

Communications Update

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Cross-Media Links: Will Keating Act?

A tight grouping of media companies can ensure that issues are discussed on their terms and on their priorities, particularly in respect of important political debate. What is objectionable is the arbitrary nature of the power which is available to proprietors - whether they use it or not - to fix the priorities on public issues ... It is a fact that because the media instruments are concentrated in so few hands the structural issue so rarely arises for public debate in Australia.

Paul Keating,
House of Representatives
Hansard, 4 November 1976

Crusading for cross-media ownership rules to dilute concentration, the 32-year-old Paul Keating failed to carry the Parliament with him.

As Treasurer, he sponsored the compromise cross-media rules which the Hawke Government used to precipitate the carve-up of media from late 1986.

When the cross-media rules were introduced into Parliament in April 1987, the Government said they were to:

- support competition policy;
- discourage concentration of media ownership in local markets;
- enhance public access to a diversity of viewpoints, sources of news, information and commentary.

The rules were never entirely coherent. For instance, magazines were not included, so the largest owner of them, Kerry Packer, was free to move out and back into television. Initially, all cross-media limits were 15 per cent, except those for newspaper owners wanting a piece of television: they were permitted only 5 per cent. (That unexplained quirk was removed last year).

The result of the new rules was the separation of television ownership from newspaper ownership at the cost of increased concentration within TV and within the press.

Three national networks emerged. Assisted by the policy of aggregation they grew to dominate the smaller capitals and regions. The maximum permitted

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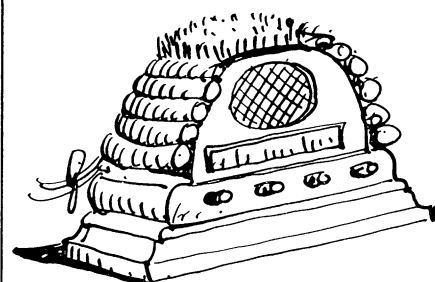
Women -
and the Media



Women -
and the Phone



Are Defamation
Juries Too
Generous?



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audience reach went from 43 per cent of total population (Melbourne and Sydney licences combined) to 60 per cent, then to 75 per cent last year.

Rupert Murdoch was permitted to swallow the *Herald and Weekly Times* and now controls papers which represent 66 per cent of total daily circulation and 74 per cent of Sunday newspaper circulation. Young Warwick Fairfax's self-immolation was not a direct result of government policy, but from the wreckage Packer salvaged titles which strengthened his dominance of magazines (47 per cent of the total circulation of the top 30 titles; Murdoch is next with 26 per cent).

Public Policy Fraying

Now, Prime Minister Keating has an opportunity to affect 'the structural issue' at a time when the convergence of print, electronic media and telecommunications is gathering pace. The contest to be first and/or strongest in pay TV must be seen in this context. Yet, as the technologies interweave media, the strands of public policy seem to be fraying.

The table on page 3 gives a sense of the changing picture of concentration, which now includes the formidable presence of Kerry Packer, Rupert Murdoch and Telecom in combination.

Concentration of control within any medium has always mattered, for well understood reasons. But never before has the developing pattern of cross-media control had such serious implications.

Analogy with river traffic is useful. The issue used to be: how big can one fleet become before it threatens to overwhelm all competing vessels in the market, for certain kinds of cargo? Now the issue is whether the biggest fleets should also be allowed to control the river itself.

Last year, the House of Representatives Select Committee into the Print Media (Lee Inquiry) was relaxed about concentration of newspapers because, it said, technology would deliver diversity. 'For the community, the techno-

logical changes will result in an array of new services as well as a significant expansion of traditional services. The barriers to entry in the provision of value-added communication services are likely to be lowered' (Report, para 9.112).

The committee did not seriously address the probability that the strongest operators would exploit the new technology best and first.

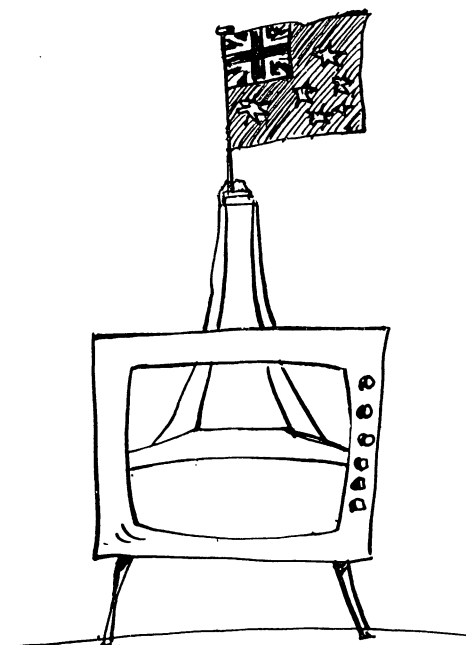
But recent moves by the major players indicate that this is precisely what is happening.

In response, there is a pressing need for the convergence of several strands of public policy.

Need for Coherent Approach

It is not sufficient for government to place these issues in the communications basket, and for the focus to fall on a single minister or department. (This issue is explored further on pp.16-17.)

Competition policy has long been recognised as a critical ingredient (albeit a failed one in relation to press concentration). The decision to give the Trade Practices Commission an express role in legislation governing pay TV merely formalises the relationship.



Cultural policy, in which the PM has been known to take a direct interest, is another part of government plainly relevant to the changes the new technologies are bringing.

Since current media changes must be seen in a global context, and involve global players, a sovereign nation's foreign ownership policy is critical. But Australia's continues to diverge rather than gain coherence. As we noted in *CU88*, the present ceilings are:

- Print: 30 percent total (25 percent individual)
- Free TV: 20 percent total (15 percent individual)
- Pay TV: 35 percent total (20 percent individual)

Most disturbingly, the Government has adjusted limits without ever really articulating why, or even explaining why we have limits at all.

Even in obscure corners of government policy making, issues of importance to convergence are being considered in isolation. For instance, the three major publishers have asked the Copyright Law Review Committee to recommend amendments to the Copyright Act, which would concentrate in the publishers' hands control over the vast information resource generated by newspapers, magazines and similar periodicals.

Paul Keating's domain, economic policy, is also relevant. Barry Jones has for years attempted to draw attention to the growth of the information sector of the economy and its economic and social implications. Ross Garnaut, in his report on trade with North Asia, noted the potential of the information sector.

Convergence in communications raises massive issues tailor-made for a politician with pretensions. The biggest industry players seem to be making what, from their perspective, are necessary connections. But the community perspective requires that public policy making also be connected.

So diverse are the areas of government affected, the logical source of a lead is the Prime Minister's office. But so far, from Placido, we have silence. □

Paul Chadwick