

NEW OPPORTUNITIES IN BROADCAST PROGRAMMING

THE KEYNOTE ADDRESS BY THE HON. MICHAEL LEE, MINISTER FOR COMMUNICATIONS AND THE ARTS, AT THE BROADCAST PROGRAMMING CONFERENCE, THE HYATT KINGSGATE HOTEL, SYDNEY, 20 JUNE 1994.

At the opening of the Melbourne Film Festival a couple of weeks ago, film producer David Parker commented that it was extremely appropriate that television was called a medium - why? Because as he sees it, television is never rare nor well done!

I don't accept that proposition, but it does demonstrate the tension between the creative community and the broadcasting industry. It's my intention to make sure that wherever possible, Government policy is directed to ensure that broadcast programming is well done.

During the six months or so that I have been Minister for Communications and the Arts, I have become convinced that the key to the development and acceptance of new communications media lies in programming and content.

I am also pleased to be able to speak to a cross section of the broadcasting industry in my role as the first Minister to have responsibility for both communications and the arts. I think that integration of these two areas goes to the heart of what this conference is about - and the Government is taking the lead in this respect.

By combining two areas which traditionally have not often pursued compatible goals, the Government is encouraging these very important parts of our culture to work together to take advantage of the extraordinary opportunities the new communications technologies will offer.

I am confident that this move will result in a productive collaboration that will strengthen both sides of the industry. I have already started to see within my Department the benefits of this union - particularly in the preparation of the Cultural Policy Statement which the Prime Minister will be launching in September.

Broadcasting, and Australian programming in particular, has a vital role

to play in this maintenance and development of Australia's distinctive culture. For most Australians, mass communication is the main form of access to Australian art and culture.

THE THREE 'C'S

At the recent ATUG 94 conference in Melbourne, the Chairman of the ABA, Brian Johns presented a paper which looked specifically at the three Cs in the communications industries - content, culture and convergence.

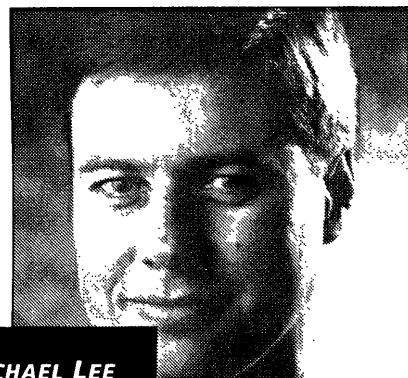
CONTENT

Brian pointed out 'the style and content of our communications industries cannot be codified: it can only be celebrated and encouraged'. Brian also reminded us that in the recent past, there has been an obsession with the technology - this is no better demonstrated than in the protracted and very public debate about the delivery mechanism for pay TV in this country. I agree with Brian that we must now concentrate our energies on the content of the media and not the technology.

We—and I mean Government, industry and artistic creators—must focus on the programs and user applications that will appeal to viewers and consumers and that will drive demand for the new technologies.

Back in 1988, the former Australian Broadcasting Tribunal held a conference looking at 'The Price of Being Australian'. One of the contributors to that conference, writer Tony Morphet said:

The Australianness of Australian television; the thing that we've been calling Australian culture in this seminar, is non-negotiable. If we don't have an Australian television, then we are imposing upon our society a Californian culture, and particularly in respect to our children we are teaching our children to dream foreign dreams. They will grow up with the view that their own



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culture is worthless.

I agree entirely with those sentiments.

If we do not continue to focus on the need for quality Australian content, then I believe we do run the very real risk of being swamped by overseas, and in particular, Californian programming. This is simply the result of the massive resources that the United States has invested in its film and broadcasting industry.

It is only through Australian content requirements that we can be confident that Australians see Australian actors and hear Australian voices on their film and television screens and continue to dream Australian dreams.

Content is the essential ingredient in broadcasting programming - in both the planning and policy context. The challenge facing us is to ensure that we make the best use of our resources in the development of Australian talent - through the production of Australian programs for the widest possible audiences and by encouraging excellence in Australian programming. This will be one of the most important ways of fostering and protecting Australian culture.

