

Australia - looking out to our region

We talk to the ABA's new part-time member, Kerrie Henderson about convergence, and the benefits for Australia in opening up to our region.

What role do you see the ABA playing in the convergence debate?

I think a major area of skill and expertise that the ABA has to bring to bear is its ability to address issue of content. I don't think there is another regulator in this country that has that level of expertise. As you start to have a convergence of form and content it becomes increasingly difficult to devise ways of regulating content. You can't look at a series of electronic pulses and tell what they are, let alone whether they're offensive, secret, or an invasion of privacy. I think most of the discussion about the development of the information superhighway until recent times has really been about the technology and delivery mechanisms. The community, on the other hand, is increasingly concerned about the material the superhighway will deliver.

I think the ABA has a great depth of resources when looking at content. It has the skill to get out there and conduct the research and identify community attitudes, and then present options. The ABA also has the advantage of getting

across multiple technologies now.

Broadcasting isn't just television and radio any more. It's narrowcasting, it's subscription, it's free-to-air, and it's delivered by multiple means.

The ABA is uniquely positioned to be useful in this debate: to describe the content issue, and to be able to integrate it into a discussion of more technical regulatory issues. There aren't too many people out there who have that wealth of experience from content through to transmission.

How do you see us fitting into the global perspective on this issue?

Australia doesn't have an entrenched cable television system and we have only just introduced telephony competition. We also have a very good high technology base and good 'cutting edge' software people, telephony equipment suppliers and switch manufacturers. All this means that we are in a superior position to develop a sophisticated use of broadband services and electronic communications services.

I think others aren't able to develop these as easily, either because they have established interests, or they don't have the resources or the skills.

We have some flexibility and a small enough market to allow some of the big players to invest here in 'cutting edge' approaches to see if they'll work, before they try them in the mega-markets such as Europe and the US. If we can harness that advantage, then I think we have the ability to build on the information superhighway to lift our whole economy face up a notch or two, away from primary production and into elaborately transformed manufacture of technological products, and content.

Isn't a small population also a disadvantage, as we can be swamped by places like the US, forcing us to go their way?

Yes, that it is a real risk. However, I think we have good prospects of offsetting that problem because of the absence of entrenched systems here at the moment. People are only just starting to make decisions about where and





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how they're going to deliver broadband services, so we have an opportunity to link development of appropriate content to the development of multiple delivery systems.

Consciousness of the risk of being 'swamped' can help to encourage us to develop our own product and to resist the deluge that might otherwise occur. Success requires a proactive approach, though, and a level of national confidence (not arrogance) which we will have to work hard at.

Are you saying the late development of pay TV is turning out to be an advantage?

Yes, I really think it is. We can look at the introduction of pay TV as, 'Why didn't we have it yonks ago?' or we can look at it as a real opportunity. I certainly think we have the chance to make an impact, to pioneer new systems and to devise systems that suit us. Hopefully they are flexible enough to suit other cultures and other people and we can export them.

This despite Australia's apparent record in not always displaying the marketing clout to actually go overseas.

That is partly because we've been very inward looking in the way we have defined ourselves.

We have seen ourselves as a bastion of the white western world, as a sort of outpost. We have assumed that if we couldn't sell or develop our product here, the only alternative was to sell it to someone who could, in particular the Americans and the Japanese. We are now learning the art of real partnership, of joint development and risk sharing with regional partners.

I think we're now seeing ourselves as a player in a multi-faceted, regional market. I think that's had a real difference on the way that Australian business sees what it can do. We couldn't deliver a system that would be capable of just being slotted in the US with its mega market. But we could deliver or develop a system which is capable of addressing small markets, whether they be small in number or small in the number of people who have access to sophisticated technology.

I think we are now more focussed on our region. We're able to look at it with confidence and say, 'Yes! There is a niche market for this in Malaysia or Indonesia, or elsewhere' rather

than thinking, 'Well, we'll have to sell it off, because we can't deliver it in fully developed and final form for established developed markets'.

