Recent developments in Australia by Ian McGill and in New Zealand by Bruce Slan

Change in Canberra

it is no secret in the national capital that Minister for Transport and Communications, Mr Beazley, and the then Treasurer , Mr Keating, were often disparate forces in the debate over the reform of broadcasting and telecommunications. The conflict between these two political heavyweights in the lead up to the Government's announcement on telecommunications reform was well documented.

In March, Mr Beazley presented a controversial plan to grant an exclusive licence to operate a four channel pay-tv service using Aussat's new satellites. That plan was rejected by Cabinet.

Of course the political landscape has now changed. Mr Keating now presides over the policy wilderness of the backbench, whilst Mr Beazley's position can only be strengthened by his support for Mr Hawke. One could speculate then that Mr Beazley's repeated statements that the pay-tv moratorium is inextricably linked to the sale price of Aussat could well become Government policy. The Government is after all desperate to inject some value into Aussat. The loss of an economic rationalist, like Mr Keating, should at least diminish fears in Cabinet that the introduction of pay-tv will adversely affect the trade deficit.

Pay television

In yet another of the long line of similar recommendations the Office of Regulation Review (a Government think-tank) has recommended that the moratorium on household pay-tv should be lifted and the service should proceed subject to minimum regulation. The Office of Regulation Review found no social or economic rationale for the moratorium to continue. One can only wonder whether the report will gain more weight in Canberra given the changes detailed above.

Interestingly, the Senate Select Committee established to review the supply of telecommunications services (see below) has also been given a mandate to decide whether the content of pay-tv, were such a service to be introduced, should include material classified as "R" or "X".

Broadcasting reform & local content

The results of the continuing fundamental review of broadcasting policy should be public with the release of an exposure draft for the Broadcasting Bill sometime during the Budget Session.

The Australian Broadcasting Tribunal has released its background report for the four year inquiry into Australian programs on television. The report details the new program standard for Australian content on television (TPS14) which came into effect on 1 January, 1990. The report is in three volumes containing the discussion papers of the inquiry, summaries of submissions, results of research and other relevant information.

At the same time the Tribunal has released its survey of TPS14 for 1990 showing that all television licensees met the new standard for Australian content.

Voluntary code on violence on television

Earlier this year, as the culmination of a Tribunal inquiry, the self-regulatory Code on the Portrayal of Violence on Television was released. The Code was developed by the Federation of Australian Commercial Television Stations in conjunction with member licensees.

The Tribunal has foreshadowed that the Code could become a pilot for less intrusive kinds of regulation currently under consideration in the review of broadcasting policy. In this case, the Tribunal's role is limited to six-monthly reviews of licensees' compliance with the Code.

Tribunal inquiries

The Tribunal is in the process of conducting an inquiry into the fitness and propriety of ENT Limited, (a company controlling radio and television licences in regional Victoria and in Tasmania). The Tribunal is particularly interested in whether ENT Limited's principal, Edmund Rouse, is a fit and proper person to hold a broadcasting licence. At the same time a Royal Commission, established by the Tasmanian Government, is investigating the political bribery scandal involving Mr Rouse.

In April this year the Tribunal acceded to a request from the Royal Commissioner that it not investigate areas touching on the bribery matter during its inquiry. The Tribunal however intends to continue with its inquiry in conjunction with the Royal Commission. The implication is that the Tribunal is effectively gagged by the Royal Commission to the extent that the bribery scandal is integral to the fitness and propriety issue.

Tobacco advertising at the Adelaide Grand Prix

The Tribunal is continuing its inquiry into allegations of tobacco advertising during coverage of the Adelaide Grand Prix in November last year. In conjunction with that inquiry the Tribunal has released an empirical study into the instances that tobacco-related images appeared during the broadcasts. In summary the study found tobacco-related images were clearly visible on 653 separate occasions, comprising 17 per cent of race coverage.

The inquiry is still to determine whether the broadcasts in question contained advertisements for tobacco products or whether the images were an accidental or incidental accompaniment to the broadcasting of other matter.

Renewal of licence for TCN-9 Sydney

The Tribunal has renewed the licence for TCN-9 for a further period of five years.

This was possible after cross media contraventions involving TCN-9 and 2UE and 2CH were removed. Kimshaw Pty Limited in April this year sold its interest in 2UE and Adsteam Limited has disposed of AWA shares which gave it a prescribed interest in 2CH.

Aggregation

The staggered introduction of aggregation in regional Australia is proceeding. In Approved Market B, Northern New South Wales, one new commercial service should be available from 31 December 1991. Aggregation is scheduled to be completed in that Market by July 1992.

Aggregation in Approved Market D, regional Victoria, is scheduled to begin early in 1992.

The Department of Transport and Communications is currently undertaking an information campaign in Northern New South Wales to inform viewers of the new services that will be available.

Advertising allowed on the SBS

A new charter for the SBS will allow advertising on television and radio. The Government has announced that legislation to establish the charter will be introduced in Parliament in the Budget Session and will allow the SBS to sell up to five minutes of advertisements or sponsorship announcements per hour between programs or in natural program breaks. The SBS will retain all revenue earned through advertising and sponsorship.

