

Democracy and The Broadcasting Inquiry
Hon P J Keating
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The executive in charge of the Nine network's news and current affairs, Mr. Peter Meakin, gave us this week a sobering glimpse of the future of media convergence. He describes a decision to show a live vasectomy operation on one of his television programs, linked with the NineMSN website and one of the Packer magazines as "the way of the future". This is a timely warning that just because the technology is available to do something, it does not necessarily improve our lives.

When the internet began to transform our society, the technological idealists hoped that its impact would be to connect us at the edges; to facilitate the formation of new communities in cyberspace through the instant dissemination of information, which would flow without hindrance through countless electronic channels.

And that has happened. In all sorts of ways the world has been transformed for the better by information technology. But another force, contradictory and powerful, is also at work. In areas ranging from software to delivery systems to on-line commerce, signs are emerging that unless we act now, the fundamental impact of technological convergence may be, instead, to concentrate power at the centre.

That shouldn't surprise us. A century ago, the last great technological wave, the industrial revolution, delivered huge concentrations of power in the form of robber baron capitalism. Unless governments impose sensible legislative and regulatory frameworks, we could see a similar development again.

Already we can see the process beginning in Australia in the claims by media owners that their businesses would be more efficient and competitive if unhindered by rules providing for diverse ownership through the separation of various forms of media. It is not economic efficiency that the existing rules mostly impede, however, but massive profits and more centralised media power.

The government has asked the Productivity Commission to conduct an inquiry into broadcasting legislation, including advising it on "balancing the social, cultural and economic dimensions of the public interest".

But the debate about the future of broadcasting and the media in Australia needs to be considered in a much wider framework than the Productivity

Commission's usual micro-economic remit. It must principally be about Australian democracy and culture, because the cornerstone of any democracy is a well-informed and engaged populace. The people cannot act as the ultimate arbiter of authority if they are not fully informed.

And these are not issues that economists or media lawyers can determine any better than the rest of us.

Australia already has a highly concentrated media. And without the retention of regulations governing cross-media ownership - that is, prohibiting companies from owning both print and electronic media - the situation is destined to get much worse.

For example, the Nine television network proclaims that "More Australians get their news from Channel Nine than from any other source". At the same time, the NineMSN website is one of the two most visited sites in Australia. Through its control of Hoyts, Nine and Foxtel, PBL has a strong hold over all Australian film producers. And the speculation has long been rife that the company wants to acquire the *Age* and the *Sydney Morning Herald* as well.

We must avoid allowing ourselves to be bamboozled by technology in this discussion. The technology may be complex, but the issues are simple. Public policy should be directed towards preventing any further concentration of media power, and encouraging diversity. The result might be some economic inefficiencies around the edges that make life less easy or less profitable for media companies, but the Australian polity will be healthier.

Some media interests seek to assure us that digital technology makes the breakdown of cross-media rules inevitable because all form of "content" can now be delivered in a similar way. In any case, they claim, such concentration of ownership does not matter. What matters so far as the mass market is concerned, they say, is the robust plurality of opinion within individual publications. That is, a few owners will carry a myriad of opinions. Plurality, press baron-style.

Bring on the competition, the various media organisations now urge. But anyone who thinks competition is what these companies are really after, hasn't experienced the inhabitants of this particular shark tank up close.

Given commercial pressures and the ease of digital technologies, it is inevitable that, if the cross media rules are abandoned, the pressures on media companies to cut costs by merging more and more aspects of news and current affairs collection between print and electronic media will grow. That means fewer journalists, fewer views, less information and more power for media proprietors.

I am not arguing against competition or against the need for changes in legislation from time to time. For example, I believe we should change the foreign ownership laws. We have already seen a substantial foreign holding by the Hollinger Company in John Fairfax and Sons and by CanWest in Channel Ten without any undue foreign influence in content or coverage. The case for a reasonably open policy of ownership of Australian media by foreign news corporations is easier to make following this experience.

With luck, this will encourage greater diversity in Australia as others enter the market. But, certainly on the print side, commercial reality has to make this a risky bet at best. I believe that the only effective way of ensuring diversity of views is, ultimately, diversity of ownership structures. And the cross media rules are the simplest way of ensuring this. It will be a bit late to know whether open competition will give us what we want when the entire mass news and entertainment industry in Australia is in the vice-like grip of two large players.

To strengthen our insurance on this front, I believe the cross media rule should be tightened to five per cent from the existing 15 per cent. This would overcome any threat of de facto control or undue influence.

Many other important issues are at stake in the Productivity Commission's inquiry, including Australian content, access to digital transmission channels and anti-siphoning rules (protecting free to air coverage of major sporting events). All of them require the informed attention of the Australian public over the next few months.

This isn't just a debate for the business pages. In the end, it's not about the efficient operation of the market, or even about media diversity, but about the health of Australian democracy.