Do you think we are looking at those markets?

I don't think we're looking at them as hard as we might. But wearing another hat, as the NSW Chairman of the Australia-Indonesia Business Council, I see membership of that council growing hand over fist. It has more than doubled in the last two years and a lot of that growth is coming from the middle-sized businesses. These are businesses that in the past would have said, 'Look, it's all too hard. We can't export our stuff.' They would have relied on someone else to develop their products overseas and settled for a royalty payment back. Now they're saying, 'We'll find a partner in Indonesia, and maybe together we'll attack another market'.

So we are going in on a co-operative basis?

Yes. In the past Australian businesses have wanted to own a foreign investment outright. We would want to set up an operation and own it and run it. A lot of developing countries realised that that meant they never actually acquired skills or technology. Most introduced joint venture requirements for foreign investment, which has been very instructive for Australia. We've learnt the value of partnership rather than the assumption of superiority.

We are also learning a little humility, which stands us in good stead within the region.

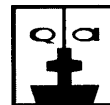
Is the increase in the number of members in the Australia-Indonesia Business Council reflected in the increased trade between the countries?

Yes, although it must be said that many new members are still at the beginning or exploratory stages of their involvement. A good example of the growth is education. Australia has now eclipsed the US as the preferred place for Indonesians for tertiary study. That's a radical change when you consider the pull of the reputations of places like Yale and Harvard. It can only be good for us.

Are the prospects for Australia in the region in the communications industries also bright?

I think they are, particularly because of our infrastructure expertise, but it won't be easy or simple to achieve.

There are some important similarities. We have large areas of difficult terrain, and a



comparatively small population who can access this technology. That's not so very different from a lot of other countries in the region. Although they have large populations, they have comparatively small numbers of people who can access the technology, and who have the resources to do so. They are facing issues of big, difficult areas, servicing a small market. Australia is building the expertise in doing just that.

Our regional partners want the capacity to be able to expand their markets, because they know that as they leverage up their economic base, demand will increase. But at the moment, in terms of rolling out the infrastructure and setting up the systems, what meets Australians' needs is likely also to be adaptable to meet the needs of countries in our region.

I think we have a lot to learn too. The people in our region and the countries in our region, particularly ASEAN countries, are ethnically diverse. They're juggling multiple cultures and multiple languages, at the same time as trying to build unity. We are committed to multiculturalism. All of us are also dealing with issues such as content regulation and the delivery of infrastructure.

What comments do you have to make about content as a special trade issue, bearing in mind cultural differences within the region?

People want to regulate content for different reasons. It seems to me there are two main reasons: one is political, one is preserving cultural and national identity.

The political regulation of content is quite important to our regional neighbours. It is important to some regimes that they be able to control the political content and, conversely, quite important for Australians that our political regimes not control the political content of what we say. On that front, our interests are almost diametrically opposed.

On the other front, however, our ideas of preserving cultural and national identity really do line up in a way. We're all talking about our kids not drowning in a sea of American accents and fast food ads, and having a feel for who they are and where they belong, with a sense of history and a sense of community.

I think we need to start exploring content control issues in an adult and intelligent fashion, through dialogue with our regional neighbours. I don't think that it helps for us to leap up and down and say, 'Isn't this outrageous. These dreadful authoritarian regimes want to suppress political free speech', any more than I think it is useful for them to

leap up and down and talk about these 'outrageous Australians making dreadful remarks'. We need to establish a dialogue on why we as communities may or may not want to control particular aspects of the content of communications. We also need to examine the impact attempts to control might have on issues such as democracy, group and individual freedoms, our role in the region and the greater global community. Different countries may come up with differing answers to those questions, but if we don't explore them in detail very soon the technology itself will overtake us.

In a sense, it already has.

Yes. The only way we will be able to deal with the content regulation is co-operatively. The only way countries within the region will be able to address the issue of what's to be controlled and what isn't, is by being able to address it in some way at the point of origin. Achieving this involves a much more sophisticated dialogue and a mutual understanding of the needs of the various countries in the region.