At the same time the Government announced that the statutory prohibition against advertising and sponsorship on the ABC remains. However, funding for the ABC and the SBS has been guaranteed over the next three financial years in real terms.

Telecom/OTC merger fee

On 17 June 1991 the Opposition and the Democrats successfully combined to block the $1 billion fee the Government planned to levy Telecom for its merger with OTC. The Democrats' policy was probably best expressed by Senator Kernot when she said:

"We think it is a bit of cheek to charge two public utilities, which have already been paid for by the public, a merger fee of around one billion dollars simply for the luxury of implementing Government policy. We do not think it is at all ethical to use this Bill as a back door revenue raising measure..."

The Government, when reluctantly accepting the amendments in the House of Representatives, responded by stating that the merger of Telecom and OTC will not take place until "these issues have been resolved satisfactorily". The enabling Act for the merger provides that proclamation may occur at the Government's discretion. The chances are then that the Government will attempt again to appropriate some fee from AOTC in consideration for the supposed benefit it will enjoy when merged.

Valuation of Aussat

In what appears to be an extraordinary numerical coincidence, the Government has decided that it should pay $25 million for Telecom's 25 per cent share in Aussat. When the Department was asked by the Senate Estimates Committee what value the Government put on 100 per cent of Aussat they replied "the Government did not put value on Aussat. The $25 million paid to Telecom was considered a fair and reasonable price for its 25 per cent shareholding".

Senate to monitor supply of services utilising telecommunications

The Senate has decided to establish a 'Select Committee on Community Standards Relevant to the Supply of Services Utilising Telecommunications Technologies'.

The Committee will report by October 1991 on whether a code of conduct should be observed by eligible service providers and carriers of commercial recorded information or entertainment services utilising telecommunications and if so, its content, monitoring and enforcement. In particular, the Committee will pay attention to information and entertainment services carried by Telecom on its 0055 service.

Privatisation at Radio NZ

New Zealand's non-commercial radio services are principally financed by the Broadcasting Commission from the public broadcasting fee.

This year the funding for Radio New Zealand's non-commercial services, the Concert Program and National Radio, was slightly reduced. In the resulting public discussion the Minister of Broadcasting, Maurice Williamson, said he thought it would be appropriate for there to be public tenders for the provision of these services. A Friends of the National Radio group was formed (there already being a Friends of the Concert Program) to condemn the selection of the providers of such services by the lowest bid.

Subsequently the Minister backed away from the plan following talks on ways of meeting the demands of accountability while maintaining quality. The Minister said his floating of the tender plan had been a catalyst to get Radio New Zealand and the Commission together for talks. The advertising-free programs cost about $26 million a year. There had been concerns that some of the funds were supporting the commercial activities of Radio New Zealand.

Cuts at Radio NZ

Radio New Zealand Ltd has undergone a change of commercial fortunes which provoked a board plan to cut salaries to avoid major redundancies. Subsequently some redundancies were announced. A plan was then negotiated with the broadcaster's union, the Public Service Association which culminated in Radio New Zealand staff facing a further 70 to 120 job losses and agreeing to pay cuts averaging 7 per cent. The individual cuts will vary between 2 per cent and 10 per cent.

The Minister in charge of Radio New Zealand Ltd, Warren Cooper (the Minister of Broadcasting does not hold the shares in Radio New Zealand and TVNZ), later announced he was halving the size of the Board of Radio New Zealand, resignations being requested from three women members of the Board, the other woman member having already resigned. The Minister said the purpose was to have a more commercially-oriented Board. One vacancy was filled by the appointment of a prominent insolvency accountant. One of the women requested to resign was a qualified chartered accountant. Another had won an award as a businesswoman. A third was a lawyer.

The Opposition Spokesman on Broadcasting suggested that Radio New Zealand Ltd was being prepared for sale but the Minister denied that was the immediate intention although it was likely that some unprofitable country stations would be sold. Several management positions have disappeared -one through disestablishment, another through a voluntary retirement.

The Chief Executive of Radio New Zealand, Beverley Wakeam resigned before the pay cut proposal. A replacement is about to be appointed.

The Government may free Radio New Zealand from *State Owned Enterprise Act* obligations to be socially responsible and a good employer because, it is claimed, that puts RNZ at a disadvantage to the private sector. Mr Williamson said: "Now that radio is so competitive and there is much private sector radio, we have to look at whether we want Radio New Zealand to be bound by such a restrictive code relative to a lot of other companies."

TV2 and TV3

National Government policy to sell off one of the state owned television channels, TV2 has been reaffirmed as part of policy but not as an immediate objective, due to current economic conditions.

The holding operation, however, may make TV2 seem a less attractive buy. TV3's recent rating successes; particularly over a well-watched rugby league match played in Australia and several shrewd programming changes by a more recently appointed Australian programmer, have raised the image of TV3 which is still in the hands of Westpac's receiver.

