SUBMISSION

TO THE

PRODUCTIVITY COMMISSION

INQUIRY
INTO
BROADCASTING

AUSTRALIAN KEY CENTRE
FOR
CULTURAL AND MEDIA POLICY

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THE AUSTRALIAN KEY CENTRE FOR CULTURAL AND MEDIA POLICY

The Australian Key Centre for Cultural and Media Policy was established by the Minister for Employment, Education and Training in July 1995 to provide research and training programs that can assist in developing informed and innovative cultural and media policies appropriate to Australia's changing needs and circumstances. The Key Centre is funded by the Australian Research Council as part of its Research Centres Program.

The Key Centre has worked with a number of agencies, organisations and industry bodies to fulfil its role of providing, facilitating and supporting best practice research, teaching and training in cultural and media policy and related fields. The Key Centre does not see its brief as one of advocacy but rather attempts to provide opportunities for policy research and debate.

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EXECUTIVE SUMMARY:

Convergence and Australian Content

- More work needs to be undertaken on the subject of how it is possible to facilitate audience access to local programming in a digitised television system such as the Commission imagines, before any recommendations about regulatory arrangements in support of such an outcome are settled.

The National Broadcasters

- More work needs to be undertaken to examine the role of public broadcasting and public broadcasters in a converged media environment.

Ownership and Control

- There is uncertainty that the Commission's Draft Recommendations will result in a significant number of new commercial broadcasting players, especially for television;

- The issue of multichannelling is central to ownership diversity in commercial FTA television: permitting multichannelling for current players will tend to inhibit new players entering the industry;

- The Commission's recommendation to introduce a public interest test to assess media merger proposals will replace a clear, objective rule with a subjective test with the potential to become hostage to political interference;

- Cross-media ownership will lead to imbalanced media competition, which will be conducive to further concentration of media ownership.

Influence and Australian Content Regulation

- There is a strong case for television advertising being considered to have very significant "spillover social or cultural benefits" and for its cultural value to have significant "additional value to viewers or the broader community" beyond that which is captured in the cash value of the advertisement or the product;

- It would be appropriate for the Commission to clarify the social and cultural objectives for Australian content regulation for television advertising, the transmission quota and pay-TV rather than recommend deregulation in these areas;

- 'Degree of influence' needs to be rethought as part of a contemporary approach to broadcasting services, with radio seen as being at least as

influential as television in terms of the key reason broadcasting is regulated at all, namely, influence in opinion formation. This might lead to re-regulation of radio to underwrite diversity and transparency in opinion formation.

Pay TV Services

- The Commission needs to pay more attention to: (1) the structure, function and future organisation of Australia's pay-TV providers; (2) the telecommunications industry as the primary distribution media through which these services are currently delivered; (3) the relation between these providers and existing television services; and (4) the relationship between spectrum-delivered and telecommunications-delivered broadcasting and datacasting services.

1.   The Inquiry

At the outset, the Centre would like to express its appreciation for the openness with which the Productivity Commission has undertaken its reference on Broadcasting.

Media policy is a broad, contentious canvass and it has ever been thus. The Commission has properly chosen to engage with a wide range of parties on the matters on which the Treasurer's reference sought its advice, thereby setting itself the onerous task of searching through an array of often contradictory views in order to reach conclusions.

The Centre also appreciates the opportunity to comment on the Commission's conclusions "in draft" and will note, in particular, a couple of Draft Recommendations with which it agrees and will raise some issues in respect of matters arising from the Draft Report's narrative and the Draft Recommendations about which it has some concerns.

The Centre welcomes the Commission's Draft Recommendations on broadcasting licences and spectrum allocation, separating as they do the matter of *access* to spectrum from the matter of *use* of the spectrum. This intervention should have the positive result of permanently altering in Australia the nature of the debate on this area.

Australia's unique policy position of mandating the delivery of some programming by HDTV as part of the digital conversion plan has always struck the Centre as curious, so it wholeheartedly endorses the Draft Recommendation to remove this mandate.

2.   Convergence and Australian Content

The combined consequences of the implementation of the Commission's Draft Recommendations in chapters 4, 6 and 7 in particular are likely to produce a profound change in the business of television broadcasting in Australia. It seems clear from the Draft Recommendations themselves and from the narrative of the Draft Report that this is the Commission's intention. This change would affect the number and range of broadcasters. It would also affect a range of other aspects of the broadcasting system, including the amount of material required to fill increased broadcast time, the fragmentation of advertising revenue which is currently concentrated among four broadcasters and possible sources of revenue for broadcasters to fund the payment of license fees or fund the production of material for broadcast.

At the same time as providing for such change, the Commission has accepted there exists social and cultural bases for regulation in support of Australian content and recommended the maintenance of existing quotas for first release Australian drama and documentaries (Draft Recommendation 9.1) and that

"the existing quotas for children's programs on commercial television should be maintained…" (Draft Recommendation 9.2).

These quotas were developed for an analogue television system where there were only three commercial broadcasters with spectrum access, all of which argued that the economics of production in the areas for which the quotas obtain were poor, if not impossible; and the Government took a different view, namely, that the public good was appropriately served if Australian audiences had access to high quality locally-produced drama and other programming.

In its project to effect significant change to the television landscape in Australia and in recommending the retention of some aspects of the current regulatory arrangements in support of Australian content, the Commission is in danger of creating a chasm between the system itself and its capacity to deliver certain kinds of Australian content to Australian audiences which it may not be possible to bridge, thereby undermining the Commission's own commitment to ensuring a place for that content on local television screens.

The Centre submits that in the context of the Commission's recommended changes to the television system, it is simply not enough to recommend the continuation of some aspects of the Australian content regulatory arrangements, as those arrangements may be rendered unsustainable due to the restructuring of the economics of broadcasting in Australia which is already underway.

The Centre concurs with the Commission's comments on some possible implications for content regulation in a fully converged media environment (Productivity Commission, 1999, p. 240). The Centre takes the view that a great deal more work needs to be undertaken on the subject of how it is possible to facilitate audience access to local programming in a digitised television system such as the Commission imagines, before any recommendations about regulatory arrangements in support of such an outcome are settled. Such work would need to consider transitional arrangements between current Australian content regulation, any liberalised convergence scheme (and indeed the current convergence scheme) and a fully converged environment.

3.   The National Broadcasters

It is clear from the *Scope of the Inquiry* section of the *Terms of Reference*, that the key focus of the work of the Commission would be the commercial broadcasting industry. Indeed, the Commission has closely examined and reported on the operation of the free-to-air (FTA) industry and proposed a series of recommendations which, considered together, provide for significant changes to the nature and structure of the Australian audiovisual marketplace. The impact of the proposed changes is aided by the convergence

of broadcasting, telephony and computing which the Commission describes thus:

> The changing scope of broadcasting services in terms of who provides them and what they are, is fundamentally redefining 'the media'. (Productivity Commission, 1999, p.xxiii)

Nevertheless, the Commission has chosen to pay some attention to the two national broadcasters. There are two observations in the Draft Report about the national broadcasters which reveal some surprising assumptions on the part of the Commission about ABC and SBS operations now and into the future. These observations are the more surprising as they are contained within the body of a document which makes a vigorous case for widespread change to Australia's audiovisual marketplace.

The assumptions are well illustrated by the following extracts from the Draft Report:

> The Commission has also taken as given the continued role of the national broadcasters. (Productivity Commission, 1999, p. xxiv)

> Many of the Commission's recommendations in this report are premised on the national broadcasters continuing their current roles in broadcasting. (Productivity Commission, 1999, p. 89)

According to the 1999-2000 Budget Statement, the ABC's ordinary annual appropriation was $599.158m. The same Budget Statement indicates that the ABC is expecting revenues from other sources of up to $120.449m, making total revenues for the current financial year $719.607m. The Budget Statement also advises that ordinary appropriation to SBS for the same period is $106.343m. SBS is expecting revenues of up to $22.164m, making total revenues for the current financial year $128.507m.

The combined figure for the operating budgets for two the national broadcasters is therefore $848.114m. This is a sizeable intervention into Australia's audiovisual marketplace, of which upwards of 75 per cent is contributed by appropriations from the Budget.

The Mansfield Report (Mansfield, 1997) and the Federal Government's Conversion Plan for digital television are significant interventions which each, with a different purpose, pay attention to the place of the national broadcasters in Australia's audiovisual landscape.

There was extensive discussion generated by the Mansfield Report. The report and recommendations were in response to a reference from the Minister for Communications, Information Technology and the Arts to review the role and functions of the ABC in order to better articulate the

scope and services it should undertake. The debate centered around the report and its recommendations with a great deal of attention focussed on a small number of recommendations, especially those relating to outsourcing.

While public discussion about the report did focus on the matter of the *ABC's* future, it did not do so as part of a discussion about *television's* future. So there is a sense in which the whole debate about the ABC was acontextual. It did not address a future where digitisation would alter the way spectrum could be used and therefore allocated. Nor did it reflect on the extent to which such developments may give rise to a new range of services and new uses for services, thereby suggesting an examination of the role, not just of the ABC, but of both national broadcasters.

During the debate which accompanied the *Television Broadcasting Services (Digital Conversion) Act 1998* there was considerable public discussion about whether and to what extent the Commonwealth should assist the national broadcasters into the digital age. While this discussion touched on the place of the national broadcasters in a digital audiovisual marketplace, the bulk of it was about numbers and their size.

There has been some public discussion about the online policies and activities of both national broadcasters. This discussion has generally been confined to the current and potential online activities of the ABC and SBS. It has rarely become a more widespread discussion or investigation into what kind of place these organisations might take up in a future as imagined by those who envision significant change.

So there have been at least three occasions in the past three years where the possibility for a wide-ranging, careful and public look at what kind of contribution the national broadcasters might make to Australia's television (and overall) future in the context of the imagined impacts of convergence could have occurred, and did not.

In this context, it seems curious for the Productivity Commission to assume the same, continuing role for the ABC and SBS as exists in the current analogue broadcasting environment, especially in light of its proposals for the Australian audiovisual media marketplace, its acknowledgment of the impact of convergence, the combined total intervention of the national broadcasters into that marketplace and the size of Australia's financial commitment to its national broadcasters.

While these matters are clearly the province of the organisations themselves – and it is not the Centre's intention to suggest they have not been extensively canvassed within both – both the ABC and SBS are public institutions which command between them a large Budget appropriation, use of spectrum and the attention of Australian viewers.

It would therefore have been appropriate for the Commission to canvass the role and functions of the national broadcasters to a greater extent than it has done. The brief observation in its comments on *Content Regulation in a fully converged media environment* (Productivity Commission, 1999, p.240) about the need for reconsideration of the role of the ABC and the SBS under such circumstances is insufficient. It leaves the reader with an uncomfortable feeling that while seeking to effect significant change, the Commission has decided that major players (the national broadcasters) should continue to operate unchallenged and unchanged or that they have simply been ignored with the exception of a postscript.

The Centre submits that, as with the issue concerning convergence and Australian content, there needs to be more work undertaken which examines the role of public broadcasting and public broadcasters in a converged media environment, and the extent to which there should be any arrangements (beyond those provided for in the convergence plan) for the transitional period.

4.   Ownership and Control

4.1   New players in commercial free-to-air television broadcasting

The major recommendation in the Commission's Draft Report relating to cross-media ownership is:

> That only after the following conditions have been met:
> - removal of regulatory barriers to entry in broadcasting … together with the availability of spectrum for new broadcasters; and
> - abolition of restrictions on foreign investment, ownership and control in the BSA; and
> - amendment to the *Trade Practices Act* to provide for a media-specific public interest test to apply to mergers and acquisitions;
> the cross-media rules should be removed (Draft Recommendation 8.4).

