

Radio's very own Greek tycoon

Bill Caralis, the biggest radio station owner in NSW, has been described as eccentric and reclusive, writes Neil Shoebridge.

High-profile businesses, larger-than-life personalities and fierce competition ensure that the media industry receives a lot of attention. But one media baron has escaped the spotlight, despite being the biggest radio station owner in NSW and running a business that, according to his advisers, is worth at least \$200 million.

Bill Caralis, the 64-year-old owner of Broadcast Operations, last week bought AM stations in Coffs Harbour, Orange and Port Macquarie, lifting the total number of stations under his control to 33, including 2SM, the king of the Sydney radio market during the 1960s and 1970s.

2SM attracts few listeners or advertisers. Caralis doesn't mind: the station's Sydney studios, built in 2000 at an estimated cost of \$20 million, are used as a hub to feed programming to his regional stations.

Caralis declines all requests for interviews, won't be photographed and only allows media industry consultant Bob Scott to speak for him. Rival radio industry executives routinely describe Caralis as reclusive and eccentric.

"In one meeting with Bill, I sat at one end of a long boardroom table and he sat at the other, shouting at me," says one senior radio executive. "He offered me a cup of Greek coffee and a beetroot sandwich. During the meeting, he showed me a video of an old, violent rugby league match involving the Newtown Jets [Caralis was president of the Newtown rugby league club from 1979 to 1982]. It was all very odd. I scuttled out of there as soon as I could and vowed I would never return."

Another radio executive tells a similar story, but his meeting also included two growling Dobermans, chained next to the boardroom table. "Yes, Caralis is eccentric," the executive says. "But he's not a bad bloke. He's built a sizeable business, but I have no idea how he makes any money."

How Broadcast Operations makes money from a grab-bag of stations, most of which generate low revenue and low ratings, is one mystery. Why he turned his back on property development and liquor retailing in 1982 to move to Tweed Heads is another. He started buying regional radio stations in 1987 and returned to Sydney in 2000, after buying 2SM from former INXS manager Chris Murphy for \$8.25 million in late 1999.

Scott estimates that Broadcast Operations is worth \$200 million. Other radio industry executives disagree: they claim it turns over \$30 million a year and is worth, at best, \$60 million.

The value of Broadcast Operations and the role it might play in the shake-up of the media sector when the Howard government removes the current ownership restrictions is a moot point, as Caralis has no plans to sell.

In a rare statement issued last week, he said: "I intend to be a long-term operator in commercial radio in this country and with digital radio soon to be introduced, I am tremendously excited with the potential and vast reach of my [company]."

According to Scott, Caralis is a classic example of rags-to-riches. Born in Greece in 1940, he moved to Australia in 1945. He left school in his early teens to work in his father's fruit and vegetable business at the Sydney markets and stayed there until 1956. In the early 1960s, he got into property development, building a shopping centre in the Sydney suburb of Marrickville. He later set up Camperdown Cellars, selling it in 1982.

A lunch with Rural Press owner John B. Fairfax sparked Caralis's interest in the media industry. In 1987, he bought his first radio station, 2RG, in the NSW country town of Griffith.

Broadcast Operations has two shareholders Caralis and his wife, Pamela. "He's never been remotely interested in selling," says one executive who has made several offers to buy Caralis's business.

Caralis employs no head-office staff, pays low wages and networks most programs from 2SM to reduce costs. But Broadcast Operations is not necessarily a big money-spinner. One rival says that when Caralis bought 2HD and New FM from the NSW Labor Council in 1999 for \$12 million, they were losing \$300,000 a year.

"He fired most of the on-air announcers," the executive says. "Over the next two years, the stations' share of the Newcastle radio ad market crashed from 50 per cent to 24 per cent. Its losses would have blown out to about \$1 million a year."

The recent takeover of the Coffs Harbour, Orange and Port Macquarie stations which is believed to have been a cashless transaction will not be the end of his buying and selling.

Macquarie Bank has to sell seven of its stations to comply with media ownership restrictions and most industry executives think Caralis will buy some of them.