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Greiner's Farewell to ASTRA

On 7 November 2008 the Honorable Nick Greiner resigned after 5 years as Chairman of the Australian Subscription Television and Radio Association. The Honorable Steve Bracks, former Premier of Victoria, has taken on that role. In this speech, given at a lunch which followed the ASTRA AGM, Mr Greiner gives a frank appraisal of television in Australia in 2008.

When Bill Ferris, Kim Williams and John Porter took me to lunch to ask me to consider becoming the Chairman of ASTRA some time in August 2003 I had had no prior involvement with the media other than as a consumer and some two decades back as a provider of content for political journalists.

I was fascinated at the challenge facing the STV industry to overcome a rocky start-up period which had seen huge investment, large operating losses and slower success in capturing the imaginations and the wallets of the public than would have been hoped for. There had been, of course, an accompanying range of aspiring media entrepreneurs who came and went.

I had an instinct that, partly because of the extent of the up-front investment and partly because the age of greater consumer power was at hand that subscription television might be on the brink of a golden age and I am pleased to say that, unrelated to my involvement, that has pretty much been the case.

In the last five years subscription television has demonstrated commercial and technical leadership of a high order. This can be judged in terms of customer take-up and satisfaction, a successful move to digital, a rapid increase in advertising revenues, innovation in content and time shifting and a decisive move to profitability.

The five years has been characterised by substantial alignment of strategic direc-

tion for Foxtel and Austar, the resolution of Optus' place in STV and great progress by the channels. While it would be invidious to single out individual channels, I think it is fair to say that from the largest to the smallest, and local to global, the period has been exemplified by good channel management and excellent stake-holder response.

I want to make a few now purposefully unguarded comments or observations about my experience as ASTRA Chairman thus, with some involvement in the overall debate. When I began, I deluded myself that one could lift the quality of media debate, especially as it related to the broad television market. Stupidly, I thought that the name of the game might be to expand the overall television market, for free-to-air and subscription to concentrate on what each did best and to co-operate in ways that provided win-win opportunities for viewers and indeed all the other stake-holders. Blind Freddy could see that the traditional FTA business model would be under threat and that more of the same from STV would not work either.

Sadly, I found that more than any industry in which I have been involved in the last twenty five years the zero sum game mentality prevailed between free-to-air, the long-term highly successful incumbents, and subscription television moving out of infant industry status into the role of the challenger.

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Editors: Matt Vitins, Page Henty &
Lesley Hitchens

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I deluded myself that one could lift the quality of media debate, especially as it related to the broad television market.

The mentality amongst the free-to-air channels that the name of the game was primarily to defend the status quo, (as David Gynge put to me in his first incarnation at Channel 9 'I am a status quo man') unfortunately leads quite often to juvenile, vituperative public exchanges which do no credit to anyone and frankly denigrate the professionalism of everyone.

I am yet to meet the first politician, bureaucrat or advertiser who takes any notice of the periodic slanging matches. I am sure blame is not just on one side, but I can't help commenting that it does carry some of the flavour of the long-term heavy weight champion threatening to knock the new light weight champion out of the ring, and then being frustrated at lack of success.

In the five years there have, of course, been significant changes in shareholdings of two of the free-to-air networks, ongoing uncertainty regarding the third and a new majority owner at Austar. I would have hoped the end of mogul-mania might have produced a more balanced perspective on all sides and also amongst the media which generally has liked to see media policy through the prism of the moguls and their real or perceived interests.

It was of no surprise to me that politicians are fascinated with the sector, which obviously has such a significant impact on public life. Equally I am of the view that the

less involvement politicians have in seeking to micro-manage the industry, the better. I have been dazzled by successive Federal Governments making unnecessarily heavy weather of digital switch-over, multi-channeling, anti-siphoning, censorship and the rest.

Usually there have been very definitive, independent reviews by the Productivity Commission, the ACCC, academics and others and the correct public policy prescriptions are clear. Sadly, and generally for no good reason, these prescriptions which mostly involve the politicians butting out, have not been considered politically palatable by our representatives.

The picture for example of our political leaders sitting around the Cabinet table poised with their quills over an anti-siphoning list unique in the world for its scope and its anti-competitive characteristics is, in my view, simply sad.

Consider the content in which media regulation operates. We all know that the safe, predictable communications world of twenty years ago which culminated in the 1992 Broadcasting Services Act has been changed beyond recognition. No longer are Australia's national boundaries useful or relevant, nor for that matter are the boundaries between the internet, telephones and television.