This Draft Recommendation seems to be based on the implicit assumption by the Commission that the combined effect of the removal of regulatory barriers to entry into the broadcasting industry, the provision of spectrum for new broadcasters and the abolition of the current foreign investment restrictions will lead to a sizeable increase in the number of new commercial FTA broadcasters. In its discussion of digital television the Commission asserts that spectrum availability and market forces will allow "a significant number of new players" in metropolitan markets (Productivity Commission, 1999, p.137).

However, we believe that while the removal of entry barriers and foreign ownership restrictions and the availability of spectrum are *necessary* conditions for permitting a significant increase in the number of commercial

FTA television broadcasters, they may not be *sufficient* conditions. From our examination of the effects of digitalisation upon commercial television broadcasting it is not at all clear that the new technology will give rise to a significant number of new players – in metropolitan or regional areas.

Digitalisation will facilitate a considerable increase in the number of television and radio *channels*, but it will also generate economic forces conducive to concentration of *ownership* of those channels. For industries where *economies of scale* are significant, entry is difficult and the market tends to be concentrated. Radio and especially television broadcasting are industries where substantial economies of scale are experienced. While the cost of producing programs ('first copy cost') is high, the marginal cost of transmitting programs to listeners and viewers is very low (virtually zero).

Cross-media ownership will also give rise to *economies of scope* between different media activities that were previously separated (Graham and Davies, 1997, pp.12-13). This will also be conducive to ownership concentration. The phenomenon of convergence and the large number of multimedia mergers in recent years are testament to this effect.

Graham and Davies explain what they see as a "critical dilemma for public policy" (p.17):

> High quality material can still be produced and yet cost very little *per unit* provided that it reaches a large number of people (exploiting economies of scale) and/or provided that it is used in a wide variety of different formats (exploiting economies of scope), but the exploitation of these economies of scale and scope imply concentration of ownership. Thus, even though the new technology has removed [one] source of monopoly, spectrum scarcity, it has replaced it with another, the natural monopoly of economies of scale.

The analysis by Goodwin (1998) of the likely effects of digitalisation on the economics of broadcasting reinforces Graham and Davies' argument. According to Goodwin, digitalisation is likely to extend the economic advantages of the large incumbent media companies because of the greater number of consumers over which they are able to spread their first copy costs. Goodwin also believes that, with digitalisation, competition for consumers will be waged mainly in terms of the attractiveness of media products. In this competition, existing large media corporations will have an inherent advantage because they can afford to invest more in production and thus produce a more attractive product.

With the current restriction on the number of analogue television channels, the programs that are produced and transmitted on FTA television cater mainly for general tastes and are directed at a mass audience. An increase in the number of channels made possible by digitalisation will allow (indeed

compel) FTA broadcasters to cater to the programming tastes of minority, niche audiences. Thus, with an increased number of FTA channels the television audience is likely to be fragmented. However, it does not necessarily follow that niche programming will be provided by *new* FTA broadcasters in a multichannel environment. The established broadcasters will not only be looking for ways to supplement falling revenues caused by declining audiences for their traditional mass audience programs, but, with their experience in the industry and relationships with program producers, will also be best placed to provide niche programming for the newly fragmented audiences.

Another consideration relates to the issue of programming costs. It can be expected that, with an increased number of channels and fragmented audiences, the average audience size for most or all digital FTA channels will be less than it is currently with only three analogue television transmissions in each market. (Total viewing hours may increase slightly, but not nearly enough to offset an increased number of digital channels.) This will increase the *average cost per audience member* of programs broadcast, which in turn will act to reduce advertising rates and squeeze per channel profitability of FTA television broadcasting. It is also possible that the increased demand for product to fill a greater number of channels will generate increased competition for scarce production services that will tend to raise the cost of programming. This environment will be much less attractive to potential new entrants into the industry.

The means for the incumbent broadcasters to provide programming for a fragmented television audience is *multichannelling*. Although the digitalisation decision of the Government currently prevents multichannelling by commercial FTA broadcasters until at least 2006, this policy may be reviewed during the transition period to all-digital broadcasting. Notably, the Commission has recommended that FTA multichannelling by commercial broadcasters be permitted (Draft Recommendation 6.2). With multichannelling by each of the existing three FTA television networks it is not clear that the Australian market is sufficiently large to support additional new commercial FTA broadcasters (see below).

4.2   Limits on the number of licences

The Commission recommends the repeal of the two-station rule for radio and invites comment on the need for the one station rule for commercial television (Draft Recommendation 8.3). This issues relates to the potential of digitalisation to facilitate an increased number of television channels, as well as to the Commission's recommendation to permit *multichannelling* by FTA commercial broadcasters (Draft Recommendation 6.2).

We argue above that in an all-digital system the incumbent FTA commercial television broadcasters will have an incentive to transmit programmes over more than one channel. However, as mentioned, multichannelling by commercial FTA broadcasters is prohibited under current policy. If this prohibition were to be maintained following the transition to digital transmission and existing broadcasters were permitted to transmit on only one digital channel, it is likely that their share of both the television audience and advertising revenue would decline, perhaps considerably.

The multichannelling issue is thus central to commercial television ownership diversity under digitalisation: if the existing networks are permitted to multichannel it is less likely that there will be new entrants into commercial television; if, however, multichannelling continues to be prohibited and the present incumbents are restricted to transmit on only one channel, there will much greater potential for entry by new players.

The policy options therefore are (a) *not to permit multichannelling* which may result in a *greater* number of commercial FTA television broadcasters, and (b) to *permit multichannelling* which may bring about a *smaller* number of broadcasters. These options involve a trade-off between the possibility of greater competition and ownership diversity under (a), and greater economies of scale (and perhaps increased programming diversity) under option (b).

By this analysis, the set of arrangements which is most likely to lead to increased media ownership concentration is that recommended by the Commission in its Draft Report, namely, permitting multichannelling *and* cross-media ownership.

4.3   From objectivity to subjectivity

The Commission points out in its Draft Report (p.180) that the advantage of the existing cross-media rules is "certainty and transparency, which means they are readily understood". By recommending that they are removed and a media-specific public interest test is incorporated into the *Trade Practices Act*, the Commission is effectively supporting the replacement of a clear *objective* rule with a test which will necessarily be *subjective*. Although under the Commission's proposal media mergers and acquisitions would be subject to consideration against a set of public interest guidelines, we believe that the outcome of such consideration would be at least to some extent influenced by the personalities and ideologies of the individuals involved in the decision making process.

The Commission notes (p.196) that the use of a public interest test in the consideration of proposed media mergers or acquisitions would be more *flexible* than the current arrangements. We agree, but see this as a negative, not positive feature of the Commission's proposal.

We believe that the public interest test recommended by the Commission for consideration of inherently contentious and fundamentally important decisions relating to media mergers has the potential to become subject to intervention by the government of the day and/or other interests seeking to influence the responsible regulatory body towards a particular decision.

In a situation where there is a policy choice between so-called 'flexibility' and the possibility of undue political pressure on the one hand, and certainty and transparency on the other, the Centre takes the view that on balance the public interest is best served by a policy that delivers transparency and certainty.

4.4 Imbalanced competition

Yet another objection to allowing cross-media ownership is that rather than produce a 'level playing field' it may well lead to a serious imbalance in media competition. Whereas digitalisation may bring about a greatly increased number of radio and television channels (although we argue above that this may not widen media *ownership*) the economic characteristics of newspaper publishing make it unlikely that there will be any new major newspaper titles or publishers in Australia.

With Fairfax and News Corporation the only major publishers of metropolitan newspapers, cross-media ownership will result in a maximum of only two daily newspaper-television network combinations. These will enjoy the advantages of economies of scope, cross-promotion and package deals for advertising across commonly owned media to the disadvantage of those corporations without jointly owned newspapers.

5. Influence and Australian Content Regulation

The Productivity Commission's *Terms of Reference* make it clear that it is working against a background where broadcasting regulation seeks "to provide a regulatory environment that varies according to the degree of influence of certain services upon society and which facilitates the development of an efficient and competitive market that is responsive to audience needs and technological developments". The Acts also seek "to protect certain social and cultural values, including promoting a sense of Australian identity, character and cultural diversity . . . "

The scope of the inquiry asks the Commission "to advise on practical courses of action to improve competition, efficiency and the interests of consumers in broadcasting services. In doing so, the Commission should focus particular attention on balancing the social, cultural and economic dimensions of the public interest . . ."

The Commission has actively sought in its Draft Report to intervene to strengthen "social and cultural dimensions of the public interest" in broadcasting where it has considered this appropriate. The clearest example of this is its Draft Recommendations about Indigenous broadcasting (although it could be argued its Draft Recommendation with regard to community broadcasting implies some strengthening of that sector's place in a diverse media environment). It has also sought to intervene in social and cultural outcomes through its Drfat Recommendations on the regulation of online content (section 10.6).

In like vein, the Centre submits that it would be an appropriate response from the Commission, and within its terms of reference, to clarify the nature of the social and cultural objectives of the Act where it has found them inadequate or unclear. The broad thrust of the Draft Report has been to recommend deregulation where inadequate rationale have been given in the legislation or regulation, or where there seems to be evidence of the minima mandated in the regulations being exceeded. On the other hand, the Centre suggests that it may be an appropriate role for the Commission to clarify and modernise the rationale for regulation, not automatically recommend deregulation.

5.1   Advertising

The Centre would contest that, with regard to the cultural dimensions of television advertising, "there are few if any spillover social and cultural benefits . . ." and that "while Australian advertisements can have a social or cultural value, they are unlikely to have any additional value to viewers or the broader community which is not already captured in the price of the advertisement (and ultimately in the price of the product being advertised)" (Productivity Commission, 1999, p.228).

Advertising occupies several hours per day of transmission time. It is produced with the express objective of being retained in the viewer's memory for a sufficient time and with sufficient impact to influence purchasing and other behaviours. Primetime national brand advertising is the most expensive television content expressed in terms of budget to transmission time by far. Very sophisticated strategies of reflecting cultural indices are employed in the creation and dissemination of television advertising. The history of advertising shows that it has grown from being a purely instrumental and informational form to being a highly sophisticated cultural product. A considerable body of research in advertising argues that it works by *exceeding* the purely functional purpose of providing persuasive information about products. For instance, Jules Goddard argues that "consumers perceive advertisements in aesthetic space and do not make use of ads as though they were salesmen" (quoted in Cunningham 1992, p.78). The creative success of ads should be seen as equal to, rather than a function of, selling products.

The classic anthropological study of advertising by Mary Douglas and Baron Isherwood (1979) identifies three positive functions which advertising may perform. It may cement the cultural valence of consumption by creating cultural identities for products; accelerates circulation and information in the market place; and it may defend against the formation of oligopolistic markets. John Sinclair (1987) concludes his theoretical study of advertising by arguing that it is "neither a functional requirement of capitalism nor the driving force of economic growth" (p 182). In *Social Communication in Advertising*, Leiss, Kline and Jhally (1986) conclude from their comprehensive history of the development of advertising that it is "a unique cultural form with its own grammar and logic" and a "privileged discourse for social cues about persons and objects".

Appended to this submission is Stuart Cunningham's research findings on the social and cultural dimensions of television advertising as they apply to Australian content regulation for television advertising from his book, *Framing Culture: Criticism and Policy in Australia* (1992). In this attachment he develops a detailed outline of the cultural importance of television advertising in Australian culture. There is a strong case for television advertising being considered to have very significant "spillover social or cultural benefits" and for its cultural value to have significant "additional value to viewers or the broader community" beyond that which is captured in the cash value of the advertisement or the product.