It cannot be stressed too much that broadcasters provide an important link in our culture. Delivery of the cultural message is almost as vital as the creation of it.

CULTURE

I want to make the point that when I talk about culture, I do not mean simply the traditional forms of 'high art'

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such as the ballet and opera. While these forms of art are included, culture means everything from rock music to sport to Australian heritage.

For example, the heritage work of a writer such as Siobhan McHugh in her book *The Snowy - The People Behind The Power* and the associated ABC documentary based on her book, is as much a part of Australian culture as the recent dramatisation in the Nine Network's series 'Snowy'.

CONVERGENCE

Convergence in a technical sense is quite clearly upon us. In this industry, we are constantly reading about the impact of convergence. I note from the conference agenda that other speakers will be talking to you about the practical effect of the convergence of the broadcasting, telecommunications, computing and information technology industries.

It is clear that convergence will continue to be a key issue in service delivery - understanding the emerging communications environment, and Australians role in it will be vital to our future. As Brian Johns has said, the fact of convergence demonstrates the rapid emergence of borderless markets.

FUTURE POLICY TRENDS

Australians have enjoyed and demand a very high standard of programming for television. I believe the coverage, diversity and quality will continue to be encouraged in the new broadcasting regulatory framework, particularly by giving the industry greater scope to take advantage of Australian programming opportunities.

However, whatever criticisms may be made of the more rigid regime that existed under the 1942 Broadcasting Act, one of the most important protections of quality for Australian television has been the long history of Australian content rules and standards for children's television. The ABA is currently assessing the performance of the existing Australian content standard—TPS 14—and I believe it will shortly be releasing a discussion paper on the topic.

As you are all aware, a great deal of time was spent consulting the industry during the drafting of the 1992 Broadcasting Services Act. Of the express objects set out in the Act, I think it is important today to highlight those that have a direct bearing on programming.

The Parliament has stipulated that the regulatory environment should:

- promote the availability of a diverse range of radio and television services offering entertainment, education and information;
- facilitate the development of a broadcasting industry in Australia that is responsive to audience needs;
- promote the role of broadcasting services in developing and reflecting a sense of Australian identity, character and cultural diversity; and
- promote the provision of high quality and innovative programming.

Clearly, these objectives, underscored by the Government's move to 'light handed' regulation, passed to the broadcasters the obligation to meet the needs of the Australian community and gave an opportunity for the industry to contribute to the Government's cultural policy objectives.

The 1992 Act certainly introduced a more market oriented licensing process and minimised barriers to entry and exit in the industry as a stimulus to greater competition.

The Act provides existing and prospective broadcasting and narrowcasting service providers with the legislative framework to respond to the opportunities created by technological developments and the changing nature of the market place.

It is pleasing to see how well the new regulatory framework has been accepted by the industry, and the ABA is to be congratulated for its continuing role in this transition period.

That is not to say that in an industry that is evolving as quickly as this one, there have not been some 'rough edges' in regulation, which we have all been working to bevel. I know that difficulties in areas such as narrowcasting have been encountered, and I'll be continuing to work with the ABA and the industry on this and any other emerging problems.

In line with this more self regulating

regime, I would like to say a few words about the responsibilities of the existing free-to-air broadcasters in a time when this country is about to receive pay TV for the first time.

I continue to read that some believe that the free-to-air broadcasters should be 'protected' in some further way from the perceived onslaught of pay TV services.

Apart from the fact that studies suggest that after five years of pay TV, 80 per cent of Australian homes will continue to rely solely on free-to-air services, I believe the competition from these new services, whether they be satellite, cable or MDS, offers the free-to-air broadcasters the chance to excel in quality and diversity of programming.

Content will drive demand, so there will be an opportunity for the free-to-air broadcasters to rise to the programming challenge. This shouldn't just be a matter for Government policy, the industry itself must accept some responsibility in meeting the demands of the viewing and listening public.

I have no doubt that the introduction of the new services will result in an enormous growth in diversity and excellence of programming. It should be a great time to be a television addict.

