

# **Federation of Parents and Citizens' Associations of New South Wales**

## **Submission to the Productivity Commission Inquiry regarding**

### **BROADCASTING**

#### **Preamble**

The Federation of Parents and Citizens' Associations of New South Wales is committed to a free public education system which is open to all people irrespective of culture, gender, academic ability and socio-economic class and empowers students to control their own lives and be contributing members of society.

This commitment is based on the belief that:

- ❖ All students have the capacity to learn;
- ❖ The Government has prime responsibility to provide an education system open to all which is free and secular;

Schools should be structured to meet the needs of individual students and should respect the knowledge those student bring to school and build on that knowledge to foster their understanding about the world.

Parents, as partners in the education process, have a right and a responsibility to play an active role in the education of their children. P&C Federation and its representatives share a responsibility of ensuring representative decision making for the benefit of all students. P&C Federation's annual conference, attended by representatives of its 2100 affiliate associations, develops policy which is energetically promoted by P&C Federation's democratically elected Council.

## **Introduction**

The Federation of Parents and Citizens' Associations of NSW welcomes this opportunity to make a submission to the Productivity Commission's inquiry into the Broadcasting Services Act 1992. We note the Inquiry's primary task is to advise on actions to improve competition, efficiency and the interests of consumers in broadcasting services, taking account of emerging issues such as technological convergence, the impact of subscription television services and the internet.

This Federation follows developments in broadcasting policy because of its overarching interest in issues that impact on the development of children and the potential educational benefits offered by broadcast services to the community in general.

Our view is that clear regulatory mechanisms and procedures remain essential to the delivery of high quality programs for all citizens and especially for children. We believe regulatory measures formulated to achieve specific and agreed social and cultural objectives implemented by open, well-resourced regulatory bodies are fundamental to the protection of the public interest. The mass media has a profound influence on the lives of Australians and regulation is needed to balance the commercial imperatives of broadcasters with the interests of the community. Our policy about this issue is abundantly clear. The policy states, in part that:

*Television, radio and printed media are the most effective means of mass communication available and exert a profound influence on society. Television and radio should be used as tools to enrich the quality of life. They are public utilities, which should act in the interest of, and be accountable to, the consumer particularly in reference to children's entertainment and to inform, entertain and educate.*

It is our submission that, on current trends, in an unregulated, competitive broadcasting environment, these trends will necessarily be ignored.

## **Social and economic problems addressed by the legislation**

Current broadcasting regulation properly recognises the importance of broadcast services to the lives of most Australians. It recognises that the flow of freely available ideas and views is essential to the development and maintenance of a well-informed citizenry.

A relatively small population that predominantly resides in a few large cities and the broad distances that separate generally much smaller regional communities define this country. Access to relevant information about events and issues that affect people's lives in such a place is uneven. At the very least, broadcasting regulation should ensure that the entire Australian population has reasonable access to high quality broadcast services that cater to a wide range of interests by conveying a variety of views and ideas.

Broadcast services need to convey information that is relevant to local communities – and specific groups within those communities such as children -- as well as to the nation as a whole. Adequate regulation is necessary to ensure that the significant social benefits offered by broadcast services are available to all Australians.

Influential broadcasting services such as television and radio cannot merely be treated as products. The information provided by these services is conveyed to passive recipients, often in their homes. As such, television and radio are intensely powerful in terms of their capacity to reach and influence the views of Australians. New information technologies, such as the internet, require users to seek the information conveyed by those services. The influential technologies, however, deliver unsolicited information about a wide range of issues into millions of homes during periods of relaxation such as meal times. For many people, these services accompany a majority of the important as well as the mundane and events of their daily lives.

Consequently, effective regulation of these services must remain the responsibility of the Commonwealth. It is through government regulation that broadcasting services maximised in the public interest. Regulation remains the only means of ensuring commercial broadcasters pursue those interests in addition to their drive to maximise market position.

## **Indispensable social objectives for broadcasting regulation**

### ***Australian Identity and Culture***

P&C Federation believes the objectives of the Broadcasting Services Act 1992 remain appropriate given the diffuse nature of the Australian community and the ongoing need to ensure the development and expression of Australian identity and culture. While broadcasting services are powerful tools for this purpose, national identity and culture are vulnerable in the broadcasting environment because of the inordinate wealth of content available from foreign countries.

Importantly, the objectives seek to protect these important facets of Australian life and do so with some success. The success of the legislative objectives has been achieved via Australian content conditions that the legislation imposes on commercial licensees. We believe maintenance of such conditions to be indispensable.

