

any operator, some protection was sought by the Corporation in view of its 7 year history of summer STBAs in the Bay of Islands.

2. The Northland FM proposal amounted to a duplication of the Radio New Zealand "Bay Radio" authorisation and added no value other than a choice of transmission.

3. Approval of the Northland FM proposal would adversely affect the BCNZ revenue base.

4. Any deficiency in Northland FM's coverage could be resolved by the installation in the Bay of Islands of a permanent relay of its Whangarei-based programme.

The BCNZ objection was referred to Northland FM for a comment by 25 November.

The Tribunal received on 27 October a separate submission expressing some concern over the prospect of 2 summer radio stations operating side by side in the Bay of Islands, with the risk of neither being sufficiently profitable to encourage future years' activity.

On 9 November the Tribunal received Northland FM's response to the BCNZ objections, which made the following points:

1. Northland FM agreed with the BCNZ view that there were no exclusive rights to STBAs. There was also precedent from the summer of 1979-80 for 2 operators undertaking concurrent STBAs in the Bay of Islands, although on that occasion both operators were AM stations.

2. Northland FM was committed to the extension of its service to Northland, including a specialist service to the Bay of Islands, which was foreshadowed in its original application.

3. FM transmission of a music-based programme had superior characteristics which amounted to more than simple duplication of an AM service. Many tourists and holiday-makers from Auckland and the Waikato would be familiar with the choice between AM and FM services.

4. Northland FM had not opposed the Corporation's application but the Corporation had produced no evidence of the adverse affect on its revenue base from the proposed FM broadcast.

5. Both AM and FM coverage had deficiencies in the Bay of Islands. Northland FM was in the process of improving its permanent FM service to the area as provided for in its warrant, but a relay of the Whangarei-based programme would ignore the influx of holiday-makers and the increase in local events in the Bay of Islands over the summer period.

The Northland FM application was approved by the Tribunal on 11 November and confirmed after reconsideration on 26 November. On 22 January 1988 the Tribunal received a request from the Corporation for a written statement of its reasons for granting the authorisation to Northland FM.

Reasons for Decision

These applications were somewhat different from previous instances when the Tribunal has been called upon to rule between competing applicants for STBAs during the summer holiday period.

Both applicants are permanent warrant holders in the area, both sought to augment their permanent services on the AM and FM band respectively with short-term authorisations in the Bay of Islands.

Both proposed significant local origination while relaying other programme services during off-peak hours.

Both applicants accepted the Tribunal's frequently stated policy that previous STBAs confer no exclusive rights to any operator. Nor, in this case, was there any element of a new operator seeking to "warm-up" the area with a view to a subsequent permanent warrant application.

Nor did either applicant seek to broadcast in the pre-Christmas

peak advertising period, when the Tribunal has seen some justification in protecting the revenue expectations of the permanent operator in a market.

In considering the application by Northland FM the Tribunal had to have regard to the fact that it had already approved the authorisation sought by the BCNZ and to consider whether that approval of itself justified the rejection of the application by Northland FM.

To confer the protection sought by the Corporation in the light of its 7-year history of summer broadcasts in the Bay of Islands would be to confer a right to previous STBA operators which the Tribunal has consistently declined. But that issue was reconsidered in respect of the present instance.

We concluded that no prior rights have been acquired by previous authorisations or by an early application in the Bay of Islands.

To accept the argument that an FM music-based programme added no value to the audience other than a choice of transmission would be to deny the whole thrust of the development of FM services in New Zealand, contrary to the Tribunal Report on FM broadcasting and subsequent government policy.

While approval of the Northland FM application may have had some adverse effect on the BCNZ revenue base, the Corporation proffered no evidence on this.

As for extension of Northland FM's service into the Bay of Islands by the installation of a permanent relay of its Whangarei-based programme, the Tribunal considered the summer authorisation might well encourage and advance such development. (This has subsequently proved to be the case.)

Considering the application in terms of section 80 of the Broadcasting Act, the Tribunal determined that the public interest and the needs of the locality would be best served by approving both applications, leaving to the operators the final decision on whether to proceed under the terms of their authorisations.

The Tribunal had been offered no evidence of the economic effect on the warrant holders' normal operations. The effect on the holder of the authorisation which happened to have been granted earlier but was not yet operating was not regarded as a prime issue.

Signed for the Tribunal:

R. BOYD-BELL, Member.
au3498

PostBank

Post Office Savings Bank Regulations 1985

Bonus Bonds Weekly Prize Draw No. 4, March 1988

Pursuant to the Post Office Savings Bank Regulations 1985, notice is hereby given that the result of the weekly Prize Draw No. 4 for 26 March is as follows:

One prize of \$50,000: 3296 617891.

Fourteen prizes of \$5,000: 050 695837, 414 894146, 2984 466564, 2998 815919, 3591 556871, 6093 258797, 6495 645253, 6891 175355, 7194 731722, 7293 401645, 7398 757662, 8887 202980, 9084 804777 and 9685 714173.

ROGER DOUGLAS, Minister of Finance.
au3306