5.2   The Transmission Quota

Similarly, the Centre contests the Commission's statement that "it is debatable whether all of these program types [included in the transmission quota] contribute to stated cultural and social objectives" (Productivity Commission, 1999, p.236). Again, the transmission quota covers television broadcast time about three times greater than that covered by the primetime quota. It embraces television programming rarely seen in primetime. Australian content during the hours of 6am to 12 midnight thus contributes decisively to diversity of content.

Within the hours covered by the transmission quota, but outside the evening hours, is found local programming which meets local and regional needs not met by predominantly nationally-networked programming during primetime. It includes early morning programming for children, which delivers crucial diversity in the system. It includes programming specifically designed for groups in Australian society who are arguably marginalised in many ways: shiftworkers, the unemployed and underemployed, house workers, the homebound, including the sick and elderly, and those not included in the previous categories who are identifiable as heavily dependent on television for companionship and leisure. For many people in these groups, Australian content on television outside of primetime hours may be

some of the main ways in which they are able to experience the culture in which they live.

5.3   Pay-TV

The Commission has found that the expenditure requirement for predominantly drama channels on pay-TV is "unlikely to address stated social and cultural objectives of content regulation" (Productivity Commission, 1999, p.237). It finds this on the basis that the expenditure requirement does not require any commitment to broadcast the programmes.

The Commission is correct in its analysis of the inadequacies of current pay-TV regulation, just as it is correct in pointing to the inadequate rationale provided in the current content regulations for advertising on commercial FTA television.

However, it recommends that the existing quotas for first release drama and documentaries should be retained and comments that:

> Many Australian programs rate well (and thus supply audiences for advertisers), but they will not be preferred by broadcasters if the program costs relative to advertising revenue are higher than those for imported programs (Productivity Commission, 1999, p.205).

Given the Commission's preparedness to accept that the types of television programming which benefit from the current primetime sub-quota for commercial FTA television need regulatory support, it is logical that the same genre of television programming (drama) should also attract regulatory support in the pay-TV environment. The reasons that the Commission accepts in support of the need for continued regulation in free-to-air primetime apply with even greater force to the pay television environment. The costs of delivering such desirable cultural product in pay television would be sufficient to ensure negligible Australian content without regulatory imposition.

There is nothing coherent in terms of social and cultural objectives of regulation that would allow for a recommendation that drama is supported in the free-to-air environment but not in the pay environment. Indeed, it would be more logical to consider that the other genres of programming currently supported by the sub-quota (children's, documentary) should be supported in the pay environment because, regardless of the difference between free-to-air and subscription television, the same cultural objectives should apply to the same genres of programming.

The Centre submits that it would be appropriate for the Commission to clarify the social and cultural objectives for Australian content regulation for

television advertising, the transmission quota and pay-TV rather than recommend deregulation in these areas (see Section 6 below).

5.4   Influence

While several aspects of the Commission's Draft Report address the question of influence, direct analysis of this question is a minor part of the report. The Draft Report acknowledges the rationale for regulation being based on the influence of broadcasting, both positive and negative, but emphasises (p.241) that "uncertainty surrounds the nature and extent of media influence". Causal relationships between media, public opinion and social norms are "unclear". Arising from the Draft Report's direct discussion of influence is support for an underwriting of "freedom of expression" in broadcasting services, thus committing the Commission to a US-style liberalisation of the media's ability to inquire and report, rather than a more cautious response to community concern about the excesses of media influence.

Governments have traditionally been partial to the notion that the media are very influential. This decisively informed the creation of public broadcasters - both radio and TV - throughout this century. In many cases it was a case of a clear determination that commercial interests were to be kept at bay in the running of what were perceived early on to be key informational and educational resources.

Governments formed these views against the background of centuries of newspaper proprietors often using their publications as personal loudspeakers for their and their cronies' points of view. There was sufficient concern about this untoward degree of partiality as newspapers became truly *mass* media that the idea of the newspaper as personal megaphone was replaced by the equally problematic notion of neutrality or objectivity, wonderfully summed up by Richard S. Salant, President of CBS News in the 1970s, who opined that "Our reporters do not cover stories from their point of view. They are presenting them from nobody's point of view" (quoted in Cunningham and Miller, 1994, p.35).

It is also clear that the notion of influence is firmly embedded in legislation and regulation. The *Broadcasting Services Act 1992* applies "different levels of regulatory control to the range of categories according to the degree of influence that different categories of service are able to exert in shaping community views in Australia". The Objects of the Act include "to encourage diversity in control of the more influential broadcasting services" and "to ensure that Australians have effective control of the more influential broadcasting services".

'Influence', then, is an historically central and necessary term in media law and policy, but is rarely interrogated and there is increasing pressure to justify its relevance.

The first challenge is the argument that a plethora of new media, the Internet, and other sources of information and entertainment render the notion of a single medium being highly influential outdated. This is a position voiced from politicians through industry figures to theorists embracing the democratic potential for communication to circumvent the present controlling oligopolies. Political opinion, voiced from Prime Minister Howard down, has it that the existing broadcasting law which seeks to limit foreign and cross-media ownership - law whose legitimacy is based on curbing untoward media influence falling into too few hands - is rendered superfluous by the plethora of new media outlets. This is despite there being almost no conclusive trends that support such assertions. Indeed, as we have seen, most of the evidence points to powerful media players moving effectively to tie up new media. This argument continues to hold sway in decision making circles and public debate, fuelled by the contemporary knockdown belief in *technoboosterism.*

Socially and culturally, this position is undergirded by a sense that most of us now share a common culture of sophisticated media literacy. Traditional concepts of influence came from a time when 'old media were new' and people were trying to get a grasp on what they might mean for society. Now, there is widespread media literary and the time-worn anecdotes - about the only people who can tune a TV or VCR, time shift a program, or get online or make a DIY webpage are kids - should be extended to acknowledge that media content is simply part and parcel of the landscape and that it matters less for what it can do *to* people than for what people can do *with* it (get jobs, find self expression and community and cultural expression, communicate globally and more equally, etc). This view radically flattens the topography of the haves and have-nots and renders issues of ownership and control of marginal significance.

The Centre takes the view that the growth of outlets and of media literacy are not sufficient in themselves to allow traditional notions of influence through ownership and control to be superannuated; especially as the Commission has not recommended a structured approach to underwriting diversity of opinion in the marketplace of ideas through, for instance, a Diversity Commission. The Centre submits that this is an area which would benefit from further exploration.

A second challenge is thrown up by reassessments of the relative influence exercised by different traditional media, namely, print, radio, and television. The regulatory architecture has traditionally assumed that broadcast media should attract higher levels of regulation because they use scarce public property - the airwaves - and because they are relatively more influential than print and other media of 'choice'. However, these assumptions need to be unpacked, as they conflate different notions of influence. The two main notions that 'influence' the idea of media influence are a social-psychological

model based on pervasiveness and emotional and sensory impact, and a cognitive model based on a political theory of elites (see Cunningham, 1997, pp.31-34). Television's influence can be basically sheeted home to the first, while it is print, and most particularly the broadsheet metropolitan daily press, that exercised influence out of all proportion to its readership base by forming the political agenda - one elite, the media, interacting with other power elites. But where does radio sit in this topography?

Implicit in the *Broadcasting Services Act 1992* is the assumption that television is more influential than radio and print, and thus it attracts greater levels of regulation. This was the basis on which radio was effectively deregulated in the early 1990s. However, this might need to be rethought in terms of radio having very significant power and influence. The Australian Broadcasting Authority's 'cash-for-comment' inquiry into whether commercial radio talk back high flyers like John Laws, Howard Sattler, Stan Zemanek, and Alan Jones have modified their editorial opinions in exchange for financial inducements from major lobbies such as the banks has brought radio's influence into a very public light.

The controversy confirmed that radio opinion leaders enjoy great longevity and they radically blur the distinction between journalism and entertainment, information and persuasion. They reach a key electoral demographic - the broadly-based middle-to-lower class with a stake in opinion formation - arguably far more effectively than TV with its dominant entertainment modalities and its middle-of-the-road sensibility that cannot afford to alienate any significant segment of the community. Political figures and other opinion formers have long understood that maximising favourable (and minimising unfavourable) airtime on the key radio talk back programmes is often more prized than appearances on television. Liberal Party power broker Michael Kroger claimed that Alan Jones had had a crucial influence on the outcome of the 1998 Federal election after analysing the correlations between Jones' listener demographics and outcomes in seats held or won in Sydney by the Howard government.

'Degree of influence' needs to be rethought as part of a contemporary approach to broadcasting services, with radio seen as being at least as influential as television in terms of the key reason broadcasting is regulated at all: influence in opinion formation. This might lead to re-regulation of radio to underwrite diversity and transparency in opinion formation.

6.   Pay-TV Services

The Productivity Commission Inquiry's Draft Report focused on the use being made of and currently proposed for the broadcasting spectrum, seeing this as the key policy issue for the development of a competitive broadcasting environment. This made using the broadcasting spectrum for additional

television services and datacasting services a primary focus of the report. While the efficient and competitive use of the spectrum is important, particularly in the context of spectrum-hungry high-definition television services, it does not adequately address a key existing broadcasting sector, namely, pay-TV, and the services it provides.

We do not know from the Draft Report whether there is:
- an efficient and competitive allocation of resources and an appropriate regulatory framework for television services delivered *by other means* particularly through the pipes of telecommunication service providers; or
- an appropriate economic and regulatory framework governing the relationship between the emerging pay-TV environment in Australia and existing and emerging telecommunications providers.

We also do not have spelled out in the Draft Report what kind of relationship is envisaged between the existing and projected subscription television services delivered by telecommunications and those delivered through the use of the broadcasting spectrum.

The Centre submits that the Commission needs to pay more attention to: (1) the structure, function and future organisation of Australia's pay-TV providers; (2) the telecommunications industry as the primary distribution media through which these services are currently delivered; (3) the relation between these providers and existing television services; and (4) the relationship between spectrum-delivered and telecommunications-delivered broadcasting and datacasting services.

6.1 The "New Kids on the Block" Syndrome

As noted above, the Draft Report's attention to the "new kids on the block", namely, digital television, multichannelling and datacasting delivered through the broadcasting spectrum, has come at the expense of sustained economic and regulatory attention to both the emerging pay-TV environment in Australia and the relation between this sector, free-to-air broadcasters and the existing and emerging telecommunications marketplace.

To some extent this focus repeats past priorities in the public discussion of broadcasting policy to bed down new technologies or to construct synergies between broadcasting services and telecommunications at the expense of a fully-developed and formulated policy discussion on the utility, prospects and economics of pay-TV services as broadcast service providers within a larger framework of broadcasting services provision. This same trend worked against the development of pay-TV services in the first part of the 1980s with the priority being given for the satellite delivery of broadcasting services. The prospect of fibre-optic cabling in the latter part of the 1980s exercised the public conversation on pay-TV, offering the prospect of an Australian lead by

waiting for the development of broadband services. The coupling of the entertainment and information economies through bringing together telecommunications companies and pay-TV providers in the early 1990s turned attention away from the nuts and bolts of the development of pay-TV services, leaving undifferentiated the different priorities of content providers and distribution conduits. Of course, it could be argued that digital broadcasting, multichannelling and datacasting represent new departures which allow Australia to leapfrog the pay-TV phase. If the Commission feels that this is the case then it needs to demonstrate that it is so.

The Centre submits that the Commission needs to interrogate its emphasis on the new environment paying attention to the appropriate environment for, and possibilities involved in, the likely development over the next decade of subscription television services using existing established technologies.