While provision of Australian content may represent a significant cost for service providers, it is more important for Australians to have access to some content that reflects Australian ideas, perspective and experiences. It is likely that, if local content regulations were to be softened, broadcasters would be less likely to produce or commission Australian content in favour of cheaper overseas content.

### ***Protection of Children***

The objectives also mention the need for broadcasting to meet the needs of children. Children are vulnerable consumers of broadcasting services because of their inexperience and innocence. Advertisers and broadcasters have long recognised that appeals to the appetites of children are an effective means of emptying parents' pockets and that children's innocence is easily exploited for commercial ends. We believe it is essential that objectives formulated to ensure that the interests of children are protected remain a central feature of any legislative or regulatory framework.

### ***Control of Influential Broadcasting Services***

The objectives of the legislation suggest it is desirable that influential services be controlled predominantly by Australians and seeks to ensure diversity of ownership of these services within Australia. We believe these two provisions to be essential. These services are the means through which most citizens gain information about their communities, nation and the world. It is therefore important that the loyalties of broadcasters are not divided between offshore controlling interests and the audiences they serve.

Audiences need to have faith that broadcasters share their common national interests, rather than those of other nations however friendly, in their coverage of world events and that they are committed the advancement of the Australian community. A wide variety of views are represented in the Australian community. The current regulation regarding ownership of broadcast services assumes that a diversity of Australian owners will lead to a diversity of views being reflected in the mass media.

The existing objectives and the regulations in place to pursue those objectives provide some diversity of Australian media ownership. At least the current rules curb the wildest monopolistic tendencies of the larger media and broadcasting proprietors and the most predatory incursions of foreign broadcasters and media companies.

These tendencies cannot be ignored and are defining features of commercial broadcasting in Australia. Despite the existing level of regulation, there has been a rapid decline in the diversity of media ownership in the last 15 years. In radio, where the low entry cost is supposed to encourage diversity, ownership is concentrating at an alarming rate. Since 1986 the proportion of radio stations where the owner controls licences in *more than eight* markets, has grown from 23% to 75%. In magazines, Packer interests control over 50% of circulation (up from 27% in 1986), and the two major players (Murdoch and Packer) together control 72%.

It has been argued that diversity of ownership will not guarantee diversity of views, but concentration of ownership will actively work against such an aim. In any case diversity isn't the same as balance and neither is a substitute for democracy. Neither is sufficient argument for meekly handing over the production and distribution of information to a few large players.

## **Protection of the public interest**

### ***The Impact of New Technologies***

While new media technologies offer enormous promise, they do not yet challenge the dominance and importance of established free to air broadcast services such as radio and television. The fevered exhortations of the computer industry tell us new information technologies offer a brave new world of information sources. Access to this information is, however, restricted to those with the economic means to invest in the new technologies, who possess fairly sophisticated literacy skills and who are motivated to actively seek the information in which they are interested.

In these circumstances, the need for regulation of these services is less compelling than the need to firmly regulate the more influential broadcast services in which information is provided to passive recipients.

### ***Effects of Deregulation in Broadcasting on the Public Interest***

Proponents of deregulation argue that regulation of ownership restricts the capacity of broadcasters to grow and compete vigorously. They assume that unregulated growth will lead to strident competition and with it more and better broadcasting services. We reject the contention that an unregulated competitive broadcasting environment will deliver improved broadcasting services for consumers. Our rejection of this notion is based on three considerations.

The first is that the provision of more services in competition with each other will not, alone, improve the quality of those services and deliver important social objectives currently described in the *Broadcasting Services Act 1992*. The truth of this observation is proved by the failure of pay television services, which are not subject to the same license obligations of free to air broadcasters, to deliver content which serves those or similar objectives. There is only a limited amount high quality content available to broadcasters. This is clear to consumers, judged by their lacklustre acceptance of pay television. More choices are not necessarily the result of better options just more of them.

The fiercest competition in broadcasting in recent years has been around the repeated attempts of the largest commercial proprietors to procure exclusive broadcast rights to popular sporting and cultural events for the pay television networks they control. Grudging regulation by Government limited the success of those attempts to some extent but the result remains that users of existing free to air services now have access to fewer such events and content than previously. Competition by broadcasters for rights to particular items have no other effect but to force consumers to pay for services they previously accessed free of charge.

Secondly, there is abundant evidence that fierce competition between broadcasters does not deliver diversity; rather it *limits and ultimately decreases* the diversity of offerings available. For example, in the most fiercely contested time periods on commercial television, between 6.30pm and 7.00pm on week nights two of the three national commercial broadcasters screen current affairs programs which are almost identical in presentation, style, content and viewpoint. This is not an isolated instance as many recall that two of three national commercial broadcasters recently screened quiz programs with identical formats and offered million dollar prizes.