If we all stand back and simply hurl abuse at each other about the disgraceful products each wants to promote no-one will be able regulate content at all. I don't think anyone in this region is going to win that sort of argument.

What are the prospects for that type of co-operation?

Long term I think they are good. But if we are going to develop this sort of co-operation, dialogue has to operate on multiple levels: between governments, between regulators and between communities. It involves a deal of humility on both sides to realise we all have something to learn from each other, and to take time to really explore ideas. Now, this isn't going to be accomplished overnight and to some extent, if we are going to do it, we need to get our running shoes on to build the links and relationships.

So I think it's important that the ABA, for example, builds links with regional regulators and encourages broadcasters to get together to exchange views, and maybe to exchange programming. Governments need to talk more about policy and community attitudes. Communities and individuals need to look at this sort of cultural interaction. That's something we tend to dismiss as 'window-dressing' in this country. If it doesn't have a dollar figure attached, it's 'just the cultural stuff'. We tend to write it off and put it on the





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periphery. But if you develop something that actually gets in at the grass roots and allows people to start to understand the minds of others from different cultural backgrounds, then that really is the underpinning of dialogue.

You mentioned some of the elements that we can offer to other countries in the region. What do you think we have to learn?

We have to learn, among other things, tolerance and how to listen.

We tend to assume we can just teach our neighbours how to rewrite their legal systems and how to establish regulatory regimes. It is true that we can help but we must not proceed from the assumption that their needs are always the same as ours. I look at how a nation with more than 200 different linguistic groups, Indonesia, manages to preserve both the mother tongues and a national language, and encourages people to have both ethnic and national identity, and to recognise that these can be separate. Translating that to Australia starts to address issues facing people with, say, Italian-Australian or Aboriginal Australian backgrounds. I'm not saying the Indonesians do it perfectly. They don't. They have problems. So do we.

We can also learn about alternative means of dispute resolution. This is particularly relevant to communications, where the infrastructure stakes are so high. You could go down the western confrontation path of 'Clause 57 says you do this or I sue you', but when you are dealing with such massive infrastructure costs the expense of doing it this way is just so high that few communities can afford to waste that sort of resource. Many of our regional neighbours are skilled at mediation and alternative ways of resolving disputes.

So is this Indonesia in particular, or does it apply to other countries in the region as well?

Indonesia is an example, but there are other countries as well where the focus tends to be on the group rather than the individual. It happens in other places in the region too, where respected third parties can 'run interference' between people in dispute.

It will take a long time before the dialogue can get going but the technology is racing ahead in leaps and bounds. How do you marry the two?

A sixty four dollar question, that one. There are some areas where I suppose you just have to rely on the fact that necessity is the mother of invention. As the crisis becomes acute, the need for concerted action also becomes acute. I think we are, as a country, realising that, when push comes to shove, we can act in concert with our neighbours without losing our identity. I think if it comes to crisis that will happen but, in terms of forging a deep, solid relationship there is no shortcut. It can't be about legislation and sanctions, because at the end of the day, nations don't behave as a group all that differently from individuals. Real change is rarely achieved on a 'do it or else' basis.

Do you think Australia's efforts should continue to be focussed on the Asian region?

I think we have to continue to look to Europe and America, because we share a heritage with them but it's time we stopped depending on them, looking to them for our primary influence and inspiration. We are located in the South East Asian region. Our neighbours are people of the region, and we share a heritage with them too.

Just on a more general note, are you looking forward to your time at the ABA and what are your areas of expertise and interest?

Telecommunications has been an area in which I've practised which adds another dimension to the consideration of issues such as convergence. I have experience in Indonesian law and business which also helps me to bring a focus on the region, a focus beyond Australia.

I have fairly extensive experience in copyright law which focuses me very much on the importance of creative enterprise. That in turn brings me back to content: the importance of creative product and an emphasis on how easy it is to lose your rights to or access to your own creative product.

I'm really looking forward to my time at the ABA. The issues are fascinating. 