The Draft Report suggests that there are substantial opportunities for the consumers and the Australian television industry, including the production industry, in more not less television and in more varieties of television. If this is the case then the Commission needs to scrutinise the current regulatory environment and structure of pay-TV services for its competitive and anti-competitive elements alike and to evaluate the extent to which existing broadcast regulation in the area is sufficient to develop this area of broadcasting services.

6.2   Some Questions to Answer

The Draft Report says little about the health of the pay-TV industry in Australia, or of the barriers or otherwise to entry in the sector. There is no financial modeling for this sector. There is little sustained analysis of its prospects. In this context a number of questions need to be answered by the Commission:

Is the relation between pay-TV providers and telecommunications companies such as to require regulatory scrutiny? What is the Commission's preferred position on the extent to which telecommunications companies should or should not be required to carry services (this is a particularly significant question to answer given the extensive involvement of the two major telecommunications companies in pay-TV services)? Some further questions here are: should the telecommunications services operate under some kind of *common carrier* regime? Is there a case for seeing pay-TV services in Australia as a vehicle for promoting new entrants and increasing diversity of service and if so what, if any, regulatory regime is required?

What position does the Commission take on the development and extension of what has been previously labelled *block buying* in motion picture distribution at the consumer end where the consumer's acquisition of a particular pay-TV service is dependent on acquiring several services they

may not want? What does the Commission think of current arrangements which are capable of *locking out* new service providers as happened with the ABC/Fairfax pay-TV initiative in the mid-1990s? Does the Commission consider that these arrangements are effective in developing a diverse national market for pay-TV programming? In the absence of policy in this area the Commission may well be neglecting an important means for developing a range of services initiated from a wider group of players and originating in different parts of Australia.

The Centre submits that the Commission should ask the following question: What kind of proactive pay-TV policy should be developed to facilitate rather than inhibit the transition to a multichannel environment and ensure that the pay-TV environment serves the interests of consumers, the television industry, content providers and the cultural objectives?

As it currently stands the Productivity Commission has attended to one aspect of the overall broadcasting equation leaving largely out of contention the area where industry strategies, governmental decision and existing policy settings are already having substantial effects.

The Centre submits that the Commission pay the same kind of detailed attention to the pay-TV sector as it has given to free-to-air services and datacasting, and that it attends to pay-TV industry development as a matter of importance for consumers, the television industry, content providers and for the cultural objectives of broadcasting regulation.

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CHAPTER 3

THE UNWORTHY DISCOURSE?
ADVERTISING AND NATIONAL CULTURE

The same Tribunal inquiry discussed in the previous chapter addressed itself to Australian content provisions covering all television programming, including advertising. Tribunal regulations governing television advertising historically have been different from those for other program material. They have been directed at prohibiting more than 20 per cent of any advertising being produced overseas, unless Australian crews travel overseas to obtain the footage. They constitute a very high level of protection for local content, and, because they have been in place for thirty years, they have been extremely influential in underwriting the television advertising industry in Australia.

Advertising, however, is truly the 'unworthy discourse' as far as cultural theory is concerned. If there has been an outstanding consensus amongst critical methods of various persuasions, it is that advertising panders to patriarchal and consumerist mentalities. In the wider scheme of things, this consensus sits comfortably with moves to deregulate a 'blatantly' protected industry. Regulation against foreign advertising content has been the subject of concerted attack from industry - primarily transnational advertisers - as well as high-level economic rationalist sources of advice to government, such as the Industries Assistance Commission (since renamed the Industry Commission). One of its recent reports attacked the 'virtual embargo' on foreign-produced ads: 'the sector enjoys an extremely privileged position relative to nearly all other economic activity in Australia' (IAC 1989: 202).

The Foreign Content in Advertising segment of the inquiry, therefore, called up the need for a wide-ranging account of the role advertising has played in the formation of national cultural identity, as maintaining an 'Australian look' on television, rather than industry protection, has been put forward as the prime rationale for continued regulation. The argument for making a positive connection between advertising and national culture has to be mounted in two basic areas. From the viewpoint of policy, the weaker argument is the appeal to the effects of deregulation in the area of advertising on the drama production industry. It is clear that television drama production in Australia could not have developed its present scope and depth without the industrial infrastructure of the

advertising industry. Evidence for this link is widely accepted and pieces of it are often cited in film and television histories (Shirley and Adams 1983, Moran 1985). For this reason, if for no other, deregulating television advertising would have major cultural consequences. The central argument, however, has to grasp the nettle - the positive contribution advertising itself may make to national culture. To this task, cultural and media studies, in their present forms, are markedly unsuited.

At the time of writing (mid-1991), the Tribunal has issued its proposal (ABT 1991b) on new forms of advertising regulation. Judging by the greatly increased level of public debate and coverage of this segment of the Australian content inquiry, it is clear that the question of the significance of television advertising for the maintenance of a creative infrastructure and a cultural identity in Australia has been put, however tentatively, on the public agenda.

This chapter will resume the shape and history of the inquiry. The main traditions or strands of cultural theory's application to advertising will then be considered. I then turn to recent studies, in North America, Britain and Australia, which constitute important reconstructions of cultural approaches to advertising, and I also consider one significant limitation of that work. This is preparatory to considering necessary reconstructions to the cultural theory and history of Australian television advertising, if the policy issue, its cultural value for national identity, is to be brought into focus.

THE FOREIGN CONTENT IN TELEVISION ADVERTISEMENTS INQUIRY

The Tribunal's television program standards (TPS 18 and 19) governing foreign content in commercials have been in place since 1960. At that time, they were introduced explicitly as a form of industry and employment protection (the pursuit of the objective enshrined in broadcasting legislation to encourage the use, as far as possible, of Australian creative resources), when there was no advertising, television or film industry in Australia to speak of. Thus it was a classic 'pump priming' industry policy measure. Therein lies one of its main problems in the present, because, as we have seen, the question of industry protection as a basis for broadcasting content regulation is becoming virtually impossible to maintain. The old regulations were different in kind and degree from other program standards. They were directed at prohibiting more than 20%

of any television advertising in Australia being produced overseas, unless Australian crews travel overseas to obtain the footage. They constituted a very high level of protection for local content. In conjunction with these rules, the television advertising industry in Australia has grown to a very significant extent over this thirty year period, leading one commentator to characterise the industry as 'disproportionately bouyant' (Sinclair 1987: 139).

Some figures indicate the size, shape and significance of the advertising industry. Australia has an extremely high level of advertising expenditure as a proportion of Gross Domestic Product - in 1984, it ranked second only to the United States. Television advertising comes behind only the combined print media - newspaper and magazines - in terms of revenue. In 1986-87, television advertising revenue amounted to $1.094 billion, out of a total $3.641 billion - approximately 30% of total advertising revenue. Revenue from advertising constitutes 96.2% of total television revenue of the commercial networks (see ABT 1989 Discussion Paper). Growth has been strong in the 1980s - the Australian Bureau of Statistics estimated that total advertising revenue in the country had grown to $4.675 billion in 1987-88, and it is estimated that that figure may have reached $5.5 billion in the financial year 1989-90, although the recession in the early 1990s has certainly cut revenue growth significantly. Indeed, the current period - the early 1990s - is witness to a considerable shake-out in the advertising industry world-wide.[i]

The significance of actual production of television commercials (TVCs) within the film and television production industry is underscored by some further figures. TVC production is second only to in-house station production (of all kinds, including news and current affairs, and much talk, sports, children's, and light entertainment programs) overall. A conservative estimate for 1988-89 put TVC production at $280 million, with a downturn indicated for 1989-90 and later. Both independent television and feature film came behind TVCs in volume of production. Independent TVC production (that is, aside from in-house station and network TVC production) was estimated to number approximately 4000 in 1986 (see AFC 1991). In terms of volume of advertisements broadcast, the average metropolitan commercial television station was estimated to screen 140,000 ads per annum in 1986-87, which amounts to around 1250 hours, or 3 hours 25 minutes daily. These levels have almost certainly risen since the trial deregulation of advertising time standards which started in 1987.

The Tribunal has addressed itself to reviewing the legitimacy and extent of any future regulation. The inquiry formally commenced when the Tribunal begun a systematic review of its various program standards in 1983. Late in 1984, one of the main transnational advertising agencies (TNAAs) operating in Australia, Saatchi and Saatchi Compton (Victoria), took the Tribunal to court over the legitimacy of its advertising program standards. Both the Administrative Appeals Tribunal and, on appeal, the Full Federal Court, upheld the application of Saatchi and Saatchi. It required amendments to the *Broadcasting and Television Act* 1942 to re-establish the legitimacy of the Tribunal's regulations. These amendments took effect from January 1986.

This process stalled the inquiry for approximately 18 months, during which time there was a so-called 'amnesty' period on the use of foreign advertisements. In 1986, a new round of submissions was called for by the Tribunal and this produced a series of very substantial submissions from transnational corporations (TNCs) advertising in Australia and transnational advertising agencies grouped under the lobbying umbrella of the Australian Association for National Advertisers (AANA). From 1987 to 1989, advertising took a back seat to the main branch of the inquiry into drama programs. Since the decision on drama content in December 1989, the Tribunal has returned to the question of advertisements. In April 1989, it issued a substantial discussion paper (ABT 1989b) which set out all the main issues and data. This was followed by the publication of a conference paper (ABT 1990) and a round of public conferences in June 1990. In December 1990, the Tribunal issued its 'Preliminary View' (ABT 1990).

In essence, the preliminary view relaxes the rules by introducing a different means of calculating the 20 per cent limit on foreign content in commercials. Rather than any individual commercial being limited to twenty per cent of non-Australian material, a 'transmission quota' model has been imported from the main section of the Inquiry findings, resulting in a gross limit of 20 per cent foreign content in all advertisements cleared by the Federation of Australian Commercial Television Stations (FACTS), Commercial Acceptance Division, known as FACTS CAD. Further amendments were made in the later Proposal (ABT 1991b), which effectively meant the 80/20 transmission quota would be based on ads actually broadcast on all commercial networks. The Tribunal has

aligned this form of regulation with its revised companion drama content regulations.

While this new form of regulation preserves the putative percentage variable between local and foreign content, it may change significantly the nature and mix of Australian television advertising. High-budget national advertising campaigns run for large TNCs are likely to be foreign. The development of 'global advertising' (or at least regional, 'pan-European' or 'pan-Asian', advertising), the practice of campaigns directed at several countries simultaneously, will be facilitated.

The fundamental rationale for the changes, in the Tribunal's view, was to fashion a commercially realistic, flexible and minimalist regulatory environment with certainty of application. In particular, it sought to remove 'unnecessary costs' and 'unjustifiable regulation' that resulted from such practices as ghost crewing, when local crews were sent overseas in order for the advertisement to qualify under Tribunal regulation, but did not participate in the actual production.

The Tribunal contrasts its new style drama regulations with what is termed 'the inflexible almost blanket and rigid approach taken to the level of Australian content required for advertisements', while endorsing the notion of a 'safety net' approach correlating with the principles of regulation established in the earlier drama portion of the inquiry. The essence of the Tribunal's shift of focus is captured in the following statement:

> The Tribunal is not advocating that protection of the production sector justifies the continued maintenance of the current arrangements for the production of advertisements in Australia. The Tribunal reiterates its view that industrial protectionism is not its principal goal. However, it cannot be denied that some protection will be a by-product of measures taken to ensure Australia's cultural identity.
>
> A substantial reduction in or removal of the current level of Australian content required in advertisements will have an impact on the industry's capacity to service and maintain the existing high quality of production on Australian television. Evidence during the course of this inquiry clearly indicates that the production of advertisements provides a cushioning effect for the program production sector which is historically far more exposed to the volatility of supply and demand pressures. (ABT 1990: 6-7)

Considerable debate has ensued since the publication of the preliminary view, including high level representations from foreign authorities, particularly

American authorities, in the context of imperatives to liberalise international trade, such as the Uruguay Round of the GATT. However, while the Tribunal's Proposal (ABT 1991b) modifies somewhat the administration of the new regulation, it has not acceded to the counter proposal from the Australian Association of National Advertisers (AANA) and the Australian Federation of Advertisers (AFA) that there be a trial period of full deregulation of foreign content in advertising (see Lloyd 1991a, b).