Competitive pressures have not forced broadcasters to diversify their programs but to contest established content with similar offerings. The result of this approach is formulaic programming of content that is homogeneous and predictable. Unquestionably, strident competition between commercial broadcasters appears to be a barrier to innovative programming. Broadcasters appear to be reluctant to risk innovation and the expression of views and ideas that could be construed as challenging or different. Even the controversy presented by commercial broadcasters is formulaic.

Finally, deregulation of the environment in which broadcasting services exist is likely to reduce competition in the longer term, if competition can be defined by a diverse range of entities vying for the patronage of the public at large. Larger commercial broadcasters have consistently demonstrated their desires to acquire their competitors in broadcasting and associated mass media. Regulation has, thus far, impeded this trend but firm and consistently applied regulation is required to ensure it is resisted.

The only broadcasters that regularly defy convention and deliver a range of programs intended to appeal to the diverse interests of the Australian population are those that are protected from competitive pressures, namely the Australian Broadcasting Corporation (ABC) and Special Broadcasting Service (SBS). It is no coincidence that these public providers remain the touchstone for quality broadcasting services in all categories including news and current affairs, coverage of sport, including sport played by women, and children's programs.

### ***Protection of Children's Interests***

The interests of children require additional and specific protection in relation to the influence exerted by the influential broadcast services. Children, especially young children, have difficulty distinguishing between factual information and that delivered to achieve private and commercial benefits for commercial broadcasters and their advertisers. Currently these interests are protected by restrictive Children's Television Standards that were developed and are enforced by the Australian Broadcasting Authority (ABA).

It is critical that regulation is maintained to protect children from cynical broadcasters and advertisers. It is similarly crucial that compliance with these regulations is monitored and enforced by a regulatory body such as the ABA with clearly delineated powers and which is demonstrably independent of the commercial and competitive interests of broadcasters. It is also vital that regulation ensures children's broadcast services meet their needs. P&C Federation's policy about this issue is clear. It states:

*All broadcasters have a responsibility to provide programs:*

- (a) Of an informative, stimulating and entertaining nature for children;*
- (b) Which promote personal growth by ensuring quality and diversity in the available choice of children's programs;*
- (c) For all children, especially those in the primary school years, which reflect experiences they will encounter in the Australian environment;*
- (d) Which are sensitive to the multicultural nature of the Australian community;*
- (e) Which reflect the needs and sensitivities of the family viewing audience;*
- (f) Give special consideration to the ages and interests of intended audiences; and*
- (g) Which pay particular attention to the time schedule of children's programs.*

The current regulatory regime requires commercial television broadcasters to broadcast a defined number of programs that meet the needs and interests of children at times when they are most likely to be viewing. Children's programming represents a significant cost to commercial television licensees due to advertising restrictions imposed during children's viewing periods and programs and requirements to show a specified number of first release, Australian or New Zealand children's drama programs.

This Federation endorses the current Children's Television Standards. Classification of children's programs together with power to restrict content and advertising should remain with the Australian Broadcasting Authority. There is no evidence that the interests of children will be as well or better served by further deregulation of commercial broadcasting but there is ample evidence that the commercial imperatives of broadcasters will soon overwhelm any obligation to children felt by a self-regulated industry. Given these commercial realities, it is likely that further deregulation would jeopardise the maintenance of current protection of children's interests.

## **Conclusion**

Current broadcasting regulation properly recognises the importance of broadcast services to the lives of most Australians. At the very least, broadcasting regulation should ensure that the entire Australian population has reasonable access to high quality broadcast services that cater to a wide range of interests by conveying a variety of views and ideas. Regulation is necessary to ensure that the significant social benefits offered by broadcast services are available to all Australians. It is desirable that Australians have access to content that reflects Australian ideas, perspective and experiences. Regulation remains the only means of ensuring commercial broadcasters pursue these objectives in addition to their drive to maximise market position.

We reject the contention that an unregulated competitive broadcasting environment will deliver improved broadcasting services for consumers. On the contrary, strident competition between commercial broadcasters appears to be a barrier to innovative programming.

Finally, the interests of children require additional and specific protection in relation to the influence exerted by the influential broadcast services. Children are vulnerable consumers of broadcasting services because of their inexperience and innocence. It remains vital that regulation is maintained which ensures children's broadcast services meet their needs. This Federation endorses the current Children's Television Standards. Classification of children's programs together with associated restrictions on content and advertising should remain with the Australian Broadcasting Authority.