Convergence and fundamental change are here. Let me quote from three different long-term independent industry observers. As Duncan Giles puts it 'as real convergence starts to occur, historical categorisations of products, services and industries in the tautological 'media and communications' sector become more and more confusing, irrelevant and misleading'.

Or Mark Armstrong on platform proliferation: 'In 1990 the new platforms for communications content were satellite broadcasting, cable TV and some wireless narrow casting services. Now a host of different platforms exist which do not fit comfortably with the old structure, including interactive games consoles, mobile phones with large screens, Wifi connected ipods, 3G phones, mp-3 players and the whole range

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of streaming and down-loadable internet content.' and Philip Bell and UNSW looking at 'the future of the media world after television as we have known it for half a century'. (my italics)

Also somewhat belatedly, Australia has followed the rest of the world in understanding that broadband infrastructure is an essential part of our economic and social future. Yet the very essence of that digital world is that it is fundamentally inconsistent with the analogue regulation which still prevails.

So if everyone understands the changes some here, some coming why does regulation not keep pace.

It's not really good enough as successive senior communications bureaucrats, regulators and Ministerial advisers have said to me over the last five years when agreeing with ASTRA's big picture views, in favour of a level playing field and letting a thousand flowers bloom, to simply shrug the shoulders and say 'you should know Nick it's just politics'.

Both the last Liberal Communications Minister Helen Coonan and the current Minister Stephen Conroy are engaged and informed, but find progress difficult in the whirlpool of national politics.

The Rudd Government should have no excuse for denying the public a well organised and led process leading to an integrated Communications Act appropriate for the twenty first century technology and twenty first century consumers.

The Coonan reform package was a welcome step forward but frankly it addressed twentieth century issues in an age of convergence and globalization and, of course in some respects notably use-it-or-lose it the Coonan package has not been implemented.

The Rudd Government, a self-proclaimed, evidence-based progressive government, should have no excuse for denying both the vested interests and the public interest a well organised and led process leading to an integrated Communications Act appropriate for the twenty first century technology and twenty first century consumers.

The time to start this is now, indeed already overdue.

On a macro level what David Epstein, then Kevin Rudd's Chief-of-Staff described as a thought bubble about the need to rewrite the Broadcasting Services Act after two decades should of course be taken up. I would hope that Minister Conroy and Shadow Minister Minchin or their Leaders will set the process of a far reaching debate leading to an over-arching, convergent Communications Act rather than focusing on pretending to personally protect the supporters of Chelsea or the Adelaide Crows or others whom the market will service appropriately anyway if given half a chance. The various important reviews scheduled for the next year or two would be infinitely more meaningful in the context of such a new overall approach rather than in their own silos as exercises in interest group management.

On a micro level I am amazed that as a nation we don't have the courage and intellectual integrity to say that the next generation of sporting rights should simply be a limited list of the real icons which frankly are always going to appear on free-to-air anyway and that beyond that list you simply let the codes, the broadcasters and the viewers sort it out. It does not require a leap of faith to believe that the owners of sporting rights and the broad-

casters actually do care about consumers. Their interests are obviously aligned. If one made this change, then by all means, in my view, let the free-to-air multi channel and show what they like, but the latter without the former would be an act of political bastardry and economic vandalism that is hopefully inconceivable.

The future for sporting rights can be seen in the arrangement between Channel 9 and Fox for the 2012 Olympics. Politicians should simply get out of over-regulating sport on television while in the real world viewers have moved on to myriad new, flexible, uncontrollable options.

Finally can I express my gratitude to all those with whom I have worked on the Board, Executive Committee and management of ASTRA over the last five years. In particular can I say that the subscription television industry is lucky to have people of the quality and dedication of Debra Richards, Ian Garland, Matthew Deaner and Veronica Weir.

ASTRA is now a more organized, more disciplined and better resourced than when I arrived. The credit is not mine, but yours and I wish you well for the future.

Nick Greiner was Premier and Treasurer of New South Wales from 1988-1992. Since his retirement from politics he has been heavily involved in the corporate world and holds office with numerous private and public organisations, including as a Trustee, Sydney Theatre Company Foundation and a Member of the Board of Governors, Committee for Economic Development of Australia (CEDA). Nick holds an Honours Degree in Economics from Sydney University and a Master of Business Administration with High Distinction from Harvard Business School. In the Queen's Birthday Honours List of 1994 he was awarded a Companion of the Order of Australia for public sector reform and management and services to the community.