CULTURAL STUDIES AND ADVERTISING

Given the Tribunal's (albeit indirect) acceptance of the cultural value of ads, it is interesting to consider how the 'unworthy discourse' has been treated in cultural theory and criticism. Two main patterns have remained foundational to analysis of advertising. The first is diachronic, focusing on the history of advertising as a main agent of American cultural imperialism in other, particularly third world, countries. Dorfman and Mattelart's *How to Read Donald Duck* (1975) and Jeremy Tunstall's *The Media are American* (1977) established the parameters of this pattern, and the general history of advertising from a critical perspective has never seriously diverted from it. The other pattern is synchronic, with two main, related, patterns of critique. The first is a combination of pop psychology and moralistic anti-consumerism. Vance Packard's *The Hidden Persuaders* (1979, first published 1957) treated advertising as mass manipulation through examination of its use of depth psychology to penetrate the consumer's conscious defences. Symbolism was used for 'dishonest' and manipulative ends, selling anything in a crassly materialist society (1979: 11-16). The other line of inquiry was informed by the early semiotic guerrilla tactics of Roland Barthes' *Mythologies* (1973, first published as a series of articles in the 1950s), which focuses on the cultural reproduction of dominant ideological values embedded through advertising in bourgeois culture. The later classic statement of this program is Judith Williamson's *Decoding Advertisements* (1978). There have been variations on, and developments of, this form of criticism of advertising, in particular an increasingly strong emphasis on feminist inflections of the tradition of semiotic guerrilla 'warfare'. Generally speaking, however, the broad patterns of cultural studies' approaches to advertising have not advanced significantly beyond the work of Packard, Barthes, and Mattelart and Dorfman. In that sense, they are significantly outdated.

We are arguably at a transitional stage in the theorising of advertising. Reviewing recent developments where the diachronic and the synchronic approaches have been synthesised (such as the Australian work of Bonney and Wilson's *Australia's Commercial Media* (1983) and Windschuttle's *The Media* (1987)), John Sinclair (1990) notes that 'while we can trace over these works a move to more sophisticated and problematic use of concepts and greater empirical depth and rigour, a gap still remains between the available terms of analysis and the challenging realities of the international manufacturing/marketing/media complex'.

This transitional stage is documented usefully in the dossier of readings that Manuel Alvarado and John Thompson offer in their edited collection, *The Media Reader* (1990). The dossier is structured to move from more traditional to recent, speculative approaches. First, there is Bonney and Wilson's cultural Marxism in a chapter from *Australia's Commercial Media*, 'Advertising And the Manufacture of Difference', and Sut Jhally's (1987) attempt to apply directly marxist theory of surplus value to the 'laborious' work of watching ads on North American television. Following these are two short and speculative accounts of a very different nature. The first is an arresting editorial from the *International Journal of Advertising* from 1985 by Jules Goddard in which he argues for ads to be regarded as commodities, and aesthetic commodities at that, in their own right. In doing so, he argues the strongest case possible for a non-instrumentalist view of advertising in a media-literate and -saturated society. 'This is because', says Goddard, 'consumers perceive advertisements in aesthetic space and do not make use of ads as though they were salesmen'. The creative success of ads should be seen as equal to, rather than a function of, selling products: both sides are fellow manufacturers, each trying to live up to the market quality of the other's product (206).

The other piece is John Thompson's short Socratic dialogue that humorously but incisively investigates 'Advertising's Rationality', applying rational choice theory to advertising. Dispensing with the main varieties of the domination thesis of explaining advertising - the 'hidden persuaders' of Vance Packard's popular psychology, and a universalist Marxism propounding false consciousness and false needs proceeding functionally from the demands of capitalism - Thompson develops an ethics and aesthetics of rational consumption of ads. Needing information to make choices in a context where time constraints and the complexity of information-processing defeat perfect knowledge, the rational

consumer-agent engages in *satisficing* rather than *maximising* behaviour. She or he can distinguish between the 'rational core' and the 'decorative periphery' of ads, taking pleasure in the latter while sifting what is satisfying - good-enough-for-the-purpose - from the former. This doesn't imply the adandonment of critical judgement - the decorative periphery, Thompson reminds us, is 'up for criticism even after it is recognised for what it is' (212).

RECONSTRUCTING ADVERTISING THEORY

Recently, there have been important new directions taken in advertising theory which prepare the ground for a policy-oriented cultural history of Australian television advertising. Kathy Myers' *Understains: The Sense and Seduction of Advertising* (1986) is a book explicitly directed at challenging prevailing left-cultural attitudes to advertising. Rather than engage in yet another universalist critique (or, indeed, defence) of advertising, she suggests a rather obvious, but theoretically very significant point: that advertising theory is dominated by a concept of the audience as passive recipients, dominated by the message and the strategies of the senders. Advertising may be better thought of as a *vehicle*, the value and consequences of which vary according to who uses it, for what purposes and for what ends. Interposing actual and hypothetical instances of the use of advertising in pro-social campaigns such as public education and the political rejuvenation of the British Labor Party, Myers advances an engaged, strategic approach to advertising.

This strategic disaggregation of the critique of advertising is bolstered by a theoretical section in which she calls for a shift in neo-marxist cultural theory to embrace 'a sophisticated theory of consumption':

> ... any theory of advanced capitalism must embrace a sophisticated theory of consumption - which by extension embraces the role played by advertising and marketing. [There is also] the need to look at commodities and their uses in such a way that does not falsely discriminate between 'basic' necessary goods with universal use value, and commodities which have a socially prescribed identity through exchange value. Such a distinction not only makes false claims about 'basic' goods, but also resurrects the myth of natural man, the peasant outside culture and society. For it is only by clearing away the 'myths' that surround the 'magic' of advertising that it's possible to see a way forward, a way for the left to capitalise on the skills and sophistication of advertising and marketing without falling foul of the economic and emotional arguments which currently identify it as tantamount to devil worship. (1986: 13)

John Sinclair's *Images Incorporated* (1987) conducts a well-considered critique of the theoretical paradigms which dominate neo-marxist critique of advertising. First, a theory of *domination and control* of meaning and use by ownership and the profession and, second, a paradigm of false consciousness instilled by the advertising message. Sinclair subjects these to even-handed and relevently contemporary criticism. He insists that advertising be seen 'as a more circumscribed yet more complex phenomenon than in the overblown conception of it usually presented by both its defenders and critics' (1987: 182).

Sinclair uses Mary Douglas and Baron Isherwood's (1979) anthropological defence of advertising, which identifies three positive functions which advertising may perform. It may cement the cultural valence of consumption by creating cultural identities for products; accelerate circulation and information in the marketplace; and it may inhibit the formation of oligopolistic markets. Sinclair concludes his theoretical excursus by arguing that advertising 'is neither a functional requirement of capitalism nor the driving force of economic growth' (182), and that the study of the transnational nature of advertising must be assessed on a case-by-case basis, by considering the 'specific circumstances of each country, not by seeking an abstract essence of transnationalisation' (169).

Perhaps the most comprehensive new work on advertising is William Leiss, Stephen Kline and Sut Jhally's *Social Communication in Advertising* (1986). Both Leiss and Jhally have also written independently on advertising theory (Leiss 1978, Jhally 1987). *Social Communication in Advertising* sets out an ambitious program integrating the various levels of critique, defence, and understanding of advertising. They offer no less than a world history of advertising, and a theory of the periodisation and transformation of advertising practices, each in terms of their fundamental role as 'social communication'. They offer an excellent overview of the debate for and against advertising - and the limitations of that debate, as well as a series of practical demonstrations of the integration of traditional forms of content analysis and critical semiotics. The book concludes with a series of realistic policy recommendations about how this way of thinking of advertising might affect advertising practice and is regulation and reception.

Of particular significance is their considered and careful assessment of the limitations of semiotic or 'representation' critiques of advertising. According to Leiss, Kline and Jhally, these have been subjective, non-quantitative, and have

reduced the specificity of advertising to a generalised social critique. From the stance of policy considerations, they are subjective because they depend to an unacceptable degree on methods that are difficult to replicate without a high degree of interpretative training. In the hands of a Barthes or a Williamson, semiotic method is powerful and convincing, but there has been a plethora of obfuscated and redundant 'normal science' in the area. Representation critiques depend on extrapolated pertinence to an equally unacceptable degree - the findings are not underwritten by content analysis based on accepted sampling techniques. And they are guilty of simply using advertising, because it is arguably the most visible and most insistent form of commercialism, as a springboard into a generalised social critique that is unhelpful within the protocols of piecemeal reformism. To these criticisms may be added Helen Irving's (1991) point that the overgeneralisation inherent in the semiotic-representation critiques of advertising extend to the choice of examples. Ads which focus on the construction of sexual difference become, by extrapolation, typical of all ads.

Advertising, in Leiss, Kline and Jhally's view, is a 'unique cultural form with its own grammar and logic' that it is 'a privileged discourse for social cues about persons and objects'. They also concentrate on the flagship cultural role of national consumer product advertising, emphasising its qualitative difference to retail advertising and non-audiovisual advertising. For our present purposes, these emphases will be of especial significance. These and other reconstructions of advertising theory offer a more complex interaction between macro- and micro- levels of understanding advertising: from questions of transnational ownership through to the nature of the product and its reception and use. They move beyond models of false consciousness and domination as foundational theoretical paradigms and they offer a more sophisticated theory of consumption. In his review of new developments in the sociological and cultural theory of Western consumer society, Sinclair (1989) remarks that the concepts of 'consumerism' and 'the consumer society'

> can be rethought so as to locate consumption within a perspective which is at once more universal, yet more sensitive to historical specificities, complexities and contradictions, and more suggestive of strategies for resistance and transformation.

However, there is a significant absence in these accounts, which is all the more significant given an emphasis on a disaggregated, case-by-case approach, an emphasis on cultural specificities and differences. None of these works

considers the question of the relation between national cultural maintenance and advertising - which is the central question raised by the Tribunal's Foreign Content inquiry. At least in part, the reason is that the Tribunal's Australian content rules for commercials are an unusual and atypical form of regulation, although there are directly correlative examples in Malaysia and Colombia, and there are in-principle statements regarding advertising appropriate to different national markets in the European community and for commercial television in the United Kingdom. Despite this lacuna, these accounts clear away a good deal of theoretical undergrowth and allow the specific question of television advertising and national culture in Australia to surface in a clearer way.

TELEVISION ADVERTISING AND NATIONAL CULTURE

How would a reconstructed cultural and institutional history of Australian television advertising, one that is sensitive to the policy framework, be shaped? While embracing this reconstructed theoretical perspective, it would need to address itself to the gap just identified, the issue of the value for national culture of advertising.

Under the umbrella of the Tribunal's foreign content regulation, an outstanding 'moment' of Australian television advertising developed from the mid-1970s to the present. It parallels the growth in styles and significance of the renascent film and television drama industry during the same period, and it has been arguably of equal or even greater importance than the drama industry in delivering a popular and strong grammar of national imaging. This is because it represents a considerably greater permeation, by volume and by mode and degree of penetration, of the mass market. As we have seen, advertising occupies an average of some three-and-a-half hours a day on each commercial metropolitan television station compared to recent Australian drama content levels of about two hours a week. By dint of repetition, saturation coverage across the most popular networks, and sophisticated textual strategies that increasingly link programs with their commercial 'environment', advertising must be seen as having considerable cultural valence.

