to which the proposed service is desirable in the public interest*

Radio Horowhenua proposed a station with twin studios at each end of the coverage area and good AM coverage over the Levin and Kapiti areas. The station claimed it would tend to unite the area which had recently changed in local government administration to a united council region. It saw the Kapiti market as promising but wished to provide a programme on a regional basis over the whole area.

It saw its link with the Broadcasting Corporation of New Zealand through an affiliation agreement as a strengthening factor, as was its access to specialist programme elements from Radio New Zealand which it could use in periods of local origination.

It would rebroadcast Radio New Zealand programmes from 7 p.m. to 6 a.m. Its original plan was to rebroadcast 2ZM's programme. However the grant of the warrant for 2ZM to change to FM in Wellington and now the Tribunal's decision to grant a ZM-FM station in Palmerston North, means that Radio Horowhenua would have to rebroadcast some other service of Radio New Zealand. This may be the 2ZB programme up to 9 p.m. and thereafter the Tonight Show and then the All-Nighter programme.

AM applicants argued that the high level of community news and information provided makes AM the appropriate way of getting through to the mass audience and that it provides a better service to motorists.

Capital City Radio also supported AM broadcasting but would base it on a Levin operation. The programme would be aligned to the needs of Levin whose population is somewhat older than the national average.

Besides a local news service which all the applicants offered, there would be the introduction into the area of the Radio Windy news—an alternative to the services of Radio New Zealand and 2XS. This would not be the first alternative news since the news service from 2XS would include national and international news supplied by Radio Avon.

Capital City Radio took the view that Levin was the primary market, that programming should be directed towards that market and that it was not practicable to attempt to serve the whole diverse region. The southern end of the region was more Wellington oriented and the combination would not make a coherent market. The essentials of the Capital City case were that it would provide in all respects no duplication of existing services and would be a well programmed station. When local programmes were not being originated the station would rebroadcast the Radio Windy Wellington programme.