The Government has regulated to protect Australian viewers through the 'anti-siphoning' list. Most of you would be aware that I recently announced a list of sporting events that cannot be acquired exclusively by pay TV licences. I formulated that list after the ABA conducted an extensive investigation and provided me with a number of options.

As I have said in the Parliament, the list is about protection of the television viewers - not about the protection of the television networks.

The challenge for pay TV always was to increase diversity of programming, not to force Australians to pay for what they now watch for free.

I take this opportunity to encourage the free-to-air and pay TV licensees to work sensibly in the negotiation of broadcast rights, so that complementary programming can be achieved.

The Government has also required that where a pay TV licensee provides

a drama channel, at least ten per cent of the annual program expenditure must be spent on new Australian drama programs. This should make a contribution to the development of new Australian programs.

GOVERNMENT STUDIES INTO COMMUNICATIONS TECHNOLOGY

While narrowcast and subscription services establish themselves, the Government is preparing to meet the challenges posed by a new generation of communications developments by gathering and analysing information about emerging technologies.

We have established two major projects - the Communications Futures Project and the Broadband Services Expert Group - to inquire into a range of economic, technological and policy issues that are to be faced on the much vaunted 'information superhighway'.

The role of the Communications Future Project (set up within the Bureau of Transport and Communications Economics [see p. 5, Q&A]) is to increase the level of understanding of the economic, technical, regulatory and policy implications of new communications services, and to encourage and inform public debate about the emerging multiservice environment.

The Broadband Services Experts Group is a body of specialists drawn from industry, user groups, telecommunications carriers, researchers, education and the union movement.

The Broadband Services Expert Group is inquiring into the delivery of broadband services, not just to businesses and homes with harbour views, but to schools and hospitals as well. It will produce an interim report for public comment in July, and a final report by the end of this year.

The Expert Group will make recommendations on the opportunities - both economic and social - for Australia from broadband services. You all know that broadband networks have the potential to usher in a wide range of new information, education and entertainment services.

GOVERNMENT REVIEWS

Many of the arrangements we have in place are transitional until 1997 - such

as the prohibition on advertising on pay TV and the requirement that 10 per cent of expenditure on predominantly drama pay TV channels go to Australian productions.

At the same time the introduction of new technologies and services, the trends towards global markets and the increasing intrusiveness of electronic communications, bring with them many implications that require careful planning.

A services of reviews over the next three years, will ensure that the regulatory framework remain up to date and is delivering the Government's objectives including:

- the telecommunications review of regulations post 1997;
- the Broadcasting Services Act pro-

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vides for a review of the television broadcasting industry by 1 July 1997 to assess the national benefits that would accrue if more than three commercial television broadcasting services were permitted in licence areas.

AUSTRALIAN PRODUCTIONS AND CO-PRODUCTIONS

The Government has moved to build Australia's role in the global film and television industry through a co-production strategy.

The Government has in place an integrated program of support for the national film and television production industry. A program that as well as funding production consists of training, development, marketing and archival preservation.

Our export strategy spans equity investment, market development and improved royalties from sales.

One of the film and television industry initiatives which the Government has put in place is an active co-production program which involves treaties with a number of countries under which the creative input and costs of productions are shared and the opportunities for export sales are improved. This initiative complements but cannot replace local production.

There may nonetheless be scope for the industry to achieve increased revenue from the Asian region and opportunities to capitalise on an improving Australian profile in the USA and Europe.

The Government continues to recognise the contribution to the viability of the audiovisual sector made by offshore film and television productions using Australian facilities.

THE ROLE OF THE NATIONAL BROADCASTERS

The Government is committed to maintaining a strong independent national broadcasting system.

In the recent budget the Government agreed to further three year funding agreements for the ABC and SBS. These agreements guarantee funding in real terms for three years providing the ABC and SBS with a firm basis for forward planning.

The Government has decided to continue to exempt both the ABC and SBS from the annual efficiency dividend levied upon other budget funded agencies. During the next three years the Government will provide more than \$1.5 billion for the ABC and more than \$220 million for the SBS.