Such indicators of cultural permeation, though crude and problematic from a critical perspective, are important in policy formulation. The real issue is to what extent can a positive cultural character be imputed to them? This is not a question of simply inverting cultural studies' negativity, putting the Mister Sheen gloss on what the critic has regarded as a tawdry business. It is a matter of evaluating the contribution of television advertising in dispassionate but sympathetic terms, and within a more localised moment of history. It is to describe the impress and influence of advertising in terms that accept that its ideologically regressive elements - its sexism, its chauvinism, its rowdy populism - are bracketed within a policy-sensitive cultural and audiovisual history.

Such a history would focus on the central role advertising has played in the development of a popular audiovisual grammar of national identity during the 1970s and 1980s. The so-called new nationalism of this period was most visibly expressed audiovisually in advertising campaigns, despite the large claims made

for the contribution of film and television drama. These campaigns were, at key moments in the beginning, explicit attempts at 'societal marketing' or social engineering (Hewitt 1981: 45) - for instance, the 'Life. Be In It' campaign and the 'Advance Australia' campaign, the latter developed by Project Australia, of the late 1970s and early 1980s. This kind of public service advertising has had its counterparts in purely commercial campaigns, which have increasingly over the last fifteen years invented a populist audiovisual grammar of nationalism. Prestige national advertising campaigns now routinely incorporate this established repertoire of Australianist tropes. The fact that this repertoire is used for evidently contradictory purposes, from promoting health to flogging beer and tobacco, and utilises everything from unacceptably sexist to innovative, even progressive, imaging, simply registers the embeddedness and modularity of advertising's nationalism. From this argument flows a series of implications for a cultural history of Australian television advertising.

The Macro-Picture: Political Economy

The macro-picture of financial and ownership patterns of the Australian advertising industry would seem the furthest from assessing the contribution this advertising portfolio has made to cultural identity. However, it is from this vantage that the dominant paradigms of understanding arise, and they continue to inhibit the development of a dispassionate yet sympathetic cultural history.

Sinclair's *Images Incorporated*, the most substantial political economy of the industry, offers this capsule summary:

> In brief, Australia's dependant position in the world, in conjunction with a relatively affluent but small market, has created a disproportionately buoyant advertising industry which has been vulnerable to incursions by foreign agencies, predominantly from the US, which either have set up their own subsidiaries or found Australian partners willing to sell out or collaborate. In spite of pockets of Australian ownership, the transnational agencies have secured domination of the industry and continue to concentrate ownership at a high level. Furthermore, they have been integrating their Australian operations with wider activities in this region of the world. (Sinclair 1987: 139)

We have seen how Sinclair offers a persuasive critique of theoretical assumptions governing accounts of the macro-picture of advertising. But even a sophisticated analyst such as Sinclair has recourse to functionalist models of direct domination and control when he turns to assessing the specific moment of

Australian advertising with which we are concerned. Despite insisting on a case-by-case treatment of advertising in different countries, Sinclair ascribes no particular significance in *Australian* advertising to the regulations which have arguably been the cornerstone of its ruddy health in relation to the country's gross national product and population and media base.

He writes off this moment of Australian nationalism in advertising as lacking anything of authentic value for Australians' cultural image of themselves. Rather, it is ascribed to long-term, intentional, and basically successful strategies by transnational companies and transnational advertising agencies: 'the simple, all purpose global campaigns in the past only highlight the degree to which transnational corporations are now more concerned to cultivate a local identity within particular national markets' (168). The example of Exxon's 'Put a tiger in your tank' campaign, run by a transnational, McCann Erickson, for Esso in the 1960s, is given. It was a classic example of a global advertising strategy. In the 1970s, Exxon moved from global to national themes in Australia. It sacked its transnational advertising agency and hired an Australian-owned agency and it moved from selling Esso products with a global strategy to corporate image advertising, stressing economic development and conservation of Australian resources.

To account for this shift, Sinclair ascribes all power and success to the strategising of the Exxon company:

> In making this shift, Esso has been seeking to ride a wave of economic and cultural nationalism which had been generated in part from the social movements and party politics of the 1970s, but which also produced itself as government agencies vied with both national and transnational companies in a rash of corporate advertising campaigns based on patriotic slogans and images of 'Australianness'. (1987: 168)

This is a good example of what Sinclair is pointing out, but his point is only the success of transnational corporations being able to take over national imaging for their own ends. However, the social and political field of force mentioned by Sinclair must be given due weight in determining cause and consequence. It is equally possible that the advertising industry has had to modify its strategies under the influence of social change. The ideological effect, for Sinclair, is all one way, in terms of the success of transnational interests and strategies. The nationalisation of advertising strategies is regarded as simply 'camouflaging' foreignness, allowing transnationals to set the terms of definition of the nation.

The state is drawn into this process willy-nilly, having to compete with transnational companies in the redefinition of the nation by setting up its own public service advertising campaigns. Sinclair falls into the functionalist trap from which he, theoretically at least, distances himself.

Cultural History

Australian advertising has yet to attract its cultural historians. Sinclair's theoretical model would concur with the idea that a dialogic rather than a functionalist account of national imaging in advertising is needed. This would require a new kind of cultural history, one which embraces the approaches of new historians of Australian film and television, in which cultural imperialism has been reconceived as a dialogical relationship between the nation and foreign influences on it, with resistance and feedback rather than simply a one-way street of domination and control (see, for example, Tulloch 1981, 1982, Dermody and Jacka 1987, 1988, Dermody and Jacka (eds) 1988, Cunningham 1991).

Nonetheless, as R. R. Walker wryly notes, 'the bibliography of Australian advertising is about as extensive as the literature of Mud Island' (1979: 25). In his research note on Australian advertising history, John Spierings (1984) points to the primary research gaps to be filled, but also to the governing assumptions inhibiting the development of advertising history. Australian advertising is 'unappreciated, unloved and unknown'. He says that this lack of history is more than coincidental because it ultimately connects with the whole thrust of advertising itself, which has to do with creating an ever-presence, erasing history. For Spierings, explaining the 'cultural significance' of advertising is of central import (104). The task for historians, using these comments as a springboard, is to account for the transformation of the industry from a hard-sell, instrumentalist medium to a sophisticated and integral part of the cultural life of the nation - a task to which we shall return.

The only substantial history of advertising in Australia is offered by R. R. Walker in his *Soft Soap Hard Sell in Adland Australia* (1979) and his earlier *Communicators: People, Practices, Philosophies in Australian Advertising, Media and Marketing* (1967). These are solid, industrial accounts, but are, of course, dated. Their accounts of Australian advertising are refracted through an aggressive defence of advertising's legitimacy in the face of what Walker contended with at the time - basically, a moral suspicion of it, leading him to

stress the industrial professionalism and social responsibility of advertisers. His accounts provide a strong issues- and industry-based background, but in them the cultural significance of advertising is not addressed.

Walker's work has a counterpart in an aggressive but theoretically underdeveloped strand of work on advertising which does embrace a cultural component. The 'cowboy' celebration of advertising - an aggressive display of the lengths to which the industry's practitioners will go the create the novelty, interest and memorability of their product - is epitomised in Jonathan Price's *The Best Thing on TV: Commercials* (1978). Commercials are, to judge by Price's racy chapter titles, 'dangerous to make', 'almost obscene', 'emotional' but 'coldly calculated', 'extravagantly produced', 'regulated and censored' but, all in all, 'still the best' things on television.

And this kind of approach can happily embrace Roland Barthes' cultural critique of advertising in *Mythologies* as it treats advertising as having a central myth-making function in modern Western societies. Television commercials are early childhood education - they train youngsters to participate in the world of exchange value they will have to negotiate when they grow up. They are embodiments of the Aristotelean cartharsis model of experiencing child-like impulses in a safe way. They also function like myths in a 'deeper' way, by introducing awe, majesty and wonderment into otherwise controlled and rationalised lives. They are, then, epitomisations of conservative myth, playing a functionalist role in simultaneously cementing social relations and providing safety valves for human impulses that would otherwise cause anarchy and breakdown.

Price also points to the superior aesthetics of commercials: compared to the programmes they are 'interrupted by', commercials are truly geared to the unique 'measure of the medium' they grace, unlike most programs which seem 'oddly old-fashioned':

> Commercials work faster, do more magic in less time, arouse more emotions, provoke more real actions in the daily world, keep the economy dizzily spinning. Commercials are not radio news with slides; they are not nineteenth-century novels done up in heavy costumes; they are not even nineteen-forties films redone in color for unsuspecting audiences. In an hour of TV we are likely to see all these aftertraces from several generations of myths - the primitive, the print, the modern film, and the post-modern scene, all jumbled up. Commercials move in fast; tightly edited, quickly paced, their style fits TV better; their contents express contemporary conflicts better,

being at once 'primitive' and more highly technological than the programs. (165)

Price's counterpart for Australian advertising (though it only treats television advertising incidentally) is John Bryden-Brown's *Ads That Made Australia: How Advertising has shaped our History and Lifestyle* (1981). Providing a coffee-table survey history of advertising through the nation's history, the book is structured around the notion that social change and mores were always picked up through advertising's acute cultural antennae, asserting that it can be regarded as a central 'library of deposit' of Australia's cultural history. However, Bryden-Brown offers little in the way of *establishing* rather than merely asserting the cultural value of ads, because he simply equates the financially-necessary symbiosis of advertising and business pioneering and development with cultural value. For Bryden-Brown, cultural value is simply a function of commercial imperatives.

The Centrality of Television

Advertising's vital statistics indicate that television revenue is second only to the combined print media in sheer volume. But more importantly, television is central to the question of a popular national culture, providing as it does the most immediate and arresting forms of generation of meaning in an increasingly audiovisually dominated culture. Television has dramatically changed the nature of advertising, impelling it to accomodate 'television's powerful visual methods of story telling and the matrix of consumption styles it portrays' (Leiss et al 1986: 215).

Television is a natural home for broad-based national consumer product advertising, because it attracts advertisers and advertising whose goods and services are characterised by a high advertising-to-sales ratio - those goods of high volume for a mass market, which are readily available consumables to the broadest range of people. With the range of policy developments which have enhanced a truly nationwide platform for national advertising (see O'Regan 1988/89), television uniquely amongst the media addresses a potentially national audience. Additionally, the breakdown of advertising revenue by media indicates that television carries a far greater proportion of national as opposed to retail/local advertising (see Bonney and Wilson 1983: 127). Television is also a natural home for the public service/public education campaigns of the sort that

typify crucial elements of the advertising portfolio of greatest national cultural significance.

Intra-Industry Mediations

The key institutional mediations between the macro-picture charted by political economy and the micro-picture charted by studies of advertising content are then crucial: these are intra-industry studies which would focus on (1) the relationship between ownership structures of advertising agencies and culturally significant advertising content; (2) professional practice and cultural enterprise; and (3) creative and industrial infrastructure transfer across advertising, film and television production.

(1) In general, it is accurate to say that the Australian advertising industry has been dominated by transnational advertising agencies, just as transnational corporations have dominated the field of national advertisers, as the general political-economic accounts of advertising in Australia, like Bonney and Wilson's, and Sinclair's, show. This underscores the legitimacy of (though it does not necessarily justify the continued use of) the originating rationale of the regulations to encourage the use of Australian creative resources in advertising. But there is a complex environmental correlation between those moments at which there has been a significant Australian-owned presence in advertising agencies and the cultural significance of advertising. As Bonney (1984 and see Bonney and Wilson 1983: Ch. 5) has shown, a significant Australian-owned presence in advertising agencies was eclipsed by broadscale TNAA takeovers of Australian agencies during the long economic boom of the 1950s. The re-emergence of successful locally-owned agencies exploiting local conditions in the 1970s and 1980s correlates closely with the moment of cultural significance in television advertising that we are dealing with here. The most recent trend, accelerated by the recession of the early 1990s, has seen a swing back to the consolidation of TNAA control of the local advertising industry.

