

Special Report

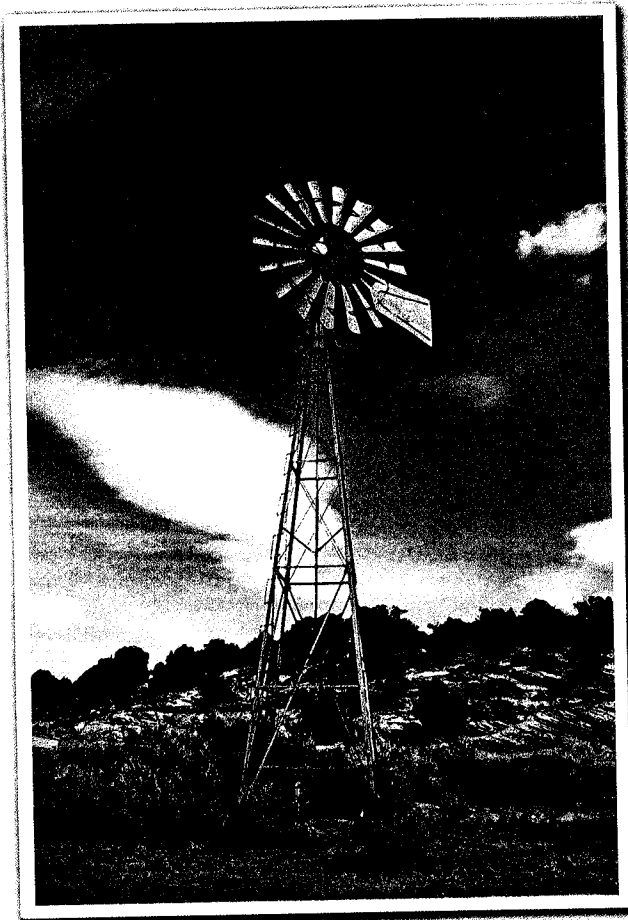
Regional media

Debate around media ownership laws have put the spotlight on Australia's regional media and the role it plays for both communities and advertisers. **B&T** considers the changes ahead and finds out how brands are reaching rural dwellers.

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BLACK CLOUDS AHEAD IS RURAL DIVERSITY THREATENED?



The looming changes to media ownership have sparked concerns about the future of regional media, but will they really spell the end of local content?

Danielle Veldre reports.

After years of mooted changes to the highly regulated Australian media market the federal minister for communications, Senator Helen Coonan, released a discussion paper in March on proposed changes to laws which, among other things, paved the way for the abolition of cross and foreign media ownership restrictions.

Media pundits largely agree that the proposed legislative changes are unlikely to greatly affect metropolitan markets in the short term, but concerns have been raised over regional markets and the potential to consolidate ownership, raising concerns over diminishing media diversity and extinguishing local content, particularly in news.

Under the Federal Government's proposal, a minimum of four separate media outlets in each market will be required, but consolidation will still be possible.

Independent public policy think-tank, the Communications Law Centre, last month released a study which shows people in regional areas are concerned about the level of diversity and local content in their media.

Communications Law Centre's director, Helen Wilson, says this four-per-market test will be unacceptable to many in regional areas, based on the results of their research, which included interviews and focus groups in Wollongong, Launceston, Toowoomba and Townsville.

"The minister's test simply counts the number of players in the market and cannot judge which media sources are valued by people in regional areas. Some mergers might well be acceptable, but others could result in one uniform view on local events.

"What's needed is an injection of competition and a lift in standards. The chances of such an outcome from the Minister's new test are nil," Wilson says.

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"People are not worried about who owns their media companies, but they are fearful of any reduction in the sources of local content."

The report says the proposed rule changes will benefit the major players in regional markets, driving out smaller players.

This prediction seems to be borne out by the recent acquisition of the independent family-owned company, The Border Morning Mail, by Fairfax for \$155m.

CLIMATE LOOKS SUNNY

Despite the concerns raised by the report, economic and social indicators show that regional Australia is booming, and local media owners say this means competition can only follow.

Macquarie Regional Radioworks represents 85 commercial radio licences in regional Australia. According to national sales director, Daryl Mitchell, things couldn't be better in regional Australia.

"The reality is it's completely irrelevant to our business model. We've just had our best year ever," Mitchell says.

"It's really going to get to a point where the increase in demand [won't be met by supply]. We're really going to have to manage that efficiently."

Director of Regional Television Marketing, Brian Hogan, agrees that a

vibrant market means the proposed law changes will have little effect.

"Under the proposed new rules regional markets must have at least four media groups so I don't think this would necessarily affect regional media diversity more than metro.

multiple distribution platforms that currently aren't available."

South East Queensland is one of the fastest growing economies in the world, let alone Australia. With people seeking a sea change from metro areas, it has seen the population swell and retail dollars

areas where people are generally less highly geared.

LEVERAGING LOCALITY

And far from local media losing its character, Mitchell says local content and identity are what makes regional media appealing for advertisers.

"The best example is the recent cyclone [Larry] – radio was the lifeblood of the community," he says.

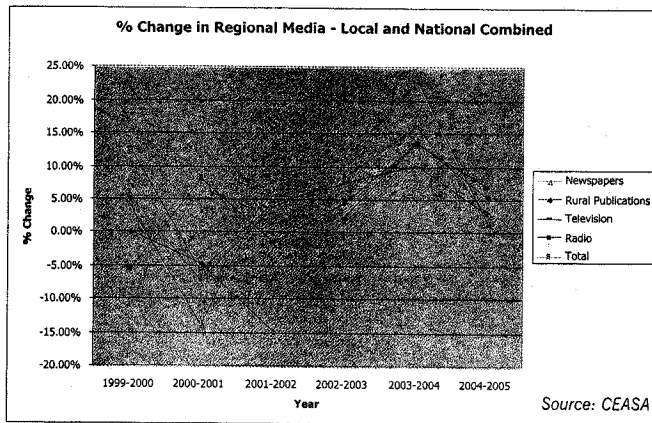
Mitchell says radio was used to disseminate information to affected areas and then for government and private enterprise to advertise services in the wake of the cyclone.

Hogan says local television also contributes significantly to the flavour of the local community.

"Regional networks are there to provide viewers with the optimum mix of entertainment and news to maximise viewing – local news and local advertising is an integral part of that offer.

"Beyond that, regional broadcasters are significant contributors to local community groups either through direct sponsorships or via community service announcements on air," Hogan says.

"I think there is a fantastic opportunity for regional media to work together to develop a greater depth of local content and leverage the respective media brands to successfully enter the new media platforms." ■



"The government has already mandated a minimum level of local news content for the regional free-to-air TV broadcasters and there is no discussion about that requirement changing," Hogan says.

"If anything, a certain amount of regional media consolidation could well be beneficial for greater depth of local news and content development as it would allow economies of scale and

flood in.

Mitchell says the Gold Coast radio survey area grew by 25,000 in six months, representing a significant increase in reach.

Conversely, growth is flattening in metro market, with the recent interest rate hike, coupled with rising petrol prices will continue to bite into spending conditions less likely to affect regional