

United proposed a service which would initially provide 7 hours a day of local origination but with longer hours in the summer and with an increase in the second year.

The station would rebroadcast the 2XS programme. This AM signal at present reaches most of the area but does not cover some significant parts of the Kapiti area. The FM service from Wharite will be better but not complete. The United programming appeared to provide for a younger age group in the breakfast session, changing to a 40 plus audience in the morning but later returning to the 2XS transmission which is described as 15-44.

We gained the impression that the applicants were really more oriented to the older age group and we considered that this sharp change in programming might cause practical problems in audience support. We found the evidence of Mr McPherson for United somewhat confusing on programme proposals, as he appeared to want to convince the Tribunal that he could produce music that would appeal to all age groups at the same time.

Golden Coast Radio would have a range of music from the 50s to current hits, with an emphasis on easy listening but claimed a contemporary sounding image. We are not convinced that the programming style had been completely defined by the promoter and there was no evidence produced to support the application. We were thus not able to examine their programme proposals in detail with those who conceived them or would put them into effect.

The advantage of the United FM proposal diminishes with the grant of the warrants in Palmerston North which necessarily produce a signal which will be strong enough to provide stereo reception in much of the area. But neither Palmerston North programme will be intended to serve this area specifically with locally oriented material. United would provide that service and would provide in addition an acceptable signal to those parts of the southern end of the area which are geographically masked from the Wharite transmissions.

The United station itself would be oriented towards the southern end of the region and may have had difficulty marketing itself in the Levin area. While normally we might have felt the emphasis should be on providing a stereo FM music service, we did not consider that the programme elements which they would introduce for the area outweighed the desirability of the services produced by the AM applicants.

Of the two AM applicants, in programming terms each brought a community station approach (as indeed would United) that is well known and accepted. The principal difference was that the Radio Horowhenua applicant proposes, through the split studio operation, to provide programmes which have sufficient local orientation to appeal while covering the whole region. We are not necessarily satisfied that the twin studio approach is essential to success in serving the whole region but we considered that there was, on balance, a marked advantage in providing a service to the whole area. This was not proposed by Capital City Radio although its signal would probably be adequate in all parts of the region. (We cannot be sure of this because the exact location of the transmitter had not been confirmed.)

The essence of the Capital City application was an "all things to all people" service for the borough of Levin and environs. The primary target area is important not just from a marketing point of view, but also from the point of view of the attractiveness of the service to people in the region. It was no secret that the Capital City witnesses did not expect the station to draw much support from the Kapiti region. They would not be directing their programming or their marketing far in the southern direction.

This attitude is illustrated by the acceptance of the possibility of an FM applicant being granted a warrant for the Kapiti area.

Radio Horowhenua's connection with Radio New Zealand had both its advantages and disadvantages. It would duplicate programmes between 7 p.m. and 6 a.m. from other Radio New Zealand stations which can already be received in the area. On the other hand, Capital City Radio's rebroadcast of Radio Windy would be an additional service.

Having regard however to the listening audiences available during these hours, we did not think this factor should be given undue weight.

This is particularly so having regard to the fact that, in most of the area the younger listener who was likely to make up most of the audience at that time, and who looks for a music service, will be able to receive a ZM-FM programme from either Mount Kaukau or Mount Wharite. As well as that the 2XS-FM programme will be available to those within reach of the Wharite signal.

Capital City Radio pressed on us the advantages to the industry of the training role the Levin station would perform. We did give that some weight but do not consider it should, in this case, be regarded as a decisive factor. That role, to a greater or lesser extent, has been traditional at smaller stations, although the more active involvement of private station executives is a new factor. While we would not like to discourage such initiatives in the private industry towards training—as they have been rare—we must observe that the training aspects to some extent would occur with other applicants' proposals.

(b) *The economic effect which the establishment of the station to which the application relates is likely to have in respect of broadcasting stations already in operation*

The BCNZ did not oppose the applications on the ground of an effect on 2ZA. Nor was any evidence produced of the estimated effect.

Mr L. Summerville gave evidence of the revenue taken by station 2XS from the Levin area which was about \$70,000 per annum. He said that the establishment of another station in the area would not diminish the interest of 2XS in servicing the area, but there were limits to the service it could provide to advertisers in view of the size of the market.

(c) *The effect which the establishment of the station to which the application relates may have on broadcasting services provided by the Corporation in the public interest*

The corporation did not suggest there would be any adverse effect caused by any of the proposed stations on the broadcast services it provided. The grant of the application to Radio Horowhenua Ltd. would produce some revenue for Radio New Zealand which would contribute to the cost of producing broadcasting services in the public interest.

(d) *The needs of New Zealand or the locality or localities proposed to be served, in respect of broadcasting services*

The predominant need the Tribunal saw in the area was for the provision of a locally oriented service both reflecting and involved in the community's activities and providing information and news to listeners in the area. All the applicants claimed to provide such services.

United would provide a continuous service in FM and extend the FM coverage to those areas in the south where it is not reached by main transmitters. That service would however duplicate for much of the day the signal of 2XS.

Golden Coast Radio would provide FM coverage for 18 hours daily.

The Capital City Radio proposal would meet the local programming needs in the Levin area, but would not provide a service further afield.

Radio Horowhenua would provide a service over the whole area. While there is obviously some merit in the argument that the size of the region makes it difficult for a station to target its news and information directly to the immediate concerns of all its audience, we felt on balance that the communities of the region were not so distinct and separate that the station could not provide a good regional service for the area.

AM radio also has advantages in serving local events in outside broadcasts since the FM mode tends to highlight the deficiencies in sound quality which can arise in temporary outside broadcasting, but this was not a decisive factor.

(e) *The financial and commercial ability of the applicant to carry on the proposed service*

We were not satisfied that Golden Coast Radio had sufficient financial and commercial ability and we had no opportunity to examine the directors or management on their proposals.

It appeared to us that a good deal of revenue could be derived from the Levin area by a successful station's marketing. There was some debate as to whether or not sufficient revenue could be drawn from Levin to sustain the Capital City Radio project. On balance we are not prepared to dismiss Mr Gold's estimates. We find that the revenue would be adequate.

However, we are also satisfied that there would be additional revenue available over the whole region without any diminution of Levin revenue. The result is that the Radio Horowhenua application should have the potential to attract more revenue.

The AM stations will have a greater set penetration and therefore the ability to attract—initially anyway—a higher revenue because of the reach to listeners.

This would not have been a sufficient factor for us to reject the United application since we believe it is only a matter of time before the set penetration will place FM stations on a nearly equal basis with AM in such situations.