There is ample evidence of TNAAs engaging successfully with nationalist concerns - from the Australian Mining Industries Council 'It's the backbone of the country' campaign of the 1970s, run by TNAA D'Arcy-McManus-Masius, to the McCann-Erickson 'Its Time' campaign for the ALP in 1972. (See Bonney and Wilson 1983: 141). However, the moment of Australian nationalism in advertising of the mid-1970s to the 1980s did see a correlation between

Australian-owned advertising agencies, preeminently Mojo and Monahan-Dayman-Adams (MDA), and the cultural significance of television advertising.

These two agencies, formed in the 1970s and developing different but complementary identities, were central to the emergence of the moment of national imaging in advertising. In Sydney, the principals of Mojo, Allan Johnson and Alan Morris, had worked together on developing the corporatised image of Packer cricket, the highly successful Meadow Lea campaigns, and on the early 'mateship' Toohey's beer commercials of the 1970s. The Mojo partnership was formed in 1979. Melbourne-based, MDA had made its national mark with societal campaigns for government in the late 1970s. The two merged in July 1986, commencing a short-lived strategy of substantial growth and internationalisation of their distinctive Australian style of advertising, winning them the International Agency of the Year Award in 1987. The stock market crash of late 1987 significantly retarded this strategy, and ultimately saw the buy-out of Mojo-MDA by an American agency in 1988. This history, while in no way the only significant story of agency control and practice during the last fifteen years, does conveniently mark out the parameters of the moment we are tracing.

(2) The intra-industrial or professional 'values of practice' of advertising agencies form another crucial mediation between the macro-picture of ownership and control and the micro-picture of content.

Befitting the lack of attention paid to advertising as a cultural industry in Australia, the key creative agencies and their principals have received scant attention from cultural analysts. Questions of authorship and style of advertising agencies and their major campaigns have received scant attention, and this is despite the considerable investment and creative energy that and cultural affect that has gone into them. In his overview of 'media theory and the future of communication', Nicholas Garnham points to this lack in media studies: 'We know almost nothing systematic about the people who produce the advertising that now so dominates our visual and verbal landscape' (Garnham 1990: 12).

A study of the values of practice of advertising practitioners would demonstrate, at the most general level, that advertising is as involved in a 'cultural project' as any film and television production activity is. The creative personnel of advertising agencies deal systematically with a fundamental distinction -

between an instrumentalist view that advertising should never stray far from its bottom line, selling product, and a view of advertising as a question of stylistics, of aesthetics, of their attractiveness and fit with their television environment, as cultural commodity in its own right. This tension between instrumentalism and culture/aesthetics is as fundamental a tension as the key division between information and entertainment that structures most thinking about television content. Walker's strong correctives to the aestheticisation of selling (Walker 1979: 53ff and 110ff) can be set against Goddard's equally strong defence (1990) of it.

There are various profiles that have followed the personalities central to an Australian creative presence in advertising, the most developed of which is Anne Coombs' *Adland: The True Story of Corporate Drama* (1990). Coombs did 'ethnographic' research on the Mojo company in the midst of its merger with MDA and its subsequent internationalisation strategy. While the book provides rich background texture, and commentary on the Mojo-MDA principals' nationalism, its genre is the extended profile-cum-exposé. It is too ephemeral to establish directions for cultural history, but nevertheless is an interesting step in that direction. One caveat with interesting implications for the cultural history of advertising that emerges from Coombs' work is the impression gained by Mojo-MDA's consultant psychologist, Hugh Mackay, that the agressive-defensive posture of advertising personnel is due to their difficulty in establishing what to be proud of about advertising (160). It is arguable that this is in large part due to a lack of a wider public perception regarding advertising's cultural value.

(3) The symbiosis - from personnel transfer to infrastructure establishment and maintenence - of advertising and the film and television production industry is a further crucial mediation. The list of names suggest this in itself: Peter Carey, Fred Schepisi, Bruce Petty, Ken Done, Paul Hogan, Philip Adams, Graeme Blundell, Colin Eagleston, Eric Porter, Tim Burstall, Dean Semler (along with virtually every cinematographer who started his or her career before the 1980s) - all have worked interchangeably or have started in advertising and moved on to other areas. These prominent figures are often cited, but it must be stressed that the large majority of personnel crossover does not simply use advertising as a platform for 'bigger and better' things, but constantly moves back and forth from drama to commercials according to peaks and troughs in the production industry.

The potential decline in production activity as a result of deregulation of the television advertising industry would have significant infrastructural and personnel implications. Actors, crew and production specialists (model builders, special effects people, etc) move freely between television commercials and film and television drama production. A long-term decline in commercial production would see many of these skilled tradespeople lost to the industry. The technical infrastructure - state-of-the-art production and post-production equipment - can only be economically justified on the basis of regular commercials production.

Content and Campaigns

Finally, and most importantly, a reconstructed account of advertising would centre on content and campaigns. We return to our starting point - the question of cultural maintenance and identity rather than industry protection or employment protection as a basis for continued regulation of foreign content in advertising. It is indicative that in the April 1989 Tribunal Discussion Paper laying out the ground rules for the inquiry - a 138 page document - there are a mere two paragraphs on the positive cultural value of advertising. Conceptually, in both critique and policy, establishing this is considerably more difficult than in the zone of prime time drama. Indeed, Mervyn Smythe, the industry economist who did most of the applied research on the effects of deregulation on Australian advertising industry during the inquiry, has indicated that, if ever there was a need for vigorous cultural argument and evidence to be made in a policy context, this is it (Personal communication, 1990).

As we have seen, the Tribunal stated categorically that the foreign content rules, as devised in 1960, were 'predicated on the need for industrial protection and assistance' and that this is no longer a viable basis for regulation. However, a contemporary rationale, in the Tribunal's view, is based on the view that 'some protection' is an inevitable by-product of ensuring 'Australia's cultural identity' through the maintenence of an infrastructure for 'the existing high quality of production on Australian television'. In the Tribunal's position statement, the question of cultural value tends to be grafted on to firmer and more established rhetorics, such as 'program quality', the notion of a 'safety net' and of a 'cushioning effect'. There is a slippage from an attempt to assert the cultural value of ads to to rhetorics which have much firmer currency in policy.

At a simplistic level, all television advertising in Australia has an 'Australian look'. However, it is flagship national advertising that is the most critically sensitive in policy terms. The Tribunal's preliminary view would allow up to 20% of total television advertising to be wholly foreign. The evidence suggests that flagship national advertising, the highest budget and most artistically elaborated advertising, would be the most subject to foreign production. This is confirmed by the New Zealand experience under deregulation. More than half of television advertising continues to be made in New Zealand but most of this is not high budget national advertising (Smythe 1990). It is this form of advertising on which arguments for the cultural value of advertising also must be made.

The Critics on Content

The universally negative critical accounts of national imaging in advertising during the 1970s and early 1980s reveals the limitations of contemporary cultural analysis. Steven Alomes' bicentennial volume *A Nation at Last* (1988), a cultural history of Australian nationalism, sums up the moment of 1970s and early 1980s advertising nationalism as a movement from 'jingoism to jingle-ism'. He sees the adoption of national images in corporate advocacy and commercial campaigns by both transnational companies and Australian-based companies as a 'Clayton's nationalism', a 'fantasy' nationalism which was much easier to construct and invest in than economic and political nationalism (313). The 'insidious' and 'deceptive' nature of this trend, according to Alomes, masks a process of deception of the reality of transnational homogenisation of cultures and the way that it undermines a legitimate 'self reflective' Australian nationalism. It is automatically suspect because 'powerful' agents - both foreign and local - executed it. Alomes is as functionalist as Sinclair was earlier suggested to be, without displaying Sinclair's political-economic rigour. Alomes' version of 1950s radical nationalism is quite unpersuasive in that it is unable to deal with the economic and cultural imperatives which have given rise to a contemporary Australian nationalism which is inextricably synthetic, a dynamic interaction of foreign and local elements.

More substantial theoretical accounts were offered in a series of articles in the early 1980s by Tim Rowse (King and Rowse 1983, Rowse and Moran 1984, Rowse 1986), together with Paul James (1983) and Amanda Lohrey (1981). These writers establish a great distance from the old-style radical nationalism of Alomes, arguing for a contemporary left cultural politics that embraces multiculturalism, feminism and a contemporary anti-nationalism that deconstructs the residualist mythmaking of the 1950s.

Rowse's work acknowledges the significance of the transformation in advertising from an instrumentalist mode into what he calls the 'humanity ad' style - he focusses especially on the societal marketing exemplified in the MDA campaigns, such as 'Life. Be In It'. This is a form of advertising, according to Alvarado and Thompson, 'possibly unique to Australia' (1990: 36). There is, in Rowse's analysis, an historical dimension absent from most cultural analysis of Australian advertising. His analysis correctly emphasises that the humanity ads blur the usual oppositions that characterise advertising and debates about its

social role - between public service and commercial instrumentalism, between state-funded and commercially-funded sources, and between the idea that advertising dominates and seduces an essentially passive viewer over against newer theories of active viewing. Rowse sums up the distinctiveness of 'humanity' advertising style and ethos:

> A product advertised this way has very little said about it; the effect of these ads is not to *describe* a good, but to *identify* a product, a sentiment, or a service with an imagined *community* which is diverse but essentially unified. (Rowse and Moran 1984: 257)

While conceding that the humanity ads' greatest strength is their inclusion of a diversity of points of identification within the imaginary community of interest that is the constructed nation, Rowse is unpersuaded that this represents a significant advance. His analysis proceeds to generalise, from the evidence of the humanity ads, that television should be thought of as very much like a populist political party - that is, that it engenders active participation, but only in the realm of a fantasy community rather in terms of real politics - false consciousness again! The problem with this work is that it is based on a governing aesthetics and politics suspicious of populism by definition - populism obstructs a more substantial politics of the public world. Extrapolating from the humanity ads to television generally as a social institution, and denying that any positivity might inhere in the civic address to audiences evidenced in this advertising, Rowse's governing mode of critique reduces the arena of civil society to that of politics, and sets itself against any positive relation to nations as imagined communities.

Transformations in Advertising

The significance of this kind of advertising turning on collective representations and celebrations of civic consciousness can be sharpened in considering Leiss, Kline and Jhally's (1986) history of *la longue durée* of advertising from the late nineteenth century to the present. They argue that fundamental transformations in the nature of advertising and marketing can be broken down into four stages, each of which have a corresponding industrial and cultural significance.

In stage one (1890-1925), there is a product-oriented approach, which correlates with an advertising format that is based on product information. The cultural valence of this form of advertising can be characterised as *idolatry*. The second stage (1925-1945) is based on product symbols, promotes an image of the

product rather than information about it, and has as its cultural characteristic *iconology*. The third and fourth stages embrace the beginnings, growth and present preeminence of television. The third (1945-1965) is one of personalisation, which seeks to match products to personality typing. The authors append to this stage the cultural frame of *narcissism*. The fourth stage (1965-1985), a stage of market segmentation and the breakdown of homogeneous, generalised campaigns, centres on a 'lifestyle' format and is characterised culturally as *totemism* (Leiss et al: 279).