This does not include funds provided for national transmission facilities which improve access to ABC and SBS services. Recent expansions of SBS television and radio and ABC JJJ attest to the Government's continuing commitment to improve the range of broadcasting services.

Maintenance of strong, well resourced national broadcasters provides one of the most effective means of promoting Australian content in the

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emerging global broadcasting environment.

PROGRAMMING REGULATION

The ABA has received more than one thousand applications for transmitter licences for open narrowcasting radio services since October 1992 and has allocated licences to approximately four hundred operators.

This represents an increase in the number of services over the 1992 level of about one hundred per cent. These provide a range of services from open narrowcast tourist radio to language based television programs. These services are expected to cover gaps in the market and meet audience needs. And, like pay TV, they should complement traditional broadcasting services.

The class licensing system is designed to encourage innovation and an efficient use of broadcast technologies.

The Broadcasting Services Act clearly precludes narrowcast services from merely duplicating commercial or community broadcasters. There are substantial fines and an effective complaints mechanism to uphold these rules. As with broadcasters, narrowcasters' programming will be regulated by their own codes of practice, developed with the ABA.

Narrowcasters will contribute to the multiservice environment by enhancing competition and offering Australia's diverse communities a greater choice of programs. In this way they will also add to the opportunities available to Australian program suppliers.

We can expect significantly more open and subscription narrowcasting services to be available. Such services can be expected to provide more specialised programming for narrower and more clearly defined niche audiences, specific ethnic groups, both domestically and internationally.

CONCLUSION

Historically, television has been the single most successful creator of an audience for Australian culture.

To continue building an Australian identity, Australians need to build on this celebration of Australian culture by broadcasters.

It is my hope that by the year 2000 prime time viewing on free-to-air television will be predominantly Australian content.

But the real question is - how does the industry respond to that challenge in the new global communications and multiservice environment?

That is, to make sure there is substantive participation in the interna-

tional marketplace, while we maintain and foster our unique cultural identity and strengths.

While the Government has set up the regulatory framework for this environment it is important that the industry itself takes a degree of responsibility particularly through broadcasting programming decisions.

This Government is committed to promoting the role of broadcasting in developing and reflecting a sense of Australian identity, character and cultural diversity. This goes hand in hand with facilitating the development of a broadcasting industry that is efficient, competitive and responsive to audience needs.

As I have said, it is through broadcasting that most Australians experience their own culture. The results have been outstanding. The Government has now created an environment that encourages an array of new broadcasting opportunities. The range of fresh ideas for creative programming formats is practically limitless.

The challenge for the industry is to grasp these new opportunities and take advantage of them, develop them, and stake their place in both the Australian and the emerging international communications environment.



PAY TV NEW AUSTRALIAN DRAMA GUIDELINES

BY DEBORAH SIMS, PROGRAM SERVICES, ABA

Section 102 of the *Broadcasting Services Act 1992* places a special condition on subscription television broadcasting (pay TV) services:

Each subscription television broadcasting licence is subject to the condition that, if the licensee provides a service devoted predominantly to drama programs, the licensee will, for each year of operation, ensure that at least 10 per cent of the licensee's program expenditure for that year in relation to that service is spent on new Australian drama programs.

The ABA's role is to implement the new Australian drama minimum expenditure condition for pay TV licensees. As part of this role the ABA has

released *Guidelines for the implementation of the pay TV 'new Australian drama' licence condition*.

SCOPE OF ABA GUIDELINES

There are only two areas which the ABA can address in its guidelines for the implementation of the requirement on pay TV licences. These are:

- making the ten per cent expenditure requirement work by addressing accounting and program rights issues which could undermine its effectiveness; and
- defining what new Australian drama program means for the pay TV condition.

The guidelines are a statement of the ABA's view as to the interpretation of

the obligations imposed by the condition. They provide guidance on how different practices relate to the licence condition and specifically address issues such as:

- buying and selling program rights;
- related party transactions;
- the basis on which program expenditure figures should be calculated; and
- definitions of new Australian drama, service devoted predominantly to drama programs and program expenditure.

The guidelines should be read in conjunction with the Act, as the source of the obligation (extracts from the Act are included in the appendix to the

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