National Government policy on overseas ownership of broadcasting has been considerably influenced by the plight of TV 3 for which Westpac has been seeking a buyer. The Government made no secret of the fact that recent moves, first in a bill to permit 49 per cent overseas ownership and then a select committee recommendation to allow 100 per cent overseas ownership of broadcasting stations in New Zealand, were influenced by the perceived need to maintain and strengthen competition for TVNZ.

Maori broadcasting

Litigation by Maori interests has resulted in the Court agreeing that the assets of the Crown that were passed to Radio New Zealand Ltd can be disposed of. Some FM frequencies have been reserved for Maori radio.

The position is different for television. The Government was told to go back and look at what should be done under the Treaty of Waitangi section of the *State Owned Enterprise Act* for the Maori language through television. In May the High Court directed the Crown to come up with measures to protect Maori television.

The Crown was given until 26 July to come up with a plan to meet its obligations under the Treaty of Waitangi. More Maori language television, a national Maori television channel or tribal based or regional television are three options proposed by the Minister of Commerce.

Broadcasting reform

Access to Air Waves is the title of a study edited by Professor Gary Hawke for the Institute of Policy Studies. The study includes 17 contributions to a seminar on broadcasting policy. Although the institute failed to invite Television New Zealand and TV3, their plea for a period of stability is supported by many of the contributions.

As Julian Mounter, Chief Executive, TVNZ said, "In an environment where Governments have changed broadcasting legislation 17 times in less than 30 years, that mildly phrased request for a breather is not surprising."

Advertising self-regulation

Control of advertising standards for radio and television may be vested in an advertising industry-appointed advertising standards complaints board.

The thrust for the move comes from private broadcasting interests and the Association of Advertising Agencies following an upgrade of the advertising industry's self-regulation and the appointment of a lawyer as part-time executive director of the advertising industry standards body.

Following the demise of the Broadcasting Tribunal in 1989 a Broadcasting Standards Authority was set up to cover both program content and advertising. The Authority has both a legislative and an adjudicative role but is required to consult and approve codes of standards under statutory guidelines.

The Minister has questioned some of the Authority's 'trivial' complaints but that, at least partly, seems to be a case of giving a body a duty to act judicially and then expecting it to act somewhat arbitrarily.

TV3, New Zealand's free to air independent television service, has issued proceedings under the *Commerce Act* against Television New Zealand. TV3 (in receivership) alleges TVNZ's unfair use of its dominant position (in the operation of TV1 and TV2) for counterprogramming TV3 and in program purchasing policies.

Pay TV and telecommunications

Sky Television, now 51% owned by Ameritech and Bell Atlantic Time-Life and Telecommunications Inc., has sacked 37 Auckland staff in June but promised subscribers and potential customers there would be no less spending on programs. Sky reconfirmed plans to be transmitting in Wellington and Christchurch by October in time for the Rugby World Cup. Sky operates three radiated subscriber television services in Auckland (news, sports and movies) and is planning a fourth.

Most of the sacked workers are reportedly in market servicing - dealing with new subscribers.

Ameritech and Bell Atlantic are major owners of Telecom New Zealand a formerly state owned monopoly. Television New Zealand Limited has a 16 per cent shareholding in Sky as well as a minority shareholding in Clear Communications Ltd, Telecom's new competitor which is partly owned by Bell Canada.

TVNZ: Scripts and programming

Eight projects by Auckland writers and producers are among those to receive funds totalling $165,000 from the Broadcasting Commission (NZ On Air) and Television New Zealand to develop scripts for prime time television programs. The awards will fund 14 projects for screening on TV1. The Executive Director of the Commission, Ruth Harley, said: "The funding is a first and if it is successful it will become an annual event".

Television New Zealand Limited has reached an agreement with an independent film maker, Greater Pacific Entertainment Co, to continue entertainment programs for channel 2. The company would continue to use TVNZ production facilities crews, and presenters.

Fine music radio

New Zealand's first privately owned fine music station plans to go on air in August with new technology.

Owned by the consortium headed by managing director of TV3, Trevor Egerton, the station will use an FM frequency in Auckland bought from Keywest, a community public service broadcaster which was one of the last stations to be licensed by the former Broadcasting Tribunal. A fine music warrant was also granted at the same time but the transitional arrangements under the *Broadcasting Act* did not require Tribunal conditions to be adhered to and the frequency was used by another station for FM simulcasts of an AM station.

The new consortium plans a low cost structure with only four full time employees. The fully automated station is acquiring pre-formatted tapes of classical music from a Californian station. Commercials will be largely spoken-word.

Independent regional TV

Canterbury Television, New Zealand's first independent locally-owned regional TV station, went to air in June from its studios in Christchurch which were formally TVNZ's. The station will run Christchurch advertisements made in the station's own studios as well as brand campaigns from national agencies. Commercial content will be 12 minutes per hour, the same as TVNZ and TV3. The advent of the station is expected to affect revenue for local radio stations.

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