Leiss, Kline and Jhally's estimable historical research enables us to sharpen the various distinctions that industry practitioners, producers and critics have attempted to make about the transformations in Australian advertising in the period since the beginning of television. Distinctions between 'hard sell' and 'image' advertising, together with the profound change which a popular audiovisual medium like television offered as a resource to advertising allow us to plot the 'moment' of national imaging in advertising accurately, correlating it with Leiss, Kline and Jhally's fourth period. These are the significant features of this 'totemistic' phase:

> during the present totemistic phase the identifying features of the three preceding periods are recalled and synthesized. The product-related images are gradually freed from serving only the narrowly utilitarian qualities of the thing itself (idolatry), abstract and authoritative symbols (iconology), or a too restrictive array of interpersonal relations (narcissism). Here utility, symbolism and personalization are mixed and remixed under the sign of the group. Consumption is meant to be a spectacle, a public enterprise: product-related images fulfil their totemic potential in becoming emblems for social collectivities, principally by means of their associations with lifestyles. (1986: 295)

The significance of this analysis for my argument about Australian nationalist advertising is clear. This portfolio of advertising has layered the 'associations with lifestyles' with more than images of personal, individualised consumption, giving to it, in however problematic a form, a social, civic and activist-participatory dimension. Compared to its predessor-models *in advertising*, rather than to the ideal tenets of critical oppositionalism, this is a significant achievement. It has brought national imaging up to date, as it were, creating and consolidating an audiovisual grammar in commercials, a television format which, as Jonathan Price and most others would agree, is at the cutting edge of stylistic experiment and innovation. Its value as a public affirmation of certain aspects of Australian popular culture has been considerable. If a good proportion

of flagship national television advertising was no longer to be fashioned specifically for the Australian market, that culture would be undoubtedly diminished.

Key Campaigns

The early- to mid-1970s saw the emerging success of the 'ocker' advertising pioneered by John Singleton. This was the first substantial wave of material to use a demotic style and the vernacular idiom in a confident and assertive fashion. However, a good deal of this was retail advertising, with tight budgets, limited aims and restricted selling points, and, for obvious reasons, took in little of the emergent repertoire of Australianist imaging characteristic of a later period. While it lay the basis for what was to come, in itself it was directly instrumentalist in its ambit.

An interesting early prototype was a series of station identifications for the Ten Network in 1977, which were done in the form of community service-style announcements. (For comments on this and other significant campaigns, see Dawson (1990)). They featured what was to become the basic audiovisual grammar - montages of historical images of the nation drawn from the archive, cut to accompany a patriotic jingle: in this case, the 'Let's all climb the mountain' refrain.

At the same time, the government-funded 'Life. Be In It' campaign (conceived in 1977 and running in 1987-79), developed by MDA, turned a localised campaign aimed at marketing fitness, improving effort in the workplace and boosting the quality of Australian goods into 'an essay in nationalism', the scope and ambition of which 'vastly outgrew its original idea' (*The Age* 16 February 1980). The series of prime time public service announcements featuring the beer-swilling couch potato Norm was then recycled into a featured figure in the television commercial face of the Project Australia campaigns of 1979 to the early 1980s.

In 1979, Australian Government Advertising Service (AGAS) billings were of the order of $10 million, and in the following year they rose to $15 million, as arguably the grandest pre-Bicenntenial social marketing exercise developed, the 'Advance Australia' campaign. It was a jointly backed by the corporate sector and government and had complex, interlocking objectives:

> The campaign is a consciousness-raising visual promotion with pragmatic and philosophical aspirations. To create a greater demand for Australian goods and services, and to foster individual pride, patriotism and participation within the national community. And to reward institutional and individual excellence. (Mallick 1981: 67)

One of its public backers, the Fraser government minister Phillip Lynch, talked of heightening 'community and public awareness and pride in Australian skills, achievements and potential' and encouraging 'improvements in quality, design, marketing and other characteristics of Australian identity' (Lynch 1982: 72). This public service campaign sought to redress what attitudinal research had identified as a widespread lack of 'pride in country', leading to inadequate support for Australian manufacturing (Sturgess 1982). It had a series of spin-offs, not the least of which was the bold plagarism of the Advance Australia insignia and motto by commercial campaigns including General Motors-Holden and the Meat and Livestock Corporation.

An extremely successful commercial campaign of the same time (1978-79), by Mojo for Toohey's Flag Ale, is one of the first in a long tradition of selling beer within a nationalist frame. Using an almost identical montage series as the earlier Network Ten campaign, the Flag Ale commercials show an increasing confidence that the grammar of national imaging was meeting with considerable acceptance in the market. This confidence was borne out in the several major national and regional beer campaigns which were to follow during the 1980s. The objectives of Advance Australia were reinvented in the 'True Blue' campaign of 1984, which had more precisely targeted import substitution motifs along with its Buy Australian strategy. Outstanding local brand names with a high recognition factor were featured, to the tune of 'Hey True Blue', the song of the rising star of Australian country-and-western nationalism, John Williamson.

A campaign equally successful as True Blue, but with reverse economic objectives, was the mid-1980s Tourism Australia campaign to boost particularly Amercian tourism to Australia. This was the creation of the amalgated Mojo-MDA, and featured Paul Hogan assuring American tourists Australians would 'Put Another Shrimp on the Barbie' for them. Apart from its use of the key international figure of Australian-ness in the mid-1980s, it factored into its vignettes of the country those images most promotable by virtue of their prior exposure in film and television drama.

In the lead-up to the Bicenntennial and beyond, the Swan lager 'They said you'd never make it' campaign featured a number of prominent Australian figures, ranging across the arts, business and sport (including Keith Williams, Ken Done, Greg Norman, Daryl Summers and Ben Lexcen), who, in the words of the tune, exemplified archetypal attributes of the nation in overcoming great odds to succeed in their various fields of endeavour. This campaign was arguably the high point of one particular strand of the moment of national imaging in advertising. But it outdid even itself when Australia itself became the subject of the eulogy in one of the series of commercials - accompanied by a veritable *catalogue raisonée* of archival footage of the events that founded the nation.

The 'Part of Australia's BHP' campaign with Bill Hunter is another excellent example of the highly specific nature of the moment of nationalist advertising. It bears close resemblance to an earlier Australian Mining Industry Council corporate image campaign in 1977-78 - 'It's the Backbone of the Country', the advertising for which has been analysed closely by Ian Mills (1978). The campaign featured a non-specific, archetypal father and son as audience surrogates, inquiring rhetorically into the value of mining for Australian society. In comparison, the BHP campaign, like a large number of other corporate image campaigns, uses a 'bankable' media figure (such as Mike Willesee, Bill Peach, Gough Whitlam and many others) - in this case, the film and television actor Bill Hunter. Compared to the Mining Industry Council ads, the paradigm of authority in this campaign is replaced by a highly specific Australian figure who bears considerable credibility as a 'knowing' Australian nationalist. Bill Hunter had established, by the time of this campaign, a persona of some complexity and iconic value to contemporary Australian imaging.

In *Newsfront*, Hunter carries great cultural meaning as residualist labour nationalist, against the forces of social conservatism and bigotry and the creeping American take-over of Australian values. In *Scales of Justice*, he had played a tough, uncompromising police officer, embodying ocker masculinity. In *Gallipoli* (1981), he embodied an avuncular figure of authority, an Australian officer in the ill-fated expeditionary force. Most specifically, in *The Dismissal* (1983), he played Federal Energies and Resources Minister Rex Connor, the man most responsible for implementing the nationalist policy of 'buying back the farm' during the Whitlam period. The BHP campaign focuses and develops directly out of this persona, seeking to correlate its corporate goals and policies with this screen persona. It seeks to register a form of 'reverse imperialism' -

with the repeated theme of BHP buying back Australian resources from foreign hands and expanding into larger markets, particularly the United States - seen at its most sophisticated in a feature film like *Crocodile Dundee* (see Morris 1988).

To these key examples could be added several other outstanding campaigns which exemplify an argument for advertising inventing and popularising an audiovisual grammar of national identity in the period since the mid-1970s. The Australian Film, Television and Radio School's submission to the Tribunal inquiry sums up a policy-oriented argument about this advertising with admirable clarity and balance:

> In constructing the image, advertisements use signifiers which already have cultural currency: items which symbolise wealth, power, independence, productivity, patriotism and other socially desirable qualities, including Australian-ness. Images of Australian-ness have been used to sell a wide variety of products and ideas; from football and beer to an acceptance of mineral exploration by foreign corporations. This may or may not be considered desirable, nevertheless in so doing, the creative personnel in advertising have had to come up with complex and acceptable representations of what it means to be Australian. It can be argued, as in the case of Australian content in television programs generally, that these representations are important in developing and reinforcing Australian cultural identity if, as analysts argue, advertising images are vital to social cohesion and subjectivity, their role and cultural impact may be even more important than other media representations. (AFTRS 1989: 9-10)

CONCLUSION

A dispassionate yet sympathetic account of this advertising would readily concede that it is not that Australian, or indeed any 'national identity', is other than a synthetic construct, a dynamic interaction between foreign and local elements. It is not that this process of construction has not accelerated in recent times, as internationalisation grows apace in cultural as well as economic sectors. And it is not that there aren't significant social realities - Alomes' notion of self-reflective nationalism, or indeed of anti-nationalism - that should and do resist mainstream media representation. What is required in fashioning policy-oriented directions is, first, a distance from the the false consciousness and domination models of political economy.

A much more modest, less totalistic account would mean that direct causal relations do not have to be established between advertising content and its social field. The question whether television is a 'populist party', or whether it 'masks'

or 'camouflages' more fundamental political-economic processes does not have to be determined. These conundrums, while attractive and important in criticism, are insoluble for the purposes of satisfactory policy development. What is needed is a historical description of the transformation of television advertising in the 1970s and 1980s compared to its historical predecessors, and compared to the possible scenarios under deregulation of the content rules. A new disposition, however, is certainly required: from an ideal but indistinct anti-commercialism to a dispassionate yet sympathetic posture.

Earlier, I criticised the semiotic-representation accounts of advertising for an unwarranted extrapolation from one type of advertising to an overgeneralised critique. This should not be repeated here. My argument is a relatively limited, strategic one - about a specific moment of national imaging in advertising and the consequent issues for cultural maintenence it raises. Although the implications of the argument can be followed through to other topics and issues in advertising, nothing in the present argument would indicate a less engaged critique of, for instance, sexism in advertising. Advocating a disaggregated, historically and nationally specific perspective allows and even encourages different responses to different registers of advertising. The point is not to propose a new general acceptability for advertising in order to upstage an established consensus of suspicion and refusal. It is to establish another position in order to provide a circuit breaker in a long-standing debate dominated by claims to total explanation. The best model of practical reformism in relation to advertising is the modern consumer movement (which gives a quite different, empowering, meaning to the term consumerism), represented in Australia by the longstanding work of the Australian Consumers Association. 'It is indisputable', writes R. R. Walker, in his account of Australian advertising, 'that the consumer movement has been one of the most, even the most, significant development in the last fifty years' (Walker 1979: 133).

This chapter has stated the terms on which a cultural and institutional history of Australian television advertising sensitive to particular policy issues could be based. Considered from the wider perspective of the relations between cultural theory and media policy in Australia, it would be hard to imagine a clearer example of a lack of fit between the two as they stand in their current formulations. The specific policy context which has prompted these reflections has now moved into a phase beyond the moment when such a critical reconstruction might have had a definite impact, but the wider issues raised will

remain of significance as the national policy process, with increasing urgence and regularity, confronts dilemmas about the globalisation of culture, the legitimacy of cultural and industrial regulation, and the means by which responses may be made to those dilemmas.

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[i]'The advertising industry world-wide was going through "the most radical period of change, structural, economic, political and professional", according to the world president of the International Advertising Association, Mr Roger Neill.' (Australian) *Financial Review* 14 May 